



BOARD OF DIRECTORS 2022

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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=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 <https://www.caltrain.com/video-board-directors>.

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 <https://www.caltrain.com/about-caltrain/meetings>

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.

August 22, 2022 - Monday

2:30 pm

All items to which [Government Code section 84308](#) applies have been marked with an asterisk

1. Call to Order/Pledge of Allegiance

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

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 to reply.
4. Consent Calendar
Members of the Board may request that an item under the Consent Calendar be considered separately.
 - 4.a. Approve Meeting Minutes of July 25, 2022 Motion
 - 4.b. Accept of Quarterly Fuel Hedge Update Informational
5. Report of the Acting Chief Financial Officer Informational
6. Accept Statement of Revenues and Expenses for the Period Ending July 31, 2022 Motion
7. Closeout Change Order 25th Avenue Grade Separation Project 17-J-C-048* Motion
8. Adopt Overall Disadvantaged Business Enterprise Goal for Federal Fiscal Years 2023-2025 for Federal Transit Administration-Assisted Projects Motion
9. Authorize the Execution of the 2022 Amended and Restated Clipper Memorandum of Understanding Motion
10. Committee Member Requests
11. Date/Time of Next Regular Finance Committee Meeting: September 26, 2022 at 2:30 pm via Zoom (additional location, if any, to be determined)
12. 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: Two Mondays before the Board Meeting, 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 <https://live-smctd-2021.pantheonsite.io/caltrain/about-caltrain/meetings> 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 <https://live-smctd-2021.pantheonsite.io/caltrain/about-caltrain/meetings>.

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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 July 25, 2022**

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

Members Absent: None

Staff Present: M. Bouchard, J. Harrison, A. Myles-Primakoff, G. Martinez, C. Mobley-Ritter, S. Bullock, K. Yin, M. King, D. Seamans, S. Wong, K. Scribner

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. Adopt Motion Authorizing Holding Committee Meetings via Teleconference for 30 Days Pursuant to Assembly Bill (AB) 361

James Harrison, Legal Counsel, noted that the JPB did not meet in July to extend the AB 361 findings and the Committee needed to make the findings regarding the declared state of emergency before proceeding with the remote meeting.

Motion/second: Hendricks/Gee

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

4. Public Comment For Items Not On The Agenda

There was no public comment.

5. Consent Calendar

5a. Approve Meeting Minutes of June 27, 2022

5b. Reaffirm the Peninsula Corridor Joint Powers Board Investment Policy & Reauthorize Investment of Monies with the Local Agency Investment Fund (LAIF)

Motion/second: Gee/Hendricks

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

6. Authorize Execution of Change Order to Wabtec Railway Electronics for a Traction Power SCADA System under Contract No. 17-J-S-061 and Completion of Traction Power Supervisory Control and Data Acquisition System as Part of Peninsula Corridor Electrification Program (PCEP)

Sherry Bullock, Director of Rail Integration, provided the presentation which included the following:

- Change Management Board (CMB) approved the item on July 20
- Authorize the Acting Executive Director to execute the contract amendment
- Background of the project - ARINC purchased by Wabtec in June
- Reviewed the change order, time extension, cost, and contract authority summary
- PCEP Program Contingency Drawdown

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

- 10 percent retention holding until finalized and it does not change the value of the contract
- The known unknowns and unknown unknowns
- Seeing the remaining contingency in the monthly Board meeting PCEP report
- Whether there is a separate contract for grade crossing work
- Whether there is a way to help cities do economies of scale of future change orders
- Differences between the cost and shortfall

Motion/second: Gee/Hendricks

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

7. Authorize Amendment to B&G Transportation Group, LLC for On-Call Safety and Security Advisory Services Contract 18-J-P-072 for the Caltrain Modernization Program

Sherry Bullock, Director of Rail Integration, provided the presentation, which included the following:

- Background, increase contract capacity and extension with additional safety and additional coverage during testing phases and extension from 2023 through 2024
- Total B&G safety cost at completion - \$4.4 million shortfall for contract authority

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

- Contingency money spent, expend contracts before extending them, the increase was included in the total budget forecast, year one costs, and where any unspent money goes
- Contributing factors to the cost increase included field safety for night shifts, special safety task force, special project needs, recalibration, and 12-month extension
- Future CMB approved items to include the CMB meeting minutes links within staff reports

- Calculate timeframe in terms of months to indicate order of magnitude

Motion/second: Gee/Hendricks

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

8. Authorize Amendment to On-Call Program Management Support Services Contract 14-PCJPB-P-005 for the Caltrain Modernization Program the Solicitation

Sherry Bullock, Director of Rail Integration, provided a presentation which included the following:

- Contract - 3 years with two options, capacity increase and extension, and existing contract authority through the completion
- Program was underfunded with the need to add a program management director, hire an administrator and specialists, quality assurance (QA) representative, and have a 19-month extension
- No PCEP budget impact
- CMB approved this contract capacity increase during the July 2022 CMB meeting

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

- Anticipating and planning for any other amendments for Architecture, Engineering, Construction, Operations, and Management (AECOM) beyond December 2024
- Balfour Beatty Inc. management and incentives for meeting milestones earlier and completing the project and update the weekly status report (WSR) accordingly
- The budget numbers based on project needs and sharing staffing numbers
- Indicate on the PCEP report how the increase was calculated and how the contingency will be used in order to anticipate increases
- Include Change Management Board questions in the staff report that relate to contingency discussions

Motion/second: Hendricks/Gee

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

9. Award Contract for Armored Car Cash Collection Services

Kevin Yin, Director of Contract & Procurement, provided the report, which included the following:

- The Request for Proposal (RFP) and outreach processes
- JPB received one proposal and determined that Brinks, Inc. has the requisite experience
- Budget will come from operating budgets

The Board had a discussion and staff provided further clarification in response to the Board members' comments and questions on the contract being a 50 percent increase from the previous contract with a 3 year contract duration with a couple of one year options.

Motion/second: Hendricks/Gee

Ayes: Gee, Hendricks, Zmuda

Noes: None

Absent: None

10. Information on Statement of revenues and expenses for the period ended June 30, 2022

Grace Martinez, Acting Chief Financial Officer, stated that the next report will be presented to this Committee on September 26th for more solid year end numbers.

11. Committee Member Requests

Director Hendricks requested the order of magnitude of the known unknowns

Chair Zmuda requested seeing the remaining contingency in the monthly PCEP Board meeting report

Director Hendricks requested identifying contracts with a higher burn rate than others and will need additional funding.

12. Date/time of next regular finance committee meeting

Monday, August 22, 2022, at 2:30 pm via Zoom (additional location, if any, to be determined)

13. Adjourn

The meeting adjourned at 3:55 pm.

An audio/video recording of this meeting is available online at <https://www.caltrain.com/video-board-directors> . 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: Board of Directors
Through: Michelle Bouchard, Acting Executive Director
From: Grace Martinez, Acting Chief Financial Officer
Subject: **Accept Quarterly Fuel Hedge 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:

- Purchase 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 a 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 it relates to Caltrain's annual budget.

- As of June 30th, the fuel hedging program had realized net gains of \$2,736,463.06 for the time period July 2021 through June 2022 – the entirety of FY 2022.
- Additionally, the hedge currently reflects unrealized gains of \$1,826,391.00 (+0.40/gallon on all gallons through June 2023). This assumes projected consumption of 4,551,803 gallons for FY 2023.
- Approximately 80% (73% after tax) of the anticipated fuel usage through June 2023 is hedged at an average price of \$3.14/gallon, excluding taxes and fees (\$4.03 with tax and fees) (versus a currently planned budget estimate of \$3.12/gallon, excluding taxes and fees) based on a 104 train/day schedule.
- The remaining un-hedged gallons through June 2023 have a projected cost of \$3.42/gallon as of 6/30/22 excluding taxes and fees (\$4.34 with tax and fees).
- Weighted average projected cost of all gallons through June 2023 net of hedging excluding taxes and fees is \$3.20/gallon and including taxes and fees is \$4.11/gallon as of 6/30/2022.

Prepared By:	Ashok Deshmukh	Acting Manager, Treasury	650-508-6405
	Connie Mobley-Ritter	Director, Treasury	650-508-7765

**Peninsula Corridor Joint Powers Board
Staff Report**

DATE: August 16, 2022

TO: Finance Committee

THROUGH: Michelle Bouchard
Acting Executive Director

FROM: Grace Martinez
Acting Chief Financial Officer

SUBJECT: **September 1, 2022 Finance Committee Report of the Acting Chief Financial Officer**

HIGHLIGHTS

- On August 16, 2022, Moody's Investor Service upgraded the rating on the JPB's outstanding 2019 Farebox Revenue Bonds to A1 from A2 and revised the outlook to "stable". The upgrade in the rating is an indication of Moody's belief that JPB can meet the debt service requirement of the outstanding bonds after the passing of Measure RR and federal aid during the pandemic, and that JPB has sufficient money on hand to bridge the gap as farebox revenues slowly recovers.
- Update on fiscal 2022 year-end close for and financial audit: Accruals were completed, account reconciliations are performed, and the accounting book of records are prepared for the auditors to review.
- The Staff Report on the Statement of Revenues and Expenses for the One-Month Ending July 31, 2022 follows.

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Acting Executive Director
From: Grace Martinez, Acting Chief Financial Officer
Subject: **Accept Statement of Revenues and Expenses for the Period Ending July 31, 2022**

Finance Committee
Recommendation

Work Program-
Legislative-Planning
Committee
Recommendation

Staff Coordinating
Council Reviewed

Staff Coordinating Council
Recommendation

Action

Staff proposes that the Finance Committee of the Peninsula Corridor Joint Powers Board (JPB) accept and enter into the record the Statement of Revenues and Expenses for the month of July 2022.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through July 31, 2022. 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 an easy comparison of year-to-date current actuals to the budget including dollar and percentage variances.

Significance

Year to Date Revenues: As of July year-to-date actual, the Grand Total Revenue (page 1, line 17) is \$0.2 million lower than the approved budget. This is primarily driven by the decrease in Caltrain Fares (page 1, line 1) due to lower Clipper and TVM revenues.

Year to Date Expenses: As of July year-to-date actual, the Grand Total Expense (page 2, line 51) is \$2.7 million lower than the approved budget. This is primarily driven by decreases in Fuel and Lubricants (page 2, line 25) which is partially offset by the fuel hedge revenue, Facilities and Equipment Maintenance (page 2, line 29), and Professional Services (page 2, line 39) due to the timing of expenses.

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 July 2022.

Prepared By: Danny Susantin, Accountant III
Jennifer Ye, Director, Accounting

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PENINSULA CORRIDOR JOINT POWERS BOARD								
STATEMENT OF REVENUE AND EXPENSE								
Fiscal Year 2023								
July 2022								
							% OF YEAR ELAPSED	
							8.3%	
JULY				ANNUAL				
CURRENT	ADOPTED	\$	%	APPROVED	\$			
ACTUAL	BUDGET	VARIANCE	VARIANCE	BUDGET	FORECAST	VARIANCE		
REVENUE								
OPERATIONS:								
1 Caltrain Fares	2,144,573	2,696,667	(552,094)	(20.5%)	30,219,000	30,219,000	-	1
2 Go Pass	1,417,118	1,355,000	62,118	4.6%	16,260,000	16,260,000	-	2
3 Parking Revenue	102,631	158,000	(55,369)	(35.0%)	1,896,000	1,896,000	-	3
4 Shuttles	168,164	-	168,164	.0%	-	-	-	4
5 Rental Income	99,704	77,947	21,757	27.9%	935,357	935,357	-	5
6 Other Income	242,119	139,693	102,426	73.3%	1,676,319	1,676,319	-	6
7							-	7
8 TOTAL OPERATING REVENUE	4,174,309	4,427,307	(252,998)	(5.7%)	50,986,676	50,986,676	-	8
9								9
10 CONTRIBUTIONS:								10
11 AB434 Peninsula & TA Shuttle Funding	61,956	3,333	58,623	1758.9%	40,000	40,000	-	11
12 Operating Grants	940,680	940,680	-	0.0%	11,288,161	11,288,161	-	12
13 Measure RR	8,179,999	8,179,999	-	.0%	114,300,000	114,300,000	-	13
14								14
15 TOTAL CONTRIBUTED REVENUE	9,182,635	9,124,012	58,623	.6%	125,628,161	125,628,161	-	15
16								16
17 GRAND TOTAL REVENUE	13,356,945	13,551,319	(194,375)	(1.4%)	176,614,837	176,614,837	-	17
18								18

PENINSULA CORRIDOR JOINT POWERS BOARD									
STATEMENT OF REVENUE AND EXPENSE									
Fiscal Year 2023									
July 2022									
							% OF YEAR ELAPSED		
							8.3%		
JULY				ANNUAL					
CURRENT ACTUAL	ADOPTED BUDGET	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	FORECAST	\$ VARIANCE			
19	EXPENSE							19	
20								20	
21	DIRECT EXPENSE:							21	
22	Rail Operator Service	7,826,481	7,826,481	-	0.0%	98,257,758	98,257,758	-	22
23	Security Services	508,561	694,612	(186,051)	(26.8%)	7,935,381	7,935,381	-	23
24	Shuttle Services	101,900	6,820	95,080	1394.1%	121,600	121,600	-	24
25	Fuel and Lubricants*	1,062,127	1,461,602	(399,475)	(27.3%)	17,539,232	17,539,232	-	25
26	Timetables and Tickets	-	11,279	(11,279)	(100.0%)	135,350	135,350	-	26
27	Insurance	3,413,154	3,413,154	-	.0%	9,299,730	9,299,730	-	27
28	Claims, Payments, and Reserves	18,160	110,000	(91,840)	(83.5%)	1,320,000	1,320,000	-	28
29	Facilities and Equipment Maintenance	8,130	602,369	(594,239)	(98.7%)	7,258,788	7,258,788	-	29
30	Utilities	31,725	218,133	(186,408)	(85.5%)	2,617,600	2,617,600	-	30
31	Maint & Services-Bldg & Other	1,769	58,593	(56,824)	(97.0%)	1,754,100	1,754,100	-	31
32								32	
33	TOTAL DIRECT EXPENSE	12,972,006	14,403,043	(1,431,036)	(9.9%)	146,239,539	146,239,539	-	33
34								34	
35	ADMINISTRATIVE EXPENSE							35	
36	Wages and Benefits	2,461,054	2,581,123	(120,069)	(4.7%)	13,963,830	13,963,830	-	36
37	Managing Agency Admin OH Cost	158,550	297,121	(138,571)	(46.6%)	3,565,453	3,565,453	-	37
38	Board of Directors	337	4,772	(4,435)	(92.9%)	57,275	57,275	-	38
39	Professional Services	1,627	769,814	(768,187)	(99.8%)	9,305,755	9,305,755	-	39
40	Communications and Marketing	-	33,644	(33,644)	(100.0%)	403,730	403,730	-	40
41	Other Office Expenses and Services	59,379	227,317	(167,938)	(73.9%)	2,724,996	2,724,996	-	41
42								42	
43	TOTAL ADMINISTRATIVE EXPENSE	2,680,947	3,913,791	(1,232,844)	(31.5%)	30,021,039	30,021,039	-	43
44								44	
45	TOTAL OPERATING EXPENSE	15,652,953	18,316,834	(1,393,177)	(7.6%)	176,260,578	176,260,578	-	45
46								46	
47	Governance	-	29,167	(29,167)	(100.0%)	350,000	350,000	-	49
48								48	
49	Debt Service Expense	235,061	215,146	19,915	9.3%	2,581,752	2,581,752	-	49
50								50	
51	GRAND TOTAL EXPENSE	15,888,014	18,561,147	(2,673,133)	(14.4%)	179,192,330	179,192,330	-	51
52								52	
53	NET SURPLUS / (DEFICIT)	(2,531,070)	(5,009,828)	2,478,758	(49.5%)	(2,577,493)	(2,577,493)	-	53
54								54	
55	Draw from FY2022 surplus					2,577,493	2,577,493		55
56	ADJUSTED NET SURPLUS / (DEFICIT)					-	-		56
57								57	
58	* Fuel and Lubricants costs were reduced by a realized gain of \$399,475 from the fuel hedge program.							58	



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PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF JULY 31, 2022

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted)	*	Liquid Cash	1.090%	10,088,426	10,088,426
County Pool (Unrestricted)		Liquid Cash	1.263%	563,159	563,159
Other (Unrestricted)		Liquid Cash	1.970%	146,199,440	146,199,440
Other (Restricted)	**	Liquid Cash	1.970%	70,823,877	70,823,877
				\$ 227,674,902	\$ 227,674,902

Interest Earnings for July 2022	\$ 51,605.60
Accrued Dividend for July 2022	\$ 34,591.75
Cumulative Earnings FY2023	\$ 86,197.35

* 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.

FY 2022

PENINSULA CORRIDOR JOINT POWERS BOARD													
Farebox Revenues by Ticket Type	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Total
REVENUE													
OPERATIONS:													
401400 (TVM)	609,407	694,301	297,963	634,662	514,945	503,829	402,001	425,090	518,694	426,130	886,933	922,485	6,836,440
401410 (Clipper)	466,207	507,976	320,066	628,888	773,248	690,398	418,215	564,410	811,782	451,071	1,021,234	1,111,260	7,764,755
401420 (Central)	545	-	5,108	19,817	-	-	(8)	2,475	303	535	5,523	5,613	39,911
401430 (Mobile App)	203,051	217,349	138,764	249,286	239,150	220,698	148,995	181,828	270,431	179,642	349,616	409,987	2,808,795
401500 (Gilroy)	28,850	21,257	28,301	20,933	43,585	46,782	35,746	31,111	32,723	49,067	29,202	81,724	449,281
401700 (Go-Pass)	1,110,030	1,247,311	1,176,248	1,199,282	1,434,953	1,280,454	1,332,357	1,337,351	1,364,606	1,406,171	1,390,999	1,393,850	15,673,613
total Farebox Revenue	2,418,089	2,688,193	1,966,449	2,752,867	3,005,881	2,742,162	2,337,305	2,542,265	2,998,539	2,512,617	3,683,506	3,924,920	33,572,795
Less: Go-Pass													
401700 (Go-Pass)	1,110,030	1,247,311	1,176,248	1,199,282	1,434,953	1,280,454	1,332,357	1,337,351	1,364,606	1,406,171	1,390,999	1,393,850	15,673,613
Revenues without Go-Pass	1,308,059	1,440,882	790,201	1,553,585	1,570,928	1,461,707	1,004,949	1,204,914	1,633,933	1,106,445	2,292,508	2,531,070	17,899,182
Tickets Sold													
TVM	66,225	57,800	65,068	65,036	55,514	50,809	40,552	43,646	58,771	79,927	80,118	92,208	755,674
Clipper	75,041	77,163	94,859	99,959	96,607	83,449	68,589	82,124	115,541	132,306	141,563	160,556	1,227,757
Central	33	-	698	1,876	-	-	-	150	100	124	784	267	4,032
Mobile	27,060	25,610	31,175	33,226	29,105	24,778	19,520	23,974	33,935	45,168	41,229	46,661	381,441
# of tickets sold (without go-pass)	168,359	160,573	191,800	200,097	181,226	159,036	128,661	149,894	208,347	257,525	263,694	299,692	2,368,904
AVG Revenue Per Ticket													
TVM	\$ 9.20	\$ 12.01	\$ 4.58	\$ 9.76	\$ 9.28	\$ 9.92	\$ 9.91	\$ 9.74	\$ 8.83	\$ 5.33	\$ 11.07	\$ 10.00	\$ 9.05
Clipper	\$ 6.21	\$ 6.58	\$ 3.37	\$ 6.29	\$ 8.00	\$ 8.27	\$ 6.10	\$ 6.87	\$ 7.03	\$ 3.41	\$ 7.21	\$ 6.92	\$ 6.32
Central	\$ 16.50	\$ -	\$ 7.32	\$ 10.56	\$ -	\$ -	\$ -	\$ 16.50	\$ 3.03	\$ 4.31	\$ 7.04	\$ 21.02	\$ 9.90
Mobile	\$ 7.50	\$ 8.49	\$ 4.45	\$ 7.50	\$ 8.22	\$ 8.91	\$ 7.63	\$ 7.58	\$ 7.97	\$ 3.98	\$ 8.48	\$ 8.79	\$ 7.36
Total	\$ 7.77	\$ 8.97	\$ 4.12	\$ 7.76	\$ 8.67	\$ 9.19	\$ 7.81	\$ 8.04	\$ 7.84	\$ 4.30	\$ 8.69	\$ 8.45	\$ 7.56

FY 2023

Farebox Revenues by Ticket Type			PENINSULA CORRIDOR JOINT POWERS BOARD		
REVENUE	Jul-22		Total		
OPERATIONS:					
401400 (TVM)	814,640		814,640		
401410 (Clipper)	940,595		940,595		
401420 (Central)	5,139		5,139		
401430 (Mobile App)	346,758		346,758		
401500 (Gilroy)	37,440		37,440		
401700 (Go-Pass)	1,417,118		1,417,118		
total Farebox Revenue	3,561,691		3,561,691		
Less: Go-Pass					
401700 (Go-Pass)	1,417,118		1,417,118		
Revenues without Go-Pass	2,144,573		2,144,573		
Tickets Sold	Jul-22		Total		
TVM	86,060		86,060		
Clipper	156,991		156,991		
Central	319		319		
Mobile	42,175		42,175		
# of tickets sold (without go-pass)	285,545		285,545		
AVG Revenue Per Ticket	Jul-22		Total		
TVM	\$ 9.47		\$ 9.47		
Clipper	\$ 5.99		\$ 5.99		
Central	\$ 16.11		\$ 16.11		
Mobile	\$ 8.22		\$ 8.22		
Total	\$ 7.51		\$ 7.51		

**Peninsula Corridor Joint Powers Board
Staff Report**

To: Finance Committee
Through: Michelle Bouchard, Acting Executive Director
From: Robert Barnard, Deputy Chief, Rail Development
Subject: **Closeout Change Order for 25th Avenue Grade Separation Project 17-J-C-048**

Finance Committee
Recommendation

Work Program-
Legislative-Planning
Committee
Recommendation

Staff Coordinating
Council Reviewed

Staff Coordinating Council
Recommendation

Action

Staff Coordinating Council recommends that the Board of Directors (Board):

1. Approve the issuance of Contract Change Order #244 Project Wide Global Settlement with a total value of \$5,774,764.15, which is within the Project budget.
2. Authorize the Executive Director or her designee to take any actions necessary to give effect to the above action.

Significance

The Peninsula Corridor Joint Powers Board (JPB) awarded a contract to Shimmick/ Disney Joint Venture (SDJV) for construction of the 25th Avenue Grade Separation Project Contract No. 17-J-C-048 (Project) in 2017 at a cost not to exceed \$82.89 million (Contract), with a Contract contingency of \$16.578 million. The Contract change order authority was increased by \$7 million in 2019. When the Contract was initially awarded, the total Project budget was \$180 million, which included funds for other contractors that were working on the Project.

In January 2021, the Board approved increasing the Project budget to \$205.9 million.

The 25th Avenue Grade Separation Project was a challenging project which was complicated by many factors including delays and disruptions caused by Covid, changes in staff at JPB including changes of the Project Manager, as well as SDJV challenges in maintaining adequate staffing to complete the project and especially the administrative work. However, utility relocation issues, which delayed the project, as well as differing site conditions and design issues, all which led to more than 262 Change Orders to date as well as 331 Field Instructions for additional work that was not originally contemplated in the Contract, represented the most significant challenges.

Over the duration of the Project, JPB and SDJV have agreed to change orders to compensate the Contractor for these issues, but in recent months the Contractor submitted claims related to additional Time-Related Overhead (TRO) for delays associated primarily with additional work as well as inefficiencies that the Contractor believed resulted from having to work out of

sequence and inefficiently in dealing with the multitude of additional work presented in the various field instructions.

The parties spent several months methodically addressing these issues on a “one-at-a time” basis, resulting in additional overhead costs. Given this situation, the Parties agreed to enter negotiations with the goal of reaching a “global settlement” so that once all field work was completed, the Project could effectively be closed out with all accounts settled. This is an especially relevant goal now that the Project has reached substantial completion with all SDJV work, including “punch list work”, now completed.

By settling these issues now, the risk and additional cost of lengthy negotiations and potential litigation is eliminated, and the project can be closed out within the Project budget.

Budget Impact

This change, which will cost a total of \$5,774,764.15, will keep the project within budget and eliminate exposure to any additional construction costs and unnecessary overhead costs.

Background

JPB staff and SDJV engaged in several negotiating sessions between March 31, 2022, and May 3, 2022. Initial discussions resulted in the contractor reducing their cost reimbursement expectations on various open items. During these sessions, JPB staff also requested, and SDJV provided, more substantial documentation to justify their TRO and Inefficiency claims. On May 3rd, SDJV presented what they considered to be their best and final offer for a settlement amount for these claims.

Beginning on May 3rd, the JPB Project Team performed a detailed analysis of the documentation provided by SDJV, including analysis based on the “measured mile” approach to inefficiencies in construction.

The table below shows the final SDJV position and the JPB position based on the Project Team’s analysis mentioned above. As can be seen, the project team, through successful and fair negotiations on the disputed extra costs, has been able to reduce the amount of money the contractor was willing to settle for from \$9,019,352 to a total additional payment of \$5,774,764.15. This amount is within the Project budget.

SDJV Negotiated Position vs. JPB Analysis

Item	SDJV Valuation	JPB Valuation
Current Contract Value (see above)	\$111,125,235	\$111,125,235
Builders Risk Extension (see note 1)	\$174,562	\$174,562
CMC Steel Escalation	\$552,868	\$110,000
RMT Landscaping Escalation	\$63,857	\$63,857
Ferrando Escalation	\$92,243	\$47,000
Additional Bond Cost (see Note 1)	\$402,000	\$402,000
25 th Ave Retaining Wall Changes	\$104,200	\$104,200
Excess Dirt Resolution	\$150,000	\$20,000
FCN 118	-\$5,000	-\$50,000
FCN 83	-\$135,000	-\$138,000
Outstanding FIs	\$2,234,202.00	\$ 2,039,502
Additional TRO	\$992,506	\$747,075
Inefficiency Claim	\$4,392,914	\$2,254,569.00
Total	\$120,140,706.00	\$116,900,000.00
	0	0

Note 1: Builder’s Risk and Bond Premiums to be billed to JPB at cost up to the values shown.

Of note are the additional Time Related Overhead (TRO) claim of \$992,506 and the “Inefficiency Claim” submitted by SDJV, valued at \$4,392,914. Staff analyzed the contractor’s submitted costs and completed an independent cost estimate using a methodology that compared unimpacted costs to do the work versus an impacted costs. This identical method was used to settle the impacts due to delays caused by the relocation of the Third Party Fiber Optic lines and other utilities. Further, staff was able to further negotiate the overall impacts of TRO and Inefficiencies below the ICE by showing that the Contractor was simultaneously finishing non-impacted work. The reductions were due to what JPB staff saw as concurrent delays, invalid COVID claims, and insufficient proof that additional scope added to the contract via field instructions resulted in illogical and out of sequence work by the Contractor leading to

additional costs to the magnitude stated in the claim. The final agreed to price for this work was 45% below what the contractor first proposed and is within the Project budget.

Prepared By: Andy Kleiber

Project Manager

510-282-4932

Resolution No. 2022 –

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

* * *

Approving Issuance of Contract Change Order #244

WHEREAS, on July 6, 2017, pursuant to Resolution No. 2017-32, the Peninsula Corridor Joint Powers Board (JPB) awarded a contract to Shimmick/Disney Joint Venture (Contract) to construct the 25th Avenue Grade Separation Project (Project), in an amount not to exceed \$82,890,000; and

WHEREAS, the Contract change order authority is \$23,578,000; and

WHEREAS, the above-referenced Contract has a Project budget of \$205,900,000; and

WHEREAS, Project funders, the San Mateo County Transportation Authority (TA) and the City of San Mateo (City) have authorized increases to their contributions to the Project; and

WHEREAS, utility relocations, differing site conditions, the pandemic, and staffing changes and challenges led to delays and additional costs; and

WHEREAS, Shimmick/Disney Joint Ventures submitted claims for delays and inefficiencies caused by changes to the Project; and

WHEREAS, the parties have negotiated a global settlement of these claims to avoid the risks and costs of further negotiations and potential litigation; and

WHEREAS, the proposed settlement represents a substantial reduction from the contractor's original demand and is within the Project budget; and

WHEREAS, staff recommends that the Board of Directors (Board):

1. Approve the issuance of Contract Change Order #244, Project Wide Global Settlement, in the amount of \$5,774,764.15 to settle all outstanding issues both known and unknown including:
 - a. Builders Risk Extension
 - b. CMC Steel Escalation
 - c. RMT Landscaping Escalation
 - d. Ferrando Escalation
 - e. Additional Bond Cost
 - f. 25th Ave Retaining Wall Changes
 - g. Excess Dirt Resolution
 - h. FCN 118
 - i. FCN 83
 - j. Outstanding FIs
 - k. Additional TRO
 - l. Inefficiency Claim

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor

Joint Powers Board hereby:

1. Approves the issuance of Contract Change Order #244 in the amount of \$5,774,764.15 to settle all outstanding issues both known and unknown.

Regularly passed and adopted this 1st day of September 2022 by the following

vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

TO: Finance Committee

THROUGH: Michelle Bouchard
Executive Director

FROM: April Chan
Acting Deputy General Manager

SUBJECT: **Adopt Overall Disadvantaged Business Enterprise Goal for Federal Fiscal
Years 2023-2025 for Federal Transit Administration-Assisted Projects**



Finance Committee
Recommendation



Work Program-
Legislative-Planning



Staff Coordinating
Council Reviewed



Staff Coordinating Council
Recommendation

ACTION

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

1. Adopt a new three-year overall disadvantaged business enterprise (DBE) goal of 6.58% for Federal Transit Administration (FTA)-assisted contracts for Federal Fiscal Years (FFY) 2023-25, in accordance with the regulations issued by the U.S. Department of Transportation (DOT).
2. Direct the Acting Executive Director or designee to submit the overall goal and related materials to the FTA by October 1, 2022.

SIGNIFICANCE

DOT regulations, found in Title 49 of the Code of Federal Regulations Part 26, require FTA grantees to establish a DBE Program and three-year DBE goals for all projects receiving FTA assistance. The FFY 2020-2022 DBE goal is set to expire on September 30, 2022, following the expiration of an extension approved by the FTA on May 19, 2022.

BUDGET IMPACT

The proposed DBE Program revisions will have no impact on the budget.

BACKGROUND

DOT regulations require that recipients of federal financial assistance evaluate and adopt an overall goal covering three federal fiscal years for DBE participation in federally-assisted contracts awarded by the JPB. DOT regulations prescribe a methodology for setting these overall goals

based on the availability of ready, willing, and able DBEs in particular trades in the recipient's market area for contracts that will be awarded or underway during the three-year period. The last DBE overall goal adopted by the JPB in September 2019 was 13.5%, covering federal FFY 2020-2022 with race conscious methods at 7% and race neutral methods at 6.5%. This overall goal was achieved in 2020 (18.6%), but not in 2021 (12.75%) or 2022 (12.2%)¹. The JPB attained these results primarily through race/gender neutral methods and completed a large volume of construction projects during this time.

Title 49 CFR Part 26.51 requires that recipients meet the maximum feasible portion of their overall goal by using race/gender neutral means of facilitating DBE participation. In FFY 2020-2022, the JPB missed its race/gender neutral goals by 0.50% in 2021 and 0.80% in 2022. The JPB used race/gender neutral means such as small business preference and outreach to small businesses to increase DBE participation in order to try to meet its goals. However, if the agency has been unable to meet goals based on race/gender conscious methods, the Department of Transportation recommends relying *exclusively* on race/gender-conscious means to meet the goal for the upcoming year.² This includes imposing contract specific DBE goals on FTA assisted contracts that have subcontracting possibilities.

Staff contracted with a consulting firm, Goodwille Pierre LLC (“Consultant”), to advise on the formulation of the FY 2023-2025 Goal. Beginning in June 2022, staff began collecting information regarding anticipated federally funded projects in order to support the analysis needed to determine the DBE goal. For the next three federal fiscal years, the JPB expects to expend approximately \$33 million in federal funds for construction, engineering, and rail development programs.

With the support of the Consultant, the JPB determined the proposed overall DBE goal through a two-step process in accordance with FTA Regulations. In Step One, the Consultant determined a Base Figure of relative availability of “ready, willing, and able” DBEs in the JPB’s geographic market area (San Francisco, San Mateo, and Santa Clara counties) in all work categories for each federally assisted projected anticipated in FFY 2023-2025. Data sources used to calculate the relative DBE availability included the Census Bureau’s County Business Pattern Database and Actual DBE Participation in Past Race/Gender Neutral District Contracts. The base figure achieved was 1.82%.

In Step Two, the Consultant examined all other evidence available in the JPB’s jurisdiction such as past participation to determine what adjustments to the Step One Base Figure were necessary. After considering the adjusted median of actual DBE participation between FFY 2016-2021, the Consultant adjusted the Base Figure for DBE goal to 6.58%.

Staff and Consultant analyzed the projected FTA-assisted expenditures for FFY 2023-2025 and determined that the proposed goal of 6.58% is appropriate. It is recommended that the goal be achieved by entirely race conscious methods. Staff and the Consultant considered the following factors in reaching this recommendation.

¹ Reported for FY2022 Semiannual report. Year end report will not be available until December 2022.

² <https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise>

1. Limited DBE availability: The list of projects for the next three years includes scopes of work with little DBE availability. As compared to FFY 2020-2022, less construction is anticipated for FFY 2023-2025. Historically, construction projects offer significant DBE opportunities. In addition, 30% of those funds account for rail development purchases and approximately 13% of the work will be done internally. However, if there are any changes in the anticipated projects occurring within the referenced federal fiscal years, staff will seek permission from the FTA to adjust the goal based on changed circumstances.
2. Support of Race Conscious Methods: Between FFY 2017-2022, the JPB did not use race/gender conscious methods to a significant extent. Past strategies included the utilization of a small business preference on a professional services contract and DBE contract goals on construction contracts. The JPB intends to continue to use DBE contract goals on construction contracts, but will strive to maximize DBE participation by increasing contract goals where feasible and by re-introducing contract goals on FTA assisted work directives in professional contracts.
3. Public Input: On August 12, 2022, JPB staff and Consultant conducted a virtual stakeholder meeting for public consultation on the DBE goal methodology. Approximately 30 participants attended. Invitations were sent to all DBEs from the California Unified Certification Program (CUCP) as well as non-DBEs, majority business owners, minority business owners, women owners, advocacy, general contractor, professional service, trade association groups, community organizations, and other officials or organizations which could be expected to have information concerning: 1) the availability of disadvantaged and non-disadvantaged businesses; 2) the effects of discrimination on opportunities for DBEs; and 3) JPB's efforts to establish a level playing field for the participation of DBEs. Most of the participants' questions and comments related to the type of work available and certification. However, one participant observed that in previous bids, most of the projects were given to large engineering and construction firms.

JPB staff intend to increase efforts for DBE outreach, DBE certification, and recruiting potential DBEs to participate in projects. As a member of the CUCP, the JPB is committed to working with other agencies to level the playing field and improve business opportunities for DBEs.

The Finance Committee's recommendation will be considered by the Board on September 1, 2022. With the Board's approval, the new proposed overall goal for federal FY 2020-2022 will be submitted for approval by the FTA. The deadline for submittal of the new proposed overall goal to the FTA is October 1, 2022.

Prepared By: Wendy Lau Office of Civil Rights, Manager 650.622.7864

Resolution No. 2022 –

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

* * *

**Adopting a 6.58 Percent Overall Disadvantaged Business Enterprise Goal
for Federal Fiscal Years 2023 - 2025 for
Federal Transit Administration-Assisted Projects**

WHEREAS, the United States Department of Transportation (DOT) regulations pertaining to the Disadvantaged Business Enterprise (DBE) Program, 49 CFR Part 26 (Regulations), require that recipients of DOT financial assistance establish an overall goal for DBE participation in federally-assisted contracts every three fiscal years for each operating administration from which the recipient receives financial assistance; and

WHEREAS, the Regulations prescribe a methodology for setting overall goals based on the availability of ready, willing and able DBEs in particular trades in the relevant market area; and

WHEREAS, the Peninsula Corridor Joint Powers Board (JPB) receives financial assistance from the Federal Transit Administration (FTA); and

WHEREAS, pursuant to the methodology set forth in the Regulations, staff has proposed a DBE utilization goal of 6.58 percent of contract dollars for FTA-assisted contracts for Federal Fiscal Years (FFY) 2023 - 2025; and

WHEREAS, the JPB may use race-conscious means to meet its DBE overall goals where race-neutral means are inadequate; and

WHEREAS, the JPB did not meet its DBE overall goals for FFY 2020-2022; and

WHEREAS, staff proposes the utilization of race-conscious means of 6.58 percent; and

WHEREAS, on August 12, 2022 the JPB participated in direct consultation with DBE contractors, trade associations, and interested members of the public regarding the goal setting process; and

WHEREAS, the proposed overall goal was published on the JPB's website on August 5, 2022 for public comment; and

WHEREAS, the proposed goal will continue to be published in JPB's website upon submission of the DBE Goal to the FTA on October 1, 2022; and

WHEREAS, the Finance Committee recommends, and the Staff Coordinating Council concurs, that the Board of Directors adopt the proposed 6.58 percent DBE overall goal for FTA funds for FFY 2023-2025, in accordance with the methodology set forth in the Regulations, with 6.58 percent to be achieved using race-conscious means and direct the Acting Executive Director or designee to submit the proposed DBE overall goal and related material to the FTA by October 1, 2022.

NOW, THEREFORE, BE IT RESOLVED the Board of Directors of the Peninsula Corridor Joint Powers Board finds the federal Fiscal Years 2023 - 2025 DBE overall goal of 6.58 percent, to be achieved using race-conscious means, is appropriate; and

BE IT FURTHER RESOLVED the Board of Directors adopts the DBE overall goal set forth above for FFY 2023– 2025 applicable to FTA-assisted contracts; and

BE IT FURTHER RESOLVED the Board of Directors directs the Acting Executive Director or designee to submit the DBE overall goal for FFY 2023 - 2025 to the FTA by October 1, 2022.

Regularly passed and adopted this 1st day of September, 2022 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: Finance Committee
Through: Michelle Bouchard
Acting Executive Director
From: Grace Martinez
Acting Chief Financial Officer
Subject: **Authorize the Execution of the 2022 Amended and Restated Clipper
Memorandum of Understanding**

Finance Committee
Recommendation

Work Program-
Legislative-Planning
Committee
Recommendation

Staff Coordinating
Council Reviewed

Staff Coordinating Council
Recommendation

Action

Staff recommends the Board of Directors of the Peninsula Corridor Joint Powers Board (Board) authorize the Acting Executive Director, or designee, to execute the 2022 Amended and Restated Clipper® Memorandum of Understanding with the Metropolitan Transportation Commission (MTC) and all other transit operators using the Clipper fare collection system.

Significance

Upon execution, the 2022 Amended and Restated Clipper Memorandum of Understanding (2022 MOU) will replace the 2016 Amended and Restated Clipper Memorandum of Understanding (2016 MOU), and the subsequent amendments to the 2016 MOU, in their entirety.

The 2022 MOU incorporates Amendment 3 to the 2016 MOU; clarifies Clipper Program goals and performance measures; includes language to address contracts supporting the operation of a new account-based Clipper system, known as the "Clipper Next Generation System"; and updates the regional cost-sharing methodologies and agreements between the MTC and the 23 transit system operators (Operators), consistent with MTC's contracts with Cubic Transportation Systems, Inc. (Cubic) for operation of the Clipper Next Generation System.

The most impactful changes include:

- A) **O&M Cost Allocation**: In coordination with MTC, a working group of the Operators' Clipper Liaisons have identified Clipper ridership as the key driver of Clipper Next Generation Operations and Maintenance (O&M) costs. Accordingly, the 2022 MOU will allocate O&M costs based on regional proportions of Clipper *ridership* whereas the 2016 MOU uses proportions of regional revenue-generating *transactions* and unique *cards* used. Not only is the new methodology likely to be more accurate, but the Clipper Next

Generation System will not track revenue-generating transactions, making the current cost allocation system infeasible.

- B) RTC Program Cost Allocation: Regional Transit Card (RTC) Program costs currently are allocated based on the actual number of cards *issued* by each Operator over an agreed-upon timeframe. However, in coordination with MTC, a working group of Clipper Liaisons and their associated Bay Area Partnership for Accessibility representatives have identified unique card *usage* as a more accurate driver of RTC Program Costs. Accordingly, under the 2022 MOU, RTC Program costs will be shared as follows: each Operator will start by assuming one percent of the monthly regional cost (accounting for 23% of the RTC Program costs). The remaining 77% of costs will be allocated proportionally based on each Operator's number of unique RTC cards used for payment of Operator services during a specified billing period.
- C) Mobile Ticketing Apps: A mobile payment option will be available through the Clipper Next Generation System. As a result, the 2022 MOU provides that individual Operators' mobile applications, including the Caltrain mobile app, will need to be discontinued within six months of the Clipper Next Generation launch (planned for June 2023). However, Redi-Wheels paratransit fares can still be offered on a separate app.
- D) Open Payment: The 2022 MOU requires that only Clipper devices be used for open payment acceptance where the Clipper payment option is available. Caltrain currently does not have an open payment option, and this is an upgraded functionality.

Caltrain staff and leadership have been consulted and are aligned with these new cost allocation methodologies and fare payment rules.

Budget Impact

While MTC bears the capital costs of the current and Next Generation Clipper Program, MTC and the Operators share responsibility (50%/50%) for the O&M costs, and Operators are wholly responsible for costs of the RTC card program.

- A) O&M Costs: Using the methodology described above, Caltrain staff have concluded based on internal analysis that if the Caltrain and all other Operators' levels of service return to pre-Covid levels, Caltrain's costs would decrease from approximately \$475,000 to \$250,000 annually. As Caltrain's ridership has recovered slower proportionally than other Operators' current ridership, trends would equate to a decrease from approximately \$300,000 to \$200,000 annually. This decrease in cost is primarily attributed to Caltrain's riders utilizing their Clipper cards at a lower frequency than the other participating agencies.
- B) RTC Program Costs: There will be no change to Caltrain's costs for the RTC Program.

Background

The Clipper automated fare payment system is currently being used on 23 transit systems in the San Francisco Bay Area. MTC extended its contract with Cubic for the current Clipper card-based fare payment system through November 2, 2024, and entered into a separate contract in

September 2018 with Cubic to design, develop, test, install, transition, operate, and maintain the Clipper Next Generation account-based fare payment system.

Prepared By: Bruce Thompson Fare Operations Manager 650-551-6106

Resolution No. 2022 –

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

Authorizing Execution of the 2022 Amended and Restated Clipper® Memorandum of Understanding with the Metropolitan Transportation Commission and Bay Area Transit Operators, and Related Actions

Whereas, the Clipper® automated fare payment system is currently being operated on 23 transit systems (Operators) in the San Francisco Bay Area; and

Whereas, the Metropolitan Transportation Commission (MTC) extended its contract with Cubic Transportation Systems, Inc. (Cubic) for the current Clipper card-based fare payment system through November 2, 2024, and entered into a separate contract with Cubic in September 2018 to design, develop, test, install, transition, operate, and maintain the Clipper Next Generation account-based fare payment system; and

Whereas, effective February 19, 2016, MTC and the Operators entered into an Amended and Restated Clipper Memorandum of Understanding to delineate the respective responsibilities of MTC and the Operators for the Clipper program (2016 MOU); and

Whereas, the 2016 MOU was amended on April 17, 2017 to revise provisions regarding the Clipper Executive Board and incorporate a common interest provision (Amendment No. 1); on October 1, 2020 to add new cost-sharing formulas (Amendment No. 2), and on September 1, 2021 to transfer responsibility for management and oversight of the Regional Transit Connection Discount Card Program (RTC Program) to the Clipper Executive Board and MTC (Amendment No. 3); and

Whereas, MTC and the Operators now desire to amend and restate the 2016 MOU, as amended, to reflect changes to the Clipper program brought about by the implementation of the Next Generation Clipper account-based fare payment system and the expanded use of Clipper since 2016, and to revise the cost-sharing formula for the RTC Program; and

Whereas, the proposed 2022 Amended and Restated Clipper Memorandum of Understanding (2022 MOU) will:

1. replace the 2016 MOU, as amended;
2. clarify Clipper program goals and performance measures;
3. address contracts supporting the operation of a new account-based Clipper Next Generation System;
4. update the regional cost-sharing methodologies and agreements between MTC and Operators to allocate Operations & Maintenance costs, with the Operators' share to be based on proportional Clipper *ridership* (whereas the 2016 MOU used proportions of regional revenue-generating *transactions* and unique *cards* used);
5. revise how RTC Program costs will be shared, with each Operator assuming one percent of the monthly regional cost, and the remaining costs allocated proportionally based on usage;
6. generally require individual Operators' mobile applications, including the SamTrans mobile app, to be discontinued within six months of the launch of Clipper Next Generation; and
7. require that only Clipper devices be used for open payment acceptance where the Clipper payment option is available; and

Whereas, staff recommends that the Board of Directors authorize the Acting Executive Director, or designee, to execute the 2022 MOU as described above.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby approves and authorizes the Acting Executive Director, or designee, to execute the 2022 Amended and Restated Clipper Memorandum of Understanding with the Metropolitan Transportation Commission and Bay Area transit operators, as described above.

BE IT FURTHER RESOLVED that the Acting Executive Director, or designee, is authorized to take all necessary actions to implement the terms and conditions of the MOU, consistent with the role of the JPB as a participating transit operator.

Regularly passed and adopted this 1st day of September, 2022 by the following vote:

AYES:

NOES:

ABSENT:

Chair, Peninsula Corridor Joint Powers Board

ATTEST:

District Secretary