



AGENDA

PENINSULA CORRIDOR JOINT POWERS BOARD

Finance Committee Meeting

Committee Members: Dev Davis (Chair), Ron Collins, Monique Zmuda

Due to COVID-19, this meeting will be conducted via teleconference only (no physical location) pursuant to the [Governor's Executive Orders N-25-20 and N-29-20](#).

Directors, staff and the public may participate remotely via Zoom at

<https://zoom.us/j/93388927360?pwd=SFJranR4KzVURGIzVW5VUXJMZGIxQT09> or by entering Webinar ID: # **933 8892 7360**, Passcode: **790810**, in the Zoom app for audio/visual capability or by calling 1-669-900-6833 (enter webinar ID and press # when prompted for participant ID) for audio only. The video live stream will be available after the meeting at <http://www.caltrain.com/about/bod/video.html>

Public Comments: Members of the public are encouraged to participate remotely. Public comments may be submitted to publiccomment@caltrain.com prior to the meeting's call to order so that they can be sent to the Board as soon as possible, while those received after an agenda item is heard will be included into the Board's weekly correspondence and posted online at http://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html.

Oral public comments will also be accepted during the meeting through *Zoom or via the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Use the Raise Hand feature to request to speak. For public participants calling in, dial *67 if you do not want your telephone number to appear on the live broadcast. Callers may dial *9 to use the Raise the Hand feature for public comment and press *6 to accept being unmuted when recognized to speak for two minutes or less. Each commenter will be automatically notified when they are unmuted to speak for two minutes or less. The Board Chair shall have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

December 21, 2020

1:30 pm

1. Call to Order/Pledge of Allegiance
2. Roll Call

3. Public Comment on Items not on the Agenda

Comments by each individual speaker shall be limited to two (2) minutes. Items raised that require a response will be deferred for staff reply.

- | | |
|--|---------------|
| 4. Approve Meeting Minutes of November 23, 2020 | MOTION |
| 5. Accept Statement of Revenues and Expenses for the Period Ended November 30, 2020 | MOTION |
| 6. Authorizing Execution of Amendment Five to the Contract for Provision of Rail Operations, Maintenance and Support Services with TransitAmerica Services, Inc. to Extend the Contract for Five Years through June 30, 2027 | RESOLUTION |
| 7. Award of Contract for Financial Audit Services | RESOLUTION |
| 8. Award a Sole Source Agreement to Howard Permut LLC to Provide Governance Advisory Services in the Not-To-Exceed Amount of \$200,000 | RESOLUTION |
| 9. Authorization to Receive Funding for the Atherton Caltrain Station Closure Project and Amend to Increase the Fiscal Year 2021 Capital Budget from \$82,334,772 to \$86,459,772 | RESOLUTION |
| 10. Background on Grade Separation Projects and Process | INFORMATIONAL |
| 11. On-Call Transportation Planning and Consultant Support Services Update | INFORMATIONAL |
| 12. Committee Member Requests | |
| 13. Date/Time of Next Regular Finance Committee Meeting:
Monday, January 25, 2021 at 1:30 pm via Zoom | |
| 14. Adjourn | |

INFORMATION FOR THE PUBLIC

All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board. If you have questions on the agenda, please contact the JPB Secretary at 650.508.6242. Agendas are available on the Caltrain website at www.caltrain.com. Communications to the Board of Directors can be e-mailed to board@caltrain.com. *Free translation is available; Para traducción llama al 1.800.660.4287; 如需翻译 请电1.800.660.4287*

Date and Time of Board and Committee Meetings

JPB Board: First Thursday of the month, 9:00 am; JPB Finance Committee: Fourth Monday of the month, 1:30 pm. Date, time and location of meetings may be changed as necessary. Meeting schedules for the Board and committees are available on the website.

Location of Meeting

Due to COVID-19, the meeting will only be via teleconference as per the information provided at the top of the agenda. The Public may not attend this meeting in person.

*Should Zoom not be operational, please check online at

http://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html for any updates or further instruction.

Public Comment*

Members of the public are encouraged to participate remotely. Public comments may be submitted to publiccomment@caltrain.com prior to the meeting's call to order so that they can be sent to the Board as soon as possible, while those received during or after an agenda item is heard will be included into the Board's weekly correspondence and posted online at http://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html. Oral public comments will also be accepted during the meeting through Zoom or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM and each commenter will be automatically notified when they are unmuted to speak for two minutes or less. The Board Chair shall have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

Accessible Public Meetings/Translation

Upon request, the JPB will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least at least 72 hours in advance of the meeting or hearing. Please direct requests for disability-related modification and/or interpreter services to the Title VI Administrator at San Mateo County Transit District, 1250 San Carlos Avenue, San Carlos, CA 94070-1306; or email titlevi@samtrans.com; or request by phone at 650-622-7864 or TTY 650-508-6448.

Availability of Public Records

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070-1306, at the same time that the public records are distributed

or made available to the legislative body.

**Peninsula Corridor Joint Powers Board
Finance Committee Meeting
1250 San Carlos Avenue, San Carlos CA 94070**

DRAFT MINUTES OF NOVEMBER 23, 2020

MEMBERS PRESENT: D. Davis(Chair), R. Collins, M. Zmuda

MEMBERS ABSENT: None

STAFF PRESENT: D. Hansel, M. Bouchard, J. Cassman, S. van Hoften, C. Mau, P. Skinner, C. Kwok, K. Yin, A. Gharaibeh, D. Seamans, S. Wong

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

Chair Dev Davis called the meeting to order at 1:31 pm and led the Pledge of Allegiance.

2. ROLL CALL

District Secretary Dora Seamans confirmed all Board Committee members were present.

3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Roland Lebrun, San Jose, commented on ridership, the electrification project-operating budget, and Public Records Act violations.

Aleta Dupree, Oakland, commented on Clipper START, upgrading Clipper vending machines for contact-less payment, and seven-day weekday service.

4. APPROVE MEETING MINUTES OF OCTOBER 26, 2020

Motion/Second: Collins /Zmuda

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

5. ACCEPT STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING OCTOBER 31, 2020

Derek Hansel, Chief Financial Officer, noted that there was no presentation and he was available to answer any questions.

There were no questions from the Board or public comment.

Motion/Second: Collins/Zmuda

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

6. ACCEPT COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2020

Ahmad Gharaibeh, Lead Auditor from Eide Bailly LLP, provided the presentation, noting that the audit included confirming amounts reported on the financial statements, revenues, assets from cash and they issue an opinion as to whether the financial statements are clearly presented in accordance with accounting standards. He stated that Eide Bailly issued an unmodified "clean" opinion on the financial statements and in compliance with federal grants, and management was very cooperative in providing necessary information.

Director Monique Zmuda asked if there were no findings or reportable conditions to the proposed financial statements. Mr. Gharaibeh confirmed there were none. Director Zmuda asked if there were repeat findings from prior years. Mr. Gharaibeh replied that there were no findings from a year ago, but about three years ago, there were findings in regards to the speed of the billing and the ability to collect on the cash as quickly as possible. Director Zmuda asked if Caltrain was on PeopleSoft Financial. Mr. Hansel affirmed this. Director Zmuda asked if a management letter was issued. Mr. Gharaibeh replied yes, there would be a management (A-UC 260) letter heading out to the governing board. Director Zmuda inquired about the time difference for working with physical versus electronic files with remote work. Mr. Gharaibeh replied that remote work was more efficient as time previously used in commute went toward the audit. Director Zmuda congratulated the finance department for a clean and efficient audit.

Derek Hansel, Chief Financial Officer, spoke about the 2019-2020 Comprehensive Annual Financial Report (CAFR) and noted that operating revenues sharply decreased due to the pandemic, in addition to expenses and capital contribution decreasing. Mr. Hansel pointed out that this would be Eide Bailly's last year auditing as the JPB is in the process of obtaining an independent auditor. He thanked Mr. Gharaibeh and Eide Bailly for their work and professionalism.

Public comment

Roland Lebrun, San Jose, commented on revenues, level of service, and compared Caltrain net deficit to VTA's (Santa Clara County Valley Transit Authority) net deficit. He also commented on audio on Zoom and starting Zoom video before the comment period.

Motion/Second: Zmuda/Collins

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

7. ADOPTION OF THE FY2021 QUARTER 3 AND QUARTER 4 OPERATING BUDGET

Mr. Hansel provided the presentation and noted that while Measure RR provided much-needed breathing room, there is a substantial shortfall for fiscal year 2021. He pointed out areas of uncertainty in regards to federal relief, the pandemic, and challenges for fiscal year 2022. Mr. Hansel stated that options included cost containment,

reprioritization of existing resources, and leveraging Measure RR. Mr. Hansel walked the Board through the changes in the first and second quarter adopted budget, revenue assumptions, proposed revenues, expenses, capital budget, and the next steps including service changes implemented in December.

The Board members had a robust discussion and staff provided further clarification in response to the Board comments and questions regarding the following:

- Work-rule changes
- Cares allocation numbers
- Gopass projections
- Reducing trains from 72 to 68 trains per weekday
- TransitAmerica Services Inc. (TASI) contract negotiations
- Farebox revenue estimates
- Member contributions
- Managing agency overhead costs, new audit and legal fees
- Ballot measure costs
- Borrowing fees
- Measure RR sales tax collection date
- Schedule change media promotion
- Changes with the new presidential administration
- First year revenue estimates
- Replacement of State of Good Repair reserves
- Using reserves versus using line of credit

Public comment

Roland Lebrun, San Jose, commented on ridership recovery, service for ridership demands, shifting from capital to operations, CARES Act reserves, and changes in governance.

Aleta Dupree, Oakland, commented on deallocations, funding ticket vending machine program upgrades, and adding Americans with Disabilities Act (ADA) access to more stations.

Motion/Second: Collins/Zmuda
Ayes: Collins, Zmuda, Davis
Noes: None
Absent: None

8. AMENDMENT OF THE FINANCIAL RESERVE POLICY TO REQUIRE BALANCED BUDGETS

Mr. Hansel reiterated that the amended policy addresses periodic budgets.

Motion/Second: Zmuda/ Collins
Ayes: Collins, Zmuda, Davis
Noes: None
Absent: None

9. AWARD A CONTRACT TO SPOSETO ENGINEERING, INC. FOR THE GRADE CROSSING IMPROVEMENTS PROJECT FOR A TOTAL AMOUNT OF \$336,050

Kevin Yin, Director of Contract & Procurement, stated that they allocated five percent for small business enterprise (SBE) preference, staff conducted outreach to SBEs, and they received six bids. He said Sposeto Engineering has more than 40 years of relevant construction experience, and that this is included in the fiscal year 2021 capital budget and funded by the State Transit Assistance Fund.

The Board members had a discussion and staff provided further clarification in response to the Board comments and questions regarding the bid coming in well under the engineer's estimate of \$700,000 and Sposeto's previous construction experience with the JPB.

Motion/Second: Collins/Zmuda
Ayes: Collins, Zmuda, Davis
Noes: None
Absent: None

10. AUTHORIZE THE EXECUTION OF FUNDING AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TRANSPORTATION TO RECEIVE \$2,000,000 FOR THE SAN MATEO GRADE CROSSING IMPROVEMENTS PROJECT

Peter Skinner, Director of Grants and Fund Programming, stated that this action would provide the Executive Director the authority to sign a funding agreement with Caltrans up to \$2 million for the design of grade crossing improvements at the Fourth and Fifth Avenue crossings in San Mateo. He noted that the project is 100 percent funded through the Section 130 program and initiated by the City of San Mateo. Mr. Skinner explained that the California Public Utilities Commission and Caltrans funds \$8.5 million toward grade crossings in Santa Clara County and about \$4.5 million to grade crossings in San Mateo County.

Motion/Second: Zmuda/ Collins
Ayes: Collins, Zmuda, Davis
Noes: None
Absent: None

11. RECEIVE CAPITAL PROJECTS QUARTERLY REPORT – 1ST QUARTER FISCAL YEAR 2021

Michelle Bouchard, Chief Operating Officer, stated that this provides the status for the applicable quarter of the capital program.

Public comment

Roland Lebrun, San Jose, commented on this being long overdue and requested a full presentation including status of the project and status of the budget.

The Board members had a discussion and staff provided further clarification in response to the Board comments and questions regarding the Bayshore overpass pedestrian bridge, railroad communications for fiscal years 2017-2019 listed, and projects listed as late.

Chair Davis requested a full presentation for the next quarter's report before the next budget presentation.

12. CLIPPER START QUARTERLY UPDATE

Christiane Kwok, Manager of Fare Program Operation, provided the presentation. She stated that the program launched July 15th and listed the discount eligibility. Ms. Kwok noted that as of September 2020, 1,369 applications were approved and the majority of applicants live in San Francisco. She provided information on how many trips were taken using Clipper START, which transit companies were most popular, where trips were taken on Caltrain, what time of day was most popular, and how this affected Caltrain's revenues. Ms. Kwok stated that there were regional marketing efforts as well as Caltrain staff promotions for this program. She said the next steps included expansion of the program in 2021 to include additional operators and they will provide the results of the second quarter of this program in Winter 2021.

The Board members had a discussion and staff provided further clarification in response to the Board comments and questions regarding October numbers, numbers during the pandemic, and extending the pilot to operate under regular ridership.

Public comment

Aleta Dupree, Oakland, commented on finding new ways to promote the program, the cost of keeping a car versus transit in America, bringing fare revenue back to railroads instead of on the highway, and making the program permanent.

Roland Lebrun, San Jose, commented on the representation of the percentage of low-income riders on the slides, and communicating the program properly.

13. COMMITTEE MEMBER REQUESTS

Chair Davis requested a full presentation for the next Capital Projects Quarterly Report.

14. DATE/TIME OF NEXT REGULAR FINANCE COMMITTEE MEETING

Monday, December 21, 2020 at 1:30 pm via Zoom

15. ADJOURN

The meeting adjourned at 3:15 pm.

An audio/video recording of this meeting is available online at <https://www.caltrain.com/about/bod/video.html?> Questions may be referred to the Board Secretary's office by phone at 650.508.6279 or by email to board@caltrain.com.

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee
THROUGH: Jim Hartnett
Executive Director
FROM: Derek Hansel
Chief Financial Officer
SUBJECT: **STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING
NOVEMBER 30, 2020**

ACTION

Staff proposes that the Board of Directors accept and enter into the record the Statement of Revenues and Expenses for the month of November 2020.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through November 30, 2020. The statement has been designed to follow the Agency-wide line item rollup as included in the adopted budget. The columns have been designed to provide easy comparison of year-to-date current actuals to the budget including dollar and percentage variances.

SIGNIFICANCE

Year to Date Revenues: As of November year-to-date actual, the Grand Total Revenue (page 1, line 17) is \$8.9 million higher than the adopted budget. This is primarily driven by CARES ACT Fund (page 1, line 13) and Farebox Revenue (page 1, line 1) which are partially offset by less revenues in Shuttles (page 1, line 3) and JPB Member Agencies (page 1, line 12).

Year to Date Expenses: As of November year-to-date actual, the Grand Total Expense (page 1, line 48) is \$13.4 million lower than the adopted budget. This is primarily driven by Rail Operator Service (page 1, line 23), Insurance (page 1, line 28), Facilities and Equipment Maintenance (page 1, line 30), Professional Services (page 1, line 40) and Other Office Expenses and Services (page 1, line 42).

Other Information: The Agency accounts for revenue and expenditures on a modified cash basis (only material revenues and expenses are accrued) in the monthly financial statements. Due to the impact of Covid-19 pandemic, the variance between the current year actual and the budget show noticeable variances due to the timing of expenditures.

BUDGET IMPACT

There are no budget amendments for the month of November 2020.

STRATEGIC INITIATIVE

This item does not achieve a strategic initiative.

Prepared By : Thwe Han, Accountant II

650-508-7912

Jennifer Ye, Manager, General Ledger

650-622-7890

PENINSULA CORRIDOR JOINT POWERS BOARD
STATEMENT OF REVENUE AND EXPENSE
Fiscal Year 2021
November 2020

		% OF YEAR ELAPSED			41.7%
		YEAR TO DATE	JULY - NOVEMBER		
		CURRENT	APPROVED	\$	%
		ACTUAL	BUDGET	VARIANCE	BUDGET
REVENUE					
OPERATIONS:					
1	Farebox Revenue	14,979,355	13,615,496	1,363,859	10.0%
2	Parking Revenue	162,396	211,304	(48,908)	(23.1%)
3	Shuttles	632,352	737,610	(105,259)	(14.3%)
4	Rental Income	450,925	472,060	(21,135)	(4.5%)
5	Other Income	671,589	654,217	17,372	2.7%
6					
7	TOTAL OPERATING REVENUE	16,896,617	15,690,687	1,205,930	7.7%
8					
9	CONTRIBUTIONS:				
10	AB434 Peninsula & TA Shuttle Funding	977,512	721,666	255,846	35.5%
11	Operating Grants	1,969,395	1,947,231	22,164	1.1%
12	JPB Member Agencies	14,637,719	15,751,092	(1,113,373)	(7.1%)
13	CARES ACT Fund	36,255,020	27,671,988	8,583,032	31.0%
14					
15	TOTAL CONTRIBUTED REVENUE	53,839,646	46,091,977	7,747,669	16.8%
16					
17	GRAND TOTAL REVENUE	70,736,263	61,782,664	8,953,599	14.5%
18					
19					
20	EXPENSE				
21					
22	OPERATING EXPENSE:				
23	Rail Operator Service	33,688,049	39,152,558	(5,464,509)	(14.0%)
24	Security Services	2,630,631	2,825,795	(195,164)	(6.9%)
25	Shuttle Services	1,370,875	1,441,388	(70,513)	(4.9%)
26	Fuel and Lubricants	2,499,751	2,601,436	(101,685)	(3.9%)
27	Timetables and Tickets	-	41,944	(41,944)	(100.0%)
28	Insurance	2,253,767	5,168,889	(2,915,122)	(56.4%)
29	Claims, Payments, and Reserves	243,290	398,406	(155,116)	(38.9%)
30	Facilities and Equipment Maintenance	604,639	1,966,950	(1,362,311)	(69.3%)
31	Utilities	737,789	1,130,943	(393,154)	(34.8%)
32	Maint & Services-Bldg & Other	85,181	685,240	(600,059)	(87.6%)
33					
34	TOTAL OPERATING EXPENSE	44,113,972	55,413,549	(11,299,577)	(20.4%)
35					
36	ADMINISTRATIVE EXPENSE				
37	Wages and Benefits	4,584,767	4,991,740	(406,973)	(8.2%)
38	Managing Agency Admin OH Cost	1,634,517	2,137,956	(503,439)	(23.5%)
39	Board of Directors	5,669	11,025	(5,356)	(48.6%)
40	Professional Services	950,109	1,701,380	(751,271)	(44.2%)
41	Communications and Marketing	34,921	88,847	(53,926)	(60.7%)
42	Other Office Expenses and Services	314,191	1,015,748	(701,557)	(69.1%)
43					
44	TOTAL ADMINISTRATIVE EXPENSE	7,524,173	9,946,696	(2,422,523)	(24.4%)
45					
46	Long Term Debt Expense	1,311,656	992,396	319,260	32.2%
47					
48	GRAND TOTAL EXPENSE	52,949,801	66,352,641	(13,402,840)	(20.2%)
49					
50	NET SURPLUS / (DEFICIT)	17,786,462	(4,569,977)	22,356,439	(489.2%)
51					



BOARD OF DIRECTORS 2020

DAVE PINE, CHAIR
 DEVORA "DEV" DAVIS, VICE
 CHAIR
 STEVE HEMINGER
 JENNIE BRUINS
 RON COLLINS
 CINDY CHAVEZ
 SHAMANN WALTON
 CHARLES STONE
 MONIQUE ZMUDA

PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF NOVEMBER 30, 2020

JIM HARTNETT
 EXECUTIVE DIRECTOR

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted)	*	Liquid Cash	0.576%	36,765	36,765
County Pool (Unrestricted)		Liquid Cash	1.235%	553,344	553,344
Other (Unrestricted)		Liquid Cash	0.050%	66,473,185	66,473,185
Other (Restricted)	**	Liquid Cash	0.050%	13,256,334	13,256,334
				\$ 80,319,628	\$ 80,319,628

Interest Earnings for November 2020 \$ 1,470.94
 Cumulative Earnings FY2021 \$ 14,940.59

* The market value of Local Agency Investment Fund (LAIF) is calculated annually and is derived from the fair value factor as reported by LAIF for quarter ending June 30th each year.

** Prepaid Grant funds for Homeland Security, PTMISEA and LCTOP projects, and funds reserved for debt repayment. The Portfolio and this Investment Report comply with the Investment Policy and the provisions of SB 564 (1995). The Joint Powers Board has the ability to meet its expenditure requirements for the next six months.

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett
Executive Director

FROM: Michelle Bouchard
Chief Operating Officer, Rail

SUBJECT: **AUTHORIZING EXECUTION OF AMENDMENT FIVE TO THE CONTRACT FOR PROVISION OF RAIL OPERATIONS, MAINTENANCE AND SUPPORT SERVICES WITH TRANSITAMERICA SERVICES, INC. TO EXTEND THE CONTRACT FOR FIVE YEARS THROUGH JUNE 30, 2027**

ACTION

Staff Coordinating Council recommends the Board of Directors (Board) authorize the Executive Director to execute an amendment (Amendment Five) to extend the Caltrain Operating Agreement (Agreement) with Transit America Services, Inc. (TASI) for the operation of commuter rail service and provision of capital/third-party construction support services through June 30, 2027.

SIGNIFICANCE

The current term of the Agreement is set to expire on June 30, 2022. Authorizing execution of Amendment Five will extend the Agreement for five additional years in order to enable the completion of construction of the FTA-funded corridor electrification project and subsequent start-up of service in an electrified environment.

After carefully weighing the alternatives, JPB has determined it would not be in the public interest to take the risks associated with transferring responsibilities currently carried out by its experienced and reliable contract operator to a new operator until after the electrification project has been completed and operated in revenue service for a reasonable period of time. Considering the risks inherent in the complexity of major capital investment projects and the potential for impacts to the schedule for project implementation, it was only prudent for the JPB to plan for continuity of the TASI service contract during a transition period that could extend beyond 2023. Therefore, JPB commenced a negotiation for an extension of TASI's contract to 1) allow a safe, undistracted and uninterrupted transition from diesel to electrified operations and maintenance; 2) provide the experience with electric operations to inform the scope of work and commercial terms of the new RFP; 3) allow sufficient time for the new procurement process; and 4) provide transition time for a potential new operator.

Benefits of retaining TASI as Caltrain's service provider for a reasonable period of time

include a heightened confidence in the continuity of safe operations and maintenance during electrification project construction and subsequent transition to electrified operations and maintenance. Additionally, at a time of anticipated change, retention of TASI's managerial as well as rank and file employee experience and expertise is viewed by the JPB to be of great importance.

In addition to extending the Agreement for five years, Amendment Five obtains increases in efficiency and performance, cost savings, and enhanced safety measures, and adjusts the scope of services to reflect the changing operating environment. The modifications to the Agreement are consistent with the JPB's objectives to improve safety, customer experience, reliability and cost control.

In regards to cost savings, both the Performance Fee and G&A have been modified as part of this Amendment. The Performance Fee currently has a contractual fixed \$4.5M potential maximum earning based on performance. This Amendment revises the Performance Fee to reflect a fixed component (\$2.8M) as well as an annual percentage (2.8-percent escalating at CPI). Moving from a fixed structure to a combination fixed/percentage based structure serves to drive performance based on the magnitude of the scope of work. G&A, per the contract, is earned at 8-percent annually in the final year of Contract Amendment 4. Amendment 5 revises the G&A to reflect a fixed component (\$2.8M) as well as an annual percentage (2.8-percent based on CPI, with a floor of 3.0-percent and a cap of 5.0-percent per year. The introduction of a fixed component to the G&A is an understanding that a portion of the items paid for with G&A are truly fixed costs.

As a result of the successful negotiations, resulting in the favorable modifications described above, and because extension of the Agreement is in the JPB's best interests as summarized herein, staff recommends that the Board authorize the Executive Director to execute the proposed Amendment Five.

The JPB will begin the new competitive procurement process following commencement of the electrified operations and acquisition of operational information to support a new procurement. In addition, the Agency will have sufficient time to conduct and complete a full and open competitive procurement process grounded in baseline data derived from actual operations and allow adequate transition time, if TASI is not awarded the new contract. Staff anticipates a new competitive procurement process will begin following commencement of electrified operations and after adequate information of an operational nature obtained in a new electrified environment has been assessed.

BUDGET IMPACT

The recommended action has no impact on the overall authorized Fiscal Year 2021 and Fiscal Year 2022 Operating and Capital Budgets. All future Agreement costs will be negotiated and brought before the Board for approval as part of the annual operating and capital budget process. In the 5 fiscal years preceding Fiscal Year 21, the JPB expended approximately \$450M in Operating funds for Operating and Maintenance

(O&M) services. The Caltrain Short Range Transit Plan FY2018-2027 estimates the Operating expense for O&M services to total approximately \$666M within the 5-year extension of the Agreement, a period from FY23 through FY27.

BACKGROUND

On September 1, 2011, the Peninsula Corridor Joint Powers Board (JPB) awarded the Agreement to TASI pursuant to Board Resolution No. 2011-32. As stated above, the five-year base term of the Agreement with TASI is set to expire on June 30, 2017. On February 2, 2017, pursuant to Board Resolution No. 2017-08, the JPB authorized Amendment Four to the Agreement and extended the term for an additional five years, ending on June 30, 2022.

Pursuant to the terms outlined in Amendment Four, the JPB undertook consideration of the extension of the Agreement subject to negotiation of satisfactory commercial terms and obtaining approval from the Federal Transit Administration (FTA). An extension of the Agreement will enable completion of construction of the FTA-funded corridor electrification project and subsequent start-up of revenue service with electrified operations. In addition, an extension will mitigate risks associated with introducing a new service provider during the electrified project construction phase. TASI provides the Electrification project with vital functions, including flagging services, to help ensure a safe and timely completion. An extension will also allow retention of TASI's managerial and rank and file employees during a pivotal transition phase as Caltrain moves from diesel operations to electric operations. TASI's personnel possess specialized training and expertise required to provide services such as flagging, dispatching of passenger and freight services, operation of daily Caltrain passenger service during construction and maintenance of right of way and equipment.

In a letter received in November, 2019, the FTA provided its consent of the JPB pursuing an extension. Post receipt of FTA approval, the JPB commenced the negotiation with TASI in December 2019. The negotiation team included members in key roles for the JPB and TASI on this contract. Notably, from the JPB, negotiating team members included, Chief Operating Officer, Chief Financial Officer, Deputy Chief of Rail Operations, Director- Rail Contracts and Budget. From the TASI side, key negotiating team members included the current General Manager, Deputy General Manager Finance and Administration.

During the current term of the Agreement, TASI has provided all operational activities related to commuter service, as well as maintenance of all of Caltrain's fleet and infrastructure. In addition, TASI has provided support for a number of other critical capital improvement projects, including Positive Train Control (PTC), replacement of several aged railroad bridges, and support of Electrification. To date, the JPB is satisfied with TASI's performance. Throughout FY20, TASI has, on a quarterly average, maintained a high level of On-Time Performance and has been able to manage mechanical delays at acceptable levels. The JPB is satisfied with the performance of TASI as well as the overall cost effectiveness of its service. Additionally, the JPB has confidence in TASI's ability to manage the transition of diesel service operations to combined electric and diesel service operations.

At the October 26, 2020, Finance Committee meeting, staff provided the Board with an update of the current status of the Agreement and outlined the next steps staff would perform with regard to consideration of extending the term of the Agreement.

Prepared by: Danielle Stewart, Director, Rail Contracts and Budget 650.508.7975



Amendment 5 to the Operating Contract with TransitAmerica Services, Inc.

December 21, 2020

Agenda

- Background
- Considerations
- Contract Extension Process
- Proposed Modifications

Background

- JPB award TransitAmerica, Inc. (TASI) Rail Operator agreement in September, 2011.
- TASI provides rail operations, maintenance and support services in the following areas:
 - Administration/Safety
 - Operations
 - Maintenance of Equipment
 - Maintenance of Way
 - Stations
- 5-year base agreement with option to extend for up to another 5-years.
- TASI contract valid until June 2022.
- October 26, 2020 staff presented contract status to the Finance Committee.

Background

- Caltrain Business Plan Organizational Assessment, undertaken in 2018 and 2019. Identified changes to the operating contract and overall service delivery model as a major organizational consideration for the railroad
- Report laid out various options for service delivery that were discussed by the JPB at organizational workshop held in Half Moon Bay in November 2019
- Recommendation to negotiate extension to current contract confirmed at December 2019 JPB meeting

Background

- At December 2019 Board Meeting, staff was directed to renegotiate contract extension for up to 5 years (2027 as the end date) with TASI subject to obtaining improved contract terms
- Significant preparatory work has been completed and negotiations are in progress
- FTA approval for this approach has been obtained

Considerations

- Staff proposed contract extension:
 - Significant conflict with Electrification Program
 - De-risk project completion and transition to operation
 - Focus JPB staff on project rather than re-procurement effort
 - Threat of re-procurement as safety risk during this time
 - Discussed and supported by TTCI and FTA PMO

Contract Extension Process

- Set Objectives:
 - Safety
 - Reliability
 - Customer Experience
 - Financial Considerations
- Review Contract and performance
- Discuss with TASI
- Formalize modifications

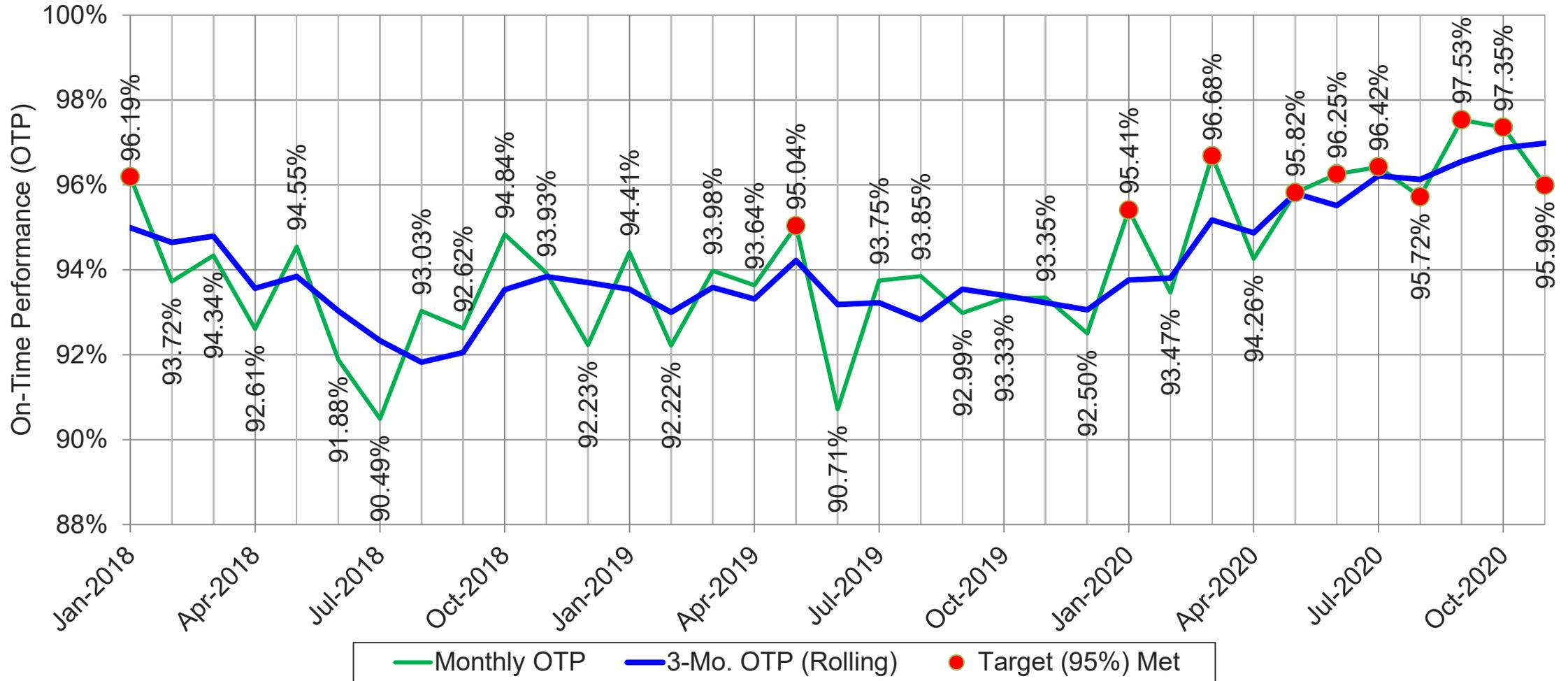
Objectives

- Commercial
 - increased efficiency
 - better alignment of TASI performance and contractual financial incentives
 - maintain Caltrain decision-making flexibility
 - projected savings
- Operational
 - Smooth transition to expanded electrified service
 - Enhanced safety including operation of PTC

TASI Performance

- Strong Partnership with JPB
- Demonstrated upside potential
- On-time Performance

MONTHLY ON-TIME PERFORMANCE (OTP)



Negotiated Terms/Positive Outcomes

- Elimination of third conductor requirement
- Revised performance penalty and incentive regime
 - More Base at risk than current regime
- Reduced G and A costs
 - More at a fixed cost than current
- Approval of the Train and Engine crewbook
- Improved ticket checking
- Participation in labor negotiations

Staff Recommendation

- Execute Operations and Maintenance Contract for a period of 5 years concluding in FY 2027 with Transit America Services, Inc.

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett
Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **AWARD OF CONTRACT FOR FINANCIAL AUDIT SERVICES**

ACTION

Staff Coordinating Council recommends the Board:

1. Award a contract to Brown Armstrong Accountancy Corporation of Bakersfield, California (Brown Armstrong) for provision of financial audit services (Services) for a five-year base term for a total not-to-exceed amount of \$330,909.
2. Approve up to \$150,000 for additional discrete services or tasks that may arise during or after completion of Brown Armstrong's financial audit(s).
3. Authorize the Executive Director, or his designee, to execute a contract with Brown Armstrong in full conformity with the terms and conditions of the solicitation documents and negotiated agreement.
4. Authorize the Executive Director, or his designee, to exercise one option term for up to five years for a total not-to-exceed amount of \$382,732 for provision of additional Services, if deemed in the best interest of the Peninsula Corridor Joint Powers Board (JPB).

SIGNIFICANCE

Approval of the above actions will provide the JPB with a qualified firm to carry out financial audit services that include but are not be limited to:

- Furnishing independent financial audit services,
- Performing comprehensive reviews of financial statements, compiling related notes and required supplemental information, and

- Rendering opinions on financial statements and submitting a management letter, which offers suggestions for improvement, if any, of financial management and internal controls.

The JPB will compensate Brown Armstrong a total not-to-exceed amount of \$330,909 for a five-year base term as detailed below:

Year 1	\$65,000
Year 2	\$65,000
Year 3	\$65,000
Year 4	\$66,950
Year 5	\$68,959
Total not-to-exceed amount	\$330,909

BUDGET IMPACT

Funds for the Services are included in the Fiscal Year 2021 Operating Budget, and will be included in future fiscal year operating budgets.

BACKGROUND

Pursuant to JPB Board Resolution 2020-42, approved in August 2020, staff issued Request for Proposals (RFP) 21-J-P-021 in September 2020 for procurement of the Services. The RFP was published on the JPB's procurement website, which includes small business enterprises (SBEs) registered in the vendor database. Staff received four proposals.

A Selection Committee (Committee) composed of qualified staff representing the JPB finance department reviewed and scored the proposals in accordance with the following weighted criteria:

- Approach to Scope of Services 15 points
- Company Qualifications, Experience and References 25 points
- Qualifications and Experience of Key Personnel 40 points
- Reasonableness of Cost 20 points
- SBE Preference 5 points

Following initial proposal review, the Committee found three of the four firms to be within the competitive range and invited the three firms to proceed in the evaluation and selection process, including interviews. Upon completion of interviews, review and rescoring of the three firms' proposals, the Committee determined that Brown Armstrong's proposal was responsive to the RFP requirements and Brown Armstrong could meet the JPB's needs as detailed in the RFP's scope of services, and identified Brown Armstrong as the highest-ranked proposer. The Committee completed reference checks and found Brown Armstrong to be in good standing with its clients. Staff completed negotiations with Brown Armstrong, which reduced the proposed total cost by four percent. Staff conducted a price analysis and determined Brown Armstrong's negotiated cost proposal to be fair and reasonable. Therefore, staff recommends award of a contract to Brown Armstrong.

Procurement Administrator: Linda Tamtum
 Project Manager: Grace Martinez, Deputy CFO

650.508.7933
 650.508.6274

**RESOLUTION NO. 2021-
BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA**

* * *

**AWARDING A CONTRACT TO BROWN ARMSTRONG ACCOUNTANCY CORPORATION FOR
FINANCIAL AUDIT SERVICES FOR A TOTAL AMOUNT OF \$330,909 FOR A FIVE-YEAR TERM**

WHEREAS, the Peninsula Corridor Joint Powers Board (JPB) issued Request for Proposals (RFP) 21-J-P-021 for financial audit services (Services); and

WHEREAS, the Services primarily consist of, but are not limited to: (1) providing independent financial audit services; (2) performing comprehensive reviews of financial statements; and (3) rendering opinions on financial statements and submitting a management letter, which offers suggestions for improvement, if any, of financial management and internal controls; and

WHEREAS, in response to the RFP, the JPB received four proposals; and

WHEREAS, a Selection Committee (Committee) composed of qualified JPB staff evaluated and ranked the proposals according to the evaluation criteria set forth in the RFP, and determined three proposals were in the competitive range for interviews; and

WHEREAS, after interviews, the Committee determined Brown Armstrong Accountancy Corporation of Bakersfield, California (Brown Armstrong) to be highest-ranking firm; and

WHEREAS, the Committee determined that Brown Armstrong possesses the necessary qualifications and requisite experience to successfully perform the Services, and Brown Armstrong has agreed to perform the Services at fair and reasonable prices; and

WHEREAS, staff and legal counsel have reviewed Brown Armstrong's proposal and determined that the proposal complies with the requirements of the solicitation documents; and

WHEREAS, Staff Coordinating Council recommends, and the Executive Director concurs, that the Board of Directors (Board) (1) award a contract to Brown Armstrong for provision of financial audit services for a five-year term for a total not-to-exceed amount of \$330,909; (2) approve up to \$150,000 for additional discrete services or tasks that may arise during or after completion of Brown Armstrong's financial audit(s), and (3) authorize the Executive Director, or his designee, to exercise one option term for up to five years for a total not-to-exceed amount of \$382,732, if it is in the best interest of the JPB.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby awards a contract for financial audit services to Brown Armstrong Accountancy Corporation for a five-year term for a total not-to-exceed amount of \$330,909; and

BE IT FURTHER RESOLVED that the Board approves up to \$150,000 for additional discrete services or tasks that may arise during or after completion of Brown Armstrong's financial audit(s); and

BE IT FURTHER RESOLVED that the Board authorizes the Executive Director, or his designee, to execute a contract on behalf of the JPB with Brown Armstrong in full conformity with the terms and conditions of the solicitation documents and negotiated agreements, and in a form approved by legal counsel; and

BE IT FURTHER RESOLVED that the Board authorizes the Executive Director, or his designee, to exercise one additional option term for up to five years for provision of additional Services for a total not-to-exceed amount of \$382,732, if deemed in the best interest of the JPB.

Regularly passed and adopted this 7th day of January, 2021 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett
Executive Director

FROM: Michelle Bouchard
Chief Operating Officer, Rail

SUBJECT: **AWARDING A SOLE SOURCE AGREEMENT TO HOWARD PERMUT LLC TO
PROVIDE GOVERNANCE ADVISORY SERVICES IN THE NOT-TO-EXCEED
AMOUNT OF \$200,000**

ACTION

Staff Coordinating Council recommends the Board of Directors (Board) authorize the Executive Director to execute a sole source agreement with Howard Permut LLC for governance advisory services in support of the Peninsula Corridor Joint Powers Board (JPB) Governance Process Ad Hoc Committee (Committee) through January 2022.

SIGNIFICANCE

Pursuant to JPB Resolution No. 2020-42, changes to the JPB's governance structure or processes are to be recommended to the JPB member agencies by December 31, 2021. Staff and the Committee desire a knowledgeable consultant to assist them in completing this work.

Staff and the Committee believe that engaging Howard Permut directly would be the most cost- and time-effective manner to facilitate the Committee's work to satisfy the terms of the Resolution 2020-42. As a result of his previous work as part of the Caltrain Business Plan as referenced in the background section, staff has concluded that award of a sole source contract is warranted.

As part of this work, Howard Permut will undertake three tasks (Services) including 1) supporting the work of the Committee in its deliberations regarding a range of governance changes and options as articulated in the Permut Report on the Caltrain Organization completed for the Caltrain Business Plan; 2) supporting the Committee in its monthly meetings through January 2022; and 3) if requested, supporting the JPB staff team in collaborating with the Metropolitan Transportation Commission on its study regarding regional rail.

The total value of the Services is estimated to be \$200,000, which provides for a total of 500 hours of consultant support.

BUDGET IMPACT

The recommended action will cost \$100,000 each in Fiscal Years 2021 and 2022. Funds are and will be available in the current and future year budgets.

BACKGROUND

In 2019, Howard Permut LLC was engaged by Stanford University to analyze JPB rail governance as part of the ongoing Caltrain Business Plan. Howard Permut issued a report in July 2019 in connection with a presentation at the August 2019 JPB Board meeting. The report presented research and analysis across a spectrum of organizational areas including service delivery, internal organization and governance. The report provided substantial research regarding rail governance models nationally and internationally, as well as governance options for JPB consideration. Howard Permut also provided an additional presentation at the November 2019 JPB Board workshop. At that time, a Governance Ad Hoc Committee of the Board was established. It was subsequently replaced by the current Governance Process Ad Hoc Committee in September 2020.

Prepared by: Michelle Bouchard, COO

650.508.6240

RESOLUTION NO. 2021-

**BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA**

*** * ***

**AWARDING AN AGREEMENT TO HOWARD PERMUT LLC TO PROVIDE
GOVERNANCE ADVISORY SERVICES IN THE NOT-TO-EXCEED AMOUNT OF \$200,000**

WHEREAS, in 2019, Howard Permut LLC (Howard Permut) was engaged by Stanford University to analyze Peninsula Corridor Joint Powers Board (JPB) rail governance as part of the ongoing Caltrain Business Plan; and

WHEREAS, Howard Permut's report, which presented research and analysis across a spectrum of organizational areas including service delivery, internal organization and governance, was issued in July 2019 in connection with a presentation at the August 2019 JPB Board of Directors (Board) meeting; and

WHEREAS, the report also provided substantial research regarding national and international rail governance models, as well as governance options for JPB consideration; and

WHEREAS, a Governance Ad Hoc Committee of the Board was established that was subsequently replaced by the current Governance Process Ad Hoc Committee (Committee) in September 2020; and

WHEREAS, the Board of Directors, with the assistance of the Committee, is tasked with developing a process by which the JPB will recommend a governance structure or procedures to the three JPB member agencies no later than December 31, 2021; and

WHEREAS, as a result of this deadline and Howard Permut's unique capability, developed through the work provided to Stanford University, to provide the desired services, staff has determined that a sole source contract award to Howard Permut to

provide governance advisory services is appropriate; and

WHEREAS, the Executive Director recommends, and Staff Coordinating Council concurs, that the Board of Directors award a sole source agreement to Howard Permut LLC to provide the JPB with governance advisory services to support the Board's and the Committee's work.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby awards an agreement to Howard Permut LLC for governance advisory services for a not-to-exceed amount of \$200,000; and

BE IT FURTHER RESOLVED that the Board authorizes the Executive Director or his designee to execute a contract on behalf of the JPB with Howard Permut LLC in a form approved by legal counsel.

Regularly passed and adopted this 7th day of January, 2021 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett
Executive Director

FROM:

Michelle Bouchard
Chief Operating Officer, Rail

Derek Hansel
Chief Financial Officer

SUBJECT: **AUTHORIZATION TO RECEIVE FUNDING FOR THE ATHERTON CALTRAIN
STATION CLOSURE PROJECT AND AMEND TO INCREASE THE FISCAL YEAR
2021 CAPITAL BUDGET FROM \$82,334,772 TO \$86,459,772**

ACTION

Staff Coordinating Council recommends the Board:

1. Authorize the Executive Director, or his designee, to enter into a funding agreement with the San Mateo County Transportation Authority (TA) for the Peninsula Corridor Joint Powers Board (JPB) to receive \$4,125,000 of Measure A Transit – Caltrain Category funds for the Atherton Caltrain Station Closure Project (Project); and
2. Amend to increase the Fiscal Year (FY) 2021 Capital Budget from \$82,334,772 to \$86,459,772 to reflect this additional funding for the Project; and
3. Authorize the Executive Director, or his designee, to enter into an agreement to provide \$400,000 to the Town of Atherton (Town) for the Town's access and station area site improvements; and
4. Authorize the Executive Director to take any other actions necessary give effect to the above.

SIGNIFICANCE

In November 2020, the JPB authorized the closure of Atherton Station and the execution of a Memorandum of Understanding (MOU) with the Town to effectuate the removal of the station. Key activities outlined in the MOU include:

- De-mobilization of the station and installation of permanent fencing to eliminate station access and secure the rail right of way.
- Design and construction of four-quadrant gates (also referred to as "quad gates"), and related safety improvements, at the Watkins Avenue rail crossing.

RESOLUTION NO. 2021 –

**BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA**

*** * ***

AUTHORIZATION TO RECEIVE FUNDING AND AMEND THE FISCAL YEAR 2021 CAPITAL BUDGET BY \$4,125,000 TO \$86,459,772 FOR THE ATHERTON CALTRAIN STATION CLOSURE

WHEREAS, on June 7, 1988, the voters of San Mateo County approved a ballot measure known as "Measure A," which increased the local sales tax in San Mateo County by one half percent with the new tax revenue to be collected and distributed by the San Mateo County Transportation Authority (TA), to be used for highway and transit improvements pursuant to the Transportation Expenditure Plan presented to the voters; and; and

WHEREAS, on November 2, 2004, the voters of San Mateo County approved the continuation of the TA and enacted a New Measure A half-cent sales tax transactions and use tax for an additional 25 years to implement the 2004 Transportation Expenditure Plan beginning January 1, 2009; and

WHEREAS, the Peninsula Corridor Joint Powers Board (JPB) submitted a request to the TA in the amount of \$4,125,000 to help fund the Atherton Caltrain Station Closure Project (Project); and

WHEREAS, the TA approved the allocation of \$4,125,000 IN Measure A funds for the Project on November 5, 2020, and

WHEREAS, the Board of Directors is being requested to authorize the Executive Director, or his designee, to:

1. Enter into an Agreement with the San Mateo County Transportation Authority to receive \$4,125,000 of Measure A Transit – Caltrain Category funds for the Atherton Caltrain Station Closure project, and
2. Amend the FY2021 Capital Budget to include \$4,125,000 for the Atherton Caltrain Station Closure Project; and
3. Take any other actions necessary or furnish any additional information as may be required to receive funds.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors authorizes the Executive Director, or his designee, to:

1. Enter into a funding agreement with the San Mateo County Transportation Authority (TA) to receive \$4,125,000 of Measure A Transit – Caltrain Category funds for the Atherton Caltrain Station Closure project, and
2. Amend the FY2021 Capital Budget by \$4,125,000 to a total of \$86,459,772 for the Atherton Caltrain Station Closure project; and
3. Take any other actions necessary or furnish any additional information as may be required to receive funds.

Regularly passed and adopted this 7th day of January, 2021 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary



FY2020-2021 CAPITAL BUDGET

Attachment B
Amendment 3
January 2021

Item #	PROJECT NAME	Year to Date FY21 CAPITAL BUDGET	Federal Funds	Federal De-allocate to Operating	State Funds	STA SOGR Funds	Member Funds Total	Other					Other Funds Total	Proposed Amended FY21 CAPITAL BUDGET	
								Project Savings	AB664	SF Prop K other	Regional Funds	San Mateo County Transportation Authority			Other
iii. OPERATIONAL IMPROVEMENTS/ENHANCEMENTS															
4	Positive Train Control Litigation ³	6,600,000	-	-	-	-	-	-	-	-	-	-	6,600,000	6,600,000	6,600,000
5	Wayside Bike Parking Improvements ⁴	1,389,322	-	-	-	-	-	-	-	1,240,000	-	149,322	1,389,322	1,389,322	
27	Grade Crossing Hazard Analysis Data Collection	200,000	-	-	-	-	200,000	-	-	-	-	-	-	-	200,000
28	FY21 Grade Crossing Safety Improvements Design	500,000	-	-	-	-	500,000	-	-	-	-	-	-	-	500,000
29	EAM – Enterprise Asset Management software system	750,000	-	-	-	-	750,000	-	-	-	-	-	-	-	750,000
30	Update and Upgrade GIS system	500,000	-	-	-	-	500,000	-	-	-	-	-	-	-	500,000
31	San Mateo Grade Crossing Improvements	2,000,000	-	-	2,000,000	-	-	-	-	-	-	-	-	-	2,000,000
32	Broadway Burlingame Grade Separation ⁹	19,838,000	-	-	-	-	-	-	-	-	18,338,000	1,500,000	19,838,000	19,838,000	
		31,777,322	-	-	2,000,000	-	1,950,000	-	-	-	1,240,000	18,338,000	8,249,322	27,827,322	31,777,322
iv. PLANNING/STUDIES															
6	22nd St. ADA Feasibility Study ⁵	50,000	-	-	-	-	-	50,000	-	-	-	-	-	50,000	50,000
7	Business Plan ⁶	509,157	-	-	-	-	-	-	-	-	-	509,157	509,157	509,157	
33	Capital Planning (CIP)	1,250,000	-	-	-	-	1,250,000	-	-	-	-	-	-	-	1,250,000
34	San Francisco Station and Terminal Planning	1,000,000	-	-	-	-	1,000,000	-	-	-	-	-	-	-	1,000,000
35	Diridon and South Terminal Area	1,000,000	-	-	-	-	1,000,000	-	-	-	-	-	-	-	1,000,000
36	Rail Network and Operations Planning	1,250,000	-	-	-	-	1,250,000	-	-	-	-	-	-	-	1,250,000
37	Redwood City Station Planning	750,000	-	-	-	-	750,000	-	-	-	-	-	-	-	750,000
38	Caltrain Downtown Rail Extension (DTX)	60,000	-	-	-	-	-	-	-	60,000	-	-	60,000	60,000	
39	System-wide Planning and Policy & Org Design	1,168,468	-	-	-	-	967,175	-	-	201,293	-	-	201,293	1,168,468	
40	Capital Contingency Funds - Engineering	330,000	-	-	-	-	330,000	-	-	-	-	-	-	-	330,000
41	Capital Contingency Funds - Rail	660,000	-	-	-	-	660,000	-	-	-	-	-	-	-	660,000
42	Capital Program Management	335,000	-	-	-	-	335,000	-	-	-	-	-	-	-	335,000
43	Capital Project Development	335,000	-	-	-	-	335,000	-	-	-	-	-	-	-	335,000
		8,697,625	-	-	-	-	7,877,175	50,000	-	261,293	-	-	509,157	820,450	8,697,625
		86,459,772	18,261,021	(2,220,000)	2,915,000	1,350,915	18,000,000	2,790,064	640,000	261,293	1,240,000	22,463,000	24,883,479	44,027,836	86,459,772

¹ Other funds includes project savings from the Los Gatos Bridge Replacement project (\$2,102,558) and from the San Mateo Bridge Replacement project (\$456,881) made up of Federal Section 5337 funds (\$1,421,946), prior years VTA funds (\$901,073) and SM funds (\$236,402) and deobligated Prop K funds (\$180,000)

² Insurance proceeds and/or Operating funds

³ Litigation costs funded by operating funds

⁴ San Carlos Transit Village LLC (\$149,322) and Bay Area Air Quality Management District (BAAQMD \$1,240,000)

⁵ Prior year SF member funds

⁶ Unspent funds from Project 100337 Mega Regional Rail Planning (FY19 \$75k) and from Project 100458 Service & Access Planning (FY20 \$434,157)

⁷ Request only for board authority; funding will begin upon commencement of the electrified service from designated operational savings

⁸ Section 130

⁹ SMCTA and City of Burlingame(\$1.5 million)

* identifies the projects that will be funded by VTA Measure B funds of \$2.5 million

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett
Executive Director

FROM: Michelle Bouchard
Chief Operating Officer, Caltrain

SUBJECT: **BACKGROUND ON GRADE SEPERATION PROJECTS AND PROCCSS**

ACTION

Staff Coordinating Council recommends the Joint Powers Board Finance Committee of the Board of Directors (Board) receive an informational presentation providing background on the history of grade separation projects along the corridor, the status of current grade separation projects.

SIGNIFICANCE

At the request of the Peninsula Corridor Joint Powers Board Finance Committee, staff has prepared the attached presentation covering key information related to grade separation projects in the Caltrain corridor. The presentation describes the history and funding of recent grade separation projects, discusses regulatory and prioritization considerations related to grade separations, and provides an overview of current and upcoming planning activities related to grade separations.

BUDGET IMPACT

There is no budget impact associated with receiving this report.

BACKGROUND

At-grade crossings are regulated by the Federal Railroad Administration and the California Public Utilities Commission. There are currently 41 at grade crossings along the JPB-owned corridor between San Francisco and San Jose and an additional 28 at-grade crossings located along the Union Pacific Railroad owned corridor running south from San Jose and Gilroy.

While 71 crossings along what is now the Caltrain-owned corridor have been separated at some point in the railroad's history, only 13 separations have been completed since the formation of the JPB in 1992. These more recent separations have occurred as part of eight distinct projects. All are located in San Mateo County and have relied heavily on the use of dedicated funding set aside by the County for the purpose of grade

separation as part of the County's 1988 and 2004 Measure A sales tax expenditure plans. The costs and funding sources for these projects are shown in Table 1 below.

Table 1: Completed Grade Separation Projects and Funding Sources

Crossing (City)	Date Completed	San Mateo County TA	Federal	State	Local	Total	TA's Share
Oyster Point (South San Francisco)	1994	\$11.0		\$6.9	\$6.3	\$24.2	45.5%
Millbrae Ave. (Millbrae)	1996	\$13.3		\$9.8	\$0.9	\$24.0	55.4%
Ralston/Harbor/Holly (Belmont and San Carlos)	2000	\$60.7		\$35.3	\$3.6	\$99.6	60.9%
Brittan/ Howard (San Carlos)	1995	\$11.3		\$8.7	\$3.0	\$23.0	49.1%
Jefferson Ave. (Redwood City)	1999	\$8.1		\$5.5	\$0.6	\$14.2	57.0%
Fifth Ave. (North Fair Oaks)	1995	\$10.1		\$5.0	\$1.9	\$17.0	59.4%
San Bruno/ San Mateo / Angus (San Bruno)	2014	\$101.8	\$6.6	\$56.0	\$0.75	\$165.1	61.7%
25th Ave (San Mateo)	2021	\$74.0		\$94.0	\$12.0	\$180.0	41.1%
TOTAL		\$290.3		\$221.2	\$28.3	\$547.1	39.5%

There are currently 26 at-grade crossings in some stage of study or planning for potential separation or closure along the Caltrain corridor. An additional three crossings located along the UP-owned corridor are also under study in San Jose. These efforts span all three JPB member counties and are in various stages of development, ranging from conceptual planning to advanced design.

The Caltrain Business Plan accounted for these and other grade separation projects in its consideration of the total future investment needed in the corridor – yielding an estimated cost of between \$9 and \$11 billion in 2018 dollars. The scale of this need is significantly out of pace with the limited funding sources that are currently available to support grade separation projects. Consequently, Caltrain has committed to undertake a significant corridor wide grade separation study that will address a range of policy and technical issues related to funding, prioritization and coordination, and construction and delivery. This study was funded as part of the FY20 capital budget and is expected to commence in early calendar year 2021.

Background on Caltrain Corridor Grade Crossings and Separations

Finance Committee

December 21, 2020



Purpose

- Provide background on at-grade crossings and grade separations along the Caltrain corridor
- Describe funding sources for prior grade separation efforts
- Discuss ongoing city-led grade separation plans and projects
- Discuss planned corridor wide grade separation policy work



Background

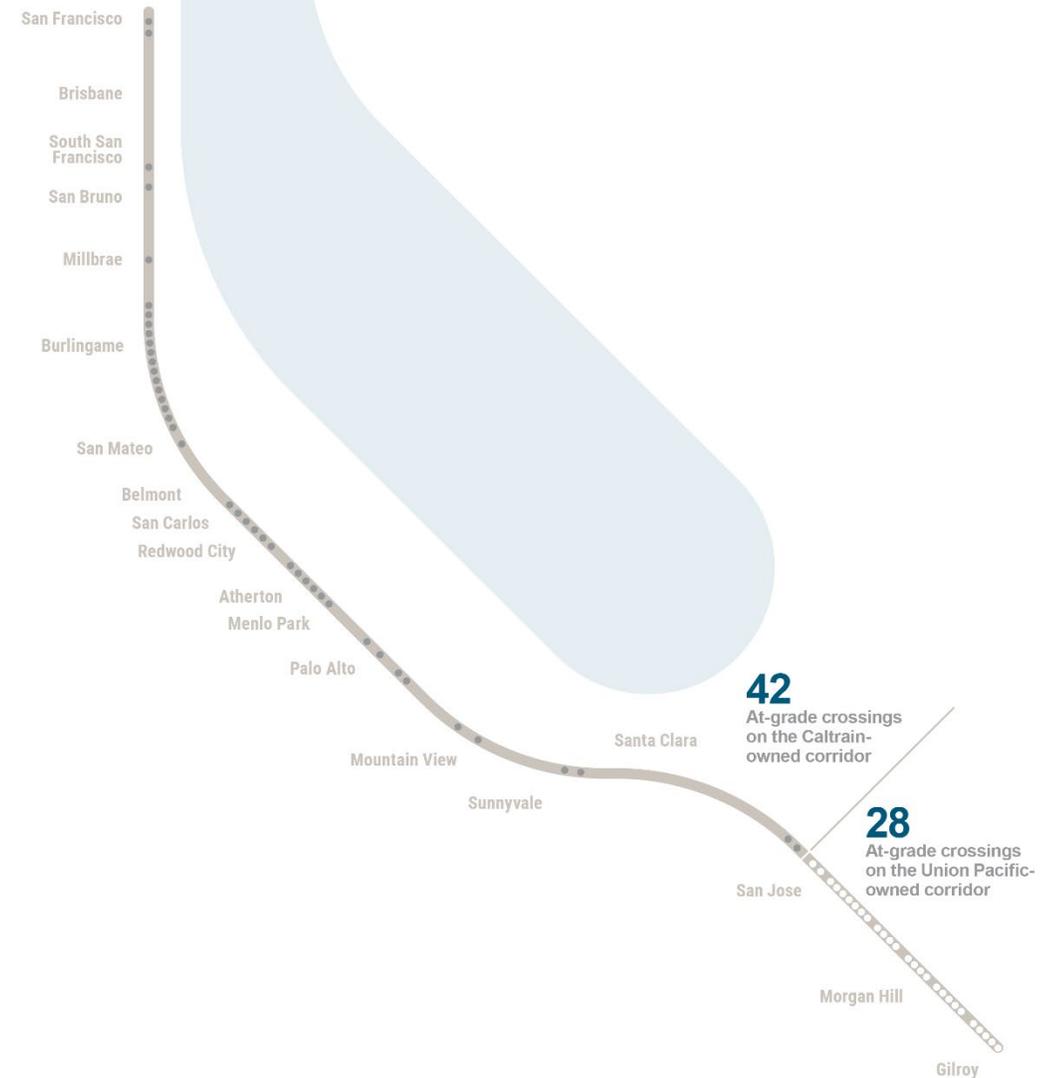
Context

- 41 at-grade crossings on the corridor Caltrain owns between San Francisco and San Jose
- 28 additional at-grade crossings on the UP-owned corridor south of Tamien

At-Grade Crossing by County in Caltrain Territory

- San Francisco: 2 at-grade crossings
- San Mateo: 29 at-grade crossings
- Santa Clara: 10 at grade crossings (with 28 additional crossings on the UP-owned corridor)

Most of the data shown in this presentation pertains to the Caltrain-owned corridor north of Tamien Station



Background

Regulation

Caltrain understands that there is a gap between the regulatory requirement for grade separation and the desires and ongoing plans of many communities along the corridor

When is Grade Separation or Closure of a Crossing Required?

Grade crossings are regulated by the Federal Railroad Administration (FRA) and, in California, by the California Public Utilities Commission

Under current regulations, the separation or closure of an at-grade crossing is required in the following circumstances:

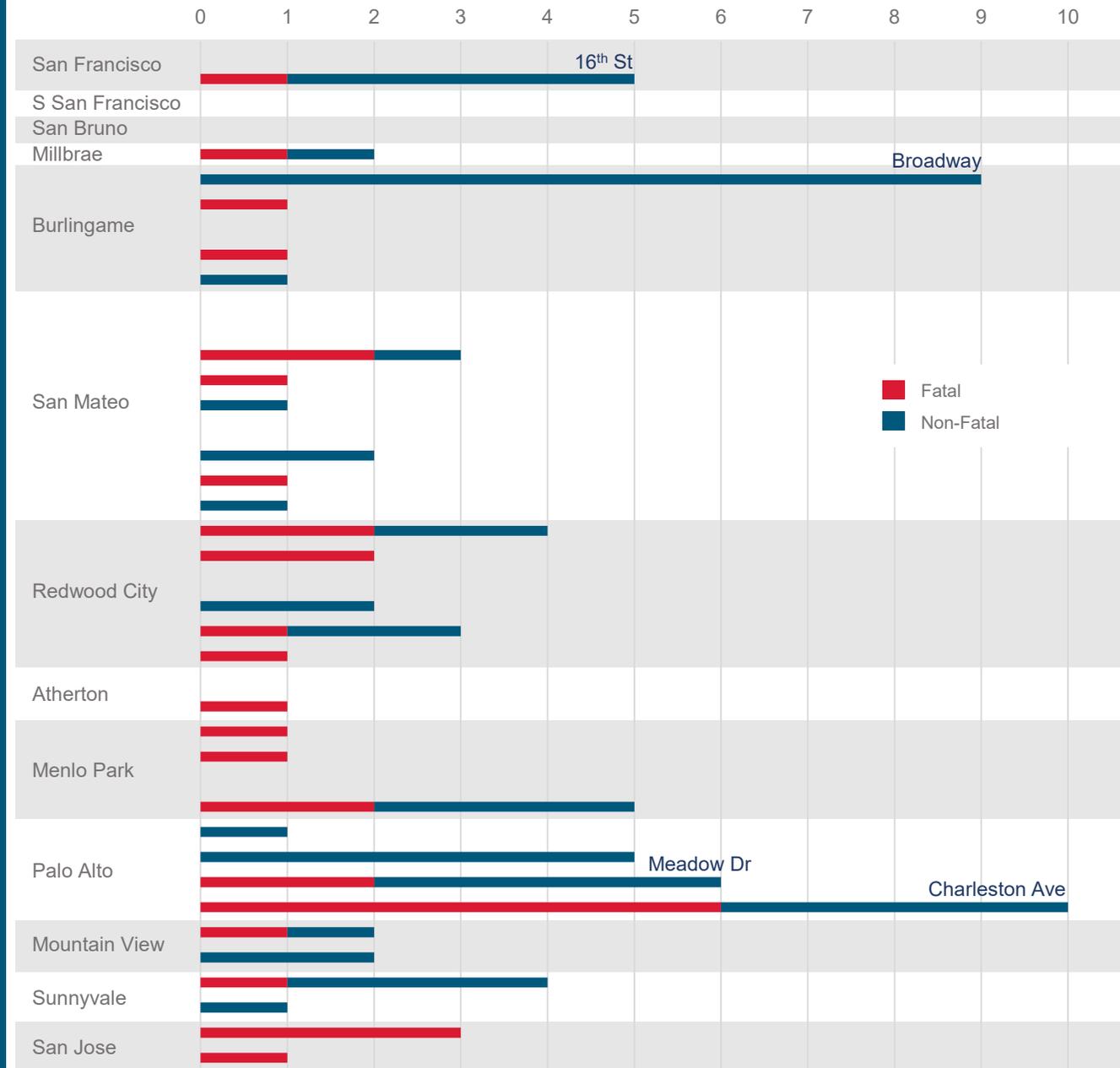
- When maximum train speeds exceed 125 mph (FRA regulation)
- When the crossing spans 4 or more tracks (CPUC guidance interpreted into Caltrain Standards)

Background Safety

Over 80 collisions occurred at Caltrain's grade crossings in the 10 years from 2009-2018. More than 30 of these collisions involved a fatality

- 11 crossings had 0 collisions
- 8 crossings had 4 or more collisions
- 21 crossings had 1 or more fatalities

Collisions at Caltrain Grade Crossings: 2009-2018



Data presented for Caltrain-owned corridor Only. Collision data from FRA reports

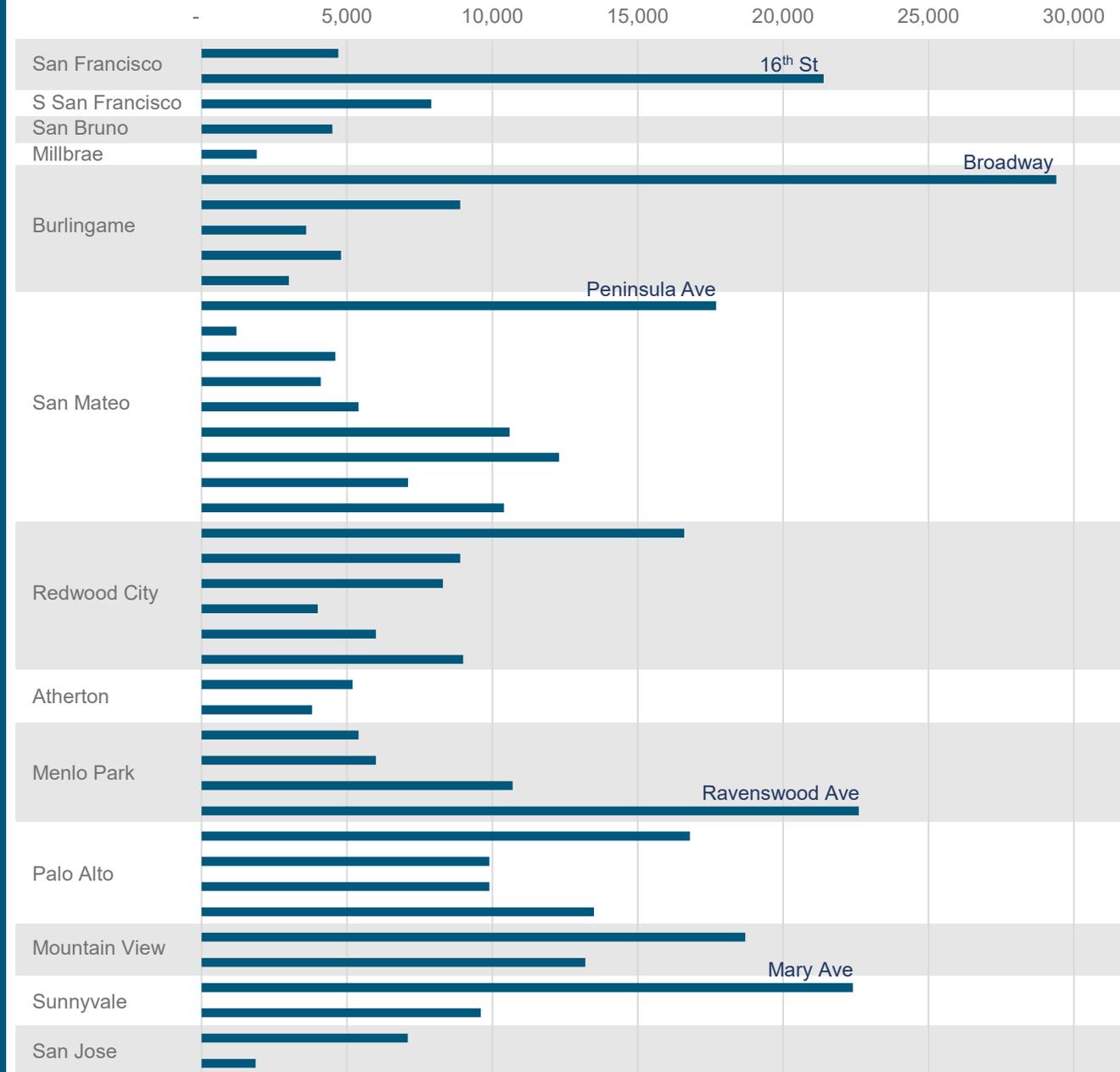
Background

Usage

During a typical 2018 weekday, Caltrain's at-grade crossings were traversed by approximately 400,000 cars. This is equivalent to the combined traffic volumes on the Bay Bridge and San Mateo Bridge

The 10 busiest at-grade crossings account for half of all traffic volumes

Daily Traffic Crossing Caltrain Grade Crossings (2018)



Data presented for Caltrain-owned corridor only. Data reflects 2016 ADT

Background

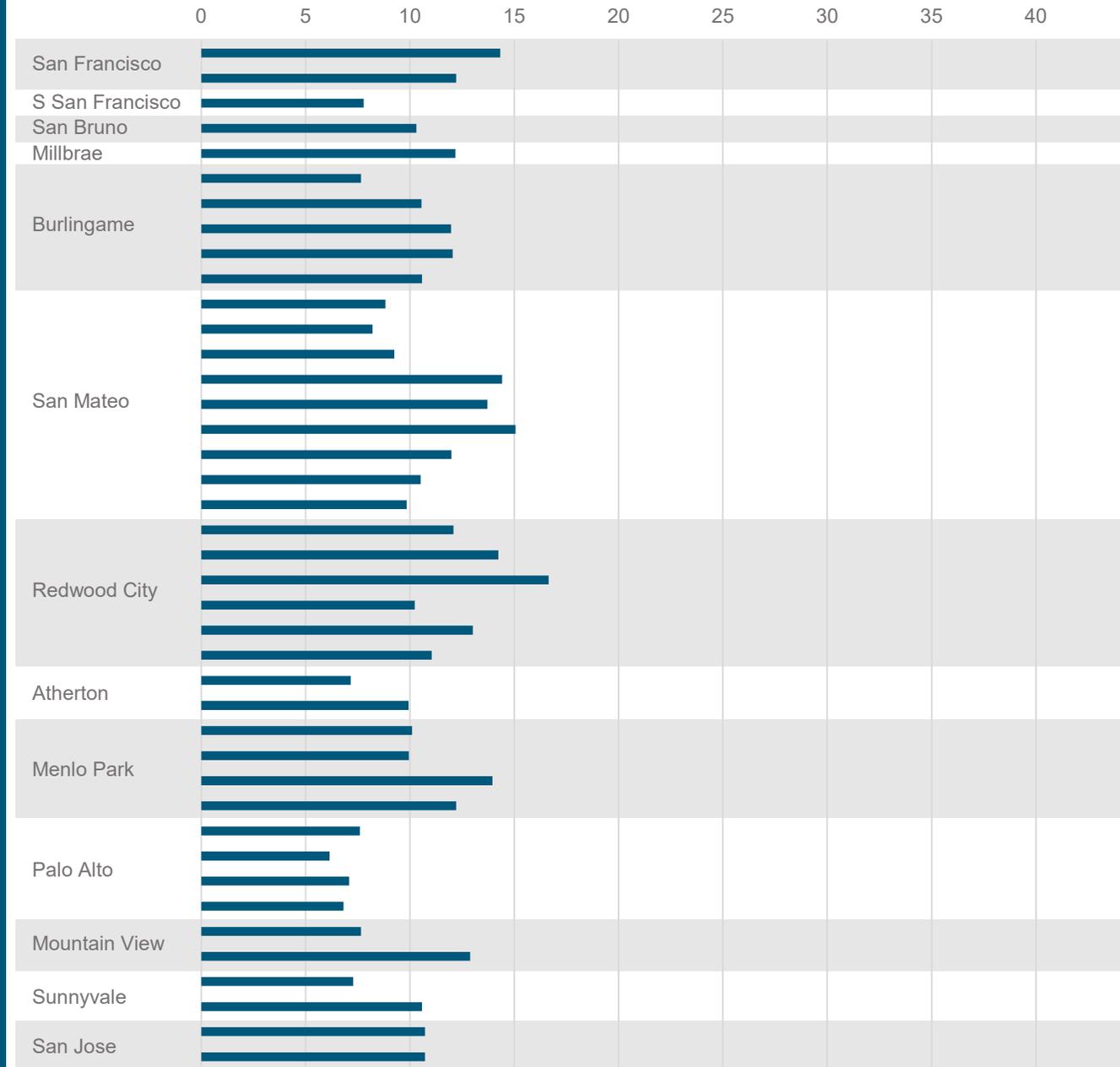
Existing Gate Downtimes

In 2018 Caltrain's crossing gates were down for an average of about 11 minutes during the peak weekday commute hour. Gate down times range from 6 minutes up to nearly 17 minutes.

Note: Gate downtimes shown reflect the average time crossing gates are down only. Depending on individual crossing and roadway configuration traffic signals may stay red for longer and auto users may experience longer delays

Data presented for Caltrain-owned corridor only.

Gate Down Time: Existing (Minutes per Peak Hour)



Background

History

Today, 71 of 113 crossings along the Caltrain corridor have already been separated (63%) and 12 of 30 crossings along the UP corridor utilized by Caltrain have been separated (29%)

The grade separations have been constructed (and reconstructed) at various points during the corridor's 150-year history

Planning for, funding, and constructing grade separations has been a decades-long challenge for the Caltrain corridor



Bayshore Tunnels under construction, 1907

Background - History

Grade Separations Have Been an Enduring Challenge

“In 1929, Palo Alto City Mayor, C.H. Christen, and Stanford University Engineering Professor Emeritus, W.F. Durand, organized political leaders from San Francisco, San Mateo, and Santa Clara counties to form the Peninsula Grade Crossing Conference, also referred to as the Peninsula Grade Crossing Association. Professor Durand and the association, with help from the San Francisco City Engineer, Southern Pacific Railroad, and the California Railroad Commission, studied the grade crossing situation on the San Francisco Peninsula throughout 1930 and sought ways to eliminate grade crossings.

In 1931, the association’s engineering subcommittee released a detailed, \$9 million two-phase proposal to eliminate grade crossings on the peninsula. The “Primary Program” of the plan called for construction of grade separations at the 15 most traveled and hazardous grade crossings and closure of the 17 least important grade crossings. The “Secondary Program” would have completed the elimination of all major grade crossings in San Francisco, San Mateo, and Santa Clara counties. The conference’s aim was to permit travelers to cross railroad tracks only via grade separations. At an average cost of \$270,000 per grade separation, the Peninsula Grade Crossing Conference proposed legislation to fund these projects through a portion of the state’s gasoline tax.”

- *Historic Context Statement. Roadway Bridges of California 1936-1959.*
Published by Caltrans in 2003

Background - Funding

Over the last 30 years, grade separation projects have occurred exclusively in San Mateo County because San Mateo County has set aside a dedicated source of funding for grade separation projects through its Measure A Sales Tax (1988 and 2004). This funding has directly paid for the majority of grade separation costs and has been instrumental in leveraging state and local funding sources to make up the balance of project needs. Caltrain is now actively working with cities in Santa Clara County on grade separation projects following the establishment of dedicated grade separation funding through Santa Clara County's 2016 Measure B.

Crossings (City)	Date Completed	San Mateo County TA	Federal	State	Local	Total
Oyster Point (South San Francisco)	1994	\$11.0		\$6.9	\$6.3	\$24.2
Millbrae Ave. (Millbrae)	1996	\$13.3		\$9.8	\$0.9	\$24.0
Ralston/Harbor/Holly (Belmont and San Carlos)	2000	\$60.7		\$35.3	\$3.6	\$99.6
Brittan/ Howard (San Carlos)	1995	\$11.3		\$8.7	\$3.0	\$23.0
Jefferson Ave. (Redwood City)	1999	\$8.1		\$5.5	\$0.6	\$14.2
Fifth Ave. (North Fair Oaks)	1995	\$10.1		\$5.0	\$1.9	\$17.0
San Bruno/ San Mateo / Angus (San Bruno)	2014	\$101.8	\$6.6	\$56.0	\$0.75	\$165.1
25th Ave (San Mateo) (Under Construction)	2021	\$74.0		\$94.0	\$12.0	\$180.0
TOTAL		\$290.3		\$221.2	\$28.3	\$547.1

Funding

Section 190 Program

The California Public Utilities Commission Section 190 Program provides \$15 million a year in state funding for the grade separation and/or elimination of at-grade crossings. As part of this program, the CPUC is required by law to establish a priority list of railroad grade separation projects that have the highest need. Projects must be submitted by a local entity for evaluation. The criteria used to evaluate and prioritize the submitted projects include accident history, average train and vehicular volume and project site characteristics.

Caltrain Corridor Projects on the 2020-2021 CPUC List

- Broadway Ave (Burlingame) – Ranked 1st in State
- Whipple Ave (Redwood City) – Ranked 5th in State
- Ravenswood Ave, Oak Grove Ave, Glenwood Ave (Menlo Park) – Ranked 7th in State
- Rengstorff Ave (Mountain View) – Ranked 9th in State
- Auzerais Ave and West Virginia St (San Jose) – Ranked 12th in State
- Castro St (Mountain View) – Ranked 14th in State
- Skyway Dr, Branham Ln, Chynoweth Ave – Ranked 19th in State

Funding

Section 130 Program

The California Public Utilities Commission Section 130 Program provides funding for the elimination of hazards at existing at-grade railroad crossings. The goal of the program is to reduce the number and severity of accidents between trains and motorists, bicyclists, and pedestrians at crossings. Projects can be nominated by railroads or local jurisdictions and eligible projects are placed on a priority list based on accident history and the ability to improve safety. Annual funding allocations are determined and provided by Caltrans.

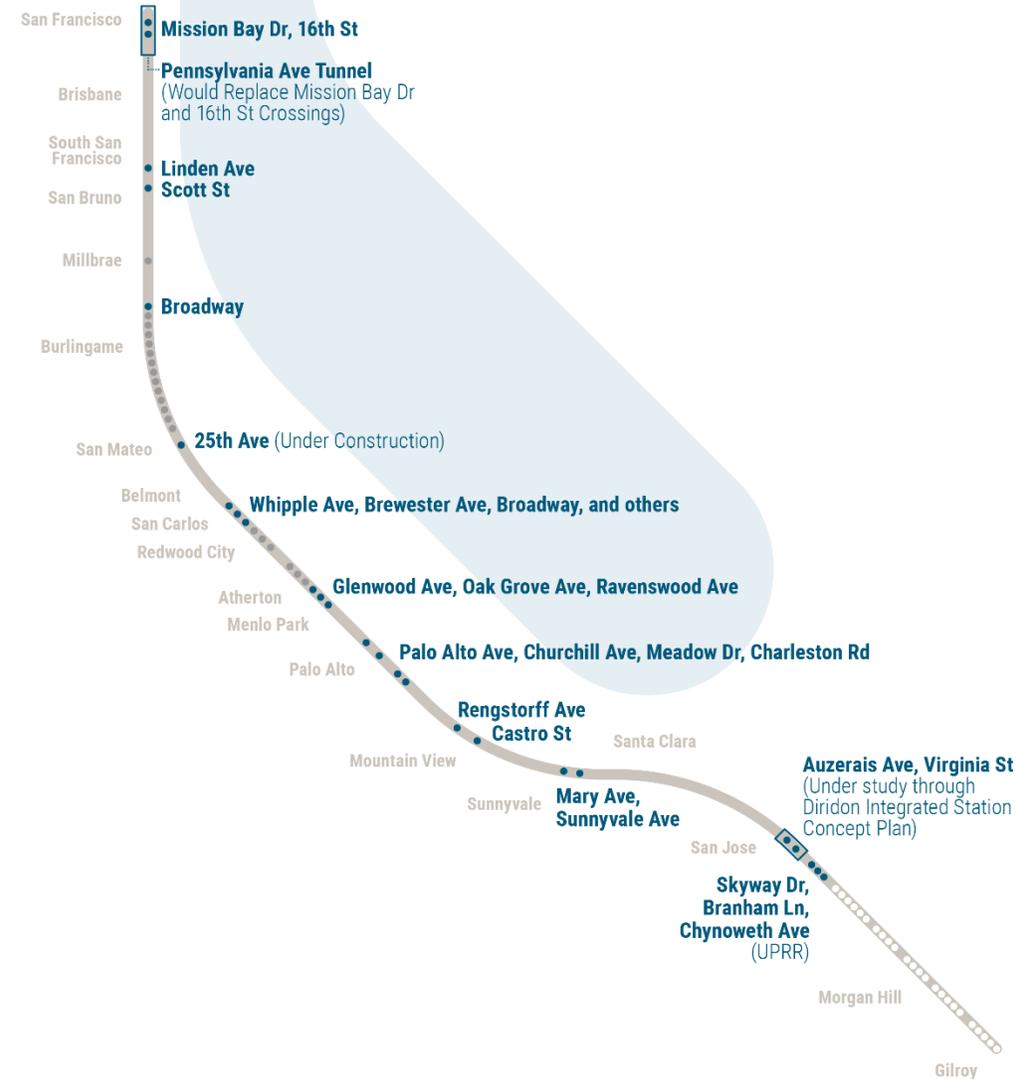
Caltrain Corridor Crossings Receiving Section 130 Funding over last 10 years

County	Crossing	Year	Funding
Santa Clara	Castro and Rengstorff	2011	\$3,146,000
San Mateo	Brewster and 3rd Ave	2013	\$602,000
San Mateo	Broadway, Main and Whipple	2015	\$1,660,000
Santa Clara	Mary Avenue	2017	\$3,125,000
Santa Clara	Churchill Avenue	2019	\$2,250,000
San Mateo	4th and 5th Avenues	2020	\$2,000,000



Ongoing City Studies, Plans and Projects

- Many cities along the corridor are actively planning or considering grade separations
- Each of these represents a major community effort to plan a significant and impactful project
- These projects, including their estimated and potential costs (as available), have been incorporated into the Business Plan



City-led Grade Separation and Closure Plans

Caltrain staff is involved to differing degrees in all of the projects listed below. Staff has incorporated or accounted for grade separation concepts, plans and cost estimates from the following city-led studies into the Business Plan

City	Crossings Under Study	Status of Plan or Study
San Francisco	Pennsylvania Ave Tunnel (includes both Mission Bay Dr and 16 th St Crossings)	Pre Environmental
South San Francisco	Linden Ave	PSR
San Bruno	Scott St	PSR
Burlingame	Broadway	EIR
San Mateo	25th Ave	Construction
Redwood City	Whipple Ave, Brewster Ave, Broadway (Maple, Main and Chestnut under potential consideration)	Conceptual Planning

City-led Grade Separation and Closure Plans

Caltrain staff is involved to differing degrees in all of the projects listed below. Staff has incorporated or accounted for grade separation concepts, plans and cost estimates from the following city-led studies into the Business Plan

City	Crossings Under Study	Status of Plan or Study
Menlo Park	Glenwood Ave Oak Grove Ave Ravenswood Ave	Conceptual Planning
Palo Alto	Palo Alto Ave	Under Study through Coordinated Area Plan
Palo Alto	Churchill Ave	Alternatives Analysis
Palo Alto	East Meadow Dr Charleston Rd	Alternatives Analysis
Mountain View	Rengstorff Ave	PE/EIR
Mountain View	Castro St	PE/EIR

City-led Grade Separation and Closure Plans

Caltrain staff is involved to differing degrees in all of the projects listed below. Staff has incorporated or accounted for grade separation concepts, plans and cost estimates from the following city-led studies into the Business Plan

City	Crossings Under Study	Status of Plan or Study
Sunnyvale	Mary Ave	Feasibility Study with 15% Design
Sunnyvale	Sunnyvale Ave	Feasibility Study with 15% Design
San Jose	Azurais Ave Virginia Ave	Under study through Diridon Integrated Station Concept Plan
San Jose	Skyway Dr Branham Ln Chynoweth Ave	Feasibility Study

Crossings are part of UP-Owned Corridor

Estimated corridor wide costs of planned and potential future grade separations were developed as part of the Caltrain Business Plan

	Type	Service Vision - Moderate Growth	Service Vision - High Growth
Total Corridor Wide Cost Estimate for Crossings	Auto	\$8.9B	\$10.1B
	Bike / Ped	\$140M	\$140M
	Total	\$9.0B	\$10.2B
Investments on JPB-owned Corridor	Quad Gates & Safety Improvements	11	6
	Mitigated Closure	5	8
	Grade Separation	25	27
Investments on UP-owned Corridor	Quad Gates & Safety Improvements	20	20
	Mitigated Closure	3	3
	Grade Separation	5	5

Ongoing Work

There is a significant body of work remaining to address the issue of at grade crossings in the Caltrain corridor

Caltrain plans to continue advancing a corridor wide conversation regarding the construction, funding and design of grade separations while continuing to support the advancement of individual city-led projects

Within the Business Plan

- Incorporated grade crossing investment estimates into overall corridor costing and business case analysis
- Continued peer review of corridor wide grade separation case studies and examples

Beyond the Business Plan

- Submitted grade separation projects as part of PBA2050 submittals
 - Initially as part of overall Caltrain submittal
 - Subsequently through work with county CMAs
 - Final PBA2050 included additional regional discretionary capacity for grade separations
- Continued work with cities and counties to advance individual projects
- Secured \$5 million in funding for corridor wide grade separation strategy

Corridor wide Grade Separation Strategy

The corridor wide grade separation strategy will be a significant undertaking – with a scale and level of effort comparable to the Caltrain Business Plan

Example Areas of Focus

- Developing a shared dataset and body of information and educational materials for entire corridor (including UP owned section)
- Review of large-scale national and international corridor projects
- Review of railroad standards, construction and delivery approaches for grade separation projects
- Significant work with communities to focus on place making, cross-track connectivity, land use opportunities and equity
- Development of benefits case / “Business Case” framework for grade separations
- Identification of funding needs and potential new funding approaches and strategies
- Development of corridor wide options / strategies for project sequencing and delivery
- Development of organizational and governance options and strategies

Corridor wide Grade Separation Strategy

The corridor wide grade separation strategy will be a significant undertaking – with a scale and level of effort comparable to the Caltrain Business Plan

Approach

- Project will start in 2021. Envisioned as a multi-year, phased effort.
- Dedicated PM
- Multi agency effort with Caltrain as “convener” rather than sole owner. Robust involvement anticipated from
 - Corridor cities
 - County TAs and CMAs
 - HSR and other rail operators
 - Regional and state agencies
 - Community groups and private sector
- Initial phase of work (+/- 6 mos) would be extensive information gathering and stakeholder outreach effort focused on gathering the input needed to;
 - Define a technical scope of work for the remainder of the project
 - Develop an organizational structure and governance model for the project
 - Develop and execute contracting strategy
 - Solicit additional funding if needed (based on technical scope input)
 - Brief relevant boards and key elected officials

FOR MORE INFORMATION

WWW.CALTRAIN.COM



**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett
Executive Director

FROM: Michelle Bouchard
Chief Operations Officer, Rail

SUBJECT: **ON-CALL TRANSPORTATION PLANNING AND CONSULTANT SUPPORT SERVICES
UPDATE**

ACTION

This report is for information only. No Board action is required.

SIGNIFICANCE

This informational item will be presented quarterly to the Board and will report on the following:

- Total amount of work directives (WDs) issued to each firm since contract inception
- List of WDs and amendments issued since the last reporting period with the WD number, title, description, JPB project manager, vendor, issuance date, start date, end date, and value

The tables below provide an update of contract activities from July 1st, 2020 thru December 7th, 2020. Table 1 summarizes the contract capacity status. Table 2 updates the percentage of capacity used against the percent time elapsed. Table 3 shows the Board approved dates and amounts. Table 4 aggregates the WD amounts issued to each of the vendors. Table 5 describes each of the WDs issued since the last reporting period.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

Pursuant to Resolution No. 2020-18, the Board of Directors (Board) awarded contracts to Fehr & Peers, HNTB Corporation, Kimley-Horn & Associates, Inc., Arup North America Ltd., Mott MacDonald Group Inc., and WSP USA, Inc., consisting of a five-year base term for an aggregate not-to-exceed amount of \$25,000,000 with two additional, one-year option terms in an aggregate not-to-exceed amount of \$5,000,000 for each option year.

Project Manager:	Melissa Reggiardo, Manager, Caltrain Planning	650.508.6283
Contract Administrator:	Lawrence Leung, Manager, Rail Contracts & Budget	650.508.6328

Table 1

Contract Summary	Years	Amount
Total Capacity:	7.0	\$35,000,000
Exercised:	5.0	\$25,000,000
Work Directives Issued:		\$2,057,128
Remaining Capacity:		\$22,942,872

Table 2

Contract Days	Days Elapsed	% Time Elapsed	Capacity Used
1825	159	9%	8%

Table 3

Contract Information	Start	End	Years	Capacity	Resolution/ Authorized
Base	7/1/2020	6/30/2025	5.0	\$25,000,000	2020-18
Option #1	7/1/2025	6/30/2026	1.0	\$5,000,000	
Option #2	7/1/2026	6/30/2027	1.0	\$5,000,000	
Amendment			0.0		
Total:			7.0	\$35,000,000	

Table 4

Vendor	Fehr & Peers	HNTB	Kimley-Horn	ARUP	Mott MacDonald	WSP
Contract #	20-J-P-006A	20-J-P-006B	20-J-P-006C	20-J-P-006D	20-J-P-006E	20-J-P-006F
WDs Issued	\$879,666	\$532,888	\$600,720	\$43,854	\$0	\$0

