



BOARD OF DIRECTORS 2024

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AGENDA

PENINSULA CORRIDOR JOINT POWERS BOARD Finance Committee Meeting

February 26, 2024, 2:30 pm

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

Committee Members: Monique Zmuda (Chair), Dev Davis (Vice Chair), Ray Mueller

Members of the public may participate remotely via Zoom at <https://us02web.zoom.us/j/81843266625?pwd=aDExTGltUUJSOUc5TkNnbU1QMTRHUT09> or by entering Webinar ID: # **818 4326 6625**, Passcode: **249080**, 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, 1250 San Carlos Ave., Bacciocco Auditorium - Second Floor, San Carlos, CA, or any other noticed location.

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

February 26, 2024 - Monday

2:30 pm

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.

1. Call to Order/Pledge of Allegiance
2. Roll Call
3. Public Comment on Items not on the Agenda
Comments by each individual speaker shall be limited to two (2) minutes. Items raised that require a response will be deferred for staff to reply.
4. Consent Calendar
Members of the Board may request that an item under the Consent Calendar be considered separately.
 - 4.a. Meeting Minutes of January 22, 2024 Motion
 - 4.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* Motion
 - 4.c. Award of Contract for Central Control Facility (CCF) Building Heating, Ventilation, and Air Conditioning (HVAC) Installation Project* Motion
5. Accept Statement of Revenues and Expenses for the Period Ending January 31, 2024 Motion
6. Adoption of the California Uniform Public Construction Cost Accounting Act Motion
7. Authorize Amendment to On-Call Transportation Planning and Consultant Support Services Contract* Motion
8. Committee Member Requests
9. Date/Time of Next Regular Finance Committee Meeting: March 25, 2024 at 2:30 pm.
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 94070.
10. Adjourn

Information for the Public

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

Date and Time of Board and Committee Meetings

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

Location of Meeting

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 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; or request by phone at 650-622-7864 or TTY 650-508-6448.

Availability of Public Records

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

**Peninsula Corridor Joint Powers Board
Finance Committee
1250 San Carlos Avenue, San Carlos, CA 94070
DRAFT Minutes of January 22, 2024**

Members Present: Ray Mueller (arrived at 2:52 pm), Devora “Dev” Davis (Vice Chair),
Monique Zmuda (Chair)

Staff Present: R. Barnard, K. Beltz, A. Burnett (Bell, Burnett & Associates), M. Bell (Bell
Burnett & Associates), M. Bouchard, N. Fogarty, J. Harrison, D. Seamans,
A. Timbers, A. To, M. Tseng

1. Call to Order/Pledge of Allegiance

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

2. Roll Call

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

3. Public Comment on Items not on the Agenda

There were none.

4. Consent Calendar

4.a. Meeting Minutes of December 18, 2023

**4.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***

Public comment

Adina Levin, Friends of Caltrain and Menlo Park resident, commented on the time sensitiveness of the San Francisquito Creek Bridge issue and whether Congressional representatives' support was sought to get the permit moving forward.

Chair Zmuda asked Robert Barnard, Chief of Design and Construction, whether the Congressional delegation had been briefed.

Michelle Bouchard, Executive Director, commented that the delegation was briefed and working with the Army Corps of Engineers.

Motion/Second: Davis/Zmuda

Ayes: Davis, Zmuda

Absent: Mueller

5. Accept Statement of Revenues and Expenses for the Period Ended December 31, 2023

Annie To, Accounting Director, provided the report that included the following:

- Revenue was a total of \$100.1 million compared to \$101.5 million on the adopted budget; unfavorable variance of \$1.4 million
- Year-to-date expenses totaled \$91.2 million compared to \$97.6 million of the adopted budget, resulting in a favorable variance of \$6.4 million
- Annual revenue forecast for the first six months of fiscal year (FY) 2024 was in line with the adopted budget

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

- Vacancies due to ability or inability to attract and retain the positions that have been approved in the budget
- Significant amount of testing under the operator rail budget; additional station work not budgeted in CalMod (Caltrain Modernization) Program

Motion/Second: Davis/Zmuda

Ayes: Davis, Zmuda

Absent: Mueller

6. Amend Statement of Investment Policy and Delegate Investment Authority for Fiscal Years 2024 and 2025

Kevin Beltz, Manager of Treasury Debt and Investments, provided the presentation that included the following:

- Invest in US (United States) treasuries or agencies for up to 15 years; added language to include no more than 30 percent of holdings to go beyond five years
- State legislature change pertained to mortgage-backed obligations and collateralized mortgage-backed obligations
- Removed section on reauthorization of the Local Agency Investment Fund (LAIF) and San Mateo County Investment Fund
- Money market funds required to maintain triple-A rating by two rating agencies

Vice Chair Davis requested a red-lined version of the changes to the Statement of Investment Policy to be provided at the Board Meeting.

Motion to approve the recommendation with a red-lined version of policy to go to the

Board/Second: Davis/Zmuda

Ayes: Davis, Zmuda

Absent: Mueller

7. Update Regarding SamTrans Purchase of a New Headquarters Building and Recommended Next Steps for Caltrain

Nadine Fogarty, Director of Real Estate Development, provided the presentation that included the following:

- Retained Arup Group to assist in initial independent evaluation of options and focused on areas within a 15-minute walk from San Francisco, San Carlos, or Diridon Caltrain station
- Current space approximately 22,000 square feet – does not include PCEP (Peninsula Corridor Electrification Project) occupying the ground floor space

Staff provided further clarification in response to Chair Zmuda's comments and questions, which included the following:

- SamTrans' understanding of Caltrain's need to take the time to conduct its own analysis on space needs, costs, and financial situation
- SamTrans to move forward with the new headquarters regardless of Caltrain's decision on a location and shared staff will reside with SamTrans
- SamTrans open to discussing shared ownership option
- Issue RFP (Request For Proposal) to search for opportunities, such as the ability to co-locate with a different public agency that has extra office space along the corridor

Motion/Second: Davis/Mueller

Ayes: Mueller, Davis, Zmuda

Noes: None

8. Receive Update on Caltrain's Strategic Financial Plan and Fiscal Cliff Projections

Ms. Bouchard introduced Mike Bell, Bell Burnett & Associates, and provided a brief summary. Alex Burnett, Bell Burnett & Associates, provided the presentation that included the following:

- Measure RR funds advanced to PCEP placed into the operating budget-funded for both FY2024 and FY2025
- Significant capital investment in FY23 from both annual allocation of Measure RR as well as additional from TIRCP (Transit and Intercity Rail Capital Program)
- 20 percent ridership growth assumption with electrification. FY24 forecasted projection for roughly 12.5 percent, which results in 50,000 average weekday ridership, about 80 percent of 2019 levels
- FY24 budget dropped to 22 percent in farebox revenue in comparison to 2019. Measure RR and current farebox revenues combined are not sufficient to pay all of the operating expenses
- Rail operator costs are projected to almost double. Electricity will become the second-largest operating cost

- Communications with Community Choice Aggregators (CCA) about discounts, price points, and CARB certification
- Working with PG&E (Pacific Gas & Electric Company) on power delivery and to understand billing determinants, and focused on net energy usage
- Significant increase in the maintenance of equipment. Each train set need \$1 million to \$1.5 million for annual maintenance
- Need to determine Go Pass objectives, pricing parameters, and increase core users. Continue as active participants in Clipper BayPass discussions

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

- Status of Clipper BayPass and revenue shares
- Items included in other revenue category, such as LCFS (Low Carbon Fuel Standard), parking, shuttle, operating grants, and State rail assistance
- Suggested adding event trains and shuttle service for last mile service, including at Stanford during sporting events on weekends, and expanding Go Pass to other sectors
- Work with regional sister transit agencies and MTC (Metropolitan Transportation Commission) to pursue other regional measures or monies

Mr. Bell expressed concerns about relying on State, Federal, or regional measures and commented that the agency needs to pay more attention to what it can do to protect itself and stop deficits.

Public comment

Adina Levin commented that it is prudent to look at a Plan B option, and urged transit agencies to work together to craft a program that can be rolled out more broadly.

Director Mueller left the meeting at 4:09 pm

9. Adopt Caltrain Energy Policy

Amelia Timbers, Environmental Compliance Manager, provided the presentation that included the following:

- Energy will be 10 to 15 percent of the operating budget once electrified
- Energy policy can help with questions related to consumption and generation, but not transmission and distribution
- Controlling costs in the energy policy while aspiring for 100 percent renewable energy
- Intent and desire to monetize regenerative braking and seeking to decarbonize the railroad

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

- Carbon content impacts credit amounts. Targeting 100 percent renewable and zero GHG (greenhouse gases)
- Large hydroelectric is not CARB (California Air Resources Board) qualified because it has some carbon content, which impacts CARB rules
- Look at pursuing special status as a leader or preferred user for electricity when there are power grid shutdowns
- Add to policy: local carbon fuel standards; GHG-free, or minimum standards/tiers of how to look at things; discussion/decision at Board or Committee level when there are large contracts and energy procurement; regulatory processes and coordinating with energy procurement partner; special status identifying Caltrain as a leader or preferred user

Director Davis motioned to approve the recommendation with the addition of local carbon fuel standards; GHG-free, or minimum standards/tiers of how to look at things; discussion/decision at Board or Committee level when there are large contracts and energy procurement; regulatory processes and coordinating with energy procurement partner; special status identifying Caltrain as a leader or preferred user, seconded by Chair Zmuda.

Ayes: Davis, Zmuda

Noes: Mueller

10. Committee Member Requests – There were none.

11. Date/Time of Next Regular Finance Committee Meeting: February 26, 2024 at 2:30 pm.

12. Adjourn – The meeting adjourned at 4:31 pm

**Peninsula Corridor Joint Powers Board
Staff Report**

To: Finance Committee
Through: Michelle Bouchard, Executive Director
From: Robert Barnard, Deputy Chief, Caltrain Design & 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), October 5, 2023 (Resolution 2023-62), November 2, 2023 (Resolution 2023-68), December 7, 2023 (Resolution 2023-74), January 4, 2024 (Resolution 2024-01), and February 1, 2024 (Resolution 2024-TBD) 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. Continue to delegate authority to approve all plans and/or designs with regard to the emergency repairs to the Executive Director, or designee; and
4. Continue to authorize the Executive Director, or designee, to take all other actions required to respond to said emergency.

Discussion

Background Regarding Previous Findings Authorizing Emergency Repairs: 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.

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), October 5, 2023 (Resolution 2023-62), November 2, 2023 (Resolution 2023-68), December 7, 2023 (Resolution 2023-74), January 4, 2024 (Resolution 2024-01), and February 1, 2024 (Resolution 2024-TBD). 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.

November 18, 2023, Emergency Declaration: On November 16, 2023, a team of three registered California professional engineers, including a fluvial geomorphologist experienced with the San Francisquito Creek, completed a technical memorandum titled "Overview of Temporary Emergency Stabilization Measures," which stated that, in regard to the creek bank supporting the north abutment of Caltrain’s rail bridge, "the existing bank is likely to erode and would not be stable during/after a large storm event."

On November 18, 2023, the Executive Director issued an emergency declaration, which concluded:

- a. The situation at that time necessitated immediate action because anticipated winter storms threatened the integrity of the bridge, creating the potential for a catastrophic failure of the bridge and the subsequent risks to public safety, infrastructure, and the environment; and
- b. The dry condition of the creek bed created a narrow window during which the JPB could implement emergency stabilization repairs to ensure the integrity of the bridge without risking the safety of workers or endangering aquatic life; and
- c. Given a prediction of severe winter storms and a risk of flash flooding and high creek flows at the San Francisquito Creek, attempting any work during the rainy season would have presented a substantial risk to the safety of workers, threatened endangered species, and increased the risk of a failed stabilization effort and a catastrophic failure of the bridge; and
- d. The situation at that time required that Caltrain take action within a time period less than the normal time needed to process regulatory applications under standard procedures.

Based on these findings, the Executive Director declared an emergency situation for the San Francisquito Creek Bridge and directed that all necessary and appropriate actions be taken to address the emergency, including the mobilization of resources and implementation of temporary creek bank stabilization measures.

The temporary stabilization measures have ameliorated the risk of the immediate collapse of the embankment. However, a continued risk to the Bridge exists, especially in light of long-term predictions of a “strong” El Nino winter for 2023-2024. Accordingly, the emergency will persist until permanent repairs can be completed in the Summer of 2024. Under state law, the Board must continue to review the situation at each meeting and renew findings until the emergency is resolved via the implementation of permanent stabilization measures during the dry-creek season in 2024.

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.
13. In accordance with the Executive Director's November 18, 2023, emergency declaration, JPB staff notified regulatory agencies of the temporary bank stabilization plan and JPB staff's intent to seek any relevant permits.
14. JPB staff obtained a second encroachment permit from the City of Menlo Park for the implementation of the temporary stabilization measures.
15. JPB staff and Walsh Construction implemented the emergency temporary bank stabilization measures to protect the San Francisquito Creek Bridge from 2023-2024 winter storms which could have otherwise threatened the integrity of the bridge.

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. 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 for the permanent stabilization project
 - d. City of Menlo Park Encroachment Permit for the permanent stabilization project
 - e. City of Palo Alto Noise Exception Permit for the permanent stabilization project
 - f. City of Menlo Park Heritage Tree Permit
 - g. City of Menlo Park Encroachment Permit for the temporary stabilization measures

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, JPB staff did not receive the essential Section 404 permit in time to construct the project before the end of the dry season on October 15, 2023.

5. Temporary stabilization measures are in place to protect Caltrain's San Francisquito Creek Bridge from 2023-2024 winter storms.

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.
3. JPB staff will update the project cost estimate, schedule, funding plan, and contracts to align with recent implementation of temporary stabilization measures and the planned implementation of permanent stabilization measures in mid-2024.
4. During the 2024 dry season, JPB staff and Walsh Construction will remove the temporary bank stabilization measures and replace them with the permanent bank stabilization measures designed under the joint project between JPB, the City of Menlo Park, and the City of Palo Alto.
5. 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	Chief, Design & Construction	650.508.7783
	Mike Boomsma	Project Manager	808.208.2355

(00505089)

Resolution No. 2024-

**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 threatened 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 a "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 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 2024-TBD at its February 1, 2024, 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, on November 16, 2023, a team of three registered California professional engineers, including a fluvial geomorphologist experienced with the San Francisquito Creek, completed a technical memorandum, which stated that, in regard to the creek bank supporting the north abutment of Caltrain's rail bridge, "the existing bank is likely to erode and would not be stable during/after a large storm event;"

Whereas, on November 18, 2023, the Executive Director issued an emergency declaration, which concluded:

- a. The situation at that time necessitated immediate action because anticipated winter storms threatened the integrity of the bridge, creating the potential for a catastrophic failure of the bridge and the subsequent risks to public safety, infrastructure, and the environment; and
- b. The dry condition of the creek bed created a narrow window during which the JPB could implement emergency stabilization repairs to ensure the integrity of the bridge without risking the safety of workers or endangering aquatic life; and
- c. Given a prediction of severe winter storms and a risk of flash flooding and high creek flows at the San Francisquito Creek, attempting any work during the rainy season would have presented a substantial risk to the safety of workers, threatened endangered species, and increased the risk of a failed stabilization effort and a catastrophic failure of the bridge; and

- d. The situation at that time required that Caltrain take action within a time period less than the normal time needed to process regulatory applications under standard procedures.

Based on these findings, the Executive Director declared an emergency situation for the San Francisquito Creek Bridge and directed that all necessary and appropriate actions be taken to address the emergency, including the mobilization of resources and implementation of temporary creek bank stabilization measures; and

Whereas, the temporary stabilization measures have ameliorated the risk of immediate collapse of the embankment, but these measures were designed to address the immediate risk of collapse. However, a continued risk to the San Francisquito Creek Bridge exists, especially in light of long-term predictions of a “strong” El Nino 2023-2024 winter. Accordingly, the emergency will persist until the implementation of permanent stabilization measures is completed during the dry-creek season in 2024; 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 February 1, 2024, 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, on October 5, 2023, on November 2, 2023, on December 7, 2023, on January 4, 2024, and on February 1, 2024, 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 7th day of March, 2024 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary
(00505091)

**Peninsula Corridor Joint Powers Board
Staff Report**

To: Finance Committee
 Through: Michelle Bouchard, Executive Director
 From: Kate Jordan Steiner, Chief Financial Officer
 Subject: **Award of Contract for Central Control Facility (CCF) Building Heating, Ventilation, and Air Conditioning (HVAC) Installation Project**

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

Purpose and Recommended Action

The Central Control Facility (CCF) Building Heating, Ventilation, and Air Conditioning (HVAC) Installation Project (Project) will provide the necessary labor and materials to install a HVAC system for the newly-built offices and conference room in the CCF building located in Menlo Park. The installation will improve the indoor air quality, safety, and comfort of the occupants.

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

1. Award a contract to the lowest, responsive, and responsible bidder, B&M Builders, Inc. of Rancho Cordova, California (B&M Builders) for the Project for a total bid price of \$332,000.
2. Authorize the Executive Director or designee to execute a contract with B&M Builders in full conformity with the terms and conditions set forth in the solicitation documents, and in a form approved by legal counsel.

Discussion

On November 15, 2023, the JPB issued Invitation for Bids (IFB) No. 24-J-W-057 for the Project, which was advertised in a newspaper of general circulation and on the JPB’s procurement website. The JPB also conducted extensive outreach to Small Business Enterprises (SBE). The JPB received five bids as follows:

Company	Grand Total Bid Price
Engineer’s Estimate	\$200,000
1. B&M Builders, Inc.	\$332,000
2. Fuse Service Inc.	\$372,000
3. Marina Mechanical Services	\$374,500

4. MFS Construction	\$441,503
5. WestCal Design and Build, Inc.	\$998,019

After the bid opening and evaluation, staff determined, and legal counsel concurred, that the bid received from B&M Builders is the lowest responsive bid from a responsible bidder. The bid was approximately 66 percent higher than the engineer’s estimate. Staff analyzed the reasonableness of the bid price and found it to be consistent with recent construction market cost escalation for similar projects in the regional Bay Area. Accordingly, staff determined the bid prices are fair and reasonable in comparison to the engineer’s estimate.

The IFB included an SBE preference of 5 percent. B&M Builders is a certified SBE and committed to utilizing two SBE subcontractors. B&M Builders was the low bidder, so the SBE preference did not affect the bid evaluation.

B&M Builders is an established contractor with more than 18 years of construction experience. Staff contacted B&M Builders’ references and confirmed its experience and competency. Based upon these findings, staff concludes that B&M Builders is appropriately qualified and capable of meeting the requirements of the contract and is, therefore, the lowest responsive and responsible bidder.

Budget Impact

Funds to support the award of this contract are included in the Backup Central Control Facility Buildout Project within the JPB Capital Budget for Fiscal Year 2023.

Prepared By:	Patrick Ng	Procurement Administrator II	650.622.8018
	Arul Edwin	Senior Project Manager	650.339.8845

Resolution No. 2024 –

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

* * *

Awarding a Contract to B&M Builders, Inc. for the Central Control Facility (CCF) Heating, Ventilation, and Air Conditioning (HVAC) Installation Project for a Total Bid Price of \$332,000

Whereas, on November 15, 2023, the Peninsula Corridor Joint Powers Board (JPB) issued Invitation for Bids (IFB) No. 24-J-W-057 for the Central Control Facility (CCF) Building Heating, Ventilation, and Air Conditioning (HVAC) Installation Project (Project); and

Whereas, in response to the IFB, the JPB received five bids after conducting extensive outreach to Small Business Enterprises (SBEs), advertising in a newspaper of general circulation, and posting the IFB on the JPB's procurement website; and

Whereas, staff and legal counsel have reviewed the bids and determined that B&M Builders, Inc. of Rancho Cordova, California (B&M Builders) submitted the lowest responsive bid and is a responsible bidder; and

Whereas, staff conducted a price analysis and determined B&M Builders' price to be fair and reasonable in comparison to the independent cost estimate; and

Whereas, staff recommends that the Board of Directors (Board) award a contract to B&M Builders for the Project for a total bid price of \$332,000.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby awards a contract to B&M Builders, Inc. of Rancho Cordova, California for the Central Control Facility Building Heating, Ventilation, and Air Conditioning Installation Project for a total bid price of \$332,000; and

Be It Further Resolved that the Board authorizes the Executive Director or designee to execute a contract on behalf of the JPB with B&M Builders in full conformity with all the terms and conditions of the solicitation documents, and in a form approved by legal counsel.

Regularly passed and adopted this 7th day of March, 2024 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: Finance Committee
Through: Michelle Bouchard, Executive Director
From: Kate Jordan Steiner, Chief Financial Officer
Subject: **Accept Statement of Revenues and Expenses for the Period Ending January 31, 2024**

Finance Committee Recommendation

Technology, Operations, Planning, and Safety Committee Recommendation

Advocacy and Major Projects Committee Recommendation

Purpose and Recommended Action

Staff proposes that the Finance Committee of the Peninsula Corridor Joint Powers Board (JPB) accepts and enters into the record the Statement of Revenues and Expenses for the Period Ending January 31, 2024.

This staff report provides a brief discussion of significant items and trends on the attached Statement of Revenues and Expenses through January 31, 2024. 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: Staff are developing the annual forecast and will provide an outlook at the April Board Meeting. It is mostly the same as FY24 budget except for the below items based on the year-end outlook as of December, 2023. The two items below, though not reflected in the following detailed tables, are expected to be unfavorable to budget by year end:

- 1) Go Pass revenue (page 1, line 2) is projected to be \$1.8M below budget as clients leaving the program.
- 2) Claims, Payments, and Reserves (page 2, line 28) is projected to be \$2.7M above budget due to large losses and more claims.

Year-to-Date Revenues: As of January year-to-date actual, the Grand Total Revenue (page 1, line 17) is \$0.2 million lower than the adopted budget. This is primarily driven by the decrease in Other Income (page 1, line 5) which is offset by the higher-than-expected Rental Income (Page 1, line 4) and Measure RR (page 1, line 11).

Year-to-Date Expenses: As of January year-to-date actual, the Grand Total Expense (page 2, line 51) is \$2.8 million lower than the adopted budget. This is primarily driven by the decreases in Wages and Benefits (page 2, line 36), Professional Services (page 2, line 39), Rail Operator Service

(page 2, line 22), Other Office Expense (Page 2, line 41), and Maintenance & Services-Building & Other (page 2, line 31) which is partially offset by the increase in Claims, Payments, and Reserves (page 2, line 28).

Budget Impact

There is no budget impact for January 2024.

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

PENINSULA CORRIDOR JOINT POWERS BOARD					
STATEMENT OF REVENUE AND EXPENSE					
Fiscal Year 2024					
January 2024					
% OF YEAR ELAPSED 58.3%					
	JULY TO JANUARY				ANNUAL
	CURRENT ACTUAL	ADOPTED BUDGET	\$ VARIANCE	% VARIANCE	APPROVED BUDGET
REVENUE					
OPERATIONS:					
1 Caltrain Fares	16,985,441	17,103,163	(117,722)	(0.7%)	29,936,000
2 Go Pass	9,479,557	9,779,000	(299,443)	(3.1%)	16,764,000
3 Parking Revenue	1,072,446	1,111,257	(38,812)	(3.5%)	1,905,015
4 Rental Income	1,187,681	598,787	588,894	98.3%	1,026,489
5 Other Income	2,873,826	3,815,735	(941,909)	(24.7%)	6,541,260
6					
7 TOTAL OPERATING REVENUE	31,598,950	32,407,942	(808,992)	(2.5%)	56,172,764
8					
CONTRIBUTIONS:					
9					
10 Operating Grants	7,490,110	7,467,215	22,895	0.3%	12,800,936
11 Measure RR	71,374,442	70,811,000	563,442	0.8%	118,400,000
12 Member Agency (VTA - Gilroy)	274,167	274,169	(2)	(0.0%)	470,000
13 LCTOP/SRA	4,030,077	4,029,956	121	0.0%	6,908,503
14					
15 TOTAL CONTRIBUTED REVENUE	83,168,795	82,582,340	586,456	0.7%	138,579,439
16					
17 GRAND TOTAL REVENUE	114,767,746	114,990,282	(222,536)	(0.2%)	194,752,203
18					

PENINSULA CORRIDOR JOINT POWERS BOARD							
STATEMENT OF REVENUE AND EXPENSE							
Fiscal Year 2024							
January 2024							
% OF YEAR ELAPSED 58.3%							
	JULY TO JANUARY				ANNUAL		
	CURRENT ACTUAL	ADOPTED BUDGET	\$ VARIANCE	% VARIANCE	APPROVED BUDGET		
19	EXPENSE					19	
20						20	
21	DIRECT EXPENSE:					21	
22	Rail Operator Service	61,020,064	61,798,962	(778,898)	(1.3%)	104,889,704	22
23	Security Services	4,671,438	4,833,803	(162,364)	(3.4%)	8,287,745	23
24	Shuttle Services	39,430	46,669	(7,239)	(15.5%)	80,000	24
25	Fuel and Lubricants*	9,365,348	8,873,263	492,085	5.5%	15,211,316	25
26	Timetables and Tickets	8,103	55,412	(47,309)	(85.4%)	95,000	26
27	Insurance	6,401,362	5,967,325	434,037	7.3%	10,229,703	27
28	Claims, Payments, and Reserves	3,514,250	770,000	2,744,250	356.4%	1,320,000	28
29	Facilities and Equipment Maintenance	4,265,728	4,751,579	(485,851)	(10.2%)	8,171,766	29
30	Utilities	1,549,677	1,580,194	(30,517)	(1.9%)	2,708,900	30
31	Maint & Services-Bldg & Other	480,167	1,041,019	(560,852)	(53.9%)	1,784,600	31
32						32	
33	TOTAL DIRECT EXPENSE	91,315,567	89,718,226	1,597,342	1.8%	152,778,734	33
34						34	
35	ADMINISTRATIVE EXPENSE					35	
36	Wages and Benefits	8,672,297	10,977,768	(2,305,471)	(21.0%)	17,877,158	36
37	Managing Agency Admin OH Cost	1,939,454	2,079,854	(140,400)	(6.8%)	3,565,453	37
38	Board of Directors	8,717	36,673	(27,957)	(76.2%)	62,875	38
39	Professional Services	4,993,818	5,825,247	(831,429)	(14.3%)	9,992,514	39
40	Communications and Marketing	200,811	258,258	(57,447)	(22.2%)	442,730	40
41	Other Office Expenses and Services	1,791,240	2,504,046	(712,806)	(28.5%)	4,307,066	41
42						42	
43	TOTAL ADMINISTRATIVE EXPENSE	17,606,337	21,681,846	(4,075,509)	(18.8%)	36,247,796	43
44						44	
45	TOTAL OPERATING EXPENSE	108,921,904	111,400,071	(2,478,167)	(2.2%)	189,026,530	45
46						46	
47	Governance	166,414	131,250	35,164	26.8%	225,000	47
48						48	
49	Debt Service Expense	1,687,581	2,024,820	(337,239)	(16.7%)	3,471,125	49
50						50	
51	GRAND TOTAL EXPENSE	110,775,899	113,556,141	(2,780,242)	(2.4%)	192,722,655	51
52						52	
53	Projected Contribution to Reserve					2,029,548	53
54						54	
55	NET SURPLUS / (DEFICIT)	3,991,847	1,434,141	2,557,707	178.3%	-	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 \$633,179 from the fuel hedge program.					61	
62						62	



BOARD OF DIRECTORS 2024

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

MICHELLE BOUCHARD
 EXECUTIVE DIRECTOR

PENINSULA CORRIDOR JOINT POWERS BOARD

INVESTMENT PORTFOLIO

AS OF JANUARY 31, 2024

TYPE OF SECURITY	MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET RATE
Local Agency Investment Fund (Unrestricted) *	Liquid Cash	4.012%	375,789	375,789
County Pool (Unrestricted)	Liquid Cash	3.945%	585,044	585,044
Other (Unrestricted)	Liquid Cash	5.240%	24,545,327	24,545,327
Other (Restricted) **	Liquid Cash	5.033%	30,977,324	30,977,324
			\$ 56,483,483	\$ 56,483,483

Interest Earnings for January 2024 \$ 175,729.36
 Cumulative Earnings FY2024 1,445,370.79

* 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							
	FY2019	FY2020	FY2021	FY2022	FY2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	FY2024 Total YTD
REVENUE													
OPERATIONS:													
401400 (TVM)	18,431,265	11,165,620	2,458,837	6,836,440	6,838,317	701,507	580,909	427,973	542,427	429,650	414,419	409,800	3,506,685
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	1,964,018	1,537,081	1,331,257	1,526,512	10,915,013
401420 (Central)	64,908	20,799	309,748	39,911	58,267	1,068	-	7,861	8,407	2,619	251	2,732	22,937
401430 (Mobile App)	4,716,955	5,689,776	830,051	2,808,795	3,501,791	289,934	353,887	285,899	332,212	307,863	242,542	278,638	2,090,976
401500 (Gilroy)	1,903,941	1,542,171	178,759	449,281	706,203	58,850	58,850	75,084	64,261	64,261	64,261	64,261	449,830
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	1,375,408	1,349,604	1,426,899	1,256,768	9,479,557
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	4,286,733	3,691,078	3,479,630	3,538,712	26,464,998
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	1,375,408	1,349,604	1,426,899	1,256,768	9,479,557
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	2,911,325	2,341,474	2,052,731	2,281,944	16,985,441
Tickets Sold						Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Total
TVM	2,354,393	1,465,876	315,378	755,674	802,158	78,363	74,658	69,149	55,296	52,840	51,726	52,299	434,331
Clipper	3,521,066	2,620,816	339,753	1,227,757	1,975,206	194,041	214,425	208,775	207,849	191,852	165,395	195,216	1,377,553
Central	9,167	5,044	-	4,032	6,440	100	231	484	717	-	478	231	2,241
Mobile	543,920	661,515	111,394	381,441	428,741	40,439	41,483	39,565	37,168	33,606	29,903	33,356	255,520
# of tickets sold (without go-pass)	6,428,546	4,753,251	766,525	2,368,904	3,212,545	312,943	330,797	317,973	301,030	278,298	247,502	281,102	2,069,645
AVG Revenue Per Ticket						Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-23	Total
TVM	\$ 7.83	\$ 9.05	\$ 7.80	\$ 9.05	\$ 8.52	\$ 8.95	\$ 7.78	\$ 6.19	\$ 9.81	\$ 8.13	\$ 8.01	\$ 7.84	\$ 8.07
Clipper	\$ 15.51	\$ 6.32	\$ 8.61	\$ 6.32	\$ 7.84	\$ 8.16	\$ 7.88	\$ 6.15	\$ 9.45	\$ 8.01	\$ 8.05	\$ 7.82	\$ 7.92
Central	\$ 7.08	\$ 9.90	\$ -	\$ 9.90	\$ 9.05	\$ 10.68	\$ -	\$ 16.24	\$ 11.72	\$ -	\$ 0.53	\$ 11.83	\$ 10.24
Mobile	\$ 8.67	\$ 7.36	\$ 7.45	\$ 7.36	\$ 8.17	\$ 7.17	\$ 8.53	\$ 7.23	\$ 8.94	\$ 9.16	\$ 8.11	\$ 8.35	\$ 8.18
Total	\$ 12.40	\$ 11.86	\$ 8.74	\$ 7.56	\$ 8.28	\$ 8.42	\$ 8.11	\$ 6.54	\$ 9.67	\$ 8.41	\$ 8.29	\$ 8.12	\$ 8.21

Farebox Revenues by Ticket Type	PENINSULA CORRIDOR JOINT POWERS BOARD							Annual Budget	
	July to January								
REVENUE	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2024	% of Budget	
401400 (TVM)	11,204,054	9,295,291	1,032,211	3,657,107	3,842,520	3,506,685			
401410 (Clipper)	31,835,524	32,050,068	1,495,927	3,804,997	9,157,397	10,915,013			
401420 (Central)	33,088	33,646	-	25,462	32,920	22,937			
401430 (Mobile App)	2,276,555	4,736,033	344,226	1,417,292	2,040,455	2,090,976			
401500 (Gilroy)	1,143,735	1,217,780	96,271	225,453	412,672	449,830			
401700 (Go-Pass)	12,355,982	14,673,982	17,778,038	8,780,635	10,031,158	9,479,557			
total Farebox Revenue	58,848,938	62,006,799	20,746,673	17,910,947	25,517,122	26,464,998	46,700,000	57%	
Less: Go-Pass									
401700 (Go-Pass)	12,355,982	14,884,309	17,651,546	8,832,537	9,874,418	9,479,557	16,764,000	57%	
Revenues without Go-Pass	46,492,956	47,122,491	3,095,127	9,078,410	15,642,704	16,985,441	29,936,000	57%	
Tickets Sold									
TVM	1,450,272	1,242,176	155,562	401,004	494,604	434,331			
Clipper	2,032,636	2,189,653	150,997	595,667	1,119,769	1,377,553			
Central	4,089	4,064	-	2,607	2,915	2,241			
Mobile	253,892	547,523	49,477	190,474	254,948	255,520			
# of tickets sold (without go-pass)	3,740,889	3,983,416	356,036	1,189,752	1,872,236	2,069,645			
AVG Revenue Per Ticket									
TVM	\$ 7.73	\$ 7.48	\$ 6.64	\$ 9.12	\$ 7.77	\$ 8.07			
Clipper	\$ 15.66	\$ 14.64	\$ 9.91	\$ 6.39	\$ 8.18	\$ 7.92			
Central	\$ 8.09	\$ 8.28	\$ -	\$ 9.77	\$ 11.29	\$ 10.24			
Mobile	\$ 8.97	\$ 8.65	\$ 6.96	\$ 7.44	\$ 8.00	\$ 8.18			
Total	\$ 12.43	\$ 11.83	\$ 8.69	\$ 7.63	\$ 8.36	\$ 8.21			

**Peninsula Corridor Joint Powers Board
Staff Report**

To: Finance Committee
Through: Michelle Bouchard, Executive Director
From: Kate Jordan Steiner, Chief Financial Officer
Subject: **Adoption of the California Uniform Public Construction Cost Accounting Act**

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 Joint Powers Board (JPB):

1. Adopt a resolution pursuant to the provisions of the Public Contract Code § 22030, voluntarily making the JPB subject to the California Uniform Public Construction Cost Accounting, and to the California Uniform Construction Cost Accounting Commission's policies and procedures manual, as they each may be amended from time to time.
2. Direct the Executive Director or designee to notify the State Controller's Office of this election.
3. Adopt a resolution directing staff to revise the JPB Procurement Policy (Policy) to incorporate the requirements of California Uniform Public Construction Cost Accounting Act (CUPCCAA or the Act), and delegates authority to the Executive Director or designee to implement the Policy in accordance with applicable law and in furtherance of the Policy.
4. Adopt an Ordinance establishing informal bidding procedures for public works projects, as required by CUPCCAA.

Discussion

The CUPCCAA, Public Contract Code § 22000 et seq., allows local agencies to replace their statutory public works bidding thresholds with higher thresholds, which provide greater flexibility, if the agencies (1) opt-in to the requirements of the Act and become subject to procedures adopted by the California Uniform Construction Cost Accounting Commission (Commission), (2) inform the State Controller's Office of such election, and (3) establish informal bidding procedures for public works contracts below CUPCCAA's formal bidding threshold.

The Commission has developed uniform public construction cost accounting procedures for implementation by local agencies in the performance of, or in the contracting for, public

projects. Every five years the Commission considers whether there have been material changes in public construction costs and makes recommendations to the State Controller regarding adjustments to the bidding procedure monetary limits.

Currently, CUPCCAA permits agencies to utilize informal bidding procedures for public works contracts \$200,000 or less, and negotiated contracts, force account, or purchase orders for public works contracts \$60,000 or less. Moreover, if all bids received are more than \$200,000, the governing body of the public agency may by adoption of a resolution by a four-fifths vote, award the contract, currently at \$212,500 or less, to the lowest responsible bidder, if it determines the cost estimate of the public agency was reasonable. Public Contract Code § 22034(d).

By contrast, the JPB currently is required to engage in formal bidding for public works contracts greater than \$10,000. This requires advertisement in a newspaper of general circulation, a pre-bid meeting, and award by the Board to the lowest bidder. This process can take four or more months to complete, and requires significant staff resources, even for relatively low-dollar value projects.

At the conclusion of the Peninsula Corridor Electrification Project and the start of revenue service, JPB will have greater need to complete public works projects along the right of way. Adoption and implementation of the Act will allow the JPB to solicit and award public works projects at higher dollar limits than currently allowed by the JPB's Procurement Policy. CUPCCAA provides for alternative bidding procedures when an agency performs public works by contract, as follows:

- Public works projects of \$60,000 or less may be awarded by negotiated contract or by purchase order.
- Public works projects exceeding \$60,000 and \$200,000 or less may be let to contract by the informal bidding procedures set forth in the Act.

These procurement methods provide public agencies with administrative cost savings and streamlined delivery of smaller projects. Non-federally funded public works projects of more than \$200,000 will continue to be procured through the JPB's current formal bidding procedures.¹

CUPCCAA requires that agencies comply with certain notice, bidding, and accounting procedures set forth in the Public Contracts Code. These procedures provide agencies with more flexibility to procure public works projects in a timely manner by eliminating the requirement to solicit formal bids and by dispensing with time-consuming and expensive bidding procedures.

The San Mateo County Transit District (SamTrans) elected to participate in CUPCCAA in 2018, and accordingly, the Contracts and Procurement and Finance teams are familiar with its

¹ All procurement contracts that include federal funding must be conducted in a manner providing "full and open competition" consistent with the applicable federal procurement rules. 2 C.F.R. § 200.319 (2022). See also 49 U.S.C. § 5325(a) (FTA's enabling legislation), FTA Circular 4220.1F, Chapter VI, paragraph 1 – *Competition Require*, and C.F.R. § 200.319, *Competition*.

requirements. A range of cities, counties and special districts across the State have also opted to become subject to CUPCCAA. Locally, these include, but are not limited to, the County of San Mateo, the San Mateo County Office of Education, the San Mateo County Community College District, the Redwood City School District, and the cities of San Carlos, Belmont, Half Moon Bay, South San Francisco, Brisbane, Daly City, Burlingame, Menlo Park and Pacifica.

To ensure the continued inclusion of Small Business Enterprise (SBE) contractors on small public works projects, revision of the current SBE preference policy elements of the Disadvantaged Business Enterprise (DBE) Program will be necessary. The current policy grants a five percent preference, up to \$50,000, for SBE utilization on public works contracts valued in excess of \$10,000. Staff will present a plan for an SBE Set-Aside approach for public works contracts valued at \$60,000 or less. From its preliminary review, staff anticipates that a SBE Set-Aside will be, at a minimum, as advantageous for small businesses as the current SBE preference policy. Revision of the SBE preference policy will be brought to the Board for consideration in Spring 2024.

Should the Board elect to subject itself to CUPCCAA and notify the State Controller, it will need to also adopt an ordinance setting forth the JPB's informal bidding procedures and make conforming changes to the JPB Procurement Policy. These actions can all be taken in one meeting. Staff recommend that the Board enact the proposed resolution and ordinance, which also adopts proposed revisions to the Procurement Policy (Attachments A and B) that establish informal bidding procedures for public projects, as required by CUPCCAA.

Budget Impact

No direct fiscal impact from approving this Resolution.

Prepared By:	Kevin Yin	Director, Contracts and Procurement	650.622.7860
	Anna Myles-Primakoff	Counsel	916.442.2952
	Quentin Barbosa	Associate	916.442.2952

Resolution No. 2024-

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

* * *

**Adopting the California Uniform Public Construction Cost Accounting Act and Adopting
Revision to the JPB Procurement Policy**

Whereas, California Public Contract Code Section 22000 et seq., the Uniform Public Construction Cost Accounting Act (the Act or CUPCCAA), establishes a uniform cost accounting standard for construction work performed or contracted by local agencies in the performance of, or in the contracting for, construction projects; and

Whereas, the California Uniform Construction Cost Accounting Commission (the Commission) established under the Act has developed uniform public construction cost accounting procedures for implementation by local public agencies in the performance of, or in the contracting for, construction of public projects; and

Whereas, staff recommends, and the Finance Committee concurs, that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) elect to become subject to the procedures set forth in the Act, and to the Commission's policies and procedures manual and cost accounting review procedures, as they may each be amended from time to time; and

Whereas, by Ordinance 2024-1, also adopted on this 7th day of March 2024, the Board enacted a new informal bidding ordinance to facilitate compliance with the Act; and

Whereas, the Board now desires to revise the JPB Procurement Policy (Policy) to reflect the new bidding thresholds and procedures for public works contracts pursuant to the Act and related informal bidding ordinance, and to make other minor, administrative revisions, as provided in the proposed policy (Attachments A and B); and

Whereas, there is no budget impact associated with adopting the Act nor the revised JPB Procurement Policy.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby elects, under California Public Contract Code Section 22030, to become subject to the Uniform Public Construction Cost Accounting Act, and to the California Uniform Construction Cost Accounting Commission’s policies and procedures manual, as they each may be amended from time to time; and

Be It Further Resolved that the Board of Directors directs the Executive Director or designee to notify the State Controller’s Office of this election; and

Be It Further Resolved that the Board of Directors hereby directs staff to revise the JPB Procurement Policy to reflect the Board’s election to be subject to CUPCCAA, incorporate the requirements of the Act, and delegates authority to the Executive Director or designee to implement the Policy in accordance with applicable law and in furtherance of the Policy.

Regularly passed and adopted this 7th day of March, 2024 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary

ATTACHMENT A: PROPOSED PROCUREMENT POLICY

PROCUREMENT POLICY PENINSULA CORRIDOR JOINT POWERS BOARD

The Peninsula Corridor Joint Powers Board (“JPB”) is organized pursuant to the Government Code § 6500, *et seq.* and comprised of three member agencies, the City and County of San Francisco, the Santa Clara Valley Transportation Authority, and the San Mateo County Transit District (“District”). The District provides personnel, administrative, and operational support for the JPB and District staff generally provides all procurement support functions for both agencies in order to acquire such property, facilities, equipment, materials, supplies and services as may be deemed necessary to carry out their duties. The procedures governing procurements of the JPB derive from state law and federal law. By accepting state and federal funding, the JPB is also obligated to comply with certain regulations in its procurement of goods and services. More specifically, certain standards, regulations, and other requirements for grants to local governments issued by the United States Department of Transportation apply to the JPB in connection with contracts financed in whole or in part with federal funds. In the event of a conflict between the JPB’s Procurement Policy and state or federal law, such state or federal law shall supersede this Procurement Policy.

This Procurement Policy provides a broad overview of the standards and methods which will guide the JPB in obtaining goods and services. Wherever in this Procurement Policy the Executive Director is designated authority, such authority shall be understood to include the designee of the Executive Director.

A. Fundamental Principles of Ethical Procurement

The JPB’s Procurement Policy and procurement practices reflect its commitment to fundamental principles of ethical procurement, which are as follows:

1. Foster maximum open and free competition for JPB Contracts;
2. Promote the greatest economy and efficiency in JPB procurements;
3. Ensure adherence to proper standards of conduct by JPB board members, officers and employees;
4. Maintain procurement policies and procedures that guarantee compliance with applicable state and federal laws and regulations;
5. Establish and maintain an arm's length relationship with all Contractors;
6. Treat all prospective Contractors, Consultants, and vendors, including Disadvantaged Business Enterprises (“DBEs”) and small businesses, in a fair and equitable manner; and
7. Provide guidance for remedy and resolution of Contract claims or disputes.

Based on these fundamental principles of ethical procurement and the general standards of public sector procurement, the following set of procurement and contracting policies have been developed.

B. Conflicts of Interest

No director, officer, employee or agent of the JPB shall participate in any procedure, tasks, or decisions relative to initiation, evaluation, award, or administration of a contract if a conflict of interest, real or apparent, exists. Such a conflict of interest arises when (a) the director, officer, employee or agent, (b) any member of his or her immediate family, (c) his or her business associate, or (d) an organization which employs, or which is about to employ, any of the above described individuals has a financial or other interest in a firm that participates in a JPB procurement process or that is selected for an award. The standards governing the determination as to whether such an interest exists are set forth in the Political Reform Act (§ 81000 *et seq.* of the California Government Code) and in §§ 1090, 1091, and 1091.5 of the California Government Code.

C. Methods of Procurement

1. All purchases and contracts, whether by informal bidding, formal bidding or proposals, shall be made on a competitive basis to the greatest extent practicable.
2. The method of procurement, such as small purchases, informal bids or proposals, formal competitive bidding, requests for proposals, etc., shall be appropriate for the type of project or procurement and shall be in the best interest of the JPB.
3. Formal competitive bidding must be used for construction, repair, maintenance, alteration, and similar work whenever the estimated expenditure for such work exceeds \$200,000 (or the current threshold set forth in California Public Contract Code § 22032(c), whichever is greater). Alternative methods of procurement, such as a design build approach, may be utilized if authorized by state law and in full compliance with all applicable requirements.

Federally funded procurements will comply with all applicable federal requirements.

Informal competitive procedures, as set in the JPB's Informal Bidding Ordinance, may be used for construction, repair, maintenance, alteration, and similar work whenever the estimated expenditure is more than \$60,000 (or the threshold set forth in California Public Contract Code § 22032(a), whichever is greater) and not more than \$200,000 (or the threshold set forth in California Contract Code § 22032(b), whichever is greater). Award will be made to the lowest bidder (Public Contract Code § 22038). For construction, repair, maintenance, alteration, and similar work where the estimated expenditure is \$60,000 or less (or the threshold set forth in California Public Contract Code § 22032(a), whichever is greater), the JPB may use a negotiated contract or a purchase order.

4. Formal competitive bidding should be used when purchasing equipment, supplies, services, or materials over \$250,000, but a “best value” approach may be used in circumstances where it is determined to be in the best interest of the JPB. “Best value” means a process in which the overall combination of quality, price, and other elements such as reliability, standardization, vendor qualifications, warranty, life cycle costs, and sustainability issues are considered together to determine which proposal provides the greatest overall benefit to the JPB. On a case-by-case basis, and in particular when a procurement involves a combination of goods and services, the JPB Procurement Office, in consultation with the Project Manager or the department issuing the solicitation, shall make the determination of whether a “best value” approach is in the best interest of the JPB. In such circumstances, the determination will be documented in writing and a formal competitive proposal process will be utilized.
5. An informal procurement method may be utilized for the purchase of materials, equipment or supplies when the estimated expenditure is between \$10,000 and \$250,000. To the extent practicable, such a method shall involve obtaining a minimum of three quotations, either written or oral, that permit prices and other terms to be compared. The JPB will undertake adequate outreach to ensure open and free competition, and that small businesses, including DBEs are afforded opportunities to submit quotations. To the extent practicable, the JPB will strive to obtain at least one of the minimum of three quotations from a small business. The JPB will utilize interested vendors based upon a review of trade sources, lists of certified DBEs and small businesses that have registered with the State, and vendors that have registered with the JPB to receive notice of contract opportunities. When appropriate to ensure satisfaction of the Fundamental Principles set forth in Section A of this Policy, such solicitations shall be advertised by the JPB. The JPB’s informal bidding procedures using a lowest responsible bidder standard for bid comparison will serve as the typical standard on which to base the purchase of materials, equipment, or supplies, unless it is determined in writing that it is in the JPB’s best interest to apply a “best value” approach, in which event, qualitative factors such as those set forth in paragraph C.4. above, in addition to price may be considered in making an award.
6. Formal competitive proposals, which consider and evaluate factors in addition to price, will be used to retain professional and non-professional services when the estimated expenditure exceeds \$250,000. Specialized State and federal laws will apply to the procurement of architectural and engineering services as defined by applicable laws and regulations, regardless of the estimated expenditure.
7. The use of appropriate intergovernmental and cooperative agreements is encouraged in order to reduce duplicative effort and to achieve cost economies.
8. The JPB may purchase items on the open market under the following conditions: (a)(i) if the JPB rejects bids received in connection with a procurement of materials, supplies and equipment requiring formal competitive bidding, and (ii) the Board of

Directors determines and declares by a two-thirds vote of all its members that in its opinion the supplies, equipment and materials may be purchased at a lower price in the open market; or (b) if the Board of Directors, or the Executive Director, within the Executive Director's procurement authority, has exercised discretion to waive the competitive process when permissible under applicable law and consistent with the fundamental principles of procurement set forth in this Policy, or (c) if no bids or proposals are received in response to a formal solicitation and market research indicates another procurement for the supplies, equipment, services and materials will not render a different outcome. See Public Utilities Code § 103223 and Section K "Discretion to Waive the Competitive Process" set forth below.

D. Procurement Documentation and Consideration of Bids and Proposals

1. Formal competitive bidding requires preparation of bid documents that clearly set forth all requirements which must be fulfilled in order for the bid to be responsive, advertisement in accordance with the law, and, once bids are received, an award, if made, to the lowest responsive and responsible bidder.
2. Formal competitive proposals, including the "best value" approach, require issuance of Requests for Proposals, which clearly set forth all the requirements, and state the qualitative factors, in addition to price, which will be used to evaluate and rank the Proposals. An award, if made, will be to the proposer receiving the highest consensus ranking, subject to successful negotiations with the JPB.
3. Any and all bids or proposals may be rejected by the JPB if it is in the JPB's best interest to do so.
4. The JPB may only contract with persons, firms or entities that are qualified and possess the ability to perform successfully under the terms and conditions of the proposed procurement.

E. Execution of Contract Documents

1. All JPB contracts and amendments will be in writing and executed prior to beginning performance under the contract.
2. The Executive Director may execute all contracts on behalf of the JPB that are duly approved within the Executive Director's authority. The Chairperson of the Board of Directors will sign contracts and leases that require approval by the Board, unless otherwise delegated to the Executive Director.

F. DBE Program

The JPB is committed to a DBE Program for DBE participation in JPB contracting opportunities in accordance with 49 Code of Federal Regulations (CFR) Part 26, effective June 22, 2001, as may be amended. It is the policy of the JPB to ensure nondiscrimination on the basis of race, color, sex or

national origin in the award and administration of U.S. Department of Transportation assisted and JPB contracts. It is the intention of the JPB to create a level playing field on which DBEs can compete fairly for contracts and subcontracts to provide the JPB's public works, supplies, equipment, materials and services.

G. Protest Procedures

Bidders may protest contracts that are let through informal bidding, formal competitive bidding or competitive negotiations. The Executive Director or designee is authorized to review and rule upon protests concerning contracts awarded within the Executive Director's procurement authority.

Protests for contracts not within the Executive Director's procurement authority will first be reviewed and ruled upon by the Executive Director, or designee. Appeals of such determinations will be reviewed and acted upon by the Board of Directors upon recommendation by the Executive Director and the General Counsel. All protests will be processed in accordance with the written procedures set forth in the Procurement Manual.

H. Executive Director's Procurement Authority

1. The Executive Director is authorized to purchase services, supplies, equipment, and materials and to arrange for work in a manner consistent with this Procurement Policy and written procedures as may be developed from time to time. The Executive Director is authorized to execute agreements and expend funds for procurements and activities included within the JPB's approved annual budget as follows: (1) \$250,000 or less for equipment, supplies, materials, or services and (2) not more than \$200,000 (or the current threshold set forth in California Public Contract Code § 22032(b), whichever is greater), for construction, repair, maintenance, alteration and similar work.
2. The Executive Director is authorized to modify and otherwise administer all contracts on behalf of the JPB. For all contracts, the Executive Director is authorized to issue contract change orders or amendments within any Board approved contingency. If the Board does not establish a contingency, the Executive Director is authorized to issue contract change orders or amendments \$250,000 or less, or up to 10% of the Board approved amount (cumulative), whichever is greater. Calculation of the change order/amendment contingency authority (whether 10% or other percentage established by the Board) shall be based on the sum of those amounts specifically approved by the Board as follows: (1) the original contract amount, plus (2) any Board-exercised or approved options, plus (3) any Board-approved amendments.
3. The Executive Director is authorized to designate staff to oversee and monitor procurements and may delegate this contracting authority, which must be in writing, documented by the Director of Contracts and Procurement, and must specify defined monetary limits.

4. Only the Board may award (a) contracts for materials, supplies and equipment or services over \$250,000, and (b) contracts for construction, repair, maintenance, alteration and similar work over \$200,000 (or the current threshold set forth in California Public Contract Code § 22032(c), whichever is greater). When the Board awards such contracts, it also delegates to the Executive Director the authority to execute the resulting agreement.

I. Emergency Contracts

For procurements requiring competitive bidding and/or Board approval, in case of any 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 hereby designates the Executive Director to take all necessary and proper measures in emergency conditions to maintain the JPB's systems in operation. The Board also grants the Executive Director the authority to determine that there is insufficient time for competitive bidding and that public interest and necessity demand the immediate expenditure of public money to safeguard life, health, or property. If the Executive Director makes such a determination, the Executive Director may expend or enter into a contract involving the expenditure of any sum needed in such emergency without observance of the provisions requiring contracts, bids or notice. The Executive Director shall promptly report on the reasons and necessity for proceeding without a competitive solicitation for construction, repair, maintenance, alteration and similar work which exceeds \$200,000 (or the threshold set forth in California Public Contract Code § 22032(c), whichever is greater), and for materials, supplies, equipment, and services which exceed \$250,000 to the Board of Directors at the next available meeting, provided that the Executive Director reports to the Board no later than 14 days after taking such emergency action. Upon hearing the Executive Director's report, the Board shall determine, by a four-fifths vote, whether or not there is a need to continue the emergency action. The Board shall continue to evaluate the emergency action, determining whether or not the emergency procurement is still required, at every regularly scheduled meeting thereafter until the action is terminated. See Public Contract Code §§ 20331, 22035, and 22050.

J. Cooperative Purchasing Agreements

To foster greater economy and efficiency, the JPB may avail itself of state and local intergovernmental agreements for procurement or use of common goods and services. Joint procurements, state cooperative purchasing programs, and assignment of existing contract rights ("piggyback" procurements) with other public agencies may be used when consistent with applicable state and federal statutory or grant requirements.

K. Discretion to Waive the Competitive Process

The Board of Directors or the Executive Director in the case of procurements within the Executive Director's procurement authority may waive the requirements for formal competitive bidding or other procedures set forth in this Policy when (1) permissible under applicable law, (2) a determination is made that the best interests of the JPB are served thereby, and provided there is adequate documentation of the need for such material, supplies, equipment, public works or

services; and (3) a determination is made that following competitive procedures would be unavailing and not in furtherance of the purposes of the competitive bidding statutes and the JPB's Procurement Policy. These circumstances shall be evaluated on a case-by-case basis, in consultation with the legal staff, keeping in mind the Fundamental Principles of Ethical Procurement set forth in this Policy. The findings justifying the waiver must be documented in the record.

Regardless of the estimated cost of the procurement, the JPB is not required to engage in the competitive bidding process when procuring materials, equipment, supplies or services for which there exists only a sole source of supply. If more than one distributor of a product or service is available, the product or service is not exempt from competitive bidding as a sole source, but may be exempt from competitive bidding as a single source with appropriate justification. A sole source decision is not permitted merely upon the grounds that the source demonstrates technical or administrative superiority, is the most convenient, or shows superior performance potential at lower costs. In all cases, staff must verify that the particular procurement meets the definition of a single or sole source, and a cost or price analysis must be performed to determine the fairness and reasonableness of the price. The single or sole source findings will be reviewed by the Director of Contracts in consultation with legal staff, as needed. A written determination of the findings will be provided to the requestor for inclusion in the contract record.

L. Contract Administration

The JPB shall administer all contracts to ensure that contractors conform with the terms, conditions, and specifications of all contracts and to ensure all purchases are received in a timely manner. Contract administration files shall contain documentation concerning the solicitation, contract costs, modifications and final disposition. All significant formal and informal communications on all contracts must be committed to written memoranda and promptly included in the contract file.

M. Disposal of Surplus Property

1. The Director of Contracts and Procurement shall approve the manner of disposition of surplus supplies, equipment, and materials. The Board of Directors shall approve the disposition of any item having a fair market value greater than \$250,000. In all cases, disposition or sale of rolling stock shall require approval of the Board. In the event the surplus item to be disposed of was purchased with federal funds, the JPB will comply with federal disposition requirements.
2. The method of sale or disposition of any surplus or scrap items shall depend upon the nature of the items. Such methods shall include: (1) transfer or sale to other public agencies, (2) trade-in as part of a new procurement, (3) sale by auction, advertisement for sealed bids, or negotiation, or (4) where appropriate, proper recycling, donation to a non-profit agency, or disposal.

N. Revenue Generating Contracts/Concessions

To the extent they are not otherwise governed by JPB policies, concession agreements are contracts where the JPB grants permission to use JPB facilities or property to vendors to sell products or services, for which the JPB receives a percentage of the proceeds and/or a flat rate of compensation. Generally, these arrangements are at no direct cost to the JPB.

Where it is determined that a number of potential vendors are available to provide similar products or services, a competitive negotiations procedure should be followed, and award made to the highest ranked proposer, taking into consideration the economic return to the JPB, quality of the product, service and experience of the vendor.

The Board of Directors shall approve revenue generating/concessions contracts that exceed \$250,000 in value.

O. Implementation

This Policy sets forth the standards and methods to be followed by the JPB in obtaining public works, supplies, materials, equipment and services. Since 2004, the JPB has had in place a Board-adopted Procurement Manual that sets forth implementing guidelines and procedures consistent with applicable law, best procurement practices, and the Procurement Policy. The Executive Director shall have the authority to maintain and update as necessary the Procurement Manual to give effect to this Policy and may make subsequent revisions if necessary to implement changes in applicable laws and regulations and best procurement practices such as FTA Best Practices Procurement Manual, Caltrans Local Assistance Procedures Manual, American Public Transit Association guidelines and standards, or other well accepted external references. Changes that represent a deviation from this Policy must be approved by the Board of Directors. All JPB staff with responsibility for procurement activities shall be trained in, and adhere to, this Policy and the Procurement Manual.

Revised: Resolution No. 2024-XX	March 7, 2024
Revised: Resolution No. 2023-37	June 1, 2023
Revised: Resolution No. 2019-12	April 4, 2019
Revised: Resolution No. 2017-11	March 2, 2017
Revised: Resolution No. 2010-11	February 4, 2010
Adopted: Resolution No. 2004-17	June 3, 2004

ATTACHMENT B: REDLINED PROPOSED PROCUREMENT POLICY

PROCUREMENT POLICY PENINSULA CORRIDOR JOINT POWERS BOARD

The Peninsula Corridor Joint Powers Board (“JPB”) is organized pursuant to the Government Code ~~Section~~ § 6500, *et seq.* and comprised of three member agencies, the City and County of San Francisco, the Santa Clara Valley Transportation Authority, and the San Mateo County Transit District (“District”). The District provides personnel, administrative, and operational support for the JPB and District staff generally provides all procurement support functions for both agencies in order to acquire such property, facilities, equipment, materials, supplies and services as may be deemed necessary to carry out their duties. The procedures governing procurements of the JPB derive from state law and federal law. By accepting state and federal funding, the JPB is also obligated to comply with certain regulations in its procurement of goods and services. More specifically, certain standards, regulations, and other requirements for grants to local governments issued by the United States Department of Transportation apply to the JPB in connection with contracts financed in whole or in part with federal funds. In the event of a conflict between the JPB’s Procurement Policy and state or federal law, such state or federal law shall supersede this Procurement Policy.

This Procurement Policy provides a broad overview of the standards and methods which will guide the JPB in obtaining goods and services. Wherever in this Procurement Policy the Executive Director is designated authority, such authority shall be understood to include the designee of the Executive Director.

A. Fundamental Principles of Ethical Procurement

The JPB’s Procurement Policy and procurement practices reflect its commitment to fundamental principles of ethical procurement, which are as follows:

1. Foster maximum open and free competition for JPB Contracts;
2. Promote the greatest economy and efficiency in JPB procurements;
3. Ensure adherence to proper standards of conduct by JPB board members, officers and employees;
4. Maintain procurement policies and procedures that guarantee compliance with applicable state and federal laws and regulations;
5. Establish and maintain an arm's length relationship with all Contractors;
6. Treat all prospective Contractors, Consultants, and vendors, including Disadvantaged Business Enterprises (“DBEs”) and small businesses, in a fair ~~an equal~~ and equitable manner; and
7. Provide guidance for remedy and resolution of Contract claims or disputes.

Based on these fundamental principles of ethical procurement and the general standards of public sector procurement, the following set of procurement and contracting policies have been developed.

B. Conflicts of Interest

No director, officer, employee or agent of the JPB shall participate in any procedure, tasks, or decisions relative to initiation, evaluation, award, or administration of a contract if a conflict of interest, real or apparent, exists. Such a conflict of interest arises when (a) the director, officer, employee or agent, (b) any member of his or her immediate family, (c) his or her business associate, or (d) an organization which employs, or which is about to employ, any of the above described individuals has a financial or other interest in a firm that participates in a JPB procurement process or that is selected for an award. The standards governing the determination as to whether such an interest exists are set forth in the Political Reform Act (~~Section §~~ 81000 *et seq.* of the California Government Code) and in ~~Sections §§~~ 1090, 1091, and 1091.5 of the California Government Code.

C. Methods of Procurement

1. All purchases and contracts, whether by informal bidding, formal bidding or proposals, shall be made on a competitive basis to the greatest extent practicable.
2. The method of procurement, such as small purchases, informal bids or proposals, formal competitive bidding, requests for proposals, etc., shall be appropriate for the type of project or procurement and shall be in the best interest of the JPB.
3. Formal competitive bidding must be used for construction, repair, maintenance, alteration, and similar work whenever the estimated expenditure for such work exceeds ~~\$10,000~~ \$200,000 (or the threshold set forth in California Public Contract Code § 22032(c), whichever is greater). ~~(or the current threshold set forth in California Public Contract Code Section 20331).~~ Alternative methods of procurement, such as a design build approach, may be utilized if authorized by state law and in full compliance with all applicable requirements.

Federally funded procurements will comply with all applicable federal requirements.

Informal competitive procedures, as set in the JPB's Informal Bidding Ordinance, may be used for construction, repair, maintenance, alteration, and similar work whenever the estimated expenditure is more than \$60,000 (or the threshold set forth in California Public Contract Code § 22032(a), whichever is greater) and not more than \$200,000 (or the threshold set forth in California Contract Code § 22032(b), whichever is greater). Award will be made to the lowest bidder (Public Contract Code § 22038). For construction, repair, maintenance, alteration, and similar work where the estimated expenditure is \$60,000 or less (or the threshold set forth in California Public Contract Code § 22032(a), whichever is greater) ~~or less,~~ the JPB may use a negotiated contract or a purchase order.

4. Formal competitive bidding should be used when purchasing equipment, supplies, services, or materials over \$250,000, but a “best value” approach may be used in circumstances where it is determined to be in the best interest of the JPB. “Best value” means a process in which the overall combination of quality, price, and other elements such as reliability, standardization, vendor qualifications, warranty, life cycle costs, and sustainability issues are considered together to determine which proposal provides the greatest overall benefit to the JPB. On a case by case basis, and in particular when a procurement involves a combination of goods and services, the JPB Procurement Office, in consultation with the Project Manager or the department issuing the solicitation, shall make the determination of whether a “best value” approach is in the best interest of the JPB. In such circumstances, the determination will be documented in writing and a formal competitive proposal process will be utilized.
5. An informal procurement method may be utilized for the purchase of materials, equipment or supplies when the estimated expenditure is between \$10,000 and \$250,000. To the extent practicable, such a method shall involve obtaining a minimum of three quotations, either written or oral, that permit prices and other terms to be compared. The JPB will undertake adequate outreach to ensure open and free competition, and that small businesses, including **Disadvantaged Business Enterprises DBEs** are afforded opportunities to submit quotations. To the extent practicable, the JPB will strive to obtain at least one of the minimum of three quotations from a small business. The JPB will utilize interested vendors based upon a review of trade sources, lists of certified DBEs and small businesses that have registered with the State, and vendors that have registered with the JPB to receive notice of contract opportunities. When appropriate to ensure satisfaction of the Fundamental Principles set forth in Section A of this Policy, such solicitations shall be advertised by the JPB. The JPB’s informal bidding procedures using a lowest responsible bidder standard for bid comparison will serve as the typical standard on which to base the purchase of materials, equipment, or supplies, unless it is determined in writing that it is in the JPB’s best interest to apply a “best value” approach, in which event, qualitative factors such as those set forth in paragraph C.4. above, in addition to price may be considered in making an award.
6. Formal competitive proposals, which consider and evaluate factors in addition to price, will be used to retain professional and non-professional services when the estimated expenditure exceeds \$250,000. Specialized State and federal laws will apply to the procurement of architectural and engineering services as defined by applicable laws and regulations, regardless of the estimated expenditure.
7. The use of appropriate intergovernmental and cooperative agreements is encouraged in order to reduce duplicative effort and to achieve cost economies.
8. The JPB may purchase items on the open market under the following conditions: (a)(i) if the JPB rejects bids received in connection with a procurement of materials, supplies and equipment requiring formal competitive bidding, and (ii) the Board of

Directors determines and declares by a two-thirds vote of all its members that in its opinion the supplies, equipment and materials may be purchased at a lower price in the open market; or (b) if the Board of Directors, or the Executive Director, within the Executive Director's procurement authority, has exercised discretion to waive the competitive process when permissible under applicable law and consistent with the fundamental principles of procurement set forth in this Policy, or (c) if no bids or proposals are received in response to a formal solicitation and market research indicates another procurement for the supplies, equipment, services and materials will not render a different outcome. See Public Utilities Code § 103223 and Section K "Discretion to Waive the Competitive Process" set forth below.

D. Procurement Documentation and Consideration of Bids and Proposals

1. Formal competitive bidding requires preparation of bid documents that clearly set forth all requirements which must be fulfilled in order for the bid to be responsive, advertisement in accordance with the law, and, once bids are received, an award, if made, to the lowest responsive and responsible bidder.
2. Formal competitive proposals, including the "best value" approach, require issuance of Requests for Proposals, which clearly set forth all the requirements, and state the qualitative factors, in addition to price, which will be used to evaluate and rank the Proposals. An award, if made, will be to the proposer receiving the highest consensus ranking, subject to successful negotiations with the JPB.
3. Any and all bids or proposals may be rejected by the JPB if it is in the JPB's best interest to do so.
4. The JPB may only contract with persons, firms or entities that are qualified and possess the ability to perform successfully under the terms and conditions of the proposed procurement.

E. Execution of Contract Documents

1. All JPB contracts and amendments will be in writing and executed prior to beginning performance under the contract.
2. The Executive Director may execute all contracts on behalf of the JPB that are duly approved within the Executive Director's authority. The Chairperson of the Board of Directors will sign contracts and leases that require approval by the Board, unless otherwise delegated to the Executive Director.

F. Disadvantaged Business Enterprise DBE Program

The JPB is committed to a ~~Disadvantaged Business Enterprise~~ ("DBE") Program for DBE participation in JPB contracting opportunities in accordance with 49 Code of Federal Regulations (CFR) Part 26, effective June 22, 2001, as may be amended. It is the policy of the JPB to ensure nondiscrimination on the basis of race, color, sex or national origin in the award and administration

of U.S. Department of Transportation assisted and JPB contracts. It is the intention of the JPB to create a level playing field on which DBEs can compete fairly for contracts and subcontracts to provide the JPB's public works, supplies, equipment, materials and services.

G. Protest Procedures

Bidders may protest contracts that are let through informal bidding, formal competitive bidding or competitive negotiations. The Executive Director or designee is authorized to review and rule upon protests concerning contracts awarded within the Executive Director's procurement authority.

Protests for contracts not within the Executive Director's procurement authority will first be reviewed and ruled upon by the Executive Director, or designee. Appeals of such determinations will be reviewed and acted upon by the Board of Directors upon recommendation by the Executive Director and the General Counsel. All protests will be processed in accordance with the written procedures set forth in the Procurement Manual.

H. Executive Director's Procurement Authority

1. The Executive Director is authorized to purchase services, supplies, equipment, and materials and to arrange for work in a manner consistent with this Procurement Policy and written procedures as may be developed from time to time. The Executive Director is authorized to execute agreements and expend funds for procurements and activities included within the JPB's approved annual budget as follows: (1) \$250,000 or less for equipment, supplies, materials, or services and (2) not more than \$200,000 (or the current threshold set forth in California Public Contract Code § 22032(b), whichever is greater), for construction, repair, maintenance, alteration and similar work~~\$250,000 or less for public works.~~
2. The Executive Director is authorized to modify and otherwise administer all contracts on behalf of the JPB. For all contracts, the Executive Director is authorized to issue contract change orders or amendments within any Board approved contingency. If the Board does not establish a contingency, the Executive Director is authorized to issue contract change orders or amendments \$250,000 or less, or up to 10% of the Board approved amount (cumulative), whichever is greater. Calculation of the change order/amendment contingency authority (whether 10% or other percentage established by the Board) shall be based on the sum of those amounts specifically approved by the Board as follows: (1) the original contract amount, plus (2) any Board-exercised or approved options, plus (3) any Board-approved amendments.
3. The Executive Director is authorized to designate staff to oversee and monitor procurements and may delegate this contracting authority, which must be in writing, documented by the Director of Contracts and Procurement, and must specify defined monetary limits.
4. Only the Board may award (a) contracts for materials, supplies and equipment or services over \$250,000, and (b) contracts for construction, repair, maintenance,

alteration and similar work over \$200,000 (or the current threshold set forth in California Public Contract Code § 22032(c), whichever is greater). When the Board awards such contracts, it also delegates to the Executive Director the authority to execute the resulting agreement. ~~For award of contracts for materials, supplies and equipment or services over \$250,000, Board approval is required. For award of public works contracts over \$250,000, Board approval is required. The Board delegates to the Executive Director the signature authority for all such contracts for the purchase/lease of equipment, supplies, materials, and the procurement of services and public works.~~

I. Emergency Contracts

For procurements requiring competitive bidding and/or Board approval, in case of any 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 hereby designates the Executive Director to take all necessary and proper measures in emergency conditions to maintain the JPB's systems in operation. The Board also grants the Executive Director the authority to determine that there is insufficient time for competitive bidding and that public interest and necessity demand the immediate expenditure of public money to safeguard life, health, or property. If the Executive Director makes such a determination, the Executive Director may expend or enter into a contract involving the expenditure of any sum needed in such emergency without observance of the provisions requiring contracts, bids or notice. The Executive Director shall promptly report on the reasons and necessity for proceeding without a competitive solicitation for construction, repair, maintenance, alteration and similar work which exceeds \$200,000 (or the threshold set forth in California Public Contract Code § 22032(c), whichever is greater), and for materials, supplies, equipment, and services which exceed \$250,000 ~~for bids~~ to the Board of Directors at the next available meeting, provided that the Executive Director reports to the Board no later than 14 days after taking such emergency action. Upon hearing the Executive Director's report, the Board shall determine, by a four-fifths vote, whether or not there is a need to continue the emergency action. The Board shall continue to evaluate the emergency action, determining whether or not the emergency procurement is still required, at every regularly scheduled meeting thereafter until the action is terminated. See Public Contract Code §§ 20331, 22035, and 22050.

J. Cooperative Purchasing Agreements

To foster greater economy and efficiency, the JPB may avail itself of state and local intergovernmental agreements for procurement or use of common goods and services. Joint procurements, state cooperative purchasing programs, and assignment of existing contract rights ("piggyback" procurements) with other public agencies may be used when consistent with applicable state and federal statutory or grant requirements.

K. Discretion to Waive the Competitive Process

The Board of Directors or the Executive Director in the case of procurements within the Executive Director's procurement authority may waive the requirements for formal competitive bidding or other procedures set forth in this Policy when (1) permissible under applicable law, (2) a determination is made that the best interests of the JPB are served thereby, and provided there is adequate documentation of the need for such material, supplies, equipment, public works or services; and (3) a determination is made that following competitive procedures would be unavailing and not in furtherance of the purposes of the competitive bidding statutes and the JPB's Procurement Policy. These circumstances shall be evaluated on a case-by-case basis, in consultation with the legal staff, keeping in mind the Fundamental Principles of Ethical Procurement set forth in this Policy. The findings justifying the waiver must be documented in the record.

Regardless of the estimated cost of the procurement, the JPB is not required to engage in the competitive bidding process when procuring materials, equipment, supplies or services for which there exists only a sole source of supply. If more than one distributor of a product or service is available, the product or service is not exempt from competitive bidding as a sole source, but may be exempt from competitive bidding as a single source with appropriate justification. A sole source decision is not permitted merely upon the grounds that the source demonstrates technical or administrative superiority, is the most convenient, or shows superior performance potential at lower costs. In all cases, staff must verify that the particular procurement meets the definition of a single or sole source, and a cost or price analysis must be performed to determine the fairness and reasonableness of the price. The single or sole source findings will be reviewed by the Director of Contracts in consultation with legal staff, as needed. A written determination of the findings will be provided to the requestor for inclusion in the contract record.

L. Contract Administration

The JPB shall administer all contracts to ensure that contractors conform with the terms, conditions, and specifications of all contracts and to ensure all purchases are received in a timely manner. Contract administration files shall contain documentation concerning the solicitation, contract costs, modifications and final disposition. All significant formal and informal communications on all contracts must be committed to written memoranda and promptly included in the contract file.

M. Disposal of Surplus Property

1. The Director of Contracts and Procurement shall approve the manner of disposition of surplus supplies, equipment, and materials. The Board of Directors shall approve the disposition of any item having a fair market value greater than \$250,000. In all cases, disposition or sale of rolling stock shall require approval of the Board. In the event the surplus item to be disposed of was purchased with federal funds, the JPB will comply with federal disposition requirements.

2. The method of sale or disposition of any surplus or scrap items shall depend upon the nature of the items. Such methods shall include: (1) transfer or sale to other public agencies, (2) trade-in as part of a new procurement, (3) sale by auction, advertisement for sealed bids, or negotiation, or (4) where appropriate, proper recycling, donation to a non-profit agency, or disposal.

N. Revenue Generating Contracts/Concessions

To the extent they are not otherwise governed by JPB policies, concession agreements are contracts where the JPB grants permission to use JPB facilities or property to vendors to sell products or services, for which the JPB receives a percentage of the proceeds and/or a flat rate of compensation. Generally, these arrangements are at no direct cost to the JPB.

Where it is determined that a number of potential vendors are available to provide similar products or services, a competitive negotiations procedure should be followed, and award made to the highest ranked proposer, taking into consideration the economic return to the JPB, quality of the product, service and experience of the vendor.

The Board of Directors shall approve revenue generating/concessions contracts that exceed \$250,000 in value.

O. Implementation

This Policy sets forth the standards and methods to be followed by the JPB in obtaining [public works, supplies](#), materials, equipment and services. Since 2004, the JPB has had in place a Board-adopted Procurement Manual that sets forth implementing guidelines and procedures consistent with applicable law, best procurement practices, and the Procurement Policy. The Executive Director shall have the authority to maintain and update as necessary the Procurement Manual to give effect to this Policy and may make subsequent revisions if necessary to implement changes in applicable laws and regulations and best procurement practices such as FTA Best Practices Procurement Manual, Caltrans Local Assistance Procedures Manual, American Public Transit Association guidelines and standards, or other well accepted external references. Changes that represent a deviation from this Policy must be approved by the Board of Directors. All JPB staff with responsibility for procurement activities shall be trained in, and adhere to, this Policy and the Procurement Manual.

Revised: Resolution No. 2024-XX	March 7, 2024
Revised: Resolution No. 2023-37	June 1, 2023
Revised: Resolution No. 2019-12	April 4, 2019
Revised: Resolution No. 2017-11	March 2, 2017
Revised: Resolution No. 2010-11	February 4, 2010
Adopted: Resolution No. 2004-17	June 3, 2004

Ordinance No. 2024-1

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

* * *

**Relating to the California Uniform Public Construction Cost Accounting Act to
Provide Informal Bidding Procedures for Public Projects**

Whereas, California Public Contract Code Section 22000 et seq., the Uniform Public Construction Cost Accounting Act (the Act), establishes a uniform cost accounting standard for construction contracted by local agencies; and

Whereas, the California Uniform Construction Cost Accounting Commission (the Commission), established under the Act, has developed uniform public construction cost accounting procedures for implementation by local public agencies in the contracting for construction of public projects; and

Whereas, the Board of Directors of the Peninsula Corridor Joint Powers Board, via Resolution 2024-XX, also adopted on this 7th day of March 2024, has elected to become subject to the procedures set forth in the Act, and to the Commission's policies and procedures manual, as they each may be amended from time to time; and

Now, Therefore, the Board of Directors of the Peninsula Corridor Joint Powers Board hereby ordains as follows:

Section 1. Bidding Procedures for Public Projects

The Peninsula Corridor Joint Powers Board (JPB) adopts the procedures set forth herein for the bidding and award of Public Projects.

(a) Informal Bid Procedures

Public Projects, as defined by the Uniform Public Construction Cost Accounting Act (Section 22000 et seq. of the Public Contract Code) (the Act or CUPCCAA) and in accordance with the limits listed in the Public Contract Code Section 22032, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code.

(b) Notice to Contractors Inviting Informal Bids

The JPB will comply with the requirements of the Public Contract Code Section 22034. Where a Public Project is to be performed, which is subject to the provisions of this Ordinance, a notice inviting informal bids shall be mailed, emailed, or faxed to all construction trade journals as specified by the Commission in accordance with Section 22036 of the Public Contract Code. Additional contractors and/or construction trade journals may be notified at the JPB's discretion, provided however, if the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project, and state the time and place for submission of bids.

(c) Award of Contracts

The Executive Director or designee is authorized to award informal contracts pursuant to this Ordinance.

If all bids received are in excess of the informal bidding limits listed in Section 22032 of the Public Contract Code, the Board of Directors may, by adoption of a resolution by a four-fifths vote, award the contract up to the amount listed in Section 22034(d) of the Public Contract Code, to the lowest responsible bidder, if it determines the JPB's cost estimate was reasonable.

Section 2. Severability

If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of a court of competent jurisdiction, the holding shall not affect the validity or enforceability of the remaining provisions, and the Board of Directors declares that it would have adopted each provision of this ordinance irrespective of the validity of any other provision.

Section 3. Effective Date

This ordinance becomes effective on March 8, 2024.

Regularly passed and adopted this 7th day of March, 2024 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary
(00504520-3)

**Peninsula Corridor Joint Powers Board
Staff Report**

To: Finance Committee

Through: Michelle Bouchard, Executive Director

From: Dahlia Chazan, Chief, Planning

Subject: **Authorize Amendment to On-Call Transportation Planning and Consultant Support Services Contract**

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. Authorize Amendment No. 2 to the On-Call Transportation Planning and Consultant Support Services contracts to:
 - a. Increase the not-to-exceed contract capacity amount by \$7,500,000, from \$35,000,000 to \$42,500,000 (for a total of \$52,500,000 including the options) for authorized tasks amongst the consultant firms and contract numbers listed below:
 - i. Fehr & Peers (20-J-P-006A)
 - ii. HNTB Corporation (20-J-P-006B)
 - iii. Kimley-Horn and Associates, Inc. (20-J-P-006C)
 - iv. Arup North America, Ltd (20-J-P-006D)
 - v. Mott MacDonald Group, Inc. (20-J-P-006E)
 - vi. WSP USA Inc. (20-J-P-006F)
 - b. Extend the contract duration from June 30, 2025, through December 31, 2025; and
 - c. Amend the date of the two one-year options to authorize Caltrain to exercise both options early (July 1, 2024, rather than July 1, 2025, and July 1, 2026), allowing access to the \$10,000,000 in capacity on the options in Fiscal Year (FY) 2025;
2. Authorize the Executive Director or designee to execute the contract options and amendments in a form approved by legal counsel.

Discussion

In May 2020, the Board adopted Resolution No. 2020-18 to award contracts to the above-referenced firms, consisting of a five-year base term for an aggregate not-to-exceed amount of \$25 million with two additional, one-year option terms for July 1, 2025 and July 1, 2026 in an aggregate not-to-exceed amount of \$5 million for each option year. Therefore, the total original contract capacity was \$35 million with the option years. Pursuant to Resolution No. 2023-26, the Board authorized an increase in base contract capacity of \$10 million for a total base capacity of \$35 million or a total contract capacity of \$45 million with the option years. This amendment proposes early execution of the option years and a second base contract capacity increase of \$7.5 million for a total base capacity of \$42.5 million or a total contract capacity of \$52.5 million.

Contract Information	Start	End	Years	Capacity	Resolution No.
Base	7/1/2020	6/30/2025	5.0	\$25,000,000	2020-18
Option #1	7/1/2025	6/30/2026	1.0	\$5,000,000	
Option #2	7/1/2026	6/30/2027	1.0	\$5,000,000	
Original Total:				\$35,000,000	
Amendment 1			0.0	\$10,000,000	2023-26
Current Total:				\$45,000,000	
Amendment 2			0.0	\$7,500,000	
Proposed Total:			7.0	\$52,500,000	

Early exercise of the options and additional contract authority of \$7.5 million is needed because transportation planning on-call needs exceeded projections for the following reasons:

- Large regional planning efforts such as San Francisco Railyards, DTX and the Diridon Integrated Station Concept Plan and Business Case have required higher value work directives than anticipated accounting for approximately \$16 million in contract capacity.
- Various Caltrain departments and shared services teams have utilized the contract for activities such as communications and outreach, grant support and seconded staff accounting for approximately \$4 million in contract capacity.
- Some necessary planning activities could not have been foreseen, such as pandemic-related business planning, service restoration and ridership recovery efforts accounting for approximately \$1.5 million in contract capacity.
- Costs for quality consultant work have escalated more quickly than anticipated due to significant inflation and upward pressure on consultant salaries required to retain talent.

Current contract capacity remaining as of March 1, 2024, is just \$441,454 (73% time elapsed and 99% capacity used). An early exercise of the two options allowing access to \$10 million and an increase in capacity of \$7.5 million would increase the remaining contract capacity to \$17,941,454. This will allow the JPB to maintain continuity and uninterrupted services in connection with current and upcoming work directives through December 31, 2025. More

specifically, the second amendment will allow Caltrain to continue its efforts related to the Downtown Rail Extension (DTX or The Portal), San Francisco Railyards, and Diridon Station planning, level boarding analysis, grade separation projects, headquarters analysis, and communications and outreach for PCEP, among other planning studies. Many of these efforts are of regional importance, are time-sensitive, and cannot be postponed until a new request for proposals (RFP) can be solicited and a new on-call planning contract issued.

Staff believe this contract authority increase and ability to use the existing option capacity earlier will be sufficient to allow time for a new competitive solicitation of the Transportation Planning On-Call Services contract. Staff have initiated the procurement process as resources allow, which is expected to take approximately one year. The new contract is targeted for approval in the first quarter of 2025.

Authorization of this amendment will not obligate the JPB to procure any specific level of service from either of the above referenced firms as the Transportation and Planning Services are performed under Work Directives (WD) issued to each firm on an on-call and project basis.

Budget Impact

There is no budget impact for the contract amendment. On-call contracts inherently do not fund activities; individual WDs contain a defined scope of services, with a discrete schedule and budget, they must have funds identified prior to issuance. Funds for the proposed contract amendment are available in the current-year Board approved capital and operating budgets, and any additional funding needs will be included in future year capital and/or operating budgets. A variety of funding sources are used for each project and may include Federal, State and local funds, as well as funds provided by project sponsors or partners via project-specific agreements to reimburse Caltrain for its work.

Prepared By: Lawrence Leung	Manager, Rail Contracts & Budget	650-508-6328
Melissa Reggiardo	Manager, Caltrain Planning	650-868-9925

Resolution No. 2024-

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

* * *

**Authorizing Amendment to On-Call Transportation Planning and
Consultant Support Services Contract**

Whereas, pursuant to Resolution No. 2020-18, the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) awarded contracts to Fehr & Peers, HNTB Corporation, Kimley-Horn & Associates, Inc., Arup North America Ltd., Mott MacDonald Group Inc., and WSP USA, Inc., consisting of a five-year base term for an aggregate not-to-exceed amount of \$25,000,000 with two additional, one-year option terms for July 1, 2025 and July 1, 2026 in an aggregate not-to-exceed amount of \$5,000,000 for each option year; and

Whereas, pursuant to Resolution No. 2023-26, the Board authorized an increase in base contract capacity of \$10,000,000 for a total capacity of \$35,000,000; and

Whereas, current contract capacity remaining as of March 1, 2024, is just \$441,454 (73% time elapsed and 99% capacity used); and

Whereas, an early exercise of the two options and an increase in capacity of \$7.5 million would increase the remaining contract capacity to \$17,941,454; and

Whereas, in fiscal year (FY) 2023 Caltrain issued work directives under the contract in the amount of nearly \$12 million; and

Whereas, in FY 2024, Caltrain is on track to issue work directives totaling approximately \$16 million, of which approximately \$9 million has been issued already; and

Whereas, additional contract authority of \$7.5 million and early exercise of the options are needed for the following reasons:

- Large regional planning efforts have required more higher value work directives than anticipated at the time of contract development and initiation (approximately \$16 million in capacity)
- Related activities, including communications and outreach, grant support, and seconded staff (\$4 million in capacity)
- Unforeseeable planning activities, such as pandemic-related business planning, service restoration and ridership recovery efforts (\$1.5 million in capacity)
- Costs for quality consultant work have escalated more quickly than anticipated due to significant inflation and upward pressure on consultant salaries required to retain talent over the past several years; and

Whereas, execution of this second amendment to access the budget for the contract options early and to increase the capacity of the contract will allow the JPB to maintain uninterrupted services in connection with current and upcoming on-call transportation planning work directives through December 31, 2025, with flexibility to spend more of the remaining amount earlier in the contract period; and

Whereas, specifically, the second amendment would allow Caltrain to continue its efforts related to the Downtown Rail Extension (DTX or The Portal), San Francisco Railyards, and Diridon Station planning, level boarding analysis, grade separation projects, headquarters analysis, and communications and outreach for PCEP, among other planning studies; and

Whereas, many of these efforts are time-sensitive and cannot be postponed to allow time for a new request for proposals to be issued and new contracts to be executed; and

Whereas, without the additional capacity available to use in 2024 and 2025, these high priority projects for Caltrain and its partner agencies will be delayed; and

Whereas, there will be no budget impact to authorize this increase in contract capacity, as Caltrain will use available funds within the approved operating and capital budgets, including funds provided through grant agreements and agreements with partner agencies, to fund any future work directives issued under this contract; and

Whereas, authorization of this amendment will not obligate the JPB to procure any specific level of service from any of the above referenced firms as the Transportation and Planning Services are performed under work directives issued to each firm on an on-call and project basis; and

Whereas, exercising the options early, extending the term of the contract to December 31, 2025, and adding additional capacity now will allow time for an orderly re-compete of the transportation planning on-call contract and the new bench can be in place without any interruption to Caltrain's planning activities, and accordingly staff recommend that the Board authorize the second amendment to the On-Call Transportation Planning and Consultant Support Services contracts.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby authorizes the Executive Director or designee to execute Amendment No. 2 to the On-Call Transportation Planning and Consultant Support Services contracts, in a form approved by legal counsel, to:

1. Amend the two one-year options to authorize Caltrain to exercise both options early, on July 1, 2024, to allow Caltrain to spend the additional \$10 million remaining on the options before the current option period;
2. Extend the initial contract term through December 31, 2025; and
3. Increase the not-to-exceed contract capacity amount by \$7,500,000, from \$35,000,000 to \$42,500,000 (for a total of \$52,500,000 including the options)
 - i. To be expended, as needed, for authorized tasks amongst the consultant firms and contract numbers listed below:
 1. Fehr & Peers (20-J-P-006A)
 2. HNTB Corporation (20-J-P-006B)
 3. Kimley-Horn and Associates, Inc. (20-J-P-006C)
 4. Arup North America, Ltd (20-J-P-006D)
 5. Mott MacDonald Group, Inc. (20-J-P-006E)
 6. WSP USA Inc. (20-J-P-006F)

Regularly passed and adopted this 7th day of March, 2024 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

JPB Secretary
(00506103-3)