



BOARD OF DIRECTORS 2020

DAVE PINE, CHAIR  
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JEANNIE BRUINS  
CINDY CHAVEZ  
RON COLLINS  
STEVE HEMINGER  
CHARLES STONE  
SHAMANN WALTON  
MONIQUE ZMUDA

JIM HARTNETT  
EXECUTIVE DIRECTOR

# AGENDA

## PENINSULA CORRIDOR JOINT POWERS BOARD

### Finance Committee Meeting

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

**Due to COVID-19, this meeting will be conducted via teleconference only (no physical location) pursuant to the [Governor's Executive Orders N-25-20 and N-29-20](#). Directors, staff and the public may participate remotely via Zoom at <https://zoom.us/j/92427909005> for audio/visual capability or by calling 1-669-900-9128, Webinar ID: #924 2790 9005 for audio only. The [video live stream will be available](#) during or after the meeting at <http://www.caltrain.com/about/bod/video.html>**

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

Oral public comments will also be accepted during the meeting through Zoom or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Use the Raise Hand feature to request to speak. For public participants calling in, dial \*67 if you do not want your telephone number to appear on the live broadcast. Callers may dial \*9 to use the Raise the Hand feature for public comment. 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.

**May 26, 2020**

**2:30 pm**

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

3. Public Comment on Items not on the Agenda

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

- |  |               |
|--|---------------|
| 4. Approve Meeting Minutes of April 27, 2020   | MOTION        |
| 5. Finance and Ridership Updates – COVID-19  | INFORMATIONAL |
| 6. Accept Statement of Revenues and Expenditures April 2020  | MOTION        |
| 7. Adoption of Fiscal Year 2021 Interim Operating Budget and Fiscal Year 2021 Capital Budget   | MOTION        |
| 8. Provide an Extension of Current Go Pass Term for All Current Participants Impacted by COVID-19 Shelter in Place Order   | MOTION        |
| 9. Award of Contract for Law Enforcement Services  | MOTION        |
| 10. Award of Contracts for Provision of Investment Management and Custody and Safekeeping Services   | MOTION        |
| 11. Execution of Contracts for Information Technology Licenses, Maintenance Services, and Professional Services  | MOTION        |
| 12. Execution of Contracts for Technology-Related Products and Services through Piggybacking Contracts and Cooperative Purchasing Programs   | MOTION        |
| 13. Authorize Amendments to Contracts for On-Call Railroad Business Operations and Systems Support Services  | MOTION        |
| 14. Authorize Amendment to On-Call Electrification Support Services Contract for the Peninsula Corridor Electrification Project (PCEP)   | MOTION        |
| 15. Authorize Amendment to On-Call Program Management Support Services Contract for the Peninsula Corridor Electrification Project (PCEP)  | MOTION        |
| 16. Committee Member Requests  |               |
| 17. Date/Time of Next Regular Finance Committee Meeting: Monday, June 22, 2020 at 2:30 pm, via Zoom or at San Mateo County Transit District Administrative Building, 2 <sup>nd</sup> Floor, 1250 San Carlos Avenue, San Carlos, CA |               |
| 18. 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](http://www.caltrain.com). Communications to the Board of Directors can be e-mailed to [board@caltrain.com](mailto:board@caltrain.com). *Free translation is available; Para traducción llama al 1.800.660.4287; 如需翻译 请电1.800.660.4287*

### **Date and Time of Board and Committee Meetings**

JPB Board: First Thursday of the month, 9:00 am; JPB Finance Committee: Fourth Monday of the month, 2:30 pm. Date, time and location of meetings may be changed as necessary. Meeting schedules for the Board and committees are available on the website.

### **Location of Meeting**

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

### **Public Comment\***

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

### **Accessible Public Meetings/Translation**

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

### **Availability of Public Records**

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

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

**MINUTES OF APRIL 27, 2020**

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

**MEMBERS ABSENT:** None

**STAFF PRESENT:** D. Hansel, S. van Hoften, G. Martinez, A. Chan, P. Skinner, J. Cassman, D. Seamans, S. Wong

**1. CALL TO ORDER/PLEDGE OF ALLEGIANCE**

Chair Dev Davis called the meeting to order at 2:34 pm and led the Pledge of Allegiance.

**2. ROLL CALL**

District Secretary Dora Seamans called the roll and confirmed all present.

**3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA**

Director Dev Davis announced that she would allow three minutes per speaker.

Roland Lebrun, San Jose, commented on Zoom, the Caltrain presentation, video links, SB (Senate Bill) 797, capacity improvements, and Gilroy train capacity.

Aleta Dupree, Oakland, commented on earning interest and the Clipper mobile payment application.

**4. APPROVAL OF MEETING MINUTES OF MARCH 23, 2020**

Motion/Second: Zmuda/Collins

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

**5. FINANCE AND RIDERSHIP UPDATES – COVID-19**

Jim Hartnett, Executive Director, provided updates, which included the following: overall ridership was down substantially (98 percent on weekdays), the number of trains are down from 92 to 42 trains per day, Federal funds of \$49 million will help cover losses through the end of the fiscal year. He reported that MTC (Metropolitan Transportation Commission) created a Blue Ribbon Task Force to determine distribution of funds and that it will choose how to distribute the remaining balance in July.

Michelle Bouchard, Chief Rail Officer, provided an update on operations ridership and construction activities. She confirmed the reduction of trains from 92 to 42 trains daily and once every 90 minutes on the weekend. Ms. Bouchard said they are monitoring physical distancing and masks on platforms and on board, and the majority of riders are in compliance. She reported that they have alleviated operating budget costs by

shifting work to capital. For example, they have shifted staff that were previously working on operating and maintenance tasks to state of good repair tasks and construction support. Ms. Bouchard said they have reduced overtime, and that the CARES Act (Federal funding) have allowed Caltrain to forestall furloughs and allow maximum planning flexibility when services reopen. She said physical distancing will be a challenge in their goals of driving ridership. They have found opportunities to advance essential projects due to shelter in place, such as the 25<sup>th</sup> Ave Grade Separation, South San Francisco, and PCEP (Peninsula Corridor Electrification Project).

Derek Hansel, Chief Financial Officer, provided a financial update. He said it has been a period of financial challenges and that the biggest issue is shepherding cash until the influx of Federal funds. He said they have drawn \$10 million against the operating line of credit and subsequently drawn \$15 million against the electrification capital line of credit and thanked their JP Morgan providers. He said they would bring an interim budget (July through September) forward in this Committee's May meeting for approval by the Board in June to fund operations, capital projects, and address irregular expenditures. Mr. Hansel said they are looking to delay the July adopted fare increase. He said they are planning for the space between the end of Federal funds and beginning of ridership recovery.

Public comment

Jeff Carter, Millbrae, commented on the Zoom link.

Roland Lebrun, San Jose, commented on the Zoom link, decreased ridership, reducing pay, and facial coverings in Santa Clara County.

Aleta Dupree, Oakland, commented on the Zoom link, Clipper discount, fare increases, and railroad repair opportunities.

The Board members had a robust discussion and staff provided further clarification in response to the Board comments and questions. Topics included ridership returns, facial coverings, weekday service, idling trains complaint, and Federal funds coverage.

**6. ACCEPT STATEMENT OF REVENUES AND EXPENDITURES MARCH 2020**

Derek Hansel, Chief Financial Officer, informed the Board that the forecast column was removed as it did not provide accurate information given current circumstances.

Public Comment:

Roland Lebrun, San Jose, commented on ridership returns, platforms, train domains, and idling at Diridon.

The Board members had a robust discussion and staff provided further clarification in response to the Board comments and questions. Topics included monthly passes, budget processes for next year (submitting to County auditor), use of reserves, monthly revenues, mask vending machines, fuel cost smoothing, and frozen fare increases.

Motion/Second: Collins/Zmuda

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

## **7. AWARD OF CONTRACTS FOR ON-CALL TRANSPORTATION PLANNING & SUPPORT SERVICES**

Julie Taylor, Director of Contracts and Procurement, reported that they would like to award contracts to six firms, with \$25 million not to exceed five years. She stated that there were two one-year option terms, with \$5 million for each of those years and that these firms would be engaged through a work directive process on a project-by-project basis. Ms. Taylor reported that 82 firms attended a pre-proposal conference online; Caltrain received nine proposals. She stated that there is no specific Disadvantaged Business Enterprise (DBE) goal for this request for proposal (RFP), which is the norm, but a goal will be assigned to each work directive that supports a Federally funded project. Ms. Taylor said the selection committee consisted of staff from Caltrain, City of San Jose, and San Francisco's transportation divisions and six firms were found to be competitive and were then interviewed. The current contracts expire in August.

Director Davis requested an update to the Board on an annual or semi-annual basis in regards to how much was spent and with which firm, especially in light of current fiscal circumstances and the amount awarded. Ms. Taylor acknowledged the request and Mr. Hansel noted that he would work with Ms. Taylor and Ms. Bouchard to bring a report forward for the Board's consideration.

### Public Comment:

Roland Lebrun, San Jose, commented on on-call contracts, awarded firms, and face mask distribution.

The Board members had a robust discussion and staff provided further clarification in response to the Board comments and questions regarding distribution of projects to firms, firm pay rates, and assignment of projects.

**Motion/Second: Zmuda/Collins; Approved with an amendment that the Executive Director or designee provide periodic updates regarding the expenditure and scope of work included in the contract.**

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

## **8. COMMITTEE MEMBER REQUESTS**

None.

## **9. DATE/TIME OF NEXT REGULAR FINANCE COMMITTEE MEETING**

Chair Davis announced that the next meeting would be Tuesday, May 26, 2020 via Zoom, due to stay at home orders.

## **10. ADJOURN**

The meeting adjourned at 3:53 pm.

Finance Committee Meeting  
Minutes of April 27, 2020

An audio/video recording of this meeting is available online at [www.caltrain.com](http://www.caltrain.com). Questions may be referred to the Board Secretary's office by phone at 650.508.6279 or by email to [board@caltrain.com](mailto:board@caltrain.com).

DRAFT

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

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

**ACTION**

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

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

**SIGNIFICANCE**

**Year to Date Revenues:** As of April year-to-date actual, the Total Revenue (page 1, line 17) is \$2.6 million lower than the prior year. This is primarily driven by Farebox Revenue (page 1, line 1) and Operating Grants (page 1, line 11), partially offset by increases in JPB Member Agencies Contributions (page 1, line 12).

**Year to Date Expenses:** As of April year-to-date actual, the Grand Total Expense (page 1, line 49) is \$3.5 million higher than the prior year-to-date actual. This is primarily due to increases in Rail Operator Service (page 1, line 23), Wages and Benefits (page 1, line 38), Professional Services (page 1, line 41), and Long Term Debt Expense (page 1, line 47). The increases are partially offset by decreases in Claims, Payments, and Reserves (page 1, line 30), Managing Agency Admin OH Cost (page 1, line 39), and Other Office Expenses and Services (page 1, line 43).

**Other Information:** Starting in January 2019, the Agency modified the basis of reporting from accrual basis to modified cash basis (only material revenues and expenses are accrued) in monthly financial statements. The change in the accounting basis is not retroactively reflected in the prior year actual. As such, the monthly variance between the prior year and the current year actual may show noticeable variances for some line items on the financial statements.

Due to the impact of Covid-19 pandemic in the farebox revenues and other major line items in the financial statements, the forecast column was eliminated from the



reports until more information are available for accurate revenue and expense forecast.

**BUDGET IMPACT**

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

**STRATEGIC INITIATIVE**

This item does not achieve a strategic initiative.

Prepared By : Danny Susantin, Accountant III

650-622-8073

Jennifer Ye, Manager, General Ledger

650-622-7890

## PENINSULA CORRIDOR JOINT POWERS BOARD

### STATEMENT OF REVENUE AND EXPENSE

Fiscal Year 2020

April 2020

% OF YEAR ELAPSED

83.3%

	YEAR TO DATE					ANNUAL
	PRIOR	CURRENT	\$	%	CURRENT	APPROVED
	ACTUAL	ACTUAL	VARIANCE	VARIANCE	AS A % OF BUDGET	BUDGET
<b>REVENUE</b>						
OPERATIONS:						
1 Farebox Revenue	84,793,550	79,348,545	(5,445,006)	(6.4%)	74.9%	106,000,000
2 Parking Revenue	4,417,731	3,655,591	(762,140)	(17.3%)	68.5%	5,335,000
3 Shuttles	1,632,850	1,670,612	37,761	2.3%	66.7%	2,503,200
4 Rental Income	1,568,094	1,956,714	388,620	24.8%	95.0%	2,060,540
5 Other Income	2,143,230	2,809,059	665,828	31.1%	160.2%	1,753,450
6						
7 <b>TOTAL OPERATING REVENUE</b>	<b>94,555,456</b>	<b>89,440,520</b>	<b>(5,114,936)</b>	<b>(5.4%)</b>	<b>76.0%</b>	<b>117,652,190</b>
8						
CONTRIBUTIONS:						
9 AB434 Peninsula & TA Shuttle Funding	1,440,488	2,115,793	675,306	46.9%	121.7%	1,737,950
10 Operating Grants	5,475,506	4,335,253	(1,140,253)	(20.8%)	81.4%	5,327,497
12 JPB Member Agencies	22,165,000	25,104,921	2,939,921	13.3%	83.9%	29,921,971
13 Use of Reserves	-	-	-	0.0%	0.0%	1,064,614
14						
15 <b>TOTAL CONTRIBUTED REVENUE</b>	<b>29,080,993</b>	<b>31,555,967</b>	<b>2,474,974</b>	<b>8.5%</b>	<b>82.9%</b>	<b>38,052,032</b>
16						
17 <b>GRAND TOTAL REVENUE</b>	<b>123,636,450</b>	<b>120,996,487</b>	<b>(2,639,963)</b>	<b>(2.1%)</b>	<b>77.7%</b>	<b>155,704,222</b>
18						
<b>EXPENSE</b>						
OPERATING EXPENSE:						
23 Rail Operator Service	70,571,335	73,460,584	2,889,249	4.1%	80.9%	90,817,696
24 Positive Train Control	34,988	344,375	309,387	884.3%	14.3%	2,400,000
25 Security Services	5,289,405	4,872,062	(417,343)	(7.9%)	74.4%	6,544,183
26 Shuttles Services	3,300,159	3,349,034	48,875	1.5%	63.3%	5,290,100
27 Fuel and Lubricants	8,672,856	8,265,007	(407,849)	(4.7%)	75.1%	11,003,417
28 Timetables and Tickets	87,245	58,099	(29,147)	(33.4%)	40.5%	143,500
29 Insurance	3,498,105	3,605,396	107,291	3.1%	80.0%	4,506,064
30 Claims, Payments, and Reserves	599,870	(69,829)	(669,699)	(111.6%)	(7.3%)	951,794
31 Facilities and Equipment Maint	1,763,869	1,900,378	136,509	7.7%	56.9%	3,339,391
32 Utilities	1,571,427	1,571,664	237	0.0%	74.6%	2,105,422
33 Maint & Services-Bldg & Other	786,037	1,117,688	331,651	42.2%	71.3%	1,567,930
34						
35 <b>TOTAL OPERATING EXPENSE</b>	<b>96,175,296</b>	<b>98,474,458</b>	<b>2,299,162</b>	<b>2.4%</b>	<b>76.5%</b>	<b>128,669,496</b>
36						
ADMINISTRATIVE EXPENSE						
37 Wages and Benefits	8,520,172	9,873,027	1,352,854	15.9%	81.9%	12,061,633
38 Managing Agency Admin OH Cost	5,805,634	3,598,588	(2,207,046)	(38.0%)	70.6%	5,098,065
40 Board of Directors	16,795	10,024	(6,770)	(40.3%)	68.7%	14,600
41 Professional Services	1,896,116	3,789,504	1,893,389	99.9%	88.6%	4,275,583
42 Communications and Marketing	230,395	239,720	9,325	4.0%	79.5%	301,500
43 Other Office Expenses and Services	2,704,408	1,560,402	(1,144,006)	(42.3%)	59.0%	2,643,572
44						
45 <b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>19,173,520</b>	<b>19,071,266</b>	<b>(102,253)</b>	<b>(0.5%)</b>	<b>78.2%</b>	<b>24,394,953</b>
46						
47 Long Term Debt Expense	886,412	2,186,864	1,300,452	146.7%	82.8%	2,639,773
48						
49 <b>GRAND TOTAL EXPENSE</b>	<b>116,235,228</b>	<b>119,732,589</b>	<b>3,497,361</b>	<b>3.0%</b>	<b>76.9%</b>	<b>155,704,222</b>
50						
51 <b>NET SURPLUS / (DEFICIT)</b>	<b>7,401,222</b>	<b>1,263,899</b>	<b>(6,137,323)</b>	<b>(82.9%)</b>		<b>(0)</b>



**PENINSULA CORRIDOR JOINT POWERS  
BOARD STAFF REPORT**

TO: JPB Finance Committee

FROM: Jim Harnett  
Executive Director

Michelle Bouchard  
Chief Operating Officer

Derek Hansel  
Chief Financial Officer

SUBJECT: **ADOPTION OF FISCAL YEAR 2021 INTERIM OPERATING BUDGET AND  
FISCAL YEAR 2021 CAPITAL BUDGET**

**ACTION**

Staff Coordinating Council (SCC) recommends the Board:

1. Adopt a Fiscal Year 2020-21 (FY2021) Interim, First Quarter Operating Budget of \$43,189,267
2. Adopt an FY2021 Interim Capital Budget of \$19,119,479

**SIGNIFICANCE**

In the development of the interim Operating and annual Capital Budgets for the Peninsula Corridor Joint Powers Board for FY2021, COVID-19 has had a dramatic impact on the operations and finances of local governments. As the full effects of this pandemic are still unfolding, staff proposes that the Board of Directors (Board) approve interim budgets for the first quarter of FY2021. Staff anticipates having more clarity on the financial impact of the pandemic and the federal government's responses thereto in advance of the September 3, 2020 Board meeting, when staff plans to present a budget for the remaining quarters of FY2021.

Broadly speaking, the JPB's staff has faced the uncertainties that came with the COVID-19 pandemic head-on, changing its financial goal from achieving structural balance to a new goal of staying in operation.

The impact of COVID-19 includes an unprecedented decline in ridership from 65,000 passengers per day to 1,300 passengers per day. This situation compounds the JPB's existing challenges associated with the continuing costs of mandates including Positive Train Control (PTC), risks associated with an unstable global oil industry, and the JPB's lack of a dedicated non-fare revenue stream. These challenges are further exacerbated by the JPB member agencies' funding uncertainties, as COVID-19 is impacting each member agency and their own transit system operations.

To date, the JPB has adopted and implemented measures to mitigate some of these challenges.

- In April 2020, the Board approved a new diesel fuel hedging program and a statement of policy and strategy to maintain a futures account to acquire, hold and dispose of diesel futures contracts, and authorized establishment of commodity futures accounts.
- The Caltrain schedule was reduced from 92 trains per day to 72 trains, and subsequently to the current 42 trains.
- At JPB direction, TASI has shifted a number of its staff from traditional operations maintenance to deferred maintenance and support of capital improvements.
- The JPB is continually reevaluating its operations, some of which may subsequently result in cost reductions or cost shifting.

In summary, the goals and challenges addressed through the proposed actions are:

- To obtain budget appropriations for the period of July through September 2020. The proposed budgets reflect expenditures for essential services and include contractual obligations that must be met in the first quarter of FY2021.
- To define and implement a Caltrain schedule that will meet the changing behavior of the riding public during the gradual lift of the Shelter In Place (SIP) orders established at the State and local levels to halt the unmitigated spread of COVID-19.
- The JPB does not yet have enough data to project revenue and train schedules through FY2021. The JPB must monitor Caltrain ridership levels and set revenue projections that also reflect the impact of funding available for the JPB's member agencies and other partners, including but not limited to the federal government.

The proposed interim operating budget and the interim capital budget allow the JPB to be nimble and adapt operations to changing conditions, meet its financial obligations for the first quarter of FY2021 and set the stage to be ready to meet the challenges for the remainder of the fiscal year.

### ***FY2021 Interim First Quarter Operating Budget Overview***

The FY2021 Interim, First Quarter Operating Budget, outlined below and detailed in Attachment A, assumes that the return to pre-COVID ridership levels will not be quick, easy or entirely predictable. Jobs throughout the Caltrain service area have been lost, and may not return. As companies in the Caltrain service area have experienced various levels of comfort with employees working remotely, their return to pre-COVID levels of on-site employment will vary. Schools and other institutions may or may not re-open during the same days and times as they operated pre-COVID.

In this interim budget, Caltrain cautiously assumes that passengers will start riding again, albeit at a lower level and with a slower rate of increase in the first quarter. Consequently, this interim budget does not assume a full-service 92-train schedule, but instead assumes a schedule closer to 72 trains.

In the interim budget, the expenditures estimates are calculated based on a monthly spread of annual costs plus identified costs that must be paid lump-sum in the first quarter of the year (e.g., insurance premiums, retiree medical costs and CalPERS retirement contributions).

Also on the expense side of the budget, a number of costs are projected to increase due to inflation and contractual requirements. Operating costs associated with PTC implementation are projected to increase to \$7.2 million, as it moves from a capital project to operating maintenance. Labor cost assumptions include a hiring freeze and no universal wage increase. The budget includes an assumption of some stability in fuel costs under the JPB's newly-adopted diesel fuel hedging program.

On the revenue side, farebox revenue is relying heavily on the GoPass fare, and the interim budget assumes the operating funding contributions from the JPB member agencies will remain the same as in FY2020 in spite of each member's challenges with COVID-19. The proposed revenues and expenditures will result in a budget deficit of approximately \$20.4 million for the first quarter.

To alleviate this deficit, the JPB will prudently use funding provided by the recently enacted Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act. This federal law addresses the economic fallout of the COVID-19 pandemic in our country. CARES Act funding will help the transit industry to recoup some of the losses resulting from the lower ridership. The proposed FY2021 Interim, First Quarter Operating Budget will allow the JPB to be nimble and enable it to adapt to the changing conditions.

### ***FY2021 Capital Budget Overview***

This period in the evolution of Caltrain demonstrates the resiliency and perseverance of staff and the agency to take important steps towards a future that enables Caltrain to continue to serve as a critical mobility asset for the Peninsula and the broader San Francisco Bay region.

During the FY2020 Shelter In Place period, the 42-train schedule has increased right of way access and allowed the JPB to perform some critical work relative to rolling stock "state-of-good-repair." As the JPB looks ahead to FY2021, the proposed Capital Budget, described below and set forth in Attachment B, focuses on projects that can be supported by redirecting funds that have become available following completion of other projects that have been completed under budget, or can be postponed.

## BUDGET IMPACT

### *FY2021 Interim, First Quarter Operating Budget Impact*

#### Revenue Projections

Total revenues for the first quarter of FY21 are projected at \$22.8 million, a decrease of \$20.1 million or 46.9% over the first quarter of the FY20 Operating Budget.

Revenue from Operations for the first quarter of FY21 is projected at \$9.2 million, a decrease of \$20.1 million or 68.6% over the first quarter of the FY20 Operating Budget.

Revenue from Contributions for the first quarter of FY21 is projected at \$13.6 million, a decrease of \$19,500 or 0.1% lower than the first quarter of the FY20 Operating Budget.

#### Operating Revenue:

Line 1 **Farebox Revenue:** \$8.0 million, a decrease of \$18.5 million or 69.8% lower the first quarter of the FY2020 Operating Budget.

Farebox revenue includes fare receipts collected directly from rail passengers or through pass sales. Caltrain has one of the highest recovery rates from its farebox, averaging 65%. The proposed budget reflects a 97% decline in ridership. This revenue estimate is supported principally by Go Pass, which is purchased for 12 months in January and so carries into FY2021. GoPass revenues average \$2.5 million a month.

Line 2 **Parking Revenue:** \$126,800, a decrease of \$1.2 million or 90.5% lower the first quarter of the FY2020 Operating Budget.

Parking revenue is generated from fees at parking lots at various passenger stations and from a parking lot located at the SAP Center adjacent to the San Jose Diridon station. Parking revenues fall when ridership declines, as happened with the spread of COVID-19 and the Shelter in Place Orders in the last several months of FY 2020.

Line 3 **Shuttle Revenue:** \$368,000, a decrease of \$257,800 or 41.2% lower than the first quarter of the FY2020 Operating Budget.

The Shuttle Program is funded by participating employers, the San Mateo County Transportation Authority (TA), Bay Area Air Quality Management District (BAAQMD) and JPB operating funds. This line item refers only to the revenue generated from participating local area employers who provide rail passengers the last-mile connections between Caltrain stations and work sites. As with

parking, shuttle revenues fall with ridership declines.

Line 4 **Rental Income:** \$343,000, a decrease of \$172,100 or 33.4% lower than the first quarter of the FY2020 Operating Budget.

Rental income is generated from Caltrain right of way properties and from bike locker rentals.

Line 5 **Other Income:** \$382,100, a decrease of \$15,000 or 3.8% less than the first quarter of the FY2020 Operating Budget.

Other Income consists of income earned on invested funds, shared track usage maintenance fees, and advertising income and mobile transaction fees.

### **Operating Contributions:**

Line 9 **AB434 & TA Shuttle Funding:** \$431,300, a decrease of \$3,200 or 0.7% lower than the first quarter FY2020 Operating Budget.

As addressed above, the JPB shuttle program has multiple funding streams. Contributions for the service come from State and local sources. In 1991, through Assembly Bill (A.B.) 434, the State Legislature authorized a \$4 surcharge on cars and trucks to fund projects that reduce on-road motor vehicle emissions. A.B. 434 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 of the Measure A San Mateo County-wide sales tax.

Line 10 **Operating Grants:** \$1.1 million, a decrease of \$196,000 or 14.7% from the first quarter of the FY2020 Operating 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 on the basis of population, 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.

For FY2021, the Metropolitan Transportation Commission (MTC) recently revised its STA estimates downwards as sales tax is projected to decline by 75% in the Bay Area, and vehicle miles travelled has decreased due to the SIP orders.

Line 11 **JPB Member Agencies:** \$12.0 million, an increase of \$446,000 or 3.9% more than the first quarter FY2020 Operating Budget.

The JPB has three member agencies: the City and County of San Francisco, the San Mateo County Transit District and the Santa Clara Valley Transportation



Authority. Contributions from the JPB's member agencies are calculated in accordance with an allocation methodology based on the average mid-weekday boarding data including Gilroy and adjusted for FY2020 to reflect passenger data collected in FY2019. The FY2021 Interim, First Quarter Operating Budget includes an insurance premium increase on the expense side, which is funded by the member agencies.

## Expense Projections

Grand Total Expense for the first quarter of FY21 is projected at \$43.2 million, a decrease of \$115,000 or 0.3% lower than the first quarter of FY20 budget.

Operating Expense for the first quarter of FY21 is projected at \$36.7 million, an increase of \$1.7 million or 4.7% over the first quarter of FY20 budget.

Administrative Expense for the first quarter of FY21 is projected at \$5.9 million, a decrease of \$1.7 million or 22.5% less than the first quarter of FY20 Budget.

## Operating Expenses

Line 21 **Rail Operator Service:** \$24.9 million, a 9.5% increase or \$2.1 million higher than the first quarter of the FY2020 Operating Budget.

The JPB contracts out for rail operator service. The current operator contract is with Transit America Services, Inc. (TASI). TASI was awarded the contract on September 1, 2011 for a five year term which expired on June 30, 2017, with an option to extend for up to five additional years. On February 2, 2017, the Board approved an amendment to exercise the five one-year options to extend the contract through June 30, 2022.

TASI provides rail operations, maintenance and support services in the following areas: Administration/Safety; Operations and Dispatch; Maintenance of Equipment, Track, Communications and Signals, Stations; Construction Support and State of Good Repair (SOGR). TASI is paid on a cost plus performance fee contract structure.

The primary drivers of the TASI contract costs are the built-in salary increase in the labor contracts and changes in the contractual General and Administration rate. In FY2021, a new cost component in the TASI contract negotiations is the inclusion of the maintenance of the Positive Train Control system. In FY2020, PTC was a capital project.

Line 22 **Security Services:** \$1.9 million, an increase of \$270,000 or 16.5% over the first quarter FY2020 Operating Budget.

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

operations and provides for additional coverage for special events.

Line 23 **Shuttles:** \$694,000, a decrease of \$629,000 or 47.5% from the first quarter of the FY2020 Operating Budget.

The Shuttle service program provides last-mile connections for Caltrain passengers. The proposed budget is based on a minimum service schedule option.

Line 24 **Fuel and Lubricants:** \$1.7 million, a decrease of \$1.2 million or 42.4 % less than the first quarter of the FY2020 Operating Budget.

The proposed budget covers the cost of diesel fuel for JPB locomotive operations, including the associated taxes. In response to the impact of COVID-19 on the oil industry, Caltrain entered into a new diesel fuel hedging program. The cost of fuel used in the proposed budget is \$1.20 per gallon. In the last three years, the lowest price of fuel was \$2.20 per gallon. The budget estimate assumes a 72-train schedule.

Line 25 **Timetables and Tickets:** \$22,500, a decrease of \$13,400 or 37.3% less than the first quarter of the FY2020 Operating Budget.

Timetables and Tickets includes the cost of designing, updating and printing of Time Tables, Schedules, Maps and the Caltrain tickets.

Line 26 **Insurance:** \$5.1 million, an increase of \$600,000 or 13.2% over the first quarter of the FY2020 Operating Budget.

The Insurance budget includes premiums, deductibles, adjuster fees, broker fees and other insurance costs. Rates reflect costs for property, casualty, and liability insurance. This proposed budget amount is a placeholder estimate as the JPB's insurance contracts are under re-negotiation to reflect the impact of low ridership.

Line 27 **Claims, Reserves and Payments:** \$200,000, reflecting no change over the first quarter of the FY2020 Operating Budget.

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

Line 28 **Facilities and Equipment Maintenance:** \$1.2 million, an increase of \$300,000 or 38.2% over the first quarter of the FY2020 Operating Budget.

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

Line 29 **Utilities:** \$674,000, an increase of \$147,000 or 28.0% over the first quarter of the FY2020 Operating Budget.

This line covers the cost of gas & electric, telephone, water, trash & sewer. The budget also includes utility costs of PTC maintenance such as ATT CalNet circuits, radio license fees and spectrum lease.

Line 30 **Maintenance & Services – Building and Other:** \$431,000, an increase of \$39,000 or 9.9% over the first quarter of the FY2020 Operating Budget.

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

### **Administrative Expenses**

Line 34 **Wages & Benefits:** \$3.3 million, a decrease of \$1.1 million or 24.3% lower than the first quarter of the FY2020 Operating Budget.

The proposed budget includes existing positions, an administrative staff hiring freeze, a lower benefits rate, no universal wage increase, no new FTEs and lower agency allocations to the retiree medical, health and pension plans.

Line 35 **Managing Agency Admin OH Cost:** \$1.3 million.

Managing Agency Administrative Overhead (OH) Cost reflects the cost of personnel dedicated to the Caltrain business (as opposed to Caltrain operations). The proposed budget assumes the same Admin OH cost as during FY2020, pending results of the study of the Internal Cost Allocation Plan (ICAP).

The 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 was chosen 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) – The 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 three agencies managed 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. These costs are distributed to each department based on specific statistics. The payroll department costs, for example, 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 Capital budget, JPB Operating and Capital budgets and the TA Budget.

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

The 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 that is charged to each capital project.

Line 36 **Board of Directors:** \$11,000, an increase of \$7,400 over the first quarter of the FY2020 Operating Budget.

This covers director compensation, seminars and training, and meetings for the Board of Directors. Cost increases result from new standing committees and ad hoc committees.

Line 37 **Professional Services:** \$645,000, a decrease of \$574,000 or 47.1% lower than the first quarter of the FY2020 Operating Budget.

This covers the cost of consultants for legal services, audit services and legislative advocacy and technical services. The proposed budget for professional services also includes additional operating maintenance of PTC related to rail friction, electronic recording, measuring and communications systems and communications data security.

Line 38 **Communications and Marketing:** \$75,400

This covers the cost of promotional advertising for fares, schedule changes and the cost of providing the riding public with a mobile app.

Line 39 **Other Office Expense and Services:** \$570,000, a decrease of \$85,000 or 13.0% lower than the first quarter of the FY2020 Operating Budget.

This covers license renewal, bank fees, office vehicle maintenance, property taxes, software maintenance, and leases for properties along the Right of Way (ROW) in support of commuter services. These ROW leases include critical facilities for radio transmission antennas, and real estate for storage of train equipment and spare parts.

Line 42 **Long Term Debt Expense:** \$595,000, a decrease of \$65,000 or 9.8% less than the first quarter of the FY2020 Operating Budget.

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

In February 2019, the JPB refunded bonds issued in 2007 and 2015 to achieve interest savings and restructure debt, and issued additional bonds to purchase two pieces of real property previously leased by the JPB.

Line 47 **Application of CARES Act Fund/Reserves:** \$20.4 million reflects use of this fund to alleviate the projected deficit for the first quarter of FY21.

The Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act was enacted to help the transit industry to recoup some of the losses resulting from the lower ridership.

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### **FY2021 Capital Budget Impact**

As shown in Attachment B, the initial Capital Budget FY2021 totals \$19,119,479.

The proposed Capital Budget only includes those capital projects that currently has funding but required the board approved budget authority to incur the expenditures. This capital budget as presented does not include any FY2021 Federal funds, FY2021 State or FY2021 Member Agency funds. Similar to the operating budget, staff anticipates having more clarity in advance of the September 3, 2020 Board meeting, when staff plans to present a more robust amended FY2021 capital budget.

Elements of the proposed Capital Budget include:

*STATE OF GOOD REPAIR (SOGR) – \$11,611,000*

1. Marin Street and Napoleon Street Bridges – Request: \$9,696,000

The Project's scope of work consists of furnishing all labor, equipment, and materials required for:

- Marin Street Bridge: reconstruction of the walkways on both sides of the structure and repair of existing cracks and spalls within the superstructure.
  - Napoleon Street Bridge: removal of the two outer structure spans of the bridge and replacement with elevated soil berms. The middle span will be reconstructed using new girders with new micropiles next to existing pile foundations.
2. Fencing - Request: \$915,000  
Continue to install vandal-resistant fencing at key locations along the PCJPB main line rail corridor to deter trespassing. This contract will terminate at the end of November 2020.
  3. Fiber Optic Corrective Repair - Request: \$1.0 million  
This project will assess and determine known and unknown defects in the fiber for rehab and to bring known defects into a state of good repair.

*OPERATIONAL IMPROVEMENTS / ENHANCEMENTS - \$6,949,322*

4. Positive Train Control – Request: \$6.6 million  
Litigation costs related to Positive Train Control (PTC) project. The expenses were funded from Operating Reserves since FY2017. Through February 2020, \$4.2 million has been spent on litigation costs. Based on current spending, \$2.4 million would provide sufficient budget authority until June 30, 2020. Moving the PTC legal expenses to the Capital Budget will allow the JPB to track the full costs of the capital project.
5. Wayside Bike Parking Improvements - Request: \$349,322  
To purchase and set in place electronic bike lockers at 6 Caltrain stations and will provide 40 lockers spaces.

*PLANNING/STUDIES - \$559,157*

6. 22<sup>ND</sup> St. ADA Feasibility Study – Request: \$50,000  
Investigate feasibility, cost effectiveness, funding, and construction timeline needed to make improvements to the 22<sup>nd</sup> Street Station. Options for improvements include ramps, escalators or elevators.
7. Business Plan – Request: \$509,157  
Continue planning and outreach work to complete the final phase of work for the Caltrain Business Plan, an effort to develop a comprehensive long-range

plan for the railroad. The final phase of work includes completing remaining analysis and outreach, as well as developing and finalizing the Caltrain Business Plan report.

Prepared by: Cynthia Scarella, Manager, Budgets      650-508-6230

**RESOLUTION NO. 2020-**

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

**\* \* \***

**ADOPTING FISCAL YEAR 2021 INTERIM, FIRST QUARTER OPERATING BUDGET IN THE  
AMOUNT OF \$43,189,267 AND FISCAL YEAR 2021 CAPITAL BUDGET IN THE AMOUNT  
OF \$19,119,479**

**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**, a novel coronavirus (COVID-19) was first detected in Wuhan, China, in late 2019 and has spread throughout the world and the United States at alarming rates; and

**WHEREAS**, the Governor of the State of California declared a State of Emergency as a result of the COVID-19 pandemic on March 4, 2020 and issued Executive Order No. N-33-20 (State Order) requiring all individuals to stay in their places of residence, except as needed to maintain continuity of operations of essential critical infrastructure sectors, on March 19, 2020; and

**WHEREAS**, City and County of San Francisco, San Mateo County and Santa Clara County each have proclaimed the existence of a Local Emergency throughout their respective counties as a result of the COVID-19 pandemic; and

**WHEREAS**, the County Health Officers of the City and County of San Francisco, San Mateo County and Santa Clara County then declared a Local Health Emergency due



to the introduction of COVID-19 in their respective counties, and issued orders (collectively "County Orders") on March 16, March 31 and April 29, 2020, directing, among other things, all individuals living in the county to shelter at their place of residence except to provide or receive essential services or engage in certain essential activities and work for essential businesses and governmental services, and effective May 3 select outdoor activities, with the latest County Order in effect through May 31, 2020; and

**WHEREAS**, COVID-19 has had a dramatic impact on the operations and finances of local government, and the full effects of this pandemic are still unfolding; and

**WHEREAS**, staff proposes the Board of Directors (Board) approve interim Operating Budget for the first quarter of the Fiscal Year 2020-2021 and annual Capital Budget for the JPB for the Fiscal Year 2020-2021 (FY 2021), with the understanding that the Board will consider adoption of Operating and Capital Budgets for the remainder of FY 2021 at the JPB's September 3, 2020 Board meeting; and

**WHEREAS**, the adoption of an interim 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 an interim capital budget complements the JPB's strategic planning process; and

**WHEREAS**, the Executive Director and the Staff Coordinating Council recommend that the Board adopt the FY 2021 Interim, First Quarter Operating Budget shown as Attachment A, and the FY2021 Capital Budget shown as Attachment B; and

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby adopts the Fiscal Year 2021 Interim, First Quarter

Operating Budget, a copy of which is attached hereto and incorporated herein as Attachment A, in the amount of \$43,189,267

**BE IT FURTHER RESOLVED** that the Board adopts the FY2021 Capital Budget in the amount of \$19,119,479, attached hereto and incorporated herein as Attachment B, and

**BE IT FURTHER RESOLVED** that the Executive Director, or his designee, is requested to forward a copy of the FY2021 Interim Operating Budget and the FY2021 Capital Budget to the JPB member agencies at the earliest practicable date; and

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

Regularly passed and adopted this 4th day of June, 2020 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, Peninsula Corridor Joint Powers Board

ATTEST:

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JPB Secretary

PENINSULA CORRIDOR JOINT POWERS BOARD  
FY2021 INTERIM OPERATING BUDGET

	FY2020 ADOPTED BUDGET <u>1ST QUARTER</u> A	FY2021 PROPOSED <u>1ST QUARTER</u> B	FY2021 PROPOSED TO FY2020 ADOPTED <u>1st Quarter</u> C = B - A	BUDGET % CHANGE <u>1st Quarter</u> D = C/A		
<b>REVENUE</b>						
<b>OPERATIONS:</b>						
1	Farebox Revenue	26,500,000	8,015,496	(18,484,504)	-69.8%	1
2	Parking Revenue	1,333,750	126,782	(1,206,968)	-90.5%	2
3	Shuttles	625,800	368,000	(257,800)	-41.2%	3
4	Rental Income	515,135	343,026	(172,109)	-33.4%	4
5	Other Income	397,113	382,137	(14,976)	-3.8%	5
6	<b>TOTAL OPERATING REVENUE</b>	<b>29,371,798</b>	<b>9,235,441</b>	<b>(20,136,357)</b>	<b>-68.6%</b>	6
7						7
8	<b>CONTRIBUTIONS:</b>					8
9	AB434 & TA Shuttle Funding	434,488	431,300	(3,188)	-0.7%	9
10	Operating Grants	1,331,874	1,135,439	(196,435)	-14.7%	10
11	JPB Member Agencies	11,573,886	12,020,136	446,250	3.9%	11
12	Use of Reserves	266,154		(266,154)	-100.0%	12
13	<b>TOTAL CONTRIBUTED REVENUE</b>	<b>13,606,402</b>	<b>13,586,875</b>	<b>(19,527)</b>	<b>-0.1%</b>	13
14						14
15	<b>GRAND TOTAL REVENUE</b>	<b>42,978,199</b>	<b>22,822,316</b>	<b>(20,155,883)</b>	<b>-46.9%</b>	15
16						16
17						17
18	<b>EXPENSE</b>					18
19						19
20	<b>OPERATING EXPENSE:</b>					20
21	Rail Operator Service	22,704,424	24,850,000	2,145,576	9.5%	21
22	Security Services	1,636,046	1,905,477	269,431	16.5%	22
23	Shuttle Service	1,322,525	694,000	(628,525)	-47.5%	23
24	Fuel and Lubricants	2,863,824	1,650,270	(1,213,554)	-42.4%	24
25	Timetables and Tickets	35,875	22,500	(13,375)	-37.3%	25
26	Insurance	4,506,064	5,100,000	593,936	13.2%	26
27	Claims, Reserves, and Payments	237,948	237,948	-	0.0%	27
28	Facilities and Equipment Maint	834,848	1,153,630	318,782	38.2%	28
29	Utilities	526,355	673,675	147,320	28.0%	29
30	Maint & Services-Bldg & Other	391,983	430,873	38,891	9.9%	30
31	<b>TOTAL OPERATING EXPENSE</b>	<b>35,059,891</b>	<b>36,718,373</b>	<b>1,658,482</b>	<b>4.7%</b>	31
32						32
33	<b>ADMINISTRATIVE EXPENSE</b>					33
34	Wages and Benefits	4,357,141	3,299,828	(1,057,313)	-24.3%	34
35	Managing Agency Admin OH Cost	1,274,516	1,274,516	-	-	35
36	Board of Directors	3,650	11,025	7,375	202.1%	36
37	Professional Services	1,218,896	644,633	(574,263)	-47.1%	37
38	Communications and Marketing	75,375	75,375	-	0.0%	38
39	Other Office Expense and Services	655,149	570,079	(85,070)	-13.0%	39
40	<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>7,584,727</b>	<b>5,875,456</b>	<b>(1,709,271)</b>	<b>-22.5%</b>	40
41						41
42	Long-term Debt Expense	659,943	595,438	(64,505)	-9.8%	42
43						43
44						44
45	<b>GRAND TOTAL EXPENSE</b>	<b>43,304,561</b>	<b>43,189,267</b>	<b>(115,294)</b>	<b>-0.3%</b>	45
46						46
47	Application of CARES Act Fund / Reserves	-	20,366,951	20,366,951		47
48						48
49	<b>PROJECTED SURPLUS / (DEFICIT)</b>	<b>(326,362)</b>	<b>-</b>	<b>326,362</b>		49



Item #	PROJECT NAME	PREVIOUSLY APPROVED	PROPOSED BUDGET	Federal Funds	State Funds	STA SOGR Funds	Member Funds Total	Other				Other Funds Total	Total Funding
								Project Savings	AB664	Regional Funds	Others		
<b>i. SOGR</b>													
<b>Right of Way</b>													
	Marin Street and Napoleon Street Bridges <sup>1</sup>	6,704,000	9,696,000	4,965,021		1,350,915		2,740,064	640,000			3,380,064	9,696,000
	Fencing - ROW		915,000	-	915,000	-	-					-	915,000
<b>Signal &amp; Communication</b>													
	Fiber Optic Corrective Repair <sup>2</sup>		1,000,000	-		-	-					1,000,000	1,000,000
	<b>Total SOGR</b>		<b>11,611,000</b>	<b>4,965,021</b>	<b>915,000</b>	<b>1,350,915</b>	<b>-</b>	<b>2,740,064</b>	<b>640,000</b>	<b>-</b>	<b>1,000,000</b>	<b>4,380,064</b>	<b>11,611,000</b>
<b>ii. LEGAL MANDATES AND REQUIRED ENHANCEMENTS</b>													
<b>iii. OPERATIONAL IMPROVEMENTS/ENHANCEMENTS</b>													
	Positive Train Control <sup>3</sup>		6,600,000				-				6,600,000	6,600,000	6,600,000
	Wayside Bike Parking Improvements <sup>4</sup>		349,322	-		-	-			200,000	149,322	349,322	349,322
	<b>Total</b>		<b>6,949,322</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>6,749,322</b>	<b>6,949,322</b>	<b>6,949,322</b>	
<b>iv. PLANNING/STUDIES</b>													
	22nd St. ADA Feasibility Study <sup>5</sup>	300,000	50,000	-		-	-	50,000			50,000	50,000	50,000
	Business Plan <sup>6</sup>	5,537,118	509,157								509,157	509,157	509,157
	<b>Total</b>		<b>559,157</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>559,157</b>	<b>559,157</b>	<b>559,157</b>
	<b>Total</b>		<b>19,119,479</b>	<b>4,965,021</b>	<b>915,000</b>	<b>1,350,915</b>	<b>-</b>	<b>2,740,064</b>	<b>640,000</b>	<b>200,000</b>	<b>8,308,479</b>	<b>11,888,543</b>	<b>19,119,479</b>

<sup>1</sup> Other funds includes project savings from the Los Gatos Bridge Replacement project (\$2,102,558) and from the San Mateo Bridge Replacement project (\$456,881) made up of Federal Section 5337 funds (\$1,421,946), prior years VTA funds (\$901,073) and SM funds (\$236,402) and deobligated Prop K funds (\$180,624)

<sup>2</sup> Insurance proceeds and/or Operating funds

<sup>3</sup> Litigation costs funded by operating funds

<sup>4</sup> San Carlos Transit Village LLC (\$149,322) and Bay Area Air Quality Management District (BAAQMD \$200,000)

<sup>5</sup> Prior year SF member funds

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

## PENINSULA CORRIDOR JOINT POWERS BOARD

### STATEMENT OF REVENUE AND EXPENSE

Fiscal Year 2020

April 2020

% OF YEAR ELAPSED

83.3%

	YEAR TO DATE					ANNUAL
	PRIOR	CURRENT	\$	%	CURRENT	APPROVED
	ACTUAL	ACTUAL	VARIANCE	VARIANCE	AS A % OF BUDGET	BUDGET
<b>REVENUE</b>						
<b>OPERATIONS:</b>						
1 Farebox Revenue	84,793,550	79,348,545	(5,445,006)	(6.4%)	74.9%	106,000,000
2 Parking Revenue	4,417,731	3,655,591	(762,140)	(17.3%)	68.5%	5,335,000
3 Shuttles	1,632,850	1,670,612	37,761	2.3%	66.7%	2,503,200
4 Rental Income	1,568,094	1,956,714	388,620	24.8%	95.0%	2,060,540
5 Other Income	2,143,230	2,809,059	665,828	31.1%	160.2%	1,753,450
6						
7 <b>TOTAL OPERATING REVENUE</b>	<b>94,555,456</b>	<b>89,440,520</b>	<b>(5,114,936)</b>	<b>(5.4%)</b>	<b>76.0%</b>	<b>117,652,190</b>
8						
<b>CONTRIBUTIONS:</b>						
9 AB434 Peninsula & TA Shuttle Funding	1,440,488	2,115,793	675,306	46.9%	121.7%	1,737,950
10 Operating Grants	5,475,506	4,335,253	(1,140,253)	(20.8%)	81.4%	5,327,497
12 JPB Member Agencies	22,165,000	25,104,921	2,939,921	13.3%	83.9%	29,921,971
13 Use of Reserves	-	-	-	0.0%	0.0%	1,064,614
14						
15 <b>TOTAL CONTRIBUTED REVENUE</b>	<b>29,080,993</b>	<b>31,555,967</b>	<b>2,474,974</b>	<b>8.5%</b>	<b>82.9%</b>	<b>38,052,032</b>
16						
17 <b>GRAND TOTAL REVENUE</b>	<b>123,636,450</b>	<b>120,996,487</b>	<b>(2,639,963)</b>	<b>(2.1%)</b>	<b>77.7%</b>	<b>155,704,222</b>
18						
19						
<b>EXPENSE</b>						
<b>OPERATING EXPENSE:</b>						
23 Rail Operator Service	70,571,335	73,460,584	2,889,249	4.1%	80.9%	90,817,696
24 Positive Train Control	34,988	344,375	309,387	884.3%	14.3%	2,400,000
25 Security Services	5,289,405	4,872,062	(417,343)	(7.9%)	74.4%	6,544,183
26 Shuttles Services	3,300,159	3,349,034	48,875	1.5%	63.3%	5,290,100
27 Fuel and Lubricants	8,672,856	8,265,007	(407,849)	(4.7%)	75.1%	11,003,417
28 Timetables and Tickets	87,245	58,099	(29,147)	(33.4%)	40.5%	143,500
29 Insurance	3,498,105	3,605,396	107,291	3.1%	80.0%	4,506,064
30 Claims, Payments, and Reserves	599,870	(69,829)	(669,699)	(111.6%)	(7.3%)	951,794
31 Facilities and Equipment Maint	1,763,869	1,900,378	136,509	7.7%	56.9%	3,339,391
32 Utilities	1,571,427	1,571,664	237	0.0%	74.6%	2,105,422
33 Maint & Services-Bldg & Other	786,037	1,117,688	331,651	42.2%	71.3%	1,567,930
34						
35 <b>TOTAL OPERATING EXPENSE</b>	<b>96,175,296</b>	<b>98,474,458</b>	<b>2,299,162</b>	<b>2.4%</b>	<b>76.5%</b>	<b>128,669,496</b>
36						
<b>ADMINISTRATIVE EXPENSE</b>						
37 Wages and Benefits	8,520,172	9,873,027	1,352,854	15.9%	81.9%	12,061,633
38 Managing Agency Admin OH Cost	5,805,634	3,598,588	(2,207,046)	(38.0%)	70.6%	5,098,065
40 Board of Directors	16,795	10,024	(6,770)	(40.3%)	68.7%	14,600
41 Professional Services	1,896,116	3,789,504	1,893,389	99.9%	88.6%	4,275,583
42 Communications and Marketing	230,395	239,720	9,325	4.0%	79.5%	301,500
43 Other Office Expenses and Services	2,704,408	1,560,402	(1,144,006)	(42.3%)	59.0%	2,643,572
44						
45 <b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>19,173,520</b>	<b>19,071,266</b>	<b>(102,253)</b>	<b>(0.5%)</b>	<b>78.2%</b>	<b>24,394,953</b>
46						
47 Long Term Debt Expense	886,412	2,186,864	1,300,452	146.7%	82.8%	2,639,773
48						
49 <b>GRAND TOTAL EXPENSE</b>	<b>116,235,228</b>	<b>119,732,589</b>	<b>3,497,361</b>	<b>3.0%</b>	<b>76.9%</b>	<b>155,704,222</b>
50						
51 <b>NET SURPLUS / (DEFICIT)</b>	<b>7,401,222</b>	<b>1,263,899</b>	<b>(6,137,323)</b>	<b>(82.9%)</b>		<b>(0)</b>



BOARD OF DIRECTORS 2020

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

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**INVESTMENT PORTFOLIO**

**AS OF APRIL 30, 2020**

JIM HARTNETT  
 EXECUTIVE DIRECTOR

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted)	*	Liquid Cash	1.648%	36,574	36,574
County Pool (Restricted)		Liquid Cash	1.622%	548,903	548,903
Other (Unrestricted)		Liquid Cash	0.700%	90,036,432	90,036,432
Other (Restricted)	**	Liquid Cash	0.200%	12,425,057	12,425,057
				\$ 103,046,966	\$ 103,046,966

Interest Earnings for April 20	\$ 56,392.81
Cumulative Earnings FY2020	\$ 358,208.69

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

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

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: Derek Hansel  
Chief Financial Officer

SUBJECT: **PROVIDE AN EXTENSION OF THE CURRENT GO PASS TERM FOR ALL  
CURRENT GO PASS PARTICIPANTS IMPACTED BY THE COVID-19  
MANDATORY SHELTER-IN-PLACE ORDER**

**ACTION**

Staff proposes the Committee recommend that the Board:

1. Approve the extension of the term of all 2020 Go Pass Participant agreements, week for week, to compensate Participant Companies for the loss of use of Caltrain over the mandatory COVID-19 Shelter-in-Place order period.

**SIGNIFICANCE**

On March 17, 2020, the three Counties served by Caltrain issued shelter-in-place orders severely limiting Go Pass Participants' ability to access Caltrain for their employees. Several Go Pass Participants have requested a discount or other form of compensation for this break in service dictated by County Health Officials and then further required by the State of California.

Staff recommends the Board authorize a week for week extension of the current 2020 Go Pass contracted termination period (December 31, 2020) mirroring the term of the Shelter In Place Orders (currently March 17, 2020 through May 31, 2020). Staff would work with all current Go Pass Participants to provide an extension to their current program documents which will enable Participants' employees to access Caltrain under their existing contract for the matching period (currently mid-March 2021).

Our Go Pass program currently serves 121 participants with over 87,000 eligible users. The primary goal for this initiative is to provide a continuity of service into 2021 and provide financial relief due to COVID-19 to Go Pass participants that have been prohibited from using our service by the shelter-in-place orders.

### **BUDGET IMPACT**

With 121 current participants and 87,206 eligible users, the Go Pass program generates approximately \$30 million in annual revenues for the Agency. The budget impact of the proposed action will be approximately \$6.3 million – reflecting the current 10 week Shelter In Place order period and resulting in lost revenues for FY2020. If this action is approved by the Board, Caltrain will seek reimbursement for this lost revenue from the approximately \$49.3 million that has been allocated to Caltrain from the first tranche of CARES Act funding.

### **BACKGROUND**

The Caltrain Go Pass program allows companies, educational institutions and residential complexes ("Participants") to purchase annual unlimited-ride passes for all eligible employees, residents or students ("Users"). The Go Pass ticket is provided in the form of either a sticker that is affixed to an approved Participant Company identification badge or, in a current pilot program, on a Clipper card. The user presents the ID badge upon request or tags on and off at the appropriate Clipper card readers at train stations as proof-of-payment.

Prepared By: Jayden Sangha – Treasury Manager

650-508-6405



**RESOLUTION NO. 2020 –**

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

**\* \* \***

**APPROVING EXTENSIONS TO THE TERMS OF ALL 2020 GO PASS PARTICIPANT  
AGREEMENTS TO COMPENSATE PARTICIPANTS FOR THE LOSS OF USE OF CALTRAIN  
DURING THE MANDATORY COVID-19 SHELTER-IN-PLACE ORDER PERIOD**

**WHEREAS**, a novel coronavirus (COVID-19) was first detected in Wuhan, China, in late 2019 and has spread throughout the world and the United States at alarming rates; and

**WHEREAS**, the Governor of the State of California declared a State of Emergency as a result of the COVID-19 pandemic on March 4, 2020 and issued Executive Order No. N-33-20 (State Order) requiring all individuals to stay in their places of residence, except as needed to maintain continuity of operations of essential critical infrastructure sectors, on March 19, 2020; and

**WHEREAS**, City and County of San Francisco, San Mateo County and Santa Clara County each have proclaimed the existence of a Local Emergency throughout their respective counties as a result of the COVID-19 pandemic; and

**WHEREAS**, the County Health Officers of the City and County of San Francisco, San Mateo County and Santa Clara County then declared a Local Health Emergency due to the introduction of COVID-19 in their respective counties, and issued orders (collectively "County Orders") on March 16, March 31 and April 29, 2020, directing, among other things, all individuals living in the county to shelter at their place of residence except to provide or receive essential services or engage in certain essential activities and work for essential businesses and governmental services, and

effective May 3 select outdoor activities, with the latest County Order in effect through May 31, 2020; and

**WHEREAS**, the Peninsula Corridor Joint Powers Board (JPB) operates the Caltrain Go Pass program, which is a fare product that allows companies, educational institutions and residential complexes (Participants) to purchase annual unlimited-ride passes for all eligible employees, residents or students (Users) on a calendar year basis; and

**WHEREAS**, the COVID-19 preventative measures, including the State Order, the County Orders, and social distancing protocols, has dramatically reduced the ability of Go Pass Users to ride Caltrain and benefit from their 2020 Go Passes; and

**WHEREAS**, the Board of Directors desires to compensate Participants and Users for their loss of access to Caltrain for the duration of the State Order and County Orders.

**NOW, THEREFORE BE IT RESOLVED** that the Board of Directors of the Peninsula Corridor Joint Powers Board that:

1. The Executive Director, or his designee, is authorized to execute documents necessary to extend the duration of current 2020 Go Pass Participant Agreements for an equitable period to compensate Go Pass Participants for their Users' loss of use of Caltrain for the duration of the State Order or the County Orders.
2. The Executive Director is directed to report back to the Board on the agreements reached and the financial impact on the JPB.

Regularly passed and adopted this 4th day of June, 2020 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, Peninsula Corridor Joint Powers Board

ATTEST:

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JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett  
Executive Director

FROM: Derek Hansel  
Chief Financial Officer

Carter Mau  
Deputy Executive Director

SUBJECT: **AWARD OF CONTRACT FOR LAW ENFORCEMENT SERVICES**

**ACTION**

Staff Coordinating Council recommends the Board:

1. Award a contract to the San Mateo County Sheriff's Office (SMCSO) for transit law enforcement services (Services) for an estimated amount of \$31,391,746 for the Peninsula Corridor Joint Powers Board (JPB) for a five-year base term.
2. Authorize the Executive Director, or his designee, to execute a contract with SMCSO in full conformity with the terms and conditions of the solicitation documents and negotiated agreement, and in a form approved by legal counsel.
3. Authorize the Executive Director, or his designee, to exercise one additional five-year option term with SMCSO, provided it is in the best interest of the JPB, for an estimated amount of \$41,076,586.

**SIGNIFICANCE**

The Services are for both Caltrain rail operations for the JPB and SamTrans bus operations for the San Mateo County Transit District (District). For the JPB, the Services will be provided to Caltrain's 32 stations along its 77-mile corridor, and approximately 90 weekday trains. The requested Services include, but are not limited to, patrol services within the Caltrain service areas, coordination of all requests for police service, collision investigations, and police reports. Additionally, explosive-detecting K9 units, crime scene investigation and criminal forensics, coroner's services, coverage for special events and backup personnel will be provided, as required.

## **BUDGET IMPACT**

The JPB's share of the total cost of the Services will be available in the proposed Fiscal Year (FY) 2021 and future year operating budgets. The proposed JPB costs for FY2021 are estimated at \$5,907,928.

## **BACKGROUND**

The SMCSO has provided the Services for rail operations since 2004. The existing agreement was authorized by the Board of Directors by Resolution 2015-25. Costs of the Services under the current contract were allocated between the two agencies, with the JPB paying 78 percent and the District paying 22 percent of the total costs. The basis for the allocation of costs under the proposed contract was established based on the current cost-sharing arrangement and confirmed by levels of services provided to each agency under the current contract. The JPB's cost-share is higher than the District's because of the highly-specialized nature of the SMCSO's rail response services, requiring significantly more of the SMCSO's Services than bus operations, as well as the broader geographical area the SMCSO covers for Caltrain.

Prior to issuance of a Request for Proposals (RFP), Staff conducted extensive outreach and contacted the law enforcement agencies locally – San Mateo County Sheriff, Santa Clara County Sheriff, San Francisco County Sheriff, Alameda County Sheriff, Marin County Sheriff, Redwood City Police, Belmont Police, San Carlos Police, and the California Highway Patrol. They were informed of the upcoming solicitation and were asked whether they would be interested. Only two of the nine indicated interest.

The RFP was issued on the JPB's and District's procurement portal. In accordance with the JPB Disadvantaged Business Enterprise Program, a preference for Small Business Enterprises (SBEs) was included in this RFP. A pre-proposal conference was held and two interested law enforcement agencies attended. Only one proposal, from SMCSO, was received.

A Selection Committee composed of qualified staff from Safety and Security, Bus Operations, and Rail Operations reviewed and evaluated the SMCSO proposal according to the following weighted criteria outlined in the RFP:

- |  |           |
|--|-----------|
| • Understanding of Scope of Services and Management Plan | 30 points |
| • Qualifications and Experience of Firm                  | 30 points |
| • Qualifications and Experience of Key Personnel         | 20 points |
| • Reasonableness of Cost                                 | 20 points |
| • SBE Preference   | 5 points  |

The parties engaged in negotiations regarding the scope of services and contract provisions, and fair and reasonable fees. SMCSO has provided satisfactory services since 2004. As only one proposal was received, staff conducted a price analysis by comparing cost elements paid by sister agencies and determined costs are similar to those paid by other agencies for the same services. Staff believes costs are fair and reasonable.

The SMCSO will provide the Services through a combination of highly-trained personnel comprised of a Lieutenant, a Sergeant, a part-time Captain, 11 Deputies, including three canine units and a Detective, four Community Services Officers and a Management Analyst.

Staff surveyed the one other interested law enforcement agency and determined it did not submit a proposal because it would not be able to provide the required Services at this time.

The existing law enforcement services agreement with the SMCSO was awarded in August 2015 for a three-year base term, with two one-year option terms. Both option year terms were exercised, and the agreement is due to expire June 30.

Procurement Manager: Concepcion Gayotin	650.622.8011
Project Manager: Victoria O'Brien, Deputy Director, Safety and Security	650.622.8045

**RESOLUTION NO. 2020 –**

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

**\*\*\***

**AWARDING A CONTRACT TO THE SAN MATEO COUNTY SHERIFF'S OFFICE  
FOR THE PROVISION OF LAW ENFORCEMENT SERVICES FOR  
AN ESTIMATED AMOUNT OF \$31,391,746 FOR A FIVE-YEAR BASE TERM**

**WHEREAS**, the San Mateo County Sheriff's Office (SMCSO) has provided law enforcement services for SamTrans bus operations for the San Mateo County Transit District (District) and Caltrain rail operations for the Peninsula Corridor Joint Power Board (JPB) since 2004; and

**WHEREAS**, the existing law enforcement services agreement with the SMCSO was awarded in August 2015 for a three-year base term, with two one-year options; and

**WHEREAS**, the existing agreement was authorized by the Boards of Directors of both the District and the JPB (Agencies), and costs of services were allocated between the Agencies, with the JPB paying 78 percent and the District paying 22 percent of the total costs; and

**WHEREAS**, the existing agreement is set to expire on June 30, 2020, and the Agencies issued a Request for Proposals (RFP) for transit law enforcement services (Services); and

**WHEREAS**, in response to the RFP, the Agencies received only one proposal, from the SMCSO; and

**WHEREAS**, a Selection Committee reviewed the proposal, the parties engaged in negotiations regarding the scope of services and contract provisions, and fair and reasonable fees were negotiated; and

**WHEREAS**, the Executive Director recommends and the Staff Coordinating Council concurs, that the Board of Directors award a contract to the SMCSO for the provision of Services for a five-year base term for an estimated amount of \$31,391,746 for the JPB, with a five-year option term for an estimated amount of \$41,076,586 for the JPB.

**NOW, THEREFORE, BE IT RESOLVED** that the Peninsula Corridor Joint Powers Board hereby awards a contract to the San Mateo County Sheriff's Office for transit law enforcement services for an estimated amount of \$31,391,746 for the JPB for a five-year base term; and

**BE IT FURTHER RESOLVED**, that the Executive Director, or his designee, is authorized to execute a contract on behalf of the JPB with the SMCSO in full conformity with the terms and conditions of the solicitation documents and negotiated agreement, and in a form approved by legal counsel; and

**BE IT FURTHER RESOLVED** that the Executive Director, or his designee, is authorized to exercise up to one additional five-year option term with the SMCSO, provided it is in the best interest of the JPB, for an estimated amount of \$41,076,586 for the JPB.

Regularly passed and adopted this 4<sup>th</sup> day of June, 2020 by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Chair, Peninsula Corridor Joint Powers Board

ATTEST:

\_\_\_\_\_  
JPB Secretary



**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Harnett  
Executive Director

FROM: Derek Hansel  
Chief Financial Officer

SUBJECT: **AWARD OF CONTRACTS FOR PROVISION OF INVESTMENT MANAGEMENT  
AND CUSTODY AND SAFEKEEPING SERVICES**

**ACTION**

Staff Coordinating Council recommends the Board:

1. Award a contract to PFM Asset Management, LLC (PFM) of San Francisco, California to provide investment management services (Investment Services) for a five-year term for a not-to-exceed amount of \$425,000.
2. Award a contract to U.S. Bank N.A. (U.S. Bank) of San Francisco, California to provide custody and safekeeping services (Custodial Services) for a five-year term for a not-to-exceed amount of \$50,000.
3. Authorize the Executive Director, or his designee, to execute contracts with PFM and U.S. Bank in full conformity with the terms and conditions of the solicitation documents and negotiated agreements, and in forms approved by legal counsel.

**SIGNIFICANCE**

Approval of the above actions will provide the Peninsula Corridor Joint Powers Board (JPB) with Investment and Custodial Services for its anticipated investment portfolios. The Investment Services will be provided in full accordance with applicable California law governing the investment of local agency funds and the JPB's current Statement of Investment Policy, which provides for the protection of principal, liquidity, and appropriate yield on excess JPB funds.

**BUDGET IMPACT**

Funds to support the award of these contracts are included in the proposed Fiscal Year 2021 operating budget and will be included in future year operating budgets.

**BACKGROUND**

Staff determined that a joint solicitation with the JPB, the San Mateo County Transit District and the San Mateo County Transportation Authority (Agencies) was a cost-

effective approach to procure Investment Services and Custodial Services. A Request for Proposals (RFP) detailing the scope of services was issued on the Agencies' procurement portal. In accordance with the JPB Disadvantaged Business Enterprise Program, the RFP contained a 5 percent preference for Small Business Enterprises (SBEs). The Agencies received a total of eight proposals, seven for Investment Services and one for Custodial Services.

A Selection Committee (Committee) comprised of qualified staff from the Finance Division reviewed and ranked proposals separately for each service category, and for each Agency, according to the following weighted criteria outlined in the RFP:

- Approach to Scope of Services 25 points
- Company Qualifications, Experience, and References 25 points
- Qualifications and Experience of Key Personnel 30 points
- Reasonableness of Cost 20 points
- SBE Preference 5 points

All eight firms were found to be in the competitive range and participated in interviews. Upon completion of the interviews, references checks, financial review, and final scoring of the proposals, the Committee reached a final consensus scoring. PFM received the highest ranking for the provision of Investment Services for the JPB. The Committee determined the proposal submitted by U.S. Bank for the provision of Custodial Services was acceptable.

The not-to-exceed amount of \$425,000 for the Investment Services contract is based on the anticipated JPB portfolio and PFM's fee schedule, which includes 0.06% (6 basis points) for the first \$100 million under management and 0.05% for amounts greater than \$100 million. This fee structure will be in effect when funds become available in the JPB portfolio. The not-to-exceed amount of \$50,000 for the Custodial Services contract is based on the JPB's anticipated portfolio and U.S. Bank's 0.005% (half a basis point) fee assessed on the assets in the portfolio. This fee will be in effect when funds become available in the JPB portfolio.

Services are currently provided by PFM and U.S. Bank pursuant to contracts awarded under Resolution 2014-61. The firms' performance to-date has been acceptable and in conformance with contractual requirements, terms and conditions. The contract for PFM expired on February 29, 2020, whereas the contract for US Bank was extended and is due to expire on June 30, 2020.

Procurement Administrator II: Mary Garcia  
Project Manager: Jayden Sangha, Manager, Treasury

650.622.7893  
650.508.6274

**RESOLUTION NO. 2020 –**

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

**\*\*\***

**AWARDING A CONTRACT TO PFM ASSET MANAGEMENT LLC FOR THE PROVISION OF INVESTMENT MANAGEMENT SERVICES FOR A NOT-TO-EXCEED AMOUNT OF \$425,000 FOR A FIVE-YEAR TERM AND A CONTRACT TO U.S. BANK N.A. FOR THE PROVISION OF CUSTODY AND SAFEKEEPING SERVICES FOR A NOT-TO-EXCEED AMOUNT OF \$50,000 FOR A FIVE-YEAR TERM**

**WHEREAS**, the Peninsula Corridor Joint Powers Board (JPB), jointly with the San Mateo County Transit District and the San Mateo County Transportation Authority, issued a Request For Proposals (RFP) for investment management services (Investment Services) and custody and safekeeping services (Custodial Services); and

**WHEREAS**, seven firms submitted proposals for Investment Services and one firm submitted a proposal for Custodial Services; and

**WHEREAS**, a Selection Committee (Committee) composed of qualified Finance Division staff reviewed the proposals and scored them in accordance with the evaluation criteria set forth in the RFP; and

**WHEREAS**, upon completion of proposal evaluation and negotiations, the Committee determined the proposal submitted by PFM Asset Management, LLC (PFM) of San Francisco, California was the highest ranked proposal for Investment Services for the JPB, and the proposal submitted by U.S. Bank N.A. (U.S. Bank) of San Francisco, California for Custodial Services was acceptable; and

**WHEREAS**, the Staff Coordinating Council recommends and the Executive Director concurs, that the Board of Directors award a contract to PFM for a five-year term for a not-to-exceed amount of \$425,000 and a contract to U.S. Bank for a five-year for a not-to-exceed amount of \$50,000.

**NOW, THEREFORE, BE IT RESOLVED** that the Peninsula Corridor Joint Powers Board hereby awards a contract to PFM Asset Management, LLC to provide investment management services for a five-year term for a not-to-exceed amount of \$425,000; and

**BE IT FURTHER RESOLVED** that the Peninsula Corridor Joint Powers Board awards a contract to U.S. Bank N.A. to provide custody and safekeeping services for a five-year term for a not-to-exceed amount of \$50,000; and

**BE IT FURTHER RESOLVED** that the Executive Director, or his designee, is authorized to execute contracts with PFM and U.S. Bank in full conformity with the terms and conditions of the solicitation documents and negotiated agreements, and in forms approved by legal counsel.

Regularly passed and adopted this 4<sup>th</sup> day of June, 2020 by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

\_\_\_\_\_  
JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett  
Executive Director

FROM: Derek Hansel  
Chief Financial Officer

SUBJECT: **EXECUTION OF CONTRACTS FOR INFORMATION TECHNOLOGY LICENSES,  
MAINTENANCE SERVICES, AND PROFESSIONAL SERVICES**

**ACTION**

Staff Coordinating Council recommends the Board authorize the Executive Director, or his designee, to enter into contracts greater than \$150,000 with original equipment manufacturers, product licensors and their distributors or consultants, directly and without the utilization of cooperative purchasing agreements, if not available, or competitive solicitations, if not applicable, to procure new software licenses, maintenance, and support services, recurring maintenance services and license renewals necessary to permit continued effective use and upkeep of Peninsula Corridor Joint Powers Board (JPB) information technology hardware and software used for the management and oversight of Caltrain. The proposed action also will apply to contracts 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. Expenditures with manufacturers, vendors, and consultants under this authority will not exceed the budgeted amount of \$1 million throughout Fiscal Year (FY) 2021.

**SIGNIFICANCE**

Delegation of contract approval 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 \$150,000 without bringing individual actions before the Board for approval. This delegation would not eliminate the requirement that other procurement policies and procedures be followed. A quarterly report indicating contracts awarded during the prior quarter will be submitted to the Board.

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.

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.

**BUDGET IMPACT**

Funds for these purchases are programmed in the proposed FY 2021 capital and operating budgets.

**BACKGROUND**

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.

It is not always possible to find cooperative purchasing agreements with contracts for the necessary maintenance support and license renewals. This is particularly true for transit industry-specific information technology products. 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 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 \$150,000 that may need to be accommodated in FY21 outside of cooperative purchase agreements or other pre-existing contracts include, but are not necessarily limited to, documentation management and collaboration software for construction and engineering management, such as:

- ARINC
- Penta
- Ventek (Caltrain TVM upgrade)

Contract Administrator: Shruti Ladani

650.622.7857

Project Manager: Edward Kelly, IT Manager, Information Technology

650.622.8002

**RESOLUTION NO. 2020 –**

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

**\*\*\***

**AUTHORIZING EXECUTION OF CONTRACTS FOR INFORMATION TECHNOLOGY LICENSES,  
MAINTENANCE SERVICES AND PROFESSIONAL SERVICES FOR AN AGGREGATE  
NOT-TO-EXCEED AMOUNT OF \$1 MILLION FOR FISCAL YEAR 2021**

**WHEREAS**, the Peninsula Corridor Joint Powers Board (JPB) will require continuing product support and licenses for information technology hardware and software throughout Fiscal Year (FY) 2021 to permit the continued effective use and upkeep of information technology assets owned by the JPB; 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 will also require 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**, Staff Coordinating Council recommends, and the Executive Director concurs, that the Executive Director, or his designee, be authorized to execute contracts greater than \$150,000 with original equipment manufacturers, product licensors, and their authorized distributors and consultants to meet the JPB's technology requirements for FY 2021, pursuant to the JPB's procurement authority and policy, up to an aggregate not-to-exceed amount of \$1 million.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby takes the following actions:

1. Authorizes the procurement of new software licenses, maintenance, and support services agreements for information technology, pursuant to the JPB's

procurement authority and policy, in an aggregate not-to-exceed amount of \$1 million for Fiscal Year 2021; and

2. Authorizes the Executive Director, or his designee, to enter into contracts exceeding \$150,000 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

3. Authorizes the Executive Director, or his designee, to enter into contracts greater than \$150,000 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

4. Authorizes the Executive Director or his designee to execute all necessary purchase orders, contracts, and other documents and to take such other actions as may be necessary to give effect to this Resolution; and

5. Requests the Executive Director, or his 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 4th day of June, 2020 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, Peninsula Corridor Joint Powers Board

ATTEST:

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JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett  
Executive Director

FROM: Derek Hansel  
Chief Financial Officer

SUBJECT: **EXECUTION OF CONTRACTS FOR TECHNOLOGY-RELATED PRODUCTS AND SERVICES THROUGH PIGGYBACKING CONTRACTS AND COOPERATIVE PURCHASING PROGRAMS**

**ACTION**

Staff Coordinating Council recommends the Board authorize the Executive Director, or his designee, to enter into contracts greater than \$150,000 with vendors through piggybacking contracts and cooperative purchasing agreements, as required, for the purchase, lease and/or rental of computer and telecommunications equipment and related services, digital reprographic equipment, hardware, software, licensing, installation and configuration of telecommunications equipment, maintenance agreements, computer peripherals, and temporary technology consultants. Expenditures with vendors under these programs will not exceed the budgeted amount of \$1 million throughout Fiscal Year (FY) 2021. Cooperative agreements used 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 (NCP)
- Federal General Services Administration (GSA)
- OMNIA Partners
- The Interlocal Purchasing System (TIPS Purchasing Cooperative)

**SIGNIFICANCE**

Approval of this contracting authority will provide the Peninsula Corridor Joint Powers Board (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.

**BUDGET IMPACT**

Funds for these purchases are programmed in the proposed FY 2021 capital and operating budgets.

**BACKGROUND**

Given the rapidly changing technology of information system hardware, software, and related services, various cooperative purchasing programs and piggyback purchasing are available to provide these products and services. The JPB follows the San Mateo County Transit District's procurement policy and manual, which allow for the use of cooperative purchasing programs and piggyback purchasing. Special districts are given statutory permission to procure competitively-priced goods and services arising out of these vendor agreements. The Federal Government's own General Services Administration Schedules (also referred to as Multiple Award Schedules and Federal Supply Schedules) also can be utilized. By utilizing such cooperative purchasing programs and piggyback purchasing, 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 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 and utilized for the acquisition of technology items during FY 2021, but only to the extent each fully complies with the JPB's procurement authority and policy.

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.

Contract Administrator: Shruti Ladani	650.622.7857
Project Manager: Edward Kelly, IT Manager, Information Technology	650.622.8002

**RESOLUTION NO. 2020 –**

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

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**AUTHORIZING EXECUTION OF CONTRACTS FOR TECHNOLOGY-RELATED PRODUCTS AND SERVICES THROUGH PIGGYBACK CONTRACTS AND COOPERATIVE PURCHASING PROGRAMS FOR AN AGGREGATE NOT-TO-EXCEED AMOUNT OF \$1 MILLION FOR FISCAL YEAR 2021**

**WHEREAS**, the Peninsula Corridor Joint Powers Board (JPB) will require new personal computers, computer, and telecommunications equipment and related services, digital reprographic equipment, software, hardware, licensing and maintenance agreements, computer peripherals, and temporary technology consultants throughout Fiscal Year (FY) 2021, to fulfill new technology requirements, to support the JPB's standardization policy, and to replace technology equipment that has reached the end of its useful life; and

**WHEREAS**, in light of the need to standardize, update and purchase the latest technology in personal computers, telecommunications equipment, and other related equipment and services in the most cost-effective manner, the JPB has determined that an independent JPB-initiated solicitation process for the procurements described above is unlikely to be in the JPB's best interest; and

**WHEREAS**, piggybacking on other agencies' procurements as well as participating in cooperative purchasing consortia including, but not limited to, the California Integrated Information Network (CALNET), the State of California Department of General Services (DGS)/California Multiple Award Schedule (CMAS), Sourcewell, the National Association of State Procurement Officials (NASPO) Valuepoint, the National Cooperative Procurement Partners (NCPP), the Federal General Services Administration

(GSA), OMNIA Partners, and the Interlocal Purchasing System (TIPS Purchasing Cooperative), allows the JPB to procure favorably-priced technology systems equipment and related services; and

**WHEREAS**, the Staff Coordinating Council (SCC) 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**, SCC also recommends, and the Executive Director concurs, that the Executive Director, or his designee, be authorized to enter into contracts greater than \$150,000 with vendors under JPB-approved cooperative purchasing programs and piggyback purchasing to meet its personal computer, telecommunications equipment, and other related technology equipment and services requirements for FY 2021, pursuant to the terms and conditions of each program's vendor agreements, up to an aggregate not-to-exceed amount of \$1 million.

**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 JPB-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 for

FY 2021 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 his designee to enter into contracts greater than \$150,000 with vendors under the JPB-approved cooperative purchasing programs and piggyback purchasing up to an aggregate, not-to-exceed, amount of \$1 million for FY 2021; and

4. Authorizes the Executive Director, or his 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. Requests the Executive Director, or his 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 4th day of June, 2020 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, Peninsula Corridor Joint Powers Board

ATTEST:

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JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett  
Executive Director

FROM: Michelle Bouchard  
Chief Operations Officer, Rail

SUBJECT: **AUTHORIZE AMENDMENTS TO CONTRACTS FOR ON-CALL RAILROAD BUSINESS OPERATIONS AND SYSTEMS SUPPORT SERVICES**

**ACTION**

Staff Coordinating Council recommends the Board:

1. Authorize amendments to the on-call railroad business operations and systems support services contracts to increase the base contract term not-to-exceed amounts of Category 1 Railroad Operations Planning Support Services by \$1,260,000, from \$5,500,000 to \$6,760,000, and Category 4 Rail Safety & Security Services by \$2,630,000, from \$4,486,200 to \$7,116,200, to be shared as a pool for authorized tasks amongst the consultant firms and contract numbers listed below:
  - a. B&G Transportation Group, LLC (15-J-P-031A) (Category 4)
  - b. CDM Smith, Inc. (15-J-P-031B) (Category 1)
  - c. HDR Engineering, Inc. (15-J-P-031C) (Category 1)
  - d. LTK Engineering Services (15-J-P-031D) (Category 1)
  - e. WSP USA, Inc. (15-J-P-031E, formerly Parsons Brinckerhoff, Inc.) (Category 1)
  - f. Stantec Consulting Services, Inc. (15-J-P-031F) (Category 1 and Category 4)
2. Authorize the Executive Director, or designee, to execute the contract amendments in a form approved by legal counsel.

**SIGNIFICANCE**

Execution of these amendments will provide the Peninsula Corridor Joint Powers Board (JPB) with uninterrupted services in connection with JPB current and upcoming on-call operations planning, and safety & security efforts. Operations Planning has exhausted its contract budget capacity by \$260,000, due to various needs since contract inception pursuant to twenty work directives, and now requires an unplanned addition of one seconded staff person to provide Director of Rail Integration services at a cost totaling ~\$1.0 million through the end of the base contract term (i.e., April 13, 2022). Safety & Security has exhausted its contract budget capacity by \$2,047,000, due to numerous unanticipated capital project safety needs and a \$583,000 independent review of engineering practices due to derailments in February 2019. Safety & Security will continue to need support for capital projects.



**BUDGET IMPACT**

Funds for the proposed contract amendments are available in the current-year Board-approved capital and operating budgets, and will be included in future year capital and/or operating budgets. A variety of funding sources is used for each project and may include Federal, State and local funds.

**BACKGROUND**

Pursuant to Resolution No. 2016-17, the Board awarded six-year base term contracts in an aggregate not-to-exceed amount of \$36,086,200 with two 2-year option terms for an aggregate not-to-exceed amount of \$17,990,800 to be shared as a pool among six firms for authorized tasks in four categories of services. The table below shows the categories, category description, firms, base term amounts per category, each two-year option amounts per category, monetary amount of work directives issued through April 2020, contract capacity remaining for the base contract term, and the amounts for the proposed amendments.

Category 1, Railroad Operations Planning Support Services, primarily provides rail operations with seconded staff support. Previous support provided under this category totaled \$2,447,860 and included the following seconded staff: the Construction Coordinator, Customer Experience – Communications Lead, Operations Planner, and Senior Planner Rail Operations. Current support being provided totals \$3,095,024 and includes the following seconded staff: the Construction Coordinator, Customer Experience – Communications Lead, PTC Program Management Services, EMU Program Support, MP36 Mid-Life Overhaul Support, and Director of Rail Integration. Future required support is budgeted at \$1,217,116 and includes, but is not limited to, the continuation of the Director of Rail Integration position through the end of the base term.

Category 4, Rail Safety & Security Services, primarily provides rail safety support. Previous support provided under this category totaled \$1,805,224 and included seconded staff and support services as follows: the System Safety Specialist; Construction Safety; Acting Co-Director, Safety & Security; and Safety Compliance Support. Current support being provided totals \$2,333,748 and includes seconded staff and support services as follows: the TTCI Independent Review, Safety Compliance, Construction Safety, System Safety Specialist, Security Project Specialist, PTC Safety Support, and Rail Activation Support Services. Future required support is budgeted at \$2,977,228 and includes the Rail Activation Support Services (\$486,609), Security Project Specialist (\$523,701), and Construction Safety (2 full-time equivalent positions for two years totaling \$1,966,918) for the following four projects: 25th Avenue Grade Separation, South San Francisco Station Replacement, Marin Napoleon Bridge Rehabilitation, and Bayshore Station Overpass Pedestrian Bridge Rehabilitation.

Category	1	2	3	4	
Description	<b>Railroad Operations Planning Support Services</b>	<b>Railroad Business Planning Support Services</b>	<b>Railroad Operations Systems Support Services</b>	<b>Rail Safety &amp; Security Services</b>	<b>Total</b>
Firms	HDR, Stantec,	HDR, Stantec, LTK	Stantec, WSP, LTK	Stantec, B&G	

	CDM, WSP, LTK				
Base Term (6 years)	\$5,500,000	\$2,100,000	\$20,000,000	\$4,486,200	\$32,086,200
Each of two Two-Year Options	\$1,800,000	\$700,000	\$5,000,000	\$1,495,400	\$8,995,400
Total (Base + Options: 10 years)	\$9,100,000	\$3,500,000	\$30,000,000	\$7,477,000	\$50,077,000
Work Directives Issued	\$5,475,699	\$1,927,029	\$10,867,008	\$4,138,972	\$22,408,709
Base Term Contract Capacity Remaining	\$24,301	\$172,971	\$9,132,992	\$347,228	\$9,677,491
Proposed Amendment 1	\$1,260,000			\$2,630,000	\$3,673,162
Total (Base + Amendment 1 + Options)	\$10,360,000	\$3,500,000	\$30,000,000	\$10,107,000	\$53,750,162

Project Manager: Danielle Stewart, Director, Rail Contracts & Budget 650.508.7975

Contract Administrator: Lawrence Leung, Manager, Rail Contracts & Budget 650.508.6328

**RESOLUTION NO. 2020 –**

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

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**AUTHORIZING AMENDMENT OF CONTRACTS FOR ON-CALL RAILROAD BUSINESS OPERATIONS AND SYSTEMS SUPPORT SERVICES TO INCREASE CATEGORY 1 AMOUNT BY \$1,260,000 AND CATEGORY 4 AMOUNT BY \$2,630,000 FOR THE BASE CONTRACT TERM**

**WHEREAS**, pursuant to Resolution No. 2016-17, the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) awarded contracts for on-call railroad business operations and systems support services to B&G Transportation Group, LLC , CDM Smith, Inc. , HDR Engineering, Inc., LTK Engineering Services, WSP USA, Inc. (formerly Parsons Brinckerhoff, Inc.), and Stantec Consulting Services, Inc. (collectively, the "Consultants") for a six-year base term with two, two-year option terms; and

**WHEREAS**, the contract awards consisted of four potential separate categories of services, one of which (Category 1: Railroad Operations Planning Support Services) was awarded to five firms, while the other three categories were awarded to two or three of the firms; and

**WHEREAS**, additional base term contract capacity in two of the contracts' scope of services categories (Category 1: Railroad Operations Planning Support Services and Category 4: Rail Safety & Security Services) is required due to increased scope of services for existing and new projects, which were not anticipated when the contracts were awarded; and

**WHEREAS**, the Executive Director recommends, and the Staff Coordinating Council concurs, that the Board authorize amendments:

1. For Category 1: Railroad Operations Planning Support Services, to the contracts with CDM Smith Inc., HDR Engineering, Inc., LTK Engineering Services,

WSP USA, Inc., and Stantec Consulting Services, Inc. to increase the base contract term amounts by \$1,260,000, from \$5,500,000 to \$11,070,000, to be shared in the aggregate amongst the five firms, and

2. For Category 4: Rail Safety & Security Services, to the contracts with B&G Transportation Group, LLC and Stantec Consulting Services, Inc., to increase the base contract term amounts by \$2,630,000, from \$4,486,200 to \$7,116,200, to be shared in the aggregate amongst the two firms, and
3. With the understanding that increasing the total contract authority will not obligate the JPB to purchase any specific level of services from any firm, as services are provided on an as-needed basis.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Peninsula Joint Powers Board hereby authorizes amendments to the contracts for on-call railroad business operations and systems support services with CDM Smith Inc., HDR Engineering, Inc., LTK Engineering Services, WSP USA, Inc., and Stantec Consulting Services, Inc. for Category 1, Railroad Operations Planning Support Services, as set forth above; and with B&G Transportation Group, LLC and Stantec Consulting Services, Inc. for Category 4, Rail Safety & Security Services, as set forth above; and

**BE IT FURTHER RESOLVED** that the Board authorizes the Executive Director, or his designee, to execute the amendments detailed above in a form approved by legal counsel.

Regularly passed and adopted this 4<sup>th</sup> day of June, 2020 by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Chair, Peninsula Corridor Joint Powers  
Board

ATTEST:

\_\_\_\_\_  
JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: JPB Finance Committee  
THROUGH: Jim Hartnett  
Executive Director  
FROM: John Funghi  
Chief Officer, CalMod Program  
SUBJECT: **AUTHORIZE AMENDMENT TO ON-CALL ELECTRIFICATION SUPPORT SERVICES  
CONTRACT FOR THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT**

**ACTION**

Staff Coordinating Council recommends the Board:

1. Approve an amendment to the contract with Gannett Fleming Transit and Rail Systems, a division of Gannett Fleming, Inc. (Gannett Fleming) for On-Call Electrification Support Services for the Peninsula Corridor Electrification Project (PCEP) to increase the contract total amount by \$7,540,000, from \$60,203,400 to \$67,743,400 (a 13 percent increase), subject to approval by the Change Management Board (CMB) at their meeting on May 27.
2. Authorize the Executive Director, or his designee, to execute the contract amendment in a form approved by legal counsel.

**SIGNIFICANCE**

Approval of the above actions will ensure uninterrupted services for tasks related to providing electrification support services for PCEP, such as:

- Design-Build Electrification Contract Project Management
- Electrification Systems Integration/Coordination
- Electrification Technical Support

The services to be provided pursuant to the contract amendment will be performed under Work Directives (WDs) issued on an on-call, as-needed basis.

**BUDGET IMPACT**

The \$7.54M amendment to the Gannett Fleming Contract will be funded as follows: \$3.09M from the current PCEP budget for Electrification Engineering and Management, as shown on Section 8.0 Budget and Expenses of the Monthly Progress Report; and \$4.45M from PCEP budget contingency. The PCEP budget contingency fund balance remains above the Federal Transit Administration's recommended minimum levels.

**BACKGROUND**

Pursuant to Resolution No. 2014-24, the Peninsula Corridor Joint Powers Board (JPB) Board of Directors (Board) awarded a contract to Gannett Fleming for a six-year base term in

an amount of \$38,575,000, with up to two, 2-year option terms for a total aggregate not to-exceed amount of \$3,341,000, and contingency authority of up to 15 percent of the total Board-authorized contract amount to address unanticipated tasks assigned under authorized WDs. The option terms have been exercised, bringing the contract total to \$48,203,400 (including \$6,287,400 in contingency authority). The contract is set to expire in April 2024.

Pursuant to Board Resolution No. 2019-13, the Board approved an amendment to the Gannett Fleming contract to increase the contract authority in an amount of \$12 million to correct the underestimated level of effort required from Gannett Fleming to oversee the PCEP design-build contractor's design and construction work, and for extended support services for design and construction oversight due to the design-build contractor's reported overall delay to substantial completion.

Gannett Fleming acts as JPB's project manager and technical expert providing support for PCEP procurement, design, construction, testing, commissioning, safety, warranty and related systems integration matters. The contract includes coordination and support for the PCEP Electrification Project Management, PCEP Electrification Systems Integration, PCEP Electrification Technical Support, and PCEP Design Build Oversight and Construction on planning and scheduling, risk management, project cost estimating, contract administration, document control, and quality control and assurance for complex PCEP projects.

Based on Gannett Fleming's current level of effort, the contract total of \$60,203,400 will be expended earlier than anticipated, because the JPB's estimated level of effort required from Gannett Fleming is correlated to the progress of the design-build contractor's design and construction work. As the design-build contractor has reported unforeseen delays, additional extended support for design and construction oversight from Gannett Fleming is now required. PCEP Staff is working closely with the design-build contractor to prevent additional delays to the design-build contract.

An increase of \$7,540,000, from \$60,203,400 to \$67,743,400, in contract authority is therefore needed for Gannett Fleming to perform electrification support services to bring PCEP to completion. Due to the current economic downturn, the JPB will execute a one-year freeze to the current prices paid to Gannett Fleming and will ensure prices remain consistent with those paid by other public agencies in the Bay Area for similar services. Increasing the contract total will not obligate the JPB to purchase any specific level of service from Gannett Fleming as WDs are issued on a project and as-needed basis.

Gannett Fleming's performance to date has been satisfactory and in accordance with the requirements of the contract.

Project Manager: Liria Larano, Deputy Chief, CalMod

650.508.7976

**RESOLUTION NO. 2020 -**

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

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**AUTHORIZING AMENDMENT OF CONTRACT WITH GANNETT FLEMING TRANSIT AND  
RAIL SYSTEMS FOR ON-CALL ELECTRIFICATION SUPPORT SERVICES FOR  
THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT  
TO INCREASE THE CONTRACT TOTAL AMOUNT BY \$7,540,000**

**WHEREAS**, pursuant to Resolution No. 2014-24, the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) awarded a contract for on-call electrification support services for the Peninsula Corridor Electrification Project (PCEP) to Gannett Fleming Transit and Rail Systems, a division of Gannett Fleming, Inc. (Gannett Fleming) for a six-year base term in an amount of \$38,575,000, with up to two, 2-year option terms for a total not-to-exceed amount of \$3,341,000, including contingency authority of up to 15 percent of the total Board-authorized contract amount to address unanticipated tasks; and

**WHEREAS**, pursuant to Resolution No. 2019-13, the Board approved an amendment to the Gannett Fleming contract to increase the contract authority in an amount of \$12 million, from \$48,203,400 to a new contract total amount of \$60,203,400, due to unforeseen delays with the design-build construction; and

**WHEREAS**, the design-build contractor has reported additional unforeseen delays and based on Gannett Fleming's current level of effort, the JPB now requires an increase in contract authority to perform electrification support services to bring PCEP to completion; and

**WHEREAS**, the Staff Coordinating Council recommends, and the Executive Director concurs that the Board authorize an amendment to the contract with Gannett



Fleming to increase the contract total amount by \$7,540,000, from \$60,203,400 to a new contract total amount not to exceed \$67,743,400, with the understanding that increasing the contract total will not obligate the JPB to purchase any specific level of service from Gannett Fleming, as services are provided on an as-needed basis.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby authorizes an amendment to the contract with Gannett Fleming Transit and Rail Systems, a division of Gannett Fleming, Inc. for on-call electrification support services for the Peninsula Corridor Electrification Project to increase the contract total amount by \$7,540,000 from \$60,203,400 to a new contract total amount of \$67,743,400; and

**BE IT FURTHER RESOLVED** that the Board authorizes the Executive Director, or his designee, to execute an amendment to the contract with Gannett Fleming in a form approved by legal counsel.

Regularly passed and adopted this 4<sup>th</sup> day of June, 2020 by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Chair, Peninsula Corridor Joint Powers Board

ATTEST:

\_\_\_\_\_  
JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD  
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett  
Executive Director

FROM: John Funghi  
Chief Officer, CalMod Program

SUBJECT: **AUTHORIZE AMENDMENT TO ON-CALL PROGRAM MANAGEMENT SUPPORT SERVICES CONTRACT FOR THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT**

**ACTION**

Staff Coordinating Council recommends the Board:

1. Approve an amendment to the contract with URS Corporation Americas, Inc. (URS) for On-Call Program Management Support Services for the Peninsula Corridor Electrification Project (PCEP) to extend the contract term through February 28, 2023; and to increase the contract total not-to-exceed amount by \$7,350,000 from \$29,011,332 to \$36,361,332 (a 25 percent increase), subject to the approval of the Change Management Board (CMB) at their meeting on May 27.
2. Authorize the Executive Director, or his designee, to execute the contract amendment in a form approved by legal counsel.

**SIGNIFICANCE**

Approval of the above actions will ensure uninterrupted services for tasks related to program management support services for PCEP, in coordination with California High Speed Rail for Caltrain blended system projects, such as:

- Design-Build Electrification Contract Support
- Electric Multiple Units (EMU) Rail Vehicle Support
- Tunnel Modification Contract Support
- Centralized Equipment & Maintenance Facility (CEMOF) Modification Contract Support

The services to be provided pursuant to the contract amendment will be performed under Work Directives (WDs) issued on an on-call, as-needed basis.

**BUDGET IMPACT**

The contract amendment will be funded by the current PCEP budget for Project Management Services, as shown in Section 8.0, Budget and Expenses, of the Monthly Progress Report.

## **BACKGROUND**

Pursuant to Resolution No. 2014-04, after a competitive procurement process, the Peninsula Corridor Joint Powers Board (JPB) Board of Directors (Board) awarded a contract to URS for a three-year base term in an amount of \$10,167,109, with up to two, 2-year option terms for a total not-to-exceed amount of \$10,227,123, and contingency authority of up to 15 percent of the total Board-authorized contract amount to address unanticipated tasks assigned under authorized WDs.

Pursuant to Board Resolution No. 2016-60, the Board approved an amendment to the URS contract to increase the contract authority in an amount of \$5.5 million to restore the contract authority originally intended for PCEP, but which was used for estimating support and quality assurance services required for the Communications-based Overlay Signal System/Positive Train Control (CBOSS/PTC) Project, which at that time was a part of the Caltrain Modernization Program.

URS serves as PCEP's program manager and is an integral member of the Caltrain Modernization Program (CalMod) owner's representative team, and works closely with JPB staff and other JPB consultants to support PCEP delivery and execution. The program management support services for PCEP includes, but is not limited to, program planning and scheduling, program project controls, program change management, program cost estimating, program risk management, quality assurance, program document controls, and additional tasks for complex projects related to PCEP. Given that URS has provided program management support services for PCEP for the last six years, URS is the only firm that is uniquely qualified with the specific knowledge and experience required to continue undertaking and delivering the program management support services needed to fulfill the requirements of PCEP in a cost-effective and expeditious manner during this stage of the program.

At this time, the option terms have been exercised, bringing the contract total to \$29,011,332 (including \$3,117,100 in contingency authority) and the contract is set to expire in January 2021. Based on URS's current level of effort, the contract total of \$29,011,332 will be expended by January 2021, which aligns with the contract expiration date for the total seven-year contract term. In order to accommodate PCEP's current program schedule, a contract term extension from January 31, 2021 to February 28, 2023 is now needed to provide the necessary time required to bring the project to completion. The time extension would bridge the approximate two-year gap needed for URS to continue to provide associated procedures and functional work that relates to program management of time, budget/cost, contingency and change management for PCEP to fulfill the program's requirements as required by the Federal Transit Administration.

With the extended term, an increase of \$7,350,000, from \$29,011,332 to \$36,361,332, in contract authority is therefore needed for URS to perform program management support services. Due to the current economic downturn, the JPB will execute a one-year freeze to the current prices paid to URS and will ensure prices remain consistent with those paid by other public agencies in the Bay Area for similar services. Increasing the contract total will not obligate the JPB to purchase any specific level of service from URS as WDs are issued on a project and as-needed basis.

URS's performance to date has been satisfactory and in accordance with the requirements of the contract.

Project Manager: Liria Larano, Deputy Chief Officer, CalMod

650.508.7976

**RESOLUTION NO. 2020 -**

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

\* \* \*

**AUTHORIZING AMENDMENT OF CONTRACT WITH URS CORPORATION AMERICAS, INC. FOR  
ON-CALL PROGRAM MANAGEMENT SUPPORT SERVICES FOR THE PENINSULA CORRIDOR  
ELECTRIFICATION PROJECT TO EXTEND THE TERM AND INCREASE  
THE CONTRACT TOTAL AMOUNT BY \$7,350,000**

**WHEREAS**, pursuant to Resolution No. 2014-04, the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) awarded a contract for on-call program management support services for the Peninsula Corridor Electrification Project (PCEP) to URS Corporation Americas, Inc. (URS) for a three-year base term in an amount of \$10,167,109, with up to two, 2-year option terms for a total not-to-exceed amount of \$10,227,123, including contingency authority of up to 15 percent of the total Board-authorized contract amount to address unanticipated tasks; and

**WHEREAS**, pursuant to Resolution No. 2016-60, the Board approved an amendment to the URS contract to increase the contract authority in an amount of \$5.5 million to restore the contract authority originally intended for PCEP, but which was used for estimating support and quality assurance services required for the Communications-based Overlay Signal System/Positive Train Control (CBOSS/PTC) Project, which at that time was a part of the Caltrain Modernization Program; and

**WHEREAS**, in order to accommodate PCEP's current program schedule, a contract term extension from January 31, 2021 to February 28, 2023 is now needed to provide the necessary time required to bring the project to completion; and

**WHEREAS**, with the extended term, an increase of \$7,350,000, from \$29,011,332 to a new total amount not to exceed \$36,361,332 in contract authority, is therefore needed for URS to perform program management support services; and

**WHEREAS**, the Staff Coordinating Council recommends, and the Executive Director concurs, that the Board authorize an amendment to the contract with URS to extend the contract term through February 28, 2023, and increase the contract total amount by \$7,350,000, from \$29,011,332 to a new contract total amount of \$36,361,332, with the understanding that increasing the contract total will not obligate the JPB to purchase any specific level of service from URS, as services are provided on an as-needed basis.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby authorizes an amendment to the contract with URS Corporation Americas, Inc. for on-call program management support services for the Peninsula Corridor Electrification Project to increase the contract total amount by \$7,350,000, from \$29,011,332 to a new contract total amount of \$36,361,332; and

**BE IT FURTHER RESOLVED** that the Board authorizes the Executive Director, or his designee, to execute an amendment to the contract with URS in a form approved by legal counsel.

Regularly passed and adopted this 4th day of June, 2020 by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Chair, Peninsula Corridor Joint Powers Board

ATTEST:

\_\_\_\_\_  
JPB Secretary