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AGENDA

Peninsula Corridor Joint Powers Board Finance Committee Meeting

February 24, 2025, 2:30 pm

Bacciocco Auditorium, 2nd Floor
1250 San Carlos Avenue, San Carlos, CA 94070

Committee Members: Monique Zmuda (Chair), David J. Canepa, David Cohen

Members of the public may participate remotely via Zoom at <https://us02web.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, 1250 San Carlos Avenue, Bacciocco Auditorium - Second Floor, San Carlos, CA, or any other noticed location.

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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.

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

February 24, 2025 - 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
2. Oath of Office: David Cohen (representing Santa Clara Valley Transportation Authority)
3. Roll Call
4. Pledge of Allegiance / Safety Briefing
5. Public Comment on Items not on the Agenda
6. Consent Calendar
 - 6.a. Approval of Meeting Minutes for December 16, 2024 Motion
7. Authorize Executive Director to Execute a Primary Grant Agreement with the San Mateo County Transportation Authority for Future Measures A and W Funding** Motion
8. Awarding On-Call Transportation Planning and Consultant Support Services to Kimley-Horn and Associates, Inc.; Fehr & Peers; and Mott MacDonald Group, Inc. for an Aggregate Total Not-to-Exceed Amount of \$60 Million for a Five-Year Base Term and up to an Additional \$20 Million for Two One-Year Option Terms* Motion
9. Adopt Event Ticket Distribution Policy Motion
10. Adopt JPB Debarment Policy Motion
11. Receive Quarterly Financial Report for Fiscal Year 2025 Quarter 2 Results and Annual Outlook Informational
12. Committee Member Requests
13. Date/Time of Next Regular Finance Committee Meeting: March 24, 2025 at 2:30 pm
14. Adjourn

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

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 650.551.6108. Agendas are available on the Caltrain website at <https://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; JPB Technology, Operations, Planning, and Safety (TOPS) Committee: Two Wednesdays before the Board meeting, 1:30 pm. JPB Advocacy and Major Projects (AMP) Committee: Two Wednesdays before the Board meeting, 3:30 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

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Availability of Public Records

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

**Peninsula Corridor Joint Powers Board
Finance Committee
1250 San Carlos Avenue, San Carlos, CA 94070
DRAFT Minutes of December 16, 2024**

Members Present: Devora “Dev” Davis, Monique Zmuda (Chair)
Members Absent: Ray Mueller
Staff Present: R. Barnard, M. Bouchard, J. Brook, A. Burnett (Bell Burnett & Associates),
J. Harrison, L. Lumina-Hsu, M. Tseng, C. Valbuena, K. Yin, L. Zhang

1. Call to Order / Pledge of Allegiance / Safety Briefing

Chair Zmuda called the meeting to order at 2:30 pm, led the Pledge of Allegiance, and delivered the safety briefing.

2. Roll Call

Acting District Secretary Margaret Tseng called the roll and confirmed a quorum was present.

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

4. Consent Calendar

4.a. Approval of Meeting Minutes for November 18, 2024

4.b. Accept Statement of Revenues and Expenses for the Period Ended October 31, 2024

Motion/Second: Davis/Zmuda

Ayes: Davis, Zmuda

Noes: None

Absent: Mueller

5. Authorize Executive Director to Execute Amendment 1 to Contract 24-J-P-016 for On-Call Alternative Project Delivery Negotiation Support Services*

Robert Barnard, Chief, Rail Design & Construction, provided the presentation, which included the following:

- The contract was awarded in December of 2023
- Work directives were issued to support negotiation services for the following projects:
 - Broadway Burlingame Grade Separation Project (\$1.3 million)
 - Rengstorff Grade Separation Project (\$1.1 million)
- Project schedules for Broadway Burlingame and Rengstorff Avenue projects (\$2.4 million work directive total) were condensed and accelerated

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

- Contract terms: end date as 12-31-2028, plus two one-year options for 2029 and 2030
- Ensure that the resolution reflects the amended not-to-exceed contract capacity amount of \$3.15 million

Motion/Second: Davis/Zmuda

Ayes: Davis, Zmuda

Noes: None

Absent: Mueller

6. Award of On-Call Design Review Services Contract to TranSystems Corporation for a Total Not-To-Exceed Amount of \$8 Million for a Seven-Year Term

Kevin Yin, Director, Contracts and Procurement, provided the presentation, which included the following:

- Received three proposals from TranSystems Corporation of Berkeley, California, Arup US, Inc. of San Francisco, California, and Mott MacDonald Group, Inc. of San Jose, California
- TranSystems was selected as the highest ranked firm
- Staff will issue work directives for specific projects during the contract term on an as-needed basis
- Work directives issued under this contract will be funded by a variety of funding sources, which may include Federal, State, Regional, and Local revenues and grants from approved and future capital budgets

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

- Contract terms as five-years with two one-year options for a total of seven years
- Total number of bidders

Motion/Second: Davis/Zmuda

Ayes: Davis, Zmuda

Noes: None

Absent: Mueller

7. Award Contracts to COGENT Infotech Corporation, Domain Experts Corporation, and InterSources, Inc. for On-Call Full-Cycle and Sourcing Recruitment Services for an Aggregate Total Not-to-Exceed Amount of \$1,500,000 for a Five-Year Base Term, with up to Two Additional One-Year Option Terms

Mr. Yin provided the presentation, which included the following:

- 17 proposals received with one as non-responsive to requirements
- The Selection Committee conducted interviews with seven of the 16 firms, as these seven firms were found to be in the competitive range

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

- The contract is exclusive to the JPB for filling specialty positions within Rail Design & Construction
- Use of recruitment services for technical specific positions
- \$1.5 million budget anticipated amount for six positions annually

Motion/Second: Davis/Zmuda

Ayes: Davis, Zmuda

Noes: None

Absent: Mueller

8. Amend and Increase the Fiscal Year 2025 Capital Budget by \$17,000,000 from \$148,179,052 to \$165,179,052

Claudette Valbuena, Budgets Manager, provided the presentation, which included the following:

- Connecting Palo Alto project to receive \$17 million in reimbursable expenses from City of Palo Alto and VTA (Santa Clara Valley Transportation Authority) Measure B

Motion/Second: Davis/Zmuda

Ayes: Davis, Zmuda

Noes: None

Absent: Mueller

9. Receive Update on FY2025 Operating Budget and 10-Year Strategic Financial Plan

Michelle Bouchard, Executive Director, introduced Li Zhang, Chief, Rail Commercial and Business, and Alex Burnett, Principal, Bell Burnett & Associates, and noted the importance of understanding the 2025 budget baseline to update the strategic financial plan based on the line items in 2025.

Ms. Zhang and Mr. Burnett provided the presentation, which included the following:

- Original FY (fiscal year) 2025 Budget adopted June 2023 as part of first two-year budget process
- Budgeted expense at \$238 million and balanced with \$36 million additional Measure RR contribution
- Major issues FY2025 operating budget was facing at the start of the fiscal year included cost containment
- No negative impact on the transition to fully electric service
- Maintain the FY2025 total expense at the original adopted level
- Continue to monitor the FY2025 budget situation closely, implement additional cost saving measures, and provide updates during monthly/quarter financial reports
- Provide timely updates on revenue generation strategies throughout the year
- Overview of the strategic financial plan since January 2024 and provided key takeaways from the December 2024 strategic financial plan
- Review of growth and service assumptions, key assumptions and drivers, projected deficit, and operating deficit sensitivity

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

- Budget will include a placeholder wage increase for 2029
- Fuel hedge program is winding down as de minimus amount of diesel fuel purchased
- Union contract signed for four years beginning 2025
- Modeling different types of fare pricing structures. Last base fare increase was in February 2016
- Ridership growth rate tied to incremental service increases
- Energy cost assumption - Power supply and delivery costs from PG&E (Pacific Gas and Electric)
- Explore a point-to-point fare system to address the equity issue of crossing zone boundaries for short trips
- Marketing outreach possibilities: tourists, visitor and convention bureaus, and air travelers

Public Comment:

Adrian Brandt commented about KISS (Komfortabler Innovativer Spurtstarker S-Bahn-Zug) trains, labor efficiency, running shorter trains during off-peak times, and inequitable fare structure.

10. Committee Member Requests - There were none.

11. Date/Time of Next Regular Finance Committee Meeting: Monday, January 27, 2025 at 2:30 pm.

Chair Zmuda thanked Director Davis for her service. Director Davis announced her terming out celebration on Thursday at 5:00 pm at the Janet Gray Hayes Rotunda at San José City Hall.

12. Adjourn - The meeting adjourned at 4:21 pm.

DRAFT

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: Kate Jordan Steiner, Chief Financial Officer
For: March 2025 JPB Board of Directors Meeting
Subject: **Authorize Executive Director to Execute Primary Grant Agreement with the San Mateo County Transportation Authority for Future Measures A and W Funding**

Finance Committee Recommendation Technology, Operations, Planning, and Safety Committee Recommendation Advocacy and Major Projects Committee Recommendation

Purpose and Recommended Action

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

1. Execute a primary grant agreement with the San Mateo County Transportation Authority (TA) to be eligible to receive Measures A and W grants over the next 10 years; and
2. Certify that any funds awarded by the TA will be used to supplement existing funds for program activities, and will not replace existing funds or resources; and
3. Take such actions as may be necessary to give effect to this agreement.

Discussion

The TA has developed a new primary grant agreement through which the TA and project sponsors will document the structure of their relationships and related obligations. This will streamline and expedite future funding allocation processes and eliminate the need to execute separate funding agreements and memoranda of understanding, or amendments thereto, for each phase of each project. Concise individual project supplements will detail each funded project and any specifically associated requirements during the 10-year term of the primary grant agreement.

In order to be eligible for TA Measures A and W funding over the next 10 years, the TA requires sponsors' governing boards to adopt resolutions authorizing the sponsor's executive director, or designee, to sign a primary grant agreement with the TA.

Budget Impact

There is no impact to the budget. Projects funded through TA Measures A and W funding are approved by the Board as part of the adoption of, or amendments to, either the operating

budget or the capital budget. Project supplements provide the mechanism for JPB to receive funding from the TA to carry out approved projects.

Prepared By: Heather Salem Manager, Grants and Fund Programming January 10, 2025

Resolution No. 2025-

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

* * *

Authorize Executive Director to Execute a Primary Grant Agreement with the San Mateo County Transportation Authority for Future Measures A and W Funding

Whereas, on June 7, 1988, the voters of San Mateo County approved a ballot measure to allow the collection and distribution by the San Mateo County Transportation Authority (TA) of a half-cent transactions and use tax in San Mateo County for 20 years with the tax revenues to be used for highway and transit improvements pursuant to the Transportation Expenditure Plan presented to the voters (Original Measure A); and

Whereas, on November 2, 2004, the voters of San Mateo County approved the continuation of the collection and distribution of the TA of the Measure A half cent transaction and use tax for an additional 25 years to implement the 2004 Transportation Expenditure Plan, beginning January 1, 2009 (New Measure A); and

Whereas, on November 6, 2018, the voters of San Mateo County authorized a new one-half percent sales tax in San Mateo County for transportation purposes, and tasked the TA with administering four of the five transportation program categories described in the Congestion Relief Plan presented to the voters (Measure W); and

Whereas, the Peninsula Corridor Joint Powers Board (JPB) is eligible for funding under certain programs in the 1988 Transportation Expenditure Plan, 2004 Transportation Expenditure Plan, and the 2018 Congestion Relief Plan; and

Whereas, the TA requires a sponsor’s governing board to adopt a resolution authorizing the sponsor’s executive director, or designee, to sign a Primary Grant Agreement with the TA to receive Measures A and W grants over the next 10 years, and to take any other actions necessary to give effect to this resolution.

Now, Therefore, Be It Resolved by the Board of Directors of the JPB hereby:

1. Authorizes the Executive Director, or designee, to execute a primary grant agreement with the TA to be eligible to receive Measures A and W grants over the next 10 years; and
2. Certifies that any funds awarded by the TA will be used to supplement existing funds for program activities, and will not replace existing funds or resources; and
3. Authorizes the executive director, or designee, to take any other actions necessary to give effect to this resolution.

Regularly passed and adopted this 6th day of March, 2025 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: David Covarrubias, Deputy Chief Financial Officer
For: March 2025 JPB Board of Directors Meeting
Subject: **Awarding On-Call Transportation Planning and Consultant Support Services to Kimley-Horn and Associates, Inc.; Fehr & Peers; and Mott MacDonald Group, Inc. for an Aggregate Total Not-to-Exceed Amount of \$60 Million for a Five-Year Base Term and up to an Additional \$20 Million for Two One-Year Option Terms**



Finance Committee
Recommendation



Technology, Operations, Planning,
and Safety Committee
Recommendation



Advocacy and Major Projects
Committee Recommendation

Purpose and Recommended Action

Award of these On-Call Transportation Planning and Consultant Support Services (Services) contracts will provide the Peninsula Corridor Joint Powers Board (JPB) with a bench of qualified firms available to support the required and anticipated volume of the Services for rail planning. The Services consist of, but are not limited to, the following six (6) categories: (1) Operations Planning; (2) Capital Improvements, Stations and Facilities; (3) Connectivity, Active Transportation and Access Planning; (4) Business Planning, Commercial Strategies, Organization and Funding; (5) Models and Tools; and (6) Public and Stakeholder Outreach.

Staff proposes the Finance Committee recommend that the Board of Directors (Board) of the JPB:

1. Award contracts to the firms listed below for the provision of the Services for an aggregate not-to-exceed total of \$60 million for a five-year base term to be shared as a bench for authorized tasks:
 - a. Kimley-Horn and Associates, Inc. of San Mateo, CA (Kimley-Horn),
 - b. Fehr & Peers of Oakland, CA (Fehr & Peers), and
 - c. Mott MacDonald Group, Inc. of San Ramon, CA (Mott MacDonald).
2. Authorize the Executive Director or designee to execute professional services contracts with each of the above firms in full conformity with the terms and conditions of the solicitation documents and negotiated agreements, and in a form approved by legal counsel.

3. Authorize the Executive Director or designee, to exercise up to two additional one-year option terms with the above firms for up to \$10 million for each option term, to be shared in aggregate among the three firms, if deemed in the best interest of the JPB.

Discussion

Arup North America, Ltd; Fehr & Peers; HNTB Corporation; Kimley-Horn & Associates, Inc.; Mott MacDonald Group, Inc.; and WSP USA, Inc. currently provide on-call transportation planning and consultant services to the JPB under contracts for an aggregate not-to-exceed total of \$52,500,000, which will expire on December 31, 2025.

On September 3, 2024, the JPB issued Request for Proposals (RFP) 24-J-P-098 for On-Call Transportation Planning and Consultant Support Services. The JPB is responsible for a variety of transportation, transit, and railroad planning activities to develop policy, advance capital projects, develop infrastructure, and improve system capacity and performance. In addition, the JPB is charged with coordinating and leading efforts towards economic development, financial planning, business and transportation analytics, land use, real estate, design, and outreach services. An available bench of consultants will help the JPB fulfill these responsibilities by providing specialized expertise and support services.

The RFP was advertised on the JPB’s eProcurement website. Staff had a virtual pre-proposal conference on September 11, 2024; 25 potential proposers and 24 potential subconsultants attended.

By the October 29, 2024, due date, the JPB received proposals from nine firms:

1. Arup US, Inc., San Francisco, CA
2. Fehr & Peers, Oakland, CA
3. Hatch Associates Consultants, Inc., Oakland, CA
4. HDR Engineering, Inc., Santa Clara, CA
5. HNTB Corporation, Oakland, CA
6. Jacobs Engineering Group Inc., San Francisco, CA
7. Kimley-Horn and Associates, Inc., San Mateo, CA
8. Mott MacDonald Group, Inc., San Ramon, CA
9. WSP USA Inc., San Francisco, CA

A Selection Committee (Committee) composed of qualified staff from the JPB Planning Department, San Mateo County Transportation Authority (SMCTA), and Santa Clara Valley Transportation Authority (VTA), evaluated, scored, and ranked these proposals in accordance with the following weighted criteria:

Evaluation Criteria	Maximum Points
Team Composition, Qualifications and Reference	35 Points
Key Personnel and Staff Qualifications and Availability	55 Points
Reasonableness of Cost	10 Points
Small Business Enterprise (SBE) Preference	5 Points
Total	105 Points

After the initial scoring of proposals, six firms were found to be in the competitive range and were interviewed. Following the interviews, the Committee reached a consensus ranking based on each firm's proposal and interview performance, identifying Kimley-Horn and Associates, Inc., Fehr & Peers, and Mott MacDonald Group, Inc. as the top-ranked firms. The three highest-ranked firms possess the requisite experience and qualifications required for the successful performance of the scope of services as defined in the solicitation documents.

Staff successfully negotiated contract terms, including prices, with the three highest-ranked firms. Staff also conducted a price analysis and determined the negotiated prices to be fair, reasonable, and consistent with those currently paid by the JPB and other public agencies in the Bay Area for similar services.

Staff performed pre-bid outreach to certified Disadvantaged Business Enterprise (DBEs) and SBEs. Kimley-Horn and Associates, Inc., Fehr & Peers, and Mott MacDonald Group, Inc. committed to utilizing SBEs for this contract. The JPB may assign DBE goals to federally funded Work Directives (WDs).

Staff will engage these firms through WDs on a project-by-project and as-needed basis. Award of these contracts will not obligate the JPB to purchase any specific level of service from any particular firm.

Budget Impact

WDs will be funded by a variety of funding sources which may include Federal, State, Regional, and Local revenues and grants from approved and future operating and capital budgets.

Prepared By:	Terry Loo	Procurement Administrator	January 22, 2025
	Melissa Reggiardo	Manager, Caltrain Planning	January 23, 2025

Resolution No. 2025-

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

* * *

Awarding On-Call Transportation Planning and Consultant Support Services to Kimley-Horn and Associates, Inc.; Fehr & Peers; and Mott MacDonald Group, Inc. for an Aggregate Total Not-to-Exceed Amount of \$60 Million for a Five-Year Base Term and up to an Additional \$20 Million for Two One-Year Option Terms

Whereas, on September 3, 2024, the Peninsula Corridor Joint Powers Board (JPB or Caltrain) issued Request for Proposal (RFP) 24-J-P-098 for On-Call Transportation Planning and Consultant Support Services; and

Whereas, in response to the RFP, the JPB received nine proposals; and

Whereas, staff and legal counsel reviewed and found all nine proposals to be responsive to the requirements of the RFP; and

Whereas, a Selection Committee (Committee) composed of staff from the Caltrain Planning Department, San Mateo County Transportation Authority, and Santa Clara Valley Transportation Authority, evaluated, scored, and ranked the proposals in accordance with the weighted criteria set forth in the RFP and found six proposals were in the competitive range for interviews; and

Whereas, following the interviews, the Committee reached a consensus ranking based on each firm's proposal and interview performance, identifying the three top-ranked firms:

- Kimley-Horn and Associates, Inc. of San Mateo, California (Kimley-Horn),
- Fehr & Peers of Oakland, California (Fehr & Peers), and
- Mott MacDonald Group, Inc. of San Ramon, California (Mott MacDonald); and

Whereas, staff successfully negotiated contract terms, including prices, with the three top-ranked firms; and

Whereas, staff performed a price analysis and determined that the negotiated prices with all three firms are fair, reasonable, and consistent with those currently paid by the JPB and other public agencies in the Bay Area for similar services; and

Whereas, staff recommends the Board of Directors (Board) award a bench of contracts to Kimley-Horn, Fehr & Peers, and Mott MacDonald to provide the Services for an aggregate total not-to-exceed amount of \$60 million for a five-year term, and up to an additional \$20 million for two one-year option terms.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby awards a bench of contracts for On-Call Transportation Planning and Consultant Support Services to Kimley-Horn and Associates, Inc., Fehr & Peers, and Mott MacDonald Group, Inc. for an aggregate total not-to-exceed amount of \$60 million for a five-year term; and

Be It Further Resolved that the Board authorizes the Executive Director or designee to execute contracts on behalf of the JPB with Kimley-Horn and Associates, Inc., Fehr & Peers, and Mott MacDonald Group, Inc. in full conformity with the terms and conditions of the solicitation documents and negotiated agreements, and in a form approved by legal counsel; and

Be It Further Resolved that the Board authorizes the Executive Director or designee to exercise up to two one-year option terms for an additional aggregate total not-to-exceed amount of \$10 million for each option year, if deemed in the best interest of the JPB.

Regularly passed and adopted this 6th day of March, 2025 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: James Harrison, General Counsel
For: March 2025 JPB Board of Directors Meeting
Subject: **Adopt Event Ticket Distribution Policy**

Finance Committee
Recommendation

Technology, Operations, Planning,
and Safety Committee
Recommendation

Advocacy and Major Projects
Committee Recommendation

Purpose and Recommended Action

On occasion, the Peninsula Corridor Joint Powers Board (JPB or Caltrain) receives tickets to community events, including when it sponsors events to promote Caltrain’s mission. Under the Political Reform Act, tickets received by a public agency are subject to reporting requirements, and the distribution of tickets to agency officials must be made pursuant to a written ticket distribution policy that has been adopted by the governing board of the agency. Caltrain does not currently have a board-adopted policy governing the disbursement of tickets.

Staff recommends that the JPB Board of Directors (Board) adopt the proposed Event Ticket Distribution Policy (Attachment 1) to ensure that the distribution of tickets by the agency furthers a public purpose and complies with requirements of the Fair Political Practices Commission (FPPC).

Discussion

From time to time, Caltrain receives tickets to community events. In addition, Caltrain staff recently developed a policy regarding Caltrain’s sponsorship of community events to support Caltrain’s mission, such as promoting Caltrain service, and we anticipate that sponsorships may result in the receipt of event tickets. (Pursuant to the policy, sponsorship of community events must promote public transit, support the public transportation industry, promote equity and sustainable communities, or further Caltrain’s strategic goals. On occasion, organizations whose events Caltrain has sponsored provide Caltrain with tickets to the event, which allow the agency to send representatives to promote Caltrain service to the public and build relationships with community organizations and Caltrain’s customers.)

According to FPPC regulations, Caltrain is required to adopt a ticket distribution policy and report the distribution of tickets on FPPC Form 802. Because the distribution of these tickets serves a public purpose of the agency, the tickets therefore do not constitute a gift for the purposes of the Political Reform Act as long as the distribution is disclosed.

The proposed Policy applies to tickets that:

- i. Have been accepted by the Executive Director on behalf of the JPB;
- ii. Are for admission to a facility, event, show, or performance;
- iii. Are for a social, entertainment, amusement, recreational, or similar purpose;
- iv. Are either:
 - a. provided by the Executive Director, or designee, to an agency official, or
 - b. provided by the Executive Director, or designee, at the behest of an agency official;
- v. The agency official does not treat the ticket as income consistent with applicable state and federal income tax laws;
- vi. The agency official does not reimburse Caltrain for the ticket within 30 days of receipt;
- vii. The ticket is not earmarked by an outside source for use by a specific agency official; and
- viii. The agency official does not perform a ceremonial role on behalf of Caltrain at the event.

The proposed Policy does not apply to any other benefits received at the event, such as food and beverages, which are not provided to all members of the public with the same class of ticket. Tickets are defined under the Policy as “anything that provides access, entry, or admission to a specific future event or function for which similar tickets are sold to the public to view, listen to, or otherwise take advantage of the attraction or activity for which the ticket is sold.” A ticket does not include Caltrain distributed Clipper passes to employees and Directors for the purpose of riding Caltrain.

Under the relevant FPPC regulations, the distribution of a ticket is not a reportable gift for the purposes of the Political Reform Act if the distribution serves a public purpose, as defined in the agency adopted ticket policy. The FPPC has confirmed that the Political Reform Act does not regulate an agency’s use of public funds. Accordingly, the JPB may choose how it defines the public purpose under the Policy. The proposed Ticket Policy includes the following public purposes:

- i. to promote public transit and the broader public transportation industry;
- ii. to promote equity and sustainable communities;
- iii. to further Caltrain’s goals, allow the agency to reach target markets, or foster long-term relationships with organizations in Caltrain’s jurisdiction.

Additionally, the proposed Ticket Policy permits distribution of tickets to agency employees (other than the Executive Director or Board members) to support morale, retention, collaboration or recruitment, or to reward significant public service.

The proposed Policy establishes the distribution procedures that the Executive Director or designee must follow. Specifically, the Executive Director, or designee, may receive and

distribute tickets and determine whether the distribution of tickets furthers a public purpose. When a ticket is distributed, the Executive Director or designee must disclose the distribution on Form 802, file a copy with the FPPC in 30 days, and post the Forms or a summary of information online. The Executive Director or designee must also determine the face value of the tickets. The Policy prohibits transfer of tickets to anyone other than one guest attending with the official. Finally, tickets may be returned to the Executive Director and redistributed before the event.

Budget Impact

The proposed Ticket Policy does not have an impact on Caltrain’s budget.

Prepared By:	Anna Myles-Primakoff	Legal Counsel	February 5, 2025
	Quentin Barbosa	Associate	February 5, 2025

Resolution No. 2025-

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

* * *

Adopt Event Ticket Distribution Policy

Whereas, staff of the Peninsula Corridor Joint Powers Board (JPB or Caltrain) recently developed a sponsorship policy, which is likely to result in receipt of event tickets for officials to promote Caltrain service; and

Whereas, regulations adopted by the Fair Political Practices Commission (FPPC) require that any distribution of such tickets to or at the behest of an agency official must be made pursuant to a written agency ticket distribution policy adopted by the legislative body of the agency, or else the tickets constitute a reportable gift for the purposes of the Political Reform Act; and

Whereas, Caltrain does not have an agency adopted policy on the distribution of tickets, and accordingly staff have drafted a proposed Policy (Attachment 1) on Event Ticket Distribution to bring the agency in alignment with FPPC requirements; and

Whereas, the proposed Policy delegates authority to the Executive Director or designee to make distributions in accordance with the Policy and determine if the distribution satisfies one or more of the public purposes defined in the Policy; and

Whereas, in the event of a distribution, the proposed Policy requires the Executive Director or designee to disclose the distribution on FPPC Form 802, file a copy with the FPPC, and post the Form or summary of information on the Form, online; and

Whereas, the proposed Policy excludes from the definition of “ticket” any Caltrain distributed Clipper passes to employees for the purpose of riding Caltrain; and

Whereas, any ticket or pass not covered by the proposed Policy may be subject to other requirements, including the annual gift limit; and

Whereas, the proposed Policy prohibits transfers of tickets, but permits tickets to be returned to the Executive Director and redistributed before the event; and

Whereas, staff recommend that the Board of Directors adopt the proposed Policy and authorize the Executive Director, or her designee, to take any further necessary actions to implement the Policy.

Now, Therefore, Be It Resolved that the Board of Directors adopt the proposed Policy (Attachment 1) and authorize the Executive Director, or her designee, to take any further necessary actions to implement the Policy.

Regularly passed and adopted this 6th day of March, 2025 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

ATTACHMENT 1

ACCEPTANCE, DISTRIBUTION, USE, AND REPORTING OF TICKETS POLICY OF
THE PENINSULA CORRIDOR JOINT POWERS BOARD (TICKET POLICY)

1. Purpose

This Ticket Distribution Policy (Policy) is provided to ensure that the Peninsula Corridor Joint Powers Board's (Agency or Caltrain) distribution of tickets to community events, such as non-profit fundraisers, entertainment, amusement, recreational, or similar events and functions further a public purpose in accordance with title 2, section 18944.1, of the California Code of Regulations. Tickets that are distributed as provided in this Policy will not result in a reportable gift to the Agency official who receives the tickets.

2. Definitions

"Accept" means to take actual possession of a ticket or to take any action exercising direction or control over the ticket.

"Behest" means under the control or at the direction of, in cooperation, consultation, coordination, or concert with, at the request or suggestion of, or with the express, prior consent of an Agency official.

"Ceremonial Role" means "ceremonial role" as defined in title 2, section 18942.3, of the California Code of Regulations, as it now exists or as it may be amended in the future. Section 18942.3 presently defines a "ceremonial role" as an act performed at an event by an official as a representative of the official's agency at the request of the holder of the event or function where, for a period of time, the focus of the event is on the act performed by the official.

"Executive Director" means the Executive Director, or designee.

"Agency Official" means every member, officer, employee, or consultant of Caltrain who is required to file a Fair Political Practices Commission (FPPC) Statement of Economic Interests (Form 700) under state law or Caltrain's current conflict of interest code.

"Community Groups" means recognized community groups, non-profit organizations, schools, youth groups, and similar groups and organizations.

"Fair Value" means "fair value" as defined in title 2, section 18946, of the California Code of Regulations, as it now exists or as it may be amended in the future. Section 18946 presently defines "fair value" to mean the face value of the ticket or pass. When a ticket or pass does not have a face value indicated or has a face value that is not available to the general public, the "fair value" is the price at which the ticket or pass would otherwise be offered for sale to the general public by the operator of the venue or host of the event who offers the ticket for public sale. Where the price indicated on the ticket does not reflect the actual cost for a ticket in a luxury box or suite, the face value is determined by dividing the total cost of the box or suite by the number of tickets available for that box or suite.

"Pass" means a ticket that provides repeated access, entry, or admission to a facility or series of events for which similar passes are sold to the public.

ATTACHMENT 1

“Significant” means sufficiently great or important; to be worthy of attention.

“Ticket” means anything that provides access, entry, or admission to a specific future event or function for which similar tickets are sold to the public to view, listen to, or otherwise take advantage of the attraction or activity for which the ticket is sold. “Ticket” includes a “pass” as defined in this section, so that wherever this Policy uses the term “ticket,” it means both tickets and passes. A ticket includes any benefits that the ticket provides. “Ticket” does not include a Clipper pass or other travel pass provided by Caltrain directly to employees or Directors.

3. Applicability

- a. This Policy applies to a ticket only if all the following criteria are met:
 - i. it has been accepted by the Executive Director on behalf of the Agency;
 - ii. it is for admission to a facility, event, show, or performance;
 - iii. it is for a social, entertainment, amusement, recreational, or similar purpose;
 - iv. it is either:
 - a. provided by the Executive Director to an Agency official, or
 - b. provided by the Executive Director at the behest of an Agency official;
 - v. the Agency official does not treat the ticket as income consistent with applicable state and federal income tax laws;
 - vi. the Agency official does not reimburse Caltrain for the ticket within 30 days of receipt;
 - vii. the ticket is not earmarked by an outside source for use by a specific Agency official; and
 - viii. the ticket is not for an Agency official to perform a ceremonial role on behalf of Caltrain.

b. A ticket not covered by this Policy may be subject to separate disclosure requirements and the annual gift limit under the California Political Reform Act and related regulations. An Agency official who receives or behests a ticket not covered by this Policy is solely responsible for determining, and complying with, all reporting requirements and the annual gift limit applicable to such ticket.

c. This Policy applies only to the benefits that the Agency official receives from the ticket that are provided to all members of the public with the same class of ticket. If the Agency official receives benefits, such as food and beverages, that are not provided to all members of the public with the same class of ticket, then the Agency official shall treat those benefits as gifts unless the Agency official provides consideration of equal or greater value for the benefits.

d. The use of tickets is a privilege extended by Caltrain and not the right of any person to whom the privilege may from time to time be extended.

ATTACHMENT 1

e. An Agency official may not solicit or accept a ticket or pass in exchange for performing an official Agency act. An Agency official may not solicit a ticket or pass from anyone seeking or currently doing business with Caltrain.

4. Public Purpose

a. Tickets may only be distributed to, or at the behest of, an Agency official for one or more of the following public purposes of the Agency:

- i. to promote public transit and the broader public transportation industry;
- ii. to promote equity and sustainable communities;
- iii. to further Caltrain's goals, allow the Agency to reach target markets, or foster long-term relationships with organizations in Caltrain's jurisdiction.

b. The distribution of a ticket to an Agency official (other than a member of the Board of Directors or the Executive Director) for their personal use to support morale, retention, collaboration or recruitment, or to reward significant public service serves a public purpose of Caltrain. "Personal use" may include tickets for use by the Agency official and no more than one guest who attends the event or function in the company of the Agency official.

5. Distribution of Tickets

a. The Board of Directors delegates the authority to implement this Policy to the Executive Director or designee. The Executive Director or designee shall have the authority to determine whether the distribution of tickets and/or pass to a particular recipient furthers one or more of the public purposes described in section 4(a).

b. When a ticket is distributed, the Executive Director or designee must disclose the distribution in accordance with Section 18944.1(d) of Title 2 of the California Code of Regulations, on a form provided by the Fair Political Practices Commission.

- i. The Executive Director or designee shall maintain the original form as a public record.
- ii. The Executive Director or designee shall file copies of the form with the Fair Political Practices Commission within 30 days after the ticket or pass is distributed.
- iii. The Executive Director or designee shall file amendments to the form within 10 days after the issue that necessitates the amendment occurs.

c. All requests for tickets under this Policy must be made in accordance with these procedures.

d. The Executive Director or designee shall determine the face value of tickets for purposes of this Ticket Policy. In determining face value, the Executive Director shall refer to

ATTACHMENT 1

title 2, section 18946, of the California Code of Regulations, as it now exists or as it may be amended in the future.

6. Prohibition on Transfer

An Agency official who has received tickets under this Policy shall not transfer any of the tickets to any other person except to one guest solely for their attendance at the event in company of the Agency official.

7. Return of Tickets

An Agency official, or their guest, may return an unused ticket to the Executive Director or designee before the event takes place. A returned ticket may be redistributed in accordance with this Ticket Policy.

8. Reporting

Caltrain shall report the distribution of a ticket as required by title 2, section 18944.1, of the California Code of Regulations.

9. Website Posting

Caltrain shall post this Policy and all completed FPPC Form 802s, or a summary of the information on the Form 802, on its website.

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: David Covarrubias, Deputy Chief Financial Officer
For: March 2025 JPB Board of Directors Meeting
Subject: Adopt JPB Debarment Policy

Finance Committee
Recommendation

Technology, Operations, Planning,
and Safety Committee
Recommendation

Advocacy and Major Projects
Committee Recommendation

Purpose and Recommended Action

Adopting a proposed Debarment Policy would provide the Peninsula Corridor Joint Powers Board (JPB) with an administrative procedure to ban contractors from applying for, being awarded, or performing work under any JPB contract for a specified period of time. Debarment is separate and distinct from the process of a responsibility hearing for a single contract or limited group of contracts.

Staff proposes the Finance Committee recommend that the Board of Directors (Board) of the JPB:

1. Adopt the proposed Debarment Policy (Attachment A to the accompanying Resolution) to establish procedures and standards for review of contractor performance and possible debarment and/or suspension from participation in JPB procurements and contracts.
2. Authorize the Executive Director or designee to take any actions necessary to implement the Debarment Policy.

Discussion

In recent years, local governments across the Bay Area have adopted or revised their debarment policies in response to issues with contractors, including fraud and corruption. Most notably, the City and County of San Francisco updated its debarment procedures in 2020 in response to a federal law enforcement investigation and subsequent corruption conviction of former Public Works Director Mohammed Nuru and public contractor executives for bribery related to public contracts. One of the companies involved in the scandal, ProVen Management Inc., had several contracts with multiple Bay Area agencies, including the JPB, and in 2023, the City and County of San Francisco was among the local governments that debarred ProVen Management.

The JPB takes public integrity, its trusted position as a steward of taxpayer moneys, and the use of public funds, very seriously. Staff and legal counsel have prepared this policy on debarment

and suspension at the request of the Board to ensure there are fair procedures and standards for review of contractor performance when debarment may be warranted.

As described in the proposed policy, debarment is an administrative action taken by a government agency to ban contractors from applying for or receiving government contracts, and from performing work under government contracts. The grounds for debarment typically range from conviction, admission, or civil judgment concerning fraud, embezzlement, or similar offences, to serious violations of the terms of government contracts. Debarment may require an administrative hearing before contractors accused of misconduct are prohibited from receiving government funds. Suspension is the temporary exclusion of a contractor, pending the completion of debarment procedures. Overall, the debarment and suspension process is a broader determination of irresponsibility of a contractor for the general purpose of contracting with the agency for a specified period.

The proposed policy provides specific grounds for debarment, including: 1) criminal conviction, civil judgment, or admission of serious offenses related to business integrity and honesty, such as fraud, theft, or bribery; 2) serious violation of terms of government contracts, including a history of failure to perform, a pattern or practice of disregarding terms of contracts, unexcused delays or poor performance, and willful failure to perform under a contract; 3) any other serious or compelling cause reflecting an inability to perform honestly or comply with the terms of a contract; and 4) debarment by another government entity.

Additionally, the proposed policy establishes procedures for a fair review of contractors who are alleged to have engaged in misconduct that may warrant debarment. These procedures are designed to afford due process, including notice to the contractor; a hearing before a hearing officer appointed by the Executive Director (except in certain circumstances¹); timelines for the submission of documents or presentations from the contractor and the agency; an appeal process, and reconsideration for changed circumstances process. The proposed policy provides that, while debarment procedures are pending, contractors may be suspended from applying for, being awarded, or performing work on an agency contract.

Under the proposed policy, the JPB may opt to continue or terminate existing contracts with debarred contractors. In the event of a termination, the contractor may only receive compensation for work completed up to the date of notice of contract cancellation. The JPB may not extend or renew existing contracts with debarred or suspended contractors unless there is a compelling public interest in doing so. Finally, other contractors are prohibited from knowingly using a debarred contractor as a subcontractor; violation of this provision may subject the prime contractor to penalties, including debarment proceedings, rejection of a bid or proposal, or nonpayment for work performed by the debarred contractor.

Note that the debarment and suspension process is separate and distinct from a responsibility hearing for a single contract or identifiable group of contracts, through which an agency can

¹ The proposed policy does not require a hearing when debarment is based on a criminal conviction, judgment or admission; in case of debarment by a government entity following due process; or upon a Contractor's admission of the grounds for debarment.

determine that a contractor is not sufficiently responsible to work on a specific contract or set of contracts.

Staff for the San Mateo County Transit District and the San Mateo County Transportation Authority are also recommending that adoption of complementary debarment policies by those agencies' boards, which would allow Contracts and Procurement staff to administer the policy across all three agencies.

Budget Impact

There is no budget impact associated with adopting this policy.

Prepared By:	Kevin Yin	Director, Contracts and Procurement	February 10, 2025
	James Harrison	General Legal Counsel	February 7, 2025

Resolution No. 2025-

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

* * *

Adopt JPB Debarment Policy

Whereas, in recent years, local governments across the Bay Area have adopted or revised their debarment policies in response to issues with contractors, including fraud and corruption convictions; and

Whereas, a 2020 federal corruption investigation, and a subsequent criminal conviction, revealed the City and County of San Francisco's former Public Works Director Mohammed Nuru and public contractor executives engaged in bribery related to public contracts; and

Whereas, one of the companies involved in the scandal, ProVen Management Inc., had several contracts with multiple Bay Area agencies, including the Peninsula Corridor Joint Powers Board (JPB); and

Whereas, the JPB takes public integrity, its trusted position as a steward of taxpayer moneys, and the use of public funds very seriously; and

Whereas, staff and legal counsel have prepared the attached Debarment Policy at the request of the JPB Board of Directors (Board) to ensure there are fair procedures and standards for review of contractor performance when debarment may be warranted; and

Whereas, debarment is an administrative enforcement procedure that authorizes a government agency to ban contractors from applying for, receiving, or performing work under government contracts for a specified period of time; and

Whereas, suspension is a temporary exclusion of a contractor for applying for, receiving, or performing work under government contracts while debarment procedures are pending; and

Whereas, debarment and suspension are separate and distinct from the process of a responsibility hearing for a single contract or specifically identified group of contracts; and

Whereas, the proposed Debarment Policy, included as Attachment A, includes specific grounds for debarment, including: 1) criminal conviction, civil judgment, or admission of serious offenses related to business integrity and honesty; 2) serious violation of terms of government contracts; 3) any other serious or compelling cause reflecting an inability to perform honestly or comply with the terms of a contract; and 4) debarment by another government entity; and

Whereas, the proposed Debarment Policy includes due process procedures to ensure a fair review of contractors who are alleged to have engaged in misconduct that warrants debarment, such as notice to the contractor, a hearing before a hearing officer (with specified exceptions), an appeal process, and reconsideration for changed circumstances process; and

Whereas, the proposed Debarment Policy also would prohibit prime contractors from knowingly using a debarred contractor as a subcontractor; and

Whereas, staff is taking an identical proposed Debarment Policy to both the San Mateo County Transit District Board of Directors and the San Mateo County Transportation Authority Board of Directors to allow for uniform Contracts and Procurement administration across the three agencies.

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

Joint Powers Board hereby:

1. Adopts the proposed Debarment Policy as set forth in Attachment A; and
2. Authorizes the Executive Director or designee to take any actions necessary to implement the Debarment Policy.

Regularly passed and adopted this 6th day of March, 2025 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

ATTACHMENT A

[PROPOSED] DEBARMENT POLICY

I. PURPOSE

The purpose of this Debarment Policy is to establish procedures and standards for review of Contractor performance and possible debarment and/or suspension from participation in San Mateo County Transit District, Peninsula Corridor Joint Powers Board, and San Mateo County Transportation Agency (singularly referred to as “Agency” and collectively referred to as “Agencies”) procurements and contracts. This Policy is intended to ensure that the Agencies award contracts to responsive and responsible Contractors and preserve and protect the credibility and integrity of the Agencies' procurements and contracting practices.

This Policy does not apply to a determination of non-responsibility for a single contract or identifiable group of contracts, but rather to the broader determination of irresponsibility of a Contractor for the general purpose of contracting with the Agencies for a specified period. Accordingly, this Policy does not preclude the Agencies from rejecting a Contractor for not being responsible based on the requirements of a specific procurement outside of the debarment process set forth in this Policy.

To the extent a source of funding requires its own debarment procedures, those procedures apply.

II. PERSONS AFFECTED

All the Agencies' employees involved in the procurement process, contractors responding to the Agencies' issued solicitations, and their subcontractors.

III. DEFINITIONS

- A. **“Adequate Evidence”** means information sufficient to support the reasonable belief that a particular act or omission has occurred.
- B. **“Affiliate”** means (a) the assignee, successor, subsidiary of, or parent company, of the Contractor; or (b) a controlling stockholder of a Contractor; or (c) a person who has the same or similar management of the debarred Contractor; or (d) a person who directly or indirectly controls, or has the power to control, Contractor, or is directly or indirectly controlled by Contractor. Indicia of control include interlocking management or ownership, identity of interests among relatives, shared facilities and equipment, and common use of employees; or (e) a business entity organized following the debarment, suspension, or proposed debarment of a Contractor which has the same or similar management, ownership or principal employees as the bidder or contractor that was debarred, suspended or proposed for debarment, or the debarred person or the business entity created after the debarment, suspension,

- or proposed debarment operates in a manner designed to evade the application of this Policy or to defeat the purpose of this Policy.
- C. **“Contract”** means (a) any written agreement between the Agency and a Contractor for public works, equipment, goods, supplies, services, franchise, or consultant services, or (b) any subcontract entered into in furtherance of a contract for such goods and services.
- D. **“Contractor”** means any individual or any legal entity, including its officers and directors, that submits bids or proposals for, or may reasonably be expected to submit bids or proposals for, or be awarded, an Agency contract. The term Contractor includes a prime contractor/consultant, a subcontractor/subconsultant included in a bid or proposal for an Agency contract, vendor, franchisee, consultant, or any of their respective officers, directors, shareholders, partners, managers, employees, or other individuals acting as an agent or representative of the contractor/consultant, subcontractor/subconsultant, franchisee, consultant, or vendor.
- E. **“Debar or Debarment”** means an action taken by the Agency to exclude a Contractor or Affiliate from any of the following: bidding or proposing on an Agency contract; being awarded an Agency contract; or performing work on an Agency contract for a defined period of time. A Contractor or Affiliate so excluded is "debarred."
- F. **“Debarring Official”** means any official authorized to initiate and pursue an administrative Debarment proceeding on the Agency’s behalf. Each of the following officials may serve as a Debarring Official:
- (1) The Director of Contracts and Procurement Department;
 - (2) The General Manager/CEO, the Executive Director or designee;
 - (3) Any other official designated by the Board of Directors of the Agency to serve as a Debarring Official.
- G. **“Hearing Officer”** means the individual appointed by the General Manager/CEO or the Executive Director to oversee the debarment hearing, receive evidence and presentations of arguments, and decide on whether to debar a contractor and for how long. The hearing officer must meet the following requirements: 1) the individual was not involved in the procurement or management of the contract; and 2) the individual was not involved in the investigation or decision leading to the recommended debarment. The individuals selected as hearing officers may be Agency employees or individuals who are external to the organization.
- H. **“Preponderance of the Evidence”** means proof by information that, compared with that opposing it, leads to the conclusion that the fact at issue is more probably true than not.

- I. **“Suspend or Suspension”** means the action taken by the Agency's Director of Contracts and Procurement to temporarily exclude a Contractor or Affiliate from submitting or proposing on an Agency contract, from being awarded an Agency contract, or performing work on an Agency contract pending the completion of the Debarment Procedures set forth in this Policy.

IV. POLICY

A. Debarment

The Agency may, in the public interest, debar a Contractor for any of the grounds set forth in subsection B (Grounds for Debarment), using the procedures set forth in subsection C (Debarment Procedure). Debarment is the most severe limitation the Agency may impose upon a Contractor. The existence of grounds for debarment, however, will not necessarily require that the Agency debars a Contractor. The Agency will consider the totality of the circumstances, including the seriousness of the Contractor's acts or omissions and any mitigating factors. Staff shall establish internal guidelines to determine whether debarment is warranted and how long a period of debarment should last, and shall have the authority to amend them from time to time, subject to approval of the General Manager/CEO or the Executive Director. Debarment of a Contractor constitutes debarment of all divisions, or other organizational elements of the debarred contractor, unless otherwise specified in the debarment decision. Each individual Agency must make its own debarment decision regarding a Contractor, including a debarment on the basis of another Agency's debarment decision. (See Section IV.B(4) and Section IV.C(2).)

B. Grounds for Debarment

The Agencies may debar a Contractor for one or more of the following:

- (1) Criminal conviction, civil judgement, or admission of:
 - (i) Fraud, collusion, or any criminal offense in connection with obtaining or attempting to obtain or performing a public contract or subcontract.
 - (ii) Embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property or obstruction of justice.
 - (iii) Any other offense indicating a lack of business integrity or of business honesty which offense seriously and directly affects the responsibility of the Contractor, or the Contractor's ability or capacity to honestly perform under or comply with the terms and conditions of any contract issued by one or more of the Agencies.
- (2) Violation of the terms of any government contract or subcontract when the violation is so serious as to justify debarment, including:
 - (i) History of failure to perform or of unsatisfactory performance of one or more contracts.

- (ii) A pattern or practice of repudiating or disregarding the terms or conditions of Agency contract(s) including, without limitation, repeated unexcused delays or poor performance.
 - (iii) Willful failure to perform in accordance with a contract.
- (3) Any other cause that is so serious or compelling that it affects the responsibility of a Contractor, including any conduct relevant to the Contractor's ability or capacity to honestly perform under or comply with the terms and conditions of any contract issued by one or more of the Agencies. (See also Section I.)
- (4) Debarment by a federal, state or local government entity, on grounds consistent with the grounds for debarment set forth in this subsection.

C. Debarment Procedure

(1) Notice

The Debarring Official will initiate debarment proceedings by informing the Contractor, and any known Affiliates, of the debarment recommendation by certified mail, return receipt requested. The mailed notice will include the following information: (1) the Agency is considering debarment of the Contractor and any known Affiliates; (2) the grounds for debarment pursuant to Section IV.B above; (3) the reasons for the proposed debarment in terms sufficient to notify the Contractor of the conduct or transaction upon which debarment is proposed; (4) that the Contractor may submit, within 15 calendar days of the date of the Agency's mailed notice, a written response providing information or argument in opposition to the proposed debarment; (5) a copy of the Agency's Debarment Policy; (6) if applicable, notice of opportunity for a hearing (see subsection (2), Hearing, below); (7) notification that the failure to submit a response or request a hearing will be deemed an admission of the grounds for debarment; (8) effect of debarment; and (9) notice of suspension pending debarment, if applicable.

(2) Hearing

The Agency is not required to hold a hearing in debarment actions based upon a conviction, judgment or admission as set forth in subsection B(1) above; upon debarment by a federal, state or local government entity; or upon admission of the grounds for debarment by the Contractor, such as by failing to timely submit a written response or request a hearing. In such event, the General Manager/CEO or the Executive Director may proceed to issue a debarment decision. The General Manager/CEO or Executive Director will issue the debarment decision within 45 calendar days after the date of the Agency's mailed notice. Such decision is final.

Whenever a proposed debarment action is not based upon a conviction, judgment, admission or debarment by a federal, state or local government entity, and if the Agency finds that the Contractor's response raises a genuine dispute over facts relevant to the proposed debarment, the Agency shall conduct a fact-finding hearing. The General Manager/CEO or Executive Director shall appoint a hearing officer.

The hearing officer will notify the Contractor and Debarring Official of the scheduled hearing date, time, and place. The hearing officer has sole discretion over setting the hearing date, provided that the date must be within one hundred twenty (120) calendar days from the date the Debarring Official served the notice of proposed debarment. Discovery pursuant to the California Code of Civil Procedure and the formal rules of evidence are not applicable to this administrative procedure. Hearings may occur in person, on an electronic meeting platform if deemed necessary by the hearing officer, or in writing, as set forth below.

At the hearing, the Contractor may submit documents for consideration by the hearing officer and may present arguments. If the hearing officer determines, with the written agreement of each named Contractor and the Debarring Official, that the hearing shall be by written presentation, all final writings shall be due no later than one hundred twenty (120) days of the date the Debarring Official served the notice.

The hearing officer shall have the sole discretion to allow offers of proof, set time limitations, and limit the scope of evidence presented based on relevancy. The hearing officer may ask questions of any party. A transcript of the hearing will be prepared and made available to the Contractor at a reasonable cost, unless the Contractor and the Agency mutually waive the transcript requirement.

(3) Determination

The hearing officer will determine, by a preponderance of the evidence, whether a contractor is to be debarred and for what length of time or whether the debarment will be permanent. The hearing officer's decision will be issued, in writing, within thirty (30) calendar days of the date of the hearing.

(4) Appeal

A Contractor may appeal an adverse decision by the hearing officer to the Agency's General Manager/CEO or the Executive Director based on one or more of the following: (1) abuse of discretion; (2) a change in facts that is material to

the grounds for debarment; or (3) failure to follow the Agency's Debarment Policy. The Contractor must submit its appeal, in writing, within five (5) calendar days after the date of issuance of the debarment decision. The appeal must state the grounds for disputing the decision and must include a copy of the hearing officer's final determination.

The appeal must be sent to:

Board Secretary
San Mateo County Transit District/Peninsula Corridor Joint Powers
Board/San Mateo County Transportation Authority
1250 San Carlos Avenue
San Carlos, CA 94070
Ref: Debarment Decision Appeal

If a notice of appeal is timely filed, a hearing shall be set before the General Manager/CEO or the Executive Director, and a written notice of the hearing specifying the location, time and date of the hearing, which shall be held no sooner than ten (10) business days from the date of such notice of hearing, shall be served on the Contractor.

The hearing before the General Manager/CEO or the Executive Director shall be a *de novo* hearing. On appeal, the General Manager/CEO or the Executive Director may consider any issue or evidence relevant to the debarment decision, in addition to the specific grounds for the appeal. However, no new evidence may be presented at the hearing before the General Manager/CEO or the Executive Director.

If the Contractor wishes to submit any written argument supporting the appeal, then Contractor shall submit the written argument to the District/Board Secretary seven (7) calendar days before the scheduled hearing. Failure to submit a written argument does not preclude a person from presenting an oral argument at the appeal hearing.

If Contractor or Contractor's representative fail to submit a valid and timely notice of appeal from a decision of the hearing officer, the decision of the hearing officer shall be final and not subject to appeal.

If the Contractor or Contractor's representative fails to appear at a hearing before the General Manager/CEO or the Executive Director, for which notice has

been served, the decision of the hearing officer shall become final, and the period of debarment or suspension shall begin immediately.

D. Suspension Pending Debarment

While debarment proceedings are pending, and/or while legal proceedings of the type described in Section IV.B (Grounds for Debarment) above are pending, the Agency's Director of Contracts and Procurement, with the approval of the General Manager/CEO or the Executive Director, may suspend a Contractor based upon a determination that it is in the public interest and adequate evidence exists to support one or more of the grounds for debarment. The Director of Contracts and Procurement may also order suspension where a Contractor is engaged in pending litigation with any of the Agencies that could impact the ability of the parties to work cooperatively with each other. Upon notice of the suspension, a Contractor may request an informal meeting with the Director of Contracts and Procurement to appeal the suspension. The decision of the Director of Contracts and Procurement regarding any suspension will be final. While debarment proceedings are pending, and/or while legal proceedings of the type described in Section IV.B (Grounds for Debarment) above are pending, the Agency shall have the right, based on a compelling public interest, to enter into an agreement with a vendor in good standing for similar work, until such time that the proceedings have ended.

E. Effect of Debarment or Suspension

Debarred or suspended Contractors and Affiliates are excluded from submitting bids, submitting responses to requests for proposal or qualifications, receiving contract awards, executing contracts, or participating as a subcontractor, employee, agent or representative of another person contracting with the Agency. Any bids, proposals, or quotations submitted in violation of this subsection will not be accepted or evaluated by the Agency and may be considered a false claim as provided in the California Government Code. Except as set forth below, the Agency will not knowingly award, approve the award of a contract, or execute a contract with a debarred or suspended Contractor or under which a debarred or suspended Contractor will participate as a subcontractor.

A Contractor will not employ, subcontract with, or purchase materials or services from a debarred or suspended Contractor. The Agency will maintain a list of all debarred and suspended Contractors. The District/Board Secretary shall submit a semi-annual report to the Director of Contracts & Procurement that includes (1) the Contractors then subject to an Order of Debarment or Suspension and the expiration dates for the respective debarment terms; (2) the status of any pending debarment or suspension matters; and (3) any Order of Debarment or Suspension received by the District/Board Secretary since the date of the last report.

The Agency may continue or terminate contracts or subcontracts it has with a debarred Contractor that are in existence at the time the Contractor is debarred and/or suspended. In the event of such cancellation, the Suspended or Debarred Contractor's recovery under the contract or grant shall be limited to compensation for work satisfactorily completed as of the date of cancellation. The Agency shall not renew or otherwise extend the duration of current contracts, or consent to subcontracts, with debarred and/or suspended Contractors, unless the General Manager/CEO or the Executive Director certifies in writing the compelling public interest for such renewal or extension.

Any Contractor who enters into a contract with the Agency during a period of suspension or debarment, shall be liable to the Agency for increased costs incurred as a result of replacing the debarred or suspended Contractor.

A Contractor may submit a written Request for Reconsideration for Changed Circumstances to the General Manager/CEO or the Executive Director once following a debarment. The Request must be accompanied by supporting documentation and provide the reason that eliminates the need for the debarment or demonstrates that a shorter debarment period will adequately protect the public interest. The General Manager/CEO or the Executive Director's decision regarding such a request is final. Reasons to modify or lift a debarment include, without limitation, the following:

- (1) Newly discovered material evidence;
- (2) Reversal of the conviction, civil judgment or administrative decision upon which the debarment was based;
- (3) *Bona fide* change in ownership or management; or
- (4) Elimination of other grounds for which the debarment was imposed.

A person seeking a Contract or entering a Contract is prohibited from knowingly using a debarred Contractor. Violation of this provision may, as determined in the sole discretion of the Director of Contracts & Procurement, result in rejection of the bid or proposal, nonpayment by the Agency for work performed by the debarred Contractor, annulment of Contract award or termination of Contract, issuance of a stop work order, initiation of Debarment proceedings, or any other remedy provided by law.

F. Agreement Not to Bid or Submit Proposals in Lieu of Debarment

The Agency may offer a Contractor the opportunity to execute a written agreement not to bid or submit proposals or perform any work on contracts in lieu of the Agency pursuing debarment. Such an agreement does not constitute a debarment.

G. Effect on Executed Contracts

Nothing in this Policy shall be interpreted to limit or preclude the Agency from taking any other administrative or legal action against the Contractor, including enforcing

its rights and remedies under the terms and conditions of any specific contract, including contract terms regarding the Agency's right to suspend or terminate a contract for convenience, default, or breach.

Adopted: SMCTD Resolution No. 2025-XX (March __, 2025), PCJPB Resolution No. 2025-XX (March __, 2025), SMCTA Resolution No. 2025-XX (March __, 2025)

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: Kate Jordan Steiner, Chief Financial Officer
For: March 2025 JPB Board of Directors Meeting
Subject: **Receive Quarterly Financial Report Fiscal Year 2025 Quarter 2 Results and Annual Outlook**

Finance Committee Recommendation

Technology, Operations, Planning, and Safety Committee Recommendation

Advocacy and Major Projects Committee Recommendation

Purpose and Recommended Action

The Board will receive an update on the financial result for Fiscal Year 2025 (FY25) Quarter 2 (Q2) and a preliminary outlook for the remainder of FY25. This is an informational item.

Discussion

Fiscal Year 2025, Quarter 2 (FY25 Q2) – (July 2024 through December 2024)

Caltrain ended FY25 Q2 net position with deficit of \$4.9 million, which is 50 percent favorable compared to budgeted deficit of \$9.7 million. Much of the variance seen in these actuals compared to budget are due to timing of receipt of revenues as well as timing of posting of expenses. As of FY25 Q2:

- **Sources:** Total sources are below budget by \$6.4 million (6.1 percent), driven by:
 - Delayed LCFS (Low Carbon Fuel Standard)/LCTOP (Low Carbon Transit Operations Program)/SRA (State Rail Assistance) funding \$6.5 million (100 percent), which is anticipated in Quarter 3 (Q3) / Quarter 4 (Q4);
 - Unfavorable Measure RR sales tax \$0.7 million (1.0 percent) as outlook adjusted downward, anticipate little to no year-over-year growth but outlook increases in Fiscal Year 2026 (FY26) / Fiscal Year 2027 (FY27);
 - Unfavorable Operating Grants revenues \$0.6 million (10.5 percent) attributable to timing, expect to fully resolve by year-end, no grants are from federal sources;
 - Unfavorable Go Pass revenues \$0.5 million (5.6 percent);
 - Delayed Member Agency (VTA (Santa Clara Valley Transportation Authority) – Gilroy) revenues \$0.5 million (100 percent) which we anticipate receipt in late Q3 or early Q4.

These below budget items are partially offset by better-than-budget:

- Other income \$1.3 million (63.7 percent) driven by favorable interest rates and cash holdings when compared to plan.
- Caltrain fares \$0.6 million (3.5 percent) demonstrating continued ridership gains.
- Parking revenue \$0.3 million (28.7 percent) with observed increased demand alongside ridership.
- **Expenses:** Uses of funds were below budget by \$11.2 million (9.7 percent), mainly due to:
 - Timing delays in contractor invoicing and work ramping up in second half of fiscal year, debt service, and vendor payments
 - Vacancy savings.

Fiscal Year 2025 Quarter 2 (FY25 Q2) Year End Forecast

The FY25 Q2 Year End Forecast projects to end FY25 with a deficit of \$28.8 million, or \$0.6 million (1.9 percent) better than budgeted deficit of \$29.4 million. This is due to strong farebox revenues and labor vacancy savings; partially offset by declining Go Pass/sales tax revenue, above budget claims, LOC (line of credit) interest expense, and security services.

Forecast Revenues: Total Sources of funds are forecasted to be \$0.7 million (0.3 percent) above budget mainly driven by:

- Projected favorable Other Income \$1.4 million (34.6 percent) due primarily to interest earned from CAMP (California Asset Management Program) as we are able to maintain higher balances coupled with higher interest rates for longer than expected
- Projected favorable Caltrain farebox and parking revenues combined \$2.1 million (5.3 percent) driven by strong ridership post electrification

The above budget revenue items are partially offset by:

- Projected unfavorable Go Pass revenues \$1.4 million (8.6 percent) mainly due to loss of Adobe from program
- Projected unfavorable Measure RR sales tax revenue \$1.3 million (1.1 percent) driven by slower sales growth as stubborn inflation and uncertain economic conditions persist

Forecast Expenses: Total Uses of funds are forecasted to be \$0.1 million (0.04 percent) above budget mainly driven by:

- Projected unfavorable Other Office Expense and Services \$1.1 million (22.9 percent), driven by interest payments related to line of credit, increased costs for Moovel (Caltrain's ticketing/ fares app) driven by the contract amendment processed in October 2024, and unbudgeted computer equipment.

- Projected unfavorable Security Services \$0.7 million (7.4 percent) driven by latest contract which reflects both higher rates but also additional guards as well as armed guards
- Projected unfavorable Claims, Payments, and Reserves \$0.5 million (15.0 percent) due to frequency and magnitude of claims and ensuring reserves align with evolving liabilities.

The above budget expense items are partially offset by:

- Projected favorable Wages and Benefits \$1.3 million (6.5 percent) driven by vacancy savings
- Projected favorable Facilities and Equipment Maintenance \$0.7 million (6.6 percent) due to savings in contract services for storage costs, marketing costs, and deferred Broadband O&M (Operations and Maintenance)

Staff will provide another forecast update before the Board after FY25 Q3 closes.

Budget Impact

This is an informational item. There is no budget impact.

Prepared By: Kate Jordan Steiner Chief Financial Officer

February 03, 2025