

AMENDMENT NO. 1 TO AGREEMENT

THIS AMENDMENT NO. 1 is by and between the California High Speed Rail Authority (hereinafter referred to as "CHSRA") and the Peninsula Corridor Joint Powers Board (hereinafter referred to as "PCJPB").

RECITALS

WHEREAS, in April 2009, CHSRA and PCJPB entered into an agreement whose stated purpose is ". . . to establish an initial organizational framework whereby CHSRA and PCJPB engage as partners in the planning, design and construction of improvements in the Caltrain Rail Corridor that will accommodate and serve both the near-term and long-term needs of CHSRA inter-city high speed rail service and PCJPB commuter rail rapid transit service" ("Agreement"); and

WHEREAS, the Agreement contemplates establishing working groups to initiate work under the Agreement on certain enumerated and other tasks. Specifically, the Agreement contemplates that CHSRA and PCJPB programs will be planned, designed and implemented to the extent possible as a joint project. Based thereon, the Agreement enunciates the objectives of the parties ". . . to share, to coordinate, and/jointly to direct their resources toward the implementation of a single joint program/project, including various personnel resources."; and

WHEREAS, Section IV(A) of the Agreement sets forth several Initial Actions and Tasks to be developed by one or more working groups established by the parties, and the "formulation of a detailed organizational structure for the joint program, including the designation or alternation of position titles, reporting relationships, and the manner in which decisions shall be made"; and

WHEREAS, as contemplated by Section IV(A) of the Agreement, the parties have formulated an organizational structure for the joint CHSRA and PCJPB joint program, the details of which are contained in Attachment A to this Amendment No. 1 to Agreement; and

WHEREAS, the functions set forth in Attachment A can be conducted more efficiently, effectively and at lower aggregate cost through a coordinated effort by the working group described in this Amendment No. 1, and the allocation of working group costs set forth in this Amendment No. 1 is fair and reasonable in light of the benefits to be derived from the working group; and

WHEREAS, based upon the foregoing, the parties desire to adopt and to implement immediately the working group defined in Attachment A and agree to funding for Fiscal Year 2009-10 necessary to support the working group for the purposes set forth in Attachment A .

NOW, THEREFORE, in consideration of the foregoing, the parties hereby agree as follows:

I. ESTABLISHMENT OF WORKING GROUP; ORGANIZATIONAL STRUCTURE

The Peninsula Rail Program Scope of Work and Organization as described in Attachment A attached hereto and incorporated herein by this reference hereby is approved and adopted effective upon execution and delivery of this Amendment No. 1 to Agreement by the parties. This Amendment is not intended to constitute and does not constitute any limitation on the decision-making authority of any party.

II. FUNDING

The parties hereby agree that the enumerated costs of the work of the working group described in Attachment A will be shared equally on a 50%-50% basis, but not exceeding the

categorical and aggregate limits set forth in Attachment A. The parties represent that sufficient funds have been appropriated in Fiscal Year 2009-10 in the amounts and for the purposes set forth in Attachment A. As contemplated by Section IV(A) of the Agreement, the parties will implement appropriate financial systems necessary to enable prompt allocation, oversight and accounting for the costs contemplated by this section. Any party may withdraw from and terminate its participation in the provisions of this Amendment upon providing 30 days written notice to the other party hereto, provided that any costs incurred prior to the termination date set forth in such notice, as well as any costs incurred necessary to effect termination, shall continue to be allocated between the parties as set forth herein.

III. EFFECT OF AMENDMENT NO. 1

Except as provided for in this Amendment No. 1, the terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, CHSRA and PCJPB have executed this Amendment No. 1 to Agreement.

California High Speed Rail Authority

Peninsula Corridor Joint Powers Board

BY: _____

BY: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Resolution No.: _____

Resolution No.: _____

Approved as to form:

Approved as to form:

Attachment A

Peninsula Rail Program Scope of Work and Organization

September 8, 2009

Introduction

Since January, 2004, the California High Speed Rail Authority and the Peninsula Corridor Joint Powers Board (the Parties) have been cooperating under Memoranda of Understanding, the most recent being executed in May, 2009.

In these MOUs the Parties established a framework and an agreement to engage as long term partners in order to coordinate the planning, design and implementation of proposed development programs for their respective inter-city high speed rail and commuter rail rapid transit services in a manner that provides for the shared use of the existing Caltrain Rail Corridor between the cities of San Francisco and San Jose. Under the recently executed MOU, which requires that each Party has adequate oversight to maintain that funding is used properly, the Parties agreed to consolidate their separate organizations, to share various personnel resources and information and to concentrate and direct their joint efforts as a phased joint program (the "Peninsula Rail Program").

This document is a description of the Program organization, its scope of work for Fiscal Year of 2010, and the FY2010 budget. An explanation of how specific projects are funded, contracted, and managed through the Parties is being developed.

Background

The Peninsula Rail Program is a working group, which is the product of the Memorandum of Understanding (MOU) executed by the Peninsula Corridor Joint Powers Board (JPB) and the California High Speed Rail Authority (CHSRA) in March/April of 2009. The purpose of the MOU is to provide continuing management of JPB approved system improvement programs and program oversight of an integrated program for the implementation of High-Speed Rail on the Caltrain corridor from San Francisco to San Jose. The Peninsula Corridor is a unique segment of the California High Speed Rail system, and therefore, requires close coordination between the two Parties to ensure successful and expeditious implementation of the program. The corridor is unique in the following ways:

- Construction of the high speed rail system will occur while Caltrain continues to operate a significant level of commuter rail service;

- Current system improvement programs will continue and will be integrated into a comprehensive program with a consolidated program management function, which will execute the work to the mutual benefit of the parties;
- It is the only HSR corridor which is expected to operate in mixed traffic (commuter, high-speed, and freight operations, as well as FRA-compliant and non-compliant vehicles);
- The MOU requires that each Party have adequate oversight to maintain that funding is used properly;
- The Peninsula Rail Program necessitates a vigorous public involvement effort that involves both PCJPB and CHSRA; and
- The Peninsula Rail Program is undertaking several activities that have not previously been done in the United States. The Joint Powers Board has made significant investment in activities that enhance the operations of the Caltrain system and which are beneficial to high speed rail. They are:

Positive Train Control – With a federal mandate to implement a PTC system by 2015, PRP is finishing the CBOSS (Communications Based Overlay Signal System) request for proposals package and is awaiting federal funding for award and implementation. This program is essential to the construction of a high-speed rail system as it will provide operating flexibility and roadway worker protection far in excess of current capability. It will also achieve all improved safety requirements identified under the mandate. CBOSS (PTC) is portable to other equipment and will integrate with other systems being developed. Coordination with high-speed rail, freight and compliant equipment users is in process.

Mixed traffic / Shared Use – Caltrain will be submitting a formal waiver request to the Federal Railroad Administration (FRA) in Fall 2009 to operate mixed traffic (compliant and non-compliant rolling stock operating simultaneously) on the Caltrain corridor. Significant analysis and data has been presented to the FRA, which has verified that vehicles designed with crash energy management (CEM) combined with PTC supports an exceptionally improved level of safety. These activities fully support HSR shared use and allows for temporally separated freight operations.

Temporal (freight) separation by PTC – Historically, temporal separation of passenger and freight equipment has been achieved by restricting operations by time of day or through physical separation. With the implementation of CBOSS, temporal separation can be enforced by using the control system, in areas such as South Terminal where freight and non-compliant passenger equipment must use the corridor simultaneously, resulting in flexibility of operations not previously achievable.

Electrification of an existing railroad – PRP will deliver a fully electrified railroad which will not only improve Caltrain service but will support high speed rail interoperability and service to the future Transbay Transit Center.

High-speed rail service – The California system will be the first true high speed rail service (over 125 mph) in the United States. Building a high-speed system through existing urban environments and on an operating railroad presents unique challenges that require expertise, close coordination between technical teams and Party representatives, and a sophisticated outreach program.

Joint program implementation – This will be the first joint development project by a high-speed rail authority and a conventional rail organization to design and build a new system while continuing to operate an existing railroad.

Organizational philosophy

All critical functions of the Peninsula Rail Program organization will regularly interface with appropriate staff from both the Parties. See Exhibit A for the Organization Chart. The Program Director reports to the two Chief Executive Officers of the Parties and regularly interfaces with the PM/CM Program Director and the PM/CM Regional Manager (contracted by the CHSRA). The PRP will develop for review by the parties proposals relating to each of the PRP functions set for below. Each party retains full authority to accept or reject such proposals and to modify such proposals as they deem fit. The parties may evidence agreement regarding any proposal in such form and manner as they deem appropriate. The staff of each party may seek the approval of its governing board as they deem appropriate prior to approving any proposal hereunder.

In addition to the foregoing, the PRP Director and working group shall monitor progress and compliance with any proposals approved by the parties hereto. The PRP Director shall report on progress and compliance as the parties deem appropriate. The parties will cause their staff, contractors and consultants to provide to the PRP Director such information as he or she may reasonably request for the development of proposals hereunder or for monitoring progress and compliance with proposals approved by the parties.

Until an operator for CHSRA has been identified, PCJPB will provide engineering standards developed by and for the Peninsula corridor, which must be compatible with Caltrain and HSR. The PM/CM will develop operating requirements for high-speed rail with input from the PRP Operations team on operating requirements to maintain Caltrain commuter rail service during and after construction. The PM/CM will oversee the contractors/consultants who are executing the design and construction of the program elements. The PRP Director oversees a team with five functions described below. The PRP will be available to the PM/CM for consultation during such design and construction.

Organizational structure

There are five functions; (1) engineering, (2) operations planning, (3) project controls, (4) program administration, and (5) public participation & community involvement. The following describe the general scope of work of each working subgroup. The FY10 hours and budget for the Peninsula Rail Program are included in Exhibit B. Any costs incurred after June 30, 2010 or in excess of the limits (for hours or amounts) set forth in the applicable category in Exhibit B shall be the sole responsibility of the party incurring such cost.

1. **Engineering** – Three major components of the Engineering management team are: Vehicle/Rolling Stock, Systems, and Civil Infrastructure.
 - The Vehicle/Rolling Stock team will oversee the design, procurement, and testing phases of the new Caltrain fleet and its interface with all systems. Provides support for the FRA waiver request by one or more of the parties, vehicle analysis data submittals, and Regulatory Approvals (FRA & CPUC).
 - The Systems team will provide oversight of the design, procurement, and implementation of the signal system (CBOSS), communications, new control system, and electrification of the Peninsula Rail Corridor with the aim of assuring that interoperability is achieved. Provides support to the parties for FRA waiver request and Regulatory Approvals (FRA & CPUC).
 - The Civil Infrastructure team will provide oversight of the design/construction of new track, grade separations or crossing closures, bridges, tunnels, and terminal/station work with the aim of assuring that all Caltrain and HSR engineering standards are incorporated.
 - The parties intend to add an engineering lead position by the next fiscal year (FY2011) as the design becomes firm and standards must be incorporated.

2. **Operations Planning** – The operations planning group is responsible for developing proposed service plans/schedules that will impact the Peninsula Rail Corridor during the implementation of the high speed rail program. The group will:

- Provide input into and review the development of rail service operating scenarios for the Peninsula Rail corridor, which requires coordination between Caltrain, CHSRA, and TJPA;
- Review and approve a proposed service plan that considers Caltrain, high-speed trains, freight, and other commuter/intercity passenger rail that currently operates in the corridor. The PRP will seek input from operators (ACE, Amtrak Intercity, BART, Capitol Corridor, Union Pacific, VTA) on the project at critical milestones;
- Oversee the development of a proposed fleet transition plan, which includes the transition from diesel-powered to electric-powered equipment and the introduction of high-speed trains;
- Oversee the development of a proposed service reliability plan to maintain a minimum acceptable level of passenger service during periods of construction and an acceptable pace of construction; and
- Develop and propose a process for system access by CHSRA contractors including the allocation of support staff, work windows, roadway worker protection and safety training.
- Support Activities include:
 - PTC interoperability
 - Mixed Use Waiver
 - Grade Crossing Improvements
 - Regulatory Approvals (FRA & CPUC)

3. **Project Controls & Contracts Administration** – This group is responsible for the business functions of the Peninsula Rail Program and will communicate regularly with the Chief Finance Officers or Executive Directors of the two Parties. It includes oversight of functions such as:

- Contract formation and administration;
- Developing procurement (contract and materials) strategy and processes;
- Establishing the program's Work Breakdown Structure (WBS) and Code of Accounts (COA);
- Developing and maintaining integrated master program schedules and critical paths;
- Establishing program budgets;

- Developing scope and cost control means and methods;
- Developing a program progress and performance reporting system;
- Reviewing and approving contractor invoices and close-outs; and identification of funding sources and preparation of applications for grants/funding opportunities.

This group will work closely with the CAHSRA Program Management consultant (Parsons Brinckerhoff).

4 Program Management/Administration– This group will be responsible for developing processes for monitoring all activities related to the overall management and administration of the Peninsula Rail Program. It will provide oversight of functions, including:

- Reporting Program progress and issues to the CEOs and their Deputy Directors;
- Preparing information for and making presentations to the PCJPB and CHSRA Board of Directors;
- Regular coordination with JPB management staff and CHSRA management staff;
- Overseeing and facilitating the regulatory approvals process with FRA, CPUC, and possibly other agencies;
- Coordinating with and providing information to other (current and future) passenger operators and labor unions;
- Coordinating and negotiating with freight operators, Ports of San Francisco, and Redwood City, and freight customers;
- Creating and maintaining the Program’s Risk Register, which proactively tracks risks to program scope, timely implementation, and budget;
- Managing general support functions for the Peninsula Rail Program, such as document control, and information systems and technology;
- Support efforts for funding, including the AARA program and other grant opportunities;
- Support organizational interface with:

- AAR
- ACE
- Amtrak Intercity / Long Distance
- APTA – Shared Use, HSR and Intercity Committees
- AREMA
- BART
- Caltrans

Capitol Corridor JPA
Citizens Advisory Committees
CPUC
FTA
FRA
MTC
Port of San Francisco and freight customers
Port of Redwood City and freight customers
SFCTA
SFMTA
Santa Clara VTA
Transportation Research Board (TRB)
UPRR

- Support interface with Project Teams, which include:

Dumbarton project team
South Terminal/Diridon Station
Super ACE (Altamont Pass) Committee
Prologis (formerly Catellus) on North Terminal
Transbay Transit Center and DTX – TJPA

This group will work closely with the CHSRA Program Management consultant (Parsons Brinckerhoff).

5 Public Participation & Community Involvement – This group is responsible for working with the Communications and Public Affairs teams from CHSRA and PCJPB to provide accurate and consistent information about the program and to provide input on messaging that will be made available to the general public. Functions include:

- Public Participation and Community Involvement, working with the public involvement strategy team, comprised of CHSRA and Caltrain representatives on the corridor, and making presentations at public events;
- Developing program documents and/or presentations for third parties, such as professional organizations and conferences; and
- Interfacing with multiple organizations and stakeholders along the corridor, including but not limited to the following:

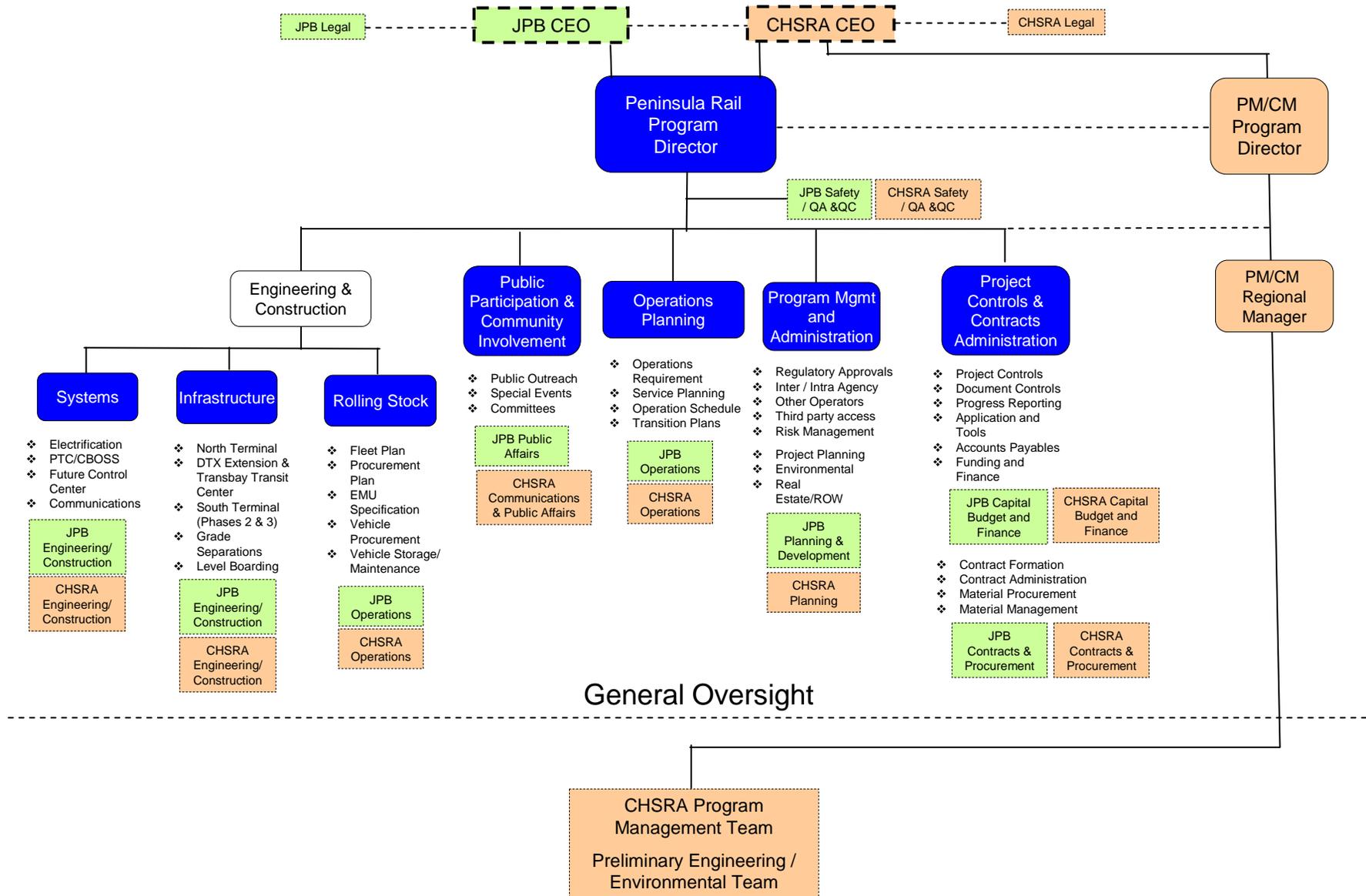
Elected officials
Press
Amalgamated Transit Worker Business
Bay Area Council
Bay Area Economic Institute
Bay Area Transportation and Housing

Bay Rail Alliance
Building Construction Trades Council SMC
Burlingame Chamber
C/CAG
Committee for Green Foothills
Environment California
GCOR
Genentech
Greenbelt Alliance
Housing Leadership Council SMC
League of Conservation Voters
Operating Engineers Local 3
Peninsula Cities Consortium
Peninsula Traffic Congestion Relief Alliance
Plumbers, Local 467
Redwood City-San Mateo Chamber
San Carlos Chamber
SF Chamber of Commerce
SF Labor Council
San Francisco Planning and Urban Research (SPUR)
San Mateo Area Chamber
SAMCEDA
SMC Labor Council
Sierra Club Loma Prieta Chapter
Silicon Valley Community Foundation
Silicon Valley Leadership Group
South Bay Labor Council
So San Francisco Chamber
Sustainable Redwood City
Sustainable San Mateo County
Transform (formerly Transportation And Land Use Coalition)
Urban Land Institute

6 Other Direct Costs – In addition to the five functions above, the working group participants may undertake the following in connection with those functions:

- Operate a Peninsula Rail Program office in San Francisco, including acquisition of supplies, utilities, courier service
- Reprographics services
- Acquire and develop computer applications and licenses
- Prepare operation simulations
- Travel to Washington DC and Sacramento

Peninsula Rail Program Client Organization Chart



Peninsula Rail Program Budget FY2010

	Department	Position	Subtotal (Hours, Labor)
1	Program Manager	Program Manager	1920
			\$ 547,413
2	Program Administration	Administration Manager	1920
			\$ 403,200
3		Project Administrator/Secretary	1920
		Document Controls	\$ 192,000
4		Project Accountant	640
			\$ 96,000
5	Project Controls	Business Manager	1920
			\$ 384,000
6		Project Scheduler	\$ 800
			\$ 152,000
7		Project Cost/Trend Engineer	\$ 1,600
			\$ 304,000
8		Finance Funding Liaison	960
			\$ 192,000
9		Information Systems & Technology	480
		Application Support	\$ 86,400
10	Operations Planning	Operations Liaison	480
			\$ 105,600
11		Safety Officer	360
			\$ 72,000
12		Operations Planning	1920
		Operation Analysis	\$ 230,400
13		Operations Planning	960
			\$ 155,520
14		Operations Analysis	960
			\$ 240,000
15	Contracts & Procurement	Senior Contracts Officer	1920
		Contracts Administrator	\$ 425,875
16	Engineering	Vehicle	1920
			\$ 510,720
17		System Engineering	1920
			\$ 508,800
18		Civil Infrastructure	1920
			\$ 412,800
14	Public Participation & Community Involvement	Public Affairs	1920
		Government Relations	\$ 384,000
			26,440
			\$ 5,402,728
		Full-Time Equivalents	13.8
		Labor Cost	\$ 5,402,728
		Other Direct Costs	\$ 1,277,320
			\$ 6,680,048
		Share @50%	\$ 3,340,024