



Alameda Corridor-East Construction Authority

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 www.theaceproject.org

ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY

BOARD OF DIRECTORS REGULAR MEETING AGENDA

REVISED

**Monday, June 25, 2012 – 2:00 P.M.
San Gabriel City Hall
425 S. Mission Drive
San Gabriel, CA 91776**

Members of the public may comment on any item on the agenda at the time it is taken up by the Board. We ask that members of the public come forward to be recognized by the Chair and keep their remarks brief. If several persons wish to address the Board on a single item, the Chair may impose a three-minute time limit on individual remarks at the beginning of the discussion.

San Gabriel City Hall is accessible to persons using wheelchairs and with other disabilities. Informational material will be available in large print. Assistive listening devices, materials in other alternate formats, American Sign Language interpreters and other accommodations will be made available upon request. Requests should be made to Deanna Stanley at 626-962-9292 ext. 142 or deannas@theaceproject.org. Providing at least 72 hours notice will help ensure availability.

- I. Pledge of Allegiance
- II. Roll Call and Introductions
- III. Public Comment
- IV. Approval of Special Meeting Minutes of June 4, 2012 (Pages 1-9) Action
- V. Chairman's Remarks
- VI. Board Member Comments
- VII. Chief Executive Officer's Report (Page 10) Information

The ACE Construction Authority is constituted of seven (7) member jurisdiction; the Cities of El Monte, Industry, Montebello, San Gabriel and Pomona, the County of Los Angeles and the San Gabriel Valley Council of Governments. A San Bernardino County Council of Governments representative is an ex-officio Board member. Each member or alternate has one vote. A quorum of the ACE Construction Authority is no less than four (4) of its total voting membership. Actions taken by the ACE Construction Authority shall be by simple majority of the members present with a quorum in attendance except for personnel actions, the annual budget, matters dealing with the Administrative Code or matters requiring subsequent approval by the SGVCOG, all of which shall require five (5) votes. All disclosable public records related to this meeting are available for viewing at the ACE office above during normal working hours.

- VIII. Approval of Annual Support Services Task Order Amendments (Pages 11-15) Action
- Big Independent Cities Excess Pool (BICEP) contract amendment for \$65,000
 - Burke, Williams & Sorensen, LLP annual task order for \$450,000
 - Capital Representation Group contract amendment for \$55,000
 - David Lang & Associates annual task order for \$66,228
 - Del Richardson & Associates, Inc. annual task order for \$8,812
 - Epic Land Solutions, Inc. annual task order for \$194,747
 - First Southwest Company contract amendment for \$15,000
 - Hunt, Ortman, Palffy, Nieves, Lubka, Darling & Mah Inc. annual task order for \$50,000
 - LSA & Associates, Inc. annual task order for \$132,914
 - Lee Andrews Group Inc. annual task order for \$763,905
 - MWH Americas, Inc. annual task order for \$307,778
 - Oliver Sandifer Murphy annual task order for \$395,000
 - Paragon Partners, Ltd. Annual task order for \$2,470,200
 - Prince Global Solutions, LLC contract amendment for \$206,945
 - Vasquez and Company, LLC annual task order for \$37,750
 - Wagner Engineering & Survey annual task order for \$31,000
- IX. Approval of Policy on ACE Reimbursements to San Gabriel Valley Council of Governments of Legal and Other Expenses (Page 16-17) Action
- X. Authorize Staff to Continue Analysis of Separating ACE Project from San Gabriel Valley Council of Governments (Page 18) Action
- XI. Closed Session: The Board will adjourn to closed session in accordance with Government Code Section 54956.9(a) to discuss existing litigation:
- Los Angeles Superior Court Case No. BC 457829 Possible
Alameda Corridor-East Construction Authority vs Newton, et. al Action
and
- Government Code Section 54956.8 for Real Property Negotiations
- Property Address : 938 Nogales Street Rowland Heights, CA 91748 Possible
Agency Negotiator: Ray Mehler, Epic Land Solutions Action
& Rick Richmond, ACE Construction Authority
Negotiating Parties: ACE Construction Authority & Jose Sarinana
Under Negotiation: Price and Terms of Payment

XII. Adjournment

Action



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ACE Construction Authority Board of Directors June 4, 2012 Special Meeting Minutes

1. **Roll Call** – Chairman Gutierrez called the meeting to order at 2:10 PM at the City of San Gabriel Council Chambers. In attendance were:
David Gutierrez, San Gabriel Angel Carrillo, SGVCOG
Tim Spohn, Industry Michael Antonovich, LA County
Stephen Atchley, City of Pomona Jack Hadijian, Montebello
Norma Macias, El Monte
Paul Eaton, SANBAG

Staff

Rick Richmond, Chief Executive Officer
Joe Silvey, Legal Counsel
Deanna Stanley
Mark Christoffels
Cecilia Cardenas
Genichi Kanow
Charles Tsang
Carlos Monroy
Paul Hubler
Amy Hanson
Ricky Choi

Guests

Arturo Cervantes, Pico Rivera
Dickie Simmons, Supervisor Don Knabe's office
Michael Cano, Supervisor Michael Antonovich
Ron Bates, Pico Rivera
Bob Archeleta, Pico Rivera
Juan Dias, JMD
Algis Marcuisua, San Gabriel
Danny Lu, San Gabriel
Keith Gillfillan, Moffatt Nichol
Hank Fong, LACPDW
Daren Adrian, Kimley Horn
Natasha Debenon, Kimley-Horn
Arygail Sanchez, HDR
Pat Sumerville, AECOM
Tanja Brix, AECOM

Jim E. Winburn, LA Newser
Alfonso Contreras, SCE
Eguene Kao, KOA Corp.
Juan Carlos Velasquez, CH2MHill

2. **Pledge of Allegiance** – Vice Chair Atchley led the pledge of allegiance.
3. **Approval of April 23, 2012 Meeting Minutes** – The Board was provided a revised cover page of the April 23, 2012 minutes. A motion was made to approve the revised minutes of April 23, 2012. M/S/C/Spohn/Atchley/Passed
Abstain: Macias
4. **Public Comments** – There were no public comments at this time.
5. **Chairman's Remarks** – Chairman Gutierrez indicated he sent a letter to the House and Senate negotiators working on a final version of the federal transportation bill. The letter expresses support for programs proposed in the Senate bill which could offer funding opportunities for ACE projects, including a new \$2 billion National Freight Program and a reauthorization of a \$1 billion Projects of National and Regional Significance Program.
6. **Board Member Comments** – There were no Board member comments.
7. **Chief Executive Officer's Reports** – Mr. Richmond reported that the CTC approved state bond fund allocations in April and in May of \$25.6 million and \$37.6 million respectively for the construction of the Nogales and Baldwin grade separation projects.
8. **Approval of FY 2013 Annual Budget** – Mr. Richmond reviewed the status of the FY 2012 goals. Nogales property acquisitions were complete and the construction contract expected out to bid by the end of the fiscal year. The San Gabriel Trench fiber optic relocation was moved to the construction phase in order to accommodate the archeological excavation. The construction contract bids are due June 20. Puente and Fairway preliminary engineering and environmental are complete and final design is expected to begin by the end of the fiscal year. The Baldwin project is expected to be in construction has not started due to the ongoing litigation. Funding and financial administration goals were challenging with another TIGER grant application submitted but unfunded. Outreach activities included ongoing

business and community efforts. There were no groundbreaking ceremonies, however, a very successful archeological excavation for the San Gabriel Trench. Mr. Richmond reviewed the goals for FY 2013 which includes construction for Nogales at 20%, Baldwin 25% and San Gabriel Trench 15%. 95% designs are expected for Fairway and Puente grade separation projects. A motion was made to approve the fiscal year 2012 budget for submission to the San Gabriel Valley Council of Governments.

M/S/C/Atchley/Spohn/Unanimous

9. **Approval of Revised Project Implementation Plan for Phase II**– Mr. Richmond reviewed the actions taken by the Board at the April meeting and indicated as a result of concerns over the priority list staff revisited the staging priorities. Mr. Richmond reviewed the staff recommendation contained in the agenda and indicated after the agenda was prepared, the Board of Supervisors passed a motion outlining the following actions:

1. Adopt the following five projects as the first priority projects for ACE Phase II implementation, all of which will begin design by December 2012 (listed in rank order as established by the SGVCOG Public Works Director Technical Advisory Committee:

- Fullerton Rd. (LA Sub)
- Hamilton Blvd.
- Fairway Dr. (LA Sub)
- Puente Ave
- Durfee Ave

2. The first five priority Phase II projects listed above in item #1 will be progressed through design and land acquisition in a timely manner and their status will be updated at least quarterly to the ACE and SGVCOG Boards. Construction commitments for these five projects will be considered when individual projects are construction-ready and in the context of available funding.

3. Direct the ACE staff to continue working with the UPRR to obtain written approval for the proposed Fairway Drive (Alh) concept. Written approval shall be in the form of an agreement with the UPRR with conditions clearly identified, if any. Upon securing the UPRR's written approval and identification of additional revenue to support the completion of Fairway Drive (Alh), the SGVCOG would reexamine adding Fairway Drive (Alh) as the sixth priority project for the Phase II implementation project list.

Furthermore, direct the commencement of the design and right of way acquisition for the Fairway Drive Alhambra Subdivision grade separation project.

Mr. Richmond reminded the Board that item #2, a requirement of quarterly updates, has always been standard procedures of ACE. He reviewed item #3 and indicated it was internally contradictory. He indicated the motion, as a whole, directs staff to commence design and right of way acquisition for all six projects. He pointed out the difficulty with the direction to commence design and right of way acquisition on the Fairway/Alhambra subdivision project while at the same time waiting for additional funding and securing Union Pacific agreements. He reported that ACE typically has not been able to get agreements with the Union Pacific until the project was ready for construction.

Member Spohn reported that he believed the Board of Supervisors motion was consistent with the action previously taken by the ACE Board. Member Spohn made a motion to reaffirm the position taken last month by the ACE Board, that the following projects proceed with engineering and, when permitted, by the environmental clearance process, land acquisition:

1. Fullerton Road; 2. Hamilton Blvd. 3. Fairway Drive (Alh) 4. Fairway Drive (LA Sub); 5. Puente Ave and 6. Durfee Ave. In the case of Fairway Drive (Alh), engineering work should not start until staff has sufficient concurrence from the UPRR that the design concept can be accepted at the appropriate time in the process.

A lengthy discussion ensued. Member Antonovich seconded the motion but requested no further action taken until after public comments.

Dickie Simmons, Supervisor Knabe's office indicated the spirit of motion was to protect the first five projects and not to begin engineering work on the Fairway project until UP agreements are in place. He acknowledged the motion was a collaborate effort from multiple Supervisors with a final amendment from Supervisor Molina's office.

Michael Cano, Deputy to Supervisor Antonovich, indicated he was speaking on behalf of the Supervisor and requested to clarify the motion. He indicated the recommendation was to move five projects forward and staff to work with the Union Pacific to secure agreements before moving forward with the Fairway project. He indicated he understood it was ACE practice not to move forward with spending taxpayer money without UP agreements in place.

Mayor Archeleta, Pico Rivera, thanked the Board for supporting the Durfee Avenue project and emphasized its safety benefits. He reported that another fatality occurred today.

Art Cervantes, Public Works Director, Pico Rivera also thanked the Board and indicated the City was working cooperatively with ACE and has used JMD to do a feasibility study to identify possible cost reductions.

The Board continued discussion. Member Antonovich requested clarification of the motion, to identify that there are five priority projects as expressed in the Supervisors' motion and that engineering should not occur on Fairway (Alh.) until ACE has concurrence from the Union Pacific.

Mr. Richmond requested affirmation that all six projects proceed into engineering and land acquisition and observed that by the time all projects had completed that process open issues cited for the Fairway (Alh) project would have to have been also addressed.

As clarified, the resulting motion was:

Reaffirm the Board's action that six of the eight adopted Phase II projects proceed through engineering and, when permitted by the environmental clearance process, land acquisition. The projects are:

- Fullerton Road
- Hamilton Boulevard
- Fairway Drive (Alh)
- Fairway Drive (LA)
- Puente Avenue and
- Durfee Avenue

However, engineering work should not start on the Fairway (Alh) project until staff has sufficient concurrence from the Union Pacific Railroad that the rail flyover design concept can be accepted at the appropriate time in the design process.

Of the six above projects, the following five are priority projects:

- Fullerton Road
- Hamilton Boulevard
- Fairway Drive (LA)

- Puente Avenue
- Durfee Road

M/S/C/Spohn/Antonovich/Unanimous

10. **Approval of Project Definition Report for the Fairway Drive Grade Separation Project** – Mark Christoffels reviewed the procedures to report milestones of the projects. They include environmental clearance, defined scope of the project, property requirements, final drawings and award of construction contract. He indicated the Fairway project had a statutory exemption. He reviewed the elements of the project and estimated cost. He indicated the project at 35% design shows a slight increase in the original concept cost. He also reported a \$5M betterment requested and would be paid for by the City of Industry.

A motion was made to approve the Project Definition Report and initiation of property acquisition and relocation activities for the grade separation at Fairway Drive in the City of Industry and unincorporated area of Los Angeles County.

M/S/C/ /Passed (Macias Absent)

11. **Approval of Project Definition Report for the Puente Avenue Grade Separation Project** – Mr. Christoffels reviewed the elements of the Puente Avenue grade separation project. He reported that value analysis was performed for both this and the Fairway projects. He reviewed the property requirements and reported at 35% design the estimate reflects a slight decrease in the estimated cost of the project. He reviewed the schedule and indicated both Fairway and Puente were on the same schedule estimated to take 32 months to complete.

A motion was made to approve the Project Definition Report and initiation of Property acquisition and relocation activities for the grade separation at Puente Avenue in the City of Industry and unincorporated areas Los Angeles County. M/S/C/ Passed (Macias absent)

12. **Approval of Amendment to CH2MHill Contract for Final Design of the Fairway Drive Grade Separation** - Mr. Richmond referred to the earlier presentation and indicated approval of this amendment would take the

design to 95%.

A motion was made to authorize the Chief Executive Officer to execute an amendment to the design and engineering services agreement with CH2MHill for the not to exceed \$3,527,833 plus \$509,216 for optional design services related to elevating the existing tracks for a total contract value of \$5,756,900 to complete final engineering for the Fairway Drive grade separation project.

M/S/C/Atchley/Antonovich/Passed (Macias absent)

13. **Approval of Amendment to Moffatt Nichol Contract for Final Design of the Puente Avenue Grade Separation** – Mr. Richmond referenced the earlier presentation and indicated this amendment would take the design of the Puente Avenue grade separation project to 95%.

A motion was made to authorize the Chief Executive Officer to execute an amendment to the design and engineering services contract with Moffatt & Nichol for the not to exceed amount of \$3,612,121 for a total contract value of \$5,602,151 to complete final design for the Puente Avenue grade separation project. M/S/C/Antonovich/Carrillo/Unanimous

14. **Approval of Reimbursement Agreement with LA County for the San Gabriel Trench Project** - Mr. Richmond indicated there were certain facilities in the San Gabriel Trench project that required modification or new construction which were under the jurisdiction of the County of Los Angeles. The construction would be performed by ACE but would require inspection and preparation of outgrants be performed by the County. He indicated the amount requested in the agreement is an estimate and ACE will reimburse the County on actual costs. He reminded the Board that ACE has the right to audit their costs on this work.

A motion was made to authorize an inspection and outgrant reimbursement agreement with Los Angeles County, necessary for the San Gabriel Trench project at an estimated cost of \$375,000.

M/S/C/Atchley/Macias/Unanimous

15. **Approval of Revision to ACE Right of Way Guidelines** – Mr. Richmond indicated there were three parcels, one in Diamond Bar and two in Pomona declared excess by the Board which were offered for sale. He indicated staff was requesting to incorporate an additional method to market excess property. He indicated advertising on multiple service listing was similar to Caltrans procedures.

A motion was made to revise the ACE right of way guidelines to include a method of sale of surplus property through use of a multiple listing service or its equivalent.

M/S/C/Hadjian/Antonovich/Unanimous

16. **Approval of Positions on State Legislation** – Paul Hubler reviewed AB 1665. He indicated this bill restores statutory exemption to grade crossing closure. He indicated the CPUC supports this legislation, the Bill is non-controversial and staff is unaware of any letters of opposition. A motion was made to support AB 1665.

M/S/C/Atchley/Macias/Unanimous

Mr. Hubler reviewed the background and elements of AB 1446. He indicated the bill would remove the 30 year expiration to Measure R ½ cent sales tax and its intent is to permit the MTA to issue bonds backed by additional revenues. He indicated it was staff's recommendation to monitor and work with the author. He indicated there have been issues raised with the uncertainty of availability of additional funding for under-funded projects which were included in the original legislation. Member Antonovich voiced concerns over the bill and stated the San Gabriel and Antelope Valleys should push for more money for their regions. Member Carrillo indicated he had strong concerns with the Board taking a position on legislation without the COG approval and insisted all communication should be shared with the COG and its Executive Director. Mr. Richmond indicated that the recommendation was to monitor the bill.

A motion was made to monitor/work with author on AB 1446 (Feur)

M/S/C/Carrillo/Atchley/Unanimous

17. **Closed Session:** Mr. Silvey announced the item related to the litigation involving ACE versus Newton has been pulled. However, the Board would adjourn to closed session in accordance with Government Code Section 54956.9(a) conference with legal counsel regarding existing litigation: Los Angeles Superior court Case No. BC 429699 ACE versus MIPCO, LLC.

And in accordance with Government Code Section 54956.8 to discuss real property negotiations with regard to the Union Pacific Union Railroad right of way between mileposts 489.5 and 481.8 in the City of San Gabriel.

The Board returned to open session and Counsel announced there was no

action taken by the Board.

18. **Adjournment** – The meeting was adjourned at 4:06PM. The next meeting is scheduled for June 25th.



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MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Rick Richmond
Chief Executive Officer

DATE: June 25, 2012

SUBJECT: CEO Report

The following are items of note since the last meeting:

Federal Transportation Bill – Earlier this month I joined with other regional transportation agency CEOs in sending a letter urging Congressional negotiators to pass federal transportation bill prior to the expiration of the current legislation this month. The group urged support specifically for a National Freight Program and the reauthorization of the Projects of National and Regional Significance Program, both of which would provide opportunities to secure federal funding for the ACE grade separations. The group was joined by representatives of business organizations at a press conference which emphasized the economic recovery and job creation impacts of a federal bill.

Community Outreach Update – Staff conducted the following project outreach activities:

- Distributed construction alert notices in English, Spanish and Chinese regarding utility relocation work for the Nogales Street and San Gabriel Trench projects;
- Continued conducting pre-construction surveys of structures and properties located along the San Gabriel Trench project area; and,
- Conducted ongoing community outreach and support activities for the San Gabriel Trench, Baldwin Avenue, and Nogales Street grade separation projects.

Phase II Consultant Briefings – In preparation of the release of the RFQ package for design engineering services, staff will be facilitating consultant briefings on June 28th and 29th. The briefing will provide an opportunity for consultants to learn more about the upcoming Phase II projects and meet with ACE staff. For those interested, please contact our Contracts Manager, Cecilia Cardenas.



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MEMO TO: ACE Construction Authority Board Members and Alternates

FROM: Rick Richmond
Chief Executive Officer

DATE: June 25, 2012

SUBJECT: Approval of Ongoing Authority Support Contract Amendments and Annual Task Orders

RECOMMENDATION: It is recommended that the Board authorize the Chief Executive Officer to amend or issue annual task orders for the following contracts for continuing support services from July 1, 2012 through June 30, 2013:

- BICEP contract amendment for \$65,000;
- Burke, Williams & Sorensen, LLC annual task order for \$450,000;
- Capital Representation Group contract amendment for \$55,000;
- David Lang & Associates annual task order for \$66,228;
- Del Richardson & Associates, Inc. annual task order for \$8,812;
- Epic Land Solutions, Inc. annual task order for \$194,747;
- First Southwest Company contract amendment for \$15,000;
- Hunt, Ortmann, Palffy, Nieves, Lubka, Darling & Mah Inc. annual task order for \$50,000.
- LSA & Associates, Inc. annual task order for \$132,914;
- Lee Andrews Group Inc. annual task order for \$763,905;
- MWH Americas, Inc. annual task order for \$307,778;
- Oliver Sandifer Murphy annual task order for \$395,000
- Paragon Partners, Ltd. annual task order for \$2,470,200;
- Prince Global Solutions, LLC contract amendment for \$206,945;
- Vasquez and Company, LLC annual task order for \$37,750; and
- Wagner Engineering & Survey annual task order for \$31,000;

These authorizations would include an overall 10% contingency allowance in accordance with normal agency procedures.

BACKGROUND: Continuation of contracted agency support services is necessary for FY 2013. The following is summary of work activities and proposed contract amendments/annual task orders:

- **Big Independent Cities Excess Pool (BICEP)** - This JPA was selected to perform risk management and claims administration for ACE for the life of the project. Their role includes coordination of ACE's insurance program, review of evidence of insurance provided by ACE's contractors and consultants, as well as periodic risk assessment and review of ACE's contracts relative to insurance and bond requirements. BICEP's role also includes involvement in coordinating third party claims between ACE and its contractor. BICEP will be assisting staff in responding to inquiries from bidders relevant to insurance requirements during the bidding and procurement. The recommended amount for FY 2013 is \$65,000, which represents no change from the FY 2012 budget. The \$65,000 budget does not include any premiums for policies.
- **Burke, Williams & Sorensen** – This contract was competitively procured for general counsel and property acquisition legal services for the ACE project. An increase of \$450,000 to the authorization is requested to support ongoing legal services required for ACE projects, including eminent domain actions against MIPCO on the Baldwin project. The firm also serves as the Authority's the General Counsel, which includes review of all pro-forma contracts and proposals, negotiation of agreements between ACE and third parties, and general Board and staff support. This represents a 14% decrease from the FY 2012 amended budget.
- **Capital Representation Group** – This contract was competitively procured to provide support services for the ACE Project in Sacramento for the life of the project at our option. The firm provides assistance in responding to questions/information from legislators and state officials concerning the ACE Project. Also, the firm assists in monitoring transportation related bills/legislations and regulations impacting the ACE Project and attending CTC meetings on behalf of ACE. The firm's assistance will be critical in accessing continued bond funding through the CTC, in particular the San Gabriel Trench, Baldwin and Nogales projects. The recommended amount for FY 2013 is \$55,000, which represents no change from the FY 2012 budget.
- **David Lang & Associates** – David Lang & Associates is a part of ACE's community outreach team, particularly providing assistance with the Asian community outreach across all ACE's projects. The firm's proposed budget for FY 2013 is \$66,228, which represents a 6% decrease from FY 2012 authorization.
- **Del Richardson & Associates, Inc.** - Del Richardson & Associates, Inc. provides relocation assistance services. The proposed FY 2013 scope includes minimal relocation assistance on the San Gabriel Trench project and project file closeouts. The recommended contract amount for FY 2013 is \$8,812. This represents a 92% decrease from FY 2012 authorization. This authorization does not provide for any

potential remaining relocation assistance on the Baldwin project, which we do not anticipate at this time. In the event work at Baldwin is necessary an increased authorization may be required.

- **Epic Land Solutions, Inc.** - This contract was competitively procured for property acquisition and relocation assistance services. Epic's current task order is for the Nogales (LA Sub) project. The firm's services include property acquisition, preparation of right of way certifications and property management oversight. Epic's proposed budget for FY 2013 is \$194,747. This represents a 71% decrease from FY 2012 amended budget. The decrease in proposed budget is a function of reduced workload and anticipated construction of the Nogales project in FY 2013.
- **First Southwest Company** – This firm was competitively selected to implement our working capital financing. Their role extends to assisting staff with our reporting requirements for the existing financing, monitoring the services being provided by the paying agent, investment banker and letter of credit bank and advising and assisting any subsequent note issuance. The recommended amount for FY 2013 is \$15,000, which represents a 133% decrease from the FY 2012 budget due to ACE's intent to re-solicit financial advisory services in FY 2013.
- **Hunt, Ortman, Pallffy, Nieves, Lubka, Darling and Mah, Inc.** – This contract was competitively procured for construction legal services. An increase of \$50,000 to the authorization is requested to assist staff in the preparation of standard construction Invitation for Bid documents. Legal services include legal assistance in bid protests and challenges, review agreements and bonds for the upcoming three construction projects anticipated to be awarded in FY 2013.
- **LSA & Associates, Inc.** - This contract was competitively procured for environmental services for the ACE project. Staff is recommending an authorization for FY 2013 for \$132,914. LSA's proposed scope will include general program management, conducting environmental mitigation monitoring program for the Baldwin, Nogales and San Gabriel Trench project and environmental permitting processes for Puente and Fairway projects in accordance with State regulations.
- **Lee Andrews Group, Inc.** – This firm provides public outreach services on a program-wide basis. The Lee Andrews Group proposed budget is \$763,905. Their scope consists of three full time equivalent positions to support our public information and field community outreach and the production of all public information material (project video, brochures, handouts, community events,

advertising, etc.) on all active ACE projects. This authorization represents a minimal decrease from FY 2012 authorization.

- **MWH Americas, Inc.** – MWH Americas, Inc. provides environmental management services during construction for ACE. These services consist of testing hazardous materials that may be encountered on the ACE project sites. MWH Americas, Inc. proposed scope for FY 2013 includes work on Baldwin, Nogales, San Gabriel, Fairway, and Puente projects, along with general program-wide support. The proposed budget for FY 2013 is \$307,778, which is an increase of 16% from the FY 2012 amended budget. This increase is a reflection of our increased workload of projects in design and construction.
- **Oliver Sandifer Murphy (OSM)** – This contract was competitively procured for property acquisition legal services for the ACE project. OSM has been assigned with property acquisition for the Nogales project. Property acquisition has required more legal effort than we have experienced on the Nogales project. ACE currently has eight active eminent domain cases and we anticipate four will proceed to court trials. At this time, staff is recommending an authorization for \$395,000 for FY 2013.
- **Paragon Partners, Ltd.** - Paragon Partners provides right of way acquisition services for the ACE Program. Substantial property acquisition activities will be conducted on Puente and Fairway projects in FY 2013. In addition, Paragon will be assisting with the acquisition of property rights from the UPRR necessary for the San Gabriel Trench project. In addition to providing personnel services, the Paragon budget includes third party costs for appraisals, environmental investigation, closing costs for property acquisitions, and property management expenses. The recommended FY 2013 budget is \$2,470,200, 80% of which is attributable to the Puente and Fairway projects. This represents a 177% increase from the FY 2012 authorization.
- **Prince Global Solutions, LLC** – This firm was selected to provide assistance to the Authority for federal legislative support in Washington DC. Prince Global Solutions' services include assisting staff in responding to questions/information from congressional members and federal officials regarding pending federal funding requests for the ACE Project. Prince Global will representing the Authority in seeking funding to complete the remaining ACE projects, in particular the ongoing reauthorization of the federal transportation program. At this time, staff is recommending an authorization for FY 2013 of \$206,945, which reflects a 1% decrease over last year's budget.

- **Vasquez and Company** – This contract was competitively procured by the San Gabriel Council of Governments in a manner consistent with our procurement policy. Vasquez and Company will conduct financial and compliance audits in preparation of all required management and financial reports, including the Single Audit Report on federal grant activities. The recommended amount for FY 2012 is \$36,500, which represents a 4% increase from the FY 2012 budget based on their fee payment schedule.
- **Wagner Engineering & Survey** - Wagner Engineering & Survey provides property surveys for the ACE project. Their proposed FY 2013 scope includes property acquisition and excess land disposition surveys, preparation of plat maps and legal descriptions for Sunset, Nogales and Baldwin projects. The recommended FY 2012 budget is \$31,000. This represents a substantial decrease from FY 2012 budget. The decrease in proposed budget is a function of reduced workload and incorporation of survey work into the design contracts on a going forward basis.

BUDGET IMPACT: Funds for these contracts are included in the FY 2013 budget and available from grant funds, except in the case of First Southwest Company expenses, which will be paid from interest earned from Grant Anticipation Note proceeds.



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MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Rick Richmond
Chief Executive Officer

DATE: June 25, 2012

SUBJECT: Approval of Policy on Reimbursement of San Gabriel Valley Council of Government Legal and Other Expenses

RECOMMENDATION: The ACE Board adopts a policy on requested ACE reimbursement of SGVCOG expenses which would:

1. Require any such expenses be identified in advance with not to exceed cost estimates;
2. Be approved in advance by the Board of Directors; and
3. Be subject to audit by ACE.

Background: The SGVCOG Budget for FY 2013 for legal expenses includes a statement that "any related on-going costs associated with the ACE Project would be billed separately and paid by ACE". The FY 2013 COG budget indicates that \$17,687 in legal expenses on ACE related matters were incurred by COG over the last two fiscal years. ACE staff has requested but not received an enumeration of these reported expenses.

To the best of ACE staff's knowledge the only readily identifiable SGVCOG legal expenses that could be connected to ACE over the past two years are the four "white papers" prepared in response to the SGVCOG Governing Board discussion in February 2011 – papers prepared by ACE Counsel and reviewed by COG Counsel – and the COG Counsel attendance at ACE Board meetings over approximately the last 12 months. It has been stated that the COG counsel attendance at the ACE Board meetings is required by "white paper" on legal issues. However, a review of the "white paper" in question indicates that this explanation is not correct.

In presenting the budget at the May 31 SGVCOG Governing Board meeting the COG Executive Director also indicated that SGVCOG Treasurer expenses were likely to increase due to the need for further oversight of ACE and those expenses would also be referred to ACE. The need for additional oversight is difficult to understand as the current level of financial oversight of the ACE Project is facilitated by a COG-developed, exhaustive financial reporting format which has been in place since the quarter ending December 31, 2009. Moreover, prior to adopting the COG-directed report format, and since, the ACE Board itself has held quarterly review meetings to go over the report

exhibit-by-exhibit. In addition, the report is forwarded to the COG's City Managers Steering Committee (which acts as the COG's Finance Committee) and is also supposed to be reviewed by the COG Finance Director's subcommittee which meets intermittently. There has never been a question raised or exception taken to the content of these reports by COG representatives since they began 27 months ago.

Based on the experience with the COG oversight activities described above, ACE staff strongly questions the need for any further COG financial oversight and, believes COG Counsel attendance at ACE Board meetings could be discontinued in the interest of reducing SGVCOG legal expenses. It is also unlikely that ACE would be reimbursed by its funding agencies for any COG oversight activities as such expenses would be considered redundant to the efforts of ACE itself.

Should the SGVCOG insist on continuing and/or increasing the kinds of oversight activities and expect to be reimbursed for them, ACE staff recommends a policy that includes advanced notification with a not to exceed amount, and advanced approval by the ACE Board of Directors.

Should the recommended policy be approved by your Board staff intends to notify the COG Executive Director before the start of the new fiscal year, and also propose that attendance by the COG Counsel at ACE Board meetings should be discontinued in the interest of reducing SGVCOG legal expenses.



Alameda Corridor-East Construction Authority

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MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Rick Richmond
Chief Executive Officer

SUBJECT: Authorization to Continue Analysis of Separation the ACE Project from the San Gabriel Valley Council of Governments

As you know, in April the San Gabriel Valley Council of Governments (SGVCOG) requested a report from ACE on separating the ACE Project from SGVCOG. You authorized staff to prepare the report and contact ACE corridor cities to determine their interest in participating in a successor entity. The report was provided in May and meeting with corridor cities has resulted in a uniformly positive response for continuing to develop a restructuring proposal.

The report was presented to the SGVCOG Governing Board on June 21. The Board approved a motion requesting their City Managers Steering Committee to work with ACE staff in developing a project transfer agreement which will address all important elements in transferring responsibility for the project from SGVCOG to a new entity. The end product of this effort would need to be approved by both the SGVCOG Governing Board and whatever entity is formed to accept the project. While this is being developed, ACE staff will also circulate a draft Joint Powers Agreement (JPA) to potential members. Both documents – an executable JPA and a mutually acceptable project transfer agreement – are necessary for the restructuring to be implemented.

Staff requests your authorization to continue with activities described above.