

South Bay Cities Council of Governments

April 27, 2017

TO: SBCCOG Board of Directors

FROM: Jacki Bacharach, SBCCOG Executive Director

SUBJECT: Measure R Cooperative Agreement between Metro and SBCCOG

Adherence to Strategic Plan:

Goal A: Environment, Transportation, and Economic Development. Facilitate, implement, and/or educate members and others about environmental, transportation, and economic development programs that benefit the South Bay. Strategy 5 – Actively pursue opportunities for infrastructure funding for member agencies.

BACKGROUND

With the passage of Measure R, the SBCCOG and L. A. Metro executed a five-year Cooperative Agreement in May 2012. Under the agreement, SBCCOG was given the responsibility to develop eligible projects funded within the Measure R South Bay Highway Program and to oversee the delivery of funded projects within the program.

Metro and SBCCOG staff have been developing Amendment No. 2 to the initial agreement since last August. The amendment (Exhibit 1) will extend the duration of the current agreement for five more years, beginning June 1, 2017. The amendment is very similar to the existing agreement scope of work. However, there is a new earned value performance measure added to the current scope.

The basic premise of earned value management (EVM) is that the value of progress made to complete a project milestone should be equal to the amount of funds budgeted to complete it. The Cooperative Agreement Amendment requires the lead agencies to establish and report on quarterly milestones and budgets. SBCCOG will need to report quarterly on each project's earned value and to provide an annual performance evaluation for all of the SBHP projects with a goal that SBHP annually maintains an earned value of at least 80%.

SBCCOG staff will hold a training session on earned value for SBHP lead agencies that will enable the lead agencies to properly calculate and report the earned value of their projects in their required quarterly reports to Metro and the SBCCOG.

RECOMMENDATION

Recommend SBCCOG Board approval of the Measure R Cooperative Agreement Amendment No. 2.

Attachment C exhibit: Measure R Cooperative Agreement No. 2 (To be distributed separately)

AMENDMENT No. 1
TO MEASURE R COOPERATIVE AGREEMENT BETWEEN
THE SOUTH BAY CITIES COUNCIL OF GOVERNMENTS
AND
THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

This Amendment No. 1 to Cooperative Agreement (this “Amendment”), is dated, for reference only, as of May 31, 2017 by and Between the Los Angeles County Metropolitan Transportation Authority (“**LACMTA**”) and the South Bay Cities Council of Governments (“**SBCCOG**”). LACMTA and SBCCOG are collectively referred to herein as “**Parties**” and individually as a “**Party**”

RECITALS:

A. Whereas, LACMTA adopted Ordinance #08-01, the Traffic Relief and Rail Expansion Ordinance, on July 24, 2008 (the “**Ordinance**”), which Ordinance was approved by the voters of Los Angeles County on November 4, 2008 as “Measure R” and became effective on January 2, 2009.

B. Whereas, LACMTA is the State-chartered Regional Transportation Planning Agency for Los Angeles County. LACMTA serves as the transportation planner, coordinator, designer, builder and operator for Los Angeles County.

C. Whereas, the SBCCOG is a joint powers authority comprised of 16 cities and parts of the unincorporated areas of Los Angeles County created to coordinate planning and program management efforts and resolve conflicts among its member cities and regional agencies in the South Bay subregion to work toward achieving common planning goals that focus on improving transportation and the environment, and strengthening economic development.

D. Whereas, it is LACMTA’s and the SBCCOG’s fiduciary duty to ensure that Measure R funds are used in the most cost effective and practical manner.

E. Whereas, LACMTA and SBCCOG entered into that certain Five-year Measure R Cooperative Agreement, dated May 31, 2012, (“the Existing Cooperative Agreement”)

F. Whereas, LACMTA and SBCCOG wish to amend Existing FA as provided herein.

Cooperative Agreement:

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follow:

1. AGREEMENT Section 1. Annual Updates to the Approved Project List, of the “Existing Cooperative Agreement” is hereby amended by deleting it in its entirety and replacing it with the following;
 - “1. Annual Updates to the Approved Project List. Each year the parties will update the Approved Project list by complying with the following process (the “**Annual Updating Process**”):
 1. Lead agency and SBCCOG requesting funds must prepare a detailed proposed conceptual scope, schedule and budget identifying the operational deficiency and nexus to Measure R Line 33 (South Bay), inclusive of items deemed necessary to justify project approval. Scope must be shared with SBCCOG and LACMTA. The Lead Agency must commit to timely delivery of Measure R Line 33 (South Bay) projects.
 2. The SBCCOG will facilitate a meeting in which the Lead Agency will be invited to make a presentation to the relevant SBCCOG oversight committee and LACMTA, describing the proposed project scope, schedule, budget and funding required of Measure R Line 33 (South Bay).
 3. SBCCOG will consolidate information and annually prepare a list of requested new projects to be funded by Measure R Line 33 based on certain criteria agreed to by LACMTA.
 4. Upon SBCCOG compliance of Step No. 1 through No. 3, SBCCOG may request LACMTA staff to identify the Measure R funding amount available for Measure R Line 33 projects. SBCCOG staff shall use that information to develop (Local match and Measure R) funding requirement amounts for each project, and the years in which such funds should be programmed based on project readiness and cashflow. If required, SBCCOG to identify potential funding shortfalls and strategies to fill those shortfalls.

5. LACMTA staff will review the list of new proposed project(s) and confirm the operational deficiency and nexus to Measure R funding requirements. During the review, LACMTA will consult with the SBCCOG and Lead Agency. All additional/clarifying information shall be provided to LACMTA staff upon request, to obtain clarification on proposed project(s).
6. Upon determination of eligibility of the project by LACMTA staff, a declaration of eligibility & authorization to use Measure R Highway sub-funds will be issued by LACMTA.
7. By January 31 of each year, the SBCCOG Board will approve for recommendation and submit to LACMTA staff a fiscally-constrained annual update to the Approved Project List (“Annual Update”). The Annual Update shall include the following information:
 - i. A status report on the current SBHP Projects, identifying completed projects, milestones achieved or missed, mitigation efforts taken by SBCCOG staff and Lead Agency to keep the projects on schedule. Including identification of SBHP Projects to be deleted, proposed changes in project scopes, schedules and/or budgets, and potential cost overruns and strategies to cover the cost overruns.
 - ii. After SBCCOG complies with Steps No. 1 through No. 4 of the annual updating process above, a list of new projects(s) to be added to the approved Project list;
 - iii. The anticipated need for Measure R Line 33 (South Bay) funds in the next budget fiscal year (for cashflow purposes) and over the next five years (for programing purposes) for SBHP Project delivery and changes in scope, schedules and any new proposed projects to be added to the Approved Project list;
8. By March of the same year, following receipt of the Annual Update, LACMTA staff will recommend that the LACMTA Board authorize funding for new eligible Measure R line 33 (South Bay) project(s) and the list of existing projects referred to as the “**SBHP Projects**”.

9. Following the LACMTA Board approval of Measure R funding for the SBHP Projects Measure R Line 33 (South Bay), the new project(s) will be considered part of the “Approved Project list” and will be SBHP Project(s). Upon LACMTA Board authorization LACMTA staff will begin the process of implementing the Board action by entering into the appropriate funding agreements with the applicable SBHP Project Lead Agency for the SBHP Project and with the SBCCOG for Measure R line 33 (South Bay) program administration and oversight.”

2. AGREEMENT Section 2. Electronic Reports, of the “Existing Cooperative Agreement” is hereby amended by deleting it in its entirety and replacing it with the following:

“2. Electronic Reports: Monthly and Quarterly reports will be submitted by the Lead Agencies to LACMTA and shared with the SBCCOG.”

3. AGREEMENT Section 3. SBCCOG Oversight Responsibilities, of the “Existing Cooperative Agreement” is hereby amended by deleting in its entirety and replacing it with the following:

“3. SBCCOG Oversight Responsibilities. SBCCOG will provide oversight of the SBHP Projects by assisting SBHP Project Lead Agencies, except for Caltrans, as necessary, to comply with the terms of their LACMTA project funding agreements. Such Tasks will include:

- a. SBHP Lead Agencies will be required to submit the applicable reports electronically to LACMTA and the SBCCOG. If the report shows any project delays or risks for cost increases, then the SBCCOG will work with the SBHP Project Lead Agency to mitigate and reduce impacts.
- b. If significant changes to a SBHP Project require changes to its scope, programmed funding amount or schedule, then SBCCOG will obtain approval from the SBCCOG Board.
- c. Within 30 days of a request for information by LACMTA, SBCCOG staff will provide LACMTA with an Annual Performance Evaluation (APE). The APE will use information provided in each of the monthly reports and 4 quarterly reports. The APE will be measured on the milestone identified for each individual project on the project list for the upcoming fiscal year (except for Caltrans). The SBCCOG APE shall maintain 80% baseline schedule adherence goal on projects delivered by SBHP Lead Agencies, except for Caltrans. The APE must include the milestone or progress achieved by each identified individual project in the SBHP program, steps

taken by the SBCCOG to maintain the schedules and milestones identified by each SBHP Project Lead Agency.”

4. AGREEMENT Section 5. Meetings, of the “Existing Cooperative Agreement” is hereby amended by deleting it in its entirety and replacing it with the following

“5. Meetings SBCCOG will provide LACMTA with adequate notice of all SBCCOG meetings related to Measure R Line 33 (South Bay). LACMTA staff will attend the relevant SBCCOG Policy Committee. SBCCOG Board meeting will also be attended by LACMTA staff when SBHP items are included on the agenda item for action.”

5. AGREEMENT Section 6. Notices, of the “Existing Cooperative Agreement” is hereby amended by deleting it in its entirety and replacing it with the following

“6. Notices. Notice will be given to the Parties at the address specified below unless otherwise notified in writing of change of address. Any notice required or permitted to be delivered hereunder shall be deemed to be delivered upon receipt by the correct address by United States mail, postage prepaid, certified or registered mail, return receipt requested, or by Federal Express or other reputable overnight delivery service addressed to the Parties hereto as follows:

LACMTA's Address:

Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza, Mail Stop 99-22-9
Los Angeles, CA 90012
Attention: Isidro Panuco, Manager, Transportation Planning
Email: Panucol@metro.net
Phone: (213) 922-7984

SBCCOG Address:

South Bay Cities Council of Governments
20285 S. Western Ave., Suite 100
Torrance, CA 90501
Attention: Jacki Bacharach, Executive Director
Jacki@southbaycities.org
(310) 371-7222”

6. AGREEMENT Section 7. Term, of the “Existing Cooperative Agreement” is hereby amended by deleting it in its entirety and replacing it with the following

“7. Term. The term of this Agreement will commence on May 31, 2012 and terminate on May 31, 2022.”

Except as expressly amended herein, the Existing Cooperative Agreement remains in effect as originally executed.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the dates indicated below:

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

By: _____ Date: _____

Phillip A. Washington
Chief Executive Officer

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: _____ Date: _____

Deputy

SOUTHBAY CITIES COUNCIL OF GOVERNMENTS

By: _____ Date: _____

JAMES OSBORNE
Chair, Board of Directors

APPROVED AS TO FORM

By: _____ Date: _____

Michael Jenkins
Counsel to the South Bay Cities Council of Governments