

SFMTA Bond Oversight Committee

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January 6, 2017

SFMTA Board of Directors

Tom Nolan, Chairman
Cheryl Brinkman, Vice-Chairman
Gwyneth Borden, Director
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Dear SFMTA Board of Directors:

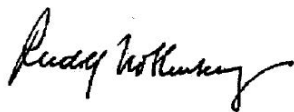
On behalf of the San Francisco Municipal Transportation Agency (SFMTA) Bond Oversight Committee (BOC), I am pleased to present the Fiscal Year 2015-2016 Annual Report.

The BOC was created by the SFMTA Board of Directors by Resolution #11-154 on December 6, 2011. The purpose of the BOC is to provide independent oversight with respect to the expenditure of SFMTA revenue bond proceeds.

Pursuant to its Bylaws, the BOC is required to provide its annual report to the SFMTA Board of Directors by January 31 of each year. The attached report describes BOC activities during Fiscal Year 2015-2016, including a report prepared by external auditors KPMG LLP and a description of any notable BOC actions since the end of fiscal year.

We would be pleased to respond to any questions that you may have.

Sincerely,



Rudy Nothenberg
Chairman

cc: Edward D. Reiskin, Director of Transportation
Benjamin Rosenfield, Controller

Attachment: Fiscal Year 2015-2016 Annual Report

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SFMTA Bond Oversight Committee FY 2015-2016 Annual Report

January 6, 2017

Table of Contents

Section 1. Introduction3

Section 2. Background3

Section 3. Auditor Review4

Section 4. Bond Oversight Committee ByLaws.....4

Section 5. Revenue Bonds.....4

 A. Series 2012A and 2012B Revenue Bonds 5

 B. Series 2013 Revenue Bonds 5

 C. Series 2014 Revenue Bonds 5

 D. Series 2017 Revenue Bonds 6

Section 6. Commercial Paper Program6

Section 7. Project Delivery6

 A. Series 2012B Bond Funded Programs 6

 B. Series 2013 Revenue Bond Funded Programs 9

 C. Series 2014 Revenue Bond Funded Programs 13

Section 8. Reallocation of Proceeds.....16

Section 9. Policies & Procedures.....17

Section 10. Subsequent Events.....18

Appendix 1: Fiscal Year 2015-2016 Meeting Schedule.....19

Appendix 2: Fiscal Year 2015-2016 Audit21

Appendix 3: Bond Oversight committee audit response.....23

Appendix 4: Work Authorization Procedures.....25

SECTION 1. INTRODUCTION

The San Francisco Municipal Transportation Agency (SFMTA or Agency) Bond Oversight Committee (BOC) was created by the SFMTA Board of Directors. Under its Bylaws, the BOC is required to provide an annual report to the SFMTA Board of Directors by January 31st of each year. This report covers activities for Fiscal Year 2015-2016, and includes a review by external auditors as well as a brief description of events occurring since the end of the fiscal year.

SECTION 2. BACKGROUND

The Board of Directors of the SFMTA created the BOC on December 6, 2011 by Resolution #11-154. The Resolution creating the BOC is available on the SFMTA website under Policies at the following link: <http://sfmta.com/sfmta-resolution-no-11-154>.

The BOC was established to provide independent public oversight regarding the expenditure of bond proceeds for projects funded by the SFMTA's revenue bonds and other forms of indebtedness to ensure that bond proceeds are being spent for authorized purposes in accordance with law. The purpose of the BOC is to ensure accountability and transparency for SFMTA debt financed projects, and to ensure that prudent internal controls and practices are established and implemented by the SFMTA. The BOC also informs the SFMTA Board of Directors and the public on status of the projects funded by debt.

The BOC's authority does not include the approval of projects included in any financing, or the selection process of any vendor hired by the SFMTA to execute bond-funded projects or issue debt.

The BOC consists of seven members as follows: (1) three members recommended by the SFMTA Board Chairman and approved by the SFMTA Board of Directors; (2) two members of the Citizens' Advisory Council; (3) one member appointed by the SFMTA's Director of Transportation; and (4) one member appointed by the Controller. The three current members appointed by the SFMTA Board are Rudy Nothenberg, Leona Bridges (former SFMTA Board member) and Pauline Marx (Chief Assistant Treasurer) who replaced Jose Cisneros on January 1, 2016. The two current members appointed by the Citizens' Advisory Council are Daniel Murphy and Stephen Taber. The current member appointed by the Director of Transportation is Kathryn How (Interim Assistant General Manager, San Francisco Public Utilities Commission) who replaced Emilio Cruz on July 22, 2015. The current member appointed by the Controller is Nadia Sesay (Director of the Office of Public Finance). The BOC elected Rudy Nothenberg as Chair and Daniel Murphy as Vice Chair at its meeting on June 1, 2016. BOC members do not receive compensation for their service on the

committee.

In Fiscal Year 2015-2016, the BOC convened six times: on July 22, 2015, October 9, 2015, December, 9, 2015, February 3, 2016, April 6, 2016, and June 1, 2016.

All Committee proceedings are subject to the California Public Records Act (Section 6254, et seq., of the Government Code of the State of California) and the City's Sunshine Ordinance (Chapter 67 of the Government Code of the State of California). Minutes of the proceedings of the Committee and all documents received and reports issued are a matter of public record and are available on the SFMTA's website at:

<http://sfmta.com/about-sfmta/organization/committees/bond-oversight-committee-boc>.

In May 2015, the SFMTA BOC met with members of the Citizens' General Obligation Bond Oversight Committee (GOBOC) to discuss opportunities for coordination and reporting and process strategies. The summary of the meeting can be found here: <http://sfmta.com/about-sfmta/organization/committees/bond-oversight-committee-boc>. The group agreed that while it would be useful for all Bond Oversight groups to use standard reporting templates, the differing needs of each are best served by a format particular to them. Thus, the SFMTA BOC would continue to receive reports that are most helpful to its needs.

SECTION 3. AUDITOR REVIEW

The final report from the auditor review is included as Appendix 2 to this report. For more information, see subsequent events (Section 10).

SECTION 4. BOND OVERSIGHT COMMITTEE BYLAWS

BOC meetings are conducted in accordance with its Bylaws. A copy of the current BOC Bylaws is available on the SFMTA website [here](#). The BOC approved an amendment to its Bylaws on January 7, 2015. The amendment changed the scheduled meetings of the BOC to every other month instead of quarterly.

SECTION 5. REVENUE BONDS

As of April 5, 2016 the SFMTA Board of Directors has authorized the issuance of a total of \$365.8M in Revenue Bonds. As of June 30, 2016 the SFMTA has issued \$213.8M of its 2012, 2013 and 2014 Revenue Bonds, with a total of \$175.8M available for projects and \$38.0M was used to refund previously issued debt as shown in Section "A" below. Revenue Bond proceeds are invested in the City Treasury and interest earned on these funds is credited to the bond account to be available for bond funded projects. Information related to SFMTA indebtedness and detailed in-

formation on issuances are available at the following link: <http://www.sfmta.com/about-sfmta/investor-relations>.

This table displays bond proceeds on only the funds that were issued for project use.

Bond Series	Available amount for projects
2012B Bond	\$25,835,000
2013 Bond	\$75,000,000
2014 Bond	\$75,000,000
Total	\$175,835,000

*Additional appropriation of up to \$190M in Series 2017 bonds has been authorized for issuance.

A. Series 2012A and 2012B Revenue Bonds

In July 2012, SFMTA issued \$63.8 million of its Revenue Bonds, comprised of two series of bonds. The first, Series 2012A (\$38.0 million) (Series 2012A Bonds), was issued for the purpose of refunding bonds previously issued by San Francisco Parking Authority and three non-profit parking corps. The Series 2012A Bonds were issued to refund prior bonds issued for garage and other parking improvements. The refunding transaction resulted in net present value savings of \$6.7 million, representing 15.8% debt service savings. The Series 2012B Bonds were issued to finance a portion of the costs of various capital projects for the SFMTA.

The second, Series 2012B (\$25.7 million) (Series 2012B Bonds). The SFMTA Board of Directors and the Parking Authority Commission approved the issuance of these bonds on December 6, 2011 and May 1, 2012 (Resolution Numbers 11-150, 11-151, 12-065) and the Board of Supervisors concurred with the issuance on April 10, 2012 (Resolution Number 120-12).

B. Series 2013 Revenue Bonds

In December 2013, the SFMTA issued \$75 million of its Revenue Bonds, Series 2013 (2013 Bonds). The SFMTA Board of Directors approved the issuance of the 2013 Bonds on September 3, 2013 and October 15, 2013 (Resolution Numbers 13-206, 13-234) and the Board of Supervisors concurred with the issuance on September 24, 2013 (Resolution Number 337-13). The 2013 Bonds were issued to finance various transportation capital projects.

C. Series 2014 Revenue Bonds

In December 2014, the SFMTA issued \$75 million of its Revenue Bonds, Series 2014 (2014 Bonds), to finance various transportation capital projects. The SFMTA Board of Directors ap-

proved issuing the 2014 Bonds on September 3, 2013 and October 21, 2014 (Resolution Numbers 13-206, 14-154) and the Board of Supervisors concurred with the issuance on September 24, 2013 (Resolution Number 337-13).

D. Series 2017 Revenue Bonds

On April 5, 2016 the SFMTA Board of Directors approved Resolution Number 16-044 authorizing the issuance of the Series 2017 Bonds in an amount not to exceed \$207 million including \$190 million of proceeds. The Board of Supervisors concurred with the issuance on June 7, 2016 (Resolution 231-16). The bond includes up to \$45 million for the Mission Bay Component, a project to build new transit platforms with crossover tracks, transit and traffic signals, and related improvements; and up to \$162 million for other projects, such as the light rail vehicle procurement, the Van Ness Transit Improvement Project and for various financing costs. To date these bonds have not been issued.

SECTION 6. COMMERCIAL PAPER PROGRAM

The SFMTA established a \$100 million commercial paper (CP) program on September 10, 2013. The CP program was approved by the SFMTA Board of Directors on June 4, 2013 (Resolution Number 13-071) and the Board of Supervisors concurred on June 10, 2013 (Resolution Number 246-13). The CP program is intended to finance, on a short-term basis, the costs of transportation capital projects in advance of the issuance of revenue bonds. In certain instances commercial paper is issued in anticipation of the receipt of grants. By providing continuous flows of funds to SFMTA capital projects, it is expected that the CP program will lower project costs by limiting schedule slippage.

At its November 6, 2013 meeting, the BOC reviewed the SFMTA's Commercial Paper Policies and Procedures to guide the use of CP. The procedures were jointly developed by the SFMTA and the Controller's Office of Public Finance. The Policies and Procedures were intended to define the steps to issue commercial paper and the related procedures and accounting to ensure appropriate internal controls and accountability. The BOC has no oversight responsibility for the use of CP on a day-to-day basis, and as of December 2016, no CP has been issued. Detailed information is available at the following link: <http://www.sfmta.com/about-sfmta/investor-relations>.

SECTION 7. PROJECT DELIVERY

A. Series 2012B Bond Funded Programs

The Series 2012B Bonds were authorized in July 2012 for a total of \$25.7 million to fund seven transportation program areas. Of the \$25.7 million, \$5.0 million was designated for parking garage projects and \$20.7 million for state-of-good-repair improvements to existing assets as well

as accessibility and reliability of the transportation system including transit, bicycle, pedestrian and signal improvements. As of June 30, 2016, the Series 2012B bond funds were spent on a total of 15 projects across the seven program areas. A total of \$25.6 million bond funds were expended leaving \$62,197 in unspent proceeds. The remaining funds will be spent down within the next two quarters.

The following section summarizes the programs included in the 2012B Revenue Bonds.

Program Title

Program Description

Systemwide Transit Access and Reliability Program

The Systemwide Transit Access and Reliability (Transit Signal Priority) Program is intended to increase transit ridership and improve the path of travel to transit stops and stations while minimizing delays associated with customer boarding and alighting from Muni vehicles and reducing delays associated with traffic signals. It includes projects supporting development of pedestrian and bicycle amenities that expand the ridership area and increase the utility of public transit access points. Projects also include small signal upgrades and modification of signal phases at intersections, adding bus or pedestrian bulbs, and street design changes to reduce delays for transit vehicles at busy intersections.

Muni Metro Sunset Tunnel Rail Rehabilitation	The Muni Metro Sunset Tunnel Rail Rehabilitation upgrades and reconstructs aging N-Line railway infrastructure in the Sunset Tunnel, which includes replacing track work, overhead catenary system components, feeder cables, the curve signal system, and firefighting standpipe components; cleaning drain lines; and adding conduit for a future emergency bluelight telephone system.
Muni Metro Turnback Rehabilitation	The Muni Metro Turnback (“MMT”) extends the Muni Metro Light Rail Transit Line underground approximately one mile from Embarcadero Station to a tunnel portal connecting to the Mission Bay surface line. The MMT includes 800 feet of bored tunnel, cut-and-cover structure, and an extensive underground turnback complex with two pocket tracks. The MMT was designed to improve turnback operations, reduce headways, and provide underground train storage to increase system capacity. The turnback and pocket track just east of Embarcadero Station have been damaged over time by water intrusion from the San Francisco Bay. The worn track has in the past caused service delays. The MMT Rehabilitation is designed to improve service reliability by reducing train and control failures and to improve safety. It is also expected to reduce on-going maintenance costs.
Muni Green Light Rail Facility Rehabilitation	The Muni Green Light Rail Facility Rehabilitation project will enhance system reliability while reducing the need for excess maintenance. The project calls for the replacement of approximately 11,200 track-feet of worn rails and track switches at the SFMTA’s Green Light Rail Facility, where in excess of 89 Breda LRVs are regularly stored, and possibly improvements to the facility.
Muni System Radio Replacement Project	This project will replace and modernize SFMTA’s radio communication system using 700 MHz voice and 800 MHz data channels as the basis for the communication network. The new system will utilize four base station sites and will meet the regional Intelligent Transportation Standard and the P25 interoperability criteria.
Muni Metro System Public Announcement and Public Display System Replacement	The Muni Metro System Public Announcement and Public Display System Replacement project would improve customer experience within the Muni Metro system by replacing existing 28-year-old subway Public Address System & Platform Display sys-

tems with new devices. Specific improvements include the installation of LED passenger information displays at nine stations, for a total of 108 signs. Station improvements will also include speakers, microphones, ambient noise sensors and a digital voice announcement system.

Parking Garage Projects

This program includes funds for assessing the condition of 18 garages and provides partial funding for waterproofing and ventilation projects.

Fiscal Year 2015-2016 project delivery milestones for the 2012B Revenue Bonds include:

1. Muni Metro Sunset Tunnel Rail Rehabilitation: The 3rd Contract Modification for the revised feeder cable was developed, approved by the SFMTA Board, and executed. Installation of the feeder cable conduit along the tunnel ceiling is complete. Installation of the lightweight backfill at the West Portal retaining wall has been completed.
2. Muni Green Center Roof Rehabilitation: This project was completed this fiscal year.
3. Muni System Radio Replacement: Substantial completion was achieved at the following sites: Bayview Park, One Market Plaza (OMP) base station, Forest Hill, 1455 Market Street, Muni Metro East Yard, Islais Creek Yard, and Cameron Beach Yard. The Central Radio Site at Twin Peaks construction was 99% completed. Also conducted were Land Mobile Radio field performance testing, Minifleet phase I testing, coverage including signal strength and delivery audio quality testing, network performance testing, network failure mode testing, and yard wireless bulk data testing.
4. C3 Integrated Systems Replacement: This project was completed this fiscal year. Completed installation and cutover of the Platform Display Signs (PDS) at all stations in the subway. Developed the Passenger Audio-Video (PAV) system.
5. Parking Garage Projects: Air intake wells were cleaned. Power and controls conduit installation are near completion. Fans were ordered and prepared for installation. Fan and carbon dioxide monitoring systems were completed. All water proofing projects were completed in October 2015.

B. Series 2013 Revenue Bond Funded Programs

On December 4, 2013, the SFMTA issued \$75 million in Revenue Bonds, Series 2013 (2013 Bonds). Of the \$75 million, \$1.7 million was programmed for garage projects and \$73.3 million for

asset renewals, accessibility and reliability of the transit system (safe routes to transit including bicycle, pedestrian and signal improvements). As of June 30, 2016, the 2013 bond funds were spent on a total of 36 projects. A total of \$44.9 million bond funds were expended and \$20.8 million was encumbered in construction contracts leaving \$9.3 million unspent. It is estimated that approximately 80% of all Series 2013 funds (including encumbered amounts) will be spent down by the end of November 2016, with the remaining spent down into the spring of 2017.

The following section summarizes the programs included in the Series 2013 Bonds.

Program Title

Program Description

Pedestrian Safety & Traffic Signal Improvements

This program is meant to promote walking and improve the safety and usability of City streets by providing the funds required to plan, design and construct pedestrian and traffic signal infrastructure. The program includes the installation of red light photo enforcement equipment; pedestrian islands in the medians of major thoroughfares; sidewalk bulb-outs and sidewalk widening; installation of traffic and pedestrian signals which include countdown and accessible pedestrian signal equipment; and targeted traffic calming projects.

Transit System Safety and Other Improvements

The Transit System Safety and Other Transit Improvements program is designed to improve the safety of the Muni transit system. It includes project development and capital costs for: (i) the replacement of the communication and dispatching system to provide interoperable digital voice communications for SFMTA staff and the Public Works Emergency Radio System; (ii) new vehicle on-board and fixed route components that will provide information for core operational capabilities including Computer Aided Dispatch and Automatic Vehicle Location, vehicle health monitoring, on-board ADA-compliant traveler information, transit signal priority, and automated fare collection; (iii) training equipment and simulators for Muni operators; (iv) replacement of fire-safety mandated emergency telephones including phone switches, phone stations, blue-light units, raceways, communication cables, uninterrupted power supply units, networking system, operator consoles and management servers; and (v) transit improvements including signal changes, bus bulbs, striping changes and other localized uses of the transit priority toolkit.

Street Capital Improvements

The Street Capital Improvements program focuses on the development of safe and complete streets through integrated major corridor capital projects. It includes project development and capital costs for: the construction of bicycle facilities and improvements to the existing bicycle network; bicycle sharing, new bicycle lanes and paths, bicycle parking facilities, bicycle boxes, bicycle boulevards, buffered bicycle lanes, cycle tracks, bicycle signals, and “green wave” traffic signal coordination; curb extensions, storm water management features, traffic signal timing changes, signs, installation of pedestrian signals, including countdown and accessible pedestrian signal equipment, sidewalk extensions, medians, refuge islands, and bulb outs.

Facility Improvements

The Facility Improvements program includes safety and seismic upgrades to SFMTA parking garages and expansion of Muni operations and maintenance facilities, including projects intended to maintain the state of good repair of certain existing garages and SFMTA operations facilities, to improve working conditions for staff and to otherwise expand existing facilities.

Transit Fixed Guideway Improvements

Transit Fixed Guideway Improvements is a capital program intended to address certain transit operational issues and maintenance needs, and to increase system reliability. It includes project development and costs relating to: replacement of overhead wires and related poles and traction power systems serving light rail and trolley coach lines; improvement to the transportation central control facility and systems; replacement of the trackway and related systems serving the light rail and cable car lines to mitigate excessive noise and/or vibration.

Muni Fleet

Under the Light Rail Vehicle Procurement program, SFMTA will purchase replacement light rail vehicles along with new vehicles to provide for growth in transit service.

Fiscal Year 2015-2016 project delivery milestones for the Series 2013 Revenue Bonds include:

1. Transit Spot Improvement – Muni Forward – 5 Fulton Mid-Route: Completed the installation of underground utilities and constructed several transit bulbs.
2. Blue Light Emergency Phone Replacement: Processed product submittals and requests for information from the contractor and continued final cable terminations. Initiated staff operations and maintenance training for the new Bluelight system. Installed equipment/conduit and terminated cables at Justin Herman Vent Structure, Montgomery, Civic Center, Church, Castro, Forest Hill, Lenox/West Portal, Powell, Van Ness, and Carl Street Substation. Initiated witnessed system acceptance testing.
3. Radio Replacement: Substantial completion was achieved at the following sites: Bayview Park, One Market Plaza base station, Forest Hill, 1455 Market Street, Muni Metro East Yard, Islais Creek Yard and Cameron Beach yard. Central Radio Site at Twin Peaks construction was 99% completed.
4. Islais Creek Phase II Improvements: For the south building the contractor installed a pile extension, excavated and reinforced pile caps, graded beams and pits. In addition, the contractor installed underground utilities and began erecting a steel structure in mid-June. For the north building, continued to drive piles and excavate, form, place, and backfill for a pile extension. Continued to excavate, form, reinforce and pour concrete pile caps, grade beams and pits and waterproofed the equipment pit floor.
5. Operator Restrooms: Phase I: Contract was completed for the Potrero and 25th Ave. restroom in April 2015. The contract has been closed and the facility was accepted and is open for use. Using the SFPW Job Order Contracting (JOC), the fourth restroom unit was installed at 48th and Ortega Ave. in June 2015, and the contract has been closed. The facility was accepted and is open for use.
6. Operator Restrooms: Phase II: 20th & Buckingham: Site has been approved for major encroachment by the SF Board of Supervisors. BART Daly City: Completed underground utilities at the project site. Sunnydale/McLaren: Site was approved for major encroachment by the SF Board of Supervisors. Parkridge & Buckingham: Site was approved for major encroachment by the SF Board of Supervisors. 48th & Rivera: The San Francisco Arts Commission reviewed and approved the project site plan. Fulton & 6th: The SF Planning Department approved the General Referral Plan. Townsend & Fourth: Project team identified a new location at 4th & Townsend. Van Ness & North Point: Environmental review was approved. Top of the Hill, Daly City: The restroom unit was installed and commissioned for service.

7. 33 Stanyan Overhead Replacement - Phase I: Contract awarded and the notice to proceed was issued on October 13, 2015. Construction was active on Potrero Avenue between 21st and 25th Streets.
8. L-Taraval Track Rail and Overhead Rehabilitation: The project team submitted 30% scope of work, estimates, and design plans. Production rates for each discipline to determine construction duration based on work days, hours, and headings allowed were also submitted. Estimated construction duration is approximately 3 years and bus substitution for the L-Taraval will be approximately 18 months. The project electrical engineer worked with SFPUC to identify any additional lighting needed within the project limits. The team finalized additional traction power scope of work due to field investigation results. The team completed draft utility occupancy drawings.
9. M-Ocean View Track Replacement: The project received Caltrans comments for 19th Avenue and Junipero Serra Blvd. The team developed responses for all the comments and a response letter was sent back to Caltrans in early April 2016 with revised drawings. Caltrans responded to our response and provided additional comments. The team completed a 95% detailed design.
10. Muni Metro Twin Peaks Tunnel Rail Replacement: Prepared track gauge tolerance specifications and distributed them to the project team. Responded to 32 requests for information inquiries. Initiated review of proposed and current schedule options to permit longer consecutive shutdowns. Reviewed approval of project sign and issued notice to residents and businesses for usage of the designated staging area to start storing construction material.

C. Series 2014 Revenue Bond Funded Programs

On December 10, 2014, \$75 million of Revenue Bonds, Series 2014 (2014 Bonds) were issued to fund various transportation system, safety, traffic signal, and street and facility improvements. As of June 30, 2016, the 2014 Bonds were spent on a total of five programs. A total of \$24.3 million bond funds were expended and \$13.8 million were encumbered in construction contracts leaving \$36.9 million. The largest remaining amount unallocated is within the Facility program for the construction phase of Elevator Modernization, which is currently in design with substantial completion expected to be December 2017 and is within the three year window of the December 2014 issuance.

The following section summarizes the programs included in the Series 2014 Revenue Bonds.

<u>Program Title</u>	<u>Program Description</u>
Pedestrian Safety & Traffic Signal Improvements	This program is meant to promote walking and improve the safety and usability of City streets by providing the funds required to plan, design and construct pedestrian and traffic signal infrastructure. The program includes the installation of red light photo enforcement equipment; pedestrian islands in the medians of major thoroughfares; sidewalk bulb-outs and sidewalk widening; installation of traffic and pedestrian signals which include countdown and accessible pedestrian signal equipment; and targeted traffic calming projects.
Transit System Safety and Other Improvements	The Transit System Safety and Other Transit Improvements program is designed to improve the safety of the Muni transit system. It includes: project development and capital costs for: (i) the replacement of the communication and dispatching system to provide interoperable digital voice communications for SFMTA staff and the Public Works Emergency Radio System; (ii) new vehicle on-board and fixed route components that will provide information for core operational capabilities including Computer Aided Dispatch and Automatic Vehicle Location, vehicle health monitoring, on-board ADA-compliant traveler information, transit signal priority, and automated fare collection; (iii) training equipment and simulators for Muni operators; (iv) replacement of the fire-safety mandated emergency telephones including phone switches, phone stations, blue-light units, raceways, communication cables, uninterrupted power supply units, networking system, operator consoles and management servers; and (v) transit improvements including signal changes, bus bulbs, striping changes and other localized uses of the transit priority toolkit.

Complete Street Capital Improvements

The Street Capital Improvements program focuses on the development of safe and complete streets through integrated major corridor capital projects. It includes project development and capital costs for: the construction of bicycle facilities and improvements to the existing bicycle network; bicycle sharing, new bicycle lanes and paths, bicycle parking facilities, bicycle boxes, bicycle boulevards, buffered bicycle lanes, cycle tracks, bicycle signals, and “green wave” traffic signal coordination; curb extensions, storm water management features, traffic signal timing changes, signs, installation of pedestrian signals, including countdown and accessible pedestrian signal equipment, sidewalk extensions, medians, refuge islands, and bulb outs.

Facility Improvements

SFMTA’s Facility Improvements program includes safety and seismic upgrades to SFMTA parking garages and expansion of Muni operations and maintenance facilities, including projects intended to maintain the state of good repair of certain existing garages and SFMTA operations facilities, to improve working conditions for staff and to otherwise expand existing facilities.

Muni Fleet

Under the Light Rail Vehicle Procurement program, SFMTA will purchase replacement light rail vehicles along with new vehicles to provide for growth in transit service.

Fiscal Year 2015-2016 project delivery milestones for the 2014 Revenue Bonds include:

1. Geary Bus Rapid Transit (BRT) Phase I: Completed early implementation of traffic signal construction work at the southwest corner of Geary and Baker Streets through a change order to another SFMTA contract. Coordinated with the pedestrian bulb-out that Kaiser Hospital is preparing to construct.
2. Polk Streetscape: The contractor was selected and the contract was awarded by SFPW.
3. 19 Polk: Polk Street Transit Priority Project: The project was advertised and three bus bulbs will be delivered via the Polk Complete Street project (SFPW Contract 2126J).
4. Pedestrian Countdown Signals: Bids were received March 30, 2016 and the contract was awarded on May 5, 2016.
5. 1 California Laurel Village Transit Priority Project: The team continued working with the community to address concerns. Project scope was expanded to include the repaving of California Street between Cherry and Laurel Streets. The project was presented at the

May 20, 2016 Sustainable Streets Division Engineering Public Hearing. The project was also environmentally cleared in June 2016 by SFPW and Planning.

6. Masonic Avenue Complete Streetscape: Shaw Pipelines was awarded the contract. Muni support funds from PUC Sewer were transferred to SFMTA. Outreach was done on upcoming construction and potential parking add-backs. Sidewalk legislation was approved with the addition of one new and one relocated fire hydrant.
7. Elevator Safety Reliability Project: The project scope was expanded to include the Church, Castro and Forest Hill Stations in addition to the Van Ness Station, given the need to upgrade these additional facilities. Staff identified \$2.2 million more in funding for this additional scope.

SECTION 8. REALLOCATION OF PROCEEDS

The SFMTA Board of Directors and BOC are both notified when reallocations are made between authorized programs and/or projects. In Fiscal Year 2015-16 there were five bond reallocations described below. Reallocations are numbered sequentially by bond issue irrespective of timing.

Series 2012B Bonds

Reallocation 5: In a Memorandum dated October 5, 2015, the SFMTA Board was advised that \$35,439 in cost savings from the following completed projects within the Systemwide Transit Access and Reliability Program were redirected to Muni Metro Sunset Tunnel Rail Rehabilitation: 1) \$8 from Balboa Streetscape, 2) \$28,458 from Bicycle Strategy Capital Projects – Polk Street Northbound Separated Bikeway, 3) \$6,714 from Church and Duboce Project, and 4) \$259 from Franklin Street Bulbouts.

Reallocation 6: In a Memorandum dated May 16, 2016, the SFMTA Board was advised that \$21,523 in project savings from the Muni Green Light Rail Facility Rehabilitation and \$40,674 from the Systemwide Transit Access and Reliability Program's Geary-Gough Peter Yorke Bulbout project were redirected to the Muni System Radio Replacement Project.

Series 2013 Bonds

Reallocation 2: In a Memorandum dated October 5, 2015, the SFMTA Board was advised that \$750,000 from the Transit Fixed Guideway Improvements Program were directed to the Facilities Program to fund the Elevator Safety and Reliability project. The Van Ness Elevator Modernization project will be coordinated with additional elevator upgrades at Forest Hill, Church, and Cas-

tro Muni Metro stations. Bond funds redirected from Fixed Guideway Program will be replenished with another funding source once there is demonstrated project need to maintain the same level of funding for the program. In addition, \$722,431 from Parking Garage Projects was directed within the Facilities Program to Islais Creek Phase II. It was determined that the seismic upgrades assessment and conceptual design work included within the Parking Garage Projects scope would not result in the construction of a fully funded seismic upgrade project within the three-year bond window, and as a consequence, this will be funded with an alternative funding source. This reallocation had no net impact on the funding programmed within the Facilities program.

Reallocation 3: In a Memorandum dated June 1, 2016 the SFMTA Board was advised that \$13,542,781 from the Transit Fixed Guideway Improvements Program were redirected to the Facilities Program to fund the Islais Creek Phase II Improvements project.

Reallocation 4: In a Memorandum dated June 22, 2014, the SFMTA Board was advised that \$1,765,091 within the Complete Street Capital Improvements program was redirected to fund the complete streets scope elements of the Van Ness Bus Rapid Transit (BRT) project from the following: 1) \$712,548 in unallocated funds within the Complete Street Capital Improvements Program; 2) \$998,275 from the Broadway Chinatown Streetscape project; and 3) \$54,268 from cost savings in the Oak and Fell Bikeways Resurfacing project.

Series 2014 Bonds

Reallocation 1: In memorandum dated October 5, 2015, the SFMTA Board was advised that \$10,227,540 from the Muni Fleet program was directed for the Procurement of Light Rail Vehicles to the Complete Streets Capital Improvements program for the Masonic Streetscape Project. To meet the schedule for the Masonic Streetscape Project, a swap of funding was required using \$10.2 million in One Bay Area Grant (OBAG) funds for the light rail vehicle base procurement and \$10.2 million in revenue bonds for the Masonic Streetscape Project. This had no net impact on the total funding allocated to either project.

SECTION 9. POLICIES & PROCEDURES

In October 2015 the BOC requested a detailed summary clarifying the reasons for transfers of funds (reallocations) between line items that was subsequently added to the monthly reports. At the December 9, 2015 meeting the BOC requested that staff provide written close out and interest allocation procedures which were presented at the February 3, 2016, June 1, 2016 and August 17, 2016 meetings (see "Subsequent Events" section). At the June 1, 2016 meeting the BOC directed staff to revise the monthly reports to add a comment on the status of remaining bond funds for completed projects that was added to subsequent reports.

SECTION 10. SUBSEQUENT EVENTS

A. Policies and Procedures

At the August 17, 2016 meeting, BOC members requested that monthly reports be annotated with notes for projects when funding for such projects may be reallocated to other bond eligible projects. BOC members also raised the concern that the Quarterly Report information does not align with the monthly reports due to different reporting periods presented in the respective reports. BOC members suggested to eliminate the financial information on the quarterly report and to provide financial information only on the monthly reports. Members requested that SFMTA staff continue to provide these monthly reports on a timely basis, the 21st of each month.

Also at the August 17, 2016 meeting, BOC members approved the Procedures to Issue, Transfer, and Close- out Revenue Bond funds the procedures and commented that any schedule changes should be communicated to the BOC members.

B. Audit Procedures and Findings

On August 17, 2016, SFMTA staff reported to the BOC that bond funded projects for the fiscal year includes approximately 16,000 transactions, 50 interdepartmental work authorizations, and approximately \$55.3 million in total expenditures. KPMG, the BOC's Independent Auditors presented the draft Fiscal Year 2015-2016 "Agreed-Upon Procedures" at the same meeting. The BOC members agreed to a sample size of sixty-five transactions, to include representative coverage of large and small dollar amounts, interdepartmental charges, and other miscellaneous items. The final report from the auditor review is included as Appendix 2 to this report.

Also at the BOC meeting of August 17, 2016, KPMG presented the draft Fiscal Year 2015-2016 Agreed-Upon Audit Procedures to evaluate sources and uses of SFMTA's series 2012, 2013 and 2014 bonds in compliance with the provisions of the MTA Board's Authorizing Resolution and SFMTA's internal procedures for the bonds. The auditor findings were as follows:

C. Bond Expenditures

As of September 30, 2016, the remaining bond funds for each series are as follows: Series 2012B - \$8,262, Series 2013 - \$6,109,419, Series 2014 - \$23,119,715. Series 2012B was fully expended in October 2016. As of December 2016, it is projected the bonds will be fully expended as follows: Series 2013 – Spring 2017, Series 2014 – December 2017.

APPENDIX 1: FISCAL YEAR 2015-2016 MEETING SCHEDULE

Meetings occurred on the following dates beginning at 2:00 PM at the SFMTA administration building at 1 South Van Ness Avenue, San Francisco. Meeting Agenda and Minutes of the SFMTA BOC meetings are posted at the following link: <http://sfmta.com/about-sfmta/organization/committees/bond-oversight-committee-boc>. Audio recordings are on file with the Committee Coordinator and can be made available upon request. Scheduled meetings are open to the public and the BOC encourages the participation of the public.

Fiscal Year 2015-2016 BOC Meeting Dates

- July 22, 2015
- October 9, 2015
- December 9, 2015
- February 3, 2016
- April 6, 2016
- June 1, 2016

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APPENDIX 2: FISCAL YEAR 2015-2016 AUDIT

See attached report.



KPMG LLP
Suite 1400
55 Second Street
San Francisco, CA 94105

**Independent Accountants' Report
on Applying Agreed-Upon Procedures**

San Francisco Municipal Transportation Agency (SFMTA)
Bond Oversight Committee and SFMTA Board of Directors
City and County of San Francisco, California:

We have performed the procedures enumerated in the Attachment, which were agreed to by San Francisco Municipal Transportation Agency (SFMTA), solely to assist the specified parties in evaluating whether SFMTA's sources and uses of funds related to bond series 2012, 2013, and 2014 are in compliance with the provisions of SFMTA's Board of Directors Authorized Resolution and SFMTA's internal procedures. Management is responsible for SFMTA's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures described in the Attachment either for the purpose for which this report has been requested or for any other purpose.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of City and County of San Francisco Board of Supervisors, SFMTA Board of Directors, SFMTA Bond Oversight Committee, SFMTA management, and others within SFMTA, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

December 9, 2016

Procedures and Results:

1. *Confirm that debt proceeds and interest income have been recorded in the accounting system solely for uses, purposes, and projects authorized in the authorizing resolution.*
 - a. We obtained the following documentation related to City and County of San Francisco (CCSF) and San Francisco Municipal Transportation Agency (SFMTA) guidelines, procedures, and authorizations to assist in this process:
 - Board of Supervisors (BOS) Resolutions for Series 2012, 2012B, 2013 and 2014 bonds and Municipal Transportation Agency Board (MTAB) Resolutions for Series 2012, 2013 and 2014 bonds
 - SFMTA Procurement Procedures
 - CCSF Accounting Policies and Procedures
 - Capital Funding Recommendations
 - b. We obtained and reviewed the respective bond resolutions that describe management's intention of the bond proceeds and interest income for the source, intended use, and expenditure and balances of bond revenue to assist with procedure 2 below:
 - The SFMTA Board of Directors Resolutions 11-150 and 13-205 resolving to issue Series 2012, 2012B, 2013, and 2014 revenue bonds for the purpose of financing (as capital projects) the cost of transportation projects
 - The SFMTA Board of Directors Resolutions 11-127 and 13-206, which allow SFMTA to be reimbursed for costs for the above range of capital projects from the proceeds of revenue bond Series 2012, 2012B, 2013, and 2014
 - CCSF Board of Supervisors Resolutions 120-12 and 337-13 authorizing the issuance of Series 2012, 2012 B, 2013, and 2014 bonds in concurrence with the resolutions passed by the SFMTA Board of Directors
 - CCSF Board of Supervisors Resolutions required to appropriate the revenue collected from the bond issuances for the various capital projects to be undertaken by the Department of Public Works (DPW) on behalf of SFMTA
 - c. We selected a sample of 65 expenditures, including a sample of trustee payments that included debt principal and interest amounts, and performed procedures on whether the sources were used solely for uses, purposes, and projects authorized in the authorizing resolutions noted above. Refer to the below for specific procedures performed over the expenditures and trustee payments.

Results: No exceptions were noted as a result of applying these procedures.

2. *For a sample of transactions, perform the following procedures with respect to uses, expenditures, encumbrance, and balances for the year ending June 30, 2016:*
 - a. Validate that uses are solely for purposes per authorizing resolution and applicable laws
 - b. Validate that project expenditures and encumbrances are for authorized capital projects

- c. Validate that transactions are properly supported based on City and Departmental policies and are processed in accordance with SFMTA's internal procedures
 - d. Validate if the trustee payments for debt service are according to terms, amounts are correct, and due dates have been met
 - e. Validate if bond balances reported are correct and trace to supporting records
- (A) We selected a sample of 65 transactions, split as follows:
- 25 expenditures with the high-dollar amounts
 - 15 assorted expenditures for small-dollar amounts for projects not tested in prior engagements
 - 15 interdepartmental charges
 - 5 budget (funding) transfers between projects
 - 5 trustee payments

We obtained the general ledger detail (EIS data) related to bond series 2012, 2013, and 2014 from management of all transactions recorded related to the bond series 2012, 2012B, 2013, and 2014. We selected the 25 highest dollar amounts by filtering the transaction amount in the detail from highest to smallest. Then, we selected 15 additional expenditures that were not within the highest dollar amounts and were not tested in prior year's engagements. Refer below for the procedures performed over these samples.

We obtained a work order file related to bond series 2012, 2013, and 2014 from management that included general ledger (GL) accounts 431, 423, and 349. We selected the 15 interdepartmental charges by filtering the work order file and filter by GL code GL 431. We used the same work order file and filtered by GL code 423. Then, we selected five budget (funding) transfers between projects that had descriptions of "Work Authorization to DPW," "Reallocate Appen Btw Tasks" "to allocate fund," or "Transfer and allocate." Refer below for procedures performed over these samples.

We obtained a listing of all bond debt service payments to trustee related to bond series 2012, 2013, and 2014 from management. We selected five payments from this listing. Refer below for the procedures performed over these samples.

- (B) We tested the samples according to the procedures described above as follows:

High-dollar amounts and assorted smaller-dollar expenditures (Sample Size 40) Sample numbers 1-40 (Steps 2a-c)

- For each sample highest dollar value amount and assorted expenditure for smaller-dollar sample selected, we validated that the uses of funds were for expenditures solely for purposes per authorization resolution and applicable laws by comparing the project description on the approved invoice and encumbrance payment provided by management to the respective bond authorization and resolution provided by management.
- For each sample highest dollar value amount and assorted expenditure for smaller-dollar sample selected, we validated that the project expenditures and encumbrances are for authorized capital projects by obtaining the approved invoice and Certificate of Progress Payment that was signed by the project manager and contract administrator provided by management.

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- For each sample highest dollar value amount and assorted expenditure for smaller-dollar sample selected, we validated that the transactions are properly supported based on City and Departmental policies in accordance with SFMTA’s internal procedures. We obtained the approved invoice, encumbrance payment request form, the general ledger screen shot showing the amount paid prior to reimbursement, Certificate of Progress Payment, request for progress payment memorandum, and bank statement from management. For each selection, we also agreed amount in the progress payment memorandum to the amount in the encumbrance payment request form and validated that the Certificate of Progress Payment was signed by the project manager and contract administrator. We agreed the progress payment report amount to the amount on the respective bank statement. For samples #26-31 and #34-37, progress payment reports were not provided because they were not direct construction costs. We used the general ledger system, FAMIS payment screenshot, to compare the payment date to the respective bank statement. We also agreed the date of payment on the bank statement to the 30-day payment rule per CCSF’s Prompt Payment Guideline. For samples #27, #30-31, #34-37, the 30-day payment rule did not apply because these payments were one-time payments in the accounts payable system.

Sample #	Project Name	Project Title	Transaction Type	Transaction Amount
1	Radio Replacement	RADIO RPLCMNT/RAIL COMM(CNSTR)CONTR-14 A	High Dollar Value	\$ 8,179,725.20
2	Islais Creek Phase II Improvements	ISLAIS CREEK-PHASE II-CONST-CT-13A	High Dollar Value	\$ 2,964,841.74
3	Islais Creek Phase II Improvements	ISLAIS CREEK-PHASE II-CONST-CT-14A	High Dollar Value	\$ 2,743,032.82
4 (***)	Procurement of Light Rail Vehicles	PROCUREMENT-NEW LRVS CP PROCUREMENT CT	High Dollar Value	\$ 2,732,925.30
5 (***)	Procurement of Light Rail Vehicles	PROCUREMENT-NEW LRVS CP PROCUREMENT CT	High Dollar Value	\$ 2,272,460.00
6	Radio Replacement	RADIO REPLACEMENT-CONST/P ROC/13A REVBOND	High Dollar Value	\$ 2,000,000.00
7	Islais Creek Phase II Improvements	ISLAIS CREEK-PHASE II-CONST-CT-14A	High Dollar Value	\$ 1,801,965.34
8 (***)	Procurement of Light Rail Vehicles	PROCUREMENT-NEW LRVS CP PROCUREMENT CT	High Dollar Value	\$ 1,277,664.00
9	Islais Creek Phase II Improvements	ISLAIS CREEK-PHASE II-CONST-CT-13A	High Dollar Value	\$ 1,126,224.90

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10 (**)	Muni Metro Sunset Tunnel Rail Rehabilitation	SUNSET TUNNEL RAIL REHAB-CP-CONT_12BBOND	High Dollar Value	\$ 965,150.58
11	Muni Metro Sunset Tunnel Rail Rehabilitation	SUNSET TUNNEL RAIL REHAB-CP-CONT_13ABOND	High Dollar Value	\$ 960,457.45
12	Islais Creek Phase II Improvements	ISLAIS CREEK-PHASE II-CONST-CT-14A	High Dollar Value	\$ 889,806.00
13	Islais Creek Phase II Improvements	ISLAIS CREEK-PHASE II-CONST-CT-13A	High Dollar Value	\$ 801,444.00
14	Radio Replacement	RADIO RPLCMNT/RAIL COMM(CNSTR)CONTR-14A	High Dollar Value	\$ 783,795.00
15 (***)	Procurement of Light Rail Vehicles	PROCUREMENT-NEW LRVS CP PROCUREMENT CT	High Dollar Value	\$ 750,822.04
16 (****)	Islais Creek Phase II Improvements	ISLAIS CREEK-PHASE II-CONST-CT-13A	High Dollar Value	\$ 705,207.10
17	C3 Blue Light Emergency Phone Replacement	CENTRAL CNTRL & COMM(C3)CP-CNST CTBOND2	High Dollar Value	\$ 703,712.50
18	C3 Blue Light Emergency Phone Replacement	CENTRAL CNTRL & COMM(C3)CP-CNST CTBOND2	High Dollar Value	\$ 673,812.03
19	C3 Blue Light Emergency Phone Replacement	CENTRAL CNTR&COMM(C3)-SEG3 CP-CON CT-14A	High Dollar Value	\$ 629,920.77
20 (***)	Procurement of Light Rail Vehicles	PROCUREMENT-NEW LRVS CP PROCUREMENT CT	High Dollar Value	\$ 600,657.63
21	C3 Blue Light Emergency Phone Replacement	CENTRAL CNTRL & COMM(C3)CP-CNST CTBOND2	High Dollar Value	\$ 590,187.50
22 (*)	Parking Garage Projects - Condition Assessment, Waterproofing & Ventilation	8006A-RAINBOW WATERPROOFING	High Dollar Value	\$ 536,460.75

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23 (*)	Parking Garage Project - Golden Gateway Garage Ventilation	8007A-CLW BUILDERS INC.	High Dollar Value	\$ 521,804.60
24 (****)	Islais Creek Phase II Improvements	ISLAIS CREEK-PHASE II-CONST-CT-13A	High Dollar Value	\$ 517,124.00
25	Muni Metro Sunset Tunnel Rail Rehabilitation	SUNSET TUNNEL RAIL REHAB-CP-CONT_13ABOND	High Dollar Value	\$ 470,203.52
26	Operator Convenience Facilities Phase II	OPERATR CONV FAC PH2 CONS-PROCUREMENT 13A	Smaller Assorted Expenditures	\$ 150,000.00
27	Procurement of Light Rail Vehicles	PROCUREMENT-NEW LRVS CP ENG SVC	Smaller Assorted Expenditures	\$ 81,298.17
28	Procurement of Light Rail Vehicles	PROCUREMENT-NEW LRVS CP CONSULTANT SVC1	Smaller Assorted Expenditures	\$ 64,858.98
29	Operator Convenience Facilities Phase II	OPERATR CONV FAC PH2 CONS-SITE LEASE 13A	Smaller Assorted Expenditures	\$ 50,000.00
30	Transit Spot Improvement - Muni Forward – 5 Fulton Mid Route Phase I	2412J BOE LABOR	Smaller Assorted Expenditures	\$ 42,670.06
31	Procurement of Light Rail Vehicles	PROCUREMENT-NEW LRVS CP ENG SVC	Smaller Assorted Expenditures	\$ 22,002.06
32	Excelsior & South Bernal Areawides	2529J- CONSTRUCTION	Smaller Assorted Expenditures	\$ 4,794.16
33	Islais Creek Phase II Improvements	ISLAIS CREEK-PHASE II-CONST-JOC CT-13A	Smaller Assorted Expenditures	\$ 4,090.78
34	Procurement of Light Rail Vehicles	PROCUREMENT-NEW LRVS CP ENG SVC	Smaller Assorted Expenditures	\$ 14,469.11

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35	Transit Spot Improvement - Muni Forward – 5 Fulton Outer	VAR LOC FULTON TEP SEG 3 CON 2014	Smaller Assorted Expenditures	\$ 12,349.96
36	Persia Triangle Street Improvements	686D40 PERSIA TRIANGLE 2013A REV BND CON	Smaller Assorted Expenditures	\$ 10,436.16
37	Procurement of Light Rail Vehicles	PROCUREMENT-NEW LRVs CP ENG SVC	Smaller Assorted Expenditures	\$ 9,071.19
38	Transit Spot Improvement - Muni Forward – 5 Fulton Mid Route Phase I	2412J-CONSTRUCTION CONTRACT	Smaller Assorted Expenditures	\$ 13,104.61
39	Excelsior & South Bernal Areawides	2529J- CONSTRUCTION	Smaller Assorted Expenditures	\$ 10,933.22
40	Islais Creek Phase II Improvements	ISLAIS CREEK-PHASE II-CONST-CT-14A	Smaller Assorted Expenditures	\$ 110,704.10

(¹) We noted that High Dollar Value samples #22 and #23 were also included in the interdepartmental charges test work discussed above. As there was slightly different criteria for the interdepartmental charges test work, the items were kept in the sample selection.

(²) We noted that High Dollar Value sample #10 expense related to funding correction, initially series 2013 being drawn down instead of series 2012A. This sample was to abate the contractor payment from the 2013 series to the 2012B series.

(³) We noted that High Dollar Value sample #4–5, #8, #15, and #20 relate to a light rail vehicle purchase contract in which it not a construction contract; therefore, the SBE form 6 monthly summary is appropriately not applicable.

(⁴) We noted that High Dollar Value samples #16 and #24's SBE form 6 monthly summary did not reconcile to the monthly detail of amounts invoiced for the period. The forms are completed by the contractors, and not SFMTA. The errors were subsequently corrected by the contractor and corrections are reflected in sample #13.

Results: No exceptions noted as a result of applying the above procedures, except the samples noted below where payment was made after 30 days of invoice receipt date:

Sample #	Invoice Receipt Date	Posting/ACH Date	Days before Payment
9	3/15/2016	4/19/2016	35 days
40	3/16/2016	4/19/2016	34 days

KPMG noted for sample #20, the invoice receipt date is 4/27/2016 and the bank post date is 6/1/2016. We were provided with bank support that showed SFMTA initially made payment on 5/19/2016; however, payment was rejected due to vendor’s bank system. The payment was subsequently posted on 6/1/2016 after the new account number was obtained from the vendor. The timing was due to vendor-related issues.

KPMG noted for sample #38, the invoice receipt date is 5/29/2015 and bank post date is 10/8/2015. We were provided with an explanation that the original invoice was mailed to the wrong address by the vendor; hence, the invoice was not received by SFMTA until 9/17/2015, and SFMTA made the payment on 10/8/2015, of which is within the 30 day rule. KPMG obtained the original invoice with the incorrect address listed. The timing was due to vendor-related issues.

Interdepartmental charges (Sample size 15) - Sample numbers 41-55 (Steps 2a-c)

- For each interdepartmental charge sample selected, we validated that the uses are solely for purposes per authorization resolution and applicable laws by obtaining the SFMTA Work Authorization to Department of Public Works (DPW) form, the general ledger screen shot, project description and project cost details provided by DPW. We reviewed the project descriptions on the work authorization to confirm that the expenditures were for capital projects respective bond authorization and resolution.
- For each interdepartmental charge sample selected, we validated that the project expenditures and encumbrance are for authorized projects by obtaining the Work Authorizations to DPW form and compared the project descriptions to the respective bond authorization and resolutions. We obtained related invoices, encumbrance amounts, the Certificate of Progress Payment, and progress payment reports from management. We agreed the encumbrance amount to the amount on the progress payment report, agreed the invoice amount to the encumbrance amount and to the subcontractor or contractor payment (check copy or wire transfer form). For samples #52–55, progress payment report was not provided because they are not direct construction costs. We used the general ledger system, FAMIS payment screenshot in place of the progress payment report. We obtained the SFMTA Work Authorization to DPW from management to confirm these are interdepartmental transfers by comparing the project descriptions on the Work Authorization to the project descriptions on the general ledger detail.
- For each interdepartmental charge sample selected, we validated the transactions were properly supported based on the City and Departmental policies and were processed in accordance with SFMTA’s internal procedures. We obtained the work authorization from management and confirmed it was signed by a SFMTA project manager who verified that the documentation for charges is correct; the charges are in line with the project scope, schedule, and budget; and progress of work reasonably equates to the percentage of the budget expended. SFMTA’s Work Authorization Procedure indicates that the SFMTA project manager is required to approve the charges, related to DPW, within 30 days, after receipt of supporting documents from DPW, for the applicable charges and requires that expenditures have a project description and project code to which the expenditures can be charged for tracking purposes. We obtained the invoices and work authorizations from management and compared the project descriptions to the project descriptions in the general ledger detail and to confirm that expenditures were for capital projects per authorization of bond

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revenues. We also confirmed that the invoices and supporting documents were submitted by DPW within 15 days of the month end for the applicable charges with the general ledger screen shots were signed by a project manager and emails from DPW showing submission of the supporting documents. The timeline restrictions only apply to DPW charges; therefore, we did not perform this test on samples #48–50, and #55, as they relate to other City departments outside of DPW. SFMTA does not have a policy similar to one with DPW on submissions or project manager approvals for other departments.

Sample #	Project Name	Project Title	Transaction Type	Transaction Amount
41(*)	Parking Garage Projects - Condition Assessment, Waterproofing & Ventilation	8006A-RAINBOW WATERPROOFING	Interdepartmental Charges	\$ 536,460.75
42(*)	Parking Garage Project - Golden Gateway Garage Ventilation	8007A-CLW BUILDERS INC.	Interdepartmental Charges	\$ 521,804.60
43	Parking Garage Project - Sutter Stockton Garage Ventilation	8009A-CLW BUILDERS	Interdepartmental Charges	\$ 375,250.00
44	Parking Garage Projects - Condition Assessment, Waterproofing & Ventilation	8006A-RAINBOW WATERPROOFING	Interdepartmental Charges	\$ 220,935.33
45	Parking Garage Project - Golden Gateway Garage Ventilation	8007A-CLW BUILDERS INC.	Interdepartmental Charges	\$ 139,650.00
46 (#)	Transit Spot Improvement - Muni Forward – 5 Fulton Mid Route Phase I	2182J CONSTRUCTION	Interdepartmental Charges	\$ 101,143.35
47	Parking Garage Project - Golden Gateway Garage Ventilation	8007A-CLW BUILDERS INC.	Interdepartmental Charges	\$ 67,450.00
48	Broadway Chinatown Streetscape	1075J-W/A TO ART COMMISSION	Interdepartmental Charges	\$ 40,540.50
49	Operator Convenience Facilities Phase II	OPERATR CONV FACIL PH2 DD-OTHR DIRCT 14A	Interdepartmental Charges	\$ 17,311.22

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50	Islais Creek Phase II Improvements	ISLAIS CREEK-PHASE II-CONST-JOC CT-13A	Interdepartmental Charges	\$ 16,343.77
51	Parking Garage Project - Golden Gateway Garage Ventilation	8007A-CLW BUILDERS INC.	Interdepartmental Charges	\$ 12,033.45
52	Masonic Avenue Streetscape	2370J-BOE LABOR	Interdepartmental Charges	\$ 10,201.06
53 (#)	Transit Spot Improvement - Muni Forward – 5 Fulton Mid Route Phase I	2412J BOE LABOR	Interdepartmental Charges	\$ 5,711.63
54	Operator Convenience Facilities Phase I	0361S-BR LABOR/INSTALL RESTROOM TRAILER	Interdepartmental Charges	\$ 4,166.34
55	Broadway Chinatown Streetscape	1075J-W/A TO ART COMMISSION	Interdepartmental Charges	\$ 143.01

(¹) We noted that two High Dollar Value samples were also included in the interdepartmental charges test work discussed above. As there was slightly different criteria for the interdepartmental charges test work, the items were kept in the sample selection.

([#]) We noted sample #46 and #53 are permissible re-class entries in which expenditures were being moved within sub-funds. Sub-funds are within the same revenue bond series.

Results: As a result of these procedures, we identified 9 exceptions, see table below. We noted 9 samples did not follow SFMTA’s timeline for submission from DPW and/or approval by the Project Manager (PM), as outlined in SFMTA’s Work Authorization Procedure. No other exceptions were noted as a result of applying these procedures.

Sample #	Month of Service	Date of Submission by DPW	Days Late Submission by DPW	Date of Approval by PM	Days Late Approval by PM
41	October 2015	1/6/2016	52 days	1/8/2016	Within 30-day submission
42	February 2016	4/14/2016	30 days	4/27/2016	Within 30-day submission
43	June 2016	8/26/2016	42 days	8/29/2016	Within 30-day submission
44	December 2015	1/26/2016	11 days	2/25/2016	Within 30-day submission

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45	May 2016	8/26/2016	72 days	8/29/2016	Within 30–day submission
47	December 2015	1/26/2016	11 days	3/10/2016	14 days(^)
51	April 2016	7/5/2016	51 days	7/18/2016	Within 30–day submission
52	September 2015	10/27/2015	12 days	11/23/2015	Within 30–day submission
54	September 2015	10/27/2015	12 days	4/8/2016	134 days(^)

(^) For samples #47 and #54, SFMTA was late reviewing within the 30 day rule because the project managers took additional time to resolve invoice issues.

Budget Funding (Sample Size 5) Sample numbers 56–61 (Steps 2a-c)

- For the budget funding samples, we validated the uses of funds were solely for purposes per authorization resolution and applicable laws by obtaining the SFMTA Work Authorization Request from management and compared the project description to the respective bond authorization and resolution.
- For the budget funding samples, we validated the project expenditures and encumbrances were for authorized capital projects by obtaining the SFMTA Work Authorization Request from management and confirmed the form was signed by a project manager. The five samples all related to capital outlays for buildings, structures, and improvement projects. The work authorization request is used for setting up the budget amount for the job order. The signature of a project manager authorizes that the funds are ready to be transferred from SFMTA to DPW (or another department).
- For the budget funding samples, we validated the transactions were properly supported based on City and Departmental policies and are processed in accordance with SFMTA's internal procedures. For each selection, we obtained the work authorization request which requires an expenditure or encumbrance have a project description and a project code to which the expenditures can be charged for tracking purposes. All the work authorizations obtained had the project description and project code. We noted the SFMTA project manager signed the request form prior to transactions being entered into the general ledger system by comparing the dates on the request form to the general ledger entry. We inspected general ledger screen shots that show the funds authorized to be used for specific projects by code and noted the entry to the system agreed to the amount authorized on the Work Authorization Request.

Sample #	Project Name	Project Title	Transaction Type	Transaction Amount
56	MTA Revenue Bond Series 2013 - Transit	MTA 2013 REV BOND S2013A - TRANSIT	Budget Funding	\$13,542,780.44
57	Procurement of Light Rail Vehicles	PROCUREMENT-NEW LRVS CP PROCUREMENT CT	Budget Funding	\$10,227,540.00

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58	MTA Revenue Bond Series 2014 - Garage	MTA REV BD S2014-GARAGE PRJ PROCEED USES	Budget Funding	\$ 9,000,000.00
59	MTA Revenue Bond Series 2014 - Transit	MTA REV BD S2014 TRANSIT PRJ PROCEED USE	Budget Funding	\$ 3,017,431.00
60	MTA Revenue Bond Series 2014 - Transit	MTA REV BD S2014 TRANSIT PRJ PROCEED USE	Budget Funding	\$ 2,000,000.00

Results: No exceptions were noted as a result of applying these procedures.

Trustee Payments (Sample Size 5) Sample numbers 61–65 (Steps 2d-e)

- For the five trustee payments, we validated that the trustee payments for debt service were made in accordance to terms on whether the amounts paid were correct and the payments were paid by the due date. For each selection, we obtained the monthly payment request and bank statement from management, and compared the due date on the monthly payment request to the payment date on the bank statement to show whether the payment date was before the due date. We also agreed each trustee payment amount selected to the amount on the bank statement.
- For the five trustee payments, we validated if bond balances are correct and if they are supported with a payment. We obtained the debt service schedules for Series 2012, 2013, and 2014 bonds as part of the fiscal year 2016 audit and agreed each amount to the debt service schedule.
- As part of the fiscal year 2016 financial statement audit, we sent out third-party confirmations to the banks and confirmed the balance due (for both interest and principal) for each bond series. We agreed the confirmed amount from the creditor's information to the debt rollforward and debt service schedule provided by management.

Sample #	Project Name	Project Title	Transaction Type	Transaction Amount
61	30TH REV BOND SERIES 2012A-PRI-206953000 DUE 03/01/16	BOND REDEMPTION	Trustee Payment	\$ 592,500.00
62	26TH BOND SERIES 2013-ACCT 206968000 PRI D 02/01/16	BOND REDEMPTION	Trustee Payment	\$ 347,333.33

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63	29TH BONDSERIES 2013-ACCT206968000 INT D 05/01/16	BOND INTEREST-EXPENSE	Trustee Payment	\$ 217,870.00
64	31ST BOND SERIES2012B-INT-206953008 DUE 04/01/16	BOND INTEREST-EXPENSE	Trustee Payment	\$ 82,881.26
65	9TH BONDSERIES 2014-ACCT212642000 PRI D 10/01/15	BOND REDEMPTION	Trustee Payment	\$ 41,949.00

Results: No exceptions were noted as a result of applying these procedures.

APPENDIX 3: BOND OVERSIGHT COMMITTEE AUDIT RESPONSE



MEMORANDUM

TO: SFMTA Bond Oversight Committee
FROM: Sonali Bose, CFO
DATE: December 20, 2016
SUBJECT: Response to KPMG Report on FY16 Revenue Bond Agreed Upon Procedures (AUP)

SFMTA received KPMG FY16 Review Report on Revenue Bonds dated December 9, 2016 which was conducted at the request of the Bond Oversight Committee to ensure appropriateness of spending of bond funds.

We are pleased that the results of KPMG's review showed that SFMTA's revenue bond proceeds, interest income, expenditures and trustee payments were all in accordance with the bond resolutions and procedures approved by the BOC and were properly supported and recorded. Thus the funds were spent appropriately.

The report, however, identified a few instances where transactions were not paid within the timelines in the BOC approved procedures as described below.

- Of the 40 payment samples tested, there were 2 payments that were posted late, by five days and four days respectively past the City's 30-day payment policy. This was due to SFMTA staff oversight and staff has been reminded of the policy.
- Of the 15 samples tested on interdepartmental charges, there were 9 charges wherein the supporting documents were not submitted by Public Works to SFMTA within the 15-day executed agreement between our departments and the Controller's Office. All three parties have recently agreed that 15-day timeline is not feasible considering the overall City's financial procedures, hence all have agreed to revise the timeline to 45 days instead. The amended agreement is attached with the changes highlighted (includes an addition regarding year end coordination as suggested by the Controller's Office).
- Of the 15 samples tested on interdepartmental charges, there were also 2 instances where the charges were approved by project managers 14 days and 134 days respectively past the City's 30-day payment policy. These delays were acceptable as they were the result of the project manager requesting additional information to justify the charges which is clearly what in line with the expectation of project managers.

Based on the above we strongly believe that we are in compliance with all the requirements and the delay in submitting payments had no material impact.

Attachment: Procedures for Work Authorizations between SFMTA & DPW Updated: December 2016

cc: Jocelyn Quintos, City Controller's Office
Julia Dawson, Public Work

APPENDIX 4: WORK AUTHORIZATION PROCEDURES



Procedures for Work Authorizations Between SFMTA & DPW Updated: December 2016


1. The SFMTA will establish direct charge work authorizations with DPW for the purposes of charging eligible expenditures against its funding sources at the time they are incurred or committed by DPW to permit proper tracking of expenditures and encumbrances. The SFMTA will establish index codes for use by DPW in making direct charges to SFMTA projects. The index codes shall be based on written agreements that include:
 - a. Detailed scope of work;
 - b. Budget, including identification of eligible expenditures;
 - c. Period of Performance; and
 - d. Billing terms. Unless otherwise stated in the MOU, all billing shall be submitted within 30 days after the end of each calendar quarter. Any subsequent corrections or amounts billed after project completion or post 30-days after quarter end are subject to approval at the discretion of the requesting department. Any ineligible expenditures will not be paid.
2. DPW is authorized to charge expenditures and encumbrances to the index codes provided for:
 - a. Salaries and wages;
 - b. Mandatory fringe benefits; and
 - c. Indirect Overhead as approved by their cognizant agent (typically that would be Caltrans)
 - d. Non-labor costs such as construction and personal service contracts related to the planning, design, acquisition, construction, reconstruction, rehabilitation, or improvement of projects identified in the scope of work.
3. DPW will submit documents supporting all charges to the Capital Projects & Grants Accounting Manager, or other designee, at SFMTA monthly within **45 days after the end of each month** (*Appendix A*). Supporting documents (*Appendix B*) shall include:
 - a. Copies of Detailed Labor Cost Report for payrolls paid during the previous month, which includes: project number; index code; employee name; hours charged; salary; mandatory fringe benefits; overhead; and paid time off; and
 - b. Copies of invoices from 3rd parties supported by purchase orders and the FAMIS document numbers.
4. SFMTA staff will forward the documents to the applicable SFMTA project manager, who shall approve or disapprove the charges within 30 days (*Appendix A*). In the event charges are not approved, the project manager shall notify SFMTA staff as to the reason why and what the corrective action should be, if any. The PM will review the documents to ensure the following:
 - a. The supporting documentation is complete;
 - b. Time charges are in line with the project scope, schedule, and budget; and
 - c. Progress of work reasonably equates to the percentage of the budget expended.



Procedures for Work Authorizations Between SFMTA & DPW Updated: December 2016


5. The SFMTA project manager will concurrently notify the DPW project manager and the DPW CFO, or designee, regarding any charges that are disapproved, and DPW will be given 15 days (*Appendix A*) to provide missing documents or resolve issues.
6. Any unresolved charges that have not been reversed or resolved after 60 days will be referred to the Controller's Office for final resolution. The Controller's Office will review the written documents provided, including the scope of work, budget, period of performance and other supporting documentation to determine if the charges meet the terms and conditions agreed to within 15 days.
7. **During year-end close, SFMTA and DPW agree to meet billing completion and approval timelines issued by the Controller's Office.**

This procedure is hereby acknowledged and each department commits to comply with it.



Julia Dawson
Deputy Director, DPW

12/19/16
Date



Sonali Bose
CFO, SFMTA

12/20/16
Date



Jocelyn Quintos
Director of Accounting Operations and Systems, Controller's Office

12/20/16
Date



Procedures for Work Authorizations Between SFMTA & DPW
 Appendix A – Schedule for Providing Approvals FY2017 to FY2019
 Updated: December 2016

Accounting Month	DPW Supporting Documents Due to MTA	SFMTA Project Manager Approval Due	SFMTA Notifies DPW of Disapproved Charges	DPW Provides Missing Documents or Resolves Issues	SFMTA Refers Unresolved Issues to CCSF Controller	CCSF Controller Determines Resolution
July 2016	9/14/2016	10/14/2016	10/14/2016	10/31/2016	11/1/2016	11/16/2016
August 2016	10/17/2016	11/16/2016	11/16/2016	12/1/2016	12/2/2016	12/19/2016
September 2016	11/14/2016	12/14/2016	12/14/2016	12/29/2016	12/30/2016	1/16/2017
October 2016	12/15/2016	1/16/2017	1/16/2017	1/31/2017	2/1/2017	2/16/2017
November 2016	1/16/2017	2/15/2017	2/15/2017	3/2/2017	3/3/2017	3/18/2017
December 2016	2/14/2017	3/16/2017	3/16/2017	3/31/2017	4/3/2017	4/18/2017
January 2017	3/17/2017	4/16/2017	4/16/2017	5/1/2017	5/2/2017	5/17/2017
February 2017	4/14/2017	5/14/2017	5/14/2017	5/29/2017	5/30/2017	6/14/2017
March 2017	5/15/2017	6/14/2017	6/14/2017	6/29/2017	6/30/2017	7/15/2017
April 2017	6/14/2017	7/14/2017	7/14/2017	7/31/2017	8/1/2017	8/16/2017
May 2017	7/17/2017	8/16/2017	8/16/2017	8/31/2017	9/1/2017	9/18/2017
June 2017	8/14/2017	9/13/2017	9/13/2017	9/28/2017	9/29/2017	10/16/2017
July 2017	9/14/2017	10/16/2017	10/16/2017	10/31/2017	11/1/2017	11/16/2017
August 2017	10/16/2017	11/15/2017	11/15/2017	11/30/2017	12/1/2017	12/18/2017
September 2017	11/14/2017	12/14/2017	12/14/2017	12/29/2017	1/1/2018	1/16/2018
October 2017	12/15/2017	1/15/2018	1/15/2018	1/30/2018	1/31/2018	2/15/2018
November 2017	1/15/2018	2/14/2018	2/14/2018	3/1/2018	3/2/2018	3/19/2018
December 2017	2/14/2018	3/16/2018	3/16/2018	4/2/2018	4/3/2018	4/18/2018
January 2018	3/19/2018	4/18/2018	4/18/2018	5/3/2018	5/4/2018	5/19/2018
February 2018	4/16/2018	5/16/2018	5/16/2018	5/31/2018	6/1/2018	6/16/2018
March 2018	5/15/2018	6/14/2018	6/14/2018	6/29/2018	7/2/2018	7/17/2018
April 2018	6/14/2018	7/16/2018	7/16/2018	7/31/2018	8/1/2018	8/16/2018
May 2018	7/16/2018	8/15/2018	8/15/2018	8/30/2018	8/31/2018	9/17/2018
June 2018	8/14/2018	9/13/2018	9/13/2018	9/28/2018	10/1/2018	10/16/2018
July 2018	9/14/2018	10/15/2018	10/15/2018	10/30/2018	10/31/2018	11/15/2018
August 2018	10/15/2018	11/14/2018	11/14/2018	11/29/2018	11/30/2018	12/15/2018
September 2018	11/14/2018	12/14/2018	12/14/2018	12/31/2018	1/1/2019	1/16/2019
October 2018	12/17/2018	1/16/2019	1/16/2019	1/31/2019	2/1/2019	2/18/2019
November 2018	1/14/2019	2/13/2019	2/13/2019	2/28/2019	3/1/2019	3/16/2019
December 2018	2/14/2019	3/18/2019	3/18/2019	4/2/2019	4/3/2019	4/18/2019
January 2019	3/18/2019	4/17/2019	4/17/2019	5/2/2019	5/3/2019	5/20/2019
February 2019	4/15/2019	5/15/2019	5/15/2019	5/30/2019	5/31/2019	6/17/2019
March 2019	5/15/2019	6/14/2019	6/14/2019	7/1/2019	7/2/2019	7/17/2019
April 2019	6/14/2019	7/15/2019	7/15/2019	7/30/2019	7/31/2019	8/15/2019
May 2019	7/15/2019	8/14/2019	8/14/2019	8/29/2019	8/30/2019	9/16/2019
June 2019	8/14/2019	9/13/2019	9/13/2019	9/30/2019	10/1/2019	10/16/2019



Procedures for Work Authorizations Between SFMTA & DPW

Appendix B – Sample Documents

Updated: December 2016

Labor Cost Report

CPKF49/04W199										BCM LABOR					
Last Name	First Name	PL1	PL2	PPE	Bureau	Classification	Index Code	Total Hours	Salary	MFB	Dept OH	Bureau OH	PTO	Total OH	Total Cost
BEGLEY	ROBERT	CPKF49	04W199	3/1/2013	DPWCM	5620	PWM1X5NPF12B	30	1434.75	629.98	727.28	578.63	411.34	1717.25	3781.98
BEGLEY	ROBERT	CPKF49	04W199	3/15/2013	DPWCM	5620	PWM1X5NPF12B	20	956.5	412.69	484.85	385.76	274.23	1144.84	2514.03
BEGLEY	ROBERT	CPKF49	04W199	3/29/2013	DPWCM	5620	PWM1X5NPF12B	28	1339.1	587.98	678.79	607.01	383.92	1669.72	3596.8
BEGLEY	ROBERT	SUBTOTAL						78	3730.35	1630.65	1890.92	1571.4	1069.49	4531.81	9892.81
GRAND TOTAL								78	3730.35	1630.65	1890.92	1571.4	1069.49	4531.81	9892.81

CPKF49/04W211										BOA LABOR					
Last Name	First Name	PL1	PL2	PPE	Bureau	Classification	Index Code	Total Hours	Salary	MFB	Dept OH	Bureau OH	PTO	Total OH	Total Cost
CONRAD	DENNIS L	CPKF49	04W211	3/1/2013	DPWAT	5265	PWA1X5NPF12B	25	1133.13	396.33	574.39	457	324.87	1356.26	2885.72
CONRAD	DENNIS L	CPKF49	04W211	3/29/2013	DPWAT	5265	PWA1X5NPF12B	3.49	158.19	56.55	80.19	71.7	45.35	197.24	411.98
CONRAD	DENNIS L	SUBTOTAL						28.49	1291.32	452.88	654.58	528.7	370.22	1553.5	3297.7
OKADA	SEIYA	CPKF49	04W211	3/1/2013	DPWAT	5261	PWA1X5NPF12B	12	474.3	154.27	240.42	191.28	135.98	567.68	1196.25
OKADA	SEIYA	CPKF49	04W211	3/15/2013	DPWAT	5261	PWA1X5NPF12B	18	711.45	258.83	360.63	286.93	203.97	851.53	1821.81
OKADA	SEIYA	CPKF49	04W211	4/12/2013	DPWAT	5261	PWA1X5NPF12B	8.98	354.93	129.12	179.91	160.89	101.76	442.56	926.61
OKADA	SEIYA	SUBTOTAL						38.98	1540.68	542.22	780.96	639.1	441.71	1861.77	3944.67
ULLMAN	DOUGLAS	CPKF49	04W211	3/15/2013	DPWAT	5268	PWA1X5NPF12B	24	1464.6	540.02	742.41	590.68	419.9	1752.99	3757.61
ULLMAN	DOUGLAS	CPKF49	04W211	3/29/2013	DPWAT	5268	PWA1X5NPF12B	53.88	3288.03	1237.41	1666.7	1490.47	942.68	4099.85	8625.29
ULLMAN	DOUGLAS	CPKF49	04W211	4/12/2013	DPWAT	5268	PWA1X5NPF12B	60.85	3713.37	1369.19	1882.31	1683.27	1064.62	4630.2	9712.76
ULLMAN	DOUGLAS	SUBTOTAL						138.73	8466	3146.62	4291.42	3764.42	2427.2	10483.04	22095.66
GRAND TOTAL								206.2	11298	4141.72	5726.96	4932.22	3239.13	13898.31	29338.03

Sample Non-labor Documents

The last step was Approved.

Here is the summary of the task.

Contract Information

Contract No: OCE12071
 Contract Name: As-Needed Paving Contract No. 8
 Contract # : 180386
 Contract Type: Construction
 Contract Sub Type: As-Needed (No CSO)
 Contract Holder: A. Ruiz Construction Co. & Assoc., Inc.
 Contract Awarded to: \$4874454.12

Invoice Request Information

Contract Number: 03-6744
 Invoice Number: 3
 Estimated Invoice Amount: \$757266.47
 Contract Invoice # : \$318142.44
 Total Invoice Amount: \$1075408.91

Here is the approval history of the task.

Activity	Status	User	Comments	Date/Time
Payment HRC Initiation	Created	DPWNT\JLEUNG		Apr 9 2013 9:54AM
RE/CM Approval	Rejected	DPWNT\RPARK	Please correct payment period.	Apr 9 2013 2:57PM
Contractor Review	Approved	DPWNT\ARTCOTTER		Apr 9 2013 3:07PM
RE/CM Approval	OnHold	DPWNT\RPARK	Waiting for Accounting for the funds for CO 02	Apr 9 2013 3:26PM
RE/CM Approval	Approved	DPWNT\RPARK		Apr 10 2013 1:41PM
JOA Accounting Approval	Approved	DPWNT\NPERALTA		Apr 10 2013 2:47PM
Contract Manager Approval	Approved	DPWNT\KKYI		Apr 10 2013 3:23PM
Division Manager Approval	Approved	DPWNT\BTSE		Apr 10 2013 3:25PM
Project Manager Approval	Approved	DPWNT\KONGR		Apr 10 2013 3:36PM



A. Ruiz Construction Co. & Associates, Inc.
 1601 Cortland Avenue
 San Francisco CA 94110
 License No. 427657
 Phone: (415) 647-4010 - Fax: (415) 647-8275

Invoice

Application for Payment No.		003	03-6744
Invoice No.			
Client:	City & County of San Francisco	Application for Payment	
	Department of Public Works	April 4, 2013	
	Infrastructure Construction Management	Client No.	
	Attn: Robin Park	25	
	1680 Mission Street, 4th Floor		
	San Francisco CA 94103		
Job #:	201213	Purchase Order #:	

Project: As-Needed Paving Contract No. 8
 Spec. No.: 1975
 Reference:

Original Contract Amount:	2,916,105.00	
Change Orders to Date: (Add)	979,174.56	
(Deduct)		
Adjusted Contract Amount:	3,895,279.56	
Percent of Work Completed to Date:	27.61%	1,075,408.90
Less Retention (Percentage)	10%	107,540.89
Less Previous Billings		681,539.82
Total Amount Due this Invoice		286,328.20

Itemized Change Order

1	891,868.00	HRC0425 Work Order 1- Sewer Pa	2	267,306.56	Embarcadero & Green Intersection Mod
3			4		
5			6		
7			8		
9			10		
11			12		



Procedures for Work Authorizations Between SFMTA & DPW
 Appendix B – Sample Documents
 Updated: December 2016

Sample Non-labor Documents

Page 2 Of 10

APPLICATION AND CERTIFICATE FOR PAYMENT

TO OWNER: City & County of San Francisco
 Department of Public Works
 Infrastructure Construction Management
 Attn: Robin Park

PROJECT: As-Needed Paving Contract No. 8
Controllers No.:
Job No/Specification No.: 1975J

APPLICATION NO: 083
APPLICATION DATE: 4/4/2013
Invoice No.: 03-6744
PERIOD FROM: 2/25/2013
TO: 3/25/2013
PROJECT NO: 201213
CONTRACT DATE: August 27, 2012

Distribution to:

<input checked="" type="checkbox"/>	OWNER
<input type="checkbox"/>	INSPECTOR
<input type="checkbox"/>	CONST. MNGR
<input checked="" type="checkbox"/>	ARCHITECT
<input checked="" type="checkbox"/>	CONTRACTOR


FROM CONTRACTOR:
 A. Ruiz Construction Co. & Assoc., Inc.
 1601 Colind Avenue
 San Francisco CA 94110

VIA ARCHITECT: City & County of San Francisco
 Infrastructure Construction Management
 Attn: Robin Park

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for Payment, as shown below, in connection with the Contract. Continuation Sheet(s) attached.
 The present status of the account for this Contract is as follows:

ORIGINAL CONTRACT SUM.....	\$2,916,126
Net Change by Change Orders	\$979,175
CONTRACT SUM TO DATE.....	\$3,895,280
TOTAL COMPLETED & STORED TO DATE.....	\$1,075,409
RETAINAGE % of current application 10%	\$107,541
TOTAL EARNED LESS RETAINAGE.....	\$967,868
LESS PREVIOUS CERTIFICATES FOR PAYMENT.....	\$681,540
CURRENT PAYMENT DUE.....	\$286,328
BALANCE TO FINISH, INCLUDING RETAINAGE.....	\$2,819,871

CONTRACTOR: A. Ruiz Construction Co. & Associates, Inc.
 By:  Date: 04/08/13

State Of _____
 County Of _____
 Subscribed and sworn to before _____
 me this _____ day of _____
 Notary Public:
 My Commission Expires on: _____

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$286,328
 (Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.)

ARCHITECT: City & County of San Francisco

By: _____ Date: 04/08/13

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CHANGE ORDER SUMMARY

APPROVED CHANGE ORDERS		ADDITIONS	DEDUCTIONS
Number	Description		
1	19752262-1 Work Order 1- Sewer Repair	\$691,368	\$0
2	Embarcadero & Green Intersection	\$187,307	\$0
3		\$0	\$0
4		\$0	\$0
5		\$0	\$0
6		\$0	\$0
7		\$0	\$0
8		\$0	\$0
9		\$0	\$0
10		\$0	\$0
11		\$0	\$0
12		\$0	\$0
TOTALS		\$979,175	\$0
Net Change by Change Orders			\$979,175



Procedures for Work Authorizations Between SFMTA & DPW
 Appendix B – Sample Documents
 Updated: December 2016

PROGRESS ESTIMATE NO. 3 FOR WORK PERFORMED THROUGH Mar 25th 2013

PROJECT TITLE: As-Needed Paving Contract No. 8 SPEC. NO. 1975J

CONTRACT AMOUNT	APPROV. C.O.	PENDING C.O.	FORECAST TOTAL	EARNED TO DATE	%	EARNED THIS MONTH	START DATE	ORIG. COMPL.	REV. COMPL.	EST. COMPL.
\$2,916,105.00	\$979,174.56		\$3,895,279.56	\$1,075,408.90	27.61%	318,142.44	8/7/2012	8/7/2013	8/7/2013	8/7/2013
BID ITEM			CONTRACT AMOUNT	QUANTITY	UNIT PRICE	EST. THIS PERIOD		TOTAL ESTIMATE		
NO.	DESCRIPTION					QUANTITY	AMOUNT	QUANTITY	AMOUNT	
R-23	Temporary Pavement Markers		\$2,447.50	1,375 EA	\$1.78		\$0.00	0	\$0.00	
R-24	Mobilization for Paving Work (Max 5% of Sum of BI R-1-		\$120,000.00	1 LS	\$120,000.00	1.83%	\$2,195.38	9.15%	\$10,976.88	
SW-1	10" Dia VCP Culvert		\$36,000.00	200 LF	\$180.00		\$0.00	72	\$12,960.00	
SW-2	6" or 8" Dia VCP Side Sewer R/R		\$16,000.00	100 LF	\$160.00		\$0.00	0	\$0.00	
SW-3	Concrete Catch Basin w/New Frame & Grating		\$27,000.00	6 EA	\$4,500.00		\$0.00	0	\$0.00	
SW-4	Concrete Manhole for Pipe 12" to 24" Dia Sewers		\$34,800.00	6 EA	\$5,800.00		\$0.00	0	\$0.00	
SW-5	Concrete Manhole for Pipe 27" to 48" Dia Sewers		\$15,000.00	1 EA	\$15,000.00		\$0.00	0	\$0.00	
SW-6	Trench & Excavation Support Work (Less Than 8' D Trench)		\$10,000.00	200 LF	\$50.00		\$0.00	0	\$0.00	
SW-7	Trench & Excavation Support Work		\$7,500.00	100 LF	\$75.00		\$0.00	0	\$0.00	
SW-8	TV E 6" or 8" Dia Side Sewers & 10" Dia Culverts		\$1,000.00	10 EA	\$100.00		\$0.00	0	\$0.00	
R-25	Allowance for San Francisco Police Officers		\$10,000.00	1 AL	\$10,000.00		\$0.00	0	\$0.00	
R-26	Allowance Red Light Camera & Traffic Signal Detectors		\$20,000.00	1 AL	\$20,000.00		\$0.00	0	\$0.00	
R-27	Allowance for Conduits		\$10,000.00	1 AL	\$10,000.00		\$0.00	0	\$0.00	
R-28	Allowance for Supporting SFWD Work		\$5,000.00	1 AL	\$5,000.00		\$0.00	0	\$0.00	
R-29	Allowance for Relocate Fire Alarm or Police Phone Poles		\$10,000.00	1 AL	\$10,000.00		\$0.00	0	\$0.00	
SW-9	Allowance for De-Energizing & Re-Energizing MUNI Wire		\$10,000.00	1 AL	\$10,000.00		\$0.00	0	\$0.00	
TOTAL THIS PAGE			\$334,747.50				\$2,195.38		\$23,936.88	

PROGRESS ESTIMATE NO. 3 FOR WORK PERFORMED THROUGH Mar 25th 2013

PROJECT TITLE: As-Needed Paving Contract No. 8 SPEC. NO. 1975J

CONTRACT AMOUNT	APPROV. C.O.	PENDING C.O.	FORECAST TOTAL	EARNED TO DATE	%	EARNED THIS MONTH	START DATE	ORIG. COMPL.	REV. COMPL.	EST. COMPL.
\$2,916,105.00	\$979,174.56		\$3,895,279.56	\$1,075,408.90	27.61%	318,142.44	8/7/2012	8/7/2013	8/7/2013	8/7/2013
ORIGINAL CONTRACT TOTAL			\$2,916,105.00					\$26,035.88		\$243,942.84
CHANGE ORDERS										
CO #001	HYD 2042J - Work Order 1 - Sewer Replacement		\$691,868.00					\$4,800.00		\$544,159.50
CO #002	Embarcadero and Green intersection modification		\$287,306.56				100.00%	\$287,306.56		\$287,306.56
GRAND TOTAL			\$3,203,411.56					\$318,142.44		\$1,075,408.90

PAYMENT REQUESTED BY: A. Ruiz Construction
 CONTRACTOR

ESTIMATE PREPARED AND SUBMITTED BY: [Signature]
 Park, Robin
 2013.04.10
 13:42:41 -07'00'
 RESIDENT ENGINEER

APPROVED BY: [Signature]
 Kyt, Keanway
 2013.04.10 15:20:14 -07'00'
 CONSTRUCTION MANAGER

DPW-CM-3C w:\gis_forms\progpay.xls 03/07/07



Prepared By:
San Francisco Municipal Transportation Agency



SFMTA
Municipal
Transportation
Agency