



BOARD OF DIRECTORS 2024

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REVISED AGENDA

Peninsula Corridor Joint Powers Board

Finance Committee Meeting

December 16, 2024, 2:30 pm

Bacciocco Auditorium, 2nd Floor

1250 San Carlos Avenue, San Carlos, CA 94070

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 Avenue, 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.

December 16, 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 / Safety Briefing
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. Approval of Meeting Minutes for November 18, 2024 Motion
 - 4.b. Accept Statement of Revenues and Expenses for the Period Ended October 31, 2024 Motion
5. Authorize Executive Director to Execute Amendment 1 to Contract 24-J-P-016 for On-Call Alternative Project Delivery Negotiation Support Services* Motion
6. Award of On-Call Design Review Services Contract to TranSystems Corporation for a Total Not-To-Exceed Amount of \$8 Million for a Seven-Year Term* Motion
7. Award Contracts to COGENT Infotech Corporation, Domain Experts Corporation, and InterSources, Inc. for On-Call Full-Cycle and Sourcing Recruitment Services for an Aggregate Total Not-to-Exceed Amount of \$1,500,000 for a Five-Year Base Term, with up to Two Additional One-Year Option Terms Motion
8. Amend and Increase the Fiscal Year 2025 Capital Budget by \$17,000,000 from \$148,179,052 to \$165,179,052 Motion
Resolution
9. Receive Update on FY2025 Operating Budget and 10-Year Strategic Financial Plan Informational
10. Committee Member Requests
11. Date/Time of Next Regular Finance Committee Meeting: Monday, January 27, 2025 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.
12. Adjourn

Information for the Public

All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board. If you have questions on the agenda, please contact the JPB Secretary at 650.551.6108. Agendas are available on the Caltrain website at <https://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; JPB Technology, Operations, Planning, and Safety (TOPS) Committee: Two Wednesdays before the Board meeting, 1:30 pm. JPB Advocacy and Major Projects (AMP) Committee: Two Wednesdays before the Board meeting, 3:30 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 November 18, 2024**

Members Present: Ray Mueller, Monique Zmuda (Chair)
Members Attended via Teleconference: Devora “Dev” Davis
Staff Present: M. Bouchard, J. Harrison, L. Lumina-Hsu, H. Salem, A. To, M. Tseng

1. Call to Order / Pledge of Allegiance / Safety Moment

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

2. Roll Call

Acting District Secretary Margaret Tseng called the roll and confirmed a quorum was present.

General Counsel James Harrison noted Director Davis invoked AB2449 and attended remotely.

3. Public Comment on Items not on the Agenda - There were none.

4. Consent Calendar

4.a. Approval of Meeting Minutes of October 28, 2024

4.b. Receive Quarterly Fuel Hedge Update

Motion/Second: Davis/Mueller
Ayes: Davis, Mueller, Zmuda
Noes: None

5. Authorize the Filing of Applications with the Metropolitan Transportation Commission (MTC) for Programming of Federal Transit Administration (FTA) Formula Funds for Fiscal Year (FY) 2025-2029 Caltrain Priorities Funding**

Heather Salem, Manager, Grants and Fund Program, provided the presentation that included the following:

- JPB projects included MTC’s Transit Capital Priorities (TCP) program ensures the ability to apply for federal, state, and local funding sources
- Funding amounts for each fiscal year will be determined by annual congressional appropriations and FTA’s formal apportionment of the funds to the region

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

- Anticipated timeline of funding allocations for FY25 and FY26 to be announced in 2025
- Project funding prioritization

Motion/Second: Mueller/Davis

Ayes: Davis, Mueller, Zmuda

Noes: None

6. Accept Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024

Annie To, Director of Accounting, and Ryan Nielsen, Brown Armstrong, provided the presentation that included the following:

- Highlights from the FY23-24 ACFR operating revenue increased by \$3.1 million or 6.6 percent, passenger fares increased by \$3.6 million or 8.2 percent, nonoperating revenue increased by \$80.4 million or 56.4 percent, Measure RR sales tax of \$119.6 million, and operating expenses increased \$20.9 million or 12.1 percent
- Measure RR will have separate report
- Auditor found no issues in the report

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

- Audit includes capital completion of electrification
- Auditor reviewed all operating and capital expenses
- FY24 budget adjustments for insurance reserve not part of audit

Motion/Second: Mueller/Davis

Ayes: Davis, Mueller, Zmuda

Noes: None

7. Receive Information Regarding Statement of Revenues and Expenses for the Period Ending October 31, 2024

- Deferred to the next meeting due to financial system changes.

8. Committee Member Requests - There were none.

9. Date/Time of Next Regular Finance Committee Meeting: Monday, December 16, 2024 at 2:30 pm.

10. Adjourn - The meeting adjourned at 2:51 pm

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB 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
October 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 accepts and enters into the record the Statement of Revenues and Expenses, and supplemental information for the period ending October 31, 2024.

This staff report provides a brief discussion of significant items and trends in the attached Statement of Revenues and Expenses through October 31, 2024. The columns have been designed to provide an easy comparison of current year-to-date actuals to information for the year-to-date budget, including dollar and percentage variances.

Discussion

Total Revenue:

As of October 31, 2024, total revenues were \$63.9 million compared to \$70.6 million in the adopted budget, resulting in an unfavorable variance of (\$6.7 million) or 9.5 percent.

The unfavorable revenue variance was primarily driven by the following:

- Delay in receipt of Low Carbon Fuel Standard, Low Carbon Transit Operations Program, and State Rail Assistance grants resulting in unfavorable revenue of \$4.6 million (100 percent) which we anticipate resolving by year-end with grant receipts are expected later in the fiscal year.
- Measure RR sales tax distributions trended \$2.0 million below budget, with receipts of \$38.3 million compared to a budgeted amount of \$40.3 million. Year-to-date, the actual revenue is lower than the budgeted amounts resulting in an unfavorable variance.
 - It is important to note that the first two payments of Quarter 2 (October and November) are advance payments, with a true-up payment scheduled for December. We will continue to monitor these variances closely throughout the quarter and provide updates as the outlook evolves.

Total Expense:

As of October 31, 2024, total expenses were \$67.8 million compared to \$77.5 million in the adopted budget, resulting in a favorable variance of \$9.8 million or 12.6 percent.

The favorable expense variance was primarily driven by the following:

- Professional Services expenses were \$2.6 million (56.7 percent) favorable with actual expenses \$1.9 million, compared to a budget of \$4.5 million. This is driven by normal timing issues associated with the billing cycles, and expenses are expected to increase over the next several periods while remaining within adopted/revised budget over the Fiscal Year.
- Rail Operator Service expenses were \$1.5 million (3.7 percent) favorable, with actual expenses of \$40.6 million compared to a budget of \$42.1 million. This favorable variance is attributable to variations and timing of invoices as received from TASI.
- Facilities and Equipment Maintenance were \$1.2 million (38.6 percent) favorable, with actual expenses of \$1.8 million compared to a budget of \$3.0 million. This favorable variance is due to the timing of the invoice for the contract services. The expenses are expected to remain within budget.
- Fuel and lubricant expenses through October are \$1.0 million (26.2 percent) favorable to budget, including additional diesel service which is not currently operating. These savings are expected to continue but will stabilize as future period budgets align more closely with actuals observed. This is attributable to the transition and timing of the fleet from diesel to electric for the San Francisco – San Jose route.
- Traction Power charges are \$0.9 million (40.4 percent) favorable, with traction power expenses materializing lower than initially anticipated. We not yet received credit for regenerative braking. We will monitor expense accordingly to update our forecast and future budget cycles. Favorability is anticipated to continue.

The favorable expense variance was partially offset by unfavorable expenses, driven by the following:

- Claims, Payments, and Reserves show an unfavorable variance of \$0.8 million (188.6 percent), with expenses totaling \$1.3 million compared to the \$0.4 million budget. This is driven by the increased frequency and magnitude of claims expenses anticipated with both ongoing and settled cases.

Other Information: The Agency accounts for revenue and expense on a modified accrual basis (only material revenues and expenses are accrued) on the monthly financial statement. As such, the variance between the current year actual and the budget may show noticeable variances due to the timing of expenses.

Budget Impact

Acceptance of the month of October 2024 Statement of Revenues and Expenses has no budget impact.

Prepared By:	Li Saunders	Accountant II	650.622.7848
	Danny Susantin	Financial Reporting, Manager	650.622.8073

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: Robert Barnard, Chief Rail Design & Construction
Subject: **Authorize Executive Director to Execute Amendment 1 to Contract 24-J-P-016 for On-Call Alternative Project Delivery Negotiation Support Services**

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. Increase the On-Call Alternative Project Delivery Negotiation Support Services contract capacity by \$650,000.
 - a. Authorize Amendment No. 1 to:
 1. Increase the not-to-exceed contract capacity amount by \$650,000, from \$2,500,000 to \$3,150,000, with two one-year option terms for a total not-to-exceed additional amount of \$1,000,000, with 10% contingency, to be expended, as needed, for authorized tasks for Kelly McNutt Consulting LLC
2. Authorize the Executive Director or designee, to execute the contract amendment in a form approved by legal counsel

Background

Pursuant to Resolution No. 2023-75, after a competitive procurement process, the Board awarded a contract to Kelly McNutt Consulting LLC, consisting of a five-year base term for an aggregate not-to-exceed amount of \$2,500,000, with two additional one-year option terms for a total not-to-exceed additional amount of \$1,000,000.

Only one qualified vendor responded to the solicitation. This contract was necessary to complete alternative project delivery contract negotiations and avoid costly delays to Caltrain's grade separation program. The program has since been accelerated in schedule, such that contract capacity will be depleted by the end of the first quarter of FY25. The contract covers two projects which have had their schedules consolidated. The acceleration of the grade separation program and the consolidation of the schedules for two projects led to earlier and higher expenditures under the contract than expected.

Further, five grade separations and a bridge project have been identified and added to Caltrain’s capital program through 2028, which also require On-Call Alternative Project Delivery Negotiation Services. Most of these projects will be covered by new RFP for these services, which will be initiated in Summer 2025.

However, one of the projected projects, Middle Avenue Grade Separation Project, is planned to start at the beginning of 2025.

To keep the Middle Avenue Grade Separation Project on the planned delivery schedule, funds must be added to the contract by Amendment 1.

Additional contract authority of \$650,000 is needed for several reasons:

- 1: Fund accelerated project schedules and an expanded grade separation program for two current, and one planned, grade separation projects.
- 2: Middle Avenue Grade Separation Project requires On Call Alternative Project Delivery Negotiations Support Services to start at the beginning of 2025. The new RFP will not be completed in time to meet this schedule, so this work scope must be included in Amendment 1.

Significance

Execution of this amendment will allow the JPB to maintain uninterrupted services in connection with current and upcoming on-call alternative project delivery negotiation work directives through the current end date of December 31, 2028. Current contract capacity remaining as of December 9, 2024, is just \$99,485 (19% time elapsed and 96% capacity used). The maximum Compensation the Agency will be authorized to expend for this Contract will not exceed \$4,150,000 (\$650,000 for Amendment 1 plus \$2,500,000 for the original five-year base term plus \$1,000,000 in aggregate, for the two, one-year option terms, if exercised) plus a 10% contingency, which may be used at the Agency’s discretion if necessary for unforeseen work only.

Additional contract authority of \$650,000 is required to support the current and potential future efforts, two existing, and one new project starting in 2025. The remainder of new projects will be covered separately through a new RFP solicitation:

- Broadway Burlingame Grade Separation Project, \$1,257,527, work is in progress.
- Rengstorff Avenue Grade Separation Project, \$1,142,988, work is in progress.
- Middle Avenue Grade Separation Project, new, \$650,000, work is in progress.

Budget Impact

Staff recommends that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) authorize Amendment No. 1 to increase the not-to-exceed contract capacity amount by \$650,000, from \$2,500,000 to \$3,150,000.

Prepared By:	Connie Tung	Contract Administrator	650.508.6371
	Mehdi Tavakolizadeh	Manager, Project Estimates	650.508.6273

Resolution No. 2025-

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

* * *

Authorize Amendment of Contract with Kelly McNutt Consulting, LLC for On-Call Alternative Project Delivery Negotiation Support Services to Increase Contract Capacity Amount by \$650,000

Whereas, pursuant to Resolution No. 2023-75 on August 29, 2023, the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB) awarded a contract to Kelly McNutt Consulting, LLC of Vancouver, Washington, USA., consisting of a five-year base term for a total not-to-exceed amount of \$2.5 million and up to two one-year option terms for a total not-to-exceed additional amount of \$1 million; and

Whereas, current contract capacity remaining as of December 9, 2024, is just \$99,485 (19% time elapsed and 96% capacity used); and

Whereas, Caltrain issued work directives under the contract in the amount of \$1,257,526.52 in fiscal year (FY) 2024, and \$1,142,988.16 in fiscal year (FY) 2025; and

Whereas, additional contract authority of \$650,000 is needed for the following reasons:

- Early and high expenditures were encountered due to the acceleration of the schedule of its grade separation program.
- Two-work directives, which cover two grade separation projects, will require continued contract maintenance by Kelly McNutt Consulting, and will require expenditures in March of 2025.
- Staff has advanced its overall grade separation program, beyond the two covered by Kelly McNutt Consulting's current work directives. There are many

grades separation projects, which are or will be in Caltrain's contract portfolio.

All the planned grade separation projects are anticipated to require On-Call Alternative Project Delivery Negotiation Services. Additional funding will be required to support the current and future efforts. Separate from this Board Resolution, a new RFP is being pursued by staff to provide continued services, which is planned to start in Summer of 2025.

- An amendment to Kelly McNutt Consulting's contract is requested to cover On-Call Alternative Project Delivery Negotiation Services for the following potential grade separation and bridge projects - two existing, and one new. The new forecasted project is planned to start at the beginning of 2025:

Broadway Burlingame Grade Separation Project, \$1.3 million, work is in progress.

Rengstorff Avenue Grade Separation Project, \$1.1 million, work is in progress.

Middle Avenue Grade Separation Project, new, \$0.7 million forecasted.

Whereas, execution of this first amendment to increase the capacity for the contract will allow the JPB to maintain uninterrupted services in connection with current and upcoming on-call alternative project delivery negotiation support services work directives through December 31, 2030, with flexibility to spend more of the remaining amount earlier in the contract period.

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. 1 to the On-Call Alternative Project Delivery Negotiation Support Services contract, in a form approved by legal counsel, to increase the not-to-exceed contract capacity

amount by \$650,000, from \$2,500,000 to \$3,150,000, to be expended, as needed, for authorized tasks for Kelly McNutt Consulting, LLC (24-J-P-016).

Regularly passed and adopted this 9th day of January, 2025 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

Acting JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: Dave Covarrubias, Deputy Chief Financial Officer
Subject: **Award of On-Call Design Review Services Contract to TranSystems Corporation for a Total Not-To-Exceed Amount of \$8 Million for a Seven-Year Term**

Finance Committee Recommendation

Technology, Operations, Planning, and Safety Committee Recommendation

Advocacy and Major Projects Committee Recommendation

Purpose and Recommended Action

The award of this On-Call Design Review Services (Services) contract will provide the Peninsula Corridor Joint Powers Board (JPB) with a qualified and experienced firm to support the JPB's ongoing need for planning, implementation, and execution of various commuter-rail-related capital projects.

Staff proposes the Finance Committee recommend that the Board of Directors (Board) of the JPB:

1. Award a contract to TranSystems Corporation of Berkeley, California (TranSystems) to provide the Services on an as-needed basis for a total not-to-exceed amount of \$8 million for a seven-year term.
2. Authorize the Executive Director or designee to execute a contract with TranSystems in full conformity with the terms and conditions of the solicitation documents and negotiated agreement, and in a form approved by legal counsel.

Discussion

The JPB has a continued need for the Services for completion of current and future capital program construction projects. All work under this contract will be performed under Work Directives (WDs) issued on an as-needed, project-by-project basis. The contract will not obligate the JPB to purchase any specific level of service from TranSystems.

On June 4, 2024, the JPB issued Request for Proposals (RFP) 24-J-P-096 for On-Call Design Review Services. The RFP was advertised on the JPB's e-procurement website. In addition, Staff performed pre-bid outreach to certified Disadvantaged Business Enterprises (DBE) and Small Business Enterprises (SBE). Staff held a pre-proposal conference on June 11, 2024, and 23 potential proposers attended.

By the July 18, 2024, due date, the JPB received proposals from three firms:

1. TranSystems Corporation of Berkeley, California
2. Arup US, Inc. of San Francisco, California
3. Mott MacDonald Group, Inc. of San Jose, California

A Selection Committee (Committee), composed of qualified staff from the Rail Development Department, reviewed, scored, and ranked the proposals in accordance with the following qualifications-based, weighted criteria:

Evaluation Criteria	Maximum Points
Qualifications and Experience of Key Personnel	25 Points
Qualifications and Experience of Firm	30 Points
Project Understanding and Management Plan	25 Points
Quality Control Plan	20 Points
Small Business Enterprise (SBE) Preference	5 Points
Total	105 Points

In accordance with federal and state laws governing the procurement of architectural and engineering services, the Committee did not review or consider price proposals during the scoring and ranking process.

After the initial review and screening of proposal submittals, staff determined that all three proposals were responsive to the requirements in the RFP. The Committee then scored and ranked the three responsive proposals and found TranSystems to be the highest-ranked firm. The Committee determined that oral interviews were not needed because the interviews would not change the ranking outcome. TranSystems possesses the requisite experience and qualifications required for successful performance of the scope of services as defined in the solicitation documents. Profit/Fee rates were negotiated exclusively with TranSystems, as the highest-ranked proposer.

Staff successfully negotiated contract terms, including rates, with TranSystems. Staff also conducted a price analysis and determined the prices and negotiated rates to be fair, reasonable, and consistent with those currently paid by other agencies in the Bay Area for similar services.

TranSystems Corporation did not commit to utilizing SBEs for this contract and was not granted the five-point SBE preference. The JPB may assign DBE goals to federally funded WDs.

TranSystems currently provides on-call design review services to the JPB under a contract for \$2,900,000, which will expire on February 28, 2025.

Budget Impact

Work Directives issued under this contract will be funded by a variety of funding sources, which may include Federal, State, Regional, and Local revenues and grants from approved and future capital budgets.

Prepared By:	Cathie Silva	Procurement Administrator III	650.622.7854
	Bin Zhang	Director, Engineering	650.508.7999

Resolution No. 2025-

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

* * *

**Award of On-Call Design Review Services Contract to TranSystems Corporation for a Total
Not-To-Exceed Amount of \$8 Million for a Seven-Year Term**

Whereas, on June 4, 2024, the Peninsula Corridor Joint Powers Board (JPB), issued Request for Proposals (RFP) 24-J-P-096 for On-Call Design Review Services (Services); and

Whereas, in response to the RFP, the JPB received three proposals, from TranSystems Corporation of Berkeley, California (TranSystems); Arup US, Inc. of San Francisco, California; and Mott MacDonald Group, Inc. of San Jose, California; and

Whereas, staff and legal counsel reviewed all three proposals and found that they were responsive to and complied with the requirements of the RFP; and

Whereas, a Selection Committee (Committee), comprised of qualified JPB staff, evaluated and scored these proposals in accordance with the qualifications-based, weighted criteria set forth in the RFP documents; and

Whereas, the Committee determined that TranSystems was the highest-ranked proposer and that the firm possesses the requisite qualifications and experience to successfully provide the Services; and

Whereas, staff conducted a price analysis and determined that TranSystems' prices are fair, reasonable, and consistent with those charged by similar design review firms in the Bay Area; and

Whereas, staff recommends that the Board of Directors (Board) award a contract to TranSystems to provide the Services on an as-needed basis for a seven-year term for a total not-to-exceed amount of \$8 million.

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby awards a contract to TranSystems Corporation to provide On-Call Design Review Services for a seven-year term for a total not-to-exceed amount of \$8 million; and

Be It Further Resolved that the Board authorizes the Executive Director or designee to execute a contract with TranSystems Corporation in full conformity with the terms and conditions of the RFP and negotiated agreement, and in a form approved by legal counsel.

Regularly passed and adopted this 9th day of January, 2025 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

Acting JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: David Covarrubias, Deputy Chief Nate Kramer, Chief People Officer
Financial Officer
Subject: **Award Contracts to COGENT Infotech Corporation, Domain Experts Corporation, and InterSources, Inc. for On-Call Full-Cycle and Sourcing Recruitment Services for an Aggregate Total Not-to-Exceed Amount of \$1,500,000 for a Five-Year Base Term, with up to Two Additional One-Year Option Terms**

Finance Committee Recommendation

Technology, Operations, Planning, and Safety Committee Recommendation

Advocacy and Major Projects Committee Recommendation

Purpose and Recommended Action

The award of these On-Call Full-Cycle and Sourcing Recruitment Services (Services) contracts will provide the Peninsula Corridor Joint Powers Board (JPB) with a bench of qualified and experienced firms to provide the Services on an as-needed basis. The Services consist of, but are not limited to, assisting with recruiting and sourcing for hard-to-fill positions that are niche to the JPB’s operations.

Staff proposes the Finance Committee recommend that the Board of Directors (Board) of the JPB:

1. Award contracts to COGENT Infotech Corporation of Sacramento, California (COGENT); Domain Experts Corporation of San Jose, California (DEC), and InterSources, Inc. of Fremont, California (InterSources) to provide the Services on as-needed basis for an aggregate not-to-exceed amount of \$1,500,000 for a five-year term, with two additional one-year option terms.
2. Authorize the Executive Director or designee to execute professional services contracts with COGENT, DEC, and InterSources consistent with the requirements of the solicitation documents and negotiated agreements, and in a form approved by legal counsel.
3. Authorize the Executive Director or designee to exercise up to two additional one-year option terms, if in the best interest of the JPB.

Discussion

On June 12, 2024, the JPB, the San Mateo County Transit District (District), and the San Mateo County Transportation Authority (TA) (collectively referred to as the “Agencies”) issued joint Request for Proposals (RFP) 25-J-S-T-P-008 for the Services. The RFP was advertised on the

Agencies’ eProcurement website. The Agencies held a Pre-Proposal Conference June 26, 2024, and 22 firms attended. In response to the RFP, the Agencies received 17 proposals, and all but one were found to be responsive to the requirements of the solicitation documents. A Selection Committee (Committee) comprised of District and JPB staff reviewed, evaluated, and scored the proposals in accordance with the evaluation criteria set forth in the RFP.

Evaluation Criteria	Maximum Points
Qualifications and Experience of Firm	20
Qualifications and Experience of Management Team Key Personnel	25
Approach to Scope of Services	30
Cost Proposal	25
Small Business Enterprise (SBE) Preference	5
Total	105

The Committee scored and ranked all 16 responsive proposals and found seven to be in the competitive range. The Committee conducted oral interviews with these seven proposers and determined COGENT, DEC, and InterSources were the highest-ranked firms. These three firms possess the requisite experience and qualifications required for successful performance of the Services as defined in the solicitation documents. Of these three firms, InterSources and DEC were qualified for and awarded the SBE preference points.

Staff successfully negotiated contract terms, including prices, with each of the three highest-ranked firms. Staff performed a price analysis and determined the negotiated prices to be fair, reasonable, and consistent with those charged for similar work in the Bay Area.

Staff will issue Work Directives for specific hiring needs during the contract term on an as-needed basis and pursuant to a competitive selection process as further described in the RFP. There is no guarantee of any amount of work or level of effort that will be ordered from or allocated to, or total compensation to be paid to, any of the firms under the awarded contracts.

Budget Impact

Funds to support these contracts are included in the current year’s operating and capital budgets and will be included in future operating and capital budgets.

Prepared By:	Danielle Sanderson	Contract Administrator	650.551.6130
	Julia Horiuchi	Human Resources Manager	650.508.6465

Resolution No. 2025-

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

* * *

Awarding Contracts to COGENT Infotech Corporation, Domain Experts Corporation, and InterSources, Inc. for On-Call Full-Cycle and Sourcing Recruitment Services for an Aggregate Total Not-to-Exceed Amount of \$1,500,000 for a Five-Year Base Term, with up to Two Additional One-Year Option Terms

Whereas, on June 12, 2024, the Peninsula Corridor Joint Powers Board (JPB), the San Mateo County Transit District (District), and the San Mateo County Transportation Authority (collectively referred to as the “Agencies”) issued joint Request for Proposals (RFP) 25-J-S-T-P-008 for On-Call Full-Cycle and Sourcing Recruitment Services (Services) to establish a bench of firms to provide the Services on an as-needed basis; and

Whereas, in response to the RFP, the Agencies received 17 proposals, of which staff found 16 proposals to be responsive and one proposal to be non-responsive to the requirements of the RFP; and

Whereas, a Selection Committee (Committee) comprised of District and JPB staff reviewed, evaluated, and scored the proposals in accordance with the evaluation criteria set forth in the RFP, and found seven of the 16 firms to be in the competitive range; and

Whereas, the Committee conducted interviews with the seven firms and determined that the following three highest-ranked firms possess the requisite experience and qualifications required for successful performance of the Services:

- COGENT Infotech Corporation of Sacramento, California (COGENT),
- Domain Experts Corporation of San Jose, California (DEC), and

- InterSources, Inc. of Fremont, California (InterSources); and

Whereas, staff successfully negotiated contract terms, including prices, with each of these three highest-ranked firms; and

Whereas, staff performed a price analysis and determined the prices to be fair, reasonable, and consistent with those charged for similar work in the Bay Area; and

Whereas, staff recommends that the Board of Directors (Board) award contracts to a bench of firms that consist of COGENT, DEC, and InterSources to provide the Services for an aggregate not-to-exceed amount of \$1,500,000 for a five-year base term, and up to two one-year option terms.

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

- COGENT Infotech Corporation of Sacramento, California,
- Domain Experts Corporation of San Jose, California, and
- InterSources, Inc. of Fremont, California

to provide On-Call Full-Cycle and Sourcing Recruitment Services for an aggregate not-to-exceed amount of \$1,500,000 for a five-year base term, and up to two one-year option terms; and

Be It Further Resolved that the Board authorizes the Executive Director or designee to execute contracts with COGENT, DEC, and InterSources in full conformity with the terms and conditions of the RFP and negotiated agreements, and in a form approved by legal counsel; and

Be It Further Resolved that the Board authorizes the Executive Director or designee to execute up to two one-year option terms, if in the best interest of the JPB.

Regularly passed and adopted this 9th day of January, 2025 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

Acting JPB Secretary

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: Kate Jordan Steiner, Chief Financial Officer
Subject: **Amend and Increase the Fiscal Year 2025 Capital Budget by \$17,000,000 From \$148,179,052 to \$165,179,052**

- | | | |
|---|--|---|
| <input type="checkbox"/> Finance Committee Recommendation | <input type="checkbox"/> Technology, Operations, Planning, and Safety Committee Recommendation | <input type="checkbox"/> Advocacy and Major Projects Committee Recommendation |
|---|--|---|

Purpose and Recommended Action

Staff proposes that the Board of Directors (Board) of the Peninsula Corridor Joint Powers Board (JPB or Caltrain) amend the Fiscal Year 2025 (FY25) Caltrain Capital Budget to include \$17,000,000 for the Connecting Palo Alto Project.

Discussion

Staff proposes an amendment to the FY25 Caltrain Capital Budget to include an additional \$17,000,000 of reimbursable expenses for the Connecting Palo Alto Project, arising from the Cooperative Agreement (Agreement) between the City of Palo Alto (City), the Santa Clara Valley Transportation Authority (VTA), and JPB.

Connecting Palo Alto Project

The City of Palo Alto is the project sponsor for a proposed grade crossing separation project of the Caltrain right-of-way at Churchill Avenue, Meadow Drive, and Charleston Road in Palo Alto. The project envisions separating these roads from the Caltrain rail alignment, including a new bicycle and pedestrian undercrossing at Seale Avenue.

Caltrain previously entered into a service agreement with the City that provided a framework for Caltrain staff to assist in the development and review of conceptual designs for this project. The goal was to select alternatives for each crossing to be advanced to the preliminary engineering and environmental review phase.

The scope of work for this Agreement is to refine and select preferred alternatives at each location and advance the project to preliminary engineering and environmental work. Caltrain will be the lead for all technical work and public engagement process.

Budget Impact

The funding for this budget amendment shall be as follows:

Project	Funding Source	Amount
Connecting Palo Alto	Cooperative Agreement:	
	City of Palo Alto (Federal Railroad Administration funds)	\$5,100,000
	VTA Measure B	\$11,900,000
Total		\$17,000,000

The proposed amendment described above will increase the FY25 Capital Budget from \$148,179,052 to \$165,179,052.

Prepared By: Claudette Valbuena Manager Budgets

650-508-6237

Resolution No. 2025-

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

* * *

**Amend and Increase the Fiscal Year 2025 Capital Budget by \$17,000,000 from
\$148,179,052 to \$165,179,052**

Whereas, pursuant to Resolution No. 2023-45 adopted on June 1, 2023, the Board of Directors of the Peninsula Corridor Joint Powers Board (JPB) adopted Fiscal Year 2025 (FY25) Capital Budget for a total authorized budget of \$74,607,815; and

Whereas, pursuant to Resolution No. 2024-37 adopted on June 6, 2024, the JPB amended the FY25 Capital Budget for a total authorized budget of \$105,139,217; and

Whereas, pursuant to Resolution No. 2024-46 adopted on August 1, 2024, the JPB amended the FY25 Capital Budget for a total authorized budget of \$132,702,653; and

Whereas, pursuant to Resolution No. 2024-57 adopted on October 3, 2024, the JPB amended the FY25 Capital Budget for a total authorized budget of \$146,624,052; and

Whereas, pursuant to Resolution No. 2024-63 adopted on November 7, 2024, the JPB amended the FY25 Capital Budget for a total authorized budget of \$148,179,052; and

Whereas, pursuant to Resolution No. 2024-68 adopted on December 5, 2024, the JPB has authorized the Executive Director to execute a Cooperative Agreement with the City of Palo Alto and the Valley Transportation Authority (VTA) that will provide \$17,000,000 of reimbursable Caltrain expenses to the Connecting Palo Alto Project;

Now, Therefore, Be It Resolved that the Board of Directors of the Peninsula Corridor Joint Powers Board hereby approves an amendment to the FY25 Capital Budget for a total authorized capital budget increase of \$17,000,000, from \$148,179,052 to \$165,179,052.

Regularly passed and adopted this 9th day of January 2025 by the following vote:

Ayes:

Noes:

Absent:

Chair, Peninsula Corridor Joint Powers Board

Attest:

Acting JPB Secretary

Item #	PROJECT NAME	FY2025 ADOPTED CAPITAL BUDGET	Amendment 5	FY2025 AMENDED CAPITAL BUDGET	Federal Funds	STA SOGR	Santa Clara (Measure B)			Member Agency Funds	Others	Externally Funded	FY2025 AMENDED CAPITAL BUDGET
							Santa Clara (Measure B)	San Francisco (SFCTA)	San Mateo (SMCTA)				
i. SOGR													
Bridges													
1	Guadalupe Bridges Replacement ¹	18,921,222		18,921,222			2,972,000			2,972,000	15,949,222	-	18,921,222
2	San Francisquito Creek Conceptual Design and Community Engagement	1,273,312		1,273,312	1,018,650					-	254,662	-	1,273,312
3	SOGR Structures	1,560,000		1,560,000	1,248,000				312,000	312,000	-	-	1,560,000
32	San Francisquito Creek Emergency Bank Stabilization ⁷	2,520,347		2,520,347						-	2,520,347	-	2,520,347
33	San Francisquito Creek Bridge Conceptual Design and Community Engagement ⁷	3,472,074		3,472,074						-	3,472,074	-	3,472,074
34	San Francisquito Creek Bridge Acoustic Monitoring System ⁷	1,171,066		1,171,066						-	1,171,066	-	1,171,066
Total Bridges		28,918,021	-	28,918,021	2,266,650	-	2,972,000	-	312,000	3,284,000	23,367,371	-	28,918,021
Right of Way													
4	SOGR MOW Track ³	3,800,593		3,800,593	955,255			2,600,000		2,600,000	245,338	-	3,800,593
Total Right of Way		3,800,593	-	3,800,593	955,255	-	-	2,600,000	-	2,600,000	245,338	-	3,800,593
Signal & Communications													
5	Signal SOGR FY24 and FY25	563,360		563,360	450,688				112,672	112,672	-	-	563,360
Total Signal & Communications		563,360	-	563,360	450,688	-	-	-	112,672	112,672	-	-	563,360
Rolling Stock													
6	EMU Rail Vehicle SOGR	1,821,223		1,821,223		1,300,000			521,223	521,223	-	-	1,821,223
24	EMU Front Masks ⁷	624,000		624,000						-	624,000	-	624,000
35	MP-36 Overhaul ⁷	622,888		622,888						-	622,888	-	622,888
36	CEMOF Modifications ⁷	4,212,035		4,212,035						-	4,212,035	-	4,212,035
41	Stadler Repair - Damaged EMU Cars ¹⁰	5,335,224		5,335,224						-	5,335,224	-	5,335,224
Total Rolling Stock		12,615,370	-	12,615,370	-	1,300,000	-	-	521,223	521,223	10,794,147	-	12,615,370
Total SOGR		45,897,344	-	45,897,344	3,672,593	1,300,000	2,972,000	2,600,000	945,895	6,517,895	34,406,856	-	45,897,344
ii. LEGAL MANDATE													
7	M54 Trash Management	494,465		494,465					494,465	494,465	-	-	494,465
25	CCTV Phase 1 ⁷	7,543,181		7,543,181						-	7,543,181	-	7,543,181
Total		8,037,646	-	8,037,646	-	-	-	-	494,465	494,465	7,543,181	-	8,037,646
iii. OPERATIONAL IMPROVEMENTS													
8	Mini-High Platforms ⁴	4,772,318		4,772,318					881,000	881,000	3,891,318	-	4,772,318
9	Next Generation Visual Messaging Sign (VMS)	2,400,000		2,400,000				2,400,000		2,400,000	-	-	2,400,000
37	Predictive Arrival and Departure (PADS) New	4,536,455		4,536,455						-	4,536,455	-	4,536,455
38	Broadband Wireless Communication System (Diesel Trains) ⁷	3,967,571		3,967,571						-	3,967,571	-	3,967,571
39	VoIP Radio Dispatch System ⁷	971,000		971,000						-	971,000	-	971,000
40	San Mateo Parking Track OCS ⁷	5,512,000		5,512,000						-	5,512,000	-	5,512,000
Total		22,159,344	-	22,159,344	-	-	-	2,400,000	881,000	3,281,000	18,878,344	-	22,159,344
iv. PLANNING / STUDIES													
10	Capital Planning (CIP)	790,000		790,000					790,000	790,000	-	-	790,000
11	Corridor Crossing Strategy	520,000		520,000					520,000	520,000	-	-	520,000
12	Level Boarding Roadmap	520,000		520,000					520,000	520,000	-	-	520,000
13	Battery EMU R/D ⁵	2,392,000		2,392,000						-	2,392,000	-	2,392,000
14	DISC/Diridon Business Case ⁹	7,116,175		7,116,175			780,000			780,000	6,336,175	-	7,116,175
15	Rail Network and Operations Planning	1,248,000		1,248,000			1,248,000			1,248,000	-	-	1,248,000
16	DTX Funding ⁶	1,250,000		1,250,000						-	1,250,000	-	1,250,000
42	San Francisco Railyards Preliminary Business Case ¹¹	250,000		250,000						-	250,000	-	250,000
43	San Francisco Railyards Post-Preliminary Business Case Technical Work ¹²	1,555,000		1,555,000						-	1,555,000	-	1,555,000
44	Connecting Palo Alto ¹³		17,000,000	17,000,000						-	17,000,000	-	17,000,000
Total		15,641,175	17,000,000	32,641,175	-	-	2,028,000	-	1,830,000	3,858,000	28,783,175	-	32,641,175

Item #	PROJECT NAME	FY2025 ADOPTED CAPITAL BUDGET	Amendment 5	FY2025 AMENDED CAPITAL BUDGET	Federal Funds	STA SOGR				Member Agency Funds	Others	Externally Funded	FY2025 AMENDED CAPITAL BUDGET
							Santa Clara (Measure B)	San Francisco (SFCTA)	San Mateo (SMCTA)				
v. EXTERNALLY-FUNDED GRADE SEPARATION PROJECTS													
17	Burlingame Broadway Grade Separation	25,635,000		25,635,000						-	-	25,635,000	25,635,000
18	San Mateo Grade Separation	174,000		174,000						-	-	174,000	174,000
19	South Linden Ave & Scott St Grade Separation	6,529,000		6,529,000						-	-	6,529,000	6,529,000
31	Middle Avenue Undercrossing ⁸	2,000,000		2,000,000								2,000,000	2,000,000
Total		34,338,000	-	34,338,000	-	-	-	-	-	-	-	34,338,000	34,338,000
vi. CAPITAL CONTINGENCY FUNDS													
20	Capital Contingency Funds - Engineering ⁶	330,000		330,000				211,359	211,359	118,641	-	-	330,000
21	Capital Contingency Funds - Rail ⁶	660,000		660,000				422,719	422,719	237,281	-	-	660,000
22	Capital Project Development ⁶	335,000		335,000				214,562	214,562	120,438	-	-	335,000
23	Contingency - Other ⁶	848,640		848,640				-	-	848,640	-	-	848,640
Total		2,173,640	-	2,173,640	-	-	-	848,640	848,640	1,325,000	-	-	2,173,640
vii. ELECTRIFICATION													
26	Rail Activation Start Up: Maintenance of Equipment ⁷	4,143,903		4,143,903						-	4,143,903	-	4,143,903
27	Rail Activation Start Up: Maintenance of Way ⁷	6,000,000		6,000,000						-	6,000,000	-	6,000,000
28	Rail Activation Start Up: Traction Electrification System Vehicle ⁷	2,500,000		2,500,000						-	2,500,000	-	2,500,000
29	Rail Activation Start Up: Overhead Catenary System Improvements ⁷	2,288,000		2,288,000						-	2,288,000	-	2,288,000
30	Rail Activation Start Up: Enterprise Asset Management System ⁷	5,000,000		5,000,000						-	5,000,000	-	5,000,000
Total		19,931,903	-	19,931,903	-	-	-	-	-	-	19,931,903	-	19,931,903
Total		148,179,052	17,000,000	165,179,052	3,672,593	1,300,000	5,000,000	5,000,000	5,000,000	15,000,000	110,868,459	34,338,000	165,179,052

¹ \$665,215 is funded by Altamont Corridor Express (ACE); \$2,856,600 is funded by Union Pacific Railroad (UPRR); \$12,427,407 funded by TIRCP Reimbursed Bond Proceeds

² \$254,662 is funded by AB664 Net Bridge Toll Revenue

³ \$245,338 is funded by AB664 Net Bridge Toll Revenue

⁴ \$3,891,318 is funded by TIRCP Reimbursed Bond Proceeds

⁵ \$2,392,000 is funded by California State Transportation Agency (CalSTA)

⁶ Funding for the DTX Funding project and part of the Capital Contingency Funds have yet to be finalized

⁷ Funded by TIRCP Reimbursed Bond Proceeds

⁸ \$2,000,000 is funded by a Memorandum of Understanding between the City of Menlo Park and PCJPB

⁹ \$5,300,000 is funded by Regional Measure 3; \$1,036,175 is funded by Valley Transportation Authority (VTA) Measure B

¹⁰ \$5,335,224 is funded by insurance proceeds

¹¹ \$250,000 is funded by an Amended Memorandum of Understanding between PCJPB and Prologis

¹² \$1,555,000 is funded by the Cooperative Agreement between PCJPB and Prologis

¹³ \$17,000,000 is funded by the Cooperative Agreement between the City of Palo Alto, VTA, and PCJPB; \$5.1M from the City of Palo Alto (Federal Railroad Administration funds) and \$11.9M from VTA Measure B

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Finance Committee
Through: Michelle Bouchard, Executive Director
From: Li Zhang, Chief of Commercial and Business Development
Subject: Receive Update on FY2025 Operating Budget and 10-Year Strategic Financial Plan



Finance Committee Recommendation



Technology, Operations, Planning, and Safety Committee Recommendation



Advocacy and Major Projects Committee Recommendation

Purpose and Recommended Action

This report provides an update on the Peninsula Corridor Joint Powers Board’s (JPB’s) Fiscal Year (FY) 2025 Operating Budget and the 10-Year Strategic Financial Plan (SFP), which covers the operating revenue and expenses from FY2025 to FY2034.

Discussion

Update on the FY2025 Operating Budget:

At the time of adoption of the JPB’s first two-year budget for FY2024-FY2025, the agency’s operating needs for FY2025 were fully funded with the usage of general operating revenue sources and a \$36 million one-time Measure RR contribution that was refunded by the Peninsula Corridor Electrification Program (PCEP). However, the FY2025 operating budget was under major pressure at the start of the fiscal year with the potential significant increase of electricity cost due to the uncertainties related to the consumption of new fully electrified service and the timing and level of Low Carbon Fuel Standard (LCFS) credits for which the JPB qualifies under the California Air Resources Board (CARB) rules. In addition, the JPB also has been experiencing operating expense increases due to both labor and material costs, including ongoing hiring challenges that result in the use of more costly consultant support.

To address these risks, staff engaged in several rounds of cost containment/reduction efforts over the last several months, including: negotiations with the rail operator for cost savings/work delays that do not immediately impact the quality of services; reduction of new positions requested in FY2025; delay in the recruitment of existing vacancies; and reduction/delay of non-critical professional support and office operating needs. All of these cost containment/reduction efforts, along with the determination that the actual electricity usage of our new trains is more than 20percent lower than projected and the successful effort to obtain a heavy rail designation from CARB, have enabled the JPB to contain the FY2025 budget to its originally adopted \$238 million level. Staff is monitoring expenditure trends for all budget lines closely and will provide the Board with timely updates if any other major risks arise that could potential impact the FY2025 budget.

Update on the 10-Year SFP

In November 2022, JPB began the process of developing a SFP in response to the ongoing impacts of the COVID-19 pandemic on the agency's financial health, which was severely impacted by the pandemic due to the significant loss of Caltrain riders. The objective of the SFP is to assess the agency's annual financial position over the next ten years and inform the Board about potential revenue enhancement and cost reduction options and strategies to regain financial stability.

The Board conducted a special workshop in April 2023 to review the first SFP with in-depth analyses of the JPB's 10-year financial outlook, covering FY2024 to FY2033. The SFP projections illustrated the ongoing structural operating deficit the agency would be facing, mostly due to the significant loss of fare revenue, under various assumptions and potential funding solutions to be considered. The first update of the SFP was provided to the Board in January 2024. To timely inform and provide more up-to-date deficit numbers for the regional measure effort, staff is bringing another update to the Board now while the development of the FY2026-FY2027 bi-annual budget is underway.

As reported in January 2024, staff is still confident that the JPB can use various financial resources and cost saving mechanisms to balance its operating budget for FY2026 but significant new funding sources are needed to support the JPB's operating and capital needs and to regain financial sustainability starting in FY2027, notwithstanding the reduction in projected electrical costs, various cost saving measures, and very encouraging ridership increases since the start of electrified revenue service.

Staff will present details regarding the assumptions and analyses of the financial picture of the JPB over the 10-year period from FY2025 to FY2034, along with major take-aways, during the Finance Committee. Staff will monitor and update the key revenue and expenditure drivers regularly and provide period updates to the Board, funding partners, and the public.

Budget Impact

This informational item has no impact on the budget.

Prepared By: Li Zhang Chief of Commercial & Business Development 650-399-6112