

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
300 Lakeside Drive, P. O. Box 12688, Oakland, CA 94604-2688

BOARD MEETING AGENDA

January 28, 2010

9:00 a.m.

A regular meeting of the Board of Directors will be held at 9:00 a.m. on Thursday, January 28, 2010, in the BART Board Room, Kaiser Center 20th Street Mall – Third Floor, 344 – 20th Street, Oakland, California.

Members of the public may address the Board of Directors regarding any matter on this agenda. Please complete a “Request to Address the Board” form (available at the entrance to the Board Room) and hand it to the Secretary before the item is considered by the Board. If you wish to discuss a matter that is not on the agenda during a regular meeting, you may do so under General Discussion and Public Comment.

Rules governing the participation of the public at meetings of the Board of Directors and Standing Committees are available for review on the District's website (<http://www.bart.gov/about/bod>), in the BART Board Room, and upon request, in person or via mail, at the Office of the District Secretary, 23rd Floor, 300 Lakeside Drive, Oakland, California.

Any action requiring more than a majority vote for passage will be so noted.

Items placed under “consent calendar” are considered routine and will be received, enacted, approved, or adopted by one motion unless a request for removal for discussion or explanation is received from a Director or from a member of the audience.

Please refrain from wearing scented products (perfume, cologne, after-shave, etc.) to these meetings, as there may be people in attendance susceptible to environmental illnesses.

BART provides service/accommodations upon request to persons with disabilities and individuals who are limited English proficient who wish to address BART Board matters. A request must be made within one and five days in advance of Board meetings, depending on the service requested. Please contact the Office of the District Secretary at (510) 464-6083 for information.

Kenneth A. Duron
District Secretary

Regular Meeting of the
BOARD OF DIRECTORS

The purpose of the Board Meeting is to consider and take such action as the Board may desire in connection with:

1. **CALL TO ORDER**
 - A. Roll Call.
 - B. Pledge of Allegiance.

- C. Introduction of Special Guests.
 - 1. Station Agent Angela Fields. (Director Murray's request.)
 - 2. Mr. Duirmuid Philpott, United Irish Societies. (President Fang's request.)
 - 3. Michael Burns, General Manager, Santa Clara Valley Transportation Authority. Silicon Valley Rapid Transit Project Update.

2. CONSENT CALENDAR

- A. Approval of Minutes of the Meeting of August 27, 2009 (Special).* Board requested to authorize.
- B. Award of Contract No. 15BN-110, Rehabilitation of Line Vent Fans Systemwide.* Board requested to authorize.
- C. Award of Contract No. 20HE-110, Heating, Ventilation, and Air Conditioning (HVAC) Upgrades at San Francisco Downtown Train Control Rooms.* Board requested to authorize.
- D. Award of Invitation for Bid No. 8871, Pinion End Bearing & Inlet End Bearing.* Board requested to authorize.

3. ADMINISTRATION ITEMS

Director Blalock, Chairperson

- A. Authority to Execute Agreements with Caltrans and Utilities to Support the East Contra Costa BART Extension (eBART) Project.* Board requested to authorize.
- B. (CONTINUED from January 14, 2010, Meeting)
Fiscal Year 2010 Budget Revision.* Board requested to authorize.

4. ENGINEERING AND OPERATIONS ITEMS

Director Keller, Chairperson

- A. Award of Invitation for Bid No. 8866, Axle Bearings.* Board requested to authorize.
- B. (CONTINUED from January 14, 2010, Meeting)
Translink Program Update.* For information.

5. PLANNING, PUBLIC AFFAIRS, ACCESS, AND LEGISLATION COMMITTEE ITEMS

Director Ward Allen, Chairperson

NO ITEMS

6. GENERAL MANAGER'S REPORT

- A. Review of the Draft Agenda for the Capitol Corridor Joint Powers Board Meeting of February 17, 2010.* For information.
- B. Agreement between Capitol Corridor Joint Powers Authority and San Francisco Bay Area Rapid Transit District for Administrative Support.* Board requested to authorize.

7. BOARD MATTERS

- A. Report of the Alternative and Mobile Fare Payments Committee. For information.
- B. Roll Call for Introductions.

8. GENERAL DISCUSSION AND PUBLIC COMMENT

9. CLOSED SESSION (Room 303, Board Conference Room)

- A. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54956.9: two potential cases.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Hamer Tofugher for D. Dugger</i>		GENERAL MANAGER ACTION REQ'D: Approve and forward to the Board		
DATE:		BOARD INITIATED ITEM: No		
Originator/Prepared by: Bruce King Dept:	General Counsel	Controller/Treasurer	District Secretary	BARC
Signature/Date: <i>Shippert</i>	<i>MB 1/9/10</i>	<i>[Signature]</i> []	[]	<i>[Signature]</i> 1/20/10 []
Status: Approved		Date Created: 01/04/2010		

TITLE:

Award Contract No. 15BN-110, Rehabilitation of Line Vent Fans Systemwide

NARRATIVE:

PURPOSE :

To obtain Board authorization for the General Manager to award Contract No. 15BN-110, Rehabilitation of Line Vent Fans Systemwide, to Taber Construction, Inc. for the bid amount of \$1,882,624.00.

DISCUSSION :

BART's original 82 core system line ventilation fan components are approaching the end of their design life. Thirty-four (34) fans and motors were overhauled under Contract 15SF-110A in 1998. The remaining forty-eight (48) fans and motors will be overhauled by this contract, which will improve line ventilation fan reliability. This equipment is critical to life and safety in case of fire.

This contract was advertised pursuant to the revised DBE Program requirements. The Office of Civil Rights reviewed the scope of work for this contract and determined that there were no subcontracting opportunities, therefore, no DBE participation goal was set for this contract.

The contract was advertised on November 4, 2009. Advance Notices were sent to 22 plan rooms and 134 prospective contractors. A pre-bid meeting and site tour were held on November 16, 2009, with 23 contractors in attendance. The following six (6) sealed bids were received and opened on December 29, 2009.

No.	Bidder	Location	Total Bid
1.	Taber Construction, Inc.	Concord, CA	\$1,882,624.00
2.	Dahl Beck Electric, Inc.	Richmond, CA	\$2,123,464.21
3.	Koffler, Inc.	Sn.Lndro., CA	\$2,811,120.00
4.	Matrix HG, Inc.	Concord, CA	\$2,840,384.00
5.	Blocka Construction, Inc.	Fremont, CA	\$3,019,300.00
6.	City Mechanical, Inc.	Hercules, CA	\$3,169,696.40
	Engineer's Estimate		\$3,817,863.29

The bid submitted by the apparent low bidder, Taber Construction, has been found responsive, and staff has determined that the bid price of \$1,882,624.00 is fair and reasonable. Staff has also determined that the bidder is responsible based on an examination of the firm's business and financial status.

FISCAL IMPACT:

Funding for this \$1,882,624 contract award is included in the total project budget for 15BN, Ventilation Fan Rehab. The Office of the Controller/Treasurer certifies that funds are currently available to meet this obligation.

CA-90-Y604 54G \$1,882,624

As of the period ending 11/29/09 \$4,800,000 is available for commitment in this fund source for this project and \$721,917 has been committed to date by BART. There are no pending commitments in BART's financial management system. This action will commit \$1,882,624 leaving an uncommitted balance of \$2,195,459.

There is no fiscal impact on available unprogrammed District capital funds.

ALTERNATIVES :

Reject all bids and re-bid. Staff does not believe that re-bidding would result in more competitive bids

RECOMMENDATION :

Based on Staff analysis and certification by the Controller Treasurer that funds are available for this purpose, it is recommended that the Board adopt the following motion.

MOTION :

The General Manager is authorized to award Contract No. 15BN-110 for Rehabilitation of Line Ventilation Fans Systemwide to Taber Construction, Inc. for the Bid price of \$1,882,624.00, pursuant to notification to be issued by the General Manager, subject to compliance with the District's protest procedures and FTA's requirements related to protest procedures.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Harriet T. Fyfe for D. Duggan</i>		GENERAL MANAGER ACTION REQ'D: Approve and forward to the Board		
DATE:		BOARD INITIATED ITEM: No		
Originator/Prepared by: Yalek Ho Dept: Maintenance and Engineering	General Counsel	Controller/Treasurer	District Secretary	BARC
Signature/Date: <i>Yalek Ho</i>	<i>MB 1/19/10</i>	<i>[Signature]</i> []	[]	<i>CD [Signature]</i> 1/20/10 []
Status: Routed		Date Created: 01/04/2010		

TITLE:
Award Contract No.20HE-110 for HVAC Upgrades at SF Downtown Train Control Rooms

NARRATIVE:
PURPOSE
To obtain Board authorization for the General Manager to award Contract No. 20HE-110, HVAC Upgrades at SF Downtown Train Control Rooms to LC General Engineering & Construction Incorporation.

DISCUSSION
Due to the increase in the amount of telecommunication and security equipment, the temperature in the Train Control Rooms at Embarcadero, Montgomery and Powell Street stations has been higher than the recommended temperature. The existing ventilation systems cannot maintain the room temperatures in an acceptable range.

The scope of this contract includes replacement and upgrade of the existing ventilation equipment.

This contract was advertised pursuant to the revised DBE Program requirements. The Office of Civil Rights has reviewed the Engineer's Estimate and the scope of work for this contract and determined that there were no subcontracting opportunities, therefore, no DBE participation goal was set for this contract.

This Contract was advertised on December 3, 2009. Advance Notices were sent to 162 prospective Bidders. Eleven (11) Contract books were purchased from the District Secretary. A pre-bid meeting and site visit were held on December 14, 2009, with sixteen (16) prospective bidders attending. The following six bids were received and opened on January 5, 2010:

No.	Bidder	Location	Total Bid
1	LC General Engineering & Construction, Inc.	San Francisco	\$580,388.00
2	American Air Conditioning, Plumbing & Heating Co.	San Leandro	\$598,572.00
3	Kinetics Mechanical Service Inc.	Livermore	\$646,250.00
4	N.V. Heathorn Co	San Leandro	\$728,000.00
5	Monterey Mechanical Co.	Oakland	\$746,369.00
6	Blocka Construction, Inc.	Fremont	\$860,300.00
	<i>Engineer's Estimate</i>		<i>\$634,067.52</i>

The apparent low bid submitted by LC General Engineering and Construction, Inc. of \$580,388.00 is 8.5% below the Engineer's Estimate of **\$634,067.52**.

After review by District staff, the Bid has been deemed to be responsive to the solicitation. Furthermore, staff review of the apparent low bidder's business experience and financial capabilities has resulted in a determination that the bidder is responsible and the Bid price of \$580,388.00 submitted by LC General Engineering & Construction, Inc. is fair and reasonable.

FISCAL IMPACT

Funding of \$580,388 for Contract No. 20HE-110 is included in the total project budget for the FMS#20HE – HVAC Train Control Rooms. The Office of the Controller/Treasurer certifies that funds are currently available to meet this obligation.

CA-05-0224 FY08

53G

\$500,000

As of month ending 1/3/10, \$500,000 is available for commitment from this fund source for this project, and BART to date has committed \$0. There is \$0 pending commitment in BART's financial management system. This action will commit an additional \$500,000, leaving an uncommitted balance of \$0 in this fund.

FY08-09 PTMSEA – Prop 1B State Bond Funds

55X

\$80,388

As of month ending 1/3/10, \$600,000 is available for commitment from this fund source for this project, and BART to date has committed \$0. There is \$0 pending commitment in BART's financial management system. This action will commit an additional \$80,388, leaving an uncommitted balance of \$519,612 in this fund.

ALTERNATIVES:

Reject all bids and rebid. However, Staff does not believe that rebidding would result in more competitive bids.

RECOMMENDATION:

Based on staff analysis and certification by the Controller/Treasurer that funds are available for this purpose, it is recommended that the Board adopt the following motion.

MOTION:

The General Manager is authorized to award Contract No. 20HE-110, HVAC Upgrades at SF Downtown Stations to LC General Engineering & Construction Inc for the Bid Price, \$580,388.00 pursuant to notification to be issued by the General Manager, subject to compliance with the District's protest procedures and FTA's requirements related to protest procedures.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Harold Tiefenbach for D. Dugger</i>		GENERAL MANAGER ACTION REQ'D:		
DATE: c		BOARD INITIATED ITEM: No		
Originator/Prepared by: Ben Holland Dept: RS&S <i>[Signature]</i> Signature/Date: 1/19/2010	General Counsel <i>[Signature]</i> 1/20/10	Controller/Treasurer <i>[Signature]</i> 1/20/10	District Secretary	BARC <i>[Signature]</i> 1/20/10

TITLE:

Award Invitation For Bid No. 8871 - Traction Motor Pinion End Bearings and Inlet End Bearing Assemblies

NARRATIVE:

PURPOSE:

To request Board Authorization to Award Invitation For Bid No. 8871 to Applied Industrial Technologies, 30077 Ahern Avenue, Union City, California, in the amount of \$826,704.60 (includes applicable taxes) for the purchase of Pinion End Bearings and Inlet End Bearing Assemblies.

DISCUSSION:

IFB No. 8871 was a re-bid of IFB No. 8847, which the Board authorized on August 14, 2009. The apparent low bidder, BDI of Stratford, CT, refused to accept the purchase order on IFB No. 8847. Consequently, the District was forced to readvertise under IFB No. 8871, and barred BDI from submitting a Bid on this IFB.

The District's fleet of revenue vehicles are each powered by four traction motors. Each motor has two bearings that support its rotor, which spins whenever the revenue vehicle moves whether accelerating or decelerating. These bearings have a finite life and must be replaced routinely to prevent serious motor failure and disruption of revenue service. This purchase will allow the District to properly maintain the revenue fleet.

This is a twenty-four (24) month two year estimated quantity contract. Pursuant to the terms of the District's standard estimated quantity contract, during the term of the contract the District is required to purchase from the supplier a minimum amount of fifty (50) percent of the contract bid price. Upon Board approval of this contract, the General Manager will also have the authority to purchase up to one hundred fifty (150) percent of the contract bid price, subject to availability of funding.

A notice requesting Bids was published on October 23, 2009 and Bid requests were mailed to (13) thirteen prospective bidders. Bids were opened on November 10, 2009 and (4) four Bids were received.

Award Invitation For Bid No. 8871 - Traction Motor Bearings (cont'd)

<u>Bidder</u>	<u>Unit Price</u> <u>Item 1</u> (1040 each)	<u>Unit Price</u> <u>Item 2</u> (1040 each)	<u>GrandTotal including</u> <u>9.75% Sales Tax</u>
Applied Industrial Tech. Union City, CA	\$474.32	\$249.97	\$826,704.60
Motion Industries Hayward, CA	\$480.24	\$253.09	\$837,022.86
Jamaica Bearings Co., Inc. New Hyde Park, NY	\$481.78	\$253.90	\$839,705.15
Bearing Engineering Co. San Leandro, CA	\$484.55	\$255.48	\$844,670.24

Independent cost estimate by BART staff: \$1,000,000.00

Staff has determined that the apparent low bidder, Applied Industrial Technologies, submitted a responsive Bid. Staff has also determined that the bid pricing is fair and reasonable based on Bid competition.

The District's Non-Discrimination in Subcontracting Program does not apply to Emergency Contracts, Sole Source Contracts and Contracts under \$50,000 or any Invitation for Bid. Pursuant to the Program, the Office of Civil Rights did not set availability percentages for this contract.

FISCAL IMPACT:

Funding for contract IFB No. 8871 will be provided from the General Fund, Materials & Supplies Inventory build-up account (140-010).

The bearing assemblies are scheduled to be procured over the contract's 24-month period at the following estimated annual costs:

FY 10	\$275,000
FY 11	\$275,852
FY 12	\$275,852
Total	\$826,704

Funding for FY10 expenditures of \$275,000 are currently available in the General Fund, Materials & Supplies Inventory build-up account. Any additional orders of pinion end bearing and inlet end bearing assemblies over and above the currently available funds of \$275,000 will only be placed with Applied Industrial Technologies upon certification by the Controller-Treasurer that funds are available.

ALTERNATIVES:

RECOMMENDATION:

On the basis of analysis by staff and certification by the Controller-Treasurer that the funds are available for the fiscal year 2010 costs up to \$275,000, it is recommended that the Board adopt the motion.

MOTION:

The General Manager is authorized to award IFB No. 8871, an estimated quantity contract for the Procurement of Pinion End Bearing and Inlet End Bearing Assemblies, to Applied Industrial Technologies of Union City, CA for the Bid price of \$826,704.60, including all applicable sales tax, pursuant to notification to be issued by the General Manager, and subject to the District's Protest Procedures with orders over and above the currently available funding of \$275,000 subject to certification by the Controller-Treasurer that funds are available.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Hannat Tafajiri for D. Dugger</i>		GENERAL MANAGER ACTION REQ'D: Authority to Execute Agreements for the East Contra Costa BART Extension Project (eBART Project)		
DATE: c		BOARD INITIATED ITEM: No		
Originator/Prepared by: Olga Perez Dept: Transit System Development <i>MDP for O.P.</i>	General Counsel <i>Andrew Kassis 1/22/10</i>	Controller/Treasurer <i>[Signature]</i>	District Secretary	BARC <i>[Signature]</i>
Signature/Date: <i>1/22/2010</i>	[]	[]	[]	[]

TITLE:
AUTHORITY TO EXECUTE AGREEMENTS WITH CALTRANS AND UTILITIES TO SUPPORT THE EAST CONTRA COSTA BART EXTENSION PROJECT (eBART PROJECT)

NARRATIVE:

PURPOSE

To obtain Board authorization for execution of agreements with Caltrans and utility owners, including the State of California, Contra Costa County, cities, agencies, special districts and a conservancy, in connection with the eBART Project. The agreements will provide for Project support services, including, but not limited to: engineering, connection fees and other fees, minor construction, and field investigation.

DISCUSSION

On April 23, 2009, the Board of Directors authorized the General Manager or her designee to execute Caltrans agreements and utility agreements in connection with the eBART Project in an amount not to exceed \$1,500,000 subject to approval as to form of such agreements by the Office of the General Counsel. (Copy of EDD attached.) As the eBART Project has advanced, new estimates have been received from Caltrans and other utility owners associated with the work needed for the eBART Project as it is now more thoroughly understood. Staff is seeking Board authority for the General Manager to execute agreements for the eBART Project involving a total amount not to exceed \$4,000,000, in addition to the previously approved \$1,500,000.

FISCAL IMPACT

These agreements have a not-to-exceed total cost limit of \$4,000,000. District financial obligations will be subject to Work Authorizations (WAs). Each WA will have a defined scope of services and separate schedule and budget. Any WA assigned for funding under a State or Federal grant will include State or Federal requirements. WAs will be approved only if BART Capital Development and Control certifies the eligibility of identified funding sources and the Controller/Treasurer certifies the availability of funding prior to execution of each WA or agreement.

ALTERNATIVE

In the absence of this authorization, the General Manager or her designee will be required to separately request Board authorization for execution of each of the agreements for eBART Project support services. This will require multiple Board actions and could affect the eBART Project schedule.

RECOMMENDATION

It is recommended that the Board adopt the motion.

MOTION

The General Manager or her designee is authorized to execute agreements with Caltrans, utility owners, including the State of California, cities, agencies, special districts and a conservancy, including authority to expend a total not to exceed amount of \$4,000,000 (four million dollars) to support the eBART Project.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Walter Gonzales</i>		GENERAL MANAGER ACTION REQ'D:		
DATE: c 4/17/09		BOARD INITIATED ITEM: No		
Originator/Prepared by: Walter Gonzales Dept:	General Counsel <i>Andrea</i>	Controller/Treasurer <i>John</i>	District Secretary	BART <i>Paul</i>
Signature/Date: <i>Walter Gonzales 4/17/09</i>	<i>Andrea</i> 4/17/09	<i>John</i> 4/17/09	[]	<i>Paul</i> 4/17/09

ADOPT THE EAST CONTRA COSTA BART EXTENSION (eBART PROJECT)

NARRATIVE:

PURPOSE

1. Obtain Board action on the BART East Contra Costa BART Extension (eBART Project).
2. Certify the Final Environmental Impact Report for the eBART Project.
3. Adopt Findings, Facts in Support of Findings, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Plan for the eBART Project.
4. Authorize the General Manager or her designee to proceed with implementation actions, including acquisition of property as funding is identified.
5. Authorize the General Manager or her designee to execute Caltrans Agreements and Utility Agreements in connection with the eBART Project in a cumulative amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000).

DISCUSSION

Background: In 2000, the Contra Costa Transportation Authority (CCTA) and BART formed a partnership to conduct the State Route 4 (SR 4) East Corridor Transit Study, which covered an approximately 23-mile corridor from Pittsburg in the west to the unincorporated communities of Byron and Discovery Bay in the east. The feasibility study looked at a full range of bus and rail transit improvements in the corridor. The study was one of BART's first efforts to comply with and implement the System Expansion Policy process outlined in the BART Strategic Plan, and was marked by a high degree of collaboration between BART and local policy makers. When the study was completed in 2002, the Policy Advisory Committee for the feasibility study made a unanimous recommendation to advance a transit system into east Contra Costa County based on a rail technology using independently propelled rail cars known as Diesel Multiple Units or DMUs. This fuel-efficient technology uses rail cars that have engines that burn low sulfur diesel fuel that meets state and federal air emission standards.

Also in 2002, BART and CCTA agreed to move forward with the environmental analysis and preliminary engineering for the proposed extension into east Contra Costa County. The proposed plan called for an extension of transit service approximately 23 miles east of the existing BART terminus in Pittsburg in order to provide additional service to the City of Pittsburg and direct service to the communities of Antioch, Oakley, Brentwood, and Byron/Discovery Bay. The original alignment for the new trains followed the median of SR 4 from the existing Pittsburg/Bay Point Station to Loveridge Road and then along Loveridge Road to connect to Byron/Discovery Bay via the Union Pacific Railroad (UPRR) Mococo Line. Approximately six stops were included as a part of this plan. While the need for the extension was based on the results of the prior studies and the existing traffic conditions, the cost for implementing such improvements presented obstacles for implementation. In addition, the planned alignment on the UPRR right of way proved not to be available on reasonable terms. Accordingly, the project as now recommended by BART staff consists of the first two stations that were originally proposed in Pittsburg and Antioch, on an alignment within the SR 4 median.

In 2004, Bay Area voters passed Regional Measure 2, which raised bridge tolls in the San Francisco Bay

Area and Measure J in Contra Costa County, which continued a local quarter-cent sales tax increase, both for the purpose of relieving traffic congestion. On March 23, 2005, the Metropolitan Transportation Commission (MTC) approved the use of funds from Regional Measure 2 for additional study of transit service improvements in the SR 4 corridor in east Contra Costa County. On August 3, 2005, a Memorandum of Understanding (MOU) was signed by the Cities of Pittsburg, Antioch, Brentwood, Oakley, the County of Contra Costa, CCTA, East Contra Costa Transit Authority (Tri Delta Transit), and BART in connection with the goal of bringing high quality rapid transit service to east Contra Costa County. As part of the MOU, the cities took direct responsibility for the development and implementation of Ridership Development Plans (RDPs) at each of the six proposed stations along the east Contra Costa County corridor. It is this regional directive that has enabled further planning, design, and environmental review of the eBART Project.

Despite regional support for the 23-mile eBART expansion, the feasibility of implementing construction of the entire corridor is limited under current funding conditions. While the expansion of eBART to Byron/Discovery Bay is anticipated at some point in the future, the practicality for such an expansion does not currently exist. BART is now proposing that service in the project corridor be extended in a series of segments to be constructed as funding and right-of-way become available. The first segment, for which funding currently exists, encompasses an initial alignment of approximately 10 miles from the existing Pittsburg/Bay Point Station to the area east of the Hillcrest Avenue interchange in the City of Antioch, via SR 4.

Final EIR: The Final Environmental Impact Report (FEIR) has been prepared in compliance with the California Environmental Quality Act (CEQA). The FEIR provides full disclosure of the anticipated environmental impacts of the construction and operation of the eBART Project and identifies measures to mitigate significant environmental impacts. The Findings, Facts in Support of Findings, and Statement of Overriding Considerations provide the findings and support for findings that a public agency must make in order to approve a project for which an FEIR has been prepared. The FEIR identifies significant effects on the environment and measures to mitigate those effects where feasible, as required by Public Resources Code Section 21081. The Mitigation Monitoring and Reporting Plan (MMRP) defines a program to ensure implementation of specific mitigation measures identified in the FEIR as required by Public Resources Code section 21081.6

To adopt a project, the Board must review and consider the information contained in the FEIR, make specific findings, and certify that the FEIR has been completed in compliance with CEQA. The FEIR consists of the following documents: 1) a Draft Environmental Impact Report (DEIR) containing evaluation of impacts and proposed mitigation measures for a proposed project and alternatives, 2) related appendices, and 3) a Response to Comments volume containing comments received during public review of the DEIR, responses to those comments, and revisions to the DEIR.

The project goals and objectives addressed in the FEIR include BART's System Expansion Policy directives adopted in December 2002. The policy directives include substantial goals, project requirements and procedures to address transit ridership related to land use planning, access planning and policy support for transit-oriented development by local jurisdictions. Procedures have also been established for the assessment of system impacts, cost effectiveness and stakeholder/community partnering. As the eBART Project has proceeded through environmental review and preliminary engineering, significant efforts have been made by staff to reflect BART Board policies. The System Expansion Policy has been incorporated into the goals and objectives of the project, and consistency with the System Expansion Policy's substantive goals is evaluated as part of the FEIR process.

In addition, BART staff has worked extensively with the Cities of Pittsburg and Antioch to address regional Smart Growth objectives by advancing a comprehensive station area planning approach. As required by BART's System Expansion Policy, in determining whether to adopt a system expansion project and where to locate new stations, BART shall consider whether RDPs developed for each station can collectively demonstrate that the project will achieve a threshold ridership level, along with meeting the goals of the System Expansion Policy. Both the City of Pittsburg and the City of Antioch are currently undertaking substantial planning efforts in the form of the Railroad Avenue Specific Plan and the Hillcrest Station Area

Specific Plan, respectively. Each station plan is designed to address transit-oriented planning, zoning, and infrastructure development. The City of Pittsburg recently completed its comment period for the Railroad Avenue Specific Plan and DEIR and is now entering a review process with the City Planning Commission and City Council for adoption of the Specific Plan. Pittsburg is expected to complete this process in June 2009. The City of Antioch has completed its environmental review process for the Hillcrest Station Area Specific Plan. It is anticipated that the Antioch City Council will adopt the Plan on April 14, 2009. Given the fact that the cities may be unable to complete the adoption process by their respective City Councils prior to project review by the BART Board, the City of Antioch and the City of Pittsburg submitted letters of support for the proposed project, requesting that the BART Board consider the eBART Project based on the draft versions of their Specific Plans. Moreover, the requirements of the System Expansion Policy are already met under existing conditions.

Recommended Project: The recommended project would expand the existing BART system by ten miles, and extend transportation services to communities in east Contra Costa County that are currently not served by rail transit. Stations within the SR 4 median would be designed to provide intermodal regional links to bus, shuttle, automobile, bicycle, and pedestrian networks. The recommended project would enhance the public's access to jobs, education, shopping, and social activities throughout the Bay Area. As part of the recommended project, DMU trains would operate on tracks to be constructed in the median of SR 4 between the existing Pittsburg/Bay Point BART Station and the vicinity of the Hillcrest Avenue interchange in the City of Antioch. One transfer platform and two stations would be constructed along the 10-mile corridor. In addition, four optional locations for the terminus station are evaluated in the FEIR.

The recommended DMU rail technology uses a self-propelled passenger vehicle that has one or more diesel engines for propulsion power. The power comes from an on-board diesel engine. These rail cars have similar amenities and operating characteristics to BART vehicles, but generate their own power and can operate on standard gauge rail tracks.

The DMU trains would operate on tracks to be constructed in the median of SR 4. The portion of SR 4 between the Pittsburg/Bay Point BART Station and Loveridge Road has already been widened to accommodate transit service. The portion of SR 4 between Loveridge Road and Hillcrest Avenue is proposed for widening by the State Department of Transportation (Caltrans) and CCTA and has undergone environmental review. The schedule for construction and operation of eBART is contingent on the scheduled Caltrans widening of SR 4 east of Loveridge Road.

A transfer platform and two stations would be constructed as part of the eBART Project. The transfer platform would be constructed east of the existing Pittsburg/Bay Point BART Station in the existing BART tailtrack area. A new passenger station paid for by the City of Pittsburg would be constructed at Railroad Avenue. A terminus station would be constructed in the vicinity of Hillcrest Avenue in Antioch. In addition, a maintenance facility would be constructed east of the Hillcrest Avenue Station.

The FEIR describes a project (the "Proposed Project") in which the BART preferred terminus station would be constructed in the median of SR 4, east of the Hillcrest Avenue Interchange. The City of Antioch has proposed that, instead, a station be built in the median approximately 700 feet east of the proposed BART median station. The alternative station is described in the FEIR as the Revised Median Station East. It is the opinion of the City of Antioch that this more eastern location would provide added benefits to the Transit Oriented Development potential for the station. After studying this alternate location, BART staff has estimated that the incremental cost of constructing the Revised Median Station East and related maintenance facility (estimated at \$29M) and other required infrastructure improvements (estimated at \$22M) would be approximately Fifty One Million Dollars (\$51,000,000). Therefore, additional funds would be required for infrastructure improvements at this alternate location. Both station locations are analyzed in the FEIR.

BART staff has been in discussions with the City of Antioch to secure the incremental funding needed for the Revised Median Station East. Contingent upon a commitment from Antioch or other funding sources by July 2009 in the amount of Two Million Dollars (\$2,000,000) for design and right-of-way acquisition

associated with the Revised Median Station East, BART staff has determined that a one-year time period (through March 31, 2010) is available to allow the City to secure the additional funds necessary to build the Revised Median Station East. If adequate funding is secured by the City of Antioch, BART would build the Revised Median Station East instead of the Median Station. Accordingly, the Recommended Project for adoption by the Board includes the Proposed Project with a Median Station as described in the FEIR, with an option for construction of the Revised Median Station East instead, provided that construction of the Revised Median Station East option is contingent on the City of Antioch securing the additional funding necessary for its construction.

All agreements related to: 1) proceeding with implementation actions, including acquisition of property as funding is identified, and 2) execution of Caltrans Agreements and Utility Agreements in connection with the eBART Project in a cumulative amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) will be approved as to form by the Office of the General Counsel.

FISCAL IMPACT

The estimated capital cost for the Proposed Project described in the FEIR is \$479 million (in 2009 dollars). Escalated to the midpoint of construction, the cost to construct is estimated at \$502 million. Capital expenses for the project are expected to be met by a combination of state, county, regional, and local funds. The funding plan consists of the following sources: \$52 million in Regional Measure 1 funds, \$96 million in Regional Measure 2 funds, \$175 million in voter approved funds pursuant to Measure J, \$5 million in TCRP funds, \$115 million in AB 1171 funds, \$13 million in STIP funds, \$40 million in Proposition 1B funds, and \$6 million in ECCRFFA funds.

The estimated capital cost of \$479 million does not include the estimated cost of \$22 million for the Railroad Avenue Station or parking and access needs required at the Hillcrest Avenue Station which are anticipated to develop with increased ridership sometime between 2015 and 2030. The City of Pittsburg has proposed to fund the design and construction costs for the Railroad Avenue Station. Negotiations for a funding agreement between Pittsburg and BART are underway. The City of Antioch has agreed to work with BART and others to secure funding for the additional cost of parking and access needed at the Hillcrest Avenue Station by 2030.

Please see attachment for funding plan.

ALTERNATIVES

The East Contra Costa BART Extension FEIR considered several project alternatives as outlined below.

1. **No Project Alternative:** In the No Project Alternative, BART would continue to operate at current levels. This alternative would involve continuation of the existing Tri Delta Transit District bus system and implementation of additional express bus service from East County communities to the BART system.
2. **Bus Rapid Transit (BRT) Alternative:** The proposed Bus Alternative was designed to provide high quality service similar to the Proposed Project by incorporating features of BRT. The Bus Alternative would seek to emulate the service levels provided by a rail system. BRT components of the Bus Alternative include exclusive right of way for part of the route, limited stops, improved passenger boarding facilities, pre-paid fares, real-time passenger information, traffic priority at intersections and other preferential treatments when in traffic.
3. **Light Rail Vehicle (LRV) Alternative:** The proposed LRV Alternative would use an electric-powered light rail vehicle technology operating in the same alignment as the eBART Project. This alternative would require the installation of overhead lines and electrical substations to transmit the electricity that would power the vehicles.
4. **Conventional BART Extension Alternative:** The proposed conventional BART Extension Alternative would use full-length BART trains and systems in the same alignment as the eBART Project. This alternative would consist of an extension of the electrically powered, exclusive-use right-of-way BART system with one station at Hillcrest Avenue, together with a maintenance yard facility.

RECOMMENDATION

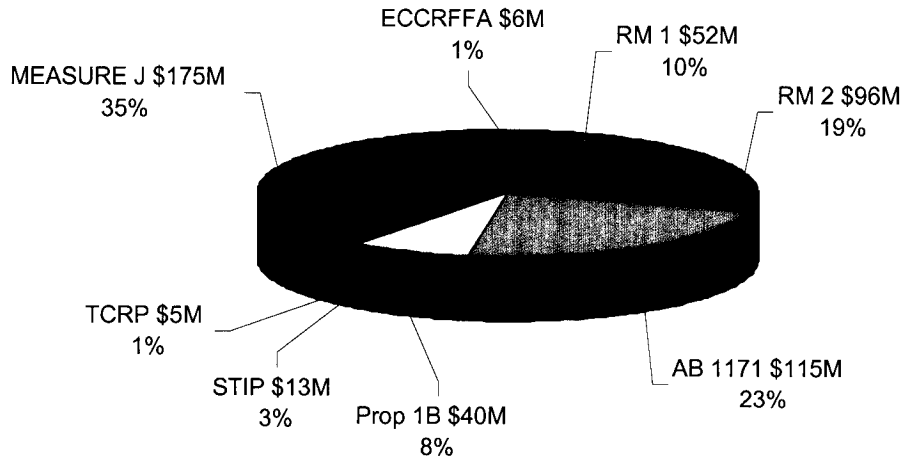
Adoption of the following motion.

MOTION

Having reviewed and considered the information contained in the Final Environmental Impact Report, the Findings, Facts in Support of Findings, Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Plan dated April 2009, the BART Board of Directors hereby:

1. Certifies that the Final Environmental Impact Report has been completed in compliance with CEQA.
2. Approves the Recommended Project consisting of a 10-mile extension of the BART system, using DMU technology, from the existing Pittsburg/Bay Point BART Station in the median of SR 4, with a transfer platform in the existing Pittsburg/Bay Point Station BART tailtracks, a station at Railroad Avenue in the City of Pittsburg, a terminus station east of the Hillcrest Avenue Interchange in the City of Antioch, and a maintenance facility east of the Hillcrest Avenue Station. The Recommended Project includes the Proposed Project with a Median Station as described in the FEIR, with an option for construction of the Revised Median Station East instead, provided that construction of the Revised Median Station East option is contingent upon the City of Antioch or others securing the additional funding necessary as follows: 1) Two Million Dollars (\$2,000,000) for design and right-of-way acquisition by July 2009; and 2) approximately Fifty One Million (\$51,000,000) for construction and related infrastructure improvements by March 31, 2010.
3. Adopts the Findings, Facts in Support of Findings, Statement of Overriding Considerations and Mitigation Monitoring and Reporting Plan.
4. Authorizes the General Manager or her designee to proceed with implementation actions, including acquisition of property as funding is identified.
5. Authorizes the General Manager or her designee to execute Caltrans Agreements and Utility Agreements in connection with the eBART Project in a cumulative amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000).

eBART Funding Plan \$502 MILLION



Proposed Project – Estimated Capital Costs (2009 Dollars)^a			
Line Item Description	DMU Project Cost (\$Million)	Project Components Proposed to be Funded by Others ^b	
		Component	Cost (\$Millions)
Preliminary Engineering and Environmental Review	\$26	--	--
Project Components		--	--
Transfer Platform	36	--	--
Railroad Avenue Station	--	Station	22
Hillcrest Avenue Station (median)	23	--	--
Hillcrest Parking Lot and Access	14	--	--
Guideway & Systems	147	--	--
Aerial Structures	26	--	--
Vehicles (8)	65	--	--
<i>Subtotal</i>	<u>\$311</u>		
Subtotal	\$337		
Project Contingency	17		
Project Subtotal	\$354		
Caltrans/CCTA Additional Cost to Accommodate eBART in Median ^c	<u>125</u>		
TOTAL PROJECT COST^d	\$479		

Source: BART, 2008.

Notes:

- a. Estimates based on preliminary engineering, escalated to the midpoint of construction, the cost to construct the project would be \$502 million
- b. Pittsburg has proposed funding design and construction of the Railroad Avenue Station. Negotiations for a funding agreement are underway.
- c. Cost for widened median and construction of median barrier.
- d. When costs are escalated to the midpoint of construction, project cost would escalate to an estimated \$502 million.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors

DATE: January 22, 2010

FROM: General Manager

SUBJECT: Fiscal Year 2010 (FY10) Budget Revision – Additional Information

At the Board of Directors' meeting of January 14th, I presented a strategy to address a projected \$25.2 million (M) operating budget deficit for FY10. The proposal includes Labor and Non-labor expense reductions of \$6.0M, and the use of \$19.2M of American Recovery and Reinvestment Act (ARRA) and federal "flexible" funding to close the operating budget gap, following the approach we had presented in the budget update to the Board in November.

The proposed revision eliminates 74 positions. Staff has recommended that the ARRA and flexible funds be used to delay the elimination of positions that are filled until June 30, 2010. This strategy would allow normal attrition and a concentrated effort to place affected individuals in vacant positions to minimize adverse impact on employees.

As of last week's discussion, of the 74 positions identified for reduction, five were to be capitalized, 31 were already vacant, and 38 positions were filled. Of the 38 filled positions, staff had identified vacancies and potential placements for approximately half, leaving approximately 19 filled positions for which solutions would need to be found between then and the end of the fiscal year.

Since last week, staff has identified additional vacancies and/or placement opportunities for 12 of those 19 positions, leaving only seven positions for which a path that will assure continued employment of incumbents has not yet been developed. We are optimistic that over the next few months we will be able to find positions to address these remaining positions. However, in order for this placement process to work, it is necessary that we activate our layoff processes, issuing notices that will stimulate the movement of affected individuals into high priority positions. Absent the impetus of the layoff process, employees will be understandably reluctant to voluntarily move into positions that are needed in order to sustain our effectiveness through this period of fiscal constraint.

Progress to date is very encouraging. I share your interest in avoiding involuntary termination of employment as part of the solution to our financial shortfall. If we were to pursue this strategy, it is my recommendation that staff report back to the Board in May 2010 on the progress of our placement efforts, in the context of economic data informing the FY11 budget situation. On the basis of this review, final decisions could be made regarding the appropriate timeframe for accomplishing any labor savings yet remaining as part of the FY10 proposal.

Staff is currently finalizing assumptions and projections for FY11, and the budget shortfall is expected to be in excess of \$25M. The position reductions recommended in the FY10 budget revision proposal are a critical first step in achieving the FY11 expense reductions that will be required.

Alternatives

The Board raised questions about alternative cost saving measures during the budget revision discussion on January 14. In the final analysis, I do not recommend these alternatives as part of the FY10 budget revision, believing that we stand a better chance of minimizing negative impacts through planned labor reductions. However, I agree that consideration of all strategy options is an invaluable background for the larger discussion, and will be included in the development of the FY11 budget. The following is a sampling of some additional savings and revenue enhancement options, many of which were presented to and considered by the Board during the FY10 interim budget deliberations.

Service Modifications

15 minute X-service – Midday – Richmond/SF & Fremont/SF – Peak hours only	Estimated savings - \$2.0M annually (reduction of 20 FTEs) - increases transfer requirements for customers
Reduce service hours (2 hour reduction)	Estimated savings - \$0.2M – (reduction of 27-30 positions) – savings net of lost revenue

Fare/Surcharges/Parking Fees

25 cent transbay surcharge	Generates estimated \$12.5M annually
10 cent transbay surcharge	Generates estimated \$5M annually
2% fare increase	Generates estimated \$5M annually
Market Based Parking - \$1 (all stations)	Generates estimated \$4M annually – some one-time capital costs

Other

Reduction in Operating to Capital Allocations	\$9.4M – does not include federal matching funds – used for projects not eligible for grant funds – including station & facility maintenance, replacement of non-revenue vehicles, capital maintenance, inventory, tools and equipment
Use of Operating Reserves	Current operating reserve - \$14.7M – less than board adopted policy of 5%

There are significant impacts associated with each of these alternatives. Service modifications, fare or surcharge increases, or increases in parking fees would have impacts on our customers. Moreover, in many cases, the savings ultimately rest on labor reductions, which is an approach we are hoping to avoid. While fare increases and parking charges have historically resulted in minimal ridership impacts, recent survey information seems to indicate that economic factors are

increasingly important in consumer decision making. Given the economic downturn, the District needs to carefully consider the impact of becoming more expensive to customers. The proposal for an increase to the transbay surcharge will be considered in the development of the FY11 budget, particularly in consideration of the July 1, 2010 toll increases proposed for all Bay Area bridges. As for service modifications, the District recently reduced weeknight and weekend service frequencies in September 2009; further service modifications are not recommended at this time.

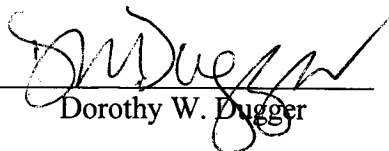
With respect to other budgetary options, the majority of the operating to capital allocation is used to match federal grants. The remainder is used for other critical projects that are not eligible for grant funding. For example, within the station and facilities renovation category, the failure to reroof shops in a timely manner may result in moisture or water damage that would cost far more than timely preventive action; failure to repaint steel bridges will result in costly retrofit work if the structural members fail; refurbishing break rooms is required by the union contract. Given the District's sizable capital shortfall, further reduction in the capital allocations is not recommended at this time.

Furloughs were discussed as part of the recently completed labor negotiations, and any new proposal would be subject to collective bargaining. With a budget primarily structured to support the delivery of a schedule-driven operation, furloughs could not be instituted cost-effectively for the great majority of BART employees whose work directly supports the operation. Furloughs in other areas would yield relatively less savings, and would come with their own detrimental impacts on the organization's mission.

The District operating reserve is below the Board policy of 5%. With only \$14.7M in the reserve and continued economic uncertainty, reaching further into the reserve to solve our economic situation is not fiscally prudent and not recommended at this time.

Attached is a spreadsheet which illustrates the budget cutting measures some other transit agencies in the San Francisco Bay Area have had to employ or are considering at this time to address budget deficits. This is a difficult economic climate for all governmental agencies, and the outlook will worsen if the state's budget situation and the Governor's proposed budget -- which strips state support for public transit -- is approved. While all of the expense reduction recommendations are difficult, I believe the labor reduction strategy, including a critical spring reassessment, best minimizes impacts on service, while looking after the interests of our employees in these trying economic times.

If you have any questions regarding the staff recommendation or any budget related questions, please call Carter Mau at 510.464.6194.



Dorothy W. Dugger

cc: Board-Appointed Officers
Deputy General Manager
Executive Staff



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Marcia Oberlin</i>		GENERAL MANAGER ACTION REQ'D: Place on the January 14, 2009 Administration Committee Agenda		
DATE: c 11/8/10		BOARD INITIATED ITEM: No		
Originator/Prepared by: Robert Umbreit Dept: Operating Budgets & Analysis	General Counsel <i>MB</i>	Controller/Treasurer <i>[Signature]</i>	District Secretary []	BARC <i>Carla New</i> 1-8-10 []
Signature/Date: <i>R. Umbreit</i> 11/8/10	<i>MB</i> 11/8/10	[]	[]	[]

TITLE:

Fiscal Year 2010 Budget Revision

NARRATIVE:

PURPOSE: To amend the Fiscal Year 2010 (FY10) Annual Budget

DISCUSSION:

Summary

Approval by the Board of Directors is requested for amendments to the FY10 Interim Operating Budget. The revision addresses declines in District operating sources due to the recession and implements budget savings resulting from the recent labor contracts. The revision proposes budget reductions and one-time funding to produce a balanced budget. The revision is summarized below and Attachments 1 and 2 provide greater detail on the line items.

The \$642 million (M) FY10 Interim Annual Operating Budget was adopted on June 11, 2009 with a deficit of \$21.7M. The four-year labor contracts approved after the budget was adopted produced FY10 budget savings of \$11.3M from lower medical and other benefit costs and work rule changes, including the elimination of 36 positions. However, these savings are more than offset by projected declines in revenue, primarily passenger revenue and sales tax, which together are lowered by \$16.2M in this revision. There are other changes, both positive and negative (such as higher advertising revenue, lower parking and interest revenue, and lower than budgeted costs for the 1/1/10 medical rate increase), which together result in a net lowering of the deficit of \$1.4M. These factors lead to a revised FY10 deficit of \$25.2M. Next fiscal year is also projected to have a deficit, so it is clear that ongoing reductions need to be implemented.

To address the projected deficit, staff proposes budget cuts of \$6.0M (\$3.1M in labor and \$2.9M in non-labor) and the use of one-time ARRA grants and federal flexible funds with a net impact of \$19.2M (\$17.8M in grant funds and a reduction of matching funds of \$1.4M in capital allocations). The value of both the contract savings and the proposed budget cuts will increase in FY11 because a full twelve months of labor and benefit savings will be realized.

Each departmental budget was reviewed and the proposed reductions are designed to have as little impact on current operations as possible, although we are proposing slight reductions in elevator/escalator and automated fare collection goals, and there may be a modest impact on system cleanliness. Because of the focus on maintaining service, there is a larger percentage reduction to administrative departments than line operating departments. The proposed cuts are summarized in Attachment 2.

The proposed reductions include the elimination of 69 operating positions and the conversion of

5 positions to capital funding, in addition to the elimination of 100 positions in the Interim Budget and 36 positions as a result of the work rule changes. The total is thus 210 fewer operating positions for FY10 as compared to FY09.

The second measure to address the deficit is use of one-time ARRA stimulus funds and federal "flexible" grants, which are described more fully in Attachment 2. While use of one-time funding is generally not an advisable long-term solution to address an ongoing deficit, we recommend their use this year to minimize impacts on our customers and employees. The District has eliminated a large number of positions in the past seven years to address the prior "dot-com" recession and our staffing is now well below the pre-SFO extension level. Maintaining service with substantially less staff will be difficult, and will require carefully managed cuts in order to focus available resources where they are most needed. Use of the one-time funds helps us manage this process, in order to achieve as much of the staffing reduction through attrition as possible, and, by placing impacted employees in vacant positions not slated for elimination. Also, the use of one-time funds gives the District additional time to better gauge the effect of the recession on revenue sources, and the extent of any ongoing "structural" deficit from the vantage point of the end of this fiscal year.

While we are able to mitigate the FY10 deficit and avoid immediate layoffs with the use of one-time funds, it is not anticipated that these funds will be available next year to the same degree. In addition to the proposed reduction, we will continue the selective hiring freeze to help control hiring and expenses. These actions will help address the FY11 projected deficit, but further reductions, including additional staff reductions, will also be needed, particularly if the long-term revenue outlook worsens.

FISCAL IMPACT:

The proposed revision would increase net operating sources and decrease operating expenses to balance the projected deficit and produce a balanced budget for FY10. See Attachment 1 for line item detail.

ALTERNATIVES:

1. Do not revise the FY10 budget.
2. Direct staff to develop other alternatives and return to the Board of Directors.

Failure to implement solutions as soon as possible will result in a larger deficit at fiscal year-end; therefore we recommend approval of the budget revision.

MOTION:

Adoption of the attached resolution.

ATTACHMENT 1
Fiscal Year 2010 District Operating Budget
Sources and Uses Detail

SOURCES	FY10	Increase /	FY10
	ADOPTED	Decrease	REVISED
Rail Passenger Revenue	\$ 334,581,624	\$ (5,785,076)	\$ 328,796,548
ADA Passenger Revenue	667,375	-	667,375
Parking Revenue	14,615,266	(1,462,156)	13,153,110
Other Operating Revenue	17,729,227	5,653,418	23,382,645
Sub-Total Operating Revenue	367,593,492	(1,593,814)	365,999,678
Sales Tax Proceeds	172,901,069	(10,401,069)	162,500,000
Property Tax Proceeds	29,490,048	-	29,490,048
Measure B and Measure J Assistance	1,565,245	70,000	1,635,245
American Recovery & Reinvestment Act Grants	2,800,000	12,200,000	15,000,000
Federal 5307 Preventive Maintenance	1,939,928	2,582,056	4,521,984
ADA Flexible Set-Aside	-	3,007,295	3,007,295
CalTrans Bay Bridge Closure Service Reimbursement	707,861	(660,304)	47,557
MTC Bay Bridge Closure Service Reimbursement	-	125,913	125,913
Millbrae Use, Operating & Maint. Agreement	742,630	-	742,630
San Mateo Co. Financial Assistance - SFO Operations	1,987,084	431,830	2,418,914
Allocation from W. Dublin Project for Debt Service	3,130,964	-	3,130,964
Allocation from Access Fund	25,000	-	25,000
Federal 5307 Grant - Rail Car MTC Fund Swap	22,681,000	-	22,681,000
Federal 5307 Grant for Preventive Maintenance - Hillcrest Park & Ride	-	2,200,000	2,200,000
ARRA Grant for Preventive Maintenance - MTC Feeder Bus Fund Swap	-	5,856,326	5,856,326
Sub-Total Financial Assistance & Allocations	237,970,829	15,412,047	253,382,876
TOTAL SOURCES	605,564,321	13,818,233	619,382,554
USES			
Labor	368,352,198	(13,928,883)	354,423,315
OPEB Unfunded Liability	15,086,143	-	15,086,143
ADA Paratransit	12,394,152	(289,000)	12,105,152
Purchased Transportation	5,356,903	5,755,126	11,112,029
Power	36,132,117	(833,622)	35,298,495
Other Non-Labor	88,089,249	(3,237,349)	84,851,900
Extraordinary Expense - Rail Car Fund Swap	22,681,000	-	22,681,000
Sub-Total Operating Expense	548,091,762	(12,533,728)	535,558,034
Bond Debt Service	59,329,374	-	59,329,374
MTC Loan Debt Service	9,110,000	-	9,110,000
Other Debt Service	-	48,756	48,756
Allocation - Capital Rehabilitation	25,822,119	(3,374,366)	22,447,753
Allocation - SFO Reserve	-	1,977,028	1,977,028
Allocations - Other	-	741,832	741,832
Allocation - Hillcrest Park & Ride Lot	-	2,200,000	2,200,000
Allocation - City of Hercules Land Swap	-	3,055,920	3,055,920
Sub-Total Allocations	94,261,493	4,649,170	98,910,663
TOTAL USES	642,353,255	(7,884,558)	634,468,697
OPEB Unfunded Liability	(15,086,143)	-	(15,086,143)
NET RESULT	\$ (21,702,791)	\$ 21,702,791	\$ -
Operating Ratio	70.0%		71.4%
Rail Farebox Recovery Ratio	65.9%		67.1%
Farebox Recovery Ratio	63.8%		64.2%

Attachment 2: FY10 Budget Revision Detail

OPERATING SOURCES

Ridership and Passenger Revenue

The FY10 Interim Budget projected a ridership loss of -3% compared to FY09. The proposed budget revision increases the estimated annual loss to -6%, with passenger revenue reduced \$5.8M from the Interim Budget. So far in FY10 core system ridership dropped -12% in July, -11% in August and -7% in September, before the rate of decline slowed in October (-3%) and November (-6%), but fell off again in December (-10%). September ridership was helped by the Labor Day Bay Bridge closure, while October was heavily impacted by the emergency Bay Bridge closure. The emergency closure brought in enough trips in a short period to reduce the loss for the month to -3%, when it had been down about -7% prior to the closure.

Assuming December's results are an aberration, trends indicate that ridership loss bottomed out last summer. However, the year is still projected to finish well below the Interim Budget with an average loss of about -5% per month projected for the rest of the year. This leads to a revised FY10 ridership of 334,469 average weekday and 100.8M total annual and \$5.8M less passenger revenue versus the Interim Budget of 345,639 average weekday and 103.2M total annual trips.

The revision includes adjustments for Caltrans and MTC reimbursements for the Labor Day and emergency Bay Bridge closures, budgeted in the financial assistance category. Labor Day ridership exceeded budget to the extent that the reimbursement from Caltrans, budgeted at \$0.7M, will actually be less than \$0.1M. The unbudgeted emergency closure includes the addition of \$1.2M expense, \$1.1M passenger revenue and expected reimbursement from MTC of \$0.1M.

Finally, also associated with the ridership decrease is increasing the assistance from the San Mateo County Financial Assistance – SFO Operations Reserve from \$2.0M to \$2.4M. The lowered ridership and passenger revenue will be offset by increasing the amount brought in from the reserve to cover operating costs.

Sales Tax

Sales tax has declined at record levels over the past calendar year (last half of FY09 and the first half of FY10), with a \$32M loss in receipts compared to the same time period a year prior. The last three quarters have seen the largest percentage declines in the District's history, dropping -19.6%, -19.1% and -14.2% from the same quarter the year before. For the second half of FY10 we expect the rate of decline to slow, both because there is some moderating in economic indicators (housing, job loss, and initial results for holiday retail sales) and because the recession hit so strongly in the second half of FY09 that the rest of FY10 is not expected to decline at the same double-digit rates. The rate of decline should slow when compared to the lower base of the second half of last year. We are projecting -7% and -5% declines in the last two quarters of this year, with a -12% total drop for FY10. The new projection is a decrease of \$9.2M from the Interim Budget and a \$20.6M decline from FY09.

Other Operating Revenue

Parking revenues are estimated to be \$1.5M lower than budgeted, offset by a net increase of \$5.7M in other non-fare revenue. The parking revenue budget is lowered from \$14.6M to \$13.1M, with the most significant reductions in reserved core system parking and the Daly City and West Bay daily paid parking programs, generally because of the economy and lower ridership. Interest revenue has continued to decline, primarily due to low rates, resulting in a budget reduction of \$0.6M. The recently

authorized advertising contract amendment provides an additional \$2.3M in gross revenue, less Muni's share of \$0.4M per the joint station use agreement. A \$1.3M deposit is also part of the authorized amendment and will help secure future-year revenues, although it will not be recognized in FY10 as revenue. The exchange of an existing BART Park-and-Ride parcel for a comparable parcel owned by the City of Hercules Redevelopment Agency provided a one time funding for FY10 equivalent to the amount of cash received from this transaction. The District recognized a gain of \$4M from the property swap; \$950,000 in cash which provided the one time funds for FY10 and the remainder in increased property value of \$3M which has to be allocated back to capital. The net impact of this transaction is the \$950,000 received in cash. Other non-fare revenue adjustments include an increase of \$0.8M to recognize joint development revenue (which does not affect the net result as it is offset by matching allocations) and a \$0.4M decrease to fiberoptic revenue, primarily because Phase II of the license agreement with WiFi Rail, Inc. will not be completed in FY10.

Other Financial Assistance & Allocations

One-Time and Flexible Federal Funding

The revision proposes two types of grant funding to help balance the FY10 operating budget. American Recovery & Reinvestment Act (ARRA) grants are Federal stimulus grants available on a one-time basis for FY10 only. The District received \$10M in the Preventive Maintenance category of these grants, and \$2.8M was used in the Interim Budget to fund parking equipment needed for the expansion of the paid parking program. The budget revision proposes to use the remaining \$7.2M to fund operating costs. In addition, there are \$5.0M in ARRA grant funds left over from savings in the capital 480V switch gear project, which can be re-allocated to the Preventive Maintenance category, thus allowing the District to use this money for operating purposes. In addition to the stimulus grants, the District is scheduled to receive two types of federal "flexible" funding. These grants are typically used in the capital budget, but are proposed to be used in operating for FY10. First, there is a FY10 grant of \$5.2M in Federal 5307 Preventive Maintenance Grant funds, also referred to as the "10% Flexible Set-Aside" which has been used the past three years to fund the Strategic Maintenance Program (SMP) in Rolling Stock and Shops, but was budgeted to be used in capital for FY10. The revision proposes to use \$2.6M of this grant in the operating budget, which also frees up \$0.6M in matching funds that were part of the allocation to capital rehabilitation. Another "flexible" grant is the ADA Set-Aside of \$3.0M, which typically funds capital access projects, but is proposed to help fund the ADA Paratransit expense of \$12.1M for FY10, which also frees up \$0.8M in matching funds that were part of the allocation to capital rehabilitation.

These grant funds would otherwise be used in the capital program. The impact of using the funds instead in the operating budgets means that funding will not go to the projects which were under consideration for use of these grants. Some of the candidates for funding included a new wheel truing machine, replacement of shop truck lifts, capacity planning, elevator ticket processing, extend the paid area at Bay Fair and South Hayward to incorporate existing elevators, beginning a Strategic Maintenance Program similar to Rolling Stock & Shops in Maintenance & Engineering, Infrastructure Study Phase 2, Operations Facilities Study, parking revenue equipment and a second elevator at both Civic Center and Berkeley stations. Although the capital program has a significant shortfall, the severity of the collapse of the economy necessitates that we use these funds in the operating budget for FY10.

Other Financial Assistance

There are several operating source increases that do not affect the FY10 net result, as they are generally processing transactions or "swaps" of grant funds with matching allocations of the funds for various purposes. One such transaction that does not affect the net result is \$5.9M in federal grant

funding, which is part of MTC's FY10 funding plan to partially make up lost State Transit Assistance funds for the Feeder Bus operators. BART is assisting MTC's process by receiving the preventive maintenance grant and then returning the funds to MTC for allocation to the bus operators. This is a partial, one-time solution for FY10 and FY11 is still unresolved. Similar "fund swap" grants and allocations include \$2.2M in FTA 5307 Funds for preventive maintenance, which MTC will reprogram to the District from the Eastern Contra Costa Transit Authority (otherwise known as Tri Delta Transit) for the Hillcrest Park & Ride improvements, and the \$22.6M Rail Car Fund Swap (already in the FY10 Interim Budget) that is part of MTC's funding for the rail car capital program.

OPERATING USES

Operating Expense

Labor Contract Savings

The labor contracts provide \$11.3M in budget savings for FY10, consisting of approximately \$7.4M in savings from the medical insurance premium cap, elimination of a portion of the Money Purchase Pension Plan, reduction of vacation days and/or floating holidays, and other changes to employee benefits in the new contracts. In addition, the budget revision incorporates approximately \$3.9M in savings related to work rules, including anticipated reductions of 36 operating positions and reductions in overtime. The position reductions will be realized through attrition now that the District has the flexibility to realize savings by implementing broadened classifications which allow the District to perform work more efficiently, by changing requirements for scheduling and staffing, and other efficiencies. The projected FY10 reductions occur in the Rolling Stock and Shops (14 positions), Transportation (7), and Maintenance & Engineering (15) departments. The work rule savings will increase in future fiscal years for several reasons. The District will achieve the position reductions through attrition, which will take time to be fully realized. In addition, some of the changes entail challenging implementation strategies, the details of which are still being discussed with the District's unions. In some other cases staffing scheduling can only be modified in the future to achieve anticipated savings. The savings will grow in future years as attrition occurs and the implementation details are finalized. The achievements from the labor contracts will pay dividends in operational efficiencies down the road in addition to the more immediate savings available through reduced employee benefit costs.

Other Expense Adjustments

In addition to the labor contract savings there are a small number of other operating expense adjustments included in the revision. The unbudgeted service that was run for the emergency Bay Bridge closure adds \$1.2M in labor, power and other non-labor expenses to the budget, covered by the additional passenger revenue and anticipated payment from MTC. PERS medical rates for the second half of the year are lower than originally budgeted and produce \$0.9M in savings. Other expense reductions include \$1M for electric power due to a reduction in PG&E public purpose program rates, \$0.3M in projected ADA Paratransit savings and savings of \$0.1M in Other Purchased Transportation. In addition, Purchased Transportation is increased by the \$5.9M for the disbursement of the federal grant funds back to MTC to fund the Feeder Bus program for FY10 as discussed previously.

Proposed Expense Reductions

The proposed reductions of 69 positions and 5 conversions to capital, totaling \$3.1M in labor and benefits and \$2.9M in non-labor, are spread across all departments in the District. Most position reductions occur in the largest departments, with multiple reductions in Treasury (7 positions), Controllershship (3), Human Resources (4), Procurement (4), Information Technology (4), Maintenance & Engineering (12.5), Rolling Stock and Shops (13), and Transportation (14). The other 12.5 position

reductions are spread across smaller departments with no more than one position each. There are no proposed reductions in the Police Department. The cuts in Operations reflect the established priorities (from highest to lowest) of Safety, Reliability, Customer Convenience and Cleanliness. There will be some impact, probably noticeable to some customers, on station and car cleanliness due to reductions in staffing in these areas. Under the new Passenger Environment Survey system, the reduction in cleaning performance cannot be quantified in terms of the old rating system. Rather, the reduced staffing levels will impact the baseline being established this year under the new, customer survey-based rating system. Escalator/Elevator performance has historically been close to goal so these proposed staffing cuts warrant an adjustment to the goal. The goal for Elevator Availability will be lowered from 98% to 95% and the goal for Escalator Availability will go from 97% to 94%. In the case of AFC, the cumulative impact of previous relatively small cuts to staffing levels plus this year's additional proposed cuts will also have an impact. The Ticket Vendor Availability goal will be reduced from 93% to 90.5% and Faregate Availability goal will be reduced from 97% to 94.5%. Historically the two AFC goals have been exceeded; a situation which we will endeavor to continue in spite of these staffing adjustments.

Overall, because of the focus on maintaining service, there is a larger percentage reduction in administrative and support departments than in Operations. The Operations Executive Office makes up 76% of the District's total positions, but the proposed reduction of 40.5 positions is only 55% of the total of 74. Comparatively, positions in administrative and support departments make up 24% of the District total but the 33.5 proposed reductions constitute 45% of the proposed reduction. This is also illustrated by the composition by bargaining unit, with AFSCME and Non-Rep positions making up 16% of total positions, but a higher percentage (27%) of the proposed reduction. Position reductions in Operations include 7 car cleaning and 14 system service workers, and a variety of other positions including AFC technicians, power mechanical workers, track equipment operators, section managers, and foreworkers. The 33.5 administrative and support positions consist of a wide variety, with generally a small number of reductions in each type, including analysts, clerks, technicians, foreworkers, buyers, and others.

Of the 69 positions proposed to be eliminated, at least 30 are currently vacant. Because the District wishes to avoid or minimize layoffs, we plan to aggressively seek to place individuals in impacted positions into other vacant positions. Of the roughly 40 filled positions to be affected, we have identified roughly 10-15 likely placement opportunities, leaving 25-30 additional placements needed before the close of the fiscal year. We are confident that attrition will provide solutions to many of these situations, and are hopeful that involuntary terminations can be avoided. Layoff notices will have an effective date of June 30, 2010, which gives employees time to make contingency plans, and for the District to avoid layoffs to the greatest extent practicable.

The following table shows the District total operating positions by bargaining unit, and includes the position reductions incorporated into the FY10 Interim Budget, the currently anticipated FY10 Work Rule savings and the proposed additional FY10 reductions.

FY10 Operating Position Reductions by Bargaining Unit

	ATU	SEIU	BPOA	BPMA	AFSCME	NREP	Cost Alloc. Plan*	TOTAL
FY10 Interim	819.0	1,415.0	237.0	48.0	192.1	257.0	(48.0)	2,920.1
% of Total	28%	48%	8%	2%	7%	9%	-2%	100%
Work Rule Savings	(7.0)	(29.0)						(36.0)
% of Total	19%	81%						100%
Proposed Reduction		(54.0)			(10.5)	(9.5)		(74.0)
% of Total		73%			14%	13%		100%
FY10 Total - Proposed	812.0	1,332.0	237.0	48.0	181.6	247.5	(48.0)	2,810.1
% of Total	29%	47%	8%	2%	6%	9%	-2%	100%

* Cost Allocation Plan: Capital "overhead" funds 48 operating positions

The proposed non-labor budget reduction of \$2.9M is also spread across nearly all District departments. The reductions occur in the "Other Non-Labor" category on the income statement, which totaled \$88.1M in the Interim Budget. The largest reductions occur in the departments of Marketing (\$0.3M), Information Technology (\$0.2M), Operating Budgets (\$0.2M), Maintenance & Engineering (\$0.7M) and Rolling Stock & Shops (\$0.8M). The other \$0.7M is spread in smaller amounts amongst the remaining departments. The reduction includes a wide variety of line-items, including \$0.5M in professional fees, \$0.2M in outside energy counsel, \$0.4M in material usage, \$1.1M in maintenance & repair contracts, and \$0.7M in other expense categories. Like the position reductions, the non-labor reductions have been designed to maximize budget savings but avoid severe impacts. However, in recent years we have not increased the department non-labor budgets for inflation, and combined with prior-year reductions, this makes the District non-labor budget very tight. In addition to the \$2.8M in reductions, Other Non-Labor is also reduced by \$0.5M; however that is the result of transferring \$0.5M in insurance to labor and benefits that was previously budgeted in non-labor.

Debt Service & Allocations

The revision includes a \$2.0M reduction of the planned capital allocation and offsetting allocation to the SFO reserve to help SamTrans transfer Prop 1B funds to BART as part of the SFO operating agreement. The capital program will receive the 1B funds in place of the planned allocation from the operating budget, and there is no impact to capital funding. In addition, as discussed in the section on grant funding, there is a \$1.4M reduction in the capital allocation as a result of lower matching funds needed because of the proposal to use the 10% Flexible Set-Aside and the ADA Set-Aside grants in the operating budget.

There are several items in the Other Allocation category that also do not affect the net result as they are covered by matching revenue, grant funding or are non-cash revenues. First is \$0.7M associated with the joint development for West Dublin, Pleasant Hill and Westfield (Powell St.), and also included in this category is an addition of less than \$0.1M to Other Debt Service for Fruitvale. Others are allocations of \$2.2M for the Hillcrest Park and Ride project and a \$3.1M allocation associated with the Hercules land swap.

**BEFORE THE BOARD OF DIRECTORS OF THE
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**

In the matter of amending Resolution No. 5084 regarding Fiscal Year
2010 Annual Budget

Resolution No. _____

RESOLVED, that Resolution No. 5084 is amended by changing the following line items in Exhibit A thereof:

	<u>Current Amount</u>	<u>Increase/ (Decrease) In This Resolution</u>	<u>Amended Amount</u>
<u>Fund Source Line Item:</u>			
Operating Revenue	\$ 367,593,492	\$ (1,593,814)	\$ 365,999,678
1/2 ¢ Sales Tax	\$ 172,901,069	\$ (10,401,069)	\$ 162,500,000
Measures B & J Paratransit Assistance	\$ 1,565,245	\$ 70,000	\$ 1,635,245
San Mateo Co. Financial Assistance - SFO Operations	\$ 1,987,084	\$ 431,830	\$ 2,418,914
Federal 5307/5308 Preventive Maintenance Grants	\$ 24,620,928	\$ 2,582,056	\$ 27,202,984
ADA Flexible Set-Aside	\$ -	\$ 3,007,295	\$ 3,007,295
American Recovery and Reinvestment Act of 2009 Transit Grant	\$ 2,800,000	\$ 12,200,000	\$ 15,000,000
CalTrans Bay Bridge Closure Service Reimbursement	\$ 707,861	\$ (660,304)	\$ 47,557
MTC Bay Bridge Closure Service Reimbursement	\$ -	\$ 125,913	\$ 125,913
Federal 5307 Grant for Preventive Maintenance - Hillcrest Park & Ride	\$ -	\$ 2,200,000	\$ 2,200,000
ARRA Grant for Preventive Maintenance - Feeder Bus Fund Swap	\$ -	\$ 5,856,326	\$ 5,856,326
<u>Fund Use Line Item:</u>			
Net Labor Expense	\$ 383,438,341	\$ (13,928,883)	\$ 369,509,458
Non Labor Expense	\$ 141,972,421	\$ 1,395,155	\$ 143,367,576
Allocations to Capital - Rehabilitation	\$ 25,822,119	\$ (3,374,366)	\$ 22,447,753
Allocation to SFO Operating Reserve	\$ -	\$ 1,977,028	\$ 1,977,028
Other Capital Allocations	\$ -	\$ 741,832	\$ 741,832
Other Debt Service	\$ -	\$ 48,756	\$ 48,756
Allocation - Hillcrest Park & Ride Lot	\$ -	\$ 2,200,000	\$ 2,200,000
Allocation - City of Hercules Land Swap	\$ -	\$ 3,055,920	\$ 3,055,920



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Hamas Tafegjodi for D. Dugger</i>		GENERAL MANAGER ACTION REQ'D:		
DATE: c		BOARD INITIATED ITEM: No		
Originator/Prepared by: Ben Holland Dept: RS&S <i>[Signature]</i>	General Counsel <i>[Signature]</i>	Controller/Treasurer <i>[Signature]</i>	District Secretary []	BARC <i>[Signature]</i>
Signature/Date: 1/19/2010	1/20/10 []	1/20/10 []	[]	1/20/10 []

TITLE:

Award Invitation For Bid No. 8866 - Axle Bearings

NARRATIVE:

PURPOSE:

To request Board Authorization to Award Invitation For Bid No. 8866 to SKF Railway Business Unit North America, Powhatan, Virginia, in the amount of \$2,112,649.08 (includes applicable taxes) for the purchase of Axle Bearings.

DISCUSSION:

The BART transit vehicles require replacement of axle bearings due to normal wear. Each transit vehicle is equipped with 8 axle bearings. This is a consumable item that must be replaced during preventive maintenance and as such requires a spares inventory pool to support these changeouts.

This is a three (3) year estimated quantity contract. Pursuant to the terms of the District's standard estimated quantity contract, during the term of the contract the District is required to purchase from the supplier a minimum amount of fifty percent (50%) of the contract bid price. Upon Board approval of this contract, the General Manager will also have the authority to purchase up to one hundred fifty percent (150%) of the contract bid price, subject to availability of funding.

A notice requesting Bids was published on November 20, 2009. Bid requests were mailed to eighteen (18) prospective bidders. Bids were opened on December 15, 2009 and four (4) Bids were received.

<u>Bidder</u>	<u>Unit Price 6300 Each</u>	<u>Grand Total including 9.75% Sales Tax</u>
SKF Railway Business Unit N.A. Powhatan, Virginia	\$305.55	\$2,112,649.08
Amsted Rail Granite City, Illinois	\$358.15	\$2,476,338.63
Jamaica Bearings Co. Inc. New Hyde Park, New York	\$525.90	\$3,636,204.07
Applied Industrial Technologies Union City, California	\$580.50	\$4,013,722.12

Award Invitation For Bid No. 8866 - Axle Bearings (cont'd)

Independent cost estimate by BART staff: \$1,600,000

Staff has determined that the apparent low bidder, SKF Railway Business Unit North America submitted a responsive Bid. Staff has also determined that the Bid pricing is fair and reasonable based on adequate price competition.

The District's Non-Discrimination in Subcontracting Program does not apply to Emergency Contracts, Sole Source Contracts and Contracts under \$50,000 or any Invitation for Bid. Pursuant to the Program, the Office of Civil Rights did not set availability percentages for this contract.

FISCAL IMPACT:

Funding for contract IFB No. 8866 will be provided from the operating budgets for Rolling Stock & Shops (RS&S) in the non-labor budget under account number 680-300, maintenance and repair contracts.

The axle bearings are scheduled to be procured over the contract's 36-month period at the following estimated annual costs:

FY 10	\$175,000
FY 11	\$703,500
FY 12	\$703,500
<u>FY 13</u>	<u>\$530,649</u>
Total	\$2,112,649

Funding for FY10 expenditures of \$175,000 are currently available in the FY10 Interim operating budget for RS&S. Funding for the FY11, FY12 and FY13 expenditures will be included in RS&S operating budgets for such fiscal years.

ALTERNATIVE:

Reject all Bids and readvertise the contract.

RECOMMENDATION:

On the basis of analysis by staff, it is recommended that the Board adopt the following motion.

MOTION:

The General Manager is authorized to award IFB No. 8866, an estimated quantities contract, for Axle Bearings to SKF Railway Business Unit North America for the Bid price of \$2,112,649.08, including all applicable sales tax, pursuant to notification to be issued by the General Manager, and subject to compliance with the District's Protest Procedures.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**MEMORANDUM****TO:** Board of Directors**DATE:** January 8, 2010**FROM:** General Manager**SUBJECT: TransLink® Update****INTRODUCTION**

As I have advised the Board in prior memos, MTC declared TransLink Revenue Ready for BART fare gates on May 8, 2009. Revenue Ready is an MTC contract milestone signifying completion of Contractor supplied testing and training. The BART “soft launch” of TransLink began on August 3, 2009, when functionality was activated in fare gates upon completion of personnel training and resolution of key system integration issues. The soft launch involved recruitment of 1,000 participants from our existing EZ Rider card customer base. We accrued additional unsolicited usage from existing TransLink cardholders using the regional e-cash purse and unsolicited customer sign-ups for the TransLink BART High Value Discount (HVD) product. Currently, TransLink usage on BART totals nearly 1500 daily weekday HVD users, 3000 daily weekday users of e-cash and 350 users of other products such as SFMTA Fast Pass and Senior/Disabled discount. Following is a brief update on TransLink status.

MTC has decided to change the name of the TransLink card to “Clipper”. This change will be implemented in early 2010, with a major regional “re-launch” effort beginning as early as March. BART staff will work with MTC and their marketing agency, Swirl, to incorporate the new Clipper branding on fare collection equipment and marketing materials. MTC believes that the name change is an opportunity to garner attention for the “new” regional fare card as it becomes more widely available. The name is intended to evoke the Clipper ships which transported cargo and passengers swiftly to San Francisco during the gold rush era.

ISSUES

General customer feedback and results from an October BART survey of EZ Rider customers participating in the Soft Launch was positive overall, with 82% of users giving the card a “Very” or “Somewhat” Satisfied rating. Two areas, however, warrant additional effort:

- 1) EZ Rider cardholders notice the slower transaction speed of the TransLink card in BART fare gates versus the EZ Rider card. The slower transaction speed contributed to the predominantly reported issue of card tagging difficulty. TransLink processing time meets the contractual fare gate throughput requirement of 30 customers per minute. However, the TransLink processing time is 3 times longer than the EZ Rider card, due to differences

in the software architecture between the two card types. Although we will be implementing measures to address card tagging difficulties, EZ Rider customers will have to modify their tagging technique a bit when they convert to TransLink.

- 2) The second most reported issue is complaints regarding TransLink customer service support, which is provided under contract to MTC through the TransLink Service Bureau (TSB) located in Concord. The survey indicated complaints of slow response by TransLink customer service representatives to customer inquiries and delayed access to transaction history.

To address TransLink issues the following actions are proposed or are underway:

- Increase the customer service role of station agents. BART Station Agents will be trained to instruct customers on proper tagging technique. Field observations have noted that if customers follow the published tagging instructions the transaction will be successful.
- Increase smart card reader electromagnetic field strength. This requires remounting the smart card reader on BART fare gates. Increasing the field strength will make the smart card reader more forgiving when a customer makes a less than ideal tag. Work to remount readers is expected to begin late this month and will take several months to complete.
- Reduce card processing time. Software changes are proposed to revise the present architecture and speed the fare gate smart card reader's processing time. These changes will be implemented in steps; the first change is forecast for February 2010, with another increment in July 2010 and the final changes complete in September 2010.
- Customer Service Improvements. The TSB Contractor has already hired additional employees to augment the current TransLink customer service staff and has developed an automated response system to increase personnel time spent responding to customer service issues. The contractor will have another automated system in place by early 2010 for customer online review of account balances and transactions.

In addition to the two main issues reported in the survey, there are a handful of issues that impact financial reconciliation reporting. One key issue is believed to be resolved with a software revision currently being tested in the field. Since deployment to the field, the specific issue has not surfaced. The remaining issues should be resolved as part of the software released to correct the customer complaints.

HARD LAUNCH

The "hard launch" of TransLink will add marketing efforts to increase TransLink usage on BART, with the goal of ending the EZ Rider transit program by September of 2010. The decision to proceed with hard launch will be based on defined evaluation factors that consider fare gate software performance, TransLink and BART Data Acquisition System (DAS) data accuracy, clear audit development trail and customer service concerns. Data is currently being evaluated

by staff for the hard launch decision. The decision of whether or not to proceed with hard launch should be early this month

FARE MEDIA TRANSITION PLAN

A memo sent September 4, 2009, informed the Board of the plan to fully transition the EZ Rider transit program and the HVD magnetic stripe ticket to TransLink, as part of the Fare Media Transition Plan required by MTC. MTC is now proposing the development of a non-autoload HVD TransLink product for use by customers participating in transit benefit programs and to serve unbanked customers. MTC has also proposed that BART transition discounted red and green magnetic stripe tickets, which are used by seniors, people with disabilities, and youth aged 5 to 12, by 2011. Evaluation of the feasibility of this request is currently underway.

TransLink gives the 62.5% discount to seniors, people with disabilities, and youth at the fare gates. In contrast, the discount is given with red and green mag stripe tickets when a ticket with \$24 in value is bought for \$9, a discount of exactly 62.5%. The discounted TransLink fare table currently in the fare gates was calculated using the method applied to regular BART fares, which is to round fares up or down to the nearest nickel. However, this results in a discount that can be slightly higher or lower than 62.5%. At the Board's January 28, 2010 meeting, staff will bring a proposal to implement a fare table rounded down to the nearest nickel, which ensures that all fares are discounted by at least 62.5%.

The San Francisco Municipal Transportation Agency's (SFMTA's) fare media transition plan will also affect some BART riders, because the plan includes eliminating BART/Muni paper transfers and instead offering these transfer discounts only to riders using TransLink. MTC has set a date of March 2010 for implementation of this change, and BART and SFMTA have requested MTC to move that date to June 2010 to provide more time for the agencies to jointly inform riders about the transition and achieve wider distribution of TransLink cards.

PRE-TAX COMMUTER BENEFITS

The only form of pre-tax commuter benefits that can be applied to the TransLink autoload only BART HVD product is through the use of a debit card replenished by the employer on a monthly basis. The debit card is issued carrying a specific amount. Customers are required to monitor their account balance and request substitution of a credit card to cover the shortfalls when the debit card value is insufficient. Paper vouchers cannot be used on either EZ Rider or TransLink BART HVD, but can be used to purchase TransLink regional e-cash.

A number of changes are in process to enhance the use of commuter benefits with the TransLink card as follows:

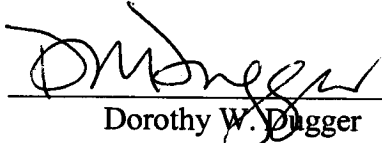
- Implement a capability for customers to use multiple funding sources. This allows a customer to designate their transit benefit debit card as the primary autoload funding source and also designate a credit card as their backup autoload funding source. This would eliminate the

onerous substitution task described above. This change is being implemented by MTC's TransLink Contractor and is expected to be in place mid 2010.

- MTC will consolidate existing commuter benefit programs. This provides customers with a single point of contact for managing accounts, orders and customer service.
- Revise BART HVD autoloan policy. We may offer an additional BART HVD product without autoloan to customers through third party TransLink sales locations. This would allow customers to add value from transit benefit paper vouchers and/or credit cards. Cash would be accepted as well to serve unbanked HVD customers. Implementation scope and schedule is under development.

BART PARKING PAYMENT

A TransLink parking solution is currently unavailable. EZ Rider cards must be retained by BART's TransLink customers for parking at BART. MTC's current plan is to complete a SFMTA parking pilot program, forecast for early 2011. The schedule for regional parking implementation is currently undefined. BART staff will work with MTC in the near future to determine if a simplified BART specific TransLink parking application can be implemented in 2010.



Dorothy W. Dugger

cc: Board Appointed Officers
Deputy General Manager
Executive Staff



CAPITOL CORRIDOR JOINT POWERS AUTHORITY

MEETING OF THE CAPITOL CORRIDOR JOINT POWERS BOARD

Wednesday February 17, 2010

10 a.m.

City Council Chambers

Suisun City Hall

701 Civic Center Blvd., Suisun City, CA

(see attached map)

DRAFT AGENDA

I. Call to Order

II. Roll Call and Pledge of Allegiance

III. Report of the Chair

IV. Minutes of November 17, 2009 Meeting

Action

V. Consent Calendar

1. Capitol Corridor NEPA Program Environmental Assessment: Revised Budget

Action

VI. Action and Discussion Items (Executive Director)

1. Business Plan Update (FY 2010-11 – FY 2011-12)

*Action**

2. Governor's Proposed FY 2010-11 Budget/Legislative Matters

Action

3. Proposition 1A (California High Speed Train System) Connectivity Projects

Action

4. Security Cameras at Unstaffed Stations Project Contract

Action

5. MOU with UPRR for Added Capitol Corridor Train to/from Auburn

Action

6. Results of December 2009 On Board Surveys

Discussion

7. Managing Director's Report (Status of Service Performance)

Info

8. Work Completed

a. Annual Performance Report (FY 09)

Info

b. CCJPA FY 09 Independent Audit

Info

c. Administrative Support Agreement between the CCJPA and BART

Info

d. Marketing Activities (November 2009 – February 2010)

Info

7. Work in Progress

a. Status of FRA HSIPR Capital Grants Applications (ARRA and FY2010)

Info

b. Prop 1B Transit Safety/Security Improvement Projects

Info

c. Prop 1B Intercity Rail Projects: Bahia Crossover, Emeryville Track Upgrades

Info

d. Yolo Causeway West Crossover Project Design/Engineering

Info

e. Upcoming Marketing Activities

Info

VII. Board Member Reports

VIII. Public Comment

IX. Adjournment. Next Meeting Date: 10:00 a.m., April 14, 2010 at City Council Chambers, Suisun City Hall, 701 Civic Center Blvd., City of Suisun City, CA

Notes:

Members of the public may address the Board regarding any item on this agenda. Please complete a "Request to Address the Board" form (available at the entrance of the Boardroom and at a teleconference location, if applicable) and hand it to the Secretary or designated staff member before the item is considered by the Board. If you wish to discuss a matter that is not on the agenda during a regular meeting, you may do so under Public Comment. Speakers are limited to three (3) minutes for any item or matter. The CCJPA Board reserves the right to take action on any agenda item.

Consent calendar items are considered routine and will be enacted, approved or adopted by one motion unless a request for discussion or explanation is received from a CCJPA Board Director or from a member of the audience.

* Approval of the business plan requires an affirmative vote of at least two-thirds (11) of the appointed members.

The CCJPA Board provides services/accommodations upon request to persons with disabilities who wish to address Board matters. A request must be made within one and five days in advance of a Board meeting, depending on the service requested. Call (510) 464-6085 for information.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Hamed Tafajoli for D. Bugger</i>		GENERAL MANAGER ACTION REQ'D: Approve and Forward to Board of Directors		
DATE:		BOARD INITIATED ITEM: No		
Originator/Prepared by: Dorothy Adams Dept: Capitol Corridor <i>Dorothy Adams</i> Signature/Date: 1-20-10	General Counsel <i>MB</i> 1/21/10	Controller/Treasurer <i>J. [unclear]</i> 1/21/10	District Secretary <i>[unclear]</i> 01/21/10 []	BARC []
Status: Routed		Date Created: 01/05/2010		

TITLE:

Extend Agreement Between Capitol Corridor Joint Powers Authority And San Francisco Bay Area Rapid Transit District For Administrative Support

NARRATIVE:

Pursuant to the Joint Exercise of Powers Agreement (JEPA) to Establish the Capitol Corridor Joint Powers Authority (CCJPA), Section 10.0 of the JEPA requires that the CCJPA enter into a contract with the Managing Agency to identify the responsibilities of the Managing Agency. Effective February 20, 1999, the CCJPA and BART entered into an Administrative Support Agreement (ASA) for an initial term of three years to set forth the manner in which BART would provide all necessary administrative support to the CCJPA with its own staff to enable the CCJPA to perform its duties and responsibilities. Some of the key elements of the ASA include:

- Description of Managing Agency's administrative support duties;
- Appointed staff of Managing Agency;
- Invoicing procedures and availability;
- Audit provisions;
- Liability (Allocated Losses); and
- Initial Term (through February 20, 2002)

Prior to the expiration of the initial term of the ASA, and at its February 2002 meeting the CCJPA Board agreed to select BART as the Managing Agency and to extend the ASA with BART for a further three-year term through February 2005 pursuant to the enabling legislation then in effect. BART concurred with this action by the CCJPA at its March 14, 2002 Board meeting and executed the ASA, effective through February 20, 2005.

The CCJPA's enabling legislation was further amended to eliminate the CCJPA's sunset date (June 30, 2004) and also to lengthen the CCJPA Managing Agency's agreement term from three to five years (effective February 2002) so that the CCJPA Board can better assess the performance of the Managing Agency.

Upon the expiration of the renewal term of the ASA on February 20, 2005, the CCJPA Board (CCJPB), at its February 16, 2005 meeting, and based on the continuing success of the Capitol Corridor Service performance as well as the beneficial, cooperative relationship between BART and the CCJPA member agencies, selected BART to continue in its role of providing

administrative support to the CCJPB for a five-year term ending February 19, 2010. Prior to the expiration of the current ASA at its Wednesday, November 18, 2009 meeting, the CCJPA Board passed Resolution No. 09-10, thereby agreeing to select BART to serve on the same terms and conditions as previously stated in the ASA for a five-year term, commencing upon the date of termination of the term of the current ASA, February 19, 2010, and extending until February 19, 2015. Capitol Corridor staff is hereby seeking the renewal of the ASA for five additional years through February 19, 2015.

Fiscal Impact

Pursuant to the terms of the ASA and the Interagency Transfer Agreement (ITA) between the CCJPA and the State of California, all expenses incurred by BART as Managing Agency of the CCJPA will be reimbursed by the CCJPA through the State of California. Therefore, there is no fiscal impact to BART.

Recommendation

Accordingly, the General Manager recommends that the Board of Directors of the San Francisco Bay Area Rapid Transit District adopt the following motion, authorizing the District to enter into the Administrative Support Agreement (ASA) with the CCJPA and BART for a five-year term as provided for by the amended statute.

The Agreement has been approved as to form by the Office of General Counsel.

MOTION:

The Board of Directors of the San Francisco Bay Area Rapid Transit District (Board) hereby approves the execution of the Administrative Support Agreement (ASA) between the Capitol Corridor Joint Powers Authority and the San Francisco Bay Area Rapid Transit District for administrative support for an additional five-year term from February 20, 2010 to February 19, 2015, and;

The Board hereby authorizes and directs the President of the Board to execute such Agreement in such form.