

Introduction to the Los Angeles County Metropolitan Transportation Authority

Introduction

This document captures the roles and responsibilities of the Los Angeles County Metropolitan Transportation Authority (LACMTA) to plan, construct, and operate a regional multimodal transportation system, to set policy, and to administer regional transportation programs per its enabling legislation under the State of California's Public Utilities Code. These responsibilities include those carried over from the three prior transportation agencies formed by the state for Los Angeles County.

To gain a better understanding of how the roles and responsibilities of the LACMTA are put into action throughout the region, the Long Range Plan, Short Range Plan, Funding Sources Matrix and Annual Budget documents provide excellent insight and detail.

The LACMTA was created by AB152 (Katz), the Los Angeles County Metropolitan Transportation Authority Reform act of 1992. Signed into law by Governor Pete Wilson on May 19, 1992, the merger of the Southern California Rapid Transit District (1964-1993) and the Los Angeles County Transportation Commission (1976-1993) became effective on February 1, 1993 with both prior agencies being dissolved effective April 1, 1993.

Although the legislation modified the sections of the Public Utilities Code relevant to the Transportation Commission and left the Transit District law untouched, the powers and authorities granted to both the SCRTD and LACTC in their original legislation remain in effect for the LACMTA.

PUC 130051.14

“On and after April 1, 1993, any reference in this part, or in any other provision of law or regulation, to the Southern California Rapid Transit District or to the Los Angeles County Transportation Commission in general shall be deemed to refer to the Los Angeles County Metropolitan Transportation Authority.”

The powers and authorities granted to the first public transit agency, the LAMTA (1951-1964) were entirely replaced with those granted to the SCRTD, effective November 5, 1964. The changeover of assets, routes and employees from LAMTA to SCRTD was also referred to as a merger.

First Publicly Governed Transit Agency

Public ownership of transportation in Los Angeles began later than it did in other cities of similar size and importance. Privately operated public transportation got its start in 1871 when the City of Los Angeles granted operational franchises for horse drawn streetcar railways, which later became cablecar railways, then electric railways, trolley bus lines, and motorbus lines. There was even an early subway line that operated from 1925-1955. Over the years approximately 220 privately owned and operated companies have come and gone. They were loosely governed by the Railroad Commission, which later became the Public Utilities Commission. Up until the formation of the first local public transit agency, there was little local control or coordination of the patchwork system, which had been largely converted over to a bus system.

The Los Angeles Chamber of Commerce, believing that an integrated public transportation system was essential to the economic health of the metropolitan area,

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worked with the California state legislature to form the Los Angeles Metropolitan Transit Authority (LAMTA) in 1951. It was empowered to formulate plans and policy for a publicly owned/operated mass rapid transit system in Los Angeles that would replace the crumbling infrastructure of privately owned and operated systems. The enabling legislation mandated that the Governor appoint the LAMTA's seven member Board of Directors in consultation with local officials.

In 1957, the legislature gave the LAMTA the authority to purchase and operate existing privately owned bus lines with capital provided by the sale of revenue bonds. Effective March 3, 1958, they acquired the Los Angeles Transit Lines (successor to Los Angeles Railway and Los Angeles Motor Bus companies) Metropolitan Coach Lines (successor to Pacific Electric Railway and other independent bus companies) and Asbury Rapid Transit System to create the first publicly run transit system in Los Angeles.

LAMTA Act of 1957

"It is hereby declared to be the policy of the State of California to develop mass rapid transit systems in the various metropolitan areas within the State for the benefit of the people. A necessity exists within Los Angeles County for such a system. Because of the numerous separate municipal corporations and unincorporated populated areas in the metropolitan area, only a specially created authority can operate effectively. Because of the unique problem presented in Los Angeles County and the facts and circumstances related to the establishment of a mass rapid transit system therein, the adoption of a special act and the creation of a special authority is required."

Prior to the creation of a public agency to operate transit services in Los Angeles, the California Public Utilities Commission would have to approve all fare and routes modifications, line by line. The new LAMTA now had the power to approve those changes at the local level.

During its tenure, the LAMTA presented three major mass rapid transit system proposals for Los Angeles County, including the now infamous proposed monorail plans. The LAMTA's final plan was known as the "Backbone Route", elevated rail from El Monte to Downtown and then subway from Downtown to Century City along Wilshire Boulevard. The agency even held a groundbreaking ceremony in 1962 with the media and Governor Pat Brown in attendance touting the project as vitally important. Unfortunately, without adequate powers of its own and without state and federal funding partners (they hadn't been formed yet), the Backbone Route project went nowhere.

In 1964, the state legislature recognized that they had granted limited authority to the LAMTA to solve the transit problems of the Southern California area, and that as the LAMTA was currently constituted, it would be unable to deliver the needed comprehensive mass rapid transit system. It did not have the power to levy taxes for any purpose whatsoever, its board did not wield sufficient political influence to build broad public support, and it did not have the right to acquire real property by eminent domain. While it could issue revenue bonds, it did not have sufficient revenue sources to implement a large-scale system with broad local support.

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Local Control and Additional Authority

The Southern California Rapid Transit District (SCRTD) was formed in 1964 as the LAMTA's successor corporation, a transit district, governed by an 11 member board that included representatives from the City of Los Angeles, the County of Los Angeles and the county's other municipalities chosen by the city selection committee.

Its newly constituted Board was formally introduced to the community-at-large via a special transportation day program sponsored by the Los Angeles Chamber of Commerce at the Ambassador Hotel's Coconut Grove with more than 600 civic, business and government leaders in attendance.

The new SCRTD could acquire property by eminent domain, levy taxes with voter approval, issue bonds and create Benefit Assessment Districts to support its mandate. The legislature believed this would provide sufficient power and authority to solve the region's transportation problems and provide the needed comprehensive mass rapid transit system. Its jurisdiction included all of Los Angeles County as well as operation of transit service in Orange, Riverside, and San Bernardino counties, until 1973 when each county formed its own transportation agency.

SCRTD acquired the assets, transportation services and employees of the LAMTA, and quickly expanded its reach through the acquisition of Pasadena City Lines, Inglewood City Lines, Blue and White Bus Company, Easter Cities Transit, San Pedro Transit Lines, Highland Transit, Ontario-Upland Bus Lines, La Rambla Bus Lines, Pomona Valley Municipal Transit System

and Western Greyhound Lines. Serious consideration was even given to the possible annexation of both Orange and San Diego county transit districts via voter referendums (PUC 40600 and 93000).

PUC 30001

"The Legislature hereby finds and declares that: There is an imperative need for a comprehensive mass rapid transit system in the Southern California area, a particularly in Los Angeles County.

Diminution of congestion on the streets and highways in Los Angeles will facilitate passage of all Californians motoring through the most populous area of this state and will especially benefit domicilaries of that county who reside both within and without the rapid transit district. It is, further, declared the policy of the state to foster the movement of people in and around the Los Angeles area for the benefit of the entire state, and one of the purposes of the Southern California Rapid Transit District is to further this policy."

PUC 30256

"The Board (of the SCRTD) shall determine what transit facilities should be acquired, constructed, developed, jointly developed, leased or disposed of, by mean including, but not limited to, lease, sale, purchase, option, gift, devise, condemnation, grant, or otherwise."

The SCRTD took its mandate to build a fixed guideway system very seriously but ran into difficulties in forging regional consensus even as additional revenue sources were becoming available from the Urban Mass Transit Administration (UMTA) now called the Federal Transit Administration (FTA), SB325 Local Transportation Funds and Proposition 5. The defeat of a 1968 ballot proposition to

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levy a half-cent sales tax to support the construction of a 62-mile rail rapid transit system was a major setback for the agency.

Anxious to show progress in relieving congestion, SCRTD and the SCAG began looking at alternatives to move the concept of mass transit forward within available funding and meet new and stringent EPA air quality standards. Construction began on the El Monte HOV facility began in 1972 and opened to traffic in 1973. Innovative at the time, it is still considered one of the most successful facilities of its kind in the U.S.

Over the years there were persistent institutional battles among various entities at odds over the proposals for a large-scale mass rapid transit system. In response, the SCRTD formed the Rapid Transit Advisory Committee (RTAC) in March 1975 with representatives from CALTRANS, SCAG, Los Angeles County, Orange County Transit District, the League of California Cities and the City of Los Angeles. It began formulating a new approach and building consensus for a “starter” line subway project.

A comprehensive study of the urban transportation planning and funding issues in Los Angeles was performed by the United States Congress, Senate Committee on Appropriations, Office of Technology Assessment, and published in February, 1976. *Assessment of Community Planning for Mass Transit: Volume 6 – Los Angeles Case Study*. In its conclusion, the report cited three main issues to be addressed locally. The forum for decision-making on regional transportation issues was not well integrated; there was no authoritative procedure for resolving conflicts between decision makers at local, regional, state

and federal levels. The composition of the SCRTD Board, which only included two representatives from the City of Los Angeles, lessened its ability to respond to the complexity of the region. And finally, there was a lack of structured ongoing participation by citizens at the regional, corridor, and neighborhood levels. This led the State to seek creative alternatives for region’s transportation issues.

In spite of major hurdles in its way, the SCRTD obtained a Federal Full Funding Grant Agreement and finally broke ground on the construction of the Metro Rail subway in 1986, delivering a long envisioned beginning to a new mass transit system for Los Angeles.

Need for Improved, Innovative Policy and Decision-making Institutions

In 1976 the state legislature enacted AB1246, the County Transportation Commissions Act, by Assemblyman Walter Ingalls. It formed transportation commissions initially in Los Angeles, Orange, Riverside and San Bernardino counties. Over the years, additional counties throughout the state have also formed transportation commissions.

The Board of the Los Angeles County Transportation Commission (LACTC) was comprised of the Mayor of the City of Los Angeles, the five Los Angeles County Supervisors, the Mayor of Long Beach, two city council members from other cities in Los Angeles County and one additional appointee of the Mayor of Los Angeles. Mayor Bradley routinely appointed the City Council President to the Commission, first John Ferraro and then Pat Russell.

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The LACTC was charged with efficient oversight of public transit, coordination between transit providers, and highway policy.

PUC 130056

“The commissions shall rely to the maximum extent possible on existing state, regional, and local transportation planning and programming data and expertise, rather than on a large duplicative commission staff and set of plans. The Legislature envisions the development of a small, but very capable, core staff able to provide the commissions with an objective analysis of the various options relative to plans and proposed projects of the regional and local transportation agencies and operators, and then translate those options into a short-range transportation improvement program to be developed and approved pursuant to subdivision (b) of Section 130303 in accordance with decisions made by the commissions.”

PUC 130250

“The commission shall coordinate the operation of all transportation services within the county so as to achieve efficient operation thereof and shall resolve all jurisdictional disputes between public transit operators”

PUC 130252

“All plans proposed for the design, construction, and implementation of public mass transit systems or projects, including exclusive public mass transit guideway systems or projects, and federal-aid and state highway projects, shall be submitted to the commission for approval. No such plan shall be approved unless it conforms to the appropriate adopted regional transportation plan pursuant to Chapter 2.5 (commencing with Section

65080) of Title 7 of the Government Code.”

The law required LACTC to approve all plans and funding with respect to transit capital development, transit operations and highway capital development. LACTC's authority over highways was ultimately subject to approval by the California state transportation commission. The authority of LACTC was similar to that of the New York Metropolitan Transit Authority and Chicago's Regional Transportation Authority.

The LACTC was successful in achieving two countywide voter approved half cent sales tax increases, Proposition A in 1980 and Proposition C in 1990, to support regional transportation improvements, including a countywide rail transit program.

PUC 130001

“(a) Public demand for an efficient public transportation system in the southern California region resulting from population sprawl, the concentration of many transit dependent citizens in the large urban areas, and increasing mobility requirements indicates a need for improved, as well as more innovative, policy and decision-making institutions to resolve these problems.

(b) A basic purpose of transportation policy within the region should be to avoid undesirable duplication of transportation services, achieve the operation of a coordinated and integrated transportation system which will reduce automobile usage and dependency, reduce the consumption of scarce and expensive energy fuels, and reduce the levels of automobile-related air pollution.

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(c) Recognizing the scarcity of resources available for all transportation development, the commissions shall give priority to low-cost highway and transit improvements, and shall work toward maximizing the effectiveness of existing resources available to the commissions.

(d) Recognizing the importance of the state highway system in the Los Angeles metropolitan area to bus, automobile, and freight transportation, it is necessary to maintain this highway system at least at its present operating standards and to increase the person-moving capability of this system by such methods as carpooling, improved traffic operations, exclusive busways, and fringe parking facilities.

(e) The transportation system should offer adequate public transportation to all citizens, including those immobilized by poverty, age, physical handicaps, or other reasons.

(f) The cities and local communities acting singly or jointly should be given more responsibilities for designing and providing local transit services to improve the responsiveness of public transit to public needs.

(g) The transportation decision-making process should be responsive to public values, and provide for the continuing involvement of the public in the preparation, revision, and discussion of transportation plans and services.

(h) Transportation planning should recognize that transportation systems have significant effect on the physical and socioeconomic characteristics of the areas served, and emphasis should be given to the protection and enhancement of the environment and the restoration of blighted neighborhoods near community centers. Los Angeles County, in particular, is a multi-centered area with

diverse socioeconomic levels and travel patterns, and a majority of the trips in the county are four miles or less.”

These policy statements continue on, as do those cited earlier in the SCRTD’s enabling legislation, as guiding principles for the LACMTA.

There was a great deal of tension that developed between the SCRTD and the LACTC. Part of the explanation may be that LACTC was successful in obtaining voter approval for its two ballot initiatives, 1980 and 1990 to fund transportation programs, whereas three transportation ballot initiatives sponsored by the SCRTD were rejected by the voters in 1968, 1974 and 1976. Issues between the two agencies came to a head in 1988 with an “Eight-Point Plan” adopted by both boards. Among the elements of the plan were provisions for LACTC to release \$140 million in funding for SCRTD operations if SCRTD agreed to move responsibility for the Metro Rail subway construction project to LACTC’s newly formed Rail Construction Corporation, and also drop opposition to the formation of the Foothill Transit zone, which was carved out of SCRTD’s service area in the San Gabriel Valley. The same plan is the origin of the names Metro Red Line and Metro Blue Line, and also the beginning of open discussions about a possible future merger of the agencies. The atmosphere of rivalry, instead of partnership needed to be addressed.

Transportation Agency Merger

Citing overlapping administrative functions and achievable cost savings that could be redirected toward additional transportation improvements for the region, the legislature passed AB152 (Katz) merging the Los Angeles County’s

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largest transportation operator with the primary planning, funding and construction agency.

PUC 130050.2.

“There is hereby created the Los Angeles County Metropolitan Transportation Authority. The authority shall be the single successor agency to the Southern California Rapid Transit District and the Los Angeles County Transportation Commission as provided by the act that enacted this section.”

The Los Angeles County Metropolitan Transportation Authority is unique among the nation’s transportation agencies. It serves as transportation planner and coordinator, designer, builder and operator for one of the country’s largest, most populous counties. More than 9.9 million people, nearly one-third of California’s residents, live, work, and play within its 1,433-square-mile service area.

It operates the second largest bus system in the United States. There are an average of 1.1 million bus boardings daily at 18,500 stops on 183 routes, which include a dedicated busway, two freeway bus transitways and the largest Bus Rapid Transit system in the nation. It also operates four light rail lines and one heavy rail line, with a combined total of over 250,000 boardings daily.

Included among LACMTA’s primary responsibilities to Los Angeles are the following:

- Administration of funds for all Los Angeles County transit providers.
- Development and construction of Rapid Bus lines and fixed guideways for buses and multi-passenger vehicles.
- Rail construction.

- Highway construction funding and traffic flow management.
- Research and development of alternative energy sources for transit vehicles.
- Air quality, environmental impact, land use, and economic development decisions.
- Promotion of the use of public transit services and rideshare programs.

Besides operating 2,400 coaches in the Metro Bus fleet, and 255 rail cars, LACMTA also designed, built and now operates 70 miles of Metro Rail service. The Metro Rail system currently consists of 66 stations. Several more systems are in the planning and/or design stage.

In addition to operating its own services, LACMTA funds 16 municipal bus operators and funds a wide array of transportation projects including bikeways and pedestrian facilities, local road and highway improvements such as carpool lanes, goods movement, and the Freeway Service Patrol and Call Boxes.

Recognizing that no one form of transit can solve urban congestion problems alone, LACMTA’s multimodal approach uses a variety of transportation alternatives to meet the needs of the highly diverse population in the region. First adopted in 1991, the “M” logo of the Metro System is the widely recognized public symbol of this fully coordinated network.

LACMTA employs approximately 10,000 people full time and part time in a broad range of technical specialties and services ranging from Metro Bus and Metro Rail operators and mechanics to construction engineers and safety inspectors, from transportation planning professionals to customer information agents.

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Authority, Structure, Powers and Responsibilities of the LACMTA

Listed below in alphabetical order are the responsibilities called out in the various sections of the Public Utilities Code as they relate to the LACMTA. The major enabling legislation policy statements of the SCRTD, LACTC and LACMTA are included above and not repeated here. Because AB152 specifically stated that all occurrences of “District” and “Commission” shall be considered to refer to the LACMTA, all three terms are used interchangeably.

Acts of the Board – PUC 30270-30275

The affirmative vote of a majority of board members, except as otherwise noted, is sufficient to carry a motion, order, resolution or ordinance. Ordinances are not adopted on the day of, or within five days of, its introduction, and ordinances do not take effect until thirty days after its adoption. There are some exceptions; ordinances related to an election, issuance or sale of bonds, levying or collection of taxes or fixing of fares, or necessary for the immediate preservation or protection of property, interests or welfare of the LACMTA itself might be adopted as taking effect immediately. The enacting clause of all ordinances begins with “Be it ordained by the Board of Directors....”. Ordinances are published within 15 days of passage in a newspaper of general circulation.

Administrative Code – PUC 130105

The board adopts an administrative code by ordinance, which proscribes the powers and duties of its officers, appointment of employees, methods, systems, procedures, systems of operation and management of

the LACMTA. It was last adopted in August 2003.

Affirmative Action – PUC 130051.19

The LACMTA adopts an affirmative action plan for its management positions, which reflects the ethnic demographics of the county and takes into consideration the availability of the workforce in the various ethnic groups. Federal Transit Authority (FTA) Circular C4704.1 requires submission of an updated Equal Employment Opportunity/Affirmative Action Program every three years.

Annexation – PUC 31400-31413

The governing body of any city or county not within the current territory of the LACMTA may apply to the Board of Directors for consent to annex into the LACMTA’s service area. The Board may grant or deny such application by resolution and fix terms and conditions for the annexation of such corporate or unincorporated area(s). The governing body must then submit a proposition to the qualified voters of such city or territory to approve the annexation.

Annual Audit – PUC 30259, 30260 & 130105(c)

An annual audit make of all books and accounts of the LACMTA by an independent certified public accountant is required. Copies of the report must be supplied to the public upon request.

Appointment of a CEO, General Counsel, Board Secretary, Inspector General, and Ethics Officer. – PUC 130051.9, 130051.28 and 130610

The LACMTA Board appoints a full time CEO to direct the authority and perform those duties delegated by the Board. The CEO serves an initial four-year term of office and is only removed by either a two-

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thirds vote of the board or by violation of any federal or state law, regulation, local ordinance, or policy or practice of the authority, including those relative to ethical practices, including the acceptance of gifts or contributions.

The chief executive officer approves and awards all contracts for construction when they are based upon the lowest responsible and responsive bid submitted.

The Board also appoints a General Counsel, Board Secretary, Inspector General and Ethics Officer.

Benefits Assessment Districts 33000-33020 and 99000-99026

Sections 33000-33020 specifically authorize the levy of special benefit assessments for public rail rapid transit facilities and services. This section provides a detailed description of the process by which the LACMTA may create benefit assessment districts. In short, whenever the Board finds that property adjacent or near rail transit stations will receive special benefit by reason of the location of one or more of those rail transit stations, it may, by resolution adopted by two-thirds vote, provide notice and hearing of its intent to establish benefit assessment districts to raise revenues via a special assessment tax. Bonds issued pursuant to this chapter may bear interest not to exceed 12% per annum. Section 99000-99026 expands the benefits assessment districts concept to any transit district in the State and provides some additional guidance on holding elections and bonds. Bond issued under this section are not to exceed paying 6% per annum.

Bonds – PUC 30900-30913

These sections authorize, by two-thirds vote of the Board, ordinances that call an election for the purpose of submitting propositions for bonded indebtedness directly to the voters. LACMTA issues revenue bonds, not general obligation bonds which require the election that this section refers to.

Brown Act – PUC 30270

All meetings of the board of directors are conducted pursuant to the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950) of Part 1, Division 2, Title 5 of the Government Code.

Budget – PUC 130105 and 130106

The LACMTA adopts an annual budget and fixes the compensation of its officers and employees. Public notice for a hearing on the adoption of the annual budget must be published at least 15 days in advance. Copies of the proposed budget must also be available for public inspection at least 15 days prior to the hearing.

Budgetary Control - PUC 30507 and Government Code 29000

“Prior to the time the district incurs any bonded indebtedness, the district shall insofar as possible follow the budgetary control procedures for counties, pursuant to Articles 1 to 8, inclusive (commencing with Section 29000), Chapter 1, Division 3, Title 3 of the Government Code.

Transfers of funds within, or revisions of, a budget adopted by the district, whether before or after the incurring of any bonded indebtedness, may be made by appropriate act of the board at a regular, adjourned regular or special meeting. After the district incurs any bonded indebtedness the district shall establish suitable budgetary procedures and thereafter

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copies of each proposed annual budget shall be available to interested persons a reasonable time before the adoption thereof and copies of the final budget shall likewise be available to interested persons. Copies of any special budgets shall be furnished to interested parties on request.”

The Government Code section referred to above proscribes the presentation of data and information that is to be minimally presented in an annual budget. Basically: fund balances, reserved and unreserved; External funding sources; financing uses for each budget unit by funds; amounts proposed to be provided as appropriations for contingencies; amounts to be provided as provisions for reserves; schedule by budget unit of each position classification including salary rate or range, number of positions currently approved, number requested and number finally approved by the Board. Proposed and final budgets shall equal available financing.

Call for Projects – See Short Range Transportation Improvement Program

Charter Service – PUC 30630.5a-30630.5e

Charter bus service may be provided subject to various limitations. See PUC sections for complete information. Charter service is also subject to Federal Transportation Administration rules for public transit agencies, which are intended to prevent competition between private and public carriers for charter services.

Citizens Advisory Council – PUC 130051.11 and 130105.

The LACMTA provides for a Citizens Advisory Counsel (CAC) with membership that reflects a broad spectrum of interests and geographic

areas of the county. The CAC is supported by staff to aid it in its work per the provisions of this section of the PUC.

Code of Conduct – PUC 130600-130730

There are specific provisions for conduct at board meetings, the dissemination of investigative reports authored by the Inspector General, distribution of written motions, acceptance of gifts, treatment of employees, procurement, contract awards, filing of statements of economic interest and charitable contributions. The Inspector General is required to investigate and enforce these provisions. The board determines sanctions for violations based on the severity of the infraction.

Collective Bargaining – PUC 30750-30756 and 130051.11

This section describes in detail the responsibilities of the agency with respect to collective bargaining, including those created when acquiring or disposing of transit systems or parts thereof. It requires that the LACMTA first make adequate provision for employees who are or may be displaced or whose wages, hours, place or conditions of employment are or may be adversely affected. It also recognizes that “*employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.*” AB152 also contained language affirming that the obligations of the SCRTD with respect to collective bargaining are also the exclusive obligations of the LACMTA.

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Composition of the Board – PUC 130051

The Los Angeles County Metropolitan Transportation Authority consists of 14 members, as follows:

Five members of the Los Angeles County Board of Supervisors, the Mayor of the City of Los Angeles, two public members and one member of the City Council of the City of Los Angeles appointed by the Mayor of the City of Los Angeles, and four members, each of whom shall be a mayor or a member of a city council, appointed by the Los Angeles County City Selection Committee.

For purposes of the selection of these four members, the County of Los Angeles, excluding the City of Los Angeles, shall be divided into the following four sectors:

- (1) The North County/San Fernando Valley sector.
- (2) The Southwest Corridor sector.
- (3) The San Gabriel Valley sector.
- (4) The Southeast Long Beach sector.

The members selected by the city selection committee shall serve four-year terms with no limitation on the number of terms that may be served by any individual. The city selection committee may shorten the initial four-year term for one or more of the members for the purpose of ensuring that the members will serve staggered terms.

The Governor appoints one nonvoting member.

Conflict of Interest – PUC 87100

“No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest.”

There are a number of additional provisions and definitions contained in PUC 87100 through 87105.

Construction – PUC 150051.11

The LACMTA is mandated to have a transit construction organizational unit to assume the construction responsibilities for all exclusive public mass transit guideway construction projects in Los Angeles County. See also Operations, and Planning and Programming.

Contracting – PUC 30530, 30531, & 30532

The LACMTA may make contracts and enter into stipulations of any nature, may contract with any department or agency of the Federal or State government, or any public or private corporation, association, organization or other entity with any terms or conditions that the Board finds in the best interests of the organization. **See also:** Change Order Procedure, Competitive Bidding, Competitive Negotiation for Specialized Equipment, Construction Contracts, Design/Build for Systems and Facilities, Emergency Expenditures, Immediate Remedial Measures, Open Market Purchases, Pre-Qualification, Prototype Equipment, and Single Source Exceptions.

Contracting, Change Order Procedure – PUC 130243

The Los Angeles County Metropolitan Transportation Authority shall adopt a change order procedure for contracts awarded by the authority that includes each of the following requirements:

- (a) *When a change order is proposed, the contract administrator of the authority shall be notified and shall determine whether a change order is required. After consulting with the general counsel of the authority and appropriate technical advisers, the contract administrator shall*

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either approve or disapprove the proposed contract change order.

(b) The general counsel of the authority shall be consulted on the proposed change order at the earliest possible time to consider and render advice on the legal implications of the proposed change. The contract administrator shall not approve a proposed change order unless the general counsel recommends changing the terms of the contract.

(c) The contract administrator shall require the contractor to submit certified cost and pricing data for the proposed change, and shall require an internal fiscal audit of any proposed change order that would cost in excess of one hundred thousand dollars (\$100,000) to implement.

(d) The opinions of informed individuals working on the contract who oppose the adoption of a proposed change order shall be documented and be taken into consideration by the authority's change control board when determining whether a contract change is warranted.

Contracting, Competitive Bidding – PUC 130232

(a) Except as provided in subdivision (f), purchase of all supplies, equipment, and materials, and the construction of all facilities and works, when the expenditure required exceeds twenty-five thousand dollars (\$25,000), shall be by contract let to the lowest responsible bidder. Notice requesting bids shall be published at least once in a newspaper of general circulation. The publication shall be made at least 10 days before the date for the receipt of the bids. The commission, at its discretion, may reject any and all bids and re-advertise.

(b) Except as provided for in subdivision (f), whenever the expected expenditure required exceeds one thousand dollars (\$1,000), but not twenty-five thousand

dollars (\$25,000), the commission shall obtain a minimum of three quotations, either written or oral, which permit prices and terms to be compared.

(c) Where the expenditure required by the bid price is less than fifty thousand dollars (\$50,000), the executive director may act for the commission.

(d) All bids for construction work submitted pursuant to this section shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder's security:

(1) Cash.

(2) A cashier's check made payable to the commission.

(3) A certified check made payable to the commission.

(4) A bidder's bond executed by an admitted surety insurer, made payable to the commission.

(e) Upon an award to the lowest bidder, the security of an unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the commission beyond 60 days from the date that the award was made.

(f) The following provisions apply only to the Los Angeles County Metropolitan Transportation Authority:

(1) The contract shall be let to the lowest responsible bidder when the purchase price of all supplies, equipment, and materials exceeds forty thousand dollars (\$40,000), and the construction of all facilities exceeds twenty-five thousand dollars (\$25,000).

(2) The commission shall obtain a minimum of three quotations, whether written or oral that permit prices and terms to be compared whenever the expected expenditure required exceeds two thousand five hundred dollars (\$2,500), but not forty thousand dollars (\$40,000).

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Contracting, Competitive Negotiation for Specialized Equipment – PUC 130238

(a) The Legislature finds and declares that (1) because of the highly specialized and unique nature of all rail transit equipment, (2) because of products and materials which are undergoing rapid technological changes, and (3) for the introduction of new technological changes into the operations of the commission, it may be in the public interest to consider, in addition to price, factors such as vendor financing, performance reliability, standardization, life-cycle costs, delivery timetables, support logistics, and the broadest possible range of competing products and materials available, fitness of purchase, manufacturer's warranty, and similar factors in the award of contracts for these vehicles and equipment.

(b) This section applies only to the purchase by the commission of

*(1) Specialized rail transit equipment, including rail cars, and
(2) Computers, telecommunications equipment, fare collections equipment, microwave equipment, and other related electronic equipment and apparatus. This section does not apply to contracts for construction or for the procurement of any product available in substantial quantities to the general public.*

(c) The commission may, after finding by a two-thirds vote of all of its members that a particular procurement qualifies under subdivision (b), direct that the procurement be conducted through competitive negotiation under this section. For purposes of this section, competitive negotiation includes, but is not limited to, all of the following requirements:

(1) The request for proposals shall be prepared and submitted to an adequate number of qualified sources, as determined by the commission, to permit reasonable competition consistent with

the nature and requirement of the procurement.

(2) Notice of the request for proposals shall be published at least twice in a newspaper of general circulation, at least 10 days before the date for receipt of the proposals.

(3) The commission shall make every effort to generate the maximum feasible number of proposals from qualified sources and shall make a finding to that effect before proceeding to negotiate if only a single response to the request for proposals is received.

(4) The request for proposals shall identify all significant evaluation factors, including price, and their relative importance.

(5) The commission shall provide reasonable procedures for technical evaluation of the proposals received, identification of qualified sources, and selection for contract award.

(6) Award shall be made to the qualified proposer whose proposal will be most advantageous to the commission with price and all other factors considered.

(7) If award is not made to the bidder whose proposal contains the lowest price, the commission shall make a finding setting forth the basis for the award.

(d) The commission, at its discretion, may reject any and all proposals and request new proposals.

(e) A person who submits, or who plans to submit, a proposal may protest any acquisition conducted in accordance with this section as follows:

(1) Protests based on the content of the request for proposals shall be filed with the commission within 10 calendar days after the request for proposals is first advertised in accordance with subdivision (c). The commission shall issue a written decision on the protest prior to opening of proposals. A protest may be renewed by re-filing the protest with the commission

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within 15 calendar days after the mailing of the notice of the recommended award.

(2) Any bidder may protest the recommended award on any ground not based upon the content of the request for proposals by filing a protest with the commission within 15 calendar days after the mailing of the notice of the recommended award.

(3) Any protest shall contain a full and complete written statement specifying in detail the grounds of the protest and the facts supporting the protest. Protestors shall have an opportunity to appear and be heard before the commission prior to the opening of proposals in the case of protests based on the content of the request for proposals, or prior to final award in the case of protests based on other grounds or the renewal of protests based on the content of the request for proposals.

(f) Provisions in any contract concerning women and minority business enterprises, which provisions are in accordance with the request for proposals, shall not be subject to negotiation with the successful bidder.

Contracting, Construction Contracts – PUC 10051.9

The CEO is authorized to approve and award all contracts for construction based on the lowest responsible and responsive bid submitted.

Contracting, Design/Build for Systems and Facilities; Low Bid Award – PUC 130242

(a) In addition to the other powers it possesses, the authority may enter into contracts with private entities, the scope of which may combine within a single contract all or some of the planning, design, permitting, development, joint development, construction, construction

management, acquisition, leasing, installation, and warranty of all or components of (1) transit systems, including, without limitation, passenger loading or intermodal station facilities, and (2) facilities on real property owned or to be owned by the authority.

(b) The authority may award contracts pursuant to subdivision (a) after a finding, by a two-thirds vote of the members of the authority that awarding the contract under this section will achieve for the authority, among other things, certain private sector efficiencies in the integration of design, project work, and components.

(c) A contract awarded pursuant to this section may include operation and maintenance elements, if the inclusion of those elements (1) is necessary, in the reasonable judgment of the authority, to assess vendor representations and warranties, performance guarantees, or life cycle efficiencies, and (2) does not conflict with collective bargaining agreements to which the authority is a party.

(d) Any construction, alteration, demolition, repairs or other works of improvement performed under a contract awarded pursuant to this section shall be considered a public works project subject to Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code, and shall be enforced by the Department of Industrial Relations in the same way it carries out this responsibility under the Labor Code.

(e) A contract under this section shall be let to the lowest responsible bidder whose bid is responsive to the criteria set forth in the invitation for bids. Notice requesting bids shall be published at least once in a

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newspaper of general circulation. The publication shall be made at least 60 days before the receipt of the bids. The authority, at its discretion, may reject any and all bids, and may re-advertise. All bids submitted pursuant to this section shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder security: (1) cash, (2) a cashier's check made payable to the authority, (3) a certified check made payable to the authority, or (4) a bidder's bond executed by an admitted surety insurer, made payable to the authority. Upon an award to the lowest responsible bidder, the security of each unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the authority beyond 60 days from the time the award is made. Public Contract Code section 20209.5-20209.14 can also be utilized for transit design-build procurement processes.

Contracting, Emergency Expenditures – PUC 130234

In case of any great public calamity, such as an extraordinary fire, flood, storm, epidemic, or other disaster, or interruption of contracts essential to the provision of daily transit service or catastrophic failure of revenue-producing equipment or facilities, the commission may, by resolution passed by a two-thirds vote of all its members, declare and determine that public interest and necessity demand the immediate expenditure of public money to safeguard life, health, or property, and thereupon proceed to expend or enter into a contract involving the expenditure of any sum needed in the emergency without observance of the provisions in this article regarding contracts, bids, advertisement, or notice.

Contracting, Immediate Remedial Measures – PUC 130235

(a) Upon determining that immediate remedial measures to avert or alleviate damage to property, or to replace, repair, or restore damaged or destroyed property, of the commission are necessary in order to ensure that the facilities of the commission are available to serve the transportation needs of the general public, and upon determining that available remedial measures, including procurement or construction in compliance with Sections 130232, 130233, and 130234 are inadequate, the executive director may authorize the expenditure of money previously appropriated specifically by the commission for the direct purchases of goods and services, without following those sections.
(b) The executive director shall, after any such expenditure, submit to the commission a full report explaining the necessity for the action.

Contracting, Open Market Purchases – PUC 130233

If, after rejecting bids received under Section 130232 the commission determines and declares, by a two-thirds vote of all of its members, that the supplies, equipment, or materials may be purchased at a lower price in the open market, the commission may proceed to purchase those supplies, equipment, or materials in the open market without further observance of the provisions in this article regarding contracts, bids, advertisement, or notice.

Contracting, Pre-qualification – PUC 130051.21

The LACMTA's Inspector General is required to prepare a pre-qualification questionnaire to be completed by any business entity seeking to contract with

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the authority. The questionnaire minimally solicits the following information:

- Experience.
- Quality and timeliness of past performance.
- Reliability and responsibility.
- Compliance with equal employment requirements.
- Compliance with wage, hours, and other fair labor standards.
- Subcontractors used by the firm.
- Integrity of the firm and its key personnel.
- Gifts given, or contributions made, to members or alternate members or employees of the authority.

Neither the authority nor any of its organizational units may contract or do business with any responding firm that knowingly provides false information in the questionnaire.

Contracting, Prototype Equipment – PUC 130236

Notwithstanding Section 130232, and upon a finding by two-thirds vote of all members of the commission that the proposed purchase in compliance with Sections 130232 (competitive bidding) and 130233 (open market) does not constitute a method of procurement adequate for the operation of commission facilities or equipment, the commission may direct the procurement of prototype equipment or modifications in an amount sufficient to conduct and evaluate operational testing without further observance of any provisions in this article regarding contracts, bids, advertisements, or notice.

Contracting, Rapid Transit Facilities – PUC 30632

The LACMTA may lease or contract for the use of its facilities, or any portion thereof, to any operator, and may provide

for subleases by such operator upon such terms and conditions as it deems in the public interest. The word "operator" as used in this section means any city or public agency or any person, firm or private corporation properly licensed and engaged in the transportation of passengers for hire.

Contracting, Single Source – PUC 130237

The Board may also direct the purchase of any supply, equipment or material without contract, bid or advisement upon finding by two-thirds vote that there is only a single source of procurement and its purchase is for the sole purpose of duplicating or replacing a supply, equipment or material already in use.

Contracting, Transit Equipment – PUC 130051.12

The Board reserves the right to approve all contracts for transit equipment acquisition that exceeds \$5,000,000

Debt and Debt Limits – PUC 30700-30706, 130221

Bonds may be issued, money borrowed and debt incurred as authorized by law. These sections go on to describe the ability to accept contributions and enter into agreements with the United States, State of California, and other public agencies for the acquisition, construction, development, joint development, completion, maintenance, operation, or repair of transit facilities. LACMTA is authorized make irrevocable pledges or contracts for the payment of principal and the interest, or other obligation of any bonded indebtedness, of any transit funds or other continuing or annual appropriations, contributions, grants, or loans by the United States or any department or agency thereof, the State of California, a county, a city, or any other

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public agency, or any other individual or entity, public or private. The only limitation stated in this section is contained in section 30704, *“shall not incur an indebtedness which exceeds in the aggregate 15 percent of the assessed value of all real and personal property...”*

Delegation of Authority – PUC 130051.11

The LACMTA may administratively delegate to an organization unit or to its CEO, any powers or duties it deems appropriate such as eminent domain, approval of contracts (except final approval of labor contracts), and the hearing and resolving of bid protests.

Disadvantaged Business Enterprise Program – PUC 130051.19 and 130239

The authority adopts and implements a disadvantaged business enterprise program. Proposition 209 limits additional provisions of this section.

Disputes between Public Transit Operators – PUC 130250, 130262 and 130263

The LACMTA is to coordinate the operation of all public transportation services within the county to ensure efficient operation, and shall resolve all jurisdictional disputes between public transit operators. It is to ensure that regional operators, municipal operators and local transportation zones do not compete or unnecessarily duplicate services while assisting each other to provide the maximum level of service to the general public at the lowest possible cost. It is not permitted to reduce, by order or by reduced funding, the size of the service areas, levels of service they provide or the scope of their operations without first consulting with the municipal operator and the municipalities in which they operate.

Elections – PUC 30740-30742

This section authorizes the LACMTA to hold elections for bond or tax measures consolidated with statewide general or statewide direct primary elections, in accordance with the State Elections Code. The Board of Directors, officers, members or members authorized by the Board, individual voters and associations may file written arguments, provided they are less than 300 words in length, for or against, any LACMTA bond or tax measure.

Eminent Domain – PUC 30503 and 130220.5

“The district may exercise the right of eminent domain within the boundaries of the district to take any property necessary, incidental, or convenient to the exercise of the powers granted in this part.”

“The commission has the power of eminent domain to take any property necessary, incidental or convenient to the exercise of its powers pursuant to this division.”

There are additional provisions for exercising eminent domain outside territorial limits for the purposes of environmental mitigation with the consent of the affected county’s board of supervisors.

Ethics – PUC 130051.17 and 130051.20,

This section required the adoption of an ordinance regulating the acceptance of gifts and placing calendar year dollar limits on gifts from any single source. It also limits campaign contributions to board members, employees and their immediate families from anyone seeking to contract with the authority.

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Exclusive Powers and Responsibilities – PUC 130051.12

The LACMTA Board, at a minimum, reserves exclusively to itself, the following powers and responsibilities:

- Establishment of overall goals and objectives to achieve optimal transport service for the movement of goods and people on a countywide basis.
- Adoption of the aggregate budget for all organizational units of the authority.
- Designation of additional included municipal operators pursuant to subdivision (f) of Section 99285.
- Approval of final rail corridor selections.
- Final approval of labor contracts covering employees of the authority and organizational units of the authority.
- Establishment of the authority's organizational structure.
- Conducting hearings and the setting of fares for the operating organizational unit established pursuant to paragraph (2) of subdivision (a) of Section 130051.11.
- Approval of transportation zones.
- Approval of the issuance of any debt instrument with a maturity date that exceeds the end of the fiscal year in which it is issued.
- Approval of benefit assessment districts and assessment rates.
- Approval of contracts for transit equipment acquisition that exceed five million dollars (\$5,000,000), and making the findings required by subdivision (c) of Section 130238.

Facilities (See Rapid Transit Facilities)

Inspector General – PUC 130051.28

The Inspector General is appointed by and reports to the Board with an initial four-

year term of office. The Inspector General can only be removed by either a two-thirds vote or violation of LACMTA policy, local, state or federal law. The Inspector General is required to provide a quarterly report on travel, fees, business expenses and other expenditures specified by the Board.

Investments – PUC 30730, Government Code 27000, 53600, 53607, 53635, 53646

The board may, by resolution, order that any funds, which are not necessary for current operating expenses, be invested in any obligations, bonds or securities in which a county could invest. However, any such investments shall be made in such a manner that the moneys in such funds will be available at the times and in the amounts necessary to accomplish the purpose for which said funds were established, and no such investment shall be made in contravention of any provision or covenant in any proceedings for the authorization and issuance of bonds, notes, contracts or other evidences of indebtedness.

Per the Government Code as amended by SB109 (Kopp, '95-'96), the legislative body of a local agency is authorized to delegate its authority to invest or reinvest local agency funds or to sell or exchange securities purchased, to the Treasurer or chief fiscal officer for a one-year period, renewable annually, subject to review. A statement of investment policy must be adopted annually at a public meeting.

The treasurer or chief fiscal officer is required to submit a quarterly report to the CEO, Internal Audit, and the Board, within 30 days following the end of the quarter covered by the report. The Board may also elect to require this report on a

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monthly basis if it so desires. The report must:

- Include a description of any of the local agency's funds, investments, or programs, that are under the management of contracted parties, including lending programs;
- Include the current market value as of the date of the report and the source of that valuation for all securities held by the local agency, and/or under management of any outside party that is not also a local agency, or the State of California Local Agency Investment Fund;
- Include the type of investment, issuer, date of maturity par and dollar amount invested on all securities, investments and moneys held by the agency;
- State compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance;
- Include a statement denoting the ability of the local agency to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available;
- Report whatever additional information the Board may require.

Finally, any decision that involves borrowing of \$100,000 or more must be considered as a separate item of business on the agenda of the meeting of the legislative body of the local agency.

Joint Development (See Property and Rapid Transit Facilities)

Joint Powers Agreements – PUC 130058

The LACMTA is encouraged, through the intent of the legislature, to form Joint Powers Agreements for the development of transportation facilities or for the

provision of transportation services when such arrangements are in the public interest.

Leasing – PUC 30940-30943

The LACMTA has the power to purchase equipment and may execute agreements, leases and trust certificates with companies authorized to conduct business in the State of California. All such agreements and leases shall be authorized by resolution

Lobbying – PUC 130051.18

This section required the adoption of an ordinance for the regulation of lobbying and a lobbyist registration system. It also prohibits former authority officials from becoming a lobbyist for a period of one year after leaving the LACMTA.

Long Range Plans – PUC 130303.1, 130250, Government Code 65080, and Title 23, section 134 United States Code.

In addition to short range plans of three to five years, the LACMTA is also responsible for developing long range expenditure plans for transportation programs included in voter approved transaction and use tax measures that are consistent with the regional transportation plan and regional transportation improvement program.

Sections 65080-65086 of the Government Code provide extensive guidance on the content, process to be followed, alternative scenarios, designation of corridors, etc.

Title 23 mandates the preparation and periodic update of a 20-year long-range transportation plan. The plan is to include:

- Identification of transportation facilities that should function as an

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integrated metropolitan transportation system;

- A financial plan that demonstrates how the adopted long-range transportation plan can be implemented, including additional projects that may be implemented should reasonable resources beyond those identified become available;
- Capital investment necessary to ensure the preservation of the existing transportation system;
- Coordination with clean air act agencies;
- Participation by interested parties;
- And, publication of the long-range transportation plan for public review.

The Southern California Association of Governments (SCAG) must coordinate transportation system decisions in Regional Transportation Plan and Regional Transportation Improvement Plan with LACMTA. The LACMTA was formed with transportation planning and programming responsibilities that flow through SCAG. If LACMTA defaults on these responsibilities due to a lack of consensus or resources, SCAG must make these decisions. See PUC Section 130000 et seq., 130050 et seq., 130301 (h) and (k), 23 USC Section 134 (h)(2)(a), and Cal Gov Code Section 14527, 65082 & 130301.

Merger of LAMTA with SCRTD – PUC 31000-31005

Creates the Southern California Rapid Transit District Law and merges the LAMTA into the SCRTD effective with the second regular board meeting of the new agency in 1964. All employees of the LAMTA become employees of the district with the same rights, privileges and compensation as they had as employees of the LAMTA.

Merger of SCRTD with the Orange County Transit District – PUC 40600-40617 and the San Diego County Transit District – PUC 9300-93017. .

At one time, consideration was given to creating a truly “Southern California” rapid transit district by annexing both Orange and San Diego County’s transit districts through voter referendum. While it remains on the books in the Public Utilities Code, it appears to be an impossibility now that the population base of those two counties fully supports their own transportation systems.

Municipal Operators – 99207, 99207.5, 99209, 99209, 99280, 99285, and 1130263

Included municipal operators are those whose public transportation services have been continuously provided since January 1, 1971, and/or meets established criteria.

An eligible municipal operator is one that has been designated as eligible to receive formula equivalent funds allocable for transit operating purposes other than funds specifically included in the formula allocation program.

Municipal operators may not add or extend routes outside of their boundaries or *reserved service area* without first providing the LACMTA board with a 60 day advance written notice of its intention to add new routes or extend existing ones. Within 30 days of receiving such notice, the LACMTA must either notify the municipal operator that it does not intend to add or extend the routes in question, or, serve immediate notice to the included municipal operator that it desires to establish the proposed new service.

The *reserved service area* is defined as the area that would be formed by joining all points that are distant three-quarters of

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one mile from any point of any of its regularly scheduled routes in existence and in operation on March 1, 1971. Included municipal operators were required to file a certified route map showing regularly scheduled route boundaries that form their reserved service area with the transportation planning agency.

Municipal Operators, Formula Allocation – PUC 99207.5 and 99285

The Mills-Alquist-Deddeh Act (See Transit Development Act) prescribes formulas for the allocation of funds to transit operators. SB1755 (Calderon '95-'96) revised those formulas for the allocation of funds to transit operators in Los Angeles County. Commencing with the 1996-97 fiscal year, eligible and included municipal operators are to be allocated funds based on the formula allocation procedure in effect on July 1, 1995.

Based on audited transit performance data, funds available for allocation is calculated based on 50% of the operators vehicle service miles and 50% of its passenger revenues divided by its base cash fare. The funding formula for included and eligible municipal operators can only be modified by a three-fourths vote of the principal members of the Board. A two-thirds vote is required to establish or change the criteria for admitting new included municipal operators or to allocate funds to an included operator that has not previously received funds.

Operations – PUC 130051.11

LACMTA is mandated to have an operating organizational unit with the following responsibilities: The operating responsibilities of the Southern California

Rapid Transit District on all exclusive public mass transit guideway projects in the County of Los Angeles; and the operation of bus routes operated by the Southern California Rapid Transit District, and all the duties, obligations, and liabilities of the district relating to those bus routes. See also Construction, and Planning and Programming.

Orange County-Los Angeles Unified Regional System – PUC 40010

This section requires that Los Angeles and Orange County coordinate together on a regional mass rapid transit system: The former Orange County Transit District (now merged into Orange County's Transportation Commission as the Orange County Transportation Authority) had the stated purpose, when financing became available, to build a rapid transit system as part of a unified Los Angeles-Orange County areawide system. It was to incorporate the physical characteristics necessary for full compatibility with the Los Angeles system and have unified operation and management. Later on, in PUC section 130254, the Orange County Transportation Authority designates itself as the transit guideway operator for Orange County.

Organizational Structure – PUC 130051.11

The LACMTA has the authority to determine its organizational structure, departments, divisions, subsidiary units, or similar entities. At a minimum, it must establish a transit construction unit for public mass transit guideway projects, an operating unit responsible for the operation of all bus and public mass transit guideway routes, and a transportation planning and programming unit responsible for all those planning

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activities previously performed by both the SCRTD and LACTC.

Personnel System – PUC 30257, 30258, and 30752, Government Code 29007

The board adopts a personnel system for the purpose of recruiting and maintaining an effective work force with good morale. The board, by resolution, determines and creates the number and character of positions as are necessary through the annual budget process. The board also establishes the appropriate salary range or wage for each position created, except for positions in a collective bargaining unit. The board may also establish health and other fringe benefits. The board can also, by resolution abolish any such position. Except for the positions appointed by the board, the CEO appoints all other positions. The board may contract for or employ any professional services required, which in the opinion of the board, cannot be satisfactorily performed by regular officers or employees.

Government Code section 29007 requires a schedule in or supporting the budget document, or a separate ordinance or resolution setting forth for each budget unit the salary rate or range, number of positions currently approved, number of positions requested or recommended by the administrative officer, and the number approved by the Board.

Planning and Programming– PUC 130051.11 and USC Title 23, Sec 134

The LACMTA is mandated to have a transportation planning and programming organizational unit with all planning responsibilities previously performed by the Southern California Rapid Transit District and the Los Angeles County Transportation Commission.

In addition to the responsibilities named in various sections of the public utilities code, the metropolitan planning process mandated by the federal government in USC 23, Section 134 (f) includes the following guiding policy statement:

Scope of Planning Process -

- *In general, the metropolitan transportation planning process for a metropolitan area under this section shall provide for consideration of projects and strategies that will support the economic vitality of the metropolitan area, especially by enabling global competitiveness, productivity, and efficiency;*
- *Increase the safety and security of the transportation system for motorized and non-motorized users;*
- *Increase the accessibility and mobility options available to people and for freight;*
- *Protect and enhance the environment, promote energy conservation, and improve quality of life;*
- *Enhance the integration and connectivity of the transportation system, across and between modes, for people and freight;*
- *Promote efficient system management and operation; and*
- *Emphasize the preservation of the existing transportation system.*

See also Construction, and Operations.

Procurement – See Contracting

Property – PUC 30600 (acquire, dispose, lease, joint develop)

The LACMTA may take by grant, purchase, gift, devise, or lease, or by condemnation, or otherwise acquire, and hold and enjoy, real and personal property of every kind within or without the district necessary or incidental to the full or

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convenient exercise of its powers. That property includes, but is not limited to, property necessary for, incidental to, or convenient for joint development and property physically or functionally related to rapid transit service or facilities. The board may lease, sell, jointly develop, or otherwise dispose of any real or personal property when, in its judgment, it is for the best to do. See also Rapid Transit Facilities

Rapid Transit Facilities – PUC 30631a

The LACMTA may acquire, construct, develop, lease, jointly develop, own, operate, maintain, control, use, jointly use, or dispose of rights-of-way, rail lines, monorails, bus lines, stations, platforms, switches, yards, terminals, parking lots, air rights, land rights, development rights, entrances and exits, and any and all other facilities for, incidental to, necessary for, or convenient for rapid transit service, including, but not limited to, facilities and structures physically or functionally related to rapid transit service, within or partly without the district, underground, upon, or above the ground and under, upon, or over public street, highways, bridges, or other public ways or waterways, together with all physical structures necessary for, incidental to, or convenient for the access of persons and vehicles thereto, and may acquire, lease, sell, or otherwise contract with respect to any interest in or rights to the use or joint use of any or all of the foregoing. See also PUC 30631(b) and PUC 30631(c) for further detail on agreements with local jurisdictions for rapid transit facilities.

Rapid Transit Facilities, Joint Development PUC 30633 and PUC 30634(a)

The LACMTA may construct, acquire, develop, jointly develop, maintain, operate,

lease, and dispose of works and facilities in, under, upon, over, across, or along any road, street, alley, avenue, or public highway or any stream, bay, watercourse, or other public ways or waterways, or over any of the lands which are the property of the state, including, but not limited to, facilities and structures physically or functionally related to rapid transit service, to the same extent that those rights and privileges relating to public ways or waterways are granted to municipalities within the state for those uses or any other use.

It may also enter into agreements for the joint use or joint development of any property or rights with any entity, public or private, for the joint use or development of any property.

PUC 30634(b)-30634(e) provides definitions of joint development, transit and non-transit facilities.

Records Management – PUC 130051.23

Whenever the Authority determines by resolution that any record, map, book, or paper in the possession of the authority or any officer or employee thereof is of no further value to the authority, the board may authorize its sale, destruction, or other disposition. Documents significant to the activities of the authority, including, but not limited to, board and committee agendas, incoming and outgoing correspondence, and contractual documents, shall be microfilmed or otherwise preserved prior to the sale, destruction, or other disposition of the original.

Regional Transit Services Program – PUC 130450

The LACMTA, in consultation with the Southern California Association of

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Governments, the California Transportation Commission, the Los Angeles-San Diego Rail Corridor Agency and the South Coast Air Quality Management District jointly develops an implementation program for regional transit services every two years. It serves as the basis for funding allocated by the California Transportation Commission.

The program minimally includes:

- a system plan and map of all regional transit services,
- an implementation plan and schedule to establish each regional service not already in existence,
- a policy and implementation plan for the coordination of technologies, fare and schedules to maximize convenience of passengers in transferring among regional services,
- a program for the operation of regional transit services that provides as efficient and convenient service as it appropriate,
- considers the needs of the elderly and handicapped,
- and it consistent with and implements the adopted regional transportation plan.

See also Transportation Development Act.

Retirement System – PUC 30400-30403, 30430-30433, & 30450-30451, and 130110

The board may establish a retirement system for its officers and employees, and provide for the payment of annuities, pensions, retirement allowances, disability payments, and death benefits for any of them.

The LACMTA may maintain its own retirement fund or may provide for benefits to eligible officers and employees, or their beneficiaries, by means of group insurance or other insurance, or any means that, in the opinion of the board,

will satisfactorily provide an adequate and sure method of meeting the payments contemplated by the retirement system.

The board adopts ordinances and resolutions to perform all acts necessary for the initiation, maintenance, and administration of the retirement system. It also decides the terms and conditions upon which the officers, employees and their beneficiaries are entitled to.

Any pension or retirement system must be adopted on a sound actuarial basis and provide for contributions by both the LACMTA and the employee members of the system, which shall be based on percentage of pay roll to be changed only by adjustments based experience under the system.

Contributions are to be made in amounts that will accumulate sufficiently to meet the promise to pay benefits to the individual, without further contributions from any source. The board may at any time amend, change, modify or terminate any provision for benefits, participation, or contributions.

The adoption, terms, and conditions of the retirement systems covering employees in a bargaining unit represented by a labor organization shall be pursuant to a collective bargaining agreement between such labor organization and the district. Any such retirement system must be based on a sound actuarial basis. Both the LACMTA and the labor organization that represents employees in a bargaining unit must be equally represented in the administration of such a retirement system.”

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Retirement System, Public Employee Retirement System – PUC 30404-30406, 130109-130110

As an alternative method of providing a retirement system, the board may contract with the Board of Administration of the Public Employees' Retirement System (PERS) and enter all or any portion of its employees under such system pursuant to law and under the terms and conditions of such contract, or may contract with the Board of Administration of the Public Employees' Retirement System for reciprocal benefits between the Public Employees' System, or a city, or city and county, or any other public agency contracting with the Public Employees' Retirement System and the district's retirement system as authorized by Section 20042 of the Government Code, and may perform all acts necessary or convenient to provide for such reciprocal benefits.

The board may also contract with the Board of Administration of the State Employees' Retirement System for participation in the Federal Social Security Act and may perform all acts necessary or convenient for such participation.

Under section 130109a, it states that the board must enter into a contract with the Board of Administration of the Public Employees' Retirement System, and the board shall enter into such a contract to include all non-represented employees into that retirement system, and the employees shall be entitled to substantially similar health benefits as state employees

Section 130110 attempts to clarify the differences in retirement systems between represented and non-represented employees.

Safety, Construction – PUC 130051.25

This section requires construction firms contracting with the authority to report total recordable injuries on a monthly basis. A recordable injury is defined as any requiring treatment beyond simple first aid. The authority shall then determine if the number of recordable injuries exceeds the national average as reported by the Bureau of Labor Statistics and base any safety bonus program on the overall rate of recordable injuries.

Safety, Public Utilities Commission – PUC 30646

The LACMTA is subject to the regulations and jurisdiction of the Public Utilities Commission relating to safety appliances, procedures, rule and regulations governing the operation of street railways, and requires the inspection of all work for the safety of employees and the general public.

Safety, Vehicle Code and California Highway Patrol – PUC 30647

The LACMTA is subject to the provisions of Division 14.8 (commencing with Section 34500) of the Vehicle Code with respect to the operation of buses and to the rules and regulations prescribed by the Department of the California Highway Patrol for the safe operation of buses.

San Fernando Valley, Public Mass Transit Guideway System and Trust Fund – PUC 30648(a)-30648(e)

This section contains specific provisions for the San Fernando Valley related to the construction of any exclusive public mass transit guideway from downtown Los Angeles, including the deposit of 15% of non-federal funds allocated for construction into a trust fund to ensure its expenditure on qualified Valley Metro Rail construction.

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San Fernando Valley, Burbank Branch Line Right of Way – PUC 130265

The LACMTA may not construct any exclusive mass transit rail guideway, rail rapid transit, or light rail system, or other track, other than as a subway system that is covered and below grade along the Burbank-Chandler right-of-way.

Section 13(c) – PUC 130051.15

All obligations of the SCRTD and LACTC with respect to the Metro Rail Full Funding Grant Agreement and UMTA section 13(c) provisions are assumed without condition by the LACMTA.

Security – PUC 30504 and 130051.12

The LACMTA is authorized to maintain a suitable security force comprised of transit police officers and security guards. It currently contracts out its transit police force.

The LACMTA is also required to perform a security assessment once every five years, in conjunction with the other municipal operators in the County of Los Angeles, to determine the safety and security measures required to protect the operation of their systems and their passengers.

Service Area – PUC 30100

The LACMTA's service area within Los Angeles County is defined in legal terms, as it existed in 1964 for the SCRTD, which excluded the island of Santa Catalina. Of the county's 4,100 square miles, the LACMTA covers 1,433 miles with transit service, which is the vast majority of the county's urbanized area. See also the Municipal Operators section on Reserved Service Areas.

The LACTC's territory included all of Los Angeles County (including the island of Santa Catalina). This section allows for future annexation of additional territory and/or whole other counties. See also Annexation.

Short Range Transportation Improvement Program – PUC 130056 and 130303, Title 23 United States Code, Sec 134 (g) and (h).

The LACMTA is to provide objective analysis of various options relative to plans and proposed projects of regional and local transportation agencies and then translate those options into a short-range transportation improvement program.

It is responsible for determination, on an annual basis, of the total amount of funds that could be available for transportation planning and development. It is also responsible for the development and approval of a short-range three- to five-year transportation improvement program with an annual updated element reflecting all transportation capital and service priorities to be developed with all appropriate coordination and cooperation between state and local transportation agencies and operators.

All projects utilizing federal and state highway and transit funds, and all exclusive public mass transit guideway projects no matter how funded, must be included in the adopted transportation improvement program. The program shall also be developed in coordination with the multi-county designated transportation planning agency and the Department of Transportation, shall be consistent with the adopted regional transportation plan, and shall be reviewed and commented on pursuant to subdivision (j) of Section 130301.

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The LACMTA will also determine or approve of the location and capacity of all capital development projects, including, but not limited to, exclusive public mass transit guideway systems, state highway projects, and federal-aid highway projects. It will also make the selection and specific approval of appropriate mass transit hardware and technology to be funded by the transportation improvement program. It will determine and approve of the staging and scheduling of construction and other development relative to all transportation improvement projects to be funded by the transportation improvement program. And finally, it will administer the countywide program for the expenditure of funds allocated pursuant to Chapter 4 (commencing with Section 99200) of Part 11 of Division 10.

The LACMTA is required by federal and state statutes to prepare a Transportation Improvement Program (TIP) for Angeles County. The LACMTA is required to program revenues in the TIP across all transportation modes based on the planning requirements of the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 and the Transportation Equity Act for the 21st Century in 1998. The LACMTA accomplishes this mandate by programming funds on a multi-modal basis through the TIP Call for Projects.

The federal requirements for the transportation improvement program include:

- Development with the state and any affected public transit operator;
- Opportunity for comment by citizens, affected agencies, representatives of transportation agency employees, freight shippers, providers of freight transportation services, private

- transportation providers, representatives of users of public transit and other interested parties;
- Funding estimates of money reasonably expected to available to support program implementation;
- Update and approval at least once every two years;
- Priority list of proposed federally supported projects and strategies to be carried out within each three year period after initial adoption;
- Regionally significant projects;
- Additional projects that would be included if reasonable additional resources beyond those identified were available;
- Consistency with the Long Range Transportation Plan;
- Publication and public availability of transportation improvement programs.

Social Service Transportation Inventory – Government Code 15950-15986 and PUC 99200.

The Social Service Transportation Improvement Act, implemented by AB120 in 1979, amended by SB826 in 1989 and also by AB2647 in 2002, requires the LACMTA to prepare and adopt an action plan that describes in detail the steps required to accomplish the consolidation of social service transportation services. Funding for the action plan is to be provided from Transportation Development Act (TDA) funds under section 99200 of the PUC.

There are now just four basic issues to be addressed by the report:

- The designation of a Consolidated Transportation Service Agency (CTSA),
- The identification of the recipients to be served, funds available and a

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strategy to implement consolidated or coordinated services,

- Measures to coordinate services with existing public and specialized transportation services,
- Measures to insure that the action plan is consistent with the legislative intent of Section 15951, the Social Service Transportation Act.

The legislative intent included the identification of social service transportation providers and encouraging consolidation. It was envisioned that consolidation would accrue benefits such as consolidated purchasing, training, dispatching, maintenance, administration and funding.

After twenty years of reporting to the state legislature through CalTrans, the specific requirements for regional transportation planning agencies and transportation commissions to adopt a plan every four years, hold public hearings, publish an update every two years and submit the report to the Director of CalTrans was repealed by AB2647 in 2002. The current requirement only requires the preparation and adoption of a plan.

Taxation – PUC 30502, 130231 and 130350-130355.

“The district may levy and collect or cause to be collected, taxes for any lawful purpose, as provided in Chapter 6 (commencing with Section 30800) of this part.” Section 30800 was repealed.

“(a) The Los Angeles County Transportation Commission is authorized to impose a transactions and use tax within the County of Los Angeles pursuant to the approval by the voters of the commission's Ordinance No. 16 in 1980 and its Ordinance No. 49 in 1990,

and has the authority and power vested in the Southern California Rapid Transit District to plan, design, and construct an exclusive public mass transit guideway system in the County of Los Angeles, including, but not limited to, Article 5 (commencing with Section 30630 of Chapter 5 of Part 3 of Division 11). (b) The commission shall conform to this article in letting contracts for the construction of that system.”

This reflects the results of the two half-cent sales tax increases approved by the voters in 1980 as Proposition A and 1990 as Proposition C and clarifies the responsibility for planning and construction of mass transit projects prior to the merger of the two transportation agencies.

“A retail transactions and use tax ordinance applicable in the incorporated and unincorporated territory of the County of Los Angeles may be adopted by the Los Angeles County Transportation Commission in accordance with Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, provided that a majority of the electors voting on the measure vote to authorize its enactment at a special election called for that purpose by the commission.”

Section 130350.5 allows for the Board to adopt an ordinance that would put a proposition before Los Angeles County voters for an additional half cent sales tax to fund a specific set of capital projects.

Transit Development Act - PUC 99220-

The Transportation Development Act (TDA) was enacted during the 1971 legislative session by SB325. It is also known as the Mills-Alquist-Deddeh act. It

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provides two major sources of funding for public transportation: the Local Transportation Fund (LTF) and the State Transit Assistance fund (STA). ¼ of 1¢ of the state sales tax and 6¢ state sales tax on motor vehicle fuel is deposited annually into the LTF. The STA fund was created later through an amendment to the TDA during the 1979 legislative session through SB620. It requires that SCAG and LACMTA establish separate funds into which money is allocated from the State Transportation Planning and Development Account.

These funds are for the development and support of public transportation needs that exist in California and are allocated to areas of each county based on population, taxable sales and transit performance.

Although the Secretary of Business, Transportation and Housing has designated the Southern California Association of Governments as the Transportation Planning Agency to administer these funds, the LACMTA is the administrator pursuant to an MOU between the former LACTC and SCAG to carry out the required provisions of the TDA.

LACMTA is responsible for the overall administration of the TDA Local Transportation Fund for Los Angeles County. It approves claims that conform to the Regional Transportation Plan and the Regional Transportation Improvement Program and that are in compliance with legal and administrative requirements. Responsibilities include:

- Calculate and publish annual Local Transportation Fund apportionments.
- Issue reports on LTF activity.
- Prepare and publish TDA guidelines.
- Review and evaluate claims.

- Approve allocations and issue allocation instructions.
- Review and analyze fiscal and compliance audits from claimants.
- Approve TDA projects by inclusion in the county TIP.
- Approve priority list of bikeway and pedestrian projects.
- Review claims for consistency with TIP, forward claims for approval.
- Conduct unmet transit needs hearings and develop recommended findings.
- Submit fiscal/conformance audit of its activities.

SCAG retains all administrative functions not delegated to the LACMTA. It specifically retains its statutorily mandated authority to issue allocation instructions. Disbursement of funds takes place upon the County Auditor receiving allocation instructions from SCAG and disbursement instructions from LACMTA.

The County Auditor is responsible for maintaining the LTF and STA funds, obtaining audits of these funds, and issuing payments from these funds. Other responsibilities include preparation of annual revenue estimates for apportionments and the submission of annual trust fund audits.

Technical Advisory Committee – PUC 130105

The LACMTA appoints a Technical Advisory Committee of representatives from all of the transit operators, all of the cities and the county, and the Department of Transportation, and may appoint any other such advisory committees as it deems necessary.

Transportation Business Advisory Council – PUC 130051.19

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The LACMTA is required to have Transportation Business Advisory Council to advise it on matters regarding the disadvantaged business enterprise program to enable the authority to meet or exceed women and minority business enterprise participation goals. Members of the council are selected by the authority include representatives of professional organizations and other groups, which advocate on behalf of greater participation of women and minority business enterprises in public contracts. The chairperson of the authority or his or her designee meets with the council and considers its recommendations. The authority provides adequate staff support for the council.

Unified Public Transportation System – PUC 99220-99222

This section attempts to clarify the roles and responsibilities of the former SCRTD and LACTC. The LACMTA now assumes both roles. *“The Legislature recognizes that in the Southern California Rapid Transit District a unique factual situation exists where several municipal bus systems are providing essential local transportation services within the operating territory of the district, which was created by the Legislature to provide area-wide coordinated public transportation services. Within the Southern California Rapid Transit District, as with all transportation service improvements in the County of Los Angeles, the Los Angeles County Transportation Commission shall be the governmental entity responsible to establish a unified or officially coordinated public transportation system as part of the comprehensively planned development of the urban area.”*

Zones – PUC 130051.12, 130051.24 and 130261.

Approval of transportation zones is exclusive responsibility of the LACMTA Board.

“In determining the cost-effectiveness of any proposed transportation zone, the authority may not approve or disapprove a transportation zone based upon consideration of rates of wages and other forms of compensation or hours and working conditions of employees of the proposed transportation zone. Any determination of efficiencies that may be derived from the approval of a transportation zone shall include consideration of maintaining the prevailing rate of wages, hours, and other terms and conditions of employment contained in current collective bargaining agreements applicable to the authority as required under subdivision (d) of Section 130051.11.

A proposed transportation zone is not required to demonstrate lower operating costs than those of the existing operator or operators of the service to be transferred to the zone, but shall demonstrate that the net cost will not be greater than the current service.”

Section 130051.24 provides additional detail on the process to be followed in forming transportation zones and with special emphasis on collective bargaining agreements.