



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)  
BOARD OF DIRECTORS REGULAR MEETING AGENDA  
SEPTEMBER 25, 2020 – 9:00 AM**

**DUE TO COVID-19, THE SEPTEMBER 25, 2020 SANTA CRUZ METRO BOARD OF DIRECTORS MEETING WILL BE CONDUCTED AS A TELECONFERENCE PURSUANT TO THE PROVISIONS OF THE GOVERNOR’S EXECUTIVE ORDERS N-25-20 AND N-29-20, WHICH SUSPEND CERTAIN REQUIREMENTS OF THE RALPH M. BROWN ACT**

**MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON.**

The public may participate remotely via the Zoom website at this [link](#) or by calling 1-669-900-6833 Meeting ID 814 7632 9041

Public comment may be submitted via email to [boardinquiries@scmttd.com](mailto:boardinquiries@scmttd.com). Please indicate in your email the agenda item to which your comment applies. Comments submitted before the meeting will be provided to the Directors before or during the meeting. Comments submitted after the meeting is called to order will be included in the Board’s correspondence that is posted online at the board meeting packet link.

The Board of Directors Meeting Agenda Packet can be found online at [www.SCMTD.com](http://www.SCMTD.com).

The Board may take action on each item on the agenda. The action may consist of the recommended action, a related action or no action. Staff recommendations are subject to action and/or change by the Board of Directors.

**BOARD ROSTER**

Director Ed Bottorff	City of Capitola
Director Trina Coffman-Gomez	City of Watsonville
Director Aurelio Gonzalez	City of Watsonville
Director John Leopold	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Director Cynthia Mathews	City of Santa Cruz
Director Bruce McPherson	County of Santa Cruz
Director Donna Meyers	City of Santa Cruz
Director Larry Pageler	County of Santa Cruz
Director Dan Rothwell	County of Santa Cruz
Director Mike Rotkin	County of Santa Cruz
Ex Officio Director Dan Henderson	UC Santa Cruz
Ex Officio Director Alta Northcutt	Cabrillo College

Alex Clifford  
Julie Sherman

METRO CEO/General Manager  
METRO General Counsel

## **TITLE 6 - INTERPRETATION SERVICES / TÍTULO 6 - SERVICIOS DE TRADUCCIÓN**

Spanish language interpretation and Spanish language copies of the agenda packet are available on an as-needed basis. Please make advance arrangements with the Executive Assistant at 831-426-6080. Interpretación en español y traducciones en español del paquete de la agenda están disponibles sobre una base como-necesaria. Por favor, hacer arreglos por adelantado con Coordinador de Servicios Administrativos al numero 831-426-6080.

### **SECTION I: OPEN SESSION**

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

- 1 CALL TO ORDER**
- 2 ROLL CALL**
- 3 ANNOUNCEMENTS**  
3-1. Today's meeting is being broadcast by Community Television of Santa Cruz County.
- 4 BOARD OF DIRECTORS COMMENTS**
- 5 ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS**
- 6 LABOR ORGANIZATION COMMUNICATIONS**
- 7 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**
- 8 WRITTEN COMMUNICATIONS FROM THE METRO ADVISORY COMMITTEE (MAC)**

### **CONSENT AGENDA**

All items appearing on the Consent Agenda are recommended actions which are considered to be routine and will be acted upon as one motion. All items removed will be considered later in the agenda. The Board Chair will allow public input prior to the approval of the Consent Agenda items.

- 9-01 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF AUGUST 2020**  
Angela Aitken, CFO
- 9-02 ACCEPT AND FILE: MINUTES OF THE AUGUST 28, 2020 BOARD OF DIRECTORS MEETING, SEPTEMBER 11, 2020 CAPITAL PROJECTS STANDING COMMITTEE MEETING AND SEPTEMBER 11, 2020 FINANCE, BUDGET & AUDIT STANDING COMMITTEE MEETING**  
Alex Clifford, CEO/General Manager
- 9-03 ACCEPT AND FILE: THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF JUNE 30, 2020**  
Angela Aitken, CFO
- 9-04 APPROVE: CONSIDERATION OF DECLARING VEHICLES AND/OR EQUIPMENT AS EXCESS FOR PURPOSES OF DISPOSAL OR AUCTION**  
Angela Aitken, CFO

- 9-05 ACCEPT AND FILE: CONSIDERATION OF A RESOLUTION AMENDING CHAPTER 2 TO TITLE II OF THE SANTA CRUZ METRO ADMINISTRATIVE CODE: DBE PROGRAM UPDATE**  
Angela Aitken, DBELO and CFO
- 9-06 APPROVE: REQUEST AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS (RFP) FOR AN ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM CONSULTANT**  
Angela Aitken, CFO
- 9-07 ACCEPT AND FILE: QUARTERLY PROCUREMENT REPORT FOR 2<sup>ND</sup> QUARTER OF FY21**  
Greg Willis, Purchasing Manager
- 9-08 APPROVE: RECOMMENDED ACTION ON TORT CLAIMS**  
Rufus Francis, Safety, Security and Risk Management Director
- 9-09 ACCEPT AND FILE: TRANSIT ASSET MANAGEMENT PLAN**  
Freddy Rocha, Maintenance Manager
- 9-10 APPROVE: CONSIDERATION OF AWARD OF CONTRACT TO MARK THOMAS & COMPANY, INC. FOR GENERAL ON CALL CIVIL ENGINEERING AND SURVEYING SERVICES NOT TO EXCEED \$300,000**  
Freddy Rocha, Facilities Maintenance Manager

#### **REGULAR AGENDA**

- 10 RESOLUTION OF APPRECIATION, RETIREES: VICKI TRENT**  
Mike Rotkin, Board Chair
- 11 CEO ORAL REPORT**  
Alex Clifford, CEO/General Manager
- 12 ACCEPT AND FILE: STATE LEGISLATIVE UPDATE FROM JOSH SHAW & MICHAEL PIMENTEL OF SHAW, YODER, ANTIWIH, SCHMELZER AND LANGE**  
Josh Shaw & Michael Pimentel, Shaw, Yoder, Antwih, Schmelzer and Lange
- 13 ACCEPT AND FILE: FEDERAL LEGISLATIVE UPDATE FROM CHRIS GIGLIO OF CAPITAL EDGE**  
Chris Giglio, Capital Edge
- 14 ACCEPT AND FILE: METRO PLANNING AND DEVELOPMENT ANNUAL STATUS REPORT**  
John Urgo, Planning and Development Director
- 15 ORAL PACIFIC STATION UPDATE**  
John Urgo, Planning and Development Director
- 16 ORAL PARACRUZ UPDATE**  
Daniel Zaragoza, Operations Manager, Paratransit Division

**17 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, OCTOBER 23, 2020 AT 9:00 AM, VENUE (TELECONFERENCE OR PHYSICAL) TO BE DETERMINED**

Mike Rotkin, Board Chair

**18 ADJOURNMENT**

Mike Rotkin, Board Chair

**Accessibility for Individuals with Disabilities**

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**Public Comment**

If you wish to address the Board, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the Board and included for the official record, please include it in your email. Comments that require a response may be deferred for staff reply.



**DATE:** September 25, 2020  
**TO:** Board of Directors  
**FROM:** Angela Aitken, Chief Financial Officer  
**SUBJECT: ACCEPT AND FILE PRELIMINARY APPROVED CHECK JOURNAL  
DETAIL FOR THE MONTH OF AUGUST 2020**

**I. RECOMMENDED ACTION**

**That the Board of Directors accept and file the preliminary approved Check Journal Detail for the month of August 2020**

**II. SUMMARY**

- This staff report provides the Board of Directors (Board) with a preliminary approved Check Journal Detail for the month of August 2020.
- The Finance Department is submitting the check journals for Board acceptance and filing.

**III. DISCUSSION/BACKGROUND**

This preliminary approved Check Journal Detail provides the Board with a listing of the vendors and amounts paid out on a monthly cash flow basis (Operating and Capital expenses).

All invoices submitted for the month of August 2020 have been processed, the checks have been issued and signed by the Chief Financial Officer.

**IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This report aligns to METRO's Financial Stability, Stewardship & Accountability strategic plan.

**V. FINANCIAL CONSIDERATIONS/IMPACT**

The check journals present the invoices paid in August 2020 for Board review, agency disclosure, and transparency.

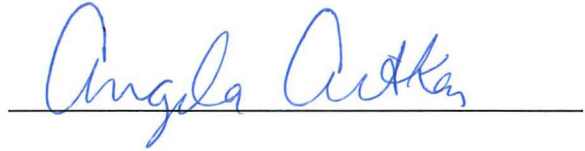
**VI. ATTACHMENTS**

**Attachment A:** Check Journal Detail for the Month of August 2020

Prepared by: Holly Alcorn, Accounting Specialist

**VII. APPROVALS:**

Angela Aitken, Chief Financial Officer



Alex Clifford, CEO/General Manager



# Attachment A

DATE 09/02/20 08:37

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
CHECK JOURNAL DETAIL BY CHECK NUMBER  
ALL CHECKS FOR ACCOUNTS PAYABLE

PAGE 1

DATE: 08/01/20 THRU 08/31/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
68959	08/03/20	1,319.76 003151	ABC BUS INC	101902	101902	INVENTORY ORDER	1,319.76		
68960	08/03/20	1,798.90 001D	AT&T	101813	101813	6/10-7/9/20 INTERNET	1,798.90		
68961	08/03/20	1,813.51 003199	B & H FOTO & ELECTRONICS CORP	101845	101845	COVID 19 LAPTOPS	1,813.51		
68962	08/03/20	2,804.43 002802	BATTERY SYSTEMS CORP	101880	101880	BATTERIES	2,804.43		
68963	08/03/20	53.14 003393	BRASS KEY LOCKSMITH INC	101907	101907	KEYS	53.14		
68964	08/03/20	1,067.75 130	CITY OF WATSONVILLE UTILITIES	101866	101866	6/9-7/13 WTC	56.53		
					101909	7/22 SOLID WASTE WTC	1,011.22		
68965	08/03/20	697.50 733	CLAREMONT EAP	101910	101910	8/20 EAP PREMIUM	697.50		
68966	08/03/20	5,127.65 001124	CLEAN ENERGY	101839	101839	LNG 7/8/20	5,127.65		
68967	08/03/20	4,305.59 163	COMMUNITY PRINTERS, INC.	101891	101891	200 SEIU CONTRACTS	1,174.48		
					101892	300 FIXEDRT CONTRACT	2,004.84		
68968	08/03/20	490.10 003516	COUNTY OF SANTA CRUZ PAYROLL	101893	101893	160 PARACRZ CONTRACT	1,126.27		
68969	08/03/20	468.63 003116	CUMMINS PACIFIC LLP	101895	101895	FY20 457 FEES	106.30		
					101812	USB CABLE	383.80		
					101850	INVENTORY ORDER	27.71		
					101851	INVENTORY ORDER	123.34		
68970	08/03/20	6,951.38 003485	EMPLOYNET INC	101820	101820	TEMP W/E 6/21/20	317.58		
					101858	TEMP W/E 7/12/20	204.00		
					101883	TEMP W/E 6/21/20	1,080.00		
					101884	TEMP W/E 6/7/20	2,505.38		
68971	08/03/20	4,315.28 432	EXPRESS SERVICES INC.	101882	101882	TEMP W/E 6/28/20	3,162.00		
68972	08/03/20	1,558.44 001297	FASTENAL COMPANY INC	101819	101819	NON INVENTORY PARTS	4,315.28		
					101853	INVENTORY ORDER	1,260.82		
68973	08/03/20	37.57 001172	FERGUSON ENTERPRISES INC. #795	101832	101832	REPAIR/MAINT SUPPL	297.62		
68974	08/03/20	7,068.94 002952	FLYERS ENERGY LLC	101817	101817	7/1-7/15 FUEL PC	37.57		
					101908	7/16-8/15 SKYLINERIV	2,124.25		
68975	08/03/20	57.26 003279	FRONTIER COMMUNICATIONS - 3025	101823	101823	7/13-8/12 SKYLINE	4,944.69		
68976	08/03/20	57.26 003418	FRONTIER COMMUNICATIONS - 6145	101818	101818	TVM CASH BLOCK	57.26		
68977	08/03/20	517.78 647	GENFARE A DIV OF SPX CORP	101864	101864	RPR VEH #4204	517.78		
68978	08/03/20	738.82 117	GILLIG LLC	101833	101833	RPR VEH #4204	186.99		
					101885	CORE CREDIT	-400.96		
					101886	RPR VEH# 4207	952.79		
68979	08/03/20	138.18 001921	GLOBAL EQUIPMENT COMPANY	101886	101886	CHAIR FOR LEAD MEC	138.18		
68980	08/03/20	292.60 003412	GRAFFITI SHIELD INC	101903	101903	COVID 19 SUPPLIES	292.60		
68981	08/03/20	7.95 282	GRAINGER	101843	101843	GORILLA TAPE	7.95		
68982	08/03/20	3,014.13 002979	HUNT & SONS, INC.	101811	101811	INVENTORY ORDER	3,014.13		
68983	08/03/20	482.71 003327	IO, RODNEY H	101852	101852	RPR VEH#502	482.71		
68984	08/03/20	10,248.80 003223	JASPER WELLER LLC	101840	101840	TRANSMISSIONVEH#9820	10,248.80		
68985	08/03/20	526.70 003230	JOBBERS EQUIPMENT WAREHOUSE	101913	101913	INVENTORY ORDER	526.70		
68986	08/03/20	796.39 003442	JOHNSON CONTROLS INC	101822	101822	8/1-10/31 ALARM OPS	796.39		
68987	08/03/20	41,858.50 003402	KAUFMAN DOLOWICH VOLUCK	101827	101827	6/30 CLAIM# QE-0073	41,858.50		
68988	08/03/20	754.43 1117	KELLEY'S SERVICE INC.	101814	101814	INVENTORY ORDER	234.72		
					101815	INVENTORY ORDER	539.54		
					101844	INVENTORY ORDER	306.12		
					101846	RPR VEH# 806	5.56		
					101847	RPR VEH# 003	20.29		
					101911	CREDIT RETURN	-351.80		

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DATE 09/02/20 08:37

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
CHECK JOURNAL DETAIL BY CHECK NUMBER  
ALL CHECKS FOR ACCOUNTS PAYABLE

PAGE 2

DATE: 08/01/20 THRU 08/31/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
68989	08/03/20	10,898.83 167	KEYSTON BROTHERS			101821	COVID 19 SUPPLIES	296.72	
						101904	COVID SNEEZE BARRIER	3,685.00	
						101905	COVID DRIVER BARRIER	4,673.45	
						101906	COVID SNEEZE BARRIER	321.24	
						101912	COVID SNEEZE BARRIER	1,922.42	
68990	08/03/20	530.55 852	LAW OFFICES OF MARIE F. SANG		7	101889	CLAIM #2010226708	85.00	
						101890	CLAIM# 19004440	445.55	
68991	08/03/20	1,574.72 041	MISSION UNIFORM			101810	LAUNDRY SERVICE	25.25	
						101848	UNIFORMS/SUPPLIES	348.46	
						101849	LAUNDRY/COVID 19SUPP	92.00	
						101857	LAUNDRY SERVICE	41.75	
						101859	CUSTODIAL SUPPLIES	10.50	
						101860	LAUNDRY SERVICE	25.25	
						101863	CUSTODIAL SUPPLIES	41.75	
						101875	LAUNDRY SERVICE	25.25	
						101876	SUPPLIES	92.00	
						101877	LAUNDRY SERVICE	348.46	
						101878	CUSTODIAL SUPPLIES	41.75	
						101879	CUSTODIAL SUPPLIES	10.50	
						101881	CUSTODIAL SUPPLIES	10.50	
						101898	UNIFORMS/COVID 19	369.30	
						101899	SUPPLIES/COVID 19	92.00	
68992	08/03/20	43.70 003326	NIDAL HALABI & NADA ALGHARIB			101861	NAME PLATE	21.85	
						101888	TOP NAME PLATE	21.85	
68993	08/03/20	94.53 004	NORTH BAY FORD LINC-MERCURY			101896	RPR VEH# PC1705	22.34	
						101897	RPR VEH# 1402	72.19	
68994	08/03/20	482.61 003166	NORTHWEST PUMP & EQUIPMENT CO			101887	INVENTORY ORDER	482.61	
68995	08/03/20	27.73 043	PALACE ART & OFFICE SUPPLY			101837	OFFICE SUPPLIES	27.73	
68996	08/03/20	131.16 107A	PROBUILD COMPANY LLC			101824	PAINT SUPPLIES WTC	3.92	
						101825	RPR BIKE STORAGE SMC	37.31	
						101826	RPR BIKE STORAGE SMC	78.64	
						101842	SUPPLIES FAC	11.29	
68997	08/03/20	37,733.83 942	PROOFPOINT, INC.			101816	7/31-7/30/21	37,733.83	
68998	08/03/20	143.58 003024	RICOH USA, INC CA			101828	7/14-8/13 MAINT	66.76	
68999	08/03/20	9,968.68 079	SANTA CRUZ MUNICIPAL UTILITIES			101841	7/12-8/11 OPS	76.82	
						101865	6/9-7/8 IRR1 GOLF	11.83	
						101867	6/9-7/8 CEO-WAL	1,050.60	
						101868	6/9-7/8 PACIFIC	137.67	
						101869	6/9-7/8 PACIFIC	50.55	
						101870	6/9-7/8 VERNON	528.62	
						101871	6/9-7/8 PACIFIC	3,091.15	
						101872	6/9-7/8 RIVER ST	986.07	
						101873	6/9-7/8 GOLF CLUB	1,373.05	
						101874	6/9-7/8 RIVER B	2,739.14	
69000	08/03/20	1,046.57 001976	SPORTWORKS NORTHWEST, INC.			101835	INVENTORY ORDER	1,046.57	VOIDED
69000	08/03/20	-1,046.57 001976	SPORTWORKS NORTHWEST, INC.			101835	INVENTORY ORDER	-1,046.57	**VOID
69001	08/03/20	1,110.66 003285	THE AFTERMARKET PARTS CO LLC			101834	RPR VEH#1211	373.53	
						101854	RPR VEH# 1205	24.26	



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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
CHECK JOURNAL DETAIL BY CHECK NUMBER  
ALL CHECKS FOR ACCOUNTS PAYABLE

PAGE 3

DATE: 08/01/20 THRU 08/31/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69002	08/03/20	65.81	VALLEY POWER SYSTEMS, INC.		101836	RPR VEH#2217	65.81	
69003	08/03/20	3,820.79	VEHICLE MAINTENANCE PROG INC		101829	COVID 19 SUPPLIES	1,380.98	
					101830	COVID 19 SUPPLIES	611.92	
					101831	COVID 19 SUPPLIES	1,827.89	
69004	08/03/20	47.37	WATSONVILLE CADILLAC, BUICK, A TOOL SHED, INC.		101838	RPR VEH#803	47.37	
69005	08/10/20	2,082.00			102009	FRKFLT RNTL BSTOP	1,045.00	
					102010	FRKFLT RNTL BSTOP	1,037.00	
69006	08/10/20	43.21	AA SAFE & SECURITY CO		101944	KEYS	43.21	
69007	08/10/20	32.79	AMERICAN MESSAGING SVCS, LLC		102034	AUG 20 PAGER RENTAL	32.79	
69008	08/10/20	4,817.05	AT&T		101993	6/19-7/18 DAVENPORT	164.68	
					101994	6/19-7/18 OCEAN-LG	280.72	
					102006	6/19-7/18 VERNON	4,216.97	
69009	08/10/20	997.02	AT&T MOBILITY		102007	6/19-7/18 OPS	154.68	
69010	08/10/20	10,442.16	ATHENS INSURANCE SERVICE, INC.		102036	6/24-7/23 BUS WIFE	997.02	
					102044	AUG 20 TPA FEES	5,221.08	
69011	08/10/20	3,767.50	AUTO CARE TOWING		101991	JUN 20 TPA FEES	5,221.08	
69012	08/10/20	35.62	B & B SMALL ENGINE CORP		101949	TRANSPORT BUS STOPS	3,767.50	
69013	08/10/20	310.00	BOWMAN & WILLIAMS INC		102045	SLEEVE HP MIX OIL	35.62	
69014	08/10/20	5,250.00	CAPITALEGE ADVOCACY, INC.		102026	JUN 20 FIRE EGRESS	310.00	
69015	08/10/20	165.00	CITY OF SANTA CRUZ/PARKING		102027	JUL 20 LEGISLATE SVC	5,250.00	
69016	08/10/20	404.99	CITY OF WATSONVILLE UTILITIES		101995	3 PARKING PERMITS	165.00	
					101996	6/15-7/21 WTC	161.82	
					101997	6/15-7/20 WTC	85.71	
69017	08/10/20	6,602.78	CLEAN ENERGY		101941	7/13/20 LNG CHARGES	157.46	
69018	08/10/20	3,650.00	COMMUNITY TRANSPORTATION ASSOC		102041	FY 21 MEMBERSHIP	6,602.78	
69019	08/10/20	8,934.33	CUMMINS PACIFIC LLP		101927	RPR VEH#1002	3,650.00	
					101928	RPR VEH#1204	2,978.11	
					101983	RPR VEH# 1005	2,978.11	
69020	08/10/20	3,021.50	EAST BAY TIRE CO.		101923	RPR VEH#1950	749.32	
					101924	REVENUE TIRES	620.99	
					101925	REVENUE TIRES	567.97	
					101984	REVENUE TIRES	1,083.22	
69021	08/10/20	4,654.03	EMPLOYNET INC		101917	TEMP W/E 7/19/20	1,437.56	
					101918	TEMP W/E 7/19/20	1,020.00	
					101931	TEMP W/E 7/26/20	1,080.00	
					101945	TEMP W/E 7/19/20	1,080.00	
69022	08/10/20	1,477.93	EXPRESS SERVICES INC.		101989	TEMP W/E 7/5/20	36.47	
					102042	TEMP W/E 7/26	985.85	
69023	08/10/20	363.76	FASTENAL COMPANY INC		102043	W/E TEMP 7/12	492.08	
69024	08/10/20	462.66	FIS		101946	COVID 19 SUPPLIES	77.96	
69025	08/10/20	2,226.23	FLYERS ENERGY LLC		101985	DRILL BIT/COVID SUPP	285.80	
					102035	JUNE 20 MERCHANT FEE	462.66	
						7/16-7/31 FUEL	2,226.23	

# Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
CHECK JOURNAL DETAIL BY CHECK NUMBER  
ALL CHECKS FOR ACCOUNTS PAYABLE

DATE: 08/01/20 THRU 08/31/20

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69026	08/10/20	535.28	GILLIG LLC		101979	INVENTORY ORDER	522.43	
					101980	RPR VEH# 4207	12.85	
69027	08/10/20	2,675.73	GRAINGER		101936	SAFETY SUPPLIES	80.68	
					101937	PLASTIC CASTER	124.45	
					101950	CLEANING SUPPLIES	59.22	
					101951	NYLON GLOVES	311.49	
					101952	COVID 19 SUPPLIES	35.43	
					101953	COVID 19 SUPPL/PAILS	41.37	
					101954	VAPOR BULB	210.93	
					101955	SCREW DRIVER SET	184.15	
					101956	NON INVENTORY ORDER	400.69	
					101957	TOILET REBLD KITS	133.72	
					101975	INVENTORY ORDER	64.46	
					101976	COVID 19 SUPPLIES	94.69	
					102008	PARTSFORBUSYSCRUBBE	502.72	
					102011	PARTS FOR SCRUBBER	431.73	
69028	08/10/20	9,400.00	JAMS, INC.		102012	MEDIATION LOPEZ CASE	9,400.00	
69029	08/10/20	213.85	JOHNSON CONTROLS INC		102031	REPLACE BATTERY SVT	213.85	
69030	08/10/20	196.54	KELLEY'S SERVICE INC.		101977	RPR VEH #505	21.58	
					101978	INVENTORY ORDER	174.96	
69031	08/10/20	3,680.00	MAKAI SOLUTIONS		101942	QTRLY LIFT INSPECTIO	3,680.00	
69032	08/10/20	600.00	MARIA ALBOR-MARTINEZ		101930	LA MANCHA DEPOSITREF	600.00	
69033	08/10/20	10.50	MISSION UNIFORM		101965	LAUNDRY SERVICE	10.50	
69034	08/10/20	769.57	NEW PIG CORPORATION		101947	INVENTORY ORDER	769.57	
69035	08/10/20	21,985.47	PACIFIC GAS & ELECTRIC		101932	6/24-7/22 VERNON ST.	6,000.22	
					101933	6/24-7/22 GOLF DR.	5,410.36	
					101934	6/25-7/23 1122 RIVER	106.50	
					101935	6/24-7/22 1122 RIVER	2,473.99	
					102032	6/29-7/27 OPS	4,092.41	
					102033	6/29-7/27 SMC	3,901.99	
69036	08/10/20	39.00	PACIFIC TRUCK PARTS, INC.		101926	INVENTORY ORDER	39.00	
69037	08/10/20	232.41	PALACE ART & OFFICE SUPPLY		101987	OFFICE SUPPLIES	213.19	
					101990	OFFICE SUPPLIES	19.22	
69038	08/10/20	228.30	PROBUILD COMPANY LLC		101943	COVID 19 SUPPLIES	12.28	
					101998	COVID 19 SUPPLIES	49.14	
					101999	COVID 19 SUPPLIES	6.37	
					102000	MAGNET AND EYE BOLT	23.17	
					102001	WIRE HANGER VERNON	13.91	
					102002	COVID 19 SUPPLIES	54.58	
					102003	POWER OUTLET VERNON	6.38	
					102004	A/C CORD VERNON	11.30	
					102005	WASTEBSKT PLATE SBF	51.17	
69039	08/10/20	157.62	QUADIENT LEASING USA, INC.		101988	7/28-8/27 LEASE	157.62	
69040	08/10/20	66.80	RICOH USA, INC CA		102025	5/12-6/11/19 RIVER	66.80	
69041	08/10/20	267.66	RICOH USA, INC. TX		101986	8/3-9/2 LEASE	267.66	
69042	08/10/20	51.09	SANTA CRUZ AUTO PARTS, INC.		101974	INVENTORY ORDER	51.09	
69043	08/10/20	2,948.76	SLINGSHOT CONNECTIONS LLP		101919	TEMP W/E 7/19/20	448.80	
					101920	TEMP W/E 7/19/20	448.80	

# Attachment A

DATE 09/02/20 08:37

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
CHECK JOURNAL DETAIL BY CHECK NUMBER  
ALL CHECKS FOR ACCOUNTS PAYABLE

PAGE 5

DATE: 08/01/20 THRU 08/31/20

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69044	08/10/20	003482	8,470.00	SPECIALTY FIELD SERVICES INC		101921	TEMP W/E 7/19/20	1,153.56	
						101922	TEMP W/E 7/19/20	897.60	
						102028	RPR VEH#4206/TRAVEL	300.00	
						102029	RPR VEH#4207/TRAVEL	525.00	
						102030	RPR VEH#4202	150.00	
						102037	REP VEH#4201/TRAVEL	3,325.00	
						102038	RPR VEH#4208/TRAVEL	2,650.00	
						102039	RPR VEH#4210/TRAVEL	1,520.00	
69045	08/10/20	001976	957.96	SPORTWORKS NORTHWEST, INC.		101992	INVENTORY ORDER	957.96	
69046	08/10/20	003465	180.00	SWIFT CONSULTING SERVICES INC		101966	FEASIBILITY STUDY	180.00	
69047	08/10/20	003285	2,434.98	THE AFTERMARKET PARTS CO LLC		101938	INVENTORY ORDER	8.66	
						101939	RPR VEH# 2214/2235	812.91	
						101940	RPR VEH#9811	108.68	
						101958	CREDIT DEF WINSHLD	-417.65	
						101959	INVENTORY ORDER	51.19	
						101960	RPR VEH#1205	78.62	
						101961	RPR VEH#1211	234.04	
						101962	RPR VEH# 1208	410.89	
						101963	RPR VEH# 1202	24.26	
						101964	RPR VEH# 1206	410.89	
						101968	RPR VEH #1205	535.88	
						101969	RPR VEH#1201	24.26	
						101970	RPR VEH #1208	24.26	
						101971	RPR VEH# 1203	24.26	
						101972	RPR VEH# 1204	24.26	
						101973	RPR VEH# 2333	79.57	
69048	08/10/20	007	52.22	UNITED PARCEL SERVICE		101929	FREIGHT	52.22	
69049	08/10/20	T345	64.00	URIEL MENDOZA		102040	16 PASSES@4.00/EACH	64.00	
69050	08/10/20	002829	116.49	VALLEY POWER SYSTEMS, INC.		101981	INVENTORY ORDER	116.49	
69051	08/10/20	001165	842.16	VU, THANH DR. MD	7	102013	DMV EXAM	75.00	
						102014	DMV EXAM	75.00	
						102015	DMV EXAM	75.00	
						102016	NEW HIRE EXAM	92.16	
						102017	DMV EXAM	75.00	
						102018	DMV EXAM	75.00	
						102019	DMV EXAM	75.00	
						102020	DMV EXAM	75.00	
						102021	DMV EXAM	75.00	
						102022	DMV EXAM	75.00	
						102023	DMV EXAM	75.00	
69052	08/10/20	001986	344.90	WAGER CO., INC. ROBERT		101967	BRAKE CK CALIBRATION	344.90	
69053	08/10/20	001506	1,707.85	WESTERN STATES OIL CO.		101982	INVENTORY ORDER	1,707.85	
69054	08/17/20	001712	3,465.00	ABACHERLI FENCE COMPANY	7	102156	FENCE REPAIR	3,465.00	
69055	08/17/20	003151	487.45	ABC BUS INC		102167	INVENTORY ORDER	487.45	
69056	08/17/20	382	517.00	AIRTEC SERVICE INC.		102050	COVID 19 SUPPLIES	517.00	
69057	08/17/20	002828	430.93	ALLIED ELECTRONICS		102091	INVENTORY ORDER	430.93	
69058	08/17/20	001D	573.38	AT&T		102150	7/1-7/31 PT2PT WTC	573.38	
69059	08/17/20	002802	4,403.31	BATTERY SYSTEMS CORP		102140	INVENTORY/BATTERIES	4,403.31	

# Attachment A

DATE 09/02/20 08:37

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
CHECK JOURNAL DETAIL BY CHECK NUMBER  
ALL CHECKS FOR ACCOUNTS PAYABLE

PAGE 6

DATE: 08/01/20 THRU 08/31/20

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69060	08/17/20	9,000.00	BROWN ARMSTRONG ACCOUNTANCY		102198	FY 20 AUDIT PROGRESS	9,000.00	
69061	08/17/20	2,035.25	CALTIP		102197	JUL 20 CODE=5100	2,035.25	
69062	08/17/20	5,250.00	CAPITALEGE ADVOCACY, INC.		102163	AUGUST 2020	5,250.00	
69063	08/17/20	3,279.68	CAPITOL CLUTCH & BRAKE, INC.		102095	BRAKE SHOES/DRUMS	3,279.68	
69064	08/17/20	92.98	CITY OF SCOTT'S VALLEY		102152	5/16-7/15 WATER SVT	92.98	
69065	08/17/20	5,826.67	CLEAN ENERGY		102061	LNG 7/17/20	5,826.67	
69066	08/17/20	1,515.79	COAST PAPER & SUPPLY INC.		102051	COVID 19 SUPPLIES	969.59	
					102143	COVID 19 SUPPLIES	546.20	
69067	08/17/20	2,890.00	COASTAL LANDSCAPING INC. DBA		102100	8/20 LANDSCAPE MAINT	2,890.00	
69068	08/17/20	110.00	CSMFO MEMBERSHIP		102121	CSMFO MEMBERSHP FY21	110.00	
69069	08/17/20	2,561.30	CUMMINS PACIFIC LLP		102064	INVENTORY ORDER	513.65	
					102070	INVENTORY ORDER	628.29	
					102071	RPR VEH# 1306	72.89	
					102103	INVENTORY ORDER	4.51	
					102104	INVENTORY ORDER	4.51	
					102105	RPR VEH# 1211	110.62	
					102106	INVENTORY ORDER	4.51	
					102115	RPR VEH# 1201	110.62	
					102116	RPR VEH# 1202	110.62	
					102124	INVENTORY ORDER	552.87	
					102125	RPR VEH# 4209	167.33	
					102126	RPR VEH# 1204	136.25	
					102127	INVENTORY ORDER	66.16	
					102169	USB CABLE	28.99	
					102170	USB CABLE	27.71	
					102171	INVENTORY ORDER	21.77	
69070	08/17/20	122.94	D & G SANITATION		102057	COVID 19 SUPPLIES	122.94	
69071	08/17/20	1,083.22	EAST BAY TIRE CO.		102132	REVENUE TIRES	1,083.22	
69072	08/17/20	5,701.88	EMPLOYNET INC		102048	TEMP W/E 8/2/20	1,080.00	
					102082	TEMP W/E 7/26	1,020.00	
					102083	TEMP W/E 7/26	1,421.63	
					102185	TEMP W/E 8/2/20	956.25	
					102186	TEMP W/E 8/2/20	1,224.00	
					102079	TEMP W/E 7/26	1,135.60	
69073	08/17/20	1,135.60	EXPRESS SERVICES INC.		102074	NON INVENTORY ORDER	19.62	
69074	08/17/20	156.12	FASTENAL COMPANY INC		102122	NON INVENTORY PARTS	32.28	
					102123	RPR VEH# 2212	29.43	
					102174	COVID 19 SUPPLIES	74.79	
69075	08/17/20	4,983.75	FLYERS ENERGY LLC		102191	7/15-7/31 FUEL PC	4,983.75	
69076	08/17/20	4,574.34	GARDA CL WEST, INC.		102199	AUG 20 VAULT SERVICE	4,413.22	
					102200	JULY 20 SERVICES	161.12	
69077	08/17/20	1,831.45	GENFARE A DIV OF SPX CORP		102099	TVM COMPUTER REPAIR	1,831.45	
69078	08/17/20	678,275.03	GILLIG LLC		102069	RPR VEH#4207	768.61	
					102096	RPR VEH #4207	19.53	
					102097	RPR VEH #1202	208.31	
					102098	INVENTORY ORDER	1,414.83	
					102162	CORE CREDIT	-300.44	
					102172	SPARE WHEELS FLEET	11,580.50	

# Attachment A

DATE 09/02/20 08:37

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
CHECK JOURNAL DETAIL BY CHECK NUMBER  
ALL CHECKS FOR ACCOUNTS PAYABLE

PAGE 7

DATE: 08/01/20 THRU 08/31/20

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69079	08/17/20	275.00	GLOBAL WATER TECHNOLOGY INC		102196	NEW BUS #2001	664,583.69	
69080	08/17/20	508.11	GRAINGER		102159	JULY 20 CHEM TEST	275.00	
					102054	STEEL BANDS SVT	74.87	
					102063	STRETCH WRAP CAST	38.32	
					102093	COVID 19 SUPPLIES	69.50	
					102094	WIRE WHEEL BRUSH	6.49	
					102155	BRACKETS/STRAPS SVT	318.93	
69081	08/17/20	62.16	GRANITEROCK COMPANY		102157	COVID 19 SUPPLIES	44.00	
					102187	COVID 19 SUPPLIES	18.16	
69082	08/17/20	247.20	GREENWASTE RECOVERY, INC.		102201	JUL 20 SVT	247.20	
69083	08/17/20	16,059.73	HARTFORD LIFE AND ACCIDENT INS		102194	AUG 20 LIFE AD&D	5,110.39	
					102195	AUG 20 LTD	10,949.34	
69084	08/17/20	1,300.00	HENRY EDWARD GEHRING		102047	ANNUAL INSPECT/CERT	1,300.00	
69085	08/17/20	300.15	HOSE SHOP, THE INC		102058	HOSE FOR STEAMCLEAN	300.15	
69086	08/17/20	2,647.46	JASPER WELLER LLC		102101	RPR VEH #2236	3,274.21	
					102102	CORE CREDIT	-626.75	
69087	08/17/20	690.96	KELLEY'S SERVICE INC.		102136	RPR VEH# PC1708	523.11	
					102137	CREDIT RETURN	-14.36	
					102184	INVENTORY ORDER	182.21	
69088	08/17/20	23,627.38	KEY GOVERNMENT FINANCE INC		102134	AUG 20 LEASE	23,627.38	
69089	08/17/20	100.00	LANGUAGE LINE SERVICES INC		102046	JUL20 INTERPRET SERV	100.00	
69090	08/17/20	222.50	MAXIMUM OIL SERVICE LLC		102055	USED OIL PICKUP MMF	222.50	
69091	08/17/20	2,106.01	MID VALLEY SUPPLY INC.		102056	INVENTORY ORDER	1,646.55	
					102059	COVID 19 SUPPLIES	342.96	
69092	08/17/20	582.34	MISSION UNIFORM		102189	INVENTORY ORDER	116.50	
					102049	CUSTODIAL SUPPLIES	41.75	
					102113	CUSTODIAL SUPPLIES	10.50	
					102133	COVID 19/SUPPLIES	92.00	
					102135	COVID 19/GOLF SUPPL	360.59	
					102141	CUSTODIAL SUPPLIES	41.75	
					102145	LAUNDRY SERVICE	25.25	
					102146	CUSTODIAL SUPPL PC	10.50	
69093	08/17/20	109.98	NEXTEL COMMUNICATIONS/SPRINT		102148	6/26-7/25 OPS	109.98	
69094	08/17/20	475.63	NORTH BAY FORD LINC-MERCURY		102138	RPR VEH# 603	17.74	
					102139	INVENTORY ORDER	229.06	
					102182	RPR VEH#806	55.78	
					102183	RPR VEH# 1722	173.05	
69095	08/17/20	181.79	NORTHERN SAFETY CO., INC.		102110	COVID 19 SUPPLIES	181.79	
69096	08/17/20	7,585.30	NVB EQUIPMENT, INC.		102062	JUL 20 FIRE SUP SVC	7,585.30	
69097	08/17/20	2,716.80	PACIFIC GAS & ELECTRIC		102107	6/30-7/28 1200 RIVER	25.84	
					102188	7/3-8/2 SVT	73.68	
					102202	7/3-8/2 SVT PNR WTC	2,617.28	
69098	08/17/20	63.75	PACIFIC TRUCK PARTS, INC.		102173	RPR VEH# 8026	63.75	
69099	08/17/20	164.37	PALACE ART & OFFICE SUPPLY		102060	OFFICE SUPPLIES	164.37	
69100	08/17/20	314.50	PIED PIPER EXTERMINATORS, INC.		102053	AUG 20 PEST WTC REST	79.50	
					102158	AUG 20 PEST OPS	62.50	
					102160	AUG 20 PEST MMF	67.50	
					102161	AUG 20 PEST SBFCEEEK	105.00	

# Attachment A

DATE 09/02/20 08:37

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
CHECK JOURNAL DETAIL BY CHECK NUMBER  
ALL CHECKS FOR ACCOUNTS PAYABLE

PAGE 8

DATE: 08/01/20 THRU 08/31/20

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69101	08/17/20	109.68	PROBUILD COMPANY LLC		102142	CORNER BRACES SVT	4.65	
					102144	COVID 19 SUPPLIES	71.81	
					102153	CORNER BRACES SVT	30.27	
					102154	CUBICLE TRIPAC WTC	2.95	
69102	08/17/20	400.00	QUADIENT FINANCE USA INC		102147	****-****-****-1598	400.00	
69103	08/17/20	343.15	REFLECTIVE APPAREL FACTORY INC		102108	COVID 19 SUPPLIES	343.15	
69104	08/17/20	639.17	REPUBLIC ELEVATOR COMPANY INC		102149	AUG 20 MAINT ALL	639.17	
69105	08/17/20	110.17	RICOH USA, INC CA		102086	8/1-8/31 BILLING	110.17	
69106	08/17/20	2,803.36	ROMAINE ELECTRIC CORP		102068	INVENTORY ORDER	2,803.36	
69107	08/17/20	615.29	SANTA CRUZ AUTO PARTS, INC.		102128	INVENTORY ORDER	77.28	
					102129	MASKING TAPE	70.79	
					102130	INVENTORY ORDER	152.57	
					102131	INVENTORY PARTS	15.10	
					102175	INVENTORY ORDER	180.67	
					102176	CORE CREDIT	-21.85	
					102177	CREDIT INVOICE REV	-158.82	
					102178	INVENTORY ORDER	205.80	
					102179	INVENTORY ORDER	16.01	
					102180	RPR VEH# PC 1701	38.87	
					102181	INVENTORY ORDER	38.87	
69108	08/17/20	200.00	SANTA CRUZ RECORDS MNGMT INC		102151	7/22 SHREDDING	200.00	
69109	08/17/20	332.52	SCOTT'S VALLEY WATER DISTRICT		102190	JULY 20 WATER SVT	332.52	
69110	08/17/20	715.00	SECTIGO LIMITED		102052	SSL/TLS CERT	715.00	
69111	08/17/20	5,176.07	SLINGSHOT CONNECTIONS LLP		102075	TEMP W/E 7/26	1,122.00	
					102076	TEMP W/E 7/26	448.80	
					102077	TEMP W/E 7/26	448.80	
					102078	TEMP W/E 7/26	1,143.04	
					102080	TEMP W/E 7/26	1,115.83	
					102081	TEMP W/E 7/26	897.60	
69112	08/17/20	47.13	SNAP-ON INDUSTRIAL		102092	TOOL REPLACEMENT	47.13	
69113	08/17/20	1,404.00	SWIFT CONSULTING SERVICES INC		102114	FEASABILITY STUDY PC	1,404.00	
69114	08/17/20	3,292.02	THE AFTERMARKET PARTS CO LLC		102084	RPR VEH#1209	3.99	
					102085	RPR VEH# 1209	82.98	
					102087	RPR VEH# 1209	535.88	
					102088	RPR VEH# 1209	78.62	
					102089	RPR VEH# 2801	346.20	
					102090	RPR VEH# 1204	204.61	
					102111	INVENTORY ORDER	1,490.55	
					102112	INVENTORY ORDER	806.79	
					102165	CORE CREDIT	-491.63	
					102166	RPR VEH# 1202	234.03	
69115	08/17/20	110.21	TWO GO LLC DBA MONTEREY BAY		102192	VEH#PC1125 KEY FOB	242.71	
					102193	CREDIT CORE CHRG RET	-132.50	
69116	08/17/20	68.69	UNITED PARCEL SERVICE		102168	FREIGHT	68.69	
69117	08/17/20	219.24	UPS FREIGHT		102109	FREIGHT	219.24	
69118	08/17/20	1,023.66	VALLEY POWER SYSTEMS, INC.		102065	INVENTORY ORDER	50.39	
					102066	INVENTORY ORDER	907.14	
					102067	INVENTORY ORDER	66.13	

# Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
CHECK JOURNAL DETAIL BY CHECK NUMBER  
ALL CHECKS FOR ACCOUNTS PAYABLE

DATE: 08/01/20 THRU 08/31/20

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69119	08/17/20	230.40	VERIZON WIRELESS	0	102203	7/2-8/1 MMF	230.40	
69120	08/17/20	484.32	VU, THANH DR. MD	7	102072	DMV EXAM	75.00	
					102073	DMV EXAM	75.00	
					102117	DMV EXAM	75.00	
					102118	DMV EXAM	75.00	
					102119	NEW HIRE EXAM	92.16	
					102120	NEW HIRE EXAM	92.16	
69121	08/17/20	2,650.00	WESTERN POWER PRODUCTS INC		102164	SERV SUBSCRIPT RENEW	2,650.00	
69137	08/24/20	998.49	ACE COAST SERVICES, INC.		102212	COVID 19 SUPPLIES	332.93	
					102213	COVID 19 SUPPLIES	332.78	
					102214	COVID 19 SUPPLIES	332.78	
69138	08/24/20	2,400.00	AHMED SABA		102331	REF 1/2 MAR 20 RENT	600.00	
					102332	DEPOSIT REFUND	1,800.00	
69139	08/24/20	2,151.46	AT&T		102309	7/13-8/12 VER/SMC	2,151.46	
69140	08/24/20	720.00	AUTO CARE TOWING		102274	VEH#2812 TOWING	720.00	
69141	08/24/20	1,010.23	BENSON, EDDIE		102347	TRAVEL REIMBURSE	1,010.23	
69142	08/24/20	760.00	BOWMAN & WILLIAMS INC		102220	FIRE EGRESS MMF	760.00	
69143	08/24/20	563.36	BRULIN & COMPANY INC.		102328	INVENTORY ORDER	563.36	
69144	08/24/20	81.76	CITY OF SANTA CRUZ-FINANCE		102341	ELECTRIC KITE HILL	81.76	
69145	08/24/20	1,100.00	CITY OF SANTA CRUZ/PARKING		102318	AUG 20 PARK PERMITS	1,100.00	
69146	08/24/20	19,113.26	CLEAN ENERGY		102226	7/28/20 LNG CHARGES	6,335.95	
					102245	7/22/20 LNG CHARGES	6,595.53	
					102246	7/31/20 LNG CHARGES	6,181.78	
69147	08/24/20	447.17	COAST PAPER & SUPPLY INC.		102221	INVENTORY ORDER MMF	104.66	
					102232	INVENTORY ORDER	243.53	
69148	08/24/20	8,901.69	CUMMINS PACIFIC LLP		102310	COVID 19 SUPPLIES	98.98	
					102238	RPR VEH# 1201	2,967.23	
					102239	RPR VEH# 1202	2,967.23	
					102240	RPR VEH# 1211	2,967.23	
69149	08/24/20	70.04	DENCO CONTROLS INC		102218	INVENTORY ORDER	70.04	
69150	08/24/20	497.50	DOCTORS ON DUTY MEDICAL CLINIC		102281	DOT DRUG TESTING	32.50	
					102282	DOT DRUG TESTING	77.50	
					102283	DOT DRUG TESTING	32.50	
					102284	DOT DRUG TESTING	77.50	
					102285	DOT DRUG TESTING	32.50	
					102286	DOT DRUG TESTING	32.50	
					102287	DOT DRUG TESTING	32.50	
					102288	DOT DRUG TESTING	32.50	
					102289	DOT DRUG TESTING	50.00	
					102290	DOT DRUG TESTING	32.50	
					102291	DOT DRUG TESTING	32.50	
					102292	DOT DRUG TESTING	32.50	
					102211	TEMP W/E 8/9/20	1,080.00	
69151	08/24/20	1,080.00	EMPLOYNET INC		102303	TEMP W/E 8/2/20	1,135.60	
69152	08/24/20	1,135.60	EXPRESS SERVICES INC.		102330	COVID 19 SUPPLIES	116.22	
69153	08/24/20	153.66	FASTENAL COMPANY INC		102267	COVID 19 SUPPLIES	37.44	
69154	08/24/20	57.26	FRONTIER COMMUNICATIONS - 6145		102321	8/13-9/12/20 SKYLINE	57.26	
69155	08/24/20	1,279.99	GILLIG LLC		102237	INVENTORY ORDER	1,279.99	

# Attachment A

DATE 09/02/20 08:37

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
CHECK JOURNAL DETAIL BY CHECK NUMBER  
ALL CHECKS FOR ACCOUNTS PAYABLE

PAGE 10

DATE: 08/01/20 THRU 08/31/20

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69156	08/24/20	170.46	GRAINGER		102231	INVENTORY ORDER MMF	170.46	
69157	08/24/20	805.80	GREENWASTE RECOVERY, INC.		102204	JUL 20 AIRPORT/FREED	61.28	
					102205	JUL 20 HWY/BOULDER	183.84	
					102206	JUL 20 FREEDOM/BOW	61.28	
					102207	JUL 20 2400 FREEDOM	61.28	
					102208	JUL 20 PRC	376.84	
					102209	JUL 20 GREEN VALLEY	61.28	
69158	08/24/20	49,542.50	HANSON BRIDGETT LLP		102333	M# 032117.001001	2,593.40	
					102334	M#032117.006006	1,143.00	
					102335	M#032117.006007	371.70	
					102336	M#032117.006027	1,487.70	
					102337	M#032117.006028	18,409.80	
					102338	M#032117.006030	1,536.90	
					102339	JULY 20 RETAINER	24,000.00	
69159	08/24/20	794.51	JOHNSON CONTROLS INC		102327	9/1-11/30 ALARM SBF	794.51	
69160	08/24/20	13,983.00	KAUFMAN DOLOWICH VOLUCK		102296	JUL 31 CLAIM#QE-0073	13,983.00	
69161	08/24/20	1,223.09	KELLEY'S SERVICE INC.		102227	INVENTORY ORDER	150.79	
					102228	CREDIT DAMAGED BULB	-14.31	
					102229	CREDIT RETURN	-4.72	
					102261	RPR VEH#806	529.17	
					102262	INVENTORY ORDER	3.22	
					102263	CREDIT ITEM NOT REC	-3.22	
					102264	INVENTORY ORDER	100.88	
					102265	RPR VEH#PC1116	392.64	
					102266	RPR VEH#401	68.64	
69162	08/24/20	238.00	LAW OFFICES OF MARIE F. SANG	7	102277	CLAIM#2000365	238.00	
69163	08/24/20	249,850.00	MCDONNELL ROOFING INC		102244	MAINT BLDG ROOF	249,850.00	
69164	08/24/20	1,066.00	MDC SYSTEMS CORP		102344	SENSOR CALIBRATE MMF	1,066.00	
69165	08/24/20	2,206.03	MGP XI REIT LLC		102342	SEPT 20 RENT	2,206.03	
69166	08/24/20	815.97	MID VALLEY SUPPLY INC.		102322	COVID 19 SUPPLIES	815.97	
69167	08/24/20	6,156.25	MILLER MAXFIELD INC		102319	COVID 19 SIGNAGE	3,606.25	
69168	08/24/20	476.78	MISSION UNIFORM		102324	JUL20 GRAPHIC DESIGN	2,550.00	
					102210	CUSTODIAL SUPPLIES	41.75	
					102257	COVID 19/RIVER SUPPL	92.00	
					102258	COVID 19/GOLF SUPPL	343.03	
69169	08/24/20	50.26	NIDAL HALABI & NADA ALGHARIB		102224	NAME PLATES	50.26	
69170	08/24/20	31.60	NORTH BAY FORD LINC-MERCURY		102259	RPR VEH#PC1701	15.80	
69171	08/24/20	227.50	PACIFIC CREST ENGINEERING INC		102260	INVENTORY ORDER	15.80	
69172	08/24/20	901.61	PACIFIC GAS & ELECTRIC		102345	FIRE EGRESS PROJECT	227.50	
69173	08/24/20	1,005.47	PALACE ART & OFFICE SUPPLY		102275	7/8-8/6/20 PARACRUZ	901.61	
					102308	OFFICE SUPPLIES	406.84	
					102315	COPY PAPER	252.29	
					102316	BANKERS BOXES	54.94	
69174	08/24/20	1,430.00	PEDX COURIER AND CARGO	7	102330	OFFICE SUPPLIES	291.40	
69175	08/24/20	155.50	PIED PIPER EXTERMINATORS, INC.		102298	JUL 20 COURIER SVC	1,430.00	
					102215	AUG 20 PEST BETTYS	60.00	
					102216	AUG 20 PEST SMCKIOSK	40.00	
					102217	AUG 20 PEST SMC	55.50	



# Attachment A

DATE 09/02/20 08:37

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
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PAGE 11

DATE: 08/01/20 THRU 08/31/20

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69176	08/24/20	147.49	PITNEY BOWES INC. RENTAL PMT		102301	7/1-9/30 LEASE CS	147.49	
69177	08/24/20	2,041.10	PLATT ELECTRIC SUPPLY		102323	LIGHT FIXTURES MMF	2,041.10	
69178	08/24/20	43,642.60	PREFERRED BENEFIT		102350	AUG 20 DENTAL	35,205.10	
69179	08/24/20	307.62	PROBUILD COMPANY LLC		102351	AUGUST 20 VSP	8,437.50	
69180	08/24/20	408.80	QUEST DIAGNOSTIC INC.	7	102222	DOOR STOP SMC	8.84	
69181	08/24/20	606.34	RANDY WEST		102223	CABLE FOR PRESS MMF	12.37	
69182	08/24/20	13,960.75	RICHARD IRISH		102233	RESTRIPE LOT SMC	70.39	
69183	08/24/20	257.85	RICOH USA, INC CA		102234	COVID 19 SUPPLIES	115.76	
69184	08/24/20	80,691.16	S & A SYSTEMS INC		102235	TOOLS SBF CLEANUP	100.26	
69185	08/24/20	115.89	SANTA CRUZ AUTO PARTS, INC.		102293	7/28 DOT DRUG TESTS	408.80	
69186	08/24/20	323.44	SANTA CRUZ MUNICIPAL UTILITIES		102314	BUSINESS CARDS	65.55	
69187	08/24/20	80.00	SANTA CRUZ RECORDS MNGMT INC		102325	BUSINESS CARDS	540.79	
69188	08/24/20	2,500.00	SHAW YODER ANTWH		102340	PROJ MNGMT JUL SVC	13,960.75	
69189	08/24/20	13,008.08	SLINGSHOT CONNECTIONS LLP		102346	5/1-7/31 COPIES C/S	257.85	
69190	08/24/20	11,867.38	SOQUEL III ASSOCIATES	7	102306	FUEL MANAGEMENT SYS	80,691.16	
69191	08/24/20	1,094.89	TENNANT COMPANY		102268	INVENTORY ORDER	51.11	
69192	08/24/20	349.22	TERRYBERRY CO., LLC		102269	CREDIT BILLED FOR 2	-6.06	
69193	08/24/20	5,707.24	THE AFTERMARKET PARTS CO LLC		102270	INVENTORY ORDER	6.93	
					102271	RPR VEH#401	56.68	
					102272	RPR VEH# 401	7.23	
					102348	7/1-7/31 IRRIG RIVER	117.28	
					102349	7/1-7/31 IRRIG RIVER	206.16	
					102219	JUL 20 SHREDDING SMC	40.00	
					102317	AUG 20 SHREDDING PC	40.00	
					102247	AUG 20 LEGISLATE SVC	2,500.00	
					102248	TEMP W/E 8/2/20	841.50	
					102249	TEMP W/E 8/2/20	224.40	
					102250	TEMP W/E 8/2/20	448.80	
					102251	TEMP W/E 8/2/20	1,122.00	
					102252	TEMP W/E 8/2/20	1,122.00	
					102253	TEMP W/E 8/2/20	1,122.00	
					102254	TEMP W/E 8/2/20	224.40	
					102255	TEMP W/E 8/2/20	1,122.00	
					102256	TEMP W/E 8/2/20	56.10	
					102278	TEMP W/E 7/19/20	729.60	
					102279	TEMP W/E 7/26/20	1,216.00	
					102280	TEMP W/E 8/2/20	972.80	
					102312	TEMP W/E 8/2/20	1,208.48	
					102313	TEMP W/E 8/9/20	1,476.00	
					102343	SEPT20 RENT RES PARK	11,867.38	
					102326	FLOOR SCRUBBER SVC	1,094.89	
					102297	EMPLOYEE ANNIVERSARY	136.36	
					102307	ANNIVERSARY AWARD	212.86	
					102236	INVENTORY ORDER	3,014.83	
					102241	RPR VEH# 1004	7.86	
					102242	INVENTORY ORDER	2,670.38	
					102243	RPR VEH#1001	14.17	

# Attachment A

DATE 09/02/20 08:37

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
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PAGE 12

DATE: 08/01/20 THRU 08/31/20

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
69194	08/24/20	625.00	THERMO KING OF SALINAS, INC		102304	RPR VEH#4206	625.00	
69195	08/24/20	12,123.70	U.S. BANK		102352	***-***-***-4338	12,123.70	
69196	08/24/20	960.48	VERIZON WIRELESS	0	102299	7/2-8/1 PARACRUZ	600.36	
					102300	7/2-8/1 PARACRUZ	308.88	
69197	08/24/20	845.00	VISION COMMUNICATIONS		102320	7/2-8/1 CUSTOMER SER	51.24	
69198	08/24/20	75.00	VU, THANH DR. MD	7	102225	SERVICE REPAIR	845.00	
69199	08/24/20	48.00	WORKFORCEQA LLC		102273	DMV EXAM	75.00	
69200	08/24/20	774.00	WORKIN.COM, INC.		102276	LAB/MRO SERVICE	48.00	
					102294	JOB PLACEMENT AD	387.00	
69201	08/20/20	4,689.09	CITY OF SANTA CRUZ FINANCE		102295	JOB PLACEMENT AD	387.00	
					102353	PERMIT FIRE EGRESS	4,689.09	
TOTAL		1,677,534.52	ACCOUNTS PAYABLE			TOTAL CHECKS	229	1,677,534.52



**DATE:** September 25, 2020  
**TO:** Board of Directors  
**FROM:** Alex Clifford, CEO/General Manager  
**SUBJECT: ACCEPT AND FILE MINUTES OF THE AUGUST 28, 2020 BOARD OF DIRECTORS MEETING, SEPTEMBER 11, 2020 CAPITAL PROJECTS STANDING COMMITTEE MEETING AND SEPTEMBER 11, 2020 FINANCE, BUDGET & AUDIT STANDING COMMITTEE MEETING**

**I. RECOMMENDED ACTION**

**That the Board of Directors Accept and File the Minutes of the August 28, 2020 Board of Directors Meeting, the September 11, 2020 Capital Projects Standing Committee Meeting and the September 11, 2020 Finance, Budget & Audit Standing Committee Meeting**

**II. SUMMARY**

- Staff is providing minutes from the Santa Cruz Metropolitan Transit District (METRO) August 28, 2020 Board of Directors Meeting, the September 11, 2020 Capital Projects Standing Committee Meeting and the September 11, 2020 Finance, Budget & Audit Standing Committee Meeting.
- Each meeting staff will provide minutes from the previous METRO Board and Committee meetings.

**III. DISCUSSION/BACKGROUND**

The Board requested that staff include, in the Board Packet, minutes from previous METRO Board and Committee meetings. Staff is enclosing the minutes from these meetings.

**IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

The actions taken in this report tie to METRO's Stewardship and Accountability responsibility.

**V. FINANCIAL CONSIDERATIONS/IMPACT**

None.

**VI. CHANGES FROM COMMITTEE**

N/A

**VII. ALTERNATIVES CONSIDERED**

None.

**VIII. ATTACHMENTS**

**Attachment A:** Draft minutes for the Board of Directors Meeting of August 28, 2020

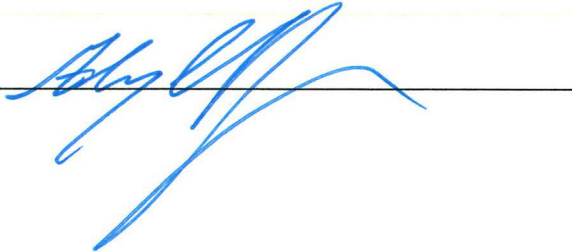
**Attachment B:** Draft minutes for the Capital Projects Standing Committee Meeting of September 11, 2020

**Attachment C:** Draft minutes for the Finance, Budget & Audit Standing Committee Meeting of September 11, 2020

Prepared by: Gina Pye, Executive Assistant

**IX. APPROVALS**

Alex Clifford, CEO/General Manager



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# Attachment A



## **SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO) BOARD OF DIRECTORS MEETING MINUTES\* AUGUST 28, 2020 – 9:00AM MEETING HELD VIA TELECONFERENCE**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, August 28, 2020, via teleconference.

The Board Meeting Agenda Packet can be found online at [www.SCMTD.com](http://www.SCMTD.com). \*Minutes are “summary” minutes, not verbatim minutes. Audio recordings of Board meeting open sessions are available to the public upon request.

This document was created with accessibility in mind. With the exception of certain third party and other attachments, it passes the Adobe Acrobat XI Accessibility Full Check. If you have any questions about the accessibility of this document, please email your inquiry to [accessibility@scmttd.com](mailto:accessibility@scmttd.com).

1 **CALL TO ORDER** at 9:01 AM by Board Chair Rotkin.

2 **ROLL CALL:** The following Directors were **present** via teleconference, representing a quorum:

<b>Director Ed Bottorff</b>	<b>City of Capitola</b>	
<b>Director Trina Coffman-Gomez</b>	<b>City of Watsonville</b>	
<b>Director Aurelio Gonzalez</b>	<b>City of Watsonville</b>	
<b>Director John Leopold</b>	<b>County of Santa Cruz</b>	
<b>Director Donna Lind</b>	<b>City of Scotts Valley</b>	<i>Joined 9:03</i>
<b>Director Cynthia Mathews</b>	<b>City of Santa Cruz</b>	
<b>Director Bruce McPherson</b>	<b>County of Santa Cruz</b>	
<b>Director Donna Meyers</b>	<b>City of Santa Cruz</b>	
<b>Director Larry Pageler</b>	<b>County of Santa Cruz</b>	
<b>Director Dan Rothwell</b>	<b>County of Santa Cruz</b>	<i>Joined 9:45</i>
<b>Director Mike Rotkin</b>	<b>County of Santa Cruz</b>	
<b>Ex-Officio Director Dan Henderson</b>	<b>UC Santa Cruz</b>	<i>Departed 10:00</i>
<b>Ex-Officio Director Alta Northcutt</b>	<b>Cabrillo College</b>	

Additional METRO staff:  
Alex Clifford  
Julie Sherman

CEO/General Manager  
General Counsel

### 3 **ANNOUNCEMENTS**

Chair Rotkin announced that today’s meeting will be broadcast by Community Television of Santa Cruz County.

*Director Lind arrived at 9:03AM*

### 4 **BOARD OF DIRECTORS COMMENTS**

Directors Lind and Meyers thanked everyone at METRO for their help in supporting the fire evacuees. They said they are extremely proud to be a member of an organization that helps the entire community.

# Attachment A

## 5 LABOR ORGANIZATION COMMUNICATIONS

Speaking briefly as Union representative to John Daugherty, METRO Accessible Services Coordinator, regarding the relocation of Mr. Daugherty's office to the ParaCruz facility, Joan Jeffries said she supports his concerns about the move and impact to the community.

CEO Clifford advised the assembly that this is an ongoing personnel matter so he would not be going into detail. The Commission on Disabilities (COD) letter has been received (see attachment) and their concerns will be addressed. METRO is confident the office relocation will not impact Mr. Daugherty's ability to serve the community. Mr. Daugherty has been trained and will be migrating METRO's existing ParaCruz-qualified riders to the new eco lane application that allows customers to pay their fare and to book their rides.

Public comments:

Brenda Gutierrez, COD Commissioner, read aloud a portion of the letter and requested that the decision be postponed pending further review.

Deb Molina expressed her support of METRO and opposition to the train.

Chair Rotkin clarified that the Santa Cruz County Regional Transportation Commission is continuing to study the train option with no decision made to date.

## 6 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Having none, Chair Rotkin moved to the next agenda item.

### CONSENT AGENDA

- 9-01 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF JUNE AND JULY 2020
- 9-02 ACCEPT AND FILE: MINUTES OF THE JUNE 17, 2020 METRO ADVISORY COMMITTEE (MAC) MEETING AND JUNE 26, 2020 BOARD OF DIRECTORS MEETING
- 9-03 ACCEPT AND FILE: THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF MAY 31, 2020
- 9-04 CONSIDERATION OF APPROVAL OF AUDIT ENGAGEMENT LETTER WITH BROWN ARMSTRONG ACCOUNTANCY CORPORATION FOR FINANCIAL AUDIT AND TAX SERVICES FOR THE FISCAL YEAR ENDED JUNE 30, 2020
- 9-05 APPROVE: RENEWAL OF PROPERTY INSURANCE COVERAGE WITH ZURICH AMERICAN INSURANCE COMPANY AND EMPLOYMENT PRACTICES LIABILITY COVERAGE WITH QBE SPECIALTY INSURANCE COMPANY
- 9-06 APPROVE CONSIDERATION OF RESOLUTION APPROVING THE FY21 REVISED CAPITAL BUDGET
- 9-07 ACCEPT AND FILE: QUARTERLY STATUS REPORT OF GRANT APPLICATIONS, ACTIVE AND PENDING GRANTS FOR THE FOURTH QUARTER OF FY20
- 9-08 ACCEPT AND FILE: THE METRO PARACRUZ OPERATIONS STATUS REPORT FOR APRIL, MAY AND JUNE 2020
- 9-09 ACCEPT AND FILE: THE METRO SYSTEM RIDERSHIP REPORTS FOR THE FOURTH QUARTER OF FY20 - **Pulled from Consent by Chair Rotkin to become Agenda Item 12.5**



# Attachment A

Board of Directors  
August 28, 2020  
Page 3 of 6

- 9-10 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO AMEND THE CONTRACT WITH WEBER, HAYES & ASSOCIATES TO ADD AN ADDITIONAL \$45,000
- 9-11 APPROVE: ADOPTION OF AN AMENDED PRIVACY USE POLICY FOR THE SANTA CRUZ METRO WEBSITE AND SMARTPHONE APPLICATIONS
- 9-12 APPROVE: CONSIDER A RESOLUTION DESIGNATING THE CEO AS THE AUTHORIZED AGENT TO SUBMIT A PROJECT LIST AND EXECUTE AGREEMENTS TO RECEIVE CALIFORNIA STATE OF GOOD REPAIR FUNDS
- 9-13 METRO ADVISORY COMMITTEE (MAC) VACANCIES
- 9-14 CONSIDERATION OF APPROVAL OF CALPERS RESOLUTIONS TO UPDATE MEDICAL PREMIUM CONTRIBUTION RATES

At Director McPherson's request, the Chair pulled agenda item 9-09, METRO System Ridership Reports for the Fourth Quarter of FY20, to become Agenda Item 12.5.

**ACTION: MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED, WITH THE REASSIGNMENT OF AGENDA ITEM 9-09 TO AGENDA ITEM 12.5**

**MOTION: DIRECTOR LEOPOLD**

**SECOND: DIRECTOR BOTTORFF**

**MOTION PASSED WITH 10 AYES (Directors Bottorff, Coffman-Gomez, Gonzalez, Leopold, Lind, Mathews, McPherson, Meyers, Pageler and Rotkin) Director Rothwell was absent.**

## REGULAR AGENDA

- 10 **PRESENTATION OF EMPLOYEE LONGEVITY AWARDS: (20 years) Francisco Estrada, Marisela Mendoza, John Thomas and (35 years) Andrew Hill**  
Chair Rotkin congratulated and thanked the recipients in absentia.

There was no public comment.

- 11 **RETIREE RESOLUTIONS OF APPRECIATION: ANDREW HILL, MICHAEL MULLINS, ARLEN ROY, ESTEVAN RUIZ AND DONNA SMITH**  
Chair Rotkin congratulated and thanked the recipients in absentia.

There was no public comment.

**ACTION: MOTION TO APPROVE THE RETIREE RESOLUTIONS AS PRESENTED**

**MOTION: DIRECTOR LEOPOLD**

**SECOND: DIRECTOR PAGELER**

**MOTION PASSED WITH 10 AYES (Directors Bottorff, Coffman-Gomez, Gonzalez, Leopold, Lind, Mathews, McPherson, Meyers, Pageler and Rotkin) Director Rothwell was absent.**

- 12 **INTRODUCTION OF DANIELLE GLAGOLA, NEW MARKETING, COMMUNICATIONS & CUSTOMER SERVICE DIRECTOR**

CEO Clifford introduced Ms. Glagola and provided a brief bio. Ms. Glagola thanked the Board for the opportunity and expressed excitement to be with METRO.

There was no public comment.

**Director Rothwell arrived at 9:45AM**

**9-02A.3**

# Attachment A

## **12B. ACCEPT AND FILE: THE METRO SYSTEM RIDERSHIP REPORTS FOR THE FOURTH QUARTER OF FY20**

At Director McPherson's request, the Chair pulled agenda item 9-09, METRO System Ridership Reports for the Fourth Quarter of FY20, to become Agenda Item 12.5. This agenda item was then discussed in conjunction with Agenda Items 13, 14 and 15.

## **13 ORAL COVID-19 TRANSIT FISCAL CRISIS REPORT**

CEO Clifford added commentary to the slide presentation. CEO Clifford will send a response after today's meeting to Directors' various questions regarding the expense and permanence of the safety measures taken. Unfortunately, his survey did not include asking peer agencies if they have gone to the extent METRO has with COVID environmental safety issues; e.g., limiting capacity and masks. METRO has been on the cutting edge of safety measures; we were one of the first to install the Operator plastic curtain. CEO Clifford went on to note that the Operators are empowered to enforce the mask requirements. They are trained on conflict avoidance but, occasionally, the passenger does not listen; in which case, a transit supervisor is called to assist if needed.

CEO Clifford spoke briefly of the recent COVID All Hands Meetings and the anticipated posting of a recording for all-employee access. We need our riders back and need to be able to offer seats when they return. He reminded the assembly that 50% of our riding public are dependent upon METRO and currently in limbo with their respective college on-campus/remote class situation(s).

METRO is working hard to avoid laying off or furloughing employees. If we fail to bring customers back to the system or federal/state funding is depleted, we will have to reexamine our options.

### ***Director Henderson departed 10:00AM***

Chair Rotkin asked the HR Department to contact him offline to discuss tutoring/daycare help which will be available October 1 from UCSC.

Vice Chair Leopold noted new guidance and an updated State Watch List is anticipated in the near future. He clarified that different stages will be limited by capacity limits.

Public comment:

James Sandoval spoke to the number of pass-ups, etc. on slide 54, Ridership, stressing that METRO has the ability to provide safe transportation. Regarding peer agencies, he stated Monterey-Salinas Transit allows a maximum of ten passengers per bus to ensure six feet distancing between riders.

## **14 ACCEPT AND FILE: COVID-19 RIDER SURVEY**

John Urgo, Planning and Development Director, provided commentary to the presentation and offered to provide further data analysis (e.g., students vs non-student riders) and the slide presentation to the Board members separately.

Public comment:

Mr. Sandoval asked if social distancing was the primary concern and factor in the low number of riders. Mr. Urgo responded that the survey indicated our customers were more interested in seeing service restored.

Unfortunately, without Automatic Vehicle Locator (AVL) technology, we have not been able to capture real-time data to make any changes required as a result of lower traffic along the Highway One corridor. Although, anecdotally, it does appear that peak travel traffic is approaching "normal".

## **15 CEO ORAL REPORT**

CEO Clifford spoke to the presentation.

He then announced the following new hires:

# Attachment A

- Simone Coke, Sr. Accounting Tech
- Danielle Glagola, Marketing, Communications and Customer Service Director

There was no public comment.

**16 PUBLIC HEARING TO RECEIVE PUBLIC COMMENTS ON SANTA CRUZ METRO'S PROPOSED DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL OF 2.65% FOR FEDERALLY FUNDED PROCUREMENTS FOR FEDERAL FISCAL YEARS 2021-2023 (FFY21-FFY23) WILL COMMENCE AT 9:00AM OR AS SOON THEREAFTER AS POSSIBLE AS THE MATTER CAN BE HEARD ON AUGUST 28, 2020 VIA ZOOM**

Chair Rotkin provided a brief explanation of the DBE requirement and process.

***PUBLIC HEARING OPENED AT 11:19AM***

Angela Aitken, CFO, spoke to the agenda item, providing further information to the assembly. Ms. Aitken clarified that METRO received four requests from the public for information regarding development of the proposed goal and two comments about the goal setting methodology.

There was no public comment.

***PUBLIC HEARING CLOSED AT 11:22 AM***

**ACTION: MOTION TO APPROVE SANTA CRUZ METRO'S PROPOSED DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL OF 2.65% FOR FEDERALLY FUNDED PROCUREMENTS FOR FEDERAL FISCAL YEARS 2021-2023 (FFY21-FFY23) AS PRESENTED**

**MOTION: DIRECTOR MEYERS**

**SECOND: DIRECTOR LEOPOLD**

**MOTION PASSED WITH 11 AYES (Directors Bottorff, Coffman-Gomez, Gonzalez, Leopold, Lind, Mathews, McPherson, Meyers, Pageler, Rothwell and Rotkin) *Director Rothwell arrived at 9:45AM.***

**17 ORAL PARACRUZ UPDATE**

Daniel Zaragoza, Operations Manager, Paratransit Division, introduced the consultant, Ken Swift, who spoke to the agenda item. Several Directors noted the acceptance and enthusiasm of the public comments received at the public hearings.

There was no public comment.

**18 ACCEPT AND FILE: YEAR TO DATE KEY PERFORMANCE INDICATORS (KPI) REPORT FOR QUARTER FOUR AS OF JUNE 30, 2020**

CFO Aitken spoke to the presentation, adding the report is a work in progress and will continue to evolve. CEO Clifford noted that future presentations might include the addition of averages, goals and peer agency comparisons, etc.

In response to Directors' inquiries and comments, Rufus Francis, Safety, Security and Risk Management Director, offered to send Board members further information as to how METRO compares to peer agencies, patterns of passenger accident types and sources, etc. Mr. Francis will also develop an educational brochure for distribution and investigate the expense etc. involved in producing an educational video.

Public comments:

Nate Abrego asked which types of failures were included in the statistics. Eddie Benson, Fleet Maintenance Manager, responded that the statistics encompass anything that stops the unit from making its scheduled trip.

# Attachment A

Board of Directors  
August 28, 2020  
Page 6 of 6

**19 REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION**

General Counsel Sherman announced ongoing litigation matters will be discussed in the closed session. She does not anticipate any reporting out after the closed session.

**20 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, SEPTEMBER 25, 2020 AT 9:00AM**

When announcing the next meeting above, Chair Rotkin reminded the assembly to check the SCMTD website for venue updates, as we remain dependent upon the public health orders in place at this time.

*Board recessed to closed session at 11:55 AM.*

*Board reconvened at 12:23PM*

General Counsel Sherman announced there were no reportable actions taken during the closed sessions.

**21 ADJOURNMENT**

Chair Rotkin adjourned the meeting at 12:24PM

Respectfully submitted,

Gina Pye  
Executive Assistant

DRAFT

# ATTACHMENT



## Santa Cruz County Commission on Disabilities

701 Ocean Street, Room 510, Santa Cruz, CA 95060  
P: (831) 454-2772 F: (831) 454-2411 TTY/TDD 711  
commissions@santacruzcounty.us  
www.scccod.net

August 25, 2020

Santa Cruz Metro Transit District Board of Directors  
110 Vernon Street  
Santa Cruz, CA 95060

Re: Concerns Regarding Planned Move of the Accessibility Services Office

Dear Chair Rotkin and Members of the Board,

The purpose of this letter is to express the *Santa Cruz County Commission on Disabilities'* concerns regarding the proposed move of Metro's Accessibility Services Office to a less centrally-located site.

Metro's *Accessibility Services Coordinator*, John Daugherty, serves on the *Commission on Disabilities* and reports regularly on Metro-related matters that could impact the disabilities community. During the August 13, 2020 Commission meeting, Commissioner Daugherty reported that the Accessibility Services Office was being relocated to the Paracruz headquarters in the Research Park business park on Soquel Avenue. This decision raised some concerns for the Commission related to the relative accessibility of the new location.

Commissioner Daugherty reported that pre-pandemic he typically provided in-person accessibility services to approximately 30 clients per month at the centrally-located bus depot on Pacific Avenue. On average, at least half of these clients used mobility devices. Presumably, if the Accessibility Services Office is relocated to Research Park, many of these clients will have to manage additional travel considerations in order to access in-person accessibility services. Most, if not all, clients who require accessibility services are people with disabilities for whom travel can present challenges not typically experienced by people without disabilities. Even minor barriers for people *without* disabilities can present enough difficulty to discourage people *with* disabilities from proceeding. It is possible that the planned relocation will limit people from accessing services, and thereby potentially limit their ability to access public transportation.

The Commission requests that you postpone this decision until a proper study can be conducted and community input can be considered to ascertain what impact the move could have on the disabilities community. In order to gain a better understanding of the context in which the move was proposed, we would also be interested to learn of any contributing factors which may be of benefit to the public.

We appreciate your consideration on behalf of the disabilities community in Santa Cruz County.

Respectfully,

A handwritten signature in blue ink, appearing to read 'David Molina'.

David Molina

*Commission on Disabilities Co-Chair*

cc: Santa Cruz County Board of Supervisors

**9-02A.7**

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# Attachment B



## **SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO) CAPITAL PROJECTS STANDING COMMITTEE MEETING MINUTES\* SEPTEMBER 11, 2020 – 10:30AM MEETING HELD VIA TELECONFERENCE**

A regular meeting of the Capital Projects Standing Committee of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, September 11, 2020, via teleconference.

The Committee Meeting Agenda Packet can be found online at [www.SCMTD.com](http://www.SCMTD.com). \*Minutes are “summary” minutes, not verbatim minutes. Audio recordings of Board meeting open sessions are available to the public upon request.

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1 **CALL TO ORDER** at 10:35 AM by Director Bottorff.

2 **ROLL CALL:** The following Directors were **present** via teleconference, representing a quorum:

<b>Director Ed Bottorff</b>	<b>City of Capitola</b>
<b>Director Cynthia Mathews</b>	<b>City of Santa Cruz</b>
<b>Director Bruce McPherson</b>	<b>County of Santa Cruz</b>
<b>Director Larry Pageler</b>	<b>County of Santa Cruz</b>

Alex Clifford	METRO CEO/General Manager
Julie Sherman	METRO General Counsel

METRO EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT (IN ALPHABETICAL ORDER) WERE:

Freddy Rocha	METRO Facilities Maintenance Manager
--------------	--------------------------------------

3 **ORAL AND WRITTEN COMMUNICATIONS TO THE CAPITAL PROJECTS STANDING COMMITTEE**  
Director Mathews reported that she and Director Meyers recently spoke with Bonnie Lipscomb who said she had productive meetings with members of METRO’s staff (John Urgo and Sandi Woods). They remain focused on two major proposals at Front and Laurel Streets to ensure the proper turning radius is provided for METRO’s use. There has been no further notification of the Affordable Housing and Sustainable Communities (AHSC) grant.

4 **ADDITIONS OR DELETIONS FROM AGENDA/ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**  
Having none, Director Bottorff moved to the next agenda item.

5 **TRANSIT ASSET MANAGEMENT PLAN PRESENTATION**  
Freddy Rocha, Facilities Maintenance Manager, provided brief commentary to the presentation. The assembly discussed the number of vehicles (46) in the nonrevenue category, the users, type of equipment (lifts and passenger cars for example) and the rotation of inventory through the use cycle.

# Attachment B

Freddy assured the committee members that the only funds currently being expended on Pacific Station are those strictly required for maintenance/safety purposes.

Regarding the coordination and installation of charging stations, Mr. Rocha noted the electrical infrastructure is complete. We are waiting for the buses to arrive. CEO Clifford and Wondimu Mengistu, Grants/Legislative Analyst, added that METRO received approximately \$950K in FY20 Low Carbon Transit Operations Program (LCTOP) grant funding for the charging station in Watsonville; however, due to the operational environment a fast charger may not be needed.

The useful life of revenue vehicles was discussed. 18% or 17-18 vehicles will need to be replaced in 2025. The number will vary as unforeseen events unfold. CEO Clifford reminded the Committee that the current bus replacement plan presumes METRO is self-funding replacements; it does not make any assumptions that we are successful in receiving grants for this purpose. METRO employs cost/benefit assumptions when using a vehicle beyond its useful life. The number of vehicles will be added to the September 25<sup>th</sup> Board meeting presentation.

In response to Director Bottorff's inquiry regarding the size of the new ParaCruz facility, Daniel Zaragoza will be prepared to present an update at the next Committee and Board meeting(s). Mr. Mengistu added the current square footage planned for ParaCruz is between 2,800 and 3,300 square feet. METRO is reserving \$2.3M to use as a local match for grant funding.

There was no public comment.

## 6 **ADJOURNMENT**

Director Bottorff adjourned the meeting at 11:06AM.

Respectfully submitted,

Gina Pye

Executive Assistant



# Attachment C



## **SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO) FINANCE, BUDGET AND AUDIT STANDING COMMITTEE MEETING MINUTES\* SEPTEMBER 11, 2020 – 8:00AM MEETING HELD VIA TELECONFERENCE**

A regular meeting of the Finance, Budget and Audit Standing Committee of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, September 11, 2020, via teleconference.

The Committee Meeting Agenda Packet can be found online at [www.SCMTD.com](http://www.SCMTD.com). \*Minutes are “summary” minutes, not verbatim minutes. Audio recordings of Board meeting open sessions are available to the public upon request.

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1 **CALL TO ORDER** at 8:05 AM by Board Chair Rotkin.

2 **ROLL CALL:** The following Directors were **present** via teleconference, representing a quorum:

**Director Trina Coffman-Gomez**  
**Director Donna Lind**  
**Director Donna Meyers**  
**Board Chair Mike Rotkin**

**City of Watsonville**  
**City of Scotts Valley**  
**City of Santa Cruz**  
**County of Santa Cruz**

Alex Clifford  
Julie Sherman

METRO CEO/General Manager  
METRO General Counsel

METRO EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT (IN ALPHABETICAL ORDER) WERE:

Angela Aitken  
Kristina Mihaylova

METRO CFO  
METRO Finance Deputy Director

3 **ORAL AND WRITTEN COMMUNICATIONS TO THE FINANCE, BUDGET AND AUDIT STANDING COMMITTEE**

Hearing none, Chair Rotkin moved to the next agenda item.

4 **ADDITIONS OR DELETIONS FROM AGENDA/ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**

Having none, Chair Rotkin moved to the next agenda item.

5 **MONTHLY FINANCIAL UPDATE**

Angela Aitken, CFO, provided brief commentary to the presentation. There was some discussion regarding the various leaves and pay provided to METRO employees; e.g., COVID related, FamilyFirst, etc.

CEO Clifford elaborated on the “FY20 Operating Expenses by Major Expense Category” slide noting the implementation of the Operator A/B schedules skewed the results; i.e., essentially moving the expense from “labor-regular” to “fringe benefits”. Further discussion regarding the impact to overtime ensued.

# Attachment C

There was no public comment.

## **6 REQUEST AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS FOR AN ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM CONSULTANT**

Angela Aitken, CFO, provided commentary to the staff report. Director Coffman-Gomez inquired as to the timeframe for the entire ERP system and anticipated cost involved, emphasizing the anticipated lengthy integration curve.

CFO Aitken responded that today's request is for a consultant to obtain information to more accurately reflect the needs for an ERP RFP. From there, METRO will determine the best funding sources, etc. We anticipate the process covering a number of years.

CEO Clifford also noted that, due to the length of implementation time anticipated, we want to ensure we don't inadvertently model ourselves out of date.

Based on a suggestion from Director Coffman-Gomez, Danielle Glagola, Marketing, Communications & Customer Service Director, will investigate options for a public posted project status site at [www.scmted.com](http://www.scmted.com).

There were no public comments

**ACTION: MOTION TO RECOMMEND AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS FOR AN ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM CONSULTANT AS PRESENTED**

**MOTION: DIRECTOR MEYERS**

**SECOND: DIRECTOR COFFMAN-GOMEZ**

**The motion was unanimous by a roll call vote.**

## **7 COVID-19 TRANSIT FISCAL CRISIS ORAL UPDATE**

Alex Clifford, CEO/General Manager, advised the assembly that we have technically spent all of the issued CARES Act funding and some carryover revenues will be put into a COVID reserve bucket to be drawn down over time. Kristina Mihaylova, Deputy Finance Director, is working on a two-year financial projection model to help us manage our resources and anticipate when the fiscal cliff is approaching. At this time, preliminary indications are we will potentially get through December 2021, assuming all current factors remain consistent. The sales tax revenue was actually a bit higher than budgeted. We believe it was augmented by the additional \$600/week provided through the federal government to unemployed persons; we anticipate the October 2020 sales tax revenue will provide a insight into the anticipated revenue(s) as it will be a reflection of August 2020 sales. CEO Clifford cautioned the committee that if economy-based revenue sources begin to plummet, post July 31, and those losses are rolled through the two-year model, the fiscal cliff looms significantly closer.

We hope UCSC and Cabrillo College return in January at a level near pre-COVID. If so, will we have the manpower to provide their requested service? We continue to manage our resources to avoid layoffs and furloughs; however, not filling vacancies caused by retirement may impact our ability to react to an increase in student riders.

The President has authorized FEMA to use Stafford Act disaster relief funds to provide supplemental payments for lost wages. This means, as of September 15, 2020 FEMA funding will be focused on agencies exclusively working on COVID-19 emergency protective measures. The approximate \$500K expense incurred with the conversion of the Operator clear curtain to a more permanent barrier will not be covered by FEMA funds.

Suggestions to hire part time Operators were discussed, but dismissed for a number of reasons.

METRO benefits from it's close ties to UCSC and Cabrillo; however, the institutions themselves are unable to project what the future learning environment will be; e.g., remote or onsite.

# Attachment C

Finance, Budget and Audit Standing Committee Agenda  
September 11, 2020  
Page 3 of 3

There were no public comments.

- 8 **ADJOURNMENT**  
Board Chair Rotkin adjourned the meeting at 8:45AM.

Respectfully submitted,  
Gina Pye  
Executive Assistant

DRAFT

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**DATE:** September 25, 2020  
**TO:** Board of Directors  
**FROM:** Angela Aitken, Chief Financial Officer  
**SUBJECT: ACCEPT AND FILE THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF JUNE 30, 2020**

**I. RECOMMENDED ACTION**

**That the Board of Directors accept and file the Year to Date Monthly Financial Report as of June 30, 2020**

**II. SUMMARY OF ISSUES**

- An analysis of Santa Cruz Metropolitan Transit District's (METRO) financial status is prepared monthly in order to inform the Board of Directors regarding METRO's actual revenues and expenses in relation to the adopted operating and capital budgets for the fiscal year.
- This staff report is the web-accessible companion document to the attached PowerPoint presentation titled "Year to Date Monthly Financial Report as of June 30, 2020."
- The attached preliminary monthly FY20 Operating Revenue and Expense reports (Attachment B), and FY20 Capital Budget spending report (Attachment C) represent the status of the FY20 Operating and Capital Budgets, as of June 30, 2020, the end of the fiscal year. The numbers presented in these reports are preliminary, and could change if there are any accounting adjustments, as per the final audit due later this calendar year.
- The final audited financial statements will be presented to the Board at the conclusion of the audit.
- Staff recommends that the Board of Directors (Board) accept and file the attached year-end budget status reports as of fiscal year end June 30, 2020.
- This report is required per the Board Bylaws Article 16.01(e) and Public Utility Code (PUC) § 98145, to be presented to the Board within 90 days from the end of each fiscal year.

**III. DISCUSSION/BACKGROUND**

An analysis of METRO's budget status is prepared monthly in order to inform the Board of Directors regarding METRO's actual revenues and expenses in relation to the adopted operating and capital budgets for the fiscal year. The attached revenue and expense reports represent the preliminary status (unaudited) of METRO's FY20 fiscal year-end budget as of June 30, 2020.

The fiscal year has elapsed **100%**

**A. Operating Revenue and Expenses**

Below are the written explanations of the various charts and graphs in the attached Year to Date Monthly Financial Report as of June 30, 2020 (Attachment A).

Slide 1

(Cover) Year to Date Monthly Financial Report as of June 30, 2020

Slide 2

FY20 Operating Revenue and Expenses for the Month Ending June 30, 2020

- Operating Revenues for the month are favorable by \$20,312K
- Operating Expenses
  - Labor Regular - favorable by \$272K
  - Labor OT - favorable by \$123K
  - Fringe Benefits – unfavorable by \$1,133K
  - Non-Personnel - favorable by \$194K
- Total Operating Expenses – unfavorable by \$543K
- Transfers – favorable by \$16,081K
- Operating Balance – favorable by \$3,688K

Slide 3

FY20 Operating Revenue and Expenses Year to Date as of June 30, 2020

- Operating Revenues for the month are favorable by \$15,778K
- Operating Expenses
  - Labor Regular - favorable by \$1,603K
  - Labor OT - unfavorable by \$938K
  - Fringe Benefits – unfavorable by \$744K
  - Non-Personnel - favorable by \$374K
- Total Operating Expenses –favorable by \$295K
- Transfers – favorable by \$16,073K
- Operating Balance is \$0.

Slide 4

FY20 Operating Revenue by Major Funding Source - Year to Date as of June 30, 2020

- Passenger Fares- actual is \$7,734K while budget is \$10,373K
- Sales Tax Revenue (including Measure D)- actual is \$24,903K while budget is \$25,976K
- Other Revenue- actual is \$1,041K while budget is \$793K
- TDA – actual is \$7,930K while budget is \$7,532K
- Federal Op Assistance – actual is \$23,135K while budget is \$4,620K
- STA – Op Assistance – actual is \$4,347K while budget is \$4,531K
- STIC – Op Assistance – actual and budget are both \$2,619K
- Fuel Tax Credit – actual is \$827K while budget is \$313K

Favorable/ (Unfavorable) Revenue Variance to Budget Year to Date as of June 30, 2020 are as follows:

- Passenger Fares variance to budget is unfavorable by \$2,639K primarily due to:
  - COVID-19 global health pandemic (Free Fares)
- Sales Tax Revenue variance to budget is unfavorable by \$1,073K due to lower than anticipated receipts due to COVID-19 decreasing sales.
- Other Revenue variance to budget is favorable by \$248K primarily due to Interest income (average cash balance at the County Treasury remained high in FY20), as well as Other Non-Transportation Revenues (CSAC-EIA Dental Dividend for 2020: \$68K, and a contract with Apple, Inc. for the lease of parking spaces at the Scotts Valley Transit Center).
- TDA variance to budget is favorable by \$398K, due to the amended and increased TDA claim (based on actual FY19 TDA revenues).
- Federal Operating Assistance variance to budget is favorable by \$18,515K due to the FTA 5307 & 5311 (Phase I) CARES Act Operating Assistance (reimbursements for operating expenses, incurred after January 20<sup>th</sup> 2020).
- STA – Op Assistance variance to budget is unfavorable by \$184K due to lower FY20 4<sup>th</sup> Quarter allocations as per SCO from August 24, 2020.
- Fuel Tax Credit variance to budget is favorable by \$514K due to the retroactive extension of the Alternative Fuel Tax Credit (2018 & 2019 - The incentive originally expired on December 31, 2017, but was retroactively extended through December 31, 2020).

- Operating Revenue Variances, by line item, are provided in more detail (amounts and percentages) in Attachment B.

Slide 5

FY20 Operating Expenses by Major Expense Category Year to Date as of June 30, 2020

- Labor - Regular- actual is \$15,875K while budget is \$17,478K
- Labor – OT - actual is \$2,804K while budget is \$1,866K
- Fringe Benefits - actual is \$23,656K (*of which \$5,886K is the Retirement Expense YTD*) while budget is \$22,912K
- Services - actual is \$4,009K while budget is \$3,982K
- Mobile Materials & Supplies - actual is \$2,520K while budget is \$2,660K
- Other Expenses - actual is \$2,560K while budget is \$2,821K.

Favorable/ (Unfavorable) Expense Variance to Budget Year to Date as of June 30, 2020 are as follows:

- Labor – Regular variance to budget is favorable by \$1,603K due to:
  - Vacant funded positions
  - Extended unpaid leaves of absence and COVID-19 related leaves of absence: District Paid COVID – 19 leave of absence. The leaves were introduced in March 2020 along with the implementation of alternative work schedules (A-B), intended to limit the potential exposure to METRO employees to the virus, while they remained in paid status; as well as the Families First Coronavirus Response Act (FFCRA) Leaves – Emergency Sick Leave and Expanded Family and Medical Leave offered for Specified Reasons related to COVID-19.
- Labor – OT variance to budget is unfavorable by \$938K due to vacant positions and extended leaves of absence in various departments, as well as COVID-19 related additional duties. Due to the implementation of the aforementioned alternative schedules, all unscheduled overtime and most of the scheduled overtime for Bus operators was eliminated in the 4<sup>th</sup> Quarter – FY20.
- Fringe Benefits variance to budget is unfavorable by \$744K primarily due to Other Paid Absences (FFCRA: \$116K and District Paid COVID-19: \$1.2M leaves of absence). The latter contributed to the savings in the Regular Labor costs, mentioned above. Additionally, the significant increase in the Annual and Sick Leave accrual liability (due to the contractual increases implemented in FY20) contributed to the unfavorable budget variance in Fringe Benefits. Budget overages are offset by savings in Retirement: \$402K and Medical



Insurance costs: \$376K, related to the prepayment of our CalPERS Unfunded Accrued Liability (UAL) in July 2020, as well as savings from vacant positions.

- Services variance to budget is unfavorable by \$27K primarily due to unfavorable budget variances in Temp Help: \$648K offset by savings in personnel expenses due to vacancies and extended unpaid leaves of absence. Additionally, the significant increase in Temp Help expenses year-over-year: \$260K is related to COVID-19 and the needed ongoing disinfection of METRO facilities and revenue and non-revenue vehicles and equipment. Savings in Prof & Tech Fees: \$371K and Repair-Rev Vehicle: \$231K offset the overall budget overage in Services.
- Mobile Materials & Supplies variance to budget is favorable by \$140K due to Fuel & Lube Rev Veh under budget: \$201K related to lower fuel prices, as well as lower fleet millage in the 4<sup>th</sup> Quarter - FY20 (COVID-19 changes in service).
- Other Expenses are favorable by \$261K due to:
  - Miscellaneous is under budget by \$212K due to underruns in Employee Training and Travel.
  - Casualty & Liability is under budget by \$133K due to Settlement Costs (Year-end claims reserve balance adjustment: \$253K).
  - Other Materials & Supplies is over budget by \$160K primarily due to COVID-19 related materials and supplies (anticipated FEMA reimbursements).
- Operating Expense Variances, by line item, are discussed in more details (amounts and percentages) in Attachment B.

#### Slide 6

FY20 Transfers Year to Date as of June 30, 2020

- Transfer to Capital Budget (2016 Net Sales Tax Measure D) - actual is \$2,003K while budget is \$2,046K
- Transfer to Capital Budget (TDA-STA-Operating, Includes SB1) - actual is \$274K while budget is \$323K
- Transfer to Operating and Capital Reserve Fund (Alt Fuel Tax) - actual is \$827K while budget is \$2,670K
- Transfer Excess to Operating and Capital Reserve Fund (COVID Reserves - actual is \$18,008K while budget is \$0.

Favorable/ (Unfavorable) Transfers Variance to Budget Year to Date as of June 30, 2020

- Transfer to Capital Budget (2016 Net Sales Tax Measure D) variance to budget is unfavorable by \$43K as Sales Tax receipts did not meet budget expectations.

- Transfer to Capital Budget (TDA-STA-Operating, Includes SB1) variance to budget is unfavorable by \$49K due to availability of STA-SGR funds (exceeded budget projections).
- Transfer to Operating and Capital Reserve Fund variance to budget is unfavorable by \$1,843K due to the transfer of all available excess operating funds to COVID Reserves, as presented to the Finance Committee and the Full Board in June 2020. Additionally, the anticipated and budgeted transfer of \$2M allocated to repayments of METRO unfunded CalPERS and OPEB liabilities did not materialize as funds were reinvested in the FY20 operating budget to pay for negotiated pay increases. The FY20 budget was further challenged by unanticipated operating costs associated with the pandemic.
- Transfer to COVID Reserves is consistent with the aforementioned commitment. METRO will reinvest the funds into the FY21 & FY22 Operating Budget to sustain services to the greatest extent possible during the economic recovery or until these funds are exhausted. The source of the funding transferred to the COVID Reserves is comprised of METRO's 1979 Local Sales Tax and 2016 Measure D Sales Tax, TDA-STA, TDA-LTF, and Farebox Revenues, as presented to the Board on June 26, 2020.

#### Slide 7

FY20 Capital Budget Spending Year to Date (by Funding Source) as of June 30, 2020

- Total Capital Spending year to date is \$7,751K; FY20 budget is \$33.6M
  - Low Carbon Transit Operations Program (LCTOP) spending is \$791K
  - Operating and Capital Reserve Fund spending is \$706K
  - Federal Capital Grants (FTA) spending is \$2,031K
  - Transfers from Operating Budget (Measure D) spending is \$1,752K
  - State Transportation Improvement Plan (STIP) spending is \$1,208K
  - State – PTMISEA (1B) spending is \$70K
  - Surface Transportation Block Grant (STBG) spending is \$500K
  - STA – SGR spending is \$671K
  - STA – SB1 spending is \$21K.

#### Slide 8

FY20 Capital Budget Spending Year to Date as of June 30, 2020

- Total Capital Projects spending year to date is \$7,751K; FY20 budget is \$33.6M
  - Revenue Veh Replacement & Campaigns – Electrification Projects spending is \$879K for the following projects:

- Electric Bus (1) – Watsonville Circulator DAC (FY15/16 LCTOP)
- EV Charging Infrastructure @ JKS (10 Bays) (FY19 LCTOP)
- Completion of JKS Facility – ZEB Yard Changing Infrastructure
- ZEB Deployment & Fleet Planning (CTE)
- Non-Revenue Vehicle Purchases \$ Replacements spending is \$25K for the following project:
  - Replace Custodial Support Vehicle (1) (FTA 5339a FY18)
- Fleet & Maintenance Equipment spending is \$81K for the following project:
  - Bus Yard Scrubber/Sweeper (FTA 5339a FY18)
  - Heavy Duty Opacity Smoke Meter
- Office Equipment spending is \$9K for the following project:
  - Workstations & Cubicles (HR)
- Misc. Projects spending is \$75K for the following project:
  - JKS Repeater Back-Up/Kite Hill Repeater Site
  - Pacific Station Furniture
  - Video Surveillance Server (Pacific Station)
  - Ticket Vending Machine Component Upgrades
  - Square Cash Registers for Customer Service (2)
  - 2<sup>nd</sup> ID Card Printer (Pacific Station)
  - Watsonville Transit Mural
- Construction Related Projects spending is \$37K for the following projects:
  - New METRO Owned ParaCruz Facility (Grant Match for FTA5339(b))
  - Pacific Station/Metro Center – Conceptual Design/MOU
- IT Projects spending is \$6K for the following projects:
  - Replacement Laptops (6)
- Facilities Repairs & Improvements spending is \$548K for the following projects:
  - Vernon Generator Replacement Project
  - Fuel Management System (FTA 5339a FY17 & FY18, Reserves)

- Facilities Improvements:
  - ADA Handrail (WTC)
  - Fencing at 138 Golf Club
- Fire Egress
- Awning – Fueling Station
- Security Cameras Install (JKS)
- Concrete Surface Repair – Bus Yard (FTA 5339a FY18)
- Maint Yard – Security Hardening & Expanded Parking
- Revenue Vehicle Replacements & Campaigns spending is \$6,091K for the following projects:
  - CNG Replacements (4 40') (FTA 5339b FY17, STA-SGR, Measure D)
  - 2 ZEBs (FY18 STIP, LPP, HVIP)
  - Refurb 4 Buses (FY18 STIP, Measure D)
  - AVL/ITS (FY18 STIP, Measure D)
  - VTA Bus Transfer – Decommission & Retrofit
  - CNG Bus (1) – (STBG FY17 – via SCCRTC)
  - CNG Bus (1) (Caltrans FY13-17 5339 Statewide Discretionary)
  - Year 3 of 6 – Capitalized Lease – Principal only (3 New Flyer Buses)
  - Mid-Life Bus Engine Overhaul (4) (FTA 5339a FY17)
  - Cameras on Buses #2

A number of capital projects are multi-year projects and unexpended resources are carried over to FY21. The following major projects contributed to the remaining unspent balance of \$25.9M in FY20:

- New METRO Owned Paracruz Facility
- Pacific Station/Metro Center Redevelopment Project (partnered with City of Santa Cruz)
- Financial System Replacement & Consulting
- Multiple Bus and Bus Replacement Projects and Campaigns including:
  - Electric Bus (3) + Infrastructure Project
  - Electric Bus (2) – Watsonville ZEB Circulator
  - Zero Emission Bus (ZEB) (2)
  - (6) CNG Bus Replacements (PTMISEA)
  - (2) CNG Bus Replacements (FY19 Caltrans Discretionary FTA 5339)
  - Paracruz Van Replacements
  - AVL/ITS

- Maintenance Yard-Security Hardening & Expanded Parking
- Golf Club Fire Egress, and
- Multiple projects funded with various FTA Section 5339 funds

Slide 9

(Cover Sheet) - Additional Information

Slide 10

Additional Information for the Month of June 2020

- Unemployment Rate % in Santa Cruz County is 13.1%
- \$ Gasoline per Gallon for the San Francisco-Oakland-San Jose area is \$3.003; \$ Diesel is \$3.216
- Ridership YTD as of June 2020 changed as follows, year-over-year (FY19 – FY20):
  - 29.8% decrease in Total ridership
  - 30.0% decrease in Highway 17 ridership
  - 29.8% decrease in Local ridership
  - 35.0% decrease in UCSC ridership
  - 28.8% decrease in Cabrillo ridership
  - 22.3% decrease in Non-Student ridership
- Enrollment Information, year-over-year (2018/19 – 2019/20):
  - UCSC: Spring (Total On-campus) enrollment decreased 1.6%
  - Cabrillo: Fall enrollment increased 9.2%

Actual Spring 2020 enrollment for UCSC and Cabrillo will be available later in the year.

Slide 11

FY21 Operating Revenue, Expenses, and Transfers Year to Date as of July 31, 2020: Preliminary

- Revenue – unfavorable by \$347K
- Operating Expenses:
  - Personnel Expenses - favorable by \$414K
  - Non-Personnel - favorable by \$315K
- Total Operating Expenses - favorable by \$729K
- Transfers – favorable by \$48K

## **B. Non-Operating Expenses**

- Non-cash accounting entries will be included as part of the annual Audited Financial Statements, although they are not presented in these financial reports. Non-operating expenses are non-cash accounting entries that Santa Cruz METRO is required to record.
  - Incurred but not Reported (IBNR) Worker's Compensation Losses – In accordance with Governmental Accounting Standards Board (GASB) Statement #10, the annual accounting entry for the workers' compensation IBNR was an increase of \$113,792. GASB Statement #10 requires Santa Cruz METRO to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and estimated unreported worker's compensation claims.
  - "Other post-employment benefits" (OPEB) Cost – GASB 75 – (replaced GASB 45) - In accordance with GASB Statement #75 the net effect of the annual accounting entry was \$4,938,153 in additional OPEB expenses for retiree medical benefits. Briefly, benefits include subsidized medical, dental, vision and life insurance coverage for eligible retirees.
  - Net Pension Liability – GASB 68 - Santa Cruz METRO implemented GASB 68 in FY15 and is now required to recognize a pension liability on the financial statements. The effect of the annual accounting entry was a \$3,606,479 increase to retirement expenses.
  - Annual Depreciation of grant and district funded capital assets will be included as part of the annual Audited Financial Statements; effective with the FY18 financial close, grant funded depreciation is now combined with district funded depreciation to comply with GASB Statement No. 33
- The non-cash accounting entries are all required and therefore will be incorporated into the annual Audited Financial Statements; they are not included in the reports presented here.

Staff recommends that the Board accept and adopt the:

- Year to Date Monthly Financial Report as of June 30, 2020 Presentation (Attachment A)
- FY20 Operating Revenue & Expenses Year to Date as of 06/30/20 (Attachment B)
- FY20 Capital Budget Report for the month ending 06/30/20 (Attachment C)

#### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This report pertains to METRO's Financial Stability, Stewardship & Accountability.

#### **V. FINANCIAL CONSIDERATIONS/IMPACT**

Favorable budget variances in Operating Revenues and Expenses contributed to higher than anticipated transfers to the Operating and Capital Reserve Fund. METRO will reinvest the funds into the FY21 & 22 Operating Budget to sustain services to the greatest extent possible during the economic recovery.

#### **VI. CHANGES FROM COMMITTEE**

Some of the preliminary numbers were minimally adjusted due to year-end related entries. Numbers presented in these reports are preliminary, and could change if there are any accounting adjustments, as per the final audit later this calendar year.

#### **VII. ALTERNATIVES CONSIDERED**

The Board could choose to not accept this report although that is not recommended. This report is required per the Board Bylaws Article 16.01(e) and Public Utility Code (PUC) § 98145, to be presented to the Board within 90 days from the end of each fiscal year.

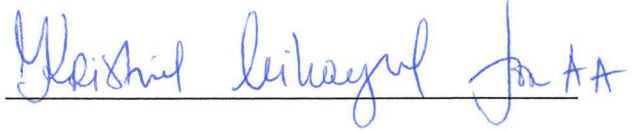
#### **VIII. ATTACHMENTS**

- Attachment A:** Year to Date Monthly Financial Report as of June 30, 2020
- Attachment B:** FY20 Operating Revenue and Expenses - for the month ending – 06/30/20
- Attachment C:** FY20 Capital Budget - for the month ending – 06/30/20

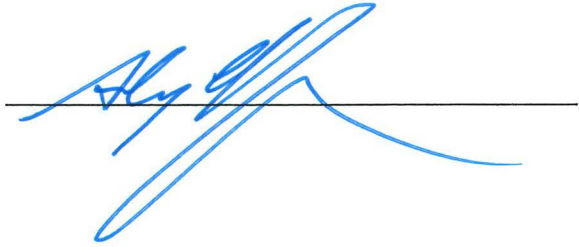
Prepared By: Kristina Mihaylova, Finance Deputy Director

**IX. APPROVALS:**

Approved as to fiscal impact:  
Angela Aitken, Chief Financial Officer

  
\_\_\_\_\_

Alex Clifford, CEO/General Manager

  
\_\_\_\_\_





# **Year to Date Monthly Financial Report as of June 30, 2020**

Santa Cruz METRO Board of Directors

*September 25, 2020*

Angela Aitken, Chief Financial Officer

# FY20 Operating Revenue and Expenses\*

## For the Month Ending June 30, 2020

100% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
<b>Operating Revenue:</b>	<b>\$26,103</b>	<b>\$5,791</b>	<b>\$20,312</b>
<b>Operating Expenses:</b>			
Labor - Regular	\$1,184	\$1,456	\$272
Labor - Overtime	\$32	\$155	\$123
Fringe Benefits	\$2,705	\$1,572	(\$1,133)
Non-Personnel Expenses	\$595	\$789	\$194
<b>Total Operating Expenses:</b>	<b>\$4,516</b>	<b>\$3,973</b>	<b>(\$543)</b>
<b>Transfers:</b>	<b>(\$19,244)</b>	<b>(\$3,163)</b>	<b>\$16,081</b>
<b>Operating Balance:</b>			<b>\$3,688</b>

\*Preliminary pre-audit numbers

# FY20 Operating Revenue and Expenses\*

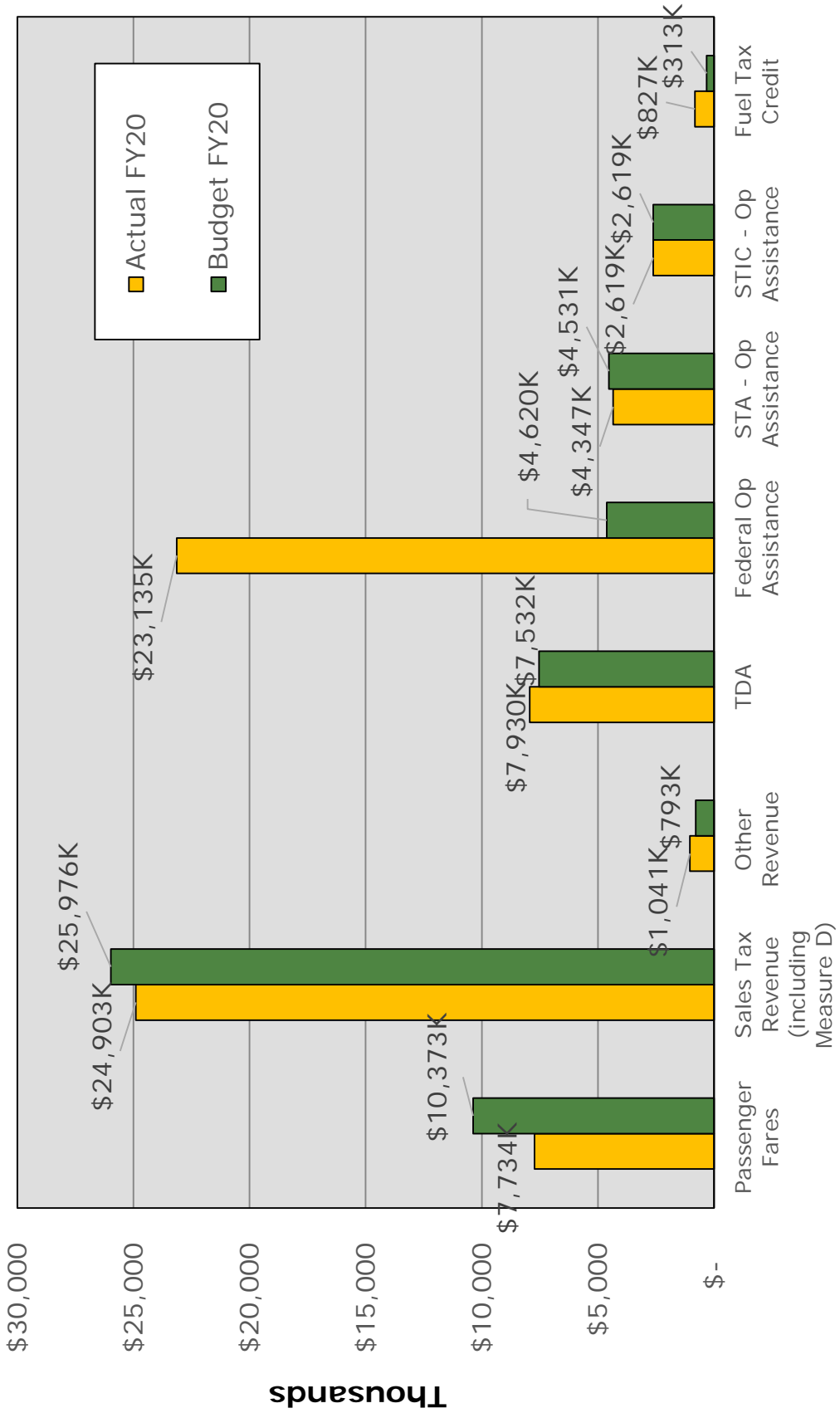
## Year to Date as of June 30, 2020

100% of Fiscal Year Elapsed

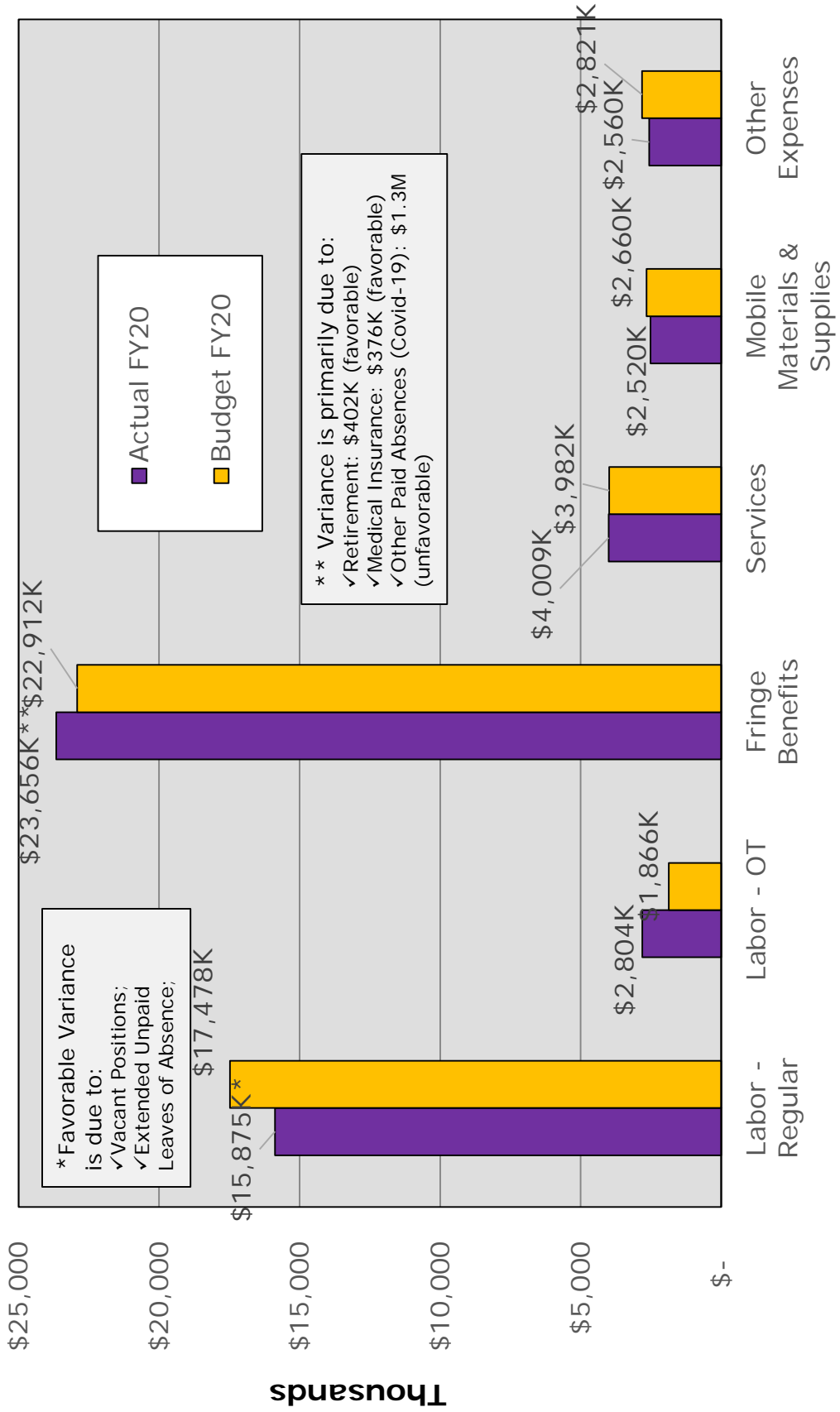
\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
<b>Operating Revenue:</b>	<b>\$72,535</b>	<b>\$56,756</b>	<b>\$15,778</b>
<b>Operating Expenses:</b>			
Labor - Regular	\$15,875	\$17,478	\$1,603
Labor - Overtime	\$2,804	\$1,866	(\$938)
Fringe Benefits	\$23,656	\$22,912	(\$744)
Non-Personnel Expenses	\$9,088	\$9,463	\$374
<b>Total Operating Expenses:</b>	<b>\$51,423</b>	<b>\$51,718</b>	<b>\$295</b>
<b>Transfers:</b>	<b>(\$21,112)</b>	<b>(\$5,039)</b>	<b>\$16,073</b>
<b>Operating Balance:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Preliminary pre-audit numbers

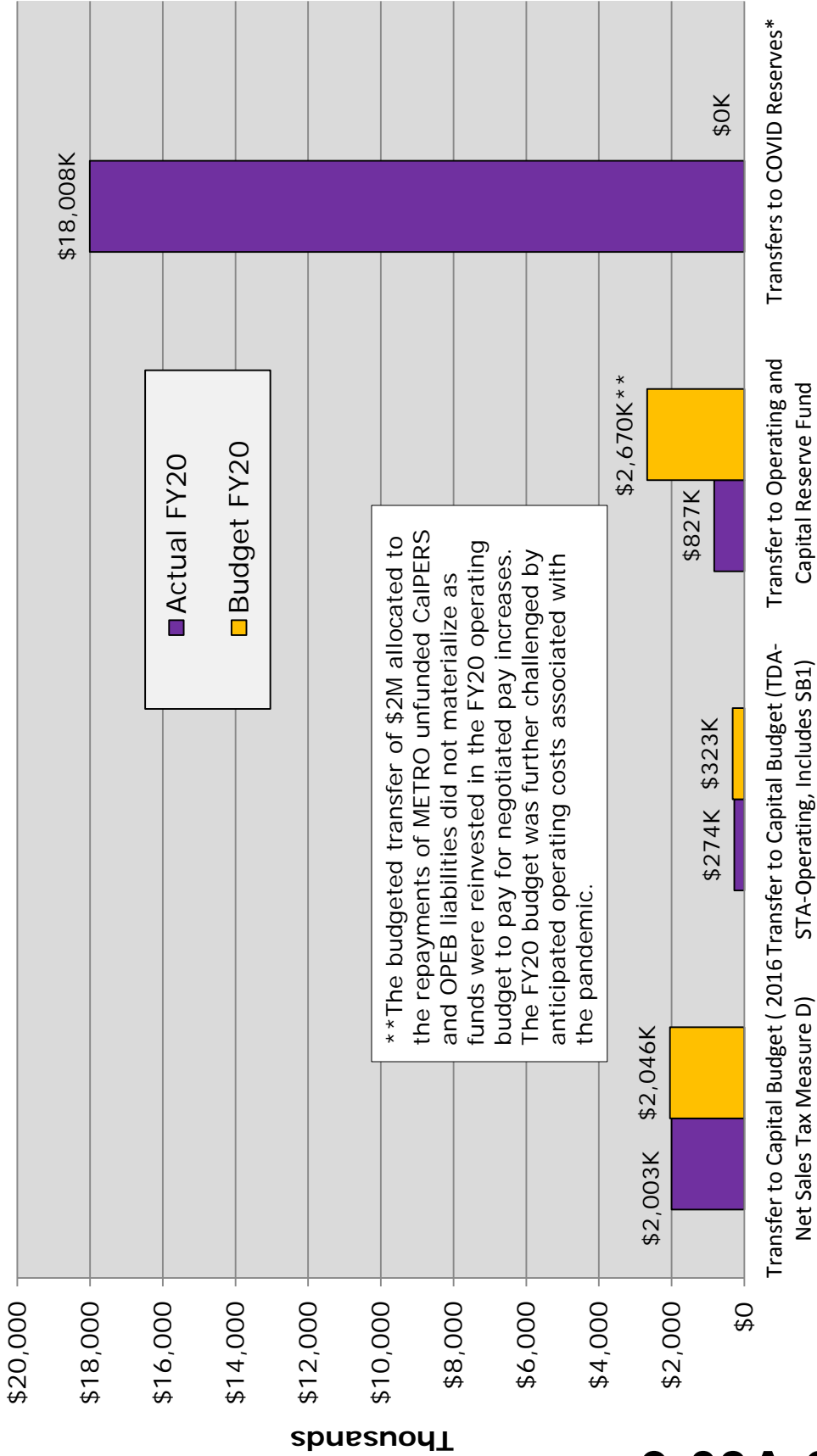
**FY20 Operating Revenue by Major Funding Source**  
**Year to Date as of June 30, 2020:**  
**100% of Fiscal Year Elapsed**



# FY20 Operating Expenses by Major Expense Category Year to Date as of June 30, 2020 100% of Fiscal Year Elapsed



# FY20 Transfers Year to Date as of June 30, 2020 100% of Fiscal Year Elapsed



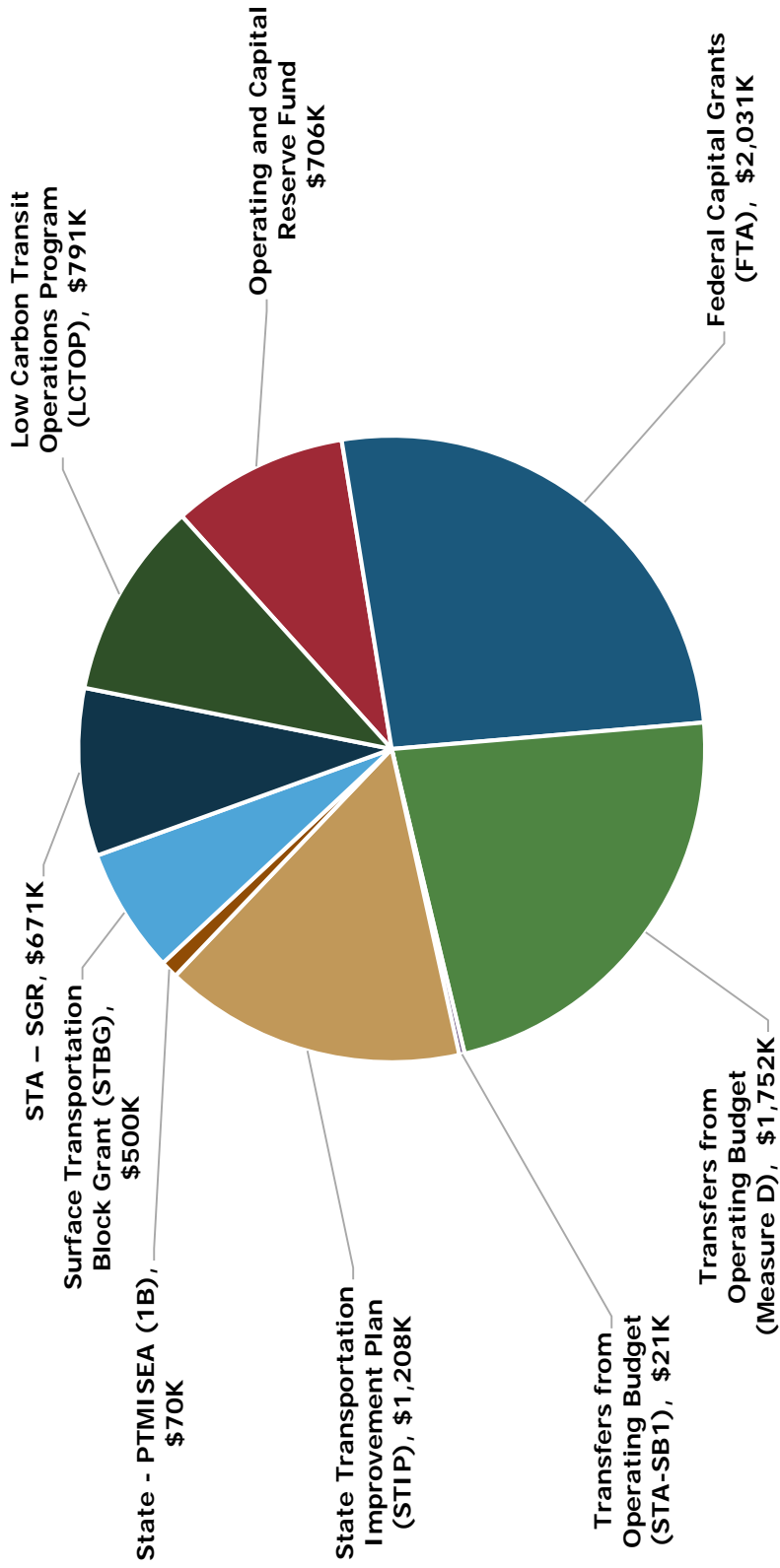
\* METRO will reinvest the funds into the FY21 Operating budget, to sustain services to the greatest extent possible during the economic recovery, or until these funds are exhausted. Source is comprised of METRO's 1979 Local Sales Tax and 2016 Measure D Sales Tax, TDA-STA, TDA-LTF and Farebox revenues, as presented to the BOD on June 26, 2020.

# FY20 Capital Budget:

Spending Year to Date (by Funding Source) as of June 30, 2020\*

100% of Fiscal Year Elapsed

	Actual YTD	Total FY20 Budget	% Spent YTD
<b>Total Capital Funding:</b>	<b>\$7,750,816</b>	<b>\$33,607,415</b>	<b>23%</b>



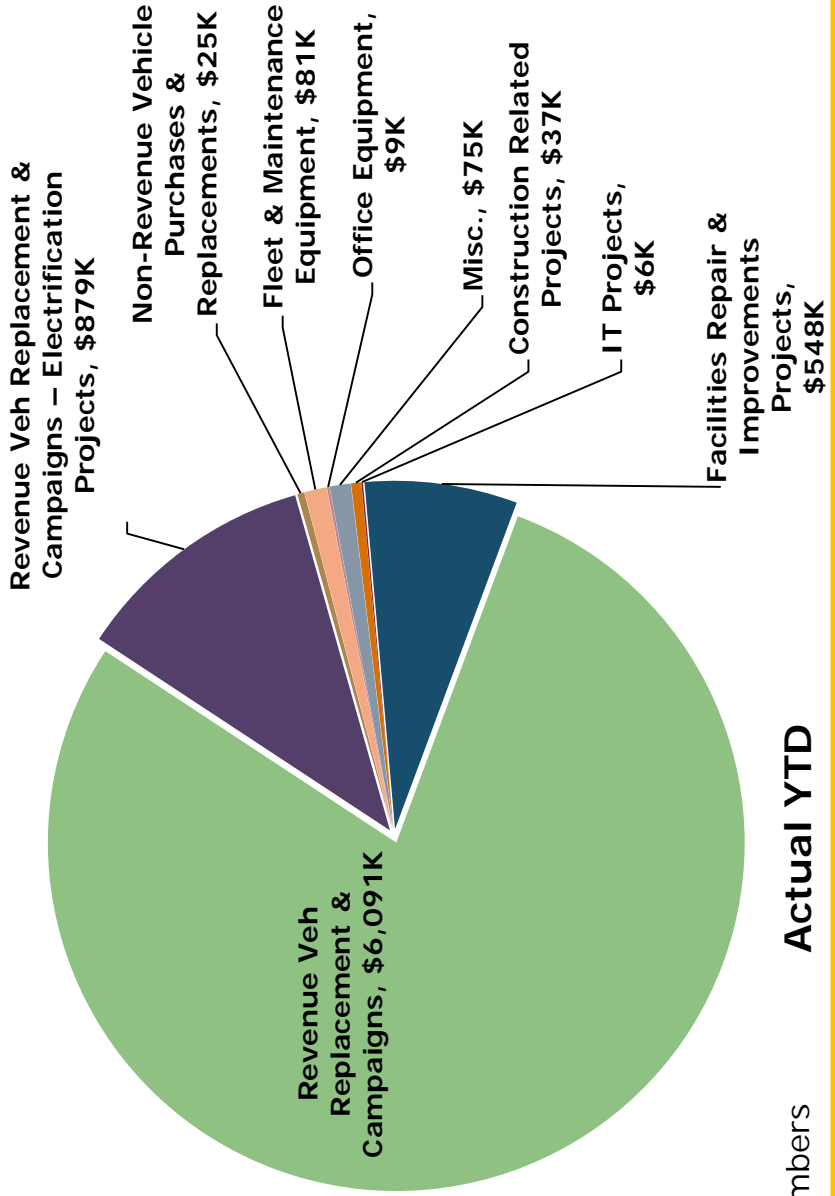
\*Preliminary pre-audit numbers

# FY20 Capital Budget:

Spending Year to Date as of June 30, 2020\*

100% of Fiscal Year Elapsed

	Actual YTD	Total FY20 Budget	% Spent YTD
<b>Total Capital Projects:</b>	<b>\$7,750,816</b>	<b>\$33,607,415</b>	<b>23%</b>



\*Preliminary pre-audit numbers

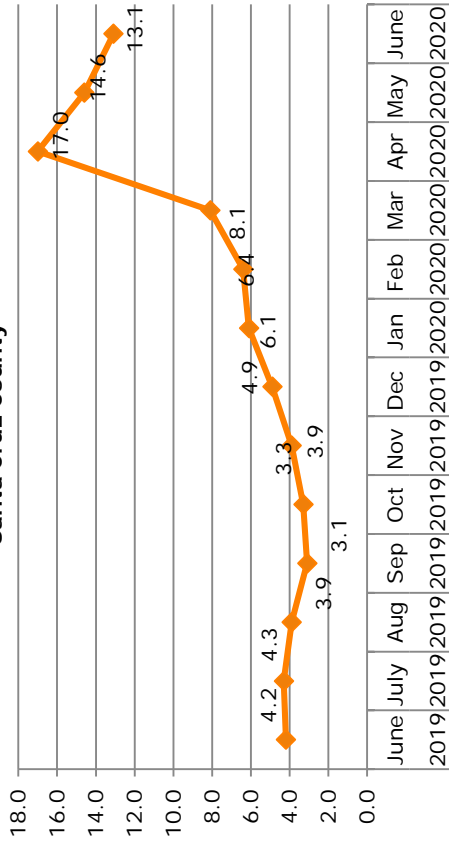
**Actual YTD**



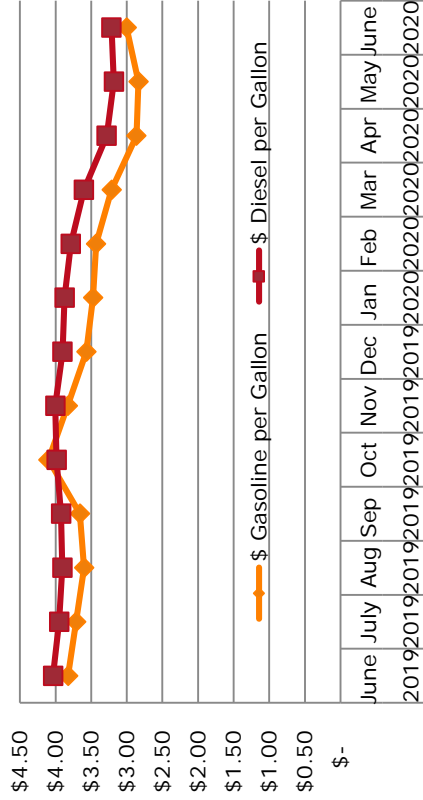
# Additional Information

# Economic Indicators & Ridership:

Unemployment Rate %  
Santa Cruz County



\$ Diesel/Gasoline per Gallon  
San Francisco – Oakland – San Jose



## Attachment A

FY19-20 Ridership: June YTD			
Ridership	FY19	FY20	% Change
<b>Total</b>	5,045,972	3,540,268	-29.8%
Hwy 17	285,508	199,881	-30.0%
Local	4,760,464	3,340,387	-29.8%
UCSC	2,664,040	1,732,456	-35.0%
Cabrillo	309,164	220,062	-28.8%
Non-Student	1,787,260	1,387,869	-22.3%

Enrollment Information			
UCSC	Spring (Total On-campus)		
	2018/19	2019/20	% Change
	17,980	17,696	-1.6%
	Fall*		
Cabrillo	2018/19		
	2018/19	2019/20	% Change
	11,490	12,548	9.2%

\*Actual Spring 2020 enrollment for Cabrillo will be available later in the year.

FY21 Operating Revenue, Expenses, and Transfers:  
Year to Date as of July 31, 2020: PRELIMINARY:

8% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
<b>Revenue:</b>	<b>\$2,888</b>	<b>\$3,235</b>	<b>(\$347)</b>
<b>Operating Expenses:</b>			
Personnel Expenses	\$7,431	\$7,845	\$414
Non-Personnel Expenses	\$488	\$803	\$315
<b>Total Operating Expenses:</b>	<b>\$7,919</b>	<b>\$8,648</b>	<b>\$729</b>
<b>Transfers:</b>			
Transfers to Capital Budget	(\$222)	(\$174)	\$48
Transfers to Operating and Capital Reserve Fund	\$0	\$0	\$0
<b>Total Transfers:</b>	<b>(\$222)</b>	<b>(\$174)</b>	<b>\$48</b>
<b>Operating Balance:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$334</b>

# Questions



**FY20**  
**Operating Revenue & Expenses**  
**Year to Date as of June 30, 2020**

Revenue:	Year to Date			YTD Year Over Year Comparison		
	Actual	Budget	\$ Var	Actual FY19	\$ Var	% Var
Passenger Fares	\$ 7,733,702	\$ 10,373,135	\$ (2,639,433)	\$ 10,238,962	\$ (2,505,261)	-24%
Other Revenue	\$ 1,041,210	\$ 587,500	\$ 453,710	\$ 832,654	\$ 208,555	25%
Sales Tax Revenue	\$ 21,587,491	\$ 22,617,238	\$ (1,029,747)	\$ 22,473,422	\$ (885,931)	-4%
Sales Tax Revenue Measure D	\$ 3,315,397	\$ 3,358,289	\$ (42,892)	\$ 3,492,041	\$ (176,644)	-5%
Transp Dev Act (TDA) - Op Asst	\$ 7,930,060	\$ 7,531,910	\$ 398,150	\$ 7,288,209	\$ 641,851	9%
Federal Op Assistance	\$ 23,134,605	\$ 4,619,986	\$ 18,514,619	\$ 4,588,748	\$ 18,545,857	404%
Other Op Assistance/Funding	\$ -	\$ 205,000	\$ (205,000)	\$ 111,284	\$ (111,284)	-100%
STA - Op Assistance	\$ 4,346,687	\$ 4,530,969	\$ (184,282)	\$ 4,253,929	\$ 92,758	2%
STIC - Op Assistance	\$ 2,619,113	\$ 2,619,113	\$ -	\$ 2,424,031	\$ 195,082	8%
Fuel Tax Credit	\$ 826,532	\$ 313,126	\$ 513,406	\$ -	\$ 826,532	100%
<b>Total Revenue</b>	<b>\$ 72,534,796</b>	<b>\$ 56,756,266</b>	<b>\$ 15,778,530</b>	<b>\$ 55,703,280</b>	<b>\$ 16,831,516</b>	<b>30%</b>

**Expenses:**

Labor - Regular	\$ 15,874,885	\$ 17,477,622	\$ (1,602,738)	\$ 15,672,413	\$ 202,472	1%
Labor - Overtime	\$ 2,804,026	\$ 1,865,502	\$ 938,524	\$ 3,348,345	\$ (544,319)	-16%
Fringe Benefits	\$ 23,655,751	\$ 22,912,004	\$ 743,747	\$ 20,337,374	\$ 3,318,377	16%
Services	\$ 4,009,123	\$ 3,981,650	\$ 27,473	\$ 3,955,287	\$ 53,837	1%
Mobile Materials & Supplies	\$ 2,519,673	\$ 2,660,000	\$ (140,328)	\$ 2,842,712	\$ (323,039)	-11%
Other Materials & Supplies	\$ 617,188	\$ 456,855	\$ 160,333	\$ 435,090	\$ 182,098	42%
Utilities	\$ 597,599	\$ 643,400	\$ (45,801)	\$ 612,123	\$ (14,524)	-2%
Casualty & Liability	\$ 800,600	\$ 933,758	\$ (133,158)	\$ 1,067,132	\$ (266,532)	-25%
Taxes	\$ 44,249	\$ 52,000	\$ (7,750)	\$ 44,793	\$ (543)	-1%
Purchased Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Miscellaneous	\$ 246,238	\$ 458,426	\$ (212,189)	\$ 419,379	\$ (173,141)	-41%
Interest Expense	\$ 32,097	\$ 32,097	\$ 0	\$ 39,616	\$ (7,519)	-19%
Leases & Rentals	\$ 221,587	\$ 244,333	\$ (22,746)	\$ 334,781	\$ (113,194)	-34%
<b>Total Expenses</b>	<b>\$ 51,423,017</b>	<b>\$ 51,717,646</b>	<b>\$ (294,629)</b>	<b>\$ 49,109,047</b>	<b>\$ 2,313,970</b>	<b>5%</b>

**Transfers:**

Transfers to Capital Budget	\$ (2,277,192)	\$ (2,368,777)	\$ 91,585	\$ (2,329,321)	\$ 52,129	-2%
Transfers to Operating and Capital Reserve Fund	\$ (18,834,588)	\$ (2,669,843)	\$ (16,164,745)	\$ (4,264,912)	\$ (14,569,676)	342%
<b>Total Transfers</b>	<b>\$ (21,111,779)</b>	<b>\$ (5,038,620)</b>	<b>\$ (16,073,159)</b>	<b>\$ (6,594,233)</b>	<b>\$ (14,517,546)</b>	<b>220%</b>
<b>Operating Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0%</b>



**FY20**

**Operating Revenue**  
**Year to Date as of June 30, 2020**  
100%

Percent of Year Elapsed - 100%

	Current Period			Year to Date			YTD Year Over Year Comparison		
	Actual	Budget	% Var	Actual	Budget	% Var	FY19	\$ Var	% Var
<b>Passenger Fares</b>									
Passenger Fares	\$ 31,363	\$ 159,971	(128,608) -80%	\$ 1,853,675	\$ 2,425,337	(571,662) -24%	\$ 2,546,823	\$ (693,148)	-27%
Paratransit Fares	\$ 5,610	\$ 21,791	(16,181) -74%	\$ 217,664	\$ 291,566	(73,902) -25%	\$ 285,841	\$ (68,177)	-24%
Special Transit Fares - Contract	\$ 118,637	\$ 475,836	(357,199) -75%	\$ 4,059,315	\$ 5,632,252	(1,572,937) -28%	\$ 5,330,373	\$ (1,271,057)	-24%
Highway 17 Fares	\$ 6,597	\$ 114,999	(108,402) -94%	\$ 1,068,136	\$ 1,487,489	(419,353) -28%	\$ 1,549,496	\$ (481,360)	-31%
Highway 17 Payments	\$ 42,688	\$ 42,974	(286) -1%	\$ 534,911	\$ 536,491	(1,580) 0%	\$ 526,430	\$ 8,481	2%
<b>Subtotal Passenger Revenue</b>	\$ 204,895	\$ 815,570	(610,675) -75%	\$ 7,733,702	\$ 10,373,135	(2,639,433) -25%	\$ 10,238,962	\$ (2,505,261)	-24%
<b>Other Revenue</b>									
Commissions	\$ -	\$ 208	(208) -100%	\$ 1,509	\$ 2,500	(991) -40%	\$ 2,503	\$ (994)	-40%
Advertising Income	\$ 5,530	\$ 22,917	(17,387) -76%	\$ 195,532	\$ 275,000	(79,468) -29%	\$ 238,255	\$ (42,723)	-18%
Rent Income - SC Pacific Station	\$ (5,856)	\$ 10,833	(16,690) -154%	\$ 84,621	\$ 130,000	(45,379) -35%	\$ 102,016	\$ (17,395)	-17%
Rent Income - Watsonville TC	\$ (184)	\$ 4,167	(4,351) -104%	\$ 35,945	\$ 50,000	(14,056) -28%	\$ 45,285	\$ (9,341)	-21%
Interest Income	\$ 21,724	\$ 8,333	13,391 161%	\$ 456,082	\$ 100,000	\$ 356,082 356%	\$ 319,195	\$ 136,887	43%
Other Non-Transp Revenue	\$ 6,871	\$ 2,500	4,371 175%	\$ 267,522	\$ 30,000	\$ 237,522 792%	\$ 125,400	\$ 142,122	113%
<b>Subtotal Other Revenue</b>	\$ 28,085	\$ 48,958	(20,873) -43%	\$ 1,041,210	\$ 587,500	\$ 453,710 77%	\$ 832,654	\$ 208,555	25%
<b>Sales Tax Revenue</b>	\$ 1,872,272	\$ 1,867,052	\$ 5,220 0%	\$ 21,587,491	\$ 22,617,238	(1,029,747) -5%	\$ 22,473,422	\$ (885,931)	-4%
<b>Sales Tax Revenue Measure D</b>	\$ 244,849	\$ 284,711.23	(39,862) -14%	\$ 3,315,397	\$ 3,358,289	(42,892) -1%	\$ 3,492,041	\$ (176,644)	-5%
<b>Subtotal Sales Tax Revenue</b>	\$ 2,117,121	\$ 2,151,763	(34,642) -2%	\$ 24,902,889	\$ 25,975,527	(1,072,638) -4%	\$ 25,965,464	\$ (1,062,575)	-4%
<b>Transp Dev Act (TDA) - Op Asst</b>	\$ 1,882,978	\$ -	\$ 1,882,978 100%	\$ 7,930,060	\$ 7,531,910	\$ 398,150 5%	\$ 7,288,209	\$ 641,851	9%
<b>Subtotal TDA Op Assistance</b>	\$ 1,882,978	\$ -	\$ 1,882,977.50 100%	\$ 7,930,060	\$ 7,531,910	\$ 398,150 5%	\$ 7,288,209	\$ 641,851	9%
<b>Federal Op Assistance</b>									
FTA Sec 5307 - Op Asst	\$ -	\$ -	\$ - 0%	\$ 4,441,297	\$ 4,441,297	\$ - 0%	\$ 4,370,741	\$ 70,556	2%
FTA Sec 5307 - Op Asst CARES Act	\$ 18,310,795	\$ -	\$ 18,310,795 100%	\$ 18,310,795	\$ -	\$ 18,310,795 100%	\$ -	\$ 18,310,795	100%
FTA Sec 5311 - Rural Op Asst	\$ 180,962	\$ 178,139	\$ 2,823 2%	\$ 180,962	\$ 178,139	\$ 2,823 2%	\$ 174,321	\$ 6,641	4%
FTA Sec 5311 - Rural Op Asst CARES Ac	\$ 200,431	\$ -	\$ 200,431 100%	\$ 200,431	\$ -	\$ 200,431 100%	\$ -	\$ 200,431	100%
Medicare Subsidy	\$ 108	\$ 550	(442) -80%	\$ 1,120	\$ 550	\$ 570 104%	\$ 43,686	\$ (42,566)	-97%
<b>Subtotal Federal Op Assistance</b>	\$ 18,692,296	\$ 178,689	\$ 18,513,607 10361%	\$ 23,134,605	\$ 4,619,986	\$ 18,514,619 401%	\$ 4,588,748	\$ 18,545,857	404%



**FY20**

**Operating Revenue**  
**Year to Date as of June 30, 2020**  
100%

Percent of Year Elapsed - 100%

	Current Period			Year to Date			YTD Year Over Year Comparison					
	Actual	Budget	\$ Var	% Var	Notes	Actual	Budget	\$ Var	% Var	FY19	\$ Var	% Var
<b>Other Op Assistance/Funding</b>												
Sect 5304 Planning AMBAG Funding	\$ -	\$ 17,083	\$ (17,083)	-100%		\$ -	\$ 205,000	\$ (205,000)	-100%	\$ -	\$ -	0%
Other Op Assistance/Funding	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	\$ 111,284	\$ (111,284)	-100%
<b>Subtotal Other Op Assistance/Funding</b>	\$ -	\$ 17,083	\$ -	-100%		\$ -	\$ 205,000	\$ (205,000)	-100%	\$ 111,284	\$ (111,284)	-100%
<b>STA - Op Assistance</b>	\$ 2,351,423	\$ 2,265,485	\$ 85,939	4%		\$ 4,346,687	\$ 4,530,969	\$ (184,282)	-4%	\$ 4,253,929	\$ 92,758	2%
<b>STIC-Op Assistance</b>	\$ -	\$ -	\$ -	0%		\$ 2,619,113	\$ 2,619,113	\$ -	0%	\$ 2,424,031	\$ 195,082	8%
<b>Fuel Tax Credit</b>	\$ 826,532	\$ 313,126	\$ 513,406	164%		\$ 826,532	\$ 313,126	\$ 513,406	164%	\$ -	\$ 826,532	100%
<b>Total Revenue</b>	\$ 26,103,330	\$ 5,790,675	\$ 20,312,655	351%		\$ 72,534,796	\$ 56,756,266	\$ 15,778,530	28%	\$ 55,703,280	\$ 16,831,516	30%

**Transfers**

	Actual	Budget	\$ Var	% Var	Notes	Actual	Budget	\$ Var	% Var	FY19	\$ Var	% Var
<b>Transfers to Capital Budget</b>												
Transfers to Capital Budget (2016 Net Sales Tax Measure D)	\$ (135,494)	\$ (170,503)	\$ 35,009	-21%		\$ (2,003,139)	\$ (2,046,031)	\$ 42,892	-2%	\$ (2,123,065)	\$ 119,926	-6%
Transfers to Capital Budget (TDA - STA - Operating, includes SB1)	\$ (274,052)	\$ (322,746)	\$ 48,694	-15%		\$ (274,052)	\$ (322,746)	\$ 48,694	-15%	\$ (206,256)	\$ (67,796)	33%
<b>Subtotal Transfers to Capital Budget</b>	\$ (409,546)	\$ (493,249)	\$ 83,702	-17%		\$ (2,277,192)	\$ (2,368,777)	\$ 91,585	-4%	\$ (2,329,321)	\$ 52,129	-2%
<b>Transfers to Operating and Capital Reserve Fund</b>												
Transfers to Operating and Capital Reserve Fund (Fuel Tax Credit)	\$ (826,532)	\$ (313,126)	\$ (513,406)	164%		\$ (826,532)	\$ (313,126)	\$ (513,406)	164%	\$ -	\$ (826,532)	100%
Transfer Excess to Operating and Capital Reserve Fund	\$ (18,008,056)	\$ (2,356,717)	\$ (15,651,339)	664%		\$ (18,008,056)	\$ (2,356,717)	\$ (15,651,339)	664%	\$ (4,264,912)	\$ (13,743,144)	322%
<b>Subtotal Transfers to Reserves</b>	\$ (18,834,588)	\$ (2,669,843)	\$ (16,164,745)	605%		\$ (18,834,588)	\$ (2,669,843)	\$ (16,164,745)	605%	\$ (4,264,912)	\$ (14,569,676)	342%
<b>Total Transfers</b>	\$ (19,244,134)	\$ (3,163,092)	\$ (16,081,042)	508%		\$ (21,111,779)	\$ (5,038,620)	\$ (16,073,159)	319%	\$ (6,594,233)	\$ (14,517,546)	220%

**Total Operating Expenses**

\$ 4,515,840

\$ 51,423,017

\$ 49,109,047

**Operating Balance**

\$ 2,343,356

\$ -

\$ -



**FY20**  
**Consolidated Operating Expenses**  
**Year to Date as of June 30, 2020**

	Current Period				Year to Date				YTD Year Over Year Comparison			
	Actual	Budget	\$ Var	% Var	Notes	Actual	Budget	\$ Var	% Var	FY19	\$ Var	% Var
<b>Labor</b>												
501011 Bus Operator Pay	\$ 497,699	\$ 748,066	\$ (250,367)	-33%		\$ 7,775,128	\$ 8,976,794	\$ (1,201,666)	-13%	\$ 8,089,242	\$ (314,115)	-4%
501013 Bus Operator Overtime	\$ 8,516	\$ 104,151	\$ (95,634)	-92%		\$ 2,078,980	\$ 1,249,806	\$ 829,174	66%	\$ 2,539,776	\$ (460,796)	-18%
501021 Other Salaries	\$ 685,983	\$ 708,402	\$ (22,419)	-3%		\$ 8,099,757	\$ 8,500,829	\$ (401,072)	-5%	\$ 7,583,171	\$ 516,586	7%
501023 Other Overtime	\$ 23,505	\$ 51,308	\$ (27,803)	-54%		\$ 725,046	\$ 615,696	\$ 109,351	18%	\$ 808,570	\$ (83,524)	-10%
<b>Total Labor -</b>	<b>\$ 1,215,704</b>	<b>\$ 1,611,927</b>	<b>\$ (396,223)</b>	<b>-25%</b>		<b>\$ 18,678,911</b>	<b>\$ 19,343,124</b>	<b>\$ (664,213)</b>	<b>-3%</b>	<b>\$ 19,020,759</b>	<b>\$ (341,848)</b>	<b>-2%</b>
<b>Fringe Benefits</b>												
502011 Medicare/Soc. Sec.	\$ 34,727	\$ 28,177	\$ 6,550	23%		\$ 338,342	\$ 338,125	\$ 217	0%	\$ 320,189	\$ 18,153	6%
502021 Retirement	\$ 149,212	\$ 186,987	\$ (37,775)	-20%		\$ 5,886,183	\$ 6,288,627	\$ (402,443)	-6%	\$ 5,293,017	\$ 593,167	11%
502031 Medical Insurance	\$ 867,218	\$ 858,157	\$ 9,061	1%		\$ 9,921,793	\$ 10,297,884	\$ (376,091)	-4%	\$ 9,117,148	\$ 804,645	9%
502041 Dental Insurance	\$ 34,599	\$ 39,311	\$ (4,713)	-12%		\$ 420,698	\$ 471,737	\$ (51,039)	-11%	\$ 417,820	\$ 2,878	1%
502045 Vision Insurance	\$ 8,224	\$ 10,341	\$ (2,117)	-20%		\$ 102,260	\$ 124,091	\$ (21,832)	-18%	\$ 113,601	\$ (11,342)	-10%
502051 Life Insurance	\$ 4,411	\$ 4,311	\$ 100	2%		\$ 55,956	\$ 51,735	\$ 4,221	8%	\$ 51,057	\$ 4,899	10%
502060 State Disability	\$ 18,100	\$ 19,536	\$ (1,437)	-7%		\$ 224,240	\$ 234,438	\$ (10,198)	-4%	\$ 219,163	\$ 5,076	2%
502061 Disability Insurance	\$ 10,656	\$ 12,624	\$ (1,969)	-16%		\$ 128,915	\$ 151,493	\$ (22,578)	-15%	\$ 128,730	\$ 185	0%
502071 State Unemp. Ins	\$ 243	\$ 4,626	\$ (4,383)	-95%		\$ 42,602	\$ 55,512	\$ (12,910)	-23%	\$ 53,312	\$ (10,710)	-20%
502081 Worker's Comp Ins	\$ 341,104	\$ 77,402	\$ 263,703	341%		\$ 1,128,486	\$ 928,818	\$ 199,668	21%	\$ 810,932	\$ 317,554	39%
502083 Worker's Comp IBNR	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	\$ -	\$ -	0%
502101 Holiday Pay	\$ 29,130	\$ 54,643	\$ (25,513)	-47%		\$ 511,892	\$ 655,718	\$ (143,826)	-22%	\$ 470,458	\$ 41,434	9%
502103 Floating Holiday	\$ 72,520	\$ 9,499	\$ 63,021	663%		\$ 108,516	\$ 113,993	\$ (5,476)	-5%	\$ 115,819	\$ (7,303)	-6%
502109 Sick Leave	\$ 212,037	\$ 83,784	\$ 128,253	153%		\$ 870,796	\$ 1,005,413	\$ (134,617)	-13%	\$ 681,709	\$ 189,087	28%
502111 Annual Leave	\$ 623,117	\$ 163,838	\$ 459,279	280%		\$ 2,372,598	\$ 1,966,061	\$ 406,537	21%	\$ 2,241,564	\$ 131,034	6%
502121 Other Paid Absence	\$ 288,281	\$ 12,807	\$ 275,474	2151%		\$ 1,465,306	\$ 153,684	\$ 1,311,622	853%	\$ 238,362	\$ 1,226,944	515%
502251 Physical Exams	\$ 934	\$ 932	\$ 2	0%		\$ 8,064	\$ 11,183	\$ (3,119)	-28%	\$ 8,878	\$ (814)	-9%
502253 Driver Lic Renewal	\$ 406	\$ 243	\$ 163	67%		\$ 3,306	\$ 2,911	\$ 395	14%	\$ 1,864	\$ 1,442	77%
502999 Other Fringe Benefits	\$ 10,551	\$ 5,048	\$ 5,503	109%		\$ 65,799	\$ 60,581	\$ 5,218	9%	\$ 53,751	\$ 12,048	22%
<b>Total Fringe Benefits -</b>	<b>\$ 2,705,472</b>	<b>\$ 1,572,288</b>	<b>\$ 1,133,204</b>	<b>72%</b>		<b>\$ 23,655,751</b>	<b>\$ 22,912,004</b>	<b>\$ 743,747</b>	<b>3%</b>	<b>\$ 20,337,374</b>	<b>\$ 3,318,377</b>	<b>16%</b>
<b>Total Personnel Expenses -</b>	<b>\$ 3,921,176</b>	<b>\$ 3,184,195</b>	<b>\$ 736,981</b>	<b>23%</b>		<b>\$ 42,334,662</b>	<b>\$ 42,255,128</b>	<b>\$ 79,534</b>	<b>0%</b>	<b>\$ 39,358,133</b>	<b>\$ 2,976,529</b>	<b>8%</b>





**FY20**  
**Consolidated Operating Expenses**  
**Year to Date as of June 30, 2020**

	Current Period			Year to Date			YTD Year Over Year Comparison					
	Actual	Budget	\$ Var	% Var	Notes	Actual	Budget	\$ Var	% Var	FY19	\$ Var	% Var
<b>Services</b>												
503011 Acctg & Audit Fees	\$ 47,113	\$ 8,771	\$ 38,342	437%		\$ 86,712	\$ 105,250	\$ (18,538)	-18%	\$ 95,709	\$ (8,997)	-9%
503012 Admin & Bank Fees	\$ (9,072)	\$ 34,770	\$ (43,842)	-126%		\$ 370,843	\$ 417,244	\$ (46,401)	-11%	\$ 464,712	\$ (93,869)	-20%
503031 Prof & Tech Fees	\$ 31,148	\$ 77,684	\$ (46,535)	-60%		\$ 561,322	\$ 932,204	\$ (370,882)	-40%	\$ 641,702	\$ (80,380)	-13%
503032 Legislative Services	\$ 7,750	\$ 8,417	\$ (667)	-8%		\$ 93,000	\$ 101,000	\$ (8,000)	-8%	\$ 93,000	\$ -	0%
503033 Legal Services	\$ 34,414	\$ 33,333	\$ 1,081	3%		\$ 370,190	\$ 400,000	\$ (29,810)	-7%	\$ 363,949	\$ 6,242	2%
503034 Pre-Employ Exams	\$ 1,164	\$ 621	\$ 543	87%		\$ 6,048	\$ 7,450	\$ (1,402)	-19%	\$ 6,600	\$ (552)	-8%
503041 Temp Help	\$ 67,747	\$ -	\$ 67,747	100%		\$ 647,923	\$ -	\$ 647,923	100%	\$ 388,368	\$ 259,556	67%
503161 Custodial Services	\$ 520	\$ 792	\$ (272)	-34%		\$ 5,940	\$ 9,500	\$ (3,560)	-37%	\$ 5,603	\$ 337	6%
503162 Uniform & Laundry	\$ 2,412	\$ 2,217	\$ 195	9%		\$ 22,687	\$ 26,600	\$ (3,913)	-15%	\$ 22,809	\$ (122)	-1%
503171 Security Services	\$ 70,128	\$ 46,584	\$ 23,545	51%		\$ 575,894	\$ 559,002	\$ 16,892	3%	\$ 518,156	\$ 57,738	11%
503221 Classified/Legal Ads	\$ 1,378	\$ 1,825	\$ (447)	-24%		\$ 8,974	\$ 21,900	\$ (12,926)	-59%	\$ 21,301	\$ (12,327)	-58%
503222 Legal Advertising	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	\$ -	\$ -	0%
503225 Graphic Services	\$ 69	\$ 6,250	\$ (6,181)	-99%		\$ 26,088	\$ 75,000	\$ (48,913)	-65%	\$ 988	\$ 25,100	2542%
503351 Repair - Bldg & Impr	\$ 10,509	\$ 4,417	\$ 6,092	138%		\$ 96,588	\$ 53,000	\$ 43,588	82%	\$ 183,211	\$ (86,622)	-47%
503352 Repair - Equipment	\$ 64,667	\$ 58,125	\$ 6,542	11%		\$ 749,237	\$ 697,500	\$ 51,737	7%	\$ 611,868	\$ 137,368	22%
503353 Repair - Rev Vehicle	\$ 28,287	\$ 41,750	\$ (13,463)	-32%		\$ 270,336	\$ 501,000	\$ (230,664)	-46%	\$ 457,799	\$ (187,463)	-41%
503354 Repair - Non Rev Vehicle	\$ 6,689	\$ 2,083	\$ 4,606	221%		\$ 23,276	\$ 25,000	\$ (1,724)	-7%	\$ 18,158	\$ 5,118	28%
503363 Haz Mat Disposal	\$ 3,669	\$ 4,167	\$ (498)	-12%		\$ 94,066	\$ 50,000	\$ 44,066	88%	\$ 61,356	\$ 32,709	53%
<b>Total Services -</b>	<b>\$ 368,593</b>	<b>\$ 331,804</b>	<b>\$ 36,789</b>	<b>11%</b>		<b>\$ 4,009,123</b>	<b>\$ 3,981,650</b>	<b>\$ 27,473</b>	<b>1%</b>	<b>\$ 3,955,287</b>	<b>\$ 53,837</b>	<b>1%</b>
<b>Mobile Materials &amp; Supplies</b>												
504011 Fuels & Lube Non Rev Veh	\$ 3,800	\$ 5,917	\$ (2,117)	-36%		\$ 53,389	\$ 71,000	\$ (17,611)	-25%	\$ 68,082	\$ (14,693)	-22%
504012 Fuels & Lube Rev Veh	\$ 60,714	\$ 125,000	\$ (64,286)	-51%		\$ 1,298,960	\$ 1,500,000	\$ (201,040)	-13%	\$ 1,559,619	\$ (260,659)	-17%
504021 Tires & Tubes	\$ 60,119	\$ 15,708	\$ 44,411	283%		\$ 208,885	\$ 188,500	\$ 20,385	11%	\$ 190,918	\$ 17,967	9%
504161 Other Mobile Supplies	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	\$ -	\$ -	0%
504191 Rev Vehicle Parts	\$ 71,447	\$ 75,042	\$ (3,595)	-5%		\$ 958,438	\$ 900,500	\$ 57,938	6%	\$ 1,024,093	\$ (65,655)	-6%
<b>Total Mobile Materials &amp; Supplies -</b>	<b>\$ 196,080</b>	<b>\$ 221,667</b>	<b>\$ (25,587)</b>	<b>-12%</b>		<b>\$ 2,519,673</b>	<b>\$ 2,660,000</b>	<b>\$ (140,328)</b>	<b>-5%</b>	<b>\$ 2,842,712</b>	<b>\$ (323,039)</b>	<b>-11%</b>



**FY20**  
**Consolidated Operating Expenses**  
**Year to Date as of June 30, 2020**

	Current Period				Year to Date				YTD Year Over Year Comparison				
	Actual	Budget	\$ Var	% Var	Notes	Actual	Budget	\$ Var	% Var	FY19	\$ Var	% Var	
<b>Other Materials &amp; Supplies</b>													
504205 Freight Out	\$ 325	\$ 667	\$ (341)	-51%		\$ 4,475	\$ 8,000	\$ (3,525)	-44%	\$ 3,917	\$ 557	14%	
504211 Postage & Mailing	\$ 69	\$ 863	\$ (795)	-92%		\$ 6,941	\$ 10,360	\$ (3,419)	-33%	\$ 8,407	\$ (1,467)	-17%	
504214 Promotional Items	\$ -	\$ 2,575	\$ (2,575)	-100%		\$ 11,647	\$ 30,900	\$ (19,253)	-62%	\$ 8,501	\$ 3,146	37%	
504215 Printing	\$ 577	\$ 4,473	\$ (3,896)	-87%		\$ 46,453	\$ 53,675	\$ (7,222)	-13%	\$ 59,780	\$ (13,327)	-22%	
504217 Photo Supply/Processing	\$ -	\$ 167	\$ (167)	-100%		\$ 2,977	\$ 2,000	\$ 977	49%	\$ 656	\$ 2,322	354%	
504311 Office Supplies	\$ 3,258	\$ 6,025	\$ (2,767)	-46%		\$ 69,648	\$ 72,300	\$ (2,652)	-4%	\$ 84,978	\$ (15,330)	-18%	
504315 Safety Supplies/Covid-19	\$ 39,014	\$ 2,218	\$ 36,796	1659%		\$ 261,322	\$ 26,620	\$ 234,702	882%	\$ 21,775	\$ 239,547	1100%	
504317 Cleaning Supplies	\$ 2,633	\$ 4,342	\$ (1,709)	-39%		\$ 55,545	\$ 52,100	\$ 3,445	7%	\$ 51,671	\$ 3,874	7%	
504409 Repair/Maint Supplies	\$ 5,816	\$ 10,000	\$ (4,184)	-42%		\$ 107,383	\$ 120,000	\$ (12,617)	-11%	\$ 104,808	\$ 2,576	2%	
504417 Tenant Repairs	\$ -	\$ 1,167	\$ (1,167)	-100%		\$ 2,247	\$ 14,000	\$ (11,753)	-84%	\$ 22,620	\$ (20,373)	-90%	
504421 Non-Inventory Parts	\$ 5,962	\$ 4,167	\$ 1,796	43%		\$ 26,542	\$ 50,000	\$ (23,458)	-47%	\$ 40,671	\$ (14,129)	-35%	
504511 Small Tools	\$ 1,456	\$ 1,158	\$ 298	26%		\$ 20,854	\$ 13,900	\$ 6,954	50%	\$ 26,303	\$ (5,449)	-21%	
504515 Employee Tool Rplcmt	\$ 231	\$ 250	\$ (19)	-7%		\$ 1,154	\$ 3,000	\$ (1,846)	-62%	\$ 1,004	\$ 150	15%	
<b>Total Other Materials &amp; Supplies -</b>	<b>\$ 59,343</b>	<b>\$ 38,071</b>	<b>\$ 21,272</b>	<b>56%</b>		<b>\$ 617,188</b>	<b>\$ 456,855</b>	<b>\$ 160,333</b>	<b>35%</b>	<b>\$ 435,090</b>	<b>\$ 182,098</b>	<b>42%</b>	
<b>Utilities</b>													
505011 Gas & Electric	\$ 24,140	\$ 26,583	\$ (2,444)	-9%		\$ 296,309	\$ 319,000	\$ (22,691)	-7%	\$ 291,774	\$ 4,535	2%	
505021 Water & Garbage	\$ 13,376	\$ 15,533	\$ (2,158)	-14%		\$ 163,166	\$ 186,400	\$ (23,234)	-12%	\$ 173,582	\$ (10,416)	-6%	
505031 Telecommunications	\$ 13,051	\$ 11,500	\$ 1,551	13%		\$ 138,123	\$ 138,000	\$ 123	0%	\$ 146,766	\$ (8,643)	-6%	
<b>Total Utilities -</b>	<b>\$ 50,566</b>	<b>\$ 53,617</b>	<b>\$ (3,051)</b>	<b>-6%</b>		<b>\$ 597,599</b>	<b>\$ 643,400</b>	<b>\$ (45,801)</b>	<b>-7%</b>	<b>\$ 612,123</b>	<b>\$ (14,524)</b>	<b>-2%</b>	
<b>Casualty &amp; Liability</b>													
506011 Insurance - Property	\$ 5,921	\$ 5,361	\$ 560	10%		\$ 70,647	\$ 64,329	\$ 6,318	10%	\$ 61,702	\$ 8,945	14%	
506015 Insurance - PL & PD	\$ 62,562	\$ 56,604	\$ 5,958	11%		\$ 691,490	\$ 679,250	\$ 12,240	2%	\$ 537,345	\$ 154,145	29%	
506021 Insurance - Other	\$ 2,496	\$ 3,348	\$ (852)	-25%		\$ 29,951	\$ 40,179	\$ (10,228)	-25%	\$ 29,300	\$ 651	2%	
506123 Settlement Costs	\$ (182,805)	\$ 12,500	\$ (195,305)	-1562%		\$ 36,006	\$ 150,000	\$ (113,994)	-76%	\$ 473,500	\$ (437,494)	-92%	
506127 Repairs - Dist Prop	\$ (2,058)	\$ -	\$ (2,058)	100%		\$ (27,495)	\$ -	\$ (27,495)	100%	\$ (34,715)	\$ 7,220	-21%	
<b>Total Casualty &amp; Liability -</b>	<b>\$ (113,883)</b>	<b>\$ 77,813</b>	<b>\$ (191,696)</b>	<b>-246%</b>		<b>\$ 800,600</b>	<b>\$ 933,758</b>	<b>\$ (133,158)</b>	<b>-14%</b>	<b>\$ 1,067,132</b>	<b>\$ (266,532)</b>	<b>-25%</b>	
<b>Taxes</b>													
507051 Fuel Tax	\$ 1,144	\$ 1,250	\$ (106)	-8%		\$ 13,704	\$ 15,000	\$ (1,296)	-9%	\$ 14,539	\$ (835)	-6%	
507201 Licenses & permits	\$ 3,073	\$ 1,833	\$ 1,240	68%		\$ 20,772	\$ 22,000	\$ (1,228)	-6%	\$ 19,312	\$ 1,460	8%	
507999 Other Taxes	\$ -	\$ 1,250	\$ (1,250)	-100%		\$ 9,774	\$ 15,000	\$ (5,226)	-35%	\$ 10,942	\$ (1,168)	-11%	
<b>Total Taxes -</b>	<b>\$ 4,217</b>	<b>\$ 4,333</b>	<b>\$ (116)</b>	<b>-3%</b>		<b>\$ 44,249</b>	<b>\$ 52,000</b>	<b>\$ (7,750)</b>	<b>-15%</b>	<b>\$ 44,793</b>	<b>\$ (543)</b>	<b>-1%</b>	



**FY20**  
**Consolidated Operating Expenses**  
**Year to Date as of June 30, 2020**

	Current Period				Year to Date				YTD Year Over Year Comparison				
	Actual	Budget	\$ Var	% Var	Notes	Actual	Budget	\$ Var	% Var	FY19	\$ Var	% Var	
<b>Miscellaneous</b>													
509011 Dues & Subscriptions	\$ 5,777	\$ 7,595	\$ (1,818)	-24%		\$ 90,355	\$ 91,142	\$ (787)	-1%		\$ 87,035	\$ 3,320	4%
509081 Advertising - Dist Promo	\$ 850	\$ 417	\$ 433	104%		\$ 2,570	\$ 5,000	\$ (2,430)	-49%		\$ 3,422	\$ (852)	-25%
509101 Emp Incentive Prog	\$ -	\$ 1,600	\$ (1,600)	-100%		\$ 6,265	\$ 19,200	\$ (12,935)	-67%		\$ 5,432	\$ 833	15%
509121 Employee Training	\$ 4,190	\$ 17,903	\$ (13,713)	-77%		\$ 64,613	\$ 214,834	\$ (150,221)	-70%		\$ 125,562	\$ (60,949)	-49%
509122 BOD Travel	\$ -	\$ 1,250	\$ (1,250)	-100%		\$ -	\$ 15,000	\$ (15,000)	-100%		\$ 5,293	\$ (5,293)	-100%
509123 Travel	\$ 1,330	\$ 7,375	\$ (6,045)	-82%		\$ 58,180	\$ 88,500	\$ (30,320)	-34%		\$ 81,357	\$ (23,177)	-28%
509125 Local Meeting Exp	\$ -	\$ 1,013	\$ (1,013)	-100%		\$ 9,121	\$ 12,150	\$ (3,029)	-25%		\$ 16,449	\$ (7,328)	-45%
509127 Board Director Fees	\$ -	\$ 1,050	\$ (1,050)	-100%		\$ 6,700	\$ 12,600	\$ (5,900)	-47%		\$ 7,170	\$ (700)	-10%
509150 Contributions	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%		\$ 261	\$ (261)	-100%
509197 Sales Tax Expense	\$ -	\$ -	\$ -	0%		\$ 2,098	\$ -	\$ 2,098	100%		\$ -	\$ 2,098	100%
509198 Cash Over/Short	\$ 10	\$ -	\$ 10	100%		\$ 1,490	\$ -	\$ 1,490	100%		\$ 13,950	\$ (12,460)	-89%
509999 Other Misc. Expenses	\$ -	\$ -	\$ -	0%		\$ 4,844	\$ -	\$ 4,844	100%		\$ 73,447	\$ (68,603)	-93%
<b>Total Misc -</b>	<b>\$ 12,157</b>	<b>\$ 38,202</b>	<b>\$ (26,045)</b>	<b>-68%</b>		<b>\$ 246,238</b>	<b>\$ 458,426</b>	<b>\$ (212,189)</b>	<b>-46%</b>		<b>\$ 419,379</b>	<b>\$ (173,141)</b>	<b>-41%</b>
<b>Interest Expense</b>													
511102 Interest Expense	\$ 2,382	\$ 2,675	\$ (293)	-11%		\$ 32,097	\$ 32,097	\$ 0	0%		\$ 39,616	\$ (7,519)	-19%
<b>Total Interest Expense -</b>	<b>\$ 2,382</b>	<b>\$ 2,675</b>	<b>\$ (293)</b>	<b>-11%</b>		<b>\$ 32,097</b>	<b>\$ 32,097</b>	<b>\$ 0</b>	<b>0%</b>		<b>\$ 39,616</b>	<b>\$ (7,519)</b>	<b>-19%</b>
<b>Leases &amp; Rentals</b>													
512011 Facility Rentals	\$ 14,378	\$ 19,378	\$ (4,999)	-26%		\$ 206,717	\$ 232,533	\$ (25,816)	-11%		\$ 220,282	\$ (13,565)	-6%
512061 Equipment Rentals	\$ 830	\$ 983	\$ (153)	-16%		\$ 14,870	\$ 11,800	\$ 3,070	26%		\$ 17,996	\$ (3,126)	-17%
512200 OP Lease Expense	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%		\$ 96,503	\$ (96,503)	-100%
<b>Total Leases &amp; Rentals -</b>	<b>\$ 15,209</b>	<b>\$ 20,361</b>	<b>\$ (5,152)</b>	<b>-25%</b>		<b>\$ 221,587</b>	<b>\$ 244,333</b>	<b>\$ (22,746)</b>	<b>-9%</b>		<b>\$ 334,781</b>	<b>\$ (113,194)</b>	<b>-34%</b>
<b>Total Non-Personnel Expenses -</b>	<b>\$ 594,664</b>	<b>\$ 788,543</b>	<b>\$ (193,880)</b>	<b>-25%</b>		<b>\$ 9,088,354</b>	<b>\$ 9,462,519</b>	<b>\$ (374,166)</b>	<b>-4%</b>		<b>\$ 9,750,914</b>	<b>\$ (662,560)</b>	<b>-7%</b>
<b>TOTAL OPERATING EXPENSE -</b>	<b>\$ 4,515,840</b>	<b>\$ 3,972,738</b>	<b>\$ 543,102</b>	<b>14%</b>		<b>\$ 51,423,017</b>	<b>\$ 51,717,646</b>	<b>\$ (294,629)</b>	<b>-1%</b>		<b>\$ 49,109,047</b>	<b>\$ 2,313,970</b>	<b>5%</b>

\*Expenses do not include year-end Depreciation, W/C IBNR, GASB 75 OPEB adjustments, or GASB 68 Pension adjustments.

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**FY20  
CAPITAL BUDGET**

*For the month ending - June 30, 2020*

	YTD Actual	FY20 Budget	Remaining Budget	% Spent YTD
<b><u>Construction Related Projects</u></b>				
New METRO Owned Paracruz Facility-FY20 LPP (Grant Match for 5339(b))	\$ 14,461	\$ 2,300,000	\$ 2,285,539	1%
Pacific Station/Metro Center Redevelopment w/ City of SC	\$ -	\$ 1,000,000	\$ 1,000,000	0%
Pacific Station/Metro Center- Conceptual Design / MOU (5309)	\$ 22,193	\$ 170,485	\$ 148,292	13%
<b>Subtotal Construction Related Projects</b>	<b>\$ 36,654</b>	<b>\$ 3,470,485</b>	<b>\$ 3,433,831</b>	<b>1%</b>
<b><u>IT Projects</u></b>				
Replacement Financial System (includes \$50K Consulting)	\$ -	\$ 800,000	\$ 800,000	0%
Replacement Laptops (6)	\$ 5,639	\$ 6,500	\$ 861	87%
<b>Subtotal IT Projects</b>	<b>\$ 5,639</b>	<b>\$ 806,500</b>	<b>\$ 800,861</b>	<b>1%</b>
<b><u>Facilities Upgrades &amp; Improvements</u></b>				
Maint Yard-Security Hardening/Expanded Parking	\$ 26,168	\$ 950,000	\$ 923,832	3%
Access Control for Maintenance Facility	\$ -	\$ 50,000	\$ 50,000	0%
Maintenance Facility Roof Replacement (FTA 5339a FY19)	\$ -	\$ 329,670	\$ 329,670	0%
Vernon Generator Replacement Project	\$ 299,000	\$ 307,732	\$ 8,732	97%
Fuel Management System (FTA 5339a FY17 & FY18)	\$ 85,844	\$ 188,054	\$ 102,210	46%
Bus Stop Improvements (FTA 5339a FY18)	\$ -	\$ 124,725	\$ 124,725	0%
Gate Control at JKS Bus entry (FTA 5339a FY18)	\$ -	\$ 100,000	\$ 100,000	0%
JKS Facility - Bus Wash Rehab (FTA 5339a FY19)	\$ -	\$ 100,000	\$ 100,000	0%
JKS Facility - Upper Security Gates	\$ -	\$ 100,000	\$ 100,000	0%
138 Golf Club Fire Egress (FTA 5339a FY17)	\$ -	\$ 237,050	\$ 237,050	0%



## FY20 CAPITAL BUDGET

*For the month ending - June 30, 2020*

	YTD Actual	FY20 Budget	Remaining Budget	% Spent YTD
Facilities Improvements Orig. \$85K (FTA 5339a FY18)	\$ 4,962	\$ 44,070	\$ 39,108	11%
Facilities Improvements (FTA 5339a FY18) ADA Handrail-WTC	\$ 7,300	\$ 7,300	-	100%
Facilities Improvements (FTA 5339a FY18) ADA HR Window Admin	\$ 9,780	\$ 9,780	-	100%
Facilities Improvements (FTA 5339a FY18) Fencing @ 138 Golf Club	\$ 23,850	\$ 23,850	-	100%
CS Call Center Cubicles and Furniture (FTA 5339a FY18) additional spending in FY20	\$ 3,345	\$ 3,345	-	100%
Paint Exterior-Maint. Facility (FTA 5339a FY18)	\$ -	\$ 60,000	\$ 60,000	0%
Fire Egress - (Design Only) was Facilities Improvements (FTA 5339a FY15/16)-all FTA funds spent - only local match remains	\$ 13,806	\$ 34,174	\$ 20,368	40%
Awning @ Fueling Station A&E only (FTA 5339a FY18)	\$ 27,333	\$ 35,000	\$ 7,667	78%
Security Camera Install - JKS - (Carryover fr FY18)	\$ 19,313	\$ 23,000	\$ 3,687	84%
Admin Bldg. Engineering & Renovations	\$ -	\$ 20,000	\$ 20,000	0%
Asphalt Repair-Pac Station Layover (FTA 5339a FY18)	\$ 11,367	\$ 15,005	\$ 3,638	76%
Concrete Surface Repair - Bus Yard (FTA 5339a FY18)	\$ 6,950	\$ 6,950	-	100%
Fencing Behind Diesel Tank (FTA 5339a FY18)	\$ 9,475	\$ 10,050	\$ 575	94%
<b>Subtotal Facilities Repair &amp; Improvements Projects</b>	<b>\$ 548,493</b>	<b>\$ 2,779,755</b>	<b>\$ 2,231,262</b>	<b>20%</b>

### **Revenue Vehicle Purchases, Replacement & Campaigns**

Replace Six (6) CNG Buses (PTMISEA) - add 6th bus using PTMISEA match \$536K moved from FTA 5339@ LoNo grant and backfill difference w/funding from the \$2M BRF Xfr approved at the 11/15/19 BOD Meeting

4 40' CNG Replacements (FTA 5339b FY17) - COMPLETE	\$ -	\$ 4,136,017	\$ 4,136,017	0%
FY18 STIP - 2 ZEBs (STIP, LPP, HVIP = \$300K)	\$ 2,618,959	\$ 2,635,548	\$ 16,589	99%
Refurb 4 Buses @ ~\$254K (STIP, Measure D)	\$ 144,210	\$ 2,312,811	\$ 2,168,601	6%
	\$ 1,145,280	\$ 1,316,493	\$ 171,213	87%



## FY20 CAPITAL BUDGET

*For the month ending - June 30, 2020*

	<u>YTD Actual</u>	<u>FY20 Budget</u>	<u>Remaining Budget</u>	<u>% Spent YTD</u>
FY18 STIP - AVL/ITS (STIP, Meas D)	\$ 163,687	\$ 904,936	\$ 741,249	18%
VTA Bus Transfer - Decommission & Retrofit 10 Electric , and 4 Diesel Artics	\$ 175,809	\$ 709,569	\$ 533,760	25%
CNG Bus (1) - (Caltrans FY13-FY17 5339 Statewide Discretionary) Bus #2001	\$ 664,584	\$ 664,799	\$ 215	100%
CNG Bus (1) - (STBG FY17 via SCCRTC)-COMPLETE	\$ 654,732	\$ 658,887	\$ 4,155	99%
7 Replacement Paracruz Vans (FY19 LPP, Measure D)	\$ -	\$ 604,000	\$ 604,000	0%
3 New Flyer Repl. Capital Lease - Year 3 of 6 Prin Only - (Measure D) Interest Funded in Operating Budget \$32K	\$ 251,431	\$ 251,431	\$ -	100%
Paracruz Van Replacement (3) (STBG FY19 via RTC)	\$ -	\$ 259,342	\$ 259,342	0%
Mid-Life Bus Engine Overhaul (4) (FTA 5339a FY17)	\$ 153,467	\$ 60,948	\$ (92,519)	252%
Completion of Cameras on Buses (6 buses)	\$ 72,765	\$ 100,000	\$ 27,235	73%
Cameras on Buses #2	\$ 46,162	\$ 47,000	\$ 838	98%
2 35' CNG Buses (FY19 Caltrans Discretionary FTA 5339; Bus Replacement Fund)	\$ -	\$ 1,360,000	\$ 1,360,000	0%
14 CNG Buses, Lease to Buy; Capital Lease - Year 1 of 6 Prin Only - (Bus Replacement Fund; SGR; Measure D)	\$ -	\$ 1,500,000	\$ 1,500,000	0%
<b>Subtotal Revenue Vehicle Replacements &amp; Campaigns</b>	<b>\$ 6,091,086</b>	<b>\$ 17,521,781</b>	<b>\$ 11,430,695</b>	<b>35%</b>

### Revenue Vehicle Purchases, Replacement & Campaigns -

#### Fleet Electrification Projects

Electric Bus (3) + Infra & Proj Mgmt. (FTA 5339c FY16)	\$ -	\$ 4,675,775	\$ 4,675,775	0%
Electric Bus (1) - Watsonville Circulator DAC (FY15/16 LCTOP) - (Memo Only - HVIP = \$150K)	\$ 144,210	\$ 1,251,559	\$ 1,107,349	12%
Electric Bus (1) - Watsonville Service (FY17/18 LCTOP)	\$ -	\$ 1,094,945	\$ 1,094,945	0%
EV Charging Infrastructure @ JKS (10 Bays) (FY19 LCTOP)	\$ 649,169	\$ 649,169	\$ -	100%
Completion of JKS Facility -ZEB Yard Charging Infrastructure	\$ 34,827	\$ 297,327	\$ 262,500	12%
ZEB Deployment & Fleet Planning (CTE)	\$ 51,000	\$ 59,500	\$ 8,500	86%
Bus Wrap Electrip Buses	\$ -	\$ 52,000	\$ 52,000	0%
<b>Subtotal Revenue Vehicle Fleet Electrification Project</b>	<b>\$ 879,206</b>	<b>\$ 8,080,275</b>	<b>\$ 7,201,069</b>	<b>11%</b>



**FY20  
CAPITAL BUDGET**

*For the month ending - June 30, 2020*

	<u>YTD Actual</u>	<u>FY20 Budget</u>	<u>Remaining Budget</u>	<u>% Spent YTD</u>
<b><u>Non-Revenue Vehicle Purchases &amp; Replacements</u></b>				
Replace Custodial Support Vehicle (1) (FTA 5339a FY18)	\$ 24,852 \$	28,755 \$	3,903 \$	86%
Subtotal Non-Revenue Vehicle Replacements	\$ 24,852 \$	28,755 \$	3,903 \$	86%
<b><u>Fleet &amp; Maintenance Equipment</u></b>				
Bus Yard Scrubber/Sweeper (FTA 5339a FY18)	\$ 76,245 \$	76,245 \$	- \$	100%
Floor Scrubber (1) for Maint. Shop (FTA 5339a FY18)	\$ - \$	45,000 \$	45,000 \$	0%
Heavy Duty Opacity Smoke Meter	\$ 4,327 \$	4,250 \$	(77) \$	102%
Subtotal Fleet & Maintenance Equipment	\$ 80,572 \$	125,495 \$	44,923 \$	64%
<b><u>Office Equipment</u></b>				
Workstations & Cubicles (HR)	\$ 9,232 \$	20,000 \$	10,768 \$	46%
Subtotal Office Equipment	\$ 9,232 \$	20,000 \$	10,768 \$	46%
<b><u>Misc</u></b>				
Misc Capital Contingency \$800K - 11/15/19 BOD	\$ - \$	612,825 \$	612,825 \$	0%
JKS Repeater Back-Up / Kite Hill Repeater Site	\$ 8,927 \$	9,000 \$	73 \$	99%
WTC - Server and Security Cameras (3 new, 3 replacements)	\$ - \$	44,529 \$	44,529 \$	0%
Pac Station Office Furniture	\$ 7,180 \$	7,185 \$	5 \$	100%
Replace Video Surveillance Server (Pacific Station)	\$ 28,636 \$	30,000 \$	1,364 \$	95%
Ticket Vending Machine-SLV-Installation Costs + Misc (Component Upg)	\$ 17,757 \$	32,045 \$	14,288 \$	55%
TVM Pin Pad Bezel 8 Upgrade (6)	\$ - \$	22,185 \$	22,185 \$	0%
Misc. Emergency Capital Items- \$10K (\$1K to \$5K)	\$ 3,285 \$	3,600 \$	315 \$	91%
(2nd) ID Card Printer (Pacific Station)	\$ 3,286 \$	3,300 \$	14 \$	100%





**FY20  
CAPITAL BUDGET**

*For the month ending - June 30, 2020*

	<u>YTD Actual</u>	<u>FY20 Budget</u>	<u>Remaining Budget</u>	<u>% Spent YTD</u>
Square Cash Registers for C/S (2)	\$ 3,011	\$ 3,100	\$ 89	97%
Watsonville Transit Mural - (\$2,700 from Arts Council SC)	\$ 3,000	\$ 6,600	\$ 3,600	45%
<b>Subtotal Misc.</b>	<b>\$ 75,082</b>	<b>\$ 774,369</b>	<b>\$ 699,287</b>	<b>10%</b>
<b>TOTAL CAPITAL PROJECTS</b>	<b>\$ 7,750,816</b>	<b>\$ 33,607,415</b>	<b>\$ 25,856,599</b>	<b>23%</b>
<b>CAPITAL FUNDING</b>				
Federal Capital Grants (FTA)	\$ 2,031,146	\$ 7,945,031	\$ 5,913,885	26%
Surface Transportation Block Grant (STBG)	\$ 500,000	\$ 700,000	\$ 200,000	71%
State - PTMISEA (1B)	\$ 70,000	\$ 4,463,233	\$ 4,393,233	2%
State Transportation Improvement Plan (STIP)	\$ 1,207,898	\$ 2,674,936	\$ 1,467,038	45%
Low Carbon Transit Operations Program (LCTOP)	\$ 790,706	\$ 2,218,890	\$ 1,428,184	36%
Local Partnership Program (LPP)	\$ -	\$ 1,088,000	\$ 1,088,000	0%
State Transit Assistance (STA)-Prior Years	\$ 21,484	\$ 51,142	\$ 29,658	42%
STA-SGR (SB1)	\$ 671,079	\$ 1,373,297	\$ 702,218	49%
Transfers from Operating Budget (Measure D)	\$ 1,752,404	\$ 7,163,945	\$ 5,411,541	24%
Local: Operating and Capital Reserve Fund	\$ 706,099	\$ 5,928,941	\$ 5,222,842	12%
<b>TOTAL CAPITAL FUNDING</b>	<b>\$ 7,750,816</b>	<b>\$ 33,607,415</b>	<b>\$ 25,856,599</b>	<b>23%</b>

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**DATE:** September 25, 2020  
**TO:** Board of Directors  
**FROM:** Angela Aitken, Chief Financial Officer  
**SUBJECT: CONSIDERATION OF DECLARING VEHICLES AND/OR EQUIPMENT AS EXCESS FOR PURPOSES OF DISPOSAL OR AUCTION**

## **I. RECOMMENDED ACTION**

**That the Board of Directors approve a resolution declaring vehicles and/or obsolete equipment as ready for disposal or auction and direct the CEO to dispose of the surplus items in conformance with METRO's Administrative Policy Number AP-2020 - Fixed Assets and Inventoried Items**

## **II. SUMMARY**

- In accordance with Santa Cruz Metropolitan Transit District's (METRO) policy on disposal of fixed assets, at least once per year the Chief Financial Officer shall recommend to the Board of Directors a list of items to be declared excess with appropriate action for disposal.
- Vehicles and/or equipment have exceeded their useful lives and are no longer needed by METRO.
- Staff recommends that the Board of Directors (Board) approve the resolution for the disposal or auction of excess property (Attachment A) and declare the item(s) listed in Exhibit A as excess and direct staff to use appropriate action for disposal.

## **III. DISCUSSION/BACKGROUND**

The following vehicles/equipment identified in the Excess Vehicle & Equipment Listing (Exhibit A) have become obsolete and surpassed their useful life expectancy:

- One (1) 2017 Ford Police Interceptor SUV
- One (1) 2003 New Flyer Bus
- Two (2) 1998 New Flyer Buses
- One (1) Dual 2 GHZ Server
- One (1) Trapeze Licenser
- One (1) 4 Core 1 GHZ Server & Support

- One (1) Sun Server & Software
- One (1) Sun2 Computer
- One (1) Dell PowerEdge 2650 Server

The vehicles and equipment recommended for disposal are all fully depreciated, so there is no financial obligation to a granting agency with regard to the recommended disposal. METRO no longer has a need for these vehicles and equipment, therefore they are recommended for disposal at this time.

Disposal of these assets has been coordinated with management and staff in processing them for disposal and auction if appropriate.

Staff recommends that the Board approve a resolution (Attachment A) and declare the items listed in Exhibit A as excess and direct staff to use appropriate action for disposal.

#### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This report pertains to Financial Stability, Stewardship, & Accountability.

#### **V. FINANCIAL CONSIDERATIONS/IMPACT**

The estimated gross market value of these vehicles and equipment is approximately \$6,500. All vehicles and equipment have reached the end of their useful life and are obsolete. There is no financial impact because of these disposals.

Any revenue generated from the sale of these vehicles and parts will be recorded as income in the current fiscal year's operating budget to 'Gain / Loss Disposal on Assets' budget account 407090-100.

#### **VI. CHANGES FROM COMMITTEE**

N/A

#### **VII. ALTERNATIVES CONSIDERED**

Keep the vehicles and equipment in inventory. Staff does not recommend this alternative because the vehicles have exceeded their useful life and are cost prohibitive to repair; the lathe is no longer used.

## **VIII. ATTACHMENTS**

**Attachment A:** Resolution to Approve for the Disposal or Auction of Excess Property

**Exhibit A:** Excess Vehicle & Equipment Listing—as of September 25, 2020

Prepared by: Caitlin Nelson, Financial Analyst

**IX. APPROVALS:**

Approved as to fiscal impact:  
Angela Aitken, Chief Financial Officer

  
\_\_\_\_\_

Alex Clifford, CEO/General Manager

  
\_\_\_\_\_

# Attachment A



## BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No.  
On the Motion of Director:  
Duly Seconded by Director:  
The Following Resolution is Adopted:

### **RESOLUTION TO APPROVE THE DISPOSAL OR AUCTION OF EXCESS ASSETS**

**WHEREAS**, the Santa Cruz Metropolitan Transit District (District), receives federal financial assistance from the Federal Transit Administration (FTA) to acquire real property, equipment and supplies, and rolling stock; and

**WHEREAS**, all such assets must be managed, used, and disposed of in accordance with applicable laws and regulations; and

**WHEREAS**, the FTA prescribes the method and delivers guidance to public transit operators to comply with grant management requirements in accordance with the regulations in *Title 49 Code of Federal Regulations, part 24 (49CFR 24)* and FTA Circular 5010.1E; and

**WHEREAS**, the acquisition cost of each item identified as excess is greater than \$5,000; and

**WHEREAS**, the District has determined that it is necessary to either dispose of the property, and/or to place the items up for auction.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**, that it hereby resolves, determines and orders as follows:

1. The following assets are declared excess property on the Excess Vehicle & Equipment Listing as of 09/25/2020, "Exhibit A" and may be disposed of or auctioned as such:
  - a. "One (1) 2017 Ford Police Interceptor SUV no. 1717";
  - b. "One (1) 2003 New Flyer Bus no. 2232";

# Attachment A

Resolution No. \_\_\_\_\_  
Page 2 of 3

- c. "Two (2) 1998 New Flyer Buses no. 9819 and 9828";
- d. "One (1) Dual 2 GHZ Server no. 4946";
- e. "One (1) Trapeze Licenser no. 4947";
- f. "One (1) 4 Core 1 GHZ Server & Support no. 4964";
- g. "One (1) Sun Server & Software no. 3435";
- h. "One (1) Sun2 Computer no. 3438";
- i. "One (1) Dell PowerEdge 2650 Server no. 4776";

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz Metropolitan Transit District on September 25, 2020, by the following vote:

AYES: DIRECTORS –  
NOES: DIRECTORS –  
ABSENT: DIRECTORS –  
ABSTAIN: DIRECTORS –

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Mike Rotkin, Board Chair

ATTEST:

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ALEX CLIFFORD  
CEO/General Manager

APPROVED AS TO FORM:

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JULIE SHERMAN  
General Counsel



# Attachment A

Resolution No. \_\_\_\_\_

Page 3 of 3

## **EXHIBIT A, SANTA CRUZ METROPOLITAN TRANSIT DISTRICT RESOLUTION NO. \_\_\_\_\_**

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
EXCESS VEHICLE & EQUIPMENT LISTING AS OF 09/25/2020

(Attached)

# Exhibit A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT EXCESS VEHICLE & EQUIPMENT LISTING AS OF 09/25/2020										
Vehicle or Asset Tag #	Description	Acquisition Date	Cost	Accumulated Depreciation	Net Book Value	Est. Market Value	Reason for Disposal	Condition	VIN / SN	License #
1717	2017 FORD - POLICE INTERCEPTOR SUV	9/1/2017	\$ 28,891	\$ 16,371	\$ 12,519	\$ 2,000.00	ACCIDENT-DECLARED TOTAL LOSS	TOTALED	1FM5K8ARSHGD59239	E-1533928
2232	2003 NEW FLYER BUS	3/18/2003	\$ 495,458	\$ 495,458	\$ -	\$ 1,500.00	END USEFUL LIFE	POOR	5FYD2LL082U024647	1161753
9819	1998 NEW FLYER BUS	7/13/1998	\$ 291,544	\$ 291,544	\$ -	\$ 1,500.00	END USEFUL LIFE	POOR	5FYD2LL09WU018362	E-1011093
9828	1998 NEW FLYER BUS	7/13/1998	\$ 291,653	\$ 291,653	\$ -	\$ 1,500.00	END USEFUL LIFE	POOR	5FYD2LL0XWU018371	E-1019722
4946	DUAL 2 GHZ SERVER	4/30/2004	\$ 8,242	\$ 8,242	\$ -	-	END USEFUL LIFE	POOR	5LDNN41	N/A
4947	TRAPEZE LICENSER	4/30/2004	\$ 7,096	\$ 7,096	\$ -	-	END USEFUL LIFE	POOR	N/A	N/A
4964	4 CORE 1GHZ SERVER & SUPPORT	10/01/2008	\$ 5,305	\$ 5,305	\$ -	-	END USEFUL LIFE	POOR	NNL083104U	N/A
3435	SUN SERVER & SOFTWARE, VARIOUS	1/13/1997	\$ 33,908	\$ 33,908	\$ -	-	END USEFUL LIFE	POOR	650F056F	N/A
3438	SUN2 COMPUTER	1/15/1997	\$ 7,183	\$ 7,183	\$ -	-	END USEFUL LIFE	POOR	650F0585	N/A



**DATE:** September 25, 2020  
**TO:** Board of Directors  
**FROM:** Angela Aiken, Chief Finance Officer and DBELO  
**SUBJECT: CONSIDERATION OF A RESOLUTION AMENDING CHAPTER 2 TO  
TITLE II OF THE SANTA CRUZ METRO ADMINISTRATIVE CODE: DBE  
PROGRAM UPDATE**

**I. RECOMMENDED ACTION**

**Adopt Resolution Amending Chapter 2 to Title II of the Santa Cruz METRO  
Administrative Code: DBE Program Update**

**II. SUMMARY**

- The Santa Cruz Metropolitan Transit District (METRO) has established a Disadvantaged Business Enterprise (DBE) Program in accordance with the regulations of the U.S. Department of Transportation (DOT) (*49 CFR Part 26*).
- The purpose of the DBE Program is to ensure that DBEs have an equal opportunity to participate in U.S. DOT assisted contracts.
- METRO's proposed *DBE Program Update* complies with the FTA requirements and findings related to these programs.
- METRO must submit its DBE Program Update to the FTA by October 1, 2020, in order to remain in compliance with the federal requirements.

**III. DISCUSSION**

In 1983, the United States Congress enacted the first DBE statute in an effort to end discrimination in the award of federally funded procurements. As a recipient of Department of Transportation (DOT) funding, METRO is required to implement, administer and monitor its DBE Program that must meet the requirements set forth in the federal regulations *at 49 Code of Federal Regulations Part 26*. A DBE is a for-profit small business concern that is at least 51 percent owned by one or more socially and economically disadvantaged individuals. A socially and economically disadvantaged individual means any individual who is a citizen of the United States (or lawfully admitted permanent resident) and who is a member of the following groups: Black American, Hispanic American, Native American, Asian-Pacific American, Subcontinent Asian American or Women. In addition, an individual can be found to be socially and economically disadvantaged on a case-by-case basis by a certifying agency pursuant to the standards set forth in the regulations.

The DOT has noted that provisions that help small businesses can also help DBEs, and that by facilitating participation for small businesses, recipients can make possible more DBE participation. The DOT opined that a program element that pulls together the various ways that a recipient reaches out to small businesses and makes it easier for them to compete for DOT-assisted contracts would foster the objectives of the DBE program. METRO takes reasonable measures to eliminate obstacles that may prevent small business participation in procurements as prime contractors or subcontractors. On prime contracts, METRO requires the prime contractor to provide subcontracting opportunities of a size that small businesses, including DBEs, can reasonable perform, rather than self-performing all of the work involved.

#### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This report aligns to METRO's Financial Stability, Stewardship and Accountability strategic priority.

#### **V. FINANCIAL CONSIDERATIONS**

METRO's DBE Program Update has no direct financial impact; however, contracts funded with FTA assistance are monitored for DBE goal achievement and DBE participation is reported quarterly to the FTA.

#### **VI. CHANGES FROM COMMITTEE**

N/A

#### **VII. ALTERNATIVES CONSIDERED**

No alternatives are considered.

#### **VIII. ATTACHMENTS**

**Attachment A:** Resolution Amending Chapter 2 to Title II of the Santa Cruz METRO Administrative Code.

**Exhibit A:** Amendment of Chapter 2 to Title II – DBE Program (Clean and Redline Versions)

Prepared by: Rickie-Ann Kegley, Paralegal II

**IX. APPROVALS**

Angela Aiken, Chief Finance Officer/  
DBELO

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Alex Clifford, CEO/General Manager

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# Attachment A



## BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No. \_\_\_\_\_

On the Motion of Director: \_\_\_\_\_

Duly Seconded by Director: \_\_\_\_\_

The Following Resolution is Adopted: \_\_\_\_\_

### **A RESOLUTION AMENDING TITLE II, CHAPTER 2 OF THE ADMINISTRATIVE CODE**

**WHEREAS**, the Santa Cruz Metropolitan Transit District was created pursuant to the “Santa Cruz Metropolitan Transit District Act of 1967” as codified in Public Utilities Code sections 9800 et seq; and

**WHEREAS**, the Board of Directors of the Santa Cruz Metropolitan Transit District may take all actions necessary for the proper administration of the affairs of the District; and

**WHEREAS**, the Board of Directors desires amend its Disadvantaged Business Enterprise (DBE) Program pursuant to the Code of Federal Regulations, Chapter 49, Part 26, for participation of DBE’s in Santa Cruz METRO’s procurements.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**, that it hereby resolves, determines and orders as follows:

Title II, Chapter 2 of the Administrative Code of Santa Cruz Metropolitan Transit District is amended by the Board of Directors as set forth in Exhibit A to this Resolution.

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz Metropolitan Transit District on September 25, 2020, by the following vote:

AYES: DIRECTORS –

NOES: DIRECTORS –

# Attachment A

Resolution #: \_\_\_\_\_  
Page 2 of 2

ABSTAIN: DIRECTORS –

ABSENT: DIRECTORS –

\_\_\_\_\_  
MIKE ROTKIN, Chair

ATTEST:

\_\_\_\_\_  
ALEX CLIFFORD  
CEO/General Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
JULIE SHERMAN  
General Counsel



EXHIBIT A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

ADMINISTRATIVE CODE

TITLE II – DBE PROGRAM

CHAPTER 2

DISADVANTAGED BUSINESS ENTERPRISE

(This Chapter replaces AR-1028)

Table of Contents:

Article I	General Requirements
Article II	Application of the DBE Program
Article III	Responsibility for DBE Program Implementation
Article IV	Administrative Requirements
Article V	Determining and Achieving the DBE Goal
Article VI	Required Contract Provisions
Article VII	Monitoring and Enforcement Mechanisms
Article VIII	Certification Standards
Article IX	Information Collection and Reporting
Article X	Appendices

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Article 1  
General Requirements

§ 1.101 Policy Statement

The Santa Cruz Metropolitan Transit District (Santa Cruz METRO) has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 Code of Federal Regulations (CFR) Part 26, as may be amended. Santa Cruz METRO has received Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, Santa Cruz METRO has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of Santa Cruz METRO to ensure nondiscrimination on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contracts or in the administration of its DBE program or the requirements 49 CFR Part 26. It is the intention of Santa Cruz METRO to create a level playing field

on which DBEs, as defined in 49 CFR part 26, can compete fairly for contracts and subcontracts relating to Santa Cruz METRO's construction, procurement and professional services activities.

Angela Aitken, Chief Financial Officer, has been delegated as the DBE Liaison Officer. In that capacity, the Chief Financial Officer is responsible for implementing all aspects of the DBE program. Implementation of the DBE program is accorded the same priority as compliance with all other legal obligations incurred by Santa Cruz METRO in its financial assistance agreements with the Department of Transportation.

Angela Aitken has disseminated this policy statement to the Board of Directors and all of the components of our organization. We will distribute this statement to DBE and non-DBE business communities that perform work for us on DOT-assisted contracts by including it in all solicitation documents, and by posting it on our website.

  
\_\_\_\_\_  
Alex Clifford, CEO

\_\_\_\_\_  
Date

**§ 1.102**      **Definitions**

The following capitalized words and phrases whenever used in this Chapter shall be construed as defined below:

BOARD shall mean the Board of Directors of Santa Cruz METRO.

DBE shall mean Disadvantaged Business Enterprise in accordance with the 49 CFR Part 26.

DBELO shall mean the DBE Liaison Officer designated by Santa Cruz METRO's GENERAL MANAGER. This individual is responsible for developing, implementing and monitoring all aspects of the DBE Program to ensure that Santa Cruz METRO is in compliance with all provisions of 49 CFR Part 26.

FTA shall mean the United States Department of Transportation, Federal Transit Administration.

GENERAL MANAGER shall mean the chief executive officer of Santa Cruz METRO appointed by the Board of Directors.

In addition to these definitions, Santa Cruz METRO will adopt the definitions contained in 49 CFR Section 26.5 for this program.

**§1.103**      **Administrative Procedures**

The Santa Cruz Metropolitan Transit District (Santa Cruz METRO) is committed to providing a Disadvantaged Business Enterprise (DBE) Program in accordance with the CFR, Chapter 49 Part 26, for the participation of DBEs in Santa Cruz METRO's procurements. As a condition of receiving Federal financial assistance from the Department of Transportation (U.S. DOT), Santa Cruz METRO assures that it will continue to comply with 49 CFR Part 26.

**§1.104**      **Equitable Conditions for DBEs**

It is the intention of Santa Cruz METRO to create equitable conditions in which DBEs can compete fairly and participate fully in the performance of contracts and subcontracts relating to the Santa Cruz METRO's construction and procurement activities.

**§1.105**      **Updates to DBE Program**

Santa Cruz METRO's DBE Program will be reviewed and updated, if necessary, with every goal submission, and as required by DOT. DBE Program updates will be submitted in TrAMS.

**§1.106**      **Responsibility of Department Managers**

Each Santa Cruz METRO Department Manager is responsible to administer within his/her department the DBE Program in accordance with this code. Additionally, each Contract Administrator shall ensure that the contracts that he/she is responsible for are administered and managed in accordance with Santa Cruz METRO's DBE Program.

**Article II**  
**Applicability of the DBE Program**

**§2.201 Recipient of Federal Financial Assistance**

Santa Cruz METRO, a recipient of federal financial assistance from the Federal Transit Administration (FTA) of the U.S. DOT, is required to implement a DBE Program in accordance with 49 CFR Part 26 et. seq. (Federal Regulations) which are incorporated herein by reference as if fully set forth herein. In the event of any conflicts or inconsistencies between the Federal Regulations and the Santa Cruz METRO's DBE Program with respect to DOT-assisted contracts, the Federal Regulations shall control.

**§2.202 Application to all METRO Contracts**

The DBE Program outlined herein applies to all Santa Cruz METRO contracts that are funded, in whole or in part, by U.S. DOT federal financial assistance. To the extent that the Program's policy, objectives and efforts involve race-neutral methods, the DBE Program will apply to all Santa Cruz METRO contracts regardless of the funding source.

**§2.203 Program Objectives**

The objectives of the Santa Cruz METRO's DBE Program are the following:

- A. Ensure nondiscrimination in the award and administration of DOT-assisted contracts;
- B. Create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;
- C. Ensure the DBE Program is narrowly tailored in accordance with 49 CFR Part 26;
- D. Ensure that only firms that fully meet the eligibility standards in 49 CFR Part 26 are permitted to participate as DBEs;
- E. Identify and remove barriers to the participation of all small businesses meeting the requisite size standards, including DBEs, in the bidding, award and administration of DOT federally-assisted contracts;
- F. Identify and increase the participation of all small businesses meeting the requisite size standards, including DBEs, in Santa Cruz METRO's procurements of required materials, equipment, supplies and services;
- G. Develop procedures that will acquaint prospective DBEs with the Santa Cruz METRO's contracting procedures, activities and requirements, and receive feedback from DBEs on existing barriers to participation and effective procedures to eliminate them.
- H. Assist the development of DBEs so they may compete successfully outside of the DBE Program;

- I. Foster small business participation in Santa Cruz METRO’s procurements; and
- J. Successfully facilitate the implementation of the DBE Program using race neutral measures to the maximum extent.

**§2.204 Prohibited Discrimination**

- A. Santa Cruz METRO shall not exclude any person from participation in, deny benefits to, or otherwise discriminate against any persons in connection with the award and performance of any contract governed by 49 CFR Part 26 on the basis of race, color, sex or national origin.
- B. In administering its DBE Program, Santa Cruz METRO shall not directly, or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of this DBE Program with respect to individuals of a particular race, color, sex or national origin. However, in order to foster its overall objectives related to these important issues, Santa Cruz METRO may utilize contractual or other arrangements and may use criteria or methods of administration that support creation of opportunities for State of California certified minority, women-owned and emerging small businesses as allowed by state and federal law.

**Article III  
Responsibility for DBE Program Implementation**

**§3.301 Santa Cruz METRO’s Board of Directors**

The Board of Directors is responsible for adopting the DBE Program and any updates as the official DBE Program Policy at Santa Cruz METRO.

**§3.302 CEO/General Manager**

The CEO/General Manager has primary responsibility to implement the Board’s policies at Santa Cruz METRO.

**§3.303 DBE Liaison Officer**

Santa Cruz METRO designated the following individual as its DBE Liaison Officer:

Angela M. Aitken, Chief Financial Officer/Designee  
Santa Cruz Metropolitan Transit District  
110 Vernon Street  
Santa Cruz, CA 95060  
(831) 426-6080 - phone  
(831) 426-6117 - fax  
aaiken@scmtd.com (e-mail)

In that capacity, the DBELO is responsible for implementing all aspects of the DBE program and ensuring that the Santa Cruz Metropolitan Transit District complies with all provisions of 49 CFR Part 26. The DBELO, if other than the CEO/General Manager, shall have direct, independent access to the CEO/General Manager

concerning DBE program matters. Necessary agency staff shall be available to support the DBELO in his/her activities. An organizational chart displaying the DBELO's position within Santa Cruz METRO is found in Appendix A to this program.

### §3.304

#### **DBELO and DBE Committee Responsibilities**

The **DBE Committee** members are as follows; specified in DBE Program:

- **DBE Liaison Officer** (DBELO)
- **Purchasing Manager** (PM)
- **Grants/Legislative Analyst** (GLA)
- **Paralegal** (PARA)

The **DBE Liaison Officer** will lead standing Bi-Monthly **DBE Committee** meetings to discuss:

- DBE contract performance and compliance
- DBE outreach, and oversight of the DBE program

**DBE Committee** member's duties and responsibilities are defined below:

A. Gathers and reports statistical data and other information as required.

- 1) **Purchasing Manager** will track all contract award information on an on-going basis, including DBE participation.
- 2) **Grants/Legislative Analyst** will request that the **Purchasing Manager** provide data semi-annually (May and November.) on all procurement contracts and **subcontracts** awarded.
- 3) **Grants/Legislative Analyst** will request total payments for contracts which the **Purchasing Manager** reports as contracts **closed** and/or completed, from the Finance Department.
- 4) **Grants/Legislative Analyst** will analyze and report performance in achieving DBE goals to the Department of Transportation (DOT), Federal Transit Administration (FTA) and the **DBE Committee**.

B. Reviews third party contracts and purchase requisitions for compliance with this program.

- 1) **Purchasing Manager** will review purchase requisitions for possible DBE participation.
- 2) **Purchasing Manager** will send the formal solicitation documents to **DBE Liaison Officer** prior to issuance.
- 3) **DBE Liaison Officer** will review formal solicitation documents for DBE compliance, **and** respond to the **Purchasing Manager** with approval or denial to issue the solicitation with the following:

- Signed Statement of Compliance
  - OR
  - Issues not in compliance
- 4) Upon receipt of the Signed Statement of Compliance from the **DBE Liaison officer**, the **Purchasing Manager** will issue the formal solicitation documents.
- C. Works with all departments to determine projected Annual Anticipated DBE Participation Level.
- 1) **Purchasing Manager** will request upcoming types of procurements from Department Managers, and will work with department managers on an ongoing basis, to determine projected annual anticipated DBE participation levels for the coming fiscal year.
  - 2) **Purchasing Manager** will analyze anticipated procurements for potential DBE participation.
- D. Ensures that bid notices and requests for proposals are available to DBEs.
- 1) **Purchasing Manager** will ensure that all bid notices are posted on Santa Cruz METRO's website, and sent out via Gov Delivery, the same day that solicitations are issued.
  - 2) **Purchasing Manager** will ensure that all newspaper advertisements for formal solicitations are published within 3-5 days of the solicitation issuance.
  - 3) **Purchasing Manager** will ensure that solicitation notices are provided to the Business Outreach Community (BOC) for their comprehensive list of bid opportunities in the San Francisco Bay area and participate in BOC outreach.
- E. Analyzes Santa Cruz METRO's progress toward goal attainment and identifies ways to encourage participation through race-neutral means.
- 1) **DBE Committee** will have the following as standing items for review and discussion at the DBE Committee meetings:
    - **Grants/Legislative Analyst** will provide progress reports towards goal attainment
    - Discussion on ways to encourage participation through race-neutral means
  - 2) If DBE participation falls below the DBE goal, the **Grants/Legislative Analyst** will identify and **present** the finding to the **DBE Committee**, who will discuss ways to encourage additional participation through race-neutral means.

- F. Participates in pre-bid meetings.
- 1) **Purchasing Manager** will schedule and include the **DBE Liaison Officer** in all pre-bid meetings. These meeting invitations are sent out the same day the IFB is issued.
  - 2) If the **DBE Liaison Officer** is not available, the **DBE Liaison Officer** will notify the **Purchasing Manager** of the selected designee to invite in their place. The designee will have direct access to the CEO/General Manager.
- G. Advises the CEO/General Manager and Santa Cruz METRO's Board of Directors on DBE matters, achievement and DBE race-neutral issues, semi-annually.
- 1) The Semi-Annual Staff report will be compiled by the **Grants/Legislative Analyst** and **Paralegal**.
  - 2) **DBE Liaison Officer** will present the semi-annual staff report to the Board; which corresponds with the FTA DBE reporting requirements.
- H. Provides DBEs with information, assistance and recommends resources to assist in preparing bids, obtaining bonding and insurance.
- 1) **Purchasing Manager** maintains the "Contracting Opportunities" section of the Santa Cruz METRO website, which contains all DBE Program information, including the triennial DBE goal, and "How to do business with Santa Cruz METRO" information.
  - 2) **Purchasing Manager** is available for assistance with any DBE related matters.
- I. Plans and participates in DBE training seminars.
- 1) **Purchasing Manager** to plan and organize "How to do Business with Santa Cruz METRO" trainings for DBEs and Small Businesses.
  - 2) **Purchasing Manager** to monitor NTI offerings and other training programs for DBE related offerings.
  - 3) **DBE Liaison Officer** to coordinate group trainings for the **DBE Committee** as these training opportunities present themselves through webinars or printed information.
  - 4) **DBE Committee** members to have working knowledge of:
    - 49 CFR 26
    - FTA Circular 5010
    - Santa Cruz METRO's DBE Program
    - The Role of the California Unified Certification Program



- J. Semi-annually monitors the California Unified Certification Program (CUCP) for conformance with the criteria set by the DOT.
- 1) **Paralegal** will confirm California Department of Transportation (Caltrans) is in compliance with the CUCP.
- K. Provides outreach to DBEs and community organizations to advise them of opportunities.
- 1) **Purchasing Manager** to make an ongoing effort to identify and contact community organizations for this purpose.
  - 2) **Purchasing Manager** to prepare and send semi-annual newsletter with information on upcoming contracting opportunities to all certified DBEs in the Santa Cruz METRO certified DBE directory.
  - 3) **Purchasing Manager** will proactively engage DBE participation in its contracting opportunities by sending bid notices and RFP's to the specific DBE vendors listed in the DBE vendors list.
  - 4) **Purchasing Manager** will disseminate bids and RFP's through the Bay Area Business Outreach Committee (BOC).
    - o The BOC is a consortium of Bay Area Transit Agencies which assists small, disadvantaged, and local firms by:
      - disseminating contracting opportunities to DBEs in the bay area
      - solicits input on the DBE goal setting process
      - conducts training for DBE vendors
- L. Maintains the Santa Cruz METRO's directory of certified DBEs.
- 1) **Paralegal** will assist the **Purchasing Manager** in gathering contact information on Certified DBEs from other transit agencies.
  - 2) As new vendor's sign up to be on Santa Cruz METRO's vendor list, their request is reviewed by the **Purchasing Manager** to see if they are a DBE.
  - 3) If the new vendor is a DBE, the **Purchasing Manager** will check and verify the certification. If the DBE is certified, then they are added to Santa Cruz METRO's certified DBE Directory.
- M. Provide Reports regarding DBE participation required by the federal regulations to the Department of Transportation (DOT) Federal Transit Administration (FTA).
- 1) **Grants/Legislative Analyst** will request that the **Purchasing Manager** provide data semi-annually, in May and November, on all procurement contracts and subcontracts awarded.

- 2) **Grants/Legislative Analyst** will request total payments for contracts which the **Purchasing Manager** reports as contracts completed and/or closed, from the Finance Department.
- 3) **Grants/Legislative Analyst** will analyze data provided by the **Purchasing Manager** and the Finance Department, and report the information to the **DBE Committee**, the Department of Transportation (DOT), and the Federal Transportation Administration (FTA) in TEAM (or its equivalent).

#### **Article IV Administrative Requirements**

##### **§4.401 Federal Financial Assistance Agreement Assurance (49 CFR §26.13(a))**

Santa Cruz METRO has signed the following assurance, applicable to all DOT-assisted contracts and their administration:

Santa Cruz Metropolitan Transit District shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE Program or the requirements of 49 CFR parts 26. The recipient shall take all necessary and reasonable steps under 49 CFR part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts. The recipient's DBE Program, as required by 49 CFR part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the Santa Cruz METRO of its failure to carry out its approved program, the Department may impose sanctions as provided for under part 26, and may in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

##### **§4.402 DBE Financial Institutions**

It is the policy of the Santa Cruz METRO to investigate the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in the community, to make reasonable efforts to use these institutions, and to encourage prime contractors on DOT-assisted contract to make use of these institutions. Santa Cruz METRO has made the following efforts to identify and use such institutions:

The DBELO has identified DBE financial institutions which offer services in California. A list of socially and economically disadvantaged individuals/firms is available at the website for the Federal Reserve Board at [www.federalreserve.gov/releases/mob](http://www.federalreserve.gov/releases/mob). Santa Cruz METRO will encourage prime contractors to utilize such services when available.

The State of California, Department of General Services, Office of Small Business Certification and Resources also maintains a directory of financial institutions owned and controlled by socially and economically disadvantaged individuals online at [www.osmb.dgs.ca.gov](http://www.osmb.dgs.ca.gov). The directory can be queried to locate DBE financial institutions from the **Services** section of the site.

#### §4.403

#### DBE Vendor Directory

- A. The State of California's Department of Transportation (Caltrans) maintains the main DBE Directory. The DBE Vendor Directory identifies all firms eligible to participate as DBEs. The DBE Directory is updated weekly and lists the name, address, phone number, certification date, NAIC code and type of work performed for vendors certified by it or by other agencies with which it has reciprocity. The Directory is available on the World Wide Web and can be downloaded from [http://www.dot.ca.gov/hq/bep/find\\_certified.htm](http://www.dot.ca.gov/hq/bep/find_certified.htm). The Santa Cruz METRO will use the Caltrans DBE Directory in its efforts to extend contracting opportunities to DBE Vendors.
- B. Santa Cruz METRO maintains a Directory identifying all firms eligible to participate as DBEs. The Directory includes the firm's name, address, phone number, date of the most recent certification and the type of work the firm has been certified to perform as a DBE. Santa Cruz METRO will revise on a continuing basis. Santa Cruz METRO makes the Directory available as follows: Interested individuals can contact Santa Cruz METRO's Purchasing Manager, Santa Cruz METRO Administrative Offices, 110 Vernon Street, Santa Cruz, CA, or (831) 426-0199 to request a copy. Additionally, Santa Cruz METRO directory information is included in appropriate solicitations with the in-house directory serving as a supplement to the CalTrans Directory.

#### §4.404

#### Bidders' List Records

- A. Santa Cruz METRO will create and maintain a Bidders' List. The purpose of the list is to provide Santa Cruz METRO as accurate data as possible about the universe of DBE and non-DBE contractors and subcontractors who seek to work on federally assisted contracts for use in helping Santa Cruz METRO set overall goals. Santa Cruz METRO will obtain the following information about DBE and Non-DBE contractors and subcontractors who bid or quote on Santa Cruz METRO's federally-assisted contracts:
  - 1) Firm name;
  - 2) Firm address;
  - 3) Firm's status as a DBE or non-DBE;
  - 4) Age of the firm (years in business); and
  - 5) The annual gross receipts of the firm. Santa Cruz METRO will obtain this information by asking each firm to indicate into what gross receipts bracket they fit (e.g., less than \$500,000; \$500,000-\$1million; \$1-2 million; \$2-5 million; etc) rather than requesting an exact figure from the firm.
- B. In order to document DBE participation in procurements, Santa Cruz METRO requires all prime contractors and any of its subcontractors responding to Invitations For Bids (IFBs) to submit the above information to Santa Cruz METRO. All prime contractors and subcontractors responding to IFBs will also be asked to provide the scope of work to be performed by the DBE and the related dollar amount. Santa Cruz METRO will require this information when any bid, quote or

qualification is submitted to it to be considered responsive. The Bidders' List will become the record of DBE participation Santa Cruz METRO's procurement process.

**§4.405 Overconcentration**

Santa Cruz METRO does not use contract goals, which are the primary cause of overconcentration. This occurs when prime contractors excessively use the same DBE firm, or a single trade/discipline is only performed by DBEs, on a large amount of contracts.

The DBELO is responsible for assessing overconcentration. The DBELO will perform an annual review of all contracts and subcontracts awarded during the fiscal year. This analysis will review each firm name and the nature of work performed. If a single firm or type of work is identified as repetitive, the DBELO will perform a thorough review of those contracts and determine 1.) if overconcentration has occurred and 2.) if it has unduly burdened non-DBEs in the same field.

If the DBELO determines that DBE participation is so over-concentrated in certain types of work or contracting opportunities that it unduly burdens the participation on non-DBEs in that type of work, the DBELO will develop appropriate measures to address the over-concentration. The DBELO will seek approval of such measures from FTA and, at that time, the measures will become a part of this Program. Currently, Santa Cruz METRO is unaware of any types of work that have a burdensome over-concentration of DBE participation.

**§4.406 Business Development Programs**

Santa Cruz METRO does not operate a business or mentor-protégé program at the present time. If Santa Cruz METRO implements such a program in the future, then Santa Cruz METRO will describe the rationale for having the program element, and the specific provisions of the element (e.g., who is eligible to participate, how the program element works, and how interested persons would obtain information about the program element). At the time of a decision to implement a business development or mentor-protégé program, the DBELO will seek approval of such program from FTA and, at that time, the program will become a part of the overall DBE Program.

**§4.407 Fostering Small Business Participation (49 CFR §26.39)**

- A. One method of providing race-neutral efforts for DBE participation is through Santa Cruz METRO's small business element, which is incorporated into this DBE Program.
- B. For purposes of this DBE program, a Small Business Enterprise (SBE) is a business that has been certified by the California Department of General Services (DGS) or any other public agency that certified small businesses using substantially the same criteria.
- C. Santa Cruz METRO relies on the certification/verification processes used by other agencies. Santa Cruz METRO will not use a certification process that

allows DBEs or SBEs to self-certify. To avoid fraud, a firm's small business status will be verified when Santa Cruz METRO uses SBE contract goals on a project.

- D. An important element of Santa Cruz METRO's small business element is its outreach activities. These outreach efforts include active, effective steps to increase small business participation, such as soliciting bids/proposals from DBEs and SBEs, responding to requests for information, participating at pre-bid and pre-proposal meetings, and participating at outreach and training events for DBEs and SBEs. Santa Cruz METRO will collaborate with regional resources by pooling resources and/or creating joint programs for review and approval.
- E. As time and resources allow, the DBELO helps plan and/or participate in outreach and informational events for DBEs and SBEs that may be coordinated with other DOT recipients, federal agencies, or local organizations. DBELO provides DBEs and SBEs with information on how to do business with Santa Cruz METRO, and other topics of interest to these businesses.
- F. Santa Cruz METRO tracks and reports any race-neutral participation by certified DBEs achieved by the small business element in same way it reports race-neutral DBE participation obtained by other methods. To the extent feasible, data on small business participation is collected and maintained in order to respond to any future questions regarding the results of Santa Cruz METRO's DBE Program.
- G. To facilitate competition by small business concerns, Santa Cruz METRO takes reasonable measures to eliminate obstacles that may preclude small business participation in procurements as prime contractors or subcontractors. Santa Cruz METRO has implemented the following efforts:
  - 1) In multi-year design-build contracts or other large contracts, Santa Cruz METRO requires the prime contractor to provide subcontracting opportunities of a size that small businesses, including DBEs, can reasonably perform, rather than self-performing all of the work involved.
  - 2) For prime contracts, Santa Cruz METRO requires the prime contractor to provide subcontracting opportunities of a size that small businesses, including DBEs, can reasonably perform, rather than self-performing all of the work involved.
  - 3) Santa Cruz METRO refrains from any unnecessary bundling of contract requirements that would otherwise prevent small businesses, including DBEs, from participating in Santa Cruz METRO's procurements.
  - 4) Santa Cruz METRO ensures that a reasonable number of prime contracts are of a size that small businesses, including DBEs, can reasonably perform.

**Article V**  
**Determining and Achieving the DBE Goal**

**§5.501 Santa Cruz Metropolitan Transit District's DBE Program Goal**

The Santa Cruz METRO's DBE Program Goal is developed triennially by the DBELO and the DBE Committee in accordance with 49 CFR Part 26.45 and is submitted as a stand-alone document which includes a public participation process, including outreach efforts and copies of public notices. The goal and its methodology is described in the Santa Cruz METRO's DBE Program Goal document, submitted triennially to the FTA Region IX Office by August 1<sup>st</sup> of the submission year. Santa Cruz METRO's overall annual goal represents the amount of ready, willing and able DBEs that are available to participate in contracting opportunities and is reflective of the amount of DBE participation that Santa Cruz METRO would expect absent the effect of discrimination. Santa Cruz METRO intends to meet this goal to the maximum extent feasible through exclusively race-neutral measures.

**§5.502 Reaching the Goal**

- A. Santa Cruz METRO shall attempt to meet the maximum feasible portion of the overall goal by using race-neutral means of facilitating DBE participation. Santa Cruz METRO will use narrowly tailored contract goals adequate to meet any portion of the overall goal it does not project being able to meet using race-neutral means, where it is demonstrated through a disparity study and relevant market analysis that race conscious methodologies would remedy past discrimination in the state of California.
- B. As allowed by federal and state law, Santa Cruz METRO will establish contract goals only on those U.S. DOT-assisted contracts that have subcontracting possibilities. Santa Cruz METRO will not establish a contract goal on every contract and the size of contract goals will be adapted to the circumstances of each such contract (e.g. type and location of work, availability of DBEs to perform the particular type of work).
- C. Santa Cruz METRO will track race-conscious and race-neutral participation separately as required by 49 CFR 26.51(g).
- D. If allowed by federal and state law, each solicitation for which a contract goal has been established will require the bidders/offerors to submit the following information:
  - 1) The names and addresses of DBE firms that will participate in the contract;
  - 2) A description of the work that each DBE will perform;
  - 3) The dollar amount of the participation of each DBE firm;
  - 4) Written and signed documentation of commitment to use a DBE subcontractor whose participation it submits to meet a contract goal;

- 5) Written and signed confirmation from DBE that it is participating in the contract as provided in the prime contractor's commitment; and
  - 6) If the contract goal is not met, evidence of good faith efforts; good faith efforts documentation is required to be submitted by bidders/offerors no later than the due date for bids/proposals.
- E. The obligation of the bidder/offeror is to make good faith efforts. The bidder/offeror can demonstrate that it has done so either by meeting the contract goal or documenting good faith efforts.
- F. Santa Cruz METRO treats bidder/offerors' compliance with good faith efforts requirements as a matter of responsiveness. The Purchasing Manager/designee is responsible for determining whether a bidder/offeror who has not met the contract goal has documented sufficient good faith efforts to be regarded as a responsive bidder/offeror. The Purchasing Manager/designee will consider all relevant information submitted by the bidder/offeror in making this determination including the following:
- 1) Advertising and attendance at pre-bid conferences to solicit DBE participation;
  - 2) Packaging portions of the work to increase the likelihood that DBE vendors could participate;
  - 3) Instances of negotiations with DBE vendors to make portions of contract work available including names, addresses, phone number of DBEs contacted; and
  - 4) Use of community organizations, contractors' groups, minority and women business organizations to provide assistance in recruiting DBE firms.
- G. The Purchasing Manager/designee will ensure that all information is complete and accurate and adequately documents the bidder/offeror's good faith efforts before Santa Cruz METRO commits to the performance of the contract by the bidder/offeror.
- H. Within 5 days of being informed by Santa Cruz METRO that it is not responsive because it has not documented sufficient good faith efforts, a bidder/offeror may request administrative reconsideration. Bidders/offerors must make this request in writing to the following reconsideration official: CEO/General Manager, 110 Vernon Street, Santa Cruz, CA 95060, or [AClifford@scmtd.com](mailto:AClifford@scmtd.com). The reconsideration official will not have played any role in the original determination that the bidder/offeror did not document sufficient good faith efforts.
- I. As part of this reconsideration, the bidder/offeror will have the opportunity to provide written documentation or argument concerning the issue of whether it met the goal or make adequate good faith efforts to do so. The bidder/offeror will have the opportunity to meet in person with the reconsideration official to discuss the issue of whether it met the goal or made adequate good faith efforts to do so. The CEO/General Manager will send a written decision on reconsideration,

explaining the basis for finding that the bidder did or did not meet the goal and/or did or did not demonstrate adequate good faith efforts. The result of the reconsideration process is final and not administratively appealable to the Department of Transportation.

**§5.503 Transit Vehicle Manufacturer Certification**

Each Transit Vehicle Manufacturer (TVM) will certify that they have complied with the requirements of 49 CFR §26.49 as a condition of bidding or proposing on FTA-assisted transit vehicle procurements. TVMs must obtain FTA approval of an annual DBE participation goal and the principles underlying 49 CFR §26.45 shall be used as a guide in setting this goal. TVMs shall provide Santa Cruz METRO a copy of the FTA approval of their annual goal. Expenditures for FTA-assisted transit vehicle procurements are not included in the funding base to which the overall goal and/or project goal for other FTA-assisted expenditures applies. Expenditures for FTA-assisted procurements of non-TVM vehicles, or if DBE TVMs are not available, are included in the funding base to which the overall goal and/or project goal for other FTA-assisted expenditures applies.

Contracts will only be awarded to TVM's on FTA's certified list of TVM's or that have submitted a goal methodology to FTA that has been approved, or has not been disapproved, at the time of solicitation as required by 49 CFR 26.49(a)(1). The list of approved TVM's can be found at <https://www.transit.dot.gov/regulations-and-guidance/civil-rights-ada/eligible-tvms-list>.

Within 30 days of contract award for transit vehicle purchases, Santa Cruz METRO will submit to FTA the name of the successful bidder and the total value of the contract. Transit vehicle awards can be reported electronically to the FTA at <https://www.surveymonkey.com/r/vehicleawardreportsurvey>.

**§5.504 Quotas, Set-Asides or Preferences**

Santa Cruz METRO does not, and will not, use quotas or set-asides, or preferences in the design or administration of this DBE program.

**§5.505 Good Faith Efforts**

- A. **Contract Goals** - The obligation of the bidder/offeror is to make good faith efforts to meet any specified contract goal. The bidder/offeror can demonstrate that it has done so either by meeting the contract goal or documenting good faith efforts.

Purchasing staff is responsible for determining whether a bidder/offeror who has not met the contract goal has documented sufficient good faith efforts to be regarded as responsive.

Santa Cruz METRO will ensure that all information is complete and accurate and adequately documents the bidder/offer's good faith efforts before we commit to the performance of the contract by the bidder/offeror.

- B. **Bidders/Offerors Efforts to Obtain DBE Subcontractors** - The following is a list of types of actions which Santa Cruz METRO would consider as part of the bidder's good faith efforts to obtain DBE participation when a contract goal is



stated. It is not intended to be a mandatory checklist, nor is it intended to be exclusive or exhaustive. Other factors or types of efforts may be relevant in appropriate cases.

- 1) Soliciting through all reasonable and available means (e.g., attendance at pre-bid meetings, advertising and/or written notices) the interest of all certified DBEs who have the capability to perform the work of the contract. The bidder must solicit this interest within sufficient time to allow the DBEs to respond to the solicitation. The bidder must determine with certainty if the DBEs are interested by taking appropriate steps to follow up initial solicitations.
- 2) Selecting portions of the work to be performed by DBEs in order to increase the likelihood that the DBE goals will be achieved. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate DBE participation, even when the prime contractor might otherwise prefer to perform these work items with its own forces.
- 3) Providing interested DBEs with adequate information about the plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation.
- 4) (a) Negotiating in good faith with interested DBEs. It is the bidder's responsibility to make a portion of the work available to DBE subcontractors and suppliers and to select those portions of the work or material needs consistent with the available DBE subcontractors and suppliers, so as to facilitate DBE participation. Evidence of such negotiation includes the names, addresses, and telephone numbers of DBEs that were considered; a description of the information provided regarding the plans and specifications for the work selected for subcontracting; and evidence as to why additional agreements could not be reached for DBEs to perform the work.  
  
(b) A bidder using good business judgment would consider a number of factors in negotiating with subcontractors, including DBE subcontractors, and would take a firm's price and capabilities as well as contract goals into consideration. However, the fact that there may be some additional costs involved in finding and using DBEs is not in itself sufficient reason for a bidder's failure to meet the contract DBE goal, as long as such costs are reasonable. Also, the ability or desire of a prime contractor to perform the work of a contract with its own organization does not relieve the bidder of the responsibility to make good faith efforts. Prime contractors are not, however, required to accept higher quotes from DBEs if the price difference is excessive or unreasonable.
- 5) Not rejecting DBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities. The contractor's standing within its industry, membership in specific groups, organizations, or associations and political or social affiliations (for example union vs. non-union employee

status) are not legitimate causes for the rejection or non-solicitation of bids in the contractor's efforts to meet the project goal.

- 6) Making efforts to assist interested DBEs in obtaining bonding, lines of credit, or insurance as required by the recipient or contractor.
- 7) Making efforts to assist interested DBEs in obtaining necessary equipment, supplies, materials, or related assistance or services.
- 8) Effectively using the services of available minority/women community organizations; minority/women contractors' groups; local, state, and Federal minority/women business assistance offices; and other organizations as allowed on a case-by-case basis to provide assistance in the recruitment and placement of DBEs.

- C. **Replacing DBE Subcontractor** - The Santa Cruz METRO will require a contractor to make good faith efforts to replace a DBE that is terminated or has otherwise failed to complete its work on a contract with another certified DBE, to the extent needed to meet the contract goal. The Santa Cruz METRO will require the prime contractor to notify the DBE Liaison Officer immediately of a DBE's inability or unwillingness to perform on a contract and will require reasonable documentation of contract non-performance when a DBE is replaced.

In this situation, Santa Cruz METRO requires the prime contractor to obtain Santa Cruz METRO's prior written approval of the substitute DBE and to provide copies of new or amended subcontracts or documentation of good faith efforts when the prime contractor fails to replace a DBE certified contractor with another certified DBE on a contract. Good faith efforts to include advertising to solicit DBE vendors, instances of negotiations with DBE vendors including names, addresses, phone number of DBE contact, and use of community organizations, contractors' groups, minority and women-owned business organizations to provide assistance in identifying and recruiting DBEs. The prime contractor shall not terminate for convenience a DBE subcontractor or an approved substitute DBE firm and then perform the work of the terminated subcontract with its own forces or those of an affiliate without Santa Cruz METRO's prior written consent.

If the contractor fails to comply with this requirement for DBE replacement on a contract, Santa Cruz METRO will issue a "Stop Work Order" and suspend payments until satisfactory action has been taken. If the contractor still fails to comply, Santa Cruz METRO may initiate a "Termination for Default Proceeding."

- D. **Sample Bid Specification with Contract Goal** - The requirements of 49 CFR Part 26, Regulations of the U.S. Department of Transportation, apply to this contract. It is the policy of Santa Cruz METRO to practice nondiscrimination based on race, color, sex, or national origin in the award or performance of this contract. All firms qualifying under this solicitation are encouraged to submit bids/proposals. Award of this contract will be conditioned upon satisfying the requirements of this bid specification. These requirements apply to all bidders/offerors, including those who qualify as a DBE. A DBE contract goal of \_\_\_ percent has been established for this contract. The bidder/offeror shall make good faith efforts, as

defined in Appendix A, 49 CFR Part 26 (Attachment 1), to meet the contract goal for DBE participation in the performance of this contract.

The bidder/offeror will be required to submit the following information: (1) the names and addresses of DBE firms that will participate in the contract; (2) a description of the work that each DBE firm will perform; (3) the dollar amount of the participation of each DBE firm participating; (4) Written documentation of the bidder/offeror's commitment to use a DBE subcontractor whose participation it submits to meet the contract goal; (5) Written confirmation from the DBE that it is participating in the contract as provided in the commitment made under (4); and (5) if the contract goal is not met, evidence of good faith efforts.

## **§5.506**

### **Determining and Meeting DBE Participation Goals**

- A. DBE participation in a contract will be counted as only the value of the work actually performed by the DBE toward DBE goals. Santa Cruz METRO shall count the entire amount of that portion of the contract that is performed by the DBE's own forces. The cost of supplies and materials obtained by the DBE for the work of the contract, including supplies purchased or equipment leased by the DBE (except supplies and equipment the DBE subcontractor purchases or leases from the prime contractor or its affiliates) shall also be included.
- B. The entire amount of fees or commissions charged by a DBE firm for providing a bona fide service, such as professional, technical, consultant, or managerial services or for providing bonds or insurance specifically required for the performance of a DOT-assisted contract toward DBE goals shall be counted provided Santa Cruz METRO determines that the fees are reasonable and not excessive as compared with fees customarily allowed for similar services.
- C. If a DBE subcontracts work to another DBE and not a non-DBE, that work shall be counted toward DBE goals. When a DBE participates in a joint venture, the portion of the total dollar value of the contract equal to the distinct, clearly defined portion of the work of the contract that the DBE performs with its own forces shall be counted toward DBE goals. Only expenditures to a DBE contractor that are a commercially useful function of the contract shall be counted toward DBE goals.
- D. Santa Cruz METRO will count all expenditures with DBEs for materials or supplies provided that the materials or supplies are obtained from a DBE manufacturer (100% of the expenditures) or from a DBE regular dealer (60% of the expenditures).
- E. If a firm is not currently certified as a DBE, Santa Cruz METRO will not count the firm's participation toward any DBE goals except as allowed by the DBE regulations. Santa Cruz METRO will not count the dollar value of work performed under a contract with a firm after it has ceased to be certified as a DBE contractor. Santa Cruz METRO will not count participation of a DBE subcontractor toward the prime contractor's DBE achievements or Santa Cruz METRO's overall goal until the amount being counted has been paid to the DBE.

## §5.507 Analyzing Goal Attainment and Shortfall Analysis

Santa Cruz METRO monitors attainment of the goal each semi-annual reporting period. If at the end of a Federal fiscal year Santa Cruz METRO has not attained the overall goal applicable for that year, the Grants/Legislative Analyst and DBELO shall analyze the reasons for the shortfall and create a corrective action plan in accordance with Part 26, Section 26.47. The shortfall analysis and corrective action plan shall be submitted to the FTA within 90 days of the end of the Federal fiscal year.

## §5.508 Breakout of Race-Neutral & Race-Conscious Participation and Use of Contract Goals

The breakout of estimated race-neutral and race-conscious participation for Santa Cruz METRO's DBE Program is 100% race-neutral and 0% race-conscious. Santa Cruz METRO does not use contract goals at this time. A brief explanation is below.

- A. **Adarand v. Pena** – In 1995 the Supreme Court ruled that in order to operate a race-based contracting program, the government agency must provide particularized evidence that groups were subject to discrimination; and must “narrowly tailor” the program that it adopts. Narrow tailoring requires that a program has flexibility and limited duration of race-conscious measures, including the availability of waiver provisions; the relationship of the numerical DBE goals to the relevant market; the effectiveness of alternative race- and gender-neutral remedies; and the impact of a race-conscious remedy on the rights of third parties.
- B. **Western States Paving v. Washington State DOT** – In 2005 the 9<sup>th</sup> Circuit Court of Appeals (applies to FTA recipients in California) decided that the WSDOT DBE program was not narrowly tailored because evidence of discrimination supporting the use of race-conscious measures was inadequate.

In addition, the court said that race conscious elements of a national program (such as 49 CFR Part 26), to be narrowly tailored as applied, must be limited to those parts of the country where its race-based measures are demonstrably needed. Whether race-based measures are needed depends on the presence or absence of discrimination or its effects in a state's transportation contracting industry. In addition, even when discrimination is present in a state, a program is narrowly tailored only if its application is limited to those specific groups that have actually suffered discrimination or its effects. In order to determine such evidence, a disparity study must be conducted and the government agency utilizing its results must analyze its own market area in order to set contract goals.

- C. **Caltrans 2016 Disparity Study** – The study conducted for Caltrans of its statewide contracting found three groups exhibited disparity indices substantially below parity – Black American-, Hispanic American-, and Native American-owned businesses. The disparity was identified to be mainly in construction contracts.

Santa Cruz METRO recognizes it may utilize this study to support use of race-conscious contracting goals, however, is currently analyzing its relevant market to see if this approach is feasible for remedying these target groups within its anticipated contracting opportunities.

## **Article VI Required Contract Provisions**

### **§6.601 General Conditions of the Contract**

Santa Cruz METRO will include the following clause in every DOT-assisted contract and subcontract:

The contractor, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.

### **§6.602 Prompt Progress Payment (49 CFR §26.29)**

A. Santa Cruz METRO will include the following clauses in each DOT-assisted prime contract:

A prime contractor or subcontractor shall pay to any subcontractor not later than 10 days of receipt of each progress payment, in accordance with the provision in Section 7108.5 of the California Business and Professions Code concerning prompt payment to subcontractors. The 10-days are applicable unless a longer period is agreed to in writing. Any delay or postponement of payment over 30-days may take place only for good cause and with Santa Cruz METRO prior written approval. Any violation of Section 7108.5 shall subject the violating contractor or subcontractor to the penalties, sanctions, and other remedies of that Section. This clause applies to both DBE and non-DBE subcontractors.

If 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, the prime contractor or subcontractor may withhold no more than 150 percent of the disputed amount.

Santa Cruz METRO shall hold retainage from the prime contractor and shall make prompt and regular incremental acceptances of portions, as determined by Santa Cruz METRO, of the contract work and pay retainage to the prime contractor based on these acceptances. The prime contractor or subcontractor shall return all monies withheld in retention from all subcontractors within 30 days after receiving payment for work satisfactorily completed and accepted including incremental acceptances of portions of the contract work by Santa Cruz METRO. Any delay or postponement of payment may take place only for good cause and with Santa Cruz METRO's prior written approval. Any violation of these provisions shall subject the violating prime contractor to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business

Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies otherwise available to the contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the contractor, deficient subcontractor performance, and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

Prime contractors must include the prompt payment language of paragraph 1 in all subcontracts, regardless of subcontractor's DBE status. Failure of a prime contractor to uphold prompt payment requirements for subcontractors will result in Santa Cruz METRO withholding reimbursement for completed work.

The prime contractor must maintain records of all subcontracts entered into with DBEs and records of materials purchases from DBE suppliers. Such records shall show the name and business address of each DBE subcontractor or vendor and the total dollar amount actually paid to each DBE subcontractor or vendor. Prime contractor shall report to Santa Cruz METRO all payments made to DBE subcontractors on a monthly basis.

The prime contractor must also submit to the Project Manager's office an affidavit certifying the payment was made to the DBE subcontractor or supplier to be signed by both the prime contractor and the DBE. Such an affidavit must be submitted during the project any time a progress or final payment is made to a DBE, and when any retainage held is returned. A summary certification affidavit must be submitted at the completion of the project.

- B. Prime Contractors must include the **prompt payment language** set forth above in all subcontracts, regardless of subcontractor's DBE status.
- C. Failure of a prime contractor to uphold prompt payment requirements for subcontractors will result in Santa Cruz METRO withholding reimbursement for completed work.

## **Article VII Monitoring and Enforcement Mechanisms**

### **§7.701 Information, Confidentiality, Cooperation**

Santa Cruz METRO will safeguard from disclose to third parties information that may reasonably be regarded as confidential business information, consistent with Federal, state, and local law. Santa Cruz METRO is subject to the California Public Records Act. A summary of the act can be located at:

[http://ag.ca.gov/publications/summary\\_public\\_records\\_act.pdf](http://ag.ca.gov/publications/summary_public_records_act.pdf)

Notwithstanding any contrary provisions of state or local law, we will not release personal financial information submitted in response to the personal net worth requirement to a third party (other than DOT) without the written consent of the submitter.

Additionally, Santa Cruz Metro, and all sub-recipients, are required to cooperate fully and promptly with DOT and recipient compliance reviews, certification reviews, investigations, and other requests for information. Furthermore, Santa Cruz Metro, and all sub-recipients, must not intimidate, threaten, coerce, or discriminate against any individual or firm for the purpose of interfering with any right or privilege secured by 49 CFR part 26 or because the individual or firm has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under 49 CFR part 26.

#### **§7.702 Monitoring and Enforcement**

Santa Cruz METRO will take the following monitoring and enforcement mechanisms to ensure compliance with 49 CFR Part 26:

- A. Santa Cruz METRO will bring to the attention of the Department of Transportation (DOT) any false, fraudulent, or dishonest conduct in connection with the program, so that DOT can take the steps (e.g., referral to the Department of Justice for criminal prosecution, referral to the DOT Inspector General, action under suspension and debarment or Program Fraud and Civil Penalties rules) provided in 49 CFR 26.109;
- B. Santa Cruz METRO will consider similar action under its own legal authority including responsibility determinations based on past performance in future contracts.
- C. Santa Cruz METRO will provide a monitoring and enforcement mechanism to verify that work committed to DBEs at contract award is actually performed by the DBEs. This will be accomplished by the Project Manager confirming that the work set forth to be performed by the DBE is actually performed by the DBE through visual observation and firm identity confirmation. The Project Manager/Contract Administrator will keep a running tally of actual payments to DBE firms for work committed to them at the time of contract award. The Project Manager/Contract Administrator shall track the actual DBE participation through contractor and subcontractor reports of payments, and other appropriate monitoring. The DBELO will ensure that DBE participation is counted toward the overall annual goal in accordance with the federal regulations. The DBELO will perform interim audits of contract payments to DBEs. The audit will review payments to DBE subcontractors to ensure that the actual amount paid to DBE subcontractors equals or exceeds the dollar amounts stated in the schedule of DBE participation.

#### **§7.703 Monitoring Progress and Retention Payments to DBEs**

- A. Santa Cruz METRO will require prime contractors to maintain records and documents of payments to DBEs for three years following the performance of the contract. These records will be made available for inspection upon request by any authorized representative of the Santa Cruz Metropolitan Transit District or DOT. This reporting requirement also extends to any certified DBE subcontractor.

- B. Santa Cruz METRO will perform interim audits of progress and retention payments to DBEs. The audit will review payments to DBE subcontractors to ensure that the actual amount paid to DBE subcontractors equals or exceeds the dollar amounts stated in the schedule of DBE participation, and that the retention payments were made within the 10 day period allowable.

## **Article VIII Certification Standards**

### **§8.801 No In-House Certification Process**

Santa Cruz METRO is a non-certifying member of the California Unified Certification Program (UCP) administered by the California Department of Transportation (Caltrans). Caltrans is the certifying agency. The Caltrans DBE certification program has been approved by the Federal Highway Administration as meeting the standards of 49 CFR Part 26. The Caltrans Office of Civil rights ensures that applicants requesting certified DBE status adequately demonstrate that they are members of a socially and economically disadvantaged group listed in 49 CFR §26.67 and that the firm which they control is an existing small business as defined by the Small Business Administration (SBA) standards. In addition, the bidder/offeror must submit the required application and a signed and notarized statement of personal net worth with appropriate supporting documentation.

Applications forms for certification as a DBE and a directory of certified DBE firms are available at the Caltrans Office of Civil Rights web page:

<http://www.dot.ca.gov/hq/bep/>.

## **Article IX Information Collection and Reporting**

### **§9.901 Reporting to DOT**

Santa Cruz METRO will continue to provide data about its DBE program to the DOT as directed by the DOT operating administrations. Santa Cruz METRO will report DBE participation to DOT on a semi-annual basis. These reports will reflect payments actually made to DBEs on DOT-assisted contracts.

Santa Cruz METRO will report semi-annually using the Uniform Report of DBE Commitments/Awards and Payments form. These reports will reflect new contract awards during the period and payments actually made to DBEs on DOT-assisted contracts. Reports will be submitted in TrAMS by the Grants/Legislative analyst on or before the May and November due dates.



**Article X**  
**Appendices**

- A. Annual Commitment Statement
- B. DBE Program Summary
- C. Santa Cruz METRO's Organizational Charts
- D. Minority-Owned Financial Institutions
- E. Santa Cruz METRO's DBE Goal Methodology for FFY21 – FFY23
- F. California Unified Certification Program for Disadvantaged Business Enterprise (DBE)

Appendix A  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Disadvantaged Business Enterprise Program  
(49CFR Part 26)

ANNUAL COMMITMENT STATEMENT

The Santa Cruz Metropolitan Transit District (Santa Cruz METRO) has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 Code of Federal Regulations (CFR) Part 26, as may be amended. Santa Cruz METRO has received Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, Santa Cruz METRO has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of Santa Cruz METRO to ensure nondiscrimination on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contracts or in the administration of its DBE program or the requirements 49 CFR Part 26. It is the intention of Santa Cruz METRO to create a level playing field on which DBEs, as defined in 49 CFR part 26, can compete fairly for contracts and subcontracts relating to Santa Cruz METRO's construction, procurement and professional services activities.

Angela Aitken, Finance Manager, has been delegated as the DBE Liaison Officer. In that capacity, the Finance Manager is responsible for implementing all aspects of the DBE program. Implementation of the DBE program is accorded the same priority as compliance with all other legal obligations incurred by Santa Cruz METRO in its financial assistance agreements with the Department of Transportation.

Angela Aitken has disseminated this policy statement to the Board of Directors and all of the components of our organization. We will distribute this statement to DBE and non-DBE business communities that perform work for us on DOT-assisted contracts by including it in all solicitation documents, and by posting it on our website.

  
\_\_\_\_\_  
Alex Clifford, CEO

\_\_\_\_\_  
Date

## Appendix B

### SANTA CRUZ METROPOLITAN TRANSIT DISTRICT



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#### **Federal Disadvantaged Business Enterprise (DBE) Program**

The Santa Cruz Metropolitan Transit District (Santa Cruz METRO) has established a Disadvantaged Business Enterprise (DBE) program in accordance with the regulations of the U.S. Department of Transportation (USDOT). The program purpose is to ensure that DBEs have an equal opportunity to participate in USDOT assisted contracts.

Program guidelines and procedures help to ensure that DBEs have equal opportunity to compete for contracts, subcontracts, and agreements in the award and administration of USDOT assisted contracts.

#### **Additional program objectives include:**

- Ensure nondiscrimination in the award of USDOT assisted contracts.
- Create a level playing field on which DBEs can compete fairly for USDOT assisted contracts.
- Ensure that a firm meets federal eligibility standards (*49 CFR Part 26*) prior to participation in the DBE Program.
- Assist in identifying and removing barriers to participation for DBEs in federally assisted contracts.
- Assist in the development of Disadvantaged Business Enterprises, in order to increase their competitiveness in the market place.

#### **How to participate:**

Firms seeking to be certified as a Disadvantaged Business Enterprise (DBE) should contact the state of California Office of Business and Economic Opportunity.

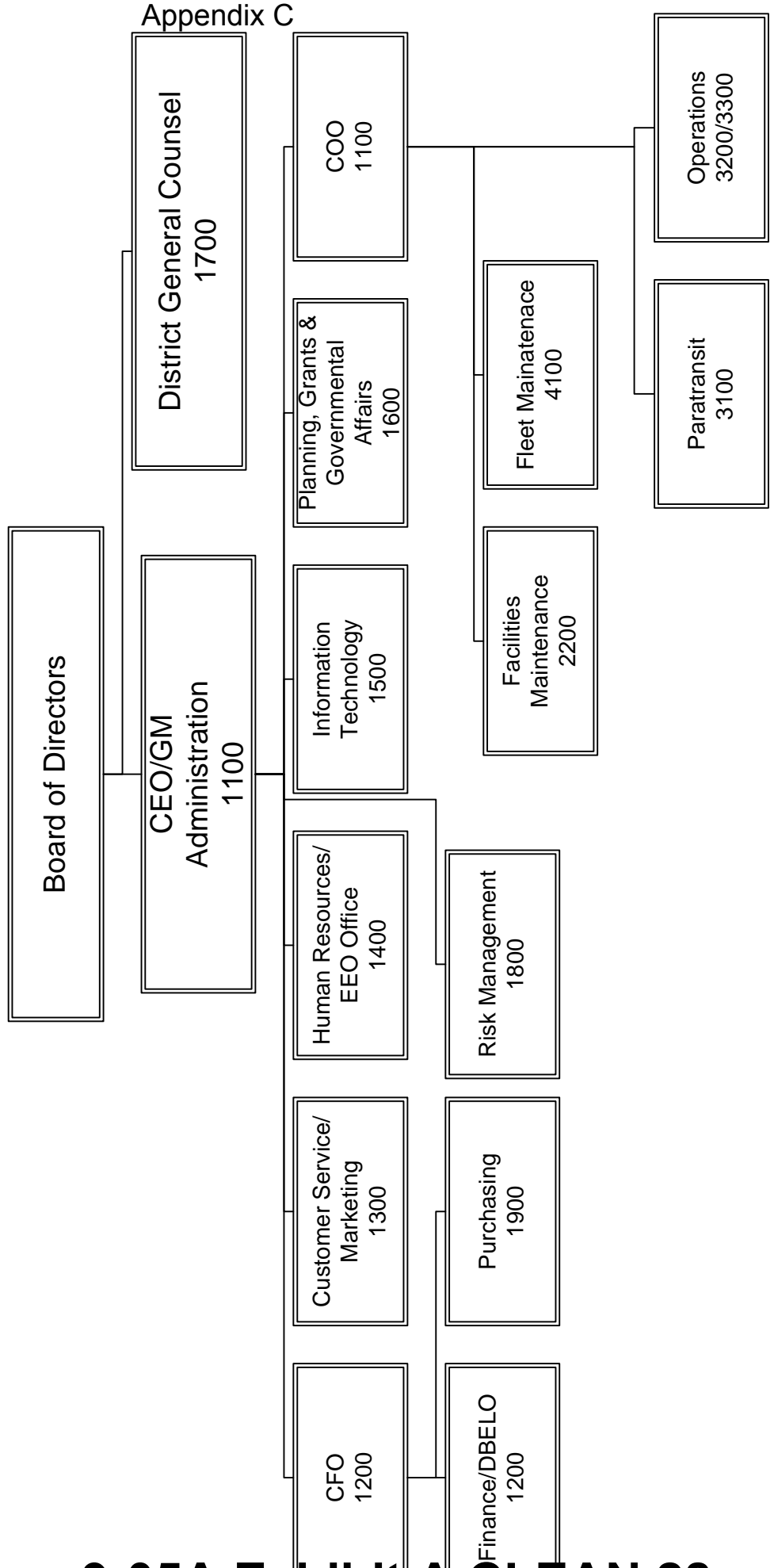
[http://www.dot.ca.gov/hq/bep/business\\_forms.htm](http://www.dot.ca.gov/hq/bep/business_forms.htm)

#### **Firms may also contact:**

The Santa Clara Valley Transportation Authority (VTA), Office of Small and Disadvantaged Businesses in San Jose, California for information on the eligibility criteria, instructions and certification materials. Their offices are located at 3331 N. First St., Bldg. A, San Jose, CA 95134, or they can be reached at (408) 321-5962.

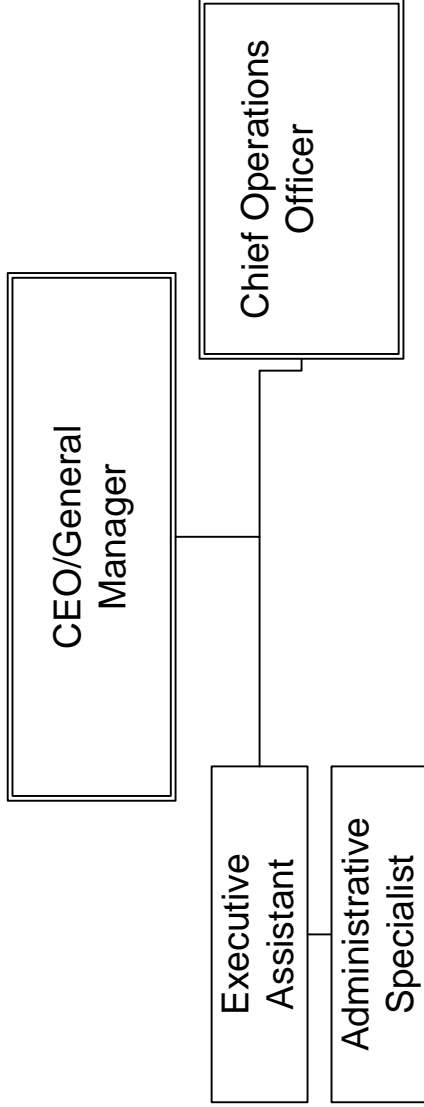
\*If your firm has its principal place of business in another state and is currently certified in that state, please contact the California Department of Transportation (DOT).

# Santa Cruz Metropolitan Transit District (Santa Cruz METRO) Organizational Chart FY21

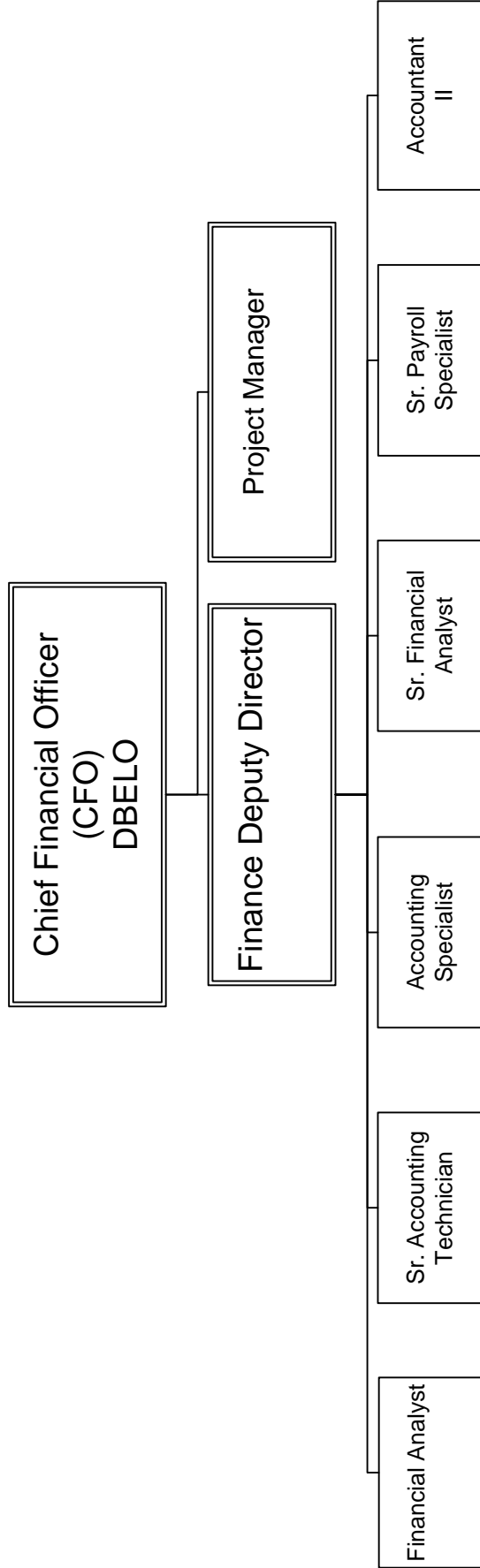


Appendix C

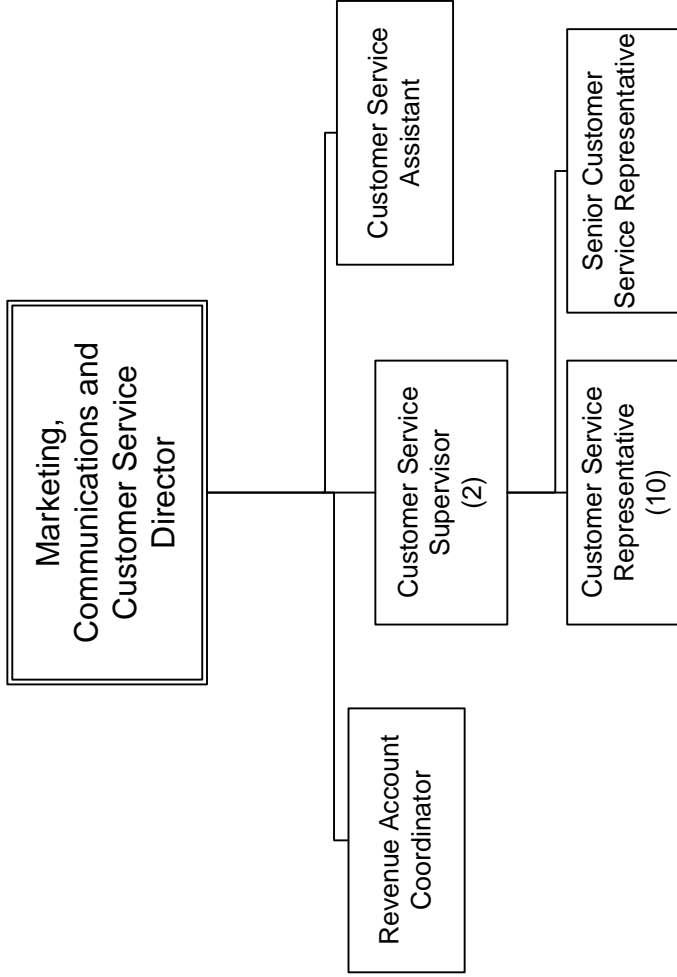
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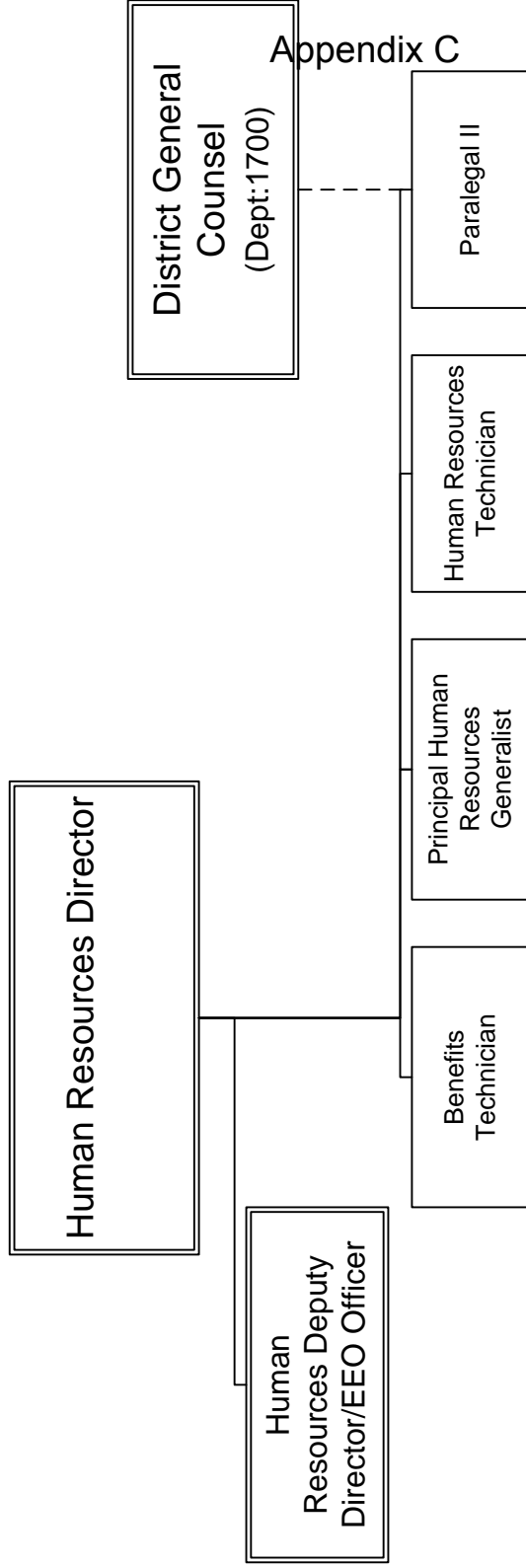
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Customer Service  
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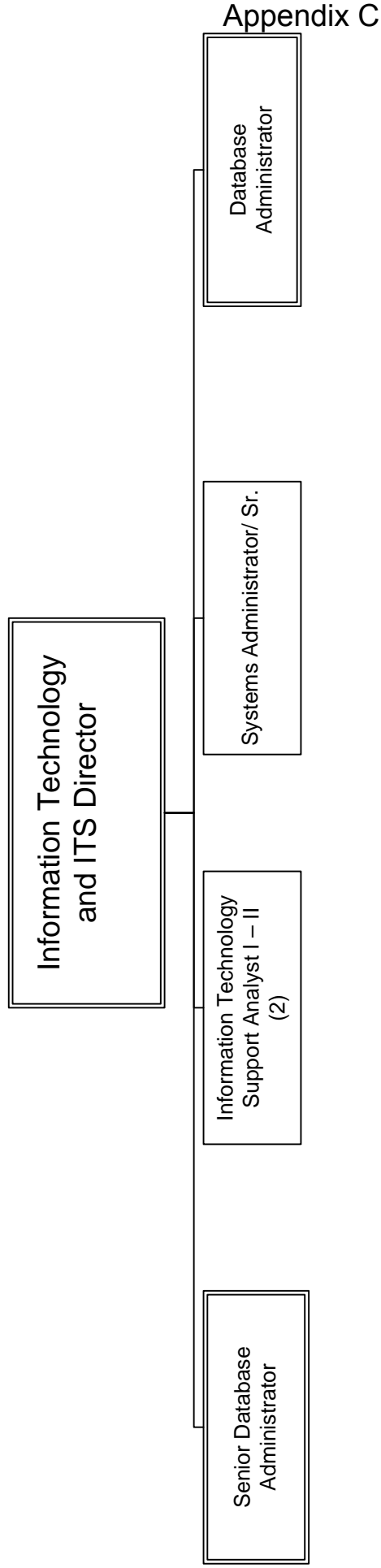
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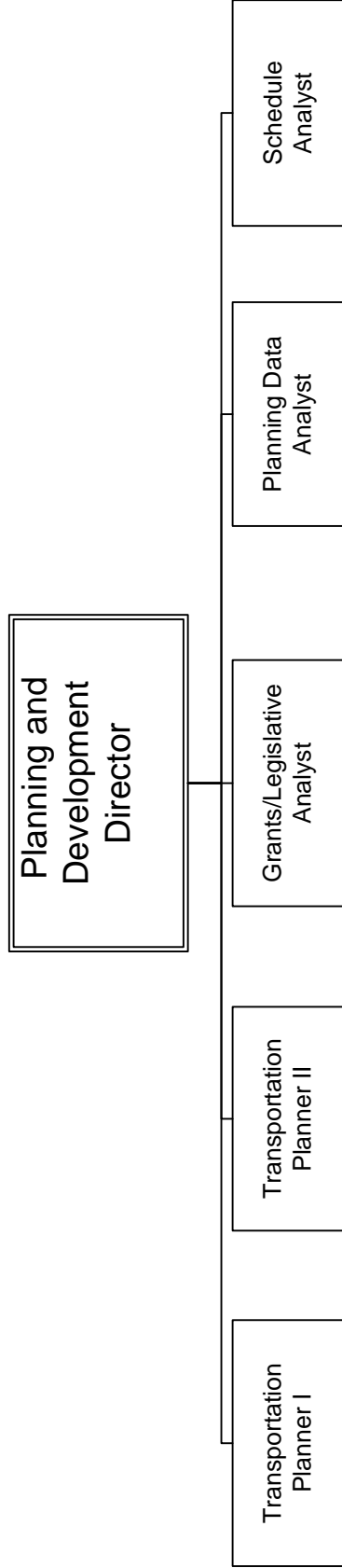
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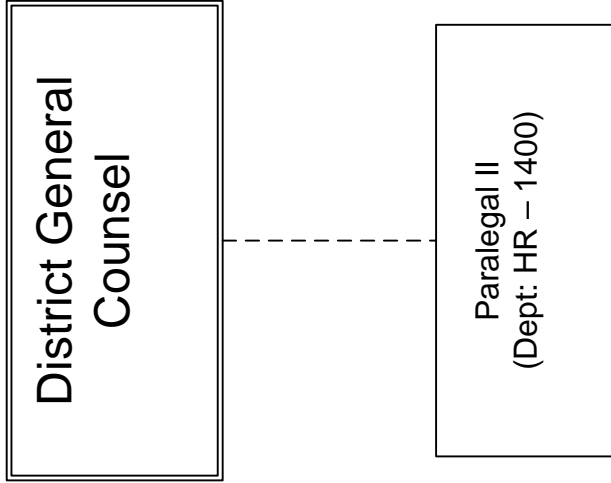
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Planning, Grants, Governmental  
Affairs  
1600

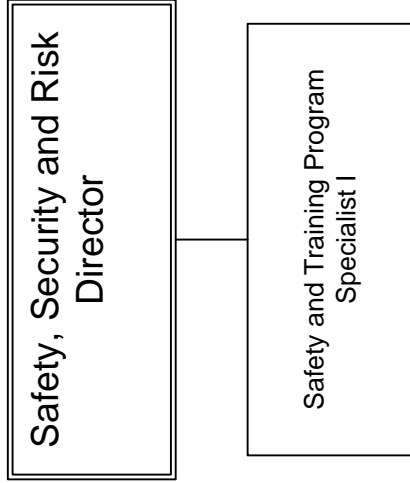


District General Counsel  
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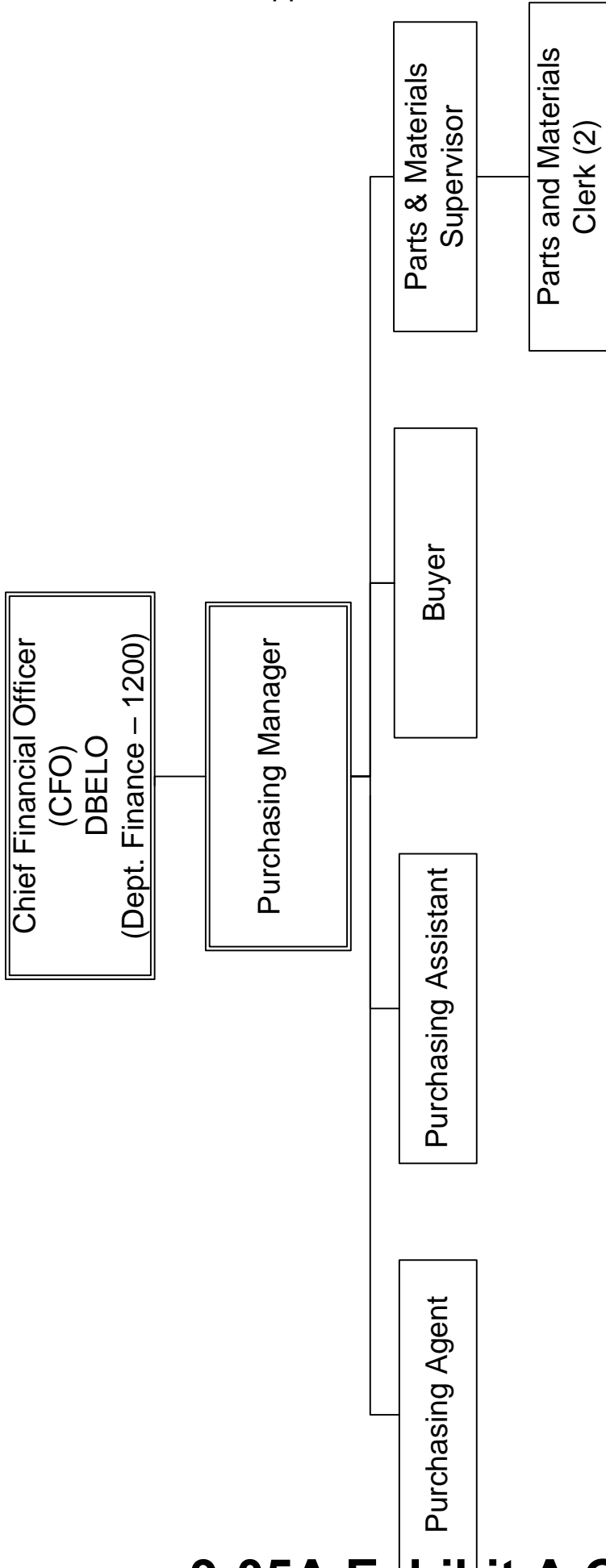


See Budget for details

**Risk Management**  
**1800**

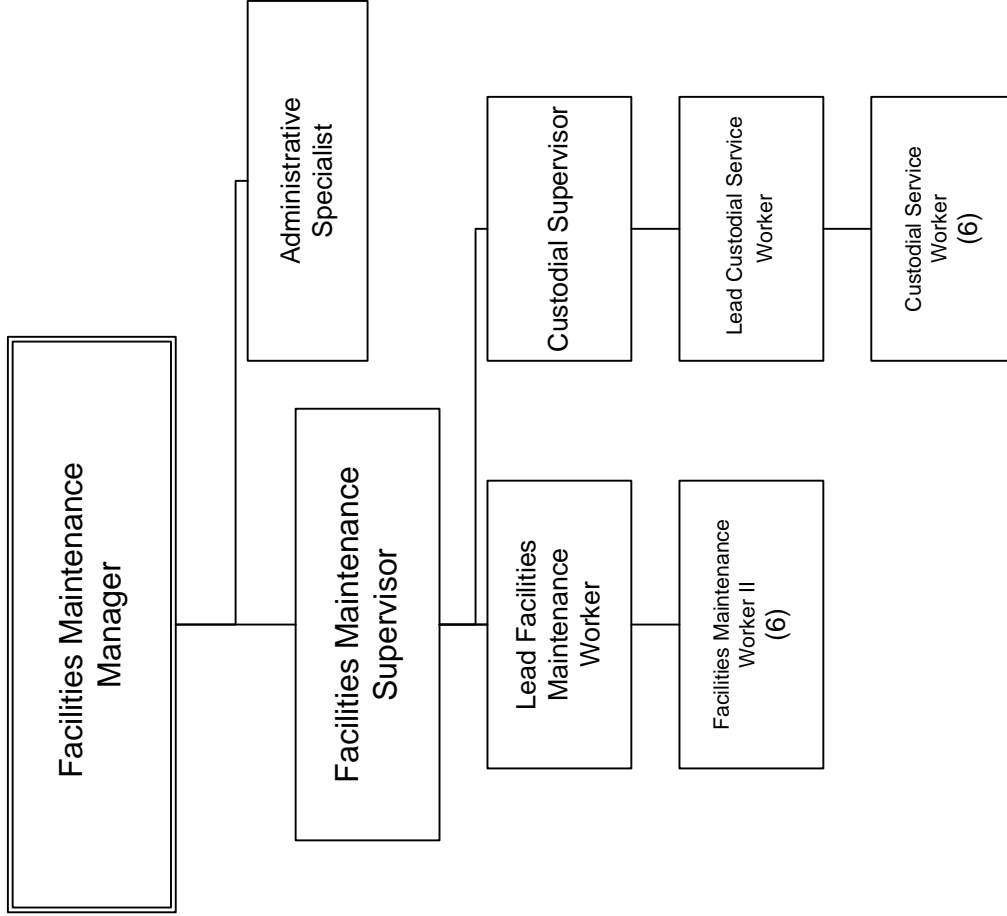


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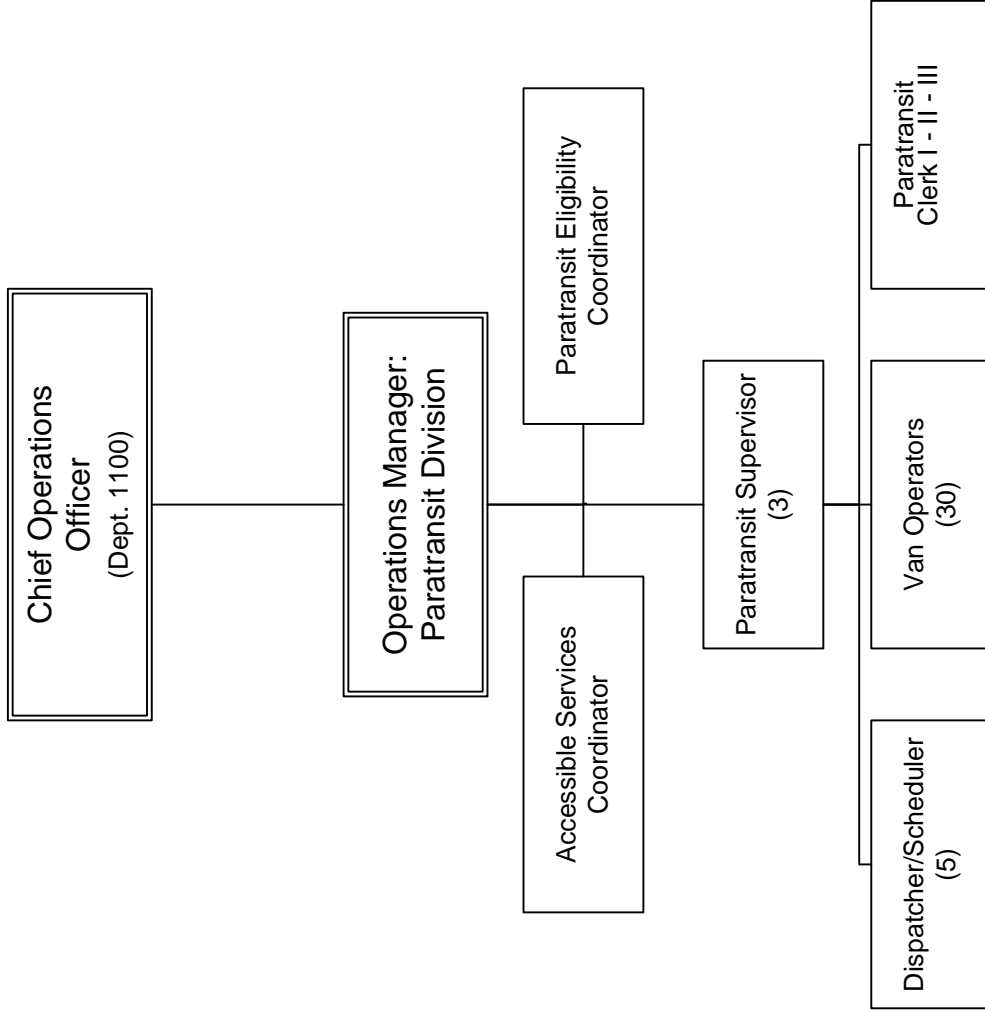
Appendix C

# Facilities Maintenance 2200

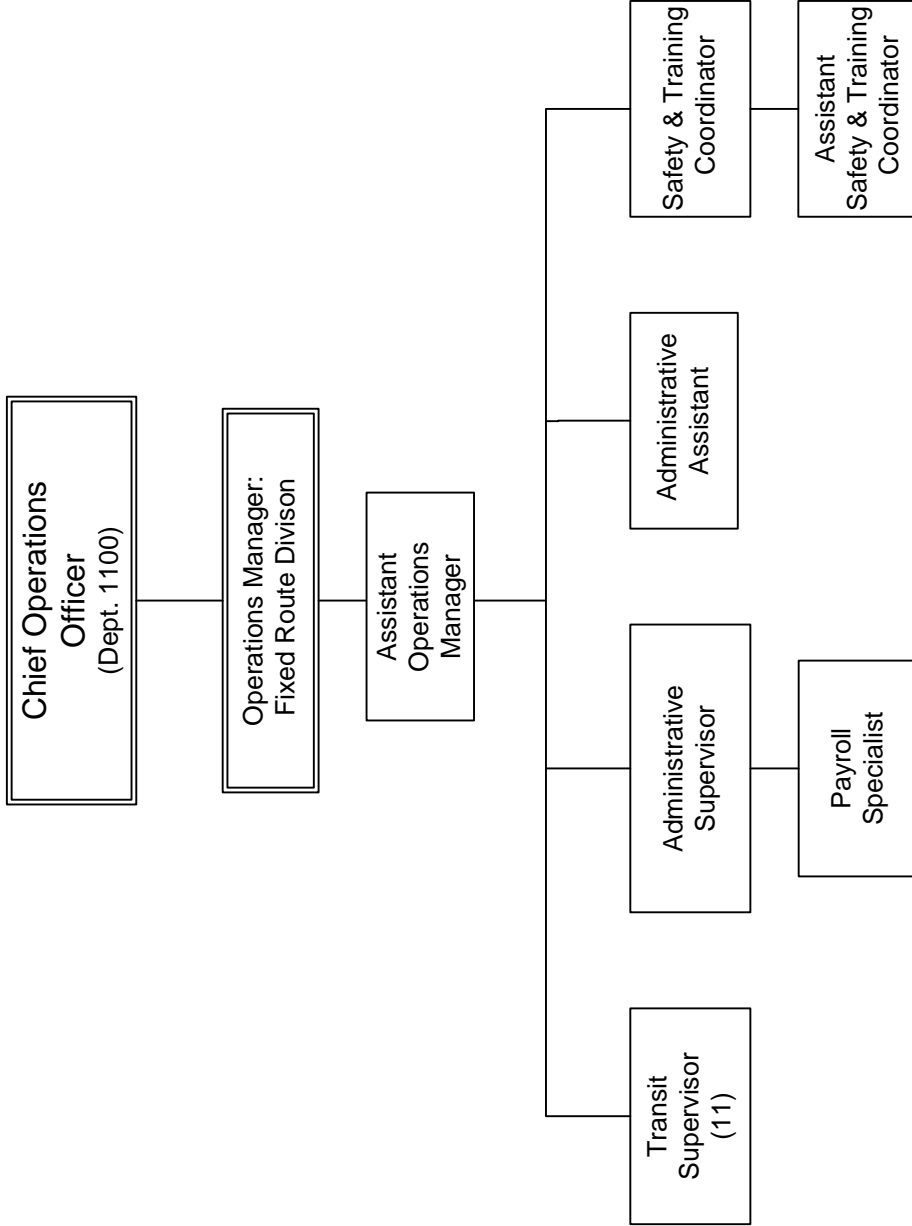


See Budget for details

# Paratransit 3100

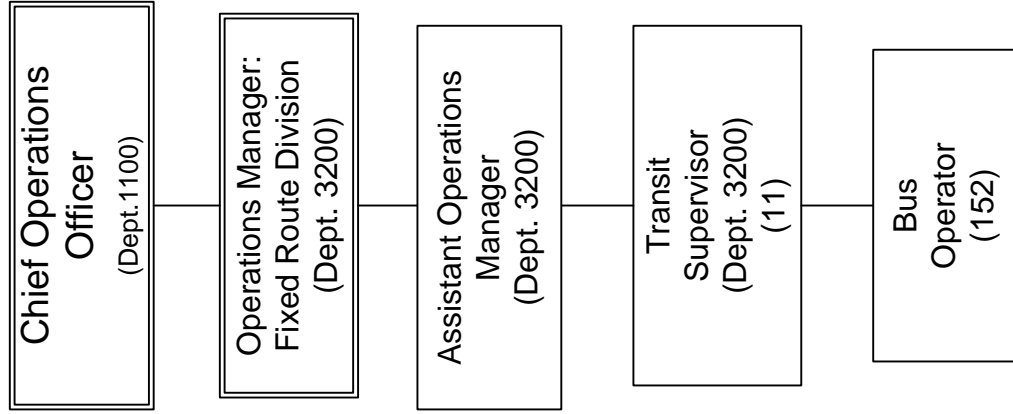


# Operations 3200

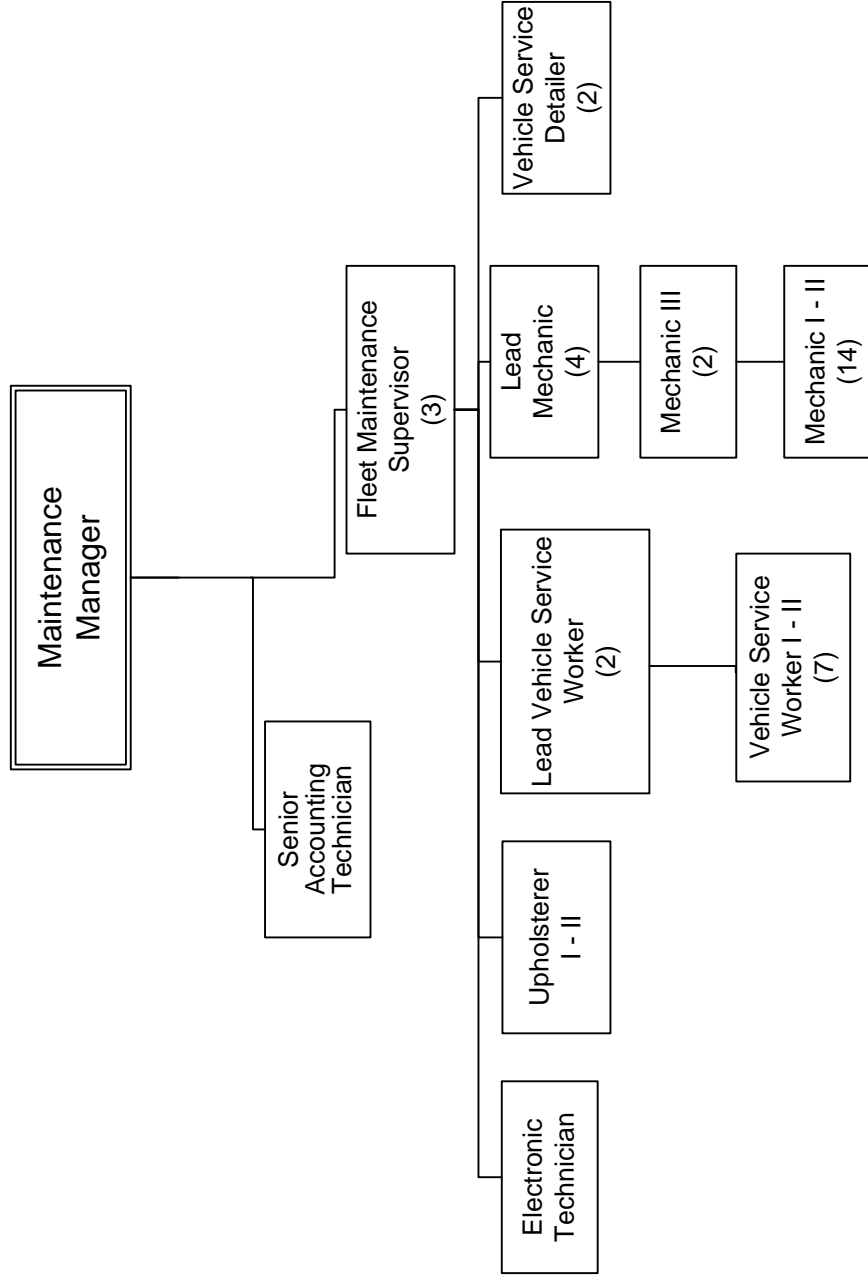




**Bus Operators  
3300**



# Fleet Maintenance 4100



# Minority Depository Institutions Program

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[Home](#)

[Annual Report to Congress](#)

[Collaboration](#)

[FDIC Policy Statement Regarding Minority Depository Institutions](#)

[List of MDIs](#)

[MDI Events](#)

[MDI Research Study](#)

[MDI Subcommittee](#)

[National Interagency MDI and CDFI Bank Conference](#)

[New MDIs](#)

[Other Useful Resources for MDIs](#)

[Speeches and Testimony](#)

[MDI Coordinators and Contacts](#)

## E-mail Updates

Sign up to receive notices of updates to the Minority Depository Institutions Program:  
[E-mail Subscriptions](#)

## Contact FDIC

The FDIC welcomes any [comments or suggestions](#) you may have regarding our MDI website or program:  
[MDIProgram@fdic.gov](mailto:MDIProgram@fdic.gov)

## Minority Depository Institutions List

The FDIC's [Statement of Policy Regarding Minority Depository Institutions](#) (MDIs) outlines two definitions of how FDIC-insured commercial banks and savings associations may qualify for MDI status. An MDI may be a federal insured depository institution for which (1) 51 percent or more of the voting stock is owned by minority individuals; or (2) a majority of the board of directors is minority and the community that the institution serves is predominantly minority. Ownership must be by U.S. citizens or permanent legal U.S. residents to be counted in determining minority ownership.

The FDIC maintains a list and tracks the insured MDIs it supervises, i.e., state-chartered institutions that are not members of the Federal Reserve System (Federal Reserve), as well as MDIs that are supervised by the Office of the Comptroller of the Currency (OCC) and the Federal Reserve. The FDIC takes this broad approach given its role in considering applications for deposit insurance and in resolving institutions in the event an MDI were to fail, regardless of the institution's charter. The FDIC's published list of FDIC-insured minority depository institutions does not include women-owned or women-managed institutions because they are not included in the statutory definition.

## MDI Lists

- [First Quarter 2020](#)
- [Second Quarter 2020](#)

## Historical Data

- [Historical Data Year-by-Year 2001 - 2019](#)

[Excel Help](#)

[PDF Help](#) - Information on downloading and using the PDF reader.

# Appendix D

## MINORITY DEPOSITORY INSTITUTIONS (MDIs) June 30, 2020

NAME	CITY	STATE	EST. DATE	CERT	CLASS	REGULATOR	MINORITY	MINORITY STATUS BY		FDIC	TOTAL ASSETS (\$000)
							STATUS	OWNERSHIP	TYPE		
							Alpha		Num.		
Alamerica Bank	BIRMINGHAM	AL	1/28/2000	35314	NM	FDIC	B		1	ATLANTA	18,389
Commonwealth National Bank	MOBILE	AL	2/19/1976	22229	N	OCC	B		1	ATLANTA	50,752
BAC Florida Bank	CORAL GABLES	FL	10/12/1973	21265	NM	FDIC	H		2	ATLANTA	2,290,914
BanESCO USA	CORAL GABLES	FL	1/10/2006	57815	NM	FDIC	H		2	ATLANTA	2,022,397
U. S. Century Bank	DORAL	FL	10/28/2002	57369	NM	FDIC	H		2	ATLANTA	1,432,126
Executive National Bank	MIAMI	FL	6/7/1972	20711	N	OCC	H		2	ATLANTA	522,356
Interamerican Bank, A FSB	MIAMI	FL	8/23/1976	31823	SB	OCC	H		2	ATLANTA	216,932
International Finance Bank	MIAMI	FL	11/30/1983	24823	NM	FDIC	H		2	ATLANTA	805,309
Ocean Bank	MIAMI	FL	12/9/1982	24156	NM	FDIC	H		2	ATLANTA	4,572,255
Plus International Bank	MIAMI	FL	9/14/2001	57083	NM	FDIC	H		2	ATLANTA	62,421
Sunstate Bank	MIAMI	FL	3/15/1999	34643	NM	FDIC	H		7	ATLANTA	514,864
Central Bank	TAMPA	FL	2/26/2007	58377	NM	FDIC	A		3	ATLANTA	271,812
Touchmark National Bank	ALPHARETTA	GA	1/28/2008	58687	N	OCC	A		3	ATLANTA	458,484
Citizens Trust Bank	ATLANTA	GA	6/18/1921	8033	SM	FED	B		1	ATLANTA	506,374
First IC Bank	DORAVILLE	GA	1/31/2000	34998	NM	FDIC	A		3	ATLANTA	740,106
Metro City Bank	DORAVILLE	GA	4/4/2006	58181	NM	FDIC	A		3	ATLANTA	1,725,921
PromiseOne Bank	DULUTH	GA	11/6/2008	58657	NM	FDIC	A		3	ATLANTA	538,654
Loyal Trust Bank	JOHNS CREEK	GA	11/18/2019	59182	NM	FDIC	A		8	ATLANTA	54,536
Embassy National Bank	LAWRENCEVILLE	GA	3/5/2007	58413	N	OCC	A		3	ATLANTA	109,861
Carver State Bank	SAVANNAH	GA	1/1/1927	16584	NM	FDIC	B		1	ATLANTA	52,721
Quantum National Bank	SUWANEE	GA	12/27/1995	34110	N	OCC	A		3	ATLANTA	608,127
Mechanics & Farmers Bank	DURHAM	NC	3/1/1908	12266	NM	FDIC	B		1	ATLANTA	291,299
Lumbec Guaranty Bank	PEMBROKE	NC	12/22/1971	20568	NM	FDIC	N		4	ATLANTA	380,056
OPTUS Bank	COLUMBIA	SC	3/26/1999	35241	NM	FDIC	B		1	ATLANTA	154,974
Citizens Bank of Chatsworth	CHATSORTH	IL	12/7/1903	10843	NM	FDIC	A		3	CHICAGO	42,589
American Metro Bank	CHICAGO	IL	1/29/1997	34334	NM	FDIC	A		3	CHICAGO	84,546
GN Bank	CHICAGO	IL	1/1/1934	29399	SB	OCC	B		1	CHICAGO	108,183
International Bank of Chicago	CHICAGO	IL	10/26/1992	33708	NM	FDIC	A		3	CHICAGO	741,688
Millennium Bank	DES PLAINES	IL	7/2/2007	58348	NM	FDIC	A		3	CHICAGO	197,470
First Independence Bank	DETROIT	MI	5/14/1970	20179	NM	FDIC	B		1	CHICAGO	282,800
Bay Bank	GREEN BAY	WI	8/21/1995	34052	NM	FDIC	N		4	CHICAGO	126,387
Columbia Savings and Loan Association	MILWAUKEE	WI	1/1/1924	28480	SL	FDIC	B		1	CHICAGO	23,533
Native American Bank, National Association	DENVER	CO	7/27/1987	27026	N	OCC	N		4	DALLAS	203,482
Liberty Bank and Trust Company	New Orleans	LA	11/16/1972	20856	NM	FDIC	B		1	DALLAS	737,417
Community 1st Bank Las Vegas	LAS VEGAS	NM	11/23/1949	16854	NM	FDIC	H		2	DALLAS	156,971
Centinel Bank of Taos	TAOS	NM	3/1/1969	19904	NM	FDIC	H		2	DALLAS	323,536
FirstBank	ANTLERS	OK	1/1/1901	14331	SM	FED	N		4	DALLAS	525,048
AllNations Bank	CALUMET	OK	1/1/1901	4051	SM	FED	N		4	DALLAS	46,593
F & M Bank	EDMOND	OK	1/1/1902	12761	NM	FDIC	N		4	DALLAS	543,883
Bank of Grand Lake	GROVE	OK	6/9/2005	57915	NM	FDIC	H		2	DALLAS	211,888
Bank of Cherokee County	HULBERT	OK	12/1/1908	2327	SM	FED	N		4	DALLAS	134,958
Gateway First Bank	JENKS	OK	3/2/1935	15118	NM	FDIC	N		4	DALLAS	1,576,338
Chickasaw Community Bank	OKLAHOMA CITY	OK	1/1/1903	11521	SM	FED	N		4	DALLAS	258,107
First Security Bank and Trust Company	OKLAHOMA CITY	OK	4/6/1951	17001	NM	FDIC	B		1	DALLAS	64,602
First National Bank and Trust Company	SHAWNEE	OK	10/29/1984	25738	N	OCC	N		4	DALLAS	323,640
Carson Community Bank	STILWELL	OK	2/3/1903	2320	NM	FDIC	N		4	DALLAS	160,237
Oklahoma State Bank	VINITA	OK	7/13/1938	15611	NM	FDIC	N		4	DALLAS	177,628
Tri-State Bank of Memphis	MEMPHIS	TN	12/16/1946	16511	NM	FDIC	B		1	DALLAS	103,263
Citizens Savings Bank and Trust Company	NASHVILLE	TN	1/4/1904	10319	NM	FDIC	B		1	DALLAS	104,095
International Bank of Commerce	BROWNSVILLE	TX	10/9/1984	25679	NM	FDIC	H		2	DALLAS	1,251,748
One World Bank	DALLAS	TX	4/4/2005	57901	NM	FDIC	A		3	DALLAS	126,080
State Bank of Texas	DALLAS	TX	10/19/1987	27074	NM	FDIC	A		3	DALLAS	915,442
United Bank of El Paso del Norte	EL PASO	TX	5/1/2001	57119	SM	FED	H		2	DALLAS	301,868
Freedom Bank	FREER	TX	7/12/1958	17881	NM	FDIC	H		2	DALLAS	62,149
American First National Bank	HOUSTON	TX	5/18/1998	34656	N	OCC	A		3	DALLAS	1,959,485
Golden Bank, National Association	HOUSTON	TX	5/3/1985	26223	N	OCC	A		3	DALLAS	1,125,957
Southwestern National Bank	HOUSTON	TX	11/3/1997	34319	N	OCC	A		3	DALLAS	719,281
Unity National Bank of Houston	HOUSTON	TX	8/1/1985	26351	N	OCC	B		1	DALLAS	130,480
Commerce Bank	LAREDO	TX	3/31/1982	23772	NM	FDIC	H		2	DALLAS	550,037
Falcon International Bank	LAREDO	TX	12/10/1986	26856	NM	FDIC	H		2	DALLAS	1,478,163
International Bank of Commerce	LAREDO	TX	9/2/1966	19629	NM	FDIC	H		2	DALLAS	9,782,505
Bank of South Texas	MCALLEN	TX	7/8/1986	26727	NM	FDIC	H		2	DALLAS	145,171
Greater State Bank	MCALLEN	TX	1/1/1974	31762	NM	FDIC	H		2	DALLAS	102,025
Rio Bank	MCALLEN	TX	2/11/1985	25886	NM	FDIC	H		7	DALLAS	653,249
Texas National Bank	MERCEDES	TX	11/26/1920	3337	N	OCC	H		2	DALLAS	420,551
Lone Star National Bank	PHARR	TX	1/24/1983	24347	N	OCC	H		2	DALLAS	2,570,571
Citizens State Bank	ROMA	TX	5/15/1978	22657	NM	FDIC	H		2	DALLAS	93,477
First State Bank	SHALLOWATER	TX	10/8/1960	18301	NM	FDIC	A		3	DALLAS	103,938
Wallis Bank	WALLIS	TX	10/28/1972	20845	NM	FDIC	A		3	DALLAS	1,098,447
International Bank of Commerce	ZAPATA	TX	2/6/1984	24961	NM	FDIC	H		2	DALLAS	433,570
Zapata National Bank	ZAPATA	TX	11/16/1961	18454	N	OCC	H		2	DALLAS	88,046
Pinnacle Bank	MARSHALLTOWN	IA	5/5/1927	252	SM	FED	N		4	KANSAS CITY	227,818
CBW Bank	WEIR	KS	13959	NM	FDIC	A		3		KANSAS CITY	119,862
Woodlands National Bank	HINCKLEY	MN	10/1/1908	1417	N	OCC	N		4	KANSAS CITY	325,746

# Appendix D

People's Bank of Seneca	SENECA	MO	3/15/1996	34146	NM	FDIC	N	4	KANSAS CITY	266,709
Turtle Mountain State Bank	BELCOURT	ND	12/3/2007	58586	NM	FDIC	N	4	KANSAS CITY	96,760
Industrial Bank	WASHINGTON	DC	8/18/1934	14679	NM	FDIC	B	1	NEW YORK	599,866
Leader Bank, National Association	ARLINGTON	MA	5/8/2002	57134	N	OCC	A	3	NEW YORK	1,995,546
The Harbor Bank of Maryland	BALTIMORE	MD	9/13/1982	24015	NM	FDIC	B	6	NEW YORK	327,919
KEB Hana Bank USA, National Association	FORT LEE	NJ	9/16/1986	26790	N	OCC	A	3	NEW YORK	226,278
New Millennium Bank	FORT LEE	NJ	7/19/1999	35151	NM	FDIC	A	8	NEW YORK	465,886
Ponce Bank	BRONX	NY	3/31/1960	31189	SB	OCC	H	7	NEW YORK	1,216,693
Amerasia Bank	FLUSHING	NY	6/20/1988	27267	NM	FDIC	A	3	NEW YORK	713,327
NewBank	FLUSHING	NY	9/29/2006	58203	NM	FDIC	A	3	NEW YORK	482,035
Abacus Federal Savings Bank	NEW YORK	NY	11/29/1984	32257	SB	OCC	A	3	NEW YORK	365,523
Carver Federal Savings Bank	NEW YORK	NY	1/1/1948	30394	SB	OCC	B	6	NEW YORK	670,943
Eastbank, National Association	NEW YORK	NY	11/26/1984	25749	N	OCC	A	3	NEW YORK	173,969
Global Bank	NEW YORK	NY	3/12/2007	58263	NM	FDIC	A	3	NEW YORK	214,234
Piermont Bank	NEW YORK	NY	7/1/2019	59154	NM	FDIC	M	10	NEW YORK	116,917
Popular Bank	NEW YORK	NY	1/2/1999	34967	SM	FED	H	7	NEW YORK	10,594,223
Shinhan Bank America	New York	NY	10/18/1990	33188	NM	FDIC	A	8	NEW YORK	1,725,481
United Orient Bank	NEW YORK	NY	4/9/1981	23373	NM	FDIC	A	3	NEW YORK	84,584
Noah Bank	ELKINS PARK	PA	7/17/2006	58196	NM	FDIC	A	3	NEW YORK	373,361
Asian Bank	PHILADELPHIA	PA	6/9/1999	34759	SM	FED	A	3	NEW YORK	252,039
United Bank of Philadelphia	PHILADELPHIA	PA	3/23/1992	33568	NM	FDIC	B	1	NEW YORK	50,241
Banco Popular de Puerto Rico	SAN JUAN	PR	1/2/1999	34968	SM	FED	H	7	NEW YORK	51,823,000
Banco Santander Puerto Rico	SAN JUAN	PR	10/2/1972	20828	NM	FDIC	H	7	NEW YORK	5,990,637
Oriental Bank	SAN JUAN	PR	3/25/1965	31469	NM	FDIC	H	7	NEW YORK	9,893,751
FirstBank Puerto Rico	SANTURCE	PR	1/17/1949	30387	NM	FDIC	H	7	NEW YORK	14,082,757
First Commercial Bank (USA)	ALHAMBRA	CA	5/20/1997	34496	NM	FDIC	A	8	SAN FRANCISCO	733,413
New OMNI Bank, National Association	ALHAMBRA	CA	2/12/1980	23086	N	OCC	A	3	SAN FRANCISCO	497,980
American Plus Bank, N.A.	ARCADIA	CA	8/8/2007	58469	N	OCC	A	3	SAN FRANCISCO	574,767
First Choice Bank	CERRITOS	CA	8/18/2005	57966	SM	FED	A	3	SAN FRANCISCO	2,223,430
American Continental Bank	CITY OF INDUSTRY	CA	10/6/2003	57444	NM	FDIC	A	3	SAN FRANCISCO	291,509
United Pacific Bank	CITY OF INDUSTRY	CA	5/11/1982	23805	NM	FDIC	A	3	SAN FRANCISCO	168,818
Community Commerce Bank	CLAREMONT	CA	10/1/1976	26363	NM	FDIC	H	2	SAN FRANCISCO	324,045
US Metro Bank	GARDEN GROVE	CA	9/15/2006	58310	NM	FDIC	A	3	SAN FRANCISCO	665,229
California Business Bank	IRVINE	CA	11/1/2005	58037	NM	FDIC	A	3	SAN FRANCISCO	98,097
Commercial Bank of California	IRVINE	CA	5/15/2003	57417	NM	FDIC	H	2	SAN FRANCISCO	1,427,144
Bank of Hope	LOS ANGELES	CA	3/18/1986	26610	NM	FDIC	A	8	SAN FRANCISCO	17,167,179
Broadway Federal Bank, f.s.b.	LOS ANGELES	CA	2/26/1947	30306	SB	OCC	B	1	SAN FRANCISCO	488,707
Cathay Bank	LOS ANGELES	CA	4/19/1962	18503	NM	FDIC	A	3	SAN FRANCISCO	19,235,288
COMMONWEALTH BUSINESS BANK	LOS ANGELES	CA	3/3/2005	57873	SM	FED	A	3	SAN FRANCISCO	1,343,257
CTBC Bank Corp. (USA)	LOS ANGELES	CA	4/27/1965	19416	NM	FDIC	A	8	SAN FRANCISCO	3,859,976
Eastern International Bank	LOS ANGELES	CA	2/26/1985	32277	NM	FDIC	A	3	SAN FRANCISCO	141,460
Hanmi Bank	LOS ANGELES	CA	12/15/1982	24170	NM	FDIC	A	8	SAN FRANCISCO	6,215,157
Open Bank	LOS ANGELES	CA	6/10/2005	57944	NM	FDIC	A	3	SAN FRANCISCO	1,287,750
Pacific City Bank	LOS ANGELES	CA	9/18/2003	57463	NM	FDIC	A	3	SAN FRANCISCO	2,020,715
Preferred Bank	LOS ANGELES	CA	12/23/1991	33539	NM	FDIC	A	3	SAN FRANCISCO	5,006,282
Royal Business Bank	LOS ANGELES	CA	11/18/2008	58816	NM	FDIC	A	8	SAN FRANCISCO	3,134,954
Gateway Bank, F.S.B.	OAKLAND	CA	6/8/1990	33103	SB	OCC	A	3	SAN FRANCISCO	171,271
Metropolitan Bank	OAKLAND	CA	9/1/1983	25869	NM	FDIC	A	3	SAN FRANCISCO	176,304
East West Bank	PASADENA	CA	1/1/1972	31628	SM	FED	A	8	SAN FRANCISCO	49,410,409
EverTrust Bank	PASADENA	CA	5/3/1995	34010	NM	FDIC	A	8	SAN FRANCISCO	918,871
Pacific Alliance Bank	ROSEMead	CA	12/27/2006	58234	NM	FDIC	A	3	SAN FRANCISCO	327,094
First General Bank	ROWLAND HEIGHTS	CA	10/13/2005	58060	NM	FDIC	A	3	SAN FRANCISCO	1,047,182
Bank of the Orient	SAN FRANCISCO	CA	3/17/1971	20387	SM	FED	A	3	SAN FRANCISCO	955,718
California Pacific Bank	SAN FRANCISCO	CA	10/16/1980	23242	NM	FDIC	A	3	SAN FRANCISCO	85,921
Mission National Bank	SAN FRANCISCO	CA	2/16/1982	23749	N	OCC	A	3	SAN FRANCISCO	259,617
Asian Pacific National Bank	SAN GABRIEL	CA	7/25/1990	33013	N	OCC	A	3	SAN FRANCISCO	57,130
Mega Bank	SAN GABRIEL	CA	2/5/2008	58401	NM	FDIC	A	3	SAN FRANCISCO	408,017
Universal Bank	WEST COVINA	CA	11/17/1954	30722	SB	OCC	A	3	SAN FRANCISCO	408,309
California International Bank, N.A.	WESTMINSTER	CA	11/30/2005	57974	N	OCC	A	3	SAN FRANCISCO	61,027
Bank of Whittier, National Association	WHITTIER	CA	12/20/1982	24211	N	OCC	A	3	SAN FRANCISCO	84,974
ANZ Guam, Inc.	HAGATNA	GU	1/11/1991	33316	NM	FDIC	A	8	SAN FRANCISCO	371,456
Bank of Guam	HAGATNA	GU	12/11/1972	20884	NM	FDIC	A	3	SAN FRANCISCO	2,291,074
BankPacific, Ltd	HAGATNA	GU	1/1/1953	30692	SL	FDIC	A	3	SAN FRANCISCO	168,133
Finance Factors, Ltd.	HONOLULU	HI	5/14/1952	25158	NM	FDIC	A	3	SAN FRANCISCO	591,356
Hawaii National Bank	HONOLULU	HI	9/16/1960	18296	N	OCC	A	3	SAN FRANCISCO	745,919
Ohana Pacific Bank	HONOLULU	HI	6/1/2006	58231	NM	FDIC	A	3	SAN FRANCISCO	202,903
OneUnited Bank	BOSTON	MA	8/2/1982	23966	NM	FDIC	B	1	SAN FRANCISCO	684,872
Eagle Bank	POLSON	MT	7/25/2006	58282	NM	FDIC	N	4	SAN FRANCISCO	84,259
UniBank	LYNNWOOD	WA	11/1/2006	58407	NM	FDIC	A	3	SAN FRANCISCO	380,390
<b>Total</b>			<b>Count</b>	<b>143</b>						<b>280,046,230</b>

Count	Minority Status
20	B - Black or African American
34	H - Hispanic American
71	A - Asian or Pacific Islander American
17	N - Native American or Alaskan Native American
1	M - Multi-racial American

Class	Definitions of Class Types
94	NM -State bank, not a member of the Federal Reserve
14	SM - State bank, member of the Federal Reserve

# Appendix D

25	N - National bank
2	SL - State or Federal savings and loan association
8	SB - State or Federal savings bank

<u>Regulator</u>	<u>Definitions by Primary Federal Supervisory Agency</u>
96	FDIC - Federal Deposit Insurance Corporation
33	OCC - Office of the Comptroller of the Currency
14	FED - Federal Reserve

<u>Count</u>	<u>Minority Status by Ownership Type</u>
18	1 - Black or African American owned
26	2 - Hispanic American owned
60	3 - Asian or Pacific Islander American owned
17	4 - Native American or Alaskan Native American owned
0	5 - Multi-racial American owned
2	6 - Majority of the Board African American, serving a minority community
8	7 - Majority of the Board Hispanic American, serving a minority community
11	8 - Majority of the Board Asian or Pacific Islander, serving a minority community
0	9 - Majority of the Board Native American or Alaskan Native American, serving a minority community
1	10 - Minority Board and Serving Multi-Racial Community

## Appendix E



### **Federal Fiscal Year FFY21-FFY23 Disadvantaged Business Enterprise Overall Goal and Goal Setting Methodology**

#### **I. INTRODUCTION**

The Santa Cruz Metropolitan Transit District (“Santa Cruz METRO”) is the sole public transit operator in Santa Cruz County, and operates its transit services through 4 transit centers and 996 bus stops. It has a fleet of 98 buses to operate 26 routes. Santa Cruz METRO also provides paratransit services utilizing a fleet of shuttles and mini-vans. Santa Cruz METRO’s service area is the entire county, with a population of 273,213<sup>1</sup>, and provides over 5 million rides annually. As a recipient of Federal Transit Administration funding, Santa Cruz METRO is required to have a Disadvantaged Business Enterprise (DBE) Program and develop and submit a Triennial Overall DBE Goal for its FTA-assisted capital projects.

Santa Cruz METRO herein sets forth its Overall DBE goal and corresponding federally prescribed goal-setting methodology for the three-year FFY21-FFY23 period (October 1, 2020 through September 30, 2023), pursuant to Title 49 Code of Federal Regulations (CFR) Part 26 “Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation Programs.” The purpose of the DBE goal-setting process is to level the playing field so that DBEs can compete fairly for Department of Transportation-assisted contracts, however, the program must be narrowly tailored in accordance with applicable law.

Santa Cruz METRO anticipates receiving approximately \$3,179,455 in federal funding for its capital project expenditures from October 1, 2020 through September 30, 2023, and has developed a 2.65% DBE Goal, with a 100% race neutral and 0% race conscious split to be applied to this funding. Santa Cruz METRO does not have FTA sub-recipients or pass-through FTA funds to other agencies; therefore, sub-recipient contracting opportunities do not exist and are not included in the goal calculation.

Santa Cruz METRO will periodically evaluate the goal and the award of federally assisted contracts to determine whether the present goal continues to be realistic or whether mid-course adjustments will be necessary. The DBE goal developed for FTA-assisted contracts identify the relative availability of DBEs, based on evidence of ready, willing and able DBEs in relationship to all comparable businesses that are likely to be available to compete for Santa Cruz METRO’s FTA-assisted contracts. The three-year overall goal reflects Santa Cruz METRO’s determination of the level of DBE participation that would be expected absent the effects of discrimination.

<sup>1</sup> <https://www.census.gov/quickfacts/santacruzcountycalifornia>

## Appendix E

### II. FTA-ASSISTED CONTRACTING OPPORTUNITIES FOR FFY21-FFY23

**Table 1** represents Santa Cruz METRO’s FTA-assisted contracting opportunities, which consist of both projects that Santa Cruz METRO has already been awarded the funding for, and anticipated projects based on current and planned grant applications. These projects, which include Construction, Professional Services and Materials/Supplies contracting opportunities, are as follows:

Project Name/Description	Estimated Total Project Cost in Period
Maintenance Facility Interior Rehabilitation	\$150,000.00
Fuel and Wash Facility Rehabilitation	\$100,000.00
Upgrade Pasatiempo Northbound Stop	\$142,500.00
Bus Washer Mid-life Overhaul	\$100,000.00
Cavallaro Transit Center Roof Replacement and Solar Panels	\$150,000.00
Maintenance Facility Bay 11 and Other Modifications	\$360,000.00
Capital Upgrade of Bus Stops, Parking Lots, Transit Centers, Buildings	\$365,750.00
Vernon Street Bus Stop - Install Base and Concrete to Bus Stop Pad	\$572,954.00
Fuel and Wash Facility - Awning Construction Phase	\$215,000.00
On Route Construction/Installation	\$237,500.00
Inductive Charger Purchase	\$735,751.00
Maintenance Facility Electronic Access Control	\$50,000.00
<b>TOTAL</b>	<b>\$3,179,455.00</b>



## Appendix E

**Table 2** provides a summary of the categories of work with the estimated cost for each. Categories of work are groups utilizing the comparable North American Industry Classification System (NAICS) codes for purposes of weighting the categories based on the project's estimated cost.

Category of Work	NAICS Code	Estimated \$ by NAICS	Estimated NAICS %
Commercial and Institutional Building Construction	236220	\$700,183.00	22.02%
Electrical Contractors and Other Wiring Installation Contractors	238210	\$381,961.00	12.01%
Plumbing & HVAC Contractors	238220	\$109,500.00	3.44%
Painting and Wall Covering Contractors	238320	\$200,000.00	6.29%
Engineering Services (Building Inspection Services)	237310	\$17,881.10	0.56%
Site Preparation Contractor (grading, drainage)	238910	\$223,090.90	7.02%
Poured Concrete Foundation and Structural Contractors	238110	\$342,090.90	10.76%
Other Heavy and Civil Engineering Construction (land drainage contractors)	237990	\$12,750.00	0.40%
Prefabricated Metal Building and Component Manufacturing (bus shelter)	332311	\$78,000.00	2.45%
Car Washes	811192	\$70,000.00	2.20%
All Other Support Services (includes water softening and conditioning)	561990	\$10,000.00	0.32%
Roofing Contractors	238160	\$110,000.00	3.46%
Solar Electric Power Generation	221114	\$40,000.00	1.26%
All other Specialty Trade Contractors (parking lot paving and sealing)	238990	\$96,029.90	3.02%
Water and Sewer Line and Related Structures Construction	237110	\$12,062.20	0.38%
Landscape Architectural Services	541320	\$30,155.00	0.95%
All Other Miscellaneous Electrical Equipment and Component Manufacturing (inductive charger purchase)	335999	\$735,751.00	23.14%
Locksmiths	561622	\$10,000.00	0.32%
<b>TOTAL</b>		<b>\$3,179,455.00</b>	<b>100.00%</b>

### III. OVERALL GOAL SETTING METHODOLOGY

The two-step goal setting process required by 49 CFR 26.45 regulations has been used to determine the recommended overall goal for FFY21-FFY23. The two steps for setting an overall DBE goal are:

1. Establish a base figure for the relative availability of DBEs
2. Determine the base figure adjustment, if necessary

In order to establish the base figure for the relative availability of DBEs, Santa Cruz METRO staff determined a simple percentage of DBE vendors in the contracted types of work, weighted by the proportion of total project-based contract opportunities in that type of work. The base DBE goal was

## Appendix E

then further adjusted to reflect Santa Cruz METRO's actual experience to narrowly tailor the base goal to market conditions. This multi-step process is set forth in detail below.

### Step 1: Establishing a Base Figure

#### A. Analyzing Available DBEs in the Relevant Contracting Markets

To establish Santa Cruz METRO's Base Figure of the relative availability of DBEs to all comparable firms (DBE and Non-DBE) available to bid or propose on Santa Cruz METRO's contracting opportunities, staff followed the prescribed federal methodology. This was accomplished by accessing data from the California Department of Transportation (Caltrans) database of all statewide, certified DBE vendors, and the latest (2017) US Bureau of Census County Business Patterns (CBP) database. Both the CBP and Caltrans DBE vendor database offer vendor groupings according to the type of work vendors perform, as categorized by NAIC.

Staff first determined the market area from which vendors that bid on Santa Cruz METRO contracts would likely be chosen by reviewing Santa Cruz METRO's bidder's list and identifying all surrounding counties from which vendors typically submit bids or proposals. The following 14 counties create Santa Cruz METRO's market area for the purposes of developing the base DBE goal:

- Alameda County
- Contra Costa County
- Marin County
- Monterey County
- Napa County
- San Benito County
- San Francisco County
- San Luis Obispo County
- San Mateo County
- Santa Barbara County
- Santa Clara County
- Santa Cruz County
- Solano County
- Sonoma County

After determining the relevant market area, staff extracted a count of all vendors in the market area from the County Business Patterns (CBP) database and the Caltrans DBE vendor directory (using Caltrans Districts 04 and 05 which correspond to the 14 counties) by using the same NAICS code attached to each piece of potential contract work identified in the Contracting Opportunities.

By using the formula below, the Base Figure is derived by dividing the number of ready, willing and able DBE firms identified for each work category by the number of all firms identified for each corresponding work category (relative availability), weighting the relative availability for each work category by the corresponding work category weight from Table 2 (weighted ratio), and adding the weighted ratio figures together. A concerted effort was made to ensure

## Appendix E

that the type of businesses included in the numerator was as similar as possible to the type of businesses in the denominator.

$$\text{Base Figure} = \sum \frac{(\text{Number of Ready, Willing and Able DBEs}) \times \text{weight}}{\text{Number of All Ready, Willing and Able Firms}} \times 100$$

For the numerator: CUCP DBE Database of Certified Firms

For the denominator: 2017 U.S. Census Bureau's Business Patterns Database. The result of the Base Figure calculation is shown in **Table 3** as follows:

Category of Work	NAICS	Category Weight	DBEs	All Firms	Weighted Ratio
Commercial and Institutional Building Construction	236220	22.02%	40	1010	0.87%
Electrical Contractors and Other Wiring Installation Contractors	238210	12.01%	39	2200	0.21%
Plumbing & HVAC Contractors	238220	3.44%	15	2471	0.02%
Painting and Wall Covering Contractors	238320	6.29%	16	1443	0.07%
Engineering Services (Building Inspection Services)	237310	0.56%	130	2828	0.03%
Site Preparation Contractor (grading, drainage)	238910	7.02%	40	581	0.48%
Poured Concrete Foundation and Structural Contractors	238110	10.76%	35	443	0.85%
Other Heavy and Civil Engineering Construction (land drainage contractors)	237990	0.40%	31	76	0.16%
Prefabricated Metal Building and Component Manufacturing (bus shelter)	332311	2.45%	0	6	0.00%
Car Washes	811192	2.20%	0	327	0.00%
All Other Support Services (includes water softening and conditioning)	561990	0.32%	13	298	0.01%
Roofing Contractors	238160	3.46%	6	638	0.03%
Solar Electric Power Generation	221114	1.26%	0	11	0.00%
All other Specialty Trade Contractors (parking lot paving and sealing)	238990	3.02%	61	677	0.27%
Water and Sewer Line and Related Structures Construction	237110	0.38%	25	196	0.05%
Landscape Architectural Services	541320	0.95%	28	342	0.08%
All Other Miscellaneous Electrical Equipment and Component Manufacturing (inductive charger purchase)	335999	23.14%	1	53	0.44%
Locksmiths	561622	0.32%	0	118	0.00%
<b>BASE FIGURE</b>					<b>3.58%</b>

## Appendix E

### Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, staff considered the possible use of the Caltrans 2016 Disparity Study, reviewed past DBE goal attainment, and considered if there may be other evidence or information that would have an impact on achieving the DBE Goal.

#### A. Evidence from Disparity Studies

The State of California's Department of Transportation, Caltrans, performed a disparity study in 2016. The study was amended in April 2017. The original study counted a high dollar construction contract twice. The amended study corrected the data and no additional clarifications were required. Santa Cruz METRO was informed that it may be able to use this study in its DBE Program.

Staff reviewed and analyzed the study to determine if it would be applicable to its local market area, and if using race conscious methods based on this study would be appropriate. The study mostly found disparity in the area of construction, which makes up a large part of the contracting opportunities for this goal period. This is also the main area that Santa Cruz METRO has been able to engage DBEs, but agrees that it may be an area with an opportunity to increase participation. Staff will consider using contract goals on future construction contracts if it observes or anticipates low participation in any given year of the current goal.

Overall, since this study covered the entire State of California, staff did not feel it was representative of its local market and would likely not qualify as "narrowly tailoring" Santa Cruz METRO's DBE Program.

#### B. Statistical Disparities Relating to Financing, Bonding and Insurance

The Caltrans 2017<sup>2</sup> Disparity study revealed that marketplace conditions indicate that minorities, women, and minority- and woman-owned businesses face substantial barriers nationwide and in California. Race and gender-based disparities exist in terms of acquiring human capital, accruing financial capital, owning businesses, and operating successful businesses.

#### C. Past DBE Goal Attainment

As outlined in the USDOT's, "Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program," if warranted, a Step-2 adjustment for past participation may be made by calculating a median past participation percentage. Based on DBE attainment data for the last four years, METRO could consider 2.65% as its potential overall DBE goal—the average of the 3.58% current base figure and 1.72% past participation median value rounded to the nearest tenth percent.

<sup>2</sup> <https://dot.ca.gov/-/media/dot-media/programs/civil-rights/documents/f0007117-proposedgoalandmethodology.pdf>

## Appendix E

### D. Employment and Other Data

In 2016, the U.S. Small Business Administration published data on California small businesses reflecting that 99.8% of California business are small businesses, and that 1.6 million of the 3.8 million small businesses are minority owned. This data is encouraging as it supports that there are ready, willing and able DBEs and small businesses in the overall California marketplace.

According to California's Employment Development Department (EDD), as of February 2020 the unemployment rate of 3.9%<sup>3</sup> was the lowest since 2006. Previous to the COVID-19 pandemic, EDD projected construction jobs statewide to increase 36% over the next ten years. However, due to the COVID-19 pandemic, the unemployment rate has jumped to 16.1% for California and 14.4% for the nation during the same period.<sup>4</sup> The areas of education and health services, government and construction saw the greatest numbers of job losses. While California's job growth between 2018 and 2019 was responsible for 22% of the nationwide growth, well outperforming all other states, the unemployment rate in Santa Cruz County was 17.4 percent in April 2020, up from a revised 8.1 percent in March 2020, and above the year-ago estimate of 5.3 percent.

Upon consideration of all of the above information and applying it to the planned projects, Santa Cruz METRO is making an adjustment for past participation to the Base Figure. The adjusted goal of 2.65% appears to be obtainable and beneficial to the DBE and small business contracting community.

### IV. PROPOSED OVERALL DBE GOAL

**The final Proposed Overall DBE Goal for FFY21-23 for Santa Cruz METRO's FTA-assisted contracts is 2.65%.** As part of the prescribed goal-setting methodology, Santa Cruz METRO must project the percentage of its Proposed Overall Goal that can be met utilizing race-neutral and race-conscious measures.

### V. RACE-CONSCIOUS & RACE-NEUTRAL PROJECTION

Santa Cruz METRO has achieved its goal through race-neutral means for two out of the last four federal fiscal years. DBE participation was higher in years in which the majority of contracting opportunities were in construction projects; DBE participation was lower when transportation, wholesale, and services contracts predominated. Since the majority of contracting opportunities in the current period are related to construction, Santa Cruz METRO will continue to employ an entirely race-neutral program.

<sup>3</sup>The last data released was for **February 2020**. <https://www.labormarketinfo.edd.ca.gov/data/Top-Statistics.html#UR>

<sup>4</sup> [https://www.labormarketinfo.edd.ca.gov/file/lfmonth/scrz\\$pd.pdf](https://www.labormarketinfo.edd.ca.gov/file/lfmonth/scrz$pd.pdf)

## Appendix E

RACE-CONSCIOUS & RACE-NEUTRAL PROJECTIONS	
DBE Base Figure	2.65%
Race-Conscious Component	0.00%
Race-Neutral Component	2.65%

### VI. RACE-NEUTRAL IMPLEMENTATION MEASURES

The U.S. DOT Regulations require that the maximum feasible portion of the DBE overall goal be met by using race-neutral methods. Race-neutral methods include efforts made to assure that bidding and contracting requirements facilitate participation by DBEs and other small businesses, such as unbundling large contracts to make them more accessible, encouraging prime contractors to subcontract portions of the work, and providing technical assistance, outreach and communications programs.

The three-year overall DBE goal also complies with the California Civil Rights Initiative, Proposition 209, in that any continuing race-conscious measures for new contracts, or contracts in progress, apply only to U.S. DOT-assisted contracts. The race-neutral elements of Santa Cruz METRO's DBE Program are applicable to all third-party contracts, regardless of funding source, in a manner that is consistent with Proposition 209. By this means, the administration of Santa Cruz METRO's contracts to include the participation of DBEs on a nondiscriminatory basis is preserved.

Efforts to meet the goal in this manner include:

- Santa Cruz METRO will focus on developing, refining and implementing race-neutral methods for facilitating DBE participation by advising prospective contractors of the areas for possible subcontracting opportunities, and providing contract information on available DBE firms who perform such work. Santa Cruz METRO will continue to solicit DBE participation on an ongoing basis, use DBE firms that have successfully completed prior projects, encourage eligible firms to become certified as DBEs, and provide requested technical assistance and related services when feasible.
- Santa Cruz METRO's website and solicitation documents advise its contracting community of the online directory of certified DBEs, found at the California Unified Certification Program website: <https://dot.ca.gov/programs/civil-rights/dbe-certification-information>.
- Using the Caltrans DBE database, procurement staff proactively sends formal solicitations to registered DBEs that may be interested. Pre-bid and pre-proposal conferences are held, which include a networking component to promote teaming opportunities between prospective prime contractors and the DBE and Small Business contracting community.
- Santa Cruz METRO will provide assistance in overcoming limitations such as inability to obtain bonding or financing (by means of simplifying the bonding process, eliminating the impact of surety costs from bids, and providing assistance with obtaining bonding and insurance when possible). Staff will refer the DBE and Small Business contracting community to the SBA Bonding Assistance Program.

## Appendix E

- Santa Cruz METRO attends regular Business Fairs, providing information on its DBE Program and soliciting Small Businesses to participate in its contracts. The last event attended was a “Meet the Primes” event hosted by the Business Outreach Committee (a consortium of Bay Area transportation agencies) on November 5, 2019.
- Santa Cruz METRO will monitor carefully its progress during the course of each year and consider whether contract-based DBE goals would increase participation. All contracts that have DBE commitments will be monitored for compliance.

### **VII. Fostering Small Business Participation**

Santa Cruz METRO has implemented several strategies to foster small business participation in its contracting process. In addition to what is noted above, Santa Cruz METRO:

- Evaluates large projects for consideration of unbundling contracting opportunities into smaller portions so that small businesses, including DBEs, would have a greater opportunity to compete.
- Strongly encourages bidders on prime contracts to consider their subcontracting opportunities be a size that small businesses, including DBEs, can reasonably perform, and reach out to those communities proactively.
- Will partner with other local agencies and organizations to identify and advertise small business contracting opportunities, such as the Central Coast Small Business Development Center, the Business Outreach Committee, and the Regional Business Diversity Program (administered by the Valley Transportation Authority).

### **VIII. Public Participation and Facilitation**

Federal Regulations require that Santa Cruz METRO publish a notice in general circulation and DBE-oriented media announcing the proposed goal for FFY21 through FFY23 contracts assisted by U.S. DOT. An advertisement in both English and Spanish has been prepared and will be published in July 2020 in the Santa Cruz Sentinel and the Register-Pajaronian, and posted at all four major transit centers.

A Public Comment period will be opening on June 26, 2020, wherein staff will solicit comments from the public. During this period, staff will also contact as many diverse and disadvantaged business organizations as possible in order to meet with them, review the proposed goal and methodology, and consider their input, and incorporate all comments into the final document submitted to the FTA. A Public Hearing is scheduled for August 28, 2020 to finalize the Overall Goal.

Santa Cruz METRO will use its own website and subscriber notification system, GovDelivery, to publish information about the Proposed Goal and solicit input from interested parties.

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT



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### **California Unified Certification Program (CUCP) for Disadvantaged Business Enterprises (DBEs)**

The California Unified Certification Program (CUCP) is charged with the responsibility of certifying firms and compiling and maintaining the Database of certified DBEs for U.S. Department of Transportation (DOT) grantees in California, pursuant to *49 CFR Part 26*. The database is intended to expand the use of DBE firms by maintaining complete and current information on those businesses and the products and services they can provide to all grantees of California.

**If you wish to be considered for DBE Certification, your business must meet the following general guidelines:**

- The firm must be at least 51% owned by one or more socially and economically disadvantaged individuals.
- The firm must be an independent business, and one or more of the socially and economically disadvantaged owners must control its management and daily operations.
- Only existing for-profit “Small Business Concerns,” as defined by the Small Business Act and Small Business Administration (SBA) regulations may be certified. DBE applicants are first subject to the applicable small business size standards of the SBA. Second, the average annual gross receipts for the firm (including its affiliates) over the previous three fiscal years must not exceed U.S. DOT’s cap of \$22.41 million.
- The Personal Net Worth of each socially and economically disadvantaged owner must not exceed \$1.32 million, excluding the individual’s ownership interest in the applicant firm and the equity in his/her primary residence.

A socially and economically disadvantaged individual means any individual who is a citizen of the United States (or lawfully admitted permanent resident) and who is a member of the following groups: Black American, Hispanic American, Native American, Asian-Pacific American, Subcontinent Asian American, or Women,

OR

Any individual found to be socially and economically disadvantaged on a case-by-case basis by a certifying agency pursuant to the standards of the U.S. DOT 49CFR Part 26.



# Exhibit A

CLEAN AND REDLINE VERSIONS

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

**ADMINISTRATIVE CODE**

**TITLE II - DBE PROGRAM**

**CHAPTER 2**

**DISADVANTAGED BUSINESS ENTERPRISE**

(This Chapter replaces AR-1028)

**Table of Contents:**

<b>Article I</b>	<b>General Requirements</b>
<b>Article II</b>	<b>Application of the DBE Program</b>
<b>Article III</b>	<b>Responsibility for DBE Program Implementation</b>
<b>Article IV</b>	<b>Administrative Requirements</b>
<b>Article V</b>	<b>Determining and Achieving the DBE Goal</b>
<b>Article VI</b>	<b>Required Contract Provisions</b>
<b>Article VII</b>	<b>Monitoring and Enforcement Mechanisms</b>
<b>Article VIII</b>	<b>Certification Standards</b>
<b>Article IX</b>	<b>Information Collection and Reporting</b>
<b>Article X</b>	<b>Appendices</b>

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**Article 1**  
**General Requirements**

**§ 1.101**      **Policy Statement**

The Santa Cruz Metropolitan Transit District (Santa Cruz METRO) has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 [Code of Federal Regulations \(CFR\) Part 26, as may be amended](#). Santa Cruz METRO has received Federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, Santa Cruz METRO has signed an assurance that it will comply with 49 CFR Part 26.

EXHIBIT A  
(Redline)

It is the policy of Santa Cruz METRO to ensure nondiscrimination on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contracts or in the administration of its DBE program or the requirements 49 CFR Part 26. It is the intention of Santa Cruz METRO to create a level playing field on which DBEs, as defined in 49 CFR part 26, can compete fairly for contracts and subcontracts relating to Santa Cruz METRO's construction, procurement and professional services activities, that DBEs are defined in part 26, have an equal opportunity to receive and participate in DOT-assisted contracts

~~It is also our policy:~~

- ~~1. To ensure nondiscrimination in the award and administration of DOT-assisted contracts;~~
- ~~2. To create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;~~
- ~~3. To ensure that the DBE Program is narrowly tailored in accordance with applicable law;~~
- ~~4. To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;~~
- ~~5. To help remove barriers to the participation of DBEs in DOT assisted contracts;~~
- ~~6. To assist the development of firms that can compete successfully in the market place outside the DBE Program.~~

Angela Aitken, ~~Finance Manager~~Chief Financial Officer, has been delegated as the DBE Liaison Officer. In that capacity, the ~~Finance Manager~~Chief Financial Officer is responsible for implementing all aspects of the DBE program. Implementation of the DBE program is accorded the same priority as compliance with all other legal obligations incurred by Santa Cruz METRO in its financial assistance agreements with the Department of Transportation.

Angela Aitken has disseminated this policy statement to the Board of Directors and all of the components of our organization. We ~~have will distributed~~distributed this statement to DBE and non-DBE business communities that perform work for us on DOT-assisted contracts by including it in all solicitation documents, and by posting it on our website.

\_\_\_\_\_  
Alex Clifford, CEO

\_\_\_\_\_  
Date

**§ 1.102**      **Definitions**

The following capitalized words and phrases whenever used in this Chapter shall be construed as defined below:

BOARD shall mean the Board of Directors of Santa Cruz METRO.

DBE shall mean Disadvantaged Business Enterprise in accordance with the [49 CFR Code of Federal Regulations CFR, Chapter 49](#), Part 26.

DBELO shall mean the DBE Liaison Officer designated by Santa Cruz METRO's GENERAL MANAGER. This individual is responsible for developing, implementing and monitoring all aspects of the DBE Program to ensure that Santa Cruz METRO is in compliance with all provisions of 49 CFR Part 26.

FTA shall mean the United States Department of Transportation, Federal Transit Administration.

GENERAL MANAGER shall mean the chief executive officer of Santa Cruz METRO appointed by the Board of Directors.

In addition to these definitions, Santa Cruz METRO will adopt the definitions contained in [49 CFR](#) Section 26.5 for this program.

**§1.103**      **Administrative Procedures**

The Santa Cruz Metropolitan Transit District (Santa Cruz METRO) is committed to providing a Disadvantaged Business Enterprise (DBE) Program in accordance with the [CFR Code of Federal Regulations CFR](#), Chapter 49 Part 26, for the participation of DBEs in Santa Cruz METRO's procurements. As a condition of receiving Federal financial assistance from the Department of Transportation ([U.S. DOT](#)), Santa Cruz METRO assures that it will continue to comply with 49 [CFR Code of Federal Regulations CFR](#) Part 26.

EXHIBIT A  
(Redline)

**§1.104 Equitable Conditions for DBEs**

It is the intention of Santa Cruz METRO to create equitable conditions in which DBEs can compete fairly and participate fully in the performance of contracts and subcontracts relating to the Santa Cruz METRO's construction and procurement activities.

**§1.105 Updates to DBE Program**

Santa Cruz METRO's DBE Program will be reviewed and updated, if necessary, with every goal submission, and as required by DOT. DBE Program updates will be submitted in TrAMS.

**§1.106 Responsibility of Department Managers**

Each [Santa Cruz](#) METRO Department Manager is responsible to administer within his/her department the DBE Program in accordance with this code. Additionally, each Contract Administrator shall ensure that the contracts that he/she is responsible for are administered and managed in accordance with Santa Cruz METRO's DBE Program.

**Article II  
Applicability of the DBE Program**

**§2.201 Recipient of Federal Financial Assistance**

Santa Cruz METRO, a recipient of federal financial assistance from the Federal Transit Administration (FTA) of the U.S. DOT, is required to implement a DBE Program in accordance with 49 CFR Part 26 et. seq. (Federal Regulations) which are incorporated herein by reference as if fully set forth herein. In the event of any conflicts or inconsistencies between the Federal Regulations and the Santa Cruz METRO's DBE Program with respect to DOT-assisted contracts, the Federal Regulations shall control.

**§2.202 Application to all METRO Contracts**

The DBE Program outlined herein applies to all Santa Cruz METRO contracts that are funded, in whole or in part, by U.S. DOT federal financial assistance. To the extent that the Program's policy, objectives and efforts involve race-neutral methods, the DBE Program will apply to all Santa Cruz METRO contracts regardless of the funding source.

**§2.203 Program Objectives**

The objectives of the Santa Cruz METRO's DBE Program are the following:

- A. Ensure nondiscrimination in the award and administration of DOT-assisted contracts;

EXHIBIT A  
(Redline)

- B. Create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;
- C. Ensure the DBE Program is narrowly tailored in accordance with 49 CFR Part 26;
- D. Ensure that only firms that fully meet the eligibility standards in 49 CFR Part 26 are permitted to participate as DBEs;
- E. Identify and remove barriers to the participation of all small businesses meeting the requisite size standards, including DBEs, in the bidding, award and administration of DOT federally-assisted contracts;
- F. Identify and increase the participation of all small businesses meeting the requisite size standards, including DBEs, in Santa Cruz METRO's procurements of required materials, equipment, supplies and services;
- G. Develop procedures that will acquaint prospective DBEs with the Santa Cruz METRO's contracting procedures, activities and requirements, and receive feedback from DBEs on existing barriers to participation and effective procedures to eliminate them.
- H. Assist the development of DBEs so they may compete successfully outside of the DBE Program;
- I. Foster small business participation in Santa Cruz METRO's procurements; and
- J. Successfully facilitate the implementation of the DBE Program using race neutral measures to the maximum extent.

**§2.204**

**Prohibited Discrimination**

- A. Santa Cruz METRO shall not exclude any person from participation in, deny benefits to, or otherwise discriminate against any persons in connection with the award and performance of any contract governed by 49 CFR Part 26 on the basis of race, color, sex or national origin.
- B. In administering its DBE Program, Santa Cruz METRO shall not directly, or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of this DBE Program with respect to individuals of a particular race, color, sex or national origin. However, in order to foster its overall objectives related to these important issues, Santa Cruz METRO may utilize contractual or other arrangements and may use criteria or methods of administration that support creation of opportunities for State of California certified minority, women-owned and emerging small businesses as allowed by state and federal law.

**Article III  
Responsibility for DBE Program Implementation**

**§3.301 Santa Cruz METRO's Board of Directors**

The Board of Directors is responsible for adopting the DBE Program and any updates as the official DBE Program Policy at Santa Cruz METRO.

**§3.302 ~~CEO~~~~General Manager~~CEO/General Manager**

The ~~CEO~~~~General Manager~~CEO/General Manager has primary responsibility to implement the Board's policies at Santa Cruz METRO.

**§3.303 DBE Liaison Officer**

Santa Cruz METRO designated the following individual as its DBE Liaison Officer:

Angela M. Aitken, ~~Finance Manager~~Chief Financial Officer/Designee  
Santa Cruz Metropolitan Transit District  
110 Vernon Street  
Santa Cruz, CA 95060  
(831) 426-6080 - phone  
(831) 426-6117 - fax  
aaitken@scmtd.com (e-mail)

In that capacity, the DBELO is responsible for implementing all aspects of the DBE program and ensuring that the Santa Cruz Metropolitan Transit District complies with all provisions of 49 CFR Part 26. The DBELO, if other than the CEO/General Manager, shall have direct, independent access to the CEO/General Manager concerning DBE program matters. Necessary agency staff shall be available to support the DBELO in his/her activities. An organizational chart displaying the DBELO's position within Santa Cruz METRO is found in Appendix A to this program.

**§3.304 DBELO and DBE Committee Responsibilities**

The **DBE Committee** members are as follows; specified in DBE Program:

- **DBE Liaison Officer** (DBELO)
- **Purchasing Manager** (PM)
- **Grants/Legislative Analyst** (GLA)
- **Paralegal** (PARA)

The **DBE Liaison Officer** will lead standing Bi-Monthly **DBE Committee** meetings to discuss:

- DBE contract performance and compliance
- DBE outreach, and oversight of the DBE program



EXHIBIT A  
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**DBE Committee** member's duties and responsibilities are defined below:

- A. Gathers and reports statistical data and other information as required.
  - 1) **Purchasing Manager** will track all contract award information on an on-going basis, including DBE participation.
  - 2) **Grants/Legislative Analyst** will request that the **Purchasing Manager** provide data semi-annually (May and November,) on all procurement contracts and **subcontracts** awarded.
  - 3) **Grants/Legislative Analyst** will request total payments for contracts which the **Purchasing Manager** reports as contracts **closed** and/or completed, from the Finance Department.
  - 4) **Grants/Legislative Analyst** will analyze and report performance in achieving DBE goals to the Department of Transportation (DOT), Federal Transit Administration (FTA) and the **DBE Committee**.
- B. Reviews third party contracts and purchase requisitions for compliance with this program.
  - 1) **Purchasing Manager** will review purchase requisitions for possible DBE participation.
  - 2) **Purchasing Manager** will send the ~~following~~ formal solicitation documents to **DBE Liaison Officer** prior to issuance:
    - ⊖ ~~Bid/proposal response for the DBE participation statement~~
    - ⊖ ~~DBE good faith effort~~
  - 3) **DBE Liaison Officer** will review formal solicitation documents for DBE compliance, **and** respond to the **Purchasing Manager** with approval or denial to issue the solicitation with the following:
    - Signed Statement of Compliance
    - OR
    - Issues not in compliance
  - 4) Upon receipt of the Signed Statement of Compliance from the **DBE Liaison officer**, the **Purchasing Manager** will issue the formal solicitation documents.
- C. Works with all departments to determine projected Annual Anticipated DBE Participation Level.
  - 1) **Purchasing Manager** will request upcoming types of procurements from Department Managers, and will work with department managers on an

EXHIBIT A  
(Redline)

ongoing basis, to determine projected annual anticipated DBE participation levels for the coming fiscal year.

- 2) **Purchasing Manager** will analyze anticipated procurements for potential DBE participation.
- D. Ensures that bid notices and requests for proposals are available to DBEs.
- 1) **Purchasing Manager** will ensure that all bid notices are posted on Santa Cruz METRO's website, and sent out via Gov Delivery, the same day that solicitations are issued.
  - 2) **Purchasing Manager** will ensure that all newspaper advertisements for formal solicitations are published within 3-5 days of the solicitation issuance.
  - 3) **Purchasing Manager** will ensure that solicitation notices are provided to the Business Outreach Community (BOC) for their comprehensive list of bid opportunities in the San Francisco Bay area and participate in BOC outreach.
- E. Analyzes Santa Cruz METRO's progress toward goal attainment and identifies ways to encourage participation through race-neutral means.
- 1) **DBE Committee** will have the following as standing items for review and discussion at the DBE Committee meetings:
    - **Grants/Legislative Analyst** will provide progress reports towards goal attainment
    - Discussion on ways to encourage participation through race-neutral means
  - 2) If DBE participation falls below the DBE goal, the **Grants/Legislative Analyst** will identify and **present** the finding to the **DBE Committee**, who will discuss ways to encourage additional participation through race-neutral means.
- F. Participates in pre-bid meetings.
- 1) **Purchasing Manager** will schedule and include the **DBE Liaison Officer** in all pre-bid meetings. These meeting invitations are sent out the same day the IFB is issued.
  - 2) If the **DBE Liaison Officer** is not available, the **DBE Liaison Officer** will notify the **Purchasing Manager** of the selected designee to invite in their place. The designee will have direct access to the CEO/[General Manager](#).

EXHIBIT A  
(Redline)

- G. Advises the CEO/General Manager and Santa Cruz METRO's Board of Directors on DBE matters, achievement and DBE race-neutral issues, semi-annually.
- 1) The Semi-Annual Staff report will be compiled by the **Grants/Legislative Analyst and Paralegal**.
  - 2) **DBE Liaison Officer** will present the semi-annual staff report to the Board; which corresponds with the FTA DBE reporting requirements.
- H. Provides DBEs with information, assistance and recommends resources to assist in preparing bids, obtaining bonding and insurance.
- 1) **Purchasing Manager** maintains the "~~Contracting Opportunities~~**Bids & Proposals**" section of the Santa Cruz METRO website, which contains all DBE Program information, including the triennial DBE goal, and "How to do business with Santa Cruz METRO" information.
  - 2) **Purchasing Manager** is available for assistance with any DBE related matters.
- I. Plans and participates in DBE training seminars.
- 1) **Purchasing Manager** to plan and organize "How to do Business with Santa Cruz METRO" trainings for ~~DBE's~~**DBEs** and Small Businesses.
  - 2) **Purchasing Manager** to monitor NTI offerings and other training programs for DBE related offerings.
  - 3) **DBE Liaison Officer** to coordinate group trainings for the **DBE Committee** as these training opportunities present themselves through webinars or printed information.
  - 4) **DBE Committee** members to have working knowledge of:
    - o 49 CFR 26
    - o FTA Circular 5010
    - o Santa Cruz METRO's DBE Program
    - o The Role of the California Unified Certification Program
- J. Semi-annually monitors the California Unified Certification Program (CUCP) for conformance with the criteria set by the DOT.
- 1) **Paralegal** will confirm California Department of Transportation (Caltrans) is in compliance with the CUCP.

EXHIBIT A  
(Redline)

- K. Provides outreach to DBEs and community organizations to advise them of opportunities.
- 1) **Purchasing Manager** to make an ongoing effort to identify and contact community organizations for this purpose.
  - 2) **Purchasing Manager** to prepare and send semi-annual newsletter with information on upcoming contracting opportunities to all certified ~~DBE's~~DBEs in the Santa Cruz METRO certified DBE directory.
  - 3) **Purchasing Manager** will proactively engage DBE participation in its contracting opportunities by sending bid notices and RFP's to the specific DBE vendors listed in the DBE vendors list.
  - 4) **Purchasing Manager** will disseminate bids and RFP's through the Bay Area Business Outreach ~~Committee~~Community (BOC).
    - o The BOC is a consortium of Bay Area Transit Agencies which assists small, disadvantaged, and local firms by:
      - disseminating contracting opportunities to ~~DBE's~~DBEs in the bay area
      - solicits input on the DBE goal setting process
      - conducts training for DBE vendors
- L. Maintains the Santa Cruz METRO's directory of certified DBEs.
- 1) **Paralegal** will assist the **Purchasing Manager** in gathering contact information on Certified DBEs from other transit agencies.
  - 2) As new vendor's sign up to be on Santa Cruz METRO's vendor list, their request is reviewed by the **Purchasing Manager** to see if they are a DBE.
  - 3) If the new vendor is a DBE, the **Purchasing Manager** will check and verify the certification. If the DBE is certified, then they are added to Santa Cruz METRO's certified DBE Directory.
- M. Provide Reports regarding DBE participation required by the federal regulations to the Department of Transportation (DOT) Federal Transit Administration (FTA).
- 1) **Grants/Legislative Analyst** will request that the **Purchasing Manager** provide data semi-annually, in May and November, on all procurement contracts and subcontracts awarded.
  - 2) **Grants/Legislative Analyst** will request total payments for contracts which the **Purchasing Manager** reports as contracts completed and/or closed, from the Finance Department.

EXHIBIT A  
(Redline)

- 3) **Grants/Legislative Analyst** will analyze data provided by the **Purchasing Manager** and the Finance Department, and report the information to the **DBE Committee**, the Department of Transportation (DOT), and the Federal Transportation Administration (FTA) in TEAM (or its equivalent).

**Article IV**  
**Administrative Requirements**

**§4.401 Federal Financial Assistance Agreement Assurance (49 CFR §26.13(a))**

Santa Cruz METRO has signed the following assurance, applicable to all DOT-assisted contracts and their administration:

Santa Cruz Metropolitan Transit District shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE Program or the requirements of 49 CFR parts 26. The recipient shall take all necessary and reasonable steps under 49 CFR part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts. The recipient's DBE Program, as required by 49 CFR part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the Santa Cruz METRO of its failure to carry out its approved program, the Department may impose sanctions as provided for under part 26, and may in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

**§4.402 DBE Financial Institutions**

It is the policy of the Santa Cruz METRO to investigate the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in the community, to make reasonable efforts to use these institutions, and to encourage prime contractors on DOT-assisted contract to make use of these institutions. Santa Cruz METRO has made the following efforts to identify and use such institutions:

The DBELO has identified DBE financial institutions which offer services in California. A list of socially and economically disadvantaged individuals/firms is available at the website for the Federal Reserve Board at [www.federalreserve.gov/releases/mob](http://www.federalreserve.gov/releases/mob). Santa Cruz METRO will encourage prime contractors to utilize such services when available.

The State of California, Department of General Services, Office of Small Business Certification and Resources also maintains a directory of financial institutions owned and controlled by socially and economically disadvantaged individuals online at [www.osmb.dgs.ca.gov](http://www.osmb.dgs.ca.gov). The directory can be queried to locate DBE financial institutions from the **Services** section of the site.

EXHIBIT A  
(Redline)

§4.403

**DBE Vendor Directory**

- A. The State of California's Department of Transportation (Caltrans) maintains the main DBE Directory. The DBE Vendor Directory identifies all firms eligible to participate as DBEs. The DBE Directory is updated weekly and lists the name, address, phone number, certification date, NAIC code and type of work performed for vendors certified by it or by other agencies with which it has reciprocity. The Directory is available on the World Wide Web and can be downloaded from [http://www.dot.ca.gov/hq/bep/find\\_certified.htm](http://www.dot.ca.gov/hq/bep/find_certified.htm). The Santa Cruz METRO will use the Caltrans DBE Directory in its efforts to extend contracting opportunities to DBE Vendors.
- B. Santa Cruz METRO maintains a Directory identifying all firms eligible to participate as DBEs. The Directory includes the firm's name, address, phone number, date of the most recent certification and the type of work the firm has been certified to perform as a DBE. Santa Cruz METRO will revise on a continuing basis. Santa Cruz METRO makes the Directory available as follows: Interested individuals can contact Santa Cruz METRO's Purchasing Manager, Santa Cruz METRO Administrative Offices, 110 Vernon Street, Santa Cruz, CA, or (831) 426-0199 to request a copy. Additionally, Santa Cruz METRO directory information is included in appropriate solicitations with the in-house directory serving as a supplement to the CalTrans Directory.

§4.404

**Bidders'Bidder's' List Records**

- A. Santa Cruz METRO will create and maintain a Bidders' List. The purpose of the list is to provide Santa Cruz METRO as accurate data as possible about the universe of DBE and nNon-DBE contractors and subcontractors who seek to work on federally assisted contracts for use in helping Santa Cruz METRO set overall goals. Santa Cruz METRO will obtain the following information about DBE and Non-DBE contractors and subcontractors who bid or quote on Santa Cruz METRO's federally-assisted contracts:
  - 1. Firm name;
  - 2. Firm address;
  - 3. Firm's status as a DBE or non-DBE;
  - 4. Age of the firm (years in business); and
  - 5. The annual gross receipts of the firm. Santa Cruz METRO will obtain this information by asking each firm to indicate into what gross receipts bracket they fit (e.g., less than \$500,000; \$500,000-\$1million; \$1-2 million; \$2-5 million; etc) rather than requesting an exact figure from the firm.
- B. In order to document DBE participation in procurements, Santa Cruz METRO requires all prime contractors and any of its subcontractors responding to Invitations For Bids (IFBs) to submit the above information to Santa Cruz METRO.

EXHIBIT A  
(Redline)

All prime contractors and subcontractors responding to IFBs will also be asked to provide the scope of work to be performed by the DBE and the related dollar amount. Santa Cruz METRO will require this information when any bid, quote or qualification is submitted to it to be considered responsive. The ~~Bidders'~~Bidder's List will become the record of DBE participation Santa Cruz METRO's procurement process.

**§4.405 Overconcentration**

Santa Cruz METRO does not use contract goals, which are the primary cause of overconcentration. This occurs when prime contractors excessively use the same DBE firm, or a single trade/discipline is only performed by DBEs, on a large amount of contracts.

The DBELO is responsible for assessing overconcentration. The DBELO will perform an annual review of all contracts and subcontracts awarded during the fiscal year. This analysis will review each firm name and the nature of work performed. If a single firm or type of work is identified as repetitive, the DBELO will perform a thorough review of those contracts and determine 1.) if overconcentration has occurred and 2.) if it has unduly burdened non-DBEs in the same field.

If the DBELO determines that DBE participation is so over-concentrated in certain types of work or contracting opportunities that it unduly burdens the participation on non-DBEs in that type of work, the DBELO will develop appropriate measures to address the over-concentration. The DBELO will seek approval of such measures from FTA and, at that time, the measures will become a part of this Program. Currently, Santa Cruz METRO is unaware of any types of work that have a burdensome over-concentration of DBE participation.

**§4.406 Business Development Programs**

Santa Cruz METRO does not operate a business or mentor-protégé program at the present time. If Santa Cruz METRO implements such a program in the future, then Santa Cruz METRO will describe the rationale for having the program element, and the specific provisions of the element (e.g., who is eligible to participate, how the program element works, and how interested persons would obtain information about the program element). At the time of a decision to implement a business development or mentor-protégé program, the DBELO will seek approval of such program from FTA and, at that time, the program will become a part of the overall DBE Program.

**§4.407 Fostering Small Business Participation (49 CFR §26.39)**

- A. One method of providing race-neutral efforts for DBE participation is through Santa Cruz METRO's small business element, which is incorporated into this DBE Program.
- B. For purposes of this DBE program, a Small Business Enterprise (SBE) is a business that has been certified by the California Department of General

EXHIBIT A  
(Redline)

Services (DGS) or any other public agency that certified small businesses using substantially the same criteria.

- C. Santa Cruz METRO ~~relies~~~~will rely~~ on the certification/verification processes used by other agencies. Santa Cruz METRO will not use a certification process that allows DBEs or SBEs to self-certify. To avoid fraud, a firm's small business status will be verified when Santa Cruz METRO uses SBE contract goals on a project.
- D. An important element of Santa Cruz METRO's small business element is its outreach activities. ~~These~~~~re~~~~There~~ outreach efforts ~~will~~ include active, effective steps to increase small business participation, such as soliciting bids/proposals from DBEs and SBEs, responding to requests for information, participating at pre-bid and pre-proposal meetings, and participating at outreach and training events for DBEs and SBEs. Santa Cruz METRO will collaborate with regional resources by pooling resources and/or creating joint programs for review and approval.
- E. As time and resources allow, the DBELO ~~will help~~~~help~~ plan and/or participate in outreach and informational events for DBEs and SBEs that may be coordinated with other DOT recipients, federal agencies, or local organizations. DBELO ~~will provide~~~~provide~~ DBEs and SBEs with information on how to do business with Santa Cruz METRO, and other topics of interest to these businesses.
- F. Santa Cruz METRO ~~will track~~~~track~~ and ~~reports~~~~report~~ any race-neutral participation by certified DBEs achieved by the small business element in same way it reports race-neutral DBE participation obtained by other methods. To the extent feasible, data on small business participation ~~is will be~~ collected and maintained in order to respond to any future questions regarding the results of Santa Cruz METRO's DBE Program.
- G. To facilitate competition by small business concerns, Santa Cruz METRO ~~will take~~~~take~~ reasonable measures to eliminate obstacles that may preclude small business participation in procurements as prime contractors or subcontractors. ~~Santa Cruz METRO has implemented t~~The following efforts ~~will be implemented by Santa Cruz METRO:~~
- ~~1.~~—In multi-year design-build contracts or other large contracts, Santa Cruz METRO ~~will require~~~~require~~ ~~the prime contractor to provide subcontracting opportunities of a size that small businesses, including DBEs, can reasonably perform, rather than self-performing all of the work involved.~~
  - ~~1) 2.~~—~~For prime contracts, Santa Cruz METRO will require~~ the prime contractor to provide subcontracting opportunities of a size that small businesses, including DBEs, can reasonably perform, rather than self-performing all of the work involved.
  - ~~2) For prime contracts, Santa Cruz METRO will require the prime contractor to provide subcontracting opportunities of a size that small businesses,~~



EXHIBIT A  
(Redline)

including DBEs, can reasonably perform, rather than self-performing all of the work involved.

3) Santa Cruz METRO will refrains<sup>3</sup>. ~~Santa Cruz METRO will refrain~~ from any unnecessary bundling of contract requirements that would otherwise prevent small businesses, including DBEs, from participating in Santa Cruz METRO's procurements.

4. ~~Santa Cruz METRO will ensure~~ensure that a reasonable number of prime contracts are of a size that small businesses, including DBEs, can reasonably perform.

4)

**Article V  
Determining and Achieving the DBE Goal**

**§5.501 Santa Cruz Metropolitan Transit District's DBE Program Goal**

The Santa Cruz METRO's DBE Program Goal is developed triennially by the DBELO and the DBE Committee in accordance with 49 CFR Part 26.45 and is submitted as a stand-alone document which includes a public participation process, including outreach efforts and copies of public notices. The goal and its methodology is described in the Santa Cruz METRO's DBE Program Goal document, submitted triennially to the FTA Region IX Office by August 1<sup>st</sup> of the submission year. Santa Cruz METRO's overall annual goal represents the amount of ready, willing and able DBEs that are available to participate in contracting opportunities and is reflective of the amount of DBE participation that Santa Cruz METRO would expect absent the effect of discrimination. Santa Cruz METRO intends to meet this goal to the maximum extent feasible through exclusively race-neutral measures.

**§5.502 Reaching the Goal**

- A. Santa Cruz METRO shall attempt to meet the maximum feasible portion of the overall goal by using race-neutral means of facilitating DBE participation. Santa Cruz METRO will use narrowly tailored contract goals adequate to meet any portion of the overall goal it does not project being able to meet using race-neutral means, where it is demonstrated through a disparity study and relevant market analysis that race conscious methodologies would remedy past discrimination in the state of California.
- B. As allowed by federal and state law, Santa Cruz METRO will establish contract goals only on those U.S. DOT-assisted contracts that have subcontracting possibilities. Santa Cruz METRO will not establish a contract goal on every contract and the size of contract goals will be adapted to the circumstances of each such contract (e.g. type and location of work, availability of DBEs to perform the particular type of work).

EXHIBIT A  
(Redline)

- C. Santa Cruz METRO will track race-conscious and race-neutral participation separately as required by 49 CFR 26.51(g).
- D. If allowed by federal and state law, each solicitation for which a contract goal has been established will require the bidders/offerors to submit the following information:
  - 1. The names and addresses of DBE firms that will participate in the contract;
  - 2. A description of the work that each DBE will perform;
  - 3. The dollar amount of the participation of each DBE firm;
  - 4. Written and signed documentation of commitment to use a DBE subcontractor whose participation it submits to meet a contract goal;
  - 5. Written and signed confirmation from DBE that it is participating in the contract as provided in the prime contractor's commitment; and
  - 6. If the contract goal is not met, evidence of good faith efforts; good faith efforts documentation is required to be submitted by bidders/offerors no later than the due date for bids/proposals.
- E. The obligation of the bidder/offeror is to make good faith efforts. The bidder/offeror can demonstrate that it has done so either by meeting the contract goal or documenting good faith efforts.
- F. Santa Cruz METRO treats bidder/offerors' compliance with good faith efforts requirements as a matter of responsiveness. The Purchasing Manager/designee is responsible for determining whether a bidder/offeror who has not met the contract goal has documented sufficient good faith efforts to be regarded as a responsive bidder/offeror. The Purchasing Manager/designee will consider all relevant information submitted by the bidder/offeror in making this determination including the following:
  - 1. Advertising and attendance at pre-bid conferences to solicit DBE participation;
  - 2. Packaging portions of the work to increase the likelihood that DBE vendors could participate;
  - 3. Instances of negotiations with DBE vendors to make portions of contract work available including names, addresses, phone number of DBEs contacted; and
  - 4. Use of community organizations, contractors' groups, minority and women business organizations to provide assistance in recruiting DBE firms.
- G. The Purchasing Manager/designee will ensure that all information is complete and accurate and adequately documents the bidder/offeror's good faith efforts

EXHIBIT A  
(Redline)

before Santa Cruz METRO commits to the performance of the contract by the bidder/offeror.

~~HG.~~ Within 5 days of being informed by Santa Cruz METRO that it is not responsive because it has not documented sufficient good faith efforts, a bidder/offeror may request administrative reconsideration. Bidders/offerors must make this request in writing to the following reconsideration official: [CEO/General Manager](#), 110 Vernon Street, Santa Cruz, CA 95060, or [AClifford@scmtd.com](mailto:AClifford@scmtd.com). The reconsideration official will not have played any role in the original determination that the bidder/offeror did not document sufficient good faith efforts.

~~IH.~~ As part of this reconsideration, the bidder/offeror will have the opportunity to provide written documentation or argument concerning the issue of whether it met the goal or make adequate good faith efforts to do so. The bidder/offeror will have the opportunity to meet in person with the reconsideration official to discuss the issue of whether it met the goal or made adequate good faith efforts to do so. The [CEO/General Manager](#) will send a written decision on reconsideration, explaining the basis for finding that the bidder did or did not meet the goal ~~to~~ ~~and/or did or did not demonstrate~~ ~~make~~ ~~demonstrate~~ adequate good faith efforts ~~to do so~~. The result of the reconsideration process is final and not administratively appealable to the Department of Transportation.

**§5.503**

**Transit Vehicle Manufacturer Certification**

Each Transit Vehicle Manufacturer (TVM) will certify that they have complied with the requirements of 49 CFR §26.49 as a condition of bidding or proposing on FTA-assisted transit vehicle procurements. TVMs must obtain FTA approval of an annual DBE participation goal and the principles underlying 49 CFR §26.45 shall be used as a guide in setting this goal. TVMs shall provide Santa Cruz METRO a copy of the FTA approval of their annual goal. Expenditures for FTA-assisted transit vehicle procurements are not included in the funding base to which the overall goal and/or project goal for other FTA-assisted expenditures applies. Expenditures for FTA-assisted procurements of non-TVM vehicles, or if DBE TVMs are not available, are included in the funding base to which the overall goal and/or project goal for other FTA-assisted expenditures applies.

Contracts will only be awarded to TVM's on FTA's certified list of TVM's or that have submitted a goal methodology to FTA that has been approved, or has not been disapproved, at the time of solicitation as required by 49 CFR 26.49(a)(1). The list of approved TVM's can be found at <https://www.transit.dot.gov/regulations-and-guidance/civil-rights-ada/eligible-tvms-list>.

Within 30 days of contract award for transit vehicle purchases, Santa Cruz METRO will submit to FTA the name of the successful bidder and the total value of the contract. Transit vehicle awards can be reported electronically to the FTA at <https://www.surveymonkey.com/r/vehicleawardreportsurvey>.

EXHIBIT A  
(Redline)

§5.504 **Quotas, Set-Asides or Preferences**

Santa Cruz METRO does not, and will not, use quotas or set-asides, or preferences in the design or administration of this DBE program.

§5.505 **Good Faith Efforts**

A. **Contract Goals** - The obligation of the bidder/offeror is to make good faith efforts to meet any specified contract goal. The bidder/offeror can demonstrate that it has done so either by meeting the contract goal or documenting good faith efforts.

Purchasing staff is responsible for determining whether a bidder/offeror who has not met the contract goal has documented sufficient good faith efforts to be regarded as responsive.

Santa Cruz METRO will ensure that all information is complete and accurate and adequately documents the bidder/offer's good faith efforts before we commit to the performance of the contract by the bidder/offeror.

B. **Bidders/Offerors Efforts to Obtain DBE Subcontractors** - The following is a list of types of actions which Santa Cruz METRO would consider as part of the bidder's good faith efforts to obtain DBE participation when a contract goal is stated. It is not intended to be a mandatory checklist, nor is it intended to be exclusive or exhaustive. Other factors or types of efforts may be relevant in appropriate cases.

1. Soliciting through all reasonable and available means (e.g., attendance at pre-bid meetings, advertising and/or written notices) the interest of all certified DBEs who have the capability to perform the work of the contract. The bidder must solicit this interest within sufficient time to allow the DBEs to respond to the solicitation. The bidder must determine with certainty if the DBEs are interested by taking appropriate steps to follow up initial solicitations.
2. Selecting portions of the work to be performed by DBEs in order to increase the likelihood that the DBE goals will be achieved. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate DBE participation, even when the prime contractor might otherwise prefer to perform these work items with its own forces.
3. Providing interested DBEs with adequate information about the plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation.
4. (a) Negotiating in good faith with interested DBEs. It is the bidder's responsibility to make a portion of the work available to DBE subcontractors and suppliers and to select those portions of the work or material needs consistent with the available DBE subcontractors and suppliers, so as to

EXHIBIT A  
(Redline)

facilitate DBE participation. Evidence of such negotiation includes the names, addresses, and telephone numbers of DBEs that were

~~5.~~ considered; a description of the information provided regarding the plans and specifications for the work selected for subcontracting; and evidence as to why additional agreements could not be reached for DBEs to perform the work.

(b) A bidder using good business judgment would consider a number of factors in negotiating with subcontractors, including DBE subcontractors, and would take a firm's price and capabilities as well as contract goals into consideration. However, the fact that there may be some additional costs involved in finding and using DBEs is not in itself sufficient reason for a bidder's failure to meet the contract DBE goal, as long as such costs are reasonable. Also, the ability or desire of a prime contractor to perform the work of a contract with its own organization does not relieve the bidder of the responsibility to make good faith efforts. Prime contractors are not, however, required to accept higher quotes from DBEs if the price difference is excessive or unreasonable.

~~5.6.~~ Not rejecting DBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities. The contractor's standing within its industry, membership in specific groups, organizations, or associations and political or social affiliations (for example union vs. non-union employee status) are not legitimate causes for the rejection or non-solicitation of bids in the contractor's efforts to meet the project goal.

~~6.7.~~ Making efforts to assist interested DBEs in obtaining bonding, lines of credit, or insurance as required by the recipient or contractor.

~~7.8.~~ Making efforts to assist interested DBEs in obtaining necessary equipment, supplies, materials, or related assistance or services.

~~8.9.~~ Effectively using the services of available minority/women community organizations; minority/women contractors' groups; local, state, and Federal minority/women business assistance offices; and other organizations as allowed on a case-by-case basis to provide assistance in the recruitment and placement of DBEs.

C. **Replacing DBE Subcontractor** - The Santa Cruz METRO will require a contractor to make good faith efforts to replace a DBE that is terminated or has otherwise failed to complete its work on a contract with another certified DBE, to the extent needed to meet the contract goal. The Santa Cruz METRO will require the prime contractor to notify the DBE Liaison Officer immediately of a DBE's inability or unwillingness to perform on a contract and will require reasonable documentation of contract non-performance when a DBE is replaced.

EXHIBIT A  
(Redline)

In this situation, Santa Cruz METRO requires the prime contractor to obtain Santa Cruz METRO's prior written approval of the substitute DBE and to provide copies of new or amended subcontracts or documentation of good faith efforts when the prime contractor fails to replace a DBE certified contractor with another certified DBE on a contract. Good faith efforts to include advertising to solicit DBE vendors, instances of negotiations with DBE vendors including names, addresses, phone number of DBE contact, and use of community organizations, contractors' groups, minority and women-owned business organizations to provide assistance in identifying and recruiting DBEs. The prime contractor shall not terminate for convenience a DBE subcontractor or an approved substitute DBE firm and then perform the work of the terminated subcontract with its own forces or those of an affiliate without Santa Cruz METRO's prior written consent.

If the contractor fails to comply with this requirement for DBE replacement on a contract, Santa Cruz METRO will issue a "Stop Work Order" and suspend payments until satisfactory action has been taken. If the contractor still fails to comply, Santa Cruz METRO may initiate a "Termination for Default Proceeding."

- D. **Sample Bid Specification with Contract Goal** - The requirements of 49 CFR Part 26, Regulations of the U.S. Department of Transportation, apply to this contract. It is the policy of Santa Cruz METRO to practice nondiscrimination based on race, color, sex, or national origin in the award or performance of this contract. All firms qualifying under this solicitation are encouraged to submit bids/proposals. Award of this contract will be conditioned upon satisfying the requirements of this bid specification. These requirements apply to all bidders/offerors, including those who qualify as a DBE. A DBE contract goal of \_\_\_ percent has been established for this contract. The bidder/offeror shall make good faith efforts, as defined in Appendix A, 49 CFR Part 26 (Attachment 1), to meet the contract goal for DBE participation in the performance of this contract.

The bidder/offeror will be required to submit the following information: (1) the names and addresses of DBE firms that will participate in the contract; (2) a description of the work that each DBE firm will perform; (3) the dollar amount of the participation of each DBE firm participating; (4) Written documentation of the bidder/offeror's commitment to use a DBE subcontractor whose participation it submits to meet the contract goal; (5) Written confirmation from the DBE that it is participating in the contract as provided in the commitment made under (4); and (5) if the contract goal is not met, evidence of good faith efforts.

§5.506

**Determining and Meeting DBE Participation Goals**

- A. DBE participation in a contract will be counted as only the value of the work actually performed by the DBE toward DBE goals. Santa Cruz METRO shall count the entire amount of that portion of the contract that is performed by the DBE's own forces. The cost of supplies and materials obtained by the DBE for the work of the contract, including supplies purchased or equipment leased by the DBE (except supplies and equipment the DBE subcontractor purchases or leases from the prime contractor or its affiliates) shall also be included.

EXHIBIT A  
(Redline)

- B. The entire amount of fees or commissions charged by a DBE firm for providing a bona fide service, such as professional, technical, consultant, or managerial services or for providing bonds or insurance specifically required for the performance of a DOT-assisted contract toward DBE goals shall be counted provided Santa Cruz METRO determines that the fees are reasonable and not excessive as compared with fees customarily allowed for similar services.
- C. If a DBE subcontracts work to another DBE and not a non-DBE, that work shall be counted toward DBE goals. When a DBE participates in a joint venture, the portion of the total dollar value of the contract equal to the distinct, clearly defined portion of the work of the contract that the DBE performs with its own forces shall be counted toward DBE goals. Only expenditures to a DBE contractor that are a commercially useful function of the contract shall be counted toward DBE goals.
- D. Santa Cruz METRO will count all expenditures with DBEs for materials or supplies provided that the materials or supplies are obtained from a DBE manufacturer (100% of the expenditures) or from a DBE regular dealer (60% of the expenditures).
- E. If a firm is not currently certified as a DBE, Santa Cruz METRO will not count the firm's participation toward any DBE goals except as allowed by the DBE regulations. Santa Cruz METRO will not count the dollar value of work performed under a contract with a firm after it has ceased to be certified as a DBE contractor. Santa Cruz METRO will not count participation of a DBE subcontractor toward the prime contractor's DBE achievements or Santa Cruz METRO's overall goal until the amount being counted has been paid to the DBE.

**§5.507**

**Analyzing Goal Attainment and Shortfall Analysis**

Santa Cruz METRO monitors attainment of the goal each semi-annual reporting period. If at the end of a Federal fiscal year Santa Cruz METRO has not attained the overall goal applicable for that year, the Grants/Legislative Analyst and DBELO shall analyze the reasons for the shortfall and create a corrective action plan in accordance with Part 26, Section 26.47. The shortfall analysis and corrective action plan shall be submitted to the FTA within 90 days of the end of the Federal fiscal year.

**§5.508**

**Breakout of Race-Neutral & Race-Conscious Participation and Use of Contract Goals**

The breakout of estimated race-neutral and race-conscious participation for Santa Cruz METRO's DBE Program is 100% race-neutral and 0% race-conscious. Santa Cruz METRO does not use contract goals at this time. A brief explanation is below.

- A. **Adarand v. Peña** – In 1995 the Supreme Court ruled that in order to operate a race-based contracting program, the government agency must provide particularized evidence that groups were subject to discrimination; and must “narrowly tailor” the program that it adopts. Narrow tailoring requires that a program has flexibility and limited duration of race-conscious measures,

EXHIBIT A  
(Redline)

including the availability of waiver provisions; the relationship of the numerical DBE goals to the relevant market; the effectiveness of alternative race- and gender-neutral remedies; and the impact of a race-conscious remedy on the rights of third parties.

- B. **Western States Paving v. Washington State DOT** – In 2005 the 9<sup>th</sup> Circuit Court of Appeals (applies to FTA recipients in California) decided that the WSDOT DBE program was not narrowly tailored because evidence of discrimination supporting the use of race-conscious measures was inadequate.

In addition, the court said that race conscious elements of a national program (~~like such as~~ 49 CFR Part 26), to be narrowly tailored as applied, must be limited to those parts of the country where its race-based measures are demonstrably needed. Whether race-based measures are needed depends on the presence or absence of discrimination or its effects in a state's transportation contracting industry. In addition, even when discrimination is present in a state, a program is narrowly tailored only if its application is limited to those specific groups that have actually suffered discrimination or its effects. In order to determine such evidence, a disparity study must be conducted and the government agency utilizing its results must analyze its own market area in order to set contract goals.

- C. **Caltrans 2016 Disparity Study** – The study conducted for Caltrans of its statewide contracting found three groups exhibited disparity indices substantially below parity – Black American-, Hispanic American-, and Native American-owned businesses. The disparity was identified to be mainly in construction contracts.

Santa Cruz METRO recognizes it may utilize this study to support use of race-conscious contracting goals, however, is currently analyzing its relevant market to see if this approach is feasible for remedying these target groups within its anticipated contracting opportunities.

**Article VI**  
**Required Contract Provisions**

**§6.601 General Conditions of the Contract**

Santa Cruz METRO will include the following clause in every DOT-assisted contract and subcontract:

The contractor, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.



EXHIBIT A  
(Redline)

§6.602

**Prompt Progress Payment (49 CFR §26.29)**

- A. Santa Cruz METRO will include the following clauses in each DOT-assisted prime contract:

A prime contractor or subcontractor shall pay to any subcontractor not later than 10 days of receipt of each progress payment, in accordance with the provision in Section 7108.5 of the California Business and Professions Code concerning prompt payment to subcontractors. The 10-days are applicable unless a longer period is agreed to in writing. Any delay or postponement of payment over 30-days may take place only for good cause and with Santa Cruz METRO prior written approval. Any violation of Section 7108.5 shall subject the violating contractor or subcontractor to the penalties, sanctions, and other remedies of that Section. This clause applies to both DBE and non-DBE subcontractors.

If 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, the prime contractor or subcontractor may withhold no more than 150 percent of the disputed amount.

Santa Cruz METRO shall hold retainage from the prime contractor and shall make prompt and regular incremental acceptances of portions, as determined by Santa Cruz METRO, of the contract work and pay retainage to the prime contractor based on these acceptances. The prime contractor or subcontractor shall return all monies withheld in retention from all subcontractors within 30 days after receiving payment for work satisfactorily completed and accepted including incremental acceptances of portions of the contract work by Santa Cruz METRO. Any delay or postponement of payment may take place only for good cause and with Santa Cruz METRO's prior written approval. Any violation of these provisions shall subject the violating prime contractor to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies otherwise available to the contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the contractor, deficient subcontractor performance, and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

Prime contractors must include the prompt payment language of paragraph 1 in all subcontracts, regardless of subcontractor's DBE status. Failure of a prime contractor to uphold prompt payment requirements for subcontractors will result in Santa Cruz METRO withholding reimbursement for completed work.

The prime contractor must maintain records of all subcontracts entered into with DBEs and records of materials purchases from DBE suppliers. Such records shall show the name and business address of each DBE subcontractor or vendor and the total dollar amount actually paid to each DBE subcontractor or vendor. Prime contractor shall report to Santa Cruz METRO all payments made to DBE subcontractors on a monthly basis.

EXHIBIT A  
(Redline)

The prime contractor must also submit to the Project Manager's office an affidavit certifying the payment was made to the DBE subcontractor or supplier to be signed by both the prime contractor and the DBE. Such an affidavit must be submitted during the project any time a progress or final payment is made to a DBE, and when any retainage held is returned. A summary certification affidavit must be submitted at the completion of the project.

B. Prime Contractors must include the **prompt payment language** set forth above in all subcontracts, regardless of subcontractor's DBE status.

~~C. D.~~ Failure of a prime contractor to uphold prompt payment requirements for subcontractors will result in Santa Cruz METRO withholding reimbursement for completed work.

**Article VII  
Monitoring and Enforcement Mechanisms**

**§7.701 Information, Confidentiality, Cooperation**

Santa Cruz METRO will safeguard from disclose to third parties information that may reasonably be regarded as confidential business information, consistent with Federal, state, and local law. Santa Cruz METRO is subject to the California Public Records Act. A summary of the act can be located at: [http://ag.ca.gov/publications/summary\\_public\\_records\\_act.pdf](http://ag.ca.gov/publications/summary_public_records_act.pdf)  
[http://ag.ca.gov/publications/summary\\_public\\_records\\_act.pdf](http://ag.ca.gov/publications/summary_public_records_act.pdf).

Notwithstanding any contrary provisions of state or local law, we ~~will~~ not release personal financial information submitted in response to the personal net worth requirement to a third party (other than DOT) without the written consent of the submitter.

Additionally, Santa Cruz Metro, and all sub-~~recipients~~recipients, are required to cooperate fully and promptly with DOT and recipient compliance reviews, certification reviews, investigations, and other requests for information. Furthermore, Santa Cruz Metro, and all sub-~~recipients~~recipients, must not intimidate, threaten, coerce, or discriminate against any individual or firm for the purpose of interfering with any right or privilege secured by 49 CFR part 26 or because the individual or firm has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under 49 CFR part 26.

**§7.702 Monitoring and Enforcement**

**EXHIBIT A**  
**(Redline)**

Santa Cruz METRO will take the following monitoring and enforcement mechanisms to ensure compliance with 49 CFR Part 26:

- A. Santa Cruz METRO will bring to the attention of the Department of Transportation (DOT) any false, fraudulent, or dishonest conduct in connection with the program, so that DOT can take the steps (e.g., referral to the Department of Justice for criminal prosecution, referral to the DOT Inspector General, action under suspension and debarment or Program Fraud and Civil Penalties rules) provided in 49 CFR 26.109;
- B. Santa Cruz METRO will consider similar action under its own legal authority including responsibility determinations based on past performance in future contracts.
- C. Santa Cruz METRO will provide a monitoring and enforcement mechanism to verify that work committed to DBEs at contract award is actually performed by the DBEs. This will be accomplished by the Project Manager confirming that the work set forth to be performed by the DBE is actually performed by the DBE through visual observation and firm identity confirmation. The Project Manager/Contract Administrator will keep a running tally of actual payments to DBE firms for work committed to them at the time of contract award. The Project Manager/Contract Administrator shall track the actual DBE participation through contractor and subcontractor reports of payments, and other appropriate monitoring. The DBELO will ensure that DBE participation is counted toward the overall annual goal in accordance with the federal regulations. The DBELO will perform interim audits of contract payments to DBEs. The audit will review payments to DBE subcontractors to ensure that the actual amount paid to DBE subcontractors equals or exceeds the dollar amounts stated in the schedule of DBE participation.

**§7.703      Monitoring Progress and Retention Payments to DBEs**

- A. Santa Cruz METRO will require prime contractors to maintain records and documents of payments to DBEs for three years following the performance of the contract. These records will be made available for inspection upon request by any authorized representative of the Santa Cruz Metropolitan Transit District or DOT. This reporting requirement also extends to any certified DBE subcontractor.
- B. Santa Cruz METRO will perform interim audits of progress and retention payments to DBEs. The audit will review payments to DBE subcontractors to ensure that the actual amount paid to DBE subcontractors equals or exceeds the dollar amounts stated in the schedule of DBE participation, and that the retention payments were made within the 10 day period allowable.

**Article VIII  
Certification Standards**

**§8.801 No In-House Certification Process**

Santa Cruz METRO is a non-certifying member of the California Unified Certification Program (UCP) administered by the California Department of Transportation (Caltrans). Caltrans is the certifying agency. The Caltrans DBE certification program has been approved by the Federal Highway Administration as meeting the standards of 49 CFR Part 26. The Caltrans Office of Civil rights ensures that applicants requesting certified DBE status adequately demonstrate that they are members of a socially and economically disadvantaged group listed in 49 CFR §26.67 and that the firm which they control is an existing small business as defined by the Small Business Administration (SBA) standards. In addition, the bidder/offeror must submit the required application and a signed and notarized statement of personal net worth with appropriate supporting documentation.

Applications forms for certification as a DBE and a directory of certified DBE firms are available at the Caltrans Office of Civil Rights web page: <http://www.dot.ca.gov/hq/bep/>.

<http://www.dot.ca.gov/hq/bep/>.

**Article IX  
Information Collection and Reporting**

**§9.901 Reporting to DOT**

Santa Cruz METRO will continue to provide data about its DBE program to the DOT as directed by the DOT operating administrations. Santa Cruz METRO will report DBE participation to DOT on a semi-annual basis. These reports will reflect payments actually made to DBEs on DOT-assisted contracts.

Santa Cruz METRO will report semi-annually using the Uniform Report of DBE Commitments/Awards and Payments form. These reports will reflect new contract awards during the period and payments actually made to DBEs on DOT-assisted contracts. Reports will be submitted in TrAMS by the Grants/Legislative analyst on or before the May and November due dates.

~~§9.902 Confidentiality~~

~~Santa Cruz METRO will safeguard from disclosure to third parties any information that may reasonably be regarded as confidential business information, consistent with Federal, State, and local law. As allowed by Federal and State law, Santa Cruz METRO will not release personal financial information submitted in response to the personal net~~

EXHIBIT A  
(Redline)

~~worth requirement to a third party (other than DOT) without the written consent of the submitter.~~

**Article X  
Appendices**

~~A. Annual Commitment Statement~~

~~B. DBE Program Summary~~

~~A.C. Santa Cruz METRO's Organizational Charts~~~~Chart~~

~~D. B. DBE Directory (Link to Caltrans Database) Minority-Owned Financial Institutions~~

~~E. Santa Cruz METRO's DBE Goal Methodology for FFY21 - FFY23~~~~C. Monitoring and Enforcement Mechanisms~~

~~F. D. California Unified Certification Program for Disadvantaged Business Enterprise (DBE)~~~~Forms for Demonstration of Good Faith Efforts~~

~~E. Regulation: 49 CFR Part 26~~

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**DATE:** September 25, 2020  
**TO:** Board of Directors  
**FROM:** Angela Aitken, CFO  
**SUBJECT: REQUEST AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS (RFP) FOR AN ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM CONSULTANT**

**I. RECOMMENDED ACTION**

**That the Board of Directors authorize the Purchasing Manager to issue a formal Request for Proposals (RFP) for a project oversight and advisory consultant to assist METRO in assessing current computer-based resources and processes and to develop a bid document for a new ERP and to oversee its implementation**

**II. SUMMARY**

- The Santa Cruz Metropolitan Transit District (METRO) has a need for a robust Enterprise Resource Planning (ERP) system with Maintenance Support Options.
- Current systems do not all interface with each other.
- Some current systems are reaching the end of their useful life and are no longer supported by their manufacturer.
- Staff is requesting that the Board of Directors (Board) authorize the Purchasing Manager to issue a formal Request for Proposals (RFP) for a project oversight and advisory consultant to assist METRO in assessing current computer-based resources and processes and to develop a bid document for a new Enterprise Resource Planning (ERP) system and to oversee its implementation.

**III. DISCUSSION/BACKGROUND**

The Santa Cruz Metropolitan Transit District (METRO) has a need for an ERP encompassing, but not limited to, the following key components: Financial Module, Budget Module, Procurement Module, Human Capital Management Module, and Timekeeping & Payroll Module.

The most immediate need is the replacement of the Financial Information System (FIS). The current Financial System was purchased in the late 1990's. A "front end – upgrade" eliminated the "green screen" and allowed the system to move to a Windows-based front end around 2009, but processes and reporting functionality were not changed nor enhanced.

METRO's Finance Department is able to have two years of financial information available electronically on the current system at one time, but no older historical information is electronically accessible on the current system; it is only available via tape backups.

Excessive manual data entry is needed to use the current system; and, there is no ability to scan in documentation that references financial transactions. Reporting out of the current system is limited and manually intensive.

METRO's Finance Department also continues to be heavily dependent upon spreadsheets. This is not a best practice due in part to the potential vulnerability of spreadsheets, which includes the potential of the data being corrupted and the individuality of the techniques utilized by the spreadsheet creator.

The current Financial System does not have a Budget Component and the Operating and Capital Budgets for METRO are entirely developed and maintained in Microsoft Excel.

The current procurement system was implemented in 2010 and is no longer supported as of late 2020. Additionally, the procurement system is not integrated with METRO's financial system.

The current fixed asset managements system was implemented over ten years ago and is a single user asset depreciation platform, also not integrated with the existing financial system.

Additionally, METRO's human capital management, payroll and timekeeping systems should be assessed and a roadmap for future modifications and improvements should be defined.

Staff is requesting that the Board authorize the Purchasing Manager to issue a formal Request for Proposals (RFP) for a project oversight and advisory consultant to assist METRO in assessing current computer-based resources and processes, to develop a bid document for a new ERP, and to oversee its implementation. The consultant will assist in identifying the most immediate replacement needs and any potential phasing of the replacement software/modules.

Human Capital Management and Timekeeping & Payroll Modules are also being looked at for potential incorporation into the new ERP system for a more efficient and integrated system.



On September 11, 2020, the Finance, Budget and Audit Standing Committee met and reviewed the proposal as presented. They recommended forwarding to the full Board for approval.

#### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This action pertains to METRO's Financial Stability, Stewardship & Accountability and Internal and External Technology priorities.

#### **V. FINANCIAL CONSIDERATIONS/IMPACT**

The required funding in the amount of \$30,000 is included in the FY21 current fiscal year's finance operating budget within the professional technical fees (503031) account. It is likely that the consultant assistance will span over multiple fiscal years, and as such, will be budgeted in each annual budget cycle.

#### **VI. CHANGES FROM COMMITTEE**

None.

#### **VII. ALTERNATIVES CONSIDERED**

The Board may choose not to issue a formal Request for Proposals to secure a project oversight and advisory consultant contract

- This alternative is not recommended by staff as current requests for financial information are not being met or continue to take an exorbitant amount of staff time to create.

#### **VIII. ATTACHMENTS**

**Attachment A:** ERP Consultant Scope of Work

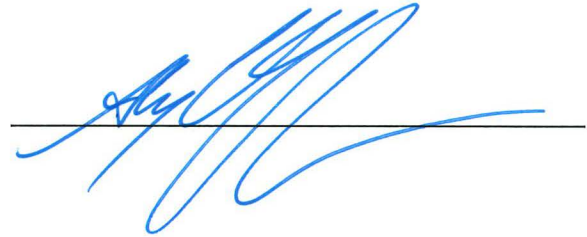
Prepared by: Isaac Holly, IT & ITS Director  
Kristina Mihaylova, Finance Deputy Director  
Angela Aitken, CFO

**IX. APPROVALS**

Approved as to fiscal impact:  
Angela Aitken, CFO



Alex Clifford, CEO/General Manager



# Attachment A



## ERP Consultant Project Overview and Environment

### Agency Overview

The Santa Cruz Metropolitan Transit District (“Santa Cruz METRO” or “METRO”) is the sole public transit operator in Santa Cruz County, and operates its transit services through four (4) transit centers located at: Pacific Station in downtown Santa Cruz, 920 Pacific Avenue, Santa Cruz, CA 95060; Watsonville Transit Center, 475 Rodriguez Street, Watsonville, CA 95076; Bart Cavallaro Transit Center, 246 Kings Village Drive, Scotts Valley, CA 95066; and Capitola Mall, 1855 41st Avenue, Capitola, CA 95010. It has a fleet of 94 buses and operates 25 routes. Santa Cruz METRO also provides paratransit services utilizing a fleet of shuttles and mini-vans. Santa Cruz METRO’s service area is the entire county, an area of 441 square miles, with a population of 274,255 (according to the 2018 United States Census). Santa Cruz METRO was formed in 1968 and is a local public agency. As a recipient of Federal Transit Administration funding, Santa Cruz METRO is required to include certain clauses in its procurements, which the selected Contractor is required to follow.

### Project Overview

METRO is seeking proposals from qualified consultants to provide RFP development, project oversight and advisory services related to the district’s new Enterprise Resource Planning (ERP) System software selection and implementation project. The system elements METRO envisions replacing are:

- Accounting Suite & Budgeting Component
- Purchasing System
- Fixed Asset Management

Additionally, the consultant shall evaluate the following systems for integration and possible replacement:

- Human Resource Information System (HRIS)
- Timekeeping System
- Payroll System

### System Overview

METRO’s current Finance related software consists of the following subsystems:

- **Accounting**

American Business Systems (ABS) - Accounting suite containing the following modules:

- Accounts Receivable
- Accounts Payable
- General Ledger

This system was originally purchased and implemented approximately 15 years ago and is still supported by the vendor. The system is not directly integrated with other subsystems and is very antiquated by today’s standards with regard to administration, interface and reporting capabilities.

# Attachment A

- **Procurement**

Puridium – Purchasing system that provides the following:

- Requisitioning
- Purchase Orders

This system was implemented in 2010 and is no longer supported as of late 2020.

- Bonfire – Sourcing system
  - Solicitations
  - Contract Management

This SaaS-based system was implemented in early 2020 to streamline METRO's solicitation process.

- **Fixed Asset Management**

Sage Fixed Assets – Fixed assets system with the following function:

- Depreciation

This system was implemented over 10 years ago and is a single user asset depreciation platform.

- **HRIS**

Epicor HCM – HRIS which provides the following:

- Personnel information
- Performance tracking
- Pay rate management
- Benefits tracking
- Intranet

This system was originally implemented in 2015 and is hosted on premises with a SQL database backend and IIS based web interface.

NEOGOV – Recruitment system:

- Applicant web portal
- Equal Employment Opportunity (EEO) reporting
- Class specifications (Job descriptions)

This SaaS-based system was implemented in early 2019 as a replacement to the Epicor candidate portal.

- **Payroll & Timekeeping**

iSolved Timeforce – Timekeeping system:

- Employee timekeeping

This system was implemented in early 2008 and has gone through several version upgrade cycles.

# Attachment A

Paytime – Payroll middleware developed in-house:

- Processes timekeeping data for upload to a third party payroll processor

This system was developed in-house in 2018 as a replacement to a legacy system.

## Project Drivers

The following are considerations that are driving this project and the decisions of the executive team:

- The current environment is considered a legacy software solution that lacks subsystem integration and consists of elements that have reached their end of life.
- Management requires better access to data, information and reporting that is currently unavailable, significantly restricted, or requires custom programming to obtain.
- METRO personnel find the current systems difficult to use and understand, which significantly increases the time it takes for new employees to be productive.
- As a result of current limitations to functionality and access to data, METRO personnel have developed work-around processes that are impacting Santa Cruz METRO business and are difficult to support.

## Project Staffing

The project will have an ERP Steering Committee consisting of the Chief Financial Officer (CFO), IT and ITS Director, and representatives of each appropriate METRO department. This team will represent all executive level decision-making for the project. The designated project team staff will be available on a project-need basis, while sharing time with normal job duties. It is recognized there may be additional needs for staffing based upon consultant recommendations.

## Scope of Work

1. Work with METRO staff to develop and document detailed existing (as is) and proposed (to be) functional and data requirements, including business process work flow for all METRO departments for the new ERP software.
2. Prepare a Request for Proposals (RFP) to be issued by METRO for the new ERP software environment and implementation services that will allow for thorough comparison of all qualified vendors. The RFP must be prepared in compliance with METRO Purchasing Policies and Procedures and applicable California Government Codes and Statutes.
3. Lead the METRO through the ERP software selection process including coordinating software demonstrations and on-site visits. Assist with the identification of potential risks and issues to ensure the METRO makes a selection decision that achieves METRO's ERP requirements.
4. Participate in contract negotiations with the selected vendor to ensure a performance-based contract, where milestones are paid when accomplished.
5. Guide METRO through the implementation of the selected software and assist with the identification and assessment of process changes necessary for a successful ERP software roll-out.

# Attachment A

6. Perform the duties of an Executive Project Manager through all phases of this project, ending with the successful implementation of the new ERP software.
  - a. Act as a liaison between the steering committee stakeholder team, project team, vendor(s) and METRO staff.
  - b. Work with vendor and project team to develop and manage a comprehensive project plan, detailing project stages, milestones and resources.
  - c. Manage the change management process with oversight from the CFO for both the project and the selected vendor contract.
  - d. Ensure adequate knowledge transfer to METRO staff to configure, manage, operate and support the new ERP environment.
  - e. Provide project status reports, deliver presentations, act as public information officer to media, Council, Boards & Commissions, other outside agencies, and citizens, as deemed appropriate by the steering committee.

## **Project Deliverables**

1. Project documents necessary to support a project of this size – project plan, communications plan, executive status reports, etc.
2. Requirements Analysis Report detailing the functional and data requirements, including business process work flow needed for the new ERP system.
3. Completed RFP for new ERP system and implementation.
4. Evaluation and recommendation of vendor proposals for the new ERP system and implementation.
5. Successful completion of the ERP project scope of work.



**DATE:** September 25, 2020  
**TO:** Board of Directors  
**FROM:** Greg Willis, Purchasing Manager  
**SUBJECT: ACCEPT AND FILE THE QUARTERLY PROCUREMENT REPORT FOR  
2<sup>ND</sup> QUARTER OF FY21**

**I. RECOMMENDED ACTION**

**That the Board of Directors accept and file the Quarterly Procurement Report for the 2<sup>nd</sup> quarter of FY21**

**II. SUMMARY**

- This staff report provides the Board of Directors (Board) with a Quarterly Procurement Report for the 2<sup>nd</sup> quarter of FY21, covering the months of October through December.
- Each quarter staff will provide a Quarterly Procurement Report listing anticipated formal procurements within the upcoming quarter that are not being presented to the Board separately.

**III. DISCUSSION/BACKGROUND**

The purpose of this report is to provide the Board an opportunity to review and comment on upcoming formal procurements before they are ready for award.

Formal procurements are defined as construction valued at \$10,000 or more, and goods, materials and professional services valued at \$50,000 or more. Formal procurements related to major projects will be presented to the Board separately in stand-alone Staff Reports.

Attachment A details the regular formal procurements the Purchasing Department is planning on issuing during the 2<sup>nd</sup> quarter of FY21 (October through December).

**IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This report aligns to Financial Stability, Stewardship & Accountability.

**V. FINANCIAL CONSIDERATIONS/IMPACT**

See attached.

**VI. CHANGES FROM COMMITTEE**

N/A

**VII. ALTERNATIVES CONSIDERED**

N/A

**VIII. ATTACHMENTS**

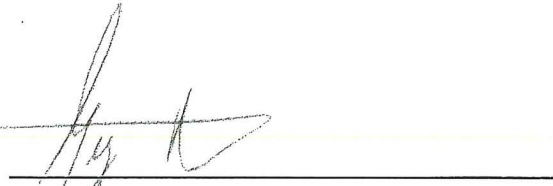
**Attachment A:** FY21 2<sup>nd</sup> Quarter Anticipated Procurements Listing

Prepared by: Joan Jeffries, Purchasing Agent

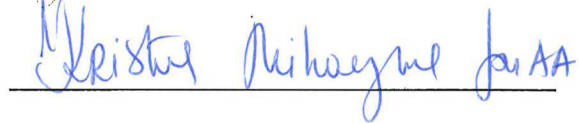


**IX. APPROVALS**

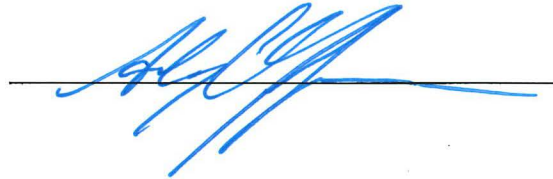
Greg Willis, Purchasing Manager

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Approved as to fiscal impact:  
Angela Aitken, CFO

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Alex Clifford, CEO/General Manager

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Anticipated Procurement Listing

FY21: 2nd Quarter

Month Anticipated to be Issued	Description	Purpose	Department	Funding Source	Anticipated Value (5-year term)	Project No.
<b>Expiring Reoccurring Professional Services Contracts</b>						
November	Third Party Administration of Workers' Compensation Claims	For services of an outside vendor to administer METRO's workers' compensation claims, providing increased cost effectiveness and program control.	Human Resources	Operating	\$350,000	n/a
November	Vehicle Repair and Maintenance Services	For overflow non-warranty maintenance and repair services on METRO's non-revenue/staff support and ParaCruz vehicles.	Fleet	Operating	<b>\$300,000</b>	n/a
<b>One-Off Contracts</b>						
October	Floor Scrubber for Maintenance Shop	To replace non-functioning Maintenance Shop floor scrubber	Facilities Maintenance	FTA FY18 5339a	\$45,000	19-0045

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**DATE:** September 25, 2020  
**TO:** Board of Directors  
**FROM:** Rufus Francis, Safety, Security and Risk Management Director  
**SUBJECT: RECOMMENDED ACTION ON TORT CLAIMS**

**I. RECOMMENDED ACTION**

**That the Board of Directors Approve Staff Recommendations for Claims for the Month of September 2020**

**II. SUMMARY**

This staff report provides the Board of Directors with recommendations on claims submitted to the Santa Cruz Metropolitan Transit District (METRO).

**III. DISCUSSION/BACKGROUND**

METRO's Risk Department received one claim for the month of September 2020 for money or damages. As a public entity, METRO must act "within 45 days after the claim has been presented" (Govt C §912.4(a)). See staff recommendations in paragraph VIII.

**IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This report pertains to METRO's Financial Stability, Stewardship and Accountability.

**V. FINANCIAL CONSIDERATIONS/IMPACT**

None

**VI. CHANGES FROM COMMITTEE**

N/A

**VII. ALTERNATIVES CONSIDERED**

Within the 45-day period, the Board of Directors may take the following actions:

- Reject the claim entirely;

- Allow it in full;
- Allow it in part and reject the balance;
- Compromise it, if the liability or amount due is disputed (Govt C §912.4(a)); or
- Do nothing, and allow the claim to be denied by operation of law (Govt C §912.4 (c)).

**VIII. DESCRIPTION OF CLAIM**

Claimant	Claim #	Description	Recommended Action
Cheresh, Julia	20-0010	Claimant alleges that a METRO bus hit her parked car. Amount of claim: \$641.58	Reject

Prepared by: Tom Szeszowicki, Safety Specialist

**IX. APPROVALS**

Rufus Francis, Safety, Security  
and Risk Management Director



Alex Clifford, CEO/General Manager



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**DATE:** September 25, 2020  
**TO:** Board of Directors  
**FROM:** Freddy Rocha, Facilities Maintenance Manager  
**SUBJECT: ACCEPT AND FILE TRANSIT ASSET MANAGEMENT PLAN**

**I. RECOMMENDED ACTION**

**That the Board of Directors accept and file the Transit Asset Management status report as of September 25,2020**

**II. SUMMARY**

- An analysis of Santa Cruz Metropolitan Transit District's (METRO) Transit Asset Management Plan (TAM) status is prepared in order to inform the Board of Directors regarding METRO's TAM and its relation to Capital projects.
- This staff report is a web-accessible companion document to the attached PowerPoint presentation titled "Transit Asset Management Plan"
- Staff recommends that the Board of Directors (Board) accept and file the attached report.

**III. DISCUSSION/BACKGROUND**

Below are written explanations of various charts and graphs in the attached Transit Asset Management Plan (TAM) as of September 25, 2020.

**TAM Presentation Attachment A**

Slide 1

(Cover) Transit Asset Management Plan

September 25, 2020

Slide 2

What is Transit Asset Management?

- Transit Asset Management Plan it is a strategic and systematic practice of maintaining state of good repair.

### Slide 3

How Metro's assets are evaluated?

- Useful Life Benchmark (ULB) is an acceptable lifecycle of a capital asset.

### Slide 4

Investment Prioritization

- 5 year plan of Capital investment and acquisitions.

### Slide 5

Buses Useful Life Benchmark (ULB) Targets

- A forecast of buses that will remain in the fleet that have reached their useful life benchmark for the period of 6 years 2020-2025.
- FY20 – 32 (34%) of the buses remain that have reached their ULB
- FY21 – 22 (23%) of the buses remain that have reached their ULB
- FY22 – 8 (9%) of the buses remain that have reached their ULB\*
- FY23 – 16 (17%) of the buses remain that have reached their ULB\*
- FY24 – 15 (16%) of the buses remain that have reached their ULB\*
- FY25 – 18 (19%) of the buses remain that have reached their ULB\*

**\* These targets do not include any possible grants METRO might be awarded.**

### Slide 6

ParaCruz Useful Life Benchmark (ULB) Targets

- A forecast of ParaCruz vehicles that will remain in the fleet that have reached their useful life benchmark for the period of 6 years 2020-2025.
- FY20 – 12 (38%) of the vehicles remain that have reached their ULB
- FY21 – 5 (16%) of the vehicles remain that have reached their ULB
- FY22 – 7 (22%) of the vehicles remain that have reached their ULB\*
- FY23 – 7 (22%) of the vehicles remain that have reached their ULB\*

- FY24 – 7 (22%) of the vehicles remain that have reached their ULB\*
  - FY25 – 18 (59%) of the vehicles remain that have reached their ULB\*
- \* These targets do not include any possible grants METRO might be awarded.**

Slide 7

Non-revenue support vehicles Useful Life Benchmark (ULB) Targets

- A forecast of Non-Revenue Vehicles that will remain in the fleet that have reached their useful life benchmark for the period of 6 years 2020-2025
  - FY20 – 25 (54%) of the vehicles remain that have reached their ULB\*
  - FY21 – 26 (57%) of the vehicles remain that have reached their ULB\*
  - FY22 – 26 (57%) of the vehicles remain that have reached their ULB\*
  - FY23 – 31 (67%) of the vehicles remain that have reached their ULB\*
  - FY24 – 31 (67%) of the vehicles remain that have reached their ULB\*
  - FY25 – 31 (67%) of the vehicles remain that have reached their ULB\*
- \* These targets do not include a transition plan to EV vehicles.**

Slide 8

METRO Vehicles Covered by TAM

- Non-Revenue vehicle type list.
- Non-Revenue fleet includes ParaCruz vehicles that reached their ULB and are given a second life as Non-Revenue Vehicles.

Slide 9

- FTA's rating scale for vehicles and facilities.

Slide 10

Facilities Condition Rating

- All facilities remain above an overall rating of 3.

- Pacific Station (Metro Center) has the lowest overall rating of 3. Metro will invest in building to continue to maintain it in a State of Good Repair and at a minimum rating of 3.

Slide 11

What assets are part of TAM inventory?

- All assets used in the provision of public transit.

Slide 12

What are the FTA requirements for TAM?

- To create a TAM plan, maintain and update.

Slide 13

Leadership and Responsibility of Transit Asset Management

**Detailed TAM Project List: Attachment B**

Slide 1

10 Year METRO Unfunded Capital Projects Summary

Slide 2

Construction Projects

Slide 3

Vehicle State of Good Repair Projects

Slide 4

Facilities Maintenance Projects

Slide 5

IT & Communications Projects

**IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This report pertains to METRO's State of Good Repair.

**V. FINANCIAL CONSIDERATIONS/IMPACT**

None

**VI. CHANGES FROM COMMITTEE**

Based on feedback received at the September 11, 2020 Capital Projects Standing Committee meeting, the vehicle type list for non-revenue vehicles and number of vehicles is now included.

**VII. ALTERNATIVES CONSIDERED**

There are no alternatives, as this is an accept and file Transit Asset Management status report.

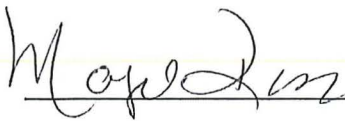
**VIII. ATTACHMENTS**

**Attachment A:** TAM Presentation

**Attachment B:** Detailed TAM Project List

Prepared by: Freddy Rocha, Facilities Maintenance Manager

**IX. APPROVALS**

Margo Ross, Chief Operations Officer 

Approved as to fiscal impact:  
Angela Aitken, CFO  for AA

Alex Clifford, CEO/General Manager 



# Transit Asset Management Plan

September 25, 2020

Freddy Rocha, Facilities Maintenance Manager

## What is Transit Asset Management ?

Transit Asset Management Plan is a strategic and systematic practice of:

- Procuring assets
- Keeping operating assets in good order
- Inspection of assets
- Rehabilitation of assets
- Replacing Capital assets
- Federal Transportation Administration (FTA) oversight



## How are METRO's Assets Evaluated?

To provide Useful Life Benchmark's (ULB) for METRO's assets, they are defined as:

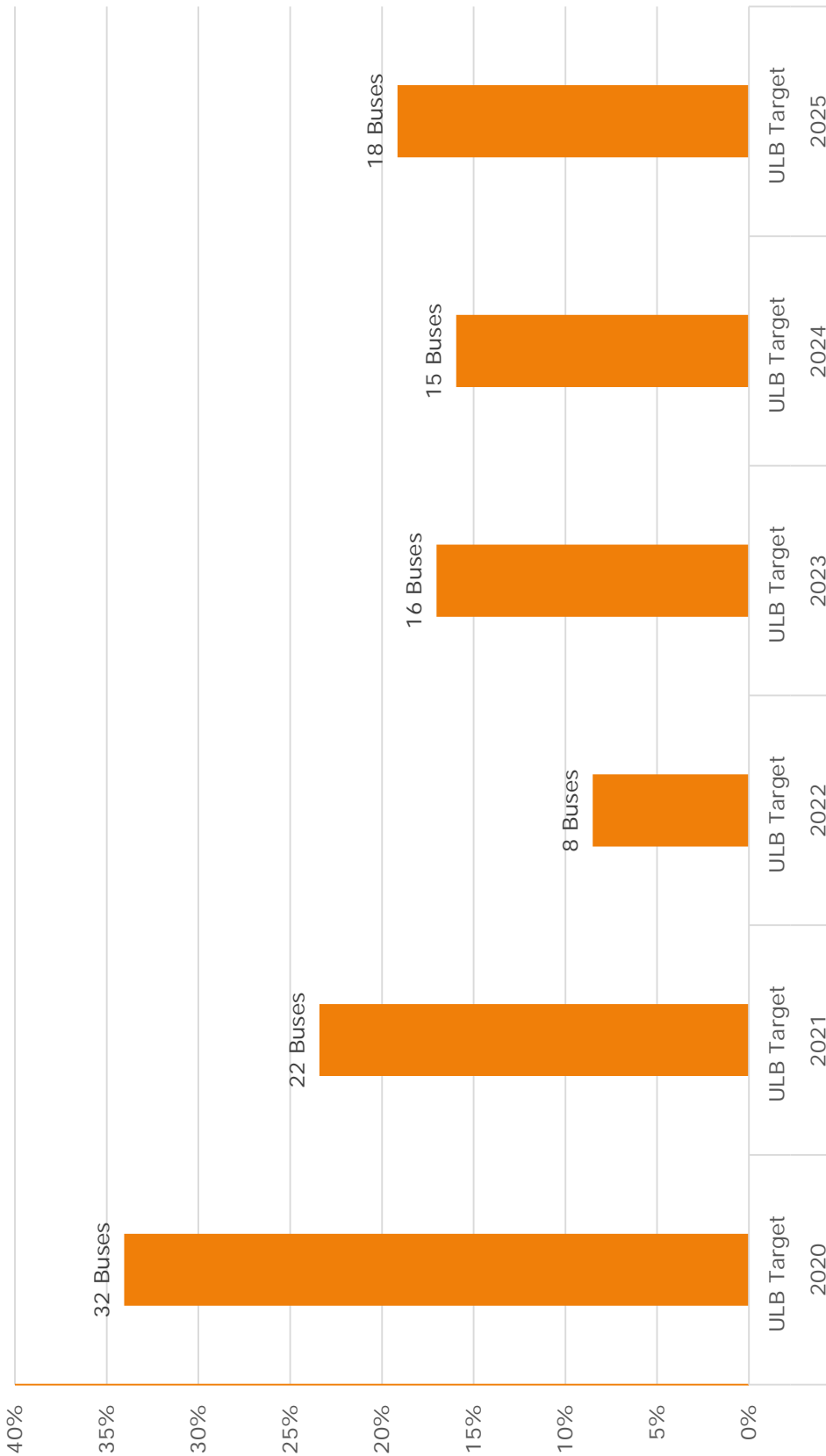
- Expected lifecycle of a Capital asset
- The acceptable period of use in service for a particular transit provider's operating environment
- METRO reviews the local operating environment of its assets
- METRO's historical maintenance records
- Manufacturer guidelines
- Default asset ULB described by the Federal Transportation Administration (FTA)

# Investment Prioritization

Project Year	Project Name	Asset Category	Asset Class	Cost
2020	(4) ZEB- Electric Bus Purchase	RevenueVehicles	BU - Bus	\$4,659,315
2020	(3) ParaCruz Vans	Revenue Vehicles	CU - Cutaway Bus	\$259,342
2021	(6) CNG Bus Purchase	Revenue Vehicles	BU - Bus	\$3,953,335
2021	Financial Information System	Equipment	Custom 3	\$800,000
2021	(2) CNG 35 ft Bus grant - not yet awarded	RevenueVehicles	BU - Bus	\$1,360,000
2021	(7) Paracruz vans Grant - not yet awarded	RevenueVehicles	BU - Bus	\$604,000
2022	14 Lease to Buy CNG buses \$3,000,000 a year	RevenueVehicles	BU - Bus	\$3,000,000
2023	(3) Electric 45 ft Coach	RevenueVehicles	BR - Over-the-road Bus	\$3,810,000
2023	(2) Articulating CNG Buses	RevenueVehicles	BU - Bus	\$2,000,000
2024	(1) Articulating CNG bus	RevenueVehicles	BU - Bus	\$1,000,000

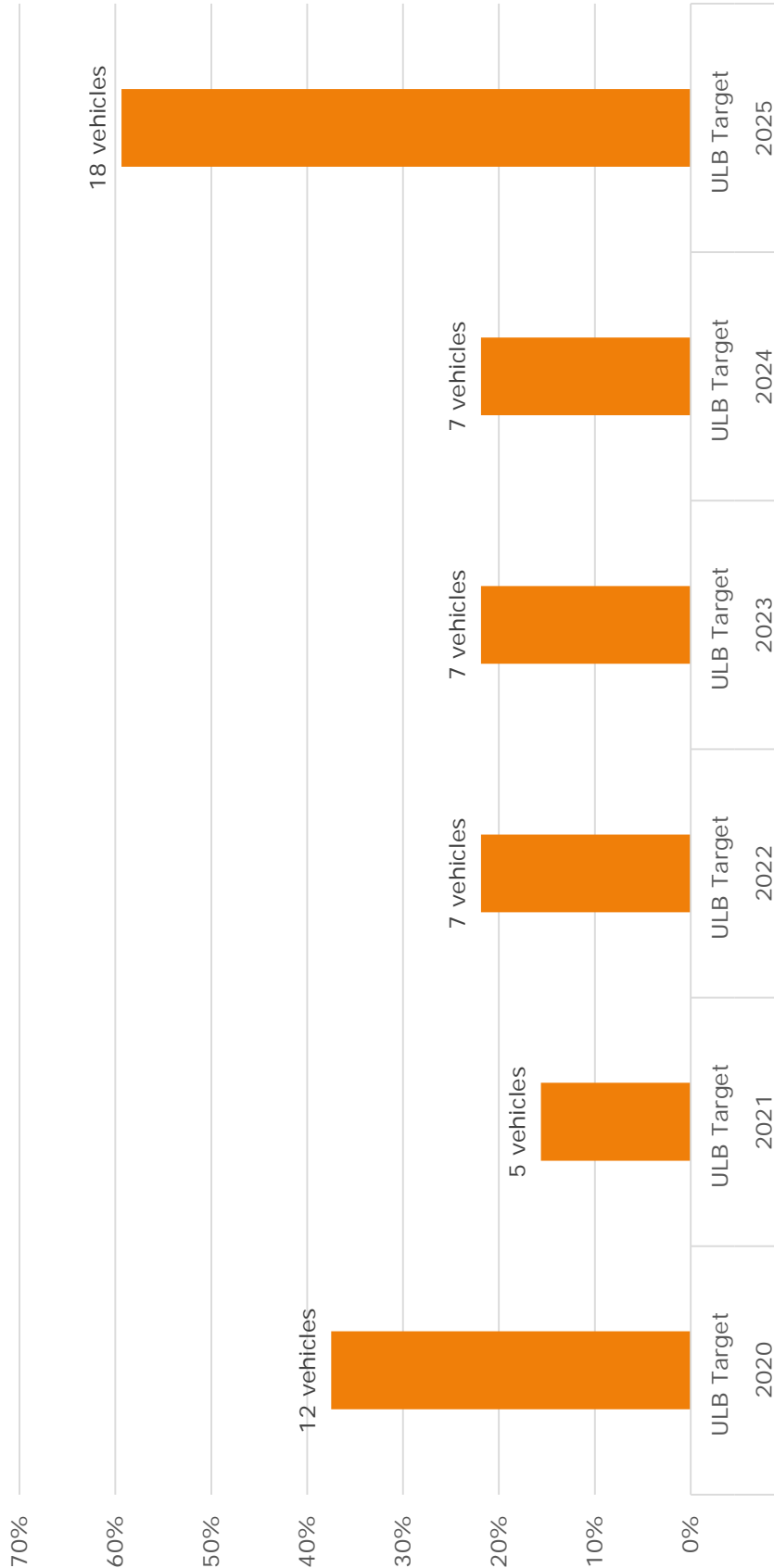
# Buses Useful Life Benchmark Targets

Buses at Useful Life Benchmark  
of 94 Total Buses



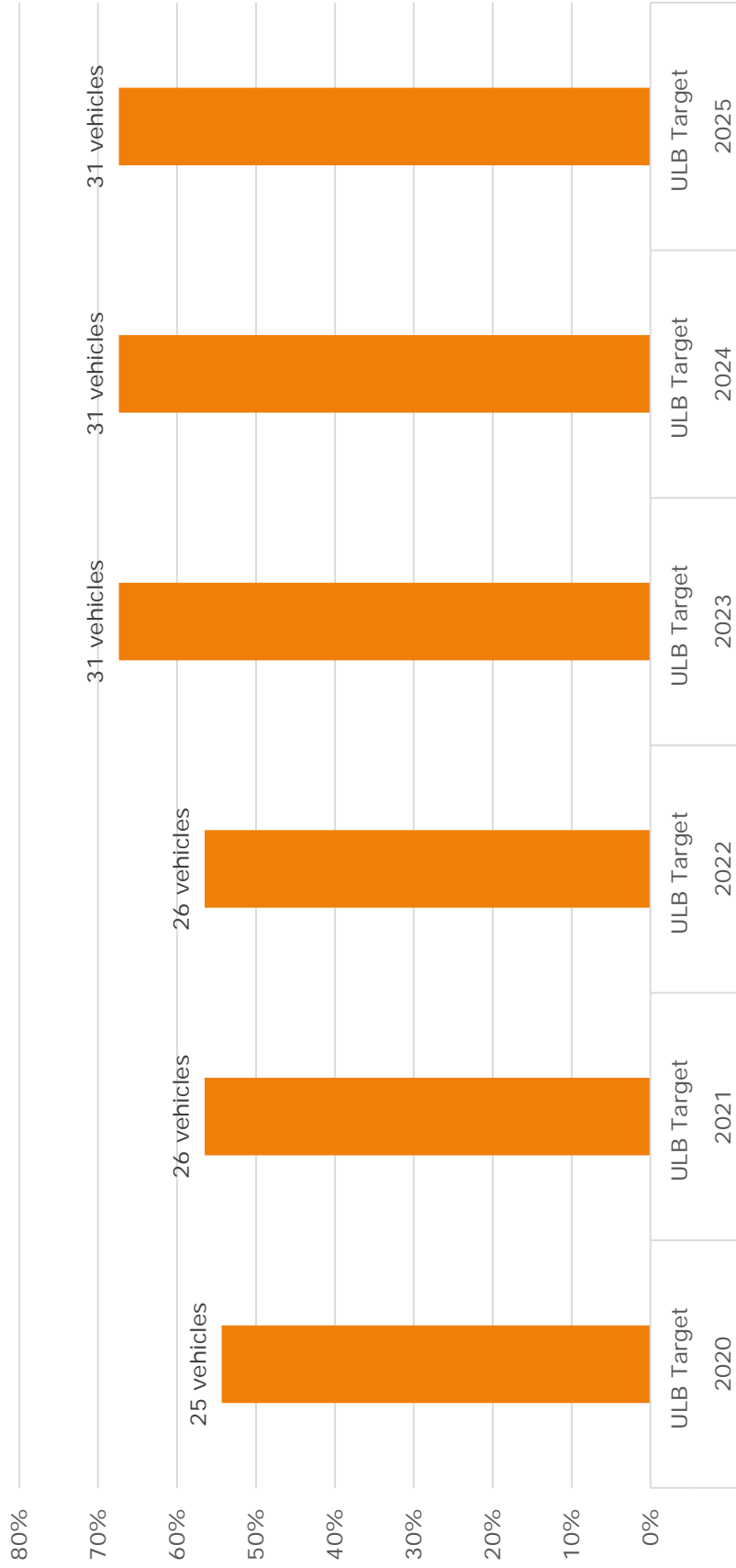
# ParaCruz Useful Life Benchmark Targets

ParaCruz Vehicles at Useful Life Benchmark  
of 32 Total Vehicles



# Non-Revenue Support Vehicles Useful Life Benchmark

Non-Revenue Vehicles at Useful Life Benchmark  
of 46 Total Vehicles



# METRO Vehicles Covered by TAM

Departments using vehicles include: Fixed Route, ParaCruz, Fleet, Facilities, Administration and Training - totaling 46 various vehicles.

- Passenger Vans
- Flat Bed Truck
- Pickup Trucks
- Civic Hybrid vehicles
- Service Body Trucks
- Relief Vehicles
- Heil Dump Truck
- ParaCruz Cutaways
- Supervisor SUVs
- Ford Escape
- Ford Focus
- Cargo Vans
- Mini-Vans
- Transporter Vans
- Fork Lifts

# FTA Rating Scale

## TERM Condition Rating Scale

Condition	Ratings	Description
<b>Excellent</b>	<b>5.0 to 4.8</b>	New asset; no visible defects
<b>Good</b>	<b>4.7 to 4.0</b>	Asset showing minimal signs of wear; some (slightly) defective or deteriorated component(s)
<b>Adequate</b>	<b>3.9 to 3.0</b>	Asset has reached its mid-life (condition 3.5); some moderately defective or deteriorated component(s)
<b>Marginal</b>	<b>2.9 to 2.0</b>	Asset reaching or just past the end of its useful life; increasing number of defective or deteriorated component(s) and increasing maintenance needs
<b>Poor</b>	<b>1.9 to 1.0</b>	Asset is past its useful life and is in need of immediate repair or replacement; may have critically damaged component(s)

# Facilities Condition Rating

Facilities Inspections Rating





## What Assets are Part of TAM Inventory?

All assets used in the provision of public transit:

- Transit Buses
- ParaTransit Vehicles
- Maintenance Vehicles
- All Vehicles
- Facilities
- Equipment Assets over \$50,000 in Acquisition Value

## What are the FTA Requirements for TAM?

- ❑ To Create, Maintain and Update TAM Plan
- ❑ Coordinate with State and Regional Planning Agencies
- ❑ Self-certify; Comply and Certification and Assurances during State & Federal Grant Making
- ❑ Submit Annual NTD Narrative Reporting
- ❑ Participate in Oversight During TR/SMR
- ❑ **Failure to certify TAM jeopardizes FTA grant funding**
- ❑ Submit Annual Data Reporting:
  - a. Performance Targets
  - b. Performance Status
    - 1. Condition Assessments
    - 2. Inventories

# Leadership and Responsibility of Transit Asset Management

Executive: Alex Clifford, CEO/General Manager

- Provides Leadership
- Allocates Resources
- Provides Strategic support
- Approves TAM plan
- Certifies compliance of TAM through FTA

TAM Management: Freddy Rocha, Facilities, Maintenance Mgr.

- Implements plan
- Provides guidance
- Enforces procedures
- Recommends replacement and/or investment in assets

FTA:

- Provides oversight through FTA Triennial Review
- State of California Management review process

**Thank you!**

Questions?

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# 10 Year METRO Unfunded Capital Projects

## Summary

Category	5-yr need (000s)	10-yr need (000s)
Construction	\$ 72,125	\$ 147,475
Vehicle State of Good Repair (SGR)	\$ 28,825	\$ 33,195
Facilities Maintenance	\$ 6,095	\$ 9,220
Information Technology (IT)/Communications	\$ 6,321	\$ 6,321
<b>Total</b>	<b>\$ 113,366</b>	<b>\$ 196,211</b>

# Construction Projects

		UNFUNDED CAPITAL PROJECTS (000s)										
Construction			21	22	23	24	25	26	27	28	29	30
#	Project	Description	Cost (000s)									
1	ParaCruz Operating Facility (Mobility Management Center)	Property Acquisition, Design, Right-of-Way and construction for new ParaCruz Operating Facility	\$ 3,700	\$ 3,700								
2	Cavallaro Transit Center roof replacement and solar panels	Shingle roof and solar panels	\$ 75	\$ 75								
3	Maintenance Facility Bay 11 Modifications	Modify Bay 11 to better accommodate articulated buses.	\$ 100	\$ 100								
4	Upgrade Pasatiempo Northbound stop	Design, engineering, and construction of shelter pad and waiting area	\$ 50	\$ 50								
5	Fluid Management System Phase 2	Purchase and installation of fluid management system	\$ 650	\$ 650								
6	ZEB Fast-charging Infrastructure at WTC	Fast-charging infrastructure at Watsonville Transit Center	\$ 1,000	\$ 1,000								
7	Vernon Street Bus Stop	Move (Route 4) bus stop to lower Admin parking lot. Install base and concrete to bus stop pad and maneuvering apron. Necessary precursor to securing maintenance facility.	\$ 600				\$ 300	\$ 300				
8	Solar Panels at Ops, Maintenance, Admin	Energy cost reduction through installation of roof-mounted solar panels at the Judy K. Souza Operations Facility, Golf Club, and Vernon	\$ 2,000			\$ 2,000						
9	Maintenance Facility Wing 2 (to accommodate articulated buses)	Property Acquisition (including 1231 River St), Design, Right-of-Way and Construction for second wing of Maintenance Facility	\$ 15,850				\$ 15,850					
10	Soquel/Freedom Traffic Signal Priority/Pre-Emption for Buses	Enable coach operators to actuate traffic signals to prolong green or change red lights to improve transit running time	\$ 2,000				\$ 2,000					
11	Mid-county Park and Ride	New mid-county park and ride to replace Soquel Park & Ride. Captiola Mall?	\$ 10,000				\$ 10,000					
12	Watsonville Park and Ride Lot	South County P&R to support Hwy 1 commuters (200 spaces)	\$ 10,000				\$ 10,000					
13	Cavallaro Transit Center Parking Structure	3-Story Parking Structure to support Hwy 17 Express commuters and City activities	\$ 26,400				\$ 26,400					
14	Remove Diesel Tank	Remove tank after replacement of last diesel bus fleet. On hold, as more diesel buses may be added to the fleet.	\$ 50							\$ 50		
15	South County Ops. & Maint. Facility	Auxiliary Operating (including ParaCruz) & Maintenance Facility in Watsonville.	\$ 50,000									\$ 50,000
16	New Watsonville Transit Center	Replacement of current transit center	\$ 25,000									\$ 25,000
			\$ 147,475	\$ 3,925	\$ 1,650	\$ 2,000	\$ 64,550	\$ 300	\$ -	\$ 50	\$ -	\$ 75,000
			\$ 72,125									



# Vehicle State of Good Repair Projects

UNFUNDED CAPITAL PROJECTS (000s)											
Vehicle SGR		21	22	23	24	25	26	27	28	29	30
#	Project	Description	Cost (000s)								
1	ParaCruz Replacements	5 new vehicles per year FY20-22; 3 new vehicles per year FY23-29	\$ 2,145	\$ 360	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255
2	Bus Replacements 2022	Bus Replacements Replace (6) CNG buses	\$ 4,200	\$ 4,200							
3	Bus Replacements 2023	Bus Replacements Replace (16) CNG buses	\$ 11,200	\$ 11,200							
4	Bus Replacements 2024	Bus Replacements Replace (0) buses	\$ -								
5	Bus Replacements 2025	Bus Replacements Replace (7) CNG buses	\$ 4,900	\$ 4,900							
6	Bus Replacements 2026	Bus Replacements Replace (10) CNG buses	\$ 7,000		\$ 7,000						
7	Bus Replacements 2027	Bus Replacements Replace (0) buses	\$ -								
8	Bus Replacements 2028	Bus Replacements Replace (0) buses	\$ -								
9	Bus Replacements 2029	Bus Replacements Replace (4) buses (3 CNG; 1 ZEB)	\$ 3,350						\$ 3,350		
10	Diesel-electric Hybrid Battery Replacements	10 buses - replace 4 batteries per year in FY21-22; 2 in FY23 (\$40k/battery)	\$ 400	\$ 160	\$ 80						
11	Non-revenue Vehicle Replacements	Non-revenue trucks and cars	\$ -								
<b>Unfunded Capital Costs thru FY2030</b>			<b>\$ 33,195</b>	<b>\$ 4,360</b>	<b>\$ 11,720</b>	<b>\$ 335</b>	<b>\$ 5,155</b>	<b>\$ 7,255</b>	<b>\$ 3,605</b>	<b>\$ 255</b>	<b>\$ 255</b>
Unfunded Capital Costs thru FY2025			\$ 33,195	\$ 4,360	\$ 11,720	\$ 335	\$ 5,155	\$ 7,255	\$ 3,605	\$ 255	\$ 255

\*\*\* Based on 10/31/19 Long-Range Bus Replacement Plan

\*\*\* Based on 2019 cost assumptions: CNG 35' & 40' - \$700k; artic - \$850k; ZEBs - \$1.25M

\*\*\* The project year (Bus Replacements 20XX) is the year the bus needs replacement. The funding need is placed in the previous fiscal year because it takes about a year from purchase to receive the bus.

# Facilities Maintenance Projects

		UNFUNDED CAPITAL PROJECTS (000s)												
Facilities Maintenance		21	22	23	24	25	26	27	28	29	30			
#	Project	Description	Cost (000s)											
1	Pacific Station Rehabilitation or Redevelopment	Rehab of existing facility or redevelopment as part of City project, subject to availability of grant funding	\$ 1,800											
2	Capital upgrade of existing transit facilities	Capital upgrade of bus stops, parking lots, transit centers, buildings	\$ 750	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	
3	Custodial Equipment Replacement	Vacuums, Buffers, Scrubbers	\$ 200	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	
4	Landscaping/Irrigation	Re-landscape & irrigate all sites	\$ 300	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	
5	Bird Abatement	All Facilities	\$ 10	\$ 10										
6	Furniture	All Facilities	\$ 150	\$ 50	\$ 50	\$ 50								
7	Fueling and Wash Facility - Awning Install	Construction phase - Awning at front of fueling island	\$ 250	\$ 250										
8	Fuel and Wash Facility - rust removal and repaint	Remove rust and repaint bus fuel and wash facility and equipment	\$ 125	\$ 125										
9	Replace Pressure Washer System	Pressure washer for engine cleaning	\$ 580	\$ 580										
10	Golf Club Flooring	Installation of Tremco Elastomeric Traffic Coating System in Bus Shop and Parts Dept	\$ 450	\$ 450										
11	Emergency Operations Centers		\$ 200	\$ 200										
12	Maintenance parking lot drainage	French drain or other solution to ensure water doesn't drain to Rayne building	\$ 50	\$ 50										
13	Portable Bus Lifts	1 sets of 4 standard lifts, \$75k. Estimate includes labor.	\$ 75	\$ 75										
14	Administration Remodel	Office remodel of 110 Vernon St.: move/add office space and reconfigure/replace HVAC	\$ 1,000	\$ 1,000										
15	Golf Club Interior Painting	Golf Club Interior Painting	\$ 150	\$ 150										
16	Medium Duty Trash Truck	Specialty truck for safer and more efficient bus stop trash cleanup	\$ 150	\$ 150										
17	Shop bay door drainage	French drain or other solution for shop bay door drainage	\$ 200	\$ 200										
18	Golf Club Parts Washers (3)	Replace the JRI units purchased 2010	\$ 80	\$ 80										
19	Parallelogram Lift Replacement		\$ 200	\$ 200										
20	Fueling Station	Roof replacement and mid-life rehab. Includes sewer lift pump	\$ 250	\$ 250										
21	Golf Club Generator Replacement		\$ 100	\$ 100										
22	Bus Washer Replacement		\$ 450	\$ 450										
23	In-ground Bus Lifts	Remove and replace in-ground lifts	\$ 1,700	\$ 1,700										
<b>Unfunded Capital Costs thru FY2030</b>			<b>\$ 9,220</b>	<b>\$ 1,465</b>	<b>\$ 3,725</b>	<b>\$ 375</b>	<b>\$ 405</b>	<b>\$ 125</b>	<b>\$ 125</b>	<b>\$ 375</b>	<b>\$ 225</b>	<b>\$ 450</b>	<b>\$ 1,700</b>	
Unfunded Capital Costs thru FY2025			\$ 6,095											

# IT & Communications Projects

UNFUNDED CAPITAL PROJECTS (000s)											
	IT	21	22	23	24	25	26	27	28	29	30
#	Project	Description	Cost (000s)								
1	Bus APC	Automatic Passenger Counter (APC) systems on all METRO buses.	\$ 650	\$ 650							
2	Maintenance Facility	Electronic building access control to Golf Club Maintenance building; security lighting and cameras	\$ 50	\$ 50							
3	Backup (to Kite Hill)	2-way Radio Equipment to allow JKS to function as an emergency radio repeater site	\$ 25	\$ 25							
4	Repeater Site	Eligibility Coordinator ID	\$ 6	\$ 6							
5	Card Printer	Account-based fare collection upgrade to replace GFI paper and plastic pass system (excluding fareboxes and vaults)	\$ 500	\$ 500							
6	Account-based Fare Collection Upgrade	Financial, Payroll, Timekeeping Software	\$ 250	\$ 125	\$ 125						
7	Security System Replacement for WTC and Pacific Station	Replace security system at end-of-life	\$ 375	\$ 375							
8	Website Upgrade		\$ 150	\$ 150							
9	Rebranding - Phase 1		\$ 75	\$ 75							
10	Backup system	Backup system to meet growing disaster recovery needs	\$ 20	\$ 20							
11	TVMs - replacements and additional	Pending decision on new fare system, as TVMs may no longer be required	\$ 250	\$ 250							
12	MaintStar Expansion Software and Mobile Equipment	Asset and Maintenance Managing software and equipment with onsite training and installation. Work field orders.	\$ 150	\$ 150							
13	ITS	Public WiFi equipment on all facilities and routes beginning w/UCSCs and Express buses. Bus AVL implementation may negate the need for this.	\$ 1,000	\$ 1,000							
14	Camera security system for ParaCruz facility	Camera security system for ParaCruz facility	\$ 150	\$ 150							
15	Security System Replacement for Vernon and Golf Club	Replace security system at end-of-life	\$ 350	\$ 350							
16	Replace Fareboxes and Vaults	Replace fareboxes and vaults at end-of-life.	\$ 2,250	\$ 2,250			\$ 2,250				
17	Phone System Replacement	Replace phone system at end-of-life	\$ 70	\$ 70			\$ 70				
<b>Unfunded Capital Costs thru FY2030</b>			<b>\$ 6,321</b>	<b>\$ 1,731</b>	<b>\$ 2,270</b>	<b>\$ -</b>	<b>\$ 2,320</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Unfunded Capital Costs thru FY2025</b>			<b>\$ 6,321</b>	<b>\$ 6,321</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**DATE:** September 25, 2020  
**TO:** Board of Directors  
**FROM:** Freddy Rocha, Facilities Maintenance Manager  
**SUBJECT:** **CONSIDERATION OF AWARD OF CONTRACT TO MARK THOMAS & COMPANY, INC. FOR GENERAL ON-CALL CIVIL ENGINEERING AND SURVEYING SERVICES NOT TO EXCEED \$300,000**

**I. RECOMMENDED ACTION**

- 1) That the Board of Directors authorize the CEO/General Manager to execute a contract with Mark Thomas & Company, Inc. for General On-Call Civil Engineering and Surveying Services in an amount not to exceed \$300,000 for a three (3)-year period, with options to extend the contract for a total term of seven (7) years; and,**
- 2) That the Board of Directors authorize the CEO/General Manager to execute future amendments with Mark Thomas & Company, Inc. for the options to extend, increasing the contract total for each option year as required, not to exceed a total value of \$700,000 for the full seven (7) years**

**II. SUMMARY**

- The Santa Cruz Metropolitan Transit District (METRO) has a need for General On-Call Civil Engineering and Surveying Services.
- A formal Request For Proposals (RFP) was conducted to solicit proposals from qualified firms. Six firms submitted proposals for METRO's review.
- A three-member evaluation team composed of METRO staff reviewed and evaluated the proposals, and is recommending an award to Mark Thomas & Company, Inc.

**III. DISCUSSION/BACKGROUND**

METRO has utilized an on-call civil engineering firm, Bowman & Williams, Inc., for the past seven years to perform various engineering services on a task order basis, including bus stop improvements, surveillance server room modifications, multiple generator designs, fire egress design, site plan for charging stations at Operations, permitting assistance and construction support services. Bowman & Williams, Inc.'s contract expired in August, with no further options to renew.

Various upcoming potential projects that this contract could be utilized on include the new ParaCruz facility at the Park and Ride lot near Dominican Hospital; possible repair work and/or upgrades at Pacific Station; renovations to the Administration building; Vernon Street bus stop installation and parking area reconfigurations; Pasatiempo bus stop renovations; and On Route Construction/ Installation of Inductive Chargers.

On March 9, 2020, METRO legally advertised and distributed Request for Proposals (RFP) No. 20-12. Utilizing METRO's new eProcurement system, notice of this RFP was sent to over 1,880 firms and builders' exchanges, posted on METRO's website and sent via email to all GovDelivery subscribers. On April 29, 2020, proposals were received and opened from six firms. A list of these firms is provided in Attachment A. A three-member evaluation team composed of METRO staff has reviewed and evaluated the proposals.

The evaluation team used the following criteria as contained in the Request for Proposals:

<b>Evaluation Criteria</b>
Qualifications and recent experience
Relevant experience of key staff, including proposed project manager and assigned staff
Experience with government agencies
References
Geographic location – familiarity with City and County of Santa Cruz and State of California processes and procedures

In addition to evaluating written proposals, the evaluation team conducted Zoom interviews with all six proposers. At the conclusion of the evaluation process, Mark Thomas & Company, Inc. was determined to be the highest-ranked proposer. The evaluation team believes this firm's extensive experience with transit agencies and history of successful transit-related projects indicate it will be an excellent partner for METRO's upcoming capital projects.

Staff is recommending the following actions:

- 1) That the Board of Directors authorize the CEO to execute a three-year contract on behalf of METRO with Mark Thomas & Company, Inc. for General On-Call Civil Engineering and Surveying Services in an amount not to exceed \$300,000; and,
- 2) That the Board of Directors authorize the CEO to execute future contract extensions with Mark Thomas & Company, Inc. for two additional two-year

options, for a total anticipated contract value not to exceed \$700,000 and a total term not to exceed seven years.

Contractor will provide all services meeting all METRO's specifications and requirements of the contract. Freddy Rocha, Facilities Maintenance Manager, will serve as the Contract Administrator and will ensure contract compliance.

#### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

The award of this contract would potentially align with the following Strategic Priorities:

- Safety First Culture
- Service Quality and Delivery
- State of Good Repair
- Strategic Alliances and Community Outreach

#### **V. FINANCIAL CONSIDERATIONS/IMPACT**

The base value of the contract is \$300,000 for the first three years. Should all options to extend be exercised, the total seven-year value of the contract is anticipated to be \$700,000. Funds to support this contract will be included in the Operating or Capital budgets of multiple departments. Funding sources could include various state and/or federal grant funds, including FTA 5339(a). Since this is a multi-year task order-based contract, the respective department managers will be accountable for budgeting costs in future years, including any options exercised.

#### **VI. CHANGES FROM COMMITTEE**

N/A

#### **VII. ALTERNATIVES CONSIDERED**

Do not award this contract. Staff does not recommend this option, as METRO does not have in-house staff trained or certified to perform engineering services.

#### **VIII. ATTACHMENTS**

**Attachment A:** List of Responding Firms  
Prepared by: Joan Jeffries, Purchasing Agent  
Wondimu Mengistu, Grants/Legislative Analyst  
Freddy Rocha, Facilities Maintenance Manager  
Sandi Woods, Project Manager


**IX. APPROVALS**

Freddy Rocha, Facilities Maintenance  
Manager



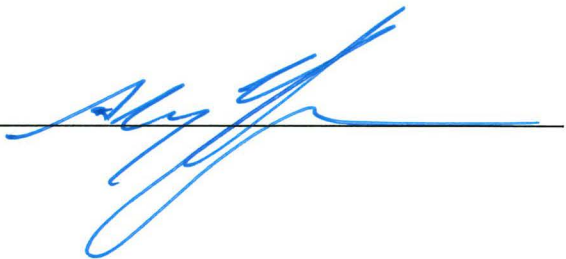
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Approved as to fiscal impact:  
Angela Aitken, CFO



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Alex Clifford, CEO/General Manager



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# Attachment A



## Responding Firms for RFP No. 20-12

### General On-Call Civil Engineering and Surveying Services

Received by April 29, 2020 at 5:00 PM

Bowman & Williams, Inc.	Soquel	CA
Ifland Engineers, Inc.	Santa Cruz	CA
Mark Thomas & Company, Inc.	San Jose	CA
Mesiti-Miller Engineering, Inc.	Santa Cruz	CA
RI Engineering, Inc.	Santa Cruz	CA
Ruggeri Jensen Azar	Gilroy	CA

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## **BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

Resolution No.  
On the Motion of Director:  
Duly Seconded by Director:  
The Following Resolution is Adopted:

### **RESOLUTION OF APPRECIATION FOR THE SERVICES OF VICKI TRENT AS BUS OPERATOR FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

**WHEREAS**, the Santa Cruz Metropolitan Transit District (METRO) was formed to provide public transportation to all of the residents of Santa Cruz County, and

**WHEREAS**, the provision of public transportation service requires a competent, dedicated workforce, and

**WHEREAS**, METRO, requiring an employee with expertise and dedication, appointed Vicki Trent to serve in the position of Bus Operator, and

**WHEREAS**, served as a member of the Operations Department of METRO for the time periods of January 3, 1978 to May 31, 1995 and March 6, 2017 to September 19, 2020, and

**WHEREAS**, Vicki Trent provided METRO with dedicated service and commitment during the time of employment, and

**WHEREAS**, Vicki Trent served METRO with distinction, and

**WHEREAS**, the service provided to the residents of Santa Cruz County by Vicki Trent resulted in reliable, quality public transportation being available in the most difficult of times, and

**WHEREAS**, during the time of Ms. Trent's service, METRO improved existing facilities and built new operating facilities, converted the fleet to a CNG propulsion system, developed accessible bus stops, improved ridership, responded to adverse economic conditions, assumed direct operational responsibility for the Highway 17 Express service and the Amtrak Connector service, and assumed direct operational responsibility for the ParaCruz service, and

**WHEREAS**, the quality of life in Santa Cruz County was improved dramatically as a result of the exemplary service provided by Vicki Trent.

**NOW, THEREFORE, BE IT RESOLVED**, that upon her retirement as Bus Operator, the Board of Directors of METRO does hereby commend her efforts in advancing public transit service in Santa Cruz County and expresses sincere appreciation on behalf of itself, the METRO staff and all of the residents of Santa Cruz County.

**BE IT FURTHER RESOLVED**, that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

**PASSED AND ADOPTED** this 25<sup>th</sup> Day of September 2020 by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSTAIN:** Directors -

**ABSENT:** Directors -

Approved:

Mike Rotkin, Chair

\_\_\_\_\_

Attest:

Alex Clifford, CEO/General Manager

\_\_\_\_\_

Approved as to form:

Julie Sherman, General Counsel

\_\_\_\_\_

# VERBAL PRESENTATION

## CEO UPDATE

Alex Clifford

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# State Legislative Update

Santa Cruz Metropolitan Transit District

Joshua W. Shaw and Michael Pimentel

September 25, 2020

**12.1**

# SYASL Advocacy Team



**Joshua W. Shaw**  
Partner



**Michael Pimentel**  
Legislative Advocate



01

# Legislation

2019-2020 Regular Session

12.3

# Expectations for 2019-20 Legislative Session

12.4

### 2019-2020 Legislative Session

- 2<sup>nd</sup> year of the term
- New bill introduced every Friday
  - 2,200+ bills in 2019
  - 2,575 bills in 2020
- Not a huge number
- But, a few matter ***a lot!***

SHAW YODER ANTWIH SCHMELZER & LANGE

3

### Fare Free Transit

Conversation around fare-free transit has grown louder in Sacramento and throughout the state.

Problematic given:

- Expected Transit Fiscal Impacts
- New Governor
- Strength of Authors
- Broad Legislative Support
- Nationwide Interest

SHAW YODER ANTWIH SCHMELZER & LANGE

#### Fare Free Transit Bills

- AB 1300 (Liu) – Requires free transit for students 18 years of age and under.
- AB 2070 (Liu) – Requires free transit for students 65 years of age and older.
- SB 1000 (Liu) – Requires free transit for students at CSU, CCC students, and make student assessments and fund such service illegal.

4

# Focus on COVID-19 Pandemic

- Legislative leaders requested that legislators focus on COVID-19 relief measures, emergency sunset
- Discussion of state-level economic stimulus
- We pushed for inclusion of METRO's funding needs
- No stimulus spending materialized

12.5



## VITAL STATISTICS

### Fixed-Rate

FY19 Average

**19,946**

FY19 Total Pass

**5.04 m**

Average/Ride

**\$1.97**

Average/Edge

**\$8.71**

FY19 Annual C

**\$49.1 t**

FY19 Farebox

**\$9.95 t**

FY19 Revenue

**\$25.97**

Capital Budget

**\$17.7 m**

\*Includes both

infrastructure and

farebox recap

**21.44%**

### ParaC

FY19 Average

**252**

FY19 Total Trip

**73,497**

Average/Ride

**\$3.89**

Average/Edge

**\$70**

FY19 Farebox

**\$285.84**

FY19 Operating

**\$4.5 m**

Farebox Recap

**5.55%**

110 Years

## Santa Cruz METRO Fact Sheet

The Santa Cruz Metropolitan Transit District (METRO) was created in 1969



July 23, 2020

The Honorable Mark Stone  
California State Assembly, 29th District  
State Capitol Room 4164  
Sacramento, CA 95814

Dear Honorable Mark Stone,

On behalf of Santa Cruz Metropolitan Transit District (METRO), I write to thank you for providing transit agencies with temporary statutory relief in the June budget. These relief measures are critical to ensuring transit agencies, like METRO, can apply the state funding they already receive toward maintaining transit service as they confront the public health crisis.

Now, as you consider the next round of emergency actions to support critical industry, I respectfully urge you to provide at least \$3.1 billion in new emergency funding to California's transit agencies as part of a larger funding package for the transit industry. This emergency funding would address critical funding needs at METRO and all other transit agencies statewide to prevent devastating permanent reductions of transit services and ensure public transportation is still a viable option for communities most in need.

METRO faces an existential threat to our services due to the severe and adverse impacts of COVID-19, in the immediate and long-term future. While METRO's key sources of revenue have decreased in fares and other ridership-related funds, METRO's largest sources of revenue from local taxes, making up almost 45% of our annual budget, are also forecasted to decline by 27% due to the underlying economic conditions. In addition, revenue from state taxes from the Transportation Development Act (TDA)-Transportation Fund (LTF), may also decline by 27%, as well as a 33% decline in the State Transit Assistance (STA). Due to these revenue declines and increasing costs for COVID-19 safety protocols METRO currently forecasts a loss of over \$15 million in 2021. Even after accounting for the \$20 million in transit funding provided by the CARES Act, METRO's net revenue gap through the end of CY 2021 will continue to widen. The supplemental funding level we are requesting is necessary to prevent further, substantial harm to our service.

METRO understands that there are serious competing needs for limited state and federal resources; however, without additional funding, it could take years for METRO to recover from today's crisis. We appreciate you considering our request for additional funding to ensure METRO can continue to provide services aiding in a balanced economic recovery, maintaining our quality of life and achieving our state's ambitious environmental goals. I, therefore, respectfully ask you and the Governor to prioritize funding for public transit as we work to maintain and eventually grow essential lifeline services in our communities.

Thank you for your consideration.

Sincerely,

Alex Clifford, CEO

cc: The Honorable Gavin Newsom, Governor, State of California

# End of Session

- Legislature adjourned 2019-20 Regular Session on **August 31**
  - Governor has until **September 30** to act on bills
- Legislature will convene 2021-22 Regular Session on **December 7**

**12.6**

# SB 288 (Wiener) CEQA: Exemptions: Transportation-Related Projects.

- Expands list of transit projects statutorily exempt from CEQA to include:
  - New bus rapid transit, bus, or light rail projects;
  - Projects that improve customer information and wayfinding for transit riders; and,
  - Charging and refueling infrastructure for zero-emission buses.

**Status: On Governor's Desk**

**12.7**

# SB 1159 (Hill) Workers' Compensation: COVID-19: Critical Workers.

- Creates a rebuttable presumption for COVID-19 related workers' compensation claims.
  - Triggered by an “outbreak” of the virus at “specific place of employment.”
  - Shifts burden of proof for disputing claims to employers.
  - Sunsets January 1, 2023.

**Status: On Governor's Desk**

**12.8**

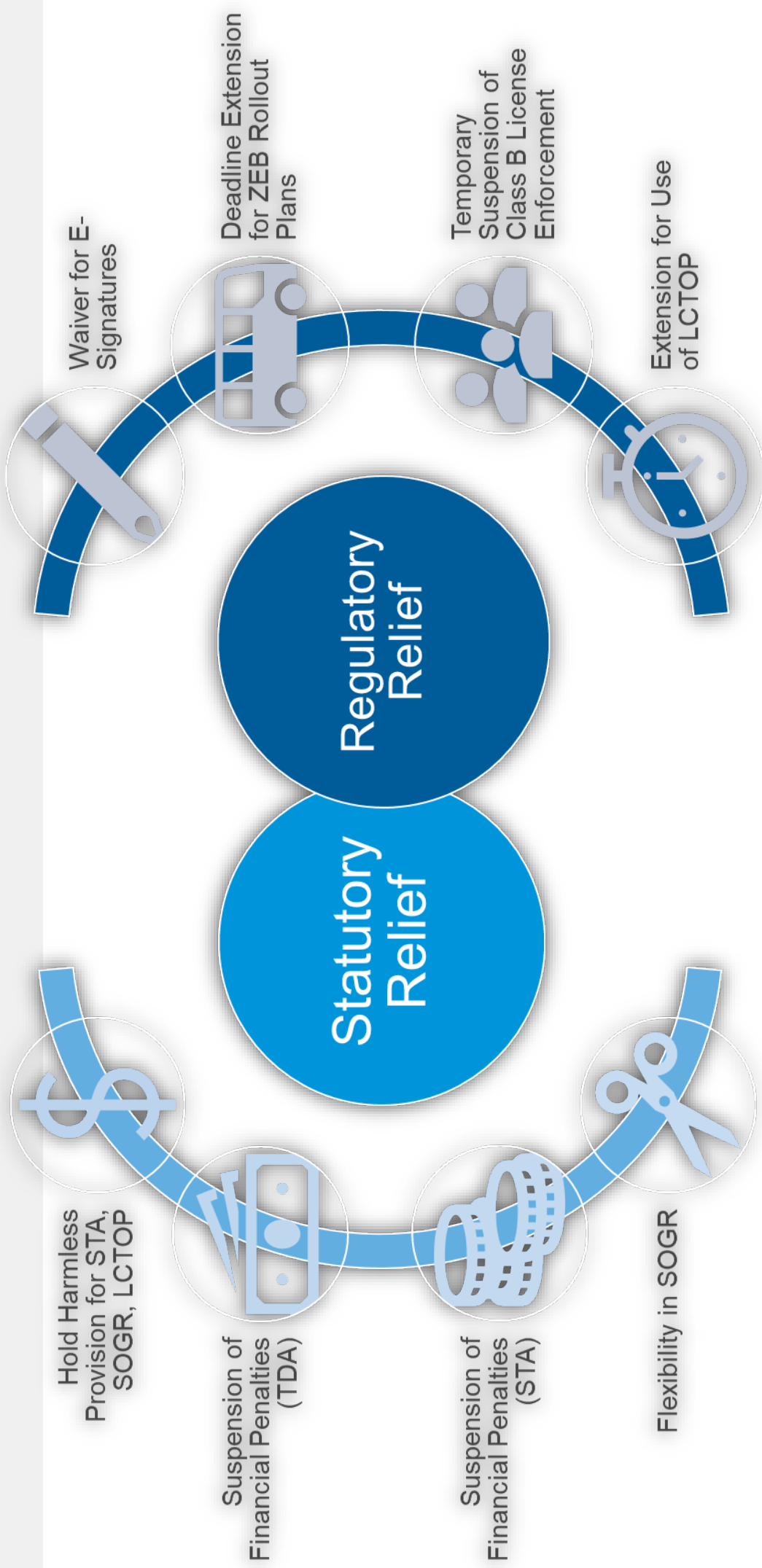
# AB 196 (Gonzalez) Workers' Compensation: COVID-19: Essential Occupations and Industries.

- Would have created a conclusive presumption for COVID-19-related workers' compensation claims.

**Status: Held in Senate**

**12.9**

# Statutory & Regulatory Relief





02

# Funding

2020-21 Budget Year

12.11

# Funding Outlook

- STA and TDA expected to decline significantly through end of FY2020-21
- Cap and Trade remains uncertain
  - Uncertainty driven by pandemic
- No action on Cap and Trade Expenditure Plan in CY2020

12.12

Estimated Transit Funding (May Revise)					
Source	2018-19	2019-20 (GB)	2019-20 (MR)	2020-21 (GB)	2020-21 (MR)
<b>STA</b>					
Base (2.375%)	\$216,984	\$214,941	\$220,636	\$225,281	\$138,012
Gas Tax Swap (1.75%)	\$149,694	\$148,024	\$152,776	\$155,684	\$91,895
SB 1 (3.5%)	\$299,387	\$296,048	\$305,552	\$311,288	\$183,789
STA SGR (TIF)	\$105,000	\$108,900	\$108,900	\$114,600	\$114,600
<b>Total</b>	<b>\$771,065</b>	<b>\$767,913</b>	<b>\$787,864</b>	<b>\$806,853</b>	<b>\$528,296</b>
<b>INTERCITY &amp; COMMUTER RAIL</b>					
Base (2.375%)*	\$216,984	\$214,941	\$220,636	\$225,281	\$138,012
SB 1 (0.5%)	\$42,772	\$42,293	\$43,650	\$44,470	\$26,256
<b>Total</b>	<b>\$259,755</b>	<b>\$257,233</b>	<b>\$264,286</b>	<b>\$269,751</b>	<b>\$164,267</b>
<b>LCTOP</b>					
Cap & Trade (5.0%)	\$146,949	\$137,693	\$129,720	\$114,666	\$105,200
<b>Total</b>	<b>\$146,949</b>	<b>\$137,693</b>	<b>\$129,720</b>	<b>\$114,666</b>	<b>\$105,200</b>
<b>TIRCP**</b>					
Cap & Trade (10.0%)	\$163,029	\$654,750	\$623,245	\$233,408	\$225,408
SB 1 (TIF)	\$245,000	\$254,100	\$254,100	\$267,400	\$267,400
<b>Total</b>	<b>\$408,029</b>	<b>\$908,850</b>	<b>\$877,345</b>	<b>\$500,808</b>	<b>\$492,808</b>
<b>LTF</b>					
Sales and Use Tax (.25%)	\$1,835,602	\$1,927,619	\$1,742,189	\$1,993,621	\$1,426,873
<b>Total</b>	<b>\$1,835,602</b>	<b>\$1,927,619</b>	<b>\$1,742,189</b>	<b>\$1,993,621</b>	<b>\$1,426,873</b>

\* Funds also used for other Caltrans purposes

\*\*Funds included as part of five-year programming cycle

# Questions?

12.13



# Contact Information

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**Michael Pimentel**

[michael@SYASLpartners.com](mailto:michael@SYASLpartners.com)

**12.14**



# FEDERAL UPDATE



SEPTEMBER 2020



# TOPICS OF DISCUSSION



- COVID-19 Relief
- FY 2021 DOT Budget
- FAST Act Reauthorization
- Infrastructure Package
  - Elections

# COVID-19 Relief



- Congress enacted \$2 trillion “CARES Act” in March
  - Included \$25 billion for public transit
- APTA estimates \$32 billion more needed by end of 2020
- White House/Senate GOP have not requested transit funds
- House approved \$3.5 trillion “HEROES Act” in May
  - Included \$16b for transit w/flawed distribution formula
- Will there be any COVID-19 Relief Pre-Election?

# FY 2021 DOT Budget



- Trump administration recommended 19% reduction to DOT budget
- House-approved DOT budget rejected those cuts
  - Proposed increases to Bus and Bus Facilities
  - Maintains FAST Act authorized levels
- Senate has not acted on its version of FY21 budget
- Continuing resolution needed to keep government running



# FAST Act Reauthorization



- 2015 FAST Act expires on September 30
- House approved 5-year \$500B plan in July
  - \$105B for transit (54% increase)
  - Increases STIC to 3% of transit formula program
- Senate approved highway title in 2019; no transit
- How to pay for it?
  - At least \$140 billion in additional funds needed
- One-year extension in CR

# Infrastructure Package



- House approved \$1.5 trillion plan in July
- Included \$500B FAST Act reauthorization
  - Water infrastructure
  - School construction
  - Wireless/Broadband access
  - Electricity grid improvements
- Tax incentives for green energy
  - Rep. Panetta's tax credit for electric bus manufacturing
- Senate will not consider in 2020

# Elections



**No crystal ball, but results will have  
an impact on the ultimate makeup  
and timing of all of the above!**



# Questions?



**DATE:** September 25, 2020  
**TO:** Board of Directors  
**FROM:** John Urgo, Planning & Development Director  
**SUBJECT: METRO PLANNING AND DEVELOPMENT ANNUAL STATUS REPORT**

**I. RECOMMENDED ACTION**

**That the Board of Directors accept and file the METRO Planning Development annual status report**

**II. SUMMARY**

- It has been one year since the last Santa Cruz Metropolitan Transit District (METRO) Planning Department Annual update.
- In the four years since the major service reduction in fall of 2016, METRO generally maintained its ridership level, in spite of the national trend of shrinking public transit use.
- Prior to the COVID-19 pandemic, METRO ridership had increased in fiscal year 2019-2020 (FY20). Growing UCSC ridership had offset losses in Highway 17 Express, while other local service use had remained flat.
- Following the outbreak, ridership declined over 90% and ended the year 30% less than FY19, commensurate with national trends.
- The CZU Lightning Complex fire caused further ridership declines in August and September.
- Prior to COVID-19, there were a small number of poor performing routes that continued to be monitored for opportunities to improve. Post COVID-19, all routes are performing below industry accepted ridership productivity standards.
- The primary service related initiative during FY21 will be COVID-19 service recovery planning. METRO recently completed a COVID-19 rider survey, the results of which will be used to inform future service planning efforts during the pandemic.
- The Planning Department is also implementing a contactless fare payment pilot, which includes the recent launch of mobile ticketing on all METRO fixed route service and the reactivation of cash acceptance at all Ticket Vending

Machines. Off-board fare payment will reduce the risk of infection between operators and customers, speed up boarding and increase access to fare products.

- The Planning Department is planning to launch an on-demand transit pilot in late fall that will allow customers to book trips curb-to-curb within certain service zones, increasing access to transit and other destinations.
- The Planning Department, in conjunction with the Marketing, IT, and Facilities Departments, is working to refresh METRO's bus stop signage in order to strengthen METRO's brand identity and improve the customer experience.
- The Planning Department is also planning for the introduction of the Watsonville Circulator in 2021, a service intended to enhance mobility using a zero emission electric bus.
- The Planning Department is executing a number of other significant initiatives during the next fiscal year, described in more detail later in this report.
- The Planning Department has also identified priorities for additional service when, or if, additional recurring operating funds were to become available.
- Staff requests the Board of Directors (Board) accept and file this Service Planning Update.

### **III. DISCUSSION/BACKGROUND**

The Planning Department began providing this annual report following the completion of the Comprehensive Operational Analysis (COA) service reduction in the fall of 2016. Prior to the COA, annual fixed route ridership was approximately 5.5 million. In the first year following this service reduction, ridership dropped approximately 8% to a little over 5 million annual fixed-route boardings. Since that time, and prior to COVID-19, METRO ridership had settled at approximately 5 million riders per year. See Graph 1 in Attachment A.

FY20 is a tale of two years: pre-COVID-19 and post-COVID-19. Prior to the pandemic, METRO ridership was showing signs of growth, and significant projects were nearing completion, including a new Watsonville Circulator route, the acquisition of electric buses and mobile ticketing. The pandemic brought unprecedented disruption to METRO service and planning activities as well as to the community we serve: service was cut 50% in response to Santa Cruz County's shelter in place orders and a number of projects were delayed.

Yet even during a pandemic METRO is indispensable to those who rely on public transit to reach their jobs and access essential services. Staff has been working

to restore service strategically and to restart projects that were put on hold, as described in more detail below.

### FY20 System Performance

Prior to COVID-19, FY20 ridership trends looked strong, with ridership up 2.5% overall through the first seven months of the fiscal year (See Graph 2 in Attachment A). Passenger productivity (measured as passengers per revenue service hour) was also increasing year over year, suggesting stronger utilization of METRO service. In the months following the outbreak, however, ridership declined over 90%, and ended the year 30% less than FY19.

Key features/components of ridership include:

- UCSC: Prior to COVID-19, UCSC ridership had increased 6.1% compared to FY19. Post COVID-19, as result of campus closures and a move to remote learning, ridership fell more than 99% and ended the year 35% less than FY19. See Graph 3 in Attachment B.
- Cabrillo College: Cabrillo College student ridership was less robust, declining 2.5% through the first seven months of the year, and 29% overall compared to FY20. Ridership is currently down over 95%. See Graph 4 in Attachment B.
- Hwy 17 Express: This commuter service has seen a continued decrease in ridership over the last few years and FY20 was no exception. Ridership decreased 1.5% during the first seven months of the year and 30% overall compared to FY19. A rise in telecommuting, a trend greatly accelerated by the pandemic, is partly to explain. Worsening traffic on Highway 17 has also made commuting by bus less attractive in the absence of transit supportive infrastructure. Ridership decreased 95% following the outbreak of COVID-19 and has remained at 90% below FY19 levels. See Graph 1 in Attachment B.
- Local ridership was also strong during the first seven months of the fiscal year, increasing 2.7% before ending the year 30% down. Ridership on local routes (excluding student ridership and Highway 17) has remained the strongest throughout the pandemic, with over 25% of customers still riding. These are most likely essential workers and customers traveling to access essential services. See Graph 2 in Attachment B.
- As ridership was beginning to recover slightly, the CZU Lightning Complex Fire caused ridership to dip in August and September as travel was restricted and service was cancelled to UCSC, Bonny Doon, Davenport, Scotts Valley and the San Lorenzo Valley for multiple days following dangerous conditions and evacuation orders.

### National Trends

Prior to COVID-19, national transit ridership was flat, while METRO ridership had increased 2.5%. The pandemic depressed ridership among all transit agencies nationwide and the experience of METRO in FY20 is in line with national trends. However, the relative dependence on university student ridership has made the impact greater: nationally, bus ridership was down 25% in FY20 compared to FY19, while METRO ridership decreased 30%. See Graph 2 in Attachment A.

### Current Route Performance

The Planning Department provides the Board with a quarterly ridership report, including an analysis of route performance as expressed by the average boardings per trip on each route. In the transit industry, a rule of thumb is that there needs to be an average of 10-15 boardings per revenue service hour for a service to be considered effective, depending on the type of service (e.g., rural, local, regional, intercity) or whether the service has a goal of ridership or coverage. The goal for ridership oriented service is typically 15 passengers per revenue service hour or greater while coverage oriented service has a goal of 10-15 passengers per hour. Prior to COVID-19, most METRO routes performed within the coverage metric, suggesting that the level of service was correct relative to demand and financial capacity to provide service.

METRO had a small number of routes that consistently did not achieve these transit industry standards. Among these were:

- Route 3, which has historically been a poor performer, owing to its very low frequency. This route has long been considered for modifications in conjunction with other Westside Santa Cruz and UCSC oriented services.
- Route 79, also a historically poor performer, was modified in June 2018 to eliminate the Pajaro loop and add service in central Watsonville. Ridership on this route continues to remain low and further modifications are planned in conjunction with the introduction of the Watsonville Circulator in 2021.
- Rural routes 40, 41 and 42 also performed below this metric due to their limited span of service and the rural nature of the Bonny Doon and Davenport service areas.

Post COVID-19, all METRO routes are performing below 10 passengers per revenue hour, with the system-wide average hovering around six. The strongest performers are METRO's most frequent routes: the 69A/W and 71, followed by routes 66 and 91X.



The COVID-19 rider survey, discussed later in this report, indicates the County's shelter in place order, school closures, increased telecommuting and concerns related to safety while riding the bus are all factors that continue to depress ridership and may do so well into next year. This suggests: 1) a need to re-evaluate performance based metrics around factors other than ridership, such as equity and access; and, 2) a need to consider network changes that focus METRO's limited resources into areas of higher utilization (e.g., the Watsonville/Soquel/Highway 1 corridor and Capitola to Santa Cruz). Staff is currently developing service change plans to present to the Board and public in the coming months should ridership fail to materialize.

### Fiscal Year (FY) 2021 Service Planning Activities

#### COVID-19 Rider Survey

In June 2020, staff distributed a survey to METRO email subscribers and through social media to gather feedback on the impact of the COVID-19 pandemic on riding habits. Key findings include:

- The majority of respondents (75%) plan to ride METRO once the Shelter In Place orders are lifted. While this is encouraging, it also suggests long term ridership could remain 25% below average as customers telecommute more often and concerns remain about vehicle cleanliness and physical distancing.
- Ridership could remain 50% below normal into next year as customers wait for schools and the economy to fully reopen, a significant decrease in new cases and the development of a vaccine.
- The effectiveness of strategies to encourage customers to return to METRO or ride more often in the future differs by customer type:
  - Frequent riders (those riding five or more days per week, comprising 45% of the sample size) were more influenced by vehicle cleanliness and sanitization, the restoration of service to pre-COVID levels and requiring customers to wear personal protective equipment (PPE).
  - Riders planning to ride less (17% of respondents) were most influenced by the existence of a treatment or vaccine, PPE, enhanced cleaning and seeing a decrease in new cases.

Riders unlikely to ride (25% of respondents) were most influenced by the existence of a treatment or vaccine, followed by a significant decrease in new cases and enhanced cleaning measures.

Staff is using the survey results to inform the development of a COVID-19 Service Recovery Plan, as discussed more below.

### COVID-19 Service Recovery Planning

In response to Santa Cruz County's Shelter in Place order and the greater than 90% decrease in ridership that followed, METRO cut service by 50% in March and service levels remained at that level throughout the summer. Beginning with the Fall Bid, service was restored to pre-COVID levels on all routes with the exception of School Term Service, Highway 17 and a few trips on Routes 3 and 55. Ridership, however, remains at around 90% below FY19 levels.

Should ridership fail to materialize, staff is working to reimagine METRO service in the post-COVID world to ensure METRO makes the best use of its limited resources while providing equitable access for all. The biggest challenges related to future planning are the unknowns around the timing and phasing of relaxations of the shelter in place order, County guidance related to vehicle capacity constraints and the reopening of in-person classes at schools and universities.

Given this uncertainty, staff recommends focusing the first phase of recovery planning on retaining frequent riders, employing strategies identified as effective in the COVID-19 rider survey. Frequent riders comprise a larger share of overall ridership compared to other rider segments, and the majority of their concerns about riding METRO again or more often in the future concern measures within METRO's control: restoring service to previous levels while ensuring a safer customer experience through enhanced cleaning and requiring that all customers wear PPE. METRO has implemented all of these measures.

Second tier strategies should focus on responding to changes in demand stemming from the resumption of in-person classes at schools and universities and/or a relaxation of the shelter in place order. Because there will likely be a lag between the timing of these changes and METRO's quarterly service change schedule, staff will need to continue to build excess capacity into the service schedule by employing a larger than normal "extra board" Operators to cover back up trips needed to handle excess loads on capacity constrained buses. This may require service modifications on some routes in order to maintain the frequency and availability of Operators needed on higher ridership routes.

Third tier planning efforts should focus on strategies important to riders planning to ride less or not at all. Compared to frequent riders, these riders are less concerned about factors intrinsic to METRO service and are more likely to be influenced by issues beyond METRO's control, such as the development of a COVID-19 vaccine or a decrease in new cases. Many of these customers have indicated they may not return to METRO until next year or beyond, and may telecommute more often for the foreseeable future, so encouraging their return will take time.

### Cashless/Contactless Fare Payment

As a result of the physical distancing requirements mandated by local governments in response to COVID-19, most major transit agencies, including METRO, moved away from onboard fare payment to reduce the risk of infection between Operators and customers at the fare box area. As agencies resumed fare collection, many looked toward contactless onboard fare payment as the new normal. Besides reducing the risk of exposure to COVID-19, these programs have the additional benefits of:

- Reducing the cost of cash collection, which includes collecting, processing and counting cash; providing security; and purchasing and servicing fare boxes and ticket vending machines.
- Speeding up the boarding process. The time to put exact change into a fare box can be two to three times higher than tapping a smart card or using visual inspection. This translates to slower travel speeds and productivity loss on the transit system as a whole.

Improving convenience and expanding access. Cash based fare payment systems lack the convenience of contactless systems where customers do not need to purchase separate fare media or tickets in advance. They also can expand the reach of retail locations to anyone with a smartphone or internet access, as well as offer expanded physical retail locations through account based ticketing with stored value accounts.

Staff has identified three phases for the rollout of contactless fare payment:

1. On September 3rd, METRO launched a mobile ticket splash pass, which lets customers purchase any METRO fare product using a smartphone. At the same time, cash acceptance was reactivated at all Ticket Vending Machines, expanding off board fare payment options for all riders.
2. In late fall, METRO will begin installing mobile validators onboard all buses, starting with Highway 17 service. Besides providing validation of the mobile ticket, mobile validators will allow for contactless credit and smart card transactions to happen with the tap of a card.
3. The final phase will involve the rollout of a new smart card and account based ticketing system using stored value accounts. Value will be stored in a customer's account, not on a card, enabling transactions both online and through an expanded retail network throughout Santa Cruz County. Account-based ticketing using stored value will allow riders to exchange cash for credit, enabling customers without a bank account to tap and ride.

### Cruz-On-Demand

Staff is developing a pilot program that will allow customers to book on-demand trips from any address to any address within specified zones. The service area will be the same as METRO's ParaCruz service area –  $\frac{3}{4}$  of a mile from any fixed route service – but trips would be contained within one of several zones (tentatively, the Watsonville area, Aptos/La Selva Beach, Capitola, Live Oak, Westside, Scotts Valley and San Lorenzo Valley). The service would take advantage of available capacity in METRO's ParaCruz operation, allowing additional on demand trips to be booked into the system after priority is given to ParaCruz trips, which must be booked 24 hours in advance. Customers will be able to make reservations through METRO's new Eco Pass mobile app, as well as by phone through METRO's customer service call center. Additionally, customers will be able to board without a reservation according to a published schedule at METRO transit centers. The launch date is expected in late fall.

### Bus Stop Signage Update

METRO's current bus stop signs can be confusing to the customer, difficult to read and are expensive and time consuming to maintain. Staff is currently working on a bus stop signage update that would bring METRO's 798 active bus stop signs in line with industry best practices, better guide customers through METRO's service and informational systems, and reduce maintenance costs associated with updating schedules and maps at all active stops. The proposed design features double sided stop ID and route decal stickers visible from a distance with color coding according to service type (e.g., local, express, rural). As transit ridership declines in the wake of the COVID-19 pandemic, this effort aims to strengthen METRO's brand identity as a safe, reliable transportation option and improve the customer experience, both of which are critical for retaining existing customers and drawing new riders into the system.

### Watsonville Circulator

Planning is underway for the introduction of new zero-emission bus circulator service to the Watsonville area in early 2021. The service was initially set to launch in fall 2020 but the pandemic delayed both the delivery of vehicles and the start of community outreach. As the project gets back on track, staff is looking forward to introducing a new circulator that will allow METRO to grow the local bus network and expand mobility options for the Watsonville community by connecting local origins and destinations.

### Other Initiatives

The Planning Department is developing a number of other significant planning initiatives which are generally attempting to either attract new riders and/or enhance the rider experience through improved customer service features, including technology and communication enhancements.

- **City of Santa Cruz Downtown Bus Pass** – Starting in fall 2019, METRO and the City of Santa Cruz launched a one-year pilot that offered a free “Eco-Pass” to all 4,000+ downtown Santa Cruz employees. The project aimed to increase METRO ridership while reducing the demand for parking in downtown Santa Cruz. In April 2020, the City of Santa Cruz decided to terminate the pilot after the first six months and reprogram the remaining funds owed to METRO. At the time, City staff had distributed just over 300 of the 4,054 passes and ridership was growing. METRO and City staff are currently negotiating a future agreement.
- **AVL** – METRO is currently installing automatic vehicle locators (AVL) on its fleet. As of late this year, this will allow the public to track real-time bus locations from a smartphone application. The project faced significant delays due to the shutdown of onsite work in March.
- **Non-Rider Survey** – METRO is planning to conduct a non-rider survey in the community in an effort to gain insight into how the agency could improve service and attract those who do not currently utilize public transit. This follows the on-board survey of METRO riders in spring 2019 and the COVID-19 survey in summer 2020. Both have given METRO insights to rider priorities, travel patterns, use of communications and fare payment technology which the Planning and Marketing/Customer Service departments will use to meet riders’ needs.
- **Alternatives Analysis** – Since fall 2019, METRO and the Santa Cruz County Regional Transportation Commission (RTC) have been conducting a transportation mode alternatives analysis for the county’s central rail corridor, which is expected to be completed in early 2021. This analysis will provide guidance for planning for the long-term use of the Santa Cruz Branch Rail Line corridor.
- **Pacific Station** – METRO and the City of Santa Cruz will continue planning to determine the feasibility of a redevelopment of Pacific Station in conjunction with additional residential, commercial and retail space on a footprint including the existing Pacific Station and adjacent City property. The goal is for the two agencies together to pursue grant applications for funding this redevelopment; one application to the federal Better Utilizing Investments to Leverage Development (BUILD) program and one to the State of California Affordable Housing and Sustainable Communities (AHSC) program.
- **Fare Restructure** – In FY21, staff will restart discussions with the Board related to opportunities to improve the fare structure. Then staff will work with the Board Finance, Budget and Audit Standing Committee to make fare restructuring recommendations. Discussions will include the financial effects of proposed state legislation that would provide free or reduced fares to specific groups, such as youth and/or college students. Staff will also explore

ways to make fares more equitable and accessible to low-income customers by evaluating offering free transfers and/or fare-capping, also known as “best fares.” Certain fare policy adjustments would require a near full replacement of METRO’s fare equipment – an effort which has begun in fall 2020 with the launch of mobile ticketing, the first step toward a full account-based ticketing system.

- **Hwy 1 Bus On Shoulders** – METRO is coordinating with the Santa Cruz County Regional Transportation Commission (RTC) and Caltrans to implement this project in conjunction with the RTC Highway 1 Multimodal Improvements project. METRO has contributed funding for environmental and design phases for the Soquel Drive to 41<sup>st</sup> Ave segment of this project. The first phase of the project now extends from Soquel Drive to the Bay Ave/Porter St intersection. The RTC has applied for state grant funding. If successful, the first phase of the project is projected to go to construction in the fall of 2021 and could be operational by the summer of 2023. The next segment, Bay Ave/Porter St. to State Park Dr., would start construction in 2023. The third phase, State Park Dr. to Freedom Blvd, is yet to be scheduled.
- **Ongoing Coordination with UCSC and Cabrillo** – With campus closures and remote learning due to COVID-19, the future of university oriented service continues to be uncertain. METRO and UCSC entered into a new shorter term six-month contract through the end of 2020, and will evaluate the agreement and service levels at the end of the year. METRO and Cabrillo have executed a three-year (2018-19 through 2020-21 school year) contract (plus an option for two additional years). Cabrillo suspended the contract over the summer after the College stopped collecting student transportation fees but reinstated the program in the fall after identifying new funding. METRO will continue to coordinate with Cabrillo to provide bus service to meet student needs.
- **Capitola Mall** – METRO is working with developer Merlone Geier and the City of Capitola as they establish a new retail and residential property on the current footprint of the Capitola Mall. Their designs will create a new transit center space for METRO use. Staff met with Merlone Geier in November 2019 and is awaiting Merlone Geier’s readiness to continue discussions. Staff will offer updates as the project progresses.
- **Bus Replacement Plan** – Planning will monitor the METRO fleet for progress towards reducing the number of buses beyond their useful life. This program allows the Grants and Finance departments to make the most efficient use of limited capital budget and maximize the likelihood for METRO to receive grant funding for future bus replacements. In FY20 METRO received six new CNG buses and refurbished four others. These actions reduced the number of obsolete buses in METRO’s fleet to 27. In FY21, METRO expects to receive

10 additional buses, including four zero-emission electric buses. In addition, the four articulated buses in the fleet will reach the end of their useful life. With this, it is expected that METRO's fleet will have 21 obsolete buses at the start of FY22.

- **Level 2 Solar EV Charging Infrastructure for Light-Duty Electric Fleet Vehicles** – To help reduce the use of fossil fuels and greenhouse gas emissions, METRO is planning to install Level 2 electric vehicle (EV) charging infrastructure for its non-revenue EVs at Judy K. Souza Operations (JKS) facility. The Monterey Bay Air Resources District's (MBARD) AB923 Plug-In Monterey Bay EV Infrastructure Program (PIMB) will fund the implementation of up to 10 EV charging ports and solar energy array. The goal of the project is to supply on-site rooftop solar PV to energize the EV fleet and avoid expensive electrical infrastructure upgrades, reduce costly demand and energy charges, and reduce GHG emissions. METRO currently has 45 light-duty and support vehicles.
- **Zero Emission Bus Analysis and Rollout Plan** – The California Air Resources Board (CARB) has mandated that all transit agencies in California operate 100% zero-emission transit buses by 2040. METRO has already taken steps to electrify its fleet with battery electric zero emission buses (ZEBs); however, this mandate requires transit agencies provide CARB with a formal rollout plan. METRO has designated 10 bays at its JKS facility for ZEB charging and is in the final design phase of this project. METRO partnered with the Center for Transportation and the Environment (CTE) for the development of a Master Plan meeting the CARB mandate for transitioning to a fully electric bus fleet by 2040, to include both vehicles and facility requirements. CTE will also research and analyze renewable power generation and stationary storage options in order to reduce draw from the PG&E power grid and provide charging during periods where the grid is down.
- **Installation of Automated Passenger Counter (APC) Systems** – In response to physical distancing concerns related to COVID-19, METRO plans to install new Automated Passenger Counters (APCs) which will help monitor passenger levels in real time. The APC module will also give passengers the opportunity to make informed decisions on which vehicle they feel comfortable riding. APCs will provide the Planning Department with a rich dataset for future route and service planning, including boarding and alighting information at the level of individual bus stops for all trips. Currently that information is only available on an extremely limited basis through manually-conducted surveys.

### Mid-to-Long-Term Priorities for Fixed-Route Service Expansion

Given METRO budget limitations, opportunities for service enhancements are limited.

As is standard transit industry practice, the Planning Department maintains a prioritized list of service needs, sometimes referred to as “unmet needs”, so that if at any time there is additional recurrent operating funds available for the introduction of additional effective service, the priorities are clear. Currently, the Planning Department sees the following needs as the most important:

- Route 35/35A evening frequency – As this San Lorenzo Valley (SLV) route alternately serves two legs beyond Boulder Creek, the limited evening frequency makes for extremely poor level of service on these legs.
- Areas of the County that have population densities and demographics that suggest additional span of service and frequency could generate additional ridership. The Live Oak corridor between Capitola and downtown Santa Cruz is seen as a key opportunity for service improvements, including:
  - Frequency – Hourly service during the peak demand and 90 minutes off peak times do not allow the public to use these services spontaneously.
  - Span of Service - Routes for which service starts too late in the morning or ends too early in the evening, both weekdays and weekends, do not meet work trip needs, particularly for those in the service industry. Nor do these limited spans meet the general mobility needs of County residents.
- Rural routes with limited daily trips.

#### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This report aligns with METRO’s Service Quality and Delivery strategic priority.

#### **V. FINANCIAL CONSIDERATIONS/IMPACT**

There is no financial impact related to this status report.

#### **VI. CHANGES FROM COMMITTEE**

N/A.

#### **VII. ALTERNATIVES CONSIDERED**

There are no alternatives to consider.



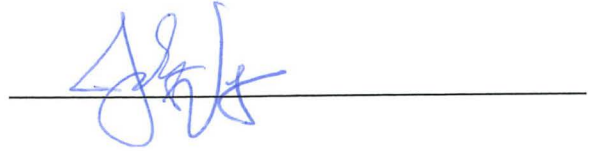
## **VIII. ATTACHMENTS**

- Attachment A:** Annual METRO and National Bus Ridership  
**Attachment B:** Annual METRO Ridership Breakdown

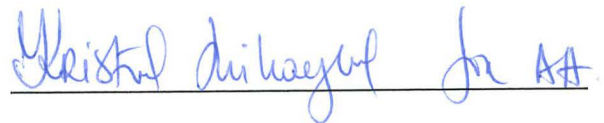
Prepared by: John Urgo, Planning and Development Director  
Cayla Hill, Planning Data Analyst  
Mathew Marquez, Transportation Planner I  
Pete Rasmussen, Transportation Planner II

**IX. APPROVALS**

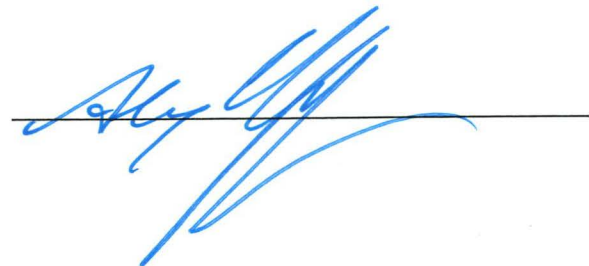
John Uργο,  
Planning and Development Director



Approved as to fiscal impact:  
Angela Aitken, CFO



Alex Clifford, CEO/General Manager

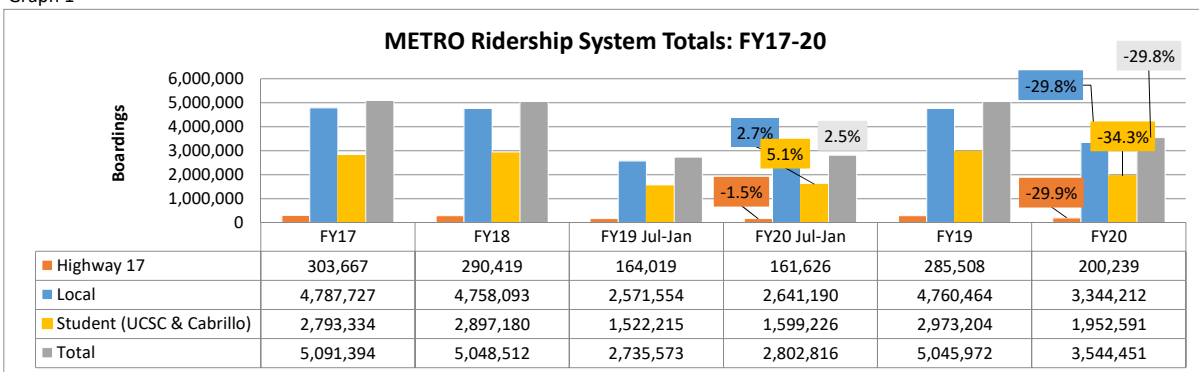


# Attachment A

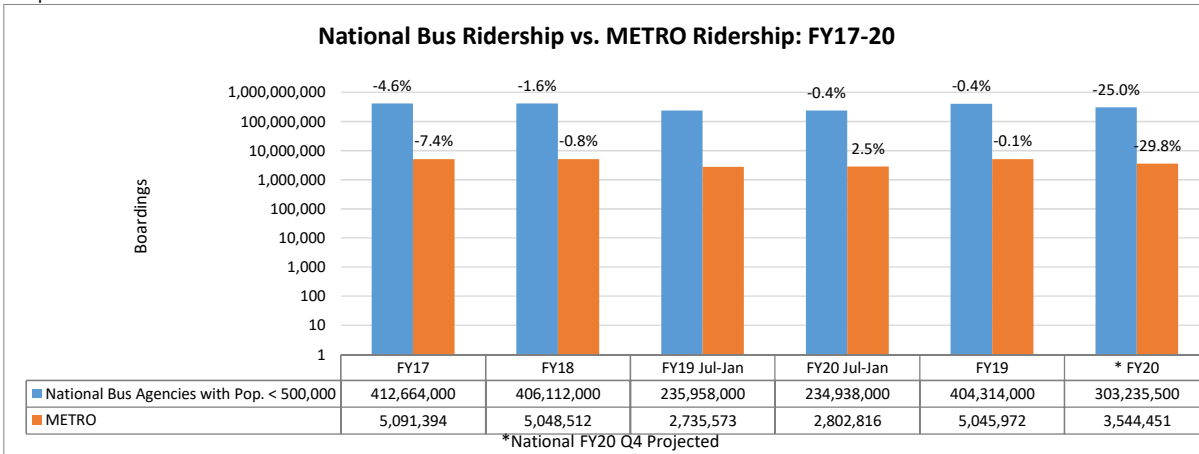
## Annual METRO and National Bus Ridership

FY17-FY20

Graph 1



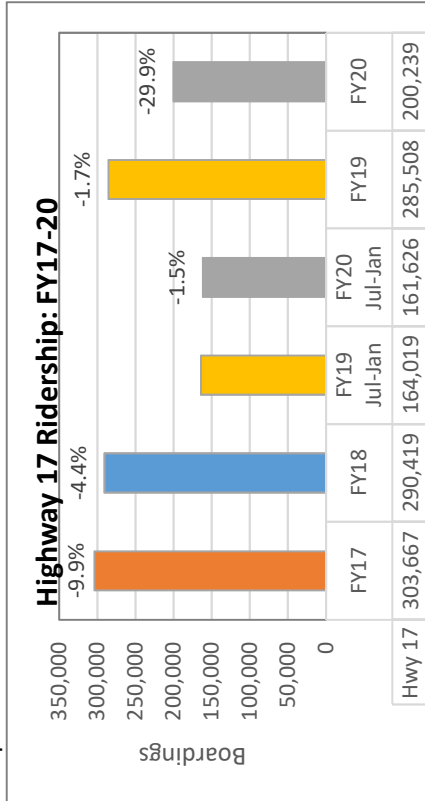
Graph 2



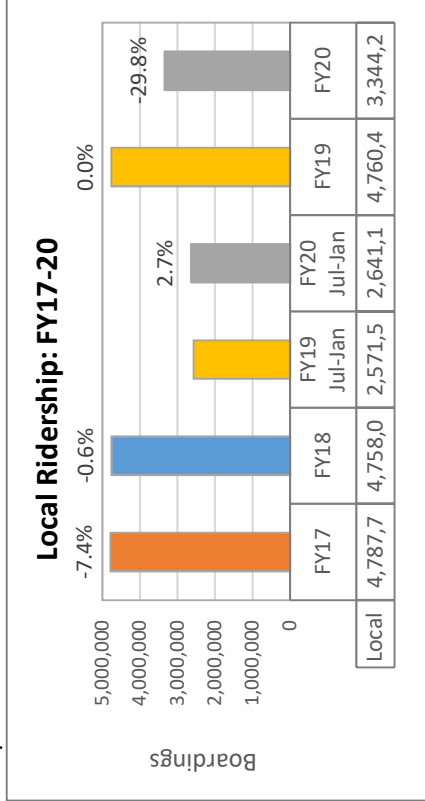
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# Annual METRO Ridership by Service Type FY17-FY20

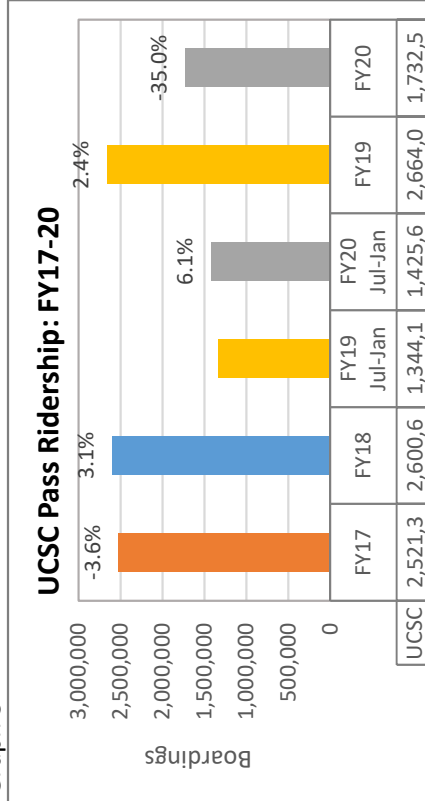
Graph 1



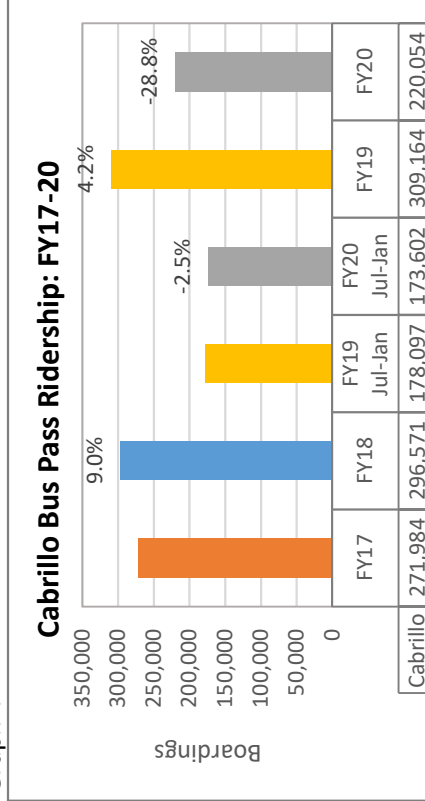
Graph 2



Graph 3



Graph 4



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# VERBAL PRESENTATION

## PACIFIC STATION UPDATE

John Urgo,  
Planning & Development Director

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# VERBAL PRESENTATION

## PARACRUZ UPDATE

Daniel Zaragoza  
Operations Manager, Paratransit Division

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