

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

BOARD MEETING AGENDA

June 13, 2019

9:00 a.m.

A regular meeting of the Board of Directors will be held at 9:00 a.m. on Thursday, June 13, 2019, in the BART Board Room, 2040 Webster 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 Public Comment.

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.

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.

Meeting notices and agendas are available for review on the District's website (<http://www.bart.gov/about/bod/meetings.aspx>); at bart.legistar.com; and via email (https://public.govdelivery.com/accounts/CATRANBART/subscriber/new?topic_id=CATRANBART1904) or via regular mail upon request submitted to the District Secretary. Complete agenda packets (in PDF format) are available for review on the District's website and bart.legistar.com no later than 48 hours in advance of the meeting.

Please submit your requests to the District Secretary via email to BoardofDirectors@bart.gov; in person or U.S. mail at 300 Lakeside Drive, 23rd Floor, Oakland, CA 94612; fax 510-464-6011; or telephone 510-464-6083.

Patricia K. Williams
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.

2. CONSENT CALENDAR

- A. Approval of Minutes of the Meeting of May 23, 2019.*
Board requested to authorize.
- B. BART Police Citizen Review Board Appointments and Re-Appointments.* Board requested to ratify.

3. PUBLIC COMMENT – 15 Minutes

(An opportunity for members of the public to address the Board of Directors on matters under their jurisdiction and not on the agenda. An additional period for Public Comment is provided at the end of the Meeting.)

4. ADMINISTRATION ITEMS

Director Simon, Chairperson

- A. Resolution Approving the Fiscal Year 2020 Annual Budget.*
Board requested to adopt.
- B. Fares for the Silicon Valley Berryessa Extension.*
Board requested to adopt. (TWO-THIRDS VOTE REQUIRED.)
- C. Extension of the Productivity Adjusted Inflation -Based Fare Increase Program between 2022 and 2028.* Board requested to adopt.
(TWO-THIRDS VOTE REQUIRED.)
- D. Participation in a Regional Means – Based Transit Fare Discount Pilot Program.* Board requested to adopt.
(TWO-THIRDS VOTE REQUIRED.)
- E. Increase to the Per Trip Magnetic Stripe Ticket Surcharge.*
Board requested to adopt. (TWO-THIRDS VOTE REQUIRED.)
- F. Resolution Ratifying the Collective Bargaining Agreement with the BART Police Managers Association.* Board requested to adopt.
- G. Resolution Fixing the Employer’s Contribution to California Public Employees Retirement System Medical Premium for BART Police Managers Association.* Board requested to adopt.

- H. Agreements for On-Call Professional Services for Procurement/ Materials Management.*
 - i. Agreement No. 6M4643, with Accenture LLP
 - ii. Agreement No. 6M4644, with Slalom, LLC
 - iii. Agreement No. 6M4645, with Sjoberg Evashenk Consulting, Inc.
 - iv. Agreement No. 6M4646, with AEKO Consulting
Board requested to authorize.

- I. Agreements for On-Call Professional Services for Capital Budget and Funds Management Division.*
 - i. Agreement No. 6M4647, with Sperry Capital Inc.
 - ii. Agreement No. 6M4648, with InnoFin Solutions, LLC
 - iii. Agreement No. 6M4649, with Sjoberg Evashenk Consulting, Inc.
 - iv. Agreement No. 6M4650, with Slalom, LLC,
Board requested to authorize.

- J. Agreements for On-Call Professional Services for Performance & Audit.*
 - i. Agreement No. 6M4655, with Accenture LLP
 - ii. Agreement No. 6M4656, with Cambridge Systematics, Inc.
 - iii. Agreement No. 6M4657, with Moss Adams LLP
 - iv. Agreement No. 6M4658, with Sjoberg Evashenk Consulting, Inc.
Board requested to authorize.

- K. Agreements for On-Call Professional Services for Finance Department.*
 - i. Agreement No. 6M4659, with Accenture LLP
 - ii. Agreement No. 6M4660, with Moss Adams LLP
 - iii. Agreement No. 6M4661; with Sjoberg Evashenk Consulting, Inc.
 - iv. Agreement No. 6M4662, with Slalom, LLC
Board requested to authorize.

- L. Amendment No. 2 to Concession Permit M342-12 with Imperial Parking Corporation For Administration of Parking Permit Programs.*
Board requested to authorize.

- M. Issuance and Sale of General Obligation Bonds (Election of 2004), 2019 SERIES F (Green Bonds) and 2019 Refunding Series G.*
Board requested to authorize.

- N. Issuance and Sale of General Obligation Bonds (Election of 2016), 2019 SERIES B (Green Bonds).* Board requested to authorize.

5. ENGINEERING AND OPERATIONS ITEMS

Director Foley, Chairperson

- A. Award of Contract No. 15TD-260, Production Rail Grinder Upgrade and Repair.* Board requested to authorize.

- B. Quarterly Performance Report, Third Quarter Fiscal Year 2019 – Service Performance Review.* For information.

6. PLANNING, PUBLIC AFFAIRS, ACCESS, AND LEGISLATION ITEMS

Director Raburn, Chairperson

- A. Request to Extend the Exclusive Negotiating Agreement for Transit-Oriented Development, with China Harbour Engineering Company, Ltd., for the West Oakland BART Station Project.* Board requested to authorize.
- B. Award of Agreement No. 6M8159, with HNTB Corporation, for Strategic Advising and Program Management Services for the New Transbay Rail Crossing Project.* Board requested to authorize.
- C. Update on Irvington BART Station.* For Information.
- D. Update on Implementation Approach for Assembly Bill 2923, San Francisco Bay Area Rapid Transit District: Transit-Oriented Development.* For Information.
- E. BART Headquarters Workplace Strategy and Option Analysis.* For Information.

7. GENERAL MANAGER'S REPORT

- A. Report of Activities, including Updates of Operational, Administrative, and Roll Call for Introductions Items.

8. INDEPENDENT POLICE AUDITOR'S REPORT

- A. Quarterly Report of the Independent Police Auditor. For information.

9. BOARD MATTERS

- A. Resolutions Commending Grace E. Crunican.* Board requested to adopt.
- B. Board Member Reports.
(Board member reports as required by Government Code Section 53232.3(d) are available through the Office of the District Secretary. An opportunity for Board members to report on their District activities and observations since last Board Meeting.)
- C. Roll Call for Introductions.
(An opportunity for Board members to introduce a matter for consideration at a future Committee or Board Meeting or to request District staff to prepare items or reports.)
- D. In Memoriam.
(An opportunity for Board members to introduce individuals to be commemorated.)

10. PUBLIC COMMENT

(An opportunity for members of the public to address the Board of Directors on matters under their jurisdiction and not on the agenda.)

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

A. CONFERENCE WITH LABOR NEGOTIATORS:

Designated representatives: Grace Crunican, General Manager; Michael Jones, Assistant General Manager, Administration; and Martin Gran, Chief Employee Relations Officer

Employee Organizations: (1) Amalgamated Transit Union, Local 1555;
(2) American Federation of State, County and Municipal Employees, Local 3993;
(3) BART Police Officers Association;
(4) BART Police Managers Association;
(5) Service Employees International Union, Local 1021;
and
(6) Service Employees International Union, Local 1021, BART Professional Chapter
(7) Unrepresented employees (Positions: all)

Government Code Section: 54957.6

B. PUBLIC EMPLOYEE EMPLOYMENT:

Title: Inspector General

Government Code Section: 54957(b)(1)

C. PUBLIC EMPLOYEE EMPLOYMENT:

Title: General Manager

Government Code Section: 54957(b)(1)

D. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: 300 Lakeside Drive, Oakland, CA 94612
District Negotiator: Sean Brooks, Department Manager, Property Development
Negotiating Parties: SIC – Lakeside Drive (Swig Company LLC and Rockpoint Group LLC) and San Francisco Bay Area Rapid Transit District/Jones Lang Lasalle

Under Negotiation: Price and Terms

Government Code Section: 54956.8

Property: 601 12th Street, Oakland, 94607
District Negotiator: Sean Brooks, Department Manager, Property Development
Negotiating Parties: Oakland T-12, LLC (Shorenstein Realty Partners and Met Life) and San Francisco Bay Area Rapid Transit District/Jones Lang Lasalle

Under Negotiation: Price and Terms

Government Code Section: 54956.8

Property: 2150 Webster Street, Oakland, CA 94612
District Negotiator: Sean Brooks, Department Manager, Property Development
Negotiating Parties: W/L 2150 Webster Holdings VIII, L.P. (Lane Partners and
Walton Street Capital) and San Francisco Bay Area Rapid Transit
District/Jones Lang Lasalle
Under Negotiation: Price and Terms
Government Code Section: 54956.8

Property: Lake Merritt Transit Development (Intersection of Oak Street and
8th Street), Oakland, CA
District Negotiator: Sean Brooks, Department Manager, Property Development
Negotiating Parties: Strada Investment Group/East Bay Asian Local Development
Corporation and San Francisco Bay Area Rapid Transit
District/Jones Lang Lasalle
Under Negotiation: Price and Terms
Government Code Section: 54956.8

Property: West Oakland Transit Development (Intersection of Mandela
Parkway and 5th Street), Oakland CA
District Negotiator: Sean Brooks, Department Manager, Property Development
Negotiating Parties: Mandela Station LLC (China Harbor Engineering Company,
Strategic Urban Development Alliance and Hansel Phelps) and
San Francisco Bay Area Rapid Transit District/Jones Lang
Lasalle
Under Negotiation: Price and Terms
Government Code Section: 54956.8

12. OPEN SESSION

A. Announcement from Closed Session, if any.

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

Board of Directors
Minutes of the 1,841st Meeting
May 23, 2019

A regular meeting of the Board of Directors was held May 23, 2019, convening at 9:01 a.m. in the BART Board Room, 2040 Webster Street, Oakland, California. President Dufty presided; Patricia K. Williams, District Secretary.

Directors present: Directors Ames, Allen, Foley, Li, McPartland, Raburn, Saltzman, Simon and Dufty.

Absent: None.

President Dufty announced that under the provisions of the Rules of the Board of Directors of the San Francisco Bay Area Rapid Transit District, this was the time set to hold a public hearing on the final Fiscal Year 2020 Budget; Silicon Valley Berryessa Extension fares; BART participation in the Regional Means-Based Transit Fare Discount Pilot Program; Extension of BART's Productivity-Adjusted Inflation-Based Fare Increase Program between 2022 and 2028; and an increase to the magnetic-stripe ticket surcharge, that staff would give a brief presentation on the item, and that the meeting would then be opened for comments from the public.

Ms. Pamela Herhold, Assistant General Manager, Performance and Budgets; and Ms. Kate Jordan Steiner, Department Manager, Budgets; and Mr. Michael Eiseman, Department Manager Financial Services presented the item.

There being no public comment, the Public Hearing was closed.

Consent Calendar items brought before the Board were:

1. Approval of Minutes of the Meetings of April 25, 2019 and May 9, 2019.
2. Amendment to Legal Services Agreement with Glynn & Finley, LLP.
3. Fiscal Year 2020 Proposition 4 Appropriations Limit.
4. Award of Agreement No. 6M5147, with Avenu Insights and Analytics, LLC, for Sales Tax Revenue Collection Services.
5. Award of Contract No. 15QN-110, Installation of Safety Barriers and Right of Way Fencing Systemwide.
6. Reject All Bids for Contract No. 15II-120, Station Emergency Lighting.
7. Invitation for Bid No. 9059, Brushes for Vehicle Traction Motors.

8. Authority to Submit a Grant Application to the California Department of Water Resources for Proposition 1 Funding for the Hayward Maintenance Complex Rainwater Catchment, Bio-Retention Basins, and Solar Wastewater Treatment Project.

Director Allen requested that Item 3-I, Lease with Caltrans for BART Employee Parking and Sublease a Portion of Excess Parking to the Metropolitan Transportation Commission, be removed from Consent Calendar.

Director Saltzman made the following motions as a unit. Director Raburn seconded the motions, which carried by unanimous electronic vote. Ayes – 9: Directors Allen, Ames, Foley, Li, McPartland, Raburn, Saltzman, Simon, and Dufty. Noes – 0.

1. That the Minutes of the Meetings of April 25, 2019 and May 9, 2019, be approved.
2. That the Board approve the amendment of this agreement with Glynn & Finley, LLP to continue its representation of the District to handle the Cal/OSHA Cab Windows matter as necessary.
3. Adoption of Resolution No. 5397, In the Matter of the Establishment of the Fiscal Year 2020 Appropriations Limit.
4. That the General Manager be authorized to execute Agreement No. 6M5147, with Avenu Insights and Analytics, to provide sales tax revenue collection services for a five-year period based upon a contingency fee of 20% determined by the amount of tax revenue recovered on open claims for the District, pursuant to the notice to be issued by the General Manager; and pursuant to Revenue and Taxation Code Section 7056, adoption of Resolution No. 5398, In the Matter of Authorizing Consultant Avenu Insights & Analytics, LLC (also known as MuniServices, LLC) to Examine Sales and Use Tax Records at the California Department of Tax and Fee Administration on behalf of the District.
5. That the General Manager be authorized to award Contract No. 15QN-110, Installation of Safety Barrier and Right-of-Way Fencing Systemwide, Phase III, to Golden Bay Fence Plus Iron Works, Inc. for the Bid price of \$899,493.45 pursuant to notification to be issued by the General Manager and subject to compliance with the District's protest procedures; and that the General Manager be also authorized to exercise the single Option for the Bid Price of \$163,130.52 for replacement of right-of-way perimeter fence and gate at CHB.
6. That the General Manager be authorized to reject all bids for Contract No. 15II-120, Station Emergency Lighting, and be authorized to re-advertise the work of this contract.
7. That the General Manager be authorized to award Invitation for Bid No. 9059, for the purchase of Brushes for Vehicle Traction Motors, to Mersen USA BN Corp., for the Bid price of \$508,888.80 including tax, pursuant to notification to be issued by the General Manager.

(The foregoing motion was made on the basis of analysis by the staff and certification by the Controller/Treasurer that funds are available for this purpose.)

8. Resolved by the Board of Directors of the San Francisco Bay Area Rapid Transit District that proposal be made to the California Department of Water Resources to obtain a Round 1 Integrated Regional Water Management Implementation Grant pursuant to the Water Quality Supply, and Infrastructure Improvement Act of 2014 (Water Code § 79700 et seq.), and to enter into an agreement to receive a grant for the: BART Hayward Maintenance Complex (HMC) Rainwater Catchment, Bio-retention Basin, and Solar Wastewater Treatment Project. The General Manager of the San Francisco Bay Area Rapid Transit District, or designee, is hereby authorized and directed to prepare the necessary data, conduct investigations, file such proposal, and execute a grant agreement with California Department of Water Resources.

Consent Calendar report brought before the Board was:

1. Fiscal Year 2019 Third Quarter Financial Report.

Ms. Grace Crunican, General Manager, and Mr. Sean Brooks, Department Manager, Property Development presented Item 3-I, Lease with Caltrans for BART Employee Parking and Sublease a Portion of Excess Parking to the Metropolitan Transportation Commission. The item was discussed.

The following individuals addressed the Board.

Gena Alexander
Sal Cruz

Director Li moved that the General Manager or her designee be authorized: (1) to enter into a five-year lease with Caltrans, with an option to extend the lease for an additional five-year period, for an employee parking area bounded by Fifth, Sixth, Oak and Madison Streets in Oakland commencing July 1, 2019 for an amount not to exceed \$477,740.00 for the first five-year term of the lease; and (2) to enter into a five-year year sublease with the Metropolitan Transportation Commission (MTC) for a portion of the Lease Area for approximately \$47,780.00, with an option for MTC to extend for an additional five-year period, pending BART's extension of its lease with Caltrans. Director Simon seconded the motion, which carried by unanimous electronic vote. Ayes – 9: Directors Allen, Ames, Foley, Li, McPartland, Raburn, Saltzman, Simon, and Dufty. Noes – 0.

President Dufty called for Public Comment. Ace Washington addressed the Board.

Director Simon, Chairperson of the Administration Committee, brought the matter of Fiscal Year 2020 Annual Budget, including the following items, before the Board.

- i. Fiscal Year 2020 Annual Budget.
- ii. Fares for the Silicon Valley Berryessa Extension.
- iii. Participation in a Regional Means – Based Transit Fare Discount Pilot Program.
- iv. Extension of the Productivity Adjusted Inflation -Based Fare Increase Program between 2022 and 2028.

- v. Increase to the Per Trip Magnetic Stripe Ticket Surcharge.

Ms. Crunican; Mr. Ed Alvarez, Interim Chief of Police; Ms. Tamar Allen, Assistant General Manager, Operations; Ms. Herhold; Ms. Steiner, and Mr. Eiseman presented the item. The item was discussed.

The following individuals addressed the Board.

Gena Alexander
Ace Washington

Discussion continued.

President Dufty announced that agenda items would be taken out of order.

Director Foley, Chairperson of the Engineering and Operations Committee, brought the matter of Next Generation Fare Gates, Conceptual Design before the Board. Ms. Tamar Allen, Assistant General Manager, Operations; Ms. Mitra Moheb, Manager of Engineering Programs, and Mr. Steven Dietrich, Principal Computer Systems Engineer presented the item. The item was discussed.

Director Raburn, Chairperson of the Planning, Public Affairs, Access, and Legislation Committee, brought the matter of Survey Results for Fleet of the Future and Bicycle Accommodation before the Board. Ms. Crunican; Mr. Carl Holmes, Assistant General Manager, Design and Construction; Mr. Aaron Weinstein, Manager of Marketing and Research; and Ms. Maureen Wetter, Principal Research Project Analyst, presented the item. The item was discussed.

The following individuals addressed the Board:

Jon Spangler
Alan Smith
Dave Campbell

Discussion continued.

President Dufty announced that the Board would take multiple action items at once.

Director Saltzman made the following motions as a unit. Director Simon seconded the motions, which carried by unanimous electronic vote. Ayes – 9: Directors Allen, Ames, Foley, Li, McPartland, Raburn, Saltzman, Simon, and Dufty. Noes – 0.

1. That the Board approve the Silicon Valley Berryessa Extension Title VI Service and Fare Equity Analysis and Public Participation Report.
2. That the Board approve the Title VI Fare Equity Analysis for the Proposed 2020 Productivity-Adjusted Inflation-Based Fare Increase; Series 3, 2020-28, of the Productivity-Adjusted Inflation-Based Fare Increase Program; and Magnetic-Stripe Surcharge Increase and Public Participation Report.

3. That the General Manager be authorized to award Agreement No. 6M4639 to Accenture LLP, Agreement No. 6M4640 to Sjoberg Evashenk Consulting, Inc., and Agreement No. 6M4641 to Shalom, LLC to provide on-call professional services for Human Resources, each in an amount not to exceed \$1,000,000 pursuant to notification to be issued by the General Manager, and subject to compliance with the District's protest procedures.
4. That the General Manager be authorized to award Agreement No. 6M4651 to Accenture LLP, Agreement No. 6M4652 to InnoFin Solutions, LLC, Agreement No. 6M4653 to Sjoberg Evashenk Consulting, Inc., and Agreement No. 6M4654 to Slalom, LLC, to provide on-call professional services for the Operating Budgets Division, each in an amount not to exceed \$1,000,000, pursuant to notification to be issued by the General Manager, and subject to compliance with the District's protest procedures.
5. That the General Manager be authorized to award Contract No. 15CQ-115, C25 Interlocking Renewal, to Proven Management Inc. of Oakland, CA for the Bid Price of \$9,869,643.00, pursuant to notification to be issued by the General Manager, and subject to compliance with the District's protest procedures.
6. That the General Manager be authorized to award Contract No. 54RR-250 to DMZ Builders for Concord Yard Fire Protection in the amount of \$3,940,800.00, pursuant to notification to be issued by the General Manager and subject to compliance with the District's protest procedures.
7. That the General Manager be authorized to execute Change Order No. 25 to Contract No. 04SF-140, Procurement of eBART Vehicles, with Stadler Bussanang, AG, to provide eBART vehicle spare parts inventory, in an amount not to exceed \$270,000.
8. That the General Manager be authorized to execute Change Order No. 004 for Contract No. 15EJ-171, 34.5 KV Cable Replacement M-Line MVS Switching Station and MTF, MSS, MPS and MTFW Substations, with DMZ Builders Co., Inc. in the amount not to exceed \$3,900,000.00 and to extend the Contract completion date by 69 calendar days.

President Dufty announced that the Board would enter into closed session under Items 12-A (Conference with Labor Negotiators), 12-B (Public Employee Employment), and 12-C (Conference with Legal Counsel) of the Regular Meeting agenda, and that the Board would reconvene in open session upon conclusion of the closed session.

The Board Meeting recessed at 12:52 p.m.

The Board reconvened in closed session at 12:55 p.m.

Directors present: Directors Allen, Ames, Li, McPartland, Raburn, Saltzman, Simon and Dufty.

Absent: None.

The Board Meeting recessed at 1:30 p.m.

The Board reconvened in open session at 1:32 p.m.

Directors present: Directors Allen, Ames, Li, McPartland, Raburn, Saltzman, Simon, and Dufty.

Absent: None. Director Foley entered the meeting later.

President Dufty announced that there were no announcements to be made from the closed session.

Director Raburn brought the matter of Metropolitan Transportation Commission, Plan Bay Area 2050 Update before the Board. Mr. Holmes; Mr. Val Menotti, Chief Transit System Development Officer; Mr. Richard Fuentes, Manager of Special Projects; and Mr. Ken Kirkey, Integrated Planning Department Director, Metropolitan Transportation Commission, presented the item. The item was discussed.

Director Saltzman exited the meeting.

Director Raburn brought the matter of Agreements for General Environmental and Planning Services for BART Projects before the Board. The item was discussed.

Director Foley re-entered the meeting.

Director Simon moved that the General Manager be authorized to award the below listed Agreements to provide General Environmental and Planning Services in support of BART projects, in an amount not to exceed \$8,000,000 each, pursuant to notification to be issued by the General Manager. The awards are subject to the District's protest procedures and Federal Transit Administrations requirements related to protest procedures.

- i. Agreement No. 6M6136 to Arup North America, Ltd;
- ii. Agreement No. 6M6137 to Fehr & Peers;
- iii. Agreement No. 6M6138 to HNTB Corporation; and
- iv. Agreement No. 6M6139 to Raimi + Associates.

Director Raburn seconded the motion.

Director McPartland made a substitute motion to have a committee formed to review the potential projects. Directors Allen and Ames seconded the substitute motion.

President Dufty made a second substitute motion that the General Manager be authorized to award the listed Agreements to provide General Environmental and Planning Services in support of BART projects, in an amount not to exceed \$8,000,000 each, pursuant to notification to be issued by the General Manager, subject to the District's protest procedures and Federal

Transit Administrations requirements related to protest procedures; and that staff be directed to provide a presentation to the Board in July 2019 a list of capital projects and their values.

Director Simon seconded the substitute motion, which carried by unanimous electronic vote. Ayes – 8: Directors Allen, Ames, Foley, Li, McPartland, Raburn, Simon, and Dufty. Noes – 0. Absent – 1: Director Saltzman.

Director Raburn brought the matter of Revisions to BART's Transit-Oriented Development Policy before the Board. Ms. Crunican; Mr. Holmes; Ms. Abigail Thorne-Lyman, Program Manager, Systems Development; and Ms. Kimberly Koempel, Principal Planner, Systems Development, presented the item. The item was discussed.

President Dufty brought the matter of Actuarial Report on Changes to Pension and Other Postemployment Benefits (OPEB) under Consideration by the District before the Board. Mr. Michael Jones, Assistant General Manager, Administration; and Ms. Diane Iwata, Human Resources Division Manager, presented the item.

Director Foley brought the matter of BART Silicon Valley Phase I Update before the Board. Ms. Tamar Allen; Mr. Holmes; Mr. Shane Edwards, Chief Maintenance and Engineering Officer, and Ms. Crunican presented the item. The item was discussed.

President Dufty called for the General Manager's Report.

Ms. Crunican reported on steps she had taken and activities and meetings she had participated in, ridership, upcoming events, the progress made during recent weekend closures, activities held during Take Our Daughters and Sons to Work Day, Police Department staffing numbers, Fleet of the Future Car availability, Clipper card utilization numbers, and outstanding Roll Call for Introductions items.

Ms. Herhold gave an update on ridership numbers.

President Dufty called for the Controller/Treasurer's Report.

Ms. Rose Poblete, Controller/Treasurer, presented the Quarterly Report of the Controller/Treasurer for the period ending March 31, 2019. The item was discussed. Ms. Herhold gave a brief update on pension reserve numbers.

President Dufty called for Board Member Reports, Roll Call for Introductions, and In Memoriam.

Director Foley thanked District staff on his BART briefings, Ric Rattray and Val Menotti for assistance with the meeting with the Hillcrest neighbors of Antioch, Tim Chan for the MTAP Tour and Ariel Mercado for assistance with the Rebuilding BART presentation to the Marsh Creek Democratic Club.

Director McPartland reported he had attended the Workday Tour ribbon cutting, BART Police Citizen Review Board meeting, Fire Liaison Committee meeting, Tri Valley San Joaquin Rail Authority meeting, East Bay Municipal Utilities District quarterly meeting in Castro Valley, and Bay Area Mass Evacuation table top.

Director Allen reported she had attended the Northern Waterfront Forum in Antioch.

Director Ames reported she had attended the BART Police Citizen Review Board Meeting, and an Irvington BART Station briefing, and thanked the District Secretary's Office on their assistance with the BART Police Citizen Review Board recruitment.

Director Raburn reported he had attended the California Transportation Authority Legislative conference in Sacramento, American Institute of Architects East Bay Transit Oriented Development, and MacArthur Station Transit Oriented Development installation of panels.

Director Raburn requested the Board meeting be adjourned in honor of Walter Davis Miles who served over 50 years on the MacArthur Station advisory committee.

Director Li reported she had attended the Quality California Gala in San Francisco, Telegraph Hill Dwellers Transportation Committee meeting, and had spoke at the BART Employee Resource Group Asian Pacific Islander History Month Luncheon, and the San Francisco Council of District Merchants Association Gala, and had assisted with the Civic Center Station Salvation Army Harbor Lights program.

Director Simon reported she had attended the Office of Independent Police Auditors Regional Oversight Board meeting, and the Richmond ground floor merchants ribbon cutting. She thanked Val Menotti for his assistance with the Richmond community.

President Dufty reported he had attended a Salesforce Accessibility group meeting with District staff.

President Dufty called for Public Comment. No comments were received.

The Meeting was adjourned at 3:27 p.m. in honor of Walter Davis Miles.

Patricia K. Williams
District Secretary



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>6 June 2019</i> <i>Robt M. Perrew</i>		GENERAL MANAGER ACTION REQ'D:		
DATE: 6/3/2019		BOARD INITIATED ITEM: No		
Originator/Prepared by: May Cooper Dept: District Secretary	General Counsel <i>[Signature]</i>	Controller/Treasurer <i>[Signature]</i>	District Secretary <i>P. Wmsd.</i> <i>6-5-19</i>	BARC
Signature/Date: <i>May Cooper 6/5/19</i>	<i>6/5/19</i> []	<i>6/5/19</i> []	[]	[]

BART Police Citizen Review Board Appointments and Re-appointments

PURPOSE:

Request the Board of Directors appoint Zachary Bruno; and re-appoint Dwaine Pete Longmire, Darren White, Les Mensinger and David Rizk to the BART Police Citizen Review Board.

DISCUSSION:

The BART Police Citizen Review Board (BPCRB) was established by the BART Board of Directors (Board) to increase visibility for the public into the delivery of BART police services, to provide community participation in the review and establishment of BART Police Department (BPD) policies, procedures, practices and initiatives, and to receive citizen complaints and allegations of misconduct by BPD employees.

In accordance with Chapter 2-02 of the BART Citizen Oversight, those members of the BPCRB appointed by Directors from Districts 2, 4, 6, and 8, as well as the BART Police Association, shall have their terms of service expire on June 30, 2019. All appointments of new members, or reappointments of currently-seated members, shall be for two-year terms.

The Directors from Districts 2, 4, 6, and 8 have indicated an intention to reappoint each of their current BPCRB appointees, respectively, and each of those current BPCRB appointees has indicated acceptance of such reappointment. Additionally, the BART Police Association has selected an appointee to fill their vacancy. All new appointments, or reappointments of currently-seated members, if approved by the Board, will be officially installed as members of the BPCRB for a term of two years, beginning on July 1, 2019.

FISCAL IMPACT:

None.

ALTERNATIVES:

Do not make the appointments/reappointments.

RECOMMENDATION:

Appoint Zachary Bruno, and reappoint Dwaine Pete Longmire, Darren White, Les Mensinger and David Rizk, to the BART Police Citizen Review Board.

MOTION:

That the BART Board of Directors ratifies the appointment or reappointment of the following individuals for a term of 2 years, beginning on July 1, 2019, and expiring on June 30, 2021:

Zachary Bruno, BART Police Associations (BPOA and BPMA)

Dwaine Pete Longmire, District 2

Darren White, District 4

Les Mensinger, District 6

David Rizk, District 8

**BART POLICE CITIZEN REVIEW BOARD:
BART POLICE ASSOCIATION APPOINTMENT**

Zachary Bruno

Professor of Music

Director of Bands and Orchestras

Skyline College, San Bruno, CA

Zachary Bruno was born and raised in Hayward, CA. He is an avid BART rider, commuting 5 days per week while attending UC Berkeley, and currently takes BART to approximately 20 Oakland A's games during the summer. Mr. Bruno's interest in the BART Police Department lead him to participate in police "ride-along's" in Hayward. He serves his community as a volunteer at 3 Crosses Church in Castro Valley, and the California Music Educators Association. Mr. Bruno has a Bachelor's, University of California, Berkeley (2006); Master's: University of the Pacific (2008); and a Doctorate: Boston University (2011).



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Robert M. Peura</i> 6 June 2019		GENERAL MANAGER ACTION REQ'D:		
DATE: 6/3/2019		BOARD INITIATED ITEM: No		
Originator/Prepared by: Kate Jordan Steiner Dept: Budget Signature/Date: <i>[Signature]</i> 6/3/19	General Counsel <i>[Signature]</i> 6/4/19 []	Controller/Treasurer <i>[Signature]</i> 6/5/19 []	District Secretary <i>[Signature]</i> 6-7-19 []	BARC <i>[Signature]</i> 6/5/19 []

Annual Budget Resolution for Fiscal Year 2020

PURPOSE:

Authorize adoption of the Annual Budget Resolution for Fiscal Year 2020 (FY20).

DISCUSSION:

Approval by the Board of Directors is required for the FY20 operating and capital budgets. The total proposed FY20 operating and capital budget is \$2.37 billion (B). The FY20 operating budget is balanced, with \$947.3 million (M) in uses, and the FY20 capital/reimbursable budget totals \$1.42B.

The proposed FY20 annual budget is summarized in Attachments 1, 2, 3 and Exhibit A. The attachments summarize the budget including proposed initiatives and allocations that were reviewed in presentations to the Board of Directors at regular meetings from March through June. The capital budget has been updated for the finalized FY20 budgeted positions. Changes from the Preliminary Budget are discussed below.

FY20 Operating Budget

The operating budget proposes FY20 expenditures of \$947.3M and funds 3,396.6 positions. The FY20 operating budget does not include funding for the Silicon Valley Berryessa Extension as an opening date has not been finalized. The Santa Clara Valley Transportation Authority (VTA) will reimburse BART for any unbudgeted expenses incurred by BART to prepare for the opening of the extension. Despite continued challenges with declining ridership, the FY20 budget includes new initiatives (\$15.8M operating and \$0.1M capital), funded primarily by self-imposed cuts by all departments to General Fund spending. These

initiatives include investments to address quality of life on BART including additional police officers and fare evasion mitigation; compliance including training, testing, fire life safety, and accessibility; and modernization, efficiency, and financial stability including support staff and software updates. In addition, per Board policy established in 2013, a portion of parking revenue funds a variety of station and access related projects, including further efforts to improve quality of life on BART, more effective management of BART parking, art conservation support, and other stations/access initiatives (\$1.7M operating and \$0.7M capital). All initiatives for FY20 are listed in Attachment 3.

The FY20 budget includes revenue from the final increase in Series 2 of the Board approved Productivity-adjusted Inflation-based fare increase program. Per Board Resolution 5208, this 5.4% increase, effective January 2020, is budgeted to provide \$12M of revenue for high priority capital needs including procurement of new rail cars.

The FY20 operating budget includes the following changes from the Preliminary Budget:

- \$0.3M increase to operating revenue
- \$0.2M increase to financial assistance
- \$0.2M increase to labor expense
- \$0.3M increase to non-labor expense

The other changes from the Preliminary Budget include adding one full time property manager for the MET Building and other miscellaneous labor adjustments. Non-labor was increased by a net of \$0.3M, reflecting an increase to the operating portion (and corresponding decrease to the capital portion) of the Homelessness initiative as well the cost for an ongoing stationary engineering contract at the MET Building.

During FY20 Budget discussions, some Board members voiced support for a pilot program designed to improve the customer experience by placing ambassadors, gatekeepers, and/or police cadets at certain stations. Staff expects FY19 will close with a favorable financial result, and \$0.5M of such a result could fund the pilot in FY20, with pilot details developed with the Board prior to FY19 close.

FY20 Capital & Reimbursable Budget

The capital/reimbursable budget proposes FY20 expenditures of \$1.42B and funds 1,622.8 positions. The \$62M increase from the Preliminary Budget is due to ongoing refinement and sequencing of the multi-year funded capital projects. The FY20 capital/reimbursable budget is 5% higher than the \$1.35B FY19 capital budget.

The largest category of projects is System Reinvestment at \$983M (69% of overall capital budget), which includes replacement rail cars at \$262M, track and structures rehabilitation at \$201M, and traction power at \$151M. The capital budget also includes Earthquake Safety investments at \$167M (12%), Service & Capacity Enhancements at \$158M (11%), Safety & Security projects at \$74M (5%), System Expansion projects at \$30M (2%), and

Reimbursable expenses at \$7M.

In November 2016, the capital program was provided with a substantial source of support with the passage of Measure RR and its authorization to issue up to \$3.5B in general obligation bonds to fund certain capital improvements. Measure RR has become more prominent in the mix of federal, regional and local funds, which also includes a sizable commitment of BART operating allocations. Measure RR makes up \$646M (45%) of FY20 capital sources, funding a variety of programs including cable replacement (\$83M), escalator replacement in downtown San Francisco (\$35M), and station access at Fremont, Dublin/Pleasanton, Civic Center/UN Plaza, and North Berkeley stations (\$15M).

The ongoing commitment of BART funds (\$273M, 19% of capital budget) is an essential component of the capital program, particularly in meeting the long-term commitments required to deliver major capital projects such as rail car replacement and the Hayward Maintenance Complex. Other capital activities dependent on operating allocations are providing local match for grants, and funding grant-ineligible projects and initiatives, routine but necessary capitalized maintenance projects, emergent safety and security projects, and equipment and inventory.

Operating allocations derived from parking revenues are dedicated, per Board policy, to a variety of station and access improvements, including signage, pedestrian improvements, station heavy cleaning, information displays, bike improvements, limited studies, and the sustainability program. As mandated by regional programming requirements, federal funds are directed to train control and traction power, trackway renovation, general mainline repairs, rail cars, fare collection, and ADA/system accessibility improvements.

Other capital revenues are limited in their flexibility and many sources and grants are restricted to certain projects and/or activities as a condition of award. The FY20 capital budget contains modest but important contributions of state and local funds, including bridge toll allocations and county transportation sales tax funds, which are earmarked for station modernization and grant match. Proceeds from the Earthquake Safety Program general obligation bond are dedicated exclusively to the Earthquake Safety Program. Additionally, there are smaller, defined purpose grants that are limited to specific projects.

FY20 Budget Resolution

Staff recommends approval of the attached Resolution to adopt the FY20 Annual Budget. As in previous years, the FY20 Resolution includes authorizations including the submittal of annual applications for Transportation Development Act (TDA), State Transit Assistance (STA) and Bridge Toll funds that are included in the FY20 capital budget, as appropriate. The Resolution also allows the General Manager or the General Manager's designee to execute the agreement with the City and County of San Francisco to provide annual transfer payments for feeder services to the San Francisco Municipal Transportation Agency. The Resolution also incorporates provisions referring to the SFO Extension service plan and

certain District system-wide operating policies.

Exhibit A (attached) of the Budget Resolution summarizes operating and capital budget totals. It includes modifications to the Preliminary Budget as outlined in the previous paragraphs. Exhibit B (attached) reflects current hourly pay rates or base pay ranges, as applicable, and management incentive pay, if any, for non-represented employees.

FISCAL IMPACT:

The proposed FY20 Annual Budget is balanced.

ALTERNATIVES:

Not adopt the budget or adopt a budget that differs from what has been presented to the Board of Directors. Rules of the Board of Directors require that the budget be adopted prior to June 30th; adoption of the Budget Resolution by June 30th is required to authorize expenditures in FY20.

RECOMMENDATION:

Adoption of the following motion.

MOTION:

Adoption of the attached Resolution in the matter of approving the Annual Budget for the San Francisco Bay Area Rapid Transit District and authorizing expenditures for the fiscal year July 1, 2019 to June 30, 2020.

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

**In the matter of approving
The Annual Budget for the
San Francisco Bay Area Rapid
Transit District and authorizing
Expenditures for the Fiscal Year
July 1, 2019, to June 30, 2020**

Resolution No. _____

WHEREAS, the Board of Directors of the San Francisco Bay Area Rapid Transit District published notices on May 3 in newspapers of general circulation in the County of San Francisco, the County of Contra Costa, and the County of Alameda of its intention to adopt an Annual Budget for the Fiscal Year July 1, 2019, to June 30, 2020; and

WHEREAS, the Board of Directors of the San Francisco Bay Area Rapid Transit District desires to adopt an Annual Budget for the Fiscal Year July 1, 2019, to June 30, 2020; and

WHEREAS, the Board of Directors of the San Francisco Bay Area Rapid Transit District is required by Public Utilities Code Section 28767 to determine and create, by resolution, such number and character of positions as are necessary to properly carry out the functions of the District; and

WHEREAS, the Transportation Development Act (TDA), Public Utilities Code §99200, et seq., provides for the disbursement of funds from the Local Transportation Fund of the Counties of Alameda and Contra Costa for use by eligible claimants for the purpose of operating assistance; and

WHEREAS, the State Transit Assistance (STA) fund makes funds available pursuant to Public Utilities Code Section 99313.6 for allocation to eligible applicants to support approved transit projects; and

WHEREAS, as attested to by opinions of the Office of the General Counsel, the San Francisco Bay Area Rapid Transit District is an eligible applicant for Net Toll Revenues and MTC Rail Extension Reserve bridge toll revenues pursuant to Section 30892 of the Streets and Highways Code; and is an eligible claimant for TDA and STA funds pursuant to Public Utilities Code Section 99260; and

WHEREAS, the agreement between the San Francisco Bay Area Rapid Transit District and San Mateo County Transit District, dated April 27, 2007, states that the San Francisco Bay Area Rapid Transit District will provide service on the SFO extension in a manner consistent with BART's system-wide operating policies; and

WHEREAS, the system-wide operating plan for Fiscal Year 2020 was presented to the Board of Directors on May 9, 2019, in a presentation entitled Fiscal Year 2020 Preliminary Budget: Sources, Uses, Capital, & Service Plan; and

NOW, THEREFORE, BE IT RESOLVED that the attached Annual budget (marked Exhibit A and incorporated herein as though set forth at length) is hereby adopted; and

BE IT FURTHER RESOLVED that, subject to the resolved clauses, said Annual Budget includes appropriations of monies expected to be available in the General Fund, Capital Funds including Construction Funds and existing and anticipated Federal, State and local grants, for expenditures in the amounts and for the purposes set forth in said budget; and

BE IT FURTHER RESOLVED that the General Manager is authorized to enter into services agreements (including professional, technical, maintenance and repair agreements) and lease or license agreements for District use of real property, facilities, equipment and software provided that:

- (1) The General Manager shall first determine that the work or services concerned, in the amounts authorized in a service agreement, cannot satisfactorily be performed by the officers or employees of the District;
- (2) Agreements that are let by public bidding, service, lease, and license agreements, and amendments thereto, between \$25,000 and \$100,000, shall be reported bi-monthly to the Board of Directors;
- (3) Prior authorization by the Board of Directors is required when:
 - a. The agreement, and amendments thereto, total in the aggregate \$100,000 or more in the fiscal year; or
 - b. Amendments total in the aggregate \$100,000 or more in any subsequent fiscal year;
- (4) The General Counsel is authorized to enter into services agreements in amounts up to \$100,000 with special counsel not previously designated by the Board without prior notice to the Board where the General Counsel determines that such immediate action is necessary to protect the legal interests of the District. Any such agreement shall be reported by the General Counsel to the Board within the calendar month thereafter.
- (5) The General Manager's authority to take immediate remedial measures, as defined in Section 20224 of the California Public Contract Code, and as authorized in Resolution No. 4834 shall remain unchanged; and

BE IT FURTHER RESOLVED that the General Manager is authorized to exchange District goods and services for goods and services from others of approximately equal or greater value; and

BE IT FURTHER RESOLVED that all disbursements resulting from the exercise of authority granted the General Manager pursuant to this resolution shall be reported to the Board of Directors in the District's quarterly financial report; and

BE IT FURTHER RESOLVED THAT that the General Manager is authorized to waive minor irregularities in bid documents prior to recommending contract awards to the Board; and

BE IT FURTHER RESOLVED that the General Manager or the General Manager's designee is authorized to execute and file a Bridge Toll Application, a TDA Application and an STA Application along with necessary supporting documents, with the Metropolitan Transportation Commission for allocation of bridge toll revenues, TDA and STA funds in FY20; and

BE IT FURTHER RESOLVED that the San Francisco Bay Area Rapid Transit District's system-wide operating policies shall be generally as set forth in the May 9, 2019, in a presentation entitled Fiscal Year 2020 Preliminary Budget: Sources, Uses, Capital, & Service Plan, subject to such adjustments that staff determines necessary to operate the service in the public's interest; and

BE IT FURTHER RESOLVED that the General Manager or the General Manager's designee is authorized to execute an agreement with the City and County of San Francisco (CITY) to provide a transfer payment in FY19, such transfer payment being paid by the District to CITY in order to facilitate the coordination of transit service and furnish an incentive to CITY for providing enhanced transfer services between MUNI and BART stations; and

BE IT FURTHER RESOLVED that the General Manager is authorized to make expenditures and incur liabilities against said funds within the limits set forth in said budget and the provisions of this Resolution, and to act on behalf of the District in connection with contracts arising thereunder, by following the procedures provided by law, and by Board of Directors' Resolutions and Board Rules, except that no contractual obligation shall be assumed by the District in excess of its ability to pay, and provided further that all expenditures shall be in conformance with statutory and other restrictions placed on the use of said funds; and

BE IT FURTHER RESOLVED that the General Manager is authorized to exceed Board Appointed Department/Executive Office budgets by more than ten percent (10%) ten (10) days after written notice of this intended action has been mailed to the Board of Directors, provided that the Total Net Operating Expense line item set forth in "Exhibit A" is not exceeded and such action is consistent with Board Rule 5-1.4 and provided further that the General Manager will prepare and send to the Board, a summary of Department budgets within approximately 30 days after the adoption of this budget; and

BE IT FURTHER RESOLVED that the General Manager is authorized to exceed the foregoing ten percent limitation for emergency expenditures which are made in accordance with Resolution No. 4834 and Public Contract Code Section 20224; and

BE IT FURTHER RESOLVED that the General Manager is authorized to act on behalf of the District, and to make expenditures and incur liabilities against all funds of the District as provided for in contracts which have been authorized by the Board of Directors of the District and that the Board's authorizations of such contracts also include the necessary appropriations for such

contracts and change orders authorized by Rules approved by the Board, subject, however, to compliance with such specific appropriation resolutions as may be adopted by the Board from time to time; and

BE IT FURTHER RESOLVED that the General Manager or the General Manager's designee is authorized to issue free or discounted promotional tickets in FY20 for purposes of building ridership on the system, consistent with ridership development guidelines; and

BE IT FURTHER RESOLVED that effective July 1, 2019:

- (1) The total number of permanent full and permanent part-time positions ("full time equivalent") as of July 1, 2019, budgeted for the District shall be 5,019.4 (a part-time position is counted as 0.625 positions). Additional permanent positions are authorized, as required, not to exceed 50 positions, of which not more than 25 positions may be charged to operating expense provided the budgeted Total Net Operating Expense is not thereby exceeded;
- (2) The character and salary ranges of such positions, including officers appointed by the Board pursuant to Public Utilities Code Section 28811 shall be as set forth in the agreements entered into with Service Employees' International Union, Local 1021, Amalgamated Transit Union, Local 1555, American Federation of State and County Municipal Employees, Local 3993, the BART Police Officers Association and the BART Police Managers Association as to the employees represented thereby, and with other Bargaining Units for employees that may later be represented thereby, and for all other employees as set forth in the attached "Exhibit B", incorporated herein as though set forth at length. The employment benefits for non-represented employees shall be administered by the General Manager in accordance with Board Rule 4-1.2.
- (3) The General Manager is authorized to make future adjustments to the Professional/Management Salary Ranges ("Exhibit B") for non-represented employees in accordance with applicable provisions of the Compensation Manual, which reflects the District policy and practice to evaluate such ranges on an annual basis and to establish the mid-points of the pay ranges for positions so that they approximate the 75th percentile of the average of salaries paid for similar jobs in the labor market and to promptly advise the Board of any and all such range adjustments. The General Manager is directed to initiate the annual review by October of each year.
- (4) The District Secretary shall insure that an amendment to Exhibit B be prepared to reflect any adjustment to the hourly wage rates or professional/management pay bands as provided above or any adjustment to the Board appointed officers' salaries as a result of merit adjustments or scheduled increases provided in such officers' employment agreements that take effect during the fiscal year. The District Secretary shall attach any such amendment to Exhibit B as an addendum to this resolution.

- (5) The General Manager is authorized to pay non-represented employees on the merit plan who are eligible for a wage increase of up to 2.75% as of July 1, 2019, that portion of their merit increase which exceeds the top of the base salary range with no increase to the employee's "base wage" above the top of the salary range. The amount over the top of the salary range shall be paid over the following twelve month period in equal pay period installments and will be discontinued after the expiration of the twelve month period unless the pay range is adjusted in accordance with (3), above, to incorporate that portion that is over the top of the salary range. Employees must have been rated "effective" or higher overall in their most recent performance evaluation to be eligible for any merit increase.

BE IT FURTHER RESOLVED that the General Manager or the General Manager's designee shall post all grant applications online to the public as they are submitted, except those that if made public would compromise the security of the system.

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Attachment 1

Fiscal Year 2020 District Operating Budget Sources & Uses Detail

	FY20 PRELIMINARY	FY20 ADOPTED	INCREASE (DECREASE)
Rail Passenger Revenue	\$ 479,353,015	\$ 479,353,015	\$ -
ADA Passenger Revenue	888,896	\$ 888,896	-
Parking Revenue	36,527,523	\$ 36,527,523	-
Other Operating Revenue	28,425,826	\$ 28,723,958	298,132
Subtotal - Operating Revenue	545,195,260	545,493,392	298,132
Sales Tax Proceeds	277,000,000	\$ 277,000,000	-
Property Tax Proceeds	50,622,254	\$ 50,622,254	-
SFO Ext Financial Assistance	5,814,899	\$ 5,814,899	-
Local & Other Assistance	6,429,013	\$ 6,429,013	-
State Transit Assistance	39,196,299	\$ 39,370,555	174,256
Low Carbon Transit Operations Program	8,374,385	\$ 8,374,385	-
Low Carbon Fuel Standard Program	14,149,560	\$ 14,149,560	-
Subtotal - Financial Assistance	401,586,410	401,760,666	174,256
SUBTOTAL - OPERATING SOURCES	946,781,670	947,254,058	472,388
Labor & Benefits	\$ 591,421,905	\$ 591,627,444	\$ 205,539
ADA Paratransit	16,931,647	16,931,647	-
Purchased Transportation	14,634,613	14,634,613	-
Power	45,596,872	45,596,872	-
Other Non-Labor	130,700,497	130,967,346	266,849
Subtotal - Operating Expense	799,285,534	799,757,922	472,388
Bond Debt Service	47,237,727	47,237,727	-
<i>Allocation - Capital Rehabilitation</i>	<i>25,323,200</i>	<i>25,323,200</i>	-
<i>Allocation - Priority Capital Programs</i>	<i>52,165,937</i>	<i>52,165,937</i>	-
<i>Allocation - Stations & Access Projects</i>	<i>3,904,184</i>	<i>3,904,184</i>	-
<i>Allocation - Other</i>	<i>4,317,589</i>	<i>4,317,589</i>	-
<i>Allocation - Sustainability from LCFS</i>	<i>7,074,780</i>	<i>7,074,780</i>	-
<i>Allocation - Pension</i>	<i>10,000,000</i>	<i>10,000,000</i>	-
<i>Allocation - Reversed Capital</i>	<i>(2,527,281)</i>	<i>(2,527,281)</i>	-
Subtotal - Debt Service & Allocations	147,496,136	147,496,136	-
TOTAL - OPERATING EXPENSE	946,781,670	947,254,058	472,388
NET RESULT	\$ 0	\$ 0	\$ (0)
Average Weekday Trips	404,900	404,900	\$ -
Rail Farebox Recovery Ratio	60.1%	60.0%	\$ (0)
Operating Ratio	68.2%	68.2%	\$ (0)

Attachment 2

FY20 Capital & Reimbursable Budget Headcount and Planned Expenditures Program Summary by Category

Program Category	FY20 Headcount*	FY20 Planned Expenditures
System Reinvestment		
Mainline	73.7	\$ 409,443,035
Rolling Stock	690.9	\$ 261,853,073
Stations	76.6	\$ 118,188,362
Controls & Communications	148.8	\$ 96,891,610
Facilities	52.0	\$ 93,454,598
Work Equipment	2.4	\$ 3,173,264
Total System Renovation	1,044.3	\$ 983,003,941
Safety & Security	89.1	\$ 73,952,356
Earthquake Safety	87.4	\$ 167,119,778
Service & Capacity Enhancement	114.4	\$ 158,216,475
System Expansion	198.1	\$ 30,185,746
SUBTOTAL CAPITAL	1,533.3	\$ 1,412,478,297
Capitol Corridor**	24.0	\$ 4,643,766
Reimbursable***	17.5	\$ 2,825,021
SUBTOTAL REIMBURSABLE	41.5	\$ 7,468,787
Cost Allocation Plan	48.0	
TOTAL CAPITAL & REIMBURSEABLE	1,622.8	\$ 1,419,947,084

* Total authorized permanent positions.

** All expenses for the Capitol Corridor service to be reimbursed as allocated to the Capitol Corridor Joint Powers Board in the Annual State Budget Act.

*** Positions fully reimbursed by Muni, Caltrans, and others for BART staff expenses incurred in performing services for those organizations.

Attachment 3

FY20 Operating and Capital Budget Initiatives (General Fund)

OPERATING		Pos.	Labor	Non-Labor	Total
Quality of Life	Additional Police Officers	19.0	1,963,197	114,000	2,077,197
	Additional Fare Inspectors	4.0	473,820	-	473,820
	Transportation Management	4.0	935,540	-	935,540
	Procurement	15.0	1,731,315	-	1,731,315
	Payroll	2.0	297,608	-	297,608
	OCIO Help Desk Support	2.0	336,856	-	336,856
	HASTUS Software	-	-	830,000	830,000
Modernization, Efficiency and Financial Stability	Strategic Budget Administrator	1.0	224,370	-	224,370
	Maximo Software Support	1.0	211,774	-	211,774
	Leave Management	1.0	233,885	-	233,885
	Budget Analysis	1.0	200,797	-	200,797
	Measure RR Operating Support	2.0	305,816	2,493,721	2,799,537
	Operational Utilities	-	-	1,050,000	1,050,000
	MET Building	3.0	305,154	30,000	335,154
	BART to Antioch Operations	-	-	900,000	900,000
	Drug & Alcohol Testing	1.0	233,885	-	233,885
	Safety Training	-	-	300,000	300,000
	Early Warning Devices	-	-	360,000	360,000
Compliance	Fitness for Duty	1.0	196,576	100,000	296,576
	Fire & Life Safety	2.0	500,940	-	500,940
	Accessibility Investments	2.0	402,229	750,000	1,152,229
	Payment Card Industry Compliance	-	-	300,000	300,000
OPERATING TOTAL		61.0	8,553,762	7,227,721	15,781,483

CAPITAL					Total
Compliance	Accessibility Investments				81,656
CAPITAL TOTAL					81,656

FY20 Stations & Access Projects (from Parking Revenue)

OPERATING		Pos.	Labor	Non-Labor	Total
Quality of Life	Homelessness	-	-	1,716,500	1,716,500
OPERATING TOTAL		-	-	1,716,500	1,716,500

CAPITAL					Total
Quality of Life	Homelessness				283,500
	Fare Evasion Deterrent				381,000
CAPITAL TOTAL					664,500

EXHIBIT A
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
ANNUAL BUDGET - FISCAL YEAR 2020

<u>FUND SOURCES</u>	TOTAL
FUND SOURCES FOR NET OPERATING EXPENSE BUDGET, DEBT SERVICE AND CAPITAL ALLOCATIONS	
Operating Revenue	\$ 545,493,392
Property Tax	50,622,254
1/2 ¢ Sales Tax	277,000,000
Measure B, BB, & J Assistance	5,362,524
Other Financial Assistance	115,000
Caltrain - Millbrae Station Joint Use	951,489
SFO Ext Financial Assistance	5,814,899
State Transit Assistance	39,370,555
Low Carbon Transit Operations Program (LCTOP)	8,374,385
Low Carbon Fuel Standard Program (LCFS)	14,149,560
Total Operating Sources	947,254,058
FUND SOURCE FOR CAPITAL BUDGET	
Capital Funds - Cash Flow FY20	1,419,947,084
TOTAL ESTIMATED FUND SOURCES	\$ 2,367,201,142
<u>FUND USES</u>	
FUND USES FOR NET OPERATING EXPENSE BUDGET, DEBT SERVICE AND CAPITAL ALLOCATIONS	
Net Labor Expense ⁽¹⁾	\$ 591,627,444
Non-Labor Expense	208,130,477
Total Net Operating Expense	\$ 799,757,921
Revenue Bond Debt Service	47,237,727
Allocations to Capital - Rehabilitation	25,404,856
Allocations to Capital - Priority Capital Programs	52,165,937
Allocations to Capital - Stations & Access Projects	3,904,184
Allocations to Capital - Other	4,235,933
Allocation to Sustainability from LCFS	7,074,780
Allocation - Fiscal Stability Pension	10,000,000
Reverse Operating Reserve	(2,527,281)
Total Operating Uses	\$ 947,254,057
FUND USES FOR CAPITAL BUDGET	
Capital Funds - Cash Flow FY19	\$ 1,419,947,084
TOTAL ESTIMATED FUND USES	\$ 2,367,201,141
NET FINANCIAL RESULT (DEFICIT)	0

⁽¹⁾ Total Authorized Permanent Positions as of 07/01/19 = 5,019.4

EXHIBIT B

**CHARACTER, BASE SALARIES, PAY BANDS, HOURLY WAGE RATES,
AND MANAGEMENT INCENTIVE PAY OF MANAGEMENT AND
NON-REPRESENTED CLASSIFICATIONS**

CHARACTER OF POSITION/PAYROLL CLASSIFICATION TITLE	HOURLY WAGE RANGE					
	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
CLERICAL & HOURLY						
ADMINISTRATIVE TECHNICIAN	\$31.8241	\$ 33.2239	\$ 34.5212	\$ 35.8522	\$ 37.2178	\$ 37.7421
ADMINISTRATIVE SECRETARY	30.6409	31.9866	33.2332	34.5133	35.8266	36.3260
SENIOR SECRETARY	28.5400	29.5909	30.6743	31.9866	33.2667	33.7660
SENIOR CLERK	30.3688	31.7015	32.9367	34.2047	35.5052	36.0047
INTERMEDIATE CLERK	27.1828	28.2873	29.3279	30.4029	31.7015	32.2009
INTERMEDIATE CLERK P/T	29.8651	31.0801	32.2247	33.4073	34.8357	35.3850
PARALEGAL	37.9728	39.6416	41.1872	42.7747	44.4033	45.0224
P/T SURVEY TAKER (SINGLE RATE)	36.5297					
ENGINEER INTERN	18.0000					

NOTE: The clerical rates are effective 7/1/2019

PROFESSIONAL/MANAGEMENT PAY BANDS

PAY BAND	MINIMUM	MIDPOINT	MAXIMUM
15	\$188,013	\$239,719	\$291,424
14	170,533	217,432	264,330
13	147,316	187,830	228,343
12	133,622	170,368	207,114
11	127,256	162,254	197,252
10	121,196	154,526	187,856
9	115,426	147,169	178,912
8	109,929	140,160	170,391
7	99,708	127,129	154,549
6	94,961	121,076	147,191
5	86,132	109,819	133,506
4	82,031	104,591	127,150
3	78,124	99,610	121,095
2	74,403	94,866	115,329
1	67,485	86,045	104,605

NOTE: The professional/ management pay bands were effective 7/1/2017

MANAGEMENT INCENTIVE PAY (ANNUAL)	Amount	Effective
Assistant General Manager - Operations	\$4,800	8/27/2018
Assistant General Manager- External Affairs	\$4,800	11/4/2013
Assistant General Manager- Administration	\$4,800	1/30/2017
Assistant General Manager- Technology/CIO	\$4,800	3/1/2013
Assistant General Manager- Planning, Dev't & Construction	\$4,800	12/29/2017
Assistant General Manager- Performance & Budget	\$4,800	7/23/2018
Deputy General Manager	\$4,800	2/13/2017
Managing Director - Capitol Corridor	\$4,800	11/21/2009

Due to the unique nature of these jobs as executive management employees reporting directly to the General Manager, these classifications are eligible to receive Management Incentive Pay of \$4,800 annually (26 equal pay period installments of \$184.61).

BOARD APPOINTED OFFICERS' ANNUAL SALARIES

	Base Salaries	Effective
DISTRICT SECRETARY	\$208,424.00	9/3/2018
CONTROLLER-TREASURER	\$264,735.35	7/1/2018
GENERAL COUNSEL	\$292,703.05	7/1/2018
GENERAL MANAGER	\$395,024.09	7/1/2018
INDEPENDENT POLICE AUDITOR	\$199,363.72	7/1/2018

Note: The Board approved the salary adjustments for the Board Appointed Officers on November 15, 2018.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>6 June 2019</i> <i>Rhett M. Power</i>		GENERAL MANAGER ACTION REQ'D:		
DATE: 6/3/2019		BOARD INITIATED ITEM: No		
Originator/Prepared by: Dennis Lee Dept: Financial Planning Signature/Date: <i>[Signature]</i> 6/5/19	General Counsel <i>[Signature]</i> 6/5/19 []	Controller/Treasurer <i>[Signature]</i> 6/5/19 []	District Secretary []	BARC <i>[Signature]</i> 6/5/19 []

Silicon Valley Berryessa Extension Fares

Purpose:

Adopt a resolution approving fares to be charged for trips to and from the BART Silicon Valley Berryessa Extension stations of Milpitas and Berryessa/North San Jose.

Discussion:

The BART Silicon Valley Berryessa Extension (SVBX) is a 10-mile rail extension located in Alameda and Santa Clara counties that will run between the Warm Springs/South Fremont Station and Berryessa Road in San Jose. There are two stations: Milpitas Station, located approximately seven miles from the existing Warm Springs/South Fremont Station; and Berryessa/North San Jose Station, located approximately 10 miles from the Warm Springs/South Fremont Station.

In accordance with the “Comprehensive Agreement between the Santa Clara Valley Transportation Authority (VTA) and the San Francisco Bay Area Rapid Transit District (BART) in Connection with the Proposed Santa Clara County BART Extension” (Comprehensive Agreement), fares for the new service are calculated by applying BART’s existing distance-based fare structure. The table below shows current sample Clipper fares for the SVBX service. The attached resolution includes complete current fare tables for adult Clipper and discounted Clipper fares for seniors and people with disabilities. The current fare for riders using a Blue magnetic-stripe ticket is an additional 50 cents. For discounted magnetic-stripe tickets, the 50-cent surcharge is reduced by a percentage equal to the discount given, so that seniors and people with disabilities (who receive a 62.5% discount) pay a surcharge of approximately \$0.19.

Current Adult Clipper Fares	12 th St/Oakland	Embarcadero	Downtown Berkeley
Warm Springs/South Fremont	\$5.00	\$6.75	\$5.30
Milpitas	\$5.70	\$7.50	\$6.05
Berryessa/North San Jose	\$5.95	\$7.75	\$6.30

On May 23, 2019, the Board approved the “Silicon Valley Berryessa Extension Title VI Equity Analysis and Public Participation Report”. As BART’s distance-based fare structure is unchanged, staff has determined that the proposed fares will have no adverse effect on SVBX riders. Since there is no adverse effect on riders, the analysis found that the proposed SVBX fares would not result in a disparate impact on minority riders or a disproportionate burden on low-income riders.

A public hearing on the proposed SVBX fares was held on May 23, 2019. No public comments were received.

Fiscal Impact:

In accordance with the Comprehensive Agreement, fare revenue generated by trips beginning or ending at the two SVBX stations will be applied to the VTA operating and capital obligations due to BART arising from the SVBX extension. Fiscal Year 2021 will be the first full year of service of the SVBX extension, with net fare revenue from SVBX trips estimated at approximately \$30 to \$35 million. Fare revenue is projected to grow in succeeding years as additional new riders begin to use the service.

Alternatives:

SVBX fares could be calculated using a different method from application of the existing distance-based fare structure as directed by the Comprehensive Agreement. Application of an alternative method would result in fares that are inconsistent with fares charged for trips taken in the rest of the system.

Recommendation:

Adoption of the following motion.

Motion:

Adopt the attached resolution, “In the Matter of Adopting Fare Rates and Charges: Silicon Valley Berryessa Extension.” Two-thirds vote required.

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

In the Matter of Adopting

Fare Rates and Charges:

Silicon Valley Berryessa Extension

Resolution No. _____

WHEREAS, pursuant to Public Utilities Code Section 29038, it is the duty and responsibility of the Board of Directors of the San Francisco Bay Area Rapid Transit District ("District") to fix the rates and charges for rapid transit service to be furnished by the District; and

WHEREAS, the Silicon Valley Berryessa Extension (SVBX) is located in Alameda and Santa Clara counties and has two stations: Milpitas Station, which is located approximately seven miles from the existing Warm Springs/South Fremont Station, and Berryessa/North San Jose Station, which is approximately three miles from Milpitas Station; and

WHEREAS, in accordance with the Comprehensive Agreement between the Santa Clara Valley Transportation Authority (VTA) and the San Francisco Bay Area Rapid Transit District (BART) in Connection with the Proposed Santa Clara County BART Extension, recommended fare rates and charges for BART service to or from Milpitas Station and Berryessa/North San Jose Station have been calculated by applying BART's existing distance-based fare structure to be consistent with fares charged for trips taken in the rest of the system, which includes a value equivalent to the District's capital surcharge typically applied to fares charged for trips taken in the three-county BART District, including Daly City; and

WHEREAS, the recommended fare rates and charges for SVBX service are set forth in the attached Exhibit A entitled "Fare Rates and Charges for the Silicon Valley Berryessa Extension"; and

WHEREAS, the "Silicon Valley Berryessa Extension Title VI Equity Analysis and Public Participation Report," approved by the BART Board on May 23, 2019, found the proposed fares would not result in a disparate impact on minority riders or a disproportionate burden on low-income riders; and

WHEREAS, a public hearing was held on May 23, 2019 at a regularly scheduled meeting of the Board to consider fare rates and changes for SVBX.

NOW, THEREFORE, the Board hereby finds that:

- (1) After careful study of staff recommendations, public comment, and due deliberations, the Board determines, as required by Public Utilities Code Section 29038, that the rates and charges for service are reasonable; and that insofar as practicable, these rates and charges are calculated to result in revenue which will:

- (a) Be applied to the VTA obligations to the District for expenses related to operating the extension;
- (b) Be applied to the VTA obligations to the District for VTA-related expenses for repairs, maintenance and depreciation of works owned and operated by the District;
- (c) Be applied to the VTA obligations to the District for VTA-related expenses for purchases, lease, or acquisition of rolling stock, including provisions for the interest, sinking funds, reserve funds, or other funds required for the payment of any obligations incurred by the District for the acquisition of rolling stock; and
- (d) After making any current allocation of funds for the foregoing purposes and by the terms of any indebtedness incurred under Public Utilities Code Articles 6 (commencing with Section 29240) and 7, (commencing with Section 29250) of Chapter 8, provide funds for any purpose the Board deems necessary and desirable to carry out the purposes of Part 2 of Division 10 of the Public Utilities Code.

(2) The rates and charges set forth in Exhibit A are for the purposes of:

- (a) Meeting operating expenses such as employee wage rates and fringe benefits;
- (b) Purchasing or leasing supplies, equipment or materials;
- (c) Meeting financial reserve needs and requirements; and
- (d) Obtaining funds for capital projects, necessary to maintain service within existing service areas.

The rates and charges for service set forth in Exhibit A are statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080(b)(8) and CEQA Guidelines, 14 Cal. Code Regs. § 15273 and that Notices of Exemption will be filed in the affected counties.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Francisco Bay Area Rapid Transit District that:

- (1) The rates and charges for BART service set forth in Exhibit A are hereby adopted.
- (2) The General Manager is authorized to implement the fare rates and charges as set forth in Exhibit A for the new Silicon Valley Berryessa Extension.

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**EXHIBIT A—FARE RATES AND CHARGES FOR THE SILICON VALLEY
BERRYESSA EXTENSION**

The fare rates and charges for BART service to or from the Silicon Valley Berryessa Extension stations of Milpitas and Berryessa/North San Jose shall be as shown in Attachments 1 and 2 should operation of the Silicon Valley Berryessa Extension commence on or before December 31, 2019. Should operations commence after that date, these fare rates and charges will be adjusted to remain consistent with fare rates and charges then in effect in the rest of the BART system.

The fares as shown in Attachment 1 will be paid by adult riders using the regional Clipper smart card. The fares as shown in Attachment 2 are Attachment 1 fares discounted by 62.5% rounded down to the nearest nickel and are charged for riders who are seniors or people with disabilities using the appropriate Clipper discount card.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>6 June 2019</i> <i>Robert M. Poore</i>		GENERAL MANAGER ACTION REQ'D:		
DATE: 6/5/2019		BOARD INITIATED ITEM: No		
Originator/Prepared by: Charlotte Barham Dept: Financial Planning	General Counsel <i>[Signature]</i>	Controller/Treasurer <i>[Signature]</i>	District Secretary	BARC
Signature/Date: <i>Charlotte Barham 6/5/19</i>	<i>6/5/19</i> []	<i>6/6/19</i> []	[]	<i>[Signature]</i> <i>6/5/19</i> []

Series 3, 2022-2028, Productivity-Adjusted Inflation-Based Fare Increase Program

PURPOSE:

Adopt a resolution to approve Series 3, 2022-2028, Productivity-Adjusted Inflation-Based Fare Increase Program.

DISCUSSION:

In 2003 and 2013, the Board of Directors authorized the General Manager to implement a Productivity-Adjusted Inflation-Based Fare Increase Program (Program) for below-inflation increases once every two years. The Program's less-than-inflation increase is calculated by taking the average of national and Bay Area inflation over two years and then subtracting one-half percent for productivity improvements.

Planned fare increases help the District avoid the cycle of keeping fares flat for many years, then raising fares by large percentages from financial necessity. Before the Program, from 1972 through 2005, fare increases were irregular and generally large. During the long gaps between increases, revenue eroded, and "catch up" increases became necessary, including a 30% increase in 1986 and a 45% increase over the three-year period from 1995 to 1997. With the advent of the Program, planned small, regular increases have produced predictable less-than-inflation adjustments, which are consistent with the District's Financial Stability Policy.

To date, the Board has approved two series of the Program fare increases:

- Series 1, 2006-2012, contributed approximately \$290 million (M) in additional fare revenue to help BART weather the Great Recession.
- Series 2 began in 2014, with the last increase scheduled for January 2020. By

Board policy, all incremental fare revenue from Series 2, estimated at approximately \$330M, helps fund BART’s high-priority capital projects: new rail cars, a new automatic train control system, and the Hayward Maintenance Complex.

The proposed Series 3 of the Program would increase fares by less than inflation in 2022, 2024, 2026, and 2028. Based on current inflation projections, the increase in each of these years is estimated to be 3.9%. When actual inflation data becomes available before each Series 3 increase, staff will calculate the actual percentage increase and prepare a Title VI fare equity analysis for Board approval.

The following table shows BART’s current average net fare, the average net fare for the last increase of Series 2, and the projected average net fare with each proposed fare increase. The cumulative increase in the average net fare is \$0.89 over the 10 years from 2018 to 2028.

	Series 2		Series 3 Proposed				Cumulative Increase: 2018-2028
	2018 (Current)	2020	2022	2024	2026	2028	
<i>Fare Increase Percent*</i>	<i>Actual</i>		<i>Estimated</i>				
	2.7%	5.4%	3.9%	3.9%	3.9%	3.9%	
Net Average Fare	\$3.90	\$4.10	\$4.27	\$4.44	\$4.61	\$4.79	\$0.89

*Fare increase percentages calculated by taking the average of national and local inflation over a two-year period and then subtracting ½ percent for BART productivity improvements.

Staff estimates that Series 3 will generate approximately \$400M in new incremental fare revenue over eight years. Of that total, \$200M is proposed to provide funding toward BART’s local match to Federal Transit Administration (FTA) funding for BART’s Transbay Corridor Core Capacity Project (TCCCP). The remainder would help support BART operations.

The TCCCP is a coordinated package of capital investments that will replace vital system components to maintain system safety and reliability while enabling more frequent service. The project includes replacement of BART’s original train control infrastructure with a modern system to improve reliability, decrease the run time of trains between stations, and enhance maintenance efficiency. It also includes procurement of 306 new rail cars, expanded rail car storage facilities, and new traction power infrastructure to support more frequent service. To fund a portion of the TCCCP, BART has applied for an FTA Core Capacity Capital Investment Grant (CIG) of \$1.25 billion. The CIG requires a local match of a minimum of 50%. This match is proposed to be comprised of \$200M of BART operating-

to-capital budget allocations generated by the proposed Series 3 Program; a State Transit and Intercity Rail Capital Program grant; a Regional Measure 3 allocation; and an allocation from Measure RR.

A public hearing was held on May 23, 2019 at a regularly scheduled meeting of the Board to consider this change to fare rates and charges, at which no public comment was received.

On May 23, 2019, the Board approved the Program's Title VI Fare Equity Analysis, which found that Series 3 would not have a disparate impact on minority riders or place a disproportionate burden on low-income riders. Although some taking the survey did not support the option, new fare revenue will be used to fund critical BART capital needs and to operate those improvements, which will make the system better for all riders including those who are protected. It is also important to note that, pending Board approval, BART plans to participate in the Metropolitan Transportation Commission's Regional Means-Based Transit Fare Discount Pilot Program, which will give eligible low-income riders a 20% discount on each BART trip they take.

The proposed implementation of Series 3, Productivity-Adjusted Inflation-Based Fare Increase Program, 2022-2028, is exempt from review under the California Public Environmental Quality Act (CEQA) pursuant to the exemption set forth in the California Public Resources Code Section 21080(a)(8) and the CEQA Guidelines 14 Cal.Code.Reggs. Section 152723(a) since they are for the purpose of (a) meeting operating expenses, (b) purchasing or leasing supplies, equipment or materials, and (c) meeting financial reserve needs and requirements.

FISCAL IMPACT:

The overall fiscal impact of Series 3 of below-inflation fare increases once every two years, with the first increase effective January 2022 and the last in 2028, will depend on future inflation rates and ridership. Based on current inflation projections, the increase in each of these years is estimated to be 3.9%. Projected increases of 3.9% in 2022, 2024, 2026, and 2028 are estimated to generate approximately \$400M over Series 3's eight-year term.

ALTERNATIVES:

Do not approve the recommended Series 3, 2022-2028, Productivity-Adjusted Inflation-Based Fare Increase Program, which would require staff to identify other revenue sources and/or cost reductions in order to contribute \$200M to the required local match to FTA grant funding for the TCCCP and to balance future operating budgets.

RECOMMENDATION:

Approval of the following motion.

MOTION:

Adopt the attached resolution, "In the Matter of Adopting Modified Fare Rates and Charges: Approve Series 3, 2022-2028, Productivity-Adjusted Inflation-Based Fare Increase Program." Two-thirds vote required.

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

**In the Matter of Adopting
New Fare Rates and Charges: Series 3,
2022-2028, Productivity-Adjusted
Inflation-Based Fare Increase Program**

Resolution No. _____

WHEREAS, pursuant to Public Utilities Code Section 29038, it is the duty and responsibility of the Board of Directors of the San Francisco Bay Area Rapid Transit District ("District") to fix the rates and charges for rapid transit service to be furnished by the District; and

WHEREAS, the District's financial forecasts demonstrate the need to self-fund critical capital projects, support operating service, and help ensure the District's financial stability; and

WHEREAS, the ability to self-fund depends upon maintaining the purchasing value of BART's fare revenue, the buying power of which erodes over time due to the effects of inflation; and

WHEREAS, the District's adopted Financial Stability Policy has a combination of strategies that address operating expenses, capital investment, revenues and reserves by supporting passenger revenue increases tied to service costs and system needs, with particular consideration to small regular fare increases tied to inflation-based cost increases or other major cost factors and productivity; and

WHEREAS, in 2003, by Resolution No. 4885, the Board gave the General Manager the authority to implement four biennial productivity-adjusted inflation-based fare increases, the first such increase implemented in 2006 and the last in 2012; and

WHEREAS, these four small, regular fare increases were key to the District's financial stability during difficult economic times. The inflation-based component of these fare increases contributed approximately \$290 million in additional fare revenue, enabling BART to weather the Great Recession; and

WHEREAS, in 2013, by Resolution No.5208, the Board gave the General Manager the authority to implement a second series of four biennial productivity-adjusted inflation-based fare increases, the first such increase implemented in 2014 and the last scheduled for implementation in 2020. The increases are estimated to generate approximately \$330 million to help fund BART's high-priority capital projects: new rail cars, a new automatic train control system, and the Hayward Maintenance Complex; and

WHEREAS, calculation of the less-than-inflation fare increases of Series 3, 2022-2028, Productivity-Adjusted Inflation-Based Fare Increase Program (Series 3) to be implemented in January of 2022, 2024, 2026, and 2028 will be done by applying the

same formula as approved in Resolution Nos. 4885 and 5208, using actual inflation data, as set forth in Exhibit A; and

WHEREAS, the Series 3 fare increases are estimated to generate over \$400 million over eight years to help fund operation of enhanced service and a portion of the \$200 million local-funds match for the District's Federal Transit Administration (FTA) Capital Investment Grant (CIG) application to fund the Transbay Corridor Core Capacity Project (TCCCP), a coordinated package of capital investments that will replace vital system components to maintain system safety and reliability while enabling more frequent service, including replacement of BART's original train control infrastructure; procurement of 306 new rail cars, expanded rail car storage facilities, and new traction power infrastructure to support more frequent service; and

WHEREAS, the recommended modifications are set forth in the attached Exhibit A entitled, "Series 3, 2022-2028, Productivity-Adjusted Inflation-Based Fare Increase Program"; and

WHEREAS, the District has conducted outreach to the public, consistent with the District's Public Participation Plan, to receive their input on the proposed Series 3 fare increases, as documented in the report "Title VI Fare Equity Analysis for the Proposed 2020 Productivity-Adjusted Inflation-Based Fare Increase; Extension of the Productivity-Adjusted Inflation-Based Fare Increase Program 2022-28; and Magnetic Stripe Surcharge Increase: Public Participation Report; and

WHEREAS, a public hearing was held on May 23, 2019 at a regularly scheduled meeting of the Board to consider this modification to fare rates and charges; and

WHEREAS, to ensure compliance with federal and state civil rights laws prohibiting disparate impact in its programs and activities, the District has performed the required Title VI Fare Equity Analysis entitled "Title VI Fare Equity Analysis for the Proposed 2020 Productivity-Adjusted Inflation-Based Fare Increase; Series 3, 2022-28 of the Productivity-Adjusted Inflation-Based Fare Increase Program; and Magnetic Stripe Surcharge Increase", which the Board of Directors approved on May 23, 2019. The report found that the Series 3 fare increases would not result in a disproportionate impact on protected riders; and

WHEREAS, the Title VI analyses for the four fare increases of Series 3 will be updated and finalized, once the inflation percentage increase is known for those years and after public input is solicited. Implementation of each of these fare increases will be subject to Board approval of the corresponding and finalized Title VI Fare Equity Analysis, which will be in compliance with federal and state law in effect at the time.

NOW, THEREFORE, the Board hereby makes the following findings:

- (1) After careful study of staff recommendations, public comment, and due deliberations, the Board determines, as required by Public Utilities Code Section 29038, that the rates and charges for service, as modified by this Resolution, are reasonable; and that

insofar as practicable, these rates and charges are calculated to result in revenue which will:

- (a) Pay for the operating expenses of the District;
 - (b) Provide repairs, maintenance and depreciation of works owned and operated by the District;
 - (c) Provide for purchases, lease, or acquisition of rolling stock, including provisions for the interest, sinking funds, reserve funds, or other funds required for the payment of any obligations incurred by the District for the acquisition of rolling stock; and
 - (d) After making any current allocation of funds for the foregoing purposes and by the terms of any indebtedness incurred under Public Utilities Code Articles 6 (commencing with Section 29240) and 7, (commencing with Section 29250) of Chapter 8, provide funds for any purpose the Board deems necessary and desirable to carry out the purposes of Part 2 of Division 10 of the Public Utilities Code.
- (2) After careful study of staff recommendations, public comment, and due deliberations, the Board also determines, as required by the California Environmental Quality Act, Section 21080 (b)(8), that the rates and charges for service, as modified by this Resolution and as set forth in Exhibit A, are for the purposes of:
- (a) Meeting operating expenses such as employee wage rates and fringe benefits,
 - (b) Purchasing or leasing supplies, equipment or materials;
 - (c) Meeting financial reserve needs and requirements; and
 - (d) Obtaining funds for capital projects, necessary to maintain service within existing service areas.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Francisco Bay Area Rapid Transit District that:

- (1) The General Manager is authorized and directed to calculate and implement productivity-adjusted inflation-based increases to rates and charges for BART service as set forth in Exhibit A, subject to approval by the Board of an updated Title VI Fare Equity Analysis for each of the four increases.
- (2) The General Manager is authorized and directed to use \$200 million of future incremental fare revenue from Series 3, 2022-2028, Productivity-Adjusted Inflation Based Fare Increase Program to help fund the Transbay Corridor Core Capacity Project and/or any of its component projects, including replacement of BART's original train control system, procurement of new rail cars, expansion of rail car storage facilities, and new traction power infrastructure.

- (3) Series 3, 2022-2028, Productivity-Adjusted Inflation-Based Fare Increase Program increases to rates and charges for BART service as calculated and implemented as set forth in Exhibit A are statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code § 21080(b)(8) and CEQA Guidelines, 14 Cal. Code Regs. § 15273 and that Notices of Exemption shall be filed in the five affected counties.

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**EXHIBIT A—NEW FARE RATES AND CHARGES: SERIES 3, 2022-2028,
PRODUCTIVITY-ADJUSTED INFLATION-BASED FARE INCREASE
PROGRAM**

Productivity-adjusted inflation-based fare rates and charges shall be calculated according to the following process.

The Formula:

The following formula accounts for changes in inflation, less a productivity factor valued at 0.005 (½ percent). Changes in inflation are measured over a two-year period, with the first increase of Series 3, 2022-2028, Productivity-Adjusted Inflation-Based Fare Increase Program to become effective January 1, 2022.

Step One: Productivity-Adjusted Inflation-Based Fare Increase Factor =

$$\left(\frac{(\text{NCPIU}_2 - \text{NCPIU}_0)}{\text{NCPIU}_0} + \frac{(\text{BACPIW}_2 - \text{BACPIW}_0)}{\text{BACPIW}_0} \right) \div 2 - 0.005 \text{ Productivity Factor}$$

Step Two: Productivity-Adjusted Inflation-Based Fare Rates and Charges are calculated by increasing all components of fares then in effect by the Productivity-Adjusted Inflation-Based Fare Increase Factor and then rounding these fares to the nearest \$0.05.

Definitions:

NCPIU is the **National CPI-U Annual Average** which is the annual average over a calendar year of the U.S. City Average consumer price index for all urban consumers, for all items, with an index base period of 1982-84 = 100 as reported by the Bureau of Labor Statistics, U.S. Department of Labor.

BACPIW is the **Bay Area CPI-W Annual Average** which is the annual average over a calendar year of the San Francisco-Oakland-San Jose, CA local consumer price index for urban wage earners and clerical workers, for all items, with an index base period of 1982-84 = 100 as reported by the Bureau of Labor Statistics, U.S. Department of Labor.

The “0” of NCPIU_0 and BACPIW_0 signifies the respective calendar year from which the change in inflation is calculated (e.g., 2018 for the 2022 fare increase and 2020 for the 2024 fare increase)

The “2” of NCPIU_2 and BACPIW_2 signifies the respective calendar year against which the change in inflation is calculated (e.g., 2020 for the 2022 fare increase and 2022 for the 2024 fare increase).

Exhibit A—New Fare Rates and Charges: SERIES 3, 2022-2028,
PRODUCTIVITY-ADJUSTED INFLATION-BASED INCREASE
PROGRAM

Productivity Factor is an adjustment representing BART's anticipated continual improvements in the efficiency of its labor force and operations to the extent of reducing its inflation-adjusted costs of operation by 0.005 (½ percent) every two years.

Effective Dates:

The productivity-adjusted inflation-based fare increases will be effective on January 1st of 2022, 2024, 2026, and 2028, for a total of four calculations of the productivity-adjusted inflation-based fare increase formula. If application of the formula returns a positive result, i.e., it does not reflect deflation, the resulting factor is the amount fares are to be increased across-the-board (with each actual fare rounded to the nearest \$0.05). Productivity-adjusted inflation-based fares are to be implemented on January 1st of 2022, 2024, 2026, and 2028, or as soon thereafter as the fare schedule can be implemented.

Sample Methodology:

The following is a sample methodology that illustrates how to calculate the productivity-adjusted inflation-based fare increase factor and resulting fares. This example describes the process for the increase to be implemented on January 1, 2022; the same process will be followed for increases in 2024, 2026, and 2028.

In January 2021, the change over two years in the National CPI-U Annual Average and the Bay Area CPI-W Annual Average will be calculated as follows:

- The change to be measured will be for calendar years 2018 and 2020.
- Index change during this two-year period is measured by the change in the annual average of the index. For example, if
 - The annual average of the National CPI-U for 2018 is 100, and
 - The annual average of the National CPI-U for 2020 is 104, then
 - The change is 0.04 (or 4.0%) for the two-year period between 2018 and 2020.
- The change in the Bay Area CPI-W Annual Average for the two-year period is to be calculated in the same way.
- The changes in the National CPI-U Annual Average and the Bay Area CPI-W Annual Average are then averaged to capture change in both national and local pricing patterns.
- From the average of the national and local pricing increases, a productivity factor of 0.005 (½ percent) is deducted. For example, if the average of the change in the National CPI-U Annual Average and the change in the Bay Area CPI-W Annual Average for the two-year period is 0.04 (or 4.0%), the result of the formula is a productivity-adjusted inflation-based fare increase factor of 0.035, or 3.5%.
- The productivity-adjusted inflation-based fare increase factor is the increase to be applied across-the-board to the components of the fare rates and charges then in effect. The resulting station-to-station fares will then be rounded to the nearest nickel to produce the new productivity-adjusted inflation-based fare rates and charges.

Trip	Current Regular Clipper Fare	20% Discount Means-Based Clipper Fare (Rounded down to nearest nickel)
Pittsburg/Bay Point to Embarcadero	\$6.70	\$5.35
Fremont to 12 th St/Oakland	\$4.55	\$3.60
Downtown Berkeley to Hayward	\$3.70	\$2.95

The District has performed a Title VI equity analysis of the Program, which is required by the Federal Transit Administration for pilot programs that last longer than six months. The “Title VI Fare Equity Analysis: BART Participation in the Metropolitan Transportation Commission’s Regional Means-Based Transit Fare Discount Pilot Program” was approved by the Board on April 25, 2019. The report found that the new fare type for low-income riders would not result in a disproportionate impact on protected riders.

A public hearing was held on May 23, 2019 at a regularly scheduled meeting of the Board to consider this change to fare rates and charges. The Board received three e-mails for consideration as part of the public hearing. Two e-mails were in support of the Program, with one correspondent noting that “A 20% discount is fairly modest and may not be enough to help everyone access BART, but it is a good start.” A rider who self-identified as low-income submitted the third e-mail in which he wrote that he would “much rather have better service than a 20% discount.”

The proposed Program is exempt from the California Environmental Quality Act (CEQA) per CEQA Guidelines, 14 Cal.CodeRegs. Section 15061(b)(3) since there is no possibility that the activity in question will have a significant effect on the environment.

FISCAL IMPACT:

MTC will fund the Program with approximately \$11 million (M) (\$8M from Senate Bill 1 and \$3M from the Low Carbon Transit Operating Program (LCTOP)). These funds will go toward administrative costs and to pay for up to 50% of an operator’s revenue loss. BART’s estimated total annual revenue loss is \$8.6 million (based on a 50% participation rate for current low-income riders and approximately 4.4% new low-income trips), with MTC’s offset estimated at \$4.3M. This results in an estimated net annual revenue loss of approximately \$4.3M for BART to self-fund.

Based on implementation of the recommended Program discount in the second half of Fiscal Year 2020 (FY20), the FY20 Budget includes a reduction to fare revenue of \$2.15M for the

half-year.

ALTERNATIVES:

Do not approve the recommended Program. BART's low-income riders will continue paying the full BART fares.

RECOMMENDATION:

Approval of the following motion.

MOTION:

Adopt the attached resolution, "In the Matter of Adopting Modified Fare Rates and Charges: Discount for Adult BART Riders who Participate in the Metropolitan Transportation Commission's Regional Means-Based Transit Fare Discount Pilot Program." Two-thirds vote required.

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

**In the Matter of Adopting Modified Fare
Rates and Charges: Discount for Adult BART
Riders who Participate in the Metropolitan
Transportation Commission's Regional
Means-Based Transit Fare Discount Pilot Program**

Resolution No. _____

WHEREAS, pursuant to Public Utilities Code Section 29038, it is the duty and responsibility of the Board of Directors of the San Francisco Bay Area Rapid Transit District ("District") to fix the rates and charges for rapid transit service to be furnished by the District; and

WHEREAS, the Metropolitan Transportation Commission (MTC) is leading a Regional Means-Based Transit Fare Discount Pilot Program (Program), of which the District is a participating agency, to allow adults riders with verified incomes up to 200% of the federal poverty level to qualify for a transit fare discount; and

WHEREAS, the Program is the outcome of MTC's Regional Means-Based Transit Fare Pricing Study, which has the following three goals:

- Goal 1. Make transit more affordable for the Bay Area's low-income residents.
- Goal 2. Move towards a more consistent regional standard for fare discount policies.
- Goal 3. Define a transit affordability solution that is financially viable and administratively feasible, and does not adversely affect the transit system's service levels and performance; and

WHEREAS, eligible low-income adult riders will use a specially encoded free-of-charge Clipper card to receive a a 20% per-trip discount to regular BART Clipper fares; and

WHEREAS, on April 25, 2019, the Board of Directors approved the "Title VI Fare Equity Analysis: BART Participation in the Metropolitan Transportation Commission's Regional Means-Based Transit Fare Discount Pilot Program," which found that the benefit of the new Program fare type for low-income riders would not result in a disproportionate impact on protected riders; and

WHEREAS, a public hearing was held on May 23, 2019 at a regularly scheduled meeting of the Board to consider this modification to fare rates and charges.

NOW, THEREFORE, the Board hereby finds that:

- (1) After careful study of staff recommendations, public comment, and due deliberations, the Board determines, as required by Public Utilities Code Section

29038, that the modification to rates and charges for service in the form of a fare discount for participants of the Regional Means-Based Transit Fare Discount Pilot Program, set forth in Exhibit A, is reasonable; and that insofar as practicable, allows the District to continue to fix rates and charges so as to result in revenue which will be sufficient to do the following:

- (a) Pay for the operating expenses of the District;
- (b) Provide repairs, maintenance and depreciation of works owned and operated by the District;
- (c) Provide for purchases, lease, or acquisition of rolling stock, including provisions for the interest, sinking funds, reserve funds, or other funds required for the payment of any obligations incurred by the District for the acquisition of rolling stock; and
- (d) After making any current allocation of funds for the foregoing purposes and by the terms of any indebtedness incurred under Public Utilities Code Articles 6 (commencing with Section 29240) and 7, (commencing with Section 29250) of Chapter 8, provide funds for any purpose the Board deems necessary and desirable to carry out the purposes of Part 2 of Division 10 of the Public Utilities Code.

The modifications to fare rates and charges are statutorily exempt from the California Environmental Quality Act (CEQA) under California Public Resources Code Section 15061(b)(3) since there is no possibility that the activity in question may have a significant effect on the environment.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Francisco Bay Area Rapid Transit District that:

- (1) The rates and charges for adult riders who participate in the Regional Means-Based Transit Fare Discount Pilot Program and are verified to have incomes at or below 200% of the federal poverty level as set forth in Exhibit A are hereby adopted.
- (2) The proposed participation in and implementation of the Regional Means-Based Transit Fare Discount Pilot Program is not subject to CEQA under California Public Resources Code Section 15061(b)(3) since there is no possibility that the activity in question may have a significant effect on the environment.

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**EXHIBIT A: MODIFIED FARE RATES AND CHARGES:
Discount for Adult Riders who Participate in the Metropolitan Transportation
Commission's Regional Means-Based Transit Fare Discount Pilot Program and are
Verified to Have Incomes at or below 200% of the Federal Poverty Level**

The new fare rates and charges for BART service shall be as follows:

- Effective November 1, 2019, or as soon thereafter as the Regional Means-Based Transit Fare Discount Pilot Program and BART fare schedule can be implemented, the fares offered to adult BART riders who participate in the Regional Means-Based Transit Fare Discount Pilot Program and are verified to have incomes at or below 200% of the federal poverty level will be reduced by 20%. The discount will be applied by reducing full Clipper fares then in effect by 20%, with the resulting value rounded down to the nearest nickel to ensure these riders receive at least a 20% discount.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Robert W. Powers</i> 5 June 2019		GENERAL MANAGER ACTION REQ'D:		
DATE: 5/31/2019		BOARD INITIATED ITEM: No		
Originator/Prepared by: Charlotte Barham Dept: Financial Planning Signature/Date: <i>Charlotte Barham</i> 6/3/19	General Counsel <i>[Signature]</i> 6/4/19 []	Controller/Treasurer <i>[Signature]</i> 6/5/19 []	District Secretary []	BARC <i>[Signature]</i> 6/3/19 []

Magnetic-stripe Ticket Surcharge Increase

PURPOSE:

Adopt a resolution to increase the per-trip surcharge to fares paid with magnetic-stripe tickets.

DISCUSSION:

Effective January 1, 2018, the Board approved a \$0.50 surcharge per trip when using Blue magnetic-stripe tickets. For example, an adult Clipper fare of \$3.50 is \$4.00 when using a Blue magnetic stripe ticket. For discounted magnetic-stripe tickets, the \$0.50 surcharge is reduced by a percentage equal to the discount given. For example, seniors and people with disabilities who receive a 62.5% discount pay a surcharge of approximately \$0.19 when using a Green or Red ticket, respectively.

The \$0.50 surcharge has resulted in a reduction in the use of magnetic-stripe tickets by approximately 42%. More riders using Clipper supports the region's goal of optimizing Clipper use. It is also more efficient and cost-effective for the District to maintain one fare payment system. Clipper card customers are able to enter and exit BART stations more quickly by using more reliable fare gates that only process Clipper.

To further encourage the remaining approximately 15% of BART riders using magnetic-stripe tickets to switch to Clipper fare payment, BART proposes to increase the Blue magnetic-stripe ticket surcharge from \$0.50 to \$1.00, with a proportionately discounted increase to the surcharge for discounted magnetic-stripe tickets. Example fares are shown in the table on the next page:

Clipper fare	\$3.50		
	Current \$0.50 surcharge	Proposed \$1.00 surcharge	Proposed increase
Blue mag-stripe fare	\$4.00	\$4.50	+\$0.50
62.5% discount Senior/Disabled mag-stripe fare	\$1.50	\$1.69	+\$0.19
50% discount Youth mag-stripe fare	\$2.00	\$2.25	+\$0.25

A public hearing was held on May 23, 2019 at a regularly scheduled meeting of the Board to consider this change to fare rates and charges, and no public comments were received.

On May 23, 2019, the Board approved the “Title VI Fare Equity Analysis for the Proposed 2020 Productivity-Adjusted Inflation-Based Fare Increase; Series 3, 2022-2028, of the Productivity-Adjusted Inflation-Based Fare Increase Program; and Magnetic-Stripe Ticket Surcharge Increase.” The equity finding is that an increase to the magnetic-stripe ticket surcharge may be disproportionately borne by low-income riders. Per BART’s Disparate Impact/Disproportionate Burden Policy and the Title VI Circular, if low-income populations will bear a disproportionate burden of the proposed fare change, the transit provider should take steps to avoid, minimize, or mitigate impacts where practicable and describe alternatives available.

In December 2017-March 2018, as mitigation for the original \$0.50 surcharge, BART and the Metropolitan Transportation Commission (MTC) implemented a BART Board-approved mitigation action plan to distribute free Clipper cards to low-income riders. Free Clipper cards were given to low-income individuals through 29 promotional events at multiple BART stations and community-based organizations (CBOs) located in or near low-income communities. In addition, BART worked with MTC to expand MTC’s existing ongoing partnership with CBOs to distribute free Clipper cards, thus ensuring a consistent pipeline of free cards to low-income communities.

In February 2019, staff advised members of the Title VI/Environmental Justice and Limited English Proficiency Advisory Committees of the potential impact of a surcharge increase on low-income riders. Members supported the already established mitigation efforts of CBOs distributing free Clipper cards to their clients, and staff plans to again host in-station outreach events to distribute free Clipper cards. Applying these established mitigation efforts is considered sufficient, but staff will continue to work with the Advisory Committees

to determine if additional public outreach efforts will be needed.

The proposed implementation of the increase to the magnetic-stripe ticket surcharge is exempt from review under the California Public Environmental Quality Act (CEQA) pursuant to the exemption set forth in the California Public Resources Code Section 21080(a)(8) and the CEQA Guidelines 14 Cal.Code.Reg. Section 152723(a) since it is for the purpose of (a) meeting operating expenses, (b) purchasing or leasing supplies, equipment or materials, and (c) meeting financial reserve needs and requirements.

FISCAL IMPACT:

No fiscal impact is expected from the increase to the magnetic-stripe ticket surcharge based on the estimate that one-half of current Blue magnetic-stripe ticket users will shift to Clipper and no longer pay the \$0.50 surcharge, and one-half will continue to use the magnetic-stripe ticket and pay the \$1.00 surcharge.

ALTERNATIVES:

Do not approve the recommended fare change; there would be no added incentive for riders using magnetic-stripe tickets to switch to Clipper.

RECOMMENDATION:

Approval of the following motion.

MOTION:

Adopt the attached resolution, "In the Matter of Adopting Modified Fare Rates and Charges: Increase the Per-Trip Surcharge to Fares Paid with Magnetic-Stripe Tickets." Two-thirds vote required.

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

**In the Matter of Adopting Modified Fare
Rates and Charges: Increase the Per-Trip
Surcharge to Fares Paid with Magnetic-Stripe Tickets**

Resolution No. _____

WHEREAS, pursuant to Public Utilities Code Section 29038, it is the duty and responsibility of the Board of Directors of the San Francisco Bay Area Rapid Transit District ("District") to fix the rates and charges for rapid transit service to be furnished by the District; and

WHEREAS, effective January 1, 2018, a Board-approved \$0.50 surcharge per trip taken with Blue magnetic-stripe tickets was implemented. For discounted magnetic-stripe tickets, the \$0.50 surcharge has been reduced by a percentage equal to the discount given; and

WHEREAS, with the \$0.50 surcharge, magnetic-stripe ticket use has been reduced by approximately 42%; and

WHEREAS, to support the region's goal of optimizing Clipper use and further encourage the remaining approximately 15% of BART riders using magnetic-stripe tickets to switch to Clipper, the District proposes to increase the Blue magnetic-stripe ticket surcharge from \$0.50 to \$1.00, with a proportionately discounted increase to the surcharges for discounted magnetic-stripe tickets; and

WHEREAS, on May 23, 2019, the Board approved the "Title VI Fare Equity Analysis for the Proposed 2020 Productivity-Adjusted Inflation-Based Fare Increase; Series 3, 2022-2028, of the Productivity-Adjusted Inflation-Based Fare Increase Program; and Magnetic-Stripe Ticket Surcharge Increase" which found that an increase to the magnetic-stripe ticket surcharge may potentially burden low-income riders in a disproportionate manner; and

WHEREAS, to mitigate for potential impacts on low-income passengers, staff will reimplement the Board-approved Mitigation Action Plan developed in 2017 to mitigate for the original \$0.50 per-trip magnetic-stripe surcharge through the distribution of free Clipper cards to low-income riders so as to avoid the magnetic-stripe ticket surcharge; and

WHEREAS, a public hearing was held on May 23, 2019 at a regularly scheduled meeting of the Board to consider this modification to fare rates and charges.

NOW, THEREFORE, the Board hereby finds that:

- (1) After careful study of staff recommendations, public comment, and due deliberations, the Board determines, as required by Public Utilities Code Section 29038, that the modifications to rates and charges for service are reasonable; and that insofar as practicable, these rates and charges are calculated to result in revenue which will:

- (a) Pay for the operating expenses of the District;
 - (b) Provide repairs, maintenance and depreciation of works owned and operated by the District;
 - (c) Provide for purchases, lease, or acquisition of rolling stock, including provisions for the interest, sinking funds, reserve funds, or other funds required for the payment of any obligations incurred by the District for the acquisition of rolling stock; and
 - (d) After making any current allocation of funds for the foregoing purposes and by the terms of any indebtedness incurred under Public Utilities Code Articles 6. (commencing with Section 29240) and 7, (commencing with Section 29250) of Chapter 8, provide funds for any purpose the Board deems necessary and desirable to carry out the purposes of Part 2 of Division 10 of the Public Utilities Code.
- (2) The modifications to fare rates and charges set forth in Exhibit A are for the purposes of:
- (a) Meeting operating expenses including employee wage rates and fringe benefits;
 - (b) Purchasing or leasing supplies, equipment or materials;
 - (c) Meeting financial reserve needs and requirements; and
 - (d) Obtaining funds for capital projects, necessary to maintain service within existing service areas.

The modifications to fare rates and charges are statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080 (b)(8) and CEQA Guidelines, 14 Cal.CodeRegs. Section 15273.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Francisco Bay Area Rapid Transit District that:

- (1) The rates and charges for BART service set forth in Exhibit A are hereby adopted.
- (2) The proposed increase to the surcharge on magnetic-stripe tickets set forth in Exhibit A to this Resolution is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code § 21080(b)(8) and CEQA Guidelines, 14 Cal. Code Regs. § 15273 since the fares are for the purpose of meeting operating expenses and purchasing or leasing supplies, equipment or materials, and staff is authorized to file such documents that may be required by CEQA based on the actions authorized by the Board.

###

**EXHIBIT A: MODIFIED FARE RATES AND CHARGES:
Increase the Per-Trip Surcharge to Fares Paid with Magnetic-Stripe Tickets**

The new fare rates and charges for BART service shall be as follows:

- Effective January 1, 2020, or as soon thereafter as the fare schedule can be implemented:
 - The surcharge on each fare paid for with a Blue magnetic-stripe ticket will increase from \$0.50 to \$1.00. The increase will be applied by adding \$1.00 to the full Clipper fares then in effect.
 - The surcharge on each fare paid for with a discounted magnetic-stripe ticket will be reduced by a percentage equal to the discount given.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>5 June 2019</i> <i>Rhett M. Patten</i>		GENERAL MANAGER ACTION REQ'D:		
DATE: 5/29/2019		BOARD INITIATED ITEM: No		
Originator/Prepared by: Shana Dines Dept: Labor Relations <i>[Signature]</i> Signature/Date: <i>05/31/19</i>	General Counsel <i>[Signature]</i> <i>5/31/19</i> []	Controller/Treasurer <i>[Signature]</i> <i>6/2/19</i> []	District Secretary []	BARC <i>[Signature]</i> <i>6/3/19</i> []

Resolution Ratifying Collective Bargaining Agreement with the BART Police Managers' Association

PURPOSE:

To approve the attached resolution ratifying the successor Collective Bargaining Agreement (CBA) between the San Francisco Bay Area Rapid Transit District and the BART Police Managers' Association (BPMA).

DISCUSSION:

The District's CBA with the BPMA was for a five-year period commencing 2013 and expired on June 30, 2018. Negotiations for a successor Agreement commenced in February 2018; however, the negotiations were suspended until negotiations with the BART Police Officers' Association (BPOA) were completed. In January 2019, following the Board's ratification of the BPOA's successor CBA, the District and BPMA resumed bargaining. In April 2019, the parties reached a tentative agreement to a four-year successor CBA, BPMA membership ratified the agreement in May 2019.

The tentative agreement provides the BPMA with the same general wage increase provided to the District's other unions at the time of the 2016 contract extension, and to BPOA in 2018, with a guaranteed differential for Sergeants to be paid 25% above the Senior Police Officers-Advanced who they supervise, and Lieutenants to be paid 20% above the Sergeants who they supervise, to prevent compaction and ensure officers to continue to have an incentive to promote into the management ranks.

The parties' were able to reach an agreement that provides the District with increased

accountability, flexibility and efficiency because it: lengthens the amount of time disciplinary records are retained; adds Zone Commander Lieutenants to Special Assignments so they can be assigned in the Chief's discretion; limits the amount of vacation time employees can take and how many employees can go on vacation at a time; and limits employees' ability to accrue compensatory time off when police officer vacancy rates are high.

Although the prior contract expired in June 2018, the agreed-upon wage increase is not retroactive. Employees will receive a one-time payment in recognition of the delay in all economic increases. In addition, the parties agreed to a number of economic changes, all of which will go into effect in the second year of the contract, and the net result of those changes for FY 20 represents only minimal financial impact, 0.75% of payroll. These include adjustments in pension cost-sharing, as well as modifications to existing premium pays. A summary of the salient changes in the tentative agreement is attached.

FISCAL IMPACT:

There is no cost for FY 19 because of the delayed implementation. (The annualized ongoing cost of the FY 19 improvements is \$1M.) For each successive year of the 4-year CBA, the following General Wage Increases (GWI) will apply: 2.5% (FY 20); 2.75% (FY 21); and 2.75% (FY 22). Other than GWI, there are minor additional economic improvements for the one-year step progression each of those three fiscal years, as well as the 1% increases to pension contributions.

ALTERNATIVES:

Reject the successor CBA. If the Board does not approve the successor CBA, the parties would remain without a contract and would continue negotiating towards a new successor CBA.

RECOMMENDATION:

Adoption of the following motion:

MOTION:

The Board approves the attached resolution ratifying the successor Collective Bargaining Agreement between San Francisco Bay Area Rapid Transit District and BART Police Managers' Association (BPMA), July 1, 2018 – June 30, 2022.

2018-22 District/BART Police Managers' Association (BPMA)
Collective Bargaining Agreement (CBA)

Summary of Changes from 2013-18

This document represents a summary of important changes negotiated between the District and the BPMA. While this summary describes the important changes between the expired and successor CBA, should there be any inconsistency between this summary and the labor agreement, the language and intent of the labor agreement shall govern.

A. *The following provisions are the major cost-drivers of the successor CBA:*

Article 45(A) General Wage Increase (GWI): All members shall receive the following wage increases: 2.5% (FY 19); 2.5% (FY 20); 2.75% (FY 21); and 2.75% (FY 22). The FY 19 increase will only apply as part of the lump sum in lieu of retroactivity, and all subsequent GWIs are effective on July 1 of the respective fiscal year.

Article 45(A) Compaction: There will be a guaranteed differential between supervisory classifications to prevent compaction and continue the incentive to promote into management ranks. Sergeants will be paid 25% above the Senior Police Officers-Advanced who they supervise, and Lieutenants will be paid 20% above the Sergeants who they supervise.

Article 1 Duration of Agreement: July 1, 2018 – June 30, 2022

B. *The following provisions represent the major non-economic changes:*

Article 9 & 57 Police Accountability: Add additional time that discipline will be held in the employees' personnel files. Prior disciplines shall be considered for promotions for 2 years (up from 1 year), and for progressive discipline for 3 years (up from 2 years).

C. *In addition to the above major cost-drivers, the following economic provisions net out to only minimal costs to the District (i.e., 0.75% of payroll):*

Article 21(4) & (5) Vacation Bidding: Reduces time employees are off work by limiting members in the annual vacation bid to bid for their annual accrual of vacation, plus two additional weeks, and limits the number of employees who can take vacation at a given time.

Article 31 & 32 Pension Cost-Share: The following changes to Sworn employee pension contributions will be incrementally phased in over the term of the CBA:

- Classic Sworn employees will increase the pension contribution from the current 4% to 10%.
- PEPRAs Sworn employees (officers hired on or after January 1, 2013) will decrease the pension contribution from the current 17% to the statutory minimum 13.75% contribution.
- Classic Civilian employees will increase the pension contribution from the current 4% to 8%.
- PEPRAs Civilian employees (employees hired on or after January 1, 2013, of which there are currently none in BPMA) will pay half the normal cost, as required by statute.

Article 33 Health Benefit Contributions: Employees will continue to contribute the \$44 per month additional contribution towards health coverage, and apply the existing 3% annual escalator to that contribution.

Article 38, 40 & 41 Insurance: Eliminates District-provided life insurance and long-term disability benefits and provides that these benefits will be provided through the Union.

Article 45(A) Step Advancement: Modifies the step advancement plan to mirror BPOA and the District's other Unions, with one year between salary steps, increased from the current two years between salary steps.

Article 45(B) & (D) Education/Skill Allowance and Longevity Pay: Restructures the previous Education/Skill Allowance, which combined incentives for college degrees, POST certification, and Longevity, into separate benefits, increasing the maximum benefit by 4%. Employees can now achieve:

- 1% for Advanced POST Certificate and an additional 1% for Supervisory POST Certificate;
- 2% for an Associate's Degree, an additional 2% for a Bachelor's Degree, and up to a total of 8% for a Master's Degree, to recruit employees with higher education, as well as to incentivize current employees to attain higher education; and
- Additional Longevity Pay at 10 and 14 years to mirror BPOA, improve retention and recognize District service.

Article 45(E) Bilingual Pay: Increase Bilingual Pay from \$25 per pay period to \$50 pay period to recognize employees who assume additional duties to help serve our diverse ridership.

Article 46 Special Assignment Pay: Add Zone Commander Lieutenants to Special Assignments, so Chief has discretion in making assignments and increased accountability, and raise Lieutenant special assignment pay from \$350 per month to \$700 per month.

Article 49(B) & (C) Call-Back & Court Time: Clarifies call-back time and court time language to prevent overlapping payment of hours that are included both in minimum call-back hours and an employee's regularly scheduled hours.

Formerly Article 46 Physical Fitness: Discontinues reimbursement of up to \$50 per month for gym membership, as the program was under-utilized.

Article 50 Compensatory Time Off: Modified to provide the Chief the ability to limit accrual of compensatory time off (CTO) when the BPOA's limitation is triggered, when the Police Officer vacancy rate is over 17%, to reduce escalating compensatory time-off costs.

Article 53 Uniforms Maintenance Allowance: Discontinues the payment of the annual \$1050 uniform maintenance allowance to Sergeants and Lieutenants.

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

In the Matter of Ratifying the 2018 - 2022
Collective Bargaining Agreement between the District
and the BART Police Managers' Association (BPMA)

Resolution No. _____

BE IT RESOLVED that the Board of Directors of the San Francisco Bay Area Rapid Transit District hereby ratifies the 2018 - 2022 Collective Bargaining Agreement between the District and the BART Police Managers' Association as generally described in the attached Summary of Changes, dated May 29, 2019; and

BE IT FURTHER RESOLVED that the General Manager is authorized to execute the Agreement on behalf of the District.

###

Adopted _____



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>5 June 2019</i> <i>Robert M. Pomeroy</i>		GENERAL MANAGER ACTION REQ'D:		
DATE: 5/29/2019		BOARD INITIATED ITEM: No		
Originator/Prepared by: Diane Iwata Dept: Human Resources Administration <i>Diane Iwata</i> Signature/Date: <i>5/29/2019</i>	General Counsel <i>[Signature]</i> <i>5/30/19</i> []	Controller/Treasurer <i>[Signature]</i> <i>5/30/19</i> []	District Secretary []	BARC <i>[Signature]</i> <i>5/31/19</i> []

Fix the Employer's Contribution to CalPERS Medical Premium for BPMA

PURPOSE

To adopt the resolutions which are required by the Public Employees' Medical and Hospital Care Act (PEMHCA) to implement the District and Employee/Annuitant premium contribution amounts for BART Police Managers' Association (BPMA) upon the Board's ratification of the collective bargaining agreement.

DISCUSSION:

At the June 13, 2019 Board meeting, it is anticipated that staff will recommend ratification of the collective bargaining agreement (CBA) with BPMA. The CBA provides that the maximum that the District will contribute for employee and annuitant medical premiums will be based on the more costly of the CalPERS HMO Blue Shield Access+ basic plan or the CalPERS HMO Kaiser basic plan for the applicable level of plan participation for the employee, less employee/annuitant new monthly contributions of \$155.46 in calendar year 2019, \$160.12 in calendar year 2020, \$164.93 in calendar year 2021, and \$169.87 in calendar year 2022. For 2019, rates will be for the Bay Area and for 2020-2022 rates will be for Region 1. Employees and annuitants who choose more costly plans will be responsible for the additional premium cost. For 2019, the earliest this can be deducted will be August 2019.

All future changes will be effective January 1st of the respective year. This schedule is also subject to the retiree medical eligibility schedule.

FISCAL IMPACT:

For the 43 BPMA employees currently enrolled in health care coverage and 60 current

retirees, the contribution increase is estimated to produce a cost savings of approximately \$140,000 over the contract period. For FY 20, savings are already included in the budget.

ALTERNATIVES:

This is a negotiated benefit for represented employees. If the Board does not approve the BPMA CBA, this item will be removed from the agenda.

RECOMMENDATION:

That the Board adopts the following motion.

MOTION:

To adopt the attached resolutions pertaining to BPMA employees and eligible retirees regarding "Fixing the Employer's Contributions under the Public Employees' Medical and Hospital Care Act" and authorize the Board President to sign the resolutions on behalf of the Board.

RESOLUTION NO.
FIXING THE EMPLOYER CONTRIBUTION AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS
UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT
WITH RESPECT TO A RECOGNIZED EMPLOYEE ORGANIZATION
003 BART POLICE MANAGERS ASSOCIATION (BPMA)

- WHEREAS, (1) **San Francisco Bay Area Rapid Transit District** is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act") for participation by members of the **BART Police Managers' Association (BPMA)** and
- WHEREAS, (2) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and
- WHEREAS, (3) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and
- RESOLVED, (a) That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of **Blue Shield Bay Area Basic or Kaiser Bay Area Basic, whichever is greater, less an employee or annuitant share of \$155.46 (2019) per month**, plus administrative fees and Contingency Reserve Fund assessments; and be it further
- RESOLVED, (b) **San Francisco Bay Area Rapid Transit District** has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further
- RESOLVED, (c) That the participation of the employees and annuitants of **San Francisco Bay Area Rapid Transit District** shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that **San Francisco Bay Area Rapid Transit District** would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.
- RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, the District Secretary to file with the Board a verified copy of this resolution, and to perform on behalf of **San Francisco Bay Area Rapid Transit District** all functions required of it under the Act.

Adopted at a regular meeting of the Board of Directors at Oakland, California, this 13th day of June, 2019.

Signed: _____
President

Attest: _____
District Secretary

RESOLUTION NO.
FIXING THE EMPLOYER CONTRIBUTION AT AN EQUAL AMOUNT FOR EMPLOYEES AND ANNUITANTS
UNDER THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT
WITH RESPECT TO A RECOGNIZED EMPLOYEE ORGANIZATION
003 BART POLICE MANAGERS ASSOCIATION (BPMA)

- WHEREAS, (1) **San Francisco Bay Area Rapid Transit District** is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act") for participation by members of the **BART Police Managers' Association (BPMA)** and
- WHEREAS, (2) Government Code Section 22892(a) provides that a contracting agency subject to Act shall fix the amount of the employer contribution by resolution; and
- WHEREAS, (3) Government Code Section 22892(b) provides that the employer contribution shall be an equal amount for both employees and annuitants, but may not be less than the amount prescribed by Section 22892(b) of the Act; and
- RESOLVED, (a) That the employer contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of **Blue Shield Region 1 Basic or Kaiser Region 1 Basic, whichever is greater, less an employee or annuitant share of \$160.12 (2020), \$164.93 (2021), and \$169.87 (2022) per month**, plus administrative fees and Contingency Reserve Fund assessments; and be it further
- RESOLVED, (b) **San Francisco Bay Area Rapid Transit District** has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further
- RESOLVED, (c) That the participation of the employees and annuitants of **San Francisco Bay Area Rapid Transit District** shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that **San Francisco Bay Area Rapid Transit District** would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, CalPERS may be obligated, and reserves the right to terminate the health coverage of all participants of the employer.
- RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, the District Secretary to file with the Board a verified copy of this resolution, and to perform on behalf of **San Francisco Bay Area Rapid Transit District** all functions required of it under the Act.

Adopted at a regular meeting of the Board of Directors at Oakland, California, this 13th day of June, 2019.

Signed: _____
President

Attest: _____
District Secretary

RESOLUTION NO.
FIXING THE EMPLOYER VESTING CONTRIBUTION UNDER SECTION 22902
OF THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT
WITH RESPECT TO A RECOGNIZED EMPLOYEE ORGANIZATION
003 BART POLICE MANAGERS ASSOCIATION (BPMA)

- WHEREAS, (1) **San Francisco Bay Area Rapid Transit District** is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act") for participation by members of the **BART Police Managers' Association (BPMA)**; and
- WHEREAS, (2) **San Francisco Bay Area Rapid Transit District** is a contracting agency has filed a resolution with the Board of the California Public Employees' Retirement System to provide a postretirement health benefits vesting requirement to employees who retire for service in accordance with Government Code Section 22902; and
- RESOLVED, (a) That the employer contribution for each annuitant subject to vesting shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of **Blue Shield Bay Area Basic or Kaiser Bay Area Basic, whichever is greater, less an employee or annuitant share of \$155.46 (2019) per month**, plus administrative fees and Contingency Reserve Fund assessments; and be it further
- RESOLVED, (b) **San Francisco Bay Area Rapid Transit District** has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further
- RESOLVED, (c) That the participation of the employees and annuitants of **San Francisco Bay Area Rapid Transit District** shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that **San Francisco Bay Area Rapid Transit District** would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, the California Public Employees' Retirement System may be obligated, and reserves the right to terminate the health coverage of all participants of the employer; and be it further
- RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, the District Secretary to file with the Board a verified copy of this resolution, and to perform on behalf of **San Francisco Bay Area Rapid Transit District** all functions required of it under the Act.

Adopted at a regular meeting of the Board of Directors at Oakland, California, this 13th day of June, 2019.

Signed: _____
President

Attest: _____
District Secretary

RESOLUTION NO.
FIXING THE EMPLOYER VESTING CONTRIBUTION UNDER SECTION 22902
OF THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT
WITH RESPECT TO A RECOGNIZED EMPLOYEE ORGANIZATION
003 BART POLICE MANAGERS ASSOCIATION (BPMA)

- WHEREAS, (1) **San Francisco Bay Area Rapid Transit District** is a contracting agency under Government Code Section 22920 and subject to the Public Employees' Medical and Hospital Care Act (the "Act") for participation by members of the **BART Police Managers' Association (BPMA)**; and
- WHEREAS, (2) **San Francisco Bay Area Rapid Transit District** is a contracting agency has filed a resolution with the Board of the California Public Employees' Retirement System to provide a postretirement health benefits vesting requirement to employees who retire for service in accordance with Government Code Section 22902; and
- RESOLVED, (a) That the employer contribution for each annuitant subject to vesting shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of **Blue Shield Region 1 Basic or Kaiser Region 1 Basic, whichever is greater, less an employee or annuitant share of \$160.12 (2020), \$164.93 (2021), and \$169.87 (2022) per month**, plus administrative fees and Contingency Reserve Fund assessments; and be it further
- RESOLVED, (b) **San Francisco Bay Area Rapid Transit District** has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above; and be it further
- RESOLVED, (c) That the participation of the employees and annuitants of **San Francisco Bay Area Rapid Transit District** shall be subject to determination of its status as an "agency or instrumentality of the state or political subdivision of a State" that is eligible to participate in a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code, upon publication of final Regulations pursuant to such Section. If it is determined that **San Francisco Bay Area Rapid Transit District** would not qualify as an agency or instrumentality of the state or political subdivision of a State under such final Regulations, the California Public Employees' Retirement System may be obligated, and reserves the right to terminate the health coverage of all participants of the employer; and be it further
- RESOLVED, (d) That the executive body appoint and direct, and it does hereby appoint and direct, the District Secretary to file with the Board a verified copy of this resolution, and to perform on behalf of **San Francisco Bay Area Rapid Transit District** all functions required of it under the Act.

Adopted at a regular meeting of the Board of Directors at Oakland, California, this 13th day of June, 2019.

Signed: _____
President

Attest: _____
District Secretary



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Rht M. Pourn</i> 5 JUNE 2019		GENERAL MANAGER ACTION REQ'D: (N/A)		
DATE: 5/21/2019		BOARD INITIATED ITEM: No		
Originator/Prepared by: Kofo Domingo Dept: Procurement <i>Kofo Domingo</i> Signature/Date: 6/4/19	General Counsel <i>[Signature]</i> 6/4/19 []	Controller/Treasurer <i>[Signature]</i> 6/5/19 []	District Secretary []	BARC <i>[Signature]</i> 6/3/19 []

Award of Agreements No. 6M4643, 6M4644, 6M4645, and 6M4646 On-Call Professional Services for Procurement/Materials Management

PURPOSE:

To obtain Board authorization for the General Manager to award Agreement No. 6M4643 to Accenture LLP, Agreement No. 6M4644 to Slalom, LLC, Agreement No. 6M4645 to Sjoberg Evashenk Consulting, Inc and Agreement No. 6M4646 to AEKO Consulting, to provide on-call professional services for Procurement / Materials Management. Each Agreement shall have a term of three (3) years, with two (2) one-year options, in the amount not to exceed \$1,000,000.

DISCUSSION:

A Request for Proposals ("RFP") was issued for on-call professional services for six (6) Central Support Service Areas ("CSSA"): Human Resources, Procurement/Materials Management, Capital Budget, Operating Budget, Performance and Audit, and Finance for award of up to four (4) agreements for each service area. The selected consultants for Procurement/Materials Management will analyze and suggest best practices in the following areas:

- Electronic Workflow Systems;

- District wide Document Management/Control;
- Updating Current Policies and Procedures; and
- Change Management

To streamline the process, the District issued one RFP for all six CSSAs. However, a separate evaluation committee for each CSSA evaluated the Proposers for their specific CSSA. This award is for agreements for the Procurement / Materials Management.

This RFP was advertised on January 31, 2019, and a subsequent Notice to Proposers was sent to fourteen (14) prospective proposers. Thirty-nine (39) prospective proposers downloaded the RFP from the District's Procurement Vendor Portal. Two Pre-Proposal Meetings were held on February 20, 2019 in the morning and afternoon, with twenty (20) prospective proposers attending. Three (3) Addenda were issued for the RFP over the course of advertisement.

On March 12, 2019, five (5) responsive proposals for the Procurement / Materials Management CSSA were received from the following firms:

1. Accenture LLP (San Francisco, CA)
2. Slalom, LLC (San Francisco, CA)
3. Sjoberg Evashenk Consulting, Inc. (Sacramento, CA)
4. AEKO Consulting (Oakland, CA)
5. Harvey M. Rose Associates, LLC (San Francisco, CA)

The five (5) proposals were reviewed and evaluated by a Source Selection Committee

("Committee") consisting of staff from the District's Procurement Department, Office of Civil Rights ("OCR"), and Contract Administration. All five (5) proposals were determined to be responsive and to have met the Technical Requirements of the RFP. In accordance with the provisions of the RFP, the selection of Consultants to provide the services is based on the best value methodology. Under this approach, the District retains the right to award to other than the lowest cost proposal, based on a determination that certain technical advantages available from a proposal will equate to added value for the District. According to the terms of the RFP the proposals were evaluated and scored based on the criteria contained in the RFP with respect to the qualifications of the firm and key personnel.

The Committee then reviewed the price proposals and determined that all five (5) proposals were within the competitive range. All proposers were short-listed and invited to an oral interview. The oral interviews were conducted on May 17, 2019.

After the oral interviews, the Committee combined the qualifications/technical scores and the oral interview scores and based on best value analysis determined that the following four (4) proposers offered the best overall value to the District:

1. Accenture, LLP (San Francisco, CA)
2. Slalom, LLC (San Francisco, CA)
3. Sjoberg Evashenk Consulting, Inc. (Sacramento, CA)
4. AEKO Consulting (Oakland, CA)

Pursuant to the District's Non-Federal Small Business Program, OCR set a 5% Small Business Prime Preference for this Agreement for Small Businesses (SB) certified by the California Department of General Services (DGS). Sjoberg Evashenk Consulting, Inc., Harvey M. Rose Associates, LLC, and AEKO Consulting are certified SBs, making them eligible for the 5% Small Business Prime Preference for this Agreement for evaluation purposes.

Pursuant to the District's Non-Discrimination Program for Subcontracting, the Availability Percentages for this Agreement are 8.4% for Minority Business Enterprises (MBEs) and 5.7% for Women Business Enterprises (WBEs). Accenture LLP, Sjoberg Evashenk Consulting, Inc., AEKO Consulting and Slalom, LLC will not be subcontracting any portion of the Work and therefore, the provisions of the District's Non-Discrimination Program for Subcontracting do not apply. The Office of General Counsel will approve the Agreements as to form.

FISCAL: IMPACT:

Each agreement has a not to exceed cost limit of \$1,000,000. However, no dollar amount is

guaranteed to any of the Consultants.

Costs for professional services will be funded by the FY19 and/or FY20-FY22 Operating Budget of Procurement Department Resources (Cost Center 0502420 and Account 0503450). Funding for services to be rendered in FY20-FY22 will be included in the proposed annual operating budget of the Procurement Department for that year, subject to Board approval. This action is not anticipated to have any fiscal impact on unprogrammed District reserves in the current Fiscal year.

ALTERNATIVES:

The District could reject all proposals and solicit new proposals.

RECOMMENDATION:

It is recommended that the Board adopt the following motion:

MOTION:

That the General Manager is authorized to award Agreement No. 6M4643 to Accenture LLP, Agreement No. 6M4644 to Slalom, LLC, Agreement No. 6M4645 to Sjoberg Evashenk Consulting, Inc and Agreement No. 6M4646 to AEKO Consulting, to provide on-call professional services for Procurement / Materials Management, each in an amount not to exceed \$1,000,000, pursuant to notification to be issued by the General Manager, and subject to compliance with the District's protest procedures.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Robert M. Pown</i> 5 JUNE 2019		GENERAL MANAGER ACTION REQ'D: Approve and forward to Board of Directors		
DATE: 5/31/2019		BOARD INITIATED ITEM: No		
Originator/Prepared by: Nikhila Pai Dept: Budget <i>Nikhila Pai</i> Signature/Date: 6/3/19	General Counsel <i>[Signature]</i> 6/3/19 []	Controller/Treasurer <i>[Signature]</i> 6/3/19 []	District Secretary []	BARC <i>[Signature]</i> 6/3/19 []

Award of Agreement Nos. 6M4647, 6M4648, 6M4649, and 6M4650 for On-Call Professional Services for Capital Budget

PURPOSE:

To obtain Board authorization for the General Manager to award Agreement No. 6M4647 to Sperry Capital Inc., Agreement No. 6M4648 to InnoFin Solutions, LLC, Agreement No. 6M4649 to Sjoberg Evashenk Consulting, Inc., and Agreement No. 6M4650 to Slalom, LLC, to provide on-call professional services for the Capital Budget and Funds Management Division. Each Agreement shall have a term of three (3) years, with two (2) one-year options to extend, for a total not-to-exceed amount of \$1,000,000.

DISCUSSION:

A Request for Proposals ("RFP") was issued for on-call professional services for six (6) Central Support Service Areas ("CSSA"): Operating Budget, Human Resources, Procurement/Materials Management, Capital Budget, Performance and Audit, and Finance for award of up to four (4) agreements for each service area. The selected consultants will be working on special projects to develop and implement process improvements and efficiencies, determine root causes of issues/problems, recommend strategies to address those issues/problems, develop new policies and procedures based on industry best practices, assess risk factors and recommend control measures at all levels of the District. The Capital Budget and Funds Management Division intends to pursue several improvement projects including but not limited to:

1. An evaluation of division oversight of capital funding across all project phases including funding assessments at project milestones;

accountability and reduce inefficiencies;

3. A plan for implementing a useful and accurate capital budget which ties to project phasing, short-term capital budget, and the Capital Improvement Plan; and
4. Recommendations on capital funds reporting that aligns with peer agencies, including but not limited to capital budgeting, budget to actuals, phased funding, capital funding & expiration dates, funding transfers, expense limits, and labor charging.

In order to streamline the process, the District issued one RFP for all six CSSAs. However, a separate evaluation committee for each CSSA evaluated the Proposers for their specific CSSA. This award is for agreements for the Operating Budgets CSSA.

RFP No. 6M4639 was advertised on January 31, 2019, and a subsequent Notice to Proposers was sent to fourteen (14) prospective proposers. Thirty-nine (39) prospective proposers downloaded the RFP from the District's Procurement Vendor Portal. Two Pre-Proposal Meetings were held on February 20, 2019 in the morning and afternoon, with twenty (20) prospective proposers attending. Three (3) Addenda was issued for the RFP over the course of advertisement.

On March 12, 2019, six (6) responsive proposals for the Capital Budget CSSA were received from the following firms:

1. Accenture, LLP (San Francisco, CA)
2. Sjoberg Evashenk Consulting, Inc. (Sacramento, CA)
3. Slalom, LLC (San Francisco, CA)
4. InnoFin Solutions, LLC (Denver, CO)
5. Harvey M. Rose Associates, LLC (San Francisco, CA)
6. Sperry Capital, Inc. (Sausalito, CA)

The six (6) proposals were reviewed and evaluated by a Source Selection Committee ("Committee") consisting of staff from the District's Budget Department, Office of Civil Rights ("OCR"), Office of Planning, Development & Construction, and Contract Administration. All six (6) proposals were determined to be responsive and to have met the Technical Requirements of the RFP. In accordance with the provisions of the RFP, the selection of Consultants to provide the services is based on the best value methodology. Under this approach, the District retains the right to award to other than the lowest cost proposal, based on a determination that certain technical advantages available from a proposal will equate to added value for the District. According to the terms of the RFP the proposals were evaluated and scored based on the criteria contained in the RFP with respect to the qualifications of the firm and key personnel.

The Committee then reviewed the price proposals and determined that all six (6) proposals

were within the competitive range. All proposers were short-listed and invited to an oral interview. The oral interviews were conducted on May 23, 2019.

After the oral interviews, the Committee combined the qualifications/technical scores and the oral interview scores and based on best value analysis determined that the following four (4) proposers offered best overall value to the District:

1. Sperry Capital, Inc. (Sausalito, CA)
2. InnoFin Solutions, LLC (Denver, CO)
3. Sjoberg Evashenk Consulting, Inc. (Sacramento, CA)
4. Slalom, LLC (San Francisco, CA)

Pursuant to the District's Non-Federal Small Business Program, OCR set a 5% Small Business Prime Preference for this Agreement for Small Businesses (SB) certified by the California Department of General Services (DGS). Sjoberg Evashenk Consulting, Inc., Harvey M. Rose Associates, LLC, and Sperry Capital, Inc. are certified SBs, making them eligible for the 5% Small Business Prime Preference for this Agreement for evaluation purposes.

Pursuant to the District's Non-Discrimination Program for Subcontracting, the Availability Percentages for this Agreement are 8.4% for Minority Business Enterprises (MBEs) and 5.7% for Women Business Enterprises (WBEs). Sjoberg Evashenk Consulting, Inc. and Slalom, LLC will not be subcontracting any portion of the Work and therefore, the provisions of the District's Non-Discrimination Program for Subcontracting do not apply.

InnoFin Solutions committed to 0% MBE and 0% WBE participation. InnoFin Solutions did not meet either the MBE or WBE Availability Percentages; therefore, InnoFin Solutions was requested to provide the Office of Civil Rights with supporting documentation to determine if it had discriminated on the basis of race, national origin, color, gender or ethnicity. Based on the review of the information submitted by InnoFin Solutions, the Office of the Civil Rights found no evidence of discrimination.

Sperry Capital, Inc. Committed 0% MBE and 100% WBE participation. Sperry Capital, Inc. did not meet the MBE Availability Percentages; therefore Sperry Capital, Inc. was requested to provide the Office of Civil Rights with supporting documentation to determine if it had discriminated on the basis of race, national origin, color, gender or ethnicity. Based on the review of the information submitted by Sperry Capital, Inc. the Office of Civil Rights found no evidence of discrimination.

The Office of General Counsel will approve the Agreements as to form.

FISCAL IMPACT:

Each agreement has a not to exceed cost limit of \$1,000,000. However, no dollar amount is

guaranteed to any of the Consultants.

Costs for professional services will be funded by the FY20 – FY22 Operating Budget of Capital Budget and Funds Management (Cost Center 1106484). Funding for services to be rendered in FY20 – FY22 will be included in the proposed annual operating budget of the Budget Department for that year, subject to Board approval. This action is not anticipated to have any fiscal impact on unprogrammed District reserves in the current Fiscal year.

ALTERNATIVES:

The District could reject all proposals and solicit new proposals.

RECOMMENDATION:

It is recommended that the Board adopt the following motion:

MOTION:

That the General Manager is authorized to award Agreement No. 6M4647 to Sperry Capital Inc., Agreement No. 6M4648 to InnoFin Solutions, LLC, Agreement No. 6M4649 to Sjoberg Evashenk Consulting, Inc., and Agreement No. 6M4650 to Slalom, LLC, to provide on-call professional services for the Capital Budget and Funds Management Division, each in an amount not to exceed \$1,000,000, pursuant to notification to be issued by the General Manager, and subject to compliance with the District's protest procedures.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Robert M. Power</i> 5 June 2019		GENERAL MANAGER ACTION REQ'D: None		
DATE: 5/28/2019		BOARD INITIATED ITEM: No		
Originator/Prepared by: Dennis Markham Dept: Performance & Audit <i>[Signature]</i> Signature/Date: 05/31/2019	General Counsel <i>[Signature]</i> 6/3/19 []	Controller/Treasurer <i>[Signature]</i> 6/3/19 []	District Secretary []	BARC <i>[Signature]</i> 6/3/19 []

Award of Agreements No. 6M4655, 6M4656, 6M4657, and 6M4658 On-Call Professional Services for Performance & Audit

PURPOSE:

To obtain Board authorization for the General Manager to award Agreement No. 6M4655 to Accenture LLP, Agreement No. 6M4656 to Cambridge Systematics, Inc., Agreement No. 6M4657 to Moss Adams LLP, and Agreement No. 6M4658 to Sjoberg Evashenk Consulting, Inc., to provide on-call professional services for the Performance & Audit Department. Each Agreement shall have a term of three (3) years, with two (2) one-year options to extend, for a total not-to-exceed amount of \$1,000,000.

DISCUSSION:

A Request for Proposals ("RFP") was issued for on-call professional services for six (6) Central Support Service Areas ("CSSA"): Operating Budget, Human Resources, Procurement/Materials Management, Capital Budget, Performance and Audit, and Finance for award of up to four (4) agreements for each service area. The selected consultants will be working on special projects to develop and implement process improvements and efficiencies, determine root causes of issues/problems, recommend strategies to address those issues/problems, develop new policies and procedures based on industry best practices, assess risk factors and recommend control measures at all levels of the District. To streamline the process, the District issued one RFP for all six CSSAs. However, a separate committee for each CSSA evaluated the proposals and interviewed proposers for their specific CSSA. This award is for agreements for the Performance & Audit CSSA.

The tasks to be performed by consultants will augment the work of District staff in the Performance & Audit Department and/or provide specialized best practices expertise that is not available within the District. Examples of tasks include: examining District overtime;

reviewing the District's Internal Cost Allocation Plan (ICAP); providing general Performance & Innovation and Internal Audit support, such as benchmarking best practices, developing a performance management framework, specialized process improvements, and risk-based assessments and audits.

This RFP was advertised on January 31, 2019, and a subsequent Notice to Proposers was sent to fourteen (14) prospective proposers. Thirty-nine (39) prospective proposers downloaded the RFP from the District's Procurement Vendor Portal. Two Pre-Proposal Meetings were held on February 20, 2019 in the morning and afternoon, with twenty (20) prospective proposers attending. Three (3) Addenda were issued for the RFP over the course of advertisement.

On March 12, 2019, six (6) responsive proposals for the Performance & Audit CSSA were received from the following firms:

1. Accenture LLP (San Francisco, CA)
2. Cambridge Systematics, Inc. (Oakland, CA)
3. Harvey M. Rose Associates, LLC (San Francisco, CA)
4. Moss Adams LLP (San Francisco, CA)
5. Sjoberg Evashenk Consulting, Inc. (Sacramento, CA)
6. Slalom, LLC (San Francisco, CA)

The six (6) proposals were reviewed and evaluated by a Source Selection Committee ("Committee") consisting of staff from the District's Transportation Department, Office of Civil Rights ("OCR"), Internal Audit Division, and Performance & Audit Department. All six (6) proposals were determined to be responsive and to have met the Technical Requirements of the RFP. In accordance with the provisions of the RFP, the selection of Consultants to provide the services is based on the best value methodology. Under this approach, the District retains the right to award to other than the lowest cost proposal, based on a determination that certain technical advantages available from a proposal will equate to added value for the District. According to the terms of the RFP the proposals were evaluated and scored based on the criteria contained in the RFP with respect to the qualifications of the firm and key personnel.

The Committee then reviewed the price proposals and determined that all six (6) proposals were within the competitive range. All proposers were short-listed and invited to an oral interview. The oral interviews were conducted on May 21 and May 22, 2019.

After the oral interviews, the Committee combined the qualifications/technical scores and the oral interview scores and based on best value analysis determined that the following four (4) proposers offered the best overall value to the District:

1. Accenture LLP (San Francisco, CA)
2. Cambridge Systematics, Inc. (Oakland, CA)

3. Moss Adams LLP (San Francisco, CA)
4. Sjoberg Evashenk Consulting, Inc. (Sacramento, CA)

Pursuant to the District's Non-Federal Small Business Program, OCR set a 5% Small Business Prime Preference for this Agreement for Small Businesses (SB) certified by the California Department of General Services (DGS). Sjoberg Evashenk Consulting, Inc., and Harvey M. Rose Associates, LLC are certified SBs, making them eligible for the 5% Small Business Prime Preference for this Agreement for evaluation purposes.

Pursuant to the District's Non-Discrimination Program for Subcontracting, the Availability Percentages for this Agreement are 8.4% for Minority Business Enterprises (MBEs) and 5.7% for Women Business Enterprises (WBEs). None of the selected consultants will be subcontracting any portion of the Work and therefore, the provisions of the District's Non-Discrimination Program for Subcontracting do not apply.

The Office of General Counsel will approve the Agreements as to form.

FISCAL IMPACT:

Each agreement has a not to exceed cost limit of \$1,000,000. However, no dollar amount is guaranteed to any of the Consultants.

Costs for professional services will be funded by the FY20 – FY22 operating budget of the Performance & Audit Department (Cost Center 1302388 and Account 681300). Funding for services to be rendered in FY20 – FY22 will be included in the proposed annual operating budget of the Performance & Audit Department for that year, subject to Board approval. This action is not anticipated to have any fiscal impact on unprogrammed District reserves in the current Fiscal year.

ALTERNATIVES:

The District could reject all proposals and solicit new proposals.

RECOMMENDATION:

It is recommended that the Board adopt the following motion: **MOTION:** That the General Manager is authorized to award Agreement No. 6M4655 to Accenture LLP, Agreement No. 6M4656 to Cambridge Systematics, Inc., Agreement No. 6M4657 to Moss Adams LLP, and Agreement No. 6M4658 to Sjoberg Evashenk Consulting, Inc., to provide on-call professional services for the Performance & Audit Department, each in an amount not to exceed \$1,000,000, pursuant to notification to be issued by the General Manager, and subject to compliance with the District's protest procedures.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Robert M. Peever</i> 5 June 2019		GENERAL MANAGER ACTION REQ'D:		
DATE: 5/23/2019		BOARD INITIATED ITEM: Yes		
Originator/Prepared by: Christopher Gah Dept: Assistant Controller	General Counsel	Controller/Treasurer	District Secretary	BARC
Signature/Date: <i>[Signature]</i> 5/29/19	<i>[Signature]</i> 5/29/19 []	<i>[Signature]</i> 5/29/19 []	[]	<i>[Signature]</i> 6/3/19 []

Award of Agreements No. 6M4659, 6M4660, 6M4661, and 6M4662 On-Call Professional Services for Finance

PURPOSE:

To obtain Board authorization for the General Manager to award Agreement No. 6M4659 to Accenture LLP, Agreement No. 6M4660 to Moss Adams LLP, Agreement No. 6M4661 to Sjoberg Evashenk Consulting, Inc., and Agreement No. 6M4662 to Slalom, LLC, to provide on-call professional services for the Finance Department. Each Agreement shall have a term of three (3) years, with two (2) one-year options to extend, for a total not-to-exceed amount of \$1,000,000.

DISCUSSION:

A Request for Proposals ("RFP") was issued for on-call professional services for six (6) Central Support Service Areas ("CSSA"): Operating Budget, Human Resources, Procurement/Materials Management, Capital Budget, Performance and Audit, and Finance for award of up to four (4) agreements for each service area. In order to streamline the process, the District issued one RFP for all six CSSAs. However, a separate evaluation committee for each CSSA evaluated the Proposers for their specific CSSA. This award is for agreements for the Finance Department CSSA.

For the Finance department, the selected consultants will be working on special projects including, but not limited to, Accounts Payable and Payroll. The goal is to develop and implement process improvements and efficiencies, determine root causes of issues/problems, recommend strategies to address those issues/problems, develop new policies and procedures based on industry best practices, assess risk factors and recommend control measures at all levels of the District.

This RFP was advertised on January 31, 2019, and a subsequent Notice to Proposers was sent to fourteen (14) prospective proposers. Thirty-nine (39) prospective proposers downloaded the RFP from the District's Procurement Vendor Portal. Two Pre-Proposal Meetings were held on February 20, 2019 in the morning and afternoon, with twenty (20) prospective proposers attending. Three (3) Addenda was issued for the RFP over the course of advertisement.

On March 12, 2019, four (4) responsive proposals for the Finance Department CSSA were received from the following firms:

1. Accenture LLP (San Francisco, CA)
2. Moss Adams LLP (San Francisco, CA)
3. Sjoberg Evashenk Consulting, Inc. (Sacramento, CA)
4. Slalom, LLC (San Francisco, CA)

The four (4) proposals were reviewed and evaluated by a Source Selection Committee ("Committee") consisting of staff from the District's Finance Department, Office of Civil Rights ("OCR"), Office of the Chief Information Officer, and Contract Administration. All four (4) proposals were determined to be responsive and to have met the Technical Requirements of the RFP. In accordance with the provisions of the RFP, the selection of Consultants to provide the services is based on the best value methodology. Under this approach, the District retains the right to award to other than the lowest cost proposal, based on a determination that certain technical advantages available from a proposal will equate to added value for the District. According to the terms of the RFP the proposals were evaluated and scored based on the criteria contained in the RFP with respect to the qualifications of the firm and key personnel.

The Committee then reviewed the price proposals and determined that all four (4) proposals were within the competitive range. All proposers were short-listed and invited to an oral interview. The oral interviews were conducted on May 15, 2019.

After the oral interviews, the Committee combined the qualifications/technical scores and the oral interview scores and based on best value analysis determined that the following four (4) proposers offered acceptable overall value to the District:

1. Accenture LLP (San Francisco, CA)
2. Moss Adams LLP (San Francisco, CA)
3. Sjoberg Evashenk Consulting, Inc. (Sacramento, CA)
4. Slalom, LLC (San Francisco, CA)

Pursuant to the District's Non-Federal Small Business Program, OCR set a 5% Small Business Prime Preference for this Agreement for Small Businesses (SB) certified by the

California Department of General Services (DGS). Sjoberg Evashenk Consulting, Inc. is a certified SB, making it eligible for the 5% Small Business Prime Preference for this Agreement for evaluation purposes.

Pursuant to the District's Non-Discrimination Program for Subcontracting, the Availability Percentages for this Agreement are 8.4% for Minority Business Enterprises (MBEs) and 5.7% for Women Business Enterprises (WBEs). Accenture LLP, Moss Adams LLP, Sjoberg Evashenk Consulting, Inc., and Slalom, LLC will not be subcontracting any portion of the Work and therefore, the provisions of the District's Non-Discrimination Program for Subcontracting do not apply. The Office of General Counsel will approve the Agreements as to form.

FISCAL IMPACT:

Each agreement has a not to exceed cost limit of \$1,000,000. However, no dollar amount is guaranteed to any of the Consultants.

Costs for professional services will be funded by the FY20 – FY22 operating budget of the Finance Department (Cost Center 0303310 and Account 681300). Funding for services to be rendered in FY20 – FY22 will be included in the proposed annual operating budget of the Finance Department for that year, subject to Board approval. This action is not anticipated to have any fiscal impact on unprogrammed District reserves in the current Fiscal year.

ALTERNATIVES:

The District could reject all proposals and solicit new proposals.

RECOMMENDATION:

It is recommended that the Board adopt the following motion:

MOTION:

That the General Manager is authorized to award Agreement No. 6M4659 to Accenture LLP, Agreement No. 6M4660 to Moss Adams, LLC, Agreement No. 6M4661 to Sjoberg Evashenk Consulting, Inc., and Agreement No. 6M4662 to Slalom, LLC, to provide on-call professional services for the Finance Department, each in an amount not to exceed \$1,000,000, pursuant to notification to be issued by the General Manager, and subject to compliance with the District's protest procedures.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Robert M. Powner</i> 7 JUNE 2019		GENERAL MANAGER ACTION REQ'D:		
DATE: 5/30/2019		BOARD INITIATED ITEM: Yes		
Originator/Prepared by: Robert Franklin Dept: Systems Development <i>Bob Franklin</i> Signature/Date: 6/6/19	General Counsel <i>[Signature]</i> 6/6/19 []	Controller/Treasurer <i>[Signature]</i> 6/7/19 []	District Secretary []	BARC <i>[Signature]</i> 6/6/19 []
Status: Routed		Date Created: 5/30/2019		

Authority to Execute a Second Amendment to the Concession Permit Administering the District's Parking Permit Programs

PURPOSE: To authorize the General Manager or her/his designee to execute an amendment to Concession Permit M342-12 for the administration of the BART's Parking Permit Programs with Imperial Parking Corporation ("Impark"). This amendment would extend the term of the Concession Permit for six months, with three options for subsequent three-month extensions, extending the Permit through September 30, 2020. This amendment would also establish new fees to be paid by BART to Impark for its services. This short-term extension will allow BART staff the necessary time to incorporate permit purchases into the official BART mobile app.

DISCUSSION: BART provides various parking programs for its passengers, with options to purchase parking permits on a Monthly, Single Day or Airport/Long-Term basis. Advanced reservations are required to guarantee a parking space in the Permit section of a parking facility until 10am each weekday, after which time the unused spaces are open to the public. Impark, a professional parking vendor, currently administers the sale of permits for these programs. The Concession Permit was originally issued in 2012 to Pacific Park Management, Inc. through a competitive Request For Proposal process. In the Fall of 2014 Pacific Park Management transferred the Concession Permit to Impark, which has operated the program successfully since that time. The primary work performed by Impark consists of selling internet-based advanced reserved permits for parking at designated BART stations on its webpage, www.Select-a-Spot.com. The vendor also provides supporting customer services and handles all financial transactions and reconciliations, as well as associated credit card transaction fees. Most patrons purchase the permits using credit cards; Impark also

accepts personal checks and commuter-benefit payments. BART compensates Impark for processing the permits. BART has employed a third-party vendor since it began selling parking permits in 2001.

On May 25, 2017, in order to provide BART additional time to incorporate the permit parking reservation system into its mobile app, the BART Board approved an amendment to extend the parking management contract for two years through June 30, 2019. Although it was initially anticipated that the permit parking program would be incorporated into the mobile app by June, 2019, implementation was delayed in order to accommodate reprioritized parking needs (Early Bird Express and Carpool parking programs) on the BART mobile app. Because of this delay in implementation, staff is requesting another short-term amendment to the Concession Permit, which will provide BART time to implement the permit feature in the mobile app by the third quarter of Fiscal Year 2020.

Impark's fee structure will not change through the first six months of the extension; however, Impark has provided adjusted rates for the option periods. These new rates would not impact the customer permit pricing, and staff have found them to be fair and reasonable - given the increased credit card transaction costs of the permits since the original Concession Permit was issued.

The new proposed fee structure would be:

	Current Vendor Fee Structure	July 1, 2019 -Dec 31, 2019 Proposal	Jan 1, 2020 - Sept 30, 2020 options
Contracted Customer Service Phone Center/Month	\$2,500.00	\$2,500.00	\$2,500.00
Monthly Reserved Permit Processing Fee	\$2.90	\$2.90	\$3.00
Unreturned Monthly Mirror Hangtag Customer Fees	\$10.00	\$10.00	\$10.00
Monthly Mirror Hangtag Replacement Customer Fee	\$4.40	\$4.40	\$4.40
Monthly Mirror Hangtag One-time Customer Fee	\$4.85	\$4.85	\$4.85
Single Day Reserved Processing Fee	\$0.75	\$0.75	\$0.80
APLT (Airport / Long Term) Processing Fee	\$1.10	\$1.10	\$1.15
Cancellation Fees for Customer	\$10.00	\$10.00	\$10.00

Currently, BART issues about 6,340 monthly permits each month; and up to 1,200 Single

Day permits and 670 Airport/Long-Term permits each weekday.

FISCAL IMPACT: Under the existing and proposed program, Impark deducts authorized costs from monies collected, and forwards the balance to the District. The parking permit vendor fees come out of the Parking Management Fee line item (Account #681-357) of the annual operating budget for the Customer Access and Accessibility Department (ID#: 1102491). Based upon current permit sales and costs of the previous 12 months of service, the projected cost for FY20 is anticipated to be about \$700,000 for the administration and credit card transaction fees of the permit parking programs. If all three options were exercised, the impacts of the new fee structure over the last nine months of the amendment would add a total of about \$30,000 to the operating costs, based upon current allocations and utilization. This action is not anticipated to have any fiscal impact on unprogrammed District reserves in the current Fiscal Year. Funding for subsequent years will be included in the proposed annual operating budget, which is subject to Board approval.

ALTERNATIVES: Conduct a new request for proposal process to select a vendor to provide the services currently provided by Impark. This alternative would require a shorter-term extension with Impark in order to continue parking management services during the RFP process.

RECOMMENDATION: Adopt the following motion:

MOTION: The General Manager or her/his designee is authorized to execute a second amendment to Concession Permit M342-12 with Imperial Parking Corporation to extend the term of the permit for six-months, with three options for subsequent three-month extensions, through September 30, 2020 and establish new rates for the provision of services during the extension term.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Robert M. Poremski</i> 5 JUNE 2019		GENERAL MANAGER ACTION REQ'D:		
DATE: 5/13/2019		BOARD INITIATED ITEM: Yes		
Originator/Prepared by: Michaela Morales Dept: Finance <i>Michaela Morales</i> Signature/Date: 5/31/19	General Counsel <i>M. [Signature]</i>	Controller/Treasurer <i>[Signature]</i> 6/3/19 []	District Secretary []	BARC <i>[Signature]</i> 6/3/19 []

AUTHORIZE THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS (ELECTION OF 2004), 2019 SERIES F (Green Bonds) AND 2019 REFUNDING SERIES G (FEDERALLY TAXABLE) (Green Bonds)

PURPOSE:

To request Board adoption of a resolution, which authorizes the issuance and sale of not to exceed \$240 million in General Obligation Bonds (Election of 2004), 2019 Series F-1 (Green Bonds) and 2019 Series B-2 (Federally Taxable) (Green Bonds) (the "Bonds") and, if sufficient savings can be achieved, which authorizes the issuance of an additional series of taxable refunding bonds (the "Refunding Bonds") in a principal amount (above the \$240 million) to refund a portion of the 2013 Series C Bonds (the "2013 Bonds"). Furthermore, to seek Board authorization for the Controller-Treasurer to (1) enter into a Bond Purchase Agreement with the Underwriters selected from the District's Underwriters Pool to provide the District with underwriting services in the issuance of the Bonds and Refunding Bonds, (2) to implement the preparation, execution and delivery of the necessary documents including the Preliminary Official Statement, the Official Statement, Supplemental Trust Agreement, Bond Purchase Agreement, Continuing Disclosure Agreement and related agreements and, (3) to attend rating agency meetings and to execute "Green Bond" certification agreements in connection with the issuance of the Bonds and the Refunding Bonds.

DISCUSSION:

In 2019, the District intends to issue not to exceed \$240 million of voter approved General Obligation Bonds. Proceeds of the Bonds will be used to fund projects authorized by

Measure AA and to pay costs of issuance of the bonds.

The proposed resolution will authorize the Controller-Treasurer to negotiate the structure, series designations, financing terms and cost of issuance of the Bonds and Refunding Bonds. In addition, the resolution authorizes the preparation, execution, and delivery of the necessary documents including the Preliminary Official Statement, the Official Statement, Supplemental Trust Agreement, Bond Purchase Agreement, Continuing Disclosure Agreement and related agreements, and payment to cover the costs of issuance as well as the execution of green bond certification agreements in connection with issuance of the Bonds and Refunding Bonds, if any.

The Controller-Treasurer is also authorized to issue Refunding Bonds, entitled “General Obligation Bonds (Election of 2004) 2019 Refunding Series G (Federally Taxable) (Green Bonds)” to refund a portion of the 2013 Bonds if 10% net present value savings are expected to be achieved by such issuance. Due to recent U.S. tax law changes, only taxable bonds may be issued to advance refund the 2013 Bonds at this time.

The District advertised the RFP for underwriting services to the 12 members of the District’s Underwriting Pool on March 27, 2019 and received 11 proposals on April 12, 2019. The Selection Committee performed a technical evaluation of the proposals. The Selection Committee ranked these proposals and recommended Morgan Stanley and Citigroup Global Markets/Siebert Cisneros Shank as Joint Senior Managers, J.P. Morgan Securities LLC and Stifel Financial Corp. as Co-Senior Managers, and Backstrom McCarley Berry & Co. LLC and Raymond James as Co-Managers for the Bonds.

Green Bonds are issued to encourage investing in projects that support sustainability and the environment. More specifically, Green Bonds finance projects aimed at energy efficiency, pollution prevention, sustainable agriculture, fishery and forestry, the protection of aquatic and terrestrial ecosystems, clean transportation, sustainable water management, and the cultivation of environmentally friendly technologies. BART issuances are ‘Green Bonds’ as the District’s projects finance a mass transit system.

FISCAL IMPACT:

The District proposes to issue General Obligation Bonds (Election of 2004), 2019 Series F, in the total principal amount not to exceed \$240 million and if sufficient savings can be achieved, the District also proposes to issue General Obligation Bonds (Election of 2004) 2019 Refunding Series G in a principal amount sufficient to refund a portion of the 2013 Bonds and pay the costs of issuance associated therewith. The cost of issuance for underwriting, legal counsel, financial advisors, rating agencies, trustee services, and other auxiliary fees is estimated not to exceed 1% of principal amount of bonds issued. All fees shall be paid out of proceeds and, therefore, no direct costs will be paid by the District. If no bonds are issued, no expense will be incurred.

Interest and principal on the General Obligation Bonds will be paid through assessed ad valorem taxes on all property in the three BART District counties. No General Obligation Bond debt service will be borne by District general fund revenues.

ALTERNATIVES:

The District may elect not to issue the General Obligation Bonds, 2019 Series F, at this time which would mean no bond funds would be available to fund projects authorized under Measure AA and the District may elect not to authorize the Refunding Bonds at this time which would mean no debt service savings, if achievable, would be available with respect to refunding bonds currently outstanding.

RECOMMENDATION:

To authorize the issuance of the Bonds and the Refunding Bonds and for the Controller-Treasurer to determine whether to sell the Refunding Bonds and negotiate the structure, financing and cost of issuance for the Bonds and the Refunding Bonds, if any, and to execute and deliver all documents necessary for their issuance.

MOTION:

The Board adopts the attached resolution, incorporated herein as if set forth in full, authorizing and approving the issuance and sale of not to exceed \$240 million aggregate principal amount of General Obligation Bonds (Election of 2004), 2019 Series F, and, if sufficient savings are achieved, the Refunding Bonds, and authorizing the preparation, execution and delivery of agreements and documents in connection therewith.

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

Resolution No. _____

AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF NOT TO EXCEED \$240 MILLION AGGREGATE PRINCIPAL AMOUNT OF SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT GENERAL OBLIGATION BONDS (ELECTION OF 2004), 2019 SERIES F; AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL TRUST AGREEMENT PURSUANT TO WHICH SUCH BONDS ARE TO BE ISSUED, A BOND PURCHASE AGREEMENT PURSUANT TO WHICH SUCH BONDS ARE TO BE SOLD BY NEGOTIATED SALE; APPROVING AN OFFICIAL STATEMENT RELATING TO SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF THE OFFICIAL STATEMENT AND CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE AND SALE OF SUCH BONDS, INCLUDING A CONTINUING DISCLOSURE AGREEMENT; DELEGATING TO THE CONTROLLER/TREASURER OF THE DISTRICT POWER TO DETERMINE ISSUANCE OF REFUNDING BONDS AND FINAL TERMS OF SUCH BONDS AND COMPLETE SAID DOCUMENTS AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO.

WHEREAS, pursuant to Resolution No. 4920 of the San Francisco Bay Area Rapid Transit District (the "District"), adopted June 10, 2004, the District duly called an election, and an election was regularly held in the Counties of Alameda, Contra Costa and San Francisco on November 2, 2004, at which the following proposition ("Measure AA") was submitted to the electors of the District:

"To protect public safety and keep Bay Area traffic moving in the event of an earthquake or other disaster, shall BART, the San Francisco Bay Area Rapid Transit District, be authorized to issue bonds not to exceed \$980 million dollars to make earthquake safety improvements to BART facilities in Contra Costa, San Francisco and Alameda Counties, including strengthening tunnels, bridges, overhead tracks and the underwater Transbay Tube, and establish an independent citizens' oversight committee to verify bond revenues are spent as promised?"

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2004), 2005 Series A (the "2005 Bonds") in an aggregate principal amount of \$100,000,000, pursuant to that certain Paying Agent Agreement (the "Master Paying Agent Agreement") by and between the District and U.S. Bank National Association (successor to The Bank of New York Trust Company, N.A.), as Paying Agent (the "Paying Agent" or "U.S. Bank"), dated as of May 1, 2005, all of which 2005 Bonds have been refunded or paid at maturity;

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2004), 2007 Series B (the “2007 Bonds”) in an aggregate principal amount of \$400,000,000, pursuant to that certain First Supplemental Paying Agent Agreement (the “First Supplemental Paying Agent Agreement”) by and between the District and the Paying Agent, dated as of July 1, 2007, all of which 2007 Bonds have been refunded or paid at maturity;

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2004), 2013 Series C (the “2013 Bonds”) in an aggregate principal amount of \$240,000,000 pursuant to that certain Second Supplemental Paying Agent Agreement (the “Second Supplemental Paying Agent Agreement”) by and between the District and the Paying Agent, dated as of October 1, 2013, and the District, as shall be determined by the Controller/Treasurer of the District, will issue taxable refunding bonds if debt service savings can be achieved by refunding a portion of the 2013 Bonds that are currently outstanding and are subject to redemption on August 1, 2023;

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2004), 2015 Refunding Series D (the “2015 Bonds”) in an aggregate principal amount of \$276,805,000 pursuant to that certain Third Supplemental Paying Agent Agreement (the “Third Supplemental Paying Agent Agreement” and together with the Master Paying Agent Agreement, the First Supplemental Paying Agent Agreement, the Second Supplemental Paying Agent Agreement and further supplements and amendments thereto, the “Paying Agent Agreement”) by and between the District and the Paying Agent, dated as of October 1, 2015;

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2004), 2017 Refunding Series E (Green Bonds) (the “2017 Bonds” and together with the 2013 Bonds and the 2015 Bonds, the “Outstanding Bonds”) in an aggregate principal amount of \$84,735,000 pursuant to that certain Trust Agreement (Measure AA), incorporating the Paying Agent Agreement (the “Master Trust Agreement,”), by and between the District and U.S. Bank, as trustee (the “Trustee”), dated as of June 1, 2017;

WHEREAS, the District now deems that it is necessary and desirable to issue its “San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2019 Series F-1 (Green Bonds)” and its “San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2019 Series F-2 (Federally Taxable) (Green Bonds)” (collectively, the “2019F Bonds”) in an aggregate principal amount not exceeding \$240,000,000, according to the terms and in the manner as set forth in a First Supplemental Trust Agreement, to be dated as of August 1, 2019 (in the form presented to this meeting, with such changes as are made pursuant to this Resolution, the “First Supplemental Trust Agreement” and, together with the Master Trust Agreement, being hereinafter referred to as the “Trust Agreement”), supplemental to the Master Trust Agreement, for the purpose of financing the cost of making earthquake safety improvements to District facilities in Contra Costa, San Francisco and Alameda Counties authorized by Measure AA (the “Project”) and paying the costs of issuance of the 2019F Bonds;

WHEREAS, the District deems it necessary and desirable to sell the 2019 Bonds by negotiated sale to Morgan Stanley & Co. LLC (“Morgan Stanley”), Citigroup Global Markets Inc. and Siebert Cisneros Shank & Co. L.L.C., as senior managers, and the other underwriters designated in the bond purchase agreement (collectively, the “Underwriters”) for whom Morgan

Stanley is acting as representative (the "Representative"), in order to provide flexibility in the timing of the sale of the 2019 Bonds and to achieve a more desirable debt structure and an overall lower cost of borrowing;

WHEREAS, a proposed form of a bond purchase agreement between the District and the Representative has been prepared and presented to this meeting (such bond purchase agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being hereinafter referred to as the "Bond Purchase Agreement");

WHEREAS, there has been prepared and submitted to this meeting a proposed form of the Official Statement (as defined herein) in preliminary form (the "Preliminary Official Statement") to be used in connection with the offering and sale of the 2019F Bonds;

WHEREAS, in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), there has been prepared and submitted to this meeting a proposed form of Continuing Disclosure Agreement (with such changes, omissions and insertions as are made pursuant to this Resolution, the "Continuing Disclosure Agreement"), which is proposed to be entered into by the District and U.S. Bank, and as dissemination agent;

WHEREAS, a portion of the 2013 Bonds that are currently outstanding are subject to redemption on August 1, 2023, and may be refunded by the issuance of taxable refunding bonds and if net present value debt service savings of at least ten percent of the principal amount of the 2013 Bonds refunded can be achieved, the District deems it desirable to authorize the issuance of "San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004) 2019 Refunding Series G (Federally Taxable) (Green Bonds)" (the "2019G Bonds" and, together with the 2019F Bonds, the "2019 Bonds") in an aggregate principal amount necessary to affect such refunding, including cost of issuance with respect thereto;

WHEREAS, appropriate changes may be made to the Preliminary Official Statement, the First Supplemental Trust Agreement and the Bond Purchase Agreement to provide for the sale and issuance of the 2019G Bonds if the requisite savings are projected to be achieved prior to the marketing of the 2019F Bonds;

WHEREAS, the District has engaged Sperry Capital Inc. as municipal advisor to the District with respect to the 2019 Bonds, and Orrick, Herrington & Sutcliffe LLP as bond and disclosure counsel to the District with respect to the 2019 Bonds and pursuant to Section 5852.1 of the Government Code of the State of California, the District has estimated the costs of issuance for the 2019 Bonds and has received certain representations and good faith estimates from the Representative as to the debt costs and finance charges with respect to the 2019 Bonds as set forth in Appendix A hereto; and

WHEREAS, the District hereby determines that use of the proceeds of the 2019 Bonds for the Project and the refinancing of the 2013 Bonds as described herein will assist BART in providing mass transit services which are electrically powered and thus reduce the amount of carbon dioxide that would otherwise be released if BART riders used automobiles and as such the 2019 Bonds should be certified as "Green Bonds" under the low carbon land transport criteria established by the Climate Bonds Standard and Certification Scheme;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Francisco Bay Area Rapid Transit District as follows:

Section 1. The foregoing recitals are true and correct, and the issuance by the District of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2019 Series F-1 (Green Bonds), and San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2019 Series F-2 (Federally Taxable) (Green Bonds), in an aggregate principal amount not to exceed \$240 million, on the terms and conditions set forth in, and subject to the limitations specified in, the First Supplemental Trust Agreement, as finally executed and delivered, is hereby approved. The issuance by the District of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004) 2019 Refunding Series G (Federally Taxable) (Green Bonds), is also hereby approved; provided that said net present value savings of at least ten percent can be achieved and the Controller/Treasurer of the District is hereby authorized and directed to determine the principal amount, series designations, interest rate or rates, and other terms of the 2019G Bonds to be issued, including determining whether such 2019G Bonds shall be marketed (subject to the aforesaid limitations and the limitations hereinafter specified) and, if marketed and sold, to specify said terms in the First Supplemental Trust Agreement finally as executed and delivered.

Section 2. The First Supplemental Trust Agreement in the form presented to this meeting is hereby approved. The Controller/Treasurer of the District is hereby authorized and directed to execute and deliver the First Supplemental Trust Agreement in substantially the form presented to this meeting with such changes, insertions and omissions as may be approved by such officer, such approval being conclusively evidenced by the execution and delivery of the First Supplemental Trust Agreement. The proceeds of the 2019 Bonds (after payment of the costs of issuance thereof) will be applied to provide funds for the purposes hereinabove described. The maximum term of the 2019 Bonds shall not exceed thirty (30) years. The maximum rate of interest to be payable on the 2019 Bonds shall not exceed five and one-half percent (5.50%) per annum. The combined true interest cost for the 2019 Bonds shall not exceed four and one-half percent (4.50%) per annum. Optional redemption of the 2019 Bonds shall be provided for at not later than ten (10) years from the date of issuance at the principal amount of 2019 Bonds being redeemed; provided, however, that the Controller/Treasurer is hereby authorized to cause all or any portion of the 2019 Bonds to be issued as callable, noncallable, taxable, or tax-exempt bonds. The net present value of the savings generated by the refunding shall be at least ten percent (10.00%) of the aggregate principal amount of the bonds to be refunded. The 2019 Bonds shall be signed by the manual or facsimile signature of the President of the Board of Directors of the District and countersigned by the manual or facsimile signature of the Secretary of the District, and the manual or facsimile seal of the District shall be affixed to the 2019 Bonds. The 2019 Bonds shall be authenticated by a manual signature of a duly authorized officer of the Trustee. The dated date of the document, the interest payment dates, series designations, tax designation, denominations, forms, manner of execution, terms of redemption and other terms of the 2019 Bonds shall be as provided in the First Supplemental Trust Agreement as finally executed.

Section 3. The sale of the 2019 Bonds to the Underwriters on the terms and conditions contained in the Bond Purchase Agreement is hereby approved and authorized and the form of Bond Purchase Agreement presented to this meeting is hereby approved. The Controller/Treasurer of the District is hereby authorized and directed to execute and deliver the Bond Purchase

Agreement in substantially the form presented to this meeting with such changes, insertions and omissions as may be approved by such officer, such approval being conclusively evidenced by the execution and delivery thereof. The maximum underwriting discount on the sale of the 2019 Bonds (exclusive of original issue discount) shall be not greater than one-half of one percent (0.50%) of the principal amount of the 2019 Bonds. The proceeds, including accrued interest on the sale of the 2019 Bonds, shall be applied simultaneously with the delivery of the 2019 Bonds, as required by the terms of the First Supplemental Trust Agreement as finally executed.

Section 4. The form of Preliminary Official Statement presented to this meeting is hereby approved and the distribution of the Preliminary Official Statement, in connection with the offering and sale of the 2019 Bonds, with such changes, omissions and insertions as shall be approved by the Controller/Treasurer, is hereby authorized and approved. The Controller/Treasurer is hereby authorized to review the Preliminary Official Statement and to certify on behalf of the District that the Preliminary Official Statement is “deemed final” as of its date, except for certain terms and pricing information permitted to be omitted therefrom pursuant to Securities and Exchange Commission Rule 15c2-12. The Controller/Treasurer is authorized to deliver such a certification to the Underwriters.

The Controller/Treasurer is hereby authorized and directed to prepare a final version of the Official Statement (such final version of the Official Statement, in the form of the Preliminary Official Statement, with such changes, insertions and omissions as shall be approved by the Controller/Treasurer, being hereinafter referred to as the “Official Statement”) and to execute the Official Statement and any amendment or supplement thereto, in the name of and on behalf of the District, and cause the Official Statement and any such amendment or supplement to be delivered to the Underwriters and distributed in connection with the offering and sale of the 2019 Bonds.

Section 5. The form of Continuing Disclosure Agreement presented to this meeting is hereby approved. The Controller/Treasurer is hereby authorized and directed to execute and deliver a Continuing Disclosure Agreement in substantially the form presented to this meeting, with such changes, insertions and omissions as may be approved by such officer, such approval being conclusively evidenced by the execution and delivery of the Continuing Disclosure Agreement.

Section 6. The Controller/Treasurer of the District is hereby authorized to arrange and confirm Green Bond certifications from the Climate Bonds Initiative for the 2019 Bonds or a portion thereof and the Controller/Treasurer of the District is further authorized to execute and deliver all documents necessary in connection therewith.

Section 7. The Controller/Treasurer is hereby authorized to enter into or to instruct the Trustee to enter into one or more investment agreements, float contracts, swaps or other hedging products (hereinafter collectively referred to as the “Investment Agreement”) providing for the investment of moneys in any of the funds and accounts created under the Trust Agreement, on such terms as the Controller/Treasurer shall deem appropriate. Pursuant to Section 5922 of the California Government Code, the Board of Directors of the District hereby finds and determines that the Investment Agreement will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreement and is designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing

when used in combination with the 2019 Bonds or enhance the relationship between risk and return with respect to investments.

Section 8. Pursuant to Section 29121 of the California Public Utilities Code, the District shall, at the time of fixing the general tax levy and in the manner provided for fixing the general tax levy, levy and collect annually until the 2019 Bonds are paid, or until there is a sum in the treasury of the District set apart for the purpose of paying all principal of and interest (and redemption premiums, if any) on the 2019 Bonds as the same become due and payable, a tax sufficient to pay the annual interest on the 2019 Bonds and such part of the principal thereof, including any sinking fund installments or redemption premiums required to be paid pursuant to the Agreement, as will become due before the proceeds of a tax levied at the next general tax levy will be made available for such purposes.

Section 9. The District hereby pledges all revenues from the property taxes collected from the levy for the payment of outstanding general obligation bonds of the District heretofore and hereafter issued pursuant to voter-approved Measure AA of the District, including the 2019 Bonds and any bonds issued to refund the 2019 Bonds or any other bonds issued pursuant to Measure AA (for the purpose of this pledge herein collectively, the "Bonds") and amounts on deposit in the interest and sinking fund of the District to the payment of the principal or redemption price of and interest on the Bonds. This pledge shall be valid and binding from the date hereof for the benefit of the owners of the Bonds and successors thereto. The property taxes and amounts held in the interest and sinking fund of the District shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the interest and sinking fund of the District to secure the payment of the Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act.

Section 10. The Board of Supervisors, the Auditor-Controller, the Assessor, the Treasurer, and other appropriate officials of each of the County of Alameda, the County of Contra Costa and the City and County of San Francisco (each a "BART County" and collectively, the "BART Counties"), are hereby requested to take and authorize such actions as may be necessary pursuant to the laws of the State of California to provide for the levy and collection of the property tax on all property within their respective County subject to taxation by the District at such rate specified annually by the District to provide for payment of all principal of, redemption premium, if any, and interest on the Bonds, including the 2019 Bonds, as the same shall become due and payable, and to transfer such monies to or as requested by the District for deposit to the District's interest and sinking fund established pursuant to the Trust Agreement, and the Secretary of the District is hereby authorized and directed to deliver certified copies of this Resolution to the Clerk of the Board of Supervisors, the Auditor-Controller, the Assessor, the Treasurer and other appropriate officials of each BART County. The Board hereby agrees to reimburse each BART County for any costs associated with the levy and collection of said tax, upon such documentation of said costs as the District shall reasonably request. The Controller/Treasurer of the District is hereby authorized to enter into agreements with each BART County or provide such other documentation as the Controller/Treasurer of the District determines is necessary or convenient to assist in the levy and collection of the taxes and the transfer thereof to or at the direction of the District.

Section 11. The President of the Board of Directors of the District, the General Manager of the District or the Interim General Manager of the District, the Controller/Treasurer of the District, the General Counsel of the District, the District Secretary and any other proper officer of the District, acting singly, is, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper to carry out the transactions contemplated by the Trust Agreement, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Continuing Disclosure Agreement, and by this Resolution, including without limitation, the delivery of escrow agreements, tax certifications, the delivery of any instructions or documents relating to the investment of bond proceeds, the engagement of verification agents, consultants and the making of any determinations or submission of any documents or reports which are required by any governmental entity in connection with the issuance or payment of the 2019 Bonds.

Section 12. All actions heretofore taken by the officers, representatives or agents of the District in connection with the issuance and sale of the 2019 Bonds are hereby ratified, confirmed and approved.

Section 13. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED on _____, 2019.

EXHIBIT A TO RESOLUTION

GOOD FAITH ESTIMATES

**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2004), 2019 SERIES F
(GREEN BONDS)**

The following information was obtained from Morgan Stanley & Co. LLC, as Representative of the Underwriters of the bonds defined above (the "Bonds"), for consideration prior to the authorization in the foregoing Resolution of the proposed Bonds:

1. *True Interest Cost of the Bonds.* Assuming an aggregate principal amount of the Bonds in the amount of \$240,000,000 of 2019 Series F Bonds and \$88,375,000 of 2019 Refunding Series G Bonds is sold to effectuate the financing and the refunding and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 3.246%.

2. *Finance Charge of the Bonds.* Assuming such a principal amount of the proposed Bonds is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the Finance Charge of the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the issuance of the Bonds), is \$1,324,656.00, as follows:

a)	Bond Counsel Fees [†]	\$340,000.00*
b)	Disclosure Counsel Fees [†]	200,000.00*
c)	Disbursements	5,000.00*
d)	Municipal Advisor Fees [†]	67,500.00*
e)	Rating Agency Fees	110,000.00*
f)	Trustee Fees	9,600.00*
g)	Printer Fees	2,000.00*
h)	Miscellaneous Expenses	3,000.00*
i)	Green Bond Certification	3,283.75*
j)	Underwriters' Discount	574,656.00*
	Subtotal	<u>\$1,315,039.75*</u>
k)	Contingency	9,616.25*
	Total:	<u>\$1,324,656.00*</u>

* Preliminary, subject to change (Bond Counsel and Disclosure Counsel Fees would each be reduced by \$100,000.00 if refunding is not executed; Municipal Advisor Fees would be reduced by \$35,000.00 if refunding is not executed).

3. *Amount of Proceeds to be Received.* Assuming such aggregate principal amount of the proposed Bonds required to effectuate the financing is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of

proceeds expected to be received by the issuer for sale of the Bonds less the Finance Charge of the Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$327,979,644.74.

4. *Total Payment Amount.* Assuming such aggregate principal amount of the proposed Bonds (\$328,375,000.00) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the issuer will make to pay debt service on the Bonds plus the Finance Charge of the Bonds described in paragraph 2 above not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$485,528,903.84.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of Bond sales, the amount of Bonds sold, the amortization of the Bonds sold and market interest rates at the time of each sale. The date or dates of sale and the amount of Bonds sold will be determined by the issuer based on need for funds and other factors. The actual interest rates at which the Bonds will be sold will depend on the bond market at the time of sale. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of each sale. Market interest rates are affected by economic and other factors beyond the issuer's control.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Robert M. Pown</i> 5 June 2019		GENERAL MANAGER ACTION REQ'D:		
DATE: 5/13/2019		BOARD INITIATED ITEM: Yes		
Originator/Prepared by: Michaela Morales Dept: Finance <i>Michaela Morales</i> Signature/Date: 5/31/19	General Counsel <i>M.H.P.</i> 6/3/19	Controller/Treasurer <i>Agathe</i> 6/3/19	District Secretary []	BARC <i>P. Pown</i> 6/3/19

AUTHORIZE THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, (ELECTION OF 2016), 2019 SERIES B (Green Bonds)

PURPOSE:

To request Board adoption of a resolution, which authorize the issuance and sale of not to exceed \$360 million in General Obligation Bonds (Election of 2016), 2019 Series B-1 (Green Bonds) and 2019 Series B-2 (Federally Taxable) (Green Bonds) (the "Bonds"). Furthermore, to seek Board authorization for the Controller-Treasurer to (1) enter into a Bond Purchase Agreement with the Underwriters selected from the District's Underwriters Pool to provide the District with underwriting services in the issuance of the Bonds, (2) to implement the preparation, execution and delivery of the necessary documents including the Preliminary Official Statement, the Official Statement, Supplemental Trust Agreement, Bond Purchase Agreement, Continuing Disclosure Agreement and related agreements and, (3) to attend rating agency meetings and to execute "Green Bond" certification agreements in connection with the issuance of the Bonds.

DISCUSSION:

In 2019, the District intends to issue not to exceed \$360 million of voter approved General Obligation Bonds. Proceeds of the Bonds will be used to fund projects authorized by Measure RR and to pay costs of issuance of the bonds.

The proposed resolution will authorize the Controller-Treasurer to negotiate the structure, financing terms and cost of issuance of the Bonds. In addition, the resolution authorizes the preparation, execution, and delivery of the necessary documents including the Preliminary

Official Statement, Official Statement, Supplemental Trust Agreement, Bond Purchase Agreement, Continuing Disclosure Agreement and related agreements, and payment to cover the costs of issuance as well as the execution of green bond certification agreements in connection with issuance of the Bonds.

The District advertised the RFP for underwriting services to the 12 members of the District's Underwriting Pool on March 27, 2019 and received 11 proposals on April 12, 2019. The Selection Committee performed a technical evaluation of the proposals. The Selection Committee ranked these proposals and recommended Morgan Stanley and Citigroup Global Markets/Siebert Cisneros Shank as Joint Senior Managers, J.P. Morgan Securities LLC and Stifel Financial Corp. as Co-Senior Managers, and Backstrom McCarley Berry & Co. LLC and Raymond James as Co-Managers for the Bonds.

Green Bonds are issued to encourage investing in projects that support sustainability and the environment. More specifically, Green Bonds finance projects aimed at energy efficiency, pollution prevention, sustainable agriculture, fishery and forestry, the protection of aquatic and terrestrial ecosystems, clean transportation, sustainable water management, and the cultivation of environmentally friendly technologies. BART issuances are 'Green Bonds' as the District's projects finance a mass transit system.

FISCAL IMPACT:

The District proposes to issue General Obligation Bonds (Election of 2016), 2019 Series B, in the total principal amount not to exceed \$360 million. The cost of issuance for underwriting, legal counsel, financial advisors, rating agencies, trustee services, and other auxiliary fees is estimated not to exceed 1% of principal amount of Bonds issued. All fees shall be paid out of proceeds and, therefore, no direct costs will be paid by the District. If no bonds are issued, no expense will be incurred.

Interest and principal on the General Obligation Bonds will be paid through ad valorem taxes assessed on all property in the three BART District counties. No General Obligation Bond debt service will be borne by District general fund revenues.

ALTERNATIVES:

The District may elect not to issue the General Obligation Bonds (Election of 2016), 2019 Series B, at this time which would mean no bond funds would be available to fund projects under Measure RR.

RECOMMENDATION:

To authorize the issuance of the Bonds and for the Controller-Treasurer to negotiate the structure, financing terms and cost of issuance for the General Obligation Bonds (Election of 2016), 2019 Series B, and execute and deliver all documents necessary for their issuance.

MOTION:

The Board adopts the attached resolution, incorporated herein as if set forth in full, authorizing and approving the issuance and sale of not to exceed \$360 million aggregate principal amount of General Obligation Bonds (Election of 2016), 2019 Series B, and authorizing the preparation, execution and delivery of agreements and documents in connection therewith.

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

Resolution No. _____

AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF NOT TO EXCEED \$360 MILLION AGGREGATE PRINCIPAL AMOUNT OF SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT GENERAL OBLIGATION BONDS (ELECTION OF 2016), 2019 SERIES B; AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL TRUST AGREEMENT PURSUANT TO WHICH SUCH BONDS ARE TO BE ISSUED, A BOND PURCHASE AGREEMENT PURSUANT TO WHICH SUCH BONDS ARE TO BE SOLD BY NEGOTIATED SALE; APPROVING AN OFFICIAL STATEMENT RELATING TO SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF THE OFFICIAL STATEMENT AND CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE AND SALE OF SUCH BONDS, INCLUDING A CONTINUING DISCLOSURE AGREEMENT; DELEGATING TO THE CONTROLLER/TREASURER OF THE DISTRICT POWER TO DETERMINE FINAL TERMS OF SUCH BONDS AND COMPLETE SAID DOCUMENTS AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO.

WHEREAS, pursuant to Resolution No. 5321 of the San Francisco Bay Area Rapid Transit District (the "District"), adopted June 9, 2016, the District duly called an election, and an election was regularly held in the Counties of Alameda, Contra Costa and San Francisco on November 8, 2016, at which the following proposition ("Measure RR") was submitted to the electors of the District:

"To keep BART safe; prevent accidents/breakdowns/delays; relieve overcrowding; reduce traffic congestion/pollution; and improve earthquake safety and access for seniors/disabled by replacing and upgrading 90 miles of severely worn tracks; tunnels damaged by water intrusion; 44-year-old train control systems; and other deteriorating infrastructure, shall the Bay Area Rapid Transit District issue \$3.5 billion of bonds for the acquisition or improvement of real property subject to independent oversight and annual audits?"

WHEREAS, at least two-thirds of the votes cast on said proposition were in favor of issuing said bonds;

WHEREAS, pursuant to said favorable vote and pursuant to Part 2 of Division 10 of the Public Utilities Code of the State of California, commencing with Section 28500, and Article 4.5 of Chapter 3 of Division 2 of Title 5 of the Government Code, commencing with Section 53506, and other applicable law, the District is authorized to issue said bonds;

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2016), 2017 Series A-1 (Green Bonds) (the "2017 A-1 Bonds") in an aggregate principal amount of \$271,600,000 and its General Obligation Bonds (Election of 2016), 2017 Series A-2 (Federally Taxable) (Green Bonds) (the "2017 A-2 Bonds" and, together with the 2017 A-1 Bonds, the "2017A Bonds") in an aggregate principal amount of \$28,400,000, pursuant to that certain Trust Agreement (Measure RR) (the "Master Trust Agreement"), by and between the District and U.S. Bank National Association, as trustee (the "Trustee" or "U.S. Bank"), dated as of June 1, 2017;

WHEREAS, the District deems that it is necessary and desirable to issue its "San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2019 Series B-1 (Green Bonds)" and its "San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2019 Series B-2 (Federally Taxable) (Green Bonds)" (collectively, the "2019B Bonds") in an aggregate principal amount not exceeding \$360,000,000, according to the terms and in the manner as set forth in the First Supplemental Trust Agreement, to be dated as of August 1, 2019 (together with the Master Trust Agreement, the "Trust Agreement"), between the District and the Trustee, for the purpose of financing the cost of the projects authorized in Measure RR (collectively, the "Project") and paying the costs of issuance of the 2019B Bonds;

WHEREAS, there has been prepared and presented to this meeting a proposed form of First Supplemental Trust Agreement (such First Supplemental Trust Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution being hereinafter referred to as, the "First Supplemental Trust Agreement");

WHEREAS, the District deems it necessary and desirable to sell the 2019B Bonds by negotiated sale to Morgan Stanley & Co. LLC ("Morgan Stanley"), Citigroup Global Markets Inc. and Siebert Cisneros Shank & Co. L.L.C., as senior managers, and the other underwriters designated in the bond purchase agreement (collectively, the "Underwriters") for whom Morgan Stanley is acting as representative (the "Representative"), in order to provide flexibility in the timing of the sale of the 2019B Bonds and to achieve a more desirable debt structure and an overall lower cost of borrowing, all pursuant to a bond purchase agreement to be entered into between the District and the Representative, a proposed form of which has been prepared and presented to this meeting (such bond purchase agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being hereinafter referred to as the "Bond Purchase Agreement");

WHEREAS, there has been prepared and submitted to this meeting a proposed form of the Official Statement (as defined herein) in preliminary form (the "Preliminary Official Statement") to be used in connection with the offering and sale of the 2019B Bonds;

WHEREAS, in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), there has been prepared and submitted to this meeting a proposed form of Continuing Disclosure Agreement (such Continuing Disclosure Agreement, in the form presented to this meeting, with such changes, omissions and insertions as are made pursuant to this Resolution, being hereinafter referred to as the "Continuing Disclosure Agreement"), which is proposed to be entered into by the District and the Trustee, as trustee and as dissemination agent;

WHEREAS, the District has engaged Sperry Capital Inc., as municipal advisor to the District with respect to the 2019B Bonds, and Orrick, Herrington & Sutcliffe LLP, as bond and disclosure counsel to the District with respect to the 2019B Bonds and pursuant to Section 5852.1 of the Government Code of the State of California, the District has estimated the costs of issuance for the 2019B Bonds and has received certain representations and good faith estimates from the Representative as to the debt costs and finance charges with respect to the 2019B Bonds as set forth in Appendix A hereto; and

WHEREAS, the District hereby determines that use of the proceeds of the 2019B Bonds for the Project will assist BART in providing mass transit services which are electrically powered and thus reduce the amount of carbon dioxide that would otherwise be released if BART riders used automobiles and as such the 2019B Bonds should be certified as "Green Bonds" under the low carbon land transport criteria established by the Climate Bonds Standard and Certification Scheme;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Francisco Bay Area Rapid Transit District as follows:

Section 1. The foregoing recitals are true and correct, and the issuance by the District of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2019 Series B-1 (Green Bonds) and San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2019 Series B-2 (Federally Taxable) (Green Bonds), in an aggregate principal amount not to exceed \$360,000,000, on the terms and conditions set forth herein and in the First Supplemental Trust Agreement, as finally executed and delivered, is hereby approved.

Section 2. The First Supplemental Trust Agreement in the form presented to this meeting is hereby approved. The Controller/Treasurer of the District is hereby authorized and directed to execute and deliver the First Supplemental Trust Agreement in substantially the form presented to this meeting with such changes, insertions and omissions as may be approved by such officer, such approval being conclusively evidenced by the execution and delivery of the First Supplemental Trust Agreement. The proceeds of the 2019B Bonds (after payment of the costs of issuance thereof) will be applied to provide funds for the purposes hereinabove described. The maximum term of the 2019B Bonds shall not exceed thirty (30) years. The maximum rate of interest to be payable on the 2019B Bonds shall not exceed five and one-half percent (5.50%) per annum. The combined true interest cost for the 2019B Bonds shall not exceed four and one-half percent (4.50%). Optional redemption of the 2019B Bonds shall be provided for at not later than ten (10) years from the date of issuance at the principal amount of 2019B Bonds being redeemed; provided, however, that the Controller/Treasurer of the District is hereby authorized to cause all or any portion of the 2019B Bonds to be issued as noncallable, taxable or tax-exempt bonds. The 2019B Bonds shall be signed by the manual or facsimile signature of the President of the Board of Directors of the District and countersigned by the manual or facsimile signature of the Secretary of the District, and the manual or facsimile seal of the District shall be affixed to the 2019B Bonds. The 2019B Bonds shall be authenticated by a manual signature of a duly authorized officer of the Trustee. The dated date of the document, the interest payment dates, series designations, tax designation, denominations, forms, manner of execution, terms of redemption and other terms of

the 2019B Bonds shall be as provided in the First Supplemental Trust Agreement as finally executed.

Section 3. The sale of the 2019B Bonds to the Underwriters on the terms and conditions contained in the Bond Purchase Agreement are hereby approved and authorized. The Bond Purchase Agreement in the form presented to this meeting is hereby approved and the Controller/Treasurer of the District is hereby authorized and directed to execute and deliver the Bond Purchase Agreement in substantially such form with such changes, insertions and omissions as may be approved by such officer, such approval being conclusively evidenced by the execution and delivery thereof. The maximum underwriting discount on the sale of the 2019B Bonds (exclusive of original issue discount) shall be not greater than one half of one percent (0.50%) of the principal amount of the 2019B Bonds. The proceeds, including any accrued interest on the sale of the 2019B Bonds, shall be applied simultaneously with the delivery of the 2019B Bonds, as required by the terms of the First Supplemental Trust Agreement as finally executed.

Section 4. The form of Preliminary Official Statement presented to this meeting is hereby approved and the distribution of the Preliminary Official Statement, in connection with the offering and sale of the 2019B Bonds, with such changes, omissions and insertions as shall be approved by the Controller/Treasurer, is hereby authorized and approved. The Controller/Treasurer is hereby authorized to review the Preliminary Official Statement and to certify on behalf of the District that the Preliminary Official Statement is “deemed final” as of its date, except for certain terms and pricing information permitted to be omitted therefrom pursuant to Securities and Exchange Commission Rule 15c2-12. The Controller/Treasurer of the District is authorized to deliver such a certification to the Underwriters.

The Controller/Treasurer of the District is hereby authorized and directed to prepare a final version of the Official Statement (such final version of the Official Statement, in the form of the Preliminary Official Statement, with such changes, insertions and omissions as shall be approved by the Controller/Treasurer of the District, being hereinafter referred to as the “Official Statement”) and to execute the Official Statement and any amendment or supplement thereto, in the name of and on behalf of the District, and cause the Official Statement and any such amendment or supplement to be delivered to the Underwriters and distributed in connection with the offering and sale of the 2019B Bonds.

Section 5. The form of Continuing Disclosure Agreement presented to this meeting is hereby approved. The Controller/Treasurer of the District is hereby authorized and directed to execute and deliver a Continuing Disclosure Agreement in substantially the form presented to this meeting, with such changes, insertions and omissions as may be approved by such officer, such approval being conclusively evidenced by the execution and delivery of the Continuing Disclosure Agreement.

Section 6. The Controller/Treasurer of the District is hereby authorized to arrange and confirm Green Bond certifications from the Climate Bonds Initiative for the 2019B Bonds or a portion thereof and the Controller/Treasurer of the District is further authorized to execute and deliver all documents necessary in connection therewith.

Section 7. The Controller/Treasurer of the District is hereby authorized to enter into or to instruct the Trustee to enter into one or more investment agreements, float contracts, swaps or other hedging products (hereinafter collectively referred to as the "Investment Agreement") providing for the investment of moneys in any of the funds and accounts created under the Trust Agreement, on such terms as the Controller/Treasurer of the District shall deem appropriate. Pursuant to Section 5922 of the California Government Code, the Board of Directors of the District hereby finds and determines that the Investment Agreement will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreement and is designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the 2019B Bonds or enhance the relationship between risk and return with respect to investments.

Section 8. Pursuant to Section 29121 of the California Public Utilities Code, the District shall, at the time of fixing the general tax levy and in the manner provided for fixing the general tax levy, levy and collect annually until the 2019B Bonds are paid, or until there is a sum in the treasury of the District set apart for the purpose of paying all principal of and interest (and redemption premiums, if any) on the 2019B Bonds as the same become due and payable, a tax sufficient to pay the annual interest on the 2019B Bonds and such part of the principal thereof, including any sinking fund installments or redemption premiums required to be paid pursuant to the Trust Agreement, as will become due before the proceeds of a tax levied at the next general tax levy will be made available for such purposes.

Section 9. The District hereby pledges all revenues from the property taxes collected from the levy for the payment of outstanding general obligation bonds of the District heretofore and hereafter issued pursuant to voter-approved Measure RR of the District, including the 2019B Bonds and any bonds issued to refund the 2019B Bonds or any other bonds issued pursuant to Measure RR (for the purpose of this pledge herein collectively, the "Bonds") and amounts on deposit in the interest and sinking fund of the District to the payment of the principal or redemption price of and interest on the Bonds. This pledge shall be valid and binding from the date hereof for the benefit of the owners of the 2019B Bonds and successors thereto. The property taxes and amounts held in the interest and sinking fund of the District shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the interest and sinking fund of the District to secure the payment of the Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act.

Section 10. The Board of Supervisors, the Auditor-Controller, the Assessor, the Treasurer, and other appropriate officials of each of the County of Alameda, the County of Contra Costa and the City and County of San Francisco (each a "BART County" and collectively, the "BART Counties"), are hereby requested to take and authorize such actions as may be necessary pursuant to laws of the State of California to provide for the levy and collection of the property tax on all property within their respective County subject to taxation by the District at such rate specified annually by the District to provide for payment of all principal of, redemption premium, if any, and interest on the 2019B Bonds as the same shall become due and payable, and to transfer such monies to or as requested by the District for deposit to the District's interest and sinking fund established pursuant to the Trust Agreement, and the Secretary of the District is hereby authorized

and directed to deliver certified copies of this Resolution to the Clerk of the Board of Supervisors, the Auditor-Controller, the Assessor, the Treasurer and other appropriate officials of each BART County. The Board hereby agrees to reimburse each BART County for any costs associated with the levy and collection of said tax, upon such documentation of said costs as the District shall reasonably request. The Controller/Treasurer of the District is hereby authorized to enter into agreements with each BART County or provide such other documentation as the Controller/Treasurer of the District determines is necessary or convenient to assist in the levy and collection of the taxes and the transfer thereof to or at the direction of the District.

Section 11: The President of the Board of Directors of the District, the General Manager of the District or Interim General Manager of the District, the Controller/Treasurer of the District, the General Counsel of the District, the District Secretary and any other proper officer of the District, acting singly, is, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper to carry out the transactions contemplated by the Trust Agreement, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Continuing Disclosure Agreement, and by this Resolution, including without limitation, the delivery of tax certifications, the delivery of any instructions or documents relating to the investment of bond proceeds and the making of any determinations or submission of any documents or reports which are required by any governmental entity in connection with the issuance or payment of the 2019B Bonds.

Section 12. All actions heretofore taken by the officers, representatives or agents of the District in connection with the issuance and sale of the 2019B Bonds are hereby ratified, confirmed and approved.

Section 13. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED on _____, 2019.

EXHIBIT A TO RESOLUTION

GOOD FAITH ESTIMATES

**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2016), 2019 SERIES B
(GREEN BONDS)**

The following information was obtained from Morgan Stanley & Co. LLC, as Representative of the Underwriters of the bonds defined above (the "Bonds"), for consideration prior to the authorization in the foregoing Resolution of the proposed Bonds:

1. *True Interest Cost of the Bonds.* Assuming an aggregate principal amount of the Bonds in the amount of \$360,000,000 is sold pursuant to the financing and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 3.352%.

2. *Finance Charge of the Bonds.* Assuming such a principal amount of the proposed Bonds is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the Finance Charge of the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the issuance of the Bonds), is \$1,320,000.00, as follows:

a)	Bond Counsel Fees	\$ 360,000.00*
b)	Disclosure Counsel Fees	100,000.00*
c)	Disbursements	5,000.00*
d)	Municipal Advisor Fees	32,500.00*
e)	Rating Agency Fees	165,000.00*
f)	Trustee Fees	9,000.00*
g)	Printer Fees	3,000.00*
h)	Miscellaneous Expenses	4,500.00*
i)	Green Bond Certification	3,600.00*
j)	Underwriters' Discount	630,000.00*
	Subtotal	<hr/> \$1,312,600.00*
k)	Contingency	7,400.00*
	Total:	<hr/> \$1,320,000.00*

* Preliminary, subject to change.

3. *Amount of Proceeds to be Received.* Assuming such aggregate principal amount of the proposed Bonds required to effectuate the financing is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the issuer for sale of the Bonds less the Finance Charge of the Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$360,000,000.00.

4. *Total Payment Amount.* Assuming such aggregate principal amount of the proposed Bonds (\$360,000,000.00) are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the issuer will make to pay debt service on the Bonds plus the Finance Charge of the Bonds described in paragraph 2 above not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$577,677,792.33.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of Bond sales, the amount of Bonds sold, the amortization of the Bonds sold and market interest rates at the time of each sale. The date or dates of sale and the amount of Bonds sold will be determined by the issuer based on need for funds and other factors. The actual interest rates at which the Bonds will be sold will depend on the bond market at the time of sale. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of each sale. Market interest rates are affected by economic and other factors beyond the issuer's control.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>5 June 2019</i> <i>Robert M. Pown</i>		GENERAL MANAGER ACTION REQ'D:		
DATE: 4/8/2019		BOARD INITIATED ITEM: No		
Originator/Prepared by: Gregory Shivy Deputy Maintenance and Engineering <i>Gregory Shivy</i> Signature/Date: <i>6/3/19</i>	General Counsel <i>[Signature]</i> <i>5/31/19</i> []	Controller/Treasurer <i>[Signature]</i> <i>5/31/19</i> []	District Secretary []	BARC <i>[Signature]</i> FOR TAMARA ALLEN <i>6/3/19</i> []

Award of Contract 15TD-260 For Rail Grinder Upgrade and Repair

PURPOSE:

To request Board authorization for the General Manager to award Contract No. 15TD-260 for Rail Grinder Upgrade and Repair to Loram Maintenance of Way, Inc., Hamel, MN, for an amount not to exceed \$8,698,600.00.

DISCUSSION:

The District currently owns two (2) Loram Rail Grinders that are experiencing increased maintenance down time and are becoming less reliable due to normal deterioration. The grinders are approximately half way through their 20-year life cycles and this retrofit, at approximately ten (10) years, is part of the long-term maintenance plan for these grinders.

This Contract, No. 15TD-260, is to conduct Rail Grinder Upgrade and Repair.

On December 6, 2018, Advance Notice to Proposers was e-mailed to fifteen (15) prospective proposers. Contract No. 15TD-260 was advertised on December 11, 2018, in several Bay Area newspapers and publications. A Pre-Bid Conference was held on January 8, 2019 and was attended by representatives from LORAM Maintenance of Way, Inc., and BART staff.

Only one (1) proposal was received. The price proposal from Loram Maintenance of Way, Inc., was opened and evaluated on March 19, 2019. In accordance with the Contract, the selection is based on the lowest-priced technically acceptable proposal methodology. Price Proposal from Loram Maintenance of Way is \$8,698,600.00.

The Engineer's estimate is at \$5,066,640.00. Loram Maintenance of Way, Inc. is the sole proposer. Their \$8,698,600.00 proposal is above the Engineer's Estimate due to increasing

strength of the economy, rising labor rates, and a shortage of qualified personnel to complete the work.

This Contract was advertised pursuant to the District's Disadvantaged Business Enterprise ("DBE") Program requirements. The Office of Civil Rights reviewed the scope of work for this Contract and determined that there were no DBE subcontracting opportunities; therefore, no DBE participation goal was set for this Contract.

The Source Selection Committee determined that the Price Proposal submitted by Loram Maintenance of Way, Inc., was fair and reasonable.

FISCAL IMPACT:

Funding of up to \$8,698,600.00 for the award of Contract 15TD-260 is included in the total project budget for 15TD000, Wayside Equipment. The Office of Controller/Treasurer certifies that funds are currently available to meet this obligation. The following table depicts funding assigned to the referenced project and is included in totality to track funding history against spending authority. Funds needed to meet this request will be expended from a combination of these sources as listed.

Fund Group	Amounts
Federal Fund Sources	\$55,126,359.00
Local Fund Sources	\$ 3,291,572.00
BART Operating Allocation to Capital	\$12,155,179.00
Total	\$70,573,109.00

As of April 3, 2019, \$70,573,109 is the total budget for this project. BART has expended \$37,810,536, committed \$13,904,713 and reserved \$0 to date. This action will commit \$8,698,600 leaving an available fund balance of \$10,159,261 balance for this project.

This action is not anticipated to have any Fiscal Impact on unprogrammed District Reserves.

ALTERNATIVES:

The District could reject and re-advertise the Contract. However, this is highly specialized work and only a few companies are capable of repairing and upgrading Rail Grinders. Rejecting the proposal will delay repair to the Rail Grinders and provides no guarantee a new proposal will be any different. Procuring new Rail Grinders is not deemed to be cost-effective as the grinders still have approximately half of their life cycles available.

RECOMMENDATION:

It is recommended that the Board adopt the following motion.

MOTION:

The General Manager is authorized to award Contract No. 15TD-260 to Loram Maintenance of Way Inc., for Rail Grinder Upgrade and Repair, for an amount not to exceed \$8,698,600.00, pursuant to notification to be issued by the General Manager.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors

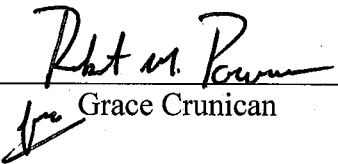
DATE: June 6, 2019

FROM: General Manager

SUBJECT: Quarterly Service Performance Review – Third Quarter FY 2019

Attached is the “Quarterly Service Performance Review – Third Quarter FY 2019” presentation that will be presented at the June 13, 2019 meeting as an information item.

If you have any questions about the document, please contact Tamar Allen, Assistant General Manager, Operations at (510) 464-7513.



Grace Crunican

cc: Board Appointed Officers
Deputy General Manager
Executive Staff



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>5 June 2019</i> <i>Rhett M. Pourn</i>		GENERAL MANAGER ACTION REQ'D: Approve and forward to the Board		
DATE: 5/31/2019		BOARD INITIATED ITEM: No		
Originator/Prepared by: Paul Voix Dept: Real Estate and Property Development <i>Paul Voix</i> 6/4/19 Signature/Date:	General Counsel <i>[Signature]</i> 6/4/19 []	Controller/Treasurer <i>[Signature]</i> 6/5/19 []	District Secretary []	BARC <i>[Signature]</i> 6/4/2019 []

WEST OAKLAND STATION DEVELOPMENT - EXCLUSIVE NEGOTIATING AGREEMENT EXTENSION

PURPOSE: To obtain Board authorization to: extend the Exclusive Negotiating Agreement with China Harbour Engineering Company, Ltd. for development at the West Oakland BART Station through December 31, 2019, and authorize staff, if necessary, to further extend the Exclusive Negotiating Agreement through June 30, 2020.

DISCUSSION: On December 4, 2014, the Board of Directors authorized the General Manager or her designee to enter into an Exclusive Negotiating Agreement (ENA) with China Harbour Engineering Company, Ltd. (CHEC), for development at the West Oakland BART Station (Project). The BART property that is the subject of the ENA is currently the site of 413 parking spaces serving the West Oakland BART Station.

On June 23, 2016, the Board authorized an extension of the ENA to June 30, 2017. On July 27, 2017, the Board authorized another extension of the ENA to June 30, 2018, and authorized staff to further extend the ENA through June 30, 2019. Staff exercised that authority and extended the ENA through June 30, 2019 in July 2018. Pursuant to the resulting ENA, as amended, CHEC has to date paid the District \$150,000 in ENA fees.

On February 6, 2019, the CHEC development team was successful in securing City of Oakland (City) entitlements for the following Project Improvements:

- 762 high density residential units (240 classified as affordable - over 31%)
- 382,460 square feet of office space
- 75,000 square feet of retail

- Up to 400 parking spaces for the development

The proposed Project, now called Mandela Station at West Oakland BART, takes advantage of Planned Unit Development (PUD) and State Affordable Housing density bonuses. As a result, City entitlements allow for building heights to exceed those specified in the City's 2014 West Oakland Specific Plan (Specific Plan). While the Specific Plan had established a 100-foot height limit for development at the intersection of 7th Street and Mandela Parkway, the recent City entitlements would permit construction of a 320-foot tall building at the intersection of 7th and Mandela. A rendering of the City entitled Project is attached.

On April 15, 2019, CHEC submitted a draft Preliminary Development Plan Amendment to the City that, if approved as drafted, would further increase the Project's density by adding another 200,000 square feet of office space and increasing maximum height of the 5th and Mandela development area to 216 feet, up from the 100-foot height limit established in the Specific Plan.

To date, the developer has achieved the following thresholds:

- Preliminary Development Plan Approval
- Planned Unit Development Approval
- Specific Plan Addendum (CEQA) Clearance

Additionally, the development team has continued with their community engagement efforts and is actively applying for available housing funds for the Project.

In order to complete the ENA phase, BART and CHEC must develop transaction terms for the Board's consideration which will be based on a real estate appraisal report that has been commissioned and is currently in progress. At this time, a request to extend the ENA is needed to complete the appraisal and subsequent negotiations of a term sheet which is projected to be presented to the Board in Fall 2019.

Strategic Urban Development Alliance, JRDV Urban International, Keystone Development Group, and other entities continue to play key roles as part of the CHEC development team.

If the ENA extensions are approved by the Board, any proposed agreement for the Project that results from negotiations will be brought back to the Board for approval.

The Office of the General Counsel will approve the ENA amendments establishing the extensions as to form.

FISCAL IMPACT: CHEC will pay the District \$50,000 total for the extensions of the ENA. That amount is intended to defray consultant costs and outside counsel fees associated with the negotiation of a potential Option Agreement. Any negotiated Option Agreement will require CHEC to reimburse BART for all outside counsel expenses incurred during

subsequent negotiations.

ALTERNATIVES: Do not authorize extension of the ENA with CHEC. If the extension is not authorized, direction would be required as to whether and how negotiations would continue.

RECOMMENDATION: Adoption of the following motion.

MOTION: The General Manager or her designee is authorized to enter into an amendment to the Exclusive Negotiating Agreement (ENA) with China Harbour Engineering Company, Ltd., for development at the West Oakland BART Station extending the ENA's term through December 31, 2019 and, if necessary, enter into a subsequent amendment to the ENA extending its term through June 30, 2020.





EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Rhett M. Pomeroy</i> 7 JUNE 2019		GENERAL MANAGER ACTION REQ'D:		
DATE: 5/24/2019		BOARD INITIATED ITEM: No		
Originator/Prepared by: Ellen Smith Dept: Systems Development <i>Ellen M. Smith</i> Signature/Date: 6.6.19	General Counsel <i>[Signature]</i> 6/6/19 []	Controller/Treasurer <i>[Signature]</i> 6/6/19 []	District Secretary []	BARC <i>[Signature]</i> []

Award of Professional Services Agreement No. 6M8159 Strategic Advising and Program Management Services for New Transbay Rail Crossing Project

PURPOSE: To obtain Board authorization for the General Manager to award Agreement No. 6M8159 to HNTB Corporation to provide Strategic Advising and Program Management Services for the New Transbay Rail Crossing Project, and to authorize the General Manager to exercise an Option to extend the Agreement for an additional five years.

DISCUSSION: As BART approaches its 50th year of public service, BART is evaluating future demand for transbay capacity and recognizing the eventual need for significant rehabilitation of the current transbay tube. At the same time, the traditional nine-county San Francisco Bay Area is evolving into a much larger megaregion, stretching from Monterey/Salinas to the northern San Joaquin Valley to counties northeast of Sacramento. To meet the needs of the public, BART is pursuing a New Transbay Rail Crossing within the context of the larger rail network. BART and Capitol Corridor Joint Powers Authority are partnering on this Project today, with the intention of engaging further with other rail operators as the work advances.

The New Transbay Rail Crossing will be a highly complex, long-term effort, and it will require consultant support for Strategic Advising and Program Management, particularly related to lessons learned from other megaprojects.

On November 27, 2018, BART issued a Request for Proposals (RFP) to provide Strategic Advising and Program Management Services for BART's New Transbay Rail Crossing Project, BART RFP No. 6M8159. The RFP defined a single Agreement with a base term of five years, with one Option to extend the Agreement for an additional five years, resulting in a maximum Agreement term of 10 years. The Agreement total amount is not to exceed \$50 million.

An Advance Notice to Proposers was emailed to 2,117 potential firms with expertise in the pertinent technical fields. The RFP was posted to the District's Procurement Portal and was made available to potential proposers to download electronically. A total of 173 firms downloaded the RFP through the Procurement Portal. The RFP was also advertised in local publications.

A pre-proposal meeting was held on December 12, 2018 at the Joseph P. Bort Metro Center in Oakland. Representatives from 132 firms attended the meeting. Immediately following the pre-proposal meeting, the District's Office of Civil Rights managed a networking session for potential subconsultants to meet potential prime consultants.

On February 5, 2019, five Proposals were received, of which the following four were determined by the Procurement Department to be responsive and responsible, and thus eligible for further evaluation (in alphabetical order):

1. HNTB Corporation, Oakland, CA
2. Jacobs Engineering Group, Inc., Oakland, CA
3. LiNC Partners (a joint venture of Parsons Transportation Group, Inc. and Arup North America Ltd.), Oakland, CA
4. WSP USA Inc., Oakland, CA

The Proposals were reviewed by a Selection Committee consisting of BART staff from Planning, Development and Construction and the Office of Civil Rights, as well as representatives from the Capitol Corridor Joint Powers Authority, Metropolitan Transportation Commission, and the California State Transportation Agency.

As indicated in the RFP, the selection process included two phases:

- Phase 1) evaluation of written Proposals (60%)
- Phase 2) evaluation of oral presentations (40%).

Phase 1 represented sixty percent (60%) and Phase 2 represented forty percent (40%) of the total evaluation. In Phase 1 the Proposals were evaluated and scored on the basis of criteria contained in the RFP regarding qualifications of the firms and key personnel, and proposed approach. All four Proposers received average scores high enough to be invited to participate in oral presentations. The Selection Committee conducted interviews on April 16 and 17, 2019.

Based on the combined Phase 1 and Phase 2 evaluations, the Committee determined the most qualified Proposer to be HNTB Corporation. The Internal Audit Department staff evaluated the rates and mark-ups (for a cost-plus-fixed fee rate Agreement) proposed by HNTB Corporation. Negotiations were concluded on mutually favorable terms to BART and HNTB Corporation. Staff determined the rate structures are fair and reasonable.

This Agreement was advertised pursuant to the District's Disadvantaged Business Enterprise ("DBE") Program requirements. The Office of Civil Rights reviewed the scope of work for this Agreement and determined that there were Small Business Entity (SBE) subconsulting opportunities; therefore, an SBE participation goal of 25% was set for this Agreement. The Office of Civil Rights has determined that HNTB Corporation has committed to meet the SBE participation goal set for this Agreement. The Office of Civil Rights will monitor the actual SBE participation attained based on individual Work Plans issued and amounts actually paid to SBE firms. The Agreement requires the Consultant to ensure that SBE firms have an equal opportunity to compete for and participate in the performance of the Agreement.

Work Plans under the Agreement will define periodic assignments, subject to funding availability. Each Work Plan will have its own scope, schedule and budget.

The Office of the General Counsel will approve the Agreement as to form.

Accordingly, staff recommends awarding one Agreement, under RFP No. 6M8159, to HNTB Corporation, in an amount not to exceed \$50,000,000, for a five-year performance period, with the authority for the General Manager to exercise the Option of an additional five year term.

FISCAL IMPACT: A multi-billion-dollar project, the New Transbay Rail Crossing has partial funding today. Project funds total approximately \$160 million (including approximately \$110 million in BART funds and an anticipated \$50 million in MTC-managed RM3 funds). Capitol Corridor Joint Powers Authority intends to commit \$1 million per year in support of this Agreement.

The Agreement has a not-to-exceed limit of \$50,000,000. District obligations will be subject to a series of Work Plans. Each Work Plan will have a defined scope of services, a schedule and budget. Any Work Plan assigned for funding under a State or Federal grant will include State or Federal requirements. The Capital Development and Control Department will certify the eligibility of identified capital funding sources and the Controller/Treasurer will certify availability of such funding prior to execution of each Work Plan. Each Work Plan will be subject to the availability of project funding.

ALTERNATIVES: The District could reject all Proposals and re-solicit new Proposals. The amount of time necessary to reissue the RFP would adversely impact planning activities related to the New Transbay Rail Crossing Project, which supports the District's Strategic Plan Framework, and would not likely result in better quality proposals.

RECOMMENDATION: It is recommended that the Board adopt the following motion:

MOTION: The General Manager is authorized to award Agreement No. 6M8159 to HNTB Corporation to provide Strategic Advising and Program Management Services for the New Transbay Rail Crossing Project, for a period of five years, in an amount not to exceed \$50,000,000, pursuant to notification to be issued by the General Manager, subject to the District's protest procedures and Federal Transit Administration's requirements related to protest procedures. The General Manager is further authorized to exercise an Option for an additional five-year term.

Attachment 1

EDD for Award of Professional Services Agreement No. 6M8159 Strategic Advising and Program Management Services for New Transbay Rail Crossing Project

HNTB Team

HNTB Corporation, Oakland

Network Rail Consulting

IntraStrategies

Steer Davies Gleave

Sperry Capital

RAND Corporation

Strategy Driver (1)

InTueor Consulting (1, 2)

Quality Engineering, Inc (1, 2)

Chaves & Associates

Convey (1, 2)

Strategic advice on megaprojects; program management

Capitol project delivery; megaproject best practices

Megaproject initiation: development, funding, delivery

Business planning for transportation investment projects

Financial advising

Decisionmaking analytics

Environmental strategy; stakeholder outreach

Transportation engineering

Quality assurance and control

Document control

Stakeholder outreach

(1) SBE

(2) DBE

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors

DATE: June 7, 2019

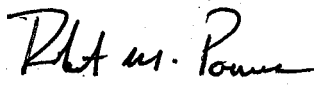
FROM: General Manager

SUBJECT: Irvington BART Station Project Update

At the June 13, 2019 Board meeting, staff will provide an update on the proposed Irvington BART Station Project in the City of Fremont. On June 26, 2003, the BART Board approved the Warm Springs Extension Project, with an optional station at Irvington. Irvington is located between the existing Fremont BART station and the Warm Springs BART Station, and substantial funding was provided by Alameda County voters with the passage of Measure BB in 2014. BART, in coordination with the City of Fremont, has refined the previously approved station site plan to reflect current BART policies and community input and is completing an update of the CEQA environmental analysis.

Staff anticipates bringing an Irvington BART Station Project action item back to the Board in Summer 2019.

Please contact Carl Holmes, AGM Development & Construction, at (510) 464-7592 should you have any questions.



for Grace Crunican

cc: Board Appointed Officers
Deputy General Manager
Executive Staff

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors

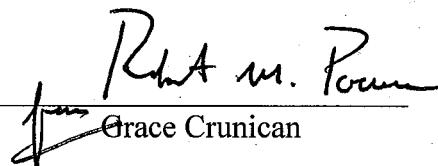
DATE: June 7, 2019

FROM: General Manager

SUBJECT: Assembly Bill 2923 Implementation Update

At the June 13, 2019 Board meeting, staff will provide an information update on ongoing work to implement Assembly Bill 2923 (Chiu/Grayson, 2018). The presentation on transit-oriented development will include a summary of progress to date, findings from staff's analysis and engagement with local jurisdiction staff, and recommendations on an approach to the TOD Zoning Standard setting process that is required in the legislation.

If you have any questions, please contact Val Menotti, Chief Planning & Development Officer, at (510) 287-4794.


Grace Crunican

cc: Board Appointed Officers
Deputy General Manager
Executive Staff

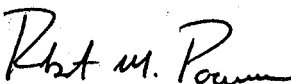
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors **DATE:** June 7, 2019
FROM: Grace Crunican, General Manager
SUBJECT: BART Headquarters Workplace Strategy and Option Analysis

At the June 13, 2019 Board meeting, staff will provide an informational overview of BART's current headquarters real estate status and the results of a workplace strategy study conducted by Jones Lang Lasalle (JLL). BART's current office space lease at 300 Lakeside has favorable terms through July 2021, but the lease option terms (for beyond 2021) would substantially increase BART rent payments closer to market rate. In advance of 2021, BART is considering alternatives to address its office needs. The presentation will include a summary of work completed to date and responses to the request for proposals for headquarters office space that was issued earlier this year.

If you have any questions, please contact Val Menotti, Chief Planning & Development Officer, at (510) 287-4794.



for Grace Crunican

cc: Board Appointed Officers
Deputy General Manager
Executive Staff

Before the Board of Directors of the
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

RESOLUTION COMMENDING
GRACE E. CRUNICAN

Resolution No. _____

WHEREAS, Grace E. Crunican has served the San Francisco Bay Area Rapid Transit District as General Manager since September 12, 2011; and

WHEREAS, Ms. Crunican's distinguished public transportation career covered positions with many agencies, including the Seattle Department of Transportation, Oregon Department of Transportation, Federal Transit Administration, Surface Transportation Project, Presidential Management Intern Program for the United States Department of Transportation, and the Senate Transportation Appropriations Subcommittee; and

WHEREAS, Ms. Crunican has guided the District through programs of great importance to the region, such as the \$1 billion Earthquake Safety Program; opening of stations in Antioch, Pittsburg City Center, and Warm Springs/South Fremont; design and delivery of the Fleet of the Future rail cars; and the passage of Measure RR, a \$3.5 billion State of Good Repair program; and

WHEREAS, Ms. Crunican has successfully launched the complex projects of an extension into Silicon Valley and Computer Based Train Control, which, along with the purchase of new rail vehicles, mesh perfectly with her newly instituted goal of World Class Transit; and

WHEREAS, Ms. Crunican's vision and dedication to employees has resulted in renewed confidence and pride, more effective communication, a sense of appreciation, plans for the development of the next generation of leaders, and a diverse and unified workforce; and

WHEREAS, Ms. Crunican's caring for the people of the Bay Area has been demonstrated by investments in transit-oriented development throughout the region, an emphasis on affordable housing, implementation of programs to assist the homeless, and commitments to inclusion of all elements of the small and disadvantaged business community; and

WHEREAS, Ms. Crunican demonstrated unique leadership in steering the District through difficult political times, maintaining effective relationships with regional, state, and federal partners;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Francisco Bay Area Rapid Transit District does hereby take public cognizance of the immeasurable contributions Ms. Grace E. Crunican has made to the furtherance of the District's goals, and

BE IT FURTHER RESOLVED that a suitably engrossed copy of this Resolution be tendered to Ms. Crunican as a token of the high esteem in which Ms. Crunican is held by the members of the San Francisco Bay Area Rapid Transit District Board of Directors.

Adopted by the Board of Directors
of the San Francisco Bay Area Rapid Transit District
June 13, 2019

ATTEST:

Patricia K. Williams
District Secretary

Bevan Dufty
President

Before the Board of Directors of the
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

In the matter of naming the
BART Leadership Academy

Resolution No. _____

WHEREAS, General Manager Grace E. Crunican has implemented a successful program to develop the next generation of leaders for the San Francisco Bay Area Rapid Transit District, which program has been tested and found to be of immeasurable benefit to the District; and

WHEREAS, the Board of Directors wishes to ensure that the leadership program founded by Ms. Crunican is continued in future years; and

WHEREAS, the Board extends thanks to Ms. Crunican for her vision and dedication to the District;

NOW, THEREFORE BE IT RESOLVED, that from this date forward all iterations of the District's leadership training programs will be known as the Grace Crunican Leadership Academy.

Adopted: _____