

**Peninsula Corridor Joint Powers Board
Board of Directors Meeting
1250 San Carlos Avenue, San Carlos CA 94070**

**Minutes
May 1, 2008**

MEMBERS PRESENT: J. Cisneros, S. Elsbernd, N. Ford, J. Hartnett (Chair), J. Hill, D. Gage, A. Lloyd, F. Williams, K. Yeager

MEMBERS ABSENT: None

MTC LIAISON: S. Lempert

STAFF PRESENT: G. Cameron, B. Carson, J. Cassman, C. Cavitt, C. Gratiene, V. Harrington, C. Harvey, R. Haskin, R. Lake, R. Lee, M. Martinez, I. McAvoy, N. McKenna, L. Millard, D. Miller, M. Scanlon, M. Simon

Chair Jim Hartnett called the meeting to order at 10:05 a.m. and Director Nathaniel Ford led the Pledge of Allegiance.

PUBLIC COMMENT

Pat Giorni, Burlingame, said that Bike to Work Day is Thursday, May 15, and more passengers may be taking their bikes on Caltrain, which could lead to increased dwell time. Ms. Giorni would like the conductors to keep an unofficial tally of the number of cyclists denied boarding at each station due to lack of space on this day.

David Rusconi, Redwood City, stated his objections to a locomotive bearing the name of Jackie Speier locomotive and the unsatisfactory response he received from staff on his initial letter. Mr. Rusconi sent another letter on April 14 and thus far has not received a response from staff.

Jeff Carter, Burlingame, thanked the Board and staff for taking care of the time on the visual messaging signs.

Doug DeLong, Mountain View, said a few meetings ago Chuck Harvey said that Caltrain was at capacity levels on some trains. Mr. DeLong said Caltrain is facing growth compression and a way to correct the capacity issue is by changing the length of the trains.

Greg Conlon, Atherton, said he plans on attending the Transportation Authority meeting tonight to congratulate the Board on funding the quad gates along the Caltrain line, but he is concerned about the number of fatalities. Mr. Conlon said the right-of-way needs to be protected from entry.

Jack Ringham, Atherton, said the capacity constraints that are limited to a few trains and this problem could be alleviated by taking five of the existing five-car trains and making them four-car trains and putting those extra cars on the five-car trains to make six-car trains. The bike capacity could be relieved by changing the deployment to match the need.

Jim Bigelow, Redwood City Chamber of Commerce, provided each Board member with a High Speed Rail (HSR) pin. Mr. Bigelow said AB3034 is progressing well through the Assembly. The federal funding agreement is rolling along and the private infrastructure arrangement for one-third of the cost is going along well.

CONSENT CALENDAR

The Board approved the items under the Consent Calendar as follows:

- a) Approval of Minutes of April 3, 2008
- b) Acceptance of the Statement of Revenues and Expenses, March 2008
- c) Authorization to Request an Allocation of Fiscal Year 2008 Proposition 1B California Transit Security Grant Program (CTSGP) Funds in the Amount of \$939,246
- d) Authorization to Submit Fiscal Year 2008 Federal Transit Administration (FTA) Application (Section 5307, Section 5309 and Congestion Mitigation and Air Quality (CMAQ)) in the Total Amount of \$24,877,261
- e) Approval of a Change Order to Contract with Mitchell Engineering for an Amount Not-to-Exceed \$150,000 for the San Bruno Grade Separation Phase 1 Contract
- f) Approval of a Change Order with Shimmick/Balfour Beatty Rail Services for an Amount Not-to-Exceed \$150,000 for the Burlingame Outboard Platform Improvements Project

CHAIRPERSON'S REPORT

Chair Harnett said in response to Mr. Conlon's remarks on the safety issue, the entire organization treats all safety issues with great concern and great sensitivity. Chair Harnett said that even one fatality is too many in Caltrain's view.

MTC LIAISON REPORT

Sue Lempert, MTC Liaison, said MTC will be holding a series of workshops on its 2035 Vision Plan throughout the nine Bay Area counties and hopes people plan to attend to provide their input. MTC staff will describe the 2035 Plan and the environmental concerns and how people can use public transit to help these concerns. Workshops will be held in Santa Clara County at the Martin Luther King Library on Tuesday, May 8 from 6-8 p.m.; in San Mateo County at the Board of Supervisors Chambers in Redwood City on Tuesday, May 13 from 6-8 p.m.; and in San Francisco at San Francisco State's Downtown Campus on Thursday, May 22 from 6-8 p.m. Caltrain has some very important projects in the plan and it would be great for the audience to attend to support these important issues.

REPORT OF THE CITIZENS ADVISORY COMMITTEE (CAC)

Bruce Jenkins, CAC Chair, reported that at the last meeting Liria Larano, Deputy Director of Capital Programs, gave a presentation on the JPB capital program and master schedule including the status of electrification and rolling stock, engineering projects and studies. Michelle Bouchard, Deputy Director of Rail Transportation, emphasized the amount of thought and coordination that goes into these studies, projects and scheduling. Ms. Bouchard reported on ridership, baseball service, revenue and the new Bombardier cars due in the fall. The next CAC meeting is May 21.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Scanlon reported the following:

- Performance Statistics for March 2008 compared to March 2007:
 - a. Total Ridership was 974,083, an increase of 3.3 percent.
 - b. Average Weekday Ridership was 36,606, an increase of 4.8 percent.
 - c. Total Revenue was \$3,239,001, an increase of 13.5 percent.
 - d. On-time Performance was 94.7 percent, a decrease of 2.1 percent.
 - e. Caltrain Shuttle Ridership was 5,839, an increase of 8.6 percent.
- Year-to-Date Statistics:
 - a. Total Ridership was 8,646,835, an increase of 7.4 percent.
 - b. Average Weekday Ridership was 36,476, an increase of 6.6 percent.
 - c. Total Revenue was \$28,926,348, an increase of 15.9 percent.
 - d. On-time Performance was 93.4 percent, a decrease of 2.4 percent.
 - e. Caltrain Shuttle Ridership was 5,203, an increase of 6.2 percent.
- Indicated his appreciation for the passion of members in attendance regarding the capacity issues, but there are crewing and throughput issues that limit the ability of the agency to resolve these issues in the near-term. Some relief will come in the fall with the arrival of the new Bombardier cars.
- Actual information on pass-ups of bike boardings is available and staff will make it available to Pat Giorni.
- April was a troubling month with fatalities on April 7 in Menlo Park, April 19 in San Bruno and April 27 in Atherton.
- The Caltrain Rail Safety Relay will be on May 21. Participating in the relay will be a Caltrain conductor, a Transit Police officer and a school teacher/principal. The relay will begin in San Jose and the participants will be handing off a rail crossing sign at various stops. There will be a brief presentation in San Francisco at the end of the relay.
- The March Safety and Security report includes many safety improvements at CEMOF.
- The FY09 preliminary budget is still a work in progress and the biggest, single culprit affecting costs is fuel. Forty-three weeks into the year fuel is 4.7 percent over the amended budget of \$2.65 per gallon at \$2.77 per gallon. The last 10 weeks fuel has been over \$3 per gallon and last week was \$3.65 per gallon.
- Giants ridership for the three exhibition games and the month of April was about 3,300 riders. This number is substantially less than last year at 4,400 riders, when Barry Bonds was going for the homerun record.
- The Belmont/Hillsdale shuttle is carrying about 65 passengers a day.
- Staff is working with the MTC and the Air District for the upcoming Spare the Air season. There will only be two free days this year and Caltrain, the ferries and BART will only be free until noon.
- The reading file contains take-ones for the JPB CAC recruitment, the Sunset Magazine shuttle (a joint promotion with Sunset Magazine and Caltrain), and extra service for Kaboom on May 10 and Bay to Breakers service on May 18.

Ms. Lempert said there has been a lot of discussion at MTC about Spare the Air and this may be the last year that MTC will be offering the funding. Ms. Lempert said this promotion costs MTC millions of dollars.

Mr. Scanlon said that while the Spare the Air offers free rides and more passengers, our regular bike riders and passengers are affected by capacity issues. Service would be free only in the morning so that people could try the service and also on days where there is baseball games, we

didn't have the capacity so our regular riders, passholders that ride every day and our regular bike riders couldn't get on or off.

Chair Hartnett said he never has felt comfortable with the Spare the Air program for Caltrain as it never gave any bang for the buck.

Director Jerry Hill said the chair of the Bay Area Air Quality Management District (BAAQMD) has been watching this for a number of years. The benefit derives not necessarily from the transit, but from the ozone level that is created because people are out of their cars on the Spare the Air days. The problem is that ozone levels on those days exceed the state and federal levels and puts the region out of compliance. That impacts the BAAQMD compliance budget that we have in the transportation budget, which in long run could prevent the BAAQMD from getting the federal funds to MTC so that they can provide the extra money to all agencies.

Director Ford said consideration should be given to educating employers about people working from home on those particular days.

Public Comment

Pat Giorni, Burlingame, said that there is a safety issue that exists in the City of San Mateo. Ms. Giorni said none of the corners at 4th Avenue by the rail crossing have safety arms that come down.

PROPOSED FY 2009 OPERATING BUDGET

Gigi Harrington, Chief Financial Officer, reported the following on the preliminary FY09 budget:

- Service levels will remain unchanged.
- Staff will be requesting a fare increase around mid-year.
- The budget is currently out of balance by \$5.4 million.
- Projected total revenue for FY09 is \$89.9 million.
- Fare revenues are projected to be \$41.7 million, which includes a possible mid-year fare increase.
- Passenger fares for FY09 are projected to increase by \$3.3 million, including a fare increase.
- Total projected expenses are \$95.4 million.
- The rail operator contract is \$55.4 million, \$2.1 million more than FY08, and equals 58 percent of the expenditures on the operating side of the budget.
- Fuel is \$14.4 million, an increase of \$2 million from FY08. Fuel is budgeted at \$3 a gallon.
- Member agency contributions are being increased by 3 percent.

Director Sean Elsbernd asked if staff prepares a two- or three-year projection model.

Ms. Harrington said that staff does not, but she would be glad to provide Director Elsbernd with that data.

Director Ken Yeager asked where staff is on the member contributions and each agency's decision to commit to a 3 percent increase.

Mr. Scanlon said that all partners have agreed on the contribution share, but staff is not sure if 3 percent is enough. This is a preliminary budget and staff is very optimistic, but a fare increase is very likely and the fare increase would not even cover the fuel expense.

Director Yeager said that staff can not wait too long since the member agencies are compiling their budgets.

Mr. Scanlon said the capital program will be about \$200 million and staff is trying to make strategic capital investments that will improve the operations and the sustainability of the operations. Mr. Scanlon said that with electrification, we will be able to run service that will stop at more stations, attract more customers, and get more fares without sacrificing time. Investments on the capital side will be driven toward bringing the operating requirements down.

Director Hill asked what the remaining reserves are. Ms. Harrington said they are just under \$5 million.

Director Forrest Williams asked about the member contributions and how the shares are pro-rated.

Mr. Scanlon said that when the Joint Powers Agreement was put together the contributions were based on the AM boarding formula and that is the presumption that people get on the train in the morning where they sleep and where they supposedly pay taxes. Mr. Scanlon said that he will be meeting with Director Ford, as Chief Executive Officer of the Municipal Transit Agency, and Michael Burns, Chief Executive Officer of VTA, to discuss the partner share formula and if the Joint Powers Agreement needs to be amended.

AUTHORIZATION TO SUBMIT FOR APPROVAL TO THE CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS A LABOR COMPLIANCE PROGRAM APPLICABLE TO ALL FUTURE PUBLIC WORKS CONTRACTS

Bill Carson, Manager, Employee Relations and Civil Rights, said Staff Coordinating Council recommends that the Board authorize the Executive Director to submit to the Department of Industrial Relations a labor compliance program applicable to all public works contracts.

Mr. Carson said that in 2006 the Board gave approval for a labor compliance program for design-only projects and staff would like to expand that program to all future projects.

Mr. Carson said administering the program internally provides the opportunity for additional revenue and to increase operational efficiency, particularly in the Labor Compliance office.

Mr. Carson said the JPB can be exempt from prevailing wage requirements, construction contracts of \$25,000 or less and maintenance repair, alteration and demolition projects of \$15,000 or less.

The motion (Gage/Cisneros) to authorize submittal to the California Department of Industrial Relations was approved unanimously by roll call.

PUBLICATION AND APPROVAL OF THE PROPOSED DBE OVERALL ANNUAL GOAL OF 10 PERCENT FOR FY 2009

Raymond Lee, DBE Officer, said the Disadvantaged Business Enterprise (DBE) Review Committee and SCC requests Board authorization to publish for public comment the JPB's

proposed DBE goal of 10 percent for the next federal fiscal year, which commences on October 1, 2008. Mr. Lee said that as a recipient of federal financial assistance, the JPB is required on an annual basis to develop DBE participation goals on federally assisted contracts. For the next fiscal year the JPB is expected to utilize approximately \$73 million in FTA funds for various construction and engineering projects. Mr. Lee said this recommended goal was analyzed and developed in accordance with prescribed federal methodologies which included a detailed review of the relative availability of DBEs. Mr. Lee said that for FY08 the annual overall goal was 11.9 percent. As of March 31, the DBE participation rate is approximately 5.4 percent. Mr. Lee said this is preliminary and there still are some substantive contracts in the next six months, including a program management oversight contract that the Board will be asked to consider at this meeting, and those contracts have noticeable DBE participation. The FY07 overall goal was 7.4 percent and a rate of 9.9 percent was achieved. Mr. Lee said that given the historical performance, it was felt that with the mixed types of contracts that are anticipated for FY09, the 10 percent goal was a reasonable projection for the upcoming year.

Mr. Lee said that, consistent with the Department of Transportation (DOT) guidance, staff is recommending a whole race-neutral DBE implementation program and this is pending the outcome of a disparity study or available utilization study which the Board had authorized back in September 2007. The study is nearing the end of its project cycle and staff expects to present findings to the Board in the near future. Mr. Lee said that should the Board find that the study results warrant a change to the program, staff will work with the Federal Transit Administration (FTA) to enact those changes. Public comment is a required element of the DBE program and the DBE committee is recommending that the Board approve for publication and public comment the proposed goal of 10 percent and to authorize the Executive Director to adopt the goal should there be no public comment that warrants a change.

Director Ford asked if we will come close or pass the current goal since we are currently at 5.4 percent. Mr. Lee said there are a number of construction contracts that would involve or have subcontracting opportunities with substantive DBE availability.

Director Ford asked if there is a percentage requirement on the on-call services contract since there is a diverse pool of sub-consultants and some DBE firms. Mr. Lee said that under race neutral program there is not a specific contract goal that staff can place as an agency.

Vice-Chair Don Gage asked if there is a DBE prequalification policy for contractors. He said that this prequalification helps identify contracts that would satisfy DBE requirements, but it also has a pool to draw from so that when the RFP goes out they are pre-qualified and it is easier to quickly get a contract done.

The motion (Lloyd/Gage) to publish and approve the proposed DBE overall annual goal was approved unanimously by roll call.

AWARD OF CONTRACT TO CBS OUTDOOR GROUP, INC. FOR TRAIN AND STATION ADVERTISING SERVICES

Rita Haskin, Chief Communications Officer, said SCC recommends the Board approve a contract with CBS Outdoor for train wrap and station advertising. The JPB's current advertising contract with CBS Outdoor expires at the end of June, and includes two one-year options.

Rather than exercise the options, staff opted to go out to the market and see if there was more competition. Ms. Haskin said that with the new contract the JPB will get 53 percent versus 50 percent in the current contract and \$60,000 guarantee versus the current \$36,000 guarantee.

Director Hill asked if there was only one proposal. Ms. Haskin said a few firms attended the pre-bid, including the firm that works with Amtrak and Clear Channel who works with Muni and BART. Both of these firms opted out.

Director Williams asked about CBS Outdoor's track record. Ms. Haskin said under the current contract the guarantee is \$36,000 a year and they brought in about \$250,000.

Ms. Lempert asked if staff has any control over what is put on the trains or at the stations. Ms. Haskin said the RFP outlines what is acceptable.

Legal Counsel David Miller said that based on experience and in cooperation with the ad agency good decisions are made about what constitutes acceptable advertising content.

Ms. Lempert complimented the Art Takes a Bus program and asked if that type of bus wrap can be used for advertising.

Director Ford asked how many advertising contracts there are. Ms. Haskin said there is one for Caltrain; one for SamTrans bus shelters; and one for the buses.

Director Hartnett complimented staff for not accepting options and going out and checking the marketplace.

The motion (Lloyd/Gage) to award a contract to CBS Outdoor Group, Inc. was approved unanimously by roll call.

**AWARD OF CONTRACT TO GRANITE CONSTRUCTION, INC. FOR THE
GUADALUPE INTERIM PROJECT IN THE AMOUNT OF \$354,888**

Cheryl Cavitt, Director of Contracts and Procurement, said SCC is recommending that the Board award a contract to the lowest responsive bidder, Granite Construction for a total amount of \$329,888 for the Guadalupe River interim repair project with an additional estimated payment of up to \$25,000 for early completion. Ms. Cavitt said this is the first time the agency has offered an incentive for early completion of a contract. The award is going to provide for interim work at the Guadalupe River main track to bring it up to a state of good repair. Staff followed the normal bid procedures and issued an Invitation for Bid (IFB) in March 2008. A total of seven bids were received with the lowest bid 57 percent lower than the engineer's estimate. Ms. Cavitt said a number of factors led to the bid being substantially lower than the engineering estimate. Staff's estimate included overtime that would be anticipated for on-time completion which the contractor did not include in the winning bid. Ms. Cavitt said the DBE officer reviewed the bid and prior to issuance of the IFB provided notification to small businesses, including DBEs of this opportunity.

Director Yeager asked where the bridge is. Claude Gratianne, Project Manager, said the bridge is west of the Guadalupe River in San Jose near Highway 87.

Director Yeager asked if it is just the tracks or is there any pedestrian use on the bridge. Mr. Gratianne said there are only tracks and no pedestrian access on the bridge.

Mr. Gratianne said that staff has gotten permits from the Regional Water Quality Control Board, as well as the Army Corps and staff is getting encroachment permits from the Santa Clara Valley Water District.

Ms. Cavitt said that the reason for the \$25,000 incentive is that it is critical that the project be completed by October 15 to comply with a U.S. Department of Fish and Game requirement that the water in the river be undisturbed during spawning season.

The motion (Yeager/Lloyd) to award a contract to Granite Construction, Inc. was approved unanimously by roll call.

AWARD OF CONTRACT TO CARTER AND BURGESS, INC. TO PROVIDE ON-CALL PROGRAM MANAGEMENT OVERSIGHT SERVICES FOR AN AGGREGATE SUM OF \$6,000,000 FOR A THREE-YEAR TERM

Cheryl Cavitt, said that SCC recommends Board approval of an on-call, no guarantee contract to Carter and Burgess, Inc. of Oakland to provide program management oversight services for a total not to exceed \$6 million over a three-year base period and authorize the Executive Director to execute the contract and exercise up to two additional one-year options, if it is in the best interest of the JPB. Ms. Cavitt said this action will benefit the JPB by providing project control services. The bulk of the work under the contract will be comparing expenditures versus accomplishments on each of the programs so that at any point there is no shortfall in performance and staff can keep track of expenditures and progress simultaneously through their evaluation services. Ms. Cavitt said that staff from Carter and Burgess will also recommend improvements to the existing capital project delivery system, develop and refine management of document control systems, provide tracking for capital programs, budgets, invoices, as well as training and documentation of policies and procedures. Ms. Cavitt said a Request for Proposal (RFP) was issued in November 2007 and notices were disseminated to the DBE community. A total of 75 firms downloaded the RFP and five proposals were received and three firms were invited for interviews. Ms. Cavitt said that since this is an on-call contract the exact amount of DBE participation can't be determined in advance of the issuance of any of these work directives. Ms. Cavitt said that Carter & Burgess has included four DBE sub-consultants with its proposal and is judged to have complied with the DBE requirements by furnishing the diverse pool of sub-consultants.

Public Comment

Pat Giorni, Burlingame, said that on Tuesday night this same request was made to the TA CAC for \$3 million and now the JPB is being asked for \$6 million. The report to the CAC is to benefit the TA and this to the JPB. Are we actually giving \$9 million to this company?

Mr. Scanlon said that the TA will be approving a \$3 million contract with Carter and Burgess, but they are two different boards and two different agencies. When feasible, staff goes out and bids for each agency. These are for different capital projects for the different agencies and the

JPB capital program is substantially larger than the TA program and requires more extensive management.

The motion (Yeager/Lloyd) to award a contract to Carter and Burgess, Inc. was approved unanimously by roll call.

CORRESPONDENCE

Provided in the reading file.

BOARD MEMBER REQUESTS

Chair Harnett thanked everyone for their cooperation today with such a full agenda.

REPORT OF LEGAL COUNSEL

None.

DATE/TIME/PLACE OF NEXT MEETING

Thursday, June 5, 2008, 10 a.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos CA 94070.

ADJOURNED

The meeting adjourned at 11:23 a.m.