



# ***Alameda Corridor-East Construction Authority***

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

## **ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY BOARD OF DIRECTORS REGULAR MEETING AGENDA**

**Monday, September 24, 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](mailto: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 Regular Meeting Minutes of August 27, 2012 (Pages 1 – 5) Action
- V. Chairman’s Remarks
- VI. Board Member Comments
- VII. Chief Executive Officer’s Report (Pages 6 – 7) Information
- VIII. Approval of Award of Contract for Design & Engineering Services for the Durfee Avenue Grade Separation (Pages 8 – 9) Action
- IX. Approval of Award of Contract for Design & Engineering Services for the Fullerton Road Grade Separation Project (Pages 10 – 11) Action

---

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.

- |       |   |  |
|-------|---|--|
| X.    | Approval of Award of Contract for the Design & Engineering Services of the Hamilton Boulevard Grade Separation Project (Pages 12 – 13)  | Action                                       |
| XI.   | Approval of Position on AB 1446 and Measure J (Pages 14 – 15)   | Action                                       |
| XII.  | Approval to Retain Retirement Plan Consulting & Actuarial Services (Page16)   | Action                                       |
| XIII. | Closed Session: The Board will adjourn to closed session in accordance with Government Code Section 54956.9 (a) Conference with legal counsel to discuss existing litigation (two cases)  |  |
|       | <ul style="list-style-type: none"><li>• Los Angeles Superior Court Case No. BC429699<br/>Alameda Corridor-East Construction Authority vs MIPCO, L.L.C., et. al., and</li><li>• Los Angeles Superior Court Case No. BC450376<br/>Alameda Corridor-East Construction Authority vs Rowland Ranch Properties LLC et. al.,</li></ul> | Possible<br>Action<br><br>Possible<br>Action |
| XIV.  | Adjournment   | Action                                       |



## **Alameda Corridor-East Construction Authority**

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

### **ACE Construction Authority Board of Directors August 27, 2012 Regular Meeting Minutes**

Chairman Gutierrez called the meeting of the Board of Directors of the ACE Construction Authority to order at 2:05PM in the San Gabriel Council Chambers.

1. **Roll Call** –

David Gutierrez, San Gabriel, Chairman  
Stephen Atchley, Pomona, Vice Chairman  
Tim Spohn, Industry  
Andre Quintero, El Monte  
Jack Hadjinian, Montebello

**Staff**

Rick Richmond, Chief Executive Officer  
Joseph F. Silvey, Legal Counsel  
Deanna Stanley  
Cecilia Cardenas  
Victoria Butler  
Paul Hubler  
Genichi Kanow  
Amy Hanson  
Ricky Choi

**Guests:**

Jack Orswell, Jack Orswell for Congress  
Arygail Sanchez, HDR

2. **Pledge of Allegiance** – Vice Chairman Atchley led the pledge of allegiance.
3. **Public Comments** – There were no public comments.
4. **Approval of Regular Meeting Minutes of July 23, 2012** – A motion was made to approve the minutes of July 23, 2012.  
M/S/C/Hadjinian/Spohn/Passed Abstain: Quintero
5. **Chairman's Remarks** – Chairman Gutierrez announced the plans for the San Gabriel Trench groundbreaking ceremony were underway. The event is planned for Thursday, November 1, 2012 at Plaza Park. Chairman Gutierrez reported that he and other members attended a lunch co-hosted by the San

Gabriel Valley Economic Partnership and the City of Hope featuring Senator Dianne Feinstein as guest speaker. He indicated the Senator gave an update on the federal budget.

6. **Board Member Comments** – Member Hadjinian indicated he was looking forward to the groundbreaking ceremony.
7. **Chief Executive Officer's Report** – Mr. Richmond introduced new employee Rachel Korkos, Senior Project Manager. He updated the Board on the procurements. He indicated 11 proposals for the design and engineering of Fullerton Road, Durfee Avenue and Hamilton Drive were received and three recommendations to award would be brought to the Board at the September meeting. He indicated the RFP for design and engineering of Fairway Drive would be released shortly. He reported that the bid opening for construction of the Baldwin Avenue grade separation project, originally scheduled September 5 was extended at the request of prospective bidders. The bids are now due October 3 and a recommendation for award is expected at the October Board meeting.
8. **Approval for Sale of Surplus Property at 614-646 Brea Canyon Road, Diamond Bar, CA** – Mr. Richmond reminded the Board that the office building at Brea Canyon Road was a source of modest income and originally held with hopes the real estate market would produce a more favorable profit. He indicated the property was offered for sale and the best and final offer was tendered by THL Investment LCC for \$2,500,000.

A motion was made to sell the parcel at 614-646 Brea Canyon Road to THL Investment LLC for \$2,500,000.

M/S/C/Quintero/Hadjinian/Unanimous

9. **Approval of Betterment Agreement with City of Industry for Improvements to the Fairway Drive Grade Separation Project** – Mr. Richmond reviewed the elements of the Fairway Drive project. He indicated the City of Industry has requested several improvements to the project. He reviewed the improvements and reminded the Board that the City would pay for them. He indicated a betterment agreement was required between ACE and the City of Industry.

A motion was made to authorize the Chief Executive Officer to execute a Betterment Agreement with the City of Industry for City requested

improvements to be done in conjunction with the Fairway Drive grade separation project.

M/S/C/Spohn/Atchley/Unanimous

**10. Approval of Master Cooperative Agreement with County of Los Angeles for the Design and Construction of Phase II Grade Separation Projects –**

Mr. Richmond reminded the Board that a master cooperative agreement was executed in 2000 which covered the identified projects at that time. He indicated with the recent adoption of Phase II projects and the associated implementation plan it was timely to update the master cooperative agreement to include the current projects as outlined on page 31 of the staff agenda. He indicated the County was required to review various stages of the projects with relation to drainage plans, sewage or other county He indicated the amount of reimbursement would be based on the scope of services.

A motion was made to authorize the Chief Executive Officer to execute a Master Cooperative Agreement with Los Angeles County regarding the design and construction of Phase II grade separations projects not currently covered by previous agreements.

M/S/C/Hadjinian/Spohn/Unanimous

**11. Approval of Transfer of Legal Services Contract from Hunt, Ortmann, Darling and Mah, Inc. to Lubka and White, LLP –**

Mr. Richmond indicated the Hunt, Ortmann et. al provides construction legal services and has been actively involved in current procurements, reviewing bid documents, contractor submittals and stand prepared for protests. The key personnel providing the support for these services, Larry Lubka has started his own firm and due to the ongoing need for these services, staff believes it would be too disruptive to bid these services. He indicated a statement of determinations and findings was included in the staff report, and in accordance with the procurement policies, provided for approval. He indicated Hunt, Ortmann has agreed to the transfer and the transfer would carry the contract through the end of the current fiscal year, at which time these services would be competitively procured.

A motion was made to authorize the Chief Executive Officer to transfer the construction legal services agreement from Hunt, Ortmann, Palffy, Nieves, Lubka, Darling and Mah, Inc. to Lubka and White, LLP and approve the Statement of Determination and Findings.

M/S/C/Atchley/Quintero/Unanimous

**12. Approval of Contract Amendment for SWCA Environmental Services for the San Gabriel Trench Project** – Mr. Richmond described the tasks of the

environmental services for the San Gabriel Trench project. He indicated the contract covered excavation completed with the archeological dig and minor excavation east of the site. He indicated the next task would be the removal and relocation of the grist mill to in front of the San Gabriel Mission. He indicated the mill would become a permanent significant display of history of the mission area. He indicated the contract amendment would cover monitoring the identified significant locations, including instrumenting various locations for vibration recording during and after construction, a period estimated to be 6 years.

A motion was made to authorize the Chief Executive Officer to execute an amendment to the cultural resources management services agreement with SWCA Environmental Consultants for a not-to-exceed amount of \$1,233,891 for a total contract value of \$4,801,780.

M/S/C/Spohn/Atchley/Unanimous

**13. Approval of Extension of ACE Office Lease** – Mr. Richmond indicated the current office configuration was not efficient. Staff reviewed office needs and developed a reconfiguration to create additional enclosed offices and a conference room. In discussing the matter with the on-site property management they offered to absorb the cost of the improvements if ACE would extend its lease an additional two years. He indicated staff was confident there was enough work for the project to justify an office lease through 2018.

A motion was made to authorize the Chief Executive Officer to execute a lease amendment for office space at its current location extending the lease for a period of two through April 30, 2018 in consideration of owner furnished tenant improvement as outlined in the staff report.

M/S/C/Quintero/Hadjinian/Unanimous

**14. Closed Session** – Counsel announced the Board would adjourn to closed session for three matters – in accordance with Government Code Section 54956.9(a) conference with legal counsel to discuss two cases in litigation – LA Superior Court Case No. DC 450376 ACE Construction Authority vs Rowland and LA Superior Court Case No. BC 429699 ACE Construction Authority vs MIPCO and in accordance with Government Code Section 54957 to discuss the performance evaluation of the Chief Executive Officer.

The Board returned to open session and Counsel announced that by a motion

made by member Quintero and seconded by member Atchley and affirmative votes by Quintero, Gutierrez, Atchley, Spohn and Hadjinian the agreed to increase the deposit of probable compensation for the Rowland Ranch property interests from \$936,000 to \$2,090,000.

Counsel further reported that there were n other actions that needed to be reported.

15. **Adjournment** – The Board adjourned at 3:10PM. The next Regular meeting is scheduled for September 24, 2012



## Alameda Corridor-East Construction Authority

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

MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Rick Richmond  
Chief Executive Officer

DATE: September 24, 2012

SUBJECT: CEO Report

The following are items of note since the last meeting:

**Baldwin Project Update** – The bid opening date for the Baldwin Avenue project has been extended a month until October 3 at the request of prospective prime contractors to allow more time to prepare their bid submittals. Staff anticipates recommending approval of a construction contract at your meeting on October 22.

**Nogales Project Update** – Staff anticipates advertising a construction contract for the Nogales Street project this month, following receipt from Caltrans of an authorization to proceed. Preconstruction activities and utility relocation are in progress. ACE contractors a few weeks ago started demolition of two vacant industrial buildings to allow the relocation of underground utilities.

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

- Distributed construction alert notices in English, Spanish and Chinese regarding utility relocation activities and temporary lane closures for the San Gabriel Trench project;
- Distributed construction alert notices regarding demolition for the Nogales Street project;
- Conducted ACE safety outreach presentations and distributed safety kit materials to students at schools in San Gabriel and Rowland Heights; and,
- Conducted ongoing community outreach and support activities for the San Gabriel Trench, Baldwin Avenue, and Nogales Street grade separation projects.

**Contracting** – Our Administrative Code delegates to the CEO the authority to approve new contracts or change orders for Board-approved contracts within certain limits, with a requirement that I report to the Board any such contract action. The following changes have occurred:



Consultant/Vendor	Reason for Change	Change Amount	Total Contract Value
LSA Associates, Inc.	Environmental Services for Durfee Avenue, Fullerton Road, and Hamilton Boulevard.	\$76,656	\$459,570
MWH Americas, Inc.	Focused Soil Investigation of Former UST for the East End Ave./Reservoir St. grade separation project.	\$35,603	\$1,527,721
Paragon Partners	Additional property acquisition services for Fairway and Puente grade separation project through June 30, 2012.	\$38,250	\$13,875,570.47
Epic Land Solutions	Additional property acquisition services for Nogales grade separation project through June 30, 2012.	\$102,390	\$2,024,682
Oliver, Sandifer Murphy	Additional legal services for Nogales grade separation project through June 30, 2012.	\$72,892.35	\$1,422,592.35
Capital Representation	Additional legislative services through June 30, 2012.	\$1,968.03	\$761,668.03



## **Alameda Corridor-East Construction Authority**

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

MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Rick Richmond  
Chief Executive Officer

DATE: September 24, 2012

SUBJECT: Approval of Selection and Award of Contract for Design & Engineering Services to URS Corporation for the Durfee Avenue Grade Separation Project

**RECOMMENDATION:** Staff recommends that the Board approve the selection of URS Corporation (URS) to provide preliminary engineering and final design services for Durfee Avenue grade separation project, and authorize the Chief Executive Officer to negotiate, execute a contract and issue a limited notice to proceed for an amount not-to-exceed \$150,000.

**BACKGROUND:** At the June 4<sup>th</sup> special meeting, the Board authorized staff to solicit proposals for design and engineering services for grade separation projects at Fullerton Road in Industry, Hamilton Boulevard in Pomona and Durfee Avenue in Pico Rivera.

Consistent with our procurement process, a Request for Qualifications (RFQ) was issued on July 18, 2012. Under this RFQ, it was ACE's intent to develop a pool of consultants and award three contracts for the three grade separation projects identified above. The availability of the RFQ was advertised in various publications (newspapers of local circulation and minority publications) and posted on ACE's website as well our online bidding system. In addition, direct mail notification was made to over 600 firms who had previously expressed interest in our project. A pre-proposal conference was held on August 1, 2012, attended by 92 people. The Authority received eleven Statements of Qualifications (SOQ) on August 21, 2012.

Responsive SOQs were received from the following firms:

1. AECOM
2. Atkins
3. Biggs Cardosa Associates Inc.
4. BergerABAM
5. CH2MHill
6. HDR Engineering, Inc.
7. JM Diaz, Inc.
8. KOA Corporation
9. Moffatt & Nichol
10. Parsons Brinckerhoff
11. URS Corporation

A Technical Evaluation Committee (TEC) consisting of four ACE staff and four outside agency staff with relevant technical qualifications was formed. The TEC reviewed the written proposals and decided to interview six firms. Following the interviews held on September 11<sup>th</sup>, the TEC members had the opportunity to adjust their rankings and determine final rankings. In accordance with the RFQ requirements, the TEC determined the six firms interviewed as the pool of qualified consultants. The results of the final rankings are as follows:

<b>CONSULTANT</b>	<b>RANKING</b>
URS Corporation	1
Biggs Cardosa Associates Inc.	2
AECOM	3
HDR Engineering, Inc.	4
CH2MHill	5
Moffatt & Nichol	5

URS has been selected for the Durfee Avenue grade separation by the TEC members. The RFQ was issued under Disadvantaged and Small Business Enterprise Programs (DBE and SBE) currently in place. Staff has established an 8% DBE goal on the Durfee project. URS committed to an 18% DBE goal. URS will be required to report all SBE participation achieved through the life of the contract.

Notice of staff's recommendation was sent to the other finalists firm on September 12<sup>th</sup>. The protest period will have concluded by the close of business, September 19<sup>th</sup>. As of the mailing date of this agenda item, no protests have been received.

Staff recommends to execute a limited notice to proceed for a not-to-exceed amount of \$150,000, in order for URS to begin the agreed upon preliminary engineering tasks in the first 30 days.

Upon approval by the Board of the recommended firm and authorization to award the contract, staff will continue negotiations for the full Phase 1 (preliminary engineering) task order. It is anticipated we will request for approval of the full Phase 1 budget at your October meeting.

**BUDGET IMPACT:** Funds for this contract are available from Federal and MTA grants.



## Alameda Corridor-East Construction Authority

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

MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Rick Richmond  
Chief Executive Officer

DATE: September 24, 2012

SUBJECT: Approval of Selection and Award of Contract for Design & Engineering Services to Biggs Cardosa Associates Inc. for the Fullerton Road Grade Separation Project

**RECOMMENDATION:** Staff recommends that the Board approve the selection of Biggs Cardosa Associates Inc. (BCA) to provide preliminary engineering and final design services for Fullerton Road grade separation project, and authorize the Chief Executive Officer to negotiate, execute a contract and issue a limited notice to proceed for an amount not-to-exceed \$150,000.

**BACKGROUND:** At the June 4<sup>th</sup> special meeting, the Board authorized staff to solicit proposals for design and engineering services for grade separation projects at Fullerton Road in Industry, Hamilton Boulevard in Pomona and Durfee Avenue in Pico Rivera.

Consistent with our procurement process, a Request for Qualifications (RFQ) was issued on July 18, 2012. Under this RFQ, it was ACE's intent to develop a pool of consultants and award three contracts for the three grade separation projects identified above. The availability of the RFQ was advertised in various publications (newspapers of local circulation and minority publications) and posted on ACE's website as well our online bidding system. In addition, direct mail notification was made to over 600 firms who had previously expressed interest in our project. A pre-proposal conference was held on August 1, 2012, attended by 92 people. The Authority received eleven Statements of Qualifications (SOQ) on August 21, 2012.

Responsive SOQs were received from the following firms:

1. AECOM
2. Atkins
3. Biggs Cardosa Associates Inc.
4. BergerABAM
5. CH2MHill
6. HDR Engineering, Inc.
7. JM Diaz, Inc.
8. KOA Corporation
9. Moffatt & Nichol
10. Parsons Brinckerhoff
11. URS Corporation

A Technical Evaluation Committee (TEC) consisting of four ACE staff and four outside agency staff with relevant technical qualifications was formed. The TEC reviewed the written proposals and decided to interview six firms. Following the interviews held on September 11<sup>th</sup>, the TEC members had the opportunity to adjust their rankings and determine final rankings. In accordance with the RFQ requirements, the TEC determined the six firms interviewed as the pool of qualified consultants. The results of the final rankings are as follows:

<b>CONSULTANT</b>	<b>RANKING</b>
URS Corporation	1
Biggs Cardosa Associates Inc.	2
AECOM	3
HDR Engineering, Inc.	4
CH2MHill	5
Moffatt & Nichol	5

BCA has been selected for the Fullerton Road grade separation by the TEC members. The RFQ was issued under Disadvantaged and Small Business Enterprise Programs (DBE and SBE) currently in place. Staff has established a 12% SBE goal on the Fullerton project. BCA committed to a 12% SBE goal. BCA will be required to report all SBE participation achieved through the life of the contract.

Notice of staff's recommendation was sent to the other finalists firm on September 12<sup>th</sup>. The protest period will have concluded by the close of business, September 19<sup>th</sup>. As of the mailing date of this agenda item, no protests have been received.

Staff recommends to execute a limited notice to proceed for a not-to-exceed amount of \$150,000, in order for BCA to begin the agreed upon preliminary engineering tasks in the first 30 days.

Upon approval by the Board of the recommended firm and authorization to award the contract, staff will continue negotiations for the full Phase 1 (preliminary engineering) task order. It is anticipated we will request for approval of the full Phase 1 budget at your October meeting.

**BUDGET IMPACT:** Funds for this contract are available from MTA grants.



## **Alameda Corridor-East Construction Authority**

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

**MEMO TO:** ACE Construction Authority Board Members & Alternates

**FROM:** Rick Richmond  
Chief Executive Officer

**DATE:** September 24, 2012

**SUBJECT:** Approval of Selection and Award of Contract for Design & Engineering Services to AECOM for the Hamilton Boulevard Grade Separation Project

**RECOMMENDATION:** Staff recommends that the Board approve the selection of AECOM to provide preliminary engineering and final design services for Hamilton Boulevard grade separation project, and authorize the Chief Executive Officer to negotiate, execute a contract and issue a limited notice to proceed for an amount not-to-exceed \$150,000.

**BACKGROUND:** At the June 4<sup>th</sup> special meeting, the Board authorized staff to solicit proposals for design and engineering services for grade separation projects at Fullerton Road in Industry, Hamilton Boulevard in Pomona and Durfee Avenue in Pico Rivera.

Consistent with our procurement process, a Request for Qualifications (RFQ) was issued on July 18, 2012. Under this RFQ, it was ACE's intent to develop a pool of consultants and award three contracts for the three grade separation projects identified above. The availability of the RFQ was advertised in various publications (newspapers of local circulation and minority publications) and posted on ACE's website as well our online bidding system. In addition, direct mail notification was made to over 600 firms who had previously expressed interest in our project. A pre-proposal conference was held on August 1, 2012, attended by 92 people. The Authority received eleven Statements of Qualifications (SOQ) on August 21, 2012.

Responsive SOQs were received from the following firms:

1. AECOM
2. Atkins
3. Biggs Cardosa Associates Inc.
4. BergerABAM
5. CH2MHill
6. HDR Engineering, Inc.
7. JM Diaz, Inc.
8. KOA Corporation
9. Moffatt & Nichol
10. Parsons Brinckerhoff
11. URS Corporation

A Technical Evaluation Committee (TEC) consisting of four ACE staff and four outside agency staff with relevant technical qualifications was formed. The TEC reviewed the written proposals and decided to interview six firms. Following the interviews held on September 11<sup>th</sup>, the TEC members had the opportunity to adjust their rankings and determine final rankings. In accordance with the RFQ requirements, the TEC determined the six firms interviewed as the pool of qualified consultants. The results of the final rankings are as follows:

<b>CONSULTANT</b>	<b>RANKING</b>
URS Corporation	1
Biggs Cardosa Associates Inc.	2
AECOM	3
HDR Engineering, Inc.	4
CH2MHill	5
Moffatt & Nichol	5

AECOM has been selected for the Hamilton Boulevard grade separation by the TEC members. The RFQ was issued under Disadvantaged and Small Business Enterprise Programs (DBE and SBE) currently in place. Staff has established a 12% SBE goal on the Hamilton project. AECOM committed to a 21.5% SBE goal. AECOM will be required to report all SBE participation achieved through the life of the contract.

Notice of staff's recommendation was sent to the other finalists firm on September 12<sup>th</sup>. The protest period will have concluded by the close of business, September 19<sup>th</sup>. As of the mailing date of this agenda item, no protests have been received.

Staff recommends to execute a limited notice to proceed for a not-to-exceed amount of \$150,000, in order for AECOM to begin the agreed upon preliminary engineering tasks in the first 30 days.

Upon approval by the Board of the recommended firm and authorization to award the contract, staff will continue negotiations for the full Phase 1 (preliminary engineering) task order. It is anticipated we will request for approval of the full Phase 1 budget at your October meeting.

**BUDGET IMPACT:** Funds for this contract are available from MTA grants.



## Alameda Corridor-East Construction Authority

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

MEMO TO: ACE Construction Authority Board Members and Alternates

FROM: Rick Richmond  
Chief Executive Officer

DATE: September 24, 2012

SUBJECT: Approval of Position on AB 1416 and Measure J

**RECOMMENDATION:** Staff recommends that the Board adopt a position of support for Measure J and AB 1446 (Feuer), authorizing the placement of Measure J on the November 6 ballot to extend for another 30 years Los Angeles County's existing Measure R half-cent sales tax for transportation programs and projects. AB 1446 has passed the Legislature and been sent to the Governor, who has until September 30 to sign or veto the bill. The staff recommendation is consistent with the position adopted by the SGVCOG in July of supporting the Metro ordinance with an amendment proposed by Metro Director John Fasana.

**BACKGROUND:** At your June 4 meeting, the Board authorized a position of "work with author" on AB 1446 and the proposed ordinance in an effort to secure supplemental local sales tax revenues for the ACE Phase II projects beyond the existing \$400 million in baseline funding for the ACE projects identified in Measure R. Since then, the MTA Board has adopted, and the legislation has been amended to reference, an amendment to the draft ordinance proposed by MTA Director John Fasana. The Fasana amendment would allow sales tax revenues to be transferred between the transit capital and highway sub-funds within a sub-region by a two-thirds vote of the MTA Board. The intent of the amendment is to provide flexibility for distributing the San Gabriel Valley's share of accelerated highway funding to be made available in the next decade in the following priority order<sup>1</sup>:

1. To fulfill baseline commitments to Measure R projects;
2. To complete the Measure R projects with incompletely funded phases or segments (such as the ACE Phase II projects and the Foothill Gold Line Extension to Claremont), and;
3. To fund new projects from the Long Range Transportation Plan.

If the voters approve Measure J this fall, MTA staff has reported that \$3.7 billion in additional highway funding can be expected to be made available in the next decade for Los Angeles County highway projects. Based on existing sub-regional allocation ratios, the San Gabriel Valley's share of additional funds for highway projects is projected to be

---

<sup>1</sup> Per report dated July 19, 2012 from Mr. Fasana to the SGVCOG Transportation Committee.



\$823 million. The programming of additional funds for the ACE Phase II or other San Gabriel Valley projects would be subject to the priority order outlined above and would require the recommendation of the SGVCOG and the approval of the MTA Board<sup>2</sup>.

ACE continues to diligently seek the funds needed to complete the ACE Phase II program. Staff is confident that the current projected funding shortfall of \$270 million can be reduced by reprogramming to eligible Phase II projects State bond funds from the San Gabriel Trench project bid savings and other uncommitted State bond funds. However, bid savings alone cannot erase the shortfall and the prospects for additional federal funding are far from certain (as noted in the July ACE staff report to the Board). Therefore, it is likely that additional local sales tax revenue funds will be needed to complete the Phase II projects. Measure J would offer a path forward for securing additional funds with a reasonable, but not guaranteed, expectation of success. Staff believes the ACE Board would be well advised to support AB 1446 and Measure J.

AB 1446 is supported by more than a dozen Los Angeles area and regional business, labor, engineering, environmental and contractor organizations. The bill is opposed by several taxpayer groups, the City of Cerritos and the Metro Gold Line Extension JPA Board.

---

<sup>2</sup> Per Fasana report.



## Alameda Corridor-East Construction Authority

---

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

MEMO TO: ACE Construction Authority Board Members and Alternates

FROM: Rick Richmond  
Chief Executive Officer

DATE: September 24, 2012

SUBJECT: Approval to Retain Retirement Plan Consulting and Actuarial Services

**RECOMMENDATION:** Staff requests approval to use previously authorized funds for reimbursing the San Gabriel Valley Council of Governments (SGVCOG) for expenses in reviewing a proposed separation of the ACE Project from the SGVCOG for consulting and actuarial services pertaining to present and future CalPERS membership.

**BACKGROUND:** At your July 2012 meeting you authorized up to \$20,000 to reimburse SGVCOG for expenses in reviewing the proposed separation. It was expected that this authorization would be used for SGVCOG legal expenses; however, SGVCOG Counsel also cited the eventual need to retain outside experts, including actuarial services to quantify current or future CalPERS unfunded liability. Since that authorization, the legal services have been deferred and the SGVCOG is considering hiring staff as part of their reorganization. The prospect of SGVCOG hiring staff, and the recently enacted State pension legislation, add complication to how employee retirement plans would be accommodated in a transfer of the project. It would be beneficial to have the assistance of outside expertise in analyzing retirement plan options for both ACE and the COG, proposing an optimum plan, participating on our behalf in discussions with CalPERS, and potentially making actuarial forecasts of one or more retirement plan options. Staff believes it would be timely to use the existing authorization for the retirement plan assessment and consider a further authorization for legal services when that becomes necessary.

If approved, staff will conduct a procurement process consistent with our Procurement Guidelines.