



JPB Board of Directors Meeting
Meeting of March 6, 2025

Supplemental Reading File

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| 1. | Receive Quarterly Financial Report Fiscal Year 2025 Quarter 2 Results and Annual Outlook |
| 2. | Receive Quarterly Fuel Hedge Update |
| 3. | Receive Update on Active Grade Crossing Projects and Corridor Crossing Strategy |
| 4. | Receive Update on Caltrain Safety Performance for Quarter 1 of 2025 |
| 5. | Receive Update on Battery Electric Multiple Unit (BEMU) Project |
| 6. | Receive Update on Crossing Optimization Project |
| 7. | Receive Update Regarding PCEP Closeout Status |

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Board of Directors
Through: Michelle Bouchard, Executive Director
From: Kate Jordan Steiner, Chief Financial Officer
For: March 2025 JPB Board of Directors Meeting
Subject: **Receive Quarterly Financial Report Fiscal Year 2025 Quarter 2 Results and Annual Outlook**



Finance Committee
Recommendation



Technology, Operations, Planning,
and Safety Committee
Recommendation



Advocacy and Major Projects
Committee Recommendation

Purpose and Recommended Action

The Board will receive an update on the financial result for Fiscal Year 2025 (FY25) Quarter 2 (Q2) and a preliminary outlook for the remainder of FY25. This is an informational item.

Discussion

Fiscal Year 2025, Quarter 2 (FY25 Q2) – (July 2024 through December 2024)

Caltrain ended FY25 Q2 net position with deficit of \$4.9 million, which is 50 percent favorable compared to budgeted deficit of \$9.7 million. Much of the variance seen in these actuals compared to budget are due to timing of receipt of revenues as well as timing of posting of expenses. As of FY25 Q2:

- **Sources:** Total sources are below budget by \$6.4 million (6.1 percent), driven by:
 - Delayed LCFS (Low Carbon Fuel Standard)/LCTOP (Low Carbon Transit Operations Program)/SRA (State Rail Assistance) funding \$6.5 million (100 percent), which is anticipated in Quarter 3 (Q3) / Quarter 4 (Q4);
 - Unfavorable Measure RR sales tax \$0.7 million (1.0 percent) as outlook adjusted downward, anticipate little to no year-over-year growth but outlook increases in Fiscal Year 2026 (FY26) / Fiscal Year 2027 (FY27);
 - Unfavorable Operating Grants revenues \$0.6 million (10.5 percent) attributable to timing, expect to fully resolve by year-end, no grants are from federal sources;
 - Unfavorable Go Pass revenues \$0.5 million (5.6 percent);
 - Delayed Member Agency (VTA (Santa Clara Valley Transportation Authority) – Gilroy) revenues \$0.5 million (100 percent) which we anticipate receipt in late Q3 or early Q4.

These below budget items are partially offset by better-than-budget:

- Other income \$1.3 million (63.7 percent) driven by favorable interest rates and cash holdings when compared to plan.
 - Caltrain fares \$0.6 million (3.5 percent) demonstrating continued ridership gains.
 - Parking revenue \$0.3 million (28.7 percent) with observed increased demand alongside ridership.
- **Expenses:** Uses of funds were below budget by \$11.2 million (9.7 percent), mainly due to:
 - Timing delays in contractor invoicing and work ramping up in second half of fiscal year, debt service, and vendor payments
 - Vacancy savings.

Fiscal Year 2025 Quarter 2 (FY25 Q2) Year End Forecast

The FY25 Q2 Year End Forecast projects to end FY25 with a deficit of \$28.8 million, or \$0.6 million (1.9 percent) better than budgeted deficit of \$29.4 million. This is due to strong farebox revenues and labor vacancy savings; partially offset by declining Go Pass/sales tax revenue, above budget claims, LOC (line of credit) interest expense, and security services.

Forecast Revenues: Total Sources of funds are forecasted to be \$0.7 million (0.3 percent) above budget mainly driven by:

- Projected favorable Other Income \$1.4 million (34.6 percent) due primarily to interest earned from CAMP (California Asset Management Program) as we are able to maintain higher balances coupled with higher interest rates for longer than expected
- Projected favorable Caltrain farebox and parking revenues combined \$2.1 million (5.3 percent) driven by strong ridership post electrification

The above budget revenue items are partially offset by:

- Projected unfavorable Go Pass revenues \$1.4 million (8.6 percent) mainly due to loss of Adobe from program
- Projected unfavorable Measure RR sales tax revenue \$1.3 million (1.1 percent) driven by slower sales growth as stubborn inflation and uncertain economic conditions persist

Forecast Expenses: Total Uses of funds are forecasted to be \$0.1 million (0.04 percent) above budget mainly driven by:

- Projected unfavorable Other Office Expense and Services \$1.1 million (22.9 percent), driven by interest payments related to line of credit, increased costs for Moovel (Caltrain's ticketing/ fares app) driven by the contract amendment processed in October 2024, and unbudgeted computer equipment.

- Projected unfavorable Security Services \$0.7 million (7.4 percent) driven by latest contract which reflects both higher rates but also additional guards as well as armed guards
- Projected unfavorable Claims, Payments, and Reserves \$0.5 million (15.0 percent) due to frequency and magnitude of claims and ensuring reserves align with evolving liabilities.

The above budget expense items are partially offset by:

- Projected favorable Wages and Benefits \$1.3 million (6.5 percent) driven by vacancy savings
- Projected favorable Facilities and Equipment Maintenance \$0.7 million (6.6 percent) due to savings in contract services for storage costs, marketing costs, and deferred Broadband O&M (Operations and Maintenance)

Staff will provide another forecast update before the Board after FY25 Q3 closes.

Budget Impact

This is an informational item. There is no budget impact.

Prepared By: Kate Jordan Steiner Chief Financial Officer

February 03, 2025

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Board of Directors
Through: Michelle Bouchard, Executive Director
From: Kate Jordan Steiner, Chief Financial Officer
For: March 2025 JPB Board of Directors Meeting
Subject: **Receive Quarterly Fuel Hedge Update**

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

Purpose and Recommended Action

Staff proposes the Board review and receive into the record the presentation providing an update on the implementation of a fuel hedging strategy for Caltrain.

Discussion

The purpose of this presentation is to provide an update on the implementation and performance status of the Fuel Hedging Program (Program) established for Caltrain. Caltrain launched fully electric service between San Francisco and San Jose in September 2024. Caltrain still provides diesel service between San Jose and Gilroy.

Under this Program, the staff will continue to work with Linwood Capital, LLC and seek to work with Caltrain’s Energy Manager in order to:

- Transition from hedging diesel fuel purchases to identify and hedge alternatives that might be a good fit for Caltrain going forward under electrification.
- Transition the existing fuel hedge asset to achieve short-term financial relief, implement a new electricity hedge program, or a combination of both. The primary goal of any future hedge program will continue to be to safeguard Caltrain’s financial stability from price fluctuations.

Background on Diesel Fuel Hedge

Any Program considered for hedging electricity costs must be designed to minimize large budget variances resulting from changes in electricity rates. While traction power and electricity costs are expected to be less volatile than diesel, volume and pricing for electricity under a fully electrified Caltrain are still being collected and analyzed. An effective hedging strategy can increase budget certainty and facilitate a more effective utilization of budgetary resources. The purpose of the Program is not to speculate on the price of electricity, but to manage risk, particularly as it relates to Caltrain’s annual budget.

FY 2025 History

- As of December 31, 2024, the fuel hedging program had realized net loss of -\$59,748 for the time period July 2024 through December 2024 – the first half of Fiscal Year (FY) 2025. No hedging activity occurred during the second quarter of FY 2025. This is approximately \$0.06 per gallon of realized loss for the first half of FY 2025. The approximate cost of fuel before taxes and fees and after the effect of the hedge is \$2.60 per gallon for the second half of FY 2025.
- Total dollar budget for fuel for FY 2025 is \$2,146,432 based on \$2.69 per gallon budget before tax and fees and budgeted consumption of 797,930 gallons.
- Estimated total cost before tax and fees and after hedging for all of FY 2025 is \$2,516,998 or \$2.59 per gallon on 970,503 gallons. This renders an approximate projected budget deficit for FY 2025 of -\$370,566. Higher than budgeted consumption is the cause of the anticipated budget overage.

FY 2025 Prospective

- For the remainder of FY 2025, there is no hedging in place as Caltrain has minimal diesel usage now that the railroad is electrified. The anticipated diesel fuel cost for the remainder of FY 2025 is \$90,538 before fees and taxes or approximately \$2.37 per gallon on 38,142 gallons of consumption.
- For FY 2025, the focus will be on electricity hedging. Per Caltrain's latest projections, electricity will represent 93 percent and diesel only 7 percent. Staff are working with Linwood Capital, LLC to adjust the fuel hedge based on the latest forecast for electricity usage.

Hedge Asset Information as of 12/31/2024:

- Total futures account value as of 12/31/24 was \$4,295,819.
- Total futures account value as of 9/30/24 was \$4,248,270.
- Total futures account value increased by \$47,549 during the second quarter of FY 2025.
- This current futures account value consists of:
 - \$4,419,490 in realized net gains (decreased fuel cost) since inception in May 2020. Realized net gains were unchanged during the second quarter of FY 2025 due to the lack of hedging activity.
 - \$449,990 in net cash withdrawals from the account by JPB since inception. There were no additions or withdrawals to or from the futures account by JPB during the second quarter of FY 2025.
 - Net interest income since inception of \$326,319. Net interest income during the second quarter of FY 2025 was \$47,549 based on Treasury securities transactions during the quarter, fees, and securities market values as of 9/30/24 and 12/31/24.

- \$0 in unrealized gain (contingent future decreased fuel cost). Due to the lack of hedging activity during the second quarter of FY 2025, unrealized gains remained at \$0 from 9/30/24 through 12/31/24.
- Currently, \$4,246,022 of the value of the account is in the form of Treasury securities with maturities of 90 days or less with the remaining account value of \$49,797 in cash.
- At the end of first quarter FY 2025, the value of the Treasury securities was \$4,029,228 with the remaining account value of \$219,043 is in cash.

Prepared By:	Adela Alicic	Senior Financial Analyst	February 11, 2025
	Julijana Taskovic	Director, Treasury	February 11, 2025

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Board of Directors
Through: Michelle Bouchard, Executive Director
From: Dahlia Chazan, Chief of Planning
For: March 2025 JPB Board of Directors Meeting
Subject: **Receive Update on Active Grade Crossing Projects and Corridor Crossing Strategy**



Finance Committee
Recommendation



Technology, Operations, Planning,
and Safety Committee
Recommendation



Advocacy and Major Projects
Committee Recommendation

Purpose and Recommended Action

Staff are providing the Board with an update on all the current grade crossing improvement projects including enhancement (e.g., at-grade improvements) and elimination (e.g., closures or grade separations) projects along the Caltrain corridor. In addition, staff are providing an update on Corridor Crossings Strategy (CCS) activities, milestones, deliverables, and upcoming Board meetings. This report is provided for informational purposes only.

Discussion

This presentation is a follow-up to the previous Board update on the CCS in 2024. Staff are currently advancing eight crossing enhancement and 17 crossing elimination projects. The crossing enhancement projects are focused on improvements implemented at-grade such as intrusion technology, signing, pavement markers and markings, quad or exit gates, and lighting. These improvements are typically lower in cost, equal or less to \$10 million, and can be implemented within five to ten years. The elimination projects include improvements that remove or change the elevation or access to the crossing such as closures, vehicular grade separations, or bike/pedestrian crossings. These projects are larger in scale resulting in higher costs (\$50 million more) and have a longer delivery timeframe. The elimination projects are in varying stage of delivery with eight in planning, three in environmental, and five in design.

Over the last two years, staff have been collaborating with the corridor jurisdictions on two companion efforts:

- Development of a Corridor Crossings Delivery Guide. The guide provides a clear project delivery process for at-grade crossing elimination projects. The Corridor Crossings Delivery Guide was published in August 2024 on the Caltrain website (<https://www.caltrain.com/caltrain-corridor-crossings-delivery-guide>) as a response to the corridor jurisdictions wanting to better understand the process and roles/responsibilities of implementing grade separation and closure projects.

- The Corridor Crossings Investment Program – a comprehensive corridor-wide crossing program consisting of a coordinated set of activities and actions to strategically fund and deliver “small to large” rail crossings. The Corridor Crossings Investment Program is currently in development and the draft program including the prioritized list of projects will be presented at upcoming Board meetings.

Budget Impact

The project has no impact on the budget.

Prepared By: Dahlia Chazan

Chief of Planning

February 12, 2025

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Board of Directors
Through: Michelle Bouchard, Executive Director
From: Mike Meader, Chief, Caltrain Safety
For: March 2025 JPB Board of Directors Meeting
Subject: **Receive Update on Caltrain Safety Performance for Quarter 1 of 2025**

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

Purpose and Recommended Action

This item is for informational purposes only.

Discussion

This report and accompanying presentation are submitted to keep the Board advised as to the Safety Performance of Caltrain based upon measurement of Key Performance Indicators (KPIs or metrics). Caltrain is committed to providing a safe work environment for our employees and contractors, and safe and efficient train service for our customers. Caltrain is also committed to continuous improvement through the capture and analysis of KPIs. Regularly reviewing these metrics will enable staff to identify areas needing improvement and focus our activities to achieve improved safety performance.

Caltrain will provide quarterly safety reports to the board and will be sharing this same information with employees as we work to build a stronger Safety Culture consistent with our #1 Core Value – **Safety** – First and Always as well as our System Safety Program Plan (SSPP). These reports will include both lagging safety performance indicators reported to the Federal Railroad Administration (FRA) and leading safety performance indicators. While lagging indicators can alert you to a failure in your safety program or to the existence of a hazard, leading indicators allow an organization to take preventive action to address that failure or hazard before it turns into an incident.

Budget Impact

There is no impact on the budget associated with receiving this informational update. Caltrain’s ability to further enhance its safety program is contingent on the availability of funding dedicated to that purpose.

Prepared By: Mike Meader

Chief, Caltrain Safety

February 13, 2025

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Board of Directors
Through: Michelle Bouchard, Executive Director
From: Sherry Bullock, CalMod Program Director
For: March 2025 JPB Board of Directors
Subject: **Receive Update on Battery Electric Multiple Unit (BEMU) Project**

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

Purpose and Recommended Action

This report includes an informational update that requires no action by the Board of Directors (“Board”) of the Peninsula Corridor Joint Powers Board (“JPB” or “Caltrain”).

Staff will provide monthly updates covering Battery Electric Multiple Unit (BEMU)-related activities during the reporting month and a preview of activities anticipated to take place during the current month.

Discussion

The battery electric multiple unit pilot project (BEMU Pilot) is a research and development project with the end goal of producing a BEMU qualified to run on the general railroad system, and on Caltrain’s right-of-way including the Gilroy Extension specifically under battery power.

The BEMU is a change order option train ordered from Caltrain’s EMU contract and is a shorter version of a fully capable EMU paired to a battery cab car designed to run in daily round-trip service from Gilroy to San Jose. The BEMU has four cars, three of which accommodate passengers with a total of 280 seats. The BEMU will be charged under the overhead catenary system (OCS) either stationary or in service, travel to Gilroy and have its charge “topped off” during overnight layover in Gilroy at the standard 480V train plug before returning north.

Stadler is responsible for design, procurement, manufacturing, installation, testing and commissioning of the BEMU. The BEMU will be equipped with Positive Train Control and qualified on both the non-electrified portion of Caltrain service on Union Pacific Railroad territory as well as the Caltrain Right-of-way electrified portion. BEMU PTC will require detailed documentation and approval by the Federal Railroad Administration.

MONTHLY UPDATE

1. **Project Schedule – Battery Electric Multiple Unit (BEMU) project baseline schedule was established on April 22, 2024. The following are the status of major Milestones as of January 31, 2025:**

Key Project Activity	NTP + months estimated in Change Order	Planned Completion (Baseline)	Progress as of 01/31/2025	Progress On Track?	Notes
Stadler Notice to Proceed	0	08/25/23	Completed	Completed	
Approval of Master Program schedule	3	04/22/24	Completed	Completed	
Conceptual Design Review (CDR)	12	11/01/24	11/12/2024	Completed	
Preliminary Design Review (PDR)	16	08/15/25	In Process	On Track	
Final Design Review (FDR)	20	12/12/25	In Planning	On Track	
Battery First Article Inspection	30	04/10/26	In Planning	On Track	
Completed Carshells	40	05/01/26	In Planning	On Track	
Authorization to Ship to Transportation Test Center	45	06/25/27	In Planning	On Track	
Completion of Testing at TTC	50	12/10/27	In Planning	On Track	
Conditional Acceptance – BEMU Ready for Revenue Service	55	2028 Q4	In Planning	On Track	
Final Acceptance	60	2028 Q4	In Planning	On Track	

2. **Cost – Spend vs Budget with Actuals and Accruals through January 31, 2025**

Project 100782 BEMU - Budget and Cost (As of January 31, 2025)

	(A)	(B)	(C)	(D)		(E)	(F) = (C - E)	(G) = (D / E)
Project Cost Analysis	Original Budget (US\$MM)	Approved Changes (Contractor) (US\$MM)	Project Current Budget (US\$MM)	Expended and Accruals To-Date (US\$MM)	To-Go (US\$MM)	Estimated at Completion (EAC) (US\$MM)	Variance at Completion (US\$MM)	% Expended of EAC
Contractor - STADLER	\$ 60.98		\$ 60.98	\$ 17.96	\$ 43.02	\$ 60.98	\$ -	29.45%
Other Contracts	\$ 1.31		\$ 1.31	\$ -	\$ 1.31	\$ 1.31	\$ -	0.00%
Program Mngt. & Admin Costs	\$ 9.64		\$ 9.64	\$ 0.12	\$ 9.40	\$ 9.52	\$ 0.12	1.30%
Project Contingency	\$ 7.47		\$ 7.47		\$ 7.39	\$ 7.39	\$ 0.08	0.00%
ICAP	\$ 0.60		\$ 0.60	\$ 0.00	\$ 0.79	\$ 0.80	\$ (0.20)	0.40%
Total BEMU Project	\$ 80.00	\$ -	\$ 80.00	\$ 18.09	\$ 61.91	\$ 80.00	\$ 0.00	22.61%

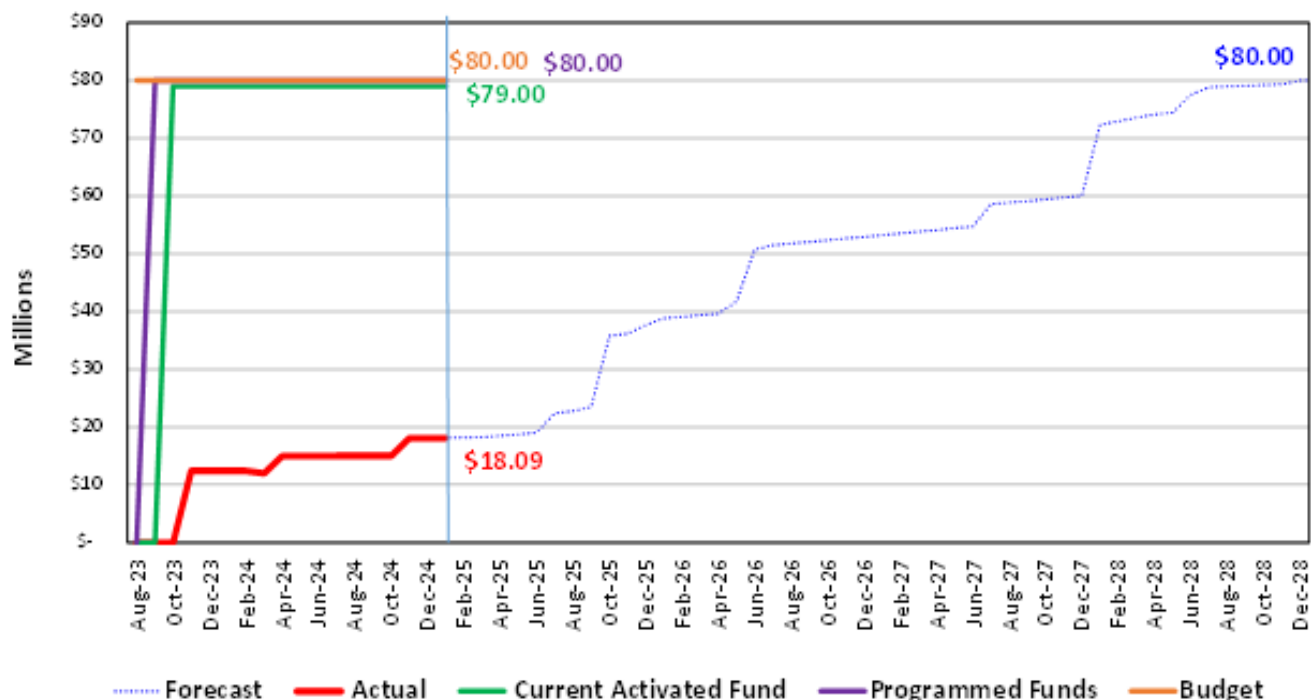
Note:

- 1). Expended and Accruals To-Date is through January 31, 2025;
- 2). Program Mngt. & Admin Costs includes JPB project oversight costs, TASI support and Other Direct Costs for BEMU trainset;
- 3). Other Contracts includes \$1M for Wayside Upgrades;

3. Cost Curve:

JANUARY 2025

BEMU | Expenditure - Planned vs. Actual



4. Major Activities for January 2025:

- Held on-going technical coordination meetings, including biweekly technical coordination.
- Held on-going safety coordination meetings (biweekly).
- Reviewed and approved the vehicle safety program plan (VSPP)

5. Upcoming Key Activities:

- Continue Conceptual Design Review (CDR) items resolution as part of design process.
- Prepare for Preliminary Design Review
- Continue reviewing safety submittals
- Review vehicle performance and the benefits of increasing battery capacity to 2.3 MWh

6. Change Management:

- In August 2023, the JPB approved change order for not to exceed \$60,976,504 to Stadler US Inc., contract No. 14-PCJPB-P-056 for an option of one four-car Battery Electric Multiple Unit (BEMU) trainset.
- A change notice was issued for BEMU convenience outlets, which were not included in the BEMU train order. There is no change to the project budget.

- A Potential change in the amount \$520,500 regarding increasing the traction battery capacity from the baseline 1.9 MWh requirement to the 2.3 MWh is under process. This will be covered by the contingency.

7. Risk Management:

The following are top risks for implementation of Battery Electric Multiple Unit (BEMU) project:

Risk Descriptions	Mitigation Actions
<p>1. Availability of the car body engineer resources for BEMU project</p>	<p>Met with Stadler executives and requested the earliest possible start to design, and maximization of parallel activities. Carbody design has begun and is not impacting schedule at this time.</p>
<p>2. Potential supply chain issue down the road</p>	<p>Tracking procurement lead time and monitoring closely.</p>

8. FRA Coordination Status:

- FRA issued a letter to the industry regarding alternative fuel vehicles. That letter is under review as to its applicability to the BEMU project.
- The project team reached out to the FRA and began establishing points of contact for BEMU design review.

Budget Impact

There is no impact on the budget.

Prepared By: Sherry Bullock	CalMod Program Director	02/20/2025
Greg Cameron	BEMU Commercial Project Manager	02/20/2025

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Board of Directors
Through: Michelle Bouchard, Executive Director
From: Sherry Bullock, CalMod Program Director
For: March 2025 JPB Board of Directors
Subject: **Receive Update on Crossing Optimization Project**

Finance Committee
Recommendation

Technology, Operations, Planning,
and Safety Committee
Recommendation

Advocacy and Major Projects
Committee Recommendation

Purpose and Recommended Action

This report includes an informational update that requires no action by the Board of Directors (“Board”) of the Peninsula Corridor Joint Powers Board (“JPB” or “Caltrain”).

Staff will provide monthly updates covering Crossing Optimization-related activities during the previous month and a preview of activities anticipated to take place during the current month.

Discussion

The Caltrain Crossing Optimization Project provides an advanced technology solution to improve grade crossing warning time performance. This is accomplished by reducing crossing warning system activations and the amount of gate down time at grade crossings resulting from Through Move and scheduled Station Stop trains. This solution is integrated with Caltrain Positive Train Control (PTC) system, which has been operational since September 2019. The project was implemented using a design-build approach and included the following deliverables:

- Crossing Optimization Concept of Operations
- Rail capacity, schedule management and communication studies
- Optimization crossing functional design.
- Proof of concept demonstration
- Testing and Commissioning of Optimized Crossing system

MONTHLY UPDATE

1. Project Schedule - Major Milestones for Crossing Optimization Implementation as of January 31, 2025:

<u>Key Project Activity</u>	<u>No of Crossing</u>	<u>Planned Completion</u>	<u>Progress as of 01/31/25</u>	<u>Progress On Track?</u>	<u>Note</u>
220MHZ Study and Approval	n/a	Completed	Completed	Completed	
Crossing Group #1 Pilot Cutover Auzerais, Virginia Street, Center Street, Santa Paula, Mission, 16h street	6	4/27/2022	Completed	Completed	
Crossing Group #2 Cutover Broadway, Morrell Pd and Oak Grove	3	03/09/2023	Completed	Completed	
Crossing Group #3 Cutover Howard Ave, Peninsula Ave, North Lane and Baywater Ave	4	05/14/2024	Completed	Completed	
Crossing Group #4 Cutover Bellevue, First Ave, Villa Terrace Ave, Second Ave	4	05/14/2024	Completed	Completed	
Crossing Group #5 Cutover Third Ave, Fourth Ave, Fifth Ave, Ninth Ave	4	05/14/2024	Completed	Completed	
Crossing Group #6 Cutover Alma St., Churchill Ave	2	06/17/2024	Completed	Completed	
Crossing Group #7 Cutover Whipple, Brewster, Broadway, Maple St.	4	07/02/2024	Completed	Completed	
Crossing Group #8 Cutover Rengstorff, Castro St., Mary Ave, Sunnyvale Ave	4	06/17/2024	Completed	Completed	
Crossing Group #9 Cutover Encinal, Glenwood, Oak Grove, Ravenwood Ave.	4	06/30/2024	Completed	Completed	
Crossing Group #10 Cutover South Linden, Scott Street	2	07/23/2024	Completed	Completed	
Crossing Group #11 Cutover East Meadow Drive, Charleston Rd	2	12/16/2023	Completed	Completed	
Crossing Group #12 Cutover Main St., Chestnut St. Fair Oaks Lane, Watkins Ave.	4	06/30/2024	Completed	Completed	
Crossing Group #13 Cutover Mission Bay and 16 th Street	2	07/23/2024	Completed	Completed	
Crossing Optimization Final Acceptance	Total 43 crossing	September 2024	12/18/24	Completed	

2. Cost – Spend vs Budget with Actuals and Accruals through January 31, 2025

Crossing Optimization Budget and Cost (As of January 31, 2025)

	(A)	(B)	(C)	(D)		(E)	(F) = (C - E)	(G) = (D / E)
Project Cost Analysis	Original Budget (US\$MM)	Approved Changes (Contractor) (US\$MM)	Project Current Budget (US\$MM)	Expended and Accruals To-Date (US\$MM)	To-Go (US\$MM)	Estimated at Completion (EAC) (US\$MM)	Variance at Completion (US\$MM)	% Expended of EAC
Crossing Contractor - WABTEC	\$ 8.08	\$ 1.13	\$ 9.22	\$ 8.21	\$ 1.00	\$ 9.22	\$ (0.00)	89.10%
Program Mngt. & Admin Costs	\$ 4.20	\$ (0.25)	\$ 3.95	\$ 3.50	\$ 0.27	\$ 3.77	\$ 0.19	92.95%
Project Contingency	\$ 0.72	\$ (0.70)	\$ 0.02		\$ 0.01	\$ 0.01	\$ 0.01	0.00%
ICAP	\$ 0.45		\$ 0.45	\$ 0.39	\$ 0.06	\$ 0.45	\$ 0.00	87.18%
Potential Changes			\$ -		\$ -	\$ -	\$ -	
Total Crossing Optimization Project	\$ 13.46	\$ 0.18	\$ 13.64	\$ 12.10	\$ 1.34	\$ 13.45	\$ 0.20	90.03%

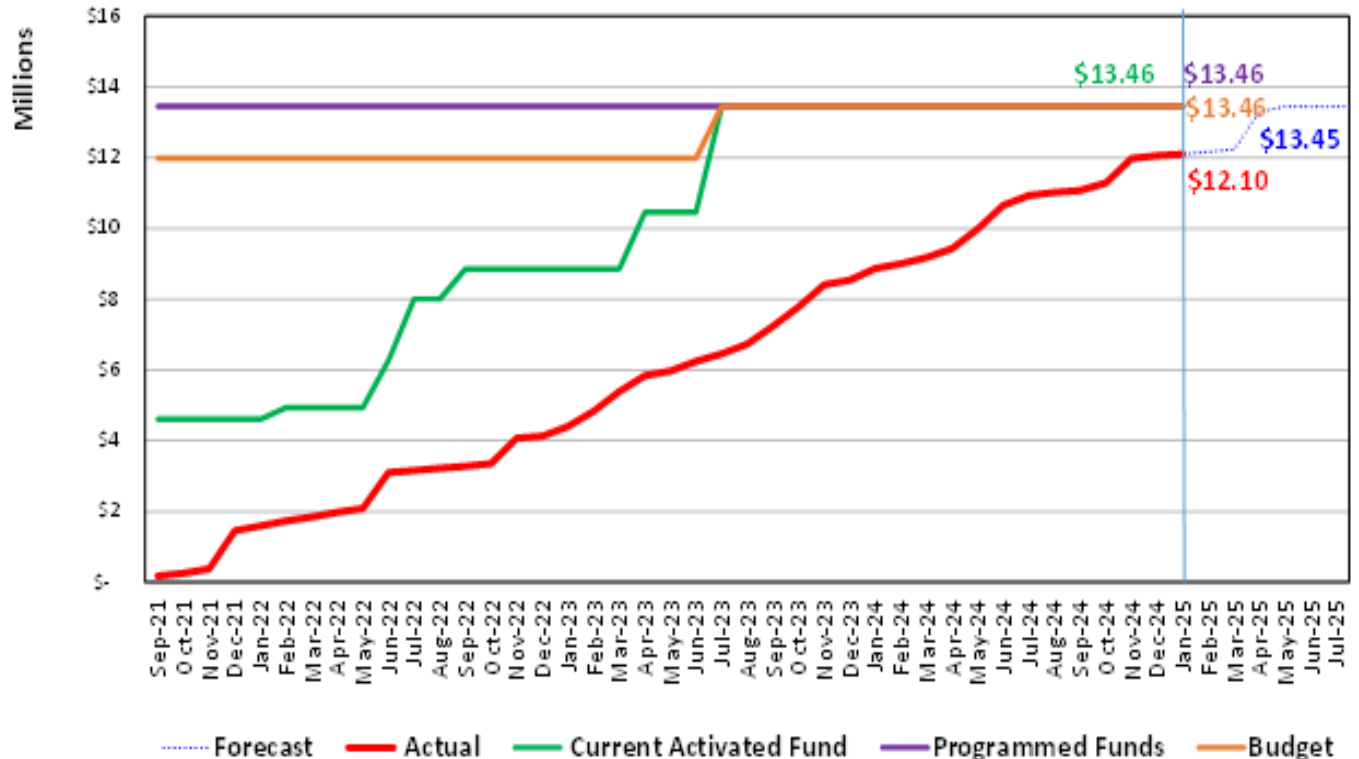
Note:

- 1). Expended and Accruals To-Date is through January 31, 2025;
- 2). Program Mngt. & Admin Costs includes JPB project oversight costs, TASI support and Other Direct Costs for Crossing project delivery;
- 3). % Expended of EAC includes the ongoing Manual Crossing Activation Button work;
- 4). About \$1M will be used for Manual Crossing Activation Button work and will be executed via Maintenance Contract;

3. Cost Curve:

JANUARY 2025

Crossing Optimization | Expenditure - Planned vs. Actual



4. Major Activities for January 2025:

- Data Collection and optimization of crossing performance post cutover.
- Final Acceptance was issued on 12/18/24
- RFA Submitted to FRA
- Deployed Inhibit Functions into Production
- Contract close out and retention released

5. Upcoming Key Activities:

- Finalize crossing performance report following final system adjustments.
- Monitoring inhibit Function performance

6. Change Management:

- In June 2022, the JPB approved change order for not to exceed \$4,903,222 to Wabtec contract No. 18-J-T-49 for completion of the crossing optimization work. The Project executed contract Amendment 4 in September 2022.
- In November 2022, the parties executed a \$0 change order (Amendment 5) to modify the payment schedule.
- A change order in the amount \$128,045 was issued for the rework in September 2024.
- In October 2024, the project has executed contract Amendment 6 in the amount \$128,045 with an updated payment schedule.

7. Risk Management:

All project risks were mitigated; all crossings are in production.

8. FRA Coordination Status:

- As needed coordination calls with FRA Test Monitor.
- Continue development of combined Safety Case update (Crossing Optimization & PCEP 2SC), Caltrain will submit RFA for 2SC/Cross Optimization).

Budget Impact

There is no impact on the budget.

This will be the final Staff Report for this project.

Prepared By: Sherry Bullock	CalMod Program Director	02/20/2025
Aaron Marx	Wireless Crossing Technical Project Manager	02/20/2025

**Peninsula Corridor Joint Powers Board
Staff Report**

To: JPB Board of Directors
Through: Michelle Bouchard, Executive Director
From: Sherry Bullock, Program Director, Caltrain Modernization Program
For: March 2025 JPB Board of Directors Meeting
Subject: **Receive Update Regarding PCEP Closeout Status**

Finance Committee
Recommendation

Technology, Operations,
Planning, and Safety
Committee Recommendation

Advocacy and Major
Projects Committee
Recommendation

Purpose and Recommended Action

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

This report is provided for informational purposes only.

Discussion

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

Budget Impact

There is no impact on the budget.

Prepared By: Sherry Bullock Program Director, Caltrain
Modernization Program

February 26, 2025



Caltrain Modernization Program Peninsula Corridor Electrification Project (PCEP)



Executive Monthly Progress Report

January 31, 2025

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1.0 EXECUTIVE SUMMARY

1.1 Introduction

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

Caltrain completed a thorough assessment of all aspects of the program including cost, schedule, risks, and organization after the global settlement in 2021. Caltrain re-baselined the program budget and schedule in December of 2021. Caltrain finished a schedule reforecast in March 2023 and recovered from storm damages in early 2024. Caltrain has successfully launched Electrified Service Inaugural Ride on August 10th with government officials. Caltrain commenced full electrified revenue service on September 21, 2024.

1.2 Program Cost and Budget

On December 6, 2021, the JPB adopted a new PCEP program budget of \$2,442,690,697. On January 31, 2023, Caltrain received a \$367 million funding award from California's Transit and Intercity Rail Capital Program's (TIRCP) Cycle 6 Existing Project Reserve, representing the remaining funding needed to complete the project. The project is now fully funded in the amount of \$2,442,690,697. As of January 2025, the project is on budget:

- The current project total cost at completion (EAC) is the same as the Board adopted budget of \$2.44 billion.
- As of January 2025, a total of **\$30.3M** has been drawn down from the Shared Risk Pool of \$50 million to-date. **\$964,928** was drawn from the Shared Risk Pool this month.
- As of January 2025, a total of **\$39.7M** has been drawn from the project contingency of \$40 million. In January 2025, **\$1.47M** was drawn from project contingency.
- As of January 2025, a total of **\$9.2M** has been approved from the milestone incentive pool of \$15 million.

1.3 Program Progress and Schedule

As of January 31, 2025, the overall project completion is 97.44%. The PCEP substantial completion was reached on May 3rd, 2024. Caltrain launched electrified service with mixed fleet in August 2024 and commenced a full electrified Revenue Service on September 21, 2024. The PCEP has reached Final Acceptance on December 20, 2024, and the FTA Required Completion Date of December 31, 2024.

1.4 Change Management Board (CMB)

In January 2025, the item listed below received the CMB approval for contingency drawdown

- CCO-265 – Unanticipated Cost Escalation (Hyper-Inflation)

1.5 This Month's Accomplishments

The project team has completed the following notable activities for the month of January 2025:

- PCEP contractor submitted Final Acceptance package on December 20, 2024.
- Received FFGA grant extension approval for future Traffic Mitigation effort which will be implemented when Caltrain service increases to 6 trains per hour per direction.
- Continued with project close out efforts and tracked all punch list items in a centralized database. There are 20 punchlist items remaining.
- Continued to connect LV permanent power and coordinate remaining low voltage power drop applications with PG&E and local jurisdiction and utilized generators to support project testing. There is total 3 locations remaining.
- Held CMB special meeting and received approval of final project change order unanticipated escalation cost. This change order is required JPB board approval in February of 2025.
- There was a total of 17 EMU trainsets delivered; 16 EMUs are on Caltrain property and completed burn-in testing in support of full electrified service.
- Completed design-build contract commercial close out including all shared risk items.
- Received all record drawing as-builts drawings except for the Traction Power system.
- Continued to close out all project permits.
- Continued draft Lessons Learned Report

1.6 Upcoming work

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

- Two more EMUs will be delivered by June 2025 which concludes total 19 EMU procurement.
- Complete PCEP remaining TPS as-built record drawings by June 2025.
- Receive all spare parts delivery.
- Close out all permits.
- Complete all low voltage power connections.
- Complete recommendation of traffic mitigation effort.
- Complete Lessons Learned Report by March 2025
- Obtain JPB board approval of unanticipated project escalation (aka hyperinflation) change order and final design-build contract close out.

The PCEP Project is currently on budget and on time and achieved Full Revenue Service on September 21, 2024, and FFGA Required Completion Date of December 31, 2024.

1.7 Critical Items

As of January 2025, the top critical items and related actions are completed.

Table 1-1. Critical Issues and Actions

Critical Issues	Actions
None	<ul style="list-style-type: none">• None

2.0 SAFETY

Project is in close-out phase and no further work is being performed.

2.1 Completed Work

Project has been completed.

2.2 Upcoming Work

Project has been completed.

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3.0 IMS PROGRAM SCHEDULE

3.1 Introduction

Caltrain Peninsular Corridor Electrification Project has reached substantial completion on May 3, 2024, and full Electrified Revenue Service in September 2024. The Revenue Service Date (RSD) was September 21, 2024. The team is working with Design builder to close out punch list and all work required for Final Acceptance. The Full Funding Grant Agreement (FFGA) Revenue Completion Date (RCD) of December 31, 2024, was achieved.

3.2 Critical Path Analysis

The current critical path now includes to the submission and review of As-built documentation, Closeout Package 11, and removal of Temp Yard (Mountain View) which lead to Final Acceptance of 12/20/2024. PCEP has met RCD date of December 31, 2024.

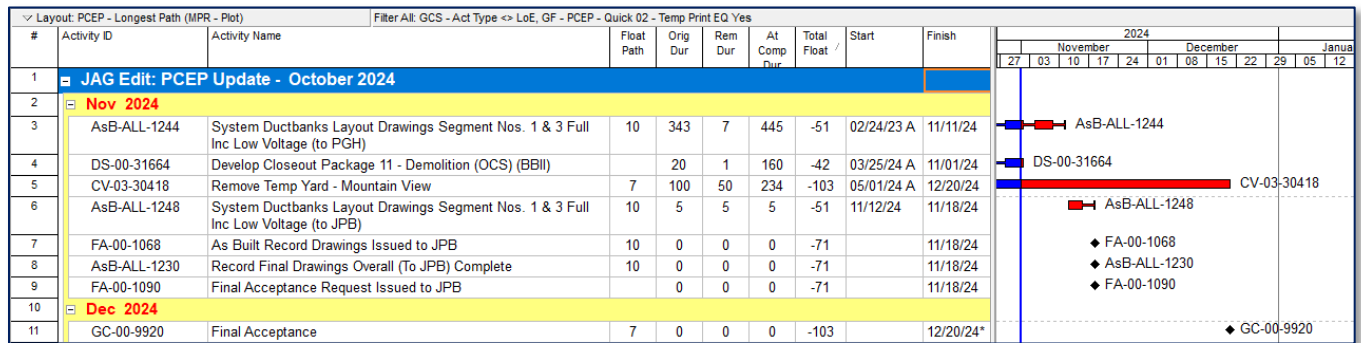


Figure 3-1. Critical Path Schedule

3.3 Program Schedule Contract Milestone Analysis

Contractor	Milestones	Allowed Dates	Current Dates (Oct 2024)	Milestone Finish Date Variance	Remarks
BBII	Scheduled Substantial Completion	5/8/2024	5/3/2024	-5	Completed
Stadler	14th Trainset Arrival at JPB Site	10/12/2023	9/12/2024	336	Completed
Stadler	16th Trainset Arrival at JPB Site	10/12/2023	9/21/2024	345	Completed
JPB	Revenue Service Date (RSD)	9/26/2024	9/21/2024	-5	Completed
BBII	Scheduled Final Acceptance	9/8/2024	12/20/2024	103	Completed

Contractor	Milestones	Allowed Dates	Current Dates (Oct 2024)	Milestone Finish Date Variance	Remarks
JPB	FFGA Required Completion Date (RCD)	12/31/2024	12/31/2024	0	Completed

Figure 3-2. Contract Milestone Analysis

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4.0 COST AND BUDGET

4.1 Introduction

This section presents an update on program cost and budget. On December 6th, 2021, the JPB adopted a new Program budget of \$2.44 billion. Table 4-1 depicts a summary level of program budget, costs, and estimate at completion based on the latest update of the Electrification and EMU projects as of December 31, 2024.

4.2 Program Budget and Cost

Table 4-1. Budget Summary by Project

Description of Work	Current Budget (A) ¹	Cost This Month (B) ²	Cost To Date (C) ³	Estimate To Complete (D)	Estimate At Completion (E) = (C) + (D)	Variance at Completion (F) = (A) – (E)
Electrification	\$1,754,468,422	(\$2,319)	\$1,700,424,860	\$60,579,712	\$1,761,004,573	(\$6,536,151)
EMU	\$688,222,275	\$71,441	\$665,839,764	\$15,846,358	\$681,686,124	\$6,536,151
PCEP TOTAL	\$2,442,690,697	\$69,122	\$2,366,264,625	\$76,426,071	\$2,442,690,697	\$0

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

Table 4-2. Budget Summary by Major Elements

Description of Work	Re-Baseline Budget	Current Budget	Cost This Month	Cost To Date	Estimate To Complete	Estimate At Completion
Electrification	\$1,097,149,881	\$1,094,560,730	\$2,755,523	\$1,063,591,834	\$28,777,896	\$1,094,420,007
EMU Procurement	\$556,072,601	\$565,284,846	\$0	\$556,325,624	\$8,706,204	\$565,172,552
Minor Construction Contracts (SSF, 25th Grade, Tunnel, CEMOF, SCADA, Non-BBI OCS)	\$67,055,072	\$64,135,067	\$312,680	\$65,753,101	\$37,902	\$63,600,003
Real Estate Acquisition & Support	\$34,914,177	\$34,914,177	\$55,202	\$25,883,049	\$10,345,694	\$36,228,742
PG&E, Utilities	\$132,088,994	\$129,106,067	-\$4,036,121	\$131,446,331	\$158,292	\$131,604,622
Management Oversight & Support	\$312,699,697	\$321,974,670	\$273,117	\$321,452,128	\$3,180,047	\$324,632,175
TASI Support	\$114,488,767	\$145,196,763	\$130,581	\$139,328,355	\$2,938,267	\$142,266,622
Finance Charges	\$9,898,638	\$9,898,638	\$20,432	\$12,967,341	\$33,350	\$13,000,691
Insurance	\$6,581,851	\$6,581,851	\$0	\$6,304,001	\$277,850	\$6,581,851
Other Required Projects & Services	\$9,084,176	\$10,484,176	\$20,472	\$7,066,060	\$91,935	\$7,157,995
Environmental Mitigation	\$14,438,866	\$13,038,866	\$115,600	\$1,660,029	\$10,378,837	\$12,038,866
Caltrain Capital Overhead (ICAP)	\$48,217,887	\$47,217,887	\$421,636	\$34,486,772	\$10,731,115	\$45,217,887
Contingency	\$40,000,089	\$296,958	\$0	\$0	\$768,682	\$768,684
Total	\$2,442,690,697	\$2,442,690,697	\$69,122	\$2,366,264,625	\$76,426,071	\$2,442,690,697

4.3 Program Shared Risk Pool and Contingency

Caltrain and Balfour Beatty Infrastructure, Inc. (BBII) continue implementing new mechanisms to ensure a collaborative approach to Project delivery. The management team meets every week to review the issues log focusing on risk mitigation and issues

resolution.

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

At the close of final acceptance and Contract Final Payment, the balance of the Risk Pool will be shared 50/50 between BBII and PCEP Program Budget. With the execution of the final Design-Build Contract Change Order, \$9,852,932 will be released from the \$50,000,000 Risk Pool for BBII, and the other \$9,852,932 is to be transferred to PCEP Program Contingency.

Table 4-3. Shared Risk Pool Status as of January 2025

Risk ID	Risk Description	Risk Amount	Current Month	Executed to Date	Remaining Balance	Risk Pool Balance 50/50 Share
1	Permanent Power Availability	\$268,572	\$0	\$178,365	\$90,207	\$45,104
2	Different Site Condition for OCS Foundation	\$3,500,000	(\$0)	\$1,303,894	\$2,196,106	\$1,098,053
3	Different Site Condition for Duct bank	\$2,800,000	\$0	\$435,798	\$2,364,202	\$1,182,101
4	Condition of existing Fiber backbone infrastructure	\$3,150,000	\$160,020	\$705,241	\$2,444,759	\$1,222,379
5	Availability of TASI Resource	\$5,777,820	\$0	\$0	\$5,777,820	\$2,888,910
6	Signal Cutover access and work window	\$5,607,150	\$0	\$0	\$5,607,150	\$2,803,575
7	Condition of existing signal system	\$538,572	\$0	\$507,167	\$31,405	\$15,702
8	EMI Nonconformance by EMU Vendor	\$750,000	\$0	\$13,184	\$736,817	\$368,408
9	Reed Street Cutover	\$90,000	\$0	\$111,765	-\$21,765	-\$10,882
10	Availability of low voltage power for cutover testing	\$1,120,000	\$192,935	\$8,488,562	-\$7,368,562	-\$3,684,281
11	Third party Permits	\$150,000	\$0	\$0	\$150,000	\$75,000
12	SCADA integration for the entire alignment	\$159,524	\$0	\$0	\$159,524	\$79,762
13	Tunnel OCS Compatibility	\$167,500	\$0	\$152,418	\$15,083	\$7,541
14	Supply chain issue due to COVID 19	\$300,000	\$0	\$28,923	\$271,077	\$135,538
15	End to end Systems integration commissioning	\$2,100,000	\$0	\$0	\$2,100,000	\$1,050,000
16	Existing Caltrain Operating systems interface and integration	\$1,400,000	\$0	\$71,920	\$1,328,080	\$664,040
17	Third party Approval	\$150,000	\$45,876	\$399,153	-\$249,153	-\$124,576
18	Impact from Caltrain other capital or third-party projects	\$2,166,683	\$18,498	\$1,977,106	\$189,576	\$94,788
19	Track access delay for BBII Construction	\$1,800,000	\$1	\$1,450,525	\$349,476	\$174,738
20	Additional light Maintenance and Protection Needs	\$280,000	\$0	\$180,505	\$99,495	\$49,747
21	Crossing Protection	\$220,000	\$1	\$102,335	\$117,666	\$58,833
22	Power facilities	\$500,000	\$0	\$917,293	-\$417,293	-\$208,646
23	NCR's	\$0	\$0	\$0	\$0	\$0
24	Potholing	\$1,700,000	\$0	\$107,547	\$1,592,453	\$796,227
25	Pre-Revenue Service Operational Testing	\$250,000	\$0	\$0	\$250,000	\$125,000
26	TRO Contingency	\$3,000,000	\$0	\$3,474,002	-\$474,002	-\$237,001
27	Contingency	\$12,000,000	\$547,597	\$9,688,435	\$2,311,565	\$1,155,782
NA	Unidentified	\$54,179	\$0	\$0	\$54,179	\$27,090
	BBII Risk Pool Total	\$50,000,000	\$964,928	\$30,294,137	\$19,705,863	\$9,852,932

In addition to the established Risk Pool with BBII, the Re-Baseline Budget includes a program contingency of \$40 million to cover non-BBII potential changes and unknowns. Table 4-4

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provides a detailed status of approved transfers from contingency due to executed Contract Change Orders and approved Budget Transfers.

Table 4-4. Program Contingency Drawdown Balance

Change Order ID	Description	Contingency
PCEP Contingency Budget		\$40,000,088
STA-056-CCO-038	Allowance for Electric Power Cost at TTCI	(\$132,365)
STA-056-CCO-041	Manual Phase Break	(\$43,520)
STA-056-CCO-042	Stadler Project Time Extension	(\$8,021,124)
ARINC-061-CCO-005	Traction Power Facility SCADA Database Changes	(\$1,036,122)
PROV-070-CCO-056	Proven Tunnels Final Settlement	\$1,000,000
PROV-071-CCO-069	Proven CEMOF Final Settlement	(\$1,000,000)
BT-027D	Legal Support FY23 - PG&E Counsel	(\$200,000)
BT-029D	GFI Electrification FY23-24 Additional Staff	(\$2,108,070)
STA-056-CCO-053	Stadler – Passenger Convenience Outlets	(\$716,661)
BT-035C	TASI Support – Electrification (2023-2024) rev1	(\$22,039,702)
BBI-053-BT-CNPA	Non-PCEP Actuals - BBII Historical Changes included in PCEP Re-Baseline	\$2,191,000
PROV-070-CLOSE	Proven Tunnels – Close out of Final Actuals	\$184,910
PROV-071-CLOSE	Proven CEMOF – Close out of Final Actuals	\$580,217
PG&E-042-BT-006	PG&E Equivalent One-Time Payment (EOTP) - FIRST Reimbursement	(\$391,068)
BT-058	Tunnel Leak Remediation (TASI Construction)	(\$562,851)
BT-057	TASI EMU Maintenance & Materials (Pre-Revenue)	(\$4,348,854)
PG&E-042-BT-007A	PG&E Supplemental Agreement No 4 - PCEP Share	\$1,600,000
PG&E-042-BT-007B	PG&E Supplemental Agreement No 2	\$501,962
PG&E-042-BT-007C	PG&E Supplemental Agreement No 2A	\$1,509,909
PROV-063-BUDSCRUB2	South San Francisco Station Project OCS – Close out of Final Actuals	\$1,000,000
BT-035D	TASI Support - Electrification (2023-2024) - Field Support Extend to Sept	(\$2,844,754)
MGMT-2024-02	Management Oversight - Updated EAC	(\$6,426,903)
BT-060A	ICAP Adjustment Credits 2023	\$1,000,000
BT-059	TASI - 4th and King Updates for EMUs	(\$861,291)
BT-061	Outreach/Marketing: Celebration Event and Media Buys	(\$540,000)
BT-062	TASI GO-88 Crossing Improvements	(\$50,544)
STA-056-CCO-054	ADA Ramp Extension	(\$298,575)
PG&E-042-BT-006A	PG&E Equivalent One-Time Payment (EOTP) - FINAL Reimbursement	(\$237,876)
BBI-053-CCO-265	Hyper-Inflation	(\$13,500,000)
BBI-053-CCO-264	Damages from On-Track Equipment Collision	(\$2,194,732)
BBI-053-CCO-262	BBII Contract Closeout	\$18,424,606
BBI-053-CCO-261	Pantograph Inspection Camera	(\$140,723)
Remaining Contingency		\$296,957
PG&E, Utilities	PG&E Supplemental Agreement & Utility Usage	(\$2,498,555)
BT-035E	TASI Support - EAC Update (2024-12)	\$2,930,141
Management Oversight & Support	Management Oversight - CloseOut Staffing	(\$2,657,504)
BT-060B	ICAP Adjustment Credits 2024	\$2,000,000
EAC-SCRUB-11	EAC Scrub - Required Projects	\$1,561,909
EAC-SCRUB-10	EAC Scrub - Traffic Mitigations	(\$284,000)
EAC-SCRUB-13	Increase Budget for PCEP Finance Charges	(\$53,772)
EAC-SCRUB-01B	EAC Scrub - SSF OCS Balance	\$5,746
EAC-SCRUB-05	EAC Scrub - Real Estate	(\$1,314,565)
STA-056-CCO-EAC	Stadler EAC Update	\$253,017
ARINC-061-CCO-005A	Traction Power Facility SCADA T&M Adjustment	\$529,318
Forecasted Remaining Contingency		\$768,693

Note: EAC Contingency reflects forecast contingency.

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

Table 4-5. Overall Program Contingency

	Total E = (A+D)	Shared Risk Pool with BBII	Program Contingency		
		BBII Risk Pool (A)	Allocated (B)	Unallocated (C)	Subtotal D = (B+C)
PCEP Contingency	\$90,000,088	\$50,000,000	\$24,115,581	\$15,884,507	\$40,000,088
Drawn Contingency	(\$89,703,131)	(\$50,000,000)	(\$24,115,581)	(\$15,587,550)	(\$39,703,131)
Remaining Contingency	\$296,957	\$0	\$0	\$296,957	\$296,957
Pending Changes	\$471,725	\$0	\$0	\$471,726	\$471,725
Forecasted Remaining Contingency	\$768,682	\$0	\$0	\$768,683	\$768,682

4.4 Electrification Design Builder Contract Incentives

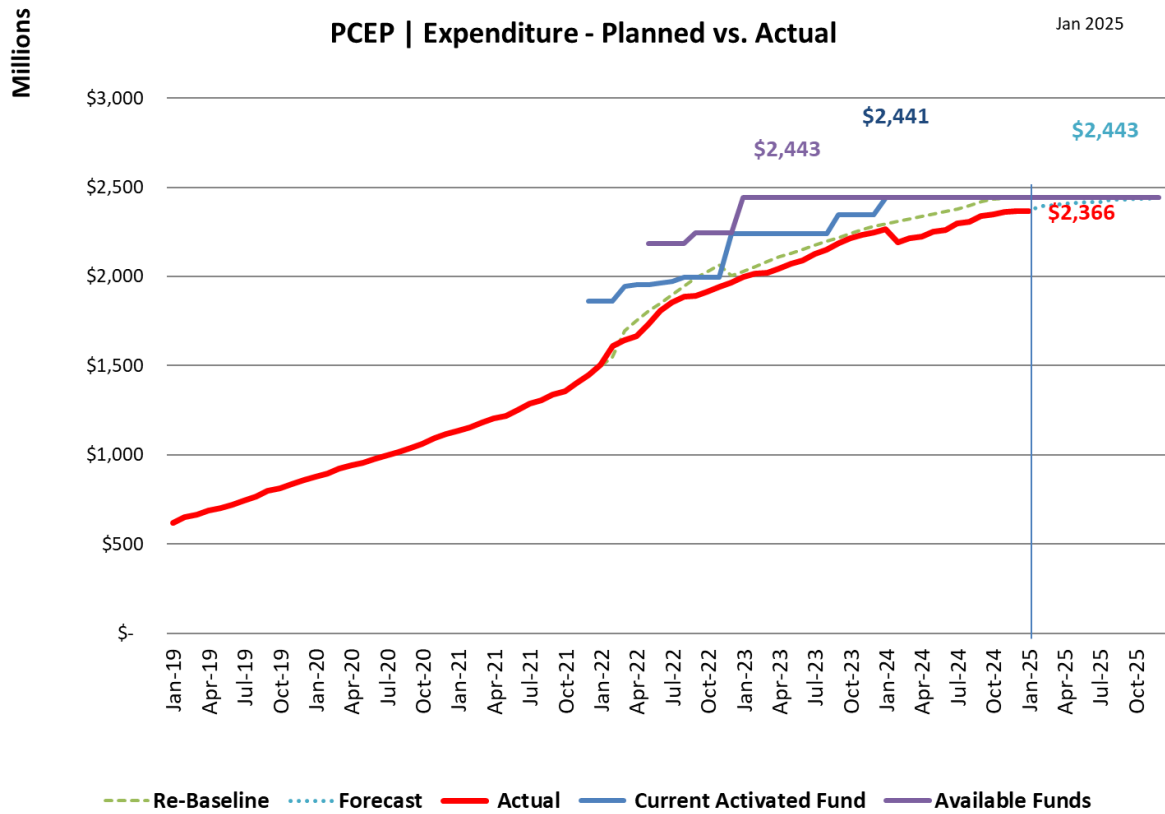
The Global Settlement with BBII also includes incentives based on Milestone completions and remaining contract incentives. Table 4-6 provides a status of Design-Build Contractor incentives Budgeted, Awarded, and remaining Balance as of January 2025.

The Balance Remaining in Table 4-6 is taken into consideration in the Contract Final Payment and Contract Change Order with BBII.

Table 4-6. BBII Incentives

Incentives	Budgeted (A)	Awarded (B)	Balance Remaining (C)=(A)-(B)
Contract Incentive:			
Quality	\$1,250,000	\$1,083,333	\$166,666
Safety	\$2,500,000	\$1,843,750	\$656,250
Community Outreach	\$2,500,000	\$2,450,000	\$50,000
DBE	\$900,000	\$900,000	\$0
Total Contract Incentive	\$7,150,000	\$6,277,084	\$872,916
Milestone Incentive:			
Early Signal and Crossing Cutover	\$4,000,000	\$4,000,000	\$0
Early Project Substantial Completion (NTE)	\$8,000,000	\$4,220,000	\$3,780,000
Early Revenue Service	\$3,000,000	\$1,000,000	\$2,000,000
Total Milestone Incentive	\$15,000,000	\$9,220,000	\$5,780,000

4.5 Program Cash Flow and Funding



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

4.6 Issues - None

5.0 CHANGE MANAGEMENT

5.1 Introduction

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

5.2 Change Orders/Shared Risk Pool

5.2.1 Executed Shared Risk/CCO -

- No Shared Risk Items or CCOs were executed in January 2025.

5.2.2 CMB Approved Shared Risk/Change Order Items:

One Contract Change Order was approved in the January 2025 CMB meeting:

- CCO-265 – Unanticipated Cost Escalation (Hyper-Inflation)

5.2.3 Upcoming Shared Risk Items or Change Orders

- CCO-265 – Unanticipated Cost Escalation – approval by PCJPB
- CCO-262 – Contract Final Account

5.3 Issues

Table 5-1. Change Management Issues Identified and Actions Taken for January 2025

Issues	Actions
March 2022 Rail Incident Damage Cost change request submitted by design build contractor	<ul style="list-style-type: none"> • Issue Change order (CCO-264) - approved
Unanticipated escalation Cost Increase change request submitted by design build contractor	<ul style="list-style-type: none"> • Obtained PCJPB Committee approval - completed • Obtain PCJPB Board approval – February 2025 • Issue Change order (CCO-265) – February 2025