



AGENDA

PENINSULA CORRIDOR JOINT POWERS BOARD

Finance Committee Meeting

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

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

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

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

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

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

October 26, 2020

1:30 pm

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

3. Public Comment on Items not on the Agenda

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

- | | |
|---|---------------|
| 4. Approve Meeting Minutes of September 28, 2020 | MOTION |
| 5. Approve 2021 Finance Committee Calendar | MOTION |
| 6. Accept Statement of Revenues and Expenses for the Period Ended September 30, 2020 | MOTION |
| 7. Amend the Peninsula Corridor Joint Powers Board Investment Policy and Reauthorize Investment of Monies with the Local Agency Investment Fund | MOTION |
| 8. Award of Contract for Broadway Burlingame Grade Separation Project Final Design Services | MOTION |
| 9. Authorization for Execution of Two Change Orders for a Total Not-to-Exceed Amount of \$412,000 for the Contract with Proven Management, Inc. for CEMOF Modifications Required for the Peninsula Corridor Electrification Project | MOTION |
| 10. Amend Contract for Dispatch Services | MOTION |
| 11. Update on the Execution of the FY 2021 Fuel Hedging Program | INFORMATIONAL |
| 12. Update on the Current Status of the Operating Contract with TransitAmerica, Inc. | INFORMATIONAL |
| 13. Committee Member Requests | |
| 14. Date/Time of Next Regular Finance Committee Meeting:
Monday, November 23, 2020 at 1:30 pm via Zoom | |
| 15. Adjourn | |

INFORMATION FOR THE PUBLIC

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

Date and Time of Board and Committee Meetings

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

Location of Meeting

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

*Should Zoom not be operational, please check online at

[http://www.caltrain.com/about/bod/Board of Directors Meeting Calendar.html](http://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html) for any updates or further instruction.

Public Comment*

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

Accessible Public Meetings/Translation

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

Availability of Public Records

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

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

DRAFT MINUTES OF SEPTEMBER 28, 2020

MEMBERS PRESENT: D. Davis(Chair), R. Collins (1:40 pm), M. Zmuda

MEMBERS ABSENT: None

STAFF PRESENT: D. Hansel, M. Bouchard, J. Cassman, S. van Hoften, C. Mau, J. Funghi, C. Gayotin, A. Piano, D. Seamans, S. Wong

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

Chair Dev Davis called the meeting to order at 1:35 pm and led the Pledge of Allegiance.

2. ROLL CALL

Chair Davis noted that she and Director Zmuda were present (as a quorum of the Committee). Director Collins was delayed due to technical difficulties and joined at 1:40 p.m.

3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Roland Lebrun, San Jose, commented on combining the operating and capital budget under a single item.

4. APPROVE MEETING MINUTES OF AUGUST 24, 2020

Motion/Second: Zmuda/Davis

Ayes: Zmuda, Davis

Noes: None

Absent: Collins

5. ACCEPT STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDED JUNE 30, 2020

Derek Hansel, Chief Financial Officer, stated that there was no formal presentation. He noted they closed the books subject to the final audit for the fiscal year with a surplus of \$300,000 after \$23M of CARES Act credit. Mr. Hansel stated that they will present the comprehensive report to this Committee and Board later this year.

Director Monique Zmuda asked about line below 52 and Positive Train Control (PTC) adjustments. Mr. Hansel replied that they made an adjustment to the financial statements to recognize certain litigation expenses with PTC litigation paid for from operating funds. He said that \$5.3 million is not available to be spent at the moment as it was spent on a litigation case.

Chair Davis inquired about taking \$21.3 million of CARES Act funds and ending up with a surplus and she asked if Caltrain would be able to apply these funds in this current

fiscal year. Mr. Hansel confirmed that it would add to reserves to address the challenges of Fiscal Year 2021.

Chair Davis asked if the percentage calculation in line 52 was correct. Mr. Hansel replied it was a percentage versus the budget.

Chair Davis asked about settlement dollars from PTC litigation. Mr. Hansel replied it would be used to reimburse the operating budget.

Public comment

Roland Lebrun, San Jose, commented on expenses, \$5.3 million, the PTC capital budget, and he suggested appointing special auditors for the budget for the December board meeting.

Chair Davis proposed combining Items 5 and 6 in one motion.

Director Collins joined the meeting at 1:40 p.m.

6. ACCEPT STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDED AUGUST 31, 2020

Derek Hansel, Chief Financial Officer, stated that there was no formal presentation and was available for questions.

Director Ron Collins inquired about expenses being lower than revenue and whether there was a positive revenue situation. Mr. Hansel stated that Caltrain books a disproportionate amount of member agency contribution in the first month or two to pay out insurance premiums immediately, so member agencies front load their contributions.

Director Zmuda commented on the monthly reports presentation, the comparisons between current spending and prior actual spending as meaningful, but during this fiscal year, that comparison is not as pertinent. She requested looking over the next month of actual revenue and expense to the actual current year budget estimate to know where they stand in terms of budget rather than in terms of the prior fiscal year. Mr. Hansel replied that they would look into what can be done in terms of the monthly budget reports.

Public comment

Roland Lebrun, San Jose, commented on the Board and staff looking at the same issue, having revenues going to reserves, doing monthly reports to track against projections to know exactly where they are, and looking at BART's budget.

Jeff Carter, Millbrae, commented on the monthly budget reports and suggested a breakdown by fare product.

Motion/Second: Collins/Davis moved to approve Items 5 and 6

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

7. AWARD OF CONTRACT FOR DELAWARE STREET STORM DRAIN RELOCATION PROJECT CONSTRUCTION

Concepcion Gayotin, Acting Manager of Contracts and Procurement, stated that contract underwent a formal solicitation, four bids were received and it was awarded to Kingdom Pipelines, Inc. She noted that Kingdom Pipelines, Inc. is Small Business Enterprise (SBE) certified with more than 20 years of experience.

Mr. Hansel thanked Ms. Gayotin for working as the Acting Manager of Contracts & Procurement and for her leadership during these past months.

Public comment

Roland Lebrun, San Jose, commented on Shimmick/Disney prices.

Motion/Second: Collins/Zmuda moved to approve the contract

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

8. ADOPTION OF FISCAL YEAR 2021 SECOND QUARTER OPERATING BUDGET AND AMENDMENT OF THE FISCAL YEAR 2021 CAPITAL BUDGET

Derek Hansel, Chief Financial Officer, provided background information on how the Board's prior direction on not adopting a budget with a deficit and for staff to present a balanced budget for the rest of the calendar year. He noted that staff is now presenting a balanced budget for the second quarter with identified sources to close the budget gap. He provided the presentation and highlights included the following: previous \$18.5 million shortfall for fiscal year (FY) 2021, reduced service levels, challenges in gap filling, risks to ridership and GoPass, and the scope of FY 2022. Mr. Hansel discussed the budget outlook, application of CARES Act funding, changes from the quarter one adopted budget, and proposed revenues. He outlined the sensitivity of revenue to ridership, the cost to operate Caltrain, immediate and longer term gap measures, FY 2022 challenges, and next steps.

Public comment

Roland Lebrun, San Jose, commented on the unbalanced budget, changes to bylaws, revenue generation, MOU (memorandum of understanding) with Google, and restoring Caltrain ridership through baby bullets.

Jeff Carter, Millbrae, commented on revenue generated through Clipper START, detrimental effects of possible weekend shutdowns, and additional revenue sources.

Board members had a robust discussion and staff provided further clarification in response to Board comments and questions; topics discussed included:

- Distributing capital budget to operating budget

- How priorities change if Measure RR passes, particularly which projects move forward more quickly
- Maximum train capacity now with new social distancing guidelines
- The number of riders per day currently
- Cost of the election and when it has to be paid
- Optional plans to make reductions to service production and governance responsibilities
- Whether the CARES Act money on slide 5 had to be spent by December
- The adopted \$22.8 million in revenue and whether it was all allocated in the first quarter and whether GoPass revenue was treated differently
- Cost savings from furloughs (\$7.5 million) would be from January through June
- The additional cost of adding another audit firm and legal counsel
- Lease holder rent (slide 6)
- Ridership remaining at five percent through the fiscal year

Mr. Hansel pointed out possible funds from the capital budget in the areas of track rehabilitation and state of good repair (SOGR). He noted two additional sources of revenue: the San Mateo Grade Crossing Design funding from the state and the Broadway-Burlingame Grade Separation project.

Public comment

Roland Lebrun, San Jose, expressed concern for the \$11 million for doors, the Broadway Grade Separation mirroring the 25th Ave grade separation, and issues with the design of the station needing to be a 4-track station with passing tracks.

Director Zmuda suggested moving money from the capital budget to operating budget if needed later.

Motion/Second: Zmuda/Collins moved to adopt the Fiscal Year 2021 2nd quarter budget, amended to include full allocation of CARES Act funding in the second quarter budget and to bring forward a balanced budget for the remainder of the year.

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

Motion/Second: Davis/Collins moved to approve the amended capital budget for Fiscal Year 2021

Ayes: Collins, Zmuda, Davis

Noes: None

Absent: None

9. COMMITTEE MEMBER REQUESTS

Director Zmuda requested the estimated legal and audit services costs for the next meeting or meeting after that.

10. DATE/TIME OF NEXT REGULAR FINANCE COMMITTEE MEETING

Monday, October 26, 2020 at 1:30 pm, via Zoom.

11. ADJOURN

The meeting adjourned at 3:17 pm.

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

DRAFT

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett
Executive Director

FROM: Dora Seamans
Executive Officer,
District Secretary/Executive Administration

SUBJECT: **2021 FINANCE BOARD MEETING CALENDAR**

ACTION

Staff Coordinating Council recommends the Finance Committee approve the attached meeting calendar for 2021.

SIGNIFICANCE

The Board of Directors' regular monthly meetings are scheduled for the fourth Mondays of each month at 1:30 pm.

BUDGET IMPACT

There is no impact on the budget.



JPB Finance Committee Meeting Calendar – 2021

Fourth Mondays – 1:30 PM

Monday, January 25

Monday, February 22

Monday, March 22

Monday, April 26

Tuesday, May 24

Monday, June 28

Monday, July 26

Monday, August 23

Monday, September 27

Monday, October 25

Monday, November 22

*Monday December 20 – to be confirmed/determined

Board Committee Members: Directors Dev Davis (Chair), Ron Collins, and Monique Zmuda.
Primary Staff Liaison: Derek Hansel

*Regular meetings scheduled for monthly on the 4th Monday at 1:30 pm., unless otherwise noted.

All meetings are held via [Zoom](#) or at 1250 San Carlos Avenue, San Carlos, CA, unless scheduled and stated otherwise at

https://www.caltrain.com/about/bod/Board_of_Directors_Meeting_Calendar.html

**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
SEPTEMBER 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 September 2020.

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

SIGNIFICANCE

Year to Date Revenues: As of September year-to-date actual, the Grand Total Revenue (page 1, line 17) is \$23.7 million higher than the adopted budget. This is primarily driven by CARES ACT Fund (page 1, line 13) and Farebox Revenue (page 1, line 1) which are partially offset with lower than the adopted budget in Rental Income (page 1, line 4) and JPB Member Agencies (page 1, line 12).

Year to Date Expenses: As of September year-to-date actual, the Grand Total Expense (page 1, line 48) is \$15.1 million lower than the adopted budget. This is primarily driven by Rail Operator Service (page 1, line 23), Fuel and Lubricants (Page 1, line 26), Insurance (page 1, line 28), Facilities and Equipment Maintenance (page 1, line 30), and Other Office Expenses and Services (page 1, line 42).

Other Information: The Agency accounts for revenue and expenditures on a modified cash basis (only material revenues and expenses are accrued) in the monthly financial statements. Due to the impact of Covid-19 pandemic, Caltrain adopted a first quarter budget in FY2021 which identified certain annual expenses occurring in the first quarter of FY2021. As such, the variance between the current year actual and the first quarter budget show noticeable variances due to the timing of expenditures.

BUDGET IMPACT

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

STRATEGIC INITIATIVE

This item does not achieve a strategic initiative.

Prepared By : Thwe Han, Accountant II

650-508-7912

Jennifer Ye, Manager, General Ledger

650-622-7890

PENINSULA CORRIDOR JOINT POWERS BOARD					
STATEMENT OF REVENUE AND EXPENSE					
Fiscal Year 2021					
September 2020					
% OF YEAR ELAPSED				25.0%	
	YEAR TO DATE	JULY-SEPTEMBER			
	CURRENT	APPROVED	\$	%	
	ACTUAL	BUDGET	VARIANCE	VARIANCE	
REVENUE					
OPERATIONS:					
1	Farebox Revenue	8,908,649	8,015,496	893,153 11.1%	1
2	Parking Revenue	107,318	126,782	(19,464) (15.4%)	2
3	Shuttles	354,785	368,000	(13,215) (3.6%)	3
4	Rental Income	242,539	343,026	(100,487) (29.3%)	4
5	Other Income	426,910	382,137	44,773 11.7%	5
6					6
7	TOTAL OPERATING REVENUE	10,040,201	9,235,441	804,760 8.7%	7
8					8
9	CONTRIBUTIONS:				9
10	AB434 Peninsula & TA Shuttle Funding	724,108	431,300	292,808 67.9%	10
11	Operating Grants	1,199,825	1,135,439	64,386 5.7%	11
12	JPB Member Agencies	11,386,621	12,020,136	(633,515) (5.3%)	12
13	CARES ACT Fund	23,132,863	-	23,132,863 100.0%	13
14					14
15	TOTAL CONTRIBUTED REVENUE	36,443,418	13,586,875	22,856,543 168.2%	15
16					16
17	GRAND TOTAL REVENUE	46,483,620	22,822,316	23,661,304 103.7%	17
18					18
19					19
20	EXPENSE				20
21					21
22	OPERATING EXPENSE:				22
23	Rail Operator Service	16,768,370	24,850,000	(8,081,630) (32.5%)	23
24	Security Services	1,403,030	1,705,477	(302,447) (17.7%)	24
25	Shuttle Services	671,156	694,000	(22,844) (3.3%)	25
26	Fuel and Lubricants	1,185,345	1,650,270	(464,925) (28.2%)	26
27	Timetables and Tickets	-	22,500	(22,500) (100.0%)	27
28	Insurance	1,353,254	5,100,000	(3,746,746) (73.5%)	28
29	Claims, Payments, and Reserves	63,588	237,948	(174,360) (73.3%)	29
30	Facilities and Equipment Maintenance	367,249	1,153,630	(786,381) (68.2%)	30
31	Utilities	438,797	673,675	(234,878) (34.9%)	31
32	Maint & Services-Bldg & Other	86,165	430,873	(344,708) (80.0%)	32
33					33
34	TOTAL OPERATING EXPENSE	22,336,955	36,518,373	(14,181,418) (38.8%)	34
35					35
36	ADMINISTRATIVE EXPENSE				36
37	Wages and Benefits	3,161,902	3,296,146	(134,244) (4.1%)	37
38	Managing Agency Admin OH Cost	997,413	1,274,516	(277,103) (21.7%)	38
39	Board of Directors	2,890	11,025	(8,135) (73.8%)	39
40	Professional Services	499,562	644,633	(145,071) (22.5%)	40
41	Communications and Marketing	19,634	75,375	(55,741) (74.0%)	41
42	Other Office Expenses and Services	164,392	573,761	(409,369) (71.3%)	42
43					43
44	TOTAL ADMINISTRATIVE EXPENSE	4,845,792	5,875,456	(1,029,664) (17.5%)	44
45					45
46	Long Term Debt Expense	674,324	595,438	78,886 13.2%	46
47					47
48	GRAND TOTAL EXPENSE	27,857,071	42,989,267	(15,132,196) (35.2%)	48
49					49
50	NET SURPLUS / (DEFICIT)	18,626,549	(20,166,951)	38,793,500 (192.4%)	50
51					51



BOARD OF DIRECTORS 2020

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

PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF SEPTEMBER 30, 2020

JIM HARTNETT
 EXECUTIVE DIRECTOR

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted)	*	Liquid Cash	0.685%	36,687	36,687
County Pool (Unrestricted)		Liquid Cash	1.532%	551,171	551,171
Other (Unrestricted)		Liquid Cash	0.050%	66,297,877	66,297,877
Other (Restricted)	**	Liquid Cash	0.050%	14,247,476	14,247,476
				\$ 81,133,211	\$ 81,133,211

Interest Earnings for September 2020 \$ 2,274.88
 Cumulative Earnings FY2021 \$ 9,246.34

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

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

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Jim Hartnett
Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **AMEND THE PENINSULA CORRIDOR JOINT POWERS BOARD INVESTMENT
POLICY AND REAUTHORIZE INVESTMENT OF MONIES WITH THE LOCAL
AGENCY INVESTMENT FUND**

ACTION

Staff proposes the Committee recommend the Board:

1. Amend the Peninsula Corridor Joint Powers Board (JPB) Statement of Investment Policy to align with current State law, including California Government Code Section 53601. This Investment Policy provides guidelines for the investment of JPB's funds and includes delegations of authority to invest such funds; and
2. Reauthorize the investment of JPB monies in Local Agency Investment Funds (LAIF) in compliance with LAIF requirements.

SIGNIFICANCE

The Executive Director or his designee serves as the JPB's trustee for purposes of placing investments pursuant to the Investment Policy. The Board of Directors, in accordance with California Government Code Section 53646(a), may review the Investment Policy and also reauthorize the included delegations of authority on an annual basis at a public meeting. The proposed action will:

- Amend the Investment Policy's limitations for investment instruments to be more consistent with the limitations set forth in *California Government Code Sections 53600 et seq.* for the JPB's current portfolios and to be updated annually by the Executive Director or his designee with advice from the JPB's investment advisers;
- Update authorized investment descriptions to those used in California State Codes;
- Update the authorized investments explicitly listed in the Investment Policy to include bonds, notes, warrants, or other evidences of indebtedness of any local agency within the state; and
- Reauthorize the investment of JPB monies in LAIF.

BUDGET IMPACT

Amendment of the Investment Policy and reauthorization of investment in LAIF will have no impact on the JPB budgets.

BACKGROUND

The JPB's investments have always been in accordance with sound treasury management practices and comply with the objectives of safety, liquidity, and yield in that order of priority.

Continued investments through LAIF are consistent with these objectives.

Prepared by: Jayden Sangha, Treasury Manager

650.508.6405

August 5, 1999
Reaffirmed August 3, 2000
Amended August 2, 2001
Reaffirmed September 2002
Amended October 2003

Reaffirmed September 2004
Reaffirmed October 2005
Reaffirmed November 2006
Amended November 2007
Amended December 2008

Reaffirmed December 2009
Amended November 2010
Reaffirmed November 2011
Amended November 2012
Reaffirmed November 2013

Reaffirmed November 2014
Amended August 2016
Amended September 2017
Reaffirmed October 2019

EXHIBIT A

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENT OF INVESTMENT POLICY

I. PURPOSE

This Statement of Investment Policy (Investment Policy) sets forth the investment guidelines for the prudent investment and cash management of the Peninsula Corridor Joint Powers Board's (PCJPB) funds. It is the goal of this Investment Policy to establish investment objectives in accordance with the provisions of the *California Government Code, Section 53600 et seq.* (hereafter "*Code*"), and investment guidelines to ensure that the funds under its purview are prudently invested to preserve capital, provide necessary liquidity, and achieve a market-average rate of return over an economic cycle consistent with the PCJPB's goals of preserving principal and minimizing the risk of diminishing the principal.

Investments may only be made as authorized by this Investment Policy, and subsequent revisions. This Statement of Investment Policy may be reviewed annually by the PCJPB's Board of Directors at a public meeting. (*California Government Code Section 53646(a)*). Irrespective of these policy provisions, should the provisions of the *Code* be, or become, more restrictive than those contained herein, then such provisions will be considered immediately incorporated into this Statement of Investment Policy.

II. OBJECTIVE

The PCJPB's cash management system is designed to monitor and forecast accurately, expenditures and revenues, thus enabling the PCJPB to invest funds to the fullest extent possible. Idle funds of the PCJPB shall be invested in accordance with sound treasury management and in accordance with the provisions of the *Code* and this Investment Policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be applied in the context of managing an overall portfolio. PCJPB officials shall act in accordance with written procedures and the Investment Policy, and should report deviations from expectations in a timely fashion and take appropriate action to control adverse developments.

The PCJPB's primary objective with respect to its invested funds is to safeguard the principal of the funds. The second objective is to meet the liquidity needs of the PCJPB. The third objective is to achieve a return on its invested funds.

III. BENCHMARKS

Investment performance will be compared to the performance benchmark selected by the PCJPB, which

approximates the PCJPB's portfolio and the specific restrictions on the PCJPB's portfolio in accordance with applicable current legislation by the State of California. The benchmark will be reviewed periodically to ensure it remains appropriate and consistent with the PCJPB's risk and return expectations.

IV. POLICY

At all times, the PCJPB shall invest its funds in accordance with the rules and restrictions established by the law of the State of California (including the *Code*). In addition, the PCJPB shall conduct its investments under the "prudent investor standard": "When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency." (*California Government Code Section 53600.3*).

The Executive Director of the PCJPB, or his designee, shall serve as the PCJPB's trustee for purposes of placing investments pursuant to this Investment Policy. The Board of Directors may review and specifically reauthorize this delegation of authority on an annual basis.

1. **Criteria for Selecting Investments.** Criteria for selecting investments and the order of priority are:
 - a. **Safety.** The safety and risk associated with an investment refer to the potential loss of principal, interest or a combination of these amounts. The PCJPB shall operate only in those investments that are considered safe. Investments in instruments and with institutions permitted under Section 2, 6, and Section 7, are deemed to constitute safe investments within the meaning of this Investment Policy.
 - b. **Liquidity.** An adequate percentage of the portfolio, in the approximate amount of six months' operating expenses, should be maintained in liquid short-term investments which can convert to cash if necessary to meet disbursement requirements. For purposes of this Investment Policy, fixed income securities maturing in one year or more are considered investment term, and fixed income securities maturing in less than one year are considered short-term cash equivalents. All funds available for investment shall be directed to the managers of the PCJPB's investment portfolio.
 - c. **Return on Investment.** The PCJPB's investment portfolio shall be designed with the objective of attaining the safety and liquidity objectives first, and then attaining a market rate of return throughout the budgetary and economic cycles, consistent with the portfolio's benchmark as described in the section entitled "Objective" (see above). This benchmark takes into account the PCJPB's investment risk constraints and the cash flow characteristics of the portfolio.
2. **Diversification.** The PCJPB will focus on diversification and invest in securities consistent with the diversification limits established by this policy and consistent with California Government Code.
3. **Safekeeping and Custody.** All security transactions, including collateral for repurchase

agreements, will be executed on a Delivery versus Pay Basis (DVP). The assets of the PCJPB shall be held in safekeeping by the PCJPB's safekeeping agent, or secured through third party custody and safekeeping procedures. A due bill or other substitutions will not be acceptable.

4. **Maturity of Investments.** The specific security guidelines including maximum maturities and qualified Fixed Income instruments can be found in Section 10 "Summary of Instruments & Limitations" of this Investment Policy.

The maximum dollar weighted average maturity of the fund is five years. This policy limitation leaves open the flexibility to take advantage of interest rate fluctuations as well as yield curve differences to maximize the return on investment. The imposed maximum dollar weighted five year average maturity limits the market risk to levels appropriate for an intermediate income fund. For the purposes of calculating the "average life" of the fund, callable and asset backed securities will be run to their stated final maturity.

5. **Deposit of Funds.** As far as possible, all money belonging to or in the custody of the PCJPB including money paid to the PCJPB to pay the principal, interest or penalties of bonds, shall be deposited for safekeeping in state or national banks, savings associations or federal associations, credit unions or federally insured industrial loan companies in California (as defined by *California Government Code Section 53630*). Pursuant to *California Government Code Sections 53635, 53637 and 53638*, the money shall be deposited in any authorized depository with the objective of realizing maximum return, consistent with prudent financial management.

6. **Allowable Investment Instruments.** The PCJPB also may invest in any investment instrument as authorized by the *California Government Code*, as it may be amended from time to time, and subject to any conditions set forth in the *California Government Code*. This Policy may be more restrictive than *California Government Code* regarding the limitations of certain investment types, as shown in the table in Section 10. These investment instruments include but are not limited to:

- a. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest, pursuant to *California Government Code Section 53601(b)*.
- b. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government sponsored enterprises, pursuant to *California Government Code Section 53601(f)*.
- c. Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or 40 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 30 percent of the agency's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this section. This subdivision does not preclude a municipal utility district from investing moneys in its treasury in a manner authorized by the Municipal Utility District Act (*California Public Utilities Code*

Section 11501, et seq.). Pursuant to *California Government Code Section 53601(g)*.

- d. Commercial paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO). Eligible commercial paper shall have a maximum maturity of 270 days or less. No more than 40 percent of the agency’s money may be invested in eligible commercial paper. The agency may invest no more than 10 percent of its total investment assets in the commercial paper and medium-term notes of any single issuer pursuant to *California Government Code Section 53601(h)*.
- e. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by *California Financial Code Section 5102*), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed 30 percent of the agency’s moneys that may be invested pursuant to *California Government Code Section 53601(i)*.
- f. Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements as defined in *California Government Code Section 53601(j)*.
- g. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of “A” or its equivalent or better by an NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and may not exceed 30 percent of the agency’s moneys that may be invested pursuant to *California Government Code Section 53601(k)*. The agency may invest no more than 10 percent of its total investment assets in the commercial paper and the medium-term notes of any single issuer.
- h. Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as described by *California Government Code Section 53601(l)*.
- i. Local government investment pools. Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 as described by *California Government Code Section 53601(p)*.
- j. A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of “AA” or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subdivision

may not exceed 20 percent of the agency's surplus moneys that may be invested pursuant to this *California Government Code Section 53601(o)*.

- k. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state. Pursuant to *California Government Code 53601(c)*

Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California. Pursuant to *California Government Code 53601(d)*.

Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Pursuant to *California Government Code 53601(e)*

- l. Supranational obligations including United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to *California Government Code Section 53601(q)*.

- m. Collateral is defined in this Investment Policy to mean property (as securities) pledged by a borrower to protect the interest of the lender. For purposes of this Investment Policy, the following investments are considered to have collateral backing: Certificates of Deposit protected by either the FDIC or pledged securities in conformance with California Codes and this Investment Policy; or Bankers' Acceptances (protected by an irrevocable time draft or bill of exchange) whereby the accepting bank incurs an irrevocable primary obligation thus guaranteeing payment on the draft or bill. A secondary obligation rests with the issuing company; Commercial Paper (protected by an unsecured promissory note from the issuer who must be rated A1/P1/F1 or better) thereby guaranteeing that the earning power and/or liquidity had been established to fulfill the obligation to pay; and, asset backed securities which are rated AAA by both Moody's and Standard & Poor's.

- 7. **Local Agency Investment Fund & San Mateo County Investment Pool.** The Board of Directors also authorizes the PCJPB to invest in the Local Agency Investment Fund (LAIF) pursuant to *California Government Code Section 16429.1* and in the San Mateo County Investment Fund (SMCIF).

8. **Prohibited Investments.** The PCJPB shall not invest any funds in inverse floaters, range notes or mortgage derived interest-only strips. The PCJPB shall not invest any funds in any security that could result in zero interest accrual if held to maturity; however, the PCJPB may hold this prohibited instrument until its maturity date. The limitation does not apply to investments in shares of beneficial interest issued by diversified management companies as set forth in *California Government Code Section 53601.6*.
9. **Portfolio Transactions.** The PCJPB's investment advisors are expected to seek best execution for all portfolio transactions. Best execution relates to the expected realized price net of commissions and is not necessarily synonymous with the lowest commission rate. Investment advisors are to obtain three independent bids from SEC licensed brokerage institutions, licensed by the state as a broker-dealer, as defined in *California Government Code Section 53601.5*, or from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank, prior to the execution of each portfolio transaction. The investment advisors, at their sole discretion and authority, will choose which broker dealers or brokerage firms from which to solicit bids and final selection is to be made based on the best interests of the PCJPB. Investment advisors may incur Realized capital losses in order to minimize the decrease in real purchasing power of the assets over an indefinite period of time.
10. **Summary of Instruments & Limitations.** Subject to the limitations set forth in *California Government Code Sections 53600 et seq.* which may be amended from time to time, the Executive Director or his designee may invest in the following instruments, subject to the limits of flexibility described above and in the table below. Limitations set in this Policy may be more restrictive than required by *California Government Code*:

Instrument	Credit Rating	% of Fund	% of Fund per Issuer	Maximum Maturity
(a) U.S. Treasury Obligations		100	N/A	15 years
(b) Obligations of U.S. Agencies or Government Sponsored Enterprises		100	N/A	15 years
(c) Bankers' Acceptances		40	30	180 days
(d) Commercial Paper	A1/P1/F1	40	10	270 days
Local agencies with less than \$100M of investment assets under management may invest no more than 25% of the agency's money in eligible commercial paper				
(e) Negotiable Certificates of Deposit		30	N/A	5 years
(f) Repurchase Agreements		100	N/A	1 year

Reverse Repurchase Agreements & Securities Lending		20	N/A	92 days
(g) Medium Term Corporate Notes	“A” category (split rated issues not allowed)	30	10	5 years
(h) Shares of beneficial interest issued by diversified management companies		20	10	N/A
(i) Local Government Investment Pools		100	N/A	N/A
(j) Asset-backed and mortgage-backed securities	“AA” category	20	N/A	5 years
(k) Municipal Obligations		100	N/A	10 years
(l) Supranational Obligations	“AA” category	30%	N/A	5 years
Local Agency Investment Fund				Up to current state limit
San Mateo County Investment Fund				Up to current state limit

11. Oversight.

- a. Quarterly, the Executive Director shall submit an investment report to the Board of Directors within 30 days of the end of the quarter. The report shall include the following information:
 1. type of investment, issuer, date of maturity, par and dollar amount invested in all securities, investments and money held by the PCJPB;
 2. description of any of the PCJPB’s funds, investments or programs that are under the management of contracted parties, including lending programs;
 3. for all securities held by the PCJPB or under management by any outside party that is not a local agency or the State of California LAIF, a current market value as of the date of the report and the source of this valuation;
 4. statement that the portfolio complies with the Investment Policy or the manner in which the portfolio is not in compliance; and
 5. statement that the PCJPB has the ability to meet its pool’s expenditure requirements (cash flow) for the next six months or provide an explanation as to why sufficient money shall or may not be available.
- b. Annually, the Executive Director shall perform, or cause to be performed, an independent audit of the PCJPB’s assets as reported for the investment program’s

activities. It is to be conducted in such a way as to determine compliance with the PCJPB's Investment Policy and State Codes. Such independent auditors will express an opinion whether the statement of assets is presented fairly and in accordance with generally accepted accounting principles.

- c. If the PCJPB places all of its investments in the LAIF, FDIC-insured accounts in a bank or savings and loan association, or the SMCIF (or any combination of these three), the Executive Director can simply submit, on at least a quarterly basis, the most recent statements from these institutions to meet the requirements of items 1-3 above, with a supplemental report addressing items 4 and 5 above. (*California Government Code Section 53646(b)-(e)*).

RESOLUTION NO. 2020 –

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

**REAUTHORIZING INVESTMENT OF PENINSULA CORRIDOR JOINT POWERS BOARD MONIES IN
LOCAL AGENCY INVESTMENT FUND**

WHEREAS, pursuant to Government Code Section 16429.1, a Local Agency Investment Fund (LAIF) was created in the State Treasury for the deposit of local agency monies for purposes of investment by the State Treasurer; and

WHEREAS, staff recommends that the deposit and withdrawal of money in the LAIF in accordance with the provisions of Government Code Section 16429.1 is in the best interests of the Peninsula Corridor Joint Powers Board (JPB).

NOW THEREFORE, BE IT RESOLVED the Board of Directors of the Peninsula Corridor Joint Powers Board does hereby reauthorize the deposit and withdrawal of JPB monies in Local Agency Investment Fund in the State Treasury in accordance with the provisions of Government Code Section 16429.1, for the purpose of investment; and

BE IT FURTHER RESOLVED the Executive Director, or his designee, shall be authorized to order the deposit or withdrawal of JPB monies in the LAIF.

Regularly passed and adopted this 5th day of November, 2020 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers
Board

ATTEST:

JPB Secretary

RESOLUTION NO. 2020 –

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

* * *

**AMENDING THE STATEMENT OF INVESTMENT POLICY
FOR THE PENINSULA CORRIDOR JOINT POWERS BOARD**

WHEREAS, as encouraged by applicable State law and in accordance with best practices, the Peninsula Corridor Joint Powers Board (JPB) adopted a Statement of Investment Policy in August 1999; and

WHEREAS, the JPB may annually render a statement of said Investment Policy to the Board of Directors for review and approval pursuant to Section 53646 of the State of California Government Code; and

WHEREAS, the JPB has amended or reaffirmed its Statement of Investment Policy over the years, most recently in October 2019, to align with descriptions of investments contained in the California state codes and to more clearly reflect the JPB's strategy for the investment of its funds; and

WHEREAS, in presenting the Statement of Investment Policy to the Board of Directors for this year, staff recommends amending the Statement of Investment Policy to align with State law, including California Government Code Section 53601; and

WHEREAS, staff further recommends reappointment of the Executive Director, or his designee, as trustee for purposes of placing investments pursuant to the aforementioned policy.

NOW, THEREFORE BE IT RESOLVED the Board of Directors of the Peninsula Corridor Joint Powers Board (1) Amends the Statement of Investment Policy attached hereto as Exhibit A; and (2) Reappoints its Executive Director, or his designee, as the trustee for purposes of placing investments pursuant to said policy.

Regularly passed and adopted this 5th day of November, 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

Michelle Bouchard
Chief Operations Officer, Rail

SUBJECT: **AWARD OF CONTRACT FOR BROADWAY BURLINGAME GRADE SEPARATION
PROJECT FINAL DESIGN SERVICES**

ACTION

Staff Coordinating Council recommends the Board:

1. Award a contract to Mark Thomas and Company, Inc. of San Jose, California (MTCI) to provide final design services (Services) for the Broadway Burlingame Grade Separation Project (Project) for a not-to-exceed amount of \$13,775,255 for a two and a half-year base term at the negotiated cost plus fixed fee specified in the proposal.
2. Authorize the Executive Director, or his designee, to execute a contract with MTCI 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 up to four additional one-year option terms for additional services with MTCI for a not-to-exceed amount up to \$6,685,526, if deemed in the best interest of the Peninsula Corridor Joint Powers Board (JPB).

SIGNIFICANCE

The existing Broadway at-grade crossing is currently the highest-ranked crossing on the California Public Utilities Commission's Grade Separation Priority List. The Project will separate the tracks from the road at Broadway in Burlingame. This will improve safety for motorists, pedestrians, bicyclists and railroad operations, as well as reduce local traffic congestion in Burlingame. The Project will also construct a new elevated Broadway Station with new amenities and eliminate the current hold-out rule under which only one train is allowed at the station at a time.

Approval of the above actions will provide the JPB with a qualified firm to complete the final design, including plans, specifications, and estimates for the Project. In addition, it

authorizes the Executive Director, or his designee, to exercise up to four additional one-year option terms for additional services, if deemed in the best interest of the JPB.

Base Contract and Options	Services and Tasks	Not-To-Exceed Amounts
Base Contract	Final Design	\$13,775,255
Option	Preliminary Engineering Report of 35% Phase	\$508,904
Option	Design Support During the Right of Way Phase	\$1,125,813
Option	Design Support During Construction Bid Process	\$551,267
Option	Design Support During Construction	\$4,499,542
	Sub-Total Options	\$6,685,526
	Total Base Contract with all Options	\$20,460,781

BUDGET IMPACT

The Project has Board approved budget of \$24,388,000 with funding from the San Mateo County Transportation Authority and the City of Burlingame.

BACKGROUND

Under a JPB On-Call General Engineering Consultant contract, the preliminary 35 percent design services for the Project was completed by HDR Engineering, Inc.

The JPB issued a new Request for Proposals (RFP) for the Services and advertised it on the procurement website. A pre-proposal video conference was held and seventeen potential proposers attended. Four firms submitted proposals as follows:

1. AECOM Technical Services, Inc., Oakland
2. HDR Engineering, Inc., Walnut Creek
3. Mark Thomas and Company, Inc., San Jose
4. WSP USA, Inc., San Francisco

In accordance with federal and state law governing the procurement of architecture and engineering services, proposals were evaluated, scored and ranked solely on qualifications, with price being negotiated only with the highest-ranked firm. A Selection Committee (Committee), composed of qualified staff from JPB's Capital Program Delivery department and the City of Burlingame, reviewed and scored the proposals in accordance with the following weighted criteria:

- Company Qualifications, Experience & References 10 points
- Key Personnel Qualifications, Experience & Organization 25 points
- Understanding the Required Scope of Work 40 points
- Project Management Plan 15 points
- Quality Management Plan 10 points
- Small Business Enterprise (SBE) Preference 05 points

After initial scoring of the technical proposals, all firms were found to be in the competitive range and were invited to interviews. Subsequently, the Committee

completed its final evaluation and consensus ranking. The Committee determined MTCI to be the highest-ranked firm. The firm possesses the requisite experience and qualifications required for successful performance of the Services, as further defined in the solicitation documents. MTCI and its key subconsultants have experience with grade separation projects throughout California including: 1) Harney Lane, Lodi; 2) McKinley Street, Corona; and 3) Placentia Avenue, Placentia.

Staff conducted a cost analysis for the base contract and option terms, successfully negotiated the price with MTCI, and determined the prices to be fair, reasonable, and consistent with those paid by other public agencies in the Bay Area for similar services.

The Office of Civil Rights assessed SBE preference submissions from all four firms. MTCI committed to utilizing 41.84% SBE participation of the required Services. MTCI received 5 points out of the 5 preference points in accordance with its level of SBE utilization.

Staff will provide Project updates to the Board at future meetings and present Project construction contracts for approval following the requisite competitive processes.

Procurement Administrator III: Quoc Truong
Project Manager: Joy Sharma

650.508.7732
650.508.6410

RESOLUTION NO. 2020-

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

* * *

**AWARDING A CONTRACT TO MARK THOMAS AND COMPANY, INC. FOR
BROADWAY, BURLINGAME GRADE SEPARATION PROJECT FINAL DESIGN SERVICES FOR A
TOTAL NOT-TO-EXCEED AMOUNT OF \$13,775,255 FOR A TWO AND A HALF-YEAR TERM**

WHEREAS, the Peninsula Corridor Joint Powers Board (JPB) issued a Request for Proposals (RFP) for Broadway, Burlingame Grade Separation Project (Project) Final Design services; and

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

WHEREAS, a Selection Committee (Committee) scored and ranked the proposals according to the qualifications-based evaluation criteria set forth in the RFP and determined all firms were in the competitive range; and

WHEREAS, the Committee completed its evaluation process, including interviews, and determined that Mark Thomas and Company, Inc. (MTCI) of San Jose, California was the highest-ranked proposer and possesses the necessary qualifications and requisite experience to successfully perform the scope of services defined in the solicitation documents; and

WHEREAS, staff conducted a cost analysis for the base contract and optional services and completed cost negotiations with MTCI, which has agreed to perform the specified services at fair and reasonable prices; and

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

WHEREAS, Staff Coordinating Council recommends, and the Executive Director concurs, that the Board of Directors awards a contract to MTCI for Broadway,

Burlingame Grade Separation Project Final Design services for a total not-to-exceed amount of \$13,775,255 for a two and a half-year term; and

WHEREAS, Staff Coordinating Council recommends, and the Executive Director concurs, that the Board of Directors authorizes the Executive Director, or his designee, to exercise up to four additional one-year option terms for additional services with MTCI for a not-to-exceed amount up to \$6,685,526.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby awards a contract for Broadway, Burlingame Grade Separation Project Final Design services to Mark Thomas and Company, Inc. of San Jose, California for a total not-to-exceed amount of \$13,775,255 for a two and a half-year term; and

BE IT FURTHER RESOLVED the Board authorizes the Executive Director, or his designee, to execute a contract with MTCI in full conformity with the terms and conditions of the RFP and in a form approved by legal counsel; and

BE IT FURTHER RESOLVED the Board authorizes the Executive Director, or his designee, to exercise up to four additional one-year option terms for additional services with MTCI for a not-to-exceed amount up to \$6,685,526 if deemed in the best interest of the Peninsula Corridor Joint Powers Board.

Regularly passed and adopted this 5th day of November, 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: **AUTHORIZATION FOR EXECUTION OF TWO CHANGE ORDERS FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$412,000 FOR THE CONTRACT WITH PROVEN MANAGEMENT, INC. FOR CEMOF MODIFICATIONS REQUIRED FOR THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT**

ACTION

Staff Coordinating Council recommends the Board authorize the Executive Director, or his designee, to execute the following change orders for the contract (Contract) with ProVen Management, Inc. (PMI) for modifications to the Central Equipment Maintenance and Operations Facility (CEMOF) as required for the Peninsula Corridor Electrification Project (PCEP) to include:

1. Protection of an existing fire sprinkler water line that is in conflict with the north extension of the inspection pit at the CEMOF, for a total lump sum of \$162,000, and
2. Relocation of an existing boosted water line that is in conflict with the south extension of the inspection pit at CEMOF, for a not-to-exceed total of \$250,000.

SIGNIFICANCE

The Peninsula Corridor Joint Powers Board (JPB) awarded the Contract for modifications and improvements at CEMOF to accommodate electrification of the Caltrain system and vehicle fleet. The Contract scope of work consists of furnishing all labor, equipment and materials required for civil construction modifications, including extension of the north and south ends of the maintenance track 5 inspection pit to facilitate inspection and maintenance of the electric trainsets.

Prior to construction of the inspection pit extensions at CEMOF, PMI verified the location of on-site utilities and discovered that an existing fire sprinkler water line and an existing boosted water line were not located as shown on the Contract documents. The fire sprinkler water line was in conflict with the foundation that PMI was to construct at the north end extension of the inspection pit and the existing boosted water line was in conflict with the wall that PMI was to construct at the south end extension of the pit.

The change order for protection of the fire sprinkler water line will address the conflict at the north end extension of the inspection pit. The change order for relocation of the boosted water line will remove the conflict at the south end extension of the inspection pit. Completion of the change order work will enable PMI to complete the north and south end extensions of the inspection pit.

Staff will request approval for the change orders from the PCEP Change Management Board (CMB) at the CMB meeting on October 21.

BUDGET IMPACT

The Contract change orders will be funded from the contingency included in the Board-approved PCEP Budget without requiring a budget amendment.

BACKGROUND

The PCEP is a key component of the Caltrain Modernization (CalMod) Program. The PCEP will electrify the Caltrain Corridor from San Francisco's 4th and King Caltrain Station to approximately the Tamien Caltrain Station, convert diesel-hauled to electric trainsets ("Electric Multiple Unit" or "EMU"), and increase service to up to six Caltrain trains per peak hour per direction.

The JPB awarded the Contract to PMI in February 2019 for a total lump sum amount of \$6,550,777.

The Board has authorized the Executive Director to enter into change orders of up to 10 percent of the Contract amount. As the proposed Contract change order would be specifically approved by the Board, the proposed action will not decrease the Executive Director's remaining change order authority.

Presented By: Liria Larano, Deputy Chief Officer, CalMod Program

650.622.7828

RESOLUTION NO. 2020 –

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

*** * ***

**AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE TWO CHANGE ORDERS TO THE
CEMOF MODIFICATIONS PROJECT CONTRACT WITH PROVEN MANAGEMENT, INC. FOR A
TOTAL NOT-TO-EXCEED AMOUNT OF \$412,000**

WHEREAS, the Peninsula Corridor Electrification Project (PCEP), a key component of the Caltrain Modernization Program, will electrify the Caltrain Corridor from San Francisco's 4th and King Caltrain Station to approximately the Tamien Caltrain Station, replace diesel-hauled trainsets with Electric Multiple Unit (EMU) trainsets, and increase service to up to six Caltrain trains per peak hour per direction; and

WHEREAS, the Peninsula Corridor Joint Powers Board's (JPB) Centralized Equipment Maintenance and Operations Facility (CEMOF) must be modified and improved to accommodate the new electrified Caltrain system, including by extending the north and south ends of the maintenance track 5 inspection pit to facilitate inspection and maintenance of the electric trainsets; and

WHEREAS, on February 7, 2019, the JPB Board of Directors (Board), by means of Resolution No. 2019-02, awarded a contract to ProVen Management, Inc. (PMI) for the CEMOF Modification Project for PCEP (Contract); and

WHEREAS, prior to construction of the inspection pit extensions, PMI verified the location of on-site utilities and discovered that an existing fire sprinkler water line was not located as shown in the Contract documents, but was in conflict with the foundation PMI was to construct at the north end extension of the inspection pit; and

WHEREAS, PMI also discovered that an existing boosted water line was not located as shown in the Contract documents, but was in conflict with the wall PMI was to construct at the south end extension of the inspection pit; and

WHEREAS, a change order in the total lump sum amount of \$162,000 will address the conflict at the north end extension, and a change order in an amount not to exceed \$250,000 will remove the conflict at the south end extension of the inspection pit; and

WHEREAS, completion of the change order work will enable PMI to compete the north and south end extensions of the inspection pit; and

WHEREAS, with approval from the PCEP Change Management Board, Staff Coordinating Council recommends, and the Executive Director concurs, that the Board authorize execution of the two Contract change orders described above in a total amount not to exceed \$412,000.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board authorizes the Executive Director to execute two change orders, in a total not-to-exceed amount of \$412,000, to the contract with ProVen Management, Inc. (PMI) for the CEMOF Modification Project as required to modify CEMOF's maintenance track 5 inspection pit for the Peninsula Corridor Electrification Project.

Regularly passed and adopted this 5th day of November, 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: Victoria O'Brien
Deputy Director Safety and Security

SUBJECT: **AMENDMENT OF PUBLIC SAFETY COMMUNICATIONS SERVICES AGREEMENT**

ACTION

Staff Coordinating Council (SCC) recommends the Board:

1. Approve an amendment to the Public Safety Communications Services Agreement (Agreement) with the County of San Mateo (County) to continue the provision of 911 dispatching services through FY25 for an estimated amount of \$930,555 over the five year extension.
2. Authorize the Executive Director, or his designee, to execute the amendment in a form approved by legal counsel.
3. Authorize the Executive Director, or his designee, to exercise up to one additional five-year option term, provided it is in the best interest of the JPB.

SIGNIFICANCE

Board approval is sought to amend the existing Agreement for 911 dispatching services with the County of San Mateo through its Public Safety Communications Department. The amendment will allow uninterrupted 911 dispatching services for the Peninsula Corridor Joint Powers Board (JPB) and San Mateo County Transit District (District). These dispatch services support and complement the transit law enforcement services that are provided by the San Mateo County Sheriff pursuant to a five-year contract awarded by the Board several months ago following a competitive procurement process.

Staff has negotiated the dispatching services amendment extension to run through June 30, 2025, a term that is congruent with the transit law enforcement services contract with San Mateo County. The estimated cost of the dispatching services contract is \$220,264 for Fiscal Year (FY)2021 and this cost will be shared in the manner described below. The extended Agreement will have a 4% annual cost increase cap with an option to continue services beyond FY25 for an additional five years.

BUDGET IMPACT

The amendment's five year extension is valued at \$1,193,019.00. The cost of the services in FY2021 is \$220,264 shared between the JPB and the District. The JPB share of this FY2021 total is \$171,806. The District share is \$48,458. The costs for the services are depicted in the following table:

	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
ANNUAL FEE	\$220,264	\$229,074	\$238,237	\$247,767	\$257,677
QUARTERLY	\$55,066	\$57,269	\$59,559	\$61,942	\$64,419

BACKGROUND

The County of San Mateo Public Safety Communications Department has been providing 911 dispatching services for SamTrans bus operations and Caltrain rail operations since 2015. With approval of the proposed amendment, the Agreement's term, which commenced on July 1, 2017, will continue until June 30, 2025. The County of San Mateo Public Safety Communications Department will provide emergency telephone answering; personnel, and equipment dispatching; digital paging; and associated statistical and management reports on a seven-day, 24-hour basis. Services will be provided through the County's existing Public Safety Communications Dispatch Center.

The proposed amendment is the result of negotiations between Staff and the County of San Mateo Public Safety Communications Department.

Prepared By: Victoria O'Brien
Project Manager: Victoria O'Brien

650.622.8045

RESOLUTION NO. 2020 –

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

**AMENDING THE PUBLIC SAFETY COMMUNICATIONS SERVICES AGREEMENT WITH THE
COUNTY OF SAN MATEO TO EXTEND THE AGREEMENT FOR AN ADDITIONAL FIVE-YEAR
PERIOD FOR AN ESTIMATED AMOUNT OF \$930,555**

WHEREAS, the County of San Mateo through its Public Safety Communications Department (County) has provided 911 dispatch 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 2015; and

WHEREAS, pursuant to Resolution No. 2018-7, the County, the District and the JPB entered into a new agreement for 911 dispatch services (Agreement) for the period commencing on July 1, 2017 through June 30, 2020; and

WHEREAS, the costs of the services were allocated between the Agencies, with the JPB paying 78 percent and the District paying 22 percent of the total costs; and

WHEREAS, these dispatch services support and complement the transit law enforcement services that are provided by the San Mateo County Sheriff pursuant to a five-year contract awarded by the Board several months ago following a competitive procurement process; and

WHEREAS, the Executive Director recommends and the Staff Coordinating Council concurs, that the Board of Directors approve an amendment to the Agreement to extend the services for a five-year period, which will run concurrently with the term of the transit law enforcement services contract with the San Mateo County Sheriff, at an estimated cost of \$930,555 (total value of the amendment is \$1,193,019) for the JPB for the five-year extension.

NOW, THEREFORE, BE IT RESOLVED that the Peninsula Corridor Joint Powers Board hereby approves an amendment to the Public Safety Communications Services Agreement with the County of San Mateo to continue the provision of 911 dispatching services through FY25 for an estimated amount of \$930,555 (total value of the amendment is \$1,193,019) over the five-year extension; and

BE IT FURTHER RESOLVED, that the Executive Director, or his designee, is authorized to execute the amendment 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, provided it is in the best interest of the JPB.

Regularly passed and adopted this 5th day of November, 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: **FUEL HEDGING UPDATE**

ACTION

Staff proposes the Board to review, accept, and enter into the record the presentation providing an update on the implementation of a fuel hedging strategy for Caltrain.

SIGNIFICANCE

The purpose of this presentation is to provide an update on the implementation and performance status of the Fuel Hedging Program (Program) established for Caltrain.

Under this program, the staff will continue to work with Linwood Capital, LLC in order to:

- Accumulate new fuel hedge contracts for the upcoming fiscal year as market conditions allow
- Maintain the size of the hedge in order to protect Caltrain's fuels budget against adverse price movements in the diesel fuel market

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

The Program implemented for Caltrain is designed to minimize large budget variances resulting from the volatility of diesel fuel prices. An effective hedging strategy can increase budget certainty and facilitate more effective utilization of budgetary resources. The purpose of the Program is not to speculate on the price of fuel but to manage risk, particularly as that relates to Caltrain's annual budget.

- As of October 8th, the hedge program realized gains of \$41,865.60 for the time period June, 2020 through October, 2020
- Additionally the hedge reflects unrealized gains of \$21,978.60 (+0.0149/gallon) on existing contracts through June 2021
- Approximately 35% of the anticipated fuel usage through June 2021 is hedged at an average price of \$1.23/gallon, excluding taxes and fees (versus a budget estimate of \$1.30/gallon, excluding taxes and fees) (based on a 70 train/day schedule)

Prepared by: Jayden Sangha, Treasury Manager

650-508-6405



Fuel Hedging Update for Peninsula Corridor Joint Powers Board



Linwood Capital, LLC

4316 Eton Place

Edina, Minnesota 55424

Telephone: 612.333.1673

E-mail: jeff@linwoodcapital.com

Website: www.linwoodcapital.com

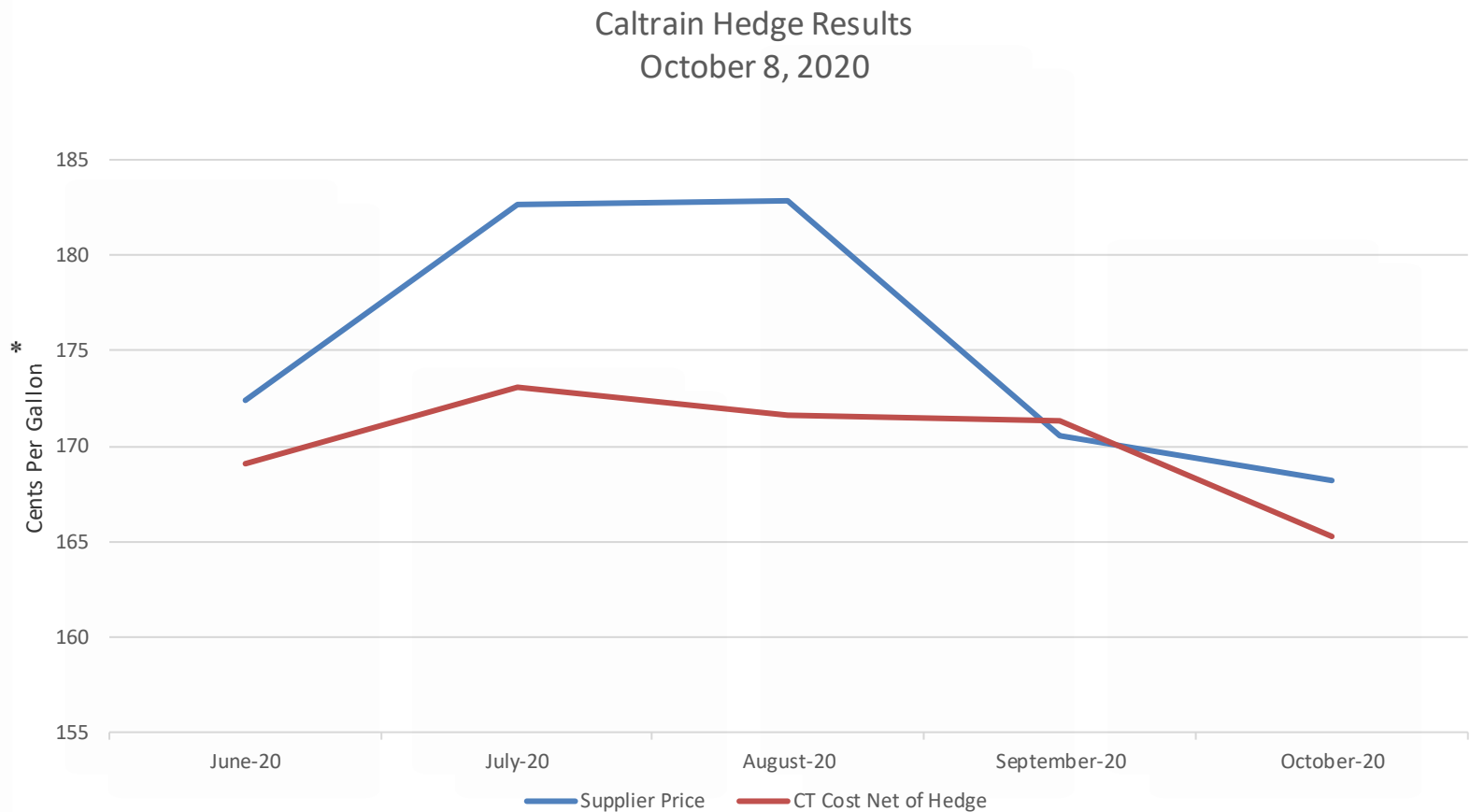
Caltrain Fuel Hedge Forecast

As of October 8th

- Percentage Hedge = Approximately 35% of the anticipated diesel usage through June 2021
- Average hedged diesel fuel price = \$1.23/gallon (excluding taxes and fees)
- Unhedged budget estimate = \$1.30/gallon, excluding taxes and fees (based on a 70 train/day schedule)

Caltrain Historical As of October 8th

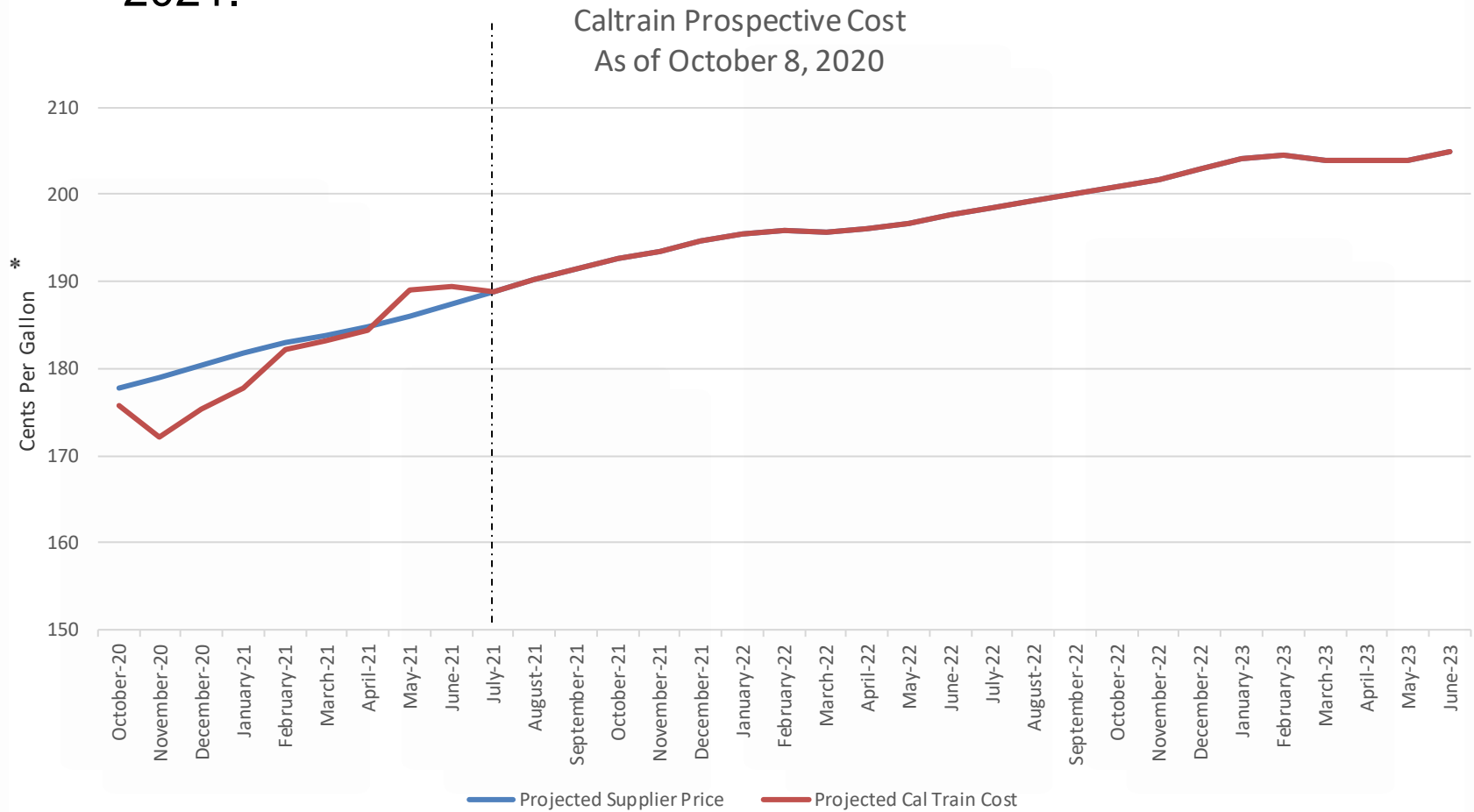
■ Realized Gains: \$41,865.60 since June.



* Taxes and Fees included in the Fuel Price Figures

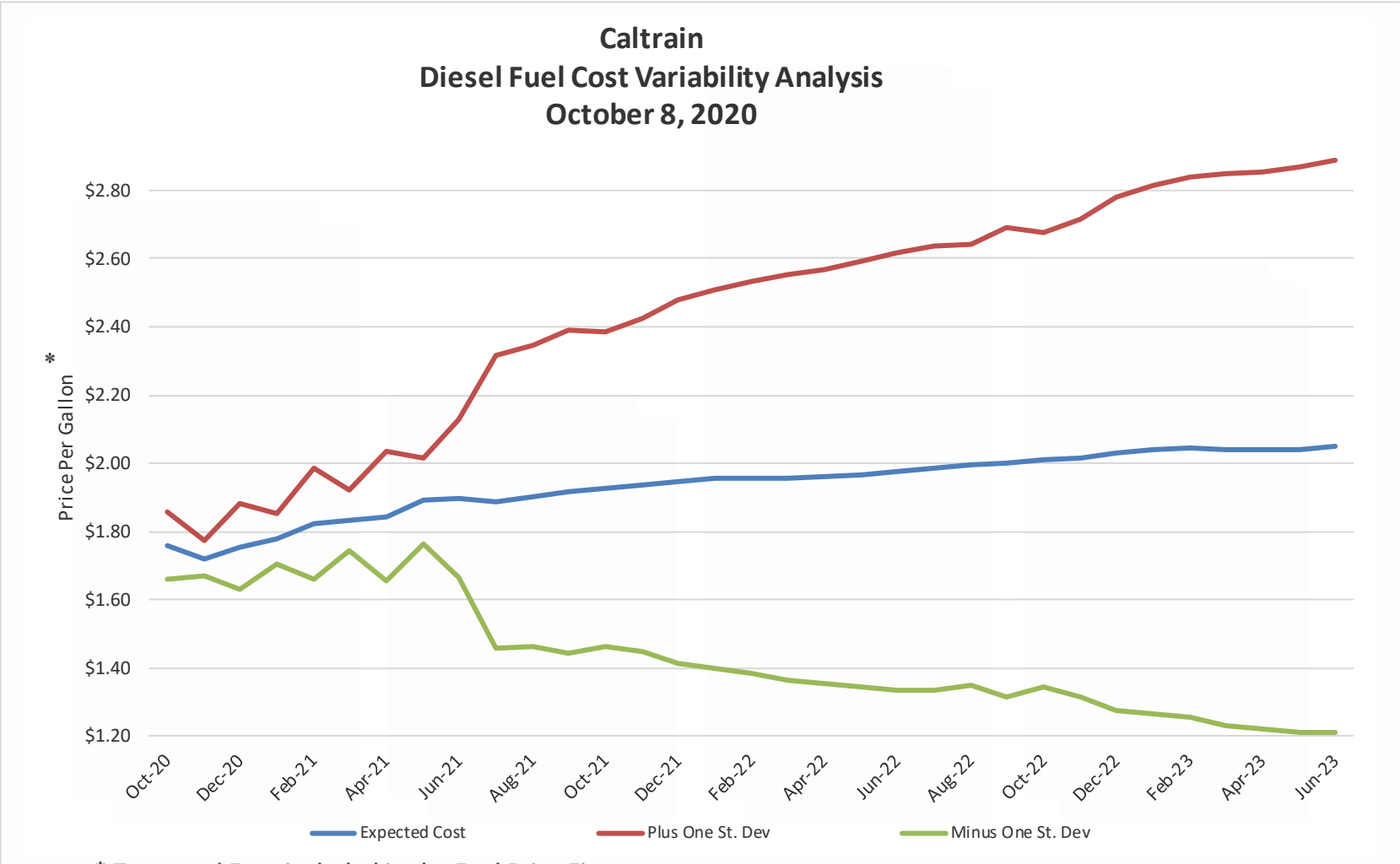
Caltrain Prospective As of October 8th

■ Unrealized Gains: +\$21,978.60 (+\$0.0149/gallon) through June 2021.



Caltrain Prospective Variability Analysis

As of October 8th



* Taxes and Fees included in the Fuel Price Figures

The Future of Caltrain's Fuel Hedge Strategy

- Caltrain will continue accumulating new fuel hedge contracts as market conditions allow
- Also, continue to maintain the size of the hedge in order to protect Caltrain's fuel hedge budget against adverse price movement

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: Joint Powers Board

THROUGH: Jim Hartnett
Executive Director

FROM: Michelle Bouchard
Chief Operating Officer, Rail

SUBJECT: **CURRENT STATUS OF THE OPERATING CONTRACT WITH TRANSITAMERICA,
SERVICES, INC.**

ACTION

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

SIGNIFICANCE

The operating agreement (Agreement) with TransitAmerica Services, Inc. (TASI) ends on June 30, 2022. The JPB is considering extension of the Agreement beyond the ten-year term for an additional term up to five years in order to enable completion of construction of the Electrification project and subsequent start-up of service in an electrified environment.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

On September 1, 2011, the Peninsula Corridor Joint Powers Board (JPB) awarded the Agreement to TASI pursuant to Board Resolution No. 2011-32. The five-year base term of the Agreement expired on June 30, 2017. On February 2, 2017, pursuant to Board Resolution No. 2017-08, the JPB authorized Amendment #4 to the Agreement and extended the Agreement term for an additional five years, ending on June 30, 2022.

Per the terms outlined in Amendment #4, the JPB will consider extension of the Agreement beyond the ten year term subject to negotiation of satisfactory commercial terms and obtaining approval from the Federal Transit Administration (FTA). In a letter received in November, 2019, the FTA acknowledged JPB's intent to enter into negotiations with TASI to extend the current Agreement.

During the current term of the Agreement, TASI has provided all operational activities related to commuter service, as well as maintenance of all of Caltrain's fleet and infrastructure. In addition, TASI has provided support for a number of capital improvement projects, including Positive Train Control (PTC), replacement of several

aged railroad bridges, and support of Electrification. Staff believes it would not be in the public interest to take the risks associated with transferring responsibilities currently carried out by TASI to a new operator until after the Electrification project is completed and operated in revenue service for a reasonable period of time.

Staff is currently pursuing a potential extension with TASI. In exchange for the JPB agreeing to an extension to the Agreement, the JPB is negotiating improvements to the Agreement with regard to achieving improvements in efficiency and performance, maintaining decision-making flexibility, and obtaining cost savings, enhanced safety measures and a smooth transition to an expanded electrified service.

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



Current Status of the Operating Contract with TransitAmerica Services, Inc. Informational Item

October 26, 2020

Agenda

- Background
- Considerations
- Objectives
- Next Steps

Background

- TASI provides rail operations, maintenance and support services in the following areas:
 - Administration/Safety
 - Operations
 - Maintenance of Equipment
 - Maintenance of Way
 - Stations
- TASI contract valid until June 2022

Background

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

Keep blue box area clear if possible.
Video will cover your content.

Considerations

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

Objectives

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

Next Steps

- Upon satisfaction achievement of improved contract terms, anticipated contract amendment timeline:
 - December— Board approval
- Caltrain has presented “asks” to TASI; awaiting response
- Continued monthly presentations to PCEP Ad Hoc