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MONIQUE ZMUDA

MICHELLE BOUCHARD
EXECUTIVE DIRECTOR

AGENDA

PENINSULA CORRIDOR JOINT POWERS BOARD

Finance Committee Meeting

May 22, 2023, 2:30 pm

Committee Members: Monique Zmuda (Chair), Dev Davis (Vice Chair), Ray Mueller

Members of the public may participate remotely or in-person, provided that they satisfy the safety protocols listed below.

Members of the public may participate remotely via Zoom at <https://us06web.zoom.us/j/81843266625?pwd=aDExTGltUUJSOUc5TkNnbU1QMTRHUT09> or by entering Webinar ID: # 818 4326 6625, Passcode: 249080, 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 <https://www.caltrain.com/video-board-directors>.

Members of the public also may participate in person at: San Mateo County Transit District, Bacciocco Auditorium - Second Floor, 1250 San Carlos Ave., San Carlos, CA, or any other noticed location provided they comply with the following safety protocols:

Please Note the Following COVID-19 Protocols for In-person Attendance:

Visitors who have been exposed to the COVID-19 virus, who have received a positive COVID-19 test results, or who are experiencing any of the following COVID-19 related symptoms should refrain from participating in person:

- Cough
- Fatigue
- Sore Throat
- Headache
- Congestion or runny nose
- Nausea or vomiting
- Muscle or body aches
- Diarrhea
- Fever or Chills
- Loss of taste or smell
- Shortness of Breath

Public Comments: 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: <https://www.caltrain.com/about-caltrain/meetings>.

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

Verbal public comments will also be accepted during the meeting in person and through Zoom* or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Participants using Zoom over the Internet should use the Raise Hand feature to request to speak. For 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 Hand feature for public comment. Each commenter will be recognized to speak, and callers should dial *6 to unmute themselves when recognized to speak.

Each public comment is limited to two minutes. The Board Chair has 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.

May 22, 2023 - Monday

2:30 pm

All items to which [Government Code section 84308](#) applies have been marked with an asterisk

A double asterisk indicates that one or more Directors of the JPB serve on the governing board of a public agency with which the JPB proposes to contract. Under Government code section 1091(a)(9), this relationship is considered to be a noninterest but it must be disclosed.

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 to reply.
4. Consent Calendar
Members of the Board may request that an item under the Consent Calendar be considered separately.
 - 4.a. Meeting Minutes of April 24, 2023 Motion
 - 4.b. Authorize the Executive Director to Execute a Service Agreement with the City of Palo Alto For Activities Undertaken in Support of the Connecting Palo Alto Project* Motion
5. Accept Statement of Revenues and Expenses for the Period Ending April 30, 2023 Motion
6. Adopt Fiscal Year 2024 and Fiscal Year 2025 Proposed Operating and Capital Budgets Motion
7. Approval of Revised Settlement Authority Policy for General Liability Claims Motion
8. Adoption of Revisions to the Joint Powers Board (JPB) Procurement Policy Motion
9. Renew Findings of an Emergency Regarding the North Channel Embankment of the San Francisquito Creek Bridge Due to Erosion Pursuant to Public Contract Code §22050* Motion

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

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| 10. Approve Exclusive Negotiating Agreement and Agreement for Comprehensive Planning and Exchange of Easements with IQHQ at the South San Francisco Caltrain Station* | Motion |
| 11. Authorization of the Application for and Receipt of Annual Cap and Trade Funding for Ridership Recovery Service Enhancement | Motion |
| 12. Authorize Execution of Contracts and Amendments for Information Technology Licenses, Maintenance Services and Professional Services, and Technology-Related Products and Services Through Piggyback Contracts and Cooperative Purchasing Programs* | Motion |
| 13. Project Labor Agreement Policy Update | Informational |
| 14. Update on Disadvantaged Business Enterprise Program | Informational |
| 15. Committee Member Requests | |
| 16. Date/Time of Next Regular Finance Committee Meeting: June 26, 2023 at 2:30 pm.
The meeting will be accessible via Zoom and in person at the San Mateo County Transit District, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070. | |
| 17. 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: Two Mondays before the Board Meeting, 2:30 pm. The 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

Members of the Public may attend this meeting in person or remotely via Zoom. *Should Zoom not be operational, please check online at <https://www.caltrain.com/about-caltrain/meetings> for any updates or further instruction.

Public Comment*

Members of the public are encouraged to participate remotely or in person. Public comments may be submitted by comment card in person and given to the JPB Secretary. Prior to the meeting's call to order, public comment may be sent to publiccomment@caltrain.com 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: <https://www.caltrain.com/about-caltrain/meetings> .

Oral public comments will also be accepted during the meeting in person or through Zoom or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. 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 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 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 is 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**

Minutes of April 24, 2023

Members Present: Ray Mueller, Devora “Dev” Davis (Vice Chair), Monique Zmuda (Chair)

Members Absent: None

Staff Present: R. Barnard, M. Bouchard, L. Cobb, J. Harrison, K. Kelly, L. Mai, L. Millard-Olmeda, D. Ryan, D. Seamans, K. Steiner, M. Tseng, C. Valbuena

1. Call to Order/Pledge of Allegiance

Chair Monique Zmuda called the meeting to order at 2:30 pm and led the Pledge of Allegiance.

2. Roll Call

District Secretary Dora Seamans called the roll and confirmed a Board quorum was present.

3. Public Comment on Items not on the Agenda - There were none.

4. Consent Calendar

4.a. Meeting Minutes of March 27, 2023

4.b. Renew Findings of an Emergency Regarding the North Channel Embankment of the San Francisquito Creek Bridge Due to Erosion Pursuant to Public Contract Code §22050*

4.c. Amend and Increase the Fiscal Year 2023 Caltrain Capital Budget by \$171,941 from \$127,204,412 to \$127,376,353 to Receive Additional Funding in Support of the Middle Avenue Undercrossing Project

Chair Zmuda pulled Item 4.b. for further comment and discussion.

Motion/Second: Davis/Mueller moved approval for Items 4.a. and 4.c.

Ayes: Davis, Mueller, Zmuda

Noes: None

Absent: None

The Committee had a robust discussion on Item 4.b, Renew Findings of an Emergency Regarding the North Channel Embankment of the San Francisquito Creek Bridge, which included the following:

- Extend emergency authority to renew the findings that the emergency still exists

- Emergency does not permit a delay in using standard procurement processes
- Engaged the following:
 - On-call consultants, AECOM (AECOM Technology Corporation), to advance the design work
 - WSP (Williams Sale Partnership) to help with the permitting work
 - Jacobs (Jacobs Engineering Group, Inc.) for estimating services for fair and reasonable prices
 - TRC (TRC Companies, Inc.) for construction management services
 - Walsh Construction and provided them a draft conceptual design
- Bridge was inspected and not in imminent danger, but emergency repair is necessary
- Coordinated with the US Army Corps of Engineers, the Regional Water Quality Board, California Department of Fish and Wildlife
- Constrained schedule as there is only about a four month in-water work window from the middle of June to the middle of October

Motion/second: Davis/Mueller

Ayes: Davis, Mueller, Zmuda

Noes: None

Absent: None

Michelle Bouchard introduced Kate Jordan Steiner, Chief Financial Officer, who came from University of California, Berkeley and prior to that, BART (Bay Area Rapid Transit).

5. Accept Statement of Revenues and Expenses for the Period Ending March 31, 2023

Kathleen Kelly, interim Chief Financial Officer, reported the following:

- On track with prior forecast provided earlier on revenues and expenses
- Projected surplus of \$1.6 million for this year and increase in Measure RR receipts

Motion/second: Mueller/Davis

Ayes: Davis, Mueller, Zmuda

Noes: None

Absent: None

6. Approval of Revised Settlement Authority Policy for General Liability Claims

James Harrison, Legal Counsel, provided the presentation which included the following:

- Brief historical background reiterating current limit forces staff to bring rather low value matters to the Board for its consideration and approval
- SamTrans Board approved settlement authority in 2019 which applied to claims brought against SamTrans, TA (San Mateo County Transportation Authority), and JPB (Caltrain Joint Powers Board), but the JPB itself never approved that authority

- Discussed gaps in current policy, noted there were five claims brought to Board in last 15 years, and reviewed the proposed policy changes

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

- Method in determining the settlement authority amount
- Concerns for increasing authority and Board oversight
- Executive session impact due to proposed authority increase

Motion/Second: Davis/Mueller to continue item to a future meeting

Ayes: Davis, Mueller, Zmuda

Noes: None

Absent: None

7. Authorize Execution of an Eighteen-Month Lease Extension at 2121 South El Camino Real in San Mateo to Support the Caltrain Modernization Program**

Brian Fitzpatrick, Director of Real Estate and Property Development, provided the presentation, which included the following:

- Provided brief history for use of office lease and reason for extension
- Conducted some work on the local real estate market and the other building leases
- Negotiated one month of free rent

The Committee had a discussion and staff provided further clarification in response to the Board members' comments and questions on lease end date and vacating at that time.

Motion/second: Mueller/Davis

Ayes: Davis, Mueller, Zmuda

Noes: None

Absent: None

8. Authorize an Amendment to the On-Call Transportation Planning and Consultant Support Services Contracts*

Lawrence Leung, Manager of Rail Contracts and Budgets, provided the presentation which included the following:

- Background and summary of three reasons for 2020 insufficiency
- No budget impact for contract amendments and planning consultant needs

Motion/second: Mueller/Davis

Ayes: Davis, Mueller, Zmuda

Noes: None

Absent: None

9. Authorization to Execute a Master Agreement with the California Department of Transportation for Federally Funded Projects*

Lisha Mai, Manager of Grant and Fund Programming, provided the presentation which included the following:

- Two objectives: allows JPB to enter into project specific funding agreements called Program Supplements and receive grant funding from programs, such as Section 130, which supports grade crossing improvements
- Does not impact budget projects funded through Caltrans program

Motion/second: Mueller/Davis

Ayes: Davis, Mueller, Zmuda

Noes: None

Absent: None

10. Authorization of the Execution of a Fund Transfer Agreement for and Receipt of State General Fund for the Caltrain Crossing Optimization Project*

Lisha Mai, Manager of Grant and Fund Programming, provided the presentation which included the following:

- Provided details on Priority Legislative Budget Projects (PLBP) Program
- Caltrans to administer \$3 million for Caltrain Crossing Optimization Project
- Summarized project elements and benefits

Motion/second: Davis/Mueller

Ayes: Davis, Mueller, Zmuda

Noes: None

Absent: None

11. Preliminary Operating and Capital Budgets

Kathleen Kelly, interim Chief Financial Officer, provided the presentation, which included the following:

- Summarized recommendations and changes from Board Workshop
- Preliminary budget with slight changes in revenues and expenses
- TIRCP (Transit and Intercity Rail Capital Program) funding awarded coming over the next 2 years and will drive interest income up
- TASI (TransitAmerica Services, Inc.) contract for operator and maintenance of transit services, was negotiated, and there were savings
- Continue refining the operating and capital budgets, work Member obligations, and to prioritize the capital projects to match available funding

The Committee had a discussion and staff provided further clarification in response to the Board members' comments and questions, which included the following:

- Contributions to operating reserves and how \$3.8 million for electricity is budgeted
- Option to purchase more Stadler cars with most of the funding to come externally and working with MTC (Metropolitan Transportation Commission) to get funding this year and an obligation for future years. Concern on the need for \$44 million of local match and option must be exercised by August 15th
- Externally funded projects are 100 percent funded outside of Caltrain's budget
- GoPass program concerns due to evolving changes to work in the office

Staff continued the budget presentation with Board Members' comments and questions, which included the following:

- Other Income included interest income, advertising, and parking citations.
- Overhead catenary system and traction power system covered the maintenance overhead and personnel that control the power provision in the central control facility
- Reserve policy states need to maintain 10 percent of annual operating budget but strive for 15 percent. Most agencies maintain 25 percent
- Fiscal Year 2024 and Fiscal Year 2025 Preliminary Capital Budget – summarized unconstrained and constrained items, and reviewed projected funding sources
- Member Agency Capital Obligation – discussions with three partner agencies included:
 - San Francisco going to their Board later this month and putting together strategic plan that will include \$5 million a year for the life of their measure
 - SamTrans and TA (Transportation Authority) open to matching that money
 - VTA (Santa Clara Valley Transportation Authority) working with staff to see how projects can fit into their Measure B definitions
- Revenue projections and what chart may look like, including a range indicating worst case and best-case scenarios
- Possibly reduce number of daily trains if budget is not balanced
- Return in Fall for consideration of Policy for Capital Reserves, any changes needed for operating reserves, Member commitments for capital reserve contributions, and a capital endowment fund

Director Mueller left at 3:48 pm

12. Update on Stadler Electric Multiple Unit Option and Funding Plan

Lisha Mai, Manager of Grant and Fund Programming, provided the presentation which included the following:

- Background on zero emission corridor future including 100 percent zero emission corridor requirement

- Total avoided costs for EMUs (electric multiple units) with Stadler Contract Option
- Continue to address the need for a 20 percent local or non-federal match for future battery EMU funding through grant opportunities

The Committee had a discussion and staff provided further clarification in response to the Board members' comments and questions on the following:

- Potential August date delayed while searching for additional funding
- Applicable uses of refunded TIRCP (Transit and Intercity Rail Capital Program) grant for electrification
- MTC's plan for allocation of Federal grant assurances for five years

13. Project Labor Agreement (PLA) Policy Update – was deferred to next meeting

14. Committee Member Requests

Director Mueller requested a chart on Caltrain fares recovery over time.

15. Date/Time of Next Regular Finance Committee Meeting

Monday, May 22, 2023 at 2:30 pm. The meeting will be accessible via Zoom and in person at the San Mateo County Transit District, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070

10. Adjourn

The meeting adjourned at 4:02 pm.

An audio/video recording of this meeting is available online at www.caltrain.com/videoboard-directors. 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: Board of Directors
Through: Michelle Bouchard, Executive Director
From: Dahlia Chazan, Deputy Chief, Caltrain Planning
Subject: **Authorize the Executive Director to Execute a Service Agreement (Agreement) with the City of Palo Alto For Activities Undertaken in Support of the Connecting Palo Alto Project**

Finance Committee Recommendation Technology, Operations, Planning, and Safety Committee Recommendation Advocacy and Major Projects Committee Recommendation Staff Coordinating Council Reviewed

Action

Staff recommends that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB or Caltrain):

- 1) Authorize the Executive Director, or designee, to execute a Service Agreement (Agreement) For Reimbursement from the City of Palo Alto for Activities Undertaken in Support of the Connecting Palo Alto Project (Project) for \$106,676 of reimbursable Caltrain expenses; and
- 2) Amend the Project budget from \$0 to \$106,676, to include additional \$106,676 reimbursable expenses from the Agreement, increasing the Caltrain FY2023 Capital Budget from \$127,376,353 to \$127,483,029.

Significance

The City of Palo Alto is the project sponsor for a proposed grade crossing separation project of the Caltrain right-of-way (ROW) at Churchill Avenue, Meadow Drive, and Charleston Road in Palo Alto. The crossings at these three roads are currently at-grade, and are respectively located at mileposts 30.88, 32.86, and 33.20. The Project envisions separating these roads from the Caltrain rail alignment. Additionally, the Project would include a new bicycle and pedestrian undercrossing at either Kellogg Avenue or Seale Avenue.

The purpose of the Agreement subject to this staff report is for Caltrain to perform the following task:

- Coordination during early Conceptual Design and Selection of the Locally Preferred Alternatives

These services include, but are not limited to:

- Caltrain planning and technical review of design alternatives developed to date by the City.
- Caltrain review of community engagement and outreach plans and materials.
- Ongoing project coordination between the City and Caltrain staff.
- Caltrain to provide technical review, input, and expertise, including participation in the City's working meetings with their Design Engineer and public outreach meetings.

This first Agreement of several provides the initial framework for Caltrain staff to assist the City as it advances development of the conceptual designs for the alternatives described above.

The Agreement provides an initial not-to-exceed amount of \$106,676, of which \$17,779 is included as contingency funds, to cover Caltrain costs for the performance of the task described above.

The Agreement will expire on December 31, 2024, unless extended by mutual agreement of the parties. No procurement and construction activities are envisioned as part of the execution of this Service Agreement.

However, it is assumed by the parties that multiple Agreements and/or amendments will be needed as the City progresses towards completion of the conceptual design phase. These future Agreements and/or amendments will include updated schedules and budgets as appropriate. Future Agreements and/or amendments may include but are not limited to the following tasks:

- Coordination during Advanced Conceptual Design (Up to 15% Design).
- Alternative Contract Delivery Analysis to recommend the optimal contract delivery method based on the selected LPAs' unique characteristics and complexities.
- Development of a Cooperative Agreement to address funding, roles and responsibilities, budgets, and schedule for the subsequent phases.
- Development of the Request For Proposals (RFP/s) for advancing the project to the subsequent phases in accordance with the consensus alternative delivery method recommendation.

Staff will return to the Board for authorization to execute amendments to this Agreement or future Agreements, when appropriate.

Budget Impact

The execution of the Agreement with the City of Palo Alto will provide funding for Connecting Palo Alto Project in Caltrain FY2023 Capital Budget, resulting in a project budget of \$106,676. This will increase the Caltrain FY2023 Capital Budget from \$127,376,353 to \$127,483,029.

Background

The City of Palo Alto initiated the plan to consider grade separation at all four of the existing at-grade crossings in Palo Alto a decade ago. Since 2017, the City's focus has been on the three (3) grade crossings of Churchill Avenue, Meadow Drive, and Charleston Road as part of the Railroad

Grade Separation and Safety Improvements Capital Improvement Project, also referred to as “Connecting Palo Alto.”

Since Project initiation, the Palo Alto City Council created two (2) advisory panels to inform the alternatives analysis and decision-making processes. The Citizen Advisory Panel was created in 2018 for advising staff and consultants on developing alternatives and improving community outreach and communications efforts. The Expanded Community Advisory Panel (XCAP) was created in 2019, for the evaluation of the Connecting Palo Alto railroad grade separation alternatives at the three crossings. The City Council also has a Rail Committee.

In 2021 after receiving XCAP recommendations, the Palo Alto City Council selected the preferred alternative and backup alternative for Churchill Avenue and narrowed alternatives in consideration to the three alternatives at Meadow Drive and Charleston Road, listed below. In addition, the council directed staff to perform additional studies to further assist the review of the alternatives in consideration for the selection of preferred alternative(s) and reinitiated the Rail Committee.

Currently, five (5) conceptual alternatives are under consideration, either as preferred or back-up alternatives:

- Churchill Avenue:
 - o Churchill Avenue Partial Underpass. This alternative includes a pedestrian underpass at Kellogg Avenue or Seale Avenue. It was selected by the Palo Alto City Council as the locally preferred alternative in November 2021.
 - o Churchill Avenue Closure with Mitigation. This alternative includes two (2) options and is the “back-up alternative” for Churchill Avenue.
- Meadow Drive and Charleston Road:
 - o Meadow Charleston Trench.
 - o Meadow Charleston Hybrid.
 - o Meadow Charleston Underpass.

(00488530)

Prepared By: Nicole Soultanov

Deputy Director, Capital
Program Planning

650-632-6867

Resolution No. 2023 –

**Board of Directors, Peninsula Corridor Joint Powers Board
State of California**

* * *

Authorize the Executive Director to Execute a Service Agreement with the City of Palo Alto in Support of the Connecting Palo Alto Project

Whereas, over the past year, the Peninsula Corridor Joint Powers Board (JPB or Caltrain) and the City of Palo Alto (City) have negotiated and prepared this Agreement Regarding Coordination During Early Conceptual Design and Selection of the Locally Preferred Alternatives as part of the Connecting Palo Alto Project, and authorizing reimbursement from City to Caltrain for such efforts; and

Whereas, the City of Palo Alto is the project sponsor for the grade separation of the Caltrain right-of-way (ROW) at Churchill Avenue, Meadow Drive, and Charleston Road, in Palo Alto, also referred to as the Connecting Palo Alto Project; and

Whereas, the City is still considering five (5) conceptual alternatives for this Project, including one (1) preferred alternative at Churchill Avenue referred to as “Churchill Avenue Partial Underpass”, one (1) back-up alternative at Churchill Avenue called “Churchill Avenue Closure with Mitigation”, and three (3) alternatives at Meadow Drive and Charleston Road (Meadow Charleston Trench, Meadow Charleston Hybrid and Meadow Charleston Underpass); and

Whereas, the Project would also include a new bicycle and pedestrian undercrossing at either Kellogg Avenue or Seale Avenue, in Palo Alto; and

Whereas, this Service Agreement (Agreement) provides a framework for Caltrain to assist the City as it advances development of the early conceptual designs for its five (5) conceptual alternatives and prepares the selection of its Locally Preferred Alternatives, and

Whereas, the execution of the Agreement between Caltrain and the City of Palo Alto will provide funding that will result in a project budget of \$106,676, and will require a capital budget amendment increasing the Caltrain FY2023 Capital Budget from \$127,376,353 to \$127,483,029; and

Whereas, Staff recommend that the Board authorize the Executive Director, or designee, to execute an Agreement Regarding Reimbursement for Activities Undertaken in Support of the Connecting Palo Alto Project, with the City of Palo Alto for \$106,676 of reimbursable Caltrain expenses, and to take any other action necessary to implement the Agreement.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby authorizes the Executive Director, or designee, to execute an Agreement Regarding Reimbursement for Activities Undertaken in Support of the Connecting Palo Alto Project, with the City of Palo Alto for \$106,676 of reimbursable Caltrain expenses, and to take any other action necessary to implement the Agreement; and

Be It Further Resolved that the Board of Directors authorizes the amendment of the Connecting Palo Alto Project budget from \$0 to \$106,676, and the Caltrain FY2023 Capital Budget from \$127,376,353 to \$127,483,029.

Regularly passed and adopted this 1st day of June 2023 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

**SERVICE AGREEMENT
BETWEEN
PENINSULA CORRIDOR JOINT POWERS BOARD
AND THE CITY OF PALO ALTO
FOR THE
CONNECTING PALO ALTO PROJECT**

THIS SERVICE AGREEMENT (“Agreement”) is made and entered into by and between the Peninsula Corridor Joint Powers Board, hereinafter referred to as “PCJPB” or “Caltrain,” and the City of Palo Alto, hereinafter referred to as “City,” as of the last date of signature set forth in the signature blocks.

I. RECITALS

1. Project Description

The City of Palo Alto is the project sponsor for the proposed grade separation of the Caltrain right-of-way (ROW) at Churchill Avenue, Meadow Drive, and Charleston Road, in Palo Alto. The Project envisions separating these roads from the Caltrain rail alignment at these three current at-grade crossings, respectively located at mileposts 30.88, 32.86, and 33.20. Additionally, the Project would include a new bicycle and pedestrian undercrossing at either Kellogg Avenue or Seale Avenue. (See Appendix A). The City of Palo Alto is entering into this Agreement with Caltrain.

2. Project Background

The City of Palo Alto initiated the plan to consider grade separation at all four of the existing at-grade crossings in Palo Alto a decade ago. Since 2017, the City's focus has been on the three (3) grade crossings of Churchill Avenue, Meadow Drive, and Charleston Road as part of the Railroad Grade Separation and Safety Improvements Capital Improvement Project, also referred to as “Connecting Palo Alto”. The crossing at Palo Alto Avenue was separate to be integrated with the Downtown Coordinated Area plan.

On May 23, 2022, the City Council approved an amendment to the City’s contract with AECOM – referred to in this Agreement as the “City’s Design Engineer” for the Railroad Grade Separation and Safety Improvements Capital Improvement Project. The amendment directs AECOM to conduct additional studies, outreach, and support to city staff to identify and develop the City’s locally preferred alternatives for the three grade separations.

Currently, five (5) conceptual alternatives are under consideration, either as preferred or back-up alternatives:

- Churchill Avenue:
 - **Churchill Avenue Partial Underpass.** This alternative includes a pedestrian underpass at Kellogg Avenue or Seale Avenue. It was selected by the Palo Alto City Council as the locally preferred alternative in November 2021.
 - **Churchill Avenue Closure with Mitigation.** This alternative includes two (2) options and is the “back-up alternative” for Churchill Avenue.
- Meadow Drive and Charleston Road:
 - **Meadow Charleston Trench.**
 - **Meadow Charleston Hybrid.**
 - **Meadow Charleston Underpass.**

Since Project initiation, the Palo Alto City Council has created two (2) advisory panels to inform the alternatives analysis and decision-making processes. These advisory panels are the Citizen Advisory Panel, created in 2018 for advising staff and consultants on developing alternatives and improving community outreach and communications efforts, and the Expanded Community Advisory Panel, created in 2019, for the evaluation of the Connecting Palo Alto railroad grade separation alternatives at the three crossings. The City Council also has a Rail Committee.

3. Caltrain Processes Background

Upon invitation, Caltrain presents updates on capital project efforts adjacent to the City of Palo Alto led grade separation projects at the City’s Rail Committee. In September 2022, Caltrain staff briefed this committee on the San Francisquito Creek Bridge’s due diligence effort. Topics included: inspection methodology, bridge monitoring plan, estimated timing of bridge replacement, proposed coordination strategy with the City, and project next steps.

In December 2022, Caltrain staff presented information to the Rail Committee pertaining to the Service Agreement process. Presentation topics included: update from ongoing coordination between City and Caltrain, technical guidance still needed by City, the purpose and need for service agreements, present and future City/Caltrain service agreement scope, timing for project handoff to Caltrain, and project next steps.

Since about 2018, Caltrain has received correspondence from the City of Palo Alto documenting the City's desire to explore grade exceptions, requesting the elimination of the four-tracking requirements in Palo Alto, and requesting the review of several design criteria including, but not limited to, increasing the maximum allowable grade design and reducing vertical clearance standards. Caltrain provided responses to the City’s inquiries on these topics in December 2018 and August 2022.

In its response to the City of Palo Alto, Caltrain described how it would address the technical questions surrounding the City’s three grade separation projects. This third-party Service Agreement provides a framework for Caltrain staff to review specific technical and design related questions as they pertain to the grade separation alternatives under consideration, their specificities, and uniqueness. The questions to be addressed include the curve of the track alignment at Palo Alto Ave, the vertical clearance standard, and the thickness of the bridge deck.

Regarding four track refinement, Caltrain is currently engaging in further work to refine the four-track segments through the Corridor Crossings Strategy in order to support the Board adopted service vision. This analysis will involve consideration of four-tracking along the entire Caltrain Corridor; this geographic scope is required to complete the analysis. The analysis will also include consultation with UPRR. Caltrain expects to complete this work by the end of 2023, but should note that it will require JPB action to finalize.

Should the City's timeline for advancing these projects not accommodate the timing needed to determine the limits of a future four-track segment in northern Santa Clara County, Caltrain would require the City of Palo Alto to pursue a design that does not preclude a four-track segment. In this instance, Caltrain staff would assist City staff in determining the most appropriate path forward to revise the current alternatives under consideration.

4.1 Third Party Service Agreement During Early Conceptual Design (and Selection of Locally Preferred Alternative (LPA))

As the third-party project sponsor, the City is required to coordinate with Caltrain staff as the City undertakes the conceptual design phase of the capital project development process and prepares for the City Council's selection of LPAs.

This coordination is needed to verify compliance with Caltrain planning and design criteria and other documentation as mentioned above and included below in Section II. This Agreement outlines necessary Caltrain participation and technical review, as well as an associated budget and schedule for Caltrain staff time that is reflective of the level of support required during this early phase of the project. The level of Caltrain involvement is based on Caltrain's assessment of the project's scale, complexity, and the specific requests expressed thus far by the City of Palo Alto in previous correspondence to Caltrain.

The purpose of this initial Agreement is for Caltrain to provide early coordination and technical input and expertise to inform the process, while the City manages the development of alternatives, considers tradeoffs, and ultimately selects the LPAs to advance for community input and consideration of potential environmental consequences. Typically, the conceptual design phase culminates in the production of 15% design documents that reflect the community's LPAs and compliance with Caltrain's standards and requirements. *For more information on Design Standards, see Section 4.2.* However, Caltrain understands the City may reach final decisions on the LPAs before or without producing the full list of 15% design documents. Under this scenario, Caltrain will work with City staff to determine the necessary deliverables needed to advance the projects to the next design phase.

This first Agreement of several provides the initial framework for Caltrain staff to assist the City as it advances development of the conceptual designs for the alternatives described above in Section I.2 (Project Background). It is assumed by the parties that multiple Agreements and/or amendments will be needed as the City progresses towards completion of the conceptual design phase. These future Agreements and/or amendments will include updated schedules and budgets as appropriate.

On a broad level, it is anticipated that agreements for future work phases will include tasks such as those identified below. It is assumed by the parties that the City of Palo Alto and Caltrain will

collaboratively develop future scopes of work to reach consensus on the work needed to advance the project to the next phase.

It is understood that the conceptual plans being developed by the City for the selection of its LPAs will require additional design work for the Preliminary Engineering and Environmental phase of the project and that there will be significant community involvement during all phases of the project. Future Agreements and/or amendments may include but may not be limited to the following tasks:

- **Coordination during Advanced Conceptual Design (Up to 15% Design):** Caltrain planning coordination, technical review and comments of advanced design alternatives (LPAs) further developed by the City prior to Preliminary Engineering/Environmental Clearance phase.
- **Alternative Contract Delivery Analysis** to recommend the optimal contract delivery method based on the selected LPAs' unique characteristics and complexities. Document recommendations in an Alternative Project Delivery Decision Report.
- **Development of a Cooperative Agreement** to address funding, roles and responsibilities, budgets, and schedule for the subsequent phases.
- **Development of the Request For Proposals (RFP/s)** for advancing the project to the subsequent phases in accordance with the consensus alternative delivery method recommendation. The scope of work for the RFPs will vary as necessary based on the recommended contract delivery method selected for the project.

The scope of work specified in the agreement may be modified by mutual written agreement of the project managers so long as the work is completed within the timeline and budget of the agreement.

4.2 Caltrain Design Standards

Determination of compliance with Caltrain's standards is typically achieved through review of Preliminary (15%) Design Submittal Checklist items (See Appendix C) and namely, the Preliminary 15% Design Criteria and Basis of Design. Caltrain's Engineering Standards include design criteria, specifications, drawings, design and maintenance of structures, excavation support systems and CADD standards.

Given the City-led conceptual design phase is not scoped to produce all Preliminary (15%) Design deliverables listed in the Checklist, Caltrain will assist City staff and their conceptual design consultants with interpreting Caltrain standards and incorporating them into the alternatives currently under consideration.

It is understood by all parties that Caltrain's Engineering Standards (Design Criteria, Standard Drawings and Standard Specifications) are currently being updated to accommodate for an electrified rail environment. Caltrain will work with the City to identify and communicate those standards which are currently being updated and their planned completion, as well as how best to incorporate these updated standards into project documents.

II. TERMS OF AGREEMENT

1. Scope of Work

To support the review and coordination of the City's initial conceptual design phase and selection of LPAs, the tasks described in this Scope of Work will be completed by Caltrain under this Agreement.

It is assumed that regular coordination and document review meetings will be held between participating parties on an as-needed basis among staff for the City and Caltrain.

Caltrain will provide a Project Manager who is knowledgeable about the project and Caltrain processes, and who will lead the coordination efforts among Caltrain and City staff. The City will provide a Project Manager who is knowledgeable about the project and the City's processes, and who will be the main point of contact for Caltrain.

1.1. Coordination during early Conceptual Design and Selection of LPAs:

This Agreement assumes the City will ultimately provide Caltrain with many of the deliverables listed in the Preliminary (15%) Design Submittal Checklist by the end of the early conceptual design phase. Items listed in Appendix C, are provided for the City's information and planning purposes, as these design-related items are typically needed and, in some cases, required for Caltrain to determine the feasibility and constructability of a proposed project. As the City progresses through the conceptual design phase, Caltrain will work with the City to determine which of these items are needed to determine the presence of any fatal flaws in the proposed concept designs. Caltrain will also work with the City to determine which of these items can be provided in a subsequent work phases.

The following services will be delivered by Caltrain staff as part of the Coordination during early Conceptual Design, and Selection of LPAs task:

- Caltrain planning and technical review of design alternatives developed to date by the City.
- This initial Agreement assumes up to 3 rounds of Caltrain review and comment of up five (5) conceptual design alternatives. This Agreement also assumes that the first round of review will be performed on the current five (5) design alternatives still under consideration and the second and third rounds of review will be performed after the City's revision/s of the alternatives based on Caltrain comments.

This technical work typically includes the following activities:

- Identify potential impacts to PCJPB facilities and their access as well as impacts to operations and maintenance for each alternative.
- Identify potential access impacts to PCJPB facilities as they relate to people walking, biking, and using buses or shuttles to access Caltrain for each alternative. This includes wider streets, less direct routes, or degradation of existing facilities.
- Identify specific facilities that may be affected by the various alternatives (Third-party fiber optic cable, PCJPB fiber backbone, Positive Train Control, Communications, Overhead Catenary Systems, Track, Right-of-Way access, etc.).

- Provide any clearances that will need to be considered as part of design – separation from track (vertical and horizontal), separation from catenary, clearance to utilities, etc.
 - Consider potential environmental impacts, as well as necessary environmental clearances and resource agency permits for PCJPB to obtain at later design stages.
 - Include any considerations the City should be aware of to reduce risk/cost.
 - Review of engineer’s cost estimates for the alternatives being considered.
- Caltrain review of community engagement and outreach plans and materials and attendance at community meetings as appropriate.
 - Ongoing project coordination between the City and Caltrain staff (planning, engineering, operations, maintenance, outreach, environmental). This coordination includes Caltrain staff assisting the third-party project sponsor with ongoing questions related to planning, engineering, delivery, operations, maintenance, and outreach.
 - Up to ten (10) meetings/workshops with City and Caltrain staff.
 - Provide technical review, input, and expertise, including participation in the City’s working meetings with their Design Engineer and public outreach meetings.

2. Project Delivery Process & Schedules

2.1 Capital Projects Delivery

Caltrain has an internal capital projects delivery process that defines distinct phases and periodic check-ins after each project phase. This methodology is used as quality control oversight by Caltrain leadership to ensure that projects proceed in alignment with scope, budget, and schedule as approved in the capital budget. The span of this Agreement is included as part of Phase Gate 2.

2.2 Estimated Milestones

This information is offered for reference. As project-specific schedules are developed, these check-in points will be identified as milestones in accordance with this process. For this project, the initial estimated milestone dates are:

Gate 1 - Project Initiation (per Caltrain internal process)	October 2022
Gate 2 - 15% Development Complete	TBD
Gate 3 - 35% Development Complete	TBD
Gate 4 - 65% Development Complete	TBD
Gate 5 - 100% Development Complete	TBD
Gate 6 - Substantial Completion	TBD
Gate 7 - Start-Up / Turnover Complete	TBD
Gate 8 - Project Closeout Complete	TBD

As it relates to the Agreement’s Scope of Work, the estimated timelines and milestones are included below. These timelines assume concurrence from Palo Alto City Council for the selection of the LPAs.

4.1 Progress Reports

Caltrain will provide the City with quarterly progress reports on expenditures, and the City will provide Caltrain with quarterly progress reports on work activities completed and project status.

4.2 Estimated Budget

The overall estimated budget for the tasks outlined in this Agreement is estimated at: **\$106,676.4** which includes \$17,779.4 in contingency funds (20% of the budget estimate total). See Appendix B for budget details.

4.3 Caltrain Fully Burdened Unit Cost Rates and Contingency Funds

Caltrain's billing rates are designed to ensure reimbursement of actual costs to Caltrain for services provided on third-party projects.

Caltrain's billing rates include actual salaries and fringe benefit costs, which are billed as direct labor costs. Additionally, Caltrain rates also include indirect labor costs in the form of Internal Cost Allocation Plan (ICAP) rates, which reflect actual overhead costs that are not efficient to charge directly to the project, such as financial services.

Both fringe benefit costs and estimated ICAP rate are updated on a fiscal year (FY) basis. More details on the current rates applied to San Mateo County Transit District ("District") labor including Caltrain, Consultants and Non-labor, in Appendix E.

Contingency provides funds for additional hours. Contingency funds will not be utilized without prior written (via email) authorization from the City. However, the City's authorization for the release of contingency funds will not be unreasonably withheld.

It is understood that Caltrain may submit a written request to the City for annual labor rate update, no later than 30 days before the start of the succeeding fiscal year, to be effective the first day of the subsequent fiscal year, or the date of Caltrain's request, whichever date is later. Caltrain may also submit a written request to the City for labor rate changes upon staff changes. Increases in future negotiated fully burdened billing rates, if requested, shall be limited to an annually negotiated, not-to-exceed percentage, according to the Construction Cost Index from the Engineering News Record for the San Francisco Bay Area. Caltrain's requests for new rates shall be subject to approval by the City, which approval shall not be unreasonably withheld.

4.4 Payment and Invoices

The PCJPB will invoice the City for work performed under this Agreement quarterly in arrears. Payment by the City is due 30 days following the date of each invoice.

5. Term of Agreement

a. It is understood by all parties that this Agreement will terminate on **December 31, 2024**, unless Caltrain (e.g., Capital Development or Planning PM) and the City (e.g., Public Works Director) mutually agree to extend the duration of this Agreement or the Agreement is earlier terminated pursuant to paragraph (b).

b. Either party may terminate this Agreement by providing 30 days prior written notice, provided that City shall reimburse Caltrain for all costs incurred by Caltrain through the termination of the Agreement .

6. Governing Law

This Agreement shall be interpreted, construed, and enforced in accordance with the laws of California.

7. Amendments

This Agreement may be amended at any time and from time to time, provided such amendments are in writing and executed by the Parties.

8. Entire Agreement

This Agreement constitutes the entire agreement of the Parties with respect to its subject matter and supersedes any prior oral or written understanding on the same subject.

IN WITNESS WHEREOF, PCJPB and the City execute this Agreement as follows with the intent to be legally bound:

PENINSULA CORRIDOR
JOINT POWERS BOARD

CITY OF PALO ALTO

By:

By:

Michelle Bouchard
Executive Director

Ed Shikada
City Manager

Date

Date

Approved by:

Philip Kamhi
Chief Transportation Official

Date

Approved as to Form:

Approved as to Form:

James C. Harrison
General Counsel

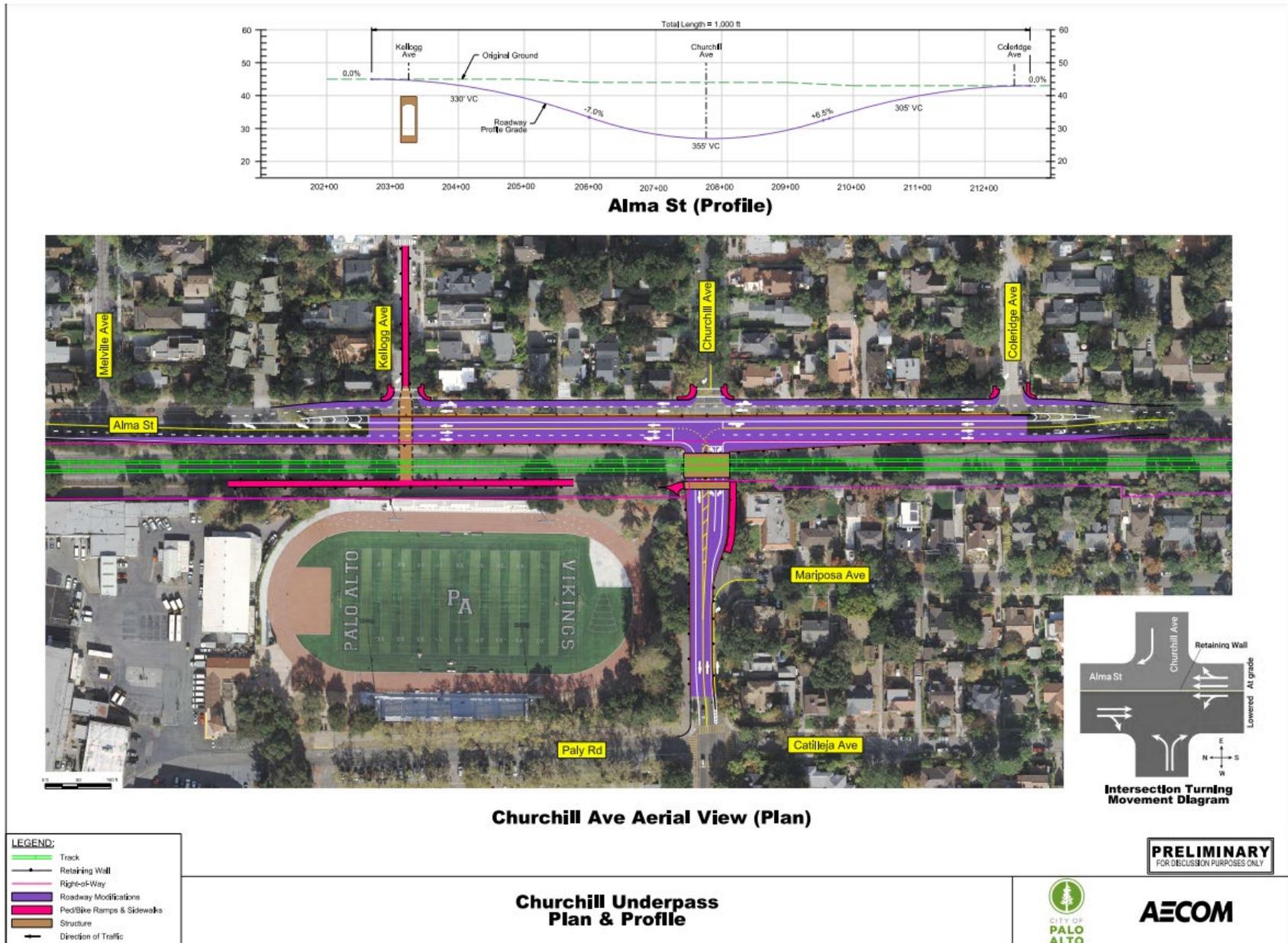
Tim Shimizu
Assistant City Attorney

Date

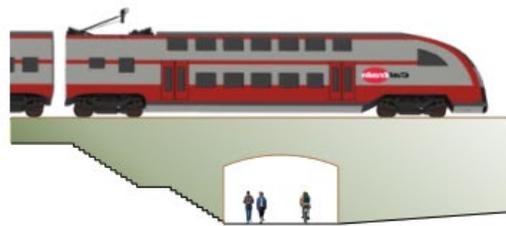
Date

Appendix A – CONNECTING PALO ALTO PROJECT DRAWINGS

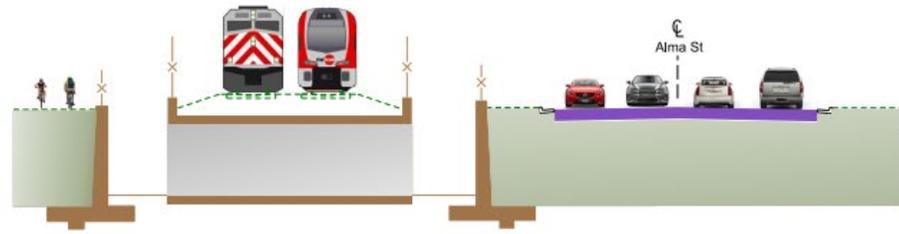
Appendix A.1 – CHURCHILL AVENUE PARTIAL UNDERPASS DRAWINGS



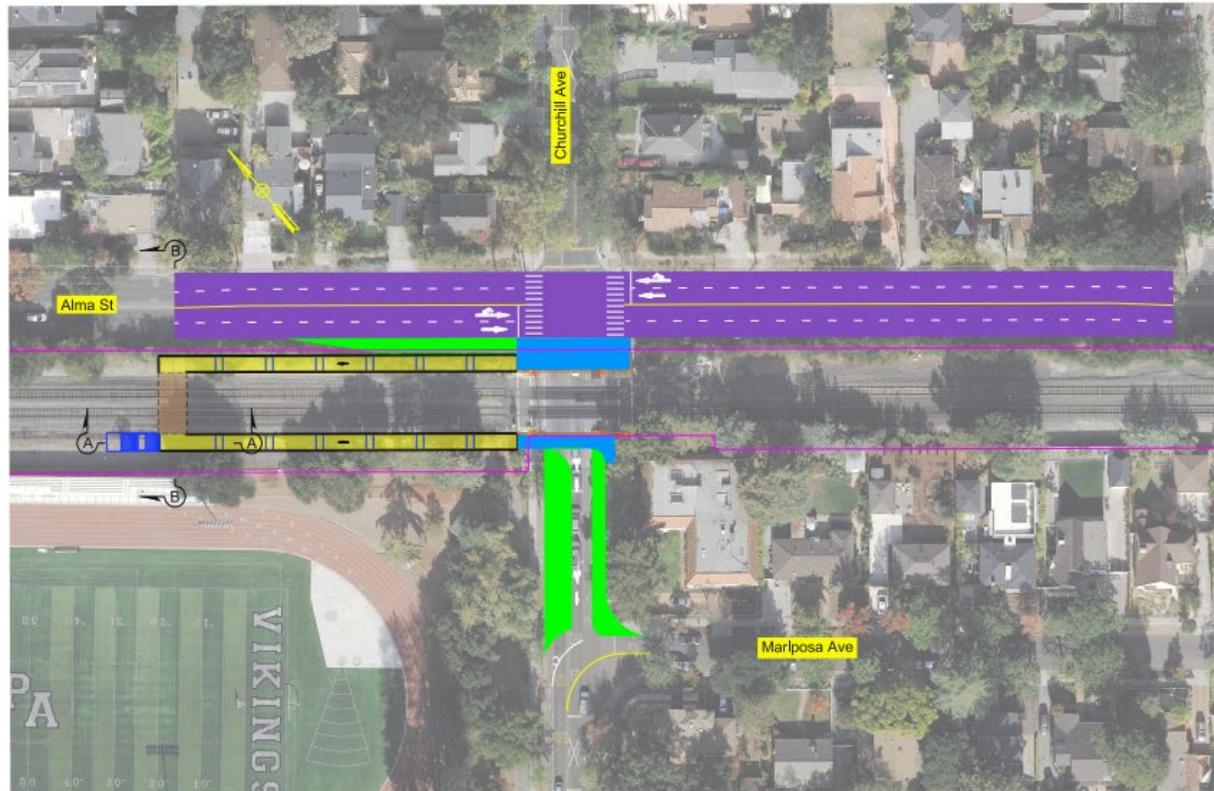
Appendix A.2 – CHURCHILL AVENUE CLOSURE WITH MITIGATIONS (OPTION 1)



Section A-A



Section B-B



Churchill Avenue (Plan)

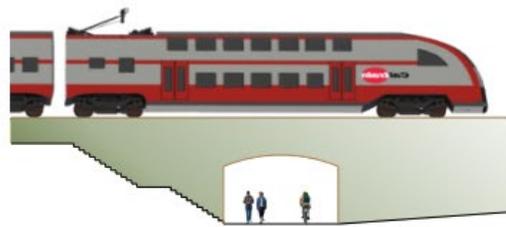
LEGEND	
	Fence
	Right-of-Way
	Ramp
	Landscaping
	Roadway Modifications
	Sidewalk Modifications
	Undercrossing Structure
	Stairway

**Pedestrian/Bicyclist Undercrossing at Churchill Avenue
Plan & Cross Sections
Option 1**

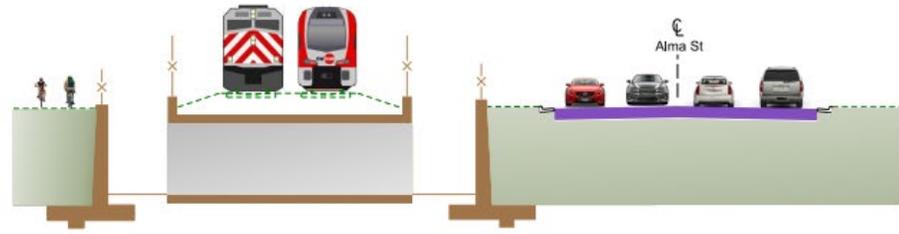
PRELIMINARY
FOR DISCUSSION PURPOSES ONLY



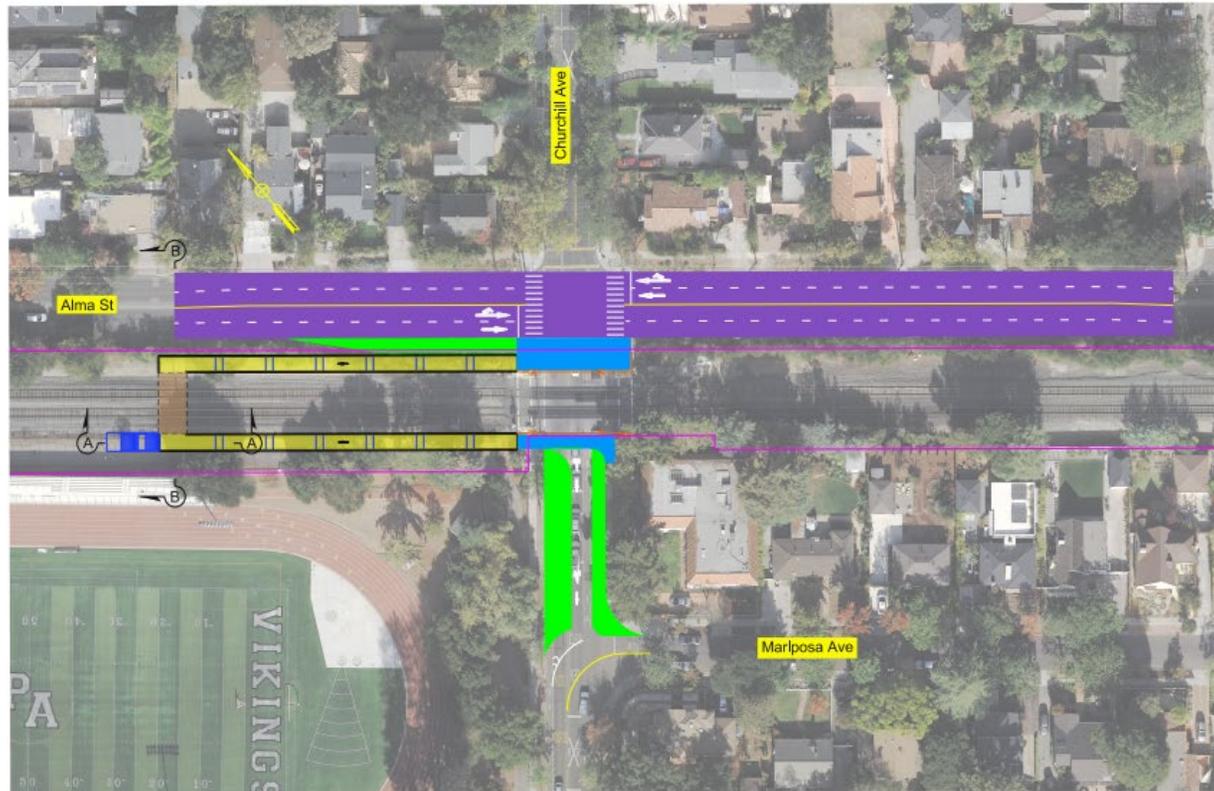
Appendix A.3 – CHURCHILL AVENUE CLOSURE WITH MITIGATIONS (OPTION 2)



Section A-A



Section B-B



Churchill Avenue (Plan)

LEGEND

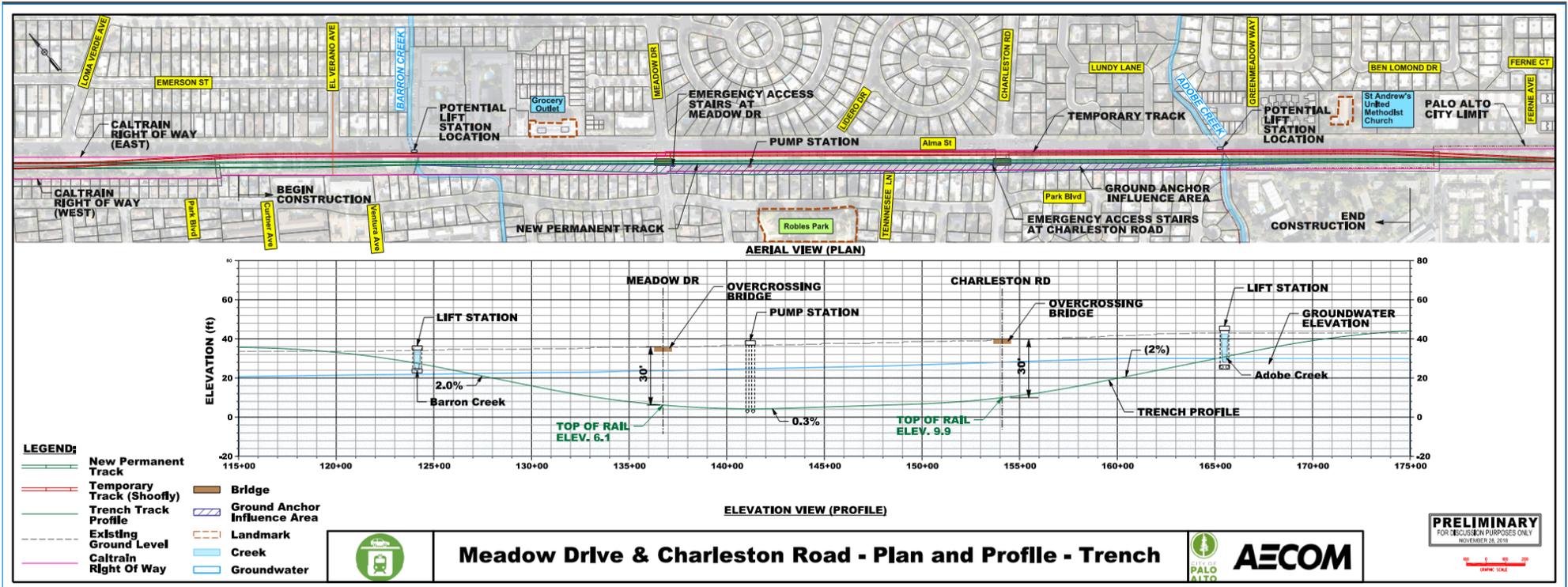
-  Fence
-  Right-of-Way
-  Ramp
-  Landscaping
-  Roadway Modifications
-  Sidewalk Modifications
-  Undercrossing Structure
-  Stairway

Pedestrian/Bicyclist Undercrossing at Churchill Avenue Plan & Cross Sections Option 1

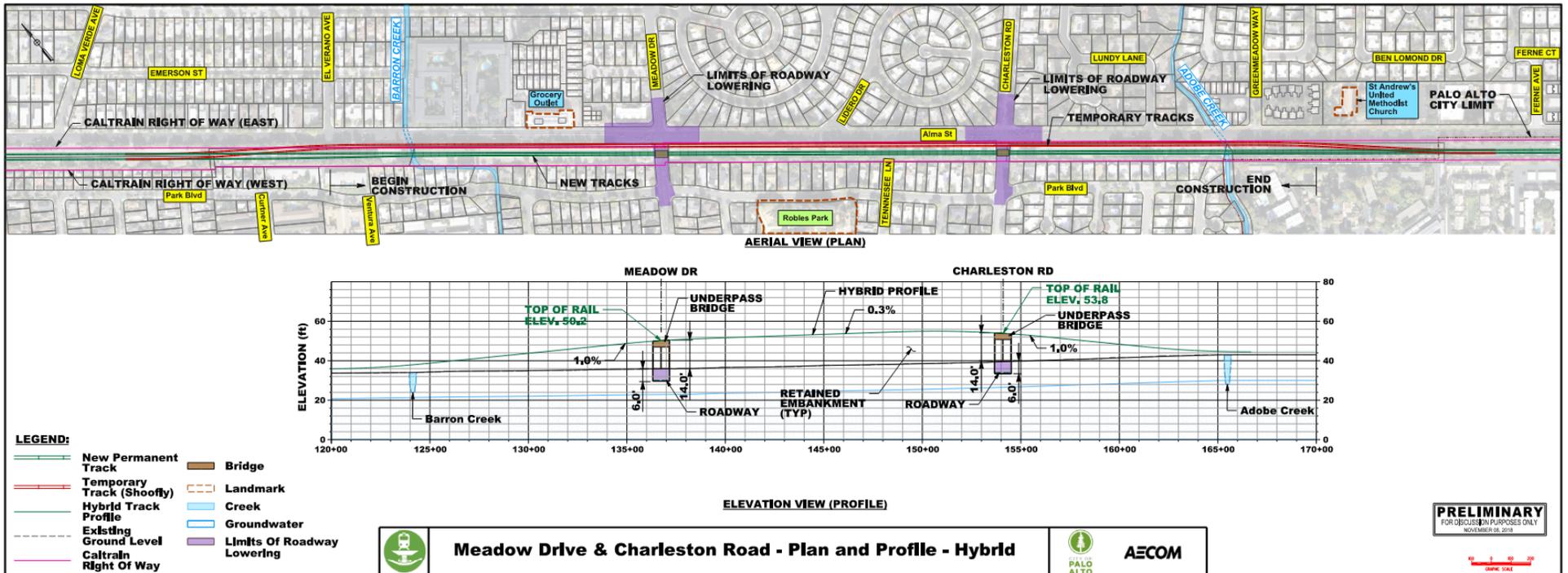
PRELIMINARY
FOR DISCUSSION PURPOSES ONLY



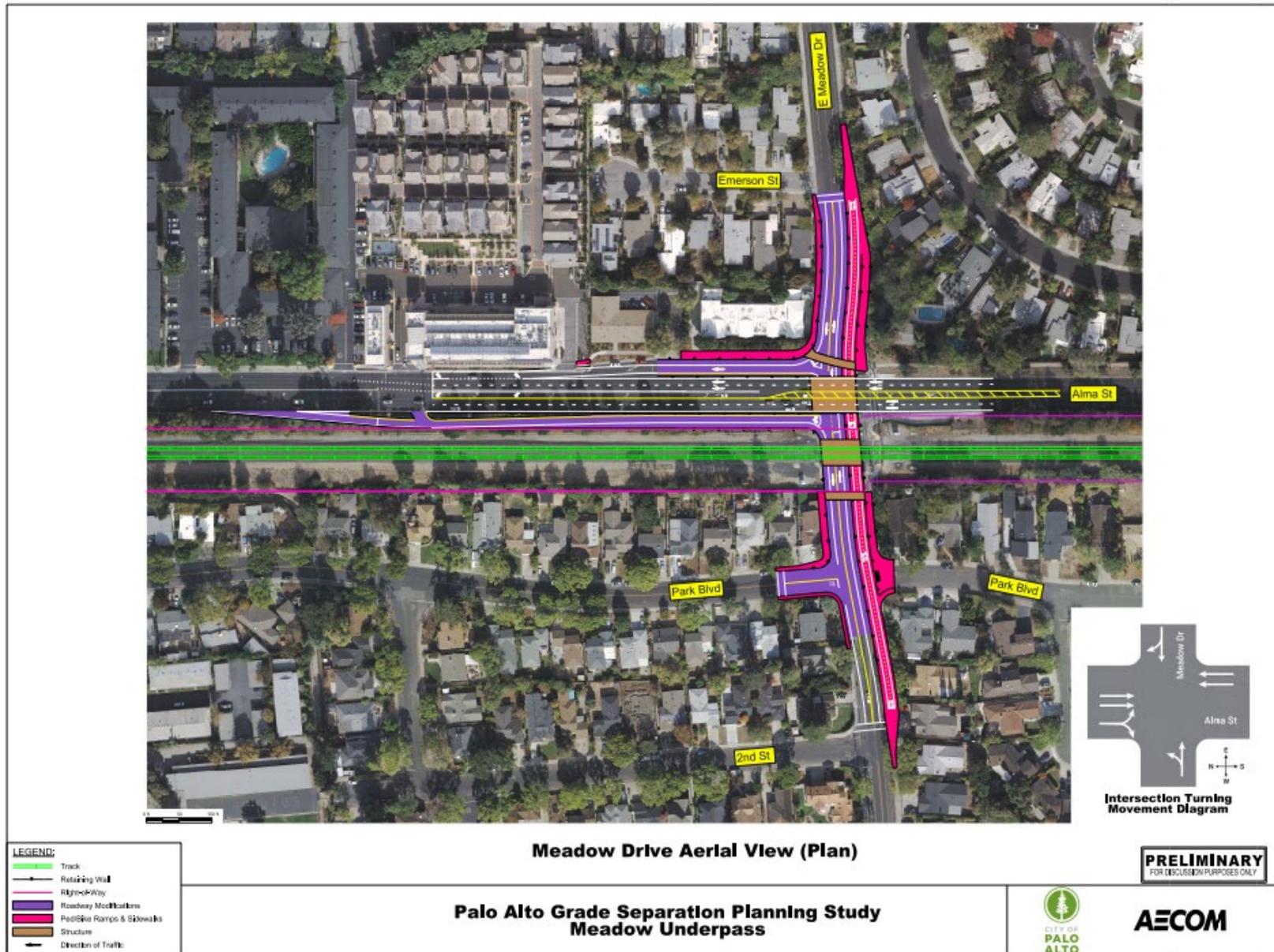
Appendix A.4 – MEADOW-CHARLESTON TRENCH



Appendix A.5 – MEADOW-CHARLESTON HYBRID



Appendix A.6 – MEADOW-CHARLESTON UNDERPASS (1 of 2)



Appendix A.6 – MEADOW-CHARLESTON UNDERPASS (2 of 2)



Appendix B – CONNECTING PALO ALTO SERVICE AGREEMENT BUDGET

Caltrain Fully Burdened Unit Cost Rates (FY23)	Position	Staff Name	Task 1 Coordination during early conceptual design, and selection of LPAs		Totals	
			Hours	Fee	Hours	Fee
\$ 211.00	Deputy Chief, Rail Development	Robert Barnard	6	\$ 1,266	6	\$ 1,266
Project Delivery						
\$ 297.00	Director, Capital Program Delivery	Andy Robbins	6	\$ 1,782	6	\$ 1,782
\$ 139.00	Senior Project Manager	Arul Edwin	8	\$ 1,112	8	\$ 1,112
Infrastructure Engineering						
\$ 198.00	Engineering Director	Zouheir Farah	30	\$ 5,940	30	\$ 5,940
\$ 174.00	Engineering Infrastructure Manager	Bin Zhang	102	\$ 17,748	102	\$ 17,748
\$ 127.00	Senior Civil Engineer	Joel Pancoast	102	\$ 12,954	102	\$ 12,954
* \$ 233.00	Senior Track Engineer	TBD	100	\$ 23,300	100	\$ 23,300
Planning						
\$ 203.00	Deputy Chief, Planning	Dahlia Chazan	8	\$ 1,624	8	\$ 1,624
\$ 135.00	Deputy Director, Capital Planning	Nicole Soultanov	20	\$ 2,700	20	\$ 2,700
\$ 188.00	Capital Planning Support	Lindsey Kiner	35	\$ 6,580	35	\$ 6,580
\$ 122.00	Principal Planner, Access Planning	Dan Provence	8	\$ 976	8	\$ 976
Environmental Planning						
\$ 159.00	Dep Director, Prg Management & Env Comp	Hilda Lafebre	16	\$ 2,544	16	\$ 2,544
Projects Controls						
* \$ 129.00	Program Manager, Project Controls	TBD	10	\$ 1,290	10	\$ 1,290
Legal Counsel						
* \$ 413.00	Legal Counsel	TBD	12	\$ 4,956	12	\$ 4,956
G&CA						
\$ 95.00	Government Affairs Officer	Navdeep Dhaliwal	35	\$ 3,325	35	\$ 3,325
\$ 100.00	Government Affairs Acting Manager	Lori Low	8	\$ 800	8	\$ 800
Subtotal (1074)			506	\$ 88,897.00	506	\$ 88,897.00
Contingency			20%		101	\$ 17,779.40
Total including 20% contingency						\$ 106,676.40

*These FB Unit Cost Rates are offered as placeholders. They may or may not be updated prior to this Agreement getting executed

This list is offered for reference and describes the tasks that Caltrain would typically expect the City to perform and report on to Caltrain during the conceptual planning process.

Design Development Drawings by the City's Design Engineer:

- a) Title Sheet, Legend & Index of Drawings
- b) Key Map showing Project location
- c) Project Typical Sections
- d) Critical concept sections
- e) Selected Concept Plan & Profile Sheets
- f) Existing and Proposed Right-of-Way Information
- g) Existing Utilities and conceptual relocation
- h) Existing Drainage structures and Water shed information
- i) Selected concept 3D Rendering

Deliverables and Submittals by the City's Design Engineer:

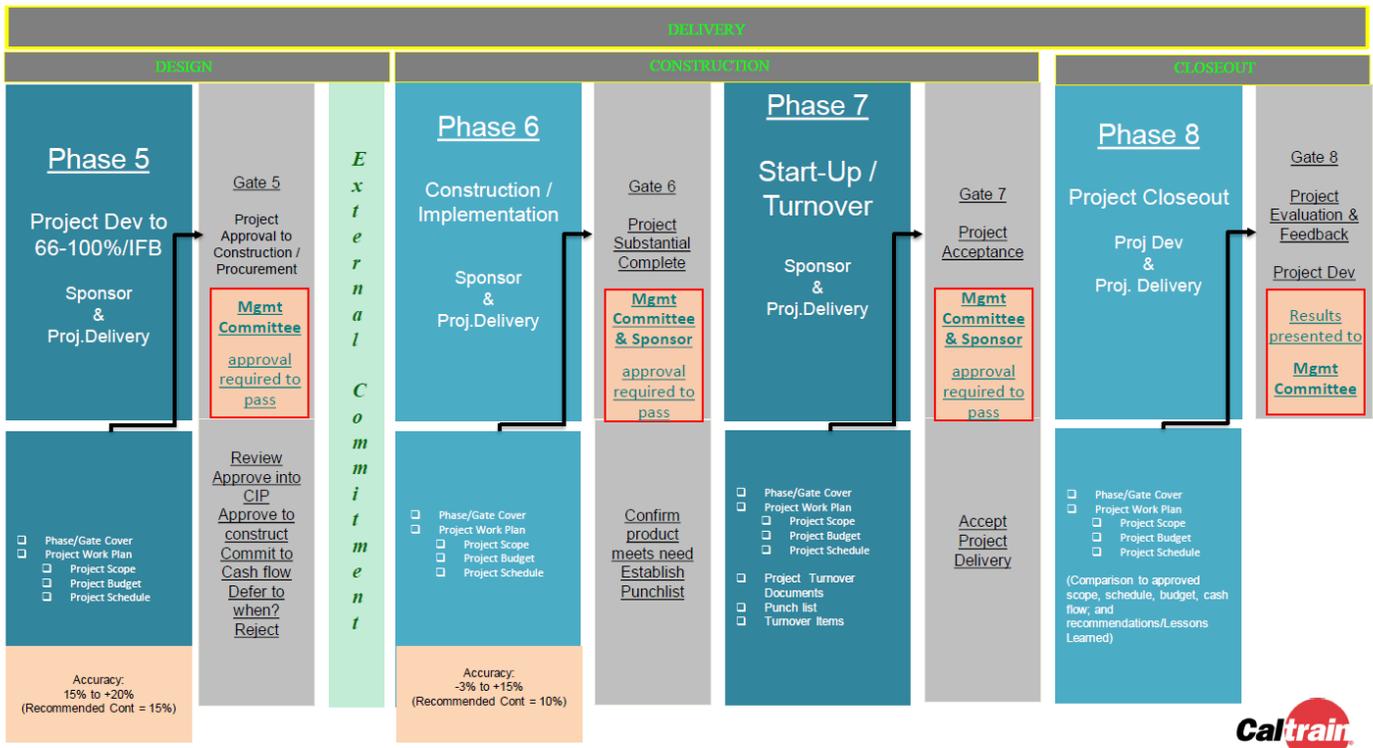
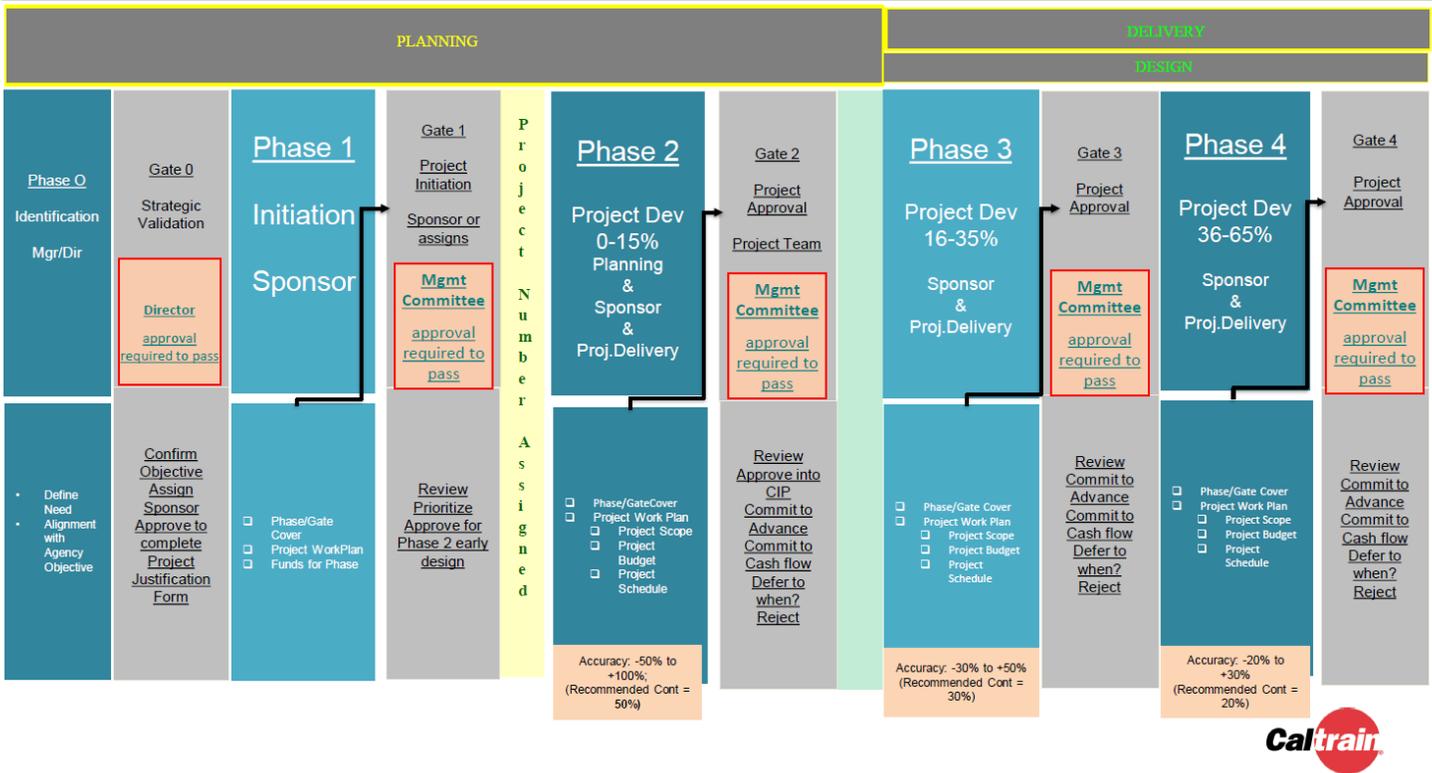
- a) Design Basis Memorandum.
- b) Reports, Exhibits, & Other Documents
 - i. Preliminary 15% Design Criteria
 - ii. Preliminary Selected Concept drawings
 - iii. Preliminary 15% ROW acquisitions, swaps, easements, etc.
 - iv. Preliminary 15% Utility Matrix
 - v. Preliminary 15% Geotechnical Report
 - vi. Preliminary 15% Traffic Report including VMT analysis
 - vii. Preliminary 15% Access Improvement Report
 - viii. Preliminary 15% Environmental Assessment
 - ix. Preliminary 15% existing drainage and project area water shed delineation
 - x. Preliminary 15% Engineering Estimate with range of probable costs and contingency levels in current and year of expenditure values (escalated to mid-point of construction)
 - xi. Preliminary 15% Design and Construction Schedule Review
 - xii. Comments Resolution Matrix by Caltrain (PL, ENG, and Project Delivery) and the City's Design Engineer
 - xiii. Alternative Project Delivery Decision Report

Coordination Tasks:

- a. Kickoff Meeting with Caltrain (Planning "PL", Engineering "ENG", Outreach, and Project Delivery) and the City's Design Engineer
- b. Presentation on project design definition and objectives
- c. Site visit with Caltrain (PL, ENG, Outreach, and Project Delivery) and the City's Design Engineer
- d. Meeting with Caltrain Operations, Safety, and other stakeholders
- e. Review of Caltrain design criteria with PL, Outreach, and ENG
- f. Review of ROW and utilities with Caltrain (PL and ENG), and the City's Design Engineer
- g. Topographic survey by the City's Design Engineer

- h. Traffic data collection, including Vehicle Miles Traveled (VMT) analysis, by the City's Design Engineer
- i. A walking audit that identifies existing access concerns and opportunities for improvement with Caltrain (PL, ENG, Outreach & Project Delivery) and the City's Design Engineer
- j. Geotechnical investigation with USGS existing data by the City's Design Engineer
- k. Various concept alternatives development by Caltrain (PL, ENG, and Project Delivery) and the City's Design Engineer
- l. Concept evaluation and selection recommendation by Caltrain (PL, ENG, Outreach, and Project Delivery) and the City's Design Engineer
- m. Final Selected Concept Value Engineering workshop with Caltrain (PL, ENG, Outreach, and Project Delivery) and the City's Design Engineer
- n. Concept Design development VE implementation by Caltrain (PL, ENG, Outreach, and Project Delivery) and the City's Design Engineer
- o. 15% Design Review meeting and comments resolution with Caltrain (PL, ENG, Outreach, and Project Delivery) and the City's Design Engineer

Appendix D - Caltrain Phase/Gate Process



Appendix E - Caltrain Fully Burdened Unit Cost Rates, 2023

Effective July 1, 2022 these rates should be applied to District labor, Consultants and Non-Labor for purposes of external agreements with the District. Rates will be updated annually, and the District reserves the right to update rates a maximum of one time during the year, if warranted. The District will communicate all such changes in writing.

		Onsite Consultant	Non-Labor Items	Employee
Unit Cost		\$1.00	\$1.00	\$1.00
Applied fringe rate	63.55%	0.00	0.00	0.64
Total Direct Cost		\$1.00	\$1.00	\$1.64
Applied ICAP Rate	3.22%	0.03	0.03	0.05
Fully Burden Rate		\$1.03	\$1.03	\$1.69

The San Mateo County Transit District (District) provides motorbus, paratransit and shuttle service in San Mateo County. The District also administers and manages the day-to-day operations of the Peninsula Corridor Joint Powers Board (PCJPB)/Caltrain; San Mateo County Transportation Authority (TA); and San Mateo County Express Lane Joint Powers Authority (JPA). The District uses cost allocation and rate setting methodologies to assign and recover costs incurred by providing services shared by all agencies.

Fully Burdened Rate for Onsite Consultants and Non-Labor Items: Unit Cost + ICAP

Agency Indirect Costs (AIA): Onsite consultants and non-labor items are “grossed up” to add in Agency Indirect Costs (AIA) and Capital Overhead. Taken together, these components are referred to as the Internal Cost Allocation Plan Rate, which is supported by an audited Internal Cost Allocation Plan (ICAP) using statistics appropriate to the costs allocated. AIA costs benefit all agencies and include staff in support departments such as Human Resources, Information Technology and Telecommunications, Treasury, Accounting and Budgets, Security, Facilities Maintenance and Contracts & Procurement. All staff time devoted to shared service activities are recorded to the AIA project category within the accounting system. Annually, AIA costs are allocated to the appropriate benefiting agencies through the ICAP.

Capital Overhead: Capital costs associated with pooled support costs that cannot be directly attributed to a specific capital project, including labor and non-labor costs specific to each agency’s capital projects, are recorded to the Capital Overhead project within the accounting system. A rate is used to charge for the three categories of costs. The rates are calculated and updated on an annual basis.

Fully Burdened Rate for Employees: Unit Cost + ICAP + Fringe Benefits

The fully burdened rate for employee includes the ICAP rate shown above, and also includes Employee Fringe Benefits. Fringe benefits cover costs associated with payroll taxes, pension plan contributions, group insurance premiums (medical, dental, vision coverages), life insurance, long-term disability, unemployment insurance, and paid time off (PTO). These costs are initially paid by the District and charged to benefiting agencies through the application of a fringe benefit rate.

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: Kate Jordan Steiner, Chief Financial Officer
Subject: **Accept Statement of Revenues and Expenses for the Period Ending April 30, 2023**

- Finance Committee Recommendation
- Technology, Operations, Planning, and Safety Committee Recommendation
- Advocacy and Major Projects Committee Recommendation
- Staff Coordinating Council Reviewed

Action

Staff proposes that the Finance Committee of the Peninsula Corridor Joint Powers Board (JPB) accept and enter into the record the Statement of Revenues and Expenses for the Period Ending April 30, 2023.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through April 30, 2023, and highlights projections for the end of the year. The statement has been designed to follow the Agency-wide line-item rollup as included in the approved budget. The columns have been designed to provide an easy comparison of year-to-date current actuals to the budget including dollar and percentage variances.

Significance

Annual Forecast: The annual forecast is based on actual revenue and expense trends through April 2023, augmented by analyzing trends and reviewing details with cost center managers to develop projections through the rest of the year. There is no change from the prior published forecast. Overall, a surplus of \$1.6 million is projected for FY 2023, compared to a \$2.6 million deficit projected in the Approved FY 2023 Budget (the Approved Budget assumed a draw of \$2.6 million from the FY 2022 surplus). The most significant component in the positive change is related to higher-than-assumed Measure RR receipts.

Forecast Revenues: Total Revenue (page 1, line 16) is forecasted to be \$5.1 million higher than budget. This is driven primarily by higher Measure RR sales taxes (page 1, line 12), estimated to be \$5.0 million over budget, due to the continued recovery and high inflations. Other significant increases over the budget are:

- \$2.3 million in Other Income (page 1, line 5), driven by additional Advertising revenue and Interest Income;
- \$0.7 million from higher Go Pass revenue (page 1, line 2); and

-\$0.3 million higher Rental Income (page 1, line 4).

These projected increases are partially offset by a \$3.2 million lower non-Go Pass Fare revenue (page 1, line 1) due to slower ridership recovery and PCEP service reductions, which began in December 2022.

Forecast Expenses: Total Expense (page 2, line 50) is forecasted to be \$0.9 million higher than budget, made up of relatively small changes in several line items:

- Debt Service (page 2, line 48) is forecasted \$1.1 million higher than budgeted, because the principal payment in FY 2023 for the Fare Bonds was inadvertently omitted from the budget;
- Other Office Expense and Services (page 2, line 40) are forecasted \$0.2 million higher than budget due to a parking lease at Menlo Park that started October 2022; and
- Security Services (page 2, line 22) are forecasted \$0.1 million higher than budget due to overtime.

Partially offsetting these increases are projected savings in Wages and Benefits (page 2, line 35), which are forecasted to be \$0.3 million lower than budget due to vacancies.

Year-to-Date Revenues: As of April's year-to-date actual, the Grand Total Revenue (page 1, line 16) is \$5.7 million higher than the adopted budget. As reflected in the year-end projections, this is primarily driven by the increases in Other Income (page 1, line 5) and Measure RR proceeds (page 1, line 12), partially offset by Caltrain Fares (page 1, line 1).

Year-to-Date Expenses: As of April's year-to-date actual, the Grand Total Expense (page 2, line 50) is \$6.6 million lower than the adopted budget. These savings are lower than shown in the year-end projections because much of the savings is based on timing.

Other Information: The Agency accounts for revenue and expenditures on a modified cash basis (only material revenues and expenses are accrued) on the monthly financial statement. As such, the variance between the current year's actual and the budget may show noticeable variances due to the timing of expenditures.

Budget Impact

There are no budget amendments for April 2023.

Prepared By: Thwe Han, Financial Reporting Accountant	650.508.7912
Danny Susantin, Grants & Capital Accounting, Manager	650.622.8073

PENINSULA CORRIDOR JOINT POWERS BOARD							
STATEMENT OF REVENUE AND EXPENSE							
Fiscal Year 2023							
April 2023							
% OF YEAR ELAPSED							83.3%
	JULY TO APRIL				ANNUAL		
	CURRENT ACTUAL	ADOPTED BUDGET	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	FORECAST	\$ VARIANCE
REVENUE							
OPERATIONS:							
1 Caltrain Fares	21,597,296	24,580,000	(2,982,704)	(12.1%)	30,151,000	27,000,000	(3,151,000)
2 Go Pass	14,144,344	13,550,000	594,344	4.4%	16,260,000	17,000,000	740,000
3 Parking Revenue	1,607,175	1,580,000	27,175	1.7%	1,896,000	1,797,505	(98,495)
4 Rental Income	1,070,754	779,470	291,284	37.4%	935,357	1,235,357	300,000
5 Other Income	4,488,734	1,453,600	3,035,134	208.8%	1,744,319	4,044,319	2,300,000
6							
7 TOTAL OPERATING REVENUE	42,908,303	41,943,070	965,233	2.3%	50,986,676	51,077,181	90,505
8							
9 CONTRIBUTIONS:							
10 AB434 Peninsula & TA Shuttle Funding	40,000	40,000	-	.0%	40,000	40,000	-
11 Operating Grants	9,745,830	9,406,800	339,030	3.6%	11,288,161	11,288,161	-
12 Measure RR	99,745,552	92,831,170	6,914,382	7.4%	114,300,000	119,292,000	4,992,000
13							
14 TOTAL CONTRIBUTED REVENUE	109,531,382	102,277,970	7,253,412	7.1%	125,628,161	130,620,161	4,992,000
15							
16 GRAND TOTAL REVENUE	152,439,685	144,221,040	8,218,645	5.7%	176,614,837	181,697,342	5,082,505
17							

PENINSULA CORRIDOR JOINT POWERS BOARD									
STATEMENT OF REVENUE AND EXPENSE									
Fiscal Year 2023									
April 2023									
% OF YEAR ELAPSED							83.3%		
	JULY TO APRIL				ANNUAL				
	CURRENT ACTUAL	ADOPTED BUDGET	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	FORECAST	\$ VARIANCE		
18	EXPENSE							18	
19								19	
20	DIRECT EXPENSE:							20	
21	Rail Operator Service	80,530,871	81,519,810	(988,939)	(1.2%)	98,257,758	98,257,758	-	21
22	Security Services	6,228,253	6,646,146	(417,893)	(6.3%)	7,935,381	8,028,807	93,426	22
23	Shuttle Services	79,366	107,960	(28,594)	(26.5%)	121,600	121,600	-	23
24	Fuel and Lubricants*	12,952,890	14,616,020	(1,663,130)	(11.4%)	17,539,232	17,539,232	-	24
25	Timetables and Tickets	12,842	112,790	(99,948)	(88.6%)	135,350	135,350	-	25
26	Insurance	8,376,067	8,403,480	(27,413)	(.3%)	9,299,730	9,299,730	-	26
27	Claims, Payments, and Reserves	2,533,934	1,100,000	1,433,934	130.4%	1,320,000	1,336,926	16,926	27
28	Facilities and Equipment Maintenance	6,583,732	6,057,039	526,693	8.7%	7,258,788	7,107,788	(151,000)	28
29	Utilities	2,158,271	2,181,330	(23,059)	(1.1%)	2,617,600	2,617,600	-	29
30	Maint & Services-Bldg & Other	1,038,111	1,374,180	(336,069)	(24.5%)	1,754,100	1,754,100	-	30
31								31	
32	TOTAL DIRECT EXPENSE	120,494,336	122,118,755	(1,624,419)	(1.3%)	146,239,539	146,198,891	(40,648)	32
33								33	
34	ADMINISTRATIVE EXPENSE							34	
35	Wages and Benefits	10,568,177	11,804,837	(1,236,660)	(10.5%)	13,809,330	13,532,312	(277,018)	35
36	Managing Agency Admin OH Cost	3,133,657	2,971,842	161,815	5.4%	3,565,453	3,565,453	-	36
37	Board of Directors	13,701	47,720	(34,019)	(71.3%)	57,275	57,275	-	37
38	Professional Services	5,755,717	7,766,670	(2,010,953)	(25.9%)	9,422,755	9,305,755	(117,000)	38
39	Communications and Marketing	199,404	336,440	(137,036)	(40.7%)	403,730	403,730	-	39
40	Other Office Expenses and Services	1,718,691	2,302,139	(583,448)	(25.3%)	2,762,496	2,956,896	194,400	40
41								41	
42	TOTAL ADMINISTRATIVE EXPENSE	21,389,348	25,229,648	(3,840,300)	(15.2%)	30,021,039	29,821,421	(199,618)	42
43								43	
44	TOTAL OPERATING EXPENSE	141,883,684	147,348,403	(5,464,719)	(3.7%)	176,260,578	176,020,312	(240,266)	44
45								45	
46	Governance	270,829	291,670	(20,841)	(7.1%)	350,000	350,000	-	46
47								47	
48	Debt Service Expense	1,954,432	2,151,460	(197,028)	(9.2%)	2,581,752	3,711,375	1,129,623	48
49								49	
50	GRAND TOTAL EXPENSE	144,108,945	149,791,533	(5,682,588)	(3.8%)	179,192,330	180,081,687	889,357	50
51								51	
52	NET SURPLUS / (DEFICIT)	8,330,740	(5,570,493)	13,901,233	(249.6%)	(2,577,493)	1,615,655	4,193,148	52
53								53	
54	Draw from FY2022 surplus	-				2,577,493	-		54
55	ADJUSTED NET SURPLUS / (DEFICIT)	8,330,740				-	1,615,655		55
56								56	
57	Reserve, Beginning Balance	16,115,624				16,115,624			57
58	FY23 Set aside	-				10,763,226			58
59	Reserve, Ending Balance	16,115,624				26,878,850			59
60								60	
61	* Fuel and Lubricants costs were decreased by a realized gain of \$1,159,410 from the fuel hedge program.							61	



BOARD OF DIRECTORS 2023

JEFF GEE, CHAIR
DEVORA "DEV" DAVIS, VICE
CHAIR
PAT BURT
CINDY CHAVEZ
STEVE HEMINGER
RICO E. MEDINA
RAYMOND MUELLER
SHAMANN WALTON
MONIQUE ZMUDA

PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF APRIL 30, 2023

MICHELLE BOUCHARD
EXECUTIVE DIRECTOR

TYPE OF SECURITY	MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted) *	Liquid Cash	2.831%	5,241,982	5,241,982
County Pool (Unrestricted)	Liquid Cash	2.555%	567,547	567,547
Other (Unrestricted)	Liquid Cash	4.378%	45,007,977	45,007,977
Other (Restricted)	** Liquid Cash	1.000%	37,900,302	37,900,302
			\$ 88,717,808	\$ 88,717,808

Interest Earnings for April 2023 \$ 277,915.67
Cumulative Earnings FY2023 2,999,352.75

* 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.

Farebox Revenues by Ticket Type	PENINSULA CORRIDOR JOINT POWERS BOARD														
	Previous Years				FY2023										
	FY2019	FY2020	FY2021	FY2022	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	FY2023 Total YTD
OPERATIONS:															
401400 (TVM)	18,431,265	11,165,620	2,458,837	6,836,440	626,228	770,942	736,862	521,754	451,992	391,581	343,162	396,762	485,901	528,351	5,253,534
401410 (Clipper)	54,621,910	37,970,696	2,924,987	7,764,755	1,129,007	1,611,378	1,377,219	1,502,886	1,366,749	1,077,607	1,092,550	1,215,740	1,276,841	1,303,858	12,953,836
401420 (Central)	64,908	20,799	309,748	39,911	5,139	945	9,901	11,080	2,767	826	2,263	1,602	5,563	4,667	44,752
401430 (Mobile App)	4,716,955	5,689,776	830,051	2,808,795	346,758	354,177	342,457	322,502	273,906	192,050	208,607	219,197	265,221	241,414	2,766,288
401500 (Gilroy)	1,903,941	1,542,171	178,759	449,281	37,440	66,110	80,675	63,053	67,606	56,277	41,509	53,752	54,013	58,449	578,885
401700 (Go-Pass)	22,929,136	19,705,372	25,737,533	15,337,175	1,417,118	1,415,836	1,432,132	1,462,192	1,479,267	1,490,677	1,333,937	1,332,005	1,478,585	1,302,597	14,144,344
total Farebox Revenue	102,668,114	76,094,433	32,439,915	33,236,357	3,561,691	4,219,387	3,979,245	3,883,466	3,642,288	3,209,018	3,022,027	3,219,058	3,566,123	3,439,337	35,741,641
Less: Go-Pass															
401700 (Go-Pass)	22,929,136	19,705,372	25,737,533	15,337,175	1,417,118	1,415,836	1,432,132	1,462,192	1,479,267	1,490,677	1,333,937	1,332,005	1,478,585	1,302,597	14,144,344
Revenues without Go-Pass	79,738,978	56,389,061	6,702,382	17,899,182	2,144,573	2,803,551	2,547,114	2,421,274	2,163,021	1,718,342	1,688,090	1,887,054	2,087,539	2,136,740	21,597,296
Tickets Sold					Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	Total
TVM	2,354,393	1,465,876	315,378	755,674	86,060	86,171	83,501	74,335	61,170	51,304	52,063	47,432	53,222	60,497	655,755
Clipper	3,521,066	2,620,816	339,753	1,227,757	156,994	179,747	177,647	182,485	159,636	118,367	144,893	148,634	164,277	154,159	1,586,839
Central	9,167	5,044	-	4,032	319	145	770	879	477	50	275	233	731	794	4,673
Mobile	543,920	661,515	111,394	381,441	42,175	43,696	41,411	39,967	33,608	25,094	28,997	28,154	31,164	32,484	346,750
# of tickets sold (without go-pass)	6,428,546	4,753,251	766,525	2,368,904	285,548	309,759	303,329	297,666	254,891	194,815	226,228	224,453	249,394	247,934	2,594,017
AVG Revenue Per Ticket					Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	Total
TVM	\$ 7.83	\$ 9.05	\$ 7.80	\$ 9.05	\$ 7.28	\$ 8.95	\$ 8.82	\$ 7.02	\$ 7.39	\$ 7.63	\$ 6.59	\$ 8.36	\$ 9.13	\$ 8.73	\$ 8.01
Clipper	\$ 15.51	\$ 6.32	\$ 8.61	\$ 6.32	\$ 7.19	\$ 8.96	\$ 7.75	\$ 8.24	\$ 8.56	\$ 9.10	\$ 7.54	\$ 8.18	\$ 7.77	\$ 8.46	\$ 8.16
Central	\$ 7.08	\$ 9.90	\$ -	\$ 9.90	\$ 16.11	\$ 6.52	\$ 12.86	\$ 12.60	\$ 5.80	\$ 16.53	\$ 8.23	\$ 6.88	\$ 7.61	\$ 5.88	\$ 9.58
Mobile	\$ 8.67	\$ 7.36	\$ 7.45	\$ 7.36	\$ 8.22	\$ 8.11	\$ 8.27	\$ 8.07	\$ 8.15	\$ 7.65	\$ 7.19	\$ 7.79	\$ 8.51	\$ 7.43	\$ 7.98
Total	\$ 12.40	\$ 11.86	\$ 8.74	\$ 7.56	\$ 7.51	\$ 9.05	\$ 8.40	\$ 8.13	\$ 8.49	\$ 8.82	\$ 7.46	\$ 8.41	\$ 8.37	\$ 8.62	\$ 8.33

Farebox Revenues by Ticket Type	PENINSULA CORRIDOR JOINT POWERS BOARD						
	July 2022 to April 2023					Annual Budget	
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2023	% of Budget
REVENUE							
401400 (TVM)	14,998,781	10,523,208	1,671,775	5,027,021	5,253,534		
401410 (Clipper)	45,334,179	39,488,086	2,180,394	5,632,260	12,953,836		
401420 (Central)	40,434	42,569	-	28,774	44,752		
401430 (Mobile App)	3,595,395	5,608,048	541,196	2,049,193	2,766,288		
401500 (Gilroy)	1,589,911	1,522,365	135,167	338,355	578,885		
401700 (Go-Pass)	19,234,851	18,444,142	23,613,685	12,888,764	14,144,344		
total Farebox Revenue	84,793,550	75,628,419	28,142,218	25,964,368	35,741,641	46,411,000	77%
Less: Go-Pass							
401700 (Go-Pass)	19,234,851	18,444,142	23,613,685	12,888,764	14,144,344	16,260,000	87%
Revenues without Go-Pass	65,558,700	57,184,277	4,528,533	13,075,604	21,597,296	30,151,000	72%
Tickets Sold							
TVM	1,948,831	1,431,714	229,051	583,348	655,755		
Clipper	2,898,611	2,592,875	234,459	925,638	1,586,839		
Central	5,882	5,044	-	2,981	4,673		
Mobile	405,510	652,947	76,418	293,551	346,750		
# of tickets sold (without go-pass)	5,258,834	4,682,580	539,928	1,805,518	2,594,017		
AVG Revenue Per Ticket							
TVM	\$ 7.70	\$ 7.35	\$ 7.30	\$ 8.62	\$ 8.01		
Clipper	\$ 15.64	\$ 15.23	\$ 9.30	\$ 6.08	\$ 8.16		
Central	\$ 6.87	\$ 8.44	\$ -	\$ 9.65	\$ 9.58		
Mobile	\$ 8.87	\$ 8.59	\$ 7.08	\$ 6.98	\$ 7.98		
Total	\$ 12.47	\$ 12.21	\$ 8.39	\$ 7.24	\$ 8.33		

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: Finance Committee
THROUGH: Michelle Bouchard, Executive Director
FROM: Kate Jordan Steiner, Chief Financial Officer
SUBJECT: **Fiscal Year 2024 and Fiscal Year 2025 Proposed Operating and Capital Budgets**

Finance Committee Recommendation Technology, Operations, Planning, and Safety Committee Recommendation Advocacy and Major Projects Committee Recommendation Staff Coordinating Council Reviewed

ACTION

Staff proposes the Finance Committee recommend the following to the Board of Directors (Board):

1. Adopt the Peninsula Corridor Joint Powers Board's (JPB) Fiscal Year 2024 (FY2024) and Fiscal Year 2025 (FY2025) Operating Budgets in the amount of \$193,242,655 and \$238,658,000, a copy of which is attached as Attachment A;
2. Adopt the JPB's FY2024 and FY2025 Capital Budget in the amount of \$XXX and \$XXX, a copy of which is attached as Attachment B;
3. Direct the Executive Director, or designee, to forward the budgets to the JPB member agencies and the Metropolitan Transportation Commission (MTC); and
4. Direct the Executive Director, or designee, to take all actions necessary to apply for and receive Senate Bill 1 (SB1) State of Good Repair funds and other grants included in the proposed FY2024 and FY2025 Capital Budgets and take any other actions necessary to give effect to the above actions.

SIGNIFICANCE

Staff presented the FY2024 and FY2025 Preliminary Operating and Capital budgets at the May 4, 2023 Board meeting. The Proposed Budgets reflect the following changes made since that time:

Operating Budget

Proposed Operating Budgets Summary (in millions)	FY2024 Prelim Operating Budget	FY2024 Proposed Operating Budget	Change	FY2025 Prelim Operating Budget	FY2025 Proposed Operating Budget	Change
Total Revenue	\$194.6	\$195.4	\$0.7	\$207.8	\$208.1	\$0.3
Total Expense	\$192.6	\$193.2	\$0.6	\$239.0	\$238.7	(\$0.4)
Contribution to Reserve	\$2.0	\$2.1	\$0.1	\$7.0	\$6.8	(\$0.1)
Projected Surplus/(Deficit)	\$0.0	\$0.0	\$0.0	(\$38.1)	(\$37.3)	\$0.8
Reimbursement of Measure RR Funds	\$0.0	\$0.0	\$0.0	\$38.1	\$37.3	(\$0.8)
Adjusted Net Surplus/(Deficit)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

Total Revenue increased by \$0.7 million in FY2024 and \$0.3 million in FY2025 due to the following:

- Member Agency (VTA-Gilroy) - new revenue was added as contribution to cover the marginal cost for the 4th train to Gilroy (fuel and maintenance of equipment); and
- SRA - allocation was moved from FY2025 to FY2024 to help balance the FY2024 Operating Budget.

Total Expense increased by \$0.6 million in FY2024 and decreased by \$0.4 million in FY2025 due to the following:

- Wages and Benefits - staff confirmed the annual needs including review of new FTEs and current frozen positions; and
- Consultants
 - Staff reevaluated consultant services which resulted in a reduced budget;
 - Added the Rail Network and Operations Planning Project of \$1.2 million per fiscal year, which was previously included in the Capital Budget.

Contribution to Reserve increased in FY2024 by \$0.1 million due to increased expenses and decreased in FY2025 by \$0.1 million due to decreased expenses.

Reimbursement of Measure RR Funds for FY2025 decreased by \$0.8 million due to the higher revenue and lower expenses for FY2025.

Revenue	FY2024 in '000	FY2025 in '000
Member Agency (VTA- Gilroy)	\$470	VTA's contribution for the 4th train to Gilroy
		\$517
LCFS, LCTOP, SRA	\$234	increased SRA from \$4.8M to \$5.1M, allocation moved from FY2025 to FY2024 to balance the budget
		decreased SRA from \$7.4M to \$7.1M, allocation moved to FY2024 to help balance the FY2024 budget
		(\$234)
Total Revenue	\$704	\$283

Expense	FY2024 in '000	FY2025 in '000
Wages & Benefits	\$68	refinements in FTEs
		(\$272)
Professional Services	\$544	refinements in consultants
		(\$78)
Total Expense	\$612	(\$350)

Contribution to Reserve	\$92	due to increase in expenses
		(\$144)
Projected Surplus / (Deficit)	\$0	\$778

During the May Board discussion, there were questions and clarifications posed by the Board to staff. Please see staff responses in Attachment C.

Capital Budget

As of May 18, 2023, the JPB Capital Budget is not balanced, and staff will finalize projects prior to the Board meeting. The List of Constrained Capital Requests (not including the Stadler cars) totals \$83.9 million in FY2024 and \$86.4 million in FY2025, and available funding totals \$42.4 million in FY2024 and \$38.8 million in FY2025, for a shortfall of \$41.5 million in FY2024 and \$47.6 million in FY2025. The available funding includes commitments of \$XX from Caltrain’s partners: \$5.0 million from the San Francisco Transportation Authority (SFTA), \$5.0 million from the San Mateo Transportation Authority, and \$XX from Santa Clara Valley Transportation Authority (VTA).

Caltrain and VTA staff continue to discuss projects that can potentially be funded from Santa Clara’s Measure B category for Caltrain Corridor Capacity Improvements. VTA staff have indicated that Measure B is the only funding source they will consider to cover Caltrain’s capital needs. Although Caltrain staff have included \$5.0 million from the other two partners, San Francisco and San Mateo, it is not guaranteed that those partners will contribute at a higher level than VTA, if VTA’s funding is under \$5.0 million.

Between the Finance Committee meeting on May 22 and the Caltrain Board meeting on June 1, staff will finalize the available funding and prioritize capital projects to meet that funding level. Projects that are not able to be funded in the FY 2024 and FY 2025 Budgets now may be added later through a budget amendment, if funding becomes available.

Capital Budget Requests (in millions)	FY2024 Prelim Capital Budget	FY2024 Proposed Capital Budget	Change	FY2025 Prelim Capital Budget	FY2025 Proposed Capital Budget	Change
SOGR	\$66.4	\$65.2	(\$1.2)	\$71.5	\$60.7	(\$10.9)
Legal Mandate	\$0.2	\$0.2	\$0.0	\$0.5	\$0.5	\$0.0
Planning	\$10.1	\$10.3	\$0.2	\$8.7	\$8.7	\$0.0
Operational Improvements	\$7.1	\$6.9	(\$0.2)	\$13.5	\$15.3	\$1.8
Capital Contingency Funds	\$1.3	\$1.3	\$0.0	\$1.3	\$1.3	\$0.0
Net Capital Budget Requests (excl Stadler)	\$85.1	\$83.9	(\$1.2)	\$95.6	\$86.4	(\$9.1)
Stadler Cars	\$280.0	\$355.0	\$75.0	\$0.0	\$0.0	\$0.0
Externally-Funded Projects	\$125.5	\$115.2	(\$10.3)	\$47.3	\$32.3	(\$15.0)
Total Capital Budget Requests	\$490.6	\$554.1	\$63.5	\$142.9	\$118.8	(\$24.1)

Proposed Capital Budgets Summary (in millions)	FY2024 Proposed Cap Budget	FY2025 Proposed Cap Budget
Total Capital Budget Requests	\$554.1	\$118.8
Less: Stadler Cars*	(\$355.0)	\$0.0
Less: Externally-Funded Projects	(\$115.2)	(\$32.3)
Net Capital Budget Requests (excl Stadler)	\$83.9	\$86.4

Net Funding Sources	\$42.4	\$38.8
----------------------------	---------------	---------------

Capital Budget Deficit	(\$41.5)	(\$47.6)
-------------------------------	-----------------	-----------------

*Assumes External Federal, State, and TJPA funding of \$311.0M plus a Local Match of \$44.0M (fully-funded)

FY2024 AND FY2025 PROPOSED OPERATING BUDGETS - DETAILS

Please refer to Attachment A – JPB FY2024 and FY2025 Proposed Operating Budgets for a comparative schedule of the FY2022 Actual, FY2023 March Forecast, FY2024 Proposed Operating Budget, and the FY2025 Proposed Operating Budget. The line numbers for each revenue and expense item detailed below refer to the corresponding line numbers on Attachment A.

Revenue Projections

Total revenues for FY2024 are projected at \$195.4 million, an increase of \$13.7 million or 7.5% higher than the FY2023 Forecast:

- Revenue from Operations for FY2024 is projected at \$56.2 million, an increase of \$5.1 million or 10.0% over the FY2023 Forecast.
- Revenue from Contributions for FY2024 is projected at \$139.2 million, an increase of \$8.6 million or 6.6% higher than the FY2023 Forecast.

Total revenues for FY2025 are projected at \$208.1 million, an increase of \$12.8 million or 6.5% more than the FY2024 Proposed Budget:

- Revenue from Operations for FY2025 is projected at \$63.7 million, an increase of \$7.5 million or 13.3% higher than the FY2024 Proposed Budget.
- Revenue from Contributions for FY2025 is projected at \$144.5 million, an increase of \$5.3 million or 3.8% higher than the FY2024 Proposed Budget.

Operating Revenue

Line 1 **Caltrain Fares:** \$29.9 million in FY2024, an increase of \$2.9 million or 10.9% higher than the FY2023 forecast; and \$35.9 million in FY2025, an increase of \$6.0 million or 20.0% higher than the FY2024 Proposed Budget.

Caltrain Fares include fare receipts collected directly from rail passengers.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	FY24		FY2025 PROPOSED BUDGET	FY25	
				Proposed to FY23 Forecast	% Change Proposed to FY23 Forecast		Proposed to FY24	% Change Proposed to FY24
Caltrain Fares	17,899,182	27,000,000	29,936,000	2,936,000	10.9%	35,923,200	5,987,201	20.0%

Caltrain Fares for FY2024 are based on a 44% recovery of pre-COVID levels for Total Farebox, taking into account service interruptions to support the Peninsula Corridor Electrification Project (PCEP) work. In FY2025, a 20% growth over FY2024 was applied.

Line 2 **Go Pass:** \$16.8 million in FY2024, a decrease of \$0.2 million or 1.4% lower than the FY2023 forecast; and \$18.4 million in FY2025, an increase of \$1.7 million or 10% higher than the FY2024 Proposed Budget.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	FY24		FY2025 PROPOSED BUDGET	FY25	
				Proposed to FY23 Forecast	Proposed to FY23 Forecast		Proposed to FY24 Proposed	Proposed to FY24 Proposed
Go Pass	15,337,175	17,000,000	16,764,000	(236,000)	-1.4%	18,440,400	1,676,400	10.0%

Go Pass includes revenue receipts collected through the Go Pass program. The Caltrain Go Pass program allows companies, educational institutions, and residential complexes (Participants) to purchase annual unlimited ride passes for eligible employees, students, or residents (Users). It is not available for purchase by individuals and does not cover parking at Caltrain stations or travel through other transit systems. In addition, Go Pass is sold on a calendar year basis.

Go Pass for FY2024 reflects a 5% growth over customer sign-ups for calendar year 2023. With continued sign ups and renewals, FY2025 assumes a 10% growth over FY2024.

Line 3 **Parking Revenue:** \$1.9 million in FY2024, an increase of \$0.1 million or 6.0% higher than the FY2023 forecast; and \$2.2 million in FY2025, an increase of \$0.3 million or 16.4% higher than the FY2024 Proposed Budget.

Parking revenue includes fees at parking lots located in various passenger stations, with the largest being at the SAP Center adjacent to the San Jose Diridon station.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	FY24		FY2025 PROPOSED BUDGET	FY25	
				Proposed to FY23 Forecast	Proposed to FY23 Forecast		Proposed to FY24 Proposed	Proposed to FY24 Proposed
Parking Revenue	1,352,869	1,797,505	1,905,015	107,510	6.0%	2,217,633	312,618	16.4%

Parking revenue estimates follow total fare revenue trend projections. It is assumed at 4% of total Caltrain Fares and Go Pass revenues.

Line 4 **Shuttle Revenue:** \$0 in FY2024 and FY2025, no change from the FY2023 forecast.

Shuttle Program funding comes from participating employers, the San Mateo County Transportation Authority (TA), and the Bay Area Air Quality Management District (BAAQMD). This line item refers only to the revenue generated from participating local employers who provide rail passengers the last-mile connections between Caltrain stations and work sites.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change		% Change	
				Proposed to FY23 Forecast	Proposed to FY24 Forecast	Proposed to FY23 Forecast	Proposed to FY24 Forecast		Proposed to FY24	Proposed to FY24	Proposed to FY25	Proposed to FY25
Employer Share- SAMTR/JPB Shuttle Programs	1,152,152	-	-	-	-	0.0%	-	-	-	-	0.0%	-

In FY2023, shuttle service contracts were consolidated under the San Mateo County Transit District (SamTrans). Therefore, there is no employer revenue for JPB as it will no longer provide contracted shuttle services.

Line 5 **Rental Income:** \$1.0 million in FY2024, a decrease of \$0.2 million or 16.9% lower than the FY2023 forecast; and \$1.1 million in FY2025, an increase of \$0.03 million or 3.0% higher than the FY2024 Proposed Budget.

Rental income is derived from contract arrangements and lease negotiations for third-party use of properties owned by the JPB along the Caltrain Right of Way (ROW).

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change		% Change	
				Proposed to FY23 Forecast	Proposed to FY24 Forecast	Proposed to FY23 Forecast	Proposed to FY24 Forecast		Proposed to FY24	Proposed to FY24	Proposed to FY25	Proposed to FY25
Rental Income	1,237,117	1,235,357	1,026,489	(208,868)	-16.9%	1,057,284	30,795	3.0%				

Rental revenues are decreasing in FY2024 due to expired contracts and increasing in FY2025 due to inflation.

Line 6 **Other Income:** \$6.5 million in FY2024, an increase of \$2.5 million or 61.7% higher than the FY2023 forecast; and \$6.0 million in FY2025, a decrease of \$0.5 million or 8.0% lower than the FY2024 Proposed Budget.

Other Income consists of shared track usage maintenance fees, permit fees, advertising income, interest on invested funds, and parking citation fees. Shared Track Maintenance Revenue is generated from the annual contract with Union Pacific Railroad (UPRR). Advertising Income includes income from train wraps, station ad cards, and digital displays. Construction permit fees from 3rd party contractors belong to the Other Non-Transit Revenue.

Description	FY2022 ACTUAL	FY2023 FORECAST	\$ Change			% Change		
			FY2024		FY2025		FY25	
			PROPOSED BUDGET	Proposed to FY23 Forecast	PROPOSED BUDGET	Proposed to FY24 Forecast	Proposed to FY24	Proposed to FY24
Advertising Income	412,430	842,000	541,845	(300,155)	-35.6%	-	(541,845)	-100.0%
Insurance Reimbursements	218,878	20,365	-	(20,365)	-100.0%	-	-	0.0%
Interest Income	53,217	2,157,415	4,825,816	2,668,401	123.7%	4,825,816	-	0.0%
Misc. Operating Revenue	604,431	211,356	218,217	6,861	3.2%	218,217	-	0.0%
Other Non-Transit Revenues	786,837	236,249	288,131	51,882	22.0%	288,131	-	0.0%
Parking Citation Program Revenue	273,447	240,424	287,484	47,060	19.6%	296,109	8,625	3.0%
Shared Track Maintenance Revenue	452,553	336,510	379,767	43,257	12.9%	391,160	11,393	3.0%
Other Income	2,801,792	4,044,319	6,541,260	2,496,941	61.7%	6,019,433	(521,827)	-8.0%

The increase in FY2024 is driven by the Interest Income which is 123.7% over the FY23 forecast. This is due to the \$367.0 million Transit and Intercity Rail Capital Program (TIRCP) grant funds anticipated to be received throughout FY2024. It must be noted, however, that the exact timing and duration of the receipt of said grant funds may differ which may therefore create variations in actuals. The decrease in FY2025 is brought about by reduced Advertising Income due to expired contract.

Contributions

Line 10 **AB434 & TA Shuttle Funding**: \$0 in FY2024, a decrease of \$0.04 million or 100.0% lower than the FY2023 forecast; \$0 in FY2025, no change from FY2024 Proposed Budget

Contributions to the service come from state and local sources. In 1991, through Assembly Bill (AB) 434, the State Legislature authorized a \$4.00 surcharge on cars and trucks to fund projects that reduce on-road motor vehicle emissions. AB434 revenues provide partial funding for the JPB shuttle program through a competitive grant process managed by BAAQMD. The TA also funds shuttle services with revenues from the Measure A San Mateo County-wide sales tax.

Description	FY2022 ACTUAL	FY2023 FORECAST	\$ Change			% Change		
			FY2024		FY2025		FY25	
			PROPOSED BUDGET	Proposed to FY23 Forecast	PROPOSED BUDGET	Proposed to FY24 Forecast	Proposed to FY24	Proposed to FY24
AB434 Peninsula & TA Shuttle Funding	743,472	40,000	-	(40,000)	-100%	-	-	0%

In FY2023, shuttle service contracts were consolidated under SamTrans and grant administration is now done by commute.org.

Line 11 **Operating Grants (STA)**: \$12.8 million in FY2024, an increase of \$1.5 million or 13.4% higher than the FY2023 forecast; and \$10.7 million in FY2025, a decrease of \$2.1 million or \$16.5% lower than the FY2024 Proposed Budget

State Transit Assistance (STA) revenue generated from the statewide sales tax on diesel fuel is

allocated to the region’s transit operators by formula. The formula allocates funds based on population, the amount of passenger fares, and local support revenues collected by transit operators. The State sends out projections assuming a growth rate and adjusts these throughout the year.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change Proposed to FY24	% Change Proposed to FY24
				Proposed to FY23 Forecast	FY24	Proposed to FY23 Forecast	FY24			
Operating Grants	10,041,955	11,288,161	12,800,936	1,512,775		13.4%		10,687,973	(2,112,963)	-16.5%

The FY2024 budget is based on MTC estimates as of February 2023 which includes a carryforward from prior years in the amount of \$2.1 million. The FY2025 budget estimate does not include any carryforward.

Line 12 **Measure RR**: \$118.4 million in FY2024, a decrease of \$0.9 million or 0.7% lower than the FY2023 forecast; and \$120.1 million in FY2025, an increase of \$1.7 million or 1.4% higher than the FY2024 Proposed Budget.

Measure RR is a 1/8 cent sales tax approved in November 2020 that provides Caltrain’s first source of dedicated non-fare revenues.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change Proposed to FY24	% Change Proposed to FY24
				Proposed to FY23 Forecast	FY24	Proposed to FY23 Forecast	FY24			
Measure RR	97,296,566	119,292,000	118,400,000	(892,000)		-0.7%		120,100,000	1,700,000	1.4%

Measure RR is projected to have a minor decrease in FY2024 and a modest increase in FY2025. Projections are based on HDL estimates reflective of continued consumer spending that is more conservative due to inflation.

Measure RR is collected in the counties of San Mateo, Santa Clara, and San Francisco. Average percentage of Measure RR sales tax collected from the three (3) counties are as follows: San Mateo (24%), Santa Clara (54%), and San Francisco (22%).

Line 13 **ARPA**: \$0 in FY2024 and FY2025, no change from the FY2023 forecast.

American Rescue Plan Act (ARPA) funding was provided by the federal government to transit agencies to help mitigate the impact of the Covid-19 pandemic and aid in recovery.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	Proposed to FY24 Proposed	Proposed to FY24 Proposed
				Proposed to FY23 Forecast	Proposed to FY24 Forecast	Proposed to FY23 Forecast	Proposed to FY24 Forecast			
ARPA	115,995,904	-	-	-	-	0%	-	-	-	0%

The total amount of ARPA funds reflected in FY2022 was \$116.0 million, received as two separate awards: \$77.2 million and \$38.8 million. No ARPA funds are anticipated for FY2024 and FY2025, hence projected at \$0.

Line 14 **Member Agency (VTA – Gilroy)**: \$0.47 million in FY2024, an increase of 100% over the FY2023 forecast; and \$0.52 million in FY2025, an increase of \$47 thousand or 10% higher than the FY2024 Proposed Budget.

With the plan of advancing a 4th train to Gilroy commencing FY2024, JPB is projecting an annual contribution from VTA for this effort.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	Proposed to FY24 Proposed	Proposed to FY24 Proposed
				Proposed to FY23 Forecast	Proposed to FY24 Forecast	Proposed to FY23 Forecast	Proposed to FY24 Forecast			
Member Agency (VTA - Gilroy)	-	-	470,000	470,000	100%	517,000	47,000	10%		

Line 15 **LCFS, LCTOP, SRA**: \$7.5 million in FY2024, an increase of 100% over the FY2023 forecast; and \$13.2 million in FY2025, an increase of \$5.7 million or 75.4% higher than the FY2024 Proposed Budget.

This line item is comprised of grant funding from the following programs: Low Carbon Fuel Standard (LCFS), Low Carbon Transit Operations Program (LCTOP), and State Rail Assistance (SRA).

LCFS is a program to encourage the use of cleaner low-carbon transportation fuels in California. LCFS is a market-based compliance measure that creates economic value from low-carbon and renewable fuel technologies. The LCFS program works as a market system where users and producers of clean energy, including electric vehicle fleets, earn credits through their emission reductions, while emitters purchase those credits to offset their carbon footprint. With electrification in FY2025, the switch from diesel to electric trains will earn Caltrain LCFS credits estimated at a value of \$5.0 million.

LCTOP is administered by the California Department of Transportation (Caltrans), in coordination with the California Air Resources Board (CARB) and the State Controller’s Office (SCO). The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility. Staff recommends allocation of LCTOP for operating needs in FY2024 for \$2.4 million, and in FY2025 for \$1.0 million.

The State Rail Assistance (SRA) was created to provide capital and operating support for intercity and commuter rail programs. The SRA program is administered by the California State Transportation Agency, with funding managed by the Department of Tax and Fee Administration and the Department of Finance. The funding is received through the revenue obtained from 0.5% sales and use tax on diesel fuel from the State. Caltrain is currently projecting a total of \$12.2 million of SRA funding available in FY2024 and FY2025. Staff recommends utilizing \$5.1 million of SRA allocation for operating needs in FY2024 and \$7.1 million of SRA allocation for operating needs in FY2025.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024		FY2025		FY2025 Proposed to FY24	% Change FY25
			PROPOSED	Proposed to FY23 Forecast	PROPOSED	Proposed to FY24		
			BUDGET	FY24	BUDGET	FY24		
LCFS	-	-	-	-	0.0%	5,000,000	5,000,000	100.0%
LCTOP	-	-	2,442,976	2,442,976	100.0%	1,030,766	(1,412,210)	-57.8%
SRA	-	-	5,063,527	5,063,527	100.0%	7,136,473	2,072,946	40.9%
LCFS, LCTOP, SRA	-	-	7,506,503	7,506,503	100.0%	13,167,239	5,660,736	75.4%

Expense Projections

Grand Total Expense for FY2024 projected at \$193.2 million, an increase of \$13.2 million or 7.3% over the FY2023 Forecast:

- Operating Expense for FY2024 projected at \$152.8 million, an increase of \$6.6 million or 4.5% over the FY2023 Forecast.
- Administrative Expense for FY2024 projected at \$36.8 million, an increase of \$6.9 million or 23.3% over the FY2023 Forecast.
- Long-term Debt Expense for FY2024 projected at \$3.5 million.

Grand Total Expense for FY2025 projected at \$238.7 million, an increase of \$45.4 million or 23.5% over the FY2024 Proposed Budget:

- Operating Expense for FY2025 projected at \$190.2 million, an increase of \$37.5 million or 24.5% over the FY2024 Proposed Budget.
- Administrative Expense for FY2025 projected at \$40.7 million, an increase of \$3.9 million or 10.6% over the FY2024 Proposed Budget.
- Long-term Debt Expense for FY2025 projected at \$7.8 million.

Operating Expense

Line 22 **Rail Operator Service:** \$104.9 million in FY2024, an increase of \$6.6 million or 6.7% higher than the FY2023 forecast; and \$105.9 million in FY2025, an increase of \$1.0 million or 1.0% higher than the FY2024 Proposed Budget.

The JPB contracts out for rail operation service with TransitAmerica Services, Inc. (TASI). TASI provides all the operations, maintenance, and support services in the following areas: Administration/Safety, Operations and Dispatch, Maintenance of Equipment, Maintenance of Track, Communications, Signals and Stations, Capital Construction Support and State of Good Repair (SOGR) maintenance. TASI is paid on a cost-plus-performance-fee contract structure.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change		% Change	
				Proposed to FY23 Forecast	Proposed to FY24 Forecast	Proposed to FY23 Forecast	Proposed to FY24 Forecast		Proposed to FY24	Proposed to FY25	Proposed to FY24	Proposed to FY25
Rail Operator Service	93,808,976	98,257,758	104,889,704	6,631,946		6.7%	105,901,543	1,011,839		1.0%		

FY2024 budget assumes a service level of 104 trains per weekday. There have been increases in labor costs, fixed and variable overhead costs, and management costs.

FY2025 budget assumes a service level aligned with Caltrain’s electrification, with 104 trains per weekday (92 electric and 12 diesel). The increase in FY2025 is due to the higher variable performance and overhead costs resulting from the \$25.0 million OCS/TPS maintenance component.

Line 23 **OCS/TPS Maintenance:** \$0 in FY2024; and \$25.0 million in FY2025, an increase of \$25.0 million or 100% higher than the FY2024 Proposed Budget.

The Overhead Contact System (OCS) and Traction Power System (TPS) Maintenance is a new line item related to the electrification of Caltrain’s service in FY2025. This item covers the maintenance of the overhead wires that supply electricity to the trains and the network that serves as an electricity grid for the supply of electrified rail networks. This also includes the personnel that control the power provision in the central control facility.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change		% Change	
				Proposed to FY23 Forecast	Proposed to FY24 Forecast	Proposed to FY23 Forecast	Proposed to FY24 Forecast		Proposed to FY24	Proposed to FY25	Proposed to FY24	Proposed to FY25
OCS/TPS Maintenance	-	-	-	-		0%	25,000,000	25,000,000		100%		

Line 24 **Security Services:** \$8.3 million in FY2024, an increase of \$0.3 million or 3.2% higher than the FY2023 forecast; and \$8.6 million in FY2025, an increase of \$0.3 million or 3.4% higher than the FY2024 Proposed Budget.

Security services are provided through a law enforcement contract, a communications services contract with the San Mateo County Sheriff’s Office (SMCSO), and a building security guard contract. The SMCSO contract supports Rail operations.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change		% Change	
				Proposed to FY23 Forecast	FY24 Forecast	Proposed to FY23 Forecast	FY24 Forecast		Proposed to FY24 Proposed	FY25 Proposed	Proposed to FY24 Proposed	FY25 Proposed
Security Service	7,391,809	8,028,807	8,286,045	257,238		3.2%		8,571,693	285,648		3.4%	

FY2024 and FY2025 Security Services budgets reflect the projected annual contractual increases and overtime estimates.

Line 25 **Shuttle Services**: \$0.1 million in FY2024, a decrease of \$0.04 million or 34.2% lower than the FY2023 forecast; and \$0.1 million in FY2025, no change from the FY2024 Proposed Budget.

The Shuttle program provides last-mile connections for Caltrain passengers.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change		% Change	
				Proposed to FY23 Forecast	FY24 Forecast	Proposed to FY23 Forecast	FY24 Forecast		Proposed to FY24 Proposed	FY25 Proposed	Proposed to FY24 Proposed	FY25 Proposed
Shuttle Service	1,938,640	121,600	80,000	(41,600)		-34.2%		80,000	-		0.0%	

This budget reduction reflects the consolidation of shuttle contracts under SamTrans. It represents Caltrain’s 25% share of the operating and marketing expenses, administrative fee, and fuel surcharges associated with the remaining shuttle grant commitments for Bayshore/Brisbane and Millbrae/Broadway routes.

Line 26 **Fuel and Lubricants**: \$15.2 million in FY2024, a decrease of \$2.3 million or 13.3% lower than the FY2023 forecast; and \$5.1 million in FY2025, a decrease of \$10.1 million or 66.7% lower than the FY2024 Proposed Budget.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change		% Change	
				Proposed to FY23 Forecast	FY24 Forecast	Proposed to FY23 Forecast	FY24 Forecast		Proposed to FY24 Proposed	FY25 Proposed	Proposed to FY24 Proposed	FY25 Proposed
Fuel and Lubricants	13,491,343	17,539,232	15,211,316	(2,327,916)		-13.3%		5,069,083	(10,142,233)		-66.7%	

	FY23 Adopted Budget	FY24 Proposed Budget	FY25 Proposed Budget
Hedged %	65%	89%	0%
Price Per Gallon	\$2.96	\$2.70	N/A
Unhedged %	35%	11%	100%
Price Per Gallon	\$3.41	\$2.59	\$2.51
Fuel Consumption (No. of Gallons)	4,551,803	4,490,072	1,588,595
Fuel Cost	14,183,476	12,078,293	3,987,375
Taxes	3,855,756	3,133,023	1,081,708
Fuel Hedge Realized Savings	(500,000)	-	-
Total	17,539,232	15,211,316	5,069,083

This line item covers the cost of diesel fuel for JPB locomotive operations, including the associated taxes and fees. The FY2024 fuel budget assumes 104-diesel train service per weekday with a fuel consumption of 4.5 million gallons at \$2.69 per gallon. It also assumes that 89% of the fuel portfolio is hedged at \$2.70 per gallon and 11% is unhedged at \$2.59 per gallon. In FY2025, with Caltrain’s electrified service, the budget assumes 12-diesel train service per weekday with a fuel consumption of 1.6 million gallons at \$2.51 per gallon. No hedges are assumed in FY2025.

Line 27 **Electricity**: \$0.0 in FY2024; and \$19.5 million in FY2025, an increase of \$19.5 million or 100.0% higher than the FY2024 Proposed Budget.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	FY24		FY2025 PROPOSED BUDGET	FY25	
				Proposed to FY23 Forecast	% Change FY24 Forecast		Proposed to FY24	% Change FY25
Electricity	-	-	-	-	0.0%	19,495,155	19,495,155	100.0%

In FY2025, with Caltrain’s electrified service, the budget assumes 92-electric train service per weekday with a projected electricity consumption of 90,268,417 kWh at \$0.2160 per kWh. This consumption includes revenue and non-revenue mileage, and static testing.

Line 28 **Timetables and Tickets**: \$0.1 million in FY2024, a decrease of \$0.04 million or 29.8% lower than the FY2023 forecast; and \$0.1 million in FY2025, no change from the FY2024 Proposed Budget.

Timetables and Tickets includes the cost of designing, updating, and printing of timetables, schedules, maps, and Caltrain tickets.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change FY25 Proposed to FY24	% Change FY25 Proposed to FY24
				Proposed to FY23 Forecast	FY24	Proposed to FY23 Forecast	FY24			
Timetables and Tickets	17,140	135,350	95,000	(40,350)	-29.8%	95,000	-	0.0%		

The reduction in FY2024 reflects a repurpose of \$0.04 million in funding to Professional Services to analyze tickets and passes.

Line 29 **Insurance:** \$10.2 million in FY2024, an increase of \$0.9 million or 10.0% higher than the FY2023 forecast; and \$11.3 million in FY2025, an increase of \$1.0 million or 10.0% higher than the FY2024 Proposed Budget.

The Insurance budget includes premiums, deductibles, adjuster fees, broker fees, and other insurance costs. Rates reflect costs for property, casualty, and liability insurance.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change FY25 Proposed to FY24	% Change FY25 Proposed to FY24
				Proposed to FY23 Forecast	FY24	Proposed to FY23 Forecast	FY24			
Insurance	5,513,835	9,299,730	10,229,703	929,973	10.0%	11,252,673	1,022,970	10.0%		

FY2024 and FY2025 budgets reflect a 10% historical increase in premiums.

Line 30 **Claims, Payments, and Reserves:** \$1.3 million in FY2024, a decrease of \$0.02 million or 1.3% lower than FY2023 forecast; and \$1.3 million in FY2025, no change from the FY2024 Proposed Budget.

This budget item covers the cost of claims, reserves and payments, and the associated legal fees.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change FY25 Proposed to FY24	% Change FY25 Proposed to FY24
				Proposed to FY23 Forecast	FY24	Proposed to FY23 Forecast	FY24			
Claims Reserves & Payment	634,024	1,336,926	1,320,000	(16,926)	-1.3%	1,320,000	-	0.0%		

FY2023 forecast was adjusted to reflect potential claims based on incidents that transpired in said fiscal year. FY2024 and FY2025 budget retained the usual level of reserves.

Line 31 **Facilities and Equipment Maintenance:** \$8.2 million in FY2024, an increase of \$1.1 million or 15.0% higher than the FY2023 forecast; and \$9.0 million in FY2025, an increase of \$0.8 million or 9.8% higher than the FY2024 Proposed Budget.

This budget item covers expenses related to Clipper Operator charges, revenue collection services, ticket vending machines, data line services and other contract services.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change		% Change	
				Proposed to FY23 Forecast	FY24	Proposed to FY23 Forecast	FY24		Proposed to FY24	FY25	Proposed to FY24	FY25
Facilities and Equipment Maintenance	6,004,843	7,107,788	8,171,766	1,063,978		15.0%		8,969,666	797,900		9.8%	

The increase in FY2024 is driven by higher Clipper Operator charges, new contract with Brinks, Bike Station costs, and increased cost for contracted services related to public relations, sales tax consultants, citation/fine enforcement, and train management system. The increase in FY2025 is due to contracted services related to wireless internet maintenance.

Line 32 **Utilities:** \$2.7 million in FY2024, an increase of \$0.1 million or 3.5% higher than the FY2023 forecast; and \$2.7 million in FY2025, no change from the FY2024 Proposed Budget.

This item covers the cost of gas & electricity, telephone, water & sewer, and trash. It also includes utility costs of Positive Train Control (PTC) maintenance such as data circuits, radio license fees, and spectrum lease.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change		% Change	
				Proposed to FY23 Forecast	FY24	Proposed to FY23 Forecast	FY24		Proposed to FY24	FY25	Proposed to FY24	FY25
Utilities	2,541,458	2,617,600	2,708,900	91,300		3.5%		2,708,900	-		0.0%	

The increase is due to higher gas, electricity, and water & sewer utility costs.

Line 33 **Maintenance & Services – Building & Other:** \$1.8 million in FY2024, an increase of \$0.03 million or 1.7% higher than the FY2023 forecast; and \$1.8 million in FY2025, a decrease of \$5.0 thousand or 0.3% lower than the FY2024 Proposed Budget

This item covers the cost of building maintenance services, printing and information services, and repair and maintenance of computers and office equipment.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change		% Change	
				Proposed to FY23 Forecast	FY24	Proposed to FY23 Forecast	FY24		Proposed to FY24	FY25	Proposed to FY24	FY25
Maintenance & Services - Bldg & Oth	1,372,866	1,754,100	1,784,600	30,500		1.7%		1,779,600	(5,000)		-0.3%	

The increase in FY2024 is driven by higher building maintenance service costs related to the BART agreement, and printing and information services due to the implementation of a new safety program.

Administrative Expense

Line 37 **Wages & Benefits:** \$18.5 million in FY2024, an increase of \$4.9 million or 36.5% higher than the FY2023 forecast; and \$21.0 million in FY2025, an increase of \$2.5 million or 13.6% from the FY2024 Proposed Budget

The San Mateo County Transit District serves as the managing agency for the JPB. FY2024 Wages & Benefits reflects staffing costs for an anticipated 93.7 FTEs for the operating budget which includes 84.1 existing FTEs and 9.6 new FTEs. FY2025 Wages & Benefits reflects staffing costs for an anticipated 106.8 FTEs for the operating budget which includes 106.0 existing FTEs and 0.8 new FTEs. The projected new FTEs are related to Planning, Electrification, and Safety and System Engineering Support functions.

Divisions	FY2024		FY2025	
	Existing FTE	New FTE	Existing FTE	New FTE
Bus	1.2	-	1.2	-
CalMod	-	-	-	-
Comm	24.5	-	24.5	-
Exec	0.9	-	0.9	-
Finance	9.4	1.1	10.5	-
IT	-	-	-	-
People & Culture Group	0.5	1.4	2.5	-
Planning	2.3	-	2.3	-
Rail	40.9	6.3	57.9	0.8
Safety	4.5	0.9	6.3	-
Total Operating	84.1	9.6	106.0	0.8

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change	
				FY23 Forecast	FY24 Proposed to	FY23 Forecast	FY24 Proposed to
Wages & Benefits	10,610,123	13,532,312	18,472,861	4,940,549	20,979,416	36.5%	2,506,555

The FY2024 budget assumes a universal wage increase for represented and non-represented employees and an increase in fringe benefits. However, no increase was applied for FY2025 as the current SamTrans collective bargaining agreements expire in June and September 2024, respectively. Vacancy savings have been assumed based on hiring dates and projected attrition. The budget also reflects JPB’s share of the total CalPERS ER Funded Cost and the Total Retiree Medical.

Line 38 **Managing Agency Admin OH Cost:** \$3.6 million in FY2024 and FY2025, no change from the FY2023 forecast.

Managing Agency Administrative Overhead (OH) Cost reflects the cost of District personnel dedicated to the Caltrain business (as opposed to Caltrain operations).

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		\$ Change		% Change	
				Proposed to FY23 Forecast	Proposed to FY24 Forecast	Proposed to FY23 Forecast	Proposed to FY24 Forecast	Proposed to FY25	Proposed to FY25	Proposed to FY24	Proposed to FY24
Managing Agency Admin OH Cos	3,923,397	3,565,453	3,565,453	-	0.0%	3,565,453	-	0.0%	-	-	0.0%

The Indirect Cost Allocation Plan (ICAP) calculates the indirect cost rate used to recover overhead costs related to agency indirect administrative overhead and capital projects. The District procured the assistance of an outside consulting firm to develop a methodology that equitably allocates the costs incurred by the District for services and functions shared by the different agencies administered by District staff. The consultant team is selected for its experience and knowledge in developing allocation methodologies for governmental and public entities.

The ICAP is prepared in accordance with the principles and guidelines set forth in the Office of Management and Budget (OMB) Circular A-87 “Cost Principles for State, Local and Indian Tribal Governments” and ASMB C-10 “Cost Principles and Procedures for Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government.”

The ICAP calculates two components:

- Agency Indirect Administration (AIA) – a pool of costs that cannot be directly attributed to a specific agency.

This consists of labor and non-labor support functions that benefit each of the four agencies managed or supported by the District. Examples include the time charged by the Payroll Department to process the biweekly payroll or the time charged by the Human Resource Department to post recruitments on industry websites. Based on specific statistics, these costs are distributed to each department. For example, the payroll department costs are distributed to each department based on the number of FTEs. The District incurs all of the AIA costs and then recovers appropriate shares of the costs from the District’s Operating and Capital budgets, the JPB Operating and Capital budgets, the TA budget and the SMCELJPA budget.

- Capital Overhead – a pool of project support costs that cannot be directly attributed to a specific capital project.

A capital overhead rate is calculated for each agency. An example of a capital overhead cost would be the time charged by an administrative assistant who supports multiple capital project engineers. The capital overhead costs are tracked and included in the ICAP rate and is charged to each capital project.

In mid-FY2021, the ICAP methodology was changed to more appropriately allocate these costs across the range of projects served – staff anticipates that this approach will continue. In prior years, the ICAP rate was applied to pre-defined labor costs. The new methodology applies the ICAP rate to all labor and non-labor costs. The methodology does not change how much ICAP in total is paid, but rather how the total ICAP is allocated to different projects.

Line 39 **Board of Directors:** \$62.9 thousand, an increase of \$5.6 thousand or 9.8% higher than the FY2023 forecast; and \$62.9 thousand, no change from the FY2024 Proposed Budget.

This covers director compensation, seminars and training, and meetings for the Board of Directors.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change		% Change	
				Proposed to FY23 Forecast	FY24	Proposed to FY23 Forecast	FY24		Proposed to FY24	Proposed to FY24		
Board of Directors	22,285	57,275	62,875	5,600		9.8%		62,875	-		0.0%	

Line 40 **Professional Services:** \$10.0 million in FY2024, an increase of \$0.7 million or 7.5% higher than the FY2023 forecast; and \$11.4 million in FY2025, an increase of \$1.4 million or 13.9% higher than the FY2024 Proposed Budget.

This covers the cost of legal services, audit services, legislative advocacy, and consultant services.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change		% Change	
				Proposed to FY23 Forecast	FY24	Proposed to FY23 Forecast	FY24		Proposed to FY24	Proposed to FY24		
Legal Services	2,039,639	2,600,000	1,869,000	(731,000)		-28.1%		1,869,000	-		0.0%	
Annual Audit Services	65,000	68,000	74,250	6,250		9.2%		74,250	-		0.0%	
Legislative Advocates	161,238	175,200	189,600	14,400		8.2%		189,600	-		0.0%	
Consultants	4,465,211	6,462,555	7,871,925	1,409,370		21.8%		9,261,101	1,389,176		17.6%	
Total	6,731,087	9,305,755	10,004,775	699,020		7.5%		11,393,951	1,389,176		13.9%	

Increases in FY2024 and FY2025 are driven by consultant services. In FY2024, the increase in consultant services is due the following efforts: Caltrain Sustainability Strategic Planning, Safety and Security, Financial Strategic Planning, Ridership Recovery, and Rail Network and Operations Planning. In FY2025, the increase is primarily due to rail engineering consultant services to support electrification.

Line 41 **Communications and Marketing:** \$0.4 million, an increase of \$0.04 million or 9.7% higher than the FY2023 forecast; and \$0.4 million in FY2025, no change from the FY2024 Proposed Budget.

This covers the cost of promotional advertising for fares, schedule changes, and the mobile app.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		\$ Change		% Change	
				FY24		FY24		FY25		FY25	
				Proposed to FY23 Forecast	Proposed to FY23 Forecast	Proposed to FY23 Forecast	Proposed to FY23 Forecast	Proposed to FY24	Proposed to FY24	Proposed to FY24	Proposed to FY24
Communications and Marketing	437,328	403,730	442,730	39,000	9.7%	442,730	-	0.0%			

FY2024 budget reflects an increase in marketing support for electrification, branding projects, and ongoing special events such as the rail safety month and the Martin Luther King Jr. celebration train.

Line 42 **Other Office Expenses and Services:** \$4.2 million in FY2024, an increase of \$1.3 million or 42.7% higher than the FY2023 forecast; and \$4.2 million in FY2025, a decrease of \$13.8 thousand or 0.3% lower than the FY2024 Proposed Budget.

This line item covers bank and transaction fees, software maintenance and licenses, recruitment costs, seminar and training, business travel, dues and subscriptions, and leases on properties along Caltrain’s Right of Way (ROW) in support of commuter services. The ROW leases include facilities for radio transmission antennas and real estate for storage of train equipment and spare parts.

The increase in FY2024 budget is driven by IT software maintenance and hardware requirements, bank fees on working capital, and professional recruitment costs.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		\$ Change		% Change	
				FY24		FY24		FY25		FY25	
				Proposed to FY23 Forecast	Proposed to FY23 Forecast	Proposed to FY23 Forecast	Proposed to FY23 Forecast	Proposed to FY24	Proposed to FY24	Proposed to FY24	Proposed to FY24
Business Travel, Training & Devt	196,266	398,875	384,250	(14,625)	-3.7%	384,250	-	0.0%			
Computer & Software Maintenance	371,637	554,900	1,356,700	801,800	144.5%	1,351,700	(5,000)	-0.4%			
Other Office Expense	308,327	620,100	737,320	117,220	18.9%	728,475	(8,845)	-1.2%			
Property Taxes and Bank Fees	940,087	1,112,621	1,354,132	241,511	21.7%	1,354,132	-	0.0%			
Recruitment	173,007	270,400	388,400	118,000	43.6%	388,400	-	0.0%			
Total	1,989,324	2,956,896	4,220,802	1,263,906	42.7%	4,206,957	(13,845)	-0.3%			

Line 45 **Measure RR Ballot Costs:** \$0 in FY2024 and FY2025, no change from the FY2023 budget.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		\$ Change		% Change	
				FY24		FY24		FY25		FY25	
				Proposed to FY23 Forecast	Proposed to FY23 Forecast	Proposed to FY23 Forecast	Proposed to FY23 Forecast	Proposed to FY24	Proposed to FY24	Proposed to FY24	Proposed to FY24
Measure RR Ballot Costs	5,396,910	-	-	-	-	-	-	-			

The Measure RR Ballot Costs was a one-time activity in FY2022 to cover costs incurred by the counties of San Francisco, San Mateo, and Santa Clara to put the Measure RR ballot up for a vote in FY2021 election. Since this activity is completed, no budget is expected for FY2024 and FY2025.

Line 46 **Governance:** \$0.2 million in FY2024, a decrease of \$0.1 million or 35.7% lower than the FY2023 forecast; and \$0 in FY2025.

This budget covers Governance related items that include staff costs, consultant support, legal consultation, and specialized financial analysis. In FY2024, a \$0.2 million one-time budget was added for policy, strategy, and communications consultant support, as well as legal services.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change FY25 Proposed to FY24 Proposed	% Change FY25 Proposed to FY24 Proposed
				Proposed to FY23 Forecast	FY24 Forecast	Proposed to FY23 Forecast	FY24 Forecast			
Governance	1,144,981	350,000	225,000	(125,000)		-35.7%		-	(225,000)	-100.0%

Line 48 **Debt Service Expense:** \$3.5 million, a decrease of \$0.2 million or 6.5% lower than the FY2023 forecast; and \$7.8 million in FY2025, an increase of \$4.3 million or 123.7% higher than the FY2024 Proposed Budget.

This covers the cost and principal retirement of debt incurred for the acquisition and rehabilitation of passenger rail cars, the acquisition of real property, and the maintenance of a revolving line of credit.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change		% Change		FY2025 PROPOSED BUDGET	\$ Change FY25 Proposed to FY24 Proposed	% Change FY25 Proposed to FY24 Proposed
				Proposed to FY23 Forecast	FY24 Forecast	Proposed to FY23 Forecast	FY24 Forecast			
Long-term Debt Expense	1,935,154	3,711,375	3,471,125	(240,250)		-6.5%		7,763,305	4,292,180	123.7%

FY2024 budget includes the principal and interest payment for the 2019 Farebox Revenue Bond. The increase in FY2025 is due to the principal payment for the 2022 Measure RR Revenue Bond.

Line 53 **Projected Contribution to Reserve:** \$2.1 million in FY2024; \$6.8 million in FY2025, an increase of 4.7 million or 223.2% higher than the FY2024 Proposed Budget.

The financial reserve policy adopted by the board effective September 1, 2017, states “*the JPB will maintain an operating reserve of at least 10 percent of the annual operating budget, and that the JPB shall strive to reserve up to 15 percent of the annual operating budget when possible*”.

In FY2024, the projected opening balance of the Operating Reserve is \$26.9 million. A projected contribution of \$2.1 million will result in an ending balance of \$29.0 million which is 15% of the FY2024 annual operating budget. In FY2025, to maintain the 15% operating reserve level, a contribution of \$6.8 million is required.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change	% Change	FY2025 PROPOSED BUDGET	\$ Change	% Change
				FY24 Proposed to FY23 Forecast	FY24 Proposed to FY23 Forecast		FY25 Proposed to FY24 Proposed	FY25 Proposed to FY24 Proposed
Projected Contribution to Reserve	16,115,624	10,763,226	2,107,548	(8,655,678)	-80.4%	6,812,302	4,704,754	223.2%

Line 59 Draw from Measure RR Reserve for PCEP: \$37.3 million in FY2025

Caltrain has recently been awarded the full \$410.0 million funding required to finish the Peninsula Corridor Electrification Project (PCEP). This grant releases \$60.0 million of Measure RR funds originally allocated for PCEP. With this, Caltrain anticipates a total of \$60.0 million Measure RR PCEP reimbursement that can be used for operating needs.

To address the remaining operating requirements in FY2025, staff recommend utilizing \$37.3 million of the Measure RR PCEP reimbursement. After this allocation, the Measure RR PCEP reimbursement balance will be \$22.7 million.

Description	FY2022 ACTUAL	FY2023 FORECAST	FY2024 PROPOSED BUDGET	\$ Change	% Change	FY2025 PROPOSED BUDGET	\$ Change	% Change
				FY24 Proposed to FY23 Forecast	FY24 Proposed to FY23 Forecast		FY25 Proposed to FY24 Proposed	FY25 Proposed to FY24 Proposed
Measure RR Reserve for PCEP	-	-	-	-	0.0%	37,340,140	37,340,140	100.0%

FY2024 and FY2025 Proposed Capital Budgets - Details

Total Capital Budget Requests amount to \$554.1 million for FY2024 and \$118.8 million for FY2025, which includes Externally-Funded Projects of \$115.2 million and \$32.3 million, respectively. Externally-Funded Projects are capital projects agreed to be fully funded by third parties. The Net Capital Budget Requests, excluding Stadler Cars, are \$83.9 million in FY2024 and \$86.4 million in FY2025 while available funding is \$42.4 million and \$38.8 million, respectively. This results in a deficit of \$41.5 million in FY2024 and \$47.6 million in FY2025.

The Capital Budget is not balanced. Between the Finance Committee meeting and the Board meeting on June 1, staff will prioritize the capital projects to match the available funding level.

FY2024 and FY2025 Proposed Capital Budgets
\$554,082,696 (FY2024) & \$118,778,451 (FY2025)

i. State of Good Repair (SOGR) - \$65,228,719 (FY2024) & \$60,650,333 (FY2025)

Bridges - \$24,976,673 (FY2024) & \$22,553,667 (FY2025)

1. Guadalupe Bridge Replacement - \$17,364,622 (FY2024) & \$18,921,222 (FY2025)

The purpose of the project is to address the structural vulnerability of two existing bridges, MT1 and MT2, spanning the Guadalupe River in San Jose. Activities include widening and stabilizing the underlying river channel and upgrading and extending the bridge structures to ensure long-term public safety and service reliability.

2. San Francisquito Creek Bridge Replacement - \$0 (FY2024) & \$2,072,445 (FY2025)

The purpose of this project is to replace the San Francisquito Creek Bridge that carries double mainline tracks. The Bridge is approaching the end of its useful service life due to the age of the structure, a low rating capacity of its main members, and an unstable slope at the north abutment. It is located 330 feet from the Palo Alto Avenue at-grade crossing. In 2021, Caltrain initiated a due diligence effort for the Bridge. No cracks were found during the detailed inspections conducted in Fall 2021. However, the Bridge currently rates below American Railway Engineering and Maintenance-of-Way Association's (AREMA) Normal Freight Live Loading requirements. These findings have led to a new direction for the project in terms of scope, budget, and timeline.

3. San Francisquito Bridge Acoustic Monitoring System - \$2,028,704 (FY2024) & \$0 (FY2025)

San Francisquito Creek Bridge, that carries double mainline tracks, is approaching the end of its useful service life. The recent in-depth inspection and analysis revealed that the bridge is rated below AREMA's normal freight live loading requirements and restrictions. The analysis also revealed that some members have a "negative remaining fatigue life" with an increased risk for cracking. Funds will be used to prepare an Invitation for Bid package to procure and install an Acoustic Monitoring System to provide more timely notice of potential cracks or damage to key structural elements.

4. San Francisquito Creek Bridge Emergency North Channel Restoration - \$4,023,347 (FY2024) & \$0 (FY2025)

The purpose of this project is to restore and protect the northern embankment of the San Francisquito Creek to prevent erosion from undermining an abutment of Caltrain's San Francisquito Creek Bridge. The funds will be used for engineering design, coordination of cost sharing agreements with external stakeholders, acquisition of access agreements, permitting, procurement of construction services, construction, construction management, and other supporting services such as legal, project controls, and civil rights.

5. SOGR Structures - \$1,560,000 (FY2024) & \$1,560,000 (FY2025)

The State of Good Repair Structures project will perform maintenance repairs to restore the integrity of our bridges and structures back to a fair condition, as well as to increase the safety, security, and useful life of these assets. This project will focus on bridges and structures that need immediate attention, as identified by Caltrain's Annual Bridge

Inspection Program. These items include replacing: handrails, ballast retainers, bird netting, spalling concrete, bearing pad replacements, timber decking replacements, and tunnel drainage.

Right of Way (ROW) - \$20,361,767 (FY2024) & \$17,124,980 (FY2025)

6. SOGR MOW Track - \$11,628,912 (FY2024) & \$13,104,000 (FY2025)
The System Wide Track Rehabilitation Program covers the work required to keep the Caltrain railroad in a SOGR. The type and scope of work scheduled for each year is based upon the condition of the railroad, which is determined through inspections and tests performed throughout the previous year. The project includes many different work activities that remain consistent from year to year. These activities include replacement of rail and crossties, replacement of special track components, installation of thermite welds, maintenance welding and grinding at special track locations, track surfacing throughout the corridor, purchased services including inspections and weed abatement, and vegetation removal and the purchase of small tools.
7. SOGR MOW Track - Rubber Tire Vehicles - \$3,010,800 (FY2024) & \$0 (FY2025)
The purpose of this project is to support the purchase of rubber tire vehicles for TASI. It includes the purchase of nine utility trucks, nine pick-up trucks, three inspector trucks, three Signal Maintainer trucks, and other vehicles to support the Stations Department.
8. SOGR MOW Track - Track Equipment - \$2,454,400 (FY2024) & \$0 (FY2025)
The purpose of this project is to support the purchase of track Maintenance-of-Way equipment to keep the track in a SOGR. It includes the purchase of a section truck, a dump truck, a Cat Skid Steer with Mower, a 1200 Reach Lift forklift, a Pup Hydraulic Switch Tamper, a Freightliner Welders truck, a Tie Handler, a Tie Inserter, and a Hydrail Excavator.
9. ROW Fencing - \$800,000 (FY2024) & \$1,146,080 (FY2025)
The ROW Fencing project will continue to install vandal-resistant fencing at key locations along the PCJPB main line rail corridor to deter trespassing. Installation of fencing will provide a barrier on at least one side of the property between San Francisco MP 0 to Lick MP 50.94, in order to reduce trespassing on the PCJPB ROW. This work plan is intended to span two years.
10. SOGR ROW - \$2,467,655 (FY2024) & \$2,874,900 (FY2025)
The purpose of this project is to allow Caltrain operating contractors to have improved access, as well as restricting access as necessary, to maintain the ROW in a SOGR. This project will also allow Caltrain to react to ROW needs and concerns as they arise from stakeholders within Caltrain's 52-mile corridor. This project will address ROW issues along the main corridor that are of concern with repeated history of homeless encampments, graffiti, and vandalism. By improving access and restricting access where needed, the operating contractor will be more efficient and productive with their time in maintaining the railroad.

Signals and Communications - \$3,805,907 (FY2024) & \$6,564,624 (FY2025)

- 11. Signal SOGR FY24 and FY2025 - \$1,573,395 (FY2024) & \$1,386,897 (FY2025)**
This project will include planned maintenance, replacement, upgrade, and painting the dynamic envelope at 4 grade crossings. Phase 1 includes 37 signal location replacements for the Electro Code 4 (EC4) units, 23 control point replacements for the Vital Harmon Logic Controller (VHLC) units, the upgrade of all wayside signal locations inventory documentation, and the replacement of ElectroBlox (EBLOX) units at 20 locations. Phase 2 includes 37 signal location replacements for the EC4 units, 23 control point replacements for the VHLC units, and the replacement of outdated chargers and batteries at 60 locations.
- 12. FY21 Grade Crossing Improvements - \$1,032,512 (FY2024) & \$2,777,727 (FY2025)**
This project will implement safety improvements for six grade crossings from the Caltrain Grade Crossing Hazard Analysis Report prioritization list. Safety improvements vary by location based on the analysis and include such items as pavement markers and marking, signage, channelization, and pedestrian and vehicular gate adjustments and signaling.
- 13. Next Generation Visual Messaging Sign (VMS) - \$1,200,000 (FY2024) & \$2,400,000 (FY2025)**
This project will install 122 (VMS) and passenger information system for the Caltrain stations. The current VMS signs are no longer supported by the manufacturer and the Predictive Arrival and Departure System (PADS) is obsolete. Research will be done to determine whether it is best to replace the signs that will work with the current PADS or replace signs for the next generation passenger information system.
- Station and Intermodal Access - \$2,441,462 (FY2024) & \$1,175,200 (FY2025)
- 14. Station SOGR Project - \$1,349,462 (FY2024) & \$1,175,200 (FY2025)**
This project will perform capital maintenance at various Caltrain stations which may include, but not limited to, corrosion mitigation, rain shelter replacements, schedule and sign casing replacement, concrete repairs, repair and replace station building roofs, bathroom repairs, and other capitalized maintenance items. These repairs are intended to keep these assets in a state of good repair and to provide consistent service to Caltrain patrons.
- 15. CEMOF SOGR - \$1,092,000 (FY2024) & \$0 (FY2025)**
This project will procure, deliver, and apply materials to the Caltrain CEMOF facility for SOGR Maintenance in FY2024 which will minimize future cost and keep the facility in good running order. Maintenance scheduled for FY2024 includes boiler replacement, Variant Frequency Drive system replacement, HVAC/Thermostat upgrade/replacement, roof repairs/replacement, CEMOF/BCCF LED light upgrade, and restroom upgrades.
- Rolling Stock - \$13,642,910 (FY2024) & \$13,231,862 (FY2025)
- 16. EMU Rail Vehicle SOGR - \$4,368,000 (FY2024) & \$4,521,816 (FY2025)**

The purpose of this project is for the COTS-inspections (Cleaned, Oiled, Tested, and Stenciled) of the air brakes on the EMU. Caltrain must begin the purchase of this equipment within a few months before the new EMUs go into service so that Caltrain can stagger these inspections between its 19 EMU sets.

17. F-40 Cars - \$138,424 (FY2024) & \$140,816 (FY2025)

The purpose of this project is for the SOGR Rail Vehicle Maintenance for the F-40 Locomotives. This includes toilet refurbishment, battery replacement, controller/contacter replacement, and traction motors for the locomotives.

18. Gallery Cars - \$771,680 (FY2024) & \$800,800 (FY2025)

The purpose of this project is for the SOGR Rail Vehicle Maintenance for Gallery passenger cars. This includes batteries, suspensions, anti-skid, 480v cable replacement, and door overhaul.

19. MP-36 Locomotive - \$265,824 (FY2024) & \$275,080 (FY2025)

The purpose of this project is for the SOGR Rail Vehicle Maintenance for MP-36 Locomotives. This includes battery replacement and traction motors for the locomotives.

20. MP-36 Locomotive Mid-Life Overhaul - \$623,000 (FY2024) & \$0 (FY2025)

This project involves performing mid-life overhaul of six MP-36-3C Locomotives. The mid-life overhaul includes complete disassembly of the main diesel engine, overhaul by reconditioning re-usable main frame components, re-assembly with new engine components, and rebuild of Separate Head-End Power (SEP-HEP) units and all electrical components of the SEP-HEP compartment. All areas of the locomotive car body, trucks, wheels, and electrical components shall be reconditioned to like-new condition or replaced with new material.

21. Bombardier Cars - \$3,061,032 (FY2024) & \$3,078,400 (FY2025)

The purpose of this project is to maintain a SOGR for the Rail Vehicle Maintenance for Bombardier passenger cars. This includes batteries, anti-skid, 480v cable replacement, cabin refurbishment, doors and HVAC overhauls.

22. Bombardier Truck Replacement - \$1,670,541 (FY2024) & \$1,670,541 (FY2025)

The purpose of this project is to replace Caltrain Bombardier trucks. As part of the transition to a partially electrified fleet in 2024, the remaining diesel fleet will continue to provide service south of San Jose. This work is critical for Caltrain to maintain service reliability for communities south of San Jose and make any future service increases viable. The funding will be used to purchase bi-level truck assembly, new air springs, side bearing wedge, vertical dampers, drag rods, shear pads, yaw dampers, lateral damper bracket, lateral damper, center yoke, and traction pads for Caltrain Bombardier trucks.

23. Rail Vehicle SOGR Bombardier Cars - \$2,744,409 (FY2024) & \$2,744,409 (FY2025)

The purpose of this project is to provide Rail Vehicle maintenance for Bombardier passenger cars. As part of the transition to a partial electrified fleet in 2024, the remaining diesel fleet will continue to provide service south of San Jose. The Rail Vehicle SOGR Bombardier Cars project is necessary to maintain service reliability and provide an enhanced customer experience to support ridership growth for communities south of San Jose. The funding will be used to purchase batteries, anti-skid, 480v cable replacement, cab refurbishment, doors and HVAC overhauls.

ii. Legal Mandate - \$200,000 (FY2024) & \$494,465 (FY2025)**24. MS4 Trash Capture - \$200,000 (FY2024) & \$494,465 (FY2025)**

The MS4 Project will design and implement a full trash capture system required to maintain the Municipal Separate Storm Sewer System (MS4) National Pollutant Discharge Elimination System (NPDES) permit. Implementation and certification must be completed by 2030. The funds will be used to design, procure, and install the storm drain filtering system.

iii. Planning/Studies - \$10,284,000 (FY2024) & \$8,720,000 (FY2025)**25. Caltrain Planning (CIP) - \$359,000 (FY2024) & \$790,000 (FY2025)**

The Caltrain 10-year Capital Improvement Plan will provide the roadmap for Caltrain's involvement and leadership in the programming and development of capital projects across the corridor. The CIP Development Project will also include the development of a prioritization framework that will provide a structured, evidence-based, and equitable decision-making framework to prioritize investments in capital projects across the railroads. The CIP development process and products will allow Caltrain to build up adequate staff capacity, focus its resources on delivering its desired outcomes, and seek additional funding strategically.

26. Battery EMU R/D - \$1,352,000 (FY2024) & \$2,392,000 (FY2025)

This project will fund the next generation of post-PCEP investments in Caltrain. It will fund and procure an EMU from Stadler with batteries to allow the train to run outside of electrified territory, for Gilroy and extended service.

27. Level Boarding Roadmap - \$520,000 (FY2024) & \$520,000 (FY2025)

This project provides a plan for vehicle and platform modifications to accommodate systemwide level boarding. This includes technical, regulatory, freight, and operational interface evaluation. It will also conduct research on best practices, document constraints and challenges, and develop a long-term plan and path to completion.

28. Rail Network and Operations Planning - \$1,248,000 (FY2024) & \$1,248,000 (FY2025)

This project will provide modelling and analysis, presentations, timetable development and testing of new electric and battery electric trains that will be integrated into the Caltrain operations. The project will optimize service with performance, ridership, events, and other variables that require detailed modelling and analysis.

29. Caltrain Access Policy and Planning - \$312,000 (FY2024) & \$312,000 (FY2025)

This project is anticipated to fund several closely related access policy and planning efforts in FY2024-2025, including: 1) an update to Caltrain's Access Policy, 2) an audit and creation of an inventory of station access facilities, 3) creation of access design guidelines (focused on bicycle and pedestrian access), and 4) any other urgent access-related requests from Caltrain leadership and the Caltrain Board. These assets will be used by Caltrain staff, the Caltrain Board, funding entities including PCJPB member agencies, and Caltrain's external partners, such as cities and partner transit agencies. This project will provide funds for all stages to complete these efforts, from Work Directive scoping to consultant procurement, to completion of all required tasks, any required adoption with the Board, and implementation.

30. Corridor Crossing Strategy - \$0 (FY2024) & \$520,000 (FY2025)

The Corridor Crossings Strategy (CCS) will provide a cohesive approach to grade separations or closures that are needed to unlock regional mobility and safety benefits. The Caltrain Business Plan acknowledges that grade separation projects are costly, complex, and challenging. The CCS strives to identify areas for enhancement in the current process and develop a potential strategic approach to deliver corridor-wide consensus on delivery of grade separation projects. The strategy work that is currently ongoing and anticipated to be complete by the end of calendar year 2023 is a first phase and is identifying technical work required to streamline and expedite delivery of a variety of grade crossing solutions, such as fully separated crossings, partial closures with bike/ped crossings, and full closures. This work may include more in-depth review of 4-track segments identified in the Business Plan, design standards and construction techniques, coordinated funding and political strategies, standardized materials including RFPs that may be valuable to jurisdictions, and other items identified through the community-driven phase currently under way.

31. Diridon Integrated Station Concept (DISC)/Diridon Business Case - \$1,560,000 (FY2024) & \$780,000 (FY2025)

This project will support initial planning and conceptual engineering related to Diridon Station and the south terminal area of the railroad. It is anticipated that other sources of funding will be required to advance the project into environmental and advanced design. JPB and other partner agencies mutually accepted a Concept Layout in 2020 to establish the vision for the future Diridon Station. As part of the Concept Layout, the DISC program will affect several elements at and around Diridon Station including the historic train Depot, PG&E substation, VTA light rail station and alignment, and will require the relocation of the Caltrain maintenance facility, and elevation of the rail station platforms and tracks. Consequently, a set of projects (known as the Program of Projects) have been identified to realize the Concept Layout vision. To inform decision-making and therefore DISC implementation, JPB is leading the Partner Agencies in a Business Case. The Business Case will identify the status of the contingent and adjacent projects in the Program of Projects to define the scale of DISC relative to cost and schedule, priority actions, tradeoff considerations, and agreement on a DISC project for implementation. The Business Case will investigate implementing DISC compared to

base case project investments with the objective of presenting an accurate assessment of the costs of infrastructure elements, quantifying measurable benefits, and establishing a value proposition for investment. The Business Case will also recommend a project description that can be advanced to environmental study while also suggesting an organizational and governance structure to support project planning, design/development, and eventual implementation.

32. DTX Funding - \$1,500,000 (FY2024) & \$0 (FY2025)

This is a funding contribution requested from Caltrain as part of the local match for federal FTA funding toward the DTX project. Caltrain's contribution will be matched with contributions from other DTX partners, including the San Francisco County Transportation Authority, Metropolitan Transportation Commission, and California High Speed Rail Authority.

33. Redwood City Station Area Planning - \$250,000 (FY2024) & \$0 (FY2025)

The Redwood City Station Area Planning project will include multiple efforts such as the Mid-Peninsula Hub Station Planning, the Redwood City Grade Separation Effort, and the Redwood City Transit Center Interim Condition Study. The Mid-Peninsula Hub Station Planning and Redwood City Grade Separation Effort will result in a comprehensive Project Study Report (PSR). The PSR will expand on the prior grade separation and study (Whipple Avenue Grade Separation Project) and Mid-Peninsula Hub Station Planning. The Redwood City Transit Center Interim Condition Study will be in collaboration with SamTrans and the City of Redwood City, to conduct a study to investigate potential interim conditions related to the redevelopment of the Redwood City Transit Center (prior to the relocation of the Caltrain station) and identify the needs and potential solutions related to SamTrans operations, multimodal connectivity and access, and infrastructure improvements (for both Caltrain and SamTrans).

34. San Francisco Railyards - \$1,040,000 (FY2024) & \$1,040,000 (FY2025)

The San Francisco Railyards is currently undergoing a Preliminary Business Case (PBC) through a partnership between Caltrain (as perpetual surface easement holder) and Prologis (as developer and property owner). The PBC is assessing the viability of redevelopment options for the railyards. Should option(s) prove viable, the PBC will recommend a preferred option for further planning and development to the PCJPB by Winter 2023/2024. If the PCJPB and Prologis endorse the recommended option, then the project will commence further planning on the preferred option, including other city- and state-required processes.

35. San Francisco Railyards TOD - \$1,025,000 (FY2024) & \$0 (FY2025)

The PCJPB received a \$650,000 TOD Planning Grant that will assist in advancing public-private development at the San Francisco Railyards in conjunction with neighborhood planning efforts. This project will provide \$156,000 in matching funds from Caltrain required under the grant (note that the City and County of San Francisco will provide an additional \$250,000 in matching funds).

36. Station Access Planning - \$182,000 (FY2024) & \$182,000 (FY2025)

Cities within the Caltrain corridor are anticipating and planning for future growth around Caltrain stations that will likely result in considerable future ridership demand for Caltrain service. In anticipation of this growth, Caltrain will undertake various access studies to identify future station access needs and make recommendations for improvements. In addition, Caltrain will conduct a station audit of the newly opened Hillsdale station (and possibly others) to determine access deficiencies or needs and make recommendations for improvements to enhance the customer experience and safety.

37. Strategic Policy & Programming - \$416,000 (FY2024) & \$416,000 (FY2025)

This project is anticipated to fund several efforts related to strategic policy and programming for Caltrain in FY2024 and 2025, such as (but not limited to): 1) fare studies; 2) Go Pass Donation Program support; 3) service-related strategic policy work; 4) Rail Corridor Use Policy implementation and update; 5) Predictive Tool for operational cost analyses updates; 6) any required Business Strategy work; 7) other urgent policy and programming requests from Caltrain leadership and the Board. These assets will be used by and help guide decision-making for Caltrain staff, the Caltrain Board, funding entities including JPB member agencies, and Caltrain's external partners, such as cities and partner transit agencies. This project will provide funds for all stages to complete these efforts, from Work Directive scoping to consultant procurement, to completion of all required tasks, any required adoption with the Board, and implementation.

38. Transit-Oriented Development (TOD) Studies - \$520,000 (FY2024) & \$520,000 (FY2025)

This project will provide technical support to advance specific TOD projects, as well as to explore corridor-wide TOD strategies and develop a corridor-wide TOD framework. The project will also provide resources to facilitate TOD planning, land use approvals, and other real estate efforts at Redwood City station and other locations identified as having TOD potential. This may include a variety of technical studies including environmental assessment, hazmat testing, traffic studies, title research, market, and feasibility analysis, as well as paying necessary city fees and other costs. In addition, the project will support advancement of corridor-wide TOD strategies designed to maximize ridership and revenue potential from JPB real estate assets and station area TOD, leveraging outputs from the corridor-wide grade separation strategy. The budget amount includes contingency funds that may be needed to complete the entitlement process for the Diridon TOD and partner with a developer to proceed with development, to account for uncertainty in the real estate process and the potential need for additional studies and/or consultant support.

iv. Operational Improvements / Enhancements - \$6,886,977 (FY2024) & \$15,250,653 (FY2025)

- 39.** 22nd Street ADA Access Improvements - \$447,198 (FY2024) & \$0 (FY2025)
Caltrain, with funding from SFCTA and consultant support from HNTB, conducted a feasibility study to determine if and how street to platform wheelchair access could be achieved within the existing footprint of 22nd Street Station. While the study's analysis did not exceed 15% design, it found potential ramp and elevator alternatives for both platforms to be feasible at the conceptual level. After evaluating each alternative based on user experience, agency impacts, and construction factors, the study recommended that a ramp alternative for each platform be advanced to 35% design.
- 40.** Broadband Wireless Communications System Enhancements - \$224,000 (FY2024) & \$1,306,000 (FY2025)
This project will enhance the Caltrain Broadband Wireless Communications System to integrate the EMU Remote Train Diagnostics system with the broadband network. It will implement the necessary office and network equipment at the Control Centers to accept and display the train information from the Remote Train Diagnostics system and the Automatic Passenger Counter system. It will fully integrate the EMU Passenger Information System to send messages from the Control Center to the EMU digital signs using the broadband wireless network.
- 41.** Broadband Wireless Communications System for Diesel Trains - \$257,355 (FY2024) & \$5,047,217 (FY2025)
This project will implement a cellular based broadband wireless system on the existing diesel trains. It will provide passenger Wi-Fi services for the diesel trains departing and arriving Gilroy. Cellular Wi-Fi equipment will be installed on the diesel train cars which will remain in service along with the new EMU trains.
- 42.** Enterprise Asset Management (EAM) - \$0 (FY2024) & \$2,250,000 (FY2025)
This project will procure a base EAM system with the following core capabilities: asset registry, asset condition and assessment, work request, work planning and management, warranty management, materials management, planning and budgeting, and management reporting.
- 43.** GIS Upgrade - \$0 (FY2024) & \$860,000 (FY2025)
This project will implement a Geographic Information Software (GIS) System which will centralize, modernize, map, integrate, and augment existing tools and resources. The goal is to deliver comprehensive, current, and accurate data about Caltrain's assets and right-of-way to staff and decision makers at their desks or on their mobile devices via GIS. Project activities include asset location data collection and GIS requirements evaluation, procurement, and implementation.

44. Mini-High Platforms - \$460,000 (FY2024) & \$1,751,600 (FY2025)

This project will install mini-high platforms at thirteen stations. The work will include installation of precast platforms and modifications to existing infrastructure, as needed, to accommodate the installation. Grounding and bonding will be required at all the stations within the areas that will be electrified.

45. Passenger e-Paper Display - \$426,920 (FY2024) & \$0 (FY2025)

This solution was identified at the Customer Experience Task Force to address the stations where customers need to walk up or down the stairs, or a certain distance to be able to see and/or hear the VMS/PA announcements about single tracking at the station. The project goal is to install e-Paper displays with text-to-speech capabilities at key entrance areas which will provide boarding and other relevant information for the customers. Additionally, this effort supports continued ridership recovery during PCEP accelerated project schedule in 2023 where single tracking and bus bridge will affect the riders. Riders will be able to identify the correct platform at impacted stations which will improve customer experience and provide a safer environment by reducing the risks of bad behaviors, such as running on the platform when one is afraid of missing the train, crossing tracks in an unauthorized location, and forgetting to purchase a ticket or tag a Clipper card.

46. Railroad Worker Protection (RWP) Safety Program - \$778,504 (FY2024) & \$1,999,964 (FY2025)

This project will design, implement, and test a RWP Safety System to protect workers in the Caltrain right-of-way. This system will provide continuous communications between the workers and the Central Control Center. The system will also be integrated with the Caltrain Positive Train Control system.

47. San Mateo Replacement Parking Track - \$3,773,000 (FY2024) & \$0 (FY2025)

This project involves the preparation of an amendment to the previously obtained environmental clearance report and final design of a "set out track" to replace the track that was removed in the Bay Meadows area to facilitate the construction of the 25th Avenue Grade Separation Project. The track, which will be located between 10th and 14th Avenues, will be accessed from 9th Avenue. It will be approximately 1,000 feet in length and will have a single switch. Electrification is not part of the base funding plan. Supplemental funding will be needed to electrify the replacement parking track.

48. Support for Property Mapping - \$520,000 (FY2024) & \$520,000 (FY2025)

This project intends to provide the consultant land surveying services necessary to produce accurate mapping of PCJPB's properties. The scope will include field surveys, property boundary resolutions, obtaining title reports, performing research, setting property corners, providing exhibits, and filing Record of Surveys.

49. CCTV Replacement - \$0 (FY2024) & \$1,515,872 (FY2025)

This project will replace the old obsolete CCTV system that will satisfy all of Caltrain’s requirements. Old camera will be replaced and new cameras will be installed at the grade crossings, passenger stations, and all other locations identified in the CCTV study. This project will also replace the old software and office server.

v. Capital Contingency Funds - \$1,325,000 (FY2024) & \$1,325,000 (FY2025)

50. Capital Contingency Funds - Engineering - \$330,000 (FY2024) & \$330,000 (FY2025)

This contingency supports unforeseen capital expenditure related to the delivery of capital projects/programs.

51. Capital Contingency Funds - Rail - \$660,000 (FY2024) & \$660,000 (FY2025)

This contingency supports unforeseen capital expenditure related to rail operations.

52. Capital Project Development - \$335,000 (FY2024) & \$335,000 (FY2025)

This contingency supports planning and engineering study activities.

vi. Stadler Cars - \$355,000,000 (FY2024) & \$0 (FY2025)

53. Stadler Cars - \$355,000,000 (FY2024) & \$0 (FY2025)

Caltrain’s continued transition from a diesel to electric railroad requires additional vehicle replacements, beyond those included as part of the Caltrain Electrification project. The purchase of five Stadler KISS Electric Multiple Unit (EMU) trainsets, plus one Battery Electric Multiple Unit (BEMU) vehicle, will allow Caltrain to be a 90-percent zero emission fleet. The purchase is programmed for FY2024 to ensure that the order is placed before a Stadler contract option expires on August 15, 2023, saving \$120 million in avoided costs. The budget authority is being requested but no funding will occur unless/until the Board takes action to execute the options on the cars, and that includes certifying that the external funding is in place. Execution of the options must occur before August 15, 2023.

Funding Source (in millions)	Replacement EMUs (4)	Portal/DTX EMU (1)	BEMU (1)
External Funds*	\$176.0	\$55.0	\$80.0
Local Match	\$44.0	\$0.0	\$0.0
Total	\$220.0	\$55.0	\$80.0

*External Funds are as follows: Federal Formula funds for the Replacement EMUs, San Francisco TJPA for the Portal/DTX EMU, and State Funds for the BEMU

Stadler Cars Project	FY2024	FY2025
Budget Request	\$355.0	\$0.0
External Funds*	\$311.0	\$0.0
Local Match	\$44.0	\$0.0
Budget Deficit	\$0.0	\$0.0

*External Funds are as follows: Federal Formula, San Francisco TJPA, and State funds

vii. Externally-Funded Projects - \$115,158,000 (FY2024) & \$32,338,000 (FY2025)

54. Burlingame Broadway Grade Separation - \$0 (FY2024) & \$25,635,000 (FY2025)

This project will separate the Broadway railroad crossing in the City of Burlingame by partially elevating the rail and partially depressing the roadway. The elevated rail alignment will require the reconstruction of the Broadway Caltrain Station. The reconstruction of the Broadway Caltrain Station will remove the operational requirement of the hold-out rule. Currently the project is funded up to Final Design phase.

55. Mountain View Transit Center Grade Separation - \$115,000,000 (FY2024) & \$0 (FY2025)

In May 2017, City of Mountain View City Council adopted the Transit Center Master Plan as the first step in a multi-year process to plan, design, and construct the new station area and improve Castro Street. The master planning process considered interrelated options for station access, expressway crossing, grade separation, platform extension, bus/shuttle circulation, and vehicle parking, supporting future downtown vitality. The conceptual plan adopted by the Council includes redirection of Castro Street at West Evelyn Avenue, construction of a new ramp from West Evelyn Avenue to Shoreline Boulevard, installation of pedestrian and bicycle undercrossing across the expressway and Caltrain tracks, changes to Moffett/Central intersection, and platform widening and extension to the west. The co-op agreement between VTA, JPB, and Mountain View has been signed, where JPB is the lead implementing agency to deliver final design and construction, VTA is the funding sponsor, and Mountain View is a vital partner in reviewing final design deliverables and coordinating activities within its right of way.

56. San Mateo Grade Separation - \$158,000 (FY2024) & \$174,000 (FY2025)

This project is anticipated to include grade separations at six Caltrain-owned crossings in downtown San Mateo: 1st, 2nd, E. 3rd, E. 4th, E. 5th, and 9th Avenues. The funds are requested to support the City of San Mateo with a planning level analysis consisting of a project study report, preliminary engineering plans, and environmental planning documents.

57. South Linden Ave. and Scott St. Grade Separation - \$0 (FY2024) & \$6,529,000 (FY2025)

The South Linden Avenue and Scott Street Grade Separation Project is proposed to improve safety and decrease expected future traffic delays due to growth in vehicle traffic, greater frequency of Caltrain service, and the eventual addition of high-speed rail. South Linden Avenue is in South San Francisco while Scott Street is in San Bruno. Although located in different cities, the two grade separations are proposed to be undertaken as a combined effort since locations are only 1,850 feet apart, such that the grade separation of one crossing could affect the other.

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RESOLUTION NO. 2023-

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

* * *

**ADOPTION OF THE FISCAL YEAR 2024 AND THE FISCAL YEAR 2025 OPERATING BUDGETS IN
THE AMOUNT OF \$193,242,655 AND \$238,658,000 AND THE FISCAL YEAR 2024 AND THE
FISCAL YEAR 2025 CAPITAL BUDGETS IN THE AMOUNT OF \$XXX AND \$XXX**

WHEREAS, the Joint Powers Agreement of the Peninsula Corridor Joint Powers Board (JPB) requires the Board of Directors (Board) to approve annual Operating and Capital Budgets; and

WHEREAS, the adoption of an Operating Budget is necessary for obtaining both Federal and State funds to support the Peninsula Commute Service operation known as Caltrain; and

WHEREAS, the adoption of a Capital Budget complements the JPB's strategic planning process; and

WHEREAS, the Staff recommends that the Board adopt the Fiscal Year 2024 (FY2024) and Fiscal Year 2025 (FY2025) Operating Budgets shown as Attachment A, and the FY2024 and FY2025 Capital Budgets shown as Attachment B; and

WHEREAS, the local match funding component of the FY2024 and FY2025 Capital Budget, as proposed, includes funds from the JPB's three member agencies (the City and County of San Francisco, the San Mateo County Transit District and Santa Clara Valley Transportation Authority); and

WHEREAS, the FY2024 and FY2025 Capital Budgets include funds from the Senate Bill 1 (S.B. 1) State of Good Repair Program; and

WHEREAS, the amount of anticipated funding from the S.B. 1 State of Good Repair Program for the FY2024 and FY2025 Capital Budgets is estimated to be \$1,595,267 and \$1,300,000, respectively; and

WHEREAS, per JPB Resolution No. 2020-42, a majority vote is required to approve the expenditure of up to \$40 million of Measure RR revenue for JPB's operation or capital requirements; and

WHEREAS, this budget expends an amount in excess of \$40 million of Measure RR revenue which requires the approval of at least six (6) members of the JPB Board.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby adopts the Fiscal Year 2024 and Fiscal Year 2025 Operating Budgets, a copy of which is attached hereto and incorporated herein as Attachment A, in the amount of \$193,242,655 and \$238,658,000; and

BE IT FURTHER RESOLVED that the Board adopts the FY2024 and FY2025 Capital Budgets in the amount of \$XXX and \$XXX, attached hereto and incorporated herein as Attachment B, with the understanding that the three JPB member agencies will allocate funds for the FY2024 and FY2025 Capital Budgets; and

BE IT FURTHER RESOLVED that the Executive Director, or designee, is requested to forward a copy of the FY2024 and FY2025 Operating and Capital Budgets to the JPB member agencies at the earliest practicable date; and

BE IT FURTHER RESOLVED that the Executive Director, or designee, is directed to submit these budgets to the Metropolitan Transportation Commission, together with a copy of this resolution, at the earliest practical date; and

BE IT FURTHER RESOLVED that the Board of Directors approves the S.B. 1 State of Good Repair Program projects included in the FY2024 and FY2025 Capital Budgets as shown in Attachment B; and

BE IT FURTHER RESOLVED that the Board of Directors (1) authorizes the Executive Director, or designee, to submit a request for S.B. 1 State of Good Repair and to execute any related grant applications, forms, and agreements and (2) agrees to comply with all conditions and requirements set forth in the

Certification and Assurances and applicable statutes, regulations, and guidelines for all State of Good Repair-funded transit capital projects; and

BE IT FURTHER RESOLVED that the Board authorizes the Executive Director, or designee, to take such additional actions as may be necessary to give effect to this resolution, including executing funding agreements and amendments, and submitting required documents to granting agencies to receive the funding identified in the Capital Budgets.

Regularly passed and adopted this 1st day of June 2023 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

Attachment A

**PENINSULA CORRIDOR JOINT POWERS BOARD
STATEMENT OF REVENUE AND EXPENSE
PROPOSED OPERATING BUDGET
FISCAL YEARS 2024 & 2025**

	FY2022 ACTUAL	FY2023 MARCH FORECAST	FY2024 PROPOSED BUDGET	FY2024 Budget to FY2023 Forecast \$ variance	FY2024 Budget to FY2023 Forecast % variance	FY2025 PROPOSED BUDGET	FY2025 Budget to FY2024 Budget \$ variance	FY2025 Budget to FY2024 Budget % variance
	<i>A</i>	<i>B</i>	<i>C</i>	<i>D = C - B</i>	<i>E = D / B</i>	<i>F</i>	<i>G = F - C</i>	<i>H = G / C</i>
REVENUE								
OPERATIONS:								
1 Caltrain Fares	17,899,182	27,000,000	29,936,000	2,936,000	10.9%	35,923,200	5,987,200	20.0%
2 Go Pass	15,337,175	17,000,000	16,764,000	(236,000)	-1.4%	18,440,400	1,676,400	10.0%
3 Parking Revenue	1,352,869	1,797,505	1,905,015	107,510	6.0%	2,217,633	312,618	16.4%
4 Shuttles	1,152,152	-	-	-	0.0%	-	-	0.0%
5 Rental Income	1,237,117	1,235,357	1,026,489	(208,868)	-16.9%	1,057,284	30,795	3.0%
6 Other Income	2,801,792	4,044,319	6,541,260	2,496,941	61.7%	6,019,433	(521,827)	-8.0%
7 TOTAL OPERATING REVENUE	39,780,286	51,077,181	56,172,764	5,095,583	10.0%	63,657,950	7,485,186	13.3%
8								
9 CONTRIBUTIONS:								
10 AB434 Peninsula & TA Shuttle Funding	743,472	40,000	-	(40,000)	-100.0%	-	-	0.0%
11 Operating Grants (STA)	10,041,955	11,288,161	12,800,936	1,512,775	13.4%	10,687,973	(2,112,963)	-16.5%
12 Measure RR	97,296,566	119,292,000	118,400,000	(892,000)	-0.7%	120,100,000	1,700,000	1.4%
13 ARPA	115,995,904	-	-	-	0.0%	-	-	0.0%
14 Member Agency (VTA - Gilroy)	-	-	470,000	470,000	100.0%	517,000	47,000	10.0%
15 LCFS, LCTOP, SRA	-	-	7,506,503	7,506,503	100.0%	13,167,239	5,660,736	75.4%
16 TOTAL CONTRIBUTED REVENUE	224,077,896	130,620,161	139,177,439	8,557,278	6.6%	144,472,212	5,294,773	3.8%
17								
18 GRAND TOTAL REVENUE	263,858,182	181,697,342	195,350,203	13,652,861	7.5%	208,130,162	12,779,959	6.5%
19								
20 EXPENSE								
21 OPERATING EXPENSE:								
22 Rail Operator Service	93,808,976	98,257,758	104,889,704	6,631,946	6.7%	105,901,543	1,011,839	1.0%
23 OCS/TPS Maintenance	-	-	-	-	0.0%	25,000,000	25,000,000	100.0%
24 Security Services	7,391,809	8,028,807	8,286,045	257,238	3.2%	8,571,693	285,648	3.4%
25 Shuttle Services	1,938,640	121,600	80,000	(41,600)	-34.2%	80,000	-	0.0%
26 Fuel and Lubricants	13,491,343	17,539,232	15,211,316	(2,327,916)	-13.3%	5,069,083	(10,142,233)	-66.7%
27 Electricity	-	-	-	-	0.0%	19,495,155	19,495,155	100.0%
28 Timetables and Tickets	17,140	135,350	95,000	(40,350)	-29.8%	95,000	-	0.0%
29 Insurance	5,513,835	9,299,730	10,229,703	929,973	10.0%	11,252,673	1,022,970	10.0%
30 Claims, Payments, and Reserves	634,024	1,336,926	1,320,000	(16,926)	-1.3%	1,320,000	-	0.0%
31 Facilities and Equipment Maintenance	6,004,842	7,107,788	8,171,766	1,063,978	15.0%	8,969,666	797,900	9.8%
32 Utilities	2,541,458	2,617,600	2,708,900	91,300	3.5%	2,708,900	-	0.0%
33 Maint & Services-Bldg & Other	1,372,866	1,754,100	1,784,600	30,500	1.7%	1,779,600	(5,000)	-0.3%
34 TOTAL OPERATING EXPENSE	132,714,933	146,198,891	152,777,034	6,578,143	4.5%	190,243,313	37,466,279	24.5%

Attachment A

**PENINSULA CORRIDOR JOINT POWERS BOARD
STATEMENT OF REVENUE AND EXPENSE
PROPOSED OPERATING BUDGET
FISCAL YEARS 2024 & 2025**

	FY2022 ACTUAL	FY2023 MARCH FORECAST	FY2024 PROPOSED BUDGET	FY2024 Budget to FY2023 Forecast \$ variance	FY2024 Budget to FY2023 Forecast % variance	FY2025 PROPOSED BUDGET	FY2025 Budget to FY2024 Budget \$ variance	FY2025 Budget to FY2024 Budget % variance
	<i>A</i>	<i>B</i>	<i>C</i>	<i>D = C - B</i>	<i>E = D / B</i>	<i>F</i>	<i>G = F - C</i>	<i>H = G / C</i>
35								
36	ADMINISTRATIVE EXPENSE							
37	10,610,123	13,532,312	18,472,861	4,940,549	36.5%	20,979,416	2,506,555	13.6%
38	3,923,397	3,565,453	3,565,453	-	0.0%	3,565,453	-	0.0%
39	22,285	57,275	62,875	5,600	9.8%	62,875	-	0.0%
40	6,731,087	9,305,755	10,004,775	699,020	7.5%	11,393,951	1,389,176	13.9%
41	437,328	403,730	442,730	39,000	9.7%	442,730	-	0.0%
42	1,989,324	2,956,896	4,220,802	1,263,906	42.7%	4,206,957	(13,845)	-0.3%
43	23,713,544	29,821,421	36,769,496	6,948,075	23.3%	40,651,382	3,881,886	10.6%
44								
45	5,396,910	-	-	-	0.0%	-	-	0.0%
46	1,144,981	350,000	225,000	(125,000)	-35.7%	-	(225,000)	-100.0%
47								
48	1,935,154	3,711,375	3,471,125	(240,250)	-6.5%	7,763,305	4,292,180	123.7%
49	7,300,042	-	-	-	0.0%	-	-	0.0%
50								
51	172,205,564	180,081,687	193,242,655	13,160,968	7.3%	238,658,000	45,415,345	23.5%
52								
53			2,107,548			6,812,302		
54								
55	91,652,618	1,615,655	-			(37,340,140)		
56								
57	(20,000,000)	-	-			-		
58	(60,000,000)	-	-			-		
59	-	-	-			37,340,140		
60	11,652,618	1,615,655	-			-		
61								
62								
63	Reserve, Beginning Balance	16,115,624	26,878,850			28,986,398		
64	Projected Contribution to Reserve	10,763,226	2,107,548			6,812,302		
65	Reserve, Ending Balance	<u>26,878,850</u>	<u>28,986,398</u>			<u>35,798,700</u>		

MAY BOARD FEEDBACK

Attachment C

Board Member	FS Line Item / Topic	Question	Reply
Steve Heminger	Caltrain Fares	Per Executive Report, ridership recovery is at 28% of Pre-COVID levels. Preliminary Operating Budgets project Farebox Revenue at 45% (FY24) and 51% (FY25). Aren't these projections aggressive given we are currently at 28% recovery?	Farebox recovery to pre-COVID levels has outpaced ridership because of the Go Pass (Ridership recovery for FY23 is 28%, Farebox recovery is 42%) FY24 budget assumes little growth in Farebox compared to FY23. FY25 Farebox increase is driven by enhanced service from electrification. (See Figure 1)
Dev Davis	Electricity	How will volatility in electricity cost be addressed?	Hedge similar to diesel fuel to help maintain budget stability/cost certainty. Evaluate alternative energy procurement and storage. Monetize Low Carbon Fuel Standards which could offset some of the costs
Pat Burt Monique Zmuda	Measure RR	Measure RR seems to be conservative. How are the estimates derived?	Current budget is higher than our sales tax consultant's projections. The projections include an assumed slow down of inflation and slowing of economic recovery in San Mateo and Santa Clara counties. Estimates are based on: 1) historical and projected sales tax in San Francisco, San Mateo, and Santa Clara at the levels of industry sector, sales tax producers, employers, etc. 2) national and regional economic data and consumer trends
Monique Zmuda	Parking Revenue	Has there been discussion on reducing parking rates to attract additional riders?	Caltrain will be embarking on a comprehensive access policy in the coming months, and parking supply, rates, etc. will be an important consideration in this study. Any resulting policy recommendation to change the price of parking at Caltrain stations would be brought forward to the Board for adoption at a later time.
Monique Zmuda	Go Pass	Are we estimating same price per pass as prior years? Is there a way to reduce the price to increase the number that are expected and committed?	Go Pass projections assume a 5% (FY24) and 10% (FY25) growth from actual employer sign-ups in CY2023 based on continued participation in the program. A comprehensive study of fares is currently underway and will be presented to the Board in Fall.
Monique Zmuda Steve Heminger	Fuel and Electricity	What is the difference between the original fuel cost and the increased electrical cost?	For FY25, the Fuel cost savings is \$10.1M and the net increase in Electricity cost is \$14.5M (\$19.5M, offset by the Low Carbon Fuel Standards credit of \$5.0M). Therefore, the net budget/cost increase is \$4.4M. (see Table 1) The higher Electricity cost is based on the new technology, market prices, and increased demand expected in electricity usage. To manage electricity costs, staff is evaluating a hedging strategy similar to fuel and an energy procurement plan. Given that electrified service is a new technology for FY25, efforts to refine related costs shall be performed as testing starts in FY24.
Rico Medina	Parking Revenue	What is the Parking Revenue trend?	See Figure 2

MAY BOARD FEEDBACK
Attachment C

Board Member	FS Line Item / Topic	Question	Reply
Monique Zmuda (email)	4th Train to South County	When will the Board get information on the cost to advance a 4th train to South County?	The marginal cost of operating the 4th train is approximately \$0.5M, which was included in the Preliminary Budget. The Final Budget includes VTA's payment for the costs.
Monique Zmuda (email)	Administrative Expense	Can you speak more about the increase of \$6.3M or 21% over the FY23 Forecast?	The increase of \$6.3M is driven by Wages and Benefits and Other Office Expenses. For Wages and Benefits, the increase in FY24 of \$4.9M is due to the universal wage increase (UWI), increase in fringe benefits, 10.9 new FTEs, and updated hiring projections. For Other Office Expenses and Services, the increase in FY24 of \$1.3M is due to IT software maintenance and hardware requirements, bank fees on working capital, and professional recruitment costs.
Monique Zmuda (email)	Wages and Benefits	Can you break down the increases required for salaries? What is the increase for COLA and additional cost for new positions?	The increase in Wages and Benefits is driven by the UWI, increase in fringe benefits, 10.9 new FTEs, and updated hiring projections. The UWI applied is 3.5% and the additional cost for the new FTEs is \$2.1M.
Monique Zmuda (email)	Software Maintenance	Is the cost for Software Maintenance due to electrification?	The increase in Software Maintenance is not related to electrification. It is primarily due to costs of new software, maintenance, and support related to new equipment recently installed to support Caltrain's growing technology advancements associated with PTC, virtualization, VOIP, and cybersecurity.

Figure 1
Fare Revenue Trends

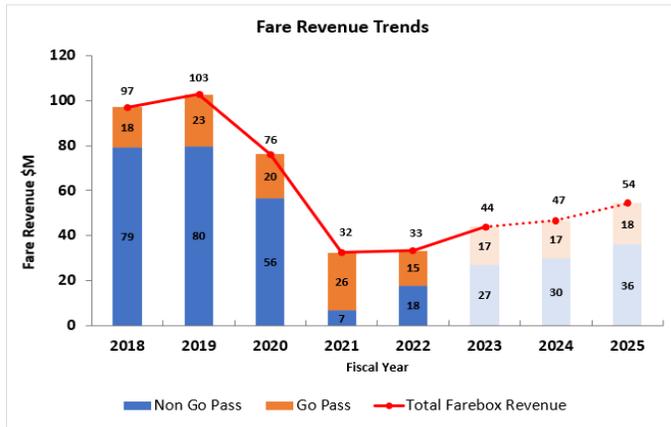


Figure 2
Parking Revenue Trends

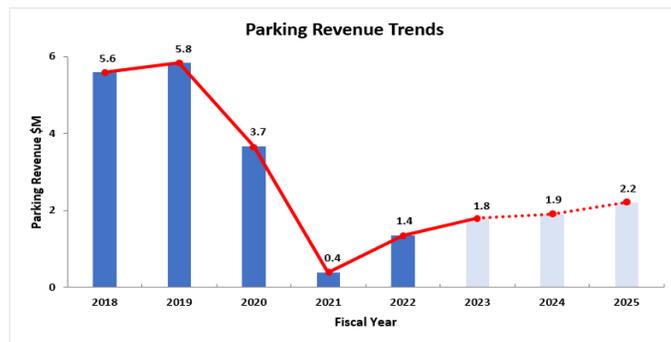


Table 1
Fuel and Electricity

Cost (in millions)	FY24 Budget	FY25 Budget	FY24-25 Budget Increase/(Saving)
Fuel	\$15.2	\$5.1	(\$10.1)
Electricity		\$19.5	\$19.5
LCFS		(\$5.0)	(\$5.0)
Net Electricity		\$14.5	\$14.5
Total Net Cost	\$15.2	\$19.6	\$4.4

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: Peninsula Corridor Joint Powers Board

THROUGH: Michelle Bouchard, Executive Director

FROM: James C. Harrison, General Counsel

SUBJECT: Approval of Revised Settlement Authority Policy for General Liability Claims

- | | | | |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| <input type="checkbox"/> Finance Committee Recommendation | <input type="checkbox"/> Technology, Operations, Planning, and Safety Committee Recommendation | <input type="checkbox"/> Advocacy and Major Projects Committee Recommendation | <input checked="" type="checkbox"/> Staff Coordinating Council Reviewed |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------|

ACTION

Staff recommends that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB):

- a. Repeal and replace the 2001 policy establishing settlement authority for general liability claims;
- b. Authorize the Executive Director, or designee, to settle general liability claims up to \$100,000;
- c. Authorize the Executive Director, or designee, to compromise claims with an estimated value of up to \$100,000; and
- d. Take any actions necessary to give effect to the above actions.

SIGNIFICANCE

In 2001, the Board adopted Resolution No. 2001-80, which established a JPB Claims Settlement Authority Policy. In 2019, the San Mateo County Transit Board (SamTrans) Board adopted a revised San Mateo County Transit District Settlement Authority Policy for General Liability, Employment and Workers' Compensation Claims that was designed to allow its staff the flexibility to settle claims more efficiently and expeditiously on behalf of SamTrans, as well as the agencies it manages, including the JPB and San Mateo County Transportation Authority (TA). The SamTrans Policy increased the delegation authority of the General Manager of SamTrans/Executive Director of Caltrain to settle claims up to \$100,000 on behalf of the JPB. The Board of the JPB did not adopt a separate policy or ratify the policy adopted by SamTrans, creating ambiguity regarding the level of the Executive Director's settlement authority.

Since the Board of the JPB last adopted policies regarding the delegation of authority to the Executive Director for settlement of litigation, litigation costs have increased considerably, as has the number of claims in excess of the \$50,000 limit. In the absence of higher limits for

delegated authority to the Executive Director, the Board must approve routine and/or low value settlements, which can delay the settlement process and increase litigation costs.

Pursuant to the current policy adopted by the Board of the JPB in 2001:

- The JPB Claims Administrator may settle general liability claims up to \$5,000.
- The JPB Risk Manager may settle and authorize payment of general liability claims between \$5,000-\$25,000 with the review of the General Counsel.
- The Executive Director may settle and authorize payment of claims between \$25,000-\$50,000 with the recommendation of the General Counsel and Risk Manager.
- The Board of Directors must approve settlements and authorize payment in excess of \$50,000.

The proposed JPB policy on Settlement Authority for General Liability Claims increases and clarifies settlement authority and also addresses the authority to compromise claims brought by the JPB, which as discussed above, the current policy does not. Per the requirements of the current policy, staff must seek guidance from the Board to accept settlement in a matter even if the JPB has successfully negotiated for the full value of its claim. The current policy would benefit from the addition of authority to compromise claims with estimated values of \$100,000 or less. This would allow the Executive Director, for example, to compromise a claim for a breach of contract if the estimated damages are \$100,000 or less and the Executive Director determines that settlement is in the JPB's best interests. This change will make the policy more comprehensive and its administration more efficient. Ratification of the policy will also clarify the existing delegation of authority from the SamTrans Board to the Executive Director to settle claims up to \$100,000.

General Counsel will continue to submit a monthly litigation report to the Board that includes information about new claims, pending litigation, and settlements. To ensure accountability, the new policy will not permit the Executive Director to settle claims that name the Executive Director, Chief Financial Officer (CFO), or General Counsel as a responsible party, such as a claim of harassment against one of these officers.

Therefore, staff recommends that the Board authorize the following proposed limits (as described in the Peninsula Corridor Joint Powers Board Settlement Authority Policy for General Liability Claims):

- The third-party claims administrator, with oversight by the Insurance & Claims Administrator, is authorized to settle general liability claims and actions up to \$5,000 and authorize payment of same.
- The Insurance & Claims Administrator is authorized to settle general liability claims and actions up to \$10,000 and authorize payment of same.
- The CFO, after review by General Counsel, is authorized to settle general liability claims and actions between \$10,001 and \$25,000 and authorize payment of same, except when such claims name the Executive Director, CFO, or General Counsel as a responsible party.

- The Executive Director, upon recommendation by the CFO and the General Counsel, is authorized to settle general liability claims, employment-related claims involving Rail Division employees to the extent that the JPB has agreed to indemnify San Mateo County Transit District (SamTrans) against such claims, and actions between \$25,001 and \$100,000 and authorize payment of same, except when such claims name the Executive Director, CFO, or General Counsel as a responsible party.
- The Executive Director with the concurrence of the CFO and General Counsel, is authorized to approve a compromise of a claim Caltrain has against another party with estimated damages of \$100,000 or less.
- The Board of Directors must: 1) approve settlements of claims against the JPB in excess of \$100,000 and authorize payment of same; 2) approve settlements of claims against the JPB which name the Executive Director, CFO, or General Counsel; and 3) approve the compromise of a claim the JPB has against another party in excess of \$100,000.

BUDGET IMPACT

There is no budget impact associated with adopting a revised policy.

BACKGROUND

Staff requests this update to the policies on settlement authority to permit the efficient and expeditious resolution of litigation for the agency.

Because more than 20 years have passed since the adoption of the policy, it is out of date and should be revised to better reflect the realities of litigation and current staff practice. The 2001 policy does not fully capture the change in organizational structure since its adoption, making some of the references to job titles obsolete, and does not account for the role of the JPB’s third-party administrator, who aids in the expeditious and efficient resolution of smaller claims. In addition, the policy does not address settlements in which the JPB agrees to compromise a claim it has against another party, e.g., matters in which the JPB has a claim or potential claim against another party and agrees to settle such a claim for a smaller amount than it may be owed to avoid the costs and risks of litigation.

Prepared By: James C. Harrison
Anna Myles-Primakoff

Legal Counsel
Legal Counsel

(510) 346-6203
(510) 346-6200

(00487230-3)

Resolution No. 2023-**Board of Directors, Peninsula Corridor Joint Powers Board
State of California**

* * *

Approving Revised Settlement Authority Policy for General Liability Claims

Whereas, in 2001, the Board of Directors (Board) adopted Resolution No. 2001-80, which established a Peninsula Corridor Joint Powers Board (JPB) Claims Settlement Authority Policy and imposed a \$50,000 limit on the Executive Director's authority to settle general liability claims and lower limits on the authority of other staff; and

Whereas, in 2019, the San Mateo County Transit Board (SamTrans) Board adopted a revised San Mateo County Transit District Settlement Authority Policy for General Liability, Employment and Workers' Compensation Claims that was designed to allow its staff the flexibility to settle claims more efficiently and expeditiously on behalf of SamTrans, as well as the agencies it manages, including the JPB and San Mateo County Transportation Authority (TA). The SamTrans Policy increased the delegation authority of the General Manager of SamTrans/Executive Director of Caltrain to settle claims up to \$100,000 on behalf of the JPB. However, the Board of the JPB did not adopt a separate policy or ratify the policy adopted by SamTrans, leading to ambiguity on settlement authority; and

Whereas, since 2001, litigation costs have grown significantly; and

Whereas, pursuant to the current policy: the JPB Claims Administrator may settle general liability claims up to \$5,000; the JPB Risk Manager may settle and authorize payment of general liability claims between \$5,000-\$25,000 with the review of the General Counsel; the Executive Director may settle and authorize payment of claims between \$25,000-\$50,000 with the

recommendation of the General Counsel and Risk Manager; and the Board must approve settlements and authorize payment in excess of \$50,000; and

Whereas, more than 20 years have passed since the adoption of the policy, making it out of sync with the realities of litigation and current staff practice. The 2001 policy does not fully capture the change in organizational structure since its adoption, making some of the references to job titles obsolete, and does not account for the role of the JPB's third-party administrator, who aids in the expeditious and efficient resolution of smaller claims; and

Whereas, the 2001 policy also does not address settlements in which the JPB agrees to compromise a claim it has against another party, such as matters in which the JPB has a claim or potential claim against another party and agrees to settle such a claim for a smaller amount than it may be owed to avoid the costs and risks of litigation; and

Whereas, staff recommends that the Board authorize the following proposed limits (as described in Attachment A: Peninsula Corridor Joint Powers Board Settlement Authority Policy for General Liability Claims); and

Whereas, the proposed JPB policy on Settlement Authority for General Liability Claims (Attachment A) increases and clarifies settlement authority and also addresses the authority to compromise claims brought by the JPB, which as discussed above, the current policy does not. Per the requirements of the current policy, staff must seek guidance from the Board to accept settlement in a matter even if the JPB has successfully negotiated for the full value of its claim. The current policy would benefit from the addition of authority to compromise claims with estimated values of \$100,000 or less. This would allow the Executive Director, for example, to compromise a claim for a breach of contract if the estimated damages are \$100,000 or less and

the Executive Director determines that settlement is in the JPB’s best interests. This change will make the policy more comprehensive and its administration more efficient.

Whereas, in the absence of higher limits for delegated authority to the Executive Director, the Board must approve routine and/or low value settlements, which can delay the settlement process and increase litigation costs; and

Whereas, there is no budget impact associated with adopting a revised policy and staff is requesting this update to the policies on contract and settlement authority to permit the efficient and expeditious resolution of contracts and litigation for the agency.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby repeals and replaces the 2001 policy establishing settlement authority for general liability claims; authorizes the Executive Director, or designee, to settle general liability claims up to \$100,000; adopts the updated policy on Settlement Authority for General Liability Claims in Attachment A; and authorizes the Executive Director, or designee, to compromise claims with an estimated value of up to \$100,000.

Regularly passed and adopted this 1st day of June, 2023 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

ATTACHMENT A: PROPOSED POLICY SETTLEMENT OF CLAIMS AUTHORITY**PENINSULA CORRIDOR JOINT POWERS BOARD SETTLEMENT AUTHORITY POLICY FOR
GENERAL LIABILITY CLAIMS**

This policy establishes the settlement authorities vested in the Executive Director of the Peninsula Corridor Joint Powers Board (“JPB”) and other positions employed by the San Mateo County Transit District responsible for Caltrain operations and risk management in settling general liability claims.

1. The JPB’s third-party claims administrator, with oversight by the Insurance & Claims Administrator, is authorized to settle general liability claims and actions up to \$5,000 and authorize payment of same;
2. The Insurance & Claims Administrator is authorized to settle general liability claims and actions up to \$10,000 and authorize payment of same;
3. The Chief Financial Officer (CFO), after review by General Counsel, is authorized to settle general liability claims and actions between \$10,001 and \$25,000 and authorize payment of same, except those claims that name the Executive Director, CFO, or General Counsel;
4. The Executive Director, upon recommendation by the CFO and General Counsel, is authorized to settle general liability claims, employment-related claims involving Rail Division employees to the extent that the JPB has agreed to indemnify SamTrans against such claims and actions between \$25,001 and \$100,000 and authorize payment of same, except those claims that name the Executive Director, CFO, or General Counsel;
5. The Executive Director with the concurrence of the CFO and General Counsel, is authorized to approve any compromise of a general liability claim with estimated damages of \$100,000 or less; and
6. The Board of Directors, upon recommendation by the Executive Director, must approve any settlement in excess of \$100,000, any settlement involving a claim that names the Executive Director, CFO, or General Counsel, and any compromise of claims in excess of \$100,000.

Revised: Resolution No. 2023 -
Adopted: Resolution No. 2001-80
(00486825)

June 1, 2023
June 7, 2001

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: Board of Directors
THROUGH: Michelle Bouchard, Executive Director
FROM: Kate Jordan Steiner, Chief Financial Officer
SUBJECT: **Adoption of Revisions to the Joint Powers Board (JPB) Procurement Policy**

- | | | | |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| <input type="checkbox"/> Finance Committee Recommendation | <input type="checkbox"/> Technology, Operations, Planning, and Safety Committee Recommendation | <input type="checkbox"/> Advocacy and Major Projects Committee Recommendation | <input checked="" type="checkbox"/> Staff Coordinating Council Reviewed |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------|

ACTION

Staff recommends that the Board of Directors (“Board”) of the Peninsula Corridor Joint Powers Board (“JPB”):

1. Adopt a Resolution revising the JPB Procurement Policy (Attachment A) as follows:
 - a. Increases the authority of the Executive Director or designee to execute funding agreements, grant agreements, memoranda of understanding, cooperative agreements, and interagency agreement and related amendments from \$100,000 to \$250,000;
 - b. Increases the authority of the Executive Director or designee to execute contracts for equipment, supplies, materials and services and related amendments from \$150,000 to \$250,000;
 - c. Increases the authority of the Executive Director or designee to execute public works contracts and related amendments from \$10,000 to \$250,000;
 - d. Increases the authority of the Executive Director or designee to issue and execute contract amendments and change orders up to and including \$250,000 or 10% of the Board approved amount, whichever is greater; and
 - e. Adopts the Proposed Procurement Policy in Attachment A.
2. Adopt a Resolution permitting the Executive Director or designee to take any actions necessary to give effect to the above actions.

SIGNIFICANCE

Since the Board last adopted policies regarding the delegation of authority to the Executive Director for execution of contracts, contracting costs have increased considerably. In the absence of higher limits for delegated authority to the Executive Director, the Board must

approve routine and/or low value agreements and amendments, which can delay the contracting process and increase contract costs.

The Board adopted Resolution No. 2016-18 on March 3, 2016, expanding the Executive Director's authority to execute certain agreements with values up to \$100,000 including associated amendments. This expanded authority applied to funding agreements, grant agreements, memoranda of understanding, cooperative agreements, interagency agreements, and similar contracts. However, the resolution expressly excluded contracts for goods and services and transfers of real property.¹ The resolution further required the Executive Director to inform the Board of agreements entered into under this authority on a quarterly basis as part of the Board reading file.

On April 4, 2019, the Board passed Resolution No. 2019-12, adopting an updated procurement policy authorizing the Executive Director to execute agreements and expend funds for procurements and activities included within the JPB's approved annual budget for (1) up to \$150,000 for equipment, supplies, materials or services and (2) up to \$10,000 for public works.

Pursuant to this policy, the Executive Director is authorized to issue contract change orders or amendments within any Board approved contingency for all contracts. If the Board does not establish a contingency, the Executive Director is authorized to issue contract change orders or amendments up to \$150,000 or up to 10% (cumulative), whichever is greater.

Staff recommends increasing the Executive Director's authority: (1) from \$100,000 to \$250,000 for funding agreements, grant agreements, memoranda of understanding, cooperative agreements, interagency agreements, and similar contracts; (2) from \$150,000 to \$250,000 for contracts for equipment, supplies, materials, and services as described in the Proposed Procurement Policy; and (3) from \$10,000 to \$250,000 for public works contracts. In addition, staff recommend that the Board authorize the Executive Director to execute amendments and change orders or up to \$250,000 or 10% of the Board approved amount, whichever is greater. This request reflects the high volume of contracts currently required to be approved by the Board; revising the policy will help to reduce the number contracts requiring consideration by the Finance Committee and Board. Staff will report to the Board regarding the execution of these contracts on a regular basis.

Currently, the Caltrain Executive Director's delegated contract authority is lower than peer agencies. For example, the General Manager for the Santa Clara Valley Transportation Authority ("VTA") is authorized to execute grant agreements for amounts not to exceed \$5,000,000 for projects and programs which are identified and included in VTA's current budget, and the Director of Transportation of the San Francisco Municipal Agency ("SFMTA") may enter into grant agreements with limits on only indemnification and funding agreements with other public agencies with a \$500,000 expenditure limit.

¹ The Board has previously delegated limited authority to the Executive Director to execute agreements involving the conveyance of real property interests, including the Policy Regarding Process of Requests for Conveyance of Property interests Involving Property Owned by the Peninsula Corridor Joint Powers Board" (adopted by the Board on April 1, 2021 by Resolution No. 2021-18) and transactions related to specific capital projects (Resolution No. 2018-13) and the Peninsula Corridor Electrification Project (Resolution No. 2015-16).

Agency	Purchases of Goods + Services	Revenue Contracts	Acceptance of Grant Funding	Public Works Contracts
Caltrain	\$150,000	\$100,000	\$100,000	\$10,000
SFMTA	\$10,000,000	\$500,000	Unlimited	\$500,000
SamTrans	\$150,000	\$150,000		\$200,000
VTA	\$1,000,000		\$5,000,000	\$1,000,000

BUDGET IMPACT

There is no budget impact associated with adopting a revised policy.

BACKGROUND

The Board last adopted a resolution granting authority to the Executive Director to execute grant agreements and similar contracts with a value of up to \$100,000 in 2016, and in 2019, the Board authorized the Executive Director to execute contracts for goods and services with a value of up to \$150,000. Since that time, the number of projects, including projects in partnership with other public agencies, has grown significantly, increasing the frequency with which staff must present items to the Board for authorization of the execution of routine and relatively low value agreements that have already been described in the budget.

Staff is requesting this update to the policies on contract authority to permit the efficient and expeditious resolution of contracts for the agency.

Prepared By:	James C. Harrison	Legal Counsel	(510) 346-6200
	Anna Myles-Primakoff	Legal Counsel	(510) 346-6203

Resolution No. 2023-**Board of Directors, Peninsula Corridor Joint Powers Board
State of California**

* * *

Adopting Revisions to the JPB Procurement Policy

Whereas, the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB or Caltrain) last adopted a resolution granting authority to the Executive Director to execute grant agreements and similar contracts with a value of up to \$100,000 in 2016 (Resolution No. 2016-18), and in 2019, the Board authorized the Executive Director to execute contracts for goods and services with a value of up to \$150,000 (Resolution No. 2019-12); and

Whereas, Resolution No. 2016-18 applied to contracts and associated amendments including but not limited to funding agreements, grant agreements, memoranda of understanding, cooperative agreements, and interagency agreements. However, the resolution expressly excluded contracts for goods and services and transfers of real property; and

Whereas, Resolution No. 2019-12, included an updated procurement policy authorizing the Executive Director to execute agreements and expend funds for procurements and activities included within the JPB's approved annual budget for (1) up to \$150,000 for equipment, supplies, materials, and services, and (2) up to \$10,000 for public works; and

Whereas, pursuant to this policy, the Executive Director is authorized to issue contract change orders or amendments within any Board approved contingency for all contracts. If the Board does not establish a contingency, the Executive Director is authorized to issue contract change orders or amendments up to \$150,000 or up to 10% (cumulative), whichever is greater; and

Whereas, since that time, the number of projects, including projects in partnership with other public agencies, has grown significantly, increasing the frequency with which staff must present items to the Board for authorization of the execution of routine and relatively low value agreements that have already been described in the budget; and

Whereas, additionally, since the Board last adopted policies regarding the delegation of authority to the Executive Director for execution of contracts, contracting costs have increased considerably and the Caltrain's Executive Director's delegated contract authority has fallen below peer agencies; and

Whereas, staff recommends increasing the Executive Director's authority: (1) from \$100,000 to \$250,000 for funding agreements, grant agreements, memoranda of understanding, cooperative agreements, interagency agreements, and similar contracts; and (2) from \$150,000 to \$250,000 for contracts for equipment, supplies, materials and services as described in the Proposed Procurement Policy (ATTACHMENT A); and (3) from \$10,000 to \$250,000 for public works contracts. In addition, staff recommend that the Board authorize the Executive Director to execute amendments and change orders up to \$250,000 or 10% of the Board approved amount, whichever is greater; and

Whereas, this request reflects the high volume of contracts currently required to be approved by the Board; revising the policy will help to reduce the number contracts requiring consideration by the Finance Committee and Board. Staff will report to the Board regarding the execution of these contracts on a regular basis; and

Whereas, staff is taking similar revisions to the Procurement Policy to both the San Mateo County Transit District (SamTrans) Board of Directors and the San Mateo County Transportation Authority (TA) Board of Directors as well. If they vote to increase the contract authority of

SamTrans and TA staff, the proposed JPB policy would be consistent with the authority delegated by the SamTrans and TA Boards; and

Whereas, there is no budget impact associated with adopting a revised policy and staff is requesting this update to the policies on contract authority to permit the efficient and expeditious resolution of contracts and litigation for the agency.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby:

1. Increases the authority of the Executive Director or designee to execute funding agreements, grant agreements, memoranda of understanding, cooperative agreements, and interagency agreement and related amendments from \$100,000 to \$250,000;
2. Increases the authority of the Executive Director or designee to execute contracts for equipment, supplies, materials and services and related amendments from \$150,000 to \$250,000;
3. Increases the authority of the Executive Director or designee to execute public works contracts and related amendments from \$10,000 to \$250,000;
4. Increases the authority of the Executive Director or designee to issue and execute contract amendments and change orders up to and including \$250,000 or 10% of the Board approved amount, whichever is greater;
5. Adopts the Proposed Procurement Policy in Attachment A; and
6. Authorizes the Executive Director or designee to take any actions necessary to give effect to this resolution.

Regularly passed and adopted this 1st day of June, 2023 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

ATTACHMENT A: PROPOSED POLICY CONTRACT AND PROCUREMENT AUTHORITY**PROCUREMENT POLICY
PENINSULA CORRIDOR JOINT POWERS BOARD**

The Peninsula Corridor Joint Powers Board (“JPB”) is organized pursuant to the Government Code Section 6500, *et seq.* and comprised of three member agencies, the City and County of San Francisco, the Santa Clara Valley Transportation Authority, and the San Mateo County Transit District (“District”). The District provides personnel, administrative, and operational support for the JPB and District staff generally provides all procurement support functions for both agencies in order to acquire such property, facilities, equipment, materials, supplies and services as may be deemed necessary to carry out their duties. The procedures governing procurements of the JPB derive from state law and federal law. By accepting state and federal funding, the JPB is also obligated to comply with certain regulations in its procurement of goods and services. More specifically, certain standards, regulations, and other requirements for grants to local governments issued by the United States Department of Transportation apply to the JPB in connection with contracts financed in whole or in part with federal funds. In the event of a conflict between the JPB’s Procurement Policy and state or federal law, such state or federal law shall supersede this Procurement Policy.

This Procurement Policy provides a broad overview of the standards and methods which will guide the JPB in obtaining goods and services. Wherever in this Procurement Policy the Executive Director is designated authority, such authority shall be understood to include the designee of the Executive Director.

A. Fundamental Principles of Ethical Procurement

The JPB’s Procurement Policy and procurement practices reflect its commitment to fundamental principles of ethical procurement, which are as follows:

1. Foster maximum open and free competition for JPB Contracts;
2. Promote the greatest economy and efficiency in JPB procurements;
3. Ensure adherence to proper standards of conduct by JPB board members, officers and employees;
4. Maintain procurement policies and procedures that guarantee compliance with applicable state and federal laws and regulations;
5. Establish and maintain an arm's length relationship with all Contractors;
6. Treat all prospective Contractors, Consultants, and vendors, including Disadvantaged Business Enterprises (“DBEs”) and small businesses, in an equal and equitable manner; and
7. Provide guidance for remedy and resolution of Contract claims or disputes.

Based on these fundamental principles of ethical procurement and the general standards of public sector procurement, the following set of procurement and contracting policies have been developed.

B. Conflicts of Interest

No director, officer, employee or agent of the JPB shall participate in any procedure, tasks, or decisions relative to initiation, evaluation, award, or administration of a contract if a conflict of interest, real or apparent, exists. Such a conflict of interest arises when (a) the director, officer, employee or agent, (b) any member of his or her immediate family, (c) his or her business associate, or (d) an organization which employs, or which is about to employ, any of the above described individuals has a financial or other interest in a firm that participates in a JPB procurement process or that is selected for an award. The standards governing the determination as to whether such an interest exists are set forth in the Political Reform Act (Section 81000 *et seq.* of the California Government Code) and in Sections 1090, 1091, and 1091.5 of the California Government Code.

C. Methods of Procurement

1. All purchases and contracts, whether by informal bidding, formal bidding or proposals, shall be made on a competitive basis to the greatest extent practicable.
2. The method of procurement, such as small purchases, informal bids or proposals, formal competitive bidding, requests for proposals, etc., shall be appropriate for the type of project or procurement and shall be in the best interest of the JPB.
3. Formal competitive bidding must be used for construction, repair, maintenance, alteration, and similar work whenever the estimated expenditure for such work exceeds \$10,000 (or the current threshold set forth in California Public Contract Code Section 20331). Alternative methods of procurement, such as a design build approach, may be utilized if authorized by state law and in full compliance with all applicable requirements.
4. Formal competitive bidding should be used when purchasing equipment, supplies, services, or materials over \$250,000, but a “best value” approach may be used in circumstances where it is determined to be in the best interest of the JPB. “Best value” means a process in which the overall combination of quality, price, and other elements such as reliability, standardization, vendor qualifications, warranty, life cycle costs, and sustainability issues are considered together to determine which proposal provides the greatest overall benefit to the JPB. On a case by case basis, and in particular when a procurement involves a combination of goods and services, the JPB Procurement Office, in consultation with the Project Manager or the department issuing the solicitation, shall make the determination of whether a “best value” approach is in the best interest of the JPB. In such circumstances, the determination will be documented in writing and a formal competitive proposal process will be utilized.

5. An informal procurement method may be utilized for the purchase of materials, equipment or supplies when the estimated expenditure is between \$10,000 and \$250,000. To the extent practicable, such a method shall involve obtaining a minimum of three quotations, either written or oral, that permit prices and other terms to be compared. The JPB will undertake adequate outreach to ensure open and free competition, and that small businesses, including Disadvantaged Business Enterprises are afforded opportunities to submit quotations. To the extent practicable, the JPB will strive to obtain at least one of the minimum of three quotations from a small business. The JPB will utilize interested vendors based upon a review of trade sources, lists of certified DBEs and small businesses that have registered with the State, and vendors that have registered with the JPB to receive notice of contract opportunities. When appropriate to ensure satisfaction of the Fundamental Principles set forth in Section A of this Policy, such solicitations shall be advertised by the JPB. The JPB's informal bidding procedures using a lowest responsible bidder standard for bid comparison will serve as the typical standard on which to base the purchase of materials, equipment, or supplies, unless it is determined in writing that it is in the JPB's best interest to apply a "best value" approach, in which event, qualitative factors such as those set forth in paragraph C.4. above, in addition to price may be considered in making an award.
6. Formal competitive proposals, which consider and evaluate factors in addition to price, will be used to retain professional and non-professional services when the estimated expenditure exceeds \$250,000. Specialized State and federal laws will apply to the procurement of architectural and engineering services as defined by applicable laws and regulations, regardless of the estimated expenditure.
7. The use of appropriate intergovernmental and cooperative agreements is encouraged in order to reduce duplicative effort and to achieve cost economies.
8. The JPB may purchase items on the open market under the following conditions: (a)(i) if the JPB rejects bids received in connection with a procurement of materials, supplies and equipment requiring formal competitive bidding, and (ii) the Board of Directors determines and declares by a two-thirds vote of all its members that in its opinion the supplies, equipment and materials may be purchased at a lower price in the open market; or (b) if the Board of Directors, or the Executive Director, within the Executive Director's procurement authority, has exercised discretion to waive the competitive process when permissible under applicable law and consistent with the fundamental principles of procurement set forth in this Policy, or (c) if no bids or proposals are received in response to a formal solicitation and market research indicates another procurement for the supplies, equipment, services and materials will not render a different outcome. See Public Utilities Code §103223 and Section K "Discretion to Waive the Competitive Process" set forth below.

D. Procurement Documentation and Consideration of Bids and Proposals

1. Formal competitive bidding requires preparation of bid documents that clearly set forth all requirements which must be fulfilled in order for the bid to be responsive, advertisement in accordance with the law, and, once bids are received, an award, if made, to the lowest responsive and responsible bidder.
2. Formal competitive proposals, including the “best value” approach, require issuance of Requests for Proposals, which clearly set forth all the requirements, and state the qualitative factors, in addition to price, which will be used to evaluate and rank the Proposals. An award, if made, will be to the proposer receiving the highest consensus ranking, subject to successful negotiations with the JPB.
3. Any and all bids or proposals may be rejected by the JPB if it is in the JPB’s best interest to do so.
4. The JPB may only contract with persons, firms or entities that are qualified and possess the ability to perform successfully under the terms and conditions of the proposed procurement.

E. Execution of Contract Documents

1. All JPB contracts and amendments will be in writing and executed prior to beginning performance under the contract.
2. The Executive Director may execute all contracts on behalf of the JPB that are duly approved within the Executive Director’s authority. The Chairperson of the Board of Directors will sign contracts and leases that require approval by the Board, unless otherwise delegated to the Executive Director.

F. Disadvantaged Business Enterprise Program

The JPB is committed to a Disadvantaged Business Enterprise (“DBE”) Program for DBE participation in JPB contracting opportunities in accordance with 49 Code of Federal Regulations (CFR) Part 26, effective June 22, 2001, as may be amended. It is the policy of the JPB to ensure nondiscrimination on the basis of race, color, sex or national origin in the award and administration of U.S. Department of Transportation assisted and JPB contracts. It is the intention of the JPB to create a level playing field on which DBEs can compete fairly for contracts and subcontracts to provide the JPB’s public works, supplies, equipment, materials and services.

G. Protest Procedures

Bidders may protest contracts that are let through informal bidding, formal competitive bidding or competitive negotiations. The Executive Director or designee is authorized to review and rule upon protests concerning contracts awarded within the Executive Director’s procurement authority.

Protests for contracts not within the Executive Director's procurement authority will first be reviewed and ruled upon by the Executive Director, or designee. Appeals of such determinations will be reviewed and acted upon by the Board of Directors upon recommendation by the Executive Director and the General Counsel. All protests will be processed in accordance with the written procedures set forth in the Procurement Manual.

H. Executive Director's Procurement Authority

1. The Executive Director is authorized to purchase services, supplies, equipment and materials and to arrange for work in a manner consistent with this Procurement Policy and written procedures as may be developed from time to time. The Executive Director is authorized to execute agreements and expend funds for procurements and activities included within the JPB's approved annual budget as follows: (1) \$250,000 or less for equipment, supplies, materials, or services and (2) \$250,000 or less for public works.
2. The Executive Director is authorized to modify and otherwise administer all contracts on behalf of the JPB. For all contracts, the Executive Director is authorized to issue contract change orders or amendments within any Board approved contingency. If the Board does not establish a contingency, the Executive Director is authorized to issue contract change orders or amendments \$250,000 or less, or up to 10% of the Board approved amount (cumulative), whichever is greater. Calculation of the change order/amendment contingency authority (whether 10% or other percentage established by the Board) shall be based on the sum of those amounts specifically approved by the Board as follows: (1) the original contract amount, plus (2) any Board-exercised or approved options, plus (3) any Board-approved amendments.
3. The Executive Director is authorized to designate staff to oversee and monitor procurements and may delegate this contracting authority, which must be in writing, documented by the Director of Contracts and Procurement, and must specify defined monetary limits.
4. For award of contracts for materials, supplies and equipment or services over \$250,000, Board approval is required. For award of public works contracts over \$250,000, Board approval is required. The Board delegates to the Executive Director the signature authority for all such contracts for the purchase/lease of equipment, supplies, materials, and the procurement of services and public works.

I. Emergency Contracts

For procurements requiring competitive bidding and/or Board approval, in case of any sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services, the Board hereby designates the Executive Director to take all necessary and proper measures in emergency conditions to maintain the JPB's systems in operation. The Board also grants the

Executive Director the authority to determine that there is insufficient time for competitive bidding and that public interest and necessity demand the immediate expenditure of public money to safeguard life, health, or property. If the Executive Director makes such a determination, the Executive Director may expend or enter into a contract involving the expenditure of any sum needed in such emergency without observance of the provisions requiring contracts, bids or notice. The Executive Director shall promptly report on the reasons and necessity for proceeding without a competitive solicitation for bids to the Board of Directors at the next available meeting, provided that the Executive Director reports to the Board no later than 14 days after taking such emergency action. Upon hearing the Executive Director's report, the Board shall determine, by a four-fifths vote, whether or not there is a need to continue the emergency action. The Board shall continue to evaluate the emergency action, determining whether or not the emergency procurement is still required, at every regularly scheduled meeting thereafter until the action is terminated. See Public Contract Code §§ 20331 and 22050.

J. Cooperative Purchasing Agreements

To foster greater economy and efficiency, the JPB may avail itself of state and local intergovernmental agreements for procurement or use of common goods and services. Joint procurements, state cooperative purchasing programs, and assignment of existing contract rights ("piggyback" procurements) with other public agencies may be used when consistent with applicable state and federal statutory or grant requirements.

K. Discretion to Waive the Competitive Process

The Board of Directors or the Executive Director in the case of procurements within the Executive Director's procurement authority may waive the requirements for formal competitive bidding or other procedures set forth in this Policy when (1) permissible under applicable law, (2) a determination is made that the best interests of the JPB are served thereby, and provided there is adequate documentation of the need for such material, supplies, equipment, public works or services; and (3) a determination is made that following competitive procedures would be unavailing and not in furtherance of the purposes of the competitive bidding statutes and the JPB's Procurement Policy. These circumstances shall be evaluated on a case-by-case basis, in consultation with the legal staff, keeping in mind the Fundamental Principles of Ethical Procurement set forth in this Policy. The findings justifying the waiver must be documented in the record.

Regardless of the estimated cost of the procurement, the District is not required to engage in the competitive bidding process when procuring materials, equipment, supplies or services for which there exists only a sole source of supply. If more than one distributor of a product or service is available, the product or service is not exempt from competitive bidding as a sole source, but may be exempt from competitive bidding as a single source with appropriate justification. A sole source decision is not permitted merely upon the grounds that the source demonstrates technical or administrative superiority, is the most convenient, or shows superior performance potential at lower costs. In all cases, staff must verify that the particular procurement meets the definition of a single or sole source, and a cost or price analysis must be performed to determine the fairness

and reasonableness of the price. The single or sole source findings will be reviewed by the Director of Contracts in consultation with legal staff, as needed. A written determination of the findings will be provided to the requestor for inclusion in the contract record.

L. Contract Administration

The JPB shall administer all contracts to ensure that contractors conform with the terms, conditions, and specifications of all contracts and to ensure all purchases are received in a timely manner. Contract administration files shall contain documentation concerning the solicitation, contract costs, modifications and final disposition. All significant formal and informal communications on all contracts must be committed to written memoranda and promptly included in the contract file.

M. Disposal of Surplus Property

1. The Director of Contracts and Procurement shall approve the manner of disposition of surplus supplies, equipment, and materials. The Board of Directors shall approve the disposition of any item having a fair market value greater than \$250,000. In all cases, disposition or sale of rolling stock shall require approval of the Board. In the event the surplus item to be disposed of was purchased with federal funds, the JPB will comply with federal disposition requirements.
2. The method of sale or disposition of any surplus or scrap items shall depend upon the nature of the items. Such methods shall include: (1) transfer or sale to other public agencies, (2) trade-in as part of a new procurement, (3) sale by auction, advertisement for sealed bids, or negotiation, or (4) where appropriate, proper recycling, donation to a non-profit agency, or disposal.

N. Revenue Generating Contracts/Concessions

To the extent they are not otherwise governed by JPB policies, concession agreements are contracts where the JPB grants permission to use JPB facilities or property to vendors to sell products or services, for which the JPB receives a percentage of the proceeds and/or a flat rate of compensation. Generally, these arrangements are at no direct cost to the JPB.

Where it is determined that a number of potential vendors are available to provide similar products or services, a competitive negotiations procedure should be followed, and award made to the highest ranked proposer, taking into consideration the economic return to the JPB, quality of the product, service and experience of the vendor.

The Board of Directors shall approve revenue generating/concessions contracts that exceed \$250,000 in value.

O. Implementation

This Policy sets forth the standards and methods to be followed by the JPB in obtaining public works, supplies, materials, equipment, and services. Since 2004, the JPB has had in place a Board-

adopted Procurement Manual that sets forth implementing guidelines and procedures consistent with applicable law, best procurement practices, and the Procurement Policy. The Executive Director shall have the authority to maintain and update as necessary the Procurement Manual to give effect to this Policy and may make subsequent revisions if necessary to implement changes in applicable laws and regulations and best procurement practices such as FTA Best Practices Procurement Manual, Caltrans Local Assistance Procedures Manual, American Public Transit Association guidelines and standards, or other well accepted external references. Changes that represent a deviation from this Policy must be approved by the Board of Directors. All JPB staff with responsibility for procurement activities shall be trained in, and adhere to, this Policy and the Procurement Manual.

Revised: Resolution No. 2023 -	June 1, 2023
Revised: Resolution No. 2019-12	April 4, 2019
Revised: Resolution No. 2017-11	March 2, 2017
Revised: Resolution No. 2010-11	February 4, 2010
Adopted: Resolution No. 2004-17	June 3, 2004

**ATTACHMENT B: REDLINED PROPOSED POLICY CONTRACT AND PROCUREMENT
AUTHORITY****PROCUREMENT POLICY
PENINSULA CORRIDOR JOINT POWERS BOARD**

The Peninsula Corridor Joint Powers Board (“JPB”) is organized pursuant to the Government Code Section 6500, *et seq.* and comprised of three member agencies, the City and County of San Francisco, the Santa Clara Valley Transportation Authority, and the San Mateo County Transit District (“District”). The District provides personnel, administrative, and operational support for the JPB and District staff generally provides all procurement support functions for both agencies in order to acquire such property, facilities, equipment, materials, supplies and services as may be deemed necessary to carry out their duties. The procedures governing procurements of the JPB derive from state law and federal law. By accepting state and federal funding, the JPB is also obligated to comply with certain regulations in its procurement of goods and services. More specifically, certain standards, regulations, and other requirements for grants to local governments issued by the United States Department of Transportation apply to the JPB in connection with contracts financed in whole or in part with federal funds. In the event of a conflict between the JPB’s Procurement Policy and state or federal law, such state or federal law shall supersede this Procurement Policy.

This Procurement Policy provides a broad overview of the standards and methods which will guide the JPB in obtaining goods and services. Wherever in this Procurement Policy the Executive Director is designated authority, such authority shall be understood to include the designee of the Executive Director.

A. Fundamental Principles of Ethical Procurement

The JPB’s Procurement Policy and procurement practices reflect its commitment to fundamental principles of ethical procurement, which are as follows:

1. Foster maximum open and free competition for JPB Contracts;
2. Promote the greatest economy and efficiency in JPB procurements;
3. Ensure adherence to proper standards of conduct by JPB board members, officers and employees;
4. Maintain procurement policies and procedures that guarantee compliance with applicable state and federal laws and regulations;
5. Establish and maintain an arm's length relationship with all Contractors;

6. Treat all prospective Contractors, Consultants, and vendors, including Disadvantaged Business Enterprises (“DBEs”) and small businesses, in an equal and equitable manner; and
7. Provide guidance for remedy and resolution of Contract claims or disputes.

Based on these fundamental principles of ethical procurement and the general standards of public sector procurement, the following set of procurement and contracting policies have been developed.

B. Conflicts of Interest

No director, officer, employee or agent of the JPB shall participate in any procedure, tasks, or decisions relative to initiation, evaluation, award, or administration of a contract if a conflict of interest, real or apparent, exists. Such a conflict of interest arises when (a) the director, officer, employee or agent, (b) any member of his or her immediate family, (c) his or her business associate, or (d) an organization which employs, or which is about to employ, any of the above described individuals has a financial or other interest in a firm that participates in a JPB procurement process or that is selected for an award. The standards governing the determination as to whether such an interest exists are set forth in the Political Reform Act (Section 81000 *et seq.* of the California Government Code) and in Sections 1090, 1091, and 1091.5 of the California Government Code.

C. Methods of Procurement

1. All purchases and contracts, whether by informal bidding, formal bidding or proposals, shall be made on a competitive basis to the greatest extent practicable.
2. The method of procurement, such as small purchases, informal bids or proposals, formal competitive bidding, requests for proposals, etc., shall be appropriate for the type of project or procurement and shall be in the best interest of the JPB.
3. Formal competitive bidding must be used for construction, repair, maintenance, alteration, and similar work whenever the estimated expenditure for such work exceeds \$10,000-~~or more-~~ [\(or the current threshold set forth in California Public Contract Code Section 20331\)](#). Alternative methods of procurement, such as a design build approach, may be utilized if authorized by state law and in full compliance with all applicable requirements.
4. Formal competitive bidding should be used when purchasing equipment, supplies, services, or materials over ~~\$150,000~~[\\$250,000](#), but a “best value” approach may be used in circumstances where it is determined to be in the best interest of the JPB. “Best value” means a process in which the overall combination of quality, price, and other elements such as reliability, standardization, vendor qualifications, warranty, life cycle costs, and sustainability issues are considered together to determine which proposal provides the greatest overall benefit to the JPB. On a case by case basis, and in particular when a procurement involves a combination of goods and services, the JPB Procurement Office, in consultation with the Project Manager or the

department issuing the solicitation, shall make the determination of whether a “best value” approach is in the best interest of the JPB. In such circumstances, the determination will be documented in writing and a formal competitive proposal process will be utilized.

5. An informal procurement method may be utilized for the purchase of materials, equipment or supplies when the estimated expenditure is between \$10,000 and ~~\$150,000~~\$250,000. To the extent practicable, such a method shall involve obtaining a minimum of three quotations, either written or oral, that permit prices and other terms to be compared. The JPB will undertake adequate outreach to ensure open and free competition, and that small businesses, including Disadvantaged Business Enterprises are afforded opportunities to submit quotations. To the extent practicable, the JPB will strive to obtain at least one of the minimum of three quotations from a small business. The JPB will utilize interested vendors based upon a review of trade sources, lists of certified DBEs and small businesses that have registered with the State, and vendors that have registered with the JPB to receive notice of contract opportunities. When appropriate to ensure satisfaction of the Fundamental Principles set forth in Section A of this Policy, such solicitations shall be advertised by the JPB. The JPB’s informal bidding procedures using a lowest responsible bidder standard for bid comparison will serve as the typical standard on which to base the purchase of materials, equipment, or supplies, unless it is determined in writing that it is in the JPB’s best interest to apply a “best value” approach, in which event, qualitative factors such as those set forth in paragraph C.4. above, in addition to price may be considered in making an award.
6. Formal competitive proposals, which consider and evaluate factors in addition to price, will be used to retain professional and non-professional services when the estimated expenditure exceeds ~~\$150,000~~\$250,000. Specialized State and federal laws will apply to the procurement of architectural and engineering services as defined by applicable laws and regulations, regardless of the estimated expenditure.
7. The use of appropriate intergovernmental and cooperative agreements is encouraged in order to reduce duplicative effort and to achieve cost economies.
8. The JPB may purchase items on the open market under the following conditions: (a)(i) if the JPB rejects bids received in connection with a procurement of materials, supplies and equipment requiring formal competitive bidding, and (ii) the Board of Directors determines and declares by a two-thirds vote of all its members that in its opinion the supplies, equipment and materials may be purchased at a lower price in the open market; or (b) if the Board of Directors, or the Executive Director, within the Executive Director’s procurement authority, has exercised discretion to waive the competitive process when permissible under applicable law and consistent with the fundamental principles of procurement set forth in this Policy, or (c) if no bids or proposals are received in response to a formal solicitation and market research indicates another procurement for the supplies, equipment, services and materials

will not render a different outcome. See Public Utilities Code §103223 and Section K “Discretion to Waive the Competitive Process” set forth below.

D. Procurement Documentation and Consideration of Bids and Proposals

1. Formal competitive bidding requires preparation of bid documents that clearly set forth all requirements which must be fulfilled in order for the bid to be responsive, advertisement in accordance with the law, and, once bids are received, an award, if made, to the lowest responsive and responsible bidder.
2. Formal competitive proposals, including the “best value” approach, require issuance of Requests for Proposals, which clearly set forth all the requirements, and state the qualitative factors, in addition to price, which will be used to evaluate and rank the Proposals. An award, if made, will be to the proposer receiving the highest consensus ranking, subject to successful negotiations with the JPB.
3. Any and all bids or proposals may be rejected by the JPB if it is in the JPB’s best interest to do so.
4. The JPB may only contract with persons, firms or entities that are qualified and possess the ability to perform successfully under the terms and conditions of the proposed procurement.

E. Execution of Contract Documents

1. All JPB contracts and amendments will be in writing and executed prior to beginning performance under the contract.
2. The Executive Director may execute all contracts on behalf of the JPB that are duly approved within the Executive Director’s authority. The Chairperson of the Board of Directors will sign contracts and leases that require approval by the Board, unless otherwise delegated to the Executive Director.

F. Disadvantaged Business Enterprise Program

The JPB is committed to a Disadvantaged Business Enterprise (“DBE”) Program for DBE participation in JPB contracting opportunities in accordance with 49 Code of Federal Regulations (CFR) Part 26, effective June 22, 2001, as may be amended. It is the policy of the JPB to ensure nondiscrimination on the basis of race, color, sex or national origin in the award and administration of U.S. Department of Transportation assisted and JPB contracts. It is the intention of the JPB to create a level playing field on which DBEs can compete fairly for contracts and subcontracts to provide the JPB’s public works, supplies, equipment, materials and services.

G. Protest Procedures

Bidders may protest contracts that are let through informal bidding, formal competitive bidding or competitive negotiations. The Executive Director or designee is authorized to review and rule upon protests concerning contracts awarded within the Executive Director's procurement authority.

Protests for contracts not within the Executive Director's procurement authority will first be reviewed and ruled upon by the Executive Director, or designee. Appeals of such determinations will be reviewed and acted upon by the Board of Directors upon recommendation by the Executive Director and the General Counsel. All protests will be processed in accordance with the written procedures set forth in the Procurement Manual.

H. Executive Director's Procurement Authority

1. The Executive Director is authorized to purchase services, supplies, equipment, and materials and to arrange for work in a manner consistent with this Procurement Policy and written procedures as may be developed from time to time. The Executive Director is authorized to execute agreements and expend funds for procurements and activities included within the JPB's approved annual budget as follows: (1) ~~up to \$150,000~~ \$250,000 or less for equipment, supplies, materials, or services and (2) ~~up to \$10,000~~ \$250,000 or less for public works.
2. The Executive Director is authorized to modify and otherwise administer all contracts on behalf of the JPB. For all contracts, the Executive Director is authorized to issue contract change orders or amendments within any Board approved contingency. If the Board does not establish a contingency, the Executive Director is authorized to issue contract change orders or amendments ~~up to \$150,000~~ \$250,000 or less, or up to 10% of the Board approved amount (cumulative), whichever is greater. Calculation of the change order/amendment contingency authority (whether 10% or other percentage established by the Board) shall be based on the sum of those amounts specifically approved by the Board as follows: (1) the original contract amount, plus (2) any Board-exercised or approved options, plus (3) any Board-approved amendments.
3. The Executive Director is authorized to designate staff to oversee and monitor procurements and may delegate this contracting authority, which must be in writing, documented by the Director of Contracts and Procurement, and must specify defined monetary limits.
4. For award of contracts for materials, supplies and equipment or services over ~~\$150,000~~ \$250,000, Board approval is required. For award of public works contracts over ~~\$10,000~~ \$250,000, Board approval is required. The Board delegates to the Executive Director the signature authority for all such contracts for the purchase/lease of equipment, supplies, materials, and the procurement of services and public works.

I. Emergency Contracts

For procurements requiring competitive bidding and/or Board approval, in case of any sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services, the Board hereby designates the Executive Director to take all necessary and proper measures in emergency conditions to maintain the JPB's systems in operation. The Board also grants the Executive Director the authority to determine that there is insufficient time for competitive bidding and that public interest and necessity demand the immediate expenditure of public money to safeguard life, health, or property. If the Executive Director makes such a determination, the Executive Director may expend or enter into a contract involving the expenditure of any sum needed in such emergency without observance of the provisions requiring contracts, bids or notice. The Executive Director shall promptly report on the reasons and necessity for proceeding without a competitive solicitation for bids to the Board of Directors at the next available meeting, provided that the Executive Director reports to the Board no later than 14 days after taking such emergency action. Upon hearing the Executive Director's report, the Board shall determine, by a four-fifths vote, whether or not there is a need to continue the emergency action. The Board shall continue to evaluate the emergency action, determining whether or not the emergency procurement is still required, at every regularly scheduled meeting thereafter until the action is terminated. See Public Contract Code §§ 20331 and 22050.

J. Cooperative Purchasing Agreements

To foster greater economy and efficiency, the JPB may avail itself of state and local intergovernmental agreements for procurement or use of common goods and services. Joint procurements, state cooperative purchasing programs, and assignment of existing contract rights ("piggyback" procurements) with other public agencies may be used when consistent with applicable state and federal statutory or grant requirements.

K. Discretion to Waive the Competitive Process

The Board of Directors or the Executive Director in the case of procurements within the Executive Director's procurement authority may waive the requirements for formal competitive bidding or other procedures set forth in this Policy when (1) permissible under applicable law, (2) a determination is made that the best interests of the JPB are served thereby, and provided there is adequate documentation of the need for such material, supplies, equipment, public works or services; and (3) a determination is made that following competitive procedures would be unavailing and not in furtherance of the purposes of the competitive bidding statutes and the JPB's Procurement Policy. These circumstances shall be evaluated on a case-by-case basis, in consultation with the legal staff, keeping in mind the Fundamental Principles of Ethical Procurement set forth in this Policy. The findings justifying the waiver must be documented in the record.

Regardless of the estimated cost of the procurement, the District is not required to engage in the competitive bidding process when procuring materials, equipment, supplies or services for which

there exists only a sole source of supply. If more than one distributor of a product or service is available, the product or service is not exempt from competitive bidding as a sole source, but may be exempt from competitive bidding as a single source with appropriate justification. A sole source decision is not permitted merely upon the grounds that the source demonstrates technical or administrative superiority, is the most convenient, or shows superior performance potential at lower costs. In all cases, staff must verify that the particular procurement meets the definition of a single or sole source, and a cost or price analysis must be performed to determine the fairness and reasonableness of the price. The single or sole source findings will be reviewed by the Director of Contracts in consultation with legal staff, as needed. A written determination of the findings will be provided to the requestor for inclusion in the contract record.

L. Contract Administration

The JPB shall administer all contracts to ensure that contractors conform with the terms, conditions, and specifications of all contracts and to ensure all purchases are received in a timely manner. Contract administration files shall contain documentation concerning the solicitation, contract costs, modifications and final disposition. All significant formal and informal communications on all contracts must be committed to written memoranda and promptly included in the contract file.

M. Disposal of Surplus Property

1. The Director of Contracts and Procurement shall approve the manner of disposition of surplus supplies, equipment, and materials. The Board of Directors shall approve the disposition of any item having a fair market value greater than ~~\$150,000~~\$250,000. In all cases, disposition or sale of rolling stock shall require approval of the Board. In the event the surplus item to be disposed of was purchased with federal funds, the JPB will comply with federal disposition requirements.
2. The method of sale or disposition of any surplus or scrap items shall depend upon the nature of the items. Such methods shall include: (1) transfer or sale to other public agencies, (2) trade-in as part of a new procurement, (3) sale by auction, advertisement for sealed bids, or negotiation, or (4) where appropriate, proper recycling, donation to a non-profit agency, or disposal.

N. Revenue Generating Contracts/Concessions

To the extent they are not otherwise governed by JPB policies, concession agreements are contracts where the JPB grants permission to use JPB facilities or property to vendors to sell products or services, for which the JPB receives a percentage of the proceeds and/or a flat rate of compensation. Generally, these arrangements are at no direct cost to the JPB.

Where it is determined that a number of potential vendors are available to provide similar products or services, a competitive negotiations procedure should be followed, and award made to the

highest ranked proposer, taking into consideration the economic return to the JPB, quality of the product, service and experience of the vendor.

The Board of Directors shall approve revenue generating/concessions contracts that exceed ~~\$150,000~~\$250,000 in value.

O. Implementation

This Policy sets forth the standards and methods to be followed by the JPB in obtaining ~~goods~~public works, supplies, materials, equipment and services. Since 2004, the JPB has had in place a Board-adopted Procurement Manual that sets forth implementing guidelines and procedures consistent with applicable law, best procurement practices, and the Procurement Policy. The Executive Director shall have the authority to maintain and update as necessary the Procurement Manual to give effect to this Policy and may make subsequent revisions if necessary to implement changes in applicable laws and regulations and best procurement practices such as FTA Best Practices Procurement Manual, Caltrans Local Assistance Procedures Manual, American Public Transit Association guidelines and standards, or other well accepted external references. Changes that represent a deviation from this Policy must be approved by the Board of Directors. All JPB staff with responsibility for procurement activities shall be trained in, and adhere to, this Policy and the Procurement Manual.

<u>Revised: Resolution No. 2023 -</u>	<u>June 1, 2023</u>
Revised: Resolution No. 2019-12	April 4, 2019
Revised: Resolution No. 2017-11	March 2, 2017
Revised: Resolution No. 2010-11	February 4, 2010
Adopted: Resolution No. 2004-17	June 3, 2004

**Peninsula Corridor Joint Powers Board
Staff Report**

To: Board of Directors
Through: Michelle Bouchard, Executive Director
From: Robert Barnard, Deputy Chief, Caltrain Rail Development
Subject: **Renew Findings of an Emergency Regarding the North Channel Embankment of the San Francisquito Creek Bridge Due to Erosion Pursuant to Public Contract Code §22050**

Finance Committee Recommendation Technology, Operations, Planning, and Safety Committee Recommendation Advocacy and Major Projects Committee Recommendation Staff Coordinating Council Reviewed

Action

Staff recommends that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB):

1. Renew findings previously adopted by the Board pursuant to California Public Contract Code section 22050(c)(2) (Resolution No. 2023-19) on March 29, 2023, that an emergency exists at the north channel embankment of the San Francisquito Creek Bridge due to erosion and scouring caused by recent winter storms; that this emergency does not permit a delay resulting from a formal solicitation for bids, and that immediate action is necessary to respond to the emergency; and
2. Continue to authorize emergency repairs of the north channel embankment of the San Francisquito Creek Bridge;
3. Delegate authority to approve all plans and/or designs with regard to the emergency repairs to the Executive Director, or designee; and
4. Authorize the Executive Director, or designee, to take all other actions required to respond to said emergency.

Significance

The JPB has the authority to undertake emergency repairs pursuant to California Public Contract Code section 22050, which requires that the Board, by a four-fifths vote, make findings based on substantial evidence that the emergency will not permit delay resulting from a competitive solicitation of bids, and that action is necessary to respond to the emergency. Public Contract Code section 1102 defines an emergency as “sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.” The Board made these findings at its March 29, 2023 meeting (Resolution 2023-19) and renewed these findings at its May 4, 2023 meeting (Resolution 2023-23). Section 22050(c) requires the Board to review the emergency action at its next regularly scheduled meeting and at every subsequent regularly

scheduled meeting until the action is terminated to determine that there is a need to continue the action by a four-fifths vote.

The time required to obtain competitive bids will unduly delay the JPB's ability to make emergency repairs to these essential facilities, and given the erosion, the need for emergency actions cannot be delayed. The schedule for (1) preparing a design, (2) issuing an invitation for bids, (3) receiving proposals, (4) evaluating proposals, (5) awarding and executing a contract, and (6) mobilizing a contractor does not allow for construction to occur during the summer creek window from 6/15/23 to 10/15/23. The JPB must therefore continue to act as expeditiously as possible to repair necessary facilities to prevent or mitigate loss or damage to life, health, property, or essential public services.

Budget Impact

Staff intend to use contingency funds to support the emergency repairs. However, project cost may exceed available contingency funds. Therefore, additional funding sources are under consideration, including anticipated funding from other project stakeholders, namely the City of Menlo Park and City of Palo Alto.

Background

The JPB owns and maintains the San Francisquito Creek Bridge, which is located in Palo Alto between Control Points Alma (29.98) and Mayfield (33.50). In early January 2023, after a week of heavy rain, Caltrain Engineering staff inspected the Bridge and discovered that the storms had eroded the soil on the embankment supporting the tracks just north of the Bridge. Further investigation showed that additional erosion resulting from future storms could undermine the tracks above the embankment.

Prior to declaring the emergency, the project team conducted the following actions:

1. Prepared and issued (or will soon prepare and issue) work directive proposal request (WDPR) packages to retain an on-call bench consultants (WSP, AECOM, Jacobs, and TRC), to assist the JPB in obtaining the required environmental permits, design the repair, provide a rough order magnitude cost for the proposed work, and provide construction management support.
2. Increased frequency of visual inspections of the Bridge and conducted immediate inspections during/after a storm.
3. Engaged with Walsh Construction II, LLC, to determine Walsh's capacity to execute the north channel embankment repair.

Caltrain's environmental team notified the U.S. Army Corps of Engineers (USACE), the Regional Water Quality Control Board, and the California Department of Fish and Wildlife regarding Caltrain's need to undertake emergency restoration activities and discussed required permit applications.

Staff selected Walsh Construction Company II, LLC to perform the repairs because it has a crew onsite that specializes in emergency work and because of Walsh's experience on JPB construction projects, such as the Guadalupe River Bridge Replacement Project. In the weeks since the Board took action on March 29, 2023, the project team has worked with the USACE to review the planned work and is in the process of obtaining the necessary permits.

As the design of the project progresses, the JPB will obtain independent cost estimates from consultants and contractor estimates from Walsh Construction. Iterative comparison of these estimates will provide clarity on cost expectations and assure fair and reasonable pricing.

By awarding this contract through an emergency procurement, instead of through a standard competitively bid process, the JPB will be able to complete the work on a timely basis in order protect public health and safety. Staff anticipate that the work will be complete by October 15, 2023, and will report regularly to the Board regarding the status of contract negotiations and the repair work.

Prepared By:	Robert Barnard	Deputy Chief Rail Development	650.508.7783
	Alvin Piano	Project Manager	650.453.8099
	Mike Boomsma	Project Manager	808.208.2355

Resolution No. 2023-**Board of Directors, Peninsula Corridor Joint Powers Board
State of California**

* * *

**Renewing Findings of an Emergency Regarding the North Channel
Embankment of the San Francisquito Creek Bridge Due to Erosion Pursuant to
Public Contract Code §22050**

Whereas, the Board previously authorized repair pursuant to California Public Contract Code section 22050 by a four-fifths vote of the Board on March 29, 2023 (Resolution 2023-19), making findings that: there was an emergency to repair the north channel embankment of the San Francisquito Creek Bridge due to erosion that threatens the integrity of the structure supporting the JPB's tracks; that the emergency does not permit a delay resulting from a formal solicitation for bids; and that action is necessary to respond to the emergency; and

Whereas, Resolution 2023-19 also authorized emergency repairs of the north channel embankment of the San Francisquito Creek Bridge without adopting plans and specifications or giving notice to potential bidders; and

Whereas, California Public Contract Code Section 1102 defines an emergency as "sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services"; and

Whereas, California Public Contract Code section 22050 authorizes the JPB to repair and take other immediate actions required to address an emergency, and requires that findings based on substantial evidence must be made that the emergency will not permit delay resulting from a competitive solicitation of bids, and that the action is necessary to respond to the emergency, by a four-fifths vote of the Board; and

Whereas, Resolution 2023-19 delegated to the Executive Director, or designee the authority: to approve all plans and/or designs; to execute a contract with Walsh Construction II, LLC, to undertake emergency repairs of the north channel embankment at the San Francisquito Creek Bridge at a price that staff has determined is fair and reasonable; and to take all other actions required to respond to said emergency, provided that the Executive Director reports such actions to the Board at each monthly Board meeting until the emergency situation is resolved, with a final report to be made at the first Board meeting after the emergency is resolved; and

Whereas, pursuant to Public Contract Code section 22050(c), the Board must review the emergency action at its next regularly scheduled meeting and at every subsequent regularly scheduled meeting until the action is terminated to determine that there is a need to continue the action by a four-fifths vote; and

Whereas, the Board most recently renewed its findings via Resolution 2023-23 at its May 4, 2023 Board meeting; and

Whereas, following months of heavy rain in January 2023, assessments of the condition of the north embankment supporting the San Francisquito Creek Bridge Main Track 1 (MT-1) and Main Track (MT-2) by the Peninsula Corridor Joint Powers Board (JPB) revealed significant erosion on the slope of the embankment, threatening the integrity of the north approaching track structure; and

Whereas, the JPB consulted with the U.S. Army Corps of Engineers (USACE), the regional Water Quality Control Board, and the California Department of Fish and Wildlife concerning environmental permits for restoration activities to preserve the integrity of MT-1 and MT-2 tracks in light of the significant erosion of the northern embankment which occurred as the result of the 2022-2023 winter storms; and

Whereas, there is a continued and ongoing emergency to repair the north channel embankment of the San Francisquito Creek Bridge due to erosion that threatens the integrity of the structure supporting the JPB's tracks; and

Whereas, action is necessary to respond to this continued and ongoing emergency to prevent or mitigate loss or damage to life, health, property or essential public services; and

Whereas, the time required to obtain competitive bids will unduly delay the JPB's ability to make emergency repairs to these essential facilities, and substantial evidence supports the conclusions that the need for emergency actions cannot be delayed, and that the JPB has and must continue to act as expeditiously as possible to repair necessary facilities; and

Whereas, JPB staff have engaged Walsh Construction, which is currently working on the Guadalupe River Bridge project, about Walsh's capacity to undertake emergency repair work; and

Whereas, Walsh has a crew onsite that specializes in emergency work and has capacity to undertake the repair work, in addition to the Guadalupe River Bridge project, and is currently preparing a cost estimate; and

Whereas, JPB staff will obtain independent cost estimates from consultants and contractor estimates from Walsh Construction. Iterative comparison of these estimates will provide clarity on cost expectation and assure fair and reasonable pricing.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby:

1. Renews findings from May 4, 2023, that an emergency, as defined by Section 1102 of the California Public Contract Code, exists at the north channel embankment at the San

Francisquito Creek Bridge due to erosion that threatens the integrity of the structure supporting the JPB's tracks; and

2. Renews findings, based on the substantial evidence presented by staff, that the emergency does not permit a delay resulting from a formal solicitation for bids because the time required to obtain competitive bids will unduly delay the JPB's ability to make emergency repairs to these essential facilities, that action is necessary to respond to the ongoing emergency to prevent or mitigate loss or damage to life, health, property or essential public services, that the need for emergency actions cannot be delayed, and that the JPB has and must continue to act as expeditiously as possible to repair necessary facilities; and
3. Continues to authorize emergency repairs of the North channel embankment at San Francisquito Creek Bridge without adopting plans and specifications or giving notice to potential bidders; and
4. Continues to delegate to the Executive Director, or designee, the authority: to approve all plans and/or designs; to execute a contract with Walsh Construction II, LLC, to undertake emergency repairs of the north channel embankment at the San Francisquito Creek Bridge at a price that staff has determined is fair and reasonable; and to take all other actions required to respond to said emergency, provided that the Executive Director reports such actions to the Board at each monthly Board meeting until the emergency situation is resolved, with a final report to be made at the first Board meeting after the emergency is resolved.

Be It Further Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board has reviewed the emergency action taken on March 29, 2023 and on May 4, 2023 to

remediate emergency conditions at the embankment of the San Francisquito Bridge, and will continue to conduct such a review at every subsequent regularly scheduled meeting until the action is terminated to determine that there is a need to continue the action by a four-fifths vote pursuant to Public Contract Code section 22050(c).

Regularly passed and adopted this 1st day of June, 2023 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: Finance Committee
Through: Michelle Bouchard, Executive Director
From: James Harrison, General Counsel
Subject: **Approve Exclusive Negotiating Agreement and Agreement for Comprehensive Planning and Exchange of Easements with IQHQ at the South San Francisco Caltrain Station**

Finance Committee Recommendation Technology, Operations, Planning, and Safety Committee Recommendation Advocacy and Major Projects Committee Recommendation Staff Coordinating Council Reviewed

Action

Staff recommends the Board authorize the Executive Director, or designee, to:

- 1) Extend the Exclusive Negotiation Agreement (ENA) between the Peninsula Corridor Joint Powers Board (JPB) and IQHQ -Spur Ph I, LLC (IQHQ) to enable the parties to develop an Agreement for Comprehensive Planning and Exchange of Easements (Agreement) for the South San Francisco Caltrain Station parking lot property (Station Property); and
- 2) Execute the Agreement and exchange of property consistent with the Term Sheet attached to the resolution for this item.

Significance

The South San Francisco Caltrain Station is directly adjacent to IQHQ’s planned development project, which will include approximately 300,000 square feet of biotech lab and office space (Development). Approval of the Term Sheet will allow IQHQ and the JPB to work together to advance a series of mutually beneficial improvements at and near the South San Francisco Caltrain Station, including:

- Developer-funded improvements to the Station Property, including enhanced pedestrian access and connectivity between the Development and the South San Francisco Caltrain Station, additional parking spaces, and landscaping;
- Improved emergency vehicle access to both the station and the Development;
- Loading dock access to the Development; and
- A formalized easement that will provide the JPB access from Dubuque Avenue to the Caltrain right of way as necessary for maintenance and rail operations.

In addition, IQHQ will have the option to lease a portion of the Caltrain parking lot for use by employees for market value rent, as long as the spaces are not required for Caltrain customers.

Once the ENA is extended, the parties will work together to refine the conceptual site plan, draft property exchange documents, and prepare the Agreement. The ENA will require that

IQHQ pay JPB \$30,000 to cover staff time and expenses associated with the work described above.

Budget Impact

The station improvements will be developer-funded, and the exchange of easements will occur at no cost to the JPB. If IQHQ leases parking spaces at the station, the JPB will collect fair market rent for use of the spaces. IQHQ, through the ENA, will cover JPB's costs of negotiating, drafting, and executing the Agreement.

Background

The Station Property was identified as a potentially developable site in the Caltrain Rail Corridor Use Policy (RCUP), which was adopted by the JPB Board of Directors in February 2020 to guide the use of agency property and support delivery of Caltrain's Long-Term Service Vision.

The Station Property has limited access, which is provided by an easement over the IQHQ site, and it is located partially under a raised roadway. It is therefore not feasible to independently develop the Station Property due to this limited access, shape, and other encumbrances.

Additionally, Caltrain maintenance staff have historically accessed the Caltrain corridor in South San Francisco by an informal access roadway on Dubuque Avenue. In the long term, without formal access, Caltrain staff will lose safe access to this vital part of the Right of Way, increasing operating costs and impeding the ability of staff to maintain the track and rail system in a state of good repair. In addition to the 580 Dubuque property, IQHQ recently acquired other properties along Dubuque Avenue, one of which Caltrain historically used to access the Right of Way.

In December 2021, the JPB and IQHQ entered into an ENA to explore the potential to work together to maximize the use of the property of each to their mutual benefit. The resultant Site Plan is described above and attached hereto.

To effectuate the Site Plan:

1. IQHQ will provide a new easement to the JPB (replacing an existing easement) to provide enhanced patron and emergency vehicle access to the Station and the Development.
2. The JPB will grant IQHQ easements to allow for improved emergency vehicle access to their project as well as improved access to the building's loading dock.
3. IQHQ will make improvements to the Station Property, including landscaping, lighting, pedestrian walkways, as well as an additional 38 parking spaces including two additional accessible spaces. This will increase the total number of parking stalls to 114, including 5 accessible spaces (currently the station property includes 76 spaces, with 3 accessible).

The Agreement will allow IQHQ to lease up to 53 spaces on a month-to-month basis, as long as they are not required for Caltrain customers or to otherwise support rail operations.

In addition, IQHQ will provide an easement across a nearby property along Dubuque Avenue, at 900 Dubuque Avenue. This formal access is very valuable to Caltrain and will ensure that vital access to this portion of the corridor is preserved, thereby ensuring the availability of safe track access.

Prepared By: Nadine Fogarty Deputy Director, Real Estate & TOD (650) 208-6574

(00488333-2)

Resolution No. 2023-**Board of Directors, Peninsula Corridor Joint Powers Board
State of California**

* * *

**Approving Exclusive Negotiating Agreement and Agreement for
Comprehensive Planning and Exchange of Easements with IQHQ at the South San
Francisco Caltrain Station**

Whereas, the South San Francisco Caltrain Station parking lot property (Station Property) was identified as a potentially developable site in the Caltrain Rail Corridor Use Policy (RCUP), which was adopted by the Peninsula Corridor Joint Powers Board (JPB) Board of Directors (Board) in February 2020 to guide the use of agency property and support delivery of Caltrain's Long-Term Service Vision; and

Whereas, the South San Francisco Caltrain Station is directly adjacent to IQHQ -Spur Ph I, LLC's (IQHQ) planned development project, which will include approximately 300,000 square feet of biotech lab and office space (Development); and

Whereas, the Station Property has limited access, which is provided by an easement over the IQHQ site, and it is located partially under a raised roadway. It is therefore not feasible to independently develop the Station Property due to this limited access, shape, and other encumbrances; and

Whereas, Caltrain maintenance staff have historically accessed the Caltrain corridor in South San Francisco by an informal access roadway on Dubuque Avenue. In the long term, without formal access, Caltrain staff will lose safe access to this vital part of the Right of Way, increasing operating costs and impeding the ability of staff to maintain the track and rail system in a state of good repair; and

Whereas, in December 2021, the Peninsula Corridor Joint Powers Board (JPB) and IQHQ entered into an Exclusive Negotiation Agreement (ENA) to explore the potential to work together to maximize the use of the property of each to their mutual benefit. The resultant Site Plan is described below and attached hereto; and

Whereas, staff recommend that the Board authorize the Executive Director, or designee, to extend the ENA between the JPB and IQHQ to enable the parties to develop an Agreement for Comprehensive Planning and Exchange of Easements for the Station Property (Agreement) and execute the Agreement and exchange of property consistent with the attached Term Sheet.

Whereas, approval of the Term Sheet will allow IQHQ and the JPB to work together to advance a series of mutually beneficial improvements at and near the South San Francisco Caltrain Station, including:

- Developer-funded improvements to the Station Property, including enhanced pedestrian access and connectivity between the Development and the South San Francisco Caltrain Station, additional parking spaces, and landscaping;
- Improved emergency vehicle access to both the station and the Development;
- Loading dock access to the Development; and
- A formalized easement that will provide the JPB access from Dubuque Avenue to the Caltrain right of way as necessary for maintenance and rail operations; and

Whereas, IQHQ will have the option to lease a portion of the Caltrain parking lot for use by employees for market value rent, if the spaces are not required for Caltrain customers; and

Whereas, to effectuate the Site Plan: IQHQ will provide a new easement to the JPB (replacing an existing easement) to provide enhanced patron and emergency vehicle access to the Station and the Development; the JPB will grant IQHQ easements to allow for improved

emergency vehicle access to their project as well as improved access to the building's loading dock; IQHQ will make improvements to the Station Property, including landscaping, lighting, pedestrian walkways, as well as an additional 38 parking spaces including two additional accessible spaces. This will increase the total number of parking stalls to 114, including 5 accessible spaces (currently the station property includes 76 spaces, with 3 accessible); and

Whereas, the Agreement will allow IQHQ to lease up to 53 spaces on a month-to-month basis, as long as they are not required for Caltrain customers or to otherwise support rail operations; and

Whereas, in addition, IQHQ will provide an easement across a nearby property along Dubuque Avenue, at 900 Dubuque Avenue. This formal access is very valuable to Caltrain and will ensure that vital access to this portion of the corridor is preserved, thereby ensuring the availability of safe track access; and

Whereas, once the ENA is extended, the parties will work together to refine the conceptual site plan, draft property exchange documents, and prepare the Agreement; and

Whereas, the station improvements will be developer-funded, and the exchange of easements will occur at no cost to the JPB if IQHQ leases parking spaces at the station, the JPB will collect fair market rent for use of the spaces; and

Whereas, the ENA will require that IQHQ pay JPB \$30,000 to cover staff time and expenses associated with the work described above and will require that IQHQ cover JPB's costs of negotiating, drafting, and executing the Agreement.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby authorizes the Executive Director, or designee, to:

1. Extend the ENA between the JPB and IQHQ to enable the parties to develop an Agreement for Comprehensive Planning and Exchange of Easements for the South San Francisco Caltrain Station parking lot property (Station Property); and
2. Execute the Agreement and exchange of property consistent with the attached Term Sheet.

Regularly passed and adopted this 1st day of June, 2023 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

(00488415)

Proposed Term Sheet

580 Dubuque Avenue/South San Francisco JPB Site

Below are the proposed terms the Peninsula Corridor Joint Powers Board (“Agency”) and IQHQ-Spur Ph I, LLC (“Developer”) (together the “Parties”), have developed relating to a proposed comprehensive site plan (“Site Plan”) that involves Developer’s Development Project at 580 Dubuque Avenue, in South San Francisco (“Project Site”), and Agency’s adjacent South San Francisco Caltrain Station (“JPB Site”):

Agreement: The Parties anticipate entering into a binding “Agreement for Comprehensive Planning and Exchange of Easements” (“Agreement”) for the JPB Site and Project Site that will provide clarity between the Parties regarding:

1. The scope and location of the improvements contemplated in the Site Plan,
2. The process for review and approval of the Site Plan and relevant design and specifications,
3. The responsible parties for construction and funding of all Site Plan improvements,
4. Responsibility for maintenance of Site Plan improvements,
5. Developer’s temporary use of parking, and
6. The Parties’ exchange of easements.

The Agreement will also cover Agency’s concurrence with a reduction of the height of a certain fence and with Developer’s request to clear a visual obstruction, as further discussed in this Term Sheet.

Site Plan: Exhibit A depicts the proposed Site Plan as accepted by Agency and Developer. The Site Plan includes:

1. Developer-funded improvements to Agency’s South San Francisco Station parking area;
2. Creation of new, enhanced, shared access areas;
3. Fire safety access that will enhance the Developer’s Project and Caltrain’s station and facilities, and truck loading access that will enhance the Developer’s Project;
4. Enhanced pedestrian connection from Caltrain Station to the Project Site;
5. Enhanced landscaping and hardscaping;
6. Site lighting; and
7. Creation of additional parking spaces.

The final plan will be subject to review and approval by the Agency and shall be reflective of all Agency and ADA standards.

Construction of the site plan shall be staged to ensure that a minimum of 25 spaces, which shall include 3 accessible stalls, are available at all times for Caltrain customers, and that Caltrain customer vehicular and pedestrian access to the station is not impeded, including access to all accessible stalls. Prior to, and throughout, construction of the site improvements, Developer shall coordinate with the JPB's Customer Experience staff to ensure notice and public information is provided about construction impacts.

Agency shall issue a Right of Entry Permit, in its standard form of agreement, to enable Developer to construct all necessary improvements on Agency property.

Easements: To accommodate the implementation of the Site Plan, the Parties agree to the following grants and exchange of easements. All areas are shown in the attached Exhibits B-1 and B-2, with specific locations subject to modification, as agreed to by the Parties:

1. JPB will quitclaim its right, title and interest in the area labeled "Existing Public Roadway Easement" (Exhibit B-1) and Developer will grant JPB a replacement easement (terms to be agreed upon) in the area labeled "New Roadway Easement on 580 Dubuque Parcel to Replace Existing Roadway Easement" (Exhibit B-2); and
2. JPB will grant Developer and the City of South San Francisco an easement for roadway and emergency vehicle access purposes (terms to be agreed upon) in the area labeled "New Roadway and Emergency Vehicle Access Easement on JPB Parcel to Replace Existing Roadway Easement" (Exhibit B-2); and
3. JPB will grant Developer an easement for access in the area labeled "Proposed Private Access Easement on JPB Parcel for Project Loading Dock Access" to enable Developer access to its loading dock (Exhibit B-2).

Payment: Developer agrees to design, develop, and construct, or cause to be constructed, the Site Plan improvements as shown on Exhibit A, and as generally described above, at its sole cost and expense, inclusive of both hard and soft costs. Developer shall provide the Agency with performance, warranty, and payment bonds covering the value of the Site Plan improvements. Upon completion of the improvements, and acceptance by Agency, Agency shall own the improvements, and shall release Developer of all liability relating to the construction of such improvements.

Timing: The Parties agree that the target for completion of the Site Plan improvements shall be prior to or concurrent with the Temporary Certificate of Occupancy of the Project, estimated to be in Q1 2025, unless the time for such a Temporary Certificate of Occupancy is extended due to 580 Dubuque tenant improvements or by mutual agreement of the Parties. The Parties agree to operate in good faith and to use commercially reasonable efforts to meet the required timing of the Site Plan improvements. The Agreement will include terms to enable Agency to review and approve all plans for the Site Plan improvements and will include timeframes for review of such plans at regular intervals (35% design, 65% design, 95% design and issued for bid).

Maintenance: Developer agrees to be solely and completely responsible for maintenance of the New Roadway Easement, Roadway and Emergency Vehicle Access Easement, and Private Access Easement areas, which areas shall be maintained to commonly

accepted and commercially reasonable standards. JPB agrees to be responsible for maintenance of the Parking Area.

Parking: Upon completion of the Site Plan improvements, the site will contain approximately one hundred fourteen (114) total parking spaces ("Parking Area"). The Agreement shall provide that Agency agrees to lease for a fair market rent to Developer, for Developer's exclusive use during standard business hours on non-holiday weekdays, approximately fifty-three (53) of the parking spaces on the JPB Site on a month-to-month basis. Agency shall have the right to terminate Developer's use of the parking spaces (either partially or completely) at its sole and total discretion, when such spaces are deemed by Agency necessary to support Caltrain operations.

Reduction of Fence Height: Agency supports the reduction of height of the fence on top of the retaining wall along Dubuque Avenue (on City property) in accordance with the adopted Mitigation Monitoring and Reporting Program for the development on the Project Site.

Clear Visual Obstruction: Agency agrees to allow Developer to relocate the Caltrain Station Parking Sign, as shown in Exhibit A, to a new location, labeled as "New Sign Location" on Exhibit A, in accordance with the adopted Mitigation Monitoring and Reporting Program for the development on the Project Site as determined by Agency, Developer and City.

Access to Right of Way: In addition to the Easements described above, Developer agrees, either itself or through one or more affiliates, to provide Agency a non-exclusive easement to enable access from Dubuque Avenue to the Caltrain right of way, initially to be located across the property located at 800 Dubuque Avenue, for no charge. Said easement area shall be 20 feet in width. The parties agree to work together to relocate the easement area if necessitated by Developer's future plans, under the condition that continuous and permanent access shall be provided from Dubuque Avenue to the right of way. Upon notice to Agency, Developer shall have the right to relocate the easement area in its sole reasonable discretion, including as may be necessary to accommodate future redevelopment at 800 Dubuque Avenue. The parties agree that in such an event, the parties shall work together to find a suitable replacement location. The parties understand and acknowledge that the provision of such permanent access is material consideration for Agency's willingness to enter into the Agreement with Developer.

Power Undergrounding: The Site Plan also contemplates the undergrounding of the existing Caltrain Traction Power Station utility lines which will be considered under separate agreement and include demolition, jack and bore, and undergrounding replacement (inclusive of hard costs as well as design, engineering, and permitting fees). The Parties agree that the undergrounding project may not ultimately proceed and that the Site Plan can be constructed, in a manner materially consistent with the Agreement, irrespective of whether the lines are undergrounded.

EXHIBIT A Conceptual Site Plan

REVISION May 22, 2023 8:10 AM

Item #10.
5/22/2023

- 114 CAR PARKING STALLS (5 ACCESSIBLE)
- 9 MOTORCYCLE PARKING STALLS
- 44 BICYCLES

- BIORETENTION ~ 836 SF
- LANDSCAPE
- SHADED AREA
- PEDESTRIAN ACCESS
- PROPERTY LINE
- FIRE TRUCK ACCESS EASEMENT
- POTENTIAL IQHQ PARKING (53)

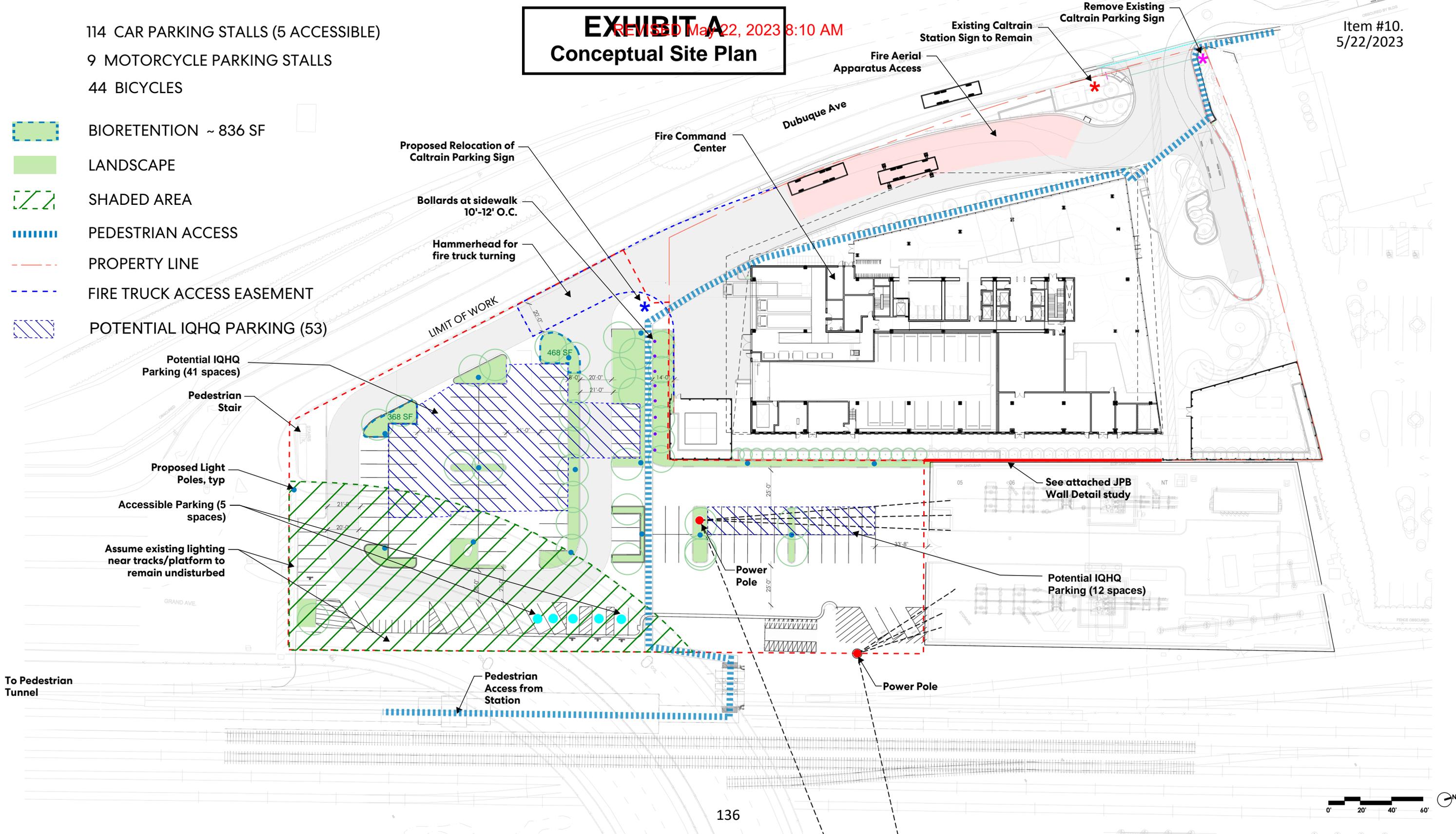
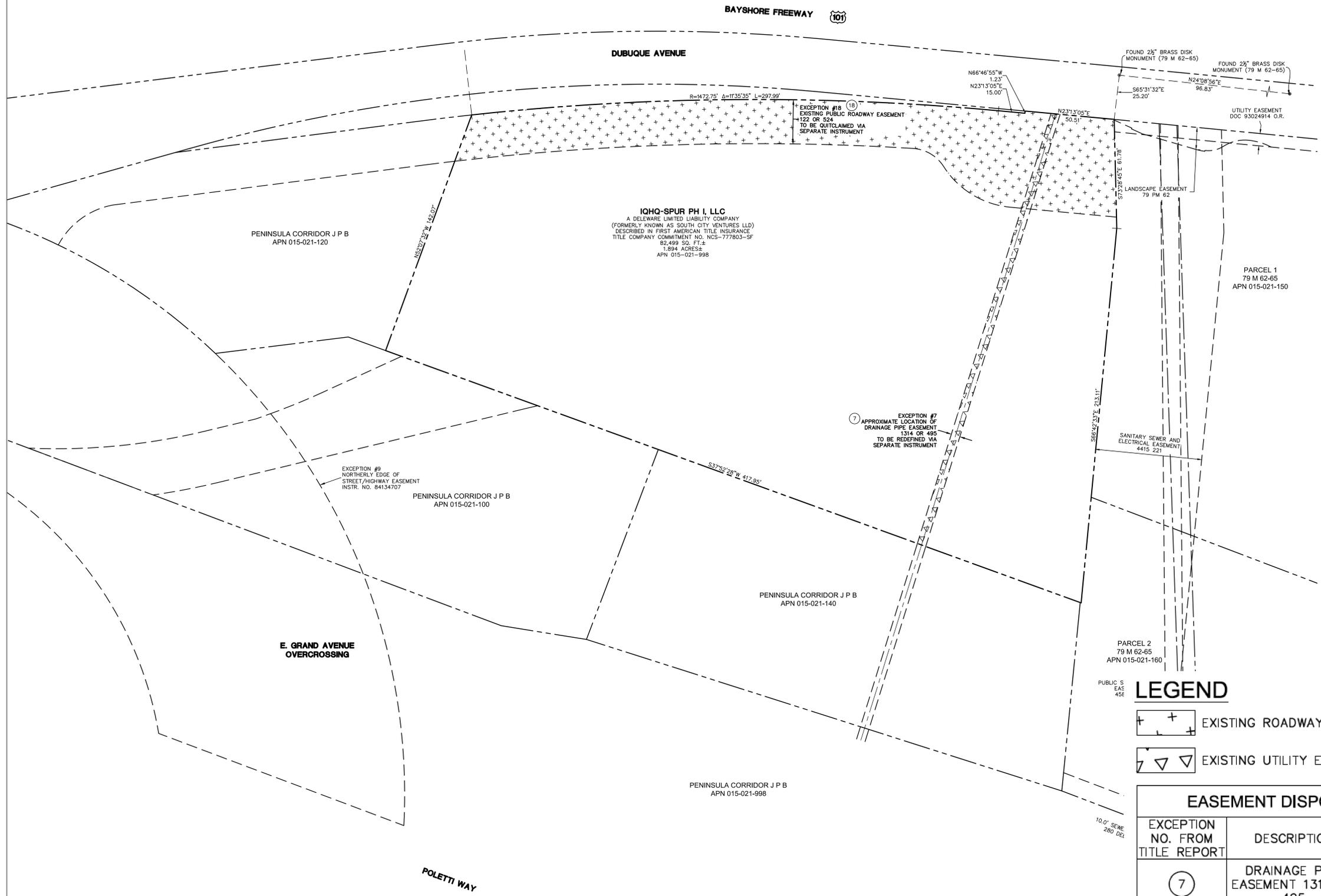
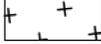


EXHIBIT B-1



IQHQ-SPUR PH I, LLC
 A DELAWARE LIMITED LIABILITY COMPANY
 (FORMERLY KNOWN AS SOUTH CITY VENTURES LLD)
 DESCRIBED IN FIRST AMERICAN TITLE INSURANCE
 TITLE COMPANY COMMITMENT NO. NCS-777803-SF
 62,499 SQ. FT. ±
 1.894 ACRES ±
 APN 015-021-998

LEGEND

-  EXISTING ROADWAY EASEMENT
-  EXISTING UTILITY EASEMENT

EASEMENT DISPOSITION TABLE		
EXCEPTION NO. FROM TITLE REPORT	DESCRIPTION	DISPOSITION
7	DRAINAGE PIPE EASEMENT 1314 OR 495	TO BE REDEFINED VIA SEPARATE INSTRUMENT
18	EXISTING PUBLIC ROADWAY EASEMENT 122 OR 524	TO BE QUITCLAIMED VIA SEPARATE INSTRUMENT

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 1301 Fifth Avenue
 Suite 2300
 Seattle, WA 98101
 206.381.6000
 206.441.8881
 www.perkinswill.com

IQHQ *Driving progress a home*
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 SOLANA BEACH, CA 92075

CONSULTANTS

-  **BKF**
 100 California Street, Suite 800, San Francisco, CA 94111
-  **MAGNUSSON KLEMNIC**
 1501 16th Ave, Suite 200, Seattle, WA 98101
-  **SMI**
 2115 Regent Rd., San Jose, CA 95128
-  **MORROW MEADOWS**
 1000 Big Street, San Carlos, CA 95050
-  **PAE**
 100 East Main Street, San Jose, CA 95101
-  **SURFACEDSIGN INC**
 100 North, The Gratekeepers, Suite 200, San Francisco, CA 94111
-  **ROSENDIN**
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-  **TRANSBAY FIRE PROTECTION, INC.**
 License No. 62778
 2100 Phelan Dr., Pleasanton, CA 94588
-  **MCCARTHY**
 1000 Valley St., San Francisco, CA 94111


 PROJECT

580 DUBUQUE
 SOUTH SAN FRANCISCO, CA

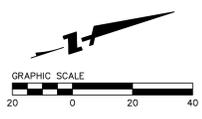
ASI 003
 FEBRUARY 24, 2023

KEYPLAN

ISSUE CHART

SHEET NUMBER
C01-02

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**Peninsula Corridor Joint Powers Board
Staff Report**

To: Board of Directors
Through: Michelle Bouchard, Executive Director
From: Kate Steiner, Chief Financial Officer
Subject: **Authorization of the Application for and Receipt of Annual Cap and Trade Funding for Ridership Recovery Service Enhancement**

- Finance Committee Recommendation
- Technology, Operations, Planning, and Safety Committee Recommendation
- Advocacy and Major Projects Committee Recommendation
- Staff Coordinating Council Reviewed

Action

Staff recommends that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB or Caltrain) authorize the Executive Director or designee, to:

- 1) Apply for and receive \$2,442,976 in Fiscal Year 2023 (FY23) California Low Carbon Transportation Operations Program (LCTOP) funds from the California Department of Transportation (Caltrans), to help fund Ridership Recovery Service Enhancement; and
- 2) Take such actions as may be necessary to give effect to this resolution, including filing and executing annual cap-and-trade funding applications, certifications and assurances, authorized agent forms, related amendments and any other documentation required for the JPB to apply for and receive LCTOP funds.

Significance

The LCTOP is one of several funding programs that are part of a broad-based State effort to invest cap-and-trade auction proceeds to reduce greenhouse gas. These funds are distributed annually on a formula basis to transit agencies and Regional Transportation Planning Agencies, including the Metropolitan Transportation Commission (MTC). Transit agencies receive a portion of the LCTOP funds via a formula based on operating revenues. Caltrans is the administering agency for the funds, and it requires eligible funding recipients to submit annual resolutions authorizing agency officer(s) to execute and process the LCTOP application materials. Caltrans also requires applicants to specify the projects to receive the funds within the resolution.

The JPB’s formula allocation of FY23 LCTOP funding is \$2,442,976. The LCTOP program allows agencies to use allocations for operational assistance.

Budget Impact

Receipt of FY23 LCTOP funding of \$2,442,976 is included in the Proposed Fiscal Year 2024 (FY24) Operating Budget.

Background

The LCTOP provides operational assistance as well as capital funding for expanded transit service to reduce greenhouse gas emissions and improve mobility. LCTOP is funded annually with 5 percent of the auction proceeds from the State's cap-and-trade program, as required under California's climate action law, A.B. 32. In Calendar Year (CY) 2021, Caltrain increased service from 92 weekday train trips per day to 104 weekday train trips. The FY23 LCTOP funding will be used to continue the operation of 104 weekday train trips, providing improved service, attracting new riders, and supporting more equitable transportation options.

Prepared By: Lisha Mai

Manager, Grants and Fund
Programming

650-508-6353

Resolution No. 2023-

**Board of Directors, Peninsula Corridor Joint Powers Board
State of California**

* * *

**Authorizing the Application for and Receipt of Annual Cap and Trade
Funding for Ridership Recovery Service Enhancement**

Whereas, the Peninsula Corridor Joint Powers Board (JPB) is an eligible project sponsor and may receive State cap and trade funding from the Low Carbon Transit Operations Program (LCTOP) now or sometime in the future for transit projects; and

Whereas, the statutes related to State-funded transit projects require a local or regional implementing agency to abide by various regulations; and

Whereas, Senate Bill 862 (2014) named the California Department of Transportation (Caltrans) as the administrative agency for the LCTOP; and

Whereas, Caltrans has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors, including the JPB; and

Whereas, the JPB wishes to use Fiscal Year 2023 (FY23) LCTOP funds allocated to the JPB for the Ridership Recovery Service Enhancement; and

Whereas, the Ridership Recovery Service Enhancement will maintain the operation of 104 weekday train trips, provide improved service, attract new riders, and support more equitable transportation options; and

Whereas, staff recommends that the JPB Board of Directors authorize the Executive Director, or designee, to:

1. Apply for and receive \$2,442,976 in FY23 LCTOP funds for operational assistance of the Ridership Recovery Service Enhancement; and
2. File and execute annual cap-and-trade funding applications, Certifications and Assurances, authorized agent forms, agreements, related amendments, and any other documents required for the JPB to apply for and receive LCTOP funding.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor

Joint Powers Board, hereby:

1. Authorizes the Executive Director, or designee, to apply for and receive from the California Department of Transportation \$2,442,976 in FY23 LCTOP funds for the Ridership Recovery Service Enhancement, which will help fund the operation of 104 weekday train trips, providing improved service, attracting new riders, and supporting more equitable transportation options; and
2. Authorizes the Executive Director, or designee, to take such actions as may be necessary to give effect to this resolution, including filing and executing annual cap-and-trade funding applications, Certifications and Assurances, authorized agent forms, agreements, related amendments, and any other documentation that may be required for the JPB to apply for and receive LCTOP funds; and
3. Agrees to comply with all conditions and requirements set forth in the annual Certifications and Assurances, authorized agent forms and any applicable statutes, regulations, and guidelines for all LCTOP-funded transit projects.

Regularly passed and adopted this 1st day of June, 2023 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: Finance Committee
Through: Michelle Bouchard, Executive Director
From: Kate Jordan Steiner, Chief Financial Officer
Subject: **Authorize Execution of Contracts and Amendments for Information Technology Licenses, Maintenance Services and Professional Services, and Technology-Related Products and Services Through Piggyback Contracts and Cooperative Purchasing Programs**

Finance Committee Recommendation Technology, Operations, Planning, and Safety Committee Recommendation Advocacy and Major Projects Committee Recommendation Staff Coordinating Council Reviewed

Action

Staff recommends the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB):

1. Determine that an independent Peninsula Corridor Joint Powers Board-initiated solicitation process for each purchase, lease and/or rental of new personal computers, computer and telecommunications equipment and services, digital reprographic equipment, hardware, software, licensing and maintenance agreements, computer peripherals and temporary technology consultants is unlikely to be in the JPB's best interest.
2. Authorize the procurement of technology systems equipment and related services through JPB-approved cooperative purchasing programs and piggyback contracts to meet its technology equipment and services requirements pursuant to the terms and conditions of each vendor agreement and to the extent that each cooperative purchasing program and each vendor agreement fully complies with the JPB's procurement authority and policy.
3. Authorize the Executive Director or designee to enter into contracts greater than \$250,000 with vendors under the JPB-approved cooperative purchasing programs and piggyback purchasing¹.

¹ The \$250,000 threshold is contingent upon the Board adopting proposed revisions to the JPB procurement policy at the June 1, 2023 meeting. Absent approval, the threshold will remain at \$150,000.

4. Authorize the Executive Director or designee to execute all necessary purchase orders, contracts and other documents to effectuate this resolution, including any agreements with other agencies' cooperative purchasing programs and piggyback purchasing for administrative fees for processing these purchases.
5. Authorize the procurement of new software licenses, maintenance and support services, and professional and staff augmentation services agreements for information technology, pursuant to the JPB's procurement authority and policy; and
6. Authorize the Executive Director or designee to enter into contracts exceeding \$250,000 with original equipment manufacturers, product licensors, or their authorized distributors for recurring product support and additional licenses, and license renewals necessary to permit continued effective use and upkeep of JPB-owned information technology hardware and software.
7. Authorize the Executive Director or designee to enter into contracts greater than \$250,000 with original equipment manufacturers, product licensors, or their authorized consultants for the provision of single/sole source professional services necessary to expand or modify previously competitively procured proprietary software when an original provider is the only source of such services.
8. Authorize the Executive Director or designee to execute all necessary purchase orders, contracts, and other documents and actions to effectuate this resolution, including any agreements with other agencies' cooperative purchasing programs and piggyback purchasing for administrative fees for processing some of these purchases, for an aggregate, not-to-exceed amount of \$3 million for fiscal year 2024.
9. Request the Executive Director or designee to provide a report to the Board of Directors on a quarterly basis advising of actions taken pursuant to the authority conferred by this Resolution.

Significance

The JPB has an ongoing to need to refresh technology that supports all business operations. Some of the required equipment includes:

- personal computers,
- telecommunications equipment,
- digital reprographic equipment,
- computer peripherals,
- server and network hardware,

- software,
- maintenance and support services,
- installation and configuration services,
- temporary technology consultants,
- other related technology services,

Recurring support and license agreements are, by their nature, repetitive and routine, and are required to ensure the continued and effective operation of information technology assets owned by the JPB. The sole source purchase of additional modules to existing software or professional services to modify existing proprietary software will allow the JPB's changing business needs to be met in a timely manner.

Approval of this contracting authority will allow the JPB to pay for new software licenses, maintenance and support services, recurring maintenance services, additional licenses, license renewal fees, and professional services for proprietary software greater than the approved threshold without bringing individual actions individually before the Board for approval. This delegation would not eliminate the requirement that all other procurement policies and procedures be followed.

Delegating this authority expedites the JPB's ability to continue needed operations and services in the management of Caltrain and reduces the time and resources otherwise required to obtain individual approval of such support and license agreements.

Further, this authority will provide the JPB with a cost-effective means to support its standardization policy and provide the latest technology and related services through cooperative intergovernmental purchasing programs. Contracts issued under this authority will address the JPB's requirements for equipment, hardware, software, services, licensing, maintenance agreements, and programmed replacement of equipment that has reached the end of its useful life or has become unsuited to address the JPB's future needs.

A quarterly report indicating contracts awarded during the prior quarter will be submitted to the Board.

The JPB, when possible, will use cooperative agreements or share (piggyback) in contracts negotiated by other agencies. The available cooperative agreements may include, but are not limited to:

- California Integrated Information Network (CALNET)
- Sourcewell
- State of California Department of General Services (DGS)/California Multiple Award Schedule (CMAS)
- National Association of State Procurement Officials (NASPO) Valuepoint
- National Cooperative Procurement Partners (NCPP)
- Federal General Services Administration (GSA)
- OMNIA Partners
- National Cooperative Purchasing Alliance (NCPA)
- The Interlocal Purchasing System (TIPS Purchasing Cooperative)

The use of these vehicles guarantees that the JPB will get the best pricing for the technologies they cover.

Budget Impact

Funds for these purchases are programmed in the proposed fiscal year 2024 Operating and Capital Budgets.

Background

Pursuant to the Procurement Policy adopted by the Board in 2019 (Resolution No. 2019-12), the Board must approve any purchase of goods and services exceeding \$150,000. Since 2010, the Board has granted the Executive Director authority to exceed the formal threshold for technology related purchases under certain conditions. Previously, the Board has approved, by resolution, two separate actions: one related to recurring contracts and one related to cooperative agreements. This year the two requests have been combined into a single resolution.

On an annual basis the equipment purchases, and service contracts must be renewed. These renewals are usually routine and predictable and generally competitively procured previously. Software and hardware are typically sold with licenses and maintenance agreements that require periodic renewal. Failing to renew maintenance support means loss of software updates, and problems obtaining resolution assistance and repair services typically needed to keep a product in good operating order. In some cases, the product may not be legally used if maintenance and license renewals have not been obtained.

The types of licensing and maintenance agreements contemplated are generally unobtainable under any other method because they are proprietary to the manufacturers of the software. Similarly, many manufacturers do not allow third parties to access source code or to provide services. As a result, professional services to upgrade, modify, or add to existing software must be performed by the original manufacturer.

JPB assets requiring payment of recurring annual or multi-year maintenance services, support, and license fees over \$250,000 that may need to be accommodated in FY 2024 outside of cooperative purchase agreements or other pre-existing contracts include, but are not necessarily limited to:

- ARINC
- Penta
- Ventek (Caltrain TVM upgrade)
- Carahsoft-Oracle Aconex

Contracts issued by individual governmental entities that allow other jurisdictions to use the contract they establish are called piggybacking contracts because they allow the agency to “piggyback” on the other governmental entities' solicitation process, contract terms and pricing. Contracts will be executed only with vendors whose contracts include piggybacking language on a basis that complies with the JPB's procurement authority and policy.

Various cooperative purchasing programs and piggyback purchasing are available to provide these products and services. Special districts are given statutory permission to procure competitively priced goods and services arising out of these vendor agreements. The Federal government's General Services Administration Schedules (also referred to as Multiple Award Schedules and Federal Supply Schedules) also can be utilized. By utilizing cooperative purchasing and piggyback contracts, the JPB saves considerable time and expense associated with independent procurements, which would be unlikely to yield more favorable pricing or service.

All vendors selected will hold valid agreements under the corresponding cooperative purchasing programs. Contracts will be executed only with vendors whose contracts were awarded under a cooperative buying agreement on a basis that complies with the JPB's statutory procurement authority and policy, and will include the JPB's terms and conditions, as appropriate. Other cooperative purchasing consortia may be added to this program for acquisition of technology items during fiscal year 2024 but only to the extent each fully complies with the JPB's statutory procurement authority and policy.

By approving this action, the Board eliminates the need for issuance of contracts for new and recurring maintenance and continued operation of assets like these would need to be brought individually before the Board for approval.

Prepared By:	Linda Tamtum	Contract Administrator (IT)	650.508.7933
	Michael Salazar	IT Operations Manager	650.551.6196

Resolution No. 2023-

**Board of Directors, Peninsula Corridor Joint Powers Board
State of California**

* * *

**Authorizing Execution of Contracts and Amendments for Information Technology Licenses,
Maintenance Services and Professional Services and Technology-Related Products and
Services Through Piggyback Contracts and Cooperative Purchasing Programs for an Aggregate
Not-to-Exceed Amount of \$3 Million for Fiscal Year 2024**

Whereas, the Peninsula Corridor Joint Powers Board (JPB) will require personal computers, computer peripherals telecommunications equipment, reprographic equipment, servers, switches, maintenance agreements, software licensing, continuing product support and licenses, technology consulting, and other related services throughout the coming fiscal year in order to replace equipment that has reached the end of its useful life and to meet the JPB's current and emerging technology needs; and

Whereas, the JPB desires to standardize procurement using the most cost-effective manner; and

Whereas, piggybacking on other agencies' procurements as well as participating in cooperative purchasing consortia allows the JPB to procure favorably priced technology systems equipment and related services; and

Whereas, maintenance support and software license agreements for the information technology assets in use are, by their nature, repetitive and routine; and

Whereas, the JPB requires professional services necessary to expand or modify previously competitively procured proprietary software when an original provider is the only source of such services; and

Whereas, the JPB also requires IT staff augmentation services to support IT specific projects; and

Whereas, staff recommends, and the Executive Director concurs, that the JPB participate in the above-mentioned programs, as well as additional cooperative purchasing programs and piggyback purchasing, to the extent such programs fully comply with the JPB's procurement authority and policy; and

Whereas, staff recommends that the Executive Director or designee be authorized to execute contracts greater than \$250,000 with original equipment manufacturers, product licensors, their authorized distributors and consultants, and IT professional services and staff augmentation pursuant to the JPB's procurement authority and policy; and

Whereas, staff recommends that the Executive Director or designee be authorized to enter into contracts greater than \$250,000 with vendors under JPB-approved cooperative purchasing programs and piggyback purchasing pursuant to the terms and conditions of each program's vendor agreements; and

Whereas, staff recommends capping the authority at an aggregate, not-to-exceed amount of \$3 million for FY2024.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby takes the following actions:

1. Determines that an independent Peninsula Corridor Joint Powers Board-initiated solicitation process for each purchase, lease and/or rental of new personal computers, computer and telecommunications equipment and services, digital reprographic equipment, hardware, software, licensing and maintenance

- agreements, computer peripherals and temporary technology consultants is unlikely to be in the JPB's best interest; and
2. Authorizes the procurement of technology systems equipment and related services through JPB-approved cooperative purchasing programs and piggyback contracts to meet its technology equipment and services requirements pursuant to the terms and conditions of each vendor agreement and to the extent that each cooperative purchasing program and each vendor agreement fully complies with the JPB's procurement authority and policy; and
 3. Authorizes the Executive Director or designee to enter into contracts greater than \$250,000 with vendors under the JPB-approved cooperative purchasing programs and piggyback purchasing; and
 4. Authorizes the Executive Director or designee to execute all necessary purchase orders, contracts and other documents to effectuate this resolution, including any agreements with other agencies' cooperative purchasing programs and piggyback purchasing for administrative fees for processing these purchases; and
 5. Authorizes the procurement of new software licenses, maintenance and support services, and professional and staff augmentation services agreements for information technology, pursuant to the JPB's procurement authority and policy; and
 6. Authorizes the Executive Director or designee to enter into contracts exceeding \$250,000 with original equipment manufacturers, product licensors, or their authorized distributors for recurring product support and additional licenses, and

- license renewals necessary to permit continued effective use and upkeep of JPB-owned information technology hardware and software; and
7. Authorizes the Executive Director or designee to enter into contracts greater than \$250,000 with original equipment manufacturers, product licensors, or their authorized consultants for the provision of single/sole source professional services necessary to expand or modify previously competitively procured proprietary software when an original provider is the only source of such services; and
 8. Authorizes the Executive Director or designee to execute all necessary purchase orders, contracts, and other documents and actions to effectuate this resolution, including any agreements with other agencies' cooperative purchasing programs and piggyback purchasing for administrative fees for processing some of these purchases, for an aggregate, not-to-exceed amount of \$3 million for fiscal year 2024; and
 9. Requests the Executive Director or designee to provide a report to the Board of Directors on a quarterly basis advising of actions taken pursuant to the authority conferred by this Resolution.

Regularly passed and adopted this 1st day of June, 2023 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: Finance Committee
Through: Michelle Bouchard, Executive Director
From: Sam Sargent, Director, Strategy and Policy
Subject: **Project Labor Agreement Policy Update**

- Finance Committee Recommendation
- Technology, Operations, Planning, and Safety Committee Recommendation
- Advocacy and Major Projects Committee Recommendation
- Staff Coordinating Council Reviewed

Action

None. Informational only.

Significance

The purpose of most Project Labor Agreements (PLA) is to promote efficiency in construction and provide a structure to settle labor disputes without work stoppages, strikes, sympathy strikes or lockouts. At present, the Caltrain Electrification agreement is the only PLA in place on the railroad. In December, the Board of Directors (Board) requested that staff develop a PLA Policy to guide the use of these agreements on future construction projects.

The advantages and disadvantages of having PLAs on Caltrain construction projects, as well as a set of options for Board consideration related to the PLA Policy, are discussed below and in the board presentation. Caltrain staff (staff) will incorporate Board input on the PLA Policy into a final draft for future action.

Budget Impact

No budget impact at this time.

Background

On December 1, 2022, the Board requested that staff report back with a “draft policy relating to a framework for Project Labor Agreements and Community Hiring Provisions, collectively known as Community Workforce Agreements [CWA].” The draft PLA Policy will be considered by the board in two phases over two months: policy options, followed by potential action.

Since the initial request, staff have convened an internal PLA Policy project steering committee and a series of conversations with building and trades council leadership from San Francisco, San Mateo, and Santa Clara counties. An in-depth review of transit operator, county, and city

peer approaches to PLAs was completed, including interviews with responsible staff at different stages of the PLA process. The results of this research have been incorporated into the options and alternatives discussed below.

Alameda County, the cities of San Francisco and San Jose, Santa Clara County, Sonoma County, and VTA each have PLA policies in place covering all construction projects over a certain dollar threshold. The construction projects must have contracts let by the county, city, or agency for those PLA policies to apply.

AC Transit, BART, LA Metro, and the Transbay Joint Powers Authority (TJPA), alternatively, have PLA policies that apply to all construction projects within a program of projects. Some programs are defined by a mode, while others are defined by the primary source of funds.

Organization	PLA Threshold
Sonoma County	\$10 million
Santa Clara County	\$2 million
VTA	\$2 million
City of San Jose	\$1.25 million
City of San Francisco	\$1 million
Alameda County	\$1 million
AC Transit	All Bus Rapid Transit (BRT) projects
TJPA	All Phase I & II projects
BART	Specified “Major Projects”
LA Metro	Measure M and R projects, P3s

PLA policies and PLAs on specific construction projects are common in the Bay Area. While the purpose of most PLAs is to promote efficiency in construction and provide a structure to settle disputes, there are other benefits and risks for board consideration.

At the federal level, Executive Order 13502, issued by President Biden on February 9, 2022, requires the use of PLAs on federally funded projects over \$35 million and provides guidance on the structure of those agreements. At the state level, Public Contract Code (PCC) Section 2500 requires public entities in California that enter into PLAs to incorporate a series “taxpayer protection provisions” including anti-discrimination language, drug testing, and guarantees against “work stoppages, strikes, lockouts, and similar disruptions of [a] project.”

The federal and state governments have recently incorporated PLA use into the guidelines for discretionary grant programs such as the Federal-Station Partnership for Intercity Passenger Rail and state Transit and Intercity Rail Capital Program. The former includes “strong labor standards” and the “use of project labor agreements” among the selection criteria, while the latter requires agencies to demonstrate “direct, meaningful, and assured benefits” to the community including PLAs on candidate projects. In short, the use of PLAs currently makes projects more competitive for state and federal grant funding

While a PLA Policy may increase the likelihood of securing outside funds, the impact of a policy on project costs must also be considered. According to the UC Berkeley Labor Center, workers covered by union contracts earn 12.9 percent higher wages than non-union workers. Union workers are more likely to receive employer-sponsored health benefits and a retirement plan, which may drive project labor costs higher. Wages were measured across public and private projects in that study.

Simultaneously, the same research has shown that unionization increases productivity and decreases staff turnover, which can lead to significant cost savings for a project. Unless a PLA includes a higher wage than the prevailing wage, there should be little difference in hourly labor costs as public construction projects are covered by California’s prevailing wage laws. Furthermore, in a union-rich environment like the Bay Area, the impact of a PLA on project costs is negligible to none, according to Caltrain staff research and peer entity interviews.

The policy options for board consideration include further discussion of the benefits and risks to Caltrain projects of a PLA Policy:

1. **Should Caltrain have a PLA Policy?**

Pro: a PLA Policy will provide structure and a consistent approach to labor agreements on Caltrain projects. PLAs will make Caltrain more competitive for federal and state grant funding opportunities and will build support among labor and labor-affiliated policymakers as the railroad explores options for new, necessary revenue.

Con: Caltrain does not currently have the resources to properly negotiate, execute, or administer PLAs under a new policy. Because of the unique qualities of Caltrain as a three-county commuter railroad, the experience of Bay Area peers may not address all risks to the organization, including administrative and other project cost increases.

2. **What type of project does the PLA Policy apply to?**

Alternative 1: construction projects with a contract awarded by the JPB and an engineer’s initial cost estimate is over a JPB-approved dollar threshold.

- Pro: consistent, intuitive approach for Caltrain and the contractor community; common among peers, does not require projects to be selected for policy inclusion.
- Con: likely requires regular updates, is not tied to specific programs or projects or the structure of the future Caltrain Capital Investment Plan (CIP).

Alternative 2: Grade separation projects within the scope of the ongoing Corridor Crossing Study. Applicable projects definition will be revisited when the CIP is completed.

- Pro: a programmatic approach ensures use of PLAs on Caltrain's largest capital projects. CIP connection will link the railroad's new, more systematic approach to capital planning and delivery with Caltrain's labor policy.
- Con: projects that could benefit from a PLA, but not part of a larger capital program (such as grade separations), may be left out, requiring an ad hoc approach.

3. What is the dollar threshold for the PLA Policy, if that approach is taken?

Caltrain staff propose JPB consideration of the following threshold levels:

- **\$2 million:** currently the VTA and Santa Clara County PLA dollar threshold, which was included in the Board request.
- **\$5 million:** a threshold lower than the average of Caltrain's FY2024 top ranked non-planning projects average (\$7.41 million).
- **\$10 million:** a threshold lower than the current Caltrain Management Committee-approved, railroad-led projects average (\$14.4 million).
- **\$35 million:** EO 13502 requirement for federally funded projects; a threshold below the current Management Committee-approved projects average (\$100 million).

4. Who negotiates the PLA on a project? How is the PLA administered?

Alternative 1: Caltrain would negotiate the PLA with the applicable labor councils. The PLA would then be binding on the contractor.

- Pro: Caltrain retains control over the process and relationship with the labor councils. This is the standard arrangement among regional and state peer agencies.
- Con: Caltrain does not currently have the resources to properly negotiate, execute, or administer PLAs under a new policy. This may increase administrative, project costs.

Alternative 2: Under the Caltrain policy, a PLA is required as a condition of contract award on applicable projects. The contractor then negotiates the PLA with the labor councils.

- Pro: Caltrain shifts the burden of negotiation and administration to the contractor and does not have to add new internal resources.
- Con: Caltrain loses a large degree of control over the process and relationship with the labor councils. Issues between labor and the contractor will likely be elevated to the JPB.

Caltrain staff will return to the Board in the coming months with a draft PLA Policy based on the input gathered from this month's discussion of policy options.

The December 1, 2022 board request also included an ask for a draft CWA for the transit-oriented development (TOD) at Diridon Station. Caltrain staff are expecting to receive the project entitlements in late summer or early fall 2023, after which time the railroad will consider whether the market timing is appropriate to issue a Request for Proposals (RFP). It is possible that Caltrain staff will determine that it is in the best interests of the railroad to wait for improved market conditions for the project.

Prepared By: Sam Sargent Director, Strategy and Policy, Caltrain 650-730-6223

Peninsula Corridor Joint Powers Board (PCJPB)

Staff Report

To: Board of Directors

Through: Michelle Bouchard, Executive Director

From: Nate Kramer, Chief People Officer

Subject: **Update on Disadvantaged Business Enterprise Program**

- Finance Committee Recommendation Technology, Operations, Planning, and Safety Committee Recommendation Advocacy and Major Projects Committee Recommendation Staff Coordinating Council Reviewed

Action

This report is submitted for informational purposes only. It provides the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) a status update on recent developments related to the Disadvantaged Business Enterprise (DBE) Program, including updated goals for the current three-year period and a description of ongoing outreach efforts to increase DBE participation.

Significance

U.S. Department of Transportation (DOT) regulations, found in Title 49 of the Code of Federal Regulations Part 26, require Federal Transit Administration (FTA) grantees to establish a DBE Program and three-year DBE goals for all projects receiving FTA assistance.

In September 2022, Office of Civil Rights (OCR) staff recommended, and the Board approved, a DBE goal setting methodology for Federal Fiscal Years (FFY) 2023-25. Subsequently, FTA requested clarification of the JPB’s DBE goals, which have been re-examined and revised accordingly as further described below. This mid-year update on the DBE Program covers the FTA-requested resubmittal as well as a shortfall analysis for FFY 2022.

Budget Impact

The revisions to DBE Program goals will have no impact on the budget.

Background

In September 2022, the Board approved a three-year overall DBE goal of 13.58% for FTA-assisted contracts for FFY 2023-25, in accordance with the USDOT regulations. At the time, staff determined that the proposed goal of 13.58% could be achieved using both race/gender neutral (7%) and race/gender conscious means (6.58%). The goal was submitted to the FTA for approval by the September 30, 2022, submission deadline.

On October 3, 2022, the Region IX FTA Office of Civil Rights Coordinator contacted District OCR staff with questions concerning the evaluation of median participation in determining the goal. Further, they requested clarification regarding the race/gender neutral and race/gender conscious goal split. The FTA informed OCR staff that they would be unable to issue a Concurrence Letter without additional details and calculations. An extension was given to OCR staff to provide additional details and to re-examine opportunities for any changes in the goal. The FTA did not require additional Board approval or an additional Stakeholder meeting.

On November 22, 2022, a new Goal Determination Document (Attachment 1) was sent to the Region IX FTA Coordinator with a proposed overall DBE goal of 12.8%, consisting of a race/gender neutral goal of 7% and race/gender conscious goal of 5.8%. FTA provided a Concurrence Letter for the updated three-year DBE goal on November 28, 2022.

Goal Determination

Two changes were significant in calculating the new goal, the Step 1 Base Figure calculation, and the Base Figure adjustment.

First, staff reviewed the Step 1 Base Figure Calculation and provided an updated calculation of DBE availability from the three-county market area using the California Unified Certification Program Database (<https://ucp.dot.ca.gov/>).¹ This increased the DBE availability from the previous 1.82% Base Figure to 14.58% Base Figure. Several additional DBEs were identified with this new database. Staff also used the most recent 2022 U.S. Census Bureau's County Business Patterns (CBP) database (<https://data.census.gov/>) to obtain the number of all firms (DBEs and non-DBEs) ready, willing, and able to bid for the FTA-assisted contracts.

Second, staff used FTA guidance to adjust the base figure to arrive at the overall goal. As per FTA's DBE Contract Goal Setting submission guidelines², staff determined that past participation was the best indication for adjustment. The FTA Regional Civil Rights Coordinator advised that too much of a gap in the data had passed since the completion of the 2017 disparity study³ to be relevant to the goal determination.

¹ Previous search used the Caltrans Database which was determined to be out of date.

² <https://www.transportation.gov/sites/dot.gov/files/2022-03/DBE%20Contract%20Goal%20Setting%20508.pdf>

³ Completion of the study was in 2017 with the report being publishes in 2018.

The updated past participation was calculated looking at previously submitted semi-annual FTA reports that calculated the overall dollars spent for FFY 2019-2021. In the initial calculation, percentages were pulled from quarterly achievement reports that provided an incomplete result in goal achievement by not including complete annual data.

To address the FTA's question regarding the race/gender neutral and race/gender conscious split, staff reviewed the race/gender neutral accomplishments from FFY 2019-2021 and then calculated the median past participation at 11.03%.

The final Adjustment of the Step 1 Base Figure is the average of the Median of the actual participation for the last three years 2019-2021, which is 11.03% and the Step 1 base figure of 14.56%.

Therefore, Step 2 Adjusted Overall Goal = $(11.03\% + 14.56\%) / 2 = 12.8\%$.

Race/Gender Neutral and Race/Gender Conscious Split

The race/gender neutral goal remained at 7% while the new race/gender conscious goal is at 5.8%. In the past six years, Caltrain has not been able to meet its overall goal due to the heavy rail specific construction and the limited sub-contracting opportunities from TASI. For example, janitorial services or station cleaning are often sub-contracted to DBEs by other agencies such as BART and VTA. However, these services, among many others, are completed by TASI. The specialized work associated with Caltrain projects creates a challenge finding certified DBEs. Moreover, for non-heavy rail specific work, Caltrain remains in constant competition for contractors, electricians, engineers, along with other professional services firms.

In addition, only six of the 332 FTA funded contracts issued between 2016-2021 had race/gender conscious goals. For calculating the race/gender neutral goal, OCR staff used the goal achievement numbers for 2020 and 2021, during which Caltrain exceeded its race/gender neutral goal of 6.50% by 5.00% and 6.00%, respectively. The FTA has recommended that this can be used as the basis of estimating similar race/gender neutral participation in the upcoming funding cycle. The remainder will be achieved by placing contract goals on specific contracts to attain the 5.8% allocated to the race/gender conscious goal. OCR works with the Contracts and Procurement (C&P) department to identify projects where that contain opportunities to add or increase contract specific goals to meet the overall DBE goal for the program. The CEMOF Facility Improvements for PCEP, along with the Delaware Street Storm Drain Relocation Projects are examples of projects with contract specific goals.

FFY 2022 Shortfall

The combined FTA dollar share of awards and commitments for FFY 2022 was \$21,067,322. The total amounts of race/gender neutral and race/gender conscious dollars awarded were \$2,267,829 and \$147,948, respectively. The breakdown for goals is as follows:

FY22 DBE Goals	Goal Percentage	Achievement	Shortfall
Overall	13.50%	11.47%	2.03%
Race/Gender Neutral	6.50%	10.76%	0.00%
Race/Gender Conscious	7.00%	0.70%	6.30%

Note: Numbers may not add up due to rounding.

Staff submitted a Shortfall Analysis to the FTA on December 22, 2022, highlighting challenges and methods to increase goal participation including increased oversight of contracts, adding work codes, and adding contract specific goals.

Six Month Update and Plan Forward

With the hiring of a new DBE Administrator in September 2022, the past six months have been focused on refining and updating OCR processes and procedures, including reviewing, and revising contract templates. These measures assist OCR in streamlining DBE certification determinations, along with monitoring federal contracts. Both actions are vital to remaining compliant with the requirements outlined in the federal regulations. OCR has also recommended contract specific goals for PCEP and Rail projects. Contract specific goals are race conscious measures that will increase the overall goal and race conscious goal.

Previously due to limited staff, OCR was challenged to maintain DBE monitoring and compliance. OCR staff have now fully implemented the B2GNow Database. B2GNow is a supplier diversity management software solution which streamlines and automates data-gathering, tracking, reporting, vendor management, and administrative processes. The various modules allow staff to better increase goal participation, increase the number of DBEs, and ensure compliance. Staff can better assist DBE certified firms by reducing processing time for DBE applications, renewals, and change. This allows OCR staff to better identify and outreach to DBEs that may be eligible for JPB Projects and increase the number of DBEs for the region.

B2GNow is a benefit to Caltrain and streamlines the reporting process for contractors and subcontractors. Once a contractor creates a profile in the system, many questions and concerns can be addressed immediately. B2GNow updates contract changes and requests, along with payments received and dispersed in real time. These features allow primes and subcontractors the ability to monitor contracts through their individual portals. B2GNow allows OCR to monitor certifications and contracts, along with the ability to respond with solutions immediately. Because OCR can generate numerous reports instantly, along with the system capability of saving all data, requests, and online communications permanently, B2GNow offers OCR another tool to provide excellent customer service.

The B2GNow Outreach module will increase visibility of Caltrain projects. This module allows OCR to reach more DBEs and contractors. Most recently, OCR used the Outreach module to advertise the Next Generation Visual Message Signs (NGVMS) project. Staff contacted over 560 primes and subcontractors, along with providing a presentation and overview of the project. OCR identified firms, who held the required license to perform work, and who may have interest in bidding on the project. Additionally, the outreach module allows OCR to contact DBE firms, who hold licenses for specialized work identified in projects. This gives DBEs the opportunity to review work associated with the project and encourages bidding.

The Outreach Module complements the in-person outreach staff has planned for 2023 with the Business Outreach Committee (BOC). The BOC is a consortium of Bay Area Transit and transportation agencies who work together to assist DBEs through training, technical assistance, and contracting opportunities. As a member of the BOC, OCR can advertise upcoming projects to contractors and DBEs throughout the state of California. BOC events allows OCR to garner more participation through networking, procurement seminars, and meet the prime presentations, which levels the playing field for DBEs. These events will allow Caltrain staff to present on projects suitable for DBE participation.

FTA Semi-Annual Report Data

Caltrain will submit its Semi-Annual Report on June 30, 2023, to the FTA on the progress of DBE payments and goal achievements. The report covers the progress of DBE payments and goals for October 1, 2023 – March 31, 2023.

	Total Award	DBE Award	DBE Goal	DBE % Attained
Total	14,422,120.91	1,249,450.13	1,846,031.48	8.66%

The report will also include the number of DBEs participating on projects and breakdown of race and gender information on contracts during the reporting period. This information is vital to ensuring Caltrain is on track to meet or exceed our DBE goal.

OCR has also recently hired a Civil Rights Manager to focus on DBE goal monitoring and Labor Compliance. The assessment of the DBE work emphasizes breadth of the work with not only compliance and monitoring of contracts, but the active participation in goal achievement.

Prepared By: Wendy Lau Deputy Director, Office of Civil Rights 650-622-7864
Curtis Williams DBE Administrator 650-508-7939

The Peninsula Corridor Joint Powers Board
Proposed Triennial Goal Calculation for the Participation of
Disadvantaged Business Enterprises in
Department of Transportation, Federal Transit Administration (FTA)
Funded Contracts
Federal Fiscal Years (FFY) 2023-2025

Name of Recipient: The Peninsula Corridor Joint Powers Board (PCJPB)
Goal Period: FFY 2023-2025 October 1, 2022, through September 30, 2025
FTA-assisted estimated contract amount: \$33,090,893
Proposed Disadvantaged Business Enterprise (DBE) Goal: 12.8%
Race-conscious (R/C) = 5.8%
Race-neutral (R/N) = 7%
Total proposed dollar amount to be expended on DBEs: \$4,235,634.30
Anticipated Number and Type of Projects for FFY 2023-2025: 10

I. Market Area

A. Market Area Definition

The Supreme Court's decision in *City of Richmond v. J.A. Croson Co.* (Croson) held that programs established by local governments to set goals for the participation of minority and woman-owned firms must be supported by evidence of past discrimination in the award of their contracts.¹ Prior to the Croson decision, local agencies could implement race-conscious programs without developing a detailed public record to document the underutilization of minority and woman-owned firms in their award of contracts. Instead, they relied on widely recognized societal patterns of discrimination.

A local government could not rely on society-wide discrimination as the basis for a race-based program. Instead, a local government was required to identify discrimination within its own

¹ *City of Richmond v. J.A. Croson Co.*, 488 U.S. 469 (1989).

contracting jurisdiction.² In conducting this goal-setting process, PCJPB's purpose is to determine the extent, if any, to which the firms in its market area have suffered discrimination or its effects in connection with contracting opportunities or related business opportunities.

The market area is defined by the geographical area in which the substantial majority of firms which seek to do business with PCJPB are located and the geographical area in which the firms which receive a significant majority of contracts are located.³

In 2017, PCJPB conducted a Disadvantaged Business Enterprise (DBE) Contract Availability and Utilization Study to determine if Minority-owned, Woman-owned, and Disadvantaged Business Enterprises (M/W/DBE) have had equal access to PCJPB's prime contract and subcontract opportunities. The Study was performed by Mason Tillman Associates, Ltd.

The 2017 disparity study determined the market area to be the geographical boundaries of San Francisco, San Mateo, and Santa Clara counties.⁴

II. METHODOLOGY

A. Step 1- Determining a Base Figure

Step one is a measurement of the actual relative availability of DBEs to perform the types of contracts that PCJPB intends to advertise. In other words, the percentage of all firms in the market area that are ready, willing, and able to compete for DOT- assisted contracting projects are DBEs (or firms that could be certified as DBEs). This percentage is calculated by dividing the number of DBEs ready, willing, and able to bid for the types of federally funded contracting opportunities Recipient will advertise, by the number of all firms (DBEs and non-DBEs) ready, willing, and able to bid for the types of federally funded contracting opportunities Recipient will let. That is, the number of DBEs will be in the numerator, and the number of all firms (DBEs and non-DBEs) will be in the denominator.⁵

The base figure was calculated as follows:

All active DBE firms in the market area in a specific NAICS Code

Base figure = _____

All ready, willing, and able firms in the market area in the same NAICS Code

² Coral Construction, 941 F.2d at 925.
³ 2017 Joint Disadvantaged Business Enterprise (DBE) Contract Availability and Utilization Study Peninsula Corridor Joint Powers Board by Mason Tillman & Associates, page 5-2 Section II - Market Area Analysis
⁴ *Id.*
⁵ 49 CFR Part 26.45 (b) & 49 CFR Part 26.45 (c) – (c)(1) , Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program, Part II found at the following url: <https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise>

To determine a step one base figure, the following steps data sources were utilized:

1. Determination of the anticipated federal funded contracts awarded for FFY 2023-2025.⁶
2. Calculation of the percent scope breakdown by the six digit North American Industry Classification Code System (NAICS) of all contractable portions of the project(s).
3. Calculation and analysis of a Weighted Availability.⁷
4. Research and identify the total number of businesses in the market area by NAICS number, utilizing The United States Census- 2020 County Business Patterns for San Francisco, San Mateo, and Santa Clara counties and preserving the data in the form of exhibits.⁸
5. Research and identify the total number of Disadvantaged Business Enterprises in the market area, utilizing California Unified Certification Program (CUCP) database of certified DBE firms separated by NAICS Codes as of August 1, 2022, and preserving the data in the form of exhibits.⁹

PCJPB anticipated a total of ten federally funded projects for the above referenced federal fiscal years.

Table 1 - Anticipated Project FFY 2023-2025

FY	Description	Estimated amount
2024	100427 San Francisquito Bridge Replacement (Preliminary Engineering)	\$ 4,400,000.00
2023	100684 Mini-Hi platforms	\$ 2,123,000.00
2024	100616 Caltrain Fiber Connectivity to Passenger Stations	\$ 5,767,893.00
2023	100572 Communication System SOGR	\$ 1,300,000.00
2023	Right of Way	\$ 1,000,000.00
2023	Facilities and Communications	\$ 2,000,000.00
2023	Signal	\$ 3,000,000.00
2023	Historic Stations	\$ 2,000,000.00
2023	Right of Way Fencing	\$ 1,500,000.00
2023	Track	\$ 10,000,000.00
	Total	\$ 33,090,893.00

⁶ Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program, Part II found at the following url: <https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise> Section II- Step 1.

⁷ Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program, Part II found at the following url: <https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise> Section II F

⁸ <https://data.census.gov/cedsci/table?q=United%20States&g=0500000US06075,06081,06085&y=2020&d=ECNSVY%20Business%20Patterns%20County%20Business%20Patterns>

⁹ <https://californiaucp.dbesystem.com/>

Table 2 - NAICS Code Scopes Identified

236220 Commercial Construction & Construction Management	237130- Communication and Fiber Construction	562910 Lead paint abatement services	238190 - Other Foundation, Structure, and Building Exterior Contractors	237990 Other Heavy and Civil Engineering Construction	561710 Termite control services, 238130-Framing contractors	238990 Fencing contractors (except electronic containment fencing for pets)
541611 Project Management	333921 - Elevator and Moving Stairway Manufacturing Elevator Cab Replacement	238910- Excavating, earthmoving or land clearing, mining (except overburden removal at open pit mine sites or quarries)	238120-Curtain wall, precast concrete, installation	423860-Railroad equipment and supplies merchant wholesalers	541330 Engineering	562119- Debris removal services,
238990 - All other specialty trade contractors (New Shelters)	453930 - Manufactured (mobile) home dealers (Crew Trailer)	238210 Cable splicing, electrical or fiber optic	237990 Railway construction (e.g., interlocker, roadbed, signal, track)	238210 Railroad signaling equipment installation	561790-Building exterior cleaning services (except sandblasting, window cleaning)	Internal and Contingency

(Numerator)

The 2020 County Business Patterns for San Francisco, San Mateo, and Santa Clara counties was used as the local market area. The California Unified Certification Program (CUCP) database of certified DBE firms was used to calculate the number of all ready, willing, and able DBE businesses available in the market that perform work in the applicable NAICS codes, as displayed in Table 2. The source of the data can be found by the link in the footnote below and attached as Exhibits A-1 to A-18.¹⁰

(Denominator)

The recipient researched the total number of establishments in each identified NAICS code. The recipient used United States Census, Table CBP2020 County Business Patterns for San Francisco, San Mateo, and Santa Clara counties. The location is identified by the link below in the footnote and attached as Exhibits B-1 to B-18.¹¹

The Percentage or weight is calculated by taking the budgeted dollar amount of that scope of work divided by the total budgeted amount of the project, which in this case is \$33,090,893.

The Weighted percentage is calculated by taking the multiplying the quotient of the total number of CUCP companies in each NAICS code by the total number of firms in the same NAICS code by 100 and then multiplying this result by the percent/weight. Weighted % = ((CUCP Companies/Census Data Market Area CBP Firms) x 100) x Percentage/weight.

The initial calculation of DBE availability was weighted based on the percentage of contract dollars that would be awarded in each area. Ten projects totaling approximately \$33,090,893 anticipated for FFY 2023-2025. NAICS codes corresponding to the scope of work in each project was analyzed. (See Table 3)

¹⁰ <https://californiaucp.dbesystem.com/>

¹¹ <https://data.census.gov/cedsci/table?q=United%20States&g=0500000US06075.06081.06085&y=2020&d=ECNSVY%20Business%20Patterns%20County%20Business%20Patterns>

Table 3 - DBE Weighted Availability Step 1 Base Figure¹²

Peninsula Corridor Joint Powers Board (JPB)					
US Census County Business Patterns- San Mateo, Santa Clara , San Francisco Counties					
DBE Goal Calculation FY-2023-2025					
Weighted Ratio of Certified DBEs to Firms Listed in the					
NAICS Codes	Description	US Census CBP San Francisco/San Mateo/Santa Clara All Firms	CALTRAN UCP San Francisco/San Mateo/Santa Clara DBE Companies	Weight	Weighted %
236220	Commercial Construction and Construction Management (combined)	406	63	5.08%	0.79
237130	Communication and Fiber Construction	31	2	9.12%	0.59
541618	Project Management	96	195	5.74%	11.66
541330	Engineering (Design)	1,232	5	7.84%	0.03
562119, 561790	Debris removal services, Building exterior cleaning services (except Curtain wall, precast concrete, installation)	131	1	0.60%	0.00
238120	Excavating, earthmoving or land clearing, mining (except Elevator and Moving Stairway Manufacturing Elevator Cab Replacement)	28	8	0.60%	0.17
238910	All other specialty trade contractors (New Shelters)	137	53	1.81%	0.70
333921	Manufactured (mobile) home dealers	0	0	1.06%	0.00
238990	Cable splicing, electrical or fiber optic	232	11	1.21%	0.06
453930	Railway construction (e.g., interlocker, roadbed, signal, track)	7	0	0.76%	0.00
238210	Railroad signaling equipment installation	826	0	3.02%	0.00
237990	Lead paint abatement services	14	0	2.57%	0.00
238210	Other Foundation, Structure, and Building Exterior Contractors	826	0	6.50%	0.00
562910	Other Heavy and Civil Engineering Construction	24	1	3.02%	0.13
238190	Termite control services, Framing contractors	45	1	2.27%	0.05
237990	Fencing contractors (except electronic containment fencing for pets)	14	4	0.60%	0.17
561710 , 238130	Railroad equipment and supplies merchant wholesalers	160	1	0.15%	0.00
238990	Internal/Contingency	232	11	4.53%	0.21
423860		7	0	30.22%	0.00
0		1	0	13.30%	0.00
	TOTAL	4,449	356	100.00%	14.56

¹² NAICS Code 541618 was unique because there were more DBEs in the market area than the total number of businesses from the census data. The were DBEs registered to do business in the market area who may not physically have a business in the market area.

Potential Of Additional FTA Funded Projects

PCJPB completed large amounts of construction projects during FFY 2020-2022. There was very little construction anticipated for FFY 2023-2025. As a result, most of the anticipated projects comprise of scope where very little DBE availability exists.¹³ Historically, construction is where a large amount of DBE availability exists. If any change in the anticipated project occurs within the referenced federal fiscal years, the Recipient will seek permission from FTA to adjust and reflect changed circumstances pursuant to 49 CFR Part 26.45 (f)(1)(ii).

B. Step 2 - Adjustment of the Step 1 Base figure¹⁴

After calculating a base figure of the relative availability of DBEs, evidence was examined to determine what adjustment (if any) was needed to the base figure to arrive at the overall goal. Under the rule, PCJPB must consider all evidence available in its jurisdiction to determine whether such an adjustment is necessary. In this context, there are several factors PCJPB must consider in making its Step Two adjustments if there are relevant and reliable data available. These factors include:

1. Past participation (the volume of work DBEs have performed in recent years) or other measure of demonstrated capacity.
2. Evidence from disparity studies conducted in your market area (including relevant studies commissioned by other contracting agencies in your market area).
3. Statistical disparities in the ability of DBEs to get financing, bonding, and insurance.
4. Data on employment, self-employment, education and training, union apprenticeship programs, and
5. Any other data that would help to better measure the percentage of work that DBEs would be likely to obtain in the absence of discrimination.¹⁵

PCJPB first considered looking at "Statistical disparities in the ability of DBEs to get financing, bonding and insurance" and "Data on employment, self-employment, education and training, union apprenticeship programs." However, at the time of preparing this report, there was no relevant and reliable data available. PCJPB chose to consider 1) Disparity Studies and 2) Past Participation.

¹³ Rail replacement constitute 30% of the anticipated three-year project budget. In additional, 19% of the budget include general conditions and contingency.

¹⁴ 49 CFR Part 26.45(d)

¹⁵ Tips for Goal setting in the Disadvantaged Business Enterprise (DBE) Program, Part II found at the following url: <https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise> Section III- Step 2

1. Disparity Studies

PCJPB did complete a Disparity Study by Mason Tillman¹⁶. Although the date of the completion of the study was 2017, the dates used in the disparity study were 2011-2015. PCJPB determined that eight years, 2015-2023, was too much of a gap in data to consider the data from the 2017 PCJPB disparity study.

2. Past Participation

PCJPB considered using Past Participation as a factor to adjust the Step One Base Figure. To adjust the Step One Base Figure using Past Participation, PCJPB calculated the median of past participation percentage for all FTA funded projects between FFY 2019-2021 and used the result to adjust its Step One Base Figure by taking the average of the median of past participation percentage and PCJPB's Step One Base Figure.¹⁷

The Step 2 analysis involved calculating the overall dollars spent for FFY 2019-2021 and then calculating the median DBE participation for all three observations. (See table 4)

Table 4 - Median of Past Participation FFY 2019-2021

Year	Total Dollars	Dollars to DBE	Percent Achievement
Oct 2018 - Mar 2019	\$0	\$0	
Apr 2019 - Sep 2019	\$23,412,143	\$964,879	
Total FFY 2019	\$23,412,143	\$964,879	4.12%
Oct 2019 - Mar 2020	\$7,555,159	\$45,591	
Apr 2020 - Sep 2020	\$10,344,041	\$1,928,565	
Total FFY 2020	\$17,899,200	\$1,974,156	11.03%
Oct 2020 - Mar 2021	\$18,365,334	\$2,587,376	
Apr 2021 - Sep 2021	\$35,972,697	\$4,399,467	
Total FFY 2021	\$54,338,031	\$6,986,843	12.86%

¹⁶ 2017 Joint Disadvantaged Business Enterprise (DBE) Contract Availability and Utilization Study Peninsula Corridor Joint Powers Board by Mason Tillman & Associates

¹⁷ Tips for Goal- Setting in the Disadvantaged Business Enterprise (DBE) Program, Part II found at the following url: <https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise> Section III- A. Adjustments Based on Past Participation, b. Adjusting the Step One Base Figure with the Median Past Participation.

The median of the past participation for FFYs 2019, 2020 and 2021 (4.12, 11.03, 12.86) = 11.03%¹⁸

Adjustment of the Step 1 Base figure is the average of the Median of the actual participation for the last three years 2019-2021, which is 11.03%, and the Step 1 base figure of 14.56%.

Therefore, **Step 2 Adjusted Overall Goal = (11.03 + 14.56)/2 = 12.8%**

C. Calculating the Race/Gender-Neutral and Race/Gender-Conscious Split

The race/gender-neutral and race/gender-conscious division of the goal is an exceedingly important component of the goal-setting process. 49 CFR Part 26.51, states that the recipient must meet the maximum feasible portion of its overall goal by using race/gender-neutral means of facilitating DBE participation.

If the DBE participation obtained by race-neutral means alone meets or exceeds the overall goals for two consecutive years, it is not required to make a projection of the amount of goal, PCJPB can meet using such means in the next year. PCJPB is not required to set contract goals on any of the contracts in the next year. PCJPB can continue using only race-neutral means to meet its overall goals unless and until PCJPB does not meet its overall goal for a year.¹⁹

DBE participation for fiscal years 2016-2021 were reviewed. PCJPB did not meet its DBE goals for the past six (6) years. The observations are presented in the below Table 5.

Table 5 - R/N Accomplishments FFY 2016-2021

Year	Goal	Achievement	Delta
2016	12.00%	0.00%	-12.00%
2017	14.00%	5.33%	-8.67%
2018	14.00%	6.84%	-7.16%
2019	14.00%	4.12%	-9.88%
2020	13.50%	11.03%	-2.47%
2021	13.50%	12.86%	-0.64%

¹⁸ If there is an odd set of numbers in the set, then MEDIAN is calculated by arranging the numbers in ascending order and taking the middle term.

¹⁹ 49 CFR 26.51(f)(3)

Of the 332 FTA funded contract issued between 2016-2021, only 6 contracts were race conscious.²⁰ A total of 326 contracts were completed without goals or race neutral contracts.

49 CFR Part 26 and the Department of Transportations' "Tips for Goal Setting" do not provide examples that cover the current situation at PCJPB where very few contracts were let with contract goals.²¹ For the purpose of calculating the portion of the Step 2 Overall Goal that will be achieved through Race Neutral means, PCJPB will look at the last two years, 2020 and 2021, because these years, PCJPB fell short of missing the overall goal by a very low margin. In 2020 and 2021, PCJPB nearly achieved it's 13.5% DBE goal and they did this completely through race neutral contracts.

Conclusion - Race Neutral

PCJPB overall goal for 2020 and 2021 was 13.5%, of which 6.5% was supposed to be through Race Neutral means.²² PCJPB exceeded their race neutral goal by 7%.

Because PCJPB obtained some of its past participation using DBE subcontractors on contracts without DBE goals, then those attainments should be considered race/gender-neutral and can be used as a basis for estimating a similar level of race/gender-neutral participation in the next program year.²³

Therefore, PCJPB will meet 7% of their 12.8% overall goal by race neutral means.

D. Public Consultation - Stakeholder Meeting

Consultation for Goal Setting

In establishing an overall goal, PCJPB engaged in consultation with a variety of organizations, as required by the DBE Regulations. The public consultation meeting took place virtually on Friday, August 12, 2022. The link to the video is available upon request.

Invitations to the consultation meeting were sent to DBEs from the CUCP as well as non-DBEs, minority business owners; women business owners; advocacy, general contractor, professional

²⁰ 2017- 1 race conscious contract, 2018-1 race conscious contract, and 2019-4 race conscious contracts,

²¹ 49 CFR 26.51(a), <https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise>

²² PENINSULA CORRIDOR JOINT POWERS BOARD DISADVANTAGED BUSINESS ENTERPRISE PROGRAM 49 CFR PART 26, Res. # 2019-9; September 5, 2019, Attachment 7, page 89 paragraph 5

²³ Tips for Goal Setting Section IV -C <https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise> "For instance, assume that your goal for last year was 20% and your achievement was 20%. If a portion of that 20% resulted from the participation of DBE subcontractors on contracts without goals - and thus from race/gender-neutral means - then it may be appropriate to assume that you will be able to achieve similar results in the future.

services, and trade association groups; community organizations, and other officials or organizations that could be expected to have information concerning:

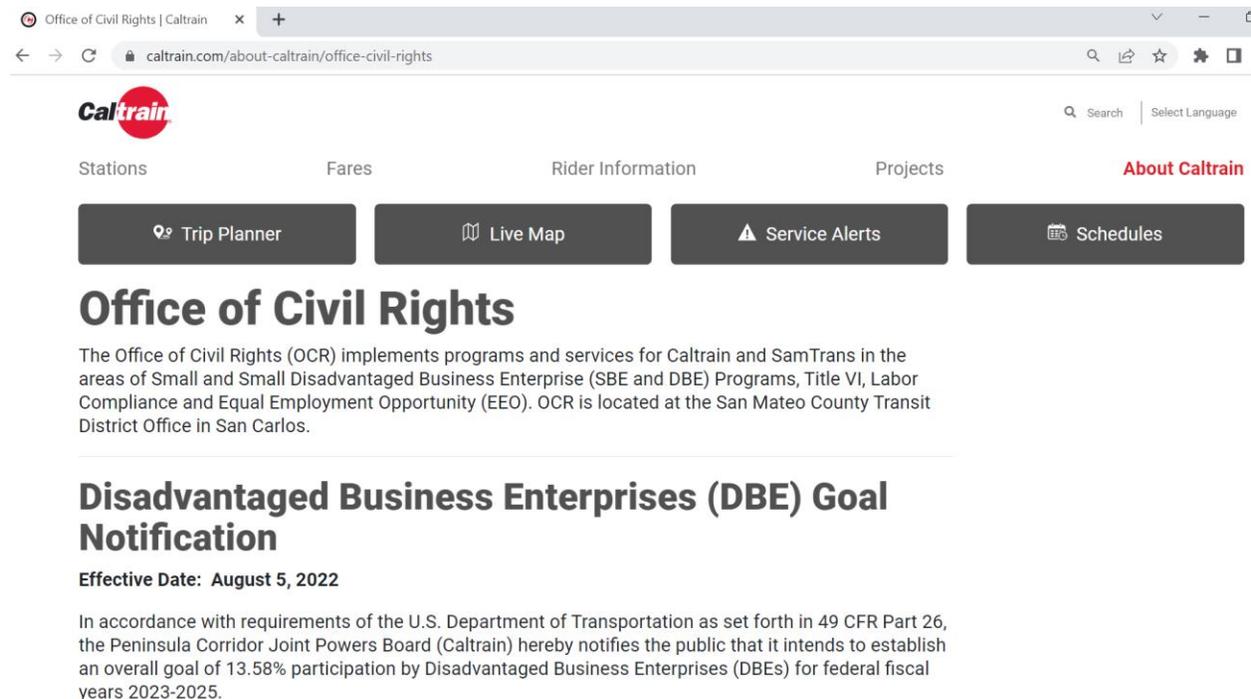
1. The availability of disadvantaged and non-disadvantaged businesses;
2. The effects of discrimination on opportunities for DBEs; and
3. PCJPB’s efforts to establish a level playing field for the participation of DBEs.

Staff from PCJPB attended the meeting and provided a presentation about its federally assisted contracts and DBE participation for FFY 2023-2025. A total of 30 attendees were present. Although PCJPB did not receive any comments on the proposed goal at the consultation meeting, it will continue to accept and consider all public comments received prior to formal adoption of the proposed goal, including those comments that may result from its publication of the proposed goal as explained below.

Publication of Proposed Goal

PCJPB published the proposed goal on the PCJPB’s website on August 5, 2022, which may be viewed below and at <https://www.caltrain.com/about-caltrain/office-civil-rights>. Note: The overall goal has changed since the publication of proposed goal and the stakeholder meeting.

Appendix 1: Publication of Goal on Caltrain website screenshot



Appendix 2: Caltrain Stakeholder Meeting invite screenshots

eventbrite.com/e/caltrain-and-samtrans-2023-2025-dbe-goals-virtual-stakeholders-workshop-tickets-395571343537?utm_campaign=Caltran_DBE&...



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Aug 12

Caltrain and SamTrans 2023-2025 -DBE Goals Virtual Stakeholders Workshop

Sales Ended

Details

Caltrain and SamTrans will hold a virtual joint stakeholder meeting for their 2023-2025 triennial FTA DBE Goals

By SUCCESS IN BUSINESS® & GOODWILL PIERRE LLC 4.8 · 14 reviews 127 followers Follow

When and where

Date and time

Fri, August 12, 2023,
10:00 AM - 11:00 AM PDT

Location

Online

About this event

The Peninsula Corridor Joint Powers Board ("Caltrain") and the San Mateo County Transit District ("SamTrans") will hold a virtual joint stakeholder meeting for its upcoming contracting opportunities for federal fiscal years 2023-2025.

Caltrain and SamTrans will both set new Disadvantaged Business Enterprise Goals for fiscal years 2023-2025. Any minority, women's and general contractor groups, community organizations, and other officials or organizations which may have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and Caltrain and SamTrans efforts to establish a level playing field for the participation of DBEs are welcome to register attend this virtual meeting.

We value your input and hope you will attend.

