

Revised to add alternate meeting location as of 10-27-2023 at approx. 9:30 am



**BOARD OF DIRECTORS 2023**

JEFF GEE, CHAIR  
DEV DAVIS, VICE CHAIR  
PAT BURT  
CINDY CHAVEZ  
STEVE HEMINGER  
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MICHELLE BOUCHARD  
EXECUTIVE DIRECTOR

# AGENDA

## PENINSULA CORRIDOR JOINT POWERS BOARD

Board of Directors Meeting

November 02, 2023, 9:00 am

Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Ave., San Carlos, CA

Or

Santa Clara County Government Center, 70 W. Hedding Street, 10th Floor,  
Office of Supervisor Chavez, San Jose, CA 95110

Members of the public may participate remotely or in-person, provided that they satisfy the safety protocols listed below.

Members of the public may participate remotely via Zoom at <https://us06web.zoom.us/j/87581188408?pwd=OFNUYTVFdExlOXRkR2tQOENXQUhhUT09> or by entering Webinar ID: **875 8118 8408**, Passcode: **033088** 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>

Members of the public also may participate in person at: San Mateo County Transit District, Bacciocco Auditorium - Second Floor, 1250 San Carlos Ave., San Carlos, CA, or any other noticed location provided they comply with the following safety protocols:

***Please Note the Following COVID-19 Protocols for In-person Attendance:***

Visitors who have been exposed to the COVID-19 virus, who have received a positive COVID-19 test results, or who are experiencing any of the following COVID-19 related symptoms should refrain from participating in person:

- Cough
- Shortness of Breath
- Fatigue
- Nausea or vomiting
- Fever or Chills
- Sore Throat
- Muscle or body aches
- Loss of taste or smell
- Headache
- Diarrhea
- Congestion or runny nose

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

Public Comments: Public comments may be submitted to [publiccomment@caltrain.com](mailto:publiccomment@caltrain.com) prior to the meeting's call to order so that they can be sent to the Board as soon as possible, while those received during or after an agenda item is heard will be included into the Board's weekly correspondence and posted online at: <https://www.caltrain.com/about-caltrain/meetings>.

Verbal public comments will also be accepted during the meeting in person and through Zoom\* or the teleconference number listed above. Public comments on individual agenda items are limited to one per person PER AGENDA ITEM. Participants using Zoom over the Internet should use the Raise Hand feature to request to speak. For 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 Hand feature for public comment. Each commenter will be recognized to speak, and callers should dial \*6 to unmute themselves when recognized to speak.

Each public comment is limited to two minutes. The Board Chair has 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 02, 2023 - Thursday**

**9:00 am**

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*All items to which [Government Code section 84308](#) applies have been marked with an asterisk. A double asterisk indicates that one or more Directors of the JPB serve on the governing board of a public agency with which the JPB proposes to contract. Under Government code section 1091(a)(9), this relationship is considered to be a noninterest but it must be disclosed.*

**PART I OF MEETING (CALL TO ORDER): 9:00 am**

1. Call to Order / Pledge of Allegiance
2. Roll Call
3. Consideration of requests, if any, of Directors to participate remotely due to Emergency Circumstances

**PART II OF MEETING (CLOSED SESSION): 9:05 am estimated**

4. Closed Session: Threat to Public Services or Facilities Pursuant to Government Code Section 54957(a). Consultation with: JPB, Director of Information Technology (IT)

**PART III OF MEETING (REGULAR SESSION): 9:35 am estimated**

5. General Counsel Report – Report Out from Above Closed Session
6. Public Comment for Items Not on the Agenda  
Comments by each individual speaker shall be limited to two (2) minutes. Items raised that require a response will be deferred for staff reply.

7. Report of the Executive Director Informational

8. Consent Calendar

Members of the Board may request that an item under the Consent Calendar be considered separately.

8.a. Meeting Minutes of October 5, 2023 Motion

8.b. Approval of the 2024 JPB Caltrain Board Meeting Calendar Motion

8.c. Appointment of the Citizens Advisory Committee Representatives Motion

**Approved by the Finance Committee**

8.d. Accept Statement of Revenues and Expenses for the Period  
Ending September 30, 2023 Motion

8.e. Renew Findings of an Emergency Regarding the North Channel  
Embankment of the San Francisquito Creek Bridge Due to Erosion  
Pursuant to Public Contract Code §22050\* Resolution

8.f. Approve Project Labor Agreement Policy Resolution

8.g. Award of Contract for Insurance Brokerage Services\* Resolution

**Approved by the Technology, Operations, Planning, and Safety (TOPS) Committee**

8.h. Authorize Use of Construction Manager General Contractor  
(CMGC) Project Delivery Method Pursuant to Public Utilities Code  
Section 103395 for the Middle Avenue Pedestrian and Bicycle  
Undercrossing Project Resolution

9. Honoring National Native American Heritage Month Resolution

10. Approve Three-Year Contract Extension with Outfront Media for  
Advertising Services\* Resolution

11. .Update Regarding Implementation of JPB Governance MOU Informational

12. Peninsula Corridor Electrification Project (PCEP) Monthly Progress  
Report Informational

13. Reports

13.a. Report of the Citizens Advisory Committee Informational

13.b. Report of the Chair Informational

13.c. Report of the Local Policy Maker Group (LPMG) Informational

13.d. Report of the Transbay Joint Powers Authority (TJPA) Informational

14. Correspondence

15. Board Member Requests

16. Date/Time of Next Regular Meeting: Thursday, December 7, 2023 at 9:00 am

The meeting will be accessible via Zoom and in person at the San Mateo County Transit District, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA.

17. Adjourn

## Information for the Public

All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board. If you have questions on the agenda, please contact the JPB Secretary at 650.508.6242. Agendas are available on the Caltrain website at [www.caltrain.com](http://www.caltrain.com). Communications to the Board of Directors can be e-mailed to [board@caltrain.com](mailto:board@caltrain.com).

*Free translation is available; Para traducción llama al 1.800.660.4287; 如需翻译 请电 1.800.660.4287*

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

JPB Board: First Thursday of the month, 9:00 am; JPB TOPS and AMP Committee: Two Wednesdays before the Board meeting, 1:30 pm and 3:30 pm respectively. 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**

Members of the Public may attend this meeting in person or remotely via Zoom. \*Should Zoom not be operational, please check online at <https://www.caltrain.com/about-caltrain/meetings> for any updates or further instruction.

### **Public Comment\***

Members of the public are encouraged to participate remotely or in person. Public comments may be submitted by comment card in person and given to the JPB Secretary. Prior to the meeting's call to order, public comment may be sent to [publiccomment@caltrain.com](mailto:publiccomment@caltrain.com) 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://www.caltrain.com/about-caltrain/meetings>.

Oral public comments will also be accepted during the meeting in person or 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](mailto:titlevi@samtrans.com); or request by phone at 650-622-7864 or TTY 650-508-6448.

### **Availability of Public Records**

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that 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.





# Executive Director's Monthly Report: October 2023

Executive Director Michelle Bouchard

*Report prepared for November Board meeting; data current through September 2023.*











## Who We Are and What We Do

**Caltrain Mission:** Caltrain is a customer-focused rail system offering safe, reliable, accessible, and sustainable transportation service that enhances quality of life for all.

**Caltrain Vision:** To be a vital link in the statewide rail network by improving connectivity to other transit systems, contributing to the region's economic vitality, and partnering with local communities to ensure that diverse constituencies receive a world-class travel experience.



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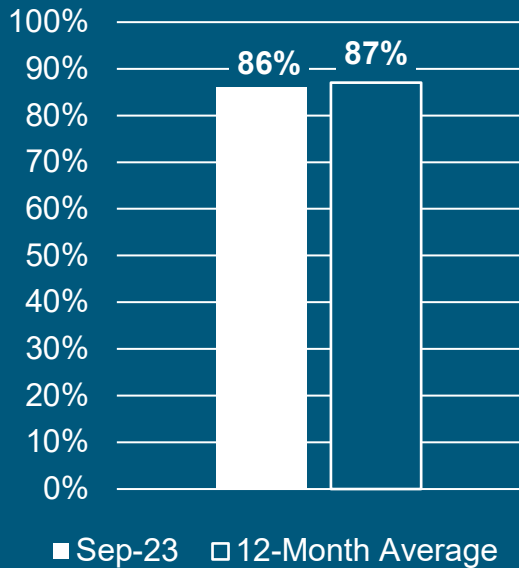




# Performance at a Glance

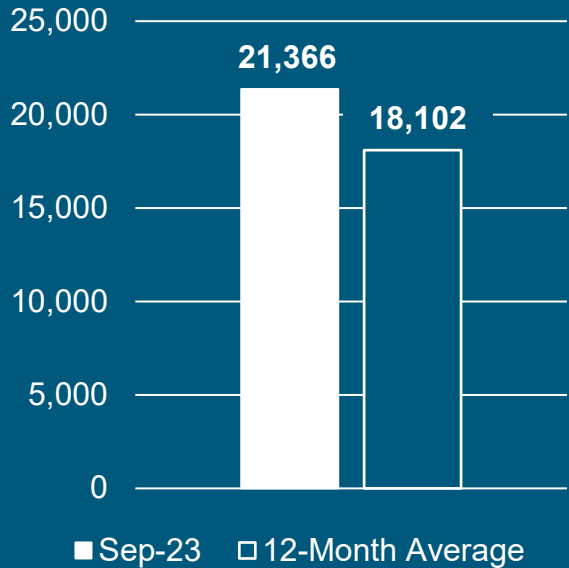
## On-Time Performance

Percentage of trains arriving within six minutes of the scheduled time



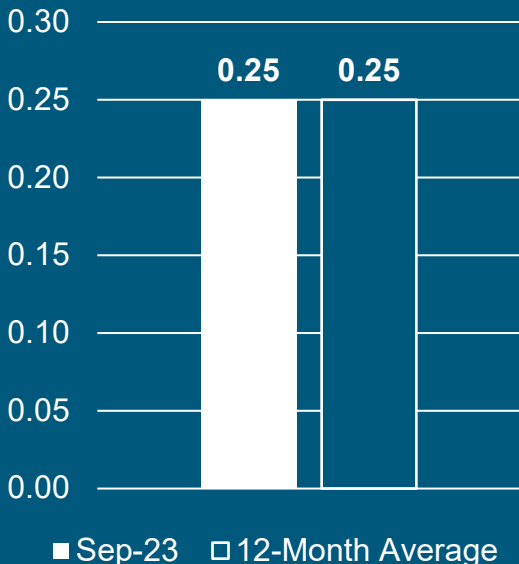
## Average Daily Ridership

Average estimated weekday ridership



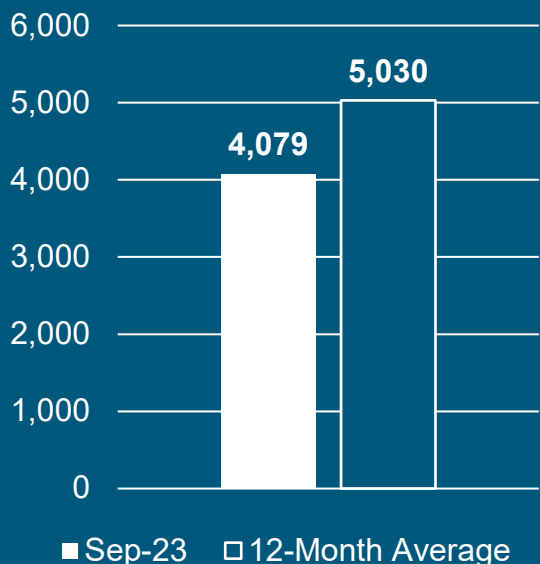
## Farebox Recovery Ratio

Ratio of fare revenue to operating costs



## Mean Distance Between Failures

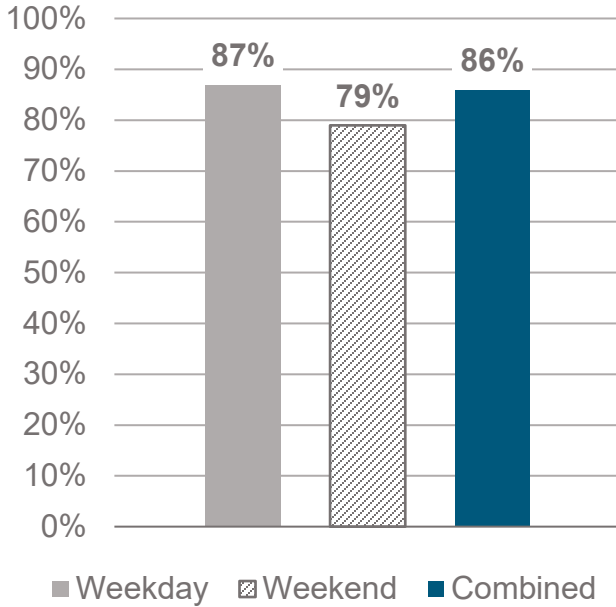
Average miles travelled by locomotives before maintenance/repair is required





# On-Time Performance

## Performance This Month (Sep-23)

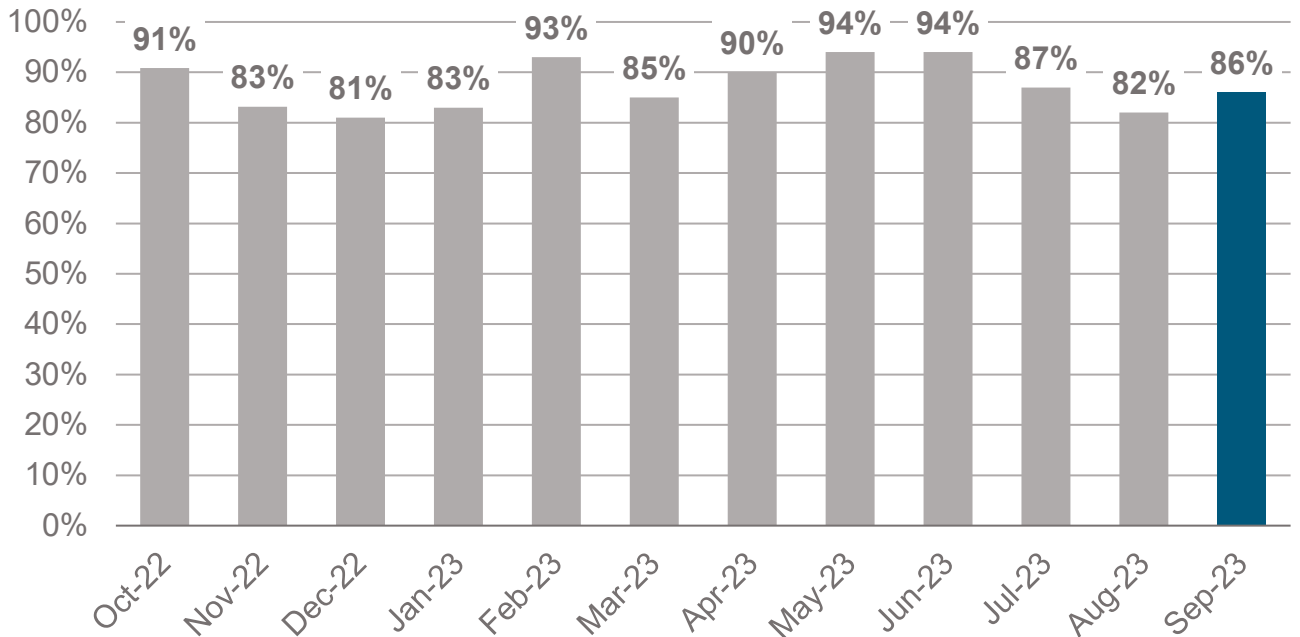


Trains are considered on-time if they arrive within six minutes of the scheduled arrival time at end-line locations (i.e. San Francisco, San Jose Diridon, Tamien, and Gilroy).

The on-time performance (OTP) goal for Caltrain is 95 percent. Combined OTP for the month of September was 86%.

Note that weekend OTP includes holidays.

## Monthly On-Time Performance in the Past Year



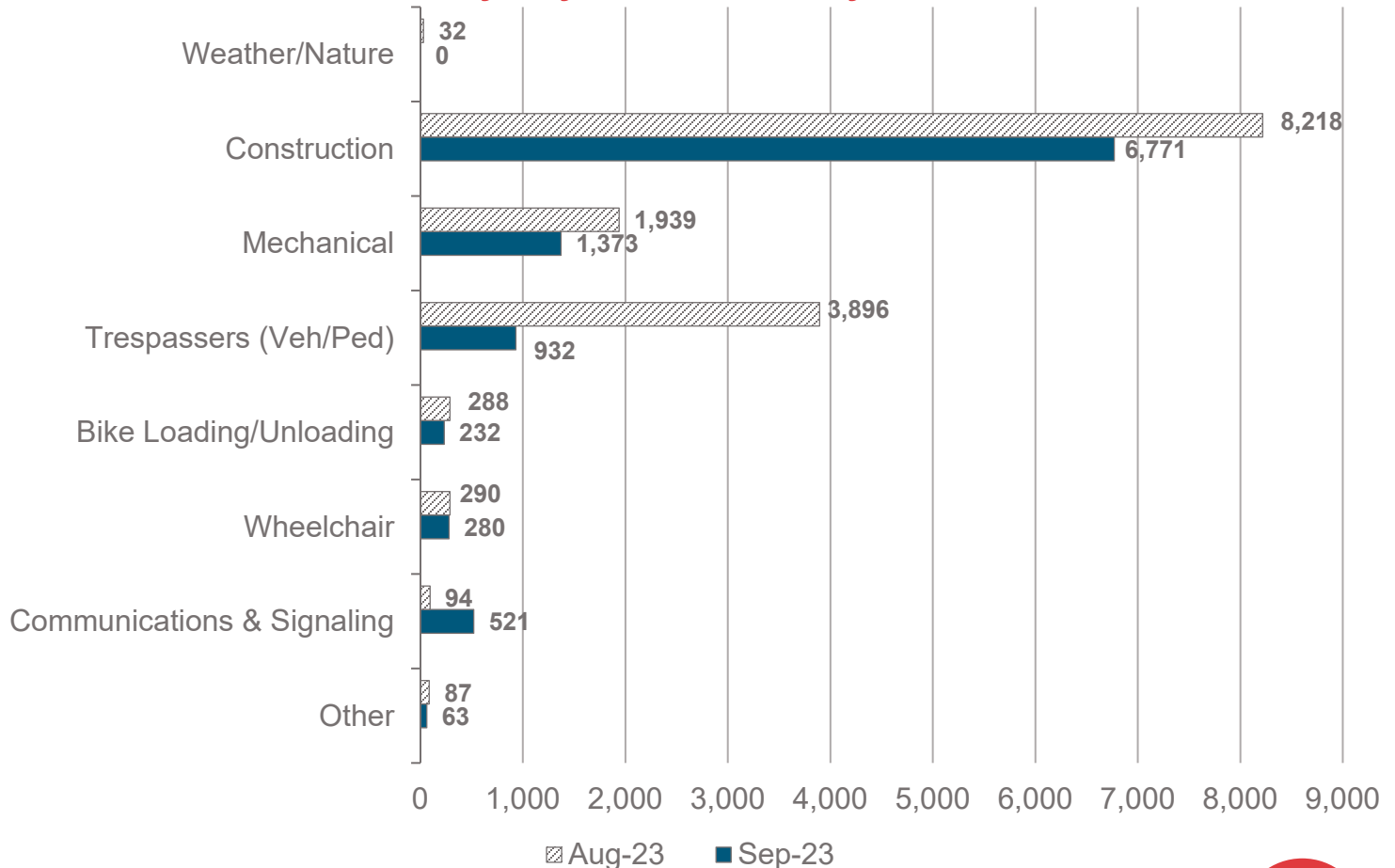


# Delays and Cancellations

	<u>Jul-23</u>	<u>Aug-23</u>	<u>Sep-23</u>
<b>Number of Late Trains</b>	342	438	334
<b>Average Minutes Late for Late Trains</b>	18	19	15
<b>Number of Cancelled Trains</b>	19	30	10

Trains are considered late if they arrive at their end-line destination six minutes or more after the scheduled time. Average Minutes Late represents the average difference in actual arrival time from the scheduled arrival time for late trains. Cancelled Trains includes trains forced to terminate mid-run, as well as those that are annulled before they begin to operate.

## Reasons for Train Delays, by Minutes of Delay



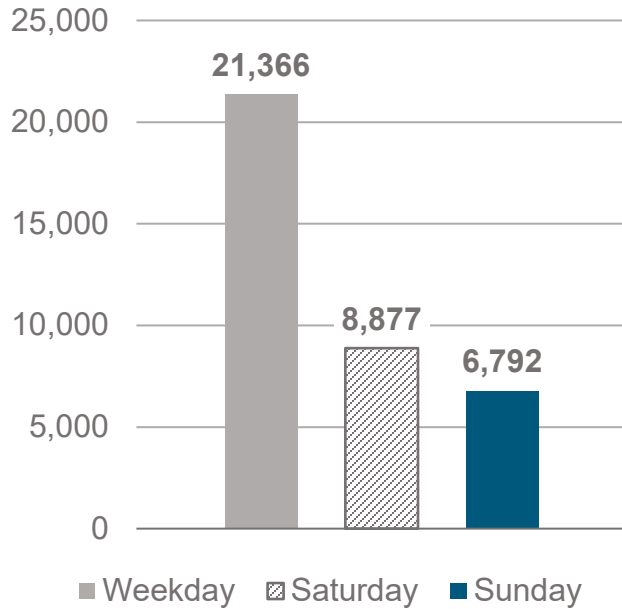
Note: "Other" includes special events and track defects.





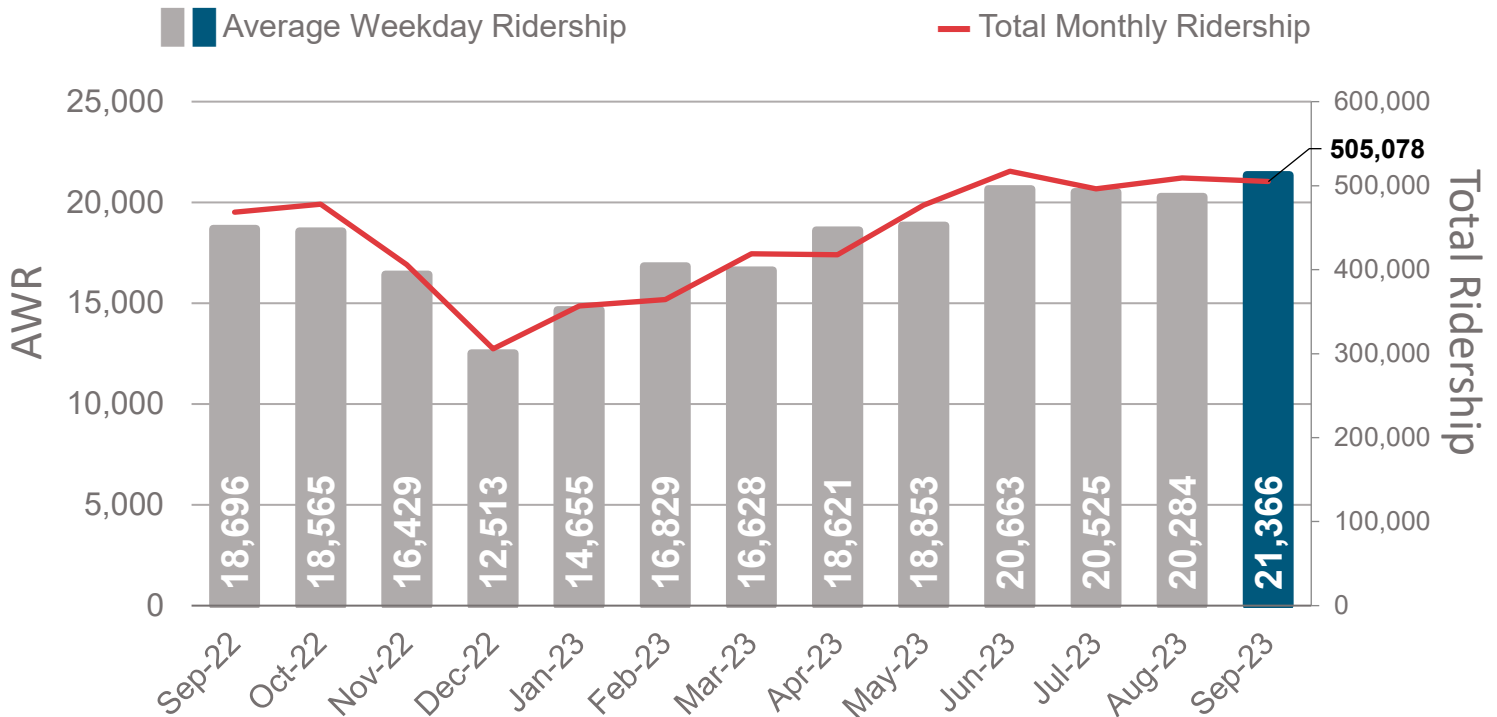
# Ridership and Revenue

## Average Daily Ridership (Sep-23)



Average weekday ridership (AWR) increased by approximately 14 percent compared to the same month in the prior year as riders continue to return to the Caltrain system for increased work and leisure travel.

## Ridership in the Past Year



Since April 2020, ridership estimates have been developed using daily conductor counts at 14 key stations and Clipper cards used at all stations due to significant impacts to ticket sales and usage patterns from the COVID-19 pandemic.





# Ridership and Revenue

## Special Service Ridership Report

### 49ers

- One regular home game in September.
- Total additional ridership was 1,644.
- Year-to-date additional ridership is 2,692, an 18% decrease compared to 2022 (3,298) and a 22% decrease compared to 2019 (3,433)
- Special trains:
  - No special trains provided.

### Giants

- Eleven regular season home games in September.
- Total additional ridership boarding and alighting at San Francisco station was 38,199.
- Year-to-date additional ridership is 283,800, a 6% decrease compared to 2022 (300,891) and a 7% decrease compared to 2019 (303,610).
- Special trains:
  - One post-game special train for ten games.
  - One pre-game special train for three games.

### Sharks

- Three pre-season games in September.
- Total additional ridership boarding at San Jose Diridon station was 170.
- Average ridership per game was 57, a 10% increase compared to the 2022 pre-season average (52) and a 52% decrease compared to the 2019 pre-season average (118).
- Special trains:
  - No special trains provided.

### Stanford Football

- Three home games in September.
- Total additional ridership boarding at Palo Alto station was 1,645.
- Average ridership per game was 548, a 15% decrease compared to 2022 average ridership (647) and a 45% decrease compared to the 2019 average ridership (995).
- Special trains:
  - No special trains provided.

### Other Special Events

- Ed Sheeran at Levi's Stadium
  - Total additional ridership was 533.
  - Special trains:
    - One post-event special train.
- SF Portola Music Festival
  - Total additional ridership was 235.
  - Special trains:
    - No special trains provided.



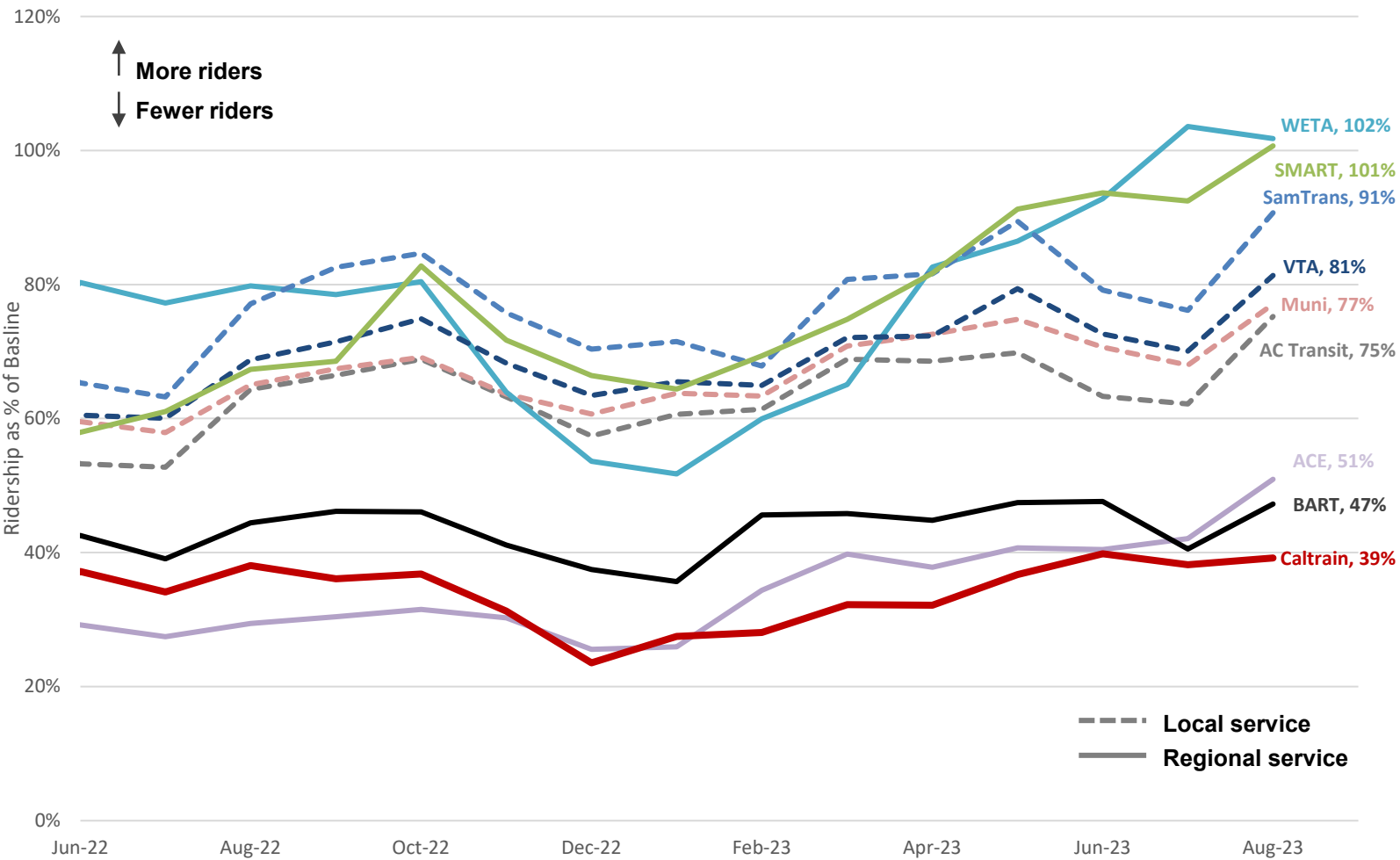




# Public Transit Ridership Recovery in the Bay Area

The below chart represents total monthly ridership as a percentage of baseline (defined as total monthly ridership reported in February 2020).

## Total Monthly Ridership as a Share of Pre-Pandemic Levels



Sources:

- Caltrain ridership estimates based on conductor counts & Clipper data
- Ridership data for all other agencies retrieved from the National Transit Database
- July 2023 ridership for BART, VTA, and WETA taken directly from respective websites since numbers not yet available from NTD

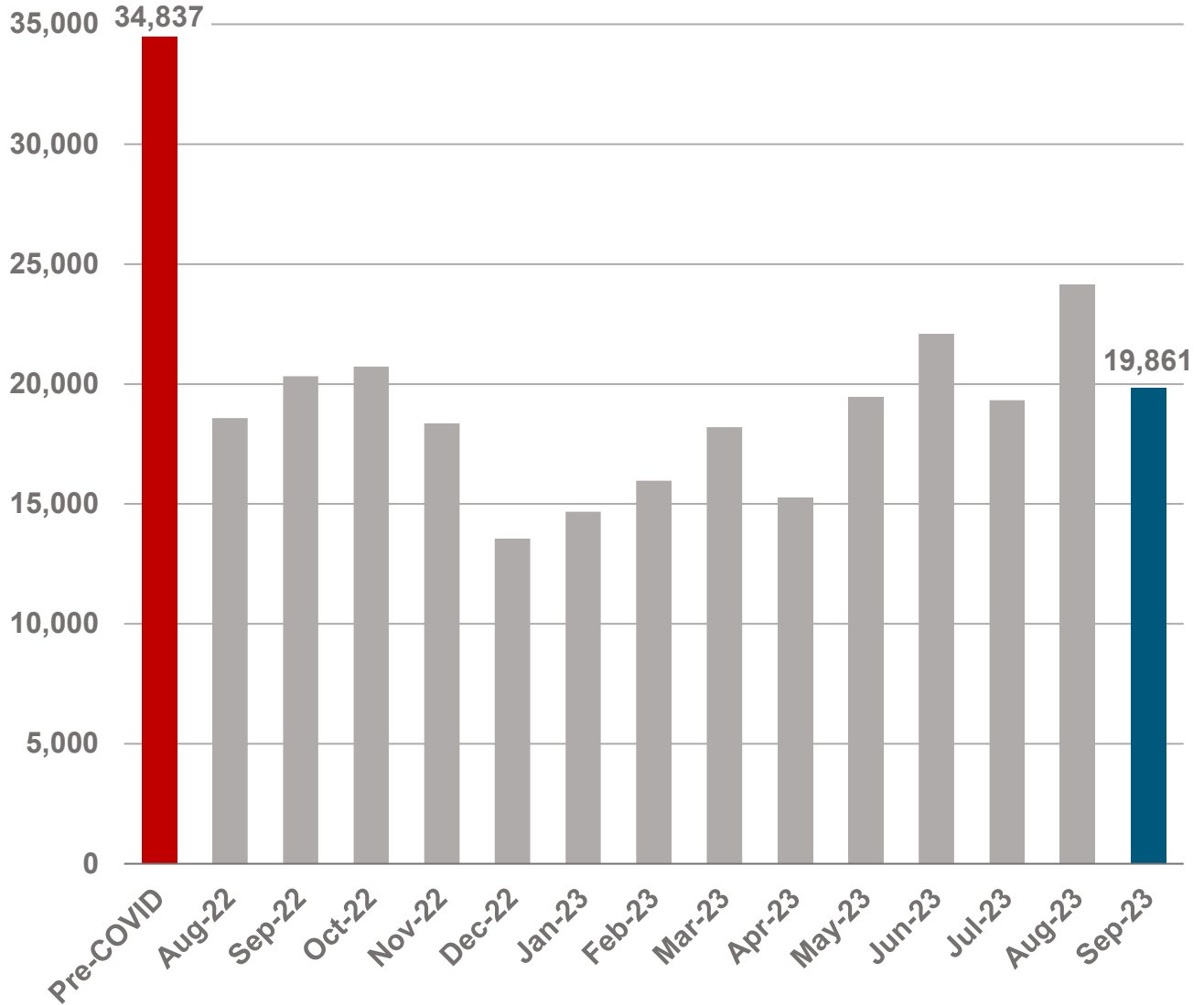
## Total Monthly Ridership Estimates (in thousands)

Transit Operator	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23
Muni	10,706	11,099	11,386	10,483	9,988	10,500	10,430	11,659	11,951	12,320	11,637	11,192	12,690
BART	4,334	4,501	4,492	4,010	3,656	3,479	4,449	4,470	4,370	4,628	4,645	3,952	4,160
AC Transit	2,958	3,055	3,164	2,907	2,638	2,786	2,822	3,164	3,150	3,209	2,909	2,858	3,458
VTA	1,966	2,043	2,142	1,952	1,814	1,872	1,857	2,061	2,069	2,270	2,077	2,003	2,326
SamTrans	731	783	803	718	667	678	643	765	774	848	751	722	860
Caltrain	494	469	478	406	306	357	365	419	418	477	517	496	509
WETA	185	182	186	148	124	120	139	151	191	200	215	240	236
SMART	48	49	59	51	48	46	50	54	59	65	67	66	72
ACE	34	35	36	35	29	30	40	46	43	47	47	48	59



# Ridership and Revenue

## Monthly BART Transfers at Millbrae in the Past Year



BART Transfers at Millbrae represents the total number of BART-to-Caltrain and Caltrain-to-BART transfers, as measured by Clipper Card data.

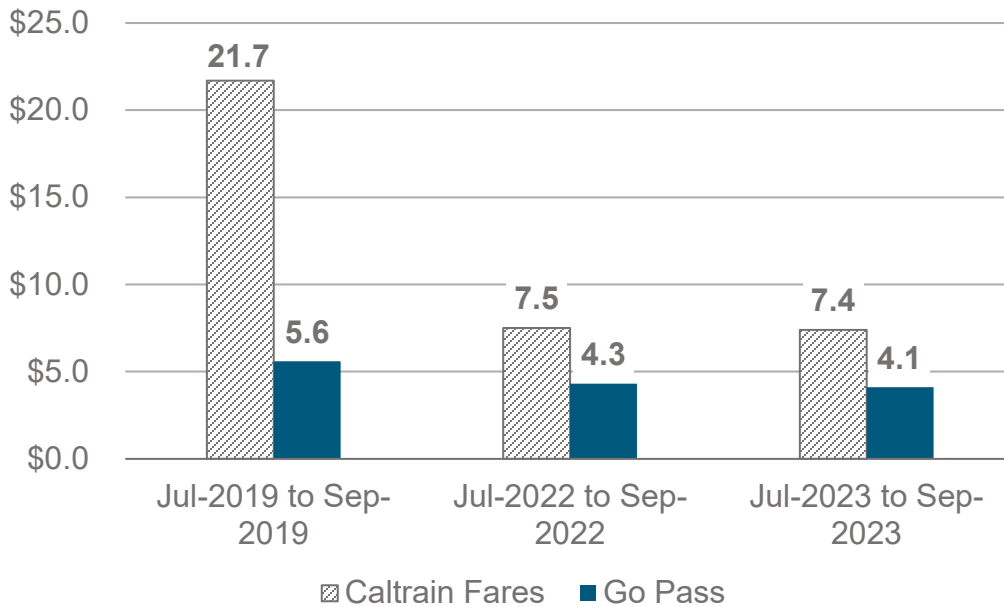
Pre-COVID data is provided for comparison purposes and represents average monthly transfers during the one-year period from March 2019 to February 2020.





# Ridership and Revenue

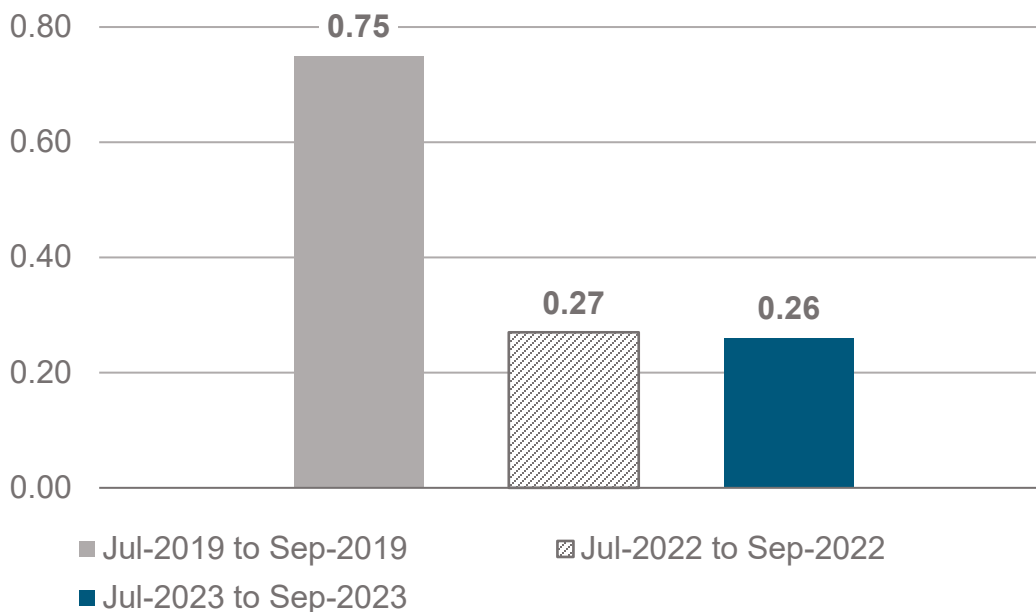
## Total Fare Revenues (\$M) - Past 3 Months Comparison



Fare revenue comes in the form of one-way tickets, daily or monthly passes (“Caltrain Fares”), and the Go Pass program.

Fare revenue is generally more stable than ridership due to many riders paying for monthly passes, which provide consistent revenue regardless of usage.

## Farebox Recovery Ratio (3-Month Rolling Average)



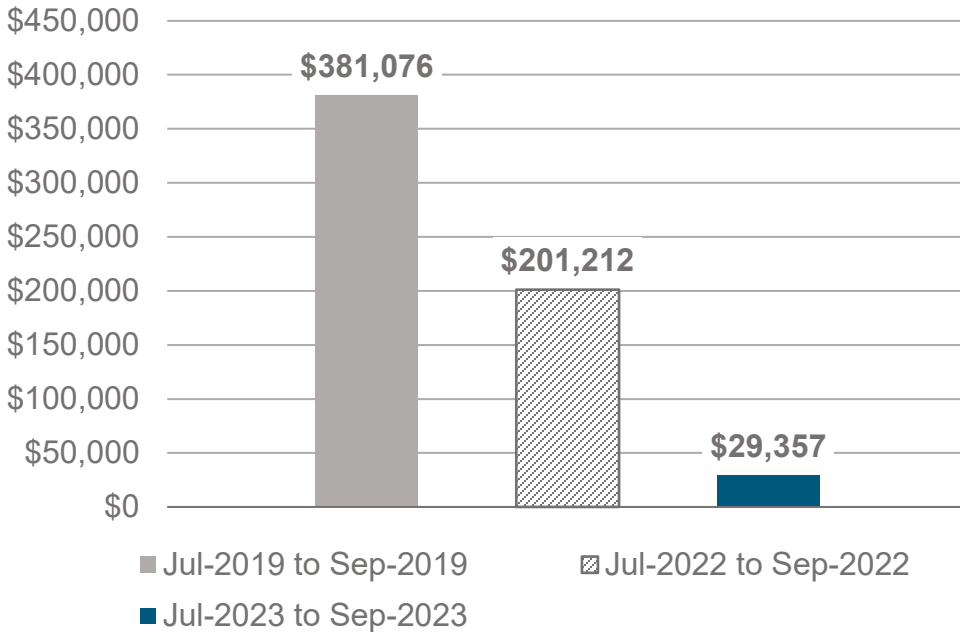
Farebox Recovery Ratio represents how much of the cost of providing service is covered by customer fares. A higher ratio indicates that a greater share of costs are covered by riders.





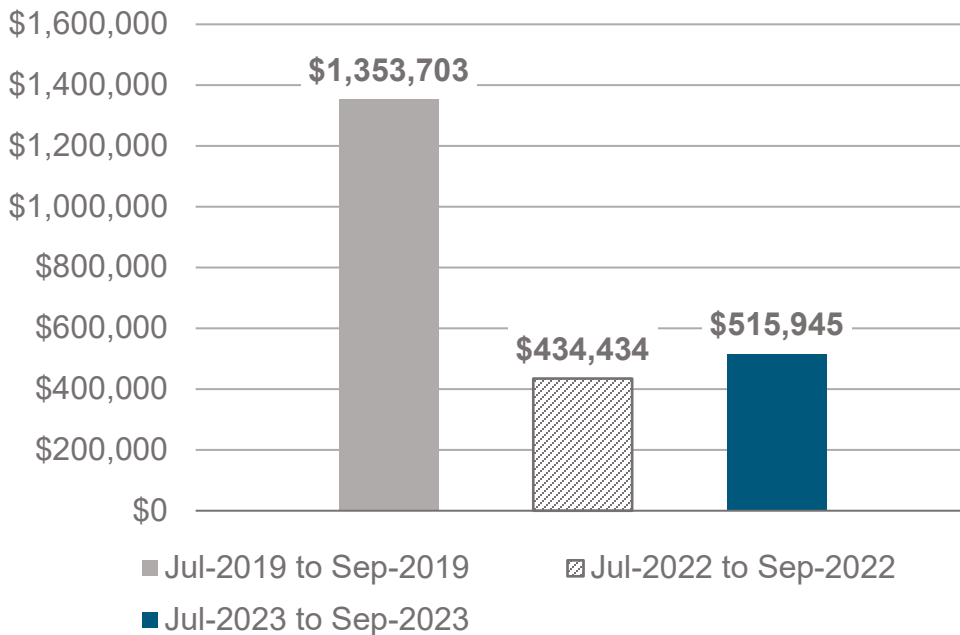
# Ridership and Revenue

## Advertising Revenue (3-Month Rolling Average)



Advertising Revenue declined substantially for transit agencies throughout the country with the onset of the COVID-19 pandemic.

## Parking Revenue (3-Month Rolling Average)



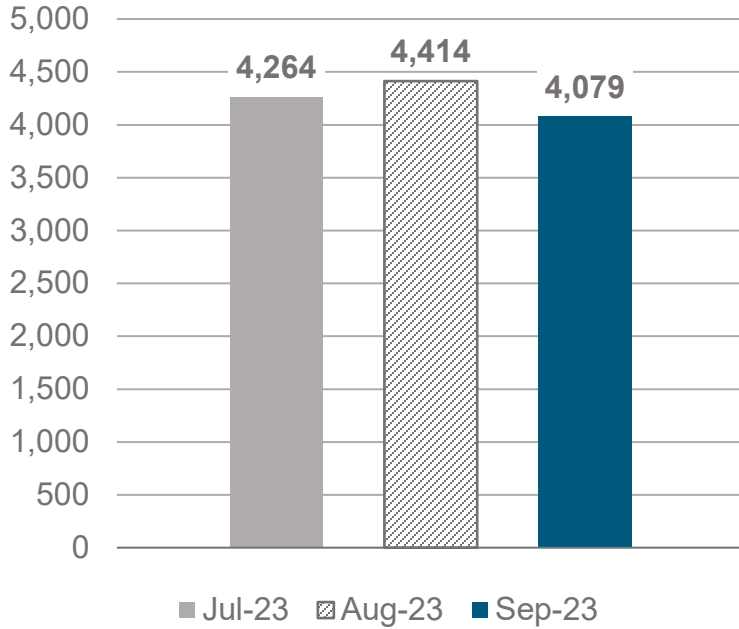
Parking Revenue is generated by purchases of daily and monthly parking permits for parking at Caltrain-owned lots.





# Maintenance Performance

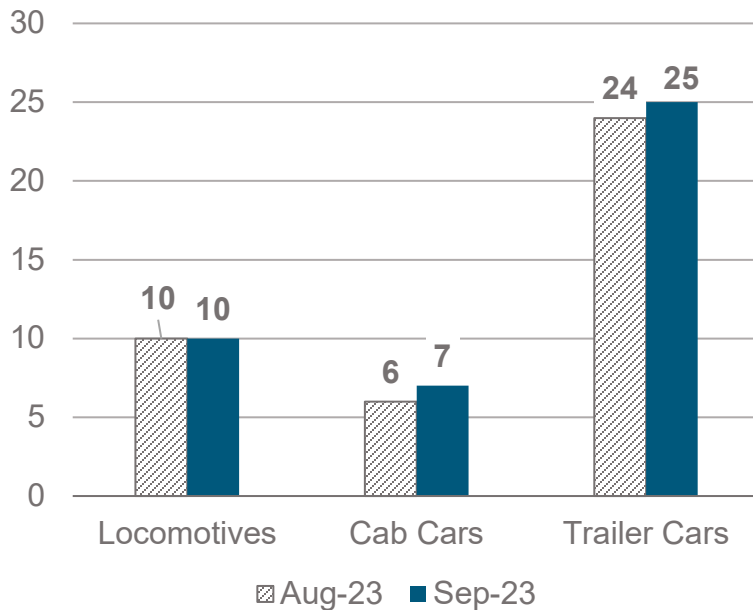
## Mean Distance Between Failure (Locomotives)



Mean Distance Between Failure (MDBF) is a measure of fleet reliability that represents the average distance traveled by train cars before maintenance or repair is required. A higher value indicates an improvement in reliability. Data is measured in miles.

The graph to the left represents MDBF for all passenger locomotives in Caltrain’s fleet.

## Equipment in Maintenance/Repair



Equipment in Maintenance/Repair represents the number of locomotives and cars that are out of service on an average day each month due to routine and preventative maintenance or other repairs.

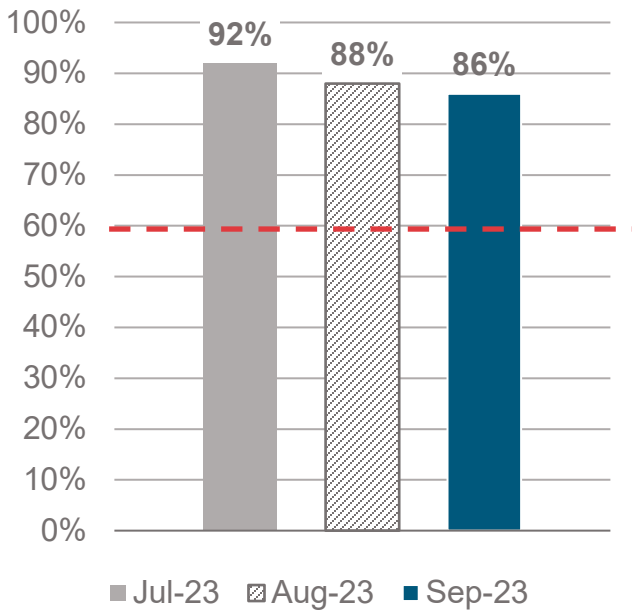






# Maintenance Performance

## Equipment Availability (Locomotives)

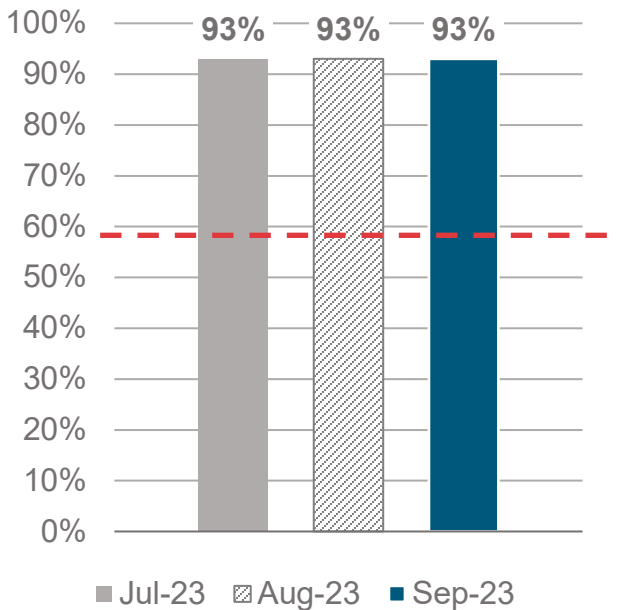


Equipment Availability is the number of cars or locomotives available for service on an average day each month as a percentage of the daily equipment required to run base service.

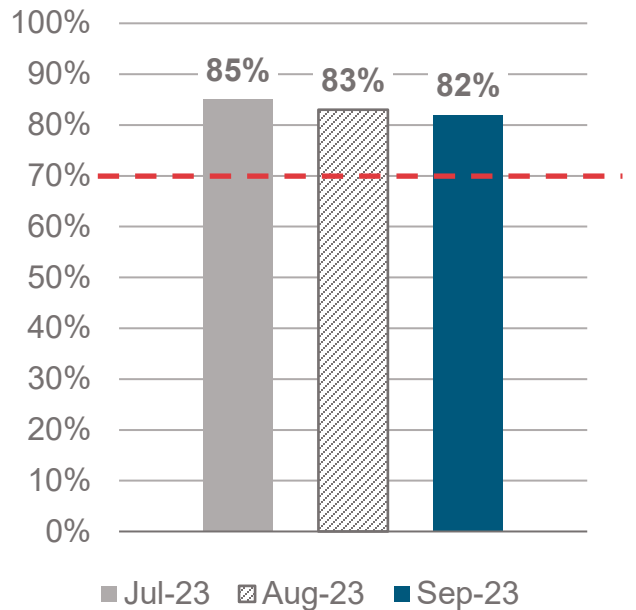
Caltrain currently owns 29 passenger locomotives, with 18 required daily; 36 cab cars, with 21 required daily; and 98 trailer cars, with 69 required daily.

The high average age of Caltrain’s current fleet, with around two-thirds being at the end of its useful life, significantly affects availability.

## Equipment Availability (Cab Cars)



## Equipment Availability (Trailer Cars)



Note: The dotted red line ( - - - ) on each graph represents the target line (i.e., the percentage of each equipment type required to run base service on an average weekday).





## Service and Program Updates

### **Caltrain Suspends Train Service on Weekends to Expedite Electrification Project**

Caltrain suspended its service between San Francisco and Millbrae Stations on the weekends of October 7-8 and 14-15 as well as between Millbrae and Menlo Park stations on the weekend of October 21-22 to accommodate Caltrain electrification construction and testing.

Limited bus bridge service was available to Caltrain-dependent riders. These were the 20<sup>th</sup>, 21<sup>st</sup>, and 22<sup>nd</sup> weekends in 2023 in which service was adjusted to accommodate construction and testing for electrified service, which is expected to launch passenger service in fall 2024.

### **Caltrain Unveils Electrified Service Vision for 2024**

At the October Board meeting, Caltrain staff previewed the proposed electrified service plan, including anticipated service benefits for the Electrification Project slated for completion by fall 2024, which includes faster trains; less wait time at stations; and a simplified schedule.

Highlights of the proposed service improvements include plans for 104 weekday trains, with four per hour per direction during peak times between San Francisco and San Jose, a reduction in travel time from San Francisco to San Jose by 25 minutes compared to today's local schedule, increased weekday peak hour station coverage, and much more.

The final electrified service plan is set to be finalized by year-end. Early 2024 will continue with rigorous testing of the new electric trains and service plan, with full electrified service, using a new electrified schedule, set to roll out in September 2024.





# Communications and Marketing Update

## Caltrain Communications and Marketing Campaigns for September 2023

- Press Release: "Caltrain Provides Transportation for Portola Music Festival"
- Press Release: "Caltrain Holds Second Public Tour for New Electric Trains"
- Press Release: "Caltrain Successfully Completes Three Major Milestones Towards Completion of Electrification Project"
- Press Release: "Caltrain will be the "Perfect" option to Ed Sheeran's concert at Levi's Stadium"
- Press Release: "Caltrain to Operate New Schedule Starting this Fall"
- Press Release: "More Weekday Caltrain Service from Gilroy/Morgan Hill to San Francisco"
- Press Release: "Caltrain Board Decides No Fare Increase Until 2025 and to Lower Price of Go Pass"
- Press Release: "Caltrain Recognizes September as Rail Safety & Suicide Prevention Month"
- Campaign: "Choose Caltrain on Weekdays in South County" (Gilroy, Morgan Hill)
- Campaign: "New Fall Fare Promotions including 50% Off Parking"
- Clipper Mobile (ongoing)
- 20% Off Caltrain Monthly Pass (ongoing)
- Clipper Start (ongoing)

## Digital Communications Report

September messaging focused largely on Transit and Rail Safety Month.

For Transit Month there was a multi-agency CEO/GM ride-along, co-hosted by Caltrain to close out the month. Eight agencies participated including: SamTrans, SF Ferry, Muni, BART, LAVTA, VTA, and County Connection.

On September 1, Caltrain launched four new temporary fare products designed to give riders more options to ride while making it easier to save money.

The second public electric train tour occurred on September 23rd in San Francisco with over 4,500 RSVPs.

There were no weekend closures in the month of September, but there was a new weekday schedule implementation that began on September 25th.





# Communications and Marketing Update

## September Digital Marketing Highlights

- Transit Month
- CEO/GM Ride-Along
- Rail Safety Month
- Rail Safety Week
- Suicide Prevention Month
- New Schedule
- Second Public Train Tour – SF
- New Conductor Uniforms Revealed
- Highlighting Hispanic Heritage Month





# Capital Projects Update

## Project: Ticket Vending Machine (TVM) Upgrade

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
This project will upgrade the existing TVM Server and retrofit and refurbish existing TVM machines to include functions planned for the Clipper program. The new machines will be able to dispense new Clipper cards (excluding discount Clipper cards that require verification of eligibility) and allow customers to add value to existing Clipper cards. In addition, the scope was increased to include upgrades to the credit card reader and database.	●	●	●	●
<b>Project Phase: 6 - Construction/Implementation</b>				
<b>Project Costs (in thousands of dollars)</b>				<b>Estimated Completion</b>
	Current Budget	Committed to Date	Expended + Accruals	
Totals	3,892	3,244	3,194	12/30/23
Percentages	100.00%	83.4%	82.1%	
<b>Project Highlights – Recent and Upcoming Work</b>				
The vendor Ventek received the retrofitted TVM doors from the metal shop. The final phase of the TVM Upgrade began on September 13, 2023. 12 TVMs have been upgraded and it is scheduled to be completed by the end of November.				

**Note:** The Capital Projects information is current as of September 30, 2023, and is subject to change prior to the November 2023 Board meeting.

**Statuses:** ● – Green    ● – Yellow    ● – Red







# Capital Projects Update

## Project: Guadalupe River Bridge Replacement

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
JPB will replace the MT-1 railroad bridge and extend and seismically retrofit the MT-2 railroad bridge over the Guadalupe River in the City of San Jose, Santa Clara County, California. The project is located just north of Willow Street and east of State Route (SR) 87 between the Tamien and San Jose Diridon stations.	●	●	●	●
<b>Project Phase: 6 – Construction/Implementation</b>				
Project Costs (in thousands of dollars)				Estimated Completion
	Current Budget	Committed to Date	Expended + Accruals	
Totals	63,699	26,097	23,484	02/16/25
Percentages	100.00%	41.0%	36.9%	
<b>Project Highlights – Recent and Upcoming Work</b>				
<p>Construction activities in the month of September 2023 included the installation of 2-foot diameter cast-in-steel-shell (CISS) seismic retrofit pile foundations for pier 4; successful completion of all construction for pier 5 and abutment 6; the erection of all precast girders for the MT2 superstructure; and laying all new ballast, ties, and rail on the new MT2 bridge.</p> <p>In October 2023, the JPB anticipates the completion of pier 4 seismic retrofit piles, the upgrade of existing wood ties to new concrete ties, the surfacing and lining of the recently installed MT2 track, construction of an OCS guy anchor, completion of multiple pre-handover punchlist items, and ultimately handover of the MT2 bridge to the PCEP team for reinstallation of the OCS.</p> <p>The "Funding" status light will remain yellow until FY25 funding appropriated by the Board in May 2024 is activated. The "Safety" light is yellow due to the occurrence of a Type I safety incident in September 2023.</p>				

**Note:** The Capital Projects information is current as of September 30, 2023, and is subject to change prior to the November 2023 Board meeting.

**Statuses:** ● – Green    ● – Yellow    ● – Red





# Capital Projects Update

## Project: Broadband Wireless Communications

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
The project will design a broadband wireless communications system along the Caltrain corridor for the wayside train maintenance diagnostics and passenger Wi-Fi service. The project will investigate leveraging the existing infrastructure such as the Overhead Contact System (OCS) poles and JPB fiber network to communicate with passing trains. Wayside antennas may be mounted on the OCS poles at a constant interval to communicate with moving trains that will be equipped with radios and antennas.	●	●	●	●

### Project Phase: 6 – Construction/Implementation

Project Costs (in thousands of dollars)				Estimated Completion
	Current Budget	Committed to Date	Expended + Accruals	
Totals	32,775	12,202	9,613	9/30/24
Percentages	100.00%	37.2%	29.3%	

### Project Highlights – Recent and Upcoming Work

Continue weekly meetings with the contractor Nomad Digital. The Stadler Change Order for the installation of the Wi-Fi equipment in the EMU has been executed. Held a workshop on the final design package for the EMU, Control Center and Segment 4 and contractor revised and submitted their Final Design. The Site-Specific Work Plan (SSWP) for Segment 4 was submitted and is being reviewed.

Approve the final design package, Site Specific Work Plan, and begin construction in Segment 4 in mid-October.

**Note:** The Capital Projects information is current as of September 30, 2023, and is subject to change prior to the November 2023 Board meeting.

**Statuses:** ● – Green    ● – Yellow    ● – Red





# Capital Projects Update

## Project: MP-36 Locomotive Mid-Life Overhaul Project

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
<p>This project involves performing mid-life overhaul of six MP-36-3C Locomotives. The mid-life overhaul includes complete disassembly of the main diesel engine, overhauling by reconditioning re-usable main frame components and re-assembly with new engine components and replacement of Separate Head-End Power (SEP-HEP) unit and all electrical components of the SEP-HEP compartment. All areas of the locomotive car body, trucks, wheels and electrical components shall be reconditioned to like-new condition or replaced with new material. The project work is occurring off-site at the contractor's facility location. The 6 locomotives to be overhauled are Locomotive #'s 923, 924, 925, 926, 927 &amp; 928. In order to maintain daily service, only 1 to 2 of these locomotives are released at a time for overhaul work that is expected to take approximately 8 months per locomotive. Due to this restriction, the overall completion of this work is expected to take approximately 4 years.</p>	●	●	●	●
<b>Project Phase: 6 – Construction/Implementation</b>				
<b>Project Costs (in thousands of dollars)</b>				<b>Estimated Completion</b>
	Current Budget	Committed to Date	Expended + Accruals	
Totals	14,833	12,724	8,047	
Percentages	100%	85.8%	54.3%	10/30/24
<b>Project Highlights – Recent and Upcoming Work</b>				
<p>Unit 924 now running reliably after finding effective repair to engine harness. Repair of Auxiliary Generator has proven effective. Unit 925 has been shipped to Caltrain. Unit 926 is 80% complete and progressing.</p> <p>Prepare for 925 commissioning. Perform testing of unit 926. Actively working with Alstom on schedule for remaining two locomotive overhauls.</p>				

**Note:** The Capital Projects information is current as of September 30, 2023, and is subject to change prior to the November 2023 Board meeting.

**Statuses:** ● – Green    ● – Yellow    ● – Red





# Capital Projects Update

## Project: Bayshore Station Bridge Painting

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
This project will perform rehabilitation of the coatings of the existing steel pedestrian overpass bridge at the Bayshore Station in Brisbane. The bridge's paint coatings need rehabilitation due to surface rust. This work combined with a complete repainting of the bridge will bring the structure to a state of good repair.	●	●	●	●

### Project Phase: 6 – Construction/Implementation

Project Costs (in thousands of dollars)				Estimated Completion
	Current Budget	Committed to Date	Expended + Accruals	
Totals	6,870	5,972	5,972	11/30/23
Percentages	100.00%	86.9%	75.8%	

### Project Highlights – Recent and Upcoming Work

Continued to work with the Construction Management team and Contractor Top Line Engineers in conducting pre-substantial completion inspections at both the East and West Towers. Towers have been opened as of August 7, 2023, to the public. Project approaching substantial completion phase. Continued to work with the team in completing final punch list items.

Continue to work with the Team in proceeding with final inspections and acceptance during month of October 2023. Continue to work with Construction Management team in all the administrative work to close out the contract and project.

**Note:** The Capital Projects information is current as of September 30, 2023, and is subject to change prior to the November 2023 Board meeting.

**Statuses:** ● – Green    ● – Yellow    ● – Red





# Capital Projects Update

## Project: Watkins Ave Grade Crossing Safety Improvements

Project Description	Status Summary			
	Safety	Schedule	Budget	Funding
<p>The scope intended for this Project would include safety improvements at Watkins Ave include the following:</p> <ol style="list-style-type: none"> <li>1. Installation of quad or exit gates</li> <li>2. Installation of new pedestrian gates</li> <li>3. Pavement markers and markings</li> <li>4. Sidewalk improvements including guard railing and fencing</li> <li>5. Installation of new sidewalk lighting</li> <li>6. Contribute to the Atherton station site improvements done by the Town of Atherton.</li> </ol>	●	●	●	●
<b>Project Phase: 6 – Construction/Implementation</b>				
<b>Project Costs (in thousands of dollars)</b>				<b>Estimated Completion</b>
	Current Budget	Committed to Date	Expended + Accruals	
Totals	4,161	2,519	1,923	
Percentages	100.00%	60.5%	46.2%	01/31/2024
<b>Project Highlights – Recent and Upcoming Work</b>				
<p>Continue weekly construction meeting with the Contractor Granite Rock. Contractor completed trenching and installing conduits across the roadway on Watkins for new light poles. Contractor installed new fencing and guardrails.</p> <p>Finish electrical work for new light poles and reach substantial completion.</p>				

**Note:** The Capital Projects information is current as of September 30, 2023, and is subject to change prior to the November 2023 Board meeting.

**Statuses:** ● – Green    ● – Yellow    ● – Red



# **Acknowledgements**

**This report is made possible by contributions from the following groups and individuals.**

## **Caltrain Planning**

Dahlia Chazan, Deputy Chief  
Ted Burgwyn, Director, Rail Network and Operations Planning

## **Communications Division**

Robert Casumbal, Director, Marketing & Research  
Jeremy Lipps, Digital Communications Manager  
Julian Jest, Manager, Market Research & Development

## **Finance Administration**

Ryan Hinchman, Director, Financial Planning & Analysis  
Bruce Thompson, Manager, Fare Program Operations  
Dapri Hong, Budget Analyst III

## **Rail Administration / Rail Operations & Maintenance**

John Hogan, Chief Operating Officer  
Patrice Givens, Administrative Analyst II  
Graham Rogers, Business Operations Project Manager  
Sam Sargent, Director, Strategy & Policy  
Henry Flores, Deputy Director, Rail Vehicle Maintenance  
Vivek Nawani, Intern

## **Rail Development**

Rob Barnard, Deputy Chief  
Andy Robbins, Director Capital Program Delivery  
Jonathan Tillman, Director Capital Programs Management  
Robert Cheung, Project Controls Deputy Director  
Sowmya Karipe, Project Controls Specialist

## **Additional Support**

Caltrain Staff Coordinating Council  
Don Esse, Senior Operations Financial Analyst  
Margie Alexander, TASI  
Sarah Doggett, MTC



**Peninsula Corridor Joint Powers Board  
Board of Directors Meeting  
1250 San Carlos Avenue, San Carlos, CA 94070**

**DRAFT Minutes of October 5, 2023**

**Members Present:** Pat Burt, Cindy Chavez, Rico E. Medina, Ray Mueller (arrived at 9:12 am), Steve Heminger, Monique Zmuda, Devora “Dev” Davis (Vice Chair), Jeff Gee (Chair, arrived at 9:11 am)

**Members Absent:** Shamann Walton

**Staff Present:** T. Bartholomew, T. Burgwyn, M. Bouchard, C. Fromson, J. Harrison, M. Jones, M. Kumar, K. McCoy (Balfour Beatty Infrastructure), D. Seamans, B. Shaw, P. Shrestha, M. Tseng

**1. Call to Order/Pledge of Allegiance**

Vice Chair Davis called the meeting to order at 9:00 am and led the Pledge of Allegiance.

**2. Roll Call**

District Secretary, Dora Seamans, called the roll and confirmed a quorum was present.

**3. Consideration of requests, if any, of Directors to participate remotely due to Emergency Circumstances** – There were none.

**4. Public Comment on Items not on the Agenda** – There were none.

**5. Report of the Executive Director -**

- Last month was Transit Month, added an additional fourth train to Gilroy, and participated in the “All Aboard with Transit CEOs” ride-along event
- Successful San Francisco public train tour with an estimated 5,000 attendees and will have the third tour of the EMU (electric multiple units) in San Mateo in the near future
- Hosted FTA (Federal Transit Administration) Administrator Nuria Fernandez on a tour of the new EMU, electrification progress, ridership growth actions, and other projects
- Upcoming APTA (American Public Transportation Association) expo in Florida showcasing the new EMU
- Recent milestones included completing the installation of the last pole for the Overhead Contact System (OCS), upgrading our signal system, successfully testing the new electric trains at maximum track speed, and continuing to focus on communication
- Launched new operating schedule on September 25<sup>th</sup> with new fare promotions
- Sustainable Transportation Planning Grant was awarded to fund a climate change vulnerability study for resilience planning and capital investment
- Safety updates included: positive team meetings with the NTSB (National Transportation Safety Board) and FRA (Federal Railroad Administration); received commendations and recognition for efforts that included a weekly limit on roadway workers’ service hours in



charge; invited to FRA (Federal Railroad Administration) November round table in Kansas

## 6. Consent Calendar

- 6.a. Meeting Minutes of September 7, 2023
- 6.b. Renew Findings of an Emergency Regarding the North Channel Embankment of the San Francisquito Creek Bridge Due to Erosion Pursuant to Public Contract Code §22050\*
- 6.c. Accept Unaudited Statement of Revenues and Expenses for the Period Ending June 30, 2023
- 6.d. Accept Statement of Revenues and Expenses for the Period Ending August 31, 2023
- 6.e. Authorize Executive Director to Enter into a Contract with Caltrans to Receive Sustainable Transportation Planning Grant Program Funds\*
- 6.f. Amendment to the Memorandum of Agreement with Transbay Joint Powers Authority for 4th and King Yard Preparation in Support of the Downtown Rail Extension\* \*\*
- 6.g. Approve BayPass Participation Agreement\* \*\*

Item 6.b. was pulled from the Consent Calendar by Director Davis to allow for staff updates.

Motion/Second: Medina/Zmuda to approve the Consent calendar Items 6.a through 6.g and excluded Item 6.b.

Ayes: Burt, Chavez, Heminger, Medina, Mueller, Zmuda, Davis, Gee

Noes: None

Absent: Walton

### Public comment

Adina Levin, Friends of Caltrain and Seamless Bay Area, commented on item 6g and referred to a correspondence packet letter asking for collaboration amongst the transit agencies.

**Item 6.b. Renew Findings of an Emergency Regarding the North Channel Embankment of the San Francisquito Creek Bridge Due to Erosion Pursuant to Public Contract Code §22050\*** was heard separately.

Robert Barnard, Deputy Chief of Rail Design and Construction, provided the report which, included the following:

- Established a funding plan and negotiated agreements with partners and contacted the California Native American Heritage Commission to determine if there are any prehistoric sacred sites or traditional cultural properties there
- Section 404 permit outstanding from the Army Corps of Engineers and it was necessary to seek review and concurrence from the State Historic Preservation Office
- The necessary permit will not be received in time for the current work window and they will obtain the construction permit for work during the next dry season in 2024
- The team will be ready to implement a temporary bank stabilization solution if winter weather results in continued erosion and or any flooding

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

- Anticipate labor and materials escalation, but the contract remains the same
- Provide briefing on how plans are being coordinated with partners prior to the big weather event
- Work with the Army Corps of Engineers to determine and preplan for temporary measures to stabilize the bridge, such as a temporary rock embankment or dropping large bags of boulders in place to protect the embankment
- The engineering team will ensure all corridor bridges are inspected and monitored
- Have the emergency response plans ready and in place with safety being paramount
- The Board and the organization put the safety of riders and operations as number one

#### Public comments

Jordon Moldow expressed safety concerns on the bridge condition with the upcoming storm season and wanting contractors to prioritize the location and placing boulders.

Adina Levin expressed thanks for having an emergency response plan with detours and broader communication and favored contacting Congress members to address this issue.

Adrian Brandt appreciated elevating the issue; referenced the City of Palo Alto's creek flooding issues; and favored pre-positioning boulders and building materials.

Jeff Carter commented on being ready for any potential emergency concerning the bridge.

Vaughn Wolff commented on being required to notify the traffic managing system to communicate any issue publicly so people do not drive off the bridge.

Director Heminger encouraged staff to contact the Congressional delegation if they have not done so already.

Director Medina referenced a similar, smaller-scale issue at the City of San Bruno, where they reached out to the Congress person's office for assistance, and had the matter dealt with in a timely fashion.

Motion/Second: Chavez/Medina

Ayes: Burt, Chavez, Heminger, Medina, Mueller, Zmuda, Davis, Gee

Noes: None

Absent: Walton

#### **7. Proclaiming the Month of October as Cybersecurity Awareness Month**

Mehul Kumar, Chief Information and Technology Officer, provided highlights on the resolution, which included the following:

- Increasing cyber threats and debilitating attacks impacts individuals and organizations
- Education, awareness, and maintaining the cyberspace security is a shared responsibility

## 8. Resolution Honoring Filipino American History Month

Tasha Bartholomew, Communications Manager, provided highlights on the resolution, including the following:

- Filipinos are one of the largest Asian-American ethnic groups in the United States
- Filipinos make up 26 percent of AAPI (Asian Americans and Pacific Islanders) ridership

## 9. Proposed Electrified Service Plan for Fall 2024

Melissa Jones, Deputy Director of Policy Development, provided the presentation, which included the following:

- Launching service in Fall 2024 with a new, improved service plan, including more frequency with EMUs being able to accelerate and decelerate faster than diesel sets
- Current public review process, speaking with many different communities and committees, and collecting feedback for additional analysis to refine the schedule
- FFGA (Full-Funding Grant Agreements Guidance) calls for expanded service but seeking a waiver from FTA to delay further service expansion until ridership returns

Theodore Burgwyn, Director of Rail Network and Operations Planning, provided the presentation, which included the following:

- A South County connector train to serve stations on the non-electrified Gilroy segment
- Off-peak service will follow the same pattern as peak-hour local service, which will provide 30-minute headways to all stations all day long
- Express A service will be the fastest option from San Jose and San Francisco
- Continue outreach, make further refinements for the future final service plan proposal that will include weekday and weekend service plans and cost estimates

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

- Greater sense of urgency for transfer coordination with BART (Bay Area Rapid Transit); December's follow up item should have updated information concerning BART
- Concerns with Express B being about 10 minutes more than the current baby bullet from San Jose to San Francisco
- Need to recognize whistle mic noise impacts and elevate consideration of quiet zones

### Public comments

Jeff Carter appreciated addressing weekends; the public was promised better service but receiving the same service; and running EMUs and diesel to San Jose without transferring.

Adina Levin, Friends of Caltrain and Seamless Bay Area, commented on the region working on a regional measure looking at potential state operating support for transit over time.

Jordan Moldow commented on the lack of increased service to stations with highest populations, jobs, or recreational destinations and favored increasing service.

Adrian Brandt commented on running half hour service on weekends; having all 7-car train sets; offer off-peak service with shorter train sets as cost effective; and having quiet zones.

Sara Greenwald, member of 350 Bay Area Transportation Committee, favored considering half-hour service for off-peak and to prioritize electric service to be all day, all week.

Dylan Finch, Redwood City resident, advocated for more trains especially with electric service; tighter transfer with BART to at 18 – 20 minutes; and proposed timetable is ambitious and may be affected by longer dwell times.

Giuliano Carlini commented on being thrilled with the new train service and level of service but was previously told six trains an hour at every station and suggested service at all times during the day, and not just during the commute and off-peak hours.

Chair Gee confirmed four trains at peak times and two during off-peak, consistent with electrified service, and every train will stop at the Millbrae station.

#### **10. Peninsula Corridor Electrification Project (PCEP) Monthly Progress Report**

Pranaya Shrestha, CalMod Chief Officer, provided the presentation that included the following information:

- BBI (Balfour Beatty Infrastructure) shared risk pool is \$50 million, and the remainder at the end of the project is shared; the remaining amount is approximately \$67 million with anticipated reduction as risks are addressed
- Overhead Contact System (OCS) wiring completed and working on ways to prevent theft of the impedance bond cables

Casey Fromson, Chief Communications Officer, provided the presentation that included the following information:

- Schedule impacts with October shutdowns and other events, such as Fleet Week, and impacts to be light for the November schedule, December being worked on, and expected and little impacts in 2024
- Second public train event in San Francisco with thousands of attendees, future San Mateo County event early next year; Caltrain's 106<sup>th</sup> anniversary will be in January

Keith McCoy, Project Director for Balfour Beatty Infrastructure, Inc, provided a presentation, which included the following:

- OCS production is at the end of wire pulling, and the only wire pull left is at Guadalupe, which happens at the end of this month

#### Public comments

Adina Levin, Friends of Caltrain and Seamless Bay Area, expressed thanks for the proactive schedule change communications and for real time data feed on schedule changes.

Adrian Brandt commented on impedance bonds theft even when in revenue service and how the bonds are critical to track circuits that control grade crossings and signals.

Doug DeLong expressed congratulations for getting supply station number one energized and noted the theft of the cabling interferes with the operation of the signal system and the grounding of the track structure.

Paul Wendt, Belmont, expressed hope for a solution to impedance bonds theft.

## **11. Reports**

### **11.a. Report of the Citizens Advisory Committee**

Brian Shaw, Chair, provided an update on CAC discussions, which included the following:

- Policy for scooters on trains – more scooters seen and occupying bike cars
- Need better wayfinding at Millbrae station and problem with mobile app's dark mode
- Safety and suicide prevention presentation; promote the three-digit text number and improve corridor signage; create a map showing incidents where suicides occurred
- Supported enforcement blitz at Broadway and Whipple
- The new proposed electrification schedule is inconsistent with prior communications since the schedule is running the same number of trains stopping at more stations and being a little faster versus having more trains running
- Suggested conversation with State about not meeting expansion requirements
- Received excessive downed gate time inquiries via social media
- Fare enforcement is not effective as a large number of riders are not getting cited
- October amendment to bylaws and transit-oriented development and Brown Act training in November

### **11.b. Report of the Chair**

Chair Gee thanked Casey Fromson and her team for the block party in San Francisco, with over 4,500 attendees. He noted receipt of the Triennial FTA (Federal Transit Administration) report and there was a ribbon-cutting for the fourth train in Gilroy.

### **11.c. Report of the Local Policy Maker Group (LPMG)**

Chair Burt noted there was presentation on the Update on Rail Safety and Suicide Prevention Initiatives.

### **11.d. Report of the Transbay Joint Powers Authority (TJPA)**

Chair Gee reported on action needed to be able to receive a TIRCP (Transit and Intercity Rail Capital Program) grant and upcoming action for the October meeting to consider releasing the RFQ (request for quotation) for the civil and tunnel work for the Portal (the San Francisco downtown extension project).

## **12. Correspondence – available 24/7 online.**

## **13. Board Member Requests**

Director Zmuda requested to adjourn the meeting in honor of Senator Dianne Feinstein.

## **14. Adjourn**

The meeting was adjourned in honor and memory of Senator Dianne Feinstein at 11:07 am.



## Peninsula Corridor Joint Powers Board 2024 Meeting Calendar

First Thursday of the Month – 9:00 AM
January 4
February 1
March 7
April 4
May 2
June 6
July – No meeting
August 1
September 5
October 3
November 7
December 5

The Board meets the first Thursday of the month unless otherwise noted.

Board meetings will be conducted in a hybrid format (virtually via Zoom) and in-person at 1250 San Carlos Avenue, Bacciocco Auditorium, 2nd Floor, San Carlos, CA, unless otherwise stated. Individual members of the public may participate in-person if they comply with the District's current workplace safety policies, unless stated otherwise, unless scheduled or stated otherwise at <https://www.caltrain.com/about-caltrain/meetings>

Dates may be subject to change.

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Caltrain Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: Dora Seamans, JPB Secretary  
Subject: **Appointment of the Citizens Advisory Committee San Mateo County Representatives**

**Purpose and Recommended Action**

Staff recommends that the Board of Directors of the Peninsula Corridor Joint Powers Board affirm the appointment of the following members to the Peninsula Corridor Joint Powers Board Citizens Advisory Committee, these members having been selected by and representing the County of San Mateo:

- Davis Albohm as a regular member, representing San Mateo County, to a regular term ending June 30, 2026.
- Amit Lohe as a regular member, representing San Mateo County, to a term ending June 30, 2024.

**Significance**

The CAC Bylaws state:

1. Article 1 – Membership, Section 1: As prescribed by the Peninsula Corridor Joint Powers Board (“JPB” or “Board”), the Citizens Advisory Committee (“CAC” or “Committee”) shall consist of nine (9) members, three appointed from each constituent county (San Francisco County, San Mateo County, Santa Clara County). Each county will select its county committee members and the JPB will affirm these appointments. CAC members should reflect the demographics of Caltrain riders. The Citizens Advisory Committee shall act in an advisory capacity to the JPB. Its activities shall include seeking the views of various groups of users and potential users of Caltrain and ancillary transit facilities; develop proposals and recommendations for meeting the needs of the various groups; reviewing and commenting on staff proposals and actions as requested by the JPB; and assisting the JPB in any matter which the Board may deem appropriate.
2. Article 1 – Membership, Section 2: CAC members shall serve three (3) year terms.
3. The CAC was established as a JPB advisory group by Resolution No. 1992-28, dated June 3, 1992. The CAC serves as a forum for conveying community information, ideas and comments to the Board. The Board adopted a set of Bylaws under Resolution No. 2002-13, dated May 2, 2002, to formalize the rules of procedure governing the manner in which the CAC functions. The Board amended the Bylaws under Resolution No. 2019-45, dated



December 5, 2019, to add one alternate member from each of the Counties to help ensure presence of a quorum in case of periodic CAC member absences and vacancies.

**Budget Impact**

There is no impact on the budget.

Prepared By: Dora Seamans                      Executive Officer/JPB Secretary                      650-508-6242

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: Kate Jordan Steiner, Chief Financial Officer  
Subject: **Accept Statement of Revenues and Expenses for the Period Ending September 30, 2023**



Finance Committee  
Recommendation



Technology, Operations,  
Planning, and Safety  
Committee Recommendation



Advocacy and Major  
Projects Committee  
Recommendation

**Purpose and Recommended 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 Period Ending September 30, 2023.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through September 30, 2023. 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.

**Discussion**

**Annual Forecast:** The annual forecast is currently the same as the budget and will be reviewed in a few months.

**Year-to-Date Revenues:** As of September year-to-date actual, the Grand Total Revenue (page 1, line 17) is \$0.1 million higher than the adopted budget. This is primarily driven by the increase in Measure RR (page 1, line 11) which is partially offset by the decrease in Caltrain Fares (page 1, line 1) and Other Income (page 1, line 5).

**Year-to-Date Expenses:** As of September year-to-date actual, the Grand Total Expense (page 2, line 51) is \$4.8 million lower than the adopted budget. This is primarily driven by the decreases in Rail Operator Service (page 2, line 22), Wages and Benefits (page 2, line 36), and Professional Services (page 2, line 39) which is partially offset by the increase in Claims, Payments, and Reserves (page 2, line 28).

**Budget Impact**

There are no budget impacts for September 2023.

Prepared By:	Li Saunders	Accountant II	650.622.7848
	Danny Susantin	Grants & Capital Accounting, Manager	650.622.8073

<b>PENINSULA CORRIDOR JOINT POWERS BOARD</b>							
<b>STATEMENT OF REVENUE AND EXPENSE</b>							
<b>Fiscal Year 2024</b>							
<b>SEPTEMBER 2023</b>							
<b>% OF YEAR ELAPSED</b>							<b>25.0%</b>
	<b>JULY TO SEPTEMBER</b>				<b>ANNUAL</b>		
	<b>CURRENT ACTUAL</b>	<b>ADOPTED BUDGET</b>	<b>\$ VARIANCE</b>	<b>% VARIANCE</b>	<b>APPROVED BUDGET</b>	<b>FORECAST</b>	<b>\$ VARIANCE</b>
<b>REVENUE</b>							
<b>OPERATIONS:</b>							
1 Caltrain Fares	7,397,968	7,902,246	(504,278)	(6.4%)	29,936,000	29,936,000	-
2 Go Pass	4,070,877	4,191,000	(120,123)	(2.9%)	16,764,000	16,764,000	-
3 Parking Revenue	515,945	476,253	39,692	8.3%	1,905,015	1,905,015	-
4 Rental Income	432,897	256,623	176,274	68.7%	1,026,489	1,026,489	-
5 Other Income	997,945	1,635,315	(637,370)	(39.0%)	6,541,260	6,541,260	-
6							
7 <b>TOTAL OPERATING REVENUE</b>	<b>13,415,632</b>	<b>14,461,437</b>	<b>(1,045,805)</b>	<b>(7.2%)</b>	<b>56,172,764</b>	<b>56,172,764</b>	<b>-</b>
8							
9 <b>CONTRIBUTIONS:</b>							
10 Operating Grants	3,223,130	3,200,235	22,895	0.7%	12,800,936	12,800,936	-
11 Measure RR	32,157,900	31,024,000	1,133,900	3.7%	118,400,000	118,400,000	-
12 Member Agency (VTA - Gilroy)	117,500	117,501	(1)	(0.0%)	470,000	470,000	-
13 LCTOP/SRA	1,727,176	1,727,124	52	0.0%	6,908,503	6,908,503	-
14							
15 <b>TOTAL CONTRIBUTED REVENUE</b>	<b>37,225,705</b>	<b>36,068,860</b>	<b>1,156,845</b>	<b>3.2%</b>	<b>138,579,439</b>	<b>138,579,439</b>	<b>-</b>
16							
17 <b>GRAND TOTAL REVENUE</b>	<b>50,641,337</b>	<b>50,530,297</b>	<b>111,040</b>	<b>0.2%</b>	<b>194,752,203</b>	<b>194,752,203</b>	<b>-</b>
18							

<b>PENINSULA CORRIDOR JOINT POWERS BOARD</b>									
<b>STATEMENT OF REVENUE AND EXPENSE</b>									
<b>Fiscal Year 2024</b>									
<b>SEPTEMBER 2023</b>									
						% OF YEAR ELAPSED	25.0%		
		JULY TO SEPTEMBER				ANNUAL			
		CURRENT	ADOPTED	\$	%	APPROVED			
		ACTUAL	BUDGET	VARIANCE	VARIANCE	BUDGET	FORECAST	\$	
								VARIANCE	
19	<b>EXPENSE</b>								19
20									20
21	DIRECT EXPENSE:								21
22	Rail Operator Service	25,248,055	26,704,052	(1,455,997)	(5.5%)	104,889,704	104,889,704	-	22
23	Security Services	2,008,336	2,071,509	(63,173)	(3.0%)	8,286,045	8,286,045	-	23
24	Shuttle Services	17,355	20,001	(2,646)	(13.2%)	80,000	80,000	-	24
25	Fuel and Lubricants*	3,140,247	3,802,827	(662,580)	(17.4%)	15,211,316	15,211,316	-	25
26	Timetables and Tickets	2,586	23,748	(21,162)	(89.1%)	95,000	95,000	-	26
27	Insurance	2,339,674	2,557,425	(217,751)	(8.5%)	10,229,703	10,229,703	-	27
28	Claims, Payments, and Reserves	2,148,445	330,000	1,818,445	551.0%	1,320,000	1,320,000	-	28
29	Facilities and Equipment Maintenance	1,264,592	2,040,291	(775,699)	(38.0%)	8,171,766	8,171,766	-	29
30	Utilities	528,731	677,226	(148,495)	(21.9%)	2,708,900	2,708,900	-	30
31	Maint & Services-Bldg & Other	263,345	446,151	(182,806)	(41.0%)	1,784,600	1,784,600	-	31
32									32
33	<b>TOTAL DIRECT EXPENSE</b>	<b>36,961,366</b>	<b>38,673,230</b>	<b>(1,711,864)</b>	<b>(4.4%)</b>	<b>152,777,034</b>	<b>152,777,034</b>	<b>-</b>	33
34									34
35	ADMINISTRATIVE EXPENSE								35
36	Wages and Benefits	4,217,331	5,349,917	(1,132,586)	(21.2%)	18,469,241	18,469,241	-	36
37	Managing Agency Admin OH Cost	898,927	891,366	7,561	0.8%	3,565,453	3,565,453	-	37
38	Board of Directors	2,347	15,719	(13,372)	(85.1%)	62,875	62,875	-	38
39	Professional Services	1,491,108	2,625,138	(1,134,030)	(43.2%)	9,484,775	9,484,775	-	39
40	Communications and Marketing	48,885	110,682	(61,797)	(55.8%)	442,730	442,730	-	40
41	Other Office Expenses and Services	628,305	1,080,790	(452,485)	(41.9%)	4,224,422	4,224,422	-	41
42									42
43	<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>7,286,903</b>	<b>10,073,611</b>	<b>(2,786,708)</b>	<b>(27.7%)</b>	<b>36,249,496</b>	<b>36,249,496</b>	<b>-</b>	43
44									44
45	<b>TOTAL OPERATING EXPENSE</b>	<b>44,248,269</b>	<b>48,746,841</b>	<b>(4,498,572)</b>	<b>(9.2%)</b>	<b>189,026,530</b>	<b>189,026,530</b>	<b>-</b>	45
46									46
47	Governance	93,328	56,250	37,078	65.9%	225,000	225,000	-	47
48									48
49	Debt Service Expense	566,750	894,077	(327,327)	(36.6%)	3,471,125	3,471,125	-	49
50									50
51	<b>GRAND TOTAL EXPENSE</b>	<b>44,908,347</b>	<b>49,697,168</b>	<b>(4,788,821)</b>	<b>(9.6%)</b>	<b>192,722,655</b>	<b>192,722,655</b>	<b>-</b>	51
52									52
53	Projected Contribution to Reserve					2,029,548	2,029,548	-	53
54									54
55	<b>NET SURPLUS / (DEFICIT)</b>	<b>5,732,990</b>	<b>833,129</b>	<b>4,899,860</b>	<b>588.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	55
56									56
57	Reserve, Beginning Balance	26,878,850				26,878,850			57
58	Projected Contribution to Reserve	-				2,029,548			58
59	Reserve, Ending Balance	26,878,850				28,908,398			59
60									60
61	* Fuel and Lubricants costs were decreased by a realized gain of \$395,598 from the fuel hedge program.								61
62									62



BOARD OF DIRECTORS 2023

JEFF GEE, CHAIR  
DEVORA "DEV" DAVIS, VICE  
CHAIR  
PAT BURT  
CINDY CHAVEZ  
STEVE HEMINGER  
RICO E. MEDINA  
RAYMOND MUELLER  
SHAMANN WALTON  
MONIQUE ZMUDA

**PENINSULA CORRIDOR JOINT POWERS BOARD**

**INVESTMENT PORTFOLIO**

**AS OF SEPTEMBER 30, 2023**

MICHELLE BOUCHARD  
EXECUTIVE DIRECTOR

TYPE OF SECURITY	MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted) *	Liquid Cash	3.534%	368,756	368,756
County Pool (Unrestricted)	Liquid Cash	3.131%	575,346	575,346
Other (Unrestricted)	Liquid Cash	4.795%	22,757,938	22,757,938
Other (Restricted) **	Liquid Cash	4.957%	33,209,772	33,209,772
			\$ 56,911,812	\$ 56,911,812

Interest Earnings for September 2023                   \$     183,278.66  
Cumulative Earnings FY2024                             568,809.84

\* 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.

Farebox Revenues by Ticket Type	PENINSULA CORRIDOR JOINT POWERS BOARD								
	Previous Years					FY2024			
REVENUE	FY2019	FY2020	FY2021	FY2022	FY2023	Jul-23	Aug-23	Sep-23	FY2024 Total YTD
<b>OPERATIONS:</b>									
401400 (TVM)	18,431,265	11,165,620	2,458,837	6,836,440	6,838,317	701,507	580,909	427,973	1,710,388
401410 (Clipper)	54,621,910	37,970,696	2,924,987	7,764,755	15,493,238	1,584,242	1,688,849	1,283,054	4,556,146
401420 (Central)	64,908	20,799	309,748	39,911	58,267	1,068	-	7,861	8,929
401430 (Mobile App)	4,716,955	5,689,776	830,051	2,808,795	3,501,791	289,934	353,887	285,899	929,721
401500 (Gilroy)	1,903,941	1,542,171	178,759	449,281	706,203	58,850	58,850	75,084	192,784
401700 (Go-Pass)	22,929,136	19,705,372	25,737,533	15,337,175	16,728,021	1,362,537	1,337,709	1,370,632	4,070,877
total Farebox Revenue	102,668,114	76,094,433	32,439,915	33,236,357	43,325,839	3,998,139	4,020,204	3,450,502	11,468,845
Less: Go-Pass									
401700 (Go-Pass)	22,929,136	19,705,372	25,737,533	15,337,175	16,728,021	1,362,537	1,337,709	1,370,632	4,070,877
Revenues without Go-Pass	79,738,978	56,389,061	6,702,382	17,899,182	26,597,817	2,635,602	2,682,496	2,079,870	7,397,968
<b>Tickets Sold</b>						Jul-23	Aug-23	Sep-23	Total
TVM	2,354,393	1,465,876	315,378	755,674	802,158	78,363	74,658	69,149	222,170
Clipper	3,521,066	2,620,816	339,753	1,227,757	1,975,206	194,041	214,425	193,835	602,301
Central	9,167	5,044	-	4,032	6,440	100	231	484	815
Mobile	543,920	661,515	111,394	381,441	428,741	40,439	41,483	39,565	121,487
# of tickets sold (without go-pass)	6,428,546	4,753,251	766,525	2,368,904	3,212,545	312,943	330,797	303,033	946,773
<b>AVG Revenue Per Ticket</b>						Jul-23	Aug-23	Sep-23	Total
TVM	\$ 7.83	\$ 9.05	\$ 7.80	\$ 9.05	\$ 8.52	\$ 8.95	\$ 7.78	\$ 6.19	\$ 7.70
Clipper	\$ 15.51	\$ 6.32	\$ 8.61	\$ 6.32	\$ 7.84	\$ 8.16	\$ 7.88	\$ 6.62	\$ 7.56
Central	\$ 7.08	\$ 9.90	\$ -	\$ 9.90	\$ 9.05	\$ 10.68	\$ -	\$ 16.24	\$ 10.96
Mobile	\$ 8.67	\$ 7.36	\$ 7.45	\$ 7.36	\$ 8.17	\$ 7.17	\$ 8.53	\$ 7.23	\$ 7.65
Total	\$ 12.40	\$ 11.86	\$ 8.74	\$ 7.56	\$ 8.28	\$ 8.42	\$ 8.11	\$ 6.86	\$ 7.81



Farebox Revenues by Ticket Type	PENINSULA CORRIDOR JOINT POWERS BOARD							Annual Budget	
	July to September						FY2024		
REVENUE	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2024	% of Budget	
401400 (TVM)	6,030,836	4,733,736	421,809	1,601,671	2,134,031	1,710,388			
401410 (Clipper)	14,263,944	14,412,431	624,332	1,294,248	4,117,604	4,556,146			
401420 (Central)	23,920	19,843	-	5,653	15,985	8,929			
401430 (Mobile App)	992,198	2,046,106	147,808	559,164	1,043,391	929,721			
401500 (Gilroy)	504,923	502,311	44,151	78,407	184,226	192,784			
401700 (Go-Pass)	4,867,361	5,555,239	7,670,549	3,533,589	4,265,085	4,070,877			
total Farebox Revenue	26,683,182	27,269,667	8,908,649	7,072,732	11,760,322	11,468,845	46,700,000	25%	
Less: Go-Pass									
401700 (Go-Pass)	4,867,361	5,555,239	7,670,549	3,533,589	4,265,085	4,070,877	16,764,000	25%	
Revenues without Go-Pass	21,815,821	21,714,427	1,238,100	3,539,142	7,495,237	7,397,968	29,936,000	25%	
<b>Tickets Sold</b>									
TVM	753,661	612,215	69,533	189,093	255,732	222,170			
Clipper	919,760	973,770	64,699	247,063	514,388	602,301			
Central	2,231	1,129	-	731	1,234	815			
Mobile	108,998	240,569	20,810	83,845	127,282	121,487			
# of tickets sold (without go-pass)	1,784,650	1,827,683	155,042	520,732	898,636	946,773			
<b>AVG Revenue Per Ticket</b>									
TVM	\$ 8.00	\$ 7.73	\$ 6.07	\$ 8.47	\$ 8.34	\$ 7.70			
Clipper	\$ 15.51	\$ 14.80	\$ 9.65	\$ 5.24	\$ 8.00	\$ 7.56			
Central	\$ 10.72	\$ 17.58	\$ -	\$ 7.73	\$ 12.95	\$ 10.96			
Mobile	\$ 9.10	\$ 8.51	\$ 7.10	\$ 6.67	\$ 8.20	\$ 7.65			
Total	\$ 12.22	\$ 11.88	\$ 7.99	\$ 6.80	\$ 8.34	\$ 7.81			

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: Robert Barnard, Deputy Chief, Caltrain Design and Construction  
Subject: **Renew Findings of an Emergency Regarding the North Channel Embankment of the San Francisquito Creek Bridge Due to Erosion Pursuant to Public Contract Code §22050**



Finance Committee  
Recommendation



Technology, Operations,  
Planning, and Safety  
Committee Recommendation



Advocacy and Major  
Projects Committee  
Recommendation

**Purpose and Recommended Action**

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

1. Renew findings previously adopted by the Board pursuant to California Public Contract Code section 22050(c)(2) (Resolution No. 2023-19) on March 29, 2023, and renewed at its subsequent meetings on May 4, 2023 (Resolution 2023-23), June 1, 2023 (Resolution 2023-38), August 3, 2023 (Resolution 2023-46), September 7, 2023 (Resolution 2023-56), and October 5, 2023 (Resolution 2023-62) that an emergency exists at the north channel embankment of the San Francisquito Creek Bridge due to erosion and scouring caused by winter storms, and that immediate action is necessary to respond to the emergency; and
2. Continue to authorize emergency repairs of the north channel embankment of the San Francisquito Creek Bridge;
3. Delegate authority to approve all plans and/or designs with regard to the emergency repairs to the Executive Director, or designee; and
4. Authorize the Executive Director, or designee, to take all other actions required to respond to said emergency.

**Discussion**

**Background:** The JPB owns and maintains the San Francisquito Creek Bridge, which is located in Menlo Park and Palo Alto between Control Points Alma (MP 29.98) and Mayfield (MP 33.50). In early January 2023, after a week of heavy rain, Caltrain Engineering staff inspected the Bridge and discovered that storms had eroded the soil on the creek bank supporting the northern abutment of the Bridge. Further investigation showed that additional erosion resulting from future storms could undermine the abutment, bridge, and tracks.

Conditions Warranting an Emergency Declaration: The need for emergency actions cannot be delayed. Although the JPB was not able to obtain all of the necessary permits in order to complete the work during the creek window that ended on October 15, 2023, meteorologists predict a wet winter, including storms that could result in additional erosion, potentially threatening the structural integrity of the bridge. The JPB must therefore be prepared to act as expeditiously as possible to repair necessary facilities to prevent or mitigate loss or damage to life, health, property, or essential public services.

Legal Basis for Emergency Declaration: The JPB has the authority to undertake emergency repairs pursuant to California Public Contract Code section 22050, which requires that the Board, by a four-fifths vote, make findings based on substantial evidence that the emergency will not permit delay resulting from a competitive solicitation of bids, and that action is necessary to respond to the emergency. Public Contract Code section 1102 defines an emergency as “sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.” The Board made these findings at its March 29, 2023, meeting (Resolution 2023-19) and renewed these findings at its subsequent meetings on May 4, 2023 (Resolution 2023-23), June 1, 2023 (Resolution 2023-38), August 3, 2023 (Resolution 2023-46), September 7, 2023 (Resolution 2023-56), and October 5, 2023 (Resolution 2023-62). Section 22050(c) requires the Board to review the emergency action at its next regularly scheduled meeting and at every subsequent regularly scheduled meeting until the action is terminated to determine that there is a need to continue the action by a four-fifths vote.

#### Actions Taken

To date, JPB staff has:

1. Increased frequency of visual inspections of the Bridge and conducted immediate inspections during and/or after storms.
2. Retained on-call bench consultants (WSP, AECOM, Jacobs, and TRC), to assist the JPB in obtaining the required environmental permits, designing the bank stabilization, estimating the cost of the proposed work, and providing construction management services, respectively.
3. Engaged the U.S. Army Corps of Engineers, the Regional Water Quality Control Board, and the California Department of Fish and Wildlife and submitted all necessary applications for regulatory permits and approvals.
4. Met regularly with the City of Menlo Park, the City of Palo Alto, the San Francisquito Creek Joint Powers Authority, and Stanford University to coordinate the scope of the project and jointly review iterative design updates.
5. Jointly developed 15%, 35%, 65%, and 100% designs for the bank stabilization with input from the City of Menlo Park, City of Palo Alto, and regulatory agencies.
6. Jointly prepared and executed a trilateral project agreement by and between the JPB, the City of Menlo Park, and the City of Palo Alto to memorialize cost sharing arrangements and other responsibilities.

7. Obtained iterative and independent cost estimates from consultants and Walsh Construction to establish clear cost expectations and determine a fair and reasonable not-to-exceed construction budget.
8. Updated the overall project cost to \$6.5 million based on recent construction cost estimates and actual costs incurred for design, permitting, and other professional services.
9. Updated the overall project funding plan to align with the cost sharing agreement between JPB, the City of Menlo Park, and City of Palo Alto.
10. Identified the necessary funding sources from other project underruns and contingency for the JPB share of costs and obtained approval from Caltrain's Management Committee to apply those funds.
11. Awarded a construction contract to Walsh Construction to implement the bank stabilization because Walsh has a crew onsite that specializes in emergency work and because of Walsh's experience on JPB in-water construction projects, such as the Guadalupe River Bridge Replacement Project.
12. Obtained timely construction permits from the City of Menlo Park, City of Palo Alto, Regional Water Quality Control Board, and California Department of Fish and Wildlife.

#### Current Status

As of the date of this staff report:

1. An executed trilateral project agreement is in place between the JPB, the City of Menlo Park, and the City of Palo Alto.
2. JPB has 100% final construction drawings and specifications for the permanent bank stabilization design, which has been reviewed by all relevant stakeholders.
3. JPB has a construction contractor, Walsh Construction, under contract to implement the bank stabilization. The contract is based on a time-and-materials approach to compensation and therefore allows flexibility to adapt to changes in scope and schedule.
4. Walsh Construction stands ready to begin construction immediately upon receipt of all necessary permits.
5. JPB staff has obtained the following permits:
  - a. California Department of Fish and Wildlife Streambed Alteration Agreement
  - b. Regional Water Quality Control Board Section 401 Water Quality Certification Permit
  - c. City of Palo Alto Encroachment Permit
  - d. City of Menlo Park Encroachment Permit
  - e. City of Palo Alto Noise Exception Permit
  - f. City of Menlo Park Heritage Tree Permit

JPB staff submitted a timely application for a Section 404 permit to the U.S. Army Corps of Engineers. As part of their ongoing review, the U.S. Army Corps of Engineers has determined it is necessary to seek the review of relevant historic preservation issues and approval from the State Historic Preservation Officer prior to issuing the permit. Due to the time needed for this process to be completed, it appears to be unlikely that

JPB staff will receive the essential Section 404 permit in time to construct the project during the 2023 dry season ending October 15, 2023.

6. JPB staff remains concerned about the eroding condition of the San Francisquito Creek bank and the future stability of the Caltrain rail bridge.

#### Ongoing and Future Activities

In the months ahead:

1. JPB staff will continue to coordinate closely with the U.S. Army Corps of Engineers to facilitate the issuance of the Section 404 permit for construction of the permanent bank stabilization during the 2024 dry season.
2. JPB staff will continue to monitor conditions around the foundations of the Caltrain rail bridge. If conditions require, JPB staff will implement a temporary bank stabilization system on an emergency basis.
3. JPB staff will report regularly to the Board regarding the status of the project.

#### Budget Impact

The San Francisquito Creek Emergency Bank Stabilization Project has an approved budget of \$6,471,067 funded by Capital Contingency Funds, the San Mateo County Transportation Authority (SMCTA), the Cities of Palo Alto and Menlo Park, and project savings from recently completed projects.

Prepared By:	Robert Barnard	Deputy Chief, Design and Construction	650.508.7783
	Mike Boomsma	Project Manager	808.208.2355

(00497542)

**Resolution No. 2023-**

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

\* \* \*

**Renewing Findings of an Emergency Regarding the North Channel  
Embankment of the San Francisquito Creek Bridge Due to Erosion Pursuant to  
Public Contract Code §22050**

**Whereas**, the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) previously authorized repair pursuant to California Public Contract Code section 22050 by a four-fifths vote of the Board on March 29, 2023 (Resolution 2023-19), making findings that: there was an emergency to repair the north channel embankment of the San Francisquito Creek Bridge due to erosion that threatens the integrity of the structure supporting the JPB's tracks; that the emergency did not permit a delay that would have resulted from a formal solicitation for bids; and that action is necessary to respond to the emergency; and

**Whereas**, Resolution 2023-19 also authorized emergency repairs of the north channel embankment of the San Francisquito Creek Bridge without adopting plans and specifications or giving notice to potential bidders; and

**Whereas**, California Public Contract Code Section 1102 defines an emergency as "sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services"; and

**Whereas**, California Public Contract Code section 22050 authorizes the JPB to repair and take other immediate actions required to address an emergency, and requires that findings based on substantial evidence must be made that the emergency will not permit delay resulting from a

competitive solicitation of bids, and that the action is necessary to respond to the emergency, by a four-fifths vote of the Board; and

**Whereas**, Resolution 2023-19 delegated to the Executive Director, or designee the authority: to approve all plans and/or designs; to execute a contract with Walsh Construction II, LLC, to undertake emergency repairs of the north channel embankment at the San Francisquito Creek Bridge at a price that staff has determined is fair and reasonable; and to take all other actions required to respond to said emergency, provided that the Executive Director reports such actions to the Board at each monthly Board meeting until the emergency situation is resolved, with a final report to be made at the first Board meeting after the emergency is resolved; and

**Whereas**, pursuant to Public Contract Code section 22050(c), the Board must review the emergency action at its next regularly scheduled meeting and affirm by the passage of a four-fifths vote that at every subsequent regularly scheduled meeting until the action is terminated to determine that there is a need to continue the action; and

**Whereas**, the Board most recently renewed its findings via Resolution 2023-62 at its October 5, 2023, Board meeting; and

**Whereas**, following months of heavy rain in January 2023, assessments of the condition of the north embankment supporting the San Francisquito Creek Bridge Main Track 1 (MT-1) and Main Track (MT-2) by the Peninsula Corridor Joint Powers Board (JPB) revealed significant erosion on the slope of the embankment, threatening the integrity of the north approaching track structure; and

**Whereas**, the JPB consulted with the U.S. Army Corps of Engineers (USACE), the Regional Water Quality Control Board, and the California Department of Fish and Wildlife concerning



environmental permits for restoration activities to preserve the integrity of MT-1 and MT-2 tracks in light of the significant erosion of the northern embankment; and

**Whereas**, there is a continued and ongoing emergency to repair the north channel embankment of the San Francisquito Creek Bridge due to erosion that threatens the integrity of the structure supporting the JPB's tracks, and because meteorologists predict a wet winter including storms that could result in additional erosion; and

**Whereas**, action is necessary to respond to this continued and ongoing emergency to prevent or mitigate loss or damage to life, health, property, or essential public services; and

**Whereas**, the time required to obtain competitive bids would have unduly delayed the JPB's ability to make emergency repairs to these essential facilities, and substantial evidence supports the conclusions that the need for emergency actions cannot be delayed, and that the JPB has and must continue to act as expeditiously as possible to repair necessary facilities; and

**Whereas**, JPB staff have awarded a contract to Walsh Construction, which is also working on the Guadalupe River Bridge project, to undertake emergency repair work; and

**Whereas**, iterative comparison of independent cost estimates from consultants and Walsh Construction has provided clear cost expectations to assure fair and reasonable pricing.

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby:

1. Renews findings from October 5, 2023, that an emergency, as defined by Section 1102 of the California Public Contract Code, exists at the north channel embankment at the San Francisquito Creek Bridge due to erosion that threatens the integrity of the structure supporting the JPB's tracks; and

2. Renews findings, based on the substantial evidence presented by staff, that the emergency did not permit a delay that would have resulted from a formal solicitation for bids because the time required to obtain competitive bids would have unduly delayed the JPB's ability to make emergency repairs to these essential facilities, that action is necessary to respond to the ongoing emergency to prevent or mitigate loss or damage to life, health, property or essential public services, that the need for emergency actions cannot be delayed, and that the JPB has and must continue to act as expeditiously as possible to repair necessary facilities; and
3. Continues to authorize emergency repairs of the north channel embankment at the San Francisquito Creek Bridge without adopting plans and specifications or giving notice to potential bidders; and
4. Continues to delegate to the Executive Director, or designee, the authority: to approve all plans and/or designs; to amend the contract with Walsh Construction, to undertake emergency repairs of the north channel embankment at the San Francisquito Creek Bridge at a price that staff has determined is fair and reasonable; and to take all other actions required to respond to said emergency, provided that the Executive Director reports such actions to the Board at each monthly Board meeting until the emergency situation is resolved, with a final report to be made at the first Board meeting after the emergency is resolved.

**Be It Further Resolved** that the Board of Directors has reviewed the emergency action taken on March 29, 2023, on May 4, 2023, on June 1, 2023, on August 3, 2023, on September 7, 2023, and on October 5, 2023, to remediate emergency conditions at the embankment of the San Francisquito Bridge, and will continue to conduct such a review at every subsequent regularly

scheduled meeting until the action is terminated to determine that there is a need to continue the action by a four-fifths vote pursuant to Public Contract Code section 22050(c).

Regularly passed and adopted this 2<sup>nd</sup> day of November, 2023 by the following vote:

Ayes:

Noes:

Absent:

---

Chair, Peninsula Corridor Joint Powers Board

Attest:

---

JPB Secretary  
(00497536)

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: Sam Sargent, Director, Strategy and Policy  
Subject: **Approve Project Labor Agreement Policy**



Finance Committee  
Recommendation



Technology, Operations,  
Planning, and Safety  
Committee Recommendation



Advocacy and Major  
Projects Committee  
Recommendation

**Purpose and Recommended Action**

The purpose of the proposed Project Labor Agreement (“PLA”) Policy is to establish guidelines for the use of PLAs on construction projects with a contract awarded by the Peninsula Corridor Joint Powers Board (“JPB”) and an engineer’s initial cost estimate over \$10 million.

PLAs are intended to promote efficiency in construction and provide a structure to settle labor disputes without work stoppages, strikes, sympathy strikes or lockouts. In December, the JPB requested that staff develop a PLA Policy to guide the use of these agreements on future construction projects.

The advantages and disadvantages of having PLAs on Caltrain construction projects, as well as a set of options for Board consideration related to the PLA Policy, were presented to the Finance Committee on May 22, 2023. Caltrain staff have incorporated JPB and labor input into the proposed PLA Policy, which is included in the Reading File.

Staff recommend that the Board of Directors authorize the Executive Director, or designee, to execute a Caltrain PLA Policy to govern applicable construction projects.

**Discussion**

On December 1, 2022, JPB members requested that Caltrain staff report back with a “draft policy relating to a framework for Project Labor Agreements and Community Hiring Provisions, collectively known as Community Workforce Agreements.”

Since that request, Caltrain staff have convened an internal PLA Policy steering community and held multiple meetings with labor council leadership from San Francisco, San Mateo, and Santa Clara counties. A detailed analysis of peer transit operator, city and county approaches to PLAs was completed, including interviews with responsible senior staff at each stage of the PLA development and implementation process.

AC Transit, BART, LA Metro and the Transbay Joint Powers Authority (“TJPA”) all have PLA policies that apply to construction projects within a specified program of projects. While some programs are defined by mode (ex. AC Transit Tempo BRT), others are defined by the primary source of funds (ex. LA Metro Measures R and M). Many California transit operators, cities and counties utilize PLAs on specific projects, but do not have a policy covering multiple projects.

Peer PLAs and PLA policies were explored in parallel with applicable federal and state policy. At the federal level, Executive Order 13502, issued by President Biden in February 2022, requires the use of PLAs on federally funded projects over \$35 million. At the state level, Public Contract Code (PCC) Section 2500 requires public entities in California who execute PLAs to incorporate a series “taxpayer protection provisions” including anti-discrimination language, drug testing and guarantees against “work stoppages, strikes, lockouts and similar disruptions of a project.”

Caltrain staff recommend advancing a PLA Policy for construction projects with a contract JPB and an engineer’s initial cost estimate over \$10 million. The advantages and disadvantages of having PLAs on Caltrain construction projects, as well as a set of options for JPB consideration related to a PLA Policy, were presented to the Finance Committee on May 22, 2023. Four policy options were presented to the committee, with Caltrain staff recommendations for each:

**1. Should Caltrain have a PLA Policy?**

Yes. A PLA Policy will provide structure and a consistent approach to labor agreements on Caltrain projects. PLAs may make Caltrain more competitive for federal and state grant funding opportunities and will build support among labor and labor-affiliated policymakers as the railroad explores options for new revenue streams.

**2. What type of project does the PLA Policy apply to?**

Construction projects with a contract awarded by the JPB and an engineer’s initial cost estimate is over a JPB-approved dollar threshold. This will provide a consistent approach for Caltrain, as well as labor and the contractor community.

**3. What is the dollar threshold for the PLA Policy, if that approach is taken?**

Thresholds of \$2 million, \$5 million, \$10 million and \$35 million were considered. The \$10 million threshold is recommended by Caltrain staff as it would cover 73 percent of the value of the FY2023 capital program and reduce the initial administrative burden of individual PLAs because of the smaller number of individual projects.

<b>Threshold</b>	<b><u>% of FY23 Program Value</u></b>	<b><u>Total FY23 Projects</u></b>	<b><u>% of Total FY23 Projects</u></b>
\$2 million	99%	16	84%
\$5 million	86%	7	37%
\$7.5 million	76%	3	16%
\$10 million - Staff Rec'd	73%	2	10%
\$35 million	61%	1	5%

At the August 28, 2023 Finance Committee meeting, \$7.5 million was requested for consideration, to compare with the Caltrain staff-recommended \$10 million threshold.

The difference between the two thresholds is minor in terms of capital program value, but does increase the number of individual projects. Caltrain staff continues to recommend the \$10 million threshold. It is important to note that the PLA Policy includes a provision for revisiting the threshold, if warranted, following the completion of the Caltrain Capital Investment Plan (“CIP”).

**4. Who negotiates the PLA on a project? How are PLAs administered?**

Caltrain would negotiate a PLA that covers projects falling within the PLA Policy with the applicable county labor councils. That PLA would then be binding on the successful contractors for applicable Caltrain projects. This requirement would be included in the bid documents, to ensure that the contractor and consultant community is on notice. The SamTrans Office of Civil Rights, a shared service to Caltrain, will be the primary administrator of the PLA, once approved by the JPB.

The PLA Policy is included here as Attachment A. The PLA for applicable Caltrain projects will be presented to the JPB in January. The PLA will include detail on covered and excluded work, including standard (North American Building Trades Union Model PLA) provisions, including work performed by Caltrain employees, executives, staff engineers, and administrative or clerical employees. The PLA will also include Caltrain-specific excluded work provisions, such as work performed by Caltrain’s rail service contractor (currently TASI) and their union staff, or work performed by the Union Pacific (“UPRR”) pursuant to the current JPB Trackage Rights Agreement.

Finally, the PLA Policy includes a provision for the inclusion of Community Workforce Agreements (CWAs) in individual PLAs, based on direction to Caltrain staff from the JPB. CWAs are traditionally administered by the relevant labor council in the project’s county, which reduces the burden on Caltrain staff while still achieving the goal of preserving employment opportunities for local and underrepresented workers in construction.

**Budget Impact**

The PLA Policy has no budget impact.

**Resolution No. 2023 –**  
**Board of Directors, Peninsula Corridor Joint Powers Board**  
**State of California**

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**Resolution Adopting a Project Labor Agreement Policy**

**WHEREAS**, the purpose of the proposed Project Labor Agreement (“PLA”) Policy is to establish guidelines for the use of PLAs on construction projects with a contract awarded by the Peninsula Corridor Joint Powers Board (“JPB”) and an engineer’s initial cost estimate over \$10 million; and

**WHEREAS**, PLAs are intended to promote efficiency in construction and provide a structure to settle labor disputes without work stoppages, strikes, sympathy strikes or lockouts; and

**WHEREAS**, in December 2022, the JPB requested that staff develop a PLA Policy to guide the use of PLAs on future Caltrain construction projects; and

**WHEREAS**, JPB staff have thoroughly researched peer PLAs and PLA policies, reviewed the JPB capital projects portfolio, convened a multidisciplinary internal PLA Policy steering committee, assessed the risks of a PLA Policy, and proactively engaged labor during the development of the PLA Policy drafts; and

**WHEREAS**, JPB staff have finalized a PLA Policy that promotes labor harmony and the delivery of Caltrain construction projects with excellence; and

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors approves the resolution and adopts a PLA Policy for construction projects with a contract awarded by the JPB and an engineer’s initial cost estimate over \$10 million.

Regularly passed and adopted this 2<sup>nd</sup> day of November 2023 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, Peninsula Corridor Joint Powers Board

ATTEST:

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JPB Secretary





**Subject:** JPB PROJECT LABOR AGREEMENT POLICY

**Purpose:** The purpose of this policy ("Policy") is to establish guidelines for the use of Project Labor Agreements ("PLA") on construction projects with a contract awarded by the Peninsula Corridor Joint Powers Board ("JPB") and an engineer's initial cost estimate over \$10 million.

**Background:** A PLA is a collective bargaining agreement between a public agency planning to authorize and fund a construction project and the unions that represent the pools of skilled labor that are needed for that project. A PLA spells out the specific terms and conditions that govern the employment of labor on a project for the duration of the project. Through the Policy, it is the intent of the JPB to require a PLA on all construction projects entered into after the JPB approves this Policy for which (1) the JPB awards a construction contract in response to bidding documents issued after Board approval of a PLA contract pursuant to this policy and (2) the engineer's initial cost estimate exceeds \$10 million, unless the JPB determines that the Policy shall not apply to a particular project that would otherwise fall within the Policy. The PLA would be binding on all contractors or subcontractors on a project to which the Policy applies.

**Procedure:** The JPB will implement the following for construction projects covered by the Policy:

1. JPB staff will negotiate a PLA with the San Francisco Building and Construction Trades Council, San Mateo County Building Trades Council, and

Santa Clara and San Benito Counties Building and Construction Trades Council that will apply to construction projects entered into after the JPB approves the Policy for which (1) the JPB awards a construction contract in response to bidding documents issued after Board approval of a PLA contract pursuant to this policy and (2) the engineer's initial cost estimate exceeds \$10 million, unless the JPB determines that the Policy shall not apply to a particular project that would otherwise fall within the Policy.

- a. Construction projects covered by the Policy must be governed by a PLA consistent with the following federal and state guidance:
  - i. Executive Order ("EO") 13502 explicitly allows the use of PLAs on federally funded projects, including projects financed by the Federal Transit Administration ("FTA"). EO 13502 states that the policy of the Federal government is to encourage the consideration of PLAs for large-scale construction projects, recognizing the benefits that PLAs can offer in promoting the efficient and expeditious completion of projects. The project labor agreement should meet the following guidelines in anticipation of the potential that projects may use FTA assistance:
    - Bind the contractor and all subcontractors engaged in construction on the construction project through the inclusion of appropriate specifications in all relevant solicitation provisions and contract documents;
    - Allow the contractor and all subcontractors, including small and disadvantaged businesses

wishing to compete for contracts and subcontracts to do so without regard to whether they are otherwise parties to collective bargaining agreements;

- Contain guarantees against strikes, lockouts, and similar job disruptions; Set forth effective, prompt, and mutually binding procedures for resolving labor disputes arising during the term of the PLA;
- Provide other mechanisms for labor-management cooperation on matters of mutual interest and concern, including productivity, quality of work, safety, and health; and
- Fully conform to all applicable statutes, regulations, Executive Orders, and Executive Memoranda.

ii. Public Contract Code (PCC) Section 2500 states that a public entity may use, enter into, or require contractors to enter into, a PLA for a construction project only if the agreement includes all of the following taxpayer protection provisions:

- The agreement prohibits discrimination based on race, national origin, religion, sex, sexual orientation, political affiliation, or membership in a labor organization in hiring and dispatching workers for the project;
- The agreement permits all qualified contractors and

subcontractors to bid for and be awarded work on the project without regard to whether they are otherwise parties to collective bargaining agreements;

- The agreement contains an agreed-upon protocol concerning drug testing for workers who will be employed on the project;
- The agreement contains guarantees against work stoppages, strikes, lockouts, and similar disruptions of the project; and
- The agreement provides that disputes arising from the agreement shall be resolved by a neutral arbitrator.

iii. The JPB reserves the right to establish policy goals for to ensure participation by Disadvantaged Business Enterprise (“DBE”) and Small Business Enterprises (“SBE”) and encourage increased utilization rates.

b. PLAs will include a hiring program for underrepresented individuals, also known as a Community Workforce Agreement (“CWA”) and contractors will cooperate with a Community Workforce Coordinator to facilitate implementation of targeted hiring requirements.

2. PLAs will include a standard list of covered and excluded work for projects subject to the Policy. Traditional construction activities on projects subject to the Policy will generally be considered covered work. Excluded work includes, without limitation:
  - a. Activities not considered traditional construction activities;
  - b. Professional services;
  - c. Work performed by JPB employees;
  - d. Operations, maintenance, repair, and safety work; and performed by the JPB rail service contractor, and work performed the Union Pacific Railroad (“UPRR”) or their contractors pursuant to the Trackage Rights Agreement between the JPB and UPRR.
3. The \$10 million threshold will remain in place until modified by the Board of the JPB, but no earlier than the completion of the Caltrain Capital Investment Plan (“CIP”). JPB staff will revisit the threshold following the completion of the CIP, as part of the subsequent biennial budget process, and will make a recommendation for adjustment of the threshold if warranted.
4. Once an agreement has been reached in PLA negotiations for projects covered by the Policy, the PLA will be presented to the Board of the JPB for approval. Upon approval by the Board of the JPB, a copy of the PLA will then be included in any applicable solicitation documents for any construction project covered by this Policy, provided that, the JPB may

determine that the Policy will not apply to a particular project that would otherwise fall within the Policy. In the absence of a JPB Board approved exception, the PLA is binding on all construction contractors and subcontractors on a project covered by the Policy.

5. A Joint Administrative Committee will be formed with three representatives selected by the JPB and three representatives selected by the combined Building Trades Councils.
6. The JPB may engage third party contractor services for the development, implementation, and management of a PLA, in conformance with this Policy, if desired.
7. To monitor performance and determine whether the JPB's goals are being met by PLAs on JPB projects, staff will provide a written annual report regarding PLAs on JPB projects to the Board of the JPB at the end of each calendar year.

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: Kate Jordan Steiner, Chief Financial Officer  
Subject: **Award of Contract for Insurance Brokerage Services**

Finance Committee Recommendation       Technology, Operations, Planning, and Safety Committee Recommendation       Advocacy and Major Projects Committee Recommendation

**Purpose and Recommended Action**

The contract for insurance brokerage services will provide the Peninsula Corridor Joint Powers Board (JPB) with the services of a qualified and experienced insurance brokerage firm that is well-versed in the public transit/railroad property and casualty insurance market, including comprehensive risk management services, Federal Employers' Liability Act (FELA) insurance, and blanket Railroad Protective Liability program for construction projects. The contract will ensure continued, uninterrupted liability and property coverage at competitive rates.

Staff recommends that the Board of Directors (Board) of the JPB:

1. Award a contract to USI Insurance Services, LLC of San Francisco, California (USI) for a five-year base term, with one additional two-year option term, to provide insurance brokerage services (Services) to the JPB at the following costs:
  - a. Total firm fixed cost of \$599,487 for the five-year base term;
  - b. Optional two-year extension cost of \$250,445; and
  - c. Hourly on-call services progressing from \$175 to \$190, from year one to seven, capped at \$30,000.
2. Authorize the Executive Director or designee to execute a professional services contract with USI consistent with the requirements of the JPB as defined by the Scope of Services included in the JPB's Request for Proposals (RFP) and negotiated contract terms and conditions, and in a form approved by legal counsel.
3. Direct staff to issue a Request for Information (RFI) after the fourth year of the base contract to determine if the JPB should exercise a two-year option or issue a new RFP to replace the current contract, present information gathered from the RFI to the Finance Committee, and if the Board, based on the Finance Committee's recommendation, determines that exercising the option is in the best interests of the

REVISED BASED ON 10/23/23 FINANCE COMMITTEE DISCUSSION

JPB, authorize the Executive Director or designee to exercise one, two-year option term.

**Discussion**

The JPB’s current insurance brokerage services contract will expire on December 31, 2023.

On May 15, 2023, the JPB, in collaboration with the San Mateo County Transit District (District) and the San Mateo County Transportation Authority (TA), jointly issued RFP 23-J-S-T-P-054 for the Services and advertised the RFP on the JPB’s e-procurement website (Bonfire). The RFP was posted for about six weeks and included a five-point preference for Small Business Enterprise (SBE) utilization. The JPB received one proposal, which was from the incumbent, USI. Staff reached out to some firms on the plan holders list to inquire why they did not submit a proposal but did not receive any responses.

The proposal from USI was timely submitted and was found to be responsive.

A Selection Committee (Committee) composed of qualified staff reviewed and scored the proposal in accordance with the following weighted criteria:

<b>Evaluation Criteria</b>	<b>Points Available</b>
A. Approach to Scope of Services/Project Methodology	0 to 20
B. Qualifications and Experience of Firm	0 to 20
C. Qualification and Experience of Management Team and Key Personnel	0 to 30
D. Cost Proposal	0 to 30
E. SBE Preference	0 to 5

After review, evaluation, and scoring, the Committee determined that USI has the depth of experience and qualifications needed to perform the Services. The Committee deemed USI’s proposed approach to the Services to be thorough and comprehensive. The proposal provided detailed information and recommendations for types of insurance coverages for each of the three agencies – the JPB, the District, and the TA. Staff conducted a price analysis by comparing the proposed prices to insurance brokerage services contracts at LA Metro; Golden Gate Bridge, Highway and Transportation District; BART; Greater Cleveland Regional Transit Authority; SMART Rail; and AC Transit, and determined that USI’s proposed prices are fair and reasonable.

USI holds the current contracts with all three agencies, which were awarded in 2018. USI has been the Insurance Broker for the JPB since its creation. USI previously did business as Wells Fargo Insurance. Caltrain staff has been highly satisfied with the services and advice provided by USI.



**Consideration by Finance Committee**

The Finance Committee considered staff’s recommendation at its October 23, 2023, meeting. Members of the Committee questioned staff regarding the lack of competition for the contract, and staff explained that they had conducted outreach to five potential bidders, including the three bidders who submitted proposals when the JPB offered the contract for bid in 2018. Although one of the bidders from 2018 participated in the pre-bid conference, the company did not submit a response to the RFP. Staff speculated that potential bidders may have declined to submit a response because the incumbent has held the contract since Caltrain’s inception. In addition, following the Finance Committee meeting, staff determined that the incumbent had substantially underbid the other bidders in 2018, which may have also affected competition in 2023.

Although the Finance Committee expressed support for the five-year contract, they requested that staff re-evaluate the market prior to exercising a two-year option. Staff proposes to issue a request for information (RFI) after year four of the contract to evaluate the market and present information gathered from the RFI to the Finance Committee, which could then make a recommendation to the Board whether to exercise the option or issue a new request for proposals.

**Budget Impact**

Funds to support the award of this contract are included in the adopted Fiscal Years 2024 and 2025 Operating Budgets and will be included in future operating budgets.

Prepared By:	Dominic Brooke	Procurement Administrator II	650.508.6291
	Marshall Rush	Insurance Claims Administrator	650.508.7742

**Resolution No. 2023-**

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

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**Awarding a Contract to USI Insurance, LLC for Insurance Brokerage Services for a Total Not-to-Exceed Amount of \$599,487 for a Five-Year Base Term, Authorizing a Two-Year Option Term for an Additional Not-to-Exceed Amount of \$250,445, and Establishing Rates for up to \$30,000 of Hourly On-Call Services over Seven Years**

**Whereas**, on May 15, 2023, the Peninsula Corridor Joint Powers Board (JPB), in collaboration with the San Mateo County Transit District (District) and the San Mateo County Transportation Authority (TA), jointly issued Request for Proposals (RFP) 23-J-S-T-P-054 for Insurance Brokerage Services (Services); and

**Whereas**, in response to the RFP, the JPB received one proposal from the incumbent, USI Insurance, LLC of San Francisco, California (USI); and

**Whereas**, a Selection Committee (Committee) composed of qualified staff reviewed, evaluated, and scored the proposal in accordance with the weighted criteria set forth in the RFP documents; and

**Whereas**, the Committee determined that USI possesses the requisite qualifications and experience to successfully provide the Services; and

**Whereas**, Staff and legal counsel reviewed USI's proposal and determined it complies with the requirements of the RFP; and

**Whereas**, Staff conducted a price analysis and determined that USI's prices are fair and reasonable; and

**Whereas,** staff recommends that the Board of Directors (Board) award a contract to USI Insurance, LLC to provide the Services for a five-year base term for a total not-to-exceed amount of \$599,487, establish hourly rates for on-call services capped at \$30,000 over seven years, and authorize the Executive Director or designee, after issuance of a Request for Information after the fourth year of the contract, presentation of information gathered in response to the RFI to the Finance Committee in support of a recommendation to the Board, and approval by the Board if in the best interest of the JPB, to exercise a two-year option term for an additional not-to-exceed amount of \$250,445,.

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby awards a contract to USI Insurance, LLC of San Francisco, California to provide Insurance Brokerage Services for a five-year base term for a total not-to-exceed amount of \$599,487; and

**Be It Further Resolved** that the Board authorizes the Executive Director or designee to execute a professional services contract with USI consistent with the requirements of the JPB as defined in the RFP, and negotiated contractual terms and conditions, including as set forth above and including hourly rates for on-call services capped at \$30,000 over seven years, and in a form approved by legal counsel; and

**Be It Further Resolved** that the Board directs staff to issue a Request for Information (RFI) after the fourth year of the base contract to determine if the JPB should exercise a two-year option or issue a new RFP to replace the current contract, present information gathered from the RFI to the Finance Committee, and if the Board, based on the Finance Committee's

recommendation, determines that exercising the option is in the best interests of the JPB,  
authorize the Executive Director or designee to exercise one, two-year option term

Regularly passed and adopted this 2<sup>nd</sup> day of November, 2023 by the following vote:

Ayes:

Noes:

Absent:

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Chair, Peninsula Corridor Joint Powers Board

Attest:

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JPB Secretary

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: Robert Barnard, Deputy Chief, Rail Development  
Subject: **Authorize Use of Construction Manager General Contractor (CMGC) Project Delivery Method Pursuant to Public Utilities Code Section 103395 for the Middle Avenue Pedestrian and Bicycle Undercrossing Project**

Finance Committee Recommendation

Technology, Operations, Planning, and Safety Committee Recommendation

Advocacy and Major Projects Committee Recommendation

**Purpose and Recommended Action**

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

1. Make findings that use of the Construction Manager General Contract (CMGC) project delivery method for the Middle Avenue Pedestrian and Bicycle Undercrossing Project (Project) will accomplish one or more of the following objectives required to utilize this project delivery method pursuant to Public Utilities Code Section 103395, et seq.: reduce project costs; expedite the project's completion; or provide features not achievable through the traditional Design-Bid-Build (DBB) method;
2. Authorize the use of the CMGC project delivery method for the Project based on these findings; and
3. Authorize the Executive Director, or designee, to file any other required documentation and to take any other actions necessary to give effect to this action.

**Discussion**

The Legislature enacted Assembly Bill 797 in 2013 to authorize the San Mateo County Transit District to use the CMGC project delivery approach for public transit projects within its jurisdiction. This authorization extends to the JPB pursuant to the Joint Powers Agreement, which established the JPB.

Pursuant to Public Utilities Code Section 103395, et seq., the JPB may enter into a CMGC project delivery method contract only after taking the following steps. First, JPB must evaluate the traditional Design-Bid-Build (DBB) and CMGC method of project delivery in a public meeting. Second, the JPB must then make written findings that the use of the CMGC project

delivery method on a specific project under consideration will accomplish one or more of the following objectives:

- Reduce project costs;
- Expedite the project's completion; or
- Provide features not achievable through the design-bid-build method.

The JPB must make findings *prior* to entering into a CMGC project delivery method contract. Contracting using the CMGC project delivery method requires two steps. First, the JPB issues a best-value procurement to engage a contractor for preconstruction services. The initial agreement must include a provision for subsequent negotiation of any of the later stages of the project including the construction itself. Second, if the JPB would like to award a contract for construction services after the initial phase of the contract, a Total Contract Price (TCP) must be negotiated. If an acceptable TCP cannot be negotiated, then JPB may award the subsequent phases of the contract using any other method of project delivery permitted by law.

Under the CMGC project delivery method, the agency conducts two qualifications-based selections to separately hire a designer and a CMGC contractor (contractor) to collaborate during the pre-construction design phase to deliver the Project. The contractor is initially authorized to participate in the pre-construction design phase work. Upon agreement on the Total Contract Price (TCP) to deliver the construction work, the contractor's construction phase contract will be executed. The CMGC project delivery balances and facilitates important factors relating to the agency's control, including relationships with stakeholders and access to designer and contractor expertise during the pre-construction design phase.

The objectives of the Middle Avenue Undercrossing Project are to:

- Improve safety for pedestrian and bicyclists, who would otherwise have to travel to adjoining grade crossings to cross over the tracks
- Provide a more direct and safer connection to schools, communities and commercial centers on either side of the Caltrain tracks

After assessment of the respective merits of both the DBB, Progressive Design Build (PDB) and CMGC project delivery methods and how these different project delivery methods would best address the unique features and complexities of the Project, Staff have determined that the use of the CMGC project delivery method will provide features that are not achievable through the DBB process. The CMGC project delivery method will allow contractor collaboration with the designer, providing opportunities to improve the project with innovative solutions. CMGC project delivery is also anticipated to result in reduced project costs and expedited project completion. Proof of the cost and schedule benefits resulting from CMGC project delivery are documented in many industry documents and reports. A listing of some of the available industry documents and reports related to CMGC project delivery cost and schedule benefits are included in the *References* section of the *Alternative Project Delivery Decision Report* dated October 2023, documenting the methods and results of the September 2023 Project Delivery Assessment Workshop. The *Alternative Project Delivery Decision Report* is available upon request.

Staff recommends that the Board make these findings and authorize the use of the CMGC method for the Project. In the future, Staff will seek authorization from the Board to (1) enter into agreements with City of Menlo Park to add to the budget to the Final Design and Pre-Construction phase; (2) amend the FY23 capital budget to include new funds; and (3) amend the Project budget authority.

**Budget Impact**

There is no immediate budget impact as the result of Board action to authorize use of the CMGC contracting approach over the traditional DBB contracting process for the Middle Avenue Pedestrian and Bicycle Undercrossing Project.

Separate from this Board action, project cost updates and project delivery contract negotiations affecting the Middle Avenue Pedestrian and Bicycle Undercrossing Project budget will be discussed and reflected in future JPB budgets.

**Background**

The Middle Avenue Undercrossing project has been a priority project for the City of Menlo Park to improve bicycle and pedestrian safety and connectivity across the Caltrain railroad tracks. In 2016, the City received a grant from SMCTA to fund planning and preliminary design of the proposed undercrossing. After extensive community outreach, the City selected a preferred design in 2019 with further revisions adopted in 2023 to address Caltrain construction and right of way requirements.

**Assessment of Project Delivery Method**

In September 2023, in order to select the most appropriate project delivery method for the Project, six representatives of the local government bodies involved in the project (three from Caltrain, two from the City of Menlo Park, and one from SMCTA) met and conducted a facilitated Project Delivery Assessment Workshop. The objective of the Workshop was to allow the evaluators to compare and score DBB, PDB, and CMGC project delivery methods.

The Workshop participants then completed the Transportation Cooperative Research Program (TCRP) Report 131-based analytical project delivery method assessment and the issue rankings were noted. This analytical project delivery assessment was conducted as a facilitated group discussion with the issue ranking completed using a consensus approach. Following the TCRP Report 131-based project delivery method assessment, the participants individually and without discussion completed the Modified Caltrans Quantitative Project Delivery Assessment Worksheets. The participants’ issues ranking and worksheet scores were recorded by the facilitator. The ranking summary is as follows:

Ranking or Scoring Method	DBB	CMGC	PDB
TCRP Report 131 Analytical Method	51	60	35
Modified Caltrans Quantitative Method	77	99	88

Based on the results of the three project delivery method assessment analyses, the CMGC project delivery method will achieve the Project schedule objectives and reduce Project costs, providing the dominant and obvious choice for delivering the Middle Avenue Pedestrian and Bicycle Undercrossing Project. The conclusion reached by the evaluation team is that the CMGC project delivery method offers several advantages over the traditional Design-Bid-Build method and the alternative Progressive Design-Build method, including potential time and cost savings and providing opportunities for project innovation.

### **Conclusions of the Assessment**

As noted in the Assessment of Project Delivery Method section, the project delivery evaluation team conducted two detailed analyses of potential project delivery methods in a facilitated Workshop. The results of these analyses presented in the previous section demonstrate the CMGC project delivery method is superior to the traditional DBB and alternative PDB project delivery methods. The Workshop methods and analysis results are documented in the *Alternative Project Delivery Decision Report* dated October 2023.

Use of the CMGC project delivery method to design and construct the Middle Avenue Pedestrian and Bicycle Undercrossing Project will: (a) result in substantial costs savings and reduce risk to the JPB; (b) allow the JPB to select a highly qualified contractor with the specialized expertise required to deliver the project; (c) benefit the public by improving safety and coordination during construction; and (d) avoid favoritism and promote competition.

Specific findings which substantiate these conclusions for the Project are as follows:

**Findings:** The CMGC project delivery method will result in substantial savings and reduced financial risk to the JPB. Reduced risk provides a significant value and potential savings.

- a. **Reduced Financial Risk:** The Project will occur during challenging economic conditions within the construction industry. It would be very costly and disruptive if these economic conditions created undue risk and potentially negative financial impacts on the JPB's projects. Using the CMGC project delivery method will allow the JPB to look deeply into the contractor's financial strength and expertise and eliminate participation by those companies who do not have the financial strength or qualifications to successfully complete the project.
- b. **Total Contract Price (TCP) establishes a total contract price prior to starting construction:** The contractor will be able to obtain a complete understanding of the JPB's needs, the Owner's design intent, the scope of the project, the condition of the existing facilities, and the operational needs of the JPB by participating in the development of the design documents. By participating in this pre-construction phase of the Project, the contractor will be able to offer value engineering (VE) suggestions for cost and schedule savings, improvements to the design, and focus the design on the contractor's preferred construction means and methods. With the benefit of this



knowledge, the contractor will be able to negotiate a TCP paid by the JPB for the Project, before JPB executes the construction contract.

- c. **Fewer Change Orders:** When the contractor participates in the pre-construction design process, fewer change orders will occur during the construction process. This is due to the contractor's better understanding of the owner's needs and the designer's intent, and a project design tailored to meet the contractor's proposed means and methods and construction phasing. As a result, the Project is more likely to be completed on time and on budget. In addition, fewer change orders reduce project management costs for both the JPB and the contractor.
- d. **TCP Change Orders are Reduced:** The traditional DBB project delivery method requires the designer to anticipate the low-bid contractor's preferred means and methods and construction phasing and to develop construction plans to accommodate a range of potential construction means and methods. With the contractor's participation in the pre-construction design phase, the designer will focus its design solutions to accommodate the contractor's preferred means and methods and construction phasing, reducing design effort and optimizing construction cost. Industry experience shows contractor participation during the pre-construction design phase avoids and in some cases eliminates contractor Value Engineering proposals and constructability claims during construction. Industry experience shows these benefits are achievable regardless of when contractor participation begins during the pre-construction design phase.
- e. **TCP Change Orders Cost Less:** The traditional Design-Bid-Build project delivery method typically results in contractors charging up to 20% mark-up on construction contract change orders. The CMGC project delivery method applies predetermined mark-ups less than this value. If construction change orders are encountered, the industry experience has been to establish the allowable contractor fixed fee mark-up in the range of 5% to 10%.
- f. **Contractor Construction Fee is Less:** Contracts with the contractor are designed to create a better working relationship between all parties resulting in better risk identification and allocation and reduced risk to the contractor. As a consequence, the contractor's overhead and profit fee is generally in the 3% to 5% range which is lower than the mark-up usually applied to traditional design-bid-build projects.
- g. **The JPB has an Off-Ramp:** In the event the JPB and the contractor cannot reach agreement on the TCP for the construction phase work, the JPB will not execute the contractor's construction phase contract and will advertise and award a contract for the Project using any other method of project delivery permitted by law.

Prepared By:	Arul Edwin	Senior Project Manager	650 339 8845
	Robert Barnard	Deputy Chief, Rail Design and Construction	650.508.7783

**Resolution No. 2023 –**

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

\* \* \*

**Authorize Use of Construction Manager General Contractor (CMGC) Project Delivery  
Method Pursuant To Public Utilities Code Section 103395 for the Middle Avenue  
Pedestrian and Bicycle Undercrossing Project**

**Whereas**, the City of Menlo Park (City) desires to implement a Middle Avenue pedestrian and bicycle undercrossing across the Caltrain tracks to improve safety and connect the communities; and

**Whereas**, the Middle Avenue Pedestrian and Bicycle Undercrossing Project (Project) objectives are to: improve pedestrian and bicycle connectivity and safety; and support activity centers such as schools and commercial centers; and

**Whereas**, the Legislature enacted Assembly Bill 797 in 2013 to authorize the San Mateo County Transit District to use the Construction Manager General Contractor (CMGC) project delivery approach for public transit projects within its jurisdiction. This authorization extends to the Peninsula Corridor Joint Powers Board (JPB) pursuant to the Joint Powers Agreement, which established the JPB; and

**Whereas**, pursuant to Public Utilities Code Section 103395, the JPB may enter into a CMGC project delivery method contract after taking the following steps. First, the Board of Directors (the Board) must evaluate the traditional design-bid-build (DBB) process of construction compared to the CMGC method of project delivery in a public meeting. Second, the Board must make written findings that the use of the CMGC project delivery method on a

specific project under consideration will accomplish one or more of the following objectives: (1) reduce project costs; (2) expedite the project's completion; or (3) provide features not achievable through the design-bid-build method; and

**Whereas**, agency staff representatives of the Peninsula Corridor JPB, City of Menlo Park, and SMCTA have investigated different project delivery methods and have evaluated the respective merits of delivering the Project through the CMGC project delivery method versus the DBB method and the Progressive Design Build (PDB) method; and

**Whereas**, Staff have determined that use of the CMGC project delivery method will benefit the JPB by providing project features not achievable through the DBB project delivery method, such as opportunities for project innovation, and will likely also result in the reduction of project costs and promote the expeditious completion of the project; and

**Whereas**, Staff recommends that the Board make findings that the use of the CMGC project delivery method is in the best interest of the JPB and authorize the use of the CMGC project delivery method to complete the Project; and

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby finds that utilizing the CMGC project delivery method pursuant to Public Utilities Code Section 103395, et seq. for the Project will be in the best interest of the JPB as it will accomplish the objectives of providing project features not achievable through the traditional DBB project delivery method and will likely also reduce project costs and expedite completion; and

**Be It Further Resolved** based upon these findings, the Board hereby authorizes staff to proceed with using the CMGC project delivery method pursuant to Public Utilities Code Section 103395, et seq.

**Be It Further Resolved** that the Board authorizes the Executive Director, or designee, to file any other required documentation and to take such additional actions as may be necessary to give effect to this resolution.

Regularly passed and adopted this 2<sup>nd</sup> day of November 2023 by the following vote:

Ayes:

Noes:

Absent:

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Chair, Peninsula Corridor Joint Powers Board

Attest:

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JPB Secretary  
(00497601)

**Resolution No. 2023 -**

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

\* \* \*

**Honoring National Native American Heritage Month**

**WHEREAS**, the Peninsula Corridor Joint Powers Board (Caltrain) pays tribute to the many contributions Native Americans have made to our country over the centuries; and

**Whereas**, the month of November is an appropriate time to reflect on Native American history and culture to provide all Americans with the opportunity to hear about and appreciate the many contributions of Native Americans; and

**Whereas**, Native Americans have bravely served under the American flag in every conflict in this nation's history, and continue to serve in greater numbers per capita than any other group in the United States; and

**Whereas**, Native Americans maintain diverse and vibrant cultures and traditions, and hold a deeply rooted sense of community; and

**Whereas**, the contributions of Native Americans to our shared culture are too many to name, including the names of places across our country, contributions to art, cuisine, and popular culture, and fundamental concepts we hold central in our government including checks and balances and freedom of speech; and

**Whereas**, the Caltrain believes every person has the freedom to feel valued and respected, and condemns racism in rhetoric or action.

**Now, Therefore, Be It Resolved** that the Peninsula Corridor Joint Powers Board (Caltrain) does hereby recognize November as National Native American Heritage Month and celebrates the countless contributions that Native Americans have made in the United States.

Regularly passed and adopted this 2nd day of November, 2023 by the following vote:

AYES:

NOES:

ABSENT:

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Chair, Peninsula Corridor Joint Powers Board



ATTEST:

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JPB Secretary

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: Taylor Huckaby, Deputy Chief Communications  
Subject: **Approve Three-Year Contract Extension with Outfront Media for Advertising Services**

Finance Committee Recommendation       Technology, Operations, Planning, and Safety Committee Recommendation       Advocacy and Major Projects Committee Recommendation

**Purpose and Recommended Action**

Staff recommend that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB or Caltrain):

- Approve an amendment to the contract with Outfront Media LLC (“OUTFRONT”) for train and station advertising services to extend the contract term by three years through November 14, 2026, and revise the compensation terms for services provided during this period.
- Authorize the Executive Director or designee to execute the contract amendment in a form approved by legal counsel.

**Discussion**

OUTFRONT currently holds the Caltrain advertisement contract. The proposed contract extension will assure an uninterrupted revenue stream from selling exterior train and station advertising while allowing staff appropriate time to develop and solicit a new, multi-year advertising revenue contract.

The original advertisement contract was awarded on October 3, 2013, for a five-year base term with the provision for up to five additional one-year option terms. In July 2017 Caltrain exercised all extension options under the agreement.

Compensation terms for the original contract included OUTFRONT providing the JPB with a minimum annual guarantee (MAG) of ninety thousand dollars (\$90,000) or sixty percent (60%) of net advertising revenues, whichever is greater. The MAG is subject to annual increases by three percent (3%), effective November 15<sup>th</sup> each year.

Upon approval of the proposed contract amendment, OUTFRONT will pay JPB a MAG of \$120,952.53 or 60% of net advertising revenues, whichever is greater. The MAG will continue to be subject to 3% annual increases, effective November 15<sup>th</sup> each year.



REVISED BASED ON 10/23/23 FINANCE COMMITTEE DISCUSSION

**Consideration by Finance Committee**

The Finance Committee considered staff’s recommendation at its October 23, 2023, meeting. Members of the Committee questioned staff regarding the length of the proposed contract extension as well as the compensation structure of Caltrain’s agreement with OUTFRONT, specifically how Caltrain’s revenue share compares to similar advertising arrangements between peer transit agencies and other advertising firms such as Clear Channel.

In response to questions concerning the length of the extension, which exceeds the time necessary to issue a new Request for Proposals (RFP), staff explained that the additional extension will provide at least one full year of ridership growth data post-electrification (2024-2025) to inform a new solicitation, thereby enabling greater negotiating leverage with potential bidders. The primary driver of favorable negotiating conditions is *ridership*, which while rising slowly remains low compared to pre-pandemic data. Future solicitations on the timescale requested will furthermore include the utilization of additional advertising capacity in terms of onboard advertising (EMUs) and monetizing of the Caltrain fiberoptic network.

Advertising revenue is highly dependent on local variables making apples-to-apples comparisons difficult; furthermore, Caltrain’s advertising stream is heavily dependent on economic conditions in downtown San Francisco (4<sup>th</sup> and King station) which has seen a decline in both passenger and foot traffic.

With the current contract, Caltrain has a favorable revenue split (60/40) with OUTFRONT, which compared to current industry standards (50/50) is a net positive.

Early inquiries from other advertising agencies suggests there is not an industry standard MAG; however, 60/40 appears to be an outlier in its favorability toward Caltrain. Staff continue to reach out to other agencies to better understand industry trends and will share additional information as it becomes available. Staff note again that apples-to-apples comparisons are difficult due to hyper-localization of marketing needs that vary widely between regions and economies, as well as differences in total advertising capacity/media between agencies. Again, early returns suggest there is no “industry standard” MAG as MAG is not always included in advertising contracts with other agencies.

**Budget Impact**

Below is a summary of compensation received by the JPB to date under the existing contract.

**Annual Revenue (2013-2023)**

2013-2014:	\$90,000
2014-2015:	\$226,646
2015-2016:	\$189,807
2016-2017:	\$370,203
2017-2018:	\$607,084 (Installed Digital Displays at 4 <sup>th</sup> & King)
2018-2019:	\$978,538

REVISED BASED ON 10/23/23 FINANCE COMMITTEE DISCUSSION

2019-2020: \$1,645,335  
2020-2021: \$370,987 (Covid-19 Impact)  
2021-2022: \$854,474  
2022-2023: \$134,545

The revised MAG for the proposed extension is shown below.

MAG for Contract Extension (2023-2026)

2023-2024: MAG = \$120,952  
2024-2025: MAG = \$124,581  
2025-2026: MAG = \$128,319

The contract's compensation structure provides Caltrain a guaranteed revenue floor for advertising activities and is an effective use of the agency's assets for revenue generation.

Prepared By:	Carl Dos Remedios	Marketing	650-508-6411
	Robert Casumbal	Director, Marketing	650-508-6280

**Resolution No. 2023 –**  
**Board of Directors, Peninsula Corridor Joint Powers Board**  
**State of California**

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**Authorizing Amendment of Contract with Outfront Media for Advertising Services**

**Whereas**, on October 3, 2013, the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) awarded a train and station advertisement contract to Outfront Media LLC (Outfront) for a five-year base term with up to five additional one-year option terms (Resolution 2013-43); and

**Whereas**, in July 2017, the JPB exercised all extension options under the agreement; and

**Whereas**, the original contract required Outfront to provide the JPB with a minimum annual guarantee (MAG) of ninety thousand dollars (\$90,000) or sixty percent (60%) of net advertising revenues, whichever is greater. The MAG is subject to annual increases by three percent (3%), effective November 15<sup>th</sup> each year; and

**Whereas**, the contract provides Caltrain a guaranteed revenue floor for advertising activities and is an effective use of the agency's assets for revenue generation; and

**Whereas**, the current agreement is set to expire in November 2023; and

**Whereas**, Staff recommend that the Board authorize an amendment to the contract with Outfront for train and station advertising services to extend the contract term by three years through November 14, 2026, and revise the compensation terms for services provided during this period; and

**Whereas**, the proposed contract extension will assure an uninterrupted revenue stream from selling exterior train and station advertising while allowing staff appropriate time to develop and solicit a new, multi-year advertising revenue contract; and

**Whereas**, upon execution of the proposed contract amendment, Outfront will pay the JPB a MAG of \$120,952.53 or 60% of net advertising revenues, whichever is greater. The MAG will continue to be subject to 3% annual increases, effective November 15<sup>th</sup> each year; and

**Whereas**, Staff project a MAG for 2024-2025 of \$124,581 and a MAG for 2025-2026 of \$128,319.

**Now, Therefore, Be It Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board: authorizes the Executive Director, or designee to execute an amendment to the contract, in form approved by legal counsel, with Outfront Media LLC for train and station advertising services extending the contract term by three years through November 14, 2026, and revising the compensation terms for services provided during this period as specified above.

**Be It Further Resolved** that the Board of Directors of the Peninsula Corridor Joint Powers Board authorizes the Executive Director, or designee, to file any other required documentation and to take such additional actions as may be necessary to give effect to this resolution.

Regularly passed and adopted this 2<sup>nd</sup> day of November 2023 by the following vote:

Ayes:

Noes:

Absent:

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Chair, Peninsula Corridor Joint Powers Board

Attest:

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JPB Secretary

(00498144)

## MEMORANDUM

**TO:** Peninsula Corridor Joint Powers Board

**FROM:** James C. Harrison & Thomas A. Willis

**DATE:** October 26, 2023

**RE:** Update Regarding Implementation of JPB Governance MOU

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## INTRODUCTION

The purpose of this memorandum is to update Directors regarding the implementation of the Governance Memorandum of Understanding executed by the Peninsula Corridor Joint Powers Board (“JPB”), the Santa Clara Valley Transportation Authority (“VTA”), the San Mateo County Transit District (“SMCTD”), and the City and County of San Francisco (“CCSF”) on August 5, 2022 (“MOU”). We last updated the Board regarding the implementation of the Governance MOU on June 1, 2023. Since that time, SMCTD has received all payments required by the MOU, triggering additional implementation actions described below and eliminating the possibility of reversion under the MOU to the JPB’s former governance structure.

The MOU authorizes the JPB to appoint its own Executive Director, creates five new direct report positions in the Rail Division, and delegates sole authority to the Executive Director over the selection, hiring, annual goal setting, performance review, compensation, and termination of employees in the Rail Division, subject only to SMCTD’s salary ordinance and employee manual and policies. The MOU also provides for the reimbursement of SMCTD for its initial investment in the purchase of the Caltrain Right of Way (“ROW”) and for the conveyance of certain real property interests once SMCTD receives a payment of \$19.6M from the Metropolitan Transportation Commission (“MTC”). The MOU further provides that VTA and CCSF will pay SMCTD a total of \$15.2M for assigning some of the Managing Agency rights to the JPB and for the delay in repayment of SMCTD’s initial contribution. The MOU establishes a series of steps the parties must take to implement the governance changes and reimburse SMCTD. These actions and their status are discussed below.

## BACKGROUND

### **A. Events Leading to the MOU**

In 1991, SMCTD contributed \$82M towards the purchase of the ROW. As a result of its initial investment in Caltrain, SMCTD obtained certain real property interests and the right to serve as Managing Agency of Caltrain until it was repaid. The Member Agencies’ rights and

obligations are set forth in a 1996 Joint Powers Agreement (“JPA”) and a 1991 Real Property Ownership Agreement (“RPOA”).

In 2008, the Member Agencies and the JPB entered into an amendment to the RPOA (“2008 RPOA”) to provide for the repayment of CCSF’s and VTA’s portion of SMCTD’s initial contribution in the amount of \$53.3M. As part of this agreement, SMCTD agreed to forgo certain interest payments, and in exchange, the parties agreed that SMCTD could serve as Managing Agency of Caltrain, under the direction of the SMCTD General Manager, until it no longer wished to serve in that role. The 2008 RPOA, which relied upon state gas tax spillover funds to repay SMCTD, also provided that if SMCTD was not repaid within ten years, MTC would be authorized to identify alternative sources of non-local funds to repay SMCTD. The 2008 RPOA specified that SMCTD would reconvey its interest as a tenant in common to the ROW in San Mateo County to the JPB and relinquish certain other real property interests upon repayment. As of 2018, SMCTD had been repaid approximately \$33.5M of the agreed-upon sum of \$53.3M, leaving \$19.8M outstanding.

On August 6, 2020, in conjunction with adopting a resolution to place Measure RR on the ballot, the JPB adopted Resolution No. 2020-42 to express the Board’s desire to modify Caltrain’s governance structure to allow the JPB to appoint the Caltrain Executive Director (“ED”). The resolution also expressed the JPB’s intent to initiate efforts to reimburse SMCTD for its investment in Caltrain, including by engaging with MTC, and by prioritizing payment of the SMCTD investment, if the voters approved Measure.

Following the passage of Measure RR, the JPB considered various governance proposals. After numerous public meetings, the JPB adopted a term sheet on March 3, 2022, outlining a proposed governance structure and providing for the repayment of SMCTD’s initial investment in the ROW. Following the JPB’s approval of the term sheet, the parties engaged in extensive negotiations that resulted in the execution of MOU.

## **B. The MOU**

As discussed above, the MOU provides for the JPB to appoint its own Executive Director, provides the Executive Director with authority over Caltrain operations and Rail Division employees, and provides for the reimbursement of SMCTD for its investment in Caltrain. Specifically, the MOU:

### **Governance Changes**

- Establishes a separate, permanent Caltrain ED who reports exclusively to, and takes direction from, the JPB, which exercises authority over the selection, hiring, annual goal setting, performance review, compensation, and termination of the Caltrain ED;
- Establishes that the Caltrain ED, as authorized by the JPB, shall have sole authority over the selection, hiring, annual goal setting, performance review, compensation,

- and termination of Rail Division employees, subject only to SMCTD's salary ordinance and employee manual and policies;
- Establishes five new direct report positions reporting to the Caltrain ED. The Executive Director, as authorized by the JPB, has sole authority over the selection, hiring, annual goal setting, performance review, compensation, and termination of the individuals holding these positions, subject only to SMCTD's salary ordinance and employee manual and policies;
  - Specifies that the role of the Managing Agency, as modified by the MOU, is to support the JPB through the employment of all staff directly supporting the railroad and the Caltrain ED and through the provision of fully or partially shared services in the areas of Human Resources, Contracts and Procurements, Information Technology, Civil Rights, Accounting and Treasury, Communications, Government and External Affairs, Finance and Budgets, Real Estate, and Grants;
  - Provides for indemnification by JPB and SMCTD for actions for which they are responsible;
  - Provides a timeline for negotiation of amendments to the RPOA and JPA to conform to the MOU and to address inconsistencies, ambiguities, and uncodified practices;
  - Provides a timeline for the JPB to document the assets it owns; and
  - Provides a timeline for the JPB and SMCTD to negotiate and execute an agreement that governs the provision of fully and partially shared services.

#### **Reimbursement of SMCTD**

- Establishes that MTC will repay SMCTD \$19.6M for the outstanding balance owed pursuant to the 2008 RPOA.<sup>1</sup> Upon repayment, SMCTD shall reconvey to the JPB its interest in the ROW, release other specified interests it has under the RPOA, and release any claims it may have against CCSF and VTA for repayment of the outstanding balance owed under the RPOA and 2008 RPOA; and
- Establishes that CCSF and VTA will pay a total of \$15.2M to SMCTD to compensate SMCTD for the delay in payment of the outstanding balance owed under the 2008 RPOA and for SMCTD's agreement to assign certain Managing Agency rights to the JPB. These payments must be made into escrow by August 4, 2023, or the governance changes described above will revert to the terms of JPA, RPOA, and 2008 RPOA, and other specified terms of MOU will be void.

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<sup>1</sup> The MOU also required CCSF to pay \$200,000 to SMCTD for the outstanding balance under the 2008 RPOA but CCSF has since made that payment.

### **IMPLEMENTATION OF THE MOU**

Under the MOU, the parties are required to take a number of steps to implement the governance changes and reimburse SMCTD. We describe the status of these actions below.

#### **A. MTC Payment of \$19.6M to SMCTD**

MTC agreed to pay SMCTD \$19.6M for the outstanding balance owed pursuant to the 2008 RPOA. The MOU does not provide a deadline by which MTC must make the payment. On September 19, 2023, MTC made a final payment of \$7M to SMCTD, thereby satisfying its commitment under the MOU to pay SMCTD a total of \$19.6M.

Upon full payment of the balance by MTC: (1) SMCTD must reconvey to the JPB all of its interest in title to the ROW; (2) SMCTD's equity conversion interest in the ROW will be extinguished; (3) all ownership of the ROW will vest with the JPB, which shall have sole authority over the management, acquisition, and disposition of real property, except it cannot transfer or sell substantially all of the ROW without Member Agency approval; and (4) SMCTD will be deemed to have released any claim that it may have against CCSF and VTA under the RPOA and 2008 RPOA for SMCTD's initial investment in Caltrain.

Since MTC completed its payment to SMCTD, SMCTD: (1) has executed a Waiver and Release of claims against CCSF and VTA; and (2) is in the process of drafting all necessary documents to reconvey its interest in the ROW to JPB. In addition, SMCTD's equity conversion right has been extinguished as a result of the final payment from MTC, and the JPB now has sole authority over the management, acquisition, and disposition of real property, except that it cannot transfer or sell substantially all of the ROW without Member Agency approval.

#### **B. CCSF and VTA Payment of \$15.2M to SMCTD**

CCSF and VTA agreed to pay SMCTD \$6,080,000 and \$9,120,000 respectively (for a total of \$15.2M) by August 4, 2023, or the governance changes discussed above would revert to the terms in place before the MOU. The payments were to be made into escrow and will be released to SMCTD upon (1) receipt of the full \$15.2M and (2) SMCTD providing written notification to the escrow agent that either it has received the \$19.6 million from MTC or that MTC has satisfied its commitment to pay \$19.6 million.

VTA and CCSF made their respective payments into escrow by August 4, and SMCTD notified the escrow agent that MTC had satisfied its commitment to pay SMCTD \$19.6M. As a result, the escrow agent released the funds to SMCTD.

With the receipt of \$19.6M from MTC and \$15.2M from VTA and CCSF, SMCTD has now received all of the payments required by the MOU, and Section 4 of the MOU, which



provided that the Managing Agency arrangement as modified by the MOU would revert to the terms of the JPA, the RPOA, and the 2008 RPOA, is now void.

**C. Revision of the RPOA**

The MOU required counsel for the parties to negotiate and finalize a Revised RPOA by December 4, 2022, and to present the Revised RPOA to the JPB and Member Agency Boards for approval at their next regularly scheduled meetings *after* MTC pays \$19.6M to SMCTD. MTC completed its payment of \$19.6M to SMCTD on September 19, 2023. Thus, under the schedule established by the MOU, the JPB and Member Agency Boards should have reviewed and approved the Revised RPOA at their next regularly scheduled meetings following September 19, 2023. However, the MOU makes clear that the failure of the parties to agree to a revised RPOA by that time does not affect the validity of the MOU, which takes precedence over conflicting provisions in the RPOA.

The MOU required that the revised RPOA: (1) conform the RPOA with the terms of the MOU, (2) resolve inconsistencies between the RPOA and JPA, (3) clarify any ambiguities in the RPOA and JPA, and (4) codify certain current practices that are inconsistent with the JPA. In the event that reversion occurs, the MOU specifies that the Revised RPOA would be limited to conforming the RPOA with the MOU.

Although counsel for the parties met the interim deadlines for exchanging drafts and comments on the Revised RPOA, including the distribution of a final Revised RPOA by December 4, 2022, counsel for the parties were unable to agree on a definitive version of the Revised RPOA. Counsel for the parties, however, have continued to negotiate since the December deadline. On March 30, 2023, counsel for the JPB circulated a revised version of the Revised RPOA, which was accepted by counsel for VTA and CCSF but rejected by counsel for SMCTD.

After MTC made its final payment in September, counsel for the JPB and SMCTD revived negotiations in an effort to finalize an amended RPOA. Counsel for the JPB and SMCTD have agreed on a draft proposal to revise the RPOA and intend to present the proposal to counsel for VTA and CCSF for their consideration. If counsel agree on the proposal, the amended RPOA could be presented for approval to the JPB and Member Agency Boards as early as December.

**D. Shared Services Agreement**

The MOU requires that SMCTD and the JPB negotiate a shared services agreement to govern SMCTD's provision of fully and partially shared services to the JPB in the areas of Human Resources, Contracts and Procurements, Information Technology, Civil Rights, Accounting and Treasury, Communications, Government and External Affairs, Finance and Budgets, Real Estate, and Grants, and to present that agreement to their respective boards

within three months of VTA and CCSF's payment of \$15.2M into the escrow account, or November 2023.

Staff and counsel for SMCTD and the JPB have met on multiple occasions to discuss shared services and have exchanged drafts of a shared services agreement and a template for work plans that would be used to implement the agreement. The parties have also met to discuss the independent cost allocation plan (ICAP), which sets forth the methodology for Caltrain's reimbursement of SMCTD for shared services and overhead expenses. The parties continue to make progress towards a final agreement, but they are not yet prepared to present a final agreement for consideration by their respective Boards. Although the parties will not meet the November deadline established by the MOU for board consideration of a shared services agreement, they continue to work cooperatively towards that goal, and the MOU makes clear that the failure to meet that deadline does not affect the validity of the MOU. In addition, under the MOU, the parties continue to operate under the ICAP in effect as of January 1, 2022, until a shared services agreement is completed.

#### **E. JPB Assets**

The MOU requires the JPB to document the assets it owns no later than three months after payment of the \$15.2M into escrow by VTA and CCSF, or by November 2023. Over the last few months, JPB and SMCTD staff have compiled an inventory of the JPB's assets, which fall into two categories: capital assets and real property. Staff is reviewing the asset inventory for accuracy and will make it available to the Board for review in the near future.

The major categories of capital assets include:

- Rolling stock
- Structures, Bridges, and Tunnels
- TVMs and Clipper add-value machines
- Stations and station improvements
- Yard improvements
- Track work/rehab
- Signal optimization/signal interlocking systems
- Non-revenue vehicles
- Yard equipment, tanks & fuel storage
- Signage and signage replacement
- Grade crossing improvements
- ROW fencing and lighting
- Bike lockers

All equipment and property with a cost greater than \$5,000 and a useful life of more than one year is capitalized and assigned an asset number that can be tracked by project

identification number, funding sources, general ledger account numbers, asset categories, etc. Every month, staff update the Net Book Value by taking the original purchase price and deducting the total depreciation. At the end of each fiscal year, staff review and verify the assets and update the capital list. Staff calculate depreciation for capital items monthly on a straight-line basis in the accounting system, based on the useful life.

Staff have also compiled a matrix identifying real property owned by the JPB, as well as maps depicting the JPB's real property ownership and interests. Staff will make these available to the Board for review once they are complete and verified.

**F. CalPERS**

Counsel for the JPB and Member Agencies have been engaged in ongoing discussions about how best to ensure that the Caltrain ED and Rail Division employees remain eligible to participate in CalPERS to the same extent and with the same benefits they have through SMCTD's contract with CalPERS, notwithstanding the governance changes. The JPB has hired outside counsel specializing in CalPERS issues to advise the JPB, and we expect to provide the Board with an update and proposed plan within the next two months. As you will recall, the JPB appointed Michelle Bouchard as Caltrain's Executive Director, contingent upon the resolution of this issue, in order to ensure the employment relationship between SMCTD and the Caltrain ED and Rail Division employees remained unchanged while we addressed this matter.

**G. Addition of Chief Safety Officer as Rail Direct Report**

In January 2023, Executive Director Bouchard requested that SMCTD establish the position of Chief Safety Officer reporting directly to the Caltrain Executive Director. Under Section 2.F of the MOU, the JPB does not have the authority to replace a function currently being performed through partially and fully shared services with a direct report unless SMCTD and the JPB mutually agree to the change. Under the then-current shared services arrangement, SMCTD provided safety and security services to Caltrain through SMCTD's Director of Safety and Security.

As an agency regulated by the Federal Railroad Administration (FRA), Caltrain is subject to extensive operating and safety mandates, requiring deep knowledge of FRA compliance, procedures, and programs. The absence of a rail-dedicated safety officer reporting directly to the Caltrain Executive Director was inconsistent with federal guidance and industry best practices and, in Caltrain's view, an impediment to the implementation of a successful rail safety program.

Staff for the JPB and SMCTD agreed to present the proposal to establish a Chief Safety Officer position reporting to the Caltrain ED to their boards, and on February 2, 2023, and February 1, 2023, respectively, the boards of the JPB and SMCTD authorized Caltrain to

Peninsula Corridor Joint Powers Board

October 26, 2023

Page 8

establish the position of Caltrain Chief Safety Officer, reporting directly to the Caltrain Executive Director. The parties documented this decision in an agreement dated March 21, 2023.

(00498255-3)

**Peninsula Corridor Joint Powers Board  
Staff Report**

To: Board of Directors  
Through: Michelle Bouchard, Executive Director  
From: Pranaya Shrestha, Chief Officer, Caltrain Modernization Program  
Subject: **Peninsula Corridor Electrification Project Monthly Progress Report**

Finance Committee Recommendation       Technology, Operations, Planning, and Safety Committee Recommendation       Advocacy and Major Projects Committee Recommendation

**Purpose and Recommended Action**

Staff Coordinating Council recommends the Board receive the Peninsula Corridor Electrification Project (PCEP) Monthly Progress Report (MPR).

No action required.

**Discussion**

Staff prepares and submits a report covering the PCEP monthly.

**Background**

The MPR is intended to provide funding partners, stakeholders, and the public a PCEP overview and an overall update on project progress. This document provides information on the scope, cost, funding, schedule, and project implementation.

**Budget Impact**

There is no impact on the budget.

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## Caltrain Modernization Program Peninsula Corridor Electrification Project (PCEP)



# Executive Monthly Progress Report

September 30, 2023

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## Peninsula Corridor Electrification Project

### Monthly Progress Report – September 2023

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#### 1.0 EXECUTIVE SUMMARY

##### 1.1 Introduction

The Peninsula Corridor Electrification Project (PCEP) will upgrade 51 miles of diesel service to electrified service from San Francisco to San Jose (Tamien Station). The PCEP scope of work includes design and construction of an overhead contact system, traction power facilities, modification of the existing signaling and grade crossing protection system to make it compatible with the electrified railroad, substation improvements at Pacific Gas and Electric (PG&E) substations, and modifications at existing tunnels and Caltrain's maintenance facility. It also includes the design, manufacturing, assembly, testing, and delivery of the Electric Multiple Units (EMUs).

Caltrain completed a thorough assessment of all aspects of the program including cost, schedule, risks, and organization after the global settlement in 2021. Caltrain re-baselined the program budget and schedule in December of 2021. Caltrain finished a schedule reforecast in March 2023 and is committed to deliver PCEP and achieve revenue service in September of 2024.

##### 1.2 Program Cost and Budget

On December 6, 2021, the JPB adopted a new PCEP program budget of \$2,442,690,697. On January 31, 2023, Caltrain received a \$367 million funding award from California's Transit and Intercity Rail Capital Program's (TIRCP) Cycle 6 Existing Project Reserve, representing the remaining funding needed to complete the project. The project is now fully funded in the amount of \$2,442,690,697. As of September 2023, the project is on budget:

- The current project total cost at completion (EAC) is the same as the Board adopted budget of \$2.44 billion.
- As of September 2023, a total of \$11.0M has been drawn down from the Shared Risk Pool of \$50 million. In September 2023, \$252,938.00 was drawn from the Shared Risk Pool.
- As of September 2023, a total of \$12.2M has been drawn from the project contingency of \$40 million. In September 2023, there was no draw from project contingency.
- As of September 2023, no new awards have been made from the Project incentive pool of \$18.5 million.
- As of September 2023, no incentive was issued from the milestone incentive pool of \$15 million.

##### 1.3 Program Progress and Schedule

As of September 29, 2023, the overall project completion is 88.08%. The current program schedule is projecting a PCEP substantial completion date of April 2024 and Revenue Service by September 2024. Staff is implementing a 2023 path to completion with 31 weekend area focused bus bridges to maximize track access to allow system integration testing, signal cutovers, and proactive OCS construction productivity mitigations for the remaining PCEP work.

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**Peninsula Corridor Electrification Project**  
**Monthly Progress Report – September 2023**

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**1.4 Change Management Board (CMB)**

In September 2023, no items were brought to the CMB for approval:

**1.5 This Month's Accomplishments**

The project team has completed the following notable activities for the month of September 2023:

- Successfully energized Traction PowerStation 1 both lines.
- Completed all 2SC Signal and Crossing cutovers for all Segments.
- Continued to monitor monthly project schedule against the reforecast that reflects the path to completion with 31 focused area weekend closures. The reforecast schedule does not change the Project completion date. Interim milestones have been developed and measured against the reforecast schedule.
- Continued to coordinate low voltage power drop applications with PG&E and utilizing generators to support project testing and cutovers.
- Hosted FTA Administrator tour of PCEP project
- Held EMU Public event at San Francisco 4<sup>th</sup> and King.
- Completed all OCS Wire
- Continued bi-weekly project completion road map meeting with Design-Build Contractor Executives to monitor OCS productivities and addressed TPS findings. Additional third-party crews have been working on regulations since June 2023.
- Completed operations planning, ambassador, and rail service planning effort for Segments 1 and 2 OCS construction weekend area closures for October three weekends bus bridge.
- Completed Segment 3 Live run testing up to San Antonio.
- Completed Live run Testing with Civil speed up to 79 mph at the mainline
- Continued Operator's refresher training at the Drill Track.
- Held Monthly CMB meeting for program status and change order approval.
- Continued to work with FRA on Submitted Programmatic Agreement (PA) amendment review and approval.
- Continued safety special task force working group, including TASI, Rail Operations and PCEP to address communications, process, and procedure improvements.
- Continued providing PCEP progress updates to funding partners, leadership, elected officials, citizens, and business community.
- Continued Rail Activation effort on taking on isolation and protection service post completion of Milestone 1.
- Completed EMU PTC Field Integrated testing on mainline.
- Complete EMU EMI Testing
- Finalized short circuit test sequence and test dates with PG&E support.
- Continue project close out effort and finalize Segment 4 and Segment 3 punch list items.
- Received Temporary Use Permit (TUP) for Milestone 1 limits (Diridon to San Antonio) and Drill Track, Caltrain commenced first EMU burin in Test on main line.
- Performed TPS1 load bank test successfully.

## Peninsula Corridor Electrification Project

### Monthly Progress Report – September 2023

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- Complete service plan and special train schedule for October Segment 1 and 2 OCS remaining weekend area closure.

#### 1.6 Upcoming work

For the next six months, the PCEP team has set additional goals as described below:

- Complete all OCS Regulations for Segments 1 and 2
- Complete Segments 1 and 2 Sectionalization Testing
- Perform the remaining 5 short circuit testing.
- Complete Guadalupe OCS installation and test once Guadalupe project hands off MT2 in October of 2023
- Continue to coordinate with Broadband Project, work with vehicle manufacturer and revise EMU production schedule that includes broadband equipment installation.
- Continue bi-weekly project completion road map meeting with Design-Build Contractor Executives to address path to substantial completion.
- Continue operations planning, ambassador, and rail service planning minor issues efforts for Segment 1 and 2 live runs.
- Continue to coordinate with PG&E on low voltage power drop applications, and distribution line de-energization work.
- Complete 3 joint punch list walks.
- Hold Monthly CMB meeting for program status and change order approval.
- Complete certification of conformance for Milestone 1 limits which will provide 14 miles electrified line for EMU burn-in September 2023.
- Complete EMU revenue service maintenance program, EMU storage plan, diesel fleet exit plan, and fleet management plan.
- Complete Programmatic Agreement (PA) amendment and finalize burial agreement and treatment plan.
- Continue EMU acceptance testing (burn in)
- Receive four more EMU trainsets.
- Complete end to end full corridor live runs prior to substantial completion.
- Finalize Substantial Completion and Final Acceptance Check List.

The PCEP Project is currently on budget and on time for achieving Revenue Service in September of 2024.

#### 1.7 Critical Items

As of September 2023, PCEP has energized traction power substations, completed All Segment signal cutover, fulfilled the \$410M funding gap, and has adequate RWIC to support field construction. The top critical items and related actions are highlighted below.

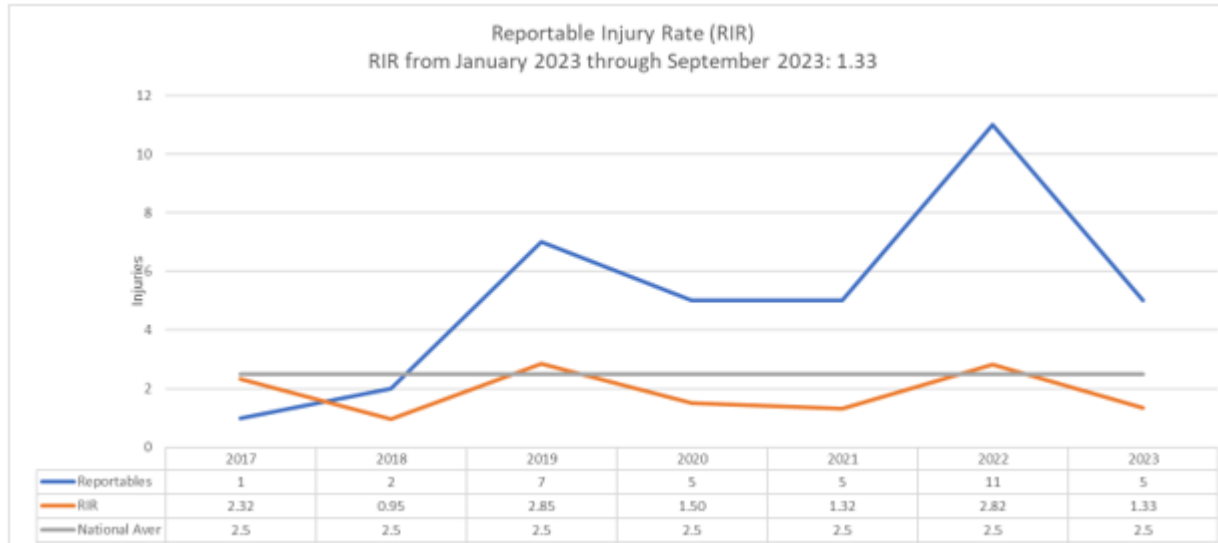
**Peninsula Corridor Electrification Project  
Monthly Progress Report – September 2023**

**Table 1-1. Critical Issues and Actions**

Critical Issues	Actions
<p>Overhead Contact System (OCS) installation delay due to low productivity</p> <p>Note: The project OCS work was on hold from March 10, 2022, to March 28, 2022, during the safety stand down.</p> <p>Segment 2 OCS was damaged during high wind and heavy rainstorms in late December 2022 and early January 2023</p>	<ul style="list-style-type: none"> <li>• Additional BBII OCS crew training for regulation and variance in the OCS design / installation due to re-design &amp; accommodations to resolve foundation Differing Site Conditions (DSC) issues – Completed.</li> <li>• Hiring additional BBII OCS staff members to prevent schedule slippage and help in future installation planning – Completed.</li> <li>• Hold OCS construction scheduling recovery workshop for remaining OCS installation and testing – Completed.</li> <li>• Increase OCS crews and OCS wiring equipment to increase productivity – Completed.</li> <li>• More track access including weekend area closures for remaining Segments 1 and 2 OCS construction and testing. Weekend bus bridge construction started on February 11, 2023.</li> <li>• OCS storm repair work for Segment 2 is planned for September 2023 due to rainstorm and long lead time for materials. Completed</li> <li>• Bring on more regulating crews in May 2023. Mass will start regulating work in the first week of June 2023 – Completed.</li> <li>• Procure more equipment parts and ensure all equipment is performing well for construction – Completed.</li> <li>• Bring on equipment fitters and warehouse material manager on site – Completed.</li> </ul>
<p>Complete TPS Short Circuit Tests</p> <ul style="list-style-type: none"> <li>• TPS 2 short circuit test delays drill track and Segment 4 mainline energization. TPS 2 Short circuit test was performed in May 2023 with some follow up actions.</li> <li>• TPS 1 Short Circuit Test is scheduled for October 21st.</li> </ul>	<ul style="list-style-type: none"> <li>• Perform comprehensive root cause analysis and develop corrective action plan – Completed.</li> <li>• Implement configuration change control process including design drawing, shop drawings, as-built version control to ensure all parties are using the same set of drawings for TPS2 testing – On-going.</li> <li>• Perform technical working groups including all vendors and EOR – On-going.</li> <li>• Weekly management team briefing on corrective action status – On-going.</li> <li>• Perform independent assessment of the TPS – Completed.</li> <li>• Develop SSWP for all work performed at TPS for Caltrain review and approval – On-going.</li> <li>• Perform field verification and pre-testing before short circuit re-test – Completed.</li> <li>• Perform load bank testing prior to short circuit re-test. – Completed.</li> <li>• Developed remaining short circuit tests required for system completion – on going.</li> </ul>
<p>Theft of impedance bond or grounding cables may delay segment live run testing because the system (or portions of the system) cannot be energized without impedance bonds</p>	<ul style="list-style-type: none"> <li>• Monitor hot spot areas in segments 1, 3 and 4. Perform just in time replacement right before the testing.</li> <li>• Report Theft incidents with Transit PD</li> <li>• Enhance security with cameras and other monitoring systems.</li> <li>• Work with Communications on high voltage safety messages</li> <li>• Distribute high voltage safety fliers to the homeless encampments.</li> <li>• Implement asphalt cover for impedance bonds that have been repeatedly stolen. – on-going</li> </ul>

**2.0 SAFETY**

There were no reportable injuries in September 2023. Total reportable injuries remain at 5 for the year. The Reportable Injury Rate (RIR) for 2023 YTD is currently 1.33. Overall, since the project’s construction started in 2017, the RIR is at 1.52, which remains below the national average of 2.5.



**Figure 2-1. Project Reportable Injury Rate (RIR) by Year**

**Completed Work**

Safety staff continues to coordinate with contractors to identify opportunities to improve safety performance. Organizational-wide safety briefings are being performed to ensure staff understand the application of post incident mitigation measures including rules and procedural changes designed to enhance safety. Project Safety continues to reinforce jobsite safety practices throughout the Caltrain alignment, investigate incidents, and identify mitigation measures to prevent re-occurrences. Safety project coordination meetings continue to be conducted monthly to promote a clear understanding of project safety requirements. In addition, Caltrain Safety continues weekly calls with the lead safety staff from Caltrain, PCEP, BBII, and TASI to discuss safety performance and ongoing initiatives. Caltrain initiated the 10’/10’ rule: 10’ from track and 10’ from overhead wires.

**Upcoming Work**

The Fire/Life Safety Committee continues to work with emergency responders along the Caltrain corridor on emergency preparedness in advance of energization. The safety team has updated the OCS and EMU emergency responder safety familiarization presentations to include voiceover features for use by the Fire Departments. The presentation will also be shared with other emergency responder jurisdictions through the project Fire/Life Safety Committee.

OCS and EMU First Responder was conducted in San Francisco in early October. Redwood City, San Carlos and Belmont are being conducted this month. All first Responder training will be completed by the end of October.

Trainings for Police Departments along the corridor are also currently being scheduled by the Transit Police.

To date there have been 96 classes for Emergency Responders (769 people trained) while over 225 3<sup>rd</sup> party contractors and tenant railroad employees have been trained.

### **3.0 IMS PROGRAM SCHEDULE**

#### **3.1 Introduction**

The Integrated Master Schedule (IMS) Program Summary Schedule depicted in

**Figure 3-1.** Master Program Summary Schedule shows the schedule status of the major PCEP projects. The current schedule dates for this program schedule were based on BBII’s September 2023 Progress Schedule as well as the Stadler September 2023 EMU Progress Schedule. The Revenue Service Date (RSD) remains as September 26, 2024, and Full Funding Grant Agreement (FFGA) Revenue Completion Date (RCD) is still shown as December 31, 2024.

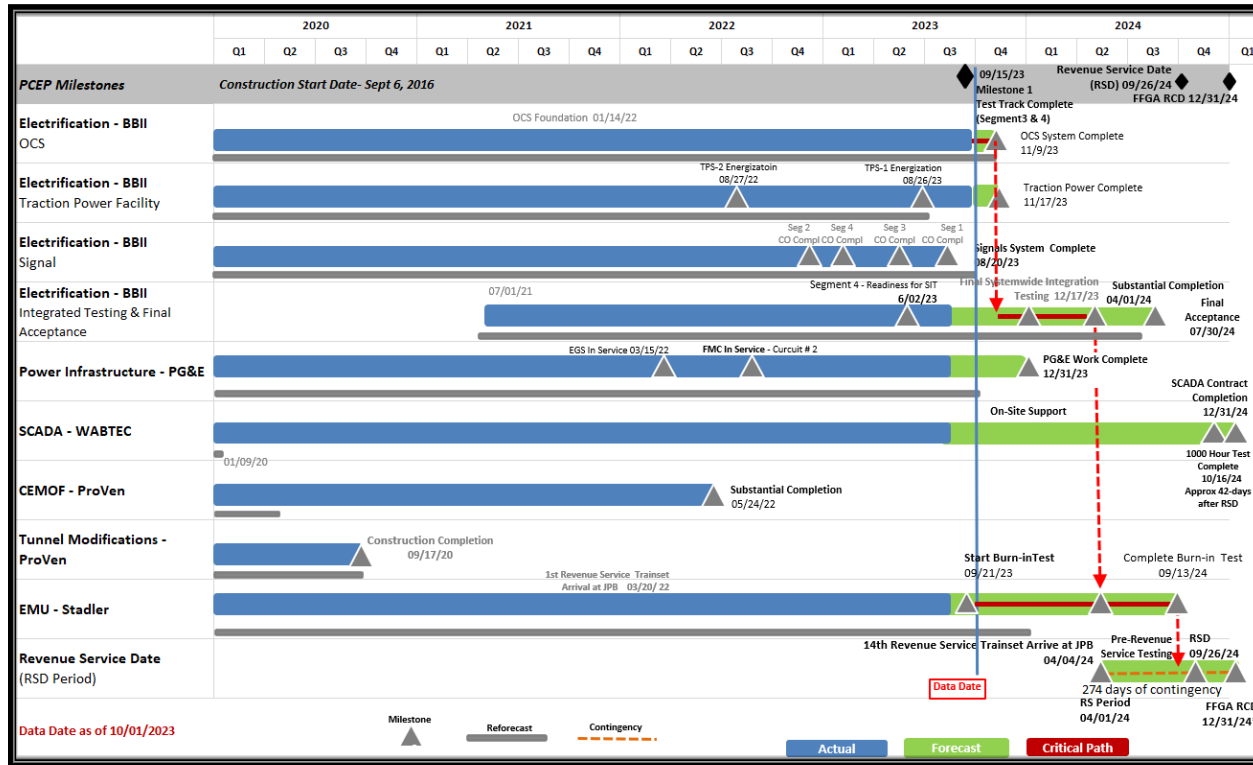


Figure 3-1. Master Program Summary Schedule





### 3.2 Critical Path Analysis

The current critical path has changed this month to the final Segment 4 Short Circuit Testing. This work is followed by Live Run Testing in Segments 1 and 2 followed by the 92-day Project Schedule Contingency, Substantial Completion, and Final Acceptance. The Longest Path plot (shown below) represents the as submitted critical path for the BII September 2023 Update schedule.

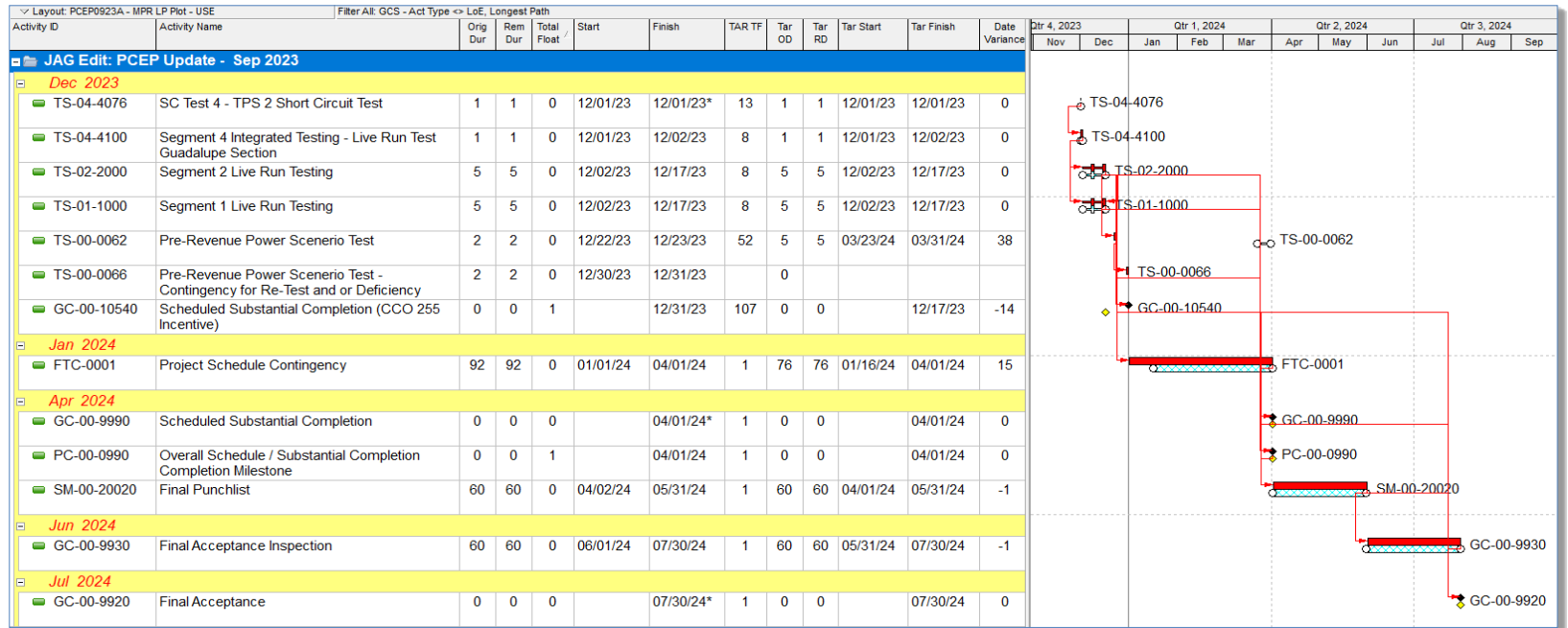


Figure 3-2. Critical Path Schedule



3.3 Schedule Contract Milestone Analysis

Contractor	Milestones	Reforecast Dates (Dec 2022)	Current Dates (Aug 2023)	Milestone Finish Date Variance	Total Float	Remarks
BBII	Segment 4 Completion (Final Short Circuit Test Report Delivered to JPB)	2/5/2023	5/31/2023	-115		Completed
BBII	Signal Cutovers and Systems Completion	8/20/2023	8/20/2023	0		Completed
BBII	Traction Power Substation #1 Energization	9/12/2023	8/26/2023	17		Completed
BBII	Completion of Milestone 1 (Segments 3 and 4)	5/28/2023	9/15/2023	-110		Completed
BBII	OCS Construction Completion	10/2/2023	11/9/2023	-38	23	This date does not include Guadalupe Bridge work.
BBII	OCS Construction Completion (Guadalupe Bridge)	10/25/2023	11/30/2023	-36	2	This milestone date includes the delivery of Guadalupe Bridge back to BBII on 10/21/2023.
BBII	System Integration Testing Start (Segment 4)	4/10/2023	06/05/2023	-55	0	JPB Continues to perform SIT testing in Segment 3 and 4.
BBII	System Integration Testing Completion	11/18/2023	12/17/2023	-29	0	Delayed by SC Test 4 – TPS 2 Short Circuit Test and Segments 1 and 2 Live Run Testing
BBII	Scheduled Substantial Completion	4/1/2024	4/1/2024	0	0	
Stadler	14th Trainset Arrival at JPB Site	10/12/2023	4/5/2024	-176	-10	The date committed to deliver the first 14 Trainsets by 3/24/2024 has slipped to 4/5/2024 (same as August Update).
BBII	Scheduled Final Acceptance	7/30/2024	7/30/2024	0	0	
JPB	Revenue Service Date (RSD)	9/26/2024	9/26/2024	0	N/A	

Figure 3-3. Contract Milestone Analysis



**4.0 COST AND BUDGET**

**4.1 Introduction**

This section presents an update on program cost and budget. On December 6, 2021, the JPB adopted a new Program budget of \$2.44 billion. Table 4-1 depicts a summary level of program budget, costs, and estimate at completion based on the latest update of the Electrification and EMU projects as of September 30, 2023.

**4.2 Program Budget and Cost**

**Table 4-1. Budget Summary by Project**

Description of Work	Current Budget (A) <sup>1</sup>	Cost This Month (B) <sup>2</sup>	Cost To Date (C) <sup>3</sup>	Estimate To Complete (D)	Estimate At Completion (E) = (C) + (D)	Variance at Completion (F) = (A) – (E)
Electrification	\$1,749,139,439	\$21,617,407	\$1,645,225,441	\$109,448,181	\$1,754,673,622	\$(5,534,183) <sup>4</sup>
EMU	\$693,551,258	\$15,372,575	\$540,960,986	\$147,056,089	\$688,017,075	\$5,534,183
<b>PCEP TOTAL</b>	<b>\$2,442,690,697</b>	<b>\$36,989,982</b>	<b>\$2,186,186,427</b>	<b>\$256,504,270</b>	<b>\$2,442,690,697</b>	<b>\$0</b>

- Column A "Current Budget" includes re-baseline and executed change orders and awarded contracts.
- Column B "Cost This Month" represents the cost of work performed this month.
- Column C "Cost to Date" includes actuals (amount paid) and accruals (amount of work performed) to date.
- Column F "Variance at Completion" includes forecasted transfer of contingency from EMU to Electrification project.

Table 4-2 depicts program budget, costs, and estimate at completion summarized by major elements of work. This budget table provides additional detail for the program and is broken down by major contracts for Electrification and EMU, minor contracts, real estate, utilities, project management oversight and other indirect support costs.

**Table 4-2. Budget Summary by Major Elements**

Description of Work	Re-Baseline Budget	Current Budget	Cost This Month	Cost To Date	Estimate To Complete	Estimate At Completion
Electrification	\$1,097,149,881	\$1,097,149,881	\$16,209,823	\$998,503,046	\$98,530,835	\$1,097,033,881
EMU Procurement	\$556,072,601	\$564,986,271	\$13,732,160	\$447,488,828	\$117,497,443	\$564,986,271
Minor Construction Contracts (Tunnel, CEMOF, SCADA, Non-BBI OCS)	\$67,055,072	\$68,091,194	\$0	\$64,943,792	\$2,382,275	\$67,326,067
Real Estate Acquisition & Support	\$34,914,177	\$34,914,177	\$24,480	\$24,557,398	\$10,356,779	\$34,914,177
PG&E, Utilities	\$132,088,994	\$132,088,994	-\$288,547	\$206,703,467	-\$78,444,073	\$128,259,394
Management Oversight & Support	\$312,699,697	\$315,007,767	\$3,066,886	\$284,768,984	\$30,238,783	\$315,007,767
TASI Support	\$114,488,767	\$114,488,767	\$2,967,591	\$107,795,341	\$28,733,128	\$136,528,469
Finance Charges	\$9,898,638	\$9,898,638	\$35,778	\$9,776,649	\$121,989	\$9,898,638
Insurance	\$6,581,851	\$6,581,851	\$0	\$6,291,001	\$290,850	\$6,581,851
Other Required Projects & Services	\$9,084,176	\$10,484,176	\$176,045	\$5,731,807	\$4,952,369	\$10,684,176
Environmental Mitigation	\$14,438,866	\$13,038,866	\$0	\$1,294,369	\$11,544,497	\$12,838,866
Caltrain Capital Overhead (ICAP)	\$48,217,887	\$48,217,887	\$1,065,765	\$28,331,743	\$19,886,144	\$48,217,887
Contingency	\$40,000,089	\$27,742,227	\$0	\$0	\$10,413,251	\$10,413,251
<b>Total</b>	<b>\$2,442,690,697</b>	<b>\$2,442,690,697</b>	<b>\$36,989,982</b>	<b>\$2,186,186,427</b>	<b>\$256,504,270</b>	<b>\$2,442,690,697</b>

**4.3 Program Shared Risk Pool and Contingency**

Caltrain and Balfour Beatty Infrastructure, Inc. (BBII) continue implementing new

mechanisms to ensure a collaborative approach to Project delivery. The management team meets every week to review the issues log focusing on risk mitigation and issues resolution.

As part of global settlement, a shared risk pool of \$50 million was established to manage risks and mitigation proactively and collaboratively with the design-build contractor. Table 4-3 shows the current shared risk drawdown for the current month and to-date as well as the remaining balance of the shared Risk Pool by Risk Category. Any shared risk items (27 Risk IDs listed below in Table 4-3) that are above \$250,000 require Change Management Board (CMB) approval.

**Table 4-3. Shared Risk Pool Status as of September 2023**

Risk ID	Risk Description	Risk Amount	Current Month	Executed to Date	Remaining Balance
1	Permanent Power Availability	\$268,572	\$0	\$178,365	\$90,207
2	Different Site Condition for OCS Foundation	\$3,500,000	\$0	\$1,253,451	\$2,246,549
3	Different Site Condition for Duct bank	\$2,800,000	\$0	\$435,798	\$2,364,202
4	Condition of existing Fiber backbone infrastructure	\$3,150,000	\$0	\$402,275	\$2,747,725
5	Availability of TASI Resource	\$5,777,820	\$0	\$0	\$5,777,820
6	Signal Cutover access and work window	\$5,607,150	\$0	\$0	\$5,607,150
7	Condition of existing signal system	\$538,572	\$0	\$507,167	\$31,405
8	EMI Nonconformance by EMU Vendor	\$750,000	\$0	\$13,184	\$736,817
9	Reed Street Cutover	\$90,000	\$111,765	\$111,765	-\$21,765
10	Availability of low voltage power for cutover testing	\$1,120,000	\$0	\$2,381,123	-\$1,261,123
11	Third party Permits	\$150,000	\$0	\$0	\$150,000
12	SCADA integration for the entire alignment	\$159,524	\$0	\$0	\$159,524
13	Tunnel OCS Compatibility	\$167,500	\$0	\$157,418	\$10,083
14	Supply chain issue due to COVID 19	\$300,000	\$0	\$28,923	\$271,077
15	End to end Systems integration commissioning	\$2,100,000	\$0	\$0	\$2,100,000
16	Existing Caltrain Operating systems interface and integration	\$1,400,000	\$0	\$71,920	\$1,328,080
17	Third party Approval	\$150,000	\$0	\$353,277	-\$203,277
18	Impact from Caltrain other capital or third-party projects	\$2,166,683	\$0	\$888,836	\$1,277,846
19	Track access delay for BBII Construction	\$1,800,000	\$57,155	\$807,596	\$992,405
20	Additional light Maintenance and Protection Needs	\$280,000	\$0	\$164,531	\$115,469
21	Crossing Protection	\$220,000	\$0	\$102,334	\$117,666
22	Power facilities	\$500,000	\$0	\$845,576	-\$345,576
23	NCR's	\$0	\$0	\$0	\$0
24	Potholing	\$1,700,000	\$0	\$107,547	\$1,592,453
25	Pre-Revenue Service Operational Testing	\$250,000	\$0	\$0	\$250,000
26	TRO Contingency	\$3,000,000	\$0	\$0	\$3,000,000
27	Contingency	\$12,000,000	\$84,019	\$2,202,812	\$9,797,188
NA	Unidentified	\$54,179	\$0	\$0	\$54,179
	<b>BBII Risk Pool Total</b>	<b>\$50,000,000</b>	<b>\$252,938</b>	<b>\$11,013,897</b>	<b>\$38,986,103</b>

In addition to the established Risk Pool with BBII, the Re-Baseline Budget includes a program contingency of \$40 million to cover non-BBII potential changes and unknowns. Table 4-4 provides a detailed status of approved transfers from contingency due to executed Contract Change Orders and approved Budget Transfers as well as transfers from contingency forecasted to be needed.

**Table 4-4. Program Contingency Drawdown Balance**

Change Order ID	Description	Contingency
<b>PCEP Contingency Budget</b>		<b>\$40,000,088</b>
STA-056-CCO-038	Allowance for Electric Power Cost at TTCI	(\$132,365)
STA-056-CCO-041	Manual Phase Break	(\$43,520)
STA-056-CCO-042	Stadler Project Time Extension	(\$8,021,124)
ARINC-061-CCO-005	Traction Power Facility SCADA Database Changes	(\$1,036,122)
PROV-070-CCO-056	Proven Tunnels Final Settlement	\$1,000,000
PROV-071-CCO-069	Proven CEMOF Final Settlement	(\$1,000,000)
BT-027D	Legal Support FY23 - PG&E Counsel	(\$200,000)
BT-029D	GFI Electrification FY23-24 Additional Staff	(\$2,108,070)
STA-056-CCO-053	Stadler – Passenger Convenience Outlets	(\$716,661)
<b>Remaining Contingency</b>		<b>\$27,742,227</b>
BT-049	CNPA – Mary Ave Pre-emption (Non-PCEP)	\$116,000
PG&E-042-BT-5	PG&E – Supplemental Agreement 4 – EAC Update	\$3,829,600
BT-035C	TASI Support – Electrification (2023-2024) rev1	(\$22,039,703)
PROV-070-CLOSE	Proven Tunnels – Close out of Final Actuals	\$184,910
PROV-071-CLOSE	Proven CEMOF – Close out of Final Actuals	\$580,217
<b>Forecasted Remaining Contingency</b>		<b>\$10,413,251</b>

Note: EAC Contingency reflects forecast contingency.

The total Program Contingency as of the December 2021 Re-Baseline Budget totaled \$90M including Allocated and Unallocated Contingency, and BBII Risk Pool. Table 4-5 summarizes the current remaining and forecasted contingency balance as of the monthly update.

**Table 4-5. Overall Program Contingency**

	Total E = (A+D)	Shared Risk Pool with BBII	Program Contingency		
		BBII Risk Pool (A)	Allocated (B)	Unallocated (C)	Subtotal D = (B+C)
<b>PCEP Contingency</b>	\$90,000,088	\$50,000,000	\$24,115,581	\$15,884,507	\$40,000,088
Drawn Contingency	(\$23,271,758)	(\$11,013,897)	(\$8,521,124)	(\$3,736,738)	(\$12,257,862)
<b>Remaining Contingency</b>	<b>\$66,728,330</b>	<b>\$38,986,103</b>	<b>\$15,594,457</b>	<b>\$12,147,769</b>	<b>\$27,742,227</b>
Pending Changes	(\$19,054,782)	(\$1,725,806)	(\$13,432,281)	(\$3,896,694)	(\$17,328,976)
<b>Forecasted Remaining Contingency</b>	<b>\$47,673,548</b>	<b>\$37,260,297</b>	<b>\$2,162,176</b>	<b>\$8,251,075</b>	<b>\$10,413,251</b>

#### 4.4 Electrification Design Builder Contract Incentives

The Global Settlement with BBII also includes incentives based on Milestone completions and remaining contract incentives. Table 4-6 provides a status of Design-Build Contractor incentives Budgeted, Awarded, and remaining Balance.



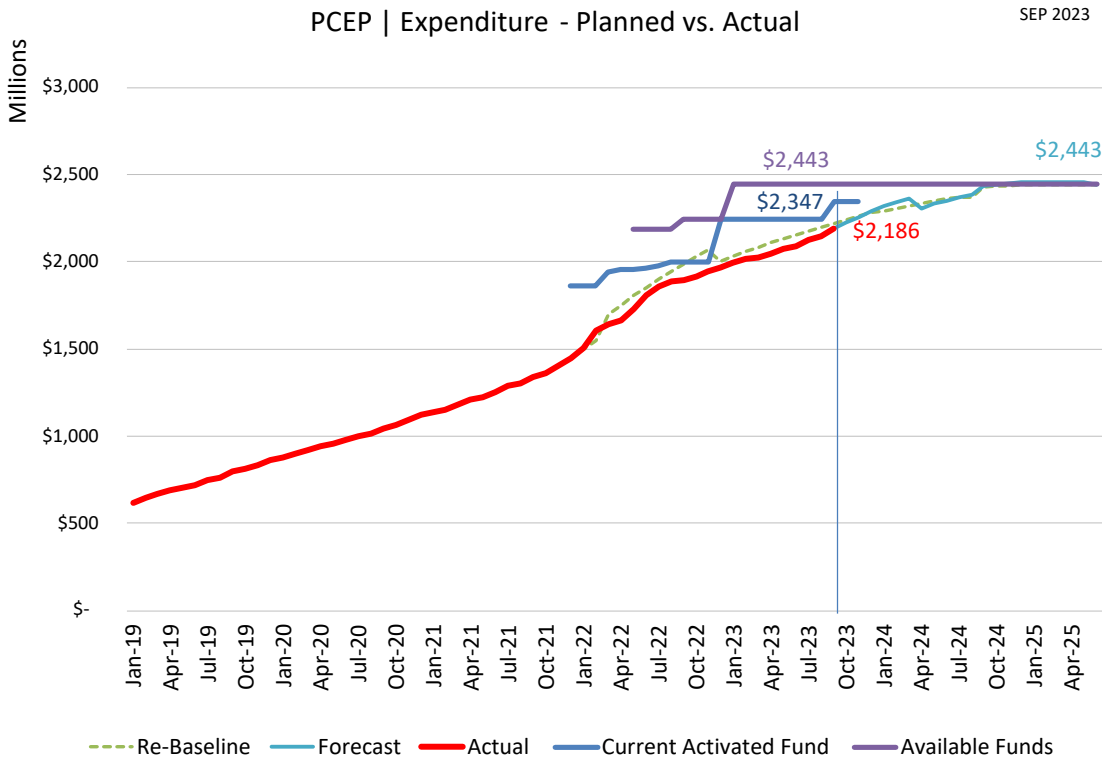
**Table 4-6. BII Incentives**

Incentives	Budgeted	Awarded	Balance
<b>Contract Incentive:</b>			
Quality	\$1,250,000	\$1,000,000	\$250,000
Safety	\$2,500,000	\$1,000,000	\$1,500,000
Community Outreach	\$2,500,000	\$2,000,000	\$500,000
DBE	\$900,000	\$0	\$900,000
<b>Total Contract Incentive</b>	<b>\$7,150,000</b>	<b>\$4,000,000</b>	<b>\$3,150,000</b>
<b>Milestone Incentive:</b>			
Early Signal and Crossing Cutover	\$4,000,000	\$0	\$4,000,000
Early Project Substantial Completion (NTE)	\$8,000,000	\$0	\$8,000,000
Early Revenue Service	\$3,000,000	\$0	\$3,000,000
<b>Total Milestone Incentive</b>	<b>\$15,000,000</b>	<b>\$0</b>	<b>\$15,000,000</b>

**4.5 Program Cash Flow and Funding**

The remaining program expenditures are cash flowed in Figure 4-1. With the award of the full funding, the program does not expect any cash flow issues due to funding.

**Figure 4.1. Expenditure – Funding Cash Flow**



4.6 Issues

Table 4-7. Cost and Funding Issues Identified, and Actions Taken for September 2023

Issues	Actions
Late receiving of PG&E \$99 million reimbursement	<ul style="list-style-type: none"> <li>Work with PG&amp;E to project reimbursement date.</li> </ul>

5.0 CHANGE MANAGEMENT

5.1 Introduction

The change management process establishes a formal administrative work process associated with the initiation, documentation, coordination, review, approval, and implementation of changes during the design, construction, or manufacturing of PCEP. The change management process accounts for the impacts of the changes and ensures prudent use of contingency.

5.2 Change Orders/Shared Risk Pool

5.2.1 Executed Shared Risk/CCO

The following Shared Risk items were executed in September 2023:

- Track Access Delays June 2023 was executed on September 19, 2023, for \$57,155.
- Downguy & Pullbox Scope at Stanford Station for Aerial Utilities was executed on September 19, 2023, for \$19,019.
- CCO-045 Option 2 EMU Payment and LD Schedule was executed on September 19, 2023, for no additional cost to the Contract.
- 22nd Street Station OH Line was executed on September 22, 2023, for \$65,000.
- Additional Costs Associated with Reed Street Solution was executed on September 27, 2023, for \$111,765.

5.2.2 CMB Approved Items

- No items to report for this period.

5.2.3 Upcoming Change Orders/Shared Risk Items

- EMU Convenience Outlet Modification
- Isolation and Protection for Railroad
- Debris Pile Removal at FDN 46.1-19
- Tap Settings Change (to 26.5kv)
- Pole Recoloring at 4th & King Station
- 4th & King Flagpole Removal
- 25th Ave Grade Separation
- High Voltage Warning Signage
- CEMOF Metallic Object(s) Anchorage and G&B
- Testing for Step & Touch Potential at TPFs
- Pantograph Security Analysis

- PES Install at CEMOF
- TAD July 2023
- Test Train Passing CEMOF Isolation Limits
- Stanford Station Lighting Undergrounding
- CCO-043 EMU Passenger Broadband Integration

**5.3 Issues**

**Table 5-1. Change Management Issues Identified and Actions Taken for September 2023**

Issues	Actions
Segment 4 Maintenance Option in the existing BBII Contract was never exercised. Maintenance of OCS/TPS for Milestone 1 limits (Diridon to San Antonio) will be needed once Milestone 1 is complete and once Caltrain is using it for EMU burn in under 25kV.	<ul style="list-style-type: none"> <li>• Define EMU testing and burn in work schedule - Completed.</li> <li>• BBII provides isolation and protection once Segment 4 is powered up.</li> <li>• TASI takes over isolation and inspection for Milestone 1 limits starting October 2<sup>nd</sup>, 2023.</li> <li>• TASI proposed OCS/TPS Maintenance service for Caltrain's evaluation.</li> <li>• Execute TAI's basic service amendment to include OCS/TPS Maintenance</li> </ul>