



Metropolitan Transportation Commission

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Meeting Agenda

Administration Committee

Committee Members:

*Federal D. Glover, Chair Cindi Chavez, Vice Chair
Margaret Abe-Koga, Nate Miley, Gina Papan, David Rabbitt,
Hillary Ronen, Amy Worth
Non-Voting Member: Dina El-Tawansy*

Wednesday, November 10, 2021

9:40 AM

REMOTE

The Administration Committee is scheduled to meet on Wednesday, November 10, 2021 at 9:40 a.m., in the Bay Area Metro Center (Remotely), or immediately following the 9:35 a.m. BATA Oversight Committee meeting. In light of Governor Newsom's State of Emergency declaration regarding COVID-19 and in accordance with the recently signed Assembly Bill 361 allowing remote meetings, this meeting will be accessible via webcast, teleconference, and Zoom for all participants. A Zoom panelist link for meeting participants will be sent separately to committee, commission, or board members.

The meeting webcast will be available at
<https://mtc.ca.gov/whats-happening/meetings/live-webcasts>.

Members of the public are encouraged to participate remotely via Zoom at the following link or phone number:

Attendee Link: <https://bayareametro.zoom.us/j/81380924143>

Or iPhone one-tap: US: +16699006833,,81380924143# or +14086380968,,81380924143#

Or Join by Telephone: (for higher quality, dial a number based on your current location) US:

+1 408 638 0968 or +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or

+1 312 626 6799 or +1 646 876 9923 or +1 301 715 8592 or

877 853 5247 (Toll Free) or 888 788 0099 (Toll Free)

Webinar ID: 813 8092 4143

International numbers available: <https://bayareametro.zoom.us/j/kcxD12kbRm>

Detailed instructions on participating via Zoom are available at:

<https://mtc.ca.gov/how-provide-public-comment-board-meeting-zoom>. Committee members and members of the public participating by Zoom wishing to speak should use the "raise hand" feature or dial "*9". In order to get the full Zoom experience, please make sure your application is up to date.

Members of the public may participate by phone or Zoom or may submit comments by email at info@bayareametro.gov by 5:00 p.m. the day before the scheduled meeting date. Please include the committee or board meeting name in the subject line. Due to the current circumstances there may be limited opportunity to address comments during the meeting. All comments received will be submitted into the record.

1. Call to Order / Roll Call / Confirm Quorum

Quorum: A quorum of this committee shall be a majority of its regular non-ex-officio voting members (5).

2. Consent Calendar

- 2a.** [21-1242](#) Minutes of the October 13, 2021 meeting
- Action:** Committee Approval
- Attachments:** [2a - 21-1242 - Oct 13 Admin Draft Meeting Minutes.pdf](#)
-
- 2b.** [21-1143](#) Contract - Vehicle Miles Traveled (VMT) Policy Adoption Technical Assistance: Fehr & Peers (\$240,000) and Nelson/Nygaard Consulting Associates, Inc. (\$240,000)
- Action:** Committee Approval
- Presenter:** Krute Singa
- Attachments:** [2b - 21-1143 - VMT Policy Adoption TA Contract Approval.pdf](#)
-
- 2c.** [21-1376](#) Contract - Newspaper Legal Notice Services: Daily Journal Corporation dba California Newspaper Service Bureau (\$420,000)
- Action:** Committee Approval
- Presenter:** Marcella Aranda
- Attachments:** [2c - 21-1376 - Contract-Legal Notices Services - Daily Journal.pdf](#)
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- 2d.** [21-1319](#) MTC Resolution No. 4173, Revised. Reauthorization of MTC Investment Policy
- Action:** Commission Approval
- Presenter:** Brian Mayhew
- Attachments:** [2d - 21-1319 - Reso 4173 - Reauthorization of MTC Investment Policy.pdf](#)
-
- 2e.** [21-1295](#) MTC Resolution No. 4265, Revised - MTC Debt Policy Issuance and Management
- Action:** Commission Approval
- Presenter:** Brian Mayhew (Darren Wong)
- Attachments:** [2e - 21-1295 - Reso 4265 - MTC Debt Policy Issuance and Management.pdf](#)

3. Approval

- 3a. [21-1155](#) Contract - Regional Network Management Business Case Evaluation: VIA - A Perkins Eastman Studio (\$750,000)

A request for Committee approval to enter into a contract with VIA - A Perkins Eastman Studio (VIA) in an amount not to exceed \$750,000 for the Regional Network Management Business Case Evaluation

Action: Committee Approval

Presenter: Shruti Hari

Attachments: [3a - 21-1155 - Network Management Business Case Evaluation - Via.pdf](#)

- 3b. [21-1321](#) Evaluation of the Regional Means-Based Transit Fare Pilot (Clipper® START) and Contract Amendment with Nelson Nygaard Consulting Associates, Inc. (\$72,000)

Information on Year 1 Evaluation of the Regional Means-Based Transit Fare Pilot (Clipper® START) findings and request that the Committee approve a contract amendment with Nelson Nygaard Consulting Associates, Inc. to add \$72,000 and extend the contract for evaluation support services through June 1, 2023.

Action: Committee Approval

Presenter: Judis Santos (MTC) and Tracy McMillan (Nelson Nygaard)

Attachments: [3b - 21-1321 - Clipper START Evaluation Findings Year-1.pdf](#)
[3b - 21-1321 - Clipper START Evaluation Findings Year-1 - Attachment A.pdf](#)

4. Public Comment / Other Business

5. Adjournment / Next Meeting

The next meeting of the Administration Committee is scheduled to be held on Wednesday, December 8, 2021 at 9:40 a.m. remotely and by webcast. Any changes to the schedule will be duly noticed to the public.

Public Comment: The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site (mtc.ca.gov) for public review for at least one year.

Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

可及性和法令第六章: MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

Acceso y el Titulo VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Attachments are sent to Committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.

MTC's Chair and Vice-Chair are ex-officio voting members of all standing Committees.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 21-1242 **Version:** 1 **Name:**
Type: Minutes **Status:** Committee Approval
File created: 9/16/2021 **In control:** Administration Committee
On agenda: 11/10/2021 **Final action:**
Title: Minutes of the October 13, 2021 meeting
Sponsors:
Indexes:
Code sections:
Attachments: [2a - 21-1242 - Oct 13 Admin Draft Meeting Minutes.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:
Minutes of the October 13, 2021 meeting

Recommended Action:
Committee Approval



Metropolitan Transportation Commission Meeting Minutes

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105

Administration Committee

Committee Members:

*Federal D. Glover, Chair Cindi Chavez, Vice Chair
Margaret Abe-Koga, Nate Miley, Gina Papan, David Rabbitt,
Hillary Ronen, Amy Worth
Non-Voting Member: Dina El-Tawansy*

Wednesday, October 13, 2021

9:45 AM

REMOTE

Call Remote Meeting to Order

1. Roll Call / Confirm Quorum

Present: 8 - Commissioner Abe-Koga, Vice Chair Chavez, Chair Glover, Commissioner Miley, Commissioner Papan, Commissioner Rabbitt, Commissioner Ronen and Commissioner Worth

Non-Voting Member Absent: Commissioner El-Tawansy

Ex Officio Voting Members Present: Commission Chair Pedroza and Commission Vice Chair Josefowitz

Ad Hoc Non-Voting Members Present: Commissioner Canepa, Commissioner Giacomini, and Commissioner Spering

2. Consent Calendar

Upon the motion by Vice Chair Chavez and the second by Commissioner Rabbitt, the Consent Calendar was unanimously approved by the following vote:

Aye: 8 - Commissioner Abe-Koga, Vice Chair Chavez, Chair Glover, Commissioner Miley, Commissioner Papan, Commissioner Rabbitt, Commissioner Ronen and Commissioner Worth

2a. [21-1141](#) Minutes of the September 8, 2021 meeting

Action: Committee Approval

4. Information**4a. [21-1246](#) MTC Administrative Support For ABAG**

A recommendation for a series of financial options to provide support to ABAG Administrative functions and reduce the future ABAG structural operating deficit. Overall cost to MTC will be approximately \$530,000 from the termination of the ABAG staff surcharge.

Action: Information

Presenter: Brian Mayhew

5. Public Comment / Other Business**6. Adjournment / Next Meeting**

The next meeting of the Administration Committee is scheduled to be held on Wednesday, November 10, 2021 at 9:40 a.m. remotely and by webcast. Any changes to the schedule will be duly noticed to the public.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 21-1143 **Version:** 1 **Name:**

Type: Resolution **Status:** Committee Approval

File created: 8/31/2021 **In control:** Administration Committee

On agenda: 11/10/2021 **Final action:**

Title: Contract - Vehicle Miles Traveled (VMT) Policy Adoption Technical Assistance: Fehr & Peers (\$240,000) and Nelson/Nygaard Consulting Associates, Inc. (\$240,000)

Sponsors:

Indexes:

Code sections:

Attachments: [2b - 21-1143 - VMT Policy Adoption TA Contract Approval.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:
Contract - Vehicle Miles Traveled (VMT) Policy Adoption Technical Assistance: Fehr & Peers (\$240,000) and Nelson/Nygaard Consulting Associates, Inc. (\$240,000)

Presenter:
Krute Singa

Recommended Action:
Committee Approval

**Metropolitan Transportation Commission
Administration Committee**

November 10, 2021

Agenda Item 2b - 21-1143

Contract – Vehicle Miles Traveled (VMT) Policy Adoption Technical Assistance: Fehr & Peers (\$240,000) and Nelson/Nygaard Consulting Associates, Inc. (\$240,000)

Subject:

Staff requests the Committee's approval to enter into separate contracts with Fehr & Peers and Nelson/Nygaard Consulting Associates, Inc. in an amount not to exceed \$240,000 each for the Vehicle Miles Traveled (VMT) Policy Adoption Technical Assistance Project.

Background:

The VMT Policy Adoption Technical Assistance Project (Project) is part of the Priority Development Area Planning Grants & Technical Assistance program (PDA Program). Since its inception, the PDA Program has funded more than 60 plans for cities throughout the Bay Area and enabled nearly 50 technical assistance projects to facilitate implementation of adopted PDA plans. The program is one of the primary tools for linking regional and local planning and for integrating land use and transportation planning.

In November 2020, staff released a Call for Letters of Interest from local jurisdictions for PDA Planning and Technical Assistance grants, together with a Call for Letters of Interest for Regional Early Action Planning (REAP) grants. Proposals were evaluated by MTC/ABAG staff using objective criteria. For Technical Assistance grants, preference was given to proposals that demonstrated innovation and regional replicability, increased pedestrian and bicyclist safety, and updated transportation impact review standards to assess Vehicle Miles Traveled (VMT) rather than Level of Service (LOS), as required by Senate Bill 743. Based upon the success of a multi-city pilot project in the most recent round of the PDA Program that resulted in VMT reduction policies in each participant jurisdiction, proposals were also analyzed to identify areas of shared need.

Staff received a high volume of proposals to assist with adopting VMT policies. To accommodate the requests within the budget available, staff formulated a new regional VMT Policy Adoption Technical Assistance program to deliver the resources necessary for every Bay Area jurisdiction to adopt a VMT policy, using a working group approach with a curriculum and

collaborative learning experience. It is expected that participating cities will have the tools they need to comply with SB 743 and formally adopt thresholds, screens and other VMT supportive policies either during, or shortly after the end of the working group period. The approach will begin with working groups comprised of North Bay jurisdictions and county transportation agencies (CTAs), as well as applicants for VMT-related Technical Assistance. Building on staff's experience implementing SB743 and a successful, recently completed, multi-jurisdiction PDA Technical Assistance grant, this approach will achieve significant cost savings and deliver a much-needed resource to the 70 percent of Bay Area cities that have yet to adopt a VMT policy a year after the state deadline. The working groups will also be an opportunity to deliver resources that will help to address inconsistencies between the state's direction to focus on reducing greenhouse gas emissions/VMT and LOS monitoring conducted through county Congestion Management Programs. A second phase will expand working groups region-wide to ensure VMT policies are adopted in advance of Housing Elements.

To fund the program, MTC, through the PDA Planning and Technical Assistance Program, is contributing \$480,000. ABAG, through the REAP Program, is funding the remaining \$470,000. In May 2021, the MTC Commission approved adoption of Resolution No. 4202, Revised to allocate \$480,000 of PDA Planning and Technical Assistance Program budget for the VMT Policy Adoption Technical Assistance program. Also in May, the ABAG Executive Board approved adoption of Resolution No. 06-2021, to allocate \$470,000 of REAP funds for the regional VMT Policy Adoption Technical Assistance program.

Procurement Process:

To develop and administer the working group approach, MTC issued a Mini-Request for Proposal (Mini-RFP) for VMT Policy Adoption Technical Assistance on July 27, 2021.

Because the working groups will require active participation by the selected consultants, particularly to teach the curriculum and provide localized assistance to cities needing assistance to comply with SB 743, MTC sought to award to up to two firms to meet the goals, scope, and schedule of the TA effort. The Mini-RFP also specified that the selected consultant teams would collaborate and coordinate with each other and MTC to develop and deploy the curriculum,

create curriculum resources and templates, provide localized assistance and evaluate the approach.

The Mini-RFP was sent to firms that were pre-qualified for the 2021 Regional Planning Bench for Service Category 5: Transportation Policy and Implementation and for Service Category 6: Transportation Program Development and Administration. All eligible firms were notified by an email advertising the opportunity. On August 3, 2021, MTC hosted a virtual Proposers' Conference to describe the project that was attended by ten individuals representing nine different firms.

On the closing date of August 19, 2021, MTC received two qualified proposals from Fehr & Peers and Nelson\Nygaard Consulting Associates, Inc. Each proposal was supported by a team of subconsultants. The proposals were evaluated by a panel of MTC staff against the following evaluation criteria:

- Qualifications and Team Experience (40%)
- Understanding and preliminary approach to completing the Project (30%)
- Cost effectiveness, including hourly rates, reasonableness and appropriateness of preliminary task budget (25%)
- Presentation, as evidenced in the written proposal, and interviews, if held (5%)

After a thorough review of the proposals, the evaluation panel recommends the selection of both Fehr & Peers and Nelson\Nygaard Consulting Associates, Inc., without interviews. The panel identified several strengths in both Fehr & Peers and Nelson\Nygaard Consulting Associates, Inc.'s proposals that led to both their recommendations, including their clear understanding of the technical assistance needed for local agencies and desired outcomes. Both firms have experience designing, implementing and facilitating working groups. Both firms have experience with helping cities in the Bay Area with VMT policy adoptions, as well as throughout California. The firms take different approaches to assisting cities and together will create a comprehensive Vehicle Miles Traveled (VMT) Policy Adoption Technical Assistance Project that will respond to the varied needs of the cities participating in the working groups.

The evaluation panel is confident that both Fehr & Peers and Nelson\Nygaard Consulting Associates, Inc. will meet MTC's expectations for delivering VMT Policy Adoption Technical Assistance.

Attachment A includes a summary of Fehr & Peers and Nelson\Nygaard Consulting Associates, Inc. and their subconsultants' small business and disadvantaged business enterprise status related to the work described in this memorandum.

Funding:

The total VMT Policy Adoption Technical Assistance budget is \$950,000. As mentioned, MTC, through the PDA Planning and Technical Assistance Program, is contributing \$480,000. ABAG, through the REAP Program, is funding the remaining \$470,000. REAP funds in the ABAG budget will be transferred to MTC for this project through a budget amendment. To get started and initiate the project, staff requests entering into contract with the available \$480,000 currently in the MTC budget, and that the amount be split equally between the two recommended firms, or \$240,000 for each consultant. Following the budget amendment, staff will return to the committee to amend both consultant contracts to add the remaining \$470,000.

Issues:

None identified.

Recommendations:

Staff recommends that the Committee authorize the Executive Director or designee to negotiate and enter into separate contracts with both Fehr & Peers and Nelson\Nygaard Consulting Associates, Inc., in an amount not to exceed \$240,000 for each consultant for consultant services to deliver the VMT Policy Adoption Technical Assistance.

Attachments:

- Attachment A: Small Business and Disadvantaged Business Enterprise Status
- Request for Committee Approval – Summary of Proposed Contract – Fehr & Peers
- Request for Committee Approval – Summary of Proposed Contract – Nelson\Nygaard Consulting Associates, Inc.



Therese W. McMillan

Attachment A

Disadvantaged Business Enterprise and Small Business Enterprise Status

	Firm Name	Role on Project	DBE * Yes	If DBE Yes, List #	DBE No	SBE* * Yes	If SBE Yes, List #	SBE No
Prime Contractor	Fehr & Peers	Project Lead			X			X
Subcontractor	PlaceWorks,	Project Support			X			X
Subcontractor	Gray-Bowen-Scott	Project Support			X			X
Subcontractor	Davis & Associates	Stakeholder Engagement	X	26344				X
Prime Contractor	Nelson\Nygaard Consulting Associates, Inc.	Project Lead			X			X
Subcontractor	Ann Cheng Consulting	Project Support	X	50250		X	2021866	

*Denotes certification by the California Unified Certification Program (CUCP).

**Denotes certification by the State of California.

Request for Committee Approval

Summary of Proposed Contract

Work Item No.: 1611

Consultant: Fehr & Peers, Walnut Creek, California

Work Project Title: Vehicle Miles Traveled (VMT) Policy Adoption Technical Assistance Project

Purpose of Project: The goal of the VMT Policy Adoption Technical Assistance Project is to help cities formally pass VMT policy and comply with SB 743.

Project Cost Not to Exceed: \$240,000

Funding Source: STP

Fiscal Impact: \$240,000 is included in the FY 2021-22 MTC budget.

Motion by Committee: That the Executive Director or designee is authorized to negotiate and enter into contract with Fehr & Peers in an amount not to exceed \$240,000 for consultant services for delivering VMT Policy Adoption Technical Assistance as described above and in the Administration Committee Summary Sheet dated November 10, 2021.

Administration Committee:

Federal D. Glover, Chair

Approved: Date: November 10, 2021

Request for Committee Approval

Summary of Proposed Contract

Work Item No.: 1611

Consultant: Nelson\Nygaard Consulting Associates, Inc., Oakland, California

Work Project Title: Vehicle Miles Traveled (VMT) Policy Adoption Technical Assistance Project

Purpose of Project: The goal of the VMT Policy Adoption Technical Assistance Project is to help cities formally pass VMT policy and comply with SB 743.

Project Cost Not to Exceed: \$240,000

Funding Source: STP

Fiscal Impact: \$240,000 is included in the FY 2021-22 MTC budget.

Motion by Committee: That the Executive Director or designee is authorized to negotiate and enter into contract with Nelson\Nygaard Consulting Associates, Inc., in an amount not to exceed \$240,000 for consultant services for delivering VMT Policy Adoption Technical Assistance as described above and in the Administration Committee Summary Sheet dated November 10, 2021.

Administration Committee:

Federal D. Glover, Chair

Approved: Date: November 10, 2021



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 21-1376 **Version:** 1 **Name:**
Type: Contract **Status:** Committee Approval
File created: 10/7/2021 **In control:** Administration Committee
On agenda: 11/10/2021 **Final action:**
Title: Contract - Newspaper Legal Notice Services: Daily Journal Corporation dba California Newspaper Service Bureau (\$420,000)

Sponsors:

Indexes:

Code sections:

Attachments: [2c - 21-1376 - Contract-Legal Notices Services - Daily Journal.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:

Contract - Newspaper Legal Notice Services: Daily Journal Corporation dba California Newspaper Service Bureau (\$420,000)

Presenter:

Marcella Aranda

Recommended Action:

Committee Approval

**Metropolitan Transportation Commission
Administration Committee**

November 10, 2021

Agenda Item 2c - 21-1376

**Contract - Newspaper Legal Notice Services: Daily Journal Corporation dba California
Newspaper Service Bureau (\$420,000)**

Subject:

Staff requests Committee approval to enter into a contract in the amount of \$420,000, for a three-year term with an option to extend for two additional years, with the Daily Journal Corporation dba California Newspaper Service Bureau to facilitate the placement of its legal notices of public hearings, public comments periods and other critical announcements in major Bay Area newspapers.

Background:

Statutory requirements mandate that MTC and its affiliates publish legal notices in various publications throughout the nine-county San Francisco Bay Area for any changes to programs including, but not limited to, Bay Area Toll Ordinance updates, the Transportation Improvement Program, Air Quality Conformity, Regional Measure 2, Regional Measure 3 and Plan Bay Area, among others. Some of these statutes require multiple notices within specified time periods.

On August 3, 2021, a Request for Proposal was issued for legal notice services and support for MTC and its affiliate agencies on an as-needed basis. The RFP was posted on MTC's Website and an email advertising the opportunity was sent to 3649 firms and individuals. The Daily Journal Corporation dba California Newspaper Service Bureau (Contractor) was the only qualified submittal. The Contractor is neither a small business nor a disadvantaged business enterprise and has no subcontractors. The scope of work includes coordination and recommendations for the most appropriate publications and manages the placement of legal notices in designated San Francisco Bay Area newspapers and trade journals. The Contractor will assist MTC in determining relevant newspapers to ensure maximum exposure in diverse communities and coordinate timely ad placements for all nine Bay Area counties. The Contractor offers pre-negotiated rates and invoicing which eliminates any delays in direct payments to the various publications.

Issues:

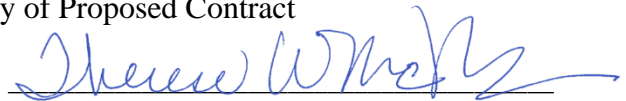
None identified.

Recommendations:

Staff recommends that this Committee authorize the Executive Director or designee to enter into a contract with Daily Journal Corporation, dba California Newspaper Service Bureau, in an amount not to exceed \$420,000 for the performance of professional services in connection with the placement of legal notices in publications for a three-year term, with an option to extend for two additional years. There is \$140,000 in the FY 2021-22 MTC budget and the remaining amount is subject to the approval of the FY 2022-23 and FY 2023-24 agency budgets.

Attachments:

- Attachment A: Small Business and Disadvantaged Business Enterprise Status
- Request for Committee Approval – Summary of Proposed Contract



Therese W. McMillan

Attachment A

Disadvantaged Business Enterprise and Small Business Enterprise Status

	Firm Name	Role on Project	DBE * Yes	If DBE Yes, List #	DBE No	SBE* * Yes	If SBE Yes, List #	SBE No
Prime Contractor	Daily Journal Corporation dba California Newspaper Service Bureau	Facilitate the placement of legal notices			X			X
Subcontractor								
Subcontractor								

*Denotes certification by the California Unified Certification Program (CUCP).

**Denotes certification by the State of California.

Request for Committee Approval

Summary of Proposed Contract

Work Item No.: 1112

Consultant: Daily Journal Corporation, dba California Newspaper Service Bureau
Los Angeles, CA

Work Project Title: Newspaper Legal Notice Services

Purpose of Project: For the performance of professional services in connection with the placement of legal notices in publications.

Brief Scope of Work: Facilitate the placement of Agency legal notices of public hearings, public comments periods (and other critical announcements) in major Bay Area newspapers.

Project Cost Not to Exceed: \$420,000

Funding Source: 1112 – General Fund, BATA, BAIFA

Fiscal Impact: \$140,000 in FY 2021-22; and \$140,000 per FY subject to the approval of the FY 2022-23 and FY 2023-24 agency budgets.

Motion by Committee: That the Executive Director or designee is authorized to negotiate and enter into a contract with Daily Journal Corporation, dba California Newspaper Service Bureau for the performance of professional services in connection with the placement of legal notices in publications described above and in the Administration Committee Summary Sheet dated November 10, 2021 and that the Chief Financial Officer is authorized to set aside \$420,000 for such contract, subject to future annual budget approvals.

Administration Committee:

Federal D. Glover, Chair

Approved: November 10, 2021



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 21-1319 **Version:** 1 **Name:**

Type: Contract **Status:** Commission Approval

File created: 9/29/2021 **In control:** Administration Committee

On agenda: 11/10/2021 **Final action:**

Title: MTC Resolution No. 4173, Revised. Reauthorization of MTC Investment Policy

Sponsors:

Indexes:

Code sections:

Attachments: [2d - 21-1319 - Reso 4173 - Reauthorization of MTC Investment Policy.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:
MTC Resolution No. 4173, Revised. Reauthorization of MTC Investment Policy

Presenter:
Brian Mayhew

Recommended Action:
Commission Approval

**Metropolitan Transportation Commission
Administration Committee**

November 10, 2021

Agenda Item 2d - 21-1319

MTC Resolution No. 4173, Revised – Reauthorization of MTC Investment Policy

Subject:

Staff requests that the Committee authorize the referral of MTC Resolution No. 4173, Revised to the Commission for the annual reauthorization of the MTC Statement of Investment Policy.

Background:

The Statement of Investment Policy (“Policy”) governs the investment of temporarily idle funds for MTC and all entities managed under MTC. The policy establishes rules and procedures for the administration of all funds, including:

- Permitted Investments (Section II) – follows state law for eligible investments with local exceptions for specifically prohibited investments (Section III)
- Fund and Liquidity Levels (Section VI) sets minimum liquidity rules for all funds under management
- Brokerage Firms (Section VII) – establishes minimum credit and asset standards for brokers trading for MTC
- Safekeeping (Section X) – establishes requirements that all securities shall be maintained in safekeeping “trust” independent of all brokers

The Policy also includes requirements for audit of internal controls, investment reports on a quarterly basis at minimum as well as signature controls and the requirement for annual review and approval by the Commission. In addition, broker dealer firms are required to meet all listed financial and credit standards to be eligible to work with the Agency.

The Policy is subject to review annually. There are no proposed changes to the Policy as adopted by the Committee last year.

Issues:

None identified.

Recommendations:

Refer MTC Resolution No. 4173, Revised to the Commission for reauthorization.

Attachments:

- MTC Resolution No. 4173, Revised, MTC Investment Policy

A handwritten signature in blue ink, appearing to read "Therese W. McMillan", is written over a horizontal line.

Therese W. McMillan

Date: February 25, 2015
W.I.: 15.2.1
Referred by: Admin. Committee
Revised: 02/24/16-C 01/25/17-C
06/28/17-C 03/28/18-C
03/27/19-C 11/20/19-C
12/16/20-C 11/17/21-C

ABSTRACT

Resolution No. 4173, Revised

This resolution authorizes the establishment of a new Statement of Investment Policy for the management of MTC funds. This resolution also accepts administrative responsibility for management of the funds of the MTC Service Authority for Freeways and Expressways (SAFE), the Bay Area Toll Authority (BATA), the Bay Area Infrastructure Financing Authority (BAIFA) and the Bay Area Headquarters Authority (BAHA), as delegated to MTC by MTC SAFE, BATA, BAIFA and BAHA; and for the Association of Bay Area Governments (ABAG), a separate joint powers authority, and its affiliated entities, for which MTC is accepting administrative responsibility for management of funds, effective July 1, 2017 pursuant to a contract for services between MTC and ABAG, dated May 30, 2017.

This resolution supersedes MTC Resolution No. 4115 and any other MTC resolutions to the extent that they may conflict with this policy.

Attachment A to this resolution was amended February 24, 2016 to renew the Statement of Investment Policy.

Attachment A to this resolution was amended January 25, 2017 to change the Statement of Investment Policy.

This resolution was revised on June 28, 2017 to add ABAG to the Statement of Investment Policy, and Attachment A to this resolution was amended June 28, 2017 to change the Statement of Investment Policy.

Attachment A to this resolution was amended on March 28, 2018 to renew the Statement of Investment Policy.

Attachment A to this resolution was amended on March 27, 2019 to renew the Statement of Investment Policy.

Attachment A to this resolution was amended on November 20, 2019 to change the Statement of Investment Policy to include Bond Repurchase Accounts.

Attachment A to this resolution was amended on December 16, 2020 to renew the Statement of Investment Policy.

Attachment A to this resolution was amended on November 17, 2021 to renew the Statement of Investment Policy.

Further discussion of these amendments is contained in the Executive Director's memoranda to the Administration Committee dated February 3, 2015, February 3, 2016, January 4, 2017, February 28, 2018 and February 27, 2019, June 7, 2017 and the Administration Committee Summary Sheets dated November 13, 2019, December 9, 2020, and November 10, 2021.

Date: February 25, 2015
W.I.: 15.2.1
Referred by: Admin. Committee
Revised: 06/28/17-C

RE: Establishment of a Statement of Investment Policy.

METROPOLITAN TRANSPORTATION COMMISSION

RESOLUTION NO. 4173

WHEREAS, the Metropolitan Transportation Commission (MTC) is the Regional Transportation Planning Authority for the San Francisco Bay Area pursuant to Government Code §§ 66500 et seq.; and

WHEREAS, the MTC has the responsibility to manage funds received in accordance with the provisions of Government Code §§ 53600 et seq. and a Statement of Investment Policy adopted pursuant to those statutory provisions; and

WHEREAS, the MTC Service Authority for Freeways and Expressways (MTC SAFE), created pursuant to Streets and Highways Code §§ 2250-2556; the Bay Area Toll Authority (BATA), created pursuant to Streets & Highways Code §§ 30950 et seq.; the Bay Area Headquarters Authority (BAHA), created pursuant to a Joint Exercise of Powers Agreement between MTC and BATA dated September 28, 2011, and the Bay Area Infrastructure Financing Authority (BAIFA) created pursuant to the joint exercise of powers between MTC and BATA dated August 1, 2006 have requested MTC to assume administrative responsibility for MTC SAFE, BATA, BAHA and BAIFA funds; and

WHEREAS, MTC is accepting administrative responsibility for the Association of Bay Area Governments (ABAG), a separate joint powers authority, and its affiliated entities, for management of funds, effective July 1, 2017 pursuant to a contract for services between MTC and ABAG, dated May 30, 2017; and

WHEREAS, MTC intends to manage all funds for which it is responsible pursuant to a single comprehensive investment policy; and

WHEREAS, the ABAG Administrative Committee has authorized MTC to open new and manage or close existing accounts with banks, financial institutions, and government pooled investment funds as needed in order to manage ABAG's and all related entities cash and investments under MTC signatures utilizing ABAG's and all related entities' tax identification numbers; now therefore, be it

RESOLVED, that MTC hereby adopts the Statement of Investment Policy as set forth in Attachment A to this Resolution, attached hereto and incorporated herein as though set forth at length; and, be it further

RESOLVED, Attachment A shall be applicable to all funds delegated to MTC; and, be it further

RESOLVED, that the Resolution No. 4173 supersedes MTC Resolution No. 4115; and, be it further

RESOLVED, that MTC's Executive Director or Treasurer or both, as applicable, are directed to manage MTC funds and funds delegated to MTC's administrative responsibility in conformance with said policy; and, be it further

RESOLVED, that this policy shall remain in effect unless modified by MTC; and, be it further

RESOLVED, that this Resolution shall take precedent over any prior MTC Resolutions to the extent that they may conflict herewith or with Attachment A.

METROPOLITAN TRANSPORTATION COMMISSION



Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in Oakland, California, on February 25, 2015.

Date: February 25, 2015
W.I.: 15.2.1
Referred by: Admin. Committee
Revised: 02/24/16-C 01/25/17-C
06/28/17-C 03/28/18-C
03/27/19-C 11/20/19-C
12/16/20-C 11/17/21-C

Attachment A
Resolution No. 4173
Page 1 of 6

Statement of Investment Policy

The Treasurer of the Metropolitan Transportation Commission (MTC) shall invest all funds over which MTC is administratively responsible, including those of MTC, MTC Service Authority for Freeways and Expressways (SAFE), the Bay Area Toll Authority (BATA), the Regional Administrative Facility Corporation (RAFC), the Bay Area Headquarters Authority (BAHA) the Bay Area Infrastructure Financing Authority (BAIFA), and the Association of Bay Area Governments (ABAG) a separate joint powers authority, and its affiliated entities, for which MTC is accepting administrative responsibility for management of funds, effective July 1, 2017 pursuant to a contract for services dated May 30, 2017 in accordance with the provisions of §§ 53600 et seq. of the Government Code and the provisions of this investment policy.

I. Prudent Investor Rule:

Funds shall be managed under the “prudent investor standard” which requires all agencies investing public funds to be trustees of those funds, and therefore, fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under circumstances then prevailing, including, but not limited to, the general economic conditions and anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. All funds shall be invested within the following objectives, in order of priority:

1. Safety: Preservation and safeguard of capital.
2. Liquidity: Funds shall be invested in a manner consistent with operating needs of the agency.
3. Yield: Funds shall be invested to earn a secured and safe return without compromising the objectives of safety and liquidity.

II. Permitted Investments:

Investments authorized under this policy shall be limited to:

- A. United States treasury notes, bonds or bills for which the full faith and credit of the United States are pledged for the payment of principal and interest.

- B. Bonds, notes, bills, warrants or obligations issued by an agency of the United States.
- C. Commercial Paper of “prime” quality of the highest ranking or of the highest letter and numerical rating provided by Moody’s Investor Services or Standard & Poor’s Corporation.

Eligible paper is further limited to issuing corporations organized and operating in the United States and having total assets in excess of five hundred million dollars (\$500,000,000) and having an “A” or higher rating for the issuers’ debt, other than commercial paper, if any, as provided by Moody’s Investor Services or Standard & Poor’s Corporation or the equivalent of other nationally recognized rating services that may be allowed by statute. Purchases shall not exceed 180 days maturity, 10% of the outstanding commercial paper of a single issuing corporation and 10% of the agency’s surplus money.

- D. Negotiable certificates of deposit issued by a nationally or State chartered bank, not to exceed 10% of surplus agency funds.
- E. Medium-Term notes of a maximum five years maturity issued by corporations meeting criteria in Section C, not to exceed 10% of agency’s surplus funds.
- F. Mutual funds registered with the Securities and Exchange Commission, having attained the highest letter and numerical ranking by at least two Nationally recognized statistical rating organizations. Such investments shall not exceed 20% of surplus funds, with no more than 10% invested in any single mutual fund.
- G. Local Agency Investment Fund (LAIF) as authorized by Government Code §§ 16429.1.
- H. The Alameda County Treasury local agency investment fund authorized under Government Code §§ 53684.
- I. Repurchase agreements collateralized by securities of the United States Government or an agency of the United States Government.
- J. Municipal Obligations issued by State or Local agencies:
 - a) Such bonds can include the obligations of the Bay Area Toll Authority and the Bay Area Infrastructure Financing Authority;
 - b) The maturity does not exceed 5 years from the date of purchase;
 - c) With regards to Municipal Obligations in the form of variable rate demand bonds, the obligations shall have mandatory investor tender rights supported by a third-party liquidity facility from a financial institution with short-term ratings of at least A-1 by S&P or P-1 by

Moody's. The maturity of these bonds shall be equivalent to the investor's tender option supported by the liquidity facility.

- K. All other investments authorized under §§ 53600 et seq. of the California Government Code as appropriate for public fund investments and not specifically prohibited by this policy.

III. Prohibited Investments:

In addition to any prohibited investments listed in California Code §§ 53601.6 and 53631.5, the following are specifically prohibited:

- A. Reverse repurchase agreements.
- B. Financial futures.
- C. Option contracts.
- D. Mortgage interest strips.
- E. Inverse floaters.
- F. Securities lending.
- G. Repurchase agreements purchased for "yield enhancement" purposes and not required for banking and liquidity purposes.
- H. Any investment that fails to meet credit or portfolio limits at the time of investment.

IV. Sales Prior to Maturity:

- A. The primary strategy of this investment policy is to "buy and hold" securities to maturity, however, a security may be sold prior to maturity if the sale is necessary to avoid further erosion of market value or meet operational or project liquidity needs. All sales prior to maturity shall be detailed in the investment report.
- B. A security whose market or credit quality falls outside the investment policy parameters after purchase may be held to maturity without violation of this policy provided the fact is disclosed in the investment report.

V. Investment Pools:

Investment pools operated by LAIF and Alameda County as permitted investments under Section II of this policy, whose portfolios contain specific securities not permitted under this policy, but none-the-less permitted under the law or approved investment policy of the respective pool, are permitted under this policy. The make-up of such portfolios shall be submitted as part of the investment report at least quarterly.

VI. Fund and Liquidity Levels:

- A. Funds for MTC, SAFE and BATA operating requirements shall be commingled for investment purposes. The liquidity level shall be maintained in an appropriate manner but not less than:

<u>30</u> <u>Days</u>	<u>90</u> <u>Days</u>	<u>1</u> <u>Year</u>	<u>Maximum</u> <u>Weighted</u> <u>Maturity</u> <u>5 years</u>
10%	15%	30%	

The percentages within the 30 and 90 day counts are cumulative towards the one year minimum.

B. Reserve Funds:

Specifically designated reserve funds may have a maximum maturity of 40 years or less, provided each fund is clearly identified in the investment report.

C. All funds under management shall be combined for the purpose of evaluating credit and portfolio limits.

VII. Brokerage Firms:

Only firms meeting all of the following criteria shall be authorized to buy or sell securities:

- A. Firms licensed to conduct business as a broker-dealer under § 25004 of the Corporations Code, licensed and registered under the Securities Exchange Commission, a Federally or State chartered bank, or designated a “primary dealer” by the Federal Reserve Bank and with offices located in California.
- B. The firm must have a minimum rating of “A-” from a nationally recognized credit rating agency.
- C. Corporate assets or assets under management of at least fifty million dollars (\$50,000,000).
- D. Provided written certification that they received a copy of the approved policy.

VIII. Bond Repurchase Accounts

MTC will use licensed brokerage firms for the purpose of purchasing BATA bonds with the intent of retiring its debt when such debt is offered for sale in the secondary market. Such brokerage firms are for the specific purpose of purchasing and transferring BATA bonds to BATA and as such will be exempt from the requirements of Section VII, except that all firms shall be licensed brokers.

IX. Investment Management Services:

Only firms meeting all of the following criteria shall be authorized to manage investment funds.

- A. Firms licensed to conduct business as an investment advisor under § 25009 of the Corporations Code, licensed and registered under the Securities Exchange Commission.
- B. Firms licensed to conduct business as a Registered Investment Advisor under the Investment Advisors Act of 1940.
- C. Firms must have assets under management of at least five billion dollars (\$5,000,000,000) and the investment fund must be rated at least an "A".
- D. Firms must provide certification of an annual audit or certification of internal cash controls (i.e. SAS 70 or equivalent) satisfactory to the Chief Financial Officer.
- E. Firms must have a minimum of 10 years experience of investment advisory experience in the public sector.
- F. Firms must carry errors and omission insurance of at least ten million dollars (\$10,000,000).
- G. Firms must provide written certification that they meet all of the above criteria.

X. Safekeeping:

- A. All securities shall be maintained in a safekeeping account, independent from all broker accounts, with securities held in the name of the agency. Banks with independent "trust" or safekeeping departments shall qualify as independent safekeeping accounts.
- B. Safekeeping accounts shall be maintained with firms or banks with at least fifty million dollars (\$50,000,000) in trust and safekeeping accounts under management and a minimum rating in the "A" category from a nationally recognized rating service.
- C. The Treasurer or assignee designated by the MTC Executive Director is authorized to sign documents providing for the sale and purchase of securities, as well as all documents required to provide for safekeeping and trust.

XI. Internal Controls:

The Treasurer shall be responsible for developing a system of internal controls that maintain appropriate records of all transactions as well as individual fund ownership of all investments and interest earnings and shall also be subject to the annual independent audit process.

XII. Investment Reports:

In accordance with § 53646 of the Government Code, at least quarterly, the Treasurer shall submit an investment report to the Executive Director who shall forward the report to all entities whose funds are subject to this policy. The report shall detail all

securities, par value, market value, maturity, liquidity and credit limit thresholds, as well as any sales prior to maturity, any securities no longer meeting policy standards, and any investment policy violations. Portfolio detail for LAIF, Alameda County or other authorized Government Investment Pools, shall be included on a quarterly basis.

XIII. Financial Accounts:

Both the Executive Director and the Treasurer are required to sign documents to open financial accounts with banks, financial institutions and government pooled investment funds as needed in order to manage MTC's investments as described within this investment policy; provided that all such accounts meet policy standards.

XIV. Authorized Signers

The following positions are authorized to sign on all accounts:

Executive Director
Deputy Executive Directors – all
Chief Financial Officer
Deputy Treasurer

At least two signatures are required to transfer funds out of such accounts.

XV. Renewal:

This investment policy shall be subject to review annually.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #: 21-1295 **Version:** 1 **Name:**
Type: Resolution **Status:** Commission Approval
File created: 9/27/2021 **In control:** Administration Committee
On agenda: 11/10/2021 **Final action:**
Title: MTC Resolution No. 4265, Revised - MTC Debt Policy Issuance and Management
Sponsors:
Indexes:
Code sections:
Attachments: [2e - 21-1295 - Reso 4265 - MTC Debt Policy Issuance and Management.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:
MTC Resolution No. 4265, Revised - MTC Debt Policy Issuance and Management

Presenter:
Brian Mayhew (Darren Wong)

Recommended Action:
Commission Approval

**Metropolitan Transportation Commission
Administration Committee**

November 10, 2021

Agenda Item 2e - 21-1295

MTC Resolution No. 4265, Revised – MTC Debt Policy Issuance and Management

Subject:

Staff requests that the Committee authorize the referral of MTC Resolution No. 4265, Revised to the Commission for the renewal of the Debt Policy for MTC and all MTC affiliated entities as well as ABAG which is administered under the Contract for Services.

Background:

The Debt Policy establishes the rules and limitations for all debt issued by MTC or any affiliated entity as well as ABAG. Prior to January 2017, the Debt Policy was primarily a BATA concern. However, in light of MTC now covering ABAG and ABAG FAN debt pursuant to the Contract for Services as well as preparing a federal funding securitization through BAIFA, the Debt Policy has shifted to the MTC Administration Committee.

The criteria listed in Resolution No. 4265, Revised are quite extensive and specifically relate to the authorization to issue debt. The provisions include:

- Issuance only by approved resolution
- Complete detail on total issuance and debt costs
- Complete capital financing plan
- Criteria for the use of credit enhancements
- Credit criteria for use of structured products (Derivatives)
- Analysis of debt capacity
- Refunding requirements of minimum 3% net present value for savings

There are also specific requirements for internal controls, administration, and audit. The Debt Policy complies with state law and all state reporting requirements.

Resolution No. 4265, Revised, requires review and approval on an annual basis. There are no changes to the policy as adopted by the Commission last year.

Additionally, BATA expects to amend its existing International Swaps and Derivatives Association (ISDA) Agreements via the ISDA Fallback Rate Protocol (once published) to

address the potential discontinuance of the London Interbank Offered Rate (LIBOR) at the end of 2021. This is provided for informational purposes only and has no impact on the policy.

Issues:

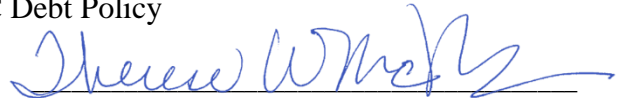
None identified.

Recommendations:

Refer MTC Resolution No. 4265, Revised to the Commission for approval.

Attachments:

- MTC Resolution No. 4265, Revised, MTC Debt Policy



Therese W. McMillan

Date: January 25, 2017

W.I.:

Referred by: Admin. Committee

Revised:	06/28/17-C	03/28/18-C
	03/27/19-C	11/20/19-C
	12/16/20-C	11/17/21-C

ABSTRACT

MTC Resolution No. 4265, Revised

This resolution authorizes the establishment of a Debt Policy with respect to the issuance and management of debts for the Metropolitan Transportation Commission (MTC) and its affiliated entities, including but not limited to the Bay Area Toll Authority (BATA) and the Bay Area Infrastructure Financing Authority (BAIFA), as delegated to MTC, and for the Association of Bay Area Governments (ABAG), a separate joint powers authority, and its affiliated entities, for which MTC is providing administration of debts and other obligations effective July 1, 2017 pursuant to a contract for services between MTC and ABAG dated May 30, 2017.

This resolution was revised on June 28, 2017 to add ABAG to the MTC Debt Policy.

Attachment A to this Resolution is being submitted for the Commission's annual approval on March 28, 2018 as stipulated in the "Objectives" section of the attachment.

Attachment A to this Resolution is being submitted for the Commission's annual approval on March 27, 2019 as stipulated in the "Objectives" section of the attachment.

This resolution was revised on November 20, 2019 to update language and regulatory requirements.

Attachment A to this Resolution is being submitted for the Commission's annual approval on December 16, 2020 as stipulated in the "Objectives" section of the attachment.

Attachment A to this Resolution is being submitted for the Commission's annual approval on November 17, 2021 as stipulated in the "Objectives" section of the attachment.

Further discussion of this amendment is contained in the Deputy Executive Director's memoranda to the Administration Committee dated June 7, 2017, February 28, 2018, February 27, 2019, November 13, 2019, December 9, 2020 and the Administration Committee Summary Sheet dated November 10, 2021.

Date: January 25, 2017

W.I.:

Referred by: Admin. Committee

Revised: 06/28/17-C

Re: Establishment of a Comprehensive MTC Debt Policy

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION No. 4265, REVISED

WHEREAS, the Metropolitan Transportation Commission (MTC) is the Regional Transportation Planning Authority for the San Francisco Bay Area pursuant to Government Code §§ 66500 et seq.; and

WHEREAS, the Bay Area Toll Authority (BATA), created pursuant to Streets & Highways Code §§ 30950 et seq. and the Bay Area Infrastructure Financing Authority (BAIFA) created pursuant to the joint exercise of powers agreement between MTC and BATA dated August 1, 2006 as amended, have requested MTC to assume administrative responsibility for BATA and BAIFA debts; and

WHEREAS, the Association of Bay Area Governments (ABAG), a separate joint powers authority, and its affiliated entities, for which MTC is providing administration of debts and other obligations, effective July 1, 2017 pursuant to a contract for services between MTC and ABAG dated May 30, 2017; and

WHEREAS, MTC intends to administer all debts for which it is responsible pursuant to a single comprehensive debt policy; now, therefore, be it

RESOLVED, that MTC hereby adopts MTC Resolution No. 4265, as set forth in Attachment A to this Resolution, and incorporated herein as though set forth at length, which establishes MTC's debt policy with respect to the issuance and management of MTC debt.

METROPOLITAN TRANSPORTATION COMMISSION


Jake Mackenzie, Chair

The above resolution, revising and superseding the resolution approved on January 25, 2017, was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California, on June 28, 2017.

Date: January 25, 2017
W.I.:
Referred by: Admin. Committee
Revised: 06/28/17-C 03/28/18-C
03/27/19-C 11/20/19-C
12/16/20-C 11/17/21-C

Attachment A
MTC Resolution No. 4265
Page 1 of 8

METROPOLITAN TRANSPORTATION COMMISSION DEBT POLICY

Introduction

The purpose of the Debt Policy is to establish guidelines for the issuance and financial management of debts for which the Metropolitan Transportation Commission (MTC) is administratively responsible, including those of the Bay Area Toll Authority (BATA), the Bay Area Infrastructure Financing Authority (BAIFA). This Debt Policy is intended to guide decisions related to any debt issued by MTC or its affiliated entities. This Debt Policy is also intended to guide decisions related to any debt issued by the Association of Bay Area Governments (ABAG), a separate joint powers authority, and its affiliated entities for which MTC is administering debts and other obligations, effective July 1, 2017 pursuant to a contract for services between MTC and ABAG dated May 30, 2017. Collectively, these entities comprise MTC as defined in this Debt Policy. The MTC recognizes that cost-effective access to the capital markets is highly dependent on sound management of the MTC's debt program.

Objectives

The purpose of the Debt Policy is to assist the MTC in meeting the following objectives:

- Issue debt in accordance with established guidelines
- Complete an approved capital financing plan
- Timely repayment of debt
- Maintain the highest of ratings that are consistent with the financing plan
- Ensure compliance with applicable State and Federal laws
- Assure access to credit markets
- Preserve financial flexibility

The MTC's Debt Policy shall be reviewed and updated at least annually and presented to the Board for approval. The Debt Policy requires that the MTC's Board specifically authorize each debt financing by resolution approved by the Board.

I. Long-Term Debt Financing

- A. The MTC will use the following criteria to evaluate pay-as-you-go versus long-term debt financing in funding capital projects.

- 1) Factors that favor pay-as-you-go:
 - a) Current revenues and adequate fund balances are available
 - b) Project phasing is feasible
 - c) Debt levels could adversely affect the MTC's or its affiliated entities' credit rating
 - d) Market conditions are unstable or present difficulties in marketing long-term debt
- 2) The MTC will consider the use of long-term debt financing for capital projects under, but not limited to, the following circumstances:
 - a) When the project's useful life will equal or exceed the term of the financing.
 - b) Revenues available for debt service are considered self-sufficient and reliable so that long-term financing can be marketed with an appropriate credit rating.
 - c) The project that is being considered will not adversely affect the MTC's or its affiliated entities' credit rating.
 - d) Market conditions present favorable interest rates.
 - e) High priority projects that result from regional or economic conditions that require use of long-term debt.
- 3) Each debt issuance for the financing of capital projects shall be approved by resolution specifying the following:
 - a) The security pledge for repayment of debt service
 - b) Total principal-- amount of the bonds.
 - c) Maximum interest rate, not to exceed 12%.
 - d) Total expected principal and interest payments, and such estimates may be set forth in a staff report accompanying or relating to the resolution approving the debt issuance.
 - e) All fees associated with the issuance. Fees may be in the form of a discount rate applied to the bond issue or direct payments of the fees.
 - f) Whether bonds are to be fixed or variable rate.
 - g) Any other special terms or conditions, including forward or delayed issuance and delivery of bonds.

- B. The MTC may use debt in special circumstances for projects other than long-term capital projects. Long-term debt will not be used to fund any ongoing operational costs.
- C. The MTC may use lease financing as an appropriate means of financing capital facilities, projects and certain equipment. The useful life of the capital equipment, the terms and conditions of the lease and budget flexibility will be evaluated prior to the implementation of the lease obligation. Efforts will be made to fund capital on a pay-as-you-go basis where feasible.
- D. No debt shall be issued for the financing of capital projects without approval of the resolution by the Board.

Capital Financing Plan

A Capital Financing Plan will be prepared for each long-term debt financing. Analysis must include, but is not limited to, the following requirements:

- a) Description and availability of all sources of funds
- b) Timing and priority of capital projects
- c) A financing plan which includes, but is not limited to:
 - 1) Debt service coverage
 - 2) Debt covenants
- d) Debt service requirements
- e) Effect of projects on debt capacity
- f) Measurable objectives or goals
- g) Conformance with California Government Code Section 58521.1

Debt Service Reserve Fund

A Debt Service Reserve Fund (DSRF) will not be required on a financing if there is no negative or additional cost implications to the financing. An analysis and financing plan will be prepared for each debt financing which analyzes the optimal method and level of funding the DSRF and selecting the appropriate bond insurer to achieve project objectives and support debt service. If funded, the reserve will be funded through cash on hand, bond proceeds or a DSRF surety policy provided by a rated bond insurer.

II. Short-Term Financing

Short-term borrowing may be utilized for any purpose for which long-term debt may be issued. Additionally, short-term borrowing may be utilized as a source of temporary

funding of operational cash flow deficits, of anticipated revenues, of inter-fund borrowing or as an interim source of funding in anticipation of long-term borrowing. Short-term debt can be issued as follows, but not is limited to:

- a) Bond Anticipation Notes (BANs)
- b) Tax and Revenue Anticipation Notes (TRANs)
- c) Grant Anticipation Notes (GANs)
- d) Lines of Credit/Letters of credit/Loans
- e) Commercial Paper (CP)
- f) Term rate bonds
- g) Floating rate notes

A financing plan must be submitted prior to the use of short-term financing.

III. Variable Rate Debt

The MTC may issue variable rate debt. It is often appropriate to issue variable rate debt to diversify the debt portfolio and improve the match of assets to liabilities. An analysis and budgeting plan will be prepared for each debt financing which analyzes the optimal amount of hedged and unhedged variable rate debt appropriate to achieve project objectives and support debt service.

IV. Credit Enhancements

The MTC may purchase bond insurance, letters of credit or other means of credit enhancement for its borrowing of publicly sold or direct purchase bonds if the credit enhancement improves the credit quality of the bonds and as a result provides MTC with interest cost savings or other substantial market advantages. An analysis of utilizing credit enhancement instruments will be prepared for each debt financing to determine if there is appropriate value to support purchasing the enhancement.

V. Structured Financial Products (Derivatives)

The MTC may utilize derivative products such as floating-to-fixed and fixed-to-floating rate swaps as a tool to manage interest rate risk or reduce interest rate cost in the debt portfolio. Derivative products will be evaluated on a case-by-case basis to determine the value of potential benefits as well as a clear understanding of structured products.

The MTC will consider the following risks when considering structured products:

- 1) Counterparty risk: The counterparty's ratings, or the ratings of an entity controlling the counterparty, must be the equivalent of "A+" or better from three nationally recognized rating agencies, and the counterparty must have ratings that are equal to or better than MTC's current ratings from any two nationally recognized rating agencies at the time of the execution of the transaction.

1A) Counterparty Limits:

Corporate Rating ^(a)	Counterparty Security	Portfolio Limit	Single Firm Limit
AAA	Collateral	No Limit	No Limit
AAA Agreement	Over-Collateralized	No Limit	No Limit
AA ^(b)	Collateral	No Limit	No Limit
A ^(b)	Collateral	No Limit	25%

^(a) – or equivalent

^(b) – without graduation

- 2) Credit risk: Swap agreement will require unilateral posting by the counterparty if it fails to maintain its credit ratings.
- 3) Counterparty exposure risk: The MTC will attempt to use different counterparties to diversify exposure; however, the selection of a counterparty should not be at the expense of pricing or other credit factors.
- 4) Termination risk: Swap agreement will allow the MTC the unilateral option to terminate the swap at any time with 30 days notice.
- 5) Rollover risk: All swap transactions will be coterminous with or terminate earlier than the underlying bonds.
- 6) Amortization risk: The swap will be structured to amortize with or earlier than the maturity of the underlying bonds.

Structured financial derivative products may not be used for speculative purposes. Derivative products shall not be used for the sole purpose of generating operating or capital proceeds. Prior Board approval is required in order to utilize a derivative product.

- 7) Novation/Assignment: If counterparty or the entity controlling the counterparty does not maintain ratings conforming to subparagraph (1), the MTC may seek novations and assignments with replacement counterparties to reduce the MTC's exposure. Replacement counterparties must be rated higher than the counterparty being novated but not less than "A-" or equivalent from two rating agencies. In determining eligible novations/assignments, credit limitations in Section I shall not apply.

- 8) Conformance with Dodd-Frank: It is the intent of the MTC to conform this policy to the requirements relating to legislation and regulations for over-the-counter derivatives transactions under Title VII of the Wall Street Transparency and Accountability Act of 2010, as supplemented and amended from time to time (herein collectively referred to as "Dodd-Frank"). Pursuant to such intent, it is the policy of the MTC that: (i) each swap advisor engaged or to be engaged by the MTC will function as the designated qualified investment representative of the MTC, sometimes referred to as the "Designated QIR"; (ii) each swap advisor agrees to meet and meets the requirements specified in Commodity Futures Trading Commission Regulation 23.450(b)(1) or any successor regulation thereto (herein referred to as the "Representative Regulation"); (iii) each swap advisor provide a written certification to the MTC to the effect that such swap advisor agrees to meet and meets the requirements specified in the Representative Regulation; (iv) the MTC monitors the performance of each swap advisor consistent with the requirements specified in the Representative Regulation; (v) the MTC exercise independent judgment in consultation with its swap advisor in evaluating all recommendations, if any, presented by any counterparty with respect to transactions authorized pursuant to this Debt Policy; and (vi) the MTC relies on the advice of its swap advisor with respect to transactions authorized pursuant to this Debt Policy and not rely on recommendations, if any, presented by any counterparty with respect to transactions authorized pursuant to this Debt Policy

VI. Debt Capacity

An analysis and financing plan will be prepared for each debt financing which analyzes the optimal amount of debt capacity to achieve project objectives and support debt service. Debt levels will be maintained at a level consistent with project objectives and creditworthiness goals.

VII. Refunding

Outstanding debt will be monitored, on an ongoing basis, for potential savings via refunding opportunities. Refunding, either on a tax-exempt or taxable basis, will be considered if and when there is a net present value economic benefit of 3% resulting from the refunding or refundings may be non economic and may be undertaken to achieve other project objectives such as, changes in covenants, call provisions, operational flexibility, tax status, issuer, or the debt service profile.

VIII. Debt Rollover

An analysis will be prepared discussing the economic merits of the refunding and presented to the Board. Debt that is maturing or subject to mandatory tender and will be refunded as a rollover or remarketing to a new maturity, may be refunded or advance refunded as a business practice necessary for the administration of the debt portfolio without consideration of refunding criteria.

IX. Bond Proceeds

Proceeds will be invested in compliance with the provisions of the applicable bond indenture, federal and state tax requirements, and the adopted Investment Policy.

X. Bond Covenants and Laws

The MTC shall comply with all covenants and requirements of the bond resolutions, indentures, tax certificates and State and Federal laws authorizing and governing the issuance and administration of debt obligations.

The MTC shall comply with the reporting requirements of California Government Code Section 8855.

XI. Continuing Disclosure

In addition to annual audit and reporting disclosures, MTC's Finance department shall be responsible for complying with all continuing disclosure agreement (CDA) requirements entered into pursuant to the requirements of Securities and Exchange Commission Rule 15(c)-12 ("The Rule") which applies to publicly offered securities. The Finance department will be responsible for ensuring that all filings required under "The Rule" and outstanding CDA's are filed in a complete and timely manner.

XII. Arbitrage and Rebate Compliance

The Finance department shall maintain a system of accounts, record keeping and reporting as required under Generally Accepted Accounting Principles (GAAP), bond covenants and resolutions.

The use of bond proceeds and their investments must be monitored to ensure timely compliance with both current and future federal tax arbitrage restrictions. All rebates, if any, shall be made in a timely manner.

XIII. Internal Control Procedures

The Finance department maintains internal control procedures to monitor and ensure that the proceeds of all debt issuance is directed to and utilized for the intended use. Such procedures are tested as part of the annual financial audit.

XIV. Bond Rating Agency

The Finance department shall be responsible for maintaining the MTC's relationships with the credit rating agencies. The MTC will maintain a practice of meeting regularly with

credit analysts from the bond rating agencies to keep them informed of the MTC's borrowing plans, financial profile, and financial condition.

XV. Investor Relations

The Finance department will make all efforts to keep the various investors informed of current events surrounding the MTC. The Finance department will make all efforts to respond to questions from fund managers in a timely and efficient manner.



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #:	21-1155	Version:	1	Name:	
Type:	Contract	Status:		Committee Approval	
File created:	9/1/2021	In control:		Administration Committee	
On agenda:	11/10/2021	Final action:			
Title:	Contract - Regional Network Management Business Case Evaluation: VIA - A Perkins Eastman Studio (\$750,000)				

A request for Committee approval to enter into a contract with VIA - A Perkins Eastman Studio (VIA) in an amount not to exceed \$750,000 for the Regional Network Management Business Case Evaluation

Sponsors:

Indexes:

Code sections:

Attachments: [3a - 21-1155 - Network Management Business Case Evaluation - Via.pdf](#)

Date	Ver.	Action By	Action	Result
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Subject:

Contract - Regional Network Management Business Case Evaluation: VIA - A Perkins Eastman Studio (\$750,000)

A request for Committee approval to enter into a contract with VIA - A Perkins Eastman Studio (VIA) in an amount not to exceed \$750,000 for the Regional Network Management Business Case Evaluation

Presenter:

Shruti Hari

Recommended Action:

Committee Approval

**Metropolitan Transportation Commission
Administration Committee**

November 10, 2021

Agenda Item 3a - 21-1155

**Contract – Regional Network Management Business Case Evaluation: VIA – A Perkins
Eastman Studio (\$750,000)**

Subject:

A request for Committee approval to enter into a contract with VIA – A Perkins Eastman Studio (VIA) in an amount not to exceed \$750,000 for the Regional Network Management Business Case Evaluation.

Background:

In May 2020, MTC created the Blue Ribbon Transit Recovery Task Force to guide the recovery of public transit and its role in the region, as it adjusted to new conditions created by the COVID-19 pandemic. As part of its work, the Task Force explored near-term actions to implement beneficial long-term network management and governance reforms to our region's public transit system. An initial evaluation of public transit network management reforms needed to achieve the Task Force's transit transformation goal was undertaken. To continue work begun under the Task Force, and in collaboration with the stakeholders, this project will assess the Network Management (NM) accountability areas, evaluation criteria, and NM structure alternatives and then conduct analyses of select structure alternatives to make a recommendation of the preferred alternative(s) likely to achieve near term and longer-range regional goals. Preliminary next steps to achieve implementation will also be identified.

Consultant Selection Process and Recommendation

On September 15, 2021, MTC issued a Mini – Request for Proposal (Mini – RFP) to five firms who were prequalified on the 2020 Bay Area Transit Coordination and Structure Consultant bench under category C: “Establishing New Sub-Regional and Regional Governance and Administration”. One proposal was received from VIA.

A panel of MTC, Caltrain, and San Francisco Bay Area Water Emergency Transit Authority (WETA) staff evaluated the proposal based on the criteria below:

- Qualifications and Team Experience (35%)
- Approach to Completing the Project (40%)
- Cost Effectiveness (15%)

- Presentation (10%)

Based on its evaluation, the panel recommends the team led by VIA. Several strengths led to the panel's recommendation:

- An expanded team from VIA's previous work on NM Evaluation that addresses the need for Business Case focused expertise and stakeholder engagement.
- The overall team has significant experience across all project areas, including institutional and governance design, complex policy issues, business case models, financial analysis, facilitation, and stakeholder engagement.
- Knowledge of the transit landscape in the Bay Area, across the state, country, and internationally with major transit systems.
- Thoughtful and comprehensive plan for undertaking project, clear understanding of the project goals and challenges, and an intimate knowledge of the work completed to date.
- A proposal that comes in at the budgeted amount.
- Clear and understandable language, as well as compelling visual elements.

VIA's proposal included three DBE subconsultants performing around 17% of the work in total. Attachment A includes a summary of VIA and their subconsultants' small business and disadvantaged business enterprise status related to the work described in this memorandum.

Recommendation

Staff recommends that the Committee authorize the Executive Director to enter into a contract with VIA in an amount not to exceed \$750,000 for the term of November 2021, through March 31, 2023, to conduct the Regional Network Management Business Case Evaluation.

Attachments:

Attachment A: Disadvantaged Business Enterprise and Small Business Enterprise Status

Attachment B: Request for Committee Approval



Therese W. McMillan

Attachment A

Disadvantaged Business Enterprise and Small Business Enterprise Status

Regional Network Management Business Case Evaluation

	Firm Name	Role on Project	DBE* Yes / No	If DBE Yes, List #	SBE** Yes / No	If SBE Yes, List #
Prime Contractor	VIA – A Perkins Eastman Studio	Project Management	No			
Subcontractor	ACCESS Planning	Project Management, Project Lead	No			
Subcontractor	KPMG	Project Support	No			
Subcontractor	InfraStrategies	Alternatives Analysis	No			
Subcontractor	Sam Schwartz	Stakeholder Engagement	No			
Subcontractor	SHA Analytics	Alternatives Analysis	Yes	42206		
Subcontractor	Bluebird Advisors	Alternatives Analysis	Yes	48588		
Subcontractor	Ann Cheng Consulting	Stakeholder Engagement	Yes	50250		

*Denotes certification by the California Unified Certification Program (CUCP).

**Denotes certification by the State of California.

Note: As a federally funded project, the SBE program does not apply. As such, no SBE goal was set.

Attachment B: Request for Committee Approval

Summary of Proposed Contract Amendment

Work Item No.:	1521
Consultant:	VIA – A Perkins Eastman Studio (VIA)
Work Project Title:	Regional Network Management Business Case Evaluation
Purpose of Project:	Build on the work of the Blue Ribbon Transit Recovery Task Force with respect to public transit network management, select a preferred alternative structure(s) for regional network management and recommend next steps to achieve implementation.
Brief Scope of Work:	The VIA team will assess the Network Management (NM) accountability areas, evaluation criteria, and structure alternatives. VIA will propose and confirm an evaluation methodology and conduct detailed analyses of select NM alternatives, make a recommendation of the preferred alternative(s) likely to achieve near term and longer-range regional goals, and identify next steps to achieve implementation.
Project Cost Not to Exceed:	\$750,000
Funding Source:	Caltrans Sustainable Planning Grant (FTA 5304), General Funds, and RM2 Capital
Fiscal Impact:	Funds are included in the FY 2021-22 agency budget.
Motion by Committee:	That the Executive Director or designee is authorized to enter into a contract with VIA – A Perkins Eastman Studio to conduct the Network Management Business Case Evaluation as described above and in the Administration Committee Summary Sheet dated November 10, 2021 and that the Chief Financial Officer is authorized to set aside \$750,000 for such contract.

Administration Committee:

Federal D. Glover , Chair

Approved: November 10, 2021



Metropolitan Transportation Commission

375 Beale Street, Suite 800
San Francisco, CA 94105

Legislation Details (With Text)

File #:	21-1321	Version:	1	Name:	
Type:	Report	Status:		Committee Approval	
File created:	9/29/2021	In control:		Administration Committee	
On agenda:	11/10/2021	Final action:			
Title:	Evaluation of the Regional Means-Based Transit Fare Pilot (Clipper ® START) and Contract Amendment with Nelson Nygaard Consulting Associates, Inc. (\$72,000)				
	Information on Year 1 Evaluation of the Regional Means-Based Transit Fare Pilot (Clipper ® START) findings and request that the Committee approve a contract amendment with Nelson Nygaard Consulting Associates, Inc. to add \$72,000 and extend the contract for evaluation support services through June 1, 2023.				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	3b - 21-1321 - Clipper START Evaluation Findings Year-1.pdf 3b - 21-1321 - Clipper START Evaluation Findings Year-1 - Attachment A.pdf				

Date	Ver.	Action By	Action	Result
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Subject:

Evaluation of the Regional Means-Based Transit Fare Pilot (Clipper ® START) and Contract Amendment with Nelson Nygaard Consulting Associates, Inc. (\$72,000)

Information on Year 1 Evaluation of the Regional Means-Based Transit Fare Pilot (Clipper ® START) findings and request that the Committee approve a contract amendment with Nelson Nygaard Consulting Associates, Inc. to add \$72,000 and extend the contract for evaluation support services through June 1, 2023.

Presenter:

Judis Santos (MTC) and Tracy McMillan (Nelson Nygaard)

Recommended Action:

Committee Approval

**Metropolitan Transportation Commission
Administration Committee**

November 10, 2021

Agenda Item 3b - 21-1321

**Evaluation of the Regional Means-Based Transit Fare Pilot (Clipper® START) and
Contract Amendment with Nelson Nygaard Consulting Associates, Inc. (\$72,000)**

Subject:

Information on Year 1 Evaluation of the Regional Means-Based Transit Fare Pilot (Clipper® START) findings and request that the Committee approve a contract amendment with Nelson Nygaard Consulting Associates, Inc. to add \$72,000 and extend the contract for evaluation support services through June 1, 2023.

Background:

In May 2018, the Commission adopted Resolution No. 4320, establishing the framework and funding for the delivery of the Regional-Means-Based Transit Fare Pilot Program.

The evaluation of the pilot is being conducted in collaboration with MTC's Clipper® START Project Team, which is responsible for the delivery of the program, and participating transit operators, social service agencies, community-based organizations, and users/participants of the pilot.

Branded as Clipper® START, the goals of the pilot include improving transit affordability and increasing access to opportunity for adult transit passengers who earn a lower income. The program launched on July 15, 2020 and is a 3-year pilot offering a 20 or 50 percent discount on single-ride fares for eligible adults who earn under 200 percent of the federal poverty level (approximately \$53,000 annual income for a family of four).

Objective of Update:

A Year 1 update on evaluation findings (Attachment A), is being presented on the Pilot's progress by outcomes, key observations, and a look ahead on Year 2 focus areas. Attachment B Year 1 Evaluation Narrative Summary for the Clipper START Pilot is attached for your information. MTC's evaluation support consultant, led by Nelson Nygaard Associates, Inc. conducted data analysis, implementing focus groups and surveys, and providing quarterly impact reporting. The evaluation focused on the affordability and access components in the overall design, implementation, and impact of the Clipper® START pilot's desired outcomes.

Schedule:

Major Evaluation Milestones:

Anticipated Timeframe:

Evaluation Design and Engagement	Fall 2018
Launch of Pilot Program – Year 1 Evaluation Begins	July 15, 2020
Year 1 Evaluation Period Ends	July 31, 2021
Year 2 Evaluation Period Begins	August 1, 2021
Year 2 Evaluation Period Ends	July 31, 2022
2-Year Pilot Evaluation Findings and Recommendations	Winter 2022
Pilot Policy Discussions	Winter/Spring 2022
Pilot Period is Complete	June 30, 2023

Contract Amendment:

In September 2019, MTC issued a Mini-Request for Proposal for evaluation consultant assistance to three different MTC benches: 2016 Electronic Payment Section Consultant Assistance Bench, 2016 Transportation Engineering and Planning Services, and the 2016 Transit Passenger Surveying Services. In December 2019, MTC selected Nelson Nygaard Associates, Inc. from the pre-qualified firms to evaluate the performance and policy impact of the MTC's Clipper® START Pilot.

The requested amendment will allow Nelson Nygaard Associates, Inc. to continue to assist MTC with evaluating the attainment of program goals and desired outcomes in collaboration with stakeholders (i.e., participating transit agencies, program participants, social service agencies, and community-based organizations). The intent of the evaluation is to provide insight, determine impact, and assess inclusion during the design and delivery of the pilot program. Under the requested contract amendment Nelson Nygaard Associates, Inc. will provide data collection and analysis, conduct focus groups and surveys, and report quarterly on the Pilot's outcome and impact.

Attachment C includes a summary of Nelson Nygaard Associates, Inc. and their subconsultants' small business and disadvantaged business enterprise status related to the work described in this memorandum.

Issues:

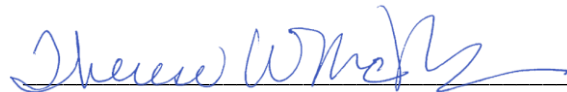
None identified.

Recommendations:

In response to the Pilot program extension approved by the Commission in June 2021, staff recommends that the Committee authorize the Executive Director or designee to negotiate and enter into a contract amendment for evaluation consultant services with Nelson Nygaard Associates, Inc., in an amount of \$72,000, for a new not to exceed amount of \$238,733 and to extend the existing contract for 12 months, through June 1, 2023.

Attachments:

- Attachment A: Slide Deck - Year 1 Pilot Evaluation Findings
- Attachment B: Year 1 Evaluation Narrative Summary for the Clipper START Pilot
- Attachment C: Disadvantaged Business Enterprise and Small Business Enterprise Status
- Attachment D: Request for Committee Approval – Summary of Proposed Contract



Therese W. McMillan

YEAR 1 EVALUATION NARRATIVE SUMMARY

FOR THE CLIPPER® START PILOT

Purpose of Summary

The purpose of this document is to provide a general overview of Year 1 (2020-2021) evaluation findings for the Clipper START Pilot. This summary provides the narrative to the accompanying slide deck for “Attachment A – Slide Deck – Year 1 Pilot Evaluation Findings.” A full report will be made available in late November.

Measuring Success During COVID-19 Pandemic

Given the launch of the Clipper® START Pilot Program in the midst of the COVID-19 pandemic, the Year 1 results of the pilot should not be separated from the fact that the region saw significant reductions in travel, including among transit trips. The region’s 24 transit agencies were forced to cut service following public health travel restrictions and drops in travel demand in March. Additionally, many of the region’s transit agencies suspended fare collection to reduce contact between riders and agency drivers early in the pandemic, including AC Transit, County Connection, Fairfield and Suisun Transit (FAST) except for express routes, Livermore Amador Valley Transit Authority (LAVTA), Napa VINE, SamTrans, TriDelta, Union City, Petaluma Transit, Santa Rosa CityBus, Sonoma County Transit, Santa Clara Valley Transportation Authority (VTA) and WestCAT. Meanwhile, ridership dropped by 85% between February and April 2020.¹ Of the 15% of riders that continued using the agencies, many were performing essential work services and/or had no other means of transportation.

Throughout the past year, the region’s transit agencies have been slowly restoring service towards pre-COVID levels as public health restrictions have been reduced. Some riders are returning or starting to ride transit as COVID-19 vaccination rates have increased and riders feel more comfortable, but most agencies are still operating with significantly lower ridership compared to pre-COVID, or 2019, levels. Regional ridership is down sixty-five percent in July 2021 compared to July 2019. However, Clipper® START ridership has increased at a faster rate than ridership recovery in the Bay Area. Regional transit six-month average monthly increase is currently eleven percent, while the Clipper® START average monthly increase is twenty-two percent. Launching Clipper® START during the pandemic highlighted the critical role transit plays for many Bay Area residents. The results that follow highlight the importance of the program on equity, economics, accessibility, and mobility—truly providing a lifeline for riders during the public health “shelter-in-place” period of the pandemic.

Outcome 1: Awareness and Reach

MTC worked with Moore, Iacofano and Goltsman (MIG) to develop and implement a marketing multilingual campaign delivered throughout the Bay Area across different mediums (website, social media, transit, newspaper, radio, TV, email) and with different partners (transit agencies, community-based organizations, human/social service agencies) providing information on how

¹ National Transit Database (NTD) via MTC

to enroll. The overall marketing has been effective, with high enrollment and verification rates in the Equity Priority Communities. Applicants are hearing about the program most frequently through email/website, social media, transit advertisement and word-of-mouth, with some variation by age and race/ethnicity.

Applicants overwhelmingly represent the critical populations the program was designed for: People with household incomes less than \$20K (75%), women (>50%) and Black, Indigenous, People of Color (BIPOC) (>75%) are the majority of enrollees.

Outcome 2: Customer Experience

Making the application process straightforward is an important goal of the program. A burdensome application experience was identified as a potential barrier to enrollment due to the real and perceived impact it would have on enrollee's time. Applicants felt that the ease of applying is high, with over 75% of applicants reporting that the process was easy or very easy.

Outcome 3: Financial Viability

The Pilot is being funded by a mix of regional funds provided by MTC through MTC Resolutions 4320, 4321, 4130, and 4420. MTC is subsidizing fares up to 10% with participating operators covering the remainder of the discount or any additional revenue losses from other sources. MTC's total contribution is \$10,000 per month in operator reimbursements.

The revenue impacts to the twenty-one transit agencies participating in the pilot have been low thus far. In the last six months, fare discounts cost the agencies a combined total of \$33,000 per month of foregone revenue. The revenue impacts are associated with overall Clipper START ridership, which are climbing but still lower than anticipated when the program was developed pre-COVID-19 pandemic.

The foregone revenue per transit agency varies by the number of trips taken, with agencies experiencing higher trip rates such as SF Muni and BART incurring greater revenue impacts. However, the revenue impact represents less than 1% of overall agency revenue in FY2021.

Outcome 4: Administrative Feasibility

The development and implementation of the Clipper® START program involved teams across multiple programs at MTC including Operations, Technology Services, and Funding Policy and Programs, with input from Legal, Finance and Legislation and Public Affairs. It also involved external partners such as the twenty-one transit operators participating in Clipper® START, the community-based organizations and human/social service agencies assisting with promotion and enrollment, and companies assisting with technology, marketing, and evaluation. Despite the complexity of implementing this program during a pandemic, the roll-out of the pilot was smooth. Overall Year 1 administrative costs were \$1,123,940, which includes Card Fees, Eligibility Verification, Evaluation, Marketing and Outreach and Website and Database O&M.

Outcome 5: Affordability

The impact of the program on affordability and access and mobility of enrollees are two important outcomes for MTC and participating partners.

In terms of affordability, the average fare discount was \$1.20 per trip, which enabled riders to take more transit trips overall, because their transportation budget went farther.

“I’m on the bus every day to go to work. I’m able to run more errands besides just going back and forth to work. I’m seeing more savings and I’m able to do more things.”

The data on Clipper® START trips and applications by enrollee household income also highlights that ridership is highest in enrollees with reported household income of \$10,000-\$20,000, which is also the group with high enrollment numbers.

Outcome 6: Access and Mobility

Program usage has consistently increased since the program’s launch on July 15, 2020, with ridership from the Clipper® START program on a steeper trajectory of ridership over time than overall transit ridership for the region. Up to 10,000 weekly trips were reported in July 2021, with most trips in the first year of the pilot program occurring on Muni (38%), BART (37%), AC Transit (8%), and SamTrans (5%).

Data on Clipper® START trips and applications by race/ethnicity and gender identity show that BIPOC (75%) and Women (60%) applicants are utilizing transit and the program at the highest rates.

Program participants are taking an average of 5.5 trips per week, with weekly trip frequency increasing over the first year of the program. This is consistent with overall increases in ridership across Bay Area transit systems.

“I’m doing just what I need to do to stay safe, but it has helped my pocketbook. I’m trying to save money and I’m trying to avoid as much as I can being on public transportation. I’ve got an elderly mother who I take care of, and I take three forms of transportation to get to her, so none of that has changed. At least I have a few more dollars in my pocket, which I really enjoy.”

Key Observations

Key observations from the first year of the Clipper® START pilot program include:

- The program started slowly due to COVID, but enrollment and ridership consistently trended upwards since the program launch.
 - The marketing campaign was extensive and impactful, with over 11 million ad and social media impressions
 - Enrollment is currently just under 7,000 applications

- Of those 7,000 applicants, nearly 4,000 are active users of the discount program
 - Riders have taken over 250,000 trips in Year 1.
- COVID-19 was an unanticipated exogenous factor that is assumed to have impacted program enrollment and ridership, given its impact on transit in the region as a whole. Therefore, the impacts of the program must be considered in the context of COVID-19's impact on the region.
- That said, enrollment and ridership rates are highest in very low-income, women, and BIPOC, highlighting the positive impact the Clipper START program is having on these critical populations.
- Evaluation of the program through Year 1 led to adjustments being implemented in outreach and marketing to reach target populations more effectively.

Next Steps and Year 2 Actions

Year 1 provides insight on initial performance against project implementation and participant impact outcomes. Initial findings suggest several strategies are effective, such as enrollment/application experience, while other more complex strategies offer opportunities for improvement. Program refinements are currently being implemented such as adjustments in marketing and outreach tactics to further reach historically underrepresented populations (Black, Indigenous, People of Color; gender-identity).

Opportunities exist in Year 2 to further understand what it will take to get to a sustainable, regional, and permanent program. Data collection and analysis for Year 2 began on August 1 with focus groups and surveys being planned in late October/November. The Year 2 Evaluation will continue to assess the Pilot on the six outcomes with added attention to the following:

- **Critical Questions:**
 - How do we harness market trends to continue to build a successful program?
 - How are we capturing low-income market share to inform MTC and operator decision-making on sustainability?
 - How can the program continue to address gaps in affordability, access, and mobility? Why are certain groups using the program more than others?
 - How can MTC further diversify marketing and engagement strategies to reach new riders?
- **Year 2 Actions:**
 - Examine demographic data by transit agency, travel behavior or target audience
 - Refine marketing and engagement strategies based on findings
 - Gather better financial data to understand and respond to variability in recovery
 - Partner with community-based organizations for broader cultural reach

Year 1 Evaluation Narrative Summary for the Clipper® START Pilot
MTC

- Examine program importance and gaps by demographics
- In addition:
 - **Continue to monitor high program use by lowest income individuals.** In addition to tracking enrollment and ridership, assess revenue impacts at the current level of discount and understand market share by transit agency.
 - **Conduct Community-Based Organizations/social and human service/MTC interviews.** Identify strategies to strengthen recruitment and enrollment partnerships with community-rooted organizations and human service providers.
 - **Barriers to transit beyond fares.** The majority of participants in Year 1 identify as women. Focus group findings suggest other barriers to riding transit such as safety. Analyze additional ridership and focus group data to inform program outcomes.
- **Build from linkages with other recovery efforts**
 - **Transit confidence -> more ridership -> reaching eligible residents.** Transit operators and stakeholders are implementing marketing and/or limited fare-discount promotions to entice the public to ride transit. As transit confidence and ridership increases, eligible residents are anticipated to enroll in the Pilot and ride transit.
 - **Align with fare coordination work.** MTC, Bay Area transit agencies and county transportation agencies are researching ways to make the region's transit network better coordinated and more affordable.

Attachment C

Disadvantaged Business Enterprise and Small Business Enterprise Status

	Firm Name	Role on Project	DBE * Yes	If DBE Yes, List #	DBE No	SBE* * Yes	If SBE Yes, List #	SBE No
Prime Contractor	Nelson Nygaard Associates, Inc.	Project Management			X			X
Subcontractor	Raimi + Associates	Focus Groups/Surveys			X			X
Subcontractor	Jacobs Engineering	Clipper Data Analysis			X			X

*Denotes certification by the California Unified Certification Program (CUCP).

**Denotes certification by the State of California.

Request for Committee Approval

Summary of Proposed Contract Amendment

Work Item No.:	1311
Consultant:	Nelson Nygaard Associates, Inc.
Work Project Title:	Evaluation of the Regional Means-Based Transit Fare Pilot (Clipper® START)
Purpose of Project:	To provide evaluation support services and assess impact.
Brief Scope of Work:	Assistance with evaluating attainment of program goals, evaluation goals, and program desired outcomes.
Project Cost Not to Exceed:	Total Contract before this amendment: \$166,733 This amendment: \$72,000 Total Authorized Contract after this amendment: \$238,733
Funding Source:	MTC General; LCTOP
Fiscal Impact:	\$72,000 is included in the in FY2021-22 agency budget.
Motion by Committee:	That the Executive Director or designee is authorized to negotiate and enter into a contract amendment with Nelson Nygaard Associates, Inc. described above and in the Administration Committee Summary Sheet dated November 10, 2021 and that the Chief Financial Officer is authorized to set aside \$72,000 for such amendment.
Administration Committee:	<hr/> Federal D. Glover, Chair
Approved:	November 10, 2021



Year 1 Pilot Evaluation Findings July 15, 2020 – July 31, 2021

CLIPPER. START ▶▶▶

Presented by:

Judis Santos, MTC Lifeline Program Manager

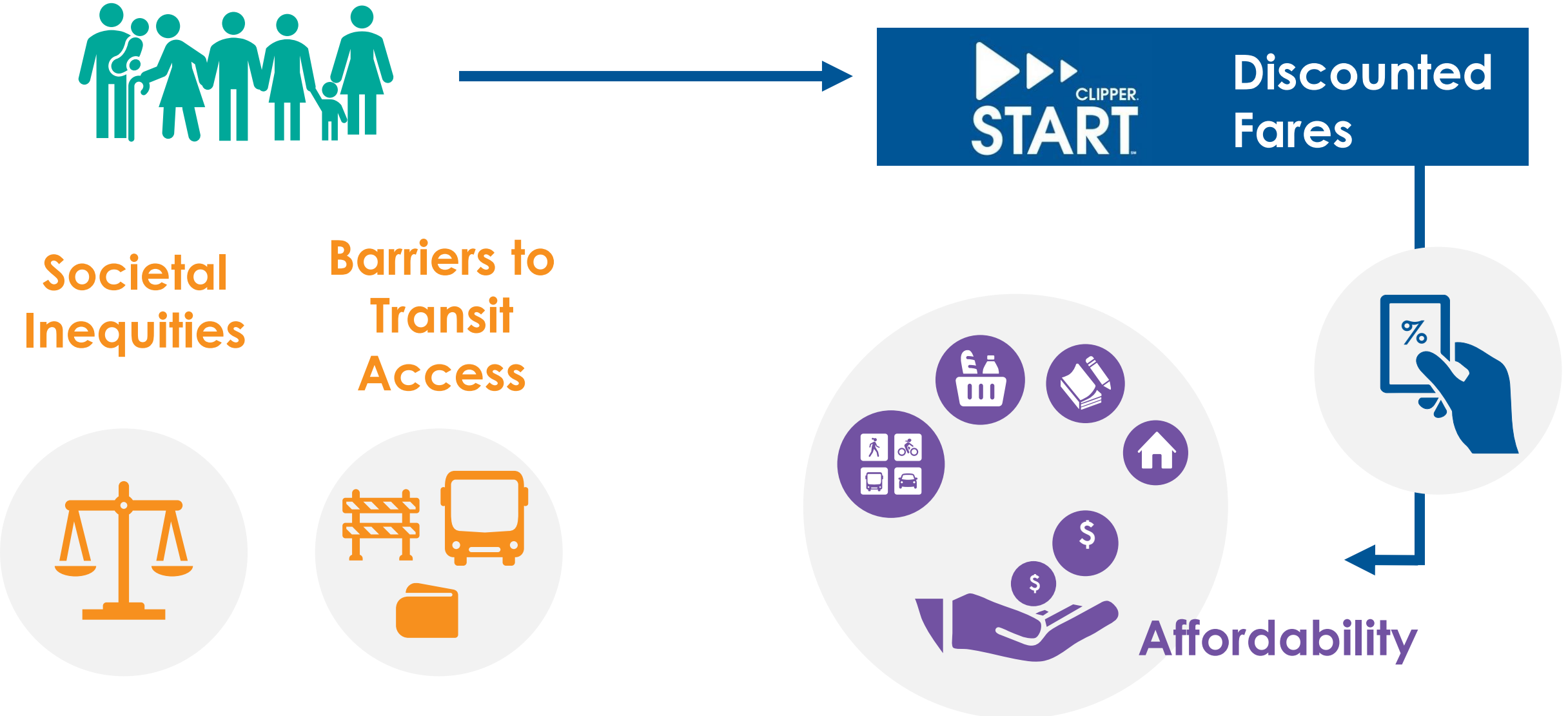
Tracy McMillan, Nelson Nygaard

November 10, 2021

Presented to:

Administration Committee

CLIPPER START ADDRESSES THE SYSTEMIC CHALLENGES IN THE REGION

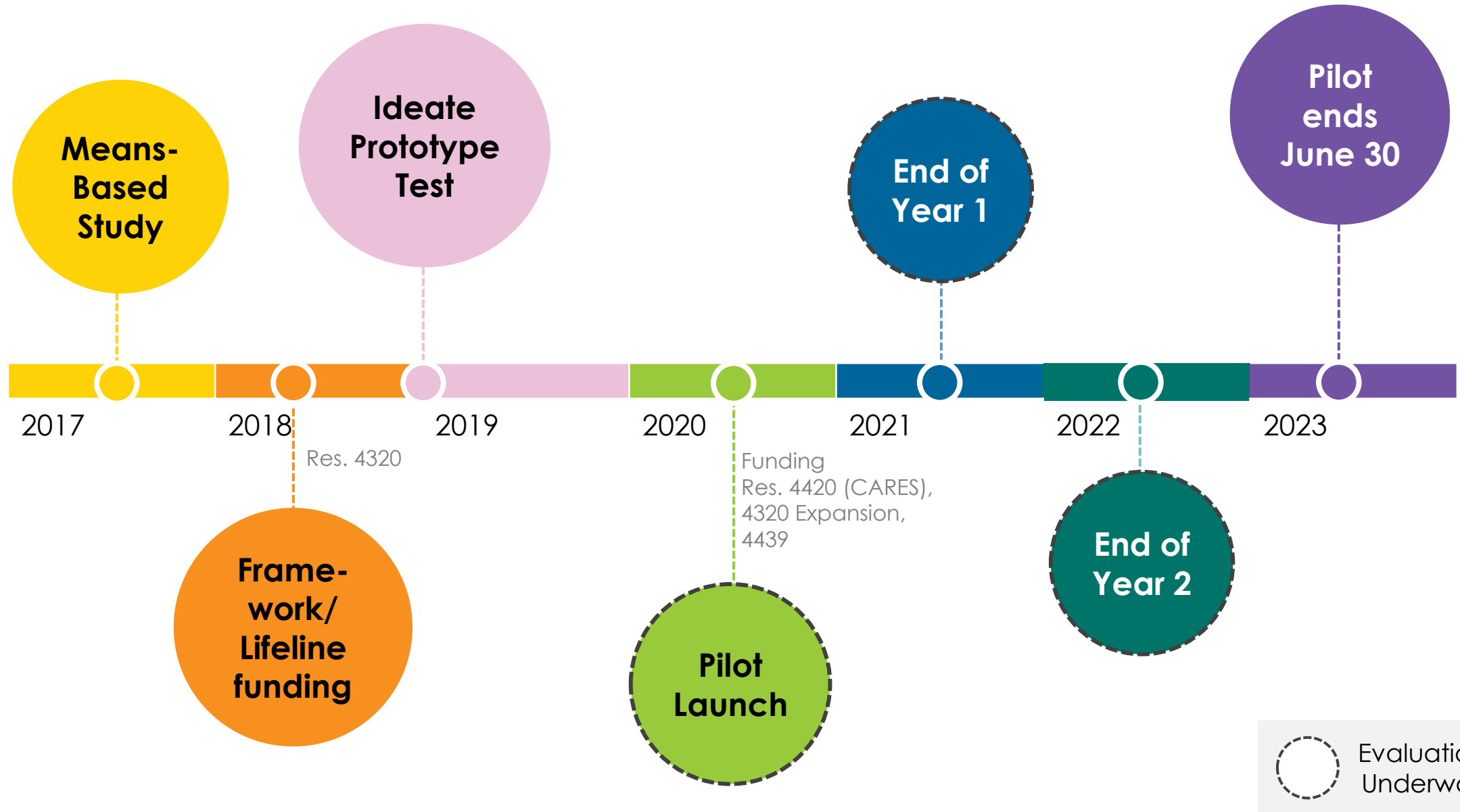


THE CLIPPER START PILOT

- 3-year pilot on regional means-based per-ride transit fare discount
 - Eligibility = Age 19-64, < 200% of Federal Poverty Level for household income
- Goals:
 - Make transit **more affordable** to individuals earning low-income
 - Develop implementation options that are **financially viable and administratively feasible**
 - Move towards a more **consistent regional standard** for fare discounts

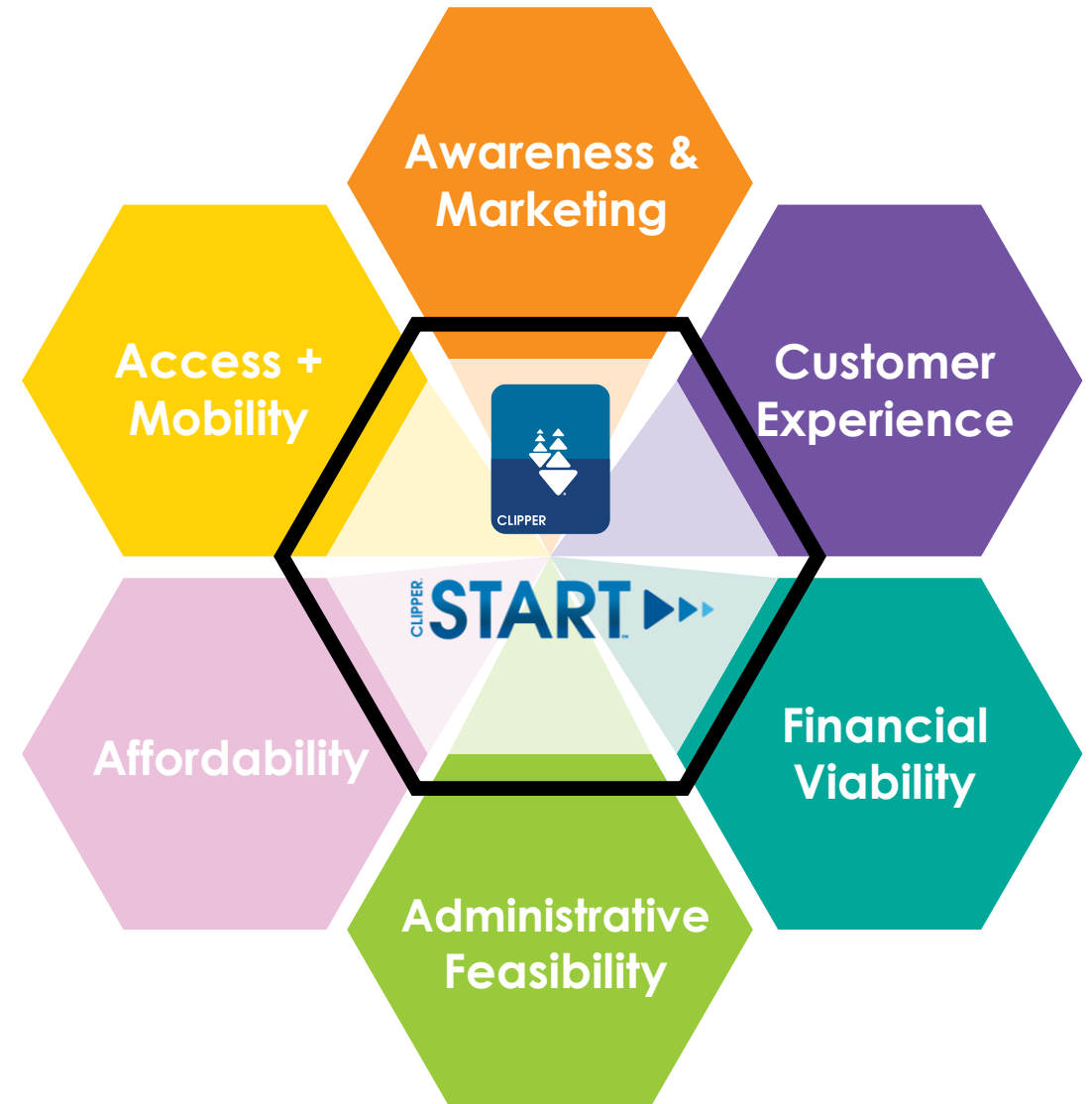


VISION → IMPLEMENTATION → EVALUATION → POLICY REC.



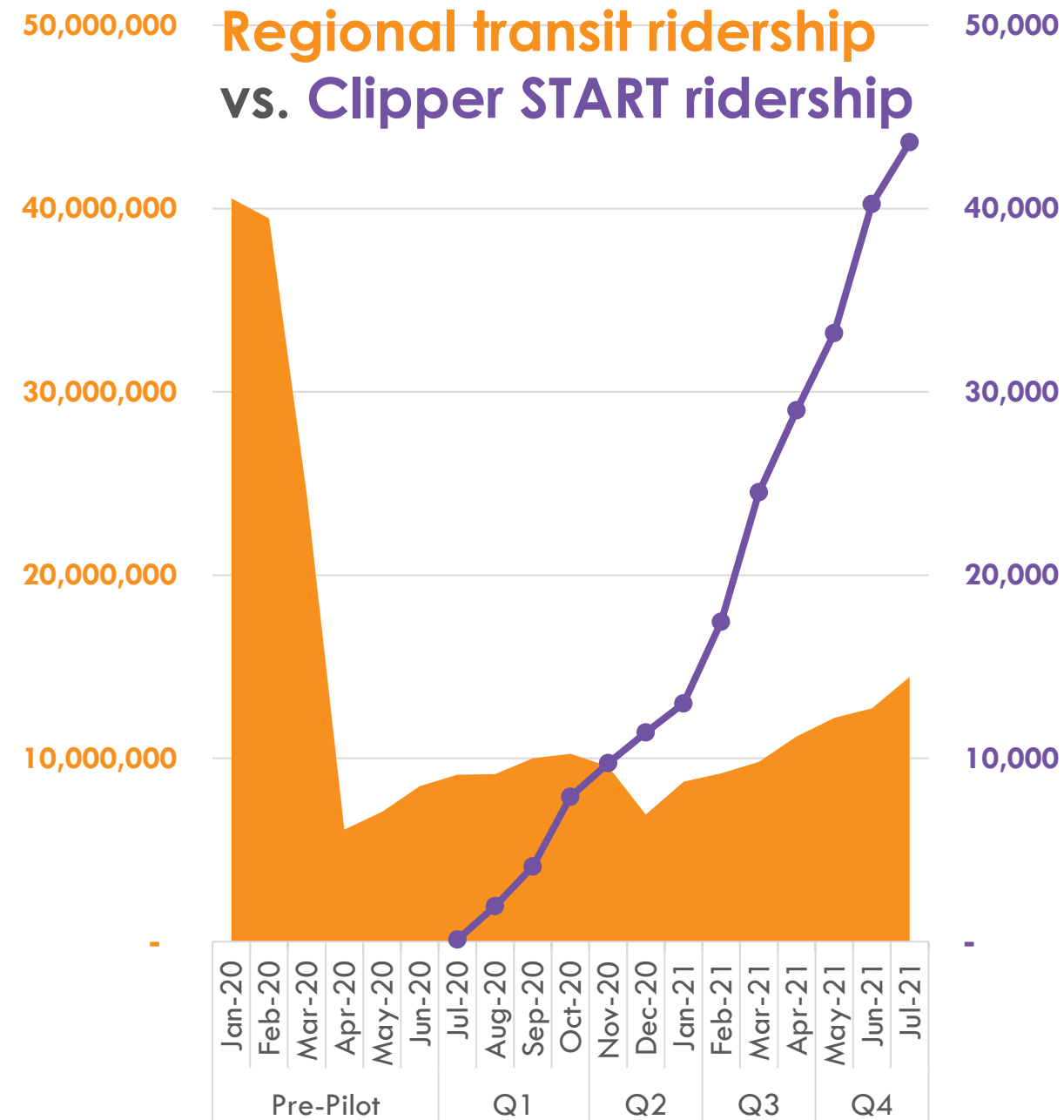
EVALUATION FRAMEWORK

- Evaluation across **6 outcomes**
 - Quarterly
 - Yearly
- Research Goals:
 - **Better understand and respond** to delivering equitable and sustainable solutions
 - **Build evidence** about what works to reduce poverty and improve mobility
 - **Apply data, technology, and design** to inform program delivery
- Data sources:
 - Enrollment data
 - Trip data
 - Focus groups
 - Agency data



MEASURING SUCCESS DURING COVID-19 PANDEMIC

- Program launch in July 2020
- Focus on trends in enrollment and ridership:
 - **Regional ridership rebounding**, but still depressed from 2019
 - Down 65% (July 2021 vs. July 2019)
 - **Clipper START ridership has been increasing** at a faster rate than ridership recovery in Bay Area
 - **Low-income riders taking trips** = equity, economic, accessibility, and mobility benefits



Source: MTC transit ridership and Clipper Data Store

OVERALL OUTPUTS

- Applications Submitted:
7,000
- Program Enrollees:
6,000
- Active Program Users:
4,000
- Program Uptake of
Low-Income Riders:
3%-10%
- Number of Trips:
250,000
- Number of Transfers:
58,000



START SAVING with Clipper START!

Up to 50% off transit for eligible riders.

Learn more at clipperstartcard.com

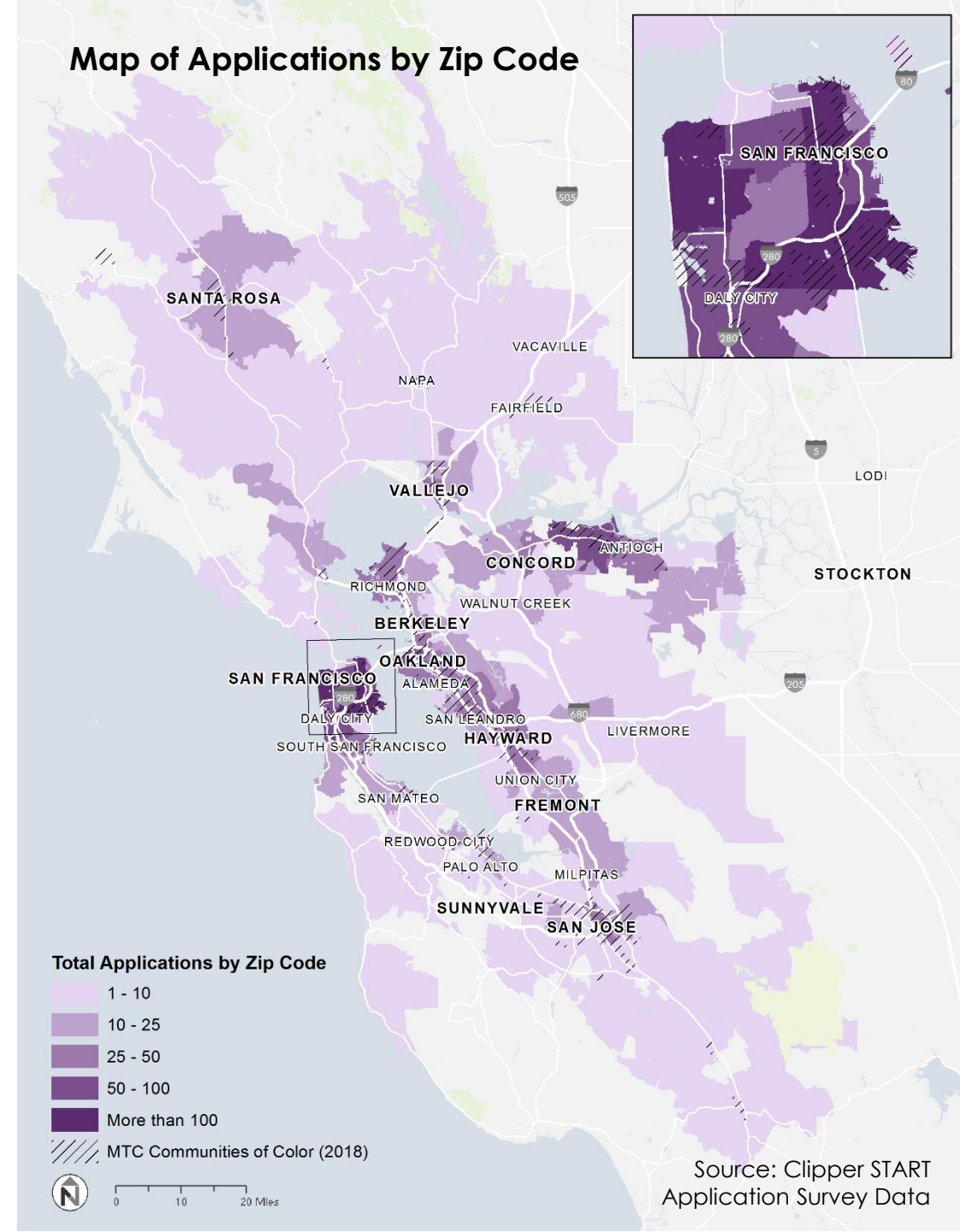
CLIPPER. **START** ▶▶

Outcome: Awareness & Marketing

- Marketing has been **effective**
 - Enrollment in “Equity Priority Communities”
 - Applicants hearing about program through various sources
- Program **reaching critical populations**
 - People with household incomes less than \$20K (75%), women (>50%), and people identifying as Asian or Hispanic (65%) are the majority of enrollees

Outcome: Customer Experience

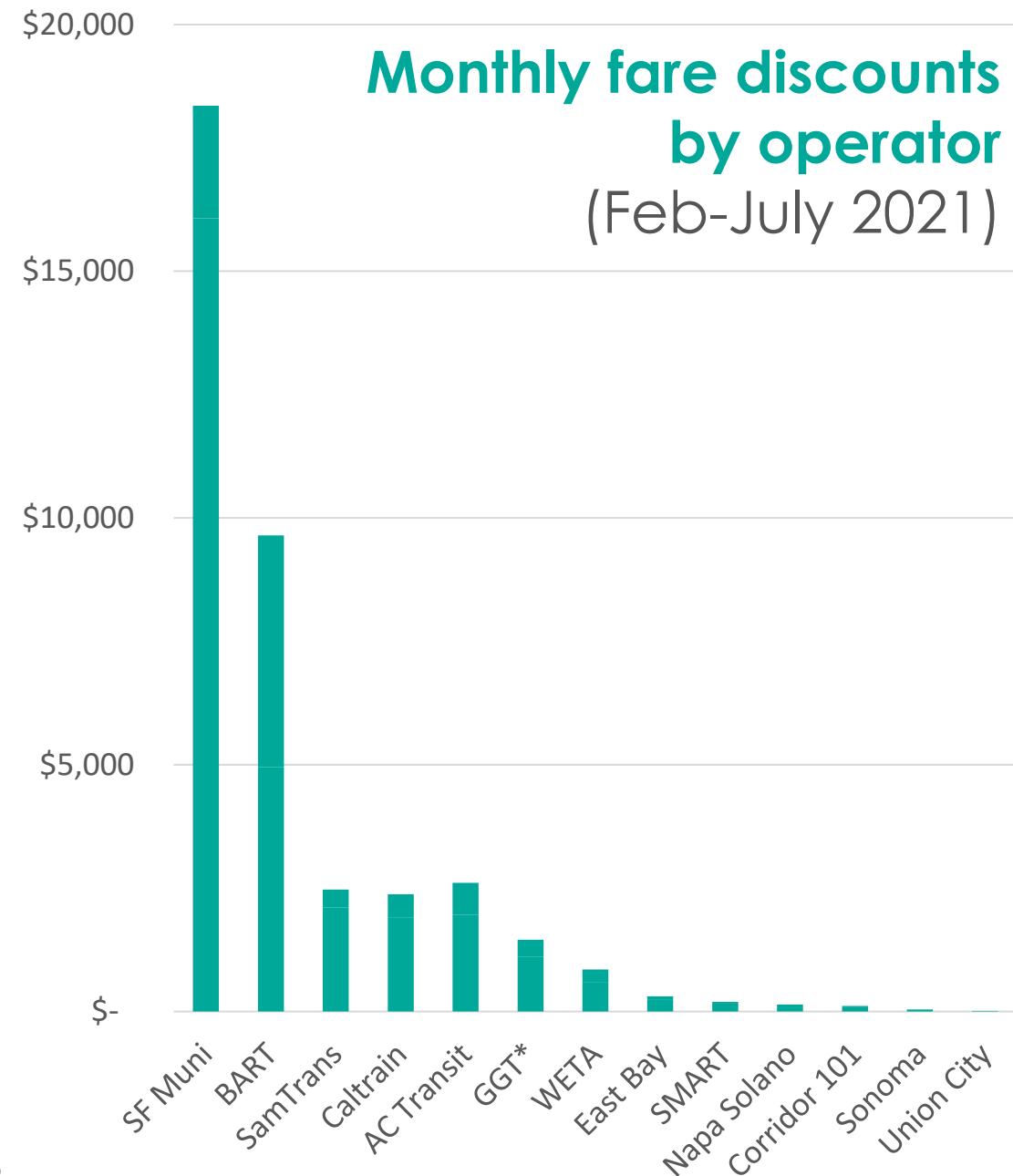
- Perception of **ease of applying is high**
 - Over 75% of applicants felt the process was easy or very easy



Outcome: Financial Viability*

- Revenue impact to agencies was **low**
 - In last six months, fare discounts cost agencies a total of **\$30K/month**
 - MTC contributed **\$10K/month** in operator reimbursements
 - Agency costs varied by trips taken, but made up less than 1% of agency revenue in FY2021
- Too early to tell full financial impact due to COVID
 - Recovery rate has varied across operators

*MTC subsidizes fares up to 10%, reimbursing transit operator revenue loss, up to 10% during the pilot (MTC Reso. 4320, 4321, 4130, and 4420).

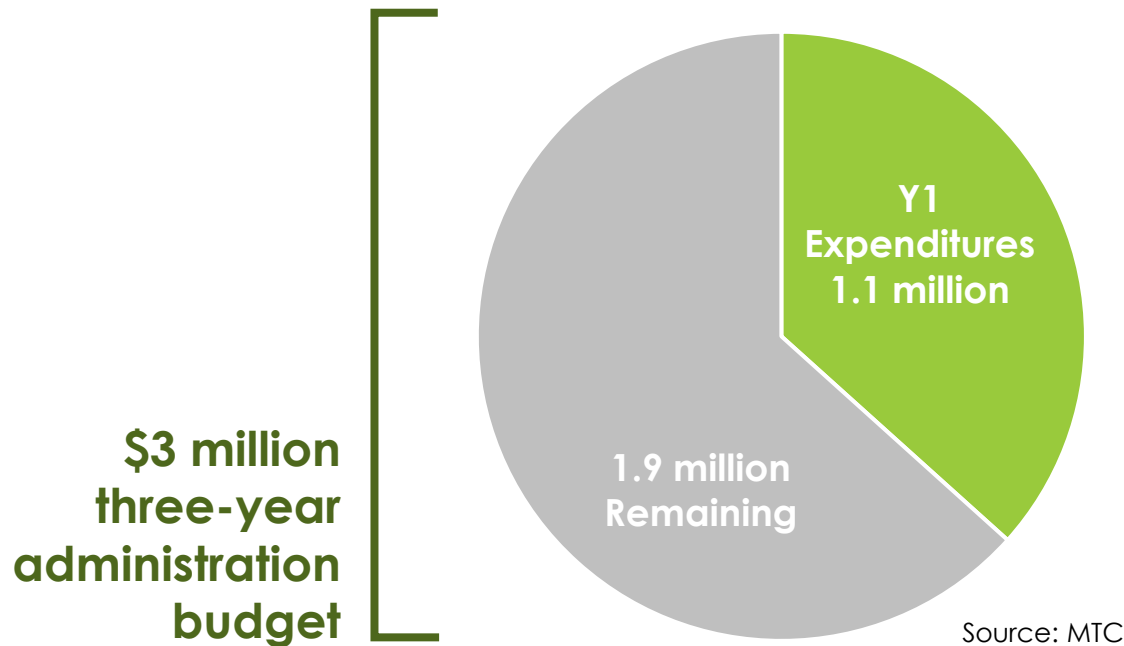


Source: Clipper START reimbursement data

*Includes Golden Gate Transit, Golden Gate Ferry, and Marin Transit

Outcome: Administrative Feasibility

- Roll-out of pilot was **smooth**
- MTC total program costs* = **\$1.1 million**
 - Variable cost elements adjusted during Year 1 to reduce expenses



Year 1 Administrative Expenditures



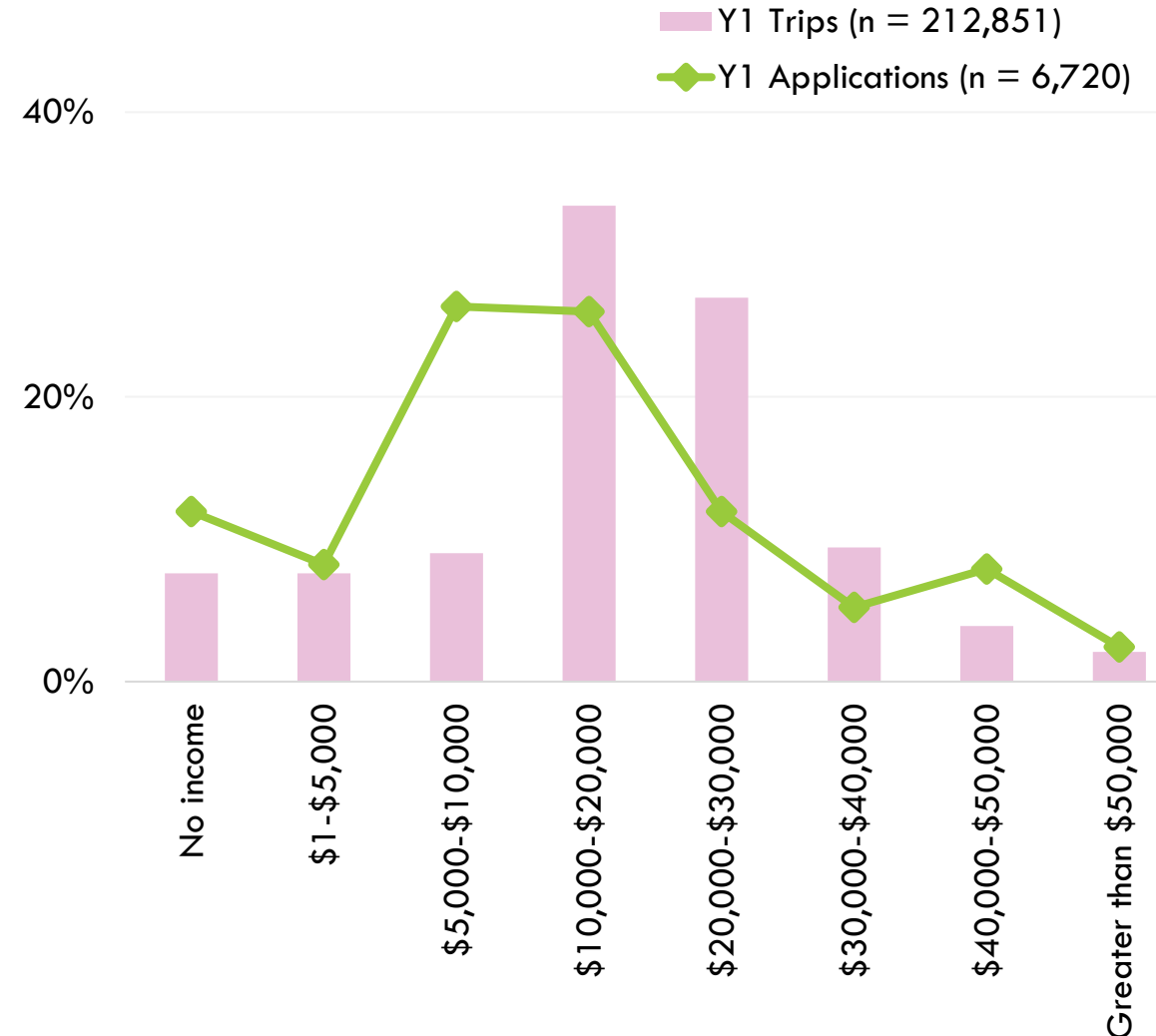
*MTC funds administrative costs (MTC Reso. 4321, Revised – State Transit Assistance funds).

Outcome: Affordability

- Riders can **take more trips while spending less**
 - Average fare discount was \$1.20 per trip
 - Trip rate higher than application rate for those with HH Income between \$10,000 - \$40,000

"I'm on the bus every day to go to work. I'm able to run more errands besides just going back and forth to work. I'm seeing more savings and I'm able to do more things."

Clipper START Trips and Applications by Household Income

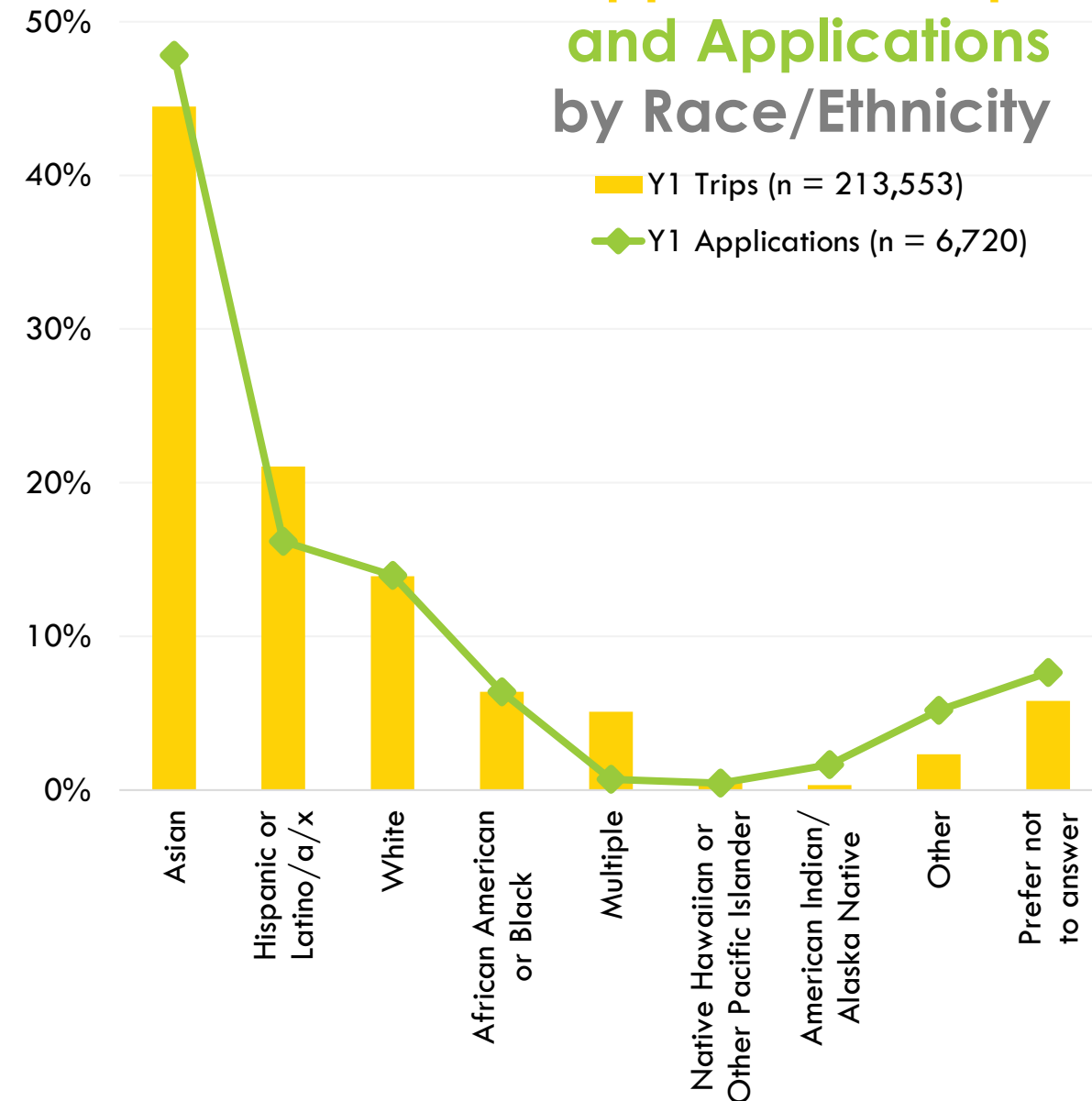


Source: Clipper START Application Survey Data and Clipper Data Store

Outcome: Access & Mobility

- Program usage is **increasing**
 - Up to 10,000 weekly trips in July 2021
 - Most Y1 trips on Muni (38%), BART (37%), AC Transit (8%), and SamTrans (5%)
- **Critical populations** are utilizing transit and the program
 - Women (60%) and people identifying as Asian or Hispanic (65%) applicants are taking most trips

Clipper START Trips and Applications by Race/Ethnicity

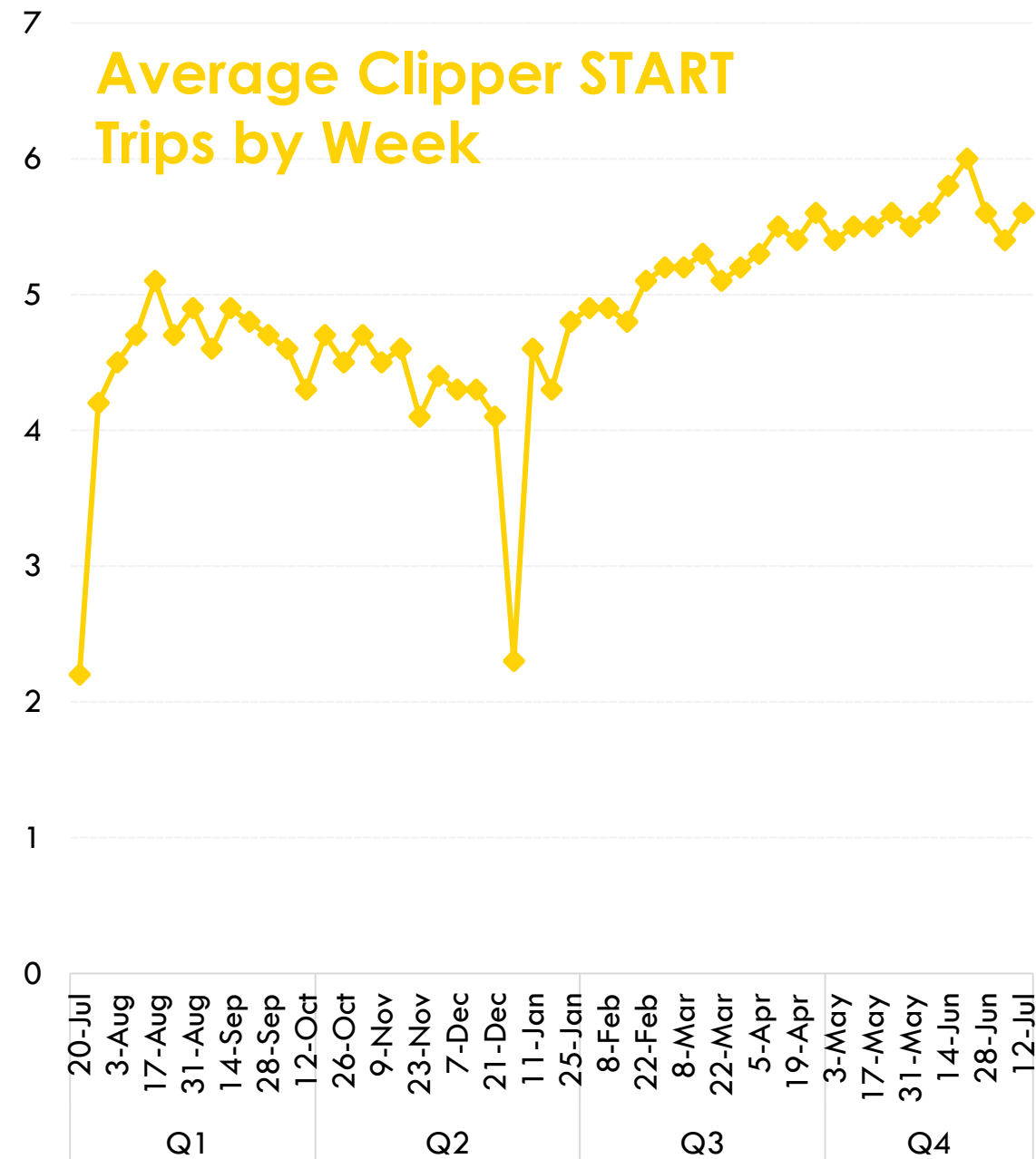


Source: Clipper START Application Survey Data and Clipper Data Store

Outcome: Access & Mobility

- Riders are **benefiting from the program**
 - Average participant trip frequency is up to 5.5 trips per week
 - Most riders are taking more trips than at the beginning of the program

"I'm doing just what I need to do to stay safe, but it has helped my pocketbook. I'm trying to save money and I'm trying to avoid as much as I can being on public transportation. I've got an elderly mother who I take care of, and I take three forms of transportation to get to her, so none of that has changed. At least I have a few more dollars in my pocket, which I really enjoy."



Source: Clipper Data Store

GETTING TO A SUSTAINABLE, REGIONAL, PERMANENT PROGRAM

KEY LESSONS AND YEAR 2 ACTIONS

Key Lessons Learned	Critical Questions	Year 2 Action	Relevant Outcomes
Upward trends through Year 1, but there are opportunities for improvement	<i>How do we harness market trends to continue to build a successful program?</i>	Examine: <ul style="list-style-type: none"> - Demographic data by transit agency - Travel behavior of target audience Refine marketing and engagement strategies based on findings	1. Awareness & Marketing 2. Customer Experience 3. Financial Viability 4. Administrative Feasibility 5. Affordability 6. Access & Mobility
COVID impacts varied across operators	<i>How are we capturing low-income market share to inform MTC and operator decision-making on sustainability?</i>	Gather better financial data to understand and respond to variability in recovery	3. Financial Viability 4. Administrative Feasibility

GETTING TO A SUSTAINABLE, REGIONAL, PERMANENT PROGRAM

KEY LESSONS AND YEAR 2 ACTIONS (CONTINUED)

Key Lessons Learned	Critical Questions	Year 2 Action	Relevant Outcomes
<p>Most applicants and users are very low-income, female, and identify as Asian or Hispanic</p>	<p><i>How can the program continue to address gaps in affordability, access, and mobility?</i></p> <p><i>Why are certain groups using the program more than others?</i></p>	<p>Examine program importance and gaps by demographics</p> <p>Refine marketing and engagement based on findings</p>	<p>1. Awareness & Marketing</p> <p>2. Customer Experience</p> <p>5. Affordability</p> <p>6. Access & Mobility</p>
<p>Multi-pronged marketing strategy reached diverse audience</p>	<p><i>How can MTC further diversify marketing and engagement strategies to reach new riders?</i></p>	<p>Inform marketing and engagement strategy with data</p> <p>Partner with community-based organizations for broader cultural reach</p>	<p>1. Awareness & Marketing</p> <p>2. Customer Experience</p> <p>5. Affordability</p> <p>6. Access & Mobility</p>

ACTION TODAY

STAFF RECOMMENDATION

Committee forward to Commission for approval:

Contract Amendment to extend by 12 months and add \$72,000 to Nelson Nygaard Consulting Associates, Inc. existing contract to provide evaluation services.

