



BOARD OF DIRECTORS 2021
DEVORA "DEV" DAVIS, CHAIR
STEVE HEMINGER, VICE CHAIR
CINDY CHAVEZ
JEFF GEE
GLENN HENDRICKS
DAVE PINE
CHARLES STONE
SHAMANN WALTON
MONIQUE ZMUDA

MICHELLE BOUCHARD
ACTING EXECUTIVE DIRECTOR

AGENDA

PENINSULA CORRIDOR JOINT POWERS BOARD

Finance Committee Meeting

Committee Members: Monique Zmuda (Chair), Jeff Gee, Glenn Hendricks

Due to COVID-19, this meeting will be conducted via teleconference only (no physical location) pursuant to [Assembly Bill 361](#) (Gov. Code section 54953).

Directors, staff, and the public may participate remotely via Zoom at <https://zoom.us/j/93388927360?pwd=SFJranR4KzVURGIZVW5VUXJMZGlxQT09> 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 in 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.

November 22, 2021 - Monday

2:30 pm

1. Call to Order/Pledge of Allegiance

2. Roll Call
3. Public Comments on Items not on the Agenda
 Comments by each individual speaker shall be limited to two (2) minutes. Items raised that require a response will be deferred for staff to reply.
4. Consent Calendar
 Members of the Board may request that an item under the Consent Calendar be considered separately.
 - a. Approve Meeting Minutes of October 25, 2021 MOTION
 - b. Authorize Execution of a Contract with CDW Government LLC for Caltrain Rail Network Virtualization Project MOTION
 - c. Award of Contract with Hobbs Investments, Inc. dba Am-Tran to Provide Mail Courier Services MOTION
 - d. Declaration of Intent of the JPB (Financing Reimbursement) MOTION
5. Report of the Chief Financial Officer (CFO) INFORMATIONAL
 - a. Accept Statement of Revenues and Expenses for the Period Ended October 31, 2021 MOTION
6. Fuel Hedging Update INFORMATIONAL
7. Change Management Board Process Overview (*oral*) INFORMATIONAL
8. Committee Member Requests
9. Date/Time of Next Regular Finance Committee Meeting: Monday, December 20, 2021, at 2:30 pm via Zoom (additional location, if any, to be determined)
10. 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, 2:30 pm. The date, time, and location of meetings may be changed as necessary. Meeting schedules for the Board and committees are available on the website.

Location of Meeting

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. Each commenter will be automatically notified when they are unmuted to speak for two minutes or less. The Board Chair shall have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

Accessible Public Meetings/Translation

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

Availability of Public Records

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

**Peninsula Corridor Joint Powers Board
Finance Committee Meeting
1250 San Carlos Avenue, San Carlos CA 94070
DRAFT MINUTES OF OCTOBER 25, 2021**

MEMBERS PRESENT: Monique Zmuda (Chair), Jeff Gee, Glenn Hendricks
MEMBERS ABSENT: None
STAFF PRESENT: M. Bouchard, D. Hansel, J. Harrison, S. Petty, G. Martinez, J. Ye, R. Nielsen, Seamans, S. Wong

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

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

2. ROLL CALL

District Secretary Dora Seamans confirmed the presence of a Board quorum.

3. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Roland Lebrun, San Jose, commented on one-minute public comment, fare integration task force, Seamless Bay Area, and Link21.

4. CONSENT CALENDAR

a. Approve Meeting Minutes of Minutes of September 27, 2021

Motion/Second: Gee/Hendricks

Ayes: Gee, Hendricks Zmuda

Noes: None

Absent: None

5. ACCEPT REPORT OF THE CHIEF FINANCIAL OFFICER (CFO)

**A. Information on Statement of Revenues and Expenses for the Period Ended
September 30, 2021**

Derek Hansel, Chief Financial Officer, provided an update on Measure RR Revenue receipts (\$6.1 million received in September and \$7.6 million in October), and thanked staff for their work on the annual audit of financial statements.

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

- Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funds received
- Quasi gap accounting and timing mismatches
- Expressing expenditures savings in the next budget amendment

Public comment

Roland Lebrun, San Jose, commented on plans for the budget surplus.

Motion/Second: Hendricks/Gee

Ayes: Gee, Hendricks Zmuda

Noes: None

Absent: None

6. AWARD OF COOPERATIVE PURCHASING CONTRACT TO MANSFIELD OIL COMPANY TO FURNISH RED-DYE, ULTRA LOW SULFUR DIESEL FUEL AND FUELING SERVICES

Kevin Yin, Director of Contract & Procurement, provided an update on the cooperative purchasing contract and spoke about piggy backing, purchasing motor fuels from Mansfield, fair pricing, JPB benefits, and the budget.

Public comment

Roland Lebrun, San Jose, commented on approving piggyback contracts and Zoom technicalities.

The Board members had a discussion and staff provided further clarification regarding the following:

- How this contracts works with previous hedging contracts on the fuel bills
- Expecting reduced fuel usage with the electrification project
- Price rate comparisons for different agencies based on volume

Motion/Second: Gee/Hendricks

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

7. AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE AN AMENDMENT TO SUPPLEMENTAL AGREEMENT NO. 2 WITH PACIFIC GAS AND ELECTRIC (PG&E) FOR CONSTRUCTION OF 115 KILOVOLT INTERCONNECTIONS FOR THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT (PCEP)

Liria Larano, Deputy Chief Calmod, provided the presentation, which included the following:

- Requesting a budget increase of \$18.7 million and the amendment, to increase the supplemental agreement
- Having PG&E perform the work, work completed, and why the project increased by \$21.84 million
- Projected completion date of February 2022
- Overview of property acquisition versus original configuration
- Amount for each amendment

The Board members had a discussion and staff provided further clarifications regarding the following:

- PG&E audit to true-up expenses and recovering contingency shortly after the completion of their work
- When Caltrain would pay the \$21.84 million
- Comparing the original private property amount of \$3.1 million to current amount of \$5.4 million
- Overhead versus underground installation

Public comment

Roland Lebrun, San Jose, commented on the audit, governance, \$25 million contract, overhead utilities, and unanticipated underground utilities.

Motion: Second: Gee/Hendricks **amended to include an audit of PG&E expenditure upon completion of their part of the project**

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

8. AUTHORIZE AN INCREASE IN CONTRACT CHANGE ORDER AUTHORITY FOR THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT'S CONTRACTOR ARINC FOR SUPERVISORY CONTROL AND DATA ACQUISITION DATABASE CHANGES

Stacy Cocke, Deputy Director, Program Management & Environmental Compliance, introduced the increase in contract authority for the traction power facility. She stated it would initially be paid through contingency and the change was approved by the Change Management Board.

Public comment

Roland Lebrun, San Jose, commented on a change in the request for proposal to including a provision for replacing the current company with another system with open interfaces.

The Board members had a discussion and staff provided further clarification, which included the following:

- An order of magnitude for work done and ownership changes
- Schedule a presentation on how the Change Management Board operates

Motion: Second: Hendricks/ Gee

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

9. ACCEPT ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2021 50.08

Grace Martinez, Deputy Chief Financial Officer, introduced Jennifer Ye, Acting Director, Accounting, and Ryan Nielsen, Brown Armstrong Accountancy, to provide the presentation on the annual comprehensive financial report. Mr. Nielsen reviewed the reports on state and federal compliance and noted that the JPB received clean audit.

Public comment

Jeff Carter, Millbrae, referenced the chart on page 63 and commented on including both weekday and weekend passenger miles and details on fare revenues.

Roland Lebrun, San Jose, commented on capital contributions from slide 5 and paying back receivables in the future.

The Board members had a robust discussion and staff provided further clarification, which included the following:

- The sequence of materials and having independent auditors pages before the capital report
- Why the Brown Armstrong's report should be believed and Mr. Nielsen noted that it is their charge is to operate at the highest ethical standards
- Reasons for accounting adjustments
- Sampling done on overhead rate paid from JPB to SamTrans
- Sampling of payment of invoices and payroll
- The Non-Disclosure Agreement and management analysis
- Detailing passenger miles with passenger trips for annual comparisons

Motion: Second: Hendricks/Gee

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

10. DEFERRED STATE OF GOOD REPAIR (SOGR)

Derek Hansel, Chief Financial Officer, provided the presentation, which included the following:

- Constraints on an agency over time and deferred backlog of \$253 million (including

maintenance, rehabilitation, replacement)

- Methodology for the update (started with the 2018 transit asset management plan and figures have been updated to reflect increases in cost and scope)

The Board members had a robust discussion and staff provided further clarification, which included the following:

- Unfunded liability expectations including a drop off due to electrification
- Current standing in transit property compared to everyone else
- Considering bonds life asset and end of life replacement
- Condition based maintenance versus large replacement
- Creating visibility and transparency to make strategic decisions

Public comment

Roland Lebrun, San Jose, commented on transparency, Caltrain Centralized Equipment Maintenance and Operations Facility (CEMOF) investments, price for diesel, and electrification to Gilroy.

11. COMMITTEE MEMBER REQUESTS

Director Zmuda requested plans for budget surplus when the budget amendment is brought forward.

Director Gee requested PG&E audit after amendment work completed February 2022.

Director Zmuda requested an update on the Change Management Board presentation for the full Board

Director Hendricks requested viewing the auditor pages before viewing the capital report in the Annual Comprehensive Financial Report (ACFR)

Director Hendricks requested viewing passenger miles with the number of passenger trips to see if the average trip length changed from year to year.

12. DATE/TIME OF NEXT REGULAR FINANCE COMMITTEE MEETING

Monday, November 22, 2021 at 2:30 pm via Zoom (additional location, if any, to be determined)

13. ADJOURN

The meeting adjourned at 4:10 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.

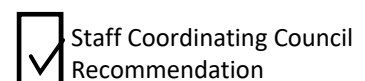
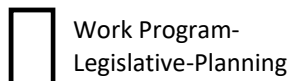
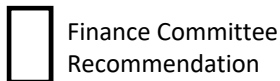
**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **AUTHORIZE EXECUTION OF A CONTRACT WITH CDW GOVERNMENT LLC FOR
CALTRAIN RAIL NETWORK VIRTUALIZATION PROJECT**



ACTION

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

1. Authorize the Acting Executive Director, or designee, to execute a single-source contract with CDW Government, LLC (CDW-G) of Vernon Hills, Illinois to provide planning, design, procurement, installation, testing and implementation for the Caltrain Rail Network Virtualization Project (Virtualization Project) for a not-to-exceed amount of \$1,400,363 and in full conformity with all the terms and conditions of the negotiated agreement, and in a form approved by legal counsel.

SIGNIFICANCE

Approval of the above action will update and modernize the aging Caltrain Rail Network at two Caltrain data centers to a virtualized environment.

This Virtualization Project, as designed by Caltrain staff, will be implemented in three phases as follows:

1. **Phase 1: Evaluation, Assessment and Recommendation of Virtualization Concept**
Phase 1 assessment was performed to evaluate the existing infrastructure in order to plan a new virtualization infrastructure design and to determine the hardware and software needs. Phase 1 was an administrative step for the Virtualization Project that was completed in June 2021.
2. **Phase 2: Establish Virtualization Environment**
Phase 2 is needed to establish the virtualization environment, and will include the following tasks:
 - a. Prerequisite Tasks for Virtualization Deployment:
 - i. Task 1: Firewall Consolidation project

- ii. Task 2: Various Network projects
 - 1. Task 2A Network Isolation
 - 2. Task 2B First-Hop Redundancy and Default Gateways
 - 3. Task 2C Dynamic Routing Design – OSPF
 - 4. Task 2D Network Assessment and Holistic Network Design
- iii. Task 3: Domain Management project
 - b. Coordination, Planning, Detailed Design, Procurement, Install, and Testing of the physical related hardware and software
- 3. **Phase 3: Conversion and Migration of Wabtec PTC and ARINC communication systems and components**

Phase 3 will be the final step towards project completion, and will include the following tasks:

 - a. Conversion and Migration of PTC systems and components
 - b. Conversion and Migration of ARINC communication systems and components
 - c. Documentation, Training and Post-Implementation support

BUDGET IMPACT

Funding for the Virtualization Project will come from the approved, existing capital project budget.

BACKGROUND

The Virtualization Project will allow the JPB to virtualize the Caltrain Rail Operations Network, which consists of two data centers. The JPB operates a primary and secondary data center in Menlo Park and in San Jose. The two data centers support a number of services that directly support Rail Operation Services. The two largest environments are the Positive Train Control (PTC) environment supplied by Wabtec and the Rail Operations Control System (ROCS) environment supplied by ARINC.

Both of the environments listed above are running on older servers that are at, or near, end of life. The ARINC system has been partially virtualized, while the PTC system is currently all physical. In addition to aging hardware, the primary data center in Menlo Park is near its full physical capacity with little room for additional racks. These environments are operating on different network segments within the data centers.

Staff evaluated potential firms to update and modernize the aging Caltrain Rail Network and determined that it is in the best interest of the JPB to have CDW-G serve as the integrator on a single source basis because of its unique, extensive and proven experience on network virtualization work for other transit agencies. CDW-G was responsible for the successful delivery of Metrolink's, a Southern California rail provider, data center design, including virtualization and cybersecurity assessments. Qualified staff from the Railroad Systems department and other technical experts reviewed CDW-G's proposal and determined that it met all of the JPB's requirements, that the prices are fair and reasonable, and the firm possesses the requisite depth of experience and required qualifications to successfully perform the scope of services, as defined by the JPB.

In order to have work start on the Project, staff issued a purchase order for Phase 1 of the project on a single-source basis with CDW-G and selected CDW-G for Phases 1-3, subject to Board authorization to execute the contract with CDW-G. Staff negotiated

the terms and conditions of a direct contract with CDW-G on a single source basis and recommends the Board authorize staff to execute a contract for Phases 2-3 the Virtualization Project with CDW-G.

Prepared By: Linn Latt, Contract Administrator
Project Manager: Sherry Bullock, Deputy Director of System Engineering

650.295.6866
650.622.7866

**RESOLUTION NO. 2021-
BOARD OF DIRECTORS, PENINSULA CORRIDOR JOINT POWERS BOARD
STATE OF CALIFORNIA**

* * *

**AUTHORIZE EXECUTION OF A CONTRACT WITH CDW GOVERNMENT, LLC FOR THE
CALTRAIN RAIL NETWORK VIRTUALIZATION PROJECT
FOR A NOT-TO-EXCEED AMOUNT OF \$1,400,363**

WHEREAS, the Peninsula Corridor Joint Powers Board (JPB) is required to update and modernize the aging Caltrain Rail Network consisting of two Caltrain data centers from a physical to a virtualized environment, and staff has determined it requires the expertise of a qualified contractor to fulfill this requirement; and

WHEREAS, the Caltrain Rail Network Virtualization Project (Virtualization Project) consists of three phases designed by Caltrain: Phase 1 for evaluation, assessment and recommendation of the virtualization concept; Phase 2 for establishment of the virtualization environment; and Phase 3 for conversion and migration of Wabtec PTC and ARINC communication systems and components; and

WHEREAS, staff evaluated potential firms to update and modernize the aging Caltrain Rail Network and determined it is in the best interest of the JPB to have CDW Government, LLC (CDW-G) of Vernon Hills, Illinois provide services for Phases 1-3 of the Virtualization Project because of its unique, extensive and proven experience on network virtualization work for other transit agencies; and

WHEREAS, qualified staff from the Railroad Systems department and other technical experts reviewed CDW-G's proposal and determined that it met all of the JPB's requirements, the prices are fair and reasonable, and the firm possesses the

requisite depth of experience and required qualifications to successfully perform the scope of services, as defined by the JPB; and

WHEREAS, in order to have work start on the Project, staff issued a purchase order for Phase 1 of the single-source contract to CDW-G and selected CDW-G to perform Phases 2-3, subject to the JPB Board of Directors' authorization to execute a contract with CDW-G for all three phases; and

WHEREAS, staff recommends the Board authorize the Acting Executive Director, or designee, to execute a single-source contract with CDW-G to provide planning, design, procurement, installation, testing and implementation for the Virtualization Project for a not-to-exceed amount of \$1,400,363 (this total includes the amount of \$88,260.00 already spent on Phase 1).

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board authorizes the Acting Executive Director, or designee, to execute a contract on behalf of the JPB with CDW Government, LLC to provide planning, design, procurement, installation, testing and implementation services for the Caltrain Rail Network Virtualization Project, for a not-to-exceed amount of \$1,400,363 and in full conformity with the terms and conditions of the negotiated agreement, and in a form approved by legal counsel.

Regularly passed and adopted this 2nd day of December, 2021 by the following

vote:

AYES:

Noes:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

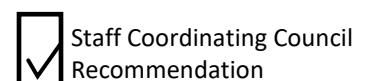
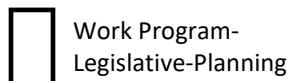
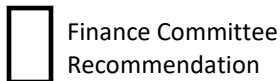
**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **AWARD OF CONTRACT WITH HOBBS INVESTMENTS, INC. DBA AM-TRAN TO
PROVIDE MAIL COURIER SERVICES**



ACTION

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

1. Award a contract to Hobbs Investments, Inc. dba Am-Tran (Am-Tran) of San Mateo, California to provide mail courier services (Services) for a not-to-exceed amount of \$153,918 for a five-year term.
2. Authorize the Acting Executive Director or designee to execute a contract with Am-Tran, in full conformity with the terms and conditions set forth in the solicitation documents and in a form approved by legal counsel.

SIGNIFICANCE

Approval of the above actions will ensure the continuation of a dedicated contractor for providing daily courier service for pick-up, distribution, and delivery of postal and interoffice mail between various JPB sites and legal offices.

BUDGET IMPACT

Funds for this contract are included in the current adopted operating budget and will be included in future years' operating budgets.

BACKGROUND

A joint Request for Proposals (RFP 22-S-J-S-017) to provide the Services was issued on September 1, 2021 by the JPB and the San Mateo County Transit District (District). The solicitation was advertised on the JPB's and District's websites. Solicitation notices were sent to interested firms, including Small Business Enterprises (SBE) and Disadvantaged Business Enterprises (DBE). The JPB received five proposals:

- Am-Tran, San Mateo, CA
- Careful Courier, San Francisco, CA
- Gold-Rush Express Delivery, San Jose, CA
- Modern Express Courier, Oakland, CA
- Precision Material Management, Buena Park, CA

A Selection Committee (Committee), comprised of qualified staff representing the JPB and the District, reviewed and scored the proposals in accordance with the following weighted criteria:

- | | |
|---|-----------|
| • Approach to Scope of Services | 25 points |
| • Company Qualifications, Experience & References | 25 points |
| • Qualifications & Experience of Key Personnel | 25 points |
| • Reasonableness of Cost | 25 points |
| • Small Business Enterprise Preference | 5 points |

A five-point preference was available to the proposer with the highest SBE utilization. The Office of Civil Rights evaluated the proposed SBE participation from the five proposers, all of which are certified SBE firms that pledged 100% SBE participation. Accordingly, each proposer received five preference points.

Following the initial proposal review, the Committee found three firms were responsive and within the competitive range, and invited the three firms to proceed in the evaluation and selection process. Upon completion of evaluations, reviews, best and final offers, and rescoring of the three firms' proposals, the Committee determined that Am-Tran is best-positioned to meet the needs of the JPB, as detailed in the RFP scope of work, and identified Am-Tran as the highest-ranked proposer.

Am-Tran is the JPB's incumbent for providing mail courier services, which it has provided in accordance with JPB requirements and in a timely fashion. The Project Manager completed reference checks and found Am-Tran to be in good standing with its clients. Staff conducted a price analysis and determined Am-Tran's best and final cost proposal to be fair and reasonable. Therefore, staff recommends award of this contract to Am-Tran.

Prepared By: Sujiv Kumar, Procurement Administrator II	650.551.6114
Project Manager: Lisa Chan, Customer Experience Specialist	650.551.6131

RESOLUTION NO. 2021 –

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

*** * ***

**AWARDING A CONTRACT TO HOBBS INVESTMENTS, INC. DBA AM-TRAN
TO PROVIDE MAIL COURIER SERVICES
FOR A NOT-TO-EXCEED AMOUNT OF \$153,918 FOR A FIVE-YEAR TERM**

WHEREAS, the Peninsula Corridor Joint Powers Board (JPB) and the San Mateo County Transit District (District) jointly issued Request for Proposals (RFP) 22-S-J-S-017 to provide mail courier services (Services); and

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

WHEREAS, a Selection Committee comprised of qualified JPB and District staff reviewed and scored the proposals according to the evaluation criteria set forth in the RFP; and

WHEREAS, following further evaluation of the three firms found to be in the competitive range, Hobbs Investments, Inc. dba Am-Tran (Am-Tran) of San Mateo, California was determined to be the consensus highest ranked proposer; and

WHEREAS, staff conducted successful negotiations with Am-Tran and determined Am-Tran possesses the necessary qualifications and requisite experience to successfully provide the Services, and will perform the requested Services at fair and reasonable prices; and

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

WHEREAS, staff recommends that the Board of Directors award a contract to Am-Tran for provision of the Services for a five-year term for a not-to-exceed total of \$153,918.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board hereby awards a contract to Hobbs Investments, Inc. dba Am-Tran to provide mail courier services for a five-year term at a not-to-exceed total of \$153,918; and

BE IT FURTHER RESOLVED that the Board authorizes the Acting Executive Director, or designee, to execute a contract on behalf of the JPB with Am-Tran in full conformity with the terms and conditions of the solicitation documents and negotiated agreement, and in a form approved by legal counsel.

Regularly passed and adopted this 2nd day of December, 2021 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **DECLARATION OF INTENT OF THE JPB (FINANCING REIMBURSEMENT)**



Finance Committee
Recommendation



Work Program-
Legislative-Planning



Staff Coordinating
Council Reviewed



Staff Coordinating Council
Recommendation

ACTION

Staff proposes that the Board adopt a resolution declaring its intent to reimburse itself for certain expenditures made with respect to Caltrain improvements from the proceeds of tax-exempt bonds.

SIGNIFICANCE

Adoption of this resolution will allow the JPB to reimburse itself from the proceeds of tax-exempt bonds for certain capital expenditures made in conjunction with the Caltrain capital program, to the extent that the sale of such bonds is authorized by the JPB and that such bonds are sold at a later date.

BUDGET IMPACT

While the approval of this resolution does not have an immediate budget impact, it does provide for the ultimate funding of certain capital expenditures from the proceeds of a tax-exempt bond issuance – absent this resolution, such expenses may need to be financed on a taxable basis, or from other sources of funds.

BACKGROUND

Finance staff are currently working with the JPB's financing team to develop the structure for a sale of tax-exempt bonds in early 2022. Prior to the issuance of the bonds, the JPB may be initially funding certain costs which it would ultimately wish to be funded with the proceeds of the tax-exempt bonds. Federal tax law has limitations on the degree to which public agencies may reimburse themselves from the proceeds of tax-exempt bonds – the attached resolution making a formal declaration of intent to reimburse addresses those limitations.

Prepared by: Derek Hansel, Chief Financial Officer, 650-508-6466

Declaration of Intent of the Peninsula Corridor Joint Powers Board

WHEREAS, the Peninsula Corridor Joint Powers Board (the “**JPB**”), a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State of California pursuant to a Joint Powers Agreement, dated as of October 18, 1991 as amended and restated as of October 3, 1996, by and between the Santa Clara Valley Transit Authority, formerly known as the Santa Clara County Transit District (the “**SCVTA**”), the City and County of San Francisco (“**CCSF**”) and the San Mateo County Transit District (“**SamTrans**”, and together with SCVTA and CCSF, the “**Members**”), expects to incur certain expenditures in connection with the Project (as defined below) prior to the issuance of the tax-exempt and/or taxable bonds (the “**Bonds**”), the proceeds of which, will be used to finance such Project expenditures;

WHEREAS, the Section 1.150-2 of the Treasury Regulations require the JPB to declare its reasonable official intent to reimburse prior expenditures for the Project with the proceeds of tax-exempt indebtedness;

NOW, therefore, the governing board of the JPB upon motion duly made and seconded, duly adopts the following Resolution:

Section 1. Project. The Project consists of (i) certain improvements to the commuter rail service that services San Francisco peninsula and is administered by the JPB, known as the Caltrain system (“**Caltrain**”), including improvements consisting of the electrification of Caltrain and the capital relating thereto, (ii) paying capitalized interest on the Bonds; and (iii) paying costs of issuance of the Bonds (collectively, the “**Project**”).

Section 2. Reimbursement. The governing board of the JPB expects that the JPB will pay certain expenditures in connection with the Project prior to the issuance of the Bonds. The JPB will pay the expenditures directly with its own funds, or with funds advanced by one or more of the Members. The JPB reasonably expects that it will reimburse itself or the Members for the use of such funds with the proceeds of the Bonds to be issued by the JPB or other authorized governmental issuer to finance the costs of the Project. The maximum amount of Bonds expected to be issued for the Project is \$140,000,000. This statement of official intent to reimburse constitutes a declaration of official intent under Section 1.150-2 of the Treasury Regulations.

Section 3. Effective Date. This Resolution shall take effect from after its adoption.

Dated: _____

**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

DATE: November 18, 2021

TO: Finance Committee

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: November 22, 2021 Finance Committee Report of the Chief Financial Officer

HIGHLIGHTS

- Staff continues to work with the JPB's financing team on developing the PCEP bond issue. We are currently targeting bringing the finance plan to the Finance Committee for its recommendation in January with a February 2022 Board approval.
- With the completion of the Annual Comprehensive Financial Report, our accounting team is now turning to other items, including consideration of the development of a "Popular Annual Financial Report (PAFR)" which is intended to present basic information about the JPB's finances in a more user friendly format – this will provide the general public with a better understanding of the JPB's operations and financial condition.
- We continue to provide information on the efficacy of the fuel hedging program, and will provide additional information in future meetings. The program has been extremely effective in mitigating the impact of recent oil price increases on the JPB's cost of service.

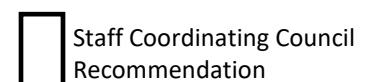
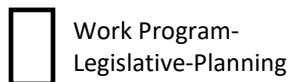
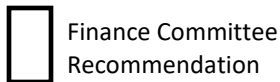
**PENINSULA CORRIDOR JOINT POWERS BOARD
STAFF REPORT**

TO: JPB Finance Committee

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **ACCEPT STATEMENT OF REVENUES AND EXPENSES FOR THE PERIOD ENDING
OCTOBER 31, 2021**



ACTION

Staff proposes that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) accept and enter into the record the Statement of Revenues and Expenses for the month of October 2021.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through October 31, 2021. The statement has been designed to follow the Agency-wide line item rollup as included in the approved budget. The columns have been designed to provide easy comparison of year-to-date current actuals to the budget including dollar and percentage variances.

SIGNIFICANCE

Year to Date Revenues: As of October year-to-date actual, the Grand Total Revenue (page 1, line 19) is \$25.8 million lower than the approved budget. This is primarily driven by CRRSAA fund (page 1, line 14). CRRSAA funding was received and reported as revenue in late FY21. However, it was not budgeted in FY21 as the amount of funding was unknown at the time of FY21 Budget adoption. Therefore the budget for CRRSAA funding was carried over and budgeted in FY22.

Year to Date Expenses: As of October year-to-date actual, the Grand Total Expense (page 2, line 54) is \$9.6 million lower than the approved budget. This is primarily driven by Rail Operator Service (page 2, line 24), Fuel and Lubricants (page 2, line 27), Facilities and Equipment Maintenance (page 2, line 31), Wages and Benefits (page 2, line 38), Professional Services (page 2, line 41), Other Office Expenses and Services (page 2, line 43) and Measure RR Ballot Costs (page 2, line 49).

Other Information: The Agency accounts for revenue and expenditures on a modified cash basis (only material revenues and expenses are accrued) on the monthly

financial statement. As such, the variance between the current year actual and the budget may show noticeable variances due to the timing of expenditures.

BUDGET IMPACT

There are no budget amendments for the month of October 2021.

Prepared By: Thwe Han, Accountant II

650-508-7912

Jennifer Ye, Acting Director, Accounting

650-622-7890

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENT OF REVENUE AND EXPENSE

Fiscal Year 2022

October 2021

								% OF YEAR ELAPSED	33.3%
		JULY TO OCTOBER				ANNUAL			
		CURRENT	APPROVED	\$	%	APPROVED		\$	
		ACTUAL	BUDGET	VARIANCE	VARIANCE	BUDGET	FORECAST	VARIANCE	
REVENUE									
OPERATIONS:									
1	Farebox Revenue	9,825,599	9,618,000	207,599	2.2%	34,639,000	34,639,000	-	1
2	Parking Revenue	345,886	512,000	(166,114)	(32.4%)	1,536,000	1,536,000	-	2
3	Shuttles	443,049	534,632	(91,583)	(17.1%)	1,603,900	1,603,900	-	3
4	Rental Income	317,542	397,488	(79,946)	(20.1%)	1,192,466	1,192,466	-	4
5	Other Income	462,244	528,200	(65,956)	(12.5%)	1,584,608	1,584,608	-	5
6									6
7	TOTAL OPERATING REVENUE	11,394,319	11,590,320	(196,001)	(1.7%)	40,555,974	40,555,974	-	7
8									8
9	CONTRIBUTIONS:								
10	AB434 Peninsula & TA Shuttle Funding	63,333	373,100	(309,767)	(83.0%)	1,119,300	1,119,300	-	10
11	Operating Grants	2,141,824	2,191,824	(50,000)	(2.3%)	6,525,471	6,525,471	-	11
12	JPB Member Agencies	-	-	-	.0%	-	-	-	12
13	Measure RR	27,625,498	28,858,973	(1,233,475)	(4.3%)	86,576,919	86,576,919	-	13
14	CRRSAA*	-	27,115,922	(27,115,922)	(100.0%)	27,115,922	-	(27,115,922)	14
15	ARPA	18,000,000	14,849,883	3,150,117	21.2%	14,849,883	18,000,000	3,150,117	15
16									16
17	TOTAL CONTRIBUTED REVENUE	47,830,655	73,389,702	(25,559,047)	(34.8%)	136,187,495	112,221,690	(23,965,805)	17
18									18
19	GRAND TOTAL REVENUE	59,224,975	84,980,022	(25,755,047)	(30.3%)	176,743,469	152,777,664	(23,965,805)	19
20	*CRRSAA funding was received and reported as revenue in late FY21. However, it was not budgeted in FY21 as the amount of funding was unknown at the time of FY21 Budget adoption. Therefore the budget for CRRSAA funding was carried over and budgeted in FY22. A future FY22 budget action will be brought to the Board to clarify funding sources for the FY22 budget, including reserved funds from the FY21 actual results and/or additional funding made available from ARPA distributions.								

PENINSULA CORRIDOR JOINT POWERS BOARD

STATEMENT OF REVENUE AND EXPENSE

Fiscal Year 2022

October 2021

		% OF YEAR ELAPSED				33.3%		
		JULY TO OCTOBER				ANNUAL		
		CURRENT	APPROVED	\$	%	APPROVED	\$	
		ACTUAL	BUDGET	VARIANCE	VARIANCE	BUDGET	FORECAST	VARIANCE
21	EXPENSE							
22								
23	DIRECT EXPENSE:							
24	Rail Operator Service	31,019,250	31,858,997	(839,747)	(2.6%)	97,353,730	97,353,730	-
25	Security Services	2,006,307	2,017,106	(10,799)	(.5%)	7,486,512	7,486,512	-
26	Shuttle Services	553,521	828,457	(274,936)	(33.2%)	2,723,200	2,723,200	-
27	Fuel and Lubricants *	2,288,704	3,478,284	(1,189,580)	(34.2%)	10,434,846	10,434,846	-
28	Timetables and Tickets	11,999	18,332	(6,333)	(34.5%)	55,000	55,000	-
29	Insurance	5,528,473	5,857,210	(328,737)	(5.6%)	5,857,210	5,857,210	-
30	Claims, Payments, and Reserves	402,202	273,336	128,866	47.1%	820,000	820,000	-
31	Facilities and Equipment Maintenance	1,038,231	2,573,999	(1,535,768)	(59.7%)	7,734,353	7,734,353	-
32	Utilities	704,388	850,868	(146,480)	(17.2%)	2,552,600	2,552,600	-
33	Maint & Services-Bldg & Other	319,166	549,915	(230,749)	(42.0%)	1,674,250	1,674,250	-
34								
35	TOTAL DIRECT EXPENSE	43,872,241	48,306,504	(4,434,263)	(9.2%)	136,691,701	136,691,701	-
36								
37	ADMINISTRATIVE EXPENSE							
38	Wages and Benefits	3,915,794	4,948,798	(1,033,004)	(20.9%)	12,435,945	12,435,945	-
39	Managing Agency Admin OH Cost	1,247,053	1,157,351	89,702	7.8%	3,470,871	3,470,871	-
40	Board of Directors	7,781	16,088	(8,308)	(51.6%)	48,275	48,275	-
41	Professional Services	1,616,219	2,868,920	(1,252,701)	(43.7%)	8,737,561	8,737,561	-
42	Communications and Marketing	112,524	109,664	2,860	2.6%	322,750	322,750	-
43	Other Office Expenses and Services	412,673	1,241,978	(829,305)	(66.8%)	3,654,614	3,654,614	-
44								
45	TOTAL ADMINISTRATIVE EXPENSE	7,312,044	10,342,799	(3,030,755)	(29.3%)	28,670,016	28,670,016	-
46								
47	TOTAL OPERATING EXPENSE	51,184,285	58,649,303	(7,465,018)	(12.7%)	165,361,717	165,361,717	-
48								
49	Measure RR Ballot Costs	5,357,846	7,000,000	(1,642,154)	(23.5%)	7,000,000	7,000,000	-
50	Governance	120,880	666,668	(545,788)	(81.9%)	2,000,000	2,000,000	-
51								
52	Debt Service Expense	892,875	793,916	98,959	12.5%	2,381,752	2,381,752	-
53								
54	GRAND TOTAL EXPENSE	57,555,887	67,109,887	(9,554,000)	(14.2%)	176,743,469	176,743,469	-
55								
56	NET SURPLUS / (DEFICIT)	1,669,087	17,870,135	(16,201,048)	(90.7%)	-	(23,965,805)	(23,965,805)

* Fuel and Lubricants costs were reduced by a realized gain of \$455,759 from the fuel hedge program.



BOARD OF DIRECTORS 2021

DEVORA "DEV" DAVIS, CHAIR
 STEVE HEMINGER, VICE CHAIR
 CINDY CHAVEZ
 JEFF GEE
 GLENN HENDRICKS
 DAVE PINE
 CHARLES STONE
 SHAMANN WALTON
 MONIQUE ZMUDA

MICHELLE BOUCHARD
 ACTING EXECUTIVE DIRECTOR

PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF OCTOBER 31, 2021

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted)	*	Liquid Cash	0.203%	88,141	88,141
County Pool (Unrestricted)		Liquid Cash	0.929%	559,220	559,220
Other (Unrestricted)		Liquid Cash	0.050%	79,277,077	79,277,077
Other (Restricted)	**	Liquid Cash	0.050%	11,099,544	11,099,544
				\$ 91,023,983	\$ 91,023,983

Interest Earnings for October 2021 \$ 6,845.64
 Cumulative Earnings FY2022 \$ 11,338.17

* 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: Michelle Bouchard
Acting Executive Director

FROM: Derek Hansel
Chief Financial Officer

SUBJECT: **FUEL HEDGING UPDATE**

Finance Committee Recommendation Work Program-Legislative-Planning Committee Recommendation Staff Coordinating Council Reviewed Staff Coordinating Council Recommendation

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 volatile 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 September 30th, the hedge program realized net gains of \$279,770.68 for the time period July, 2021 through September, 2021.

- Additionally, the hedge currently reflects unrealized gains of \$1,542,534.00 (+0.39/gallon on all gallons through December 2022). This assumes projected consumption of 266,666 gallons per month through December 2022.
- Approximately 71.4% (65.19% after tax) of the anticipated fuel usage through December 2022 is hedged at an average price of \$1.76/gallon, excluding taxes and fees (\$2.36 with tax and fees) (versus a currently planned budget estimate of \$2.45/gallon, excluding taxes and fees) based on a 104 train/day schedule.
- The remaining un-hedged gallons through December 2022 have a projected cost of \$2.30/gallon as of 09/30/2021 excluding taxes and fees (\$2.96 with tax and fees).
- Weighted average projected cost of all gallons through December 2022 net of hedging excluding taxes and fees is \$1.93/gallon and including taxes and fees is \$2.55/gallon as of 09/30/2021.

Prepared by: Ashok Deshmukh, Acting Treasury Manager

650-508-6405