

Receive Update on Shared Services Agreement Between Caltrain and SamTrans

JPB Board Meeting
January 8, 2026



Background

- SamTrans, VTA, CCSF and JPB approved Governance MOU in August 2022
- MOU requires negotiation and execution of Shared Services Agreement between SamTrans and Caltrain
- Shared Services Agreement to govern the provision of fully and partially shared services from SamTrans to Caltrain, including scope and evaluation of services
- Workshop, followed by numerous meetings between SamTrans GM and Caltrain ED and counsel, led to current draft of Shared Services Agreement



Roles and Responsibilities

- SamTrans GM directs and controls shared and partially shared services employees and has sole authority over the selection, hiring, review, compensation, and termination of those employees
- JPB has sole authority to select, hire, review, compensate, and terminate the Caltrain ED
- Caltrain ED directs and controls rail employees and has sole authority over hiring, selection, compensation, and termination of those employees
- Role of SamTrans is to support the JPB through the provision of fully and partially shared services



Fully Shared Services

- Human Resources
- Contracts and Procurements
- Information Technology
- Civil Rights
- Accounting
- Treasury
- District Secretary's Office
- Sustainability Planning



Partially Shared Services

- Budgets and Finance
- Communications, Government and External Affairs
- Real Estate
- Grants
- Security



Caltrain Work Plans

- Collaborative development of functional work plans to identify projects and type of activities in each functional service area required by Caltrain for the two-year budget cycle to determine the level of shared services required to deliver services identified in the work plans
- Quarterly evaluation and updates to reflect changes and address issues



KPIs

- Joint development of key performance indicators to measure SamTrans's and Caltrain's performance under Shared Services Agreement
- Development of performance dashboard
- Annual reporting to JPB and SamTrans Boards at public meetings within 3 months of end of FY



Conflict Walls

- Where JPB/SamTrans are adverse or potentially adverse, wall between shared services staff dedicated to support each side, e.g.:
 - When SamTrans and Caltrain are on different sides of a transaction
 - When SamTrans and Caltrain compete for same pool of funds
 - When SamTrans and Caltrain have different interests in matters pending before other bodies, e.g., MTC, Caltrans, Legislature, FTA, Congress
- Establish protocols and distribute memorandum to ensure confidential information is not disclosed from one side to the other



Conflict Resolution

- Process for addressing disputes under Governance MOU and Shared Services Agreement:
 - Level 1: Directors/Chiefs
 - Level 2: GM and ED
 - Level 3: Board Chairs or Vice Chairs
 - Level 4: Alternative Dispute Resolution



Cooperation in Recruitment and Performance Evaluation

- Cooperation in recruitment of key personnel who provide shared/partially shared services and JPB MOU positions
- Input on performance and goal setting for leaders of shared/partially shared services departments and those employees who are primarily dedicated to providing services to Caltrain



Reconsideration of ICAP

- 12-month timeline to evaluate Internal Cost Allocation Plan (ICAP) and assess potential modifications
- Explore direct charge methodology
- Develop a process for SamTrans to invoice Caltrain with sufficient detail to allow Caltrain to verify the charges and for a biennial audit of ICAP charges with a true-up mechanism to address any errors in the preceding two-year budget cycle



Term

- Agreement remains in effect until:
 - (1) Parties mutually agree to amend or terminate the Agreement or
 - (2) One year after SamTrans notifies Caltrain that it will no longer serve as Managing Agency



Next Steps

- Board consideration of Shared Services Agreement
- Develop SOPs and KPIs in tandem
- Review ICAP and assess potential changes



Questions / Discussion



FOR MORE INFORMATION

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