

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

BOARD MEETING AGENDA

September 13, 2012

9:00 a.m.

A regular meeting of the Board of Directors will be held at 9:00 a.m. on Thursday, September 13, 2012, in the BART Board Room, Kaiser Center 20th Street Mall – Third Floor, 344 – 20th Street, Oakland, California.

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

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>), and via email or via regular mail upon request. Complete agenda packets (in PDF format) are available for review on the District's website no later than 48 hours in advance of the meeting. Those interested in being on the mailing list for meeting notices (email or regular mail) can do so by providing the District Secretary with the appropriate address.

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.

Kenneth A. Duron
District Secretary

Regular Meeting of the
BOARD OF DIRECTORS

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

1. CALL TO ORDER

- A. Roll Call.
- B. Pledge of Allegiance.
- C. Introduction of Special Guests.
 - 1. Oath of Office for Newly Appointed Director, District 3.

2. CONSENT CALENDAR

- A. Approval of Minutes of the Meetings of August 9, 2012 (Regular), and August 16, 2012 (Special).* Board requested to authorize.
- B. Award of Contract No. 15QJ-120, Reroof CHB Hayward Yard Control Center Upper Roof.* Board requested to authorize.
- C. Award of Contract No. 20LZ-110, Train Control Room Battery Replacements.* Board requested to authorize.
- D. Award of Invitation for Bid No. 8904, Kit, High Speed Gear Assembly.* Board requested to authorize.
- E. Award of Invitation for Bid No. 8909, Powered Stand-On Riding Autoscrubber.* Board requested to authorize.

3. ADMINISTRATION ITEMS

Director Sweet, Chairperson

- A. (CONTINUED from August 9, 2012, Board Meeting)
Temporary Help Services – Agreement with Wollborg/Michelson Personnel Service, Inc., for Safety Certified Temporary Help Services (Agreement No. 6M4189).* Board requested to authorize.
- B. Fiscal Year 2012 Year-End Budget Revision.* Board requested to authorize.
- C. Modification to Agreement No. 6G6428, Workers Compensation Administration Services, with Athens Administrators, for Time Extension and Increase of Contract Value.* Board requested to authorize.
- D. Agreements with Associated Right of Way Services, Inc. (Agreement No. 6M4208), Smith & Associates (Agreement No. 6M4182), and Bender Rosenthal, Inc. (Agreement No. 6M4209), for Real Property Appraisal Services.* Board requested to authorize.

- E. Resolution Authorizing the Controller-Treasurer to:
 - a. Enter into a Bond Purchase Agreement with the Joint Venture Team of RBC Capital Markets, LLC; Backstrom McCarley Berry & Co., LLC; Ramirez & Co. Inc.; Piper Jaffray & Co; Alamo Capital; and Fidelity Capital Markets (a division of National Financial Services, LLC) to Provide the District with Underwriting Services in the Issuance of Bonds;
 - b. Implement the Preparation, Executive and Delivery of the Necessary Documents;
 - c. Negotiate and Commit to Bond Credit Support Agreements in Connection with the Issuance of the Bonds.*
Board requested to authorize.

4. ENGINEERING AND OPERATIONS ITEMS

Director Fang, Chairperson

- A. Department of Industrial Relations Conveyance Inspection Fees for Fiscal Year 2013 through Fiscal Year 2017.* Board requested to authorize.
- B. Change Order to Contract No. 15EJ-120, A-Line 34.5kV Cable Section Replacement, with Blocka Construction Inc., for Cable Trays, Splicing and Grounding (C.O. No. 1).* Board requested to authorize.
- C. Change Order to Contract No. 15PD-110, Earthquake Safety Program Aerial Structures – C Line, with William P. Young Construction, Inc., for C Line Impacts (C.O. No. 122).* Board requested to authorize.

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

Director Blalock, Chairperson

NO ITEMS.

6. GENERAL MANAGER'S REPORT

- A. Review of the Draft Agenda for the Capitol Corridor Joint Powers Board Meeting of September 19, 2012.* For information.

7. BOARD MATTERS

- A. Board Member Reports. For information.
(An opportunity for Board members to provide brief reports on meetings attended at District expense.)
- B. 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.)

8. GENERAL DISCUSSION AND PUBLIC COMMENT

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

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Property: 43 of 44 BART Stations (excluding San Francisco International Airport Station) in Alameda, Contra Costa, San Francisco, and San Mateo Counties

District Negotiators: Carter Mau, Executive Manager, Planning & Budget; and Jeffrey P. Ordway, Manager, Real Estate & Property Development

Negotiating Parties: TransMart, Inc., and San Francisco Bay Area Rapid Transit District

Under Negotiation: Price and Terms of Lease

Government Code Section: 54956.8

B. CONFERENCE WITH LABOR NEGOTIATORS - PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Agency Negotiators: Directors McPartland, Radulovich, and Sweet

Titles: General Manager, General Counsel, Controller-Treasurer, District Secretary, and Independent Police Auditor

Government Code Sections: 54957 and 54957.6

10. OPEN SESSION

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

Board of Directors
Minutes of the 1,659th Meeting
August 9, 2012

A regular meeting of the Board of Directors was held August 9, 2012, convening at 9:08 a.m. in the Board Room, 344 20th Street, Oakland, California. President McPartland presided; Kenneth A. Duron, District Secretary.

Directors present: Directors Blalock, Fang, Keller, Murray, Raburn, Radulovich, and McPartland.

Absent: None. Director Sweet entered the Meeting later.

Vacant: Election District No. 3.

Consent Calendar items brought before the Board were:

1. Approval of Minutes of the Meeting of July 26, 2012.
2. Fixed Property Tax Rates Fiscal Year 2012-2013 General Obligation Bonds.

Director Blalock made the following motions as a unit. Director Fang seconded the motions, which carried by unanimous electronic vote. Ayes – 7: Directors Blalock, Fang, Keller, Murray, Raburn, Radulovich, and McPartland. Noes – 0. Absent – 1: Director Sweet. Vacant – 1.

1. That the Minutes of the Meeting of July 26, 2012, be approved.
2. Adoption of Resolution No. 5198, In the Matter of Fixing the Rate of Taxes for San Francisco Bay Area Rapid Transit District for Fiscal Year 2012/13.

President McPartland announced that the order of agenda items would be changed.

Director Fang, Chairperson of the Engineering and Operations Committee, brought the matter of Award of Contract No. 15IJ-110, Fire Alarm Renovation Phase 1, M-Line, before the Board. Mr. Mark Pfeiffer, Group Manager, Electrical and Mechanical Engineering, presented the item.

Director Sweet entered the Meeting.

Director Blalock moved that the General Manager be authorized to award Contract No. 15IJ-110, for Fire Alarm Renovation Phase 1, M-Line, to Blocka Construction, Inc., for the Bid price of \$3,988,000.00, pursuant to notification to be issued by the General Manager and subject to

compliance with the District's protest procedures and the Federal Transit Administration's requirements related to protests. Director Raburn seconded the motion, which carried by unanimous electronic vote. Ayes – 8: Directors Blalock, Fang, Keller, Murray, Raburn, Radulovich, Sweet, and McPartland. Noes – 0. Vacant – 1.

Director Fang brought the matter of Quarterly Performance Report, Fourth Quarter Fiscal Year 2012 - Service Performance Review, before the Board. Mr. Paul Oversier, Assistant General Manager, Operations, and Mr. Ben Fairrow, Deputy Chief of Police, presented the item. The item was discussed.

Director Sweet, Chairperson of the Administration Committee, brought the matter of Agreement with Aon Risk Solutions for Insurance Brokerage Services (Agreement No. 6M2037), before the Board. Mr. Jim Bridgeman, Department Manager, Insurance, presented the item.

The following individuals addressed the Board.

Mr. Eddie Dillard
Ms. Ingrid Merriwether
Ms. Sandy Osgood
Mr. Larry Hernandez
Mr. Gregory Brown
Mr. Len Turner
Mr. Jose Duenas
Ms. Laural Bustos
Mr. Charlie Walker
Mr. Nedar Bey
Mr. Matt Davis

The item was discussed.

Director Sweet moved that all bids for Agreement No. 6M2037 be rejected. Director Radulovich seconded the motion. Discussion continued. The motion failed by electronic vote. Ayes – 2: Directors Radulovich and Sweet. Noes – 6: Directors Blalock, Fang, Keller, Murray, Raburn, and McPartland. Vacant – 1.

Director Blalock moved that the Controller/Treasurer be authorized to award Agreement No. 6M2037, to Aon Risk Solutions, to provide Insurance Brokerage Services, for a base period of three (3) years, for a maximum amount of \$425,000.00, and to exercise up to two (2) one year options, each for a maximum amount of \$155,000.00, for a total compensation not to exceed \$735,000.00, subject to notification to be issued by the Controller/Treasurer and compliance with the District's protest procedures. Director Murray seconded the motion, which carried by electronic vote. Ayes – 5: Directors Blalock, Fang, Keller, Murray, and Raburn. Noes – 3: Directors Radulovich, Sweet, and McPartland. Vacant – 1.

The Board Meeting recessed at 11:30 a.m.

The Board reconvened at 11:39 a.m.

Directors present: Directors Blalock, Fang, Keller, Murray, Raburn, Radulovich, Sweet, and McPartland.

Absent: None.

Vacant: Election District No. 3.

Director Sweet brought the matter of Temporary Help Services – Agreements with Wollborg/Michelson Personnel Service, Inc., for Safety Certified Temporary Help Services (Agreement No. 6M4189) and Regular Temporary Help Services (Agreement No. 6M4191), and with SearchPros Staffing LLC for Regular Temporary Help Services (Agreement No. 6M4197), before the Board. Ms. Elaine Kurtz, Department Manager, Human Resources, presented the item. The item was discussed.

The following individuals addressed the Board.

Mr. Clarence Hunt

Ms. Myla Ramos

Directors Fang and Radulovich exited the Meeting.

Discussion continued.

Award of Agreement No. 6M4189 was continued to a future meeting.

Director Blalock moved that the General Manager or her designee be authorized to award Agreement No. 6M4191, in an amount not to exceed \$1,300,000.00, to Wollborg/Michelson Personnel Service, Inc.; and Agreement No. 6M4197, in an amount not to exceed \$1,300,000.00, to SearchPros Staffing LLC, for regular temporary help services, pursuant to notification to be issued by the General Manager, subject to the District's protest procedures. Director Murray seconded the motion, which carried by unanimous electronic vote. Ayes – 6: Directors Blalock, Keller, Murray, Raburn, Sweet, and McPartland. Noes – 0. Absent – 2: Directors Fang and Radulovich. Vacant – 1.

Director Blalock, Chairperson of the Planning, Public Affairs, Access, and Legislation Committee, brought the matter of Authorize Exclusive Negotiating Agreement with TRG Pacific Development, LLC, for Development at the Lake Merritt BART Station before the Board. Mr. Jeffrey Ordway, Department Manager, Real Estate, and Mr. John Rennels, Principal Property Development Officer, presented the item.

The following individuals addressed the Board.

Ms. Vivian Huang

Ms. Julia Liou

Ms. Ada Chan

Ms. Jennie Gerard
Mr. Ener Chiu
Ms. LiBi Ping
Mr. Zhang Zhi Long
Mr. Ed Manasse

The item was discussed. Director Raburn moved that the General Manager or her designee be authorized to enter into an Exclusive Negotiating Agreement with TRG Pacific Development, LLC, for development at the Lake Merritt BART station, for a period of two years, with a right by BART to extend for one year. Directors Sweet and McPartland seconded the motion, which carried by unanimous electronic vote. Ayes – 6: Directors Blalock, Keller, Murray, Raburn, Sweet, and McPartland. Noes – 0. Absent – 2: Directors Fang and Radulovich. Vacant – 1.

Director Sweet brought the matter of Approval of American Federation of State, County, and Municipal Employees (AFSCME) Local 3993, Side Letter to Modify Article 47, “Compensation,” and Related Matters, before the Board. Mr. Benjamin Gomez, Assistant General Manager, Administration, and Ms. Elaine Kurtz, Department Manager, Human Resources, presented the item. Director Raburn moved that the Board approve the Side Letter of Agreement between the District and AFSCME, modifying Article 47, Compensation; and that the Board authorize the General Manager to defer adjustment of the pay ranges for AFSCME represented classifications prior to the conclusion of 2013 negotiations. Director Murray seconded the motion. The item was discussed.

Ms. Jean Hamilton-Gomez addressed the Board.

Discussion continued. The motion carried by unanimous electronic vote. Ayes – 6: Directors Blalock, Keller, Murray, Raburn, Sweet, and McPartland. Noes – 0. Absent – 2: Directors Fang and Radulovich. Vacant – 1.

President McPartland called for the General Manager’s report. General Manager Grace Crunican reported on steps she had taken and meetings she had participated in. Ms. Crunican noted the District’s participation in National Night Out, the August pilot program for bicycles on BART on Fridays, an article in Progressive Railroading highlighting the District’s State of Good Repair efforts, and the upcoming BART Picnic.

President McPartland called for Board Member Reports and Roll Call for Introductions.

Director Murray reported she had attended a National Night Out event in Concord.

Director Murray requested the District develop a plan cooperatively with local fire departments for expediting rail grinding for noise reduction along trackway adjacent to housing and landscaping where the risk of sparks from grinding affecting vegetation and growth impacts the rail grinding schedule.

Director Blalock reported he had attended a South Bay Engineers Club meeting.

Director Blalock requested the District investigate the application of increased transient occupancy taxes over and above those already in place at the proposed Millbrae Station Transit Oriented Development.

Director Keller reported he had met with the Chairperson of the Citizen Review Board and had attended the City of Brentwood's State of the City presentation.

President McPartland reported he had attended a course in disaster management in Fresno.

President McPartland called for General Discussion and Public Comment. Mr. Robert S. Allen addressed the Board.

The Board Meeting was adjourned at 1:57 p.m.

Kenneth A. Duron
District Secretary

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

Board of Directors
Minutes of the 1,660th Meeting
August 16, 2012

A special meeting of the Board of Directors was held August 16, 2012, convening at 9:05 a.m. The meeting was held via simultaneous teleconference in the Board Room, 344 20th Street, Oakland, California; and the Hilton Hotel Orlando Bonnet Creek, 14100 Bonnet Creek Resort Lane, Orlando, Florida. President McPartland presided; Kenneth A. Duron, District Secretary.

Directors present in Oakland: Directors Blalock, Keller, Murray, Raburn, and McPartland.

Director present in Orlando: Director Sweet.

Absent: Director Fang. Director Radulovich entered the Meeting later.

Vacant: Election District No. 3.

President McPartland called for Public Comment on Items 3 and 4 only. No comments were received.

President McPartland brought the matter of Candidate Interviews for Appointment to District 3 Vacancy before the Board.

Director Radulovich entered the Meeting.

The following candidates addressed and were interviewed by the Board:

Mr. Clarence Fischer
Ms. Mary King
Mr. David Meckel
Ms. Theresa Nelson

President McPartland called for public comment on the candidate interviews. Mr. Fred Wright Lopez addressed the Board.

The appointment process and interviews were discussed.

Director Raburn nominated Ms. Mary King. The nomination was discussed. Director Keller moved the nominations be closed.

Director Raburn moved that Mary King be appointed to fulfill the unexpired term representing BART election district 3 on the Board of Directors. Director Sweet seconded the motion, which

carried by unanimous roll call vote. Ayes – 7: Directors Blalock, Keller, Murray, Raburn, Radulovich, Sweet, and McPartland. Noes – 0. Absent – 1: Director Fang. Vacant – 1.

Director King addressed the Board.

The Board Meeting was adjourned at 10:30 a.m.

Kenneth A. Duron
District Secretary



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>[Signature]</i>		GENERAL MANAGER ACTION REQ'D: Approve and Forward to the Board		
DATE: c <i>9/5/12</i>		BOARD INITIATED ITEM: No		
Originator/Prepared by: Isaac Lim Dept. M & E <i>[Signature]</i> Signature/Date: <i>8/28/12</i>	General Counsel <i>[Signature]</i> <i>9/29/12</i> []	Controller/Treasurer <i>[Signature]</i> []	District Secretary []	BARC <i>[Signature]</i> <i>9/4/12</i> []

TITLE:

Award Contract No. 15QJ-120, Reroof CHB and Hayward Yard Control Center Upper Roof

NARRATIVE:

PURPOSE: To obtain Board authorization for the General Manager to award Contract No. 15QJ-120, Reroof CHB and Hayward Yard Control Center Upper Roof, to Stronger Building Services.

DISCUSSION: The work of this Contract includes furnishing all labor, equipment, materials and services to remove existing roofing and install modified bitumen roofing using one-part cold adhesive on the existing roof decks of the CHB and the Hayward Yard Control Center upper roof.

Advance Notice to Bidders was mailed on June 19, 2012 to approximately 220 prospective Bidders. The Contract Documents were sent to 23 plan rooms. The Contract was advertised on June 20, 2012. A total of 11 firms purchased the Contract Documents. A Pre-Bid meeting and site visit was held on July 10, 2012, with 19 prospective Bidders attending the meeting. The following six Bids were received on July 24, 2012:

BIDDER	LOCATION	TOTAL BID
Stronger Building Services	Hayward, CA	\$226,000.00
Western Roofing Services	San Leandro, CA	\$257,000.00
Pioneer Contractors, Inc.	San Francisco, CA	\$277,900.00
Andy's Roofing Company, Inc.	Milpitas, CA	\$293,000.00
Best Contracting Services, Inc.	Union City, CA	\$324,500.00
Rodan Builders, Inc.	Burlingame, CA	\$640,000.00
Engineer's Estimate		\$241,200.00

After review by District staff, the Bid submitted by the apparent low Bidder, Stronger Building Services, has been deemed to be responsive. Furthermore, a review of this Bidder's license, business experience, and financial capabilities has resulted in a determination that the Bidder is responsible. Staff has also determined that its Bid of \$226,000.00, which is approximately 6.3% below the Engineer's Estimate, is fair and reasonable.

BART staff has determined that there will be no significant impact on the environment due to the replacement of roofing at these two locations, and that such work is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities.

Pursuant to the District's Non-Discrimination in Subcontracting Program, the availability percentages for this Contract are 23% for Minority Business Enterprises (MBEs) and 12% for Women Business Enterprises (WBEs). The Bidder will not be subcontracting any work and will do all the work with its own forces. Therefore, the District's Non-Discrimination in Subcontracting Program does not apply.

Pursuant to the District's Small Business (SB) Program, the Bidder as an SB prime is eligible for a preference of 5% of the total Bid price. Since Stronger Building Services is the lowest responsive Bidder, the application of the SB Program will not alter the award to Strong Building Services.

FISCAL IMPACT: Funding of \$226,000 for award of Contract No. 15QJ-120 is included in the total project budget for the FMS #15QJ000, REROOF STRUCTURES SWD. The Office of the Controller/Treasurer certifies that funds are currently available to meet this obligation.

As of August 1, 2012, \$1,190,000 is available for commitment for this project from the following sources:

F/G 851W -BART Operating Alloc to Capitl	\$690,000.00
F/G 8524 - BART Operating Alloc to Capitl	\$500,000.00
Total	\$1,190,000.00

BART has expended \$674,263.72 and committed \$0.00, and reserved \$180,703.00 to date for other actions from the above-referenced fund sources. This action will commit \$226,000 leaving an available fund balance of \$109,033.28.

There is no fiscal impact on available unprogrammed District Reserves.

ALTERNATIVE: The alternative is to reject all bids, which will result in the deferral of roof replacement that is necessary for proper maintenance. Such deferral could lead to moisture and property damage caused by failure of the roofing systems at the CHB and the Hayward Yard Control Center.

RECOMMENDATION: On the basis of analysis and evaluation by District staff, it is recommended that the Board adopt the following motion:

MOTION: The General Manager is authorized to award Contract No. 15QJ-120, Reroof CHB and Hayward Yard Control Center Upper Roof to Stronger Building Services, for a Bid Price of \$226,000, pursuant to notification to be issued by the General Manager and subject to the District's protest procedures.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Marcia DelBorden</i>		GENERAL MANAGER ACTION REQ'D: Approve and forward to the Board		
DATE: <i>9/5/12</i>		BOARD INITIATED ITEM: No		
Originator/Prepared by: Khawaja Zubair Dept. M & E Engineering <i>Khawaja Zubair</i> Signature/Date: <i>8/10/12</i>	General Counsel <i>Andrew Kovacs</i> Signature/Date: <i>8/10/12</i>	Controller/Treasurer <i>[Signature]</i> Signature/Date: []	District Secretary []	BARC <i>Paul Chewer</i> Signature/Date: <i>9/4/12</i>
Status: Approved		Date Created: 07/27/2012		

TITLE:

AWARD OF CONTRACT NO. 20LZ-110, TRAIN CONTROL ROOM BATTERY REPLACEMENTS

NARRATIVE:

PURPOSE:

To obtain Board authorization for the General Manager to award Contract No. 20LZ-110 for Train Control Room Battery Replacements to American Power Systems, LLC, Stockton, CA.

DISCUSSION:

The train control room battery systems provide emergency power to all the computer and control devices that are essential for train operations. The batteries are used to store energy as a part of uninterruptible power supply (UPS) to provide all necessary power to essential loads when the utility power is not available. The batteries have limited life between 8 to 12 years. At the end of life, batteries can no longer hold a charge for a significant length of time, thus rendering them useless. At that time, any utility power disruption will cause a loss of train control computer operations, resulting in a station going into shutdown.

Most of the battery systems in the train control rooms across the BART system are at the end of life, requiring replacement of battery systems. This Contract No. 20LZ-110 will replace battery systems in eighteen (18) stations and train control huts.

In general, the work under Contract No. 20LZ-110 consists of dismantling and disposing of the existing battery systems, and replacing them with a new battery system of the same capacity. This Contract also includes replacement of disconnect switches, wiring/conduit and grounding, if needed.

The District provided advance notice to sixty-six (66) prospective Bidders, and plans were sent to twenty three (23) Plan Rooms. The Contract was advertised on April 27, 2012. A pre-bid meeting was held on May 11, 2012 with twenty (20) prospective Bidders in attendance. A site visit was conducted on June 27, 2012, with sixteen (16) Contractors in attendance. Bids were opened on July 10, 2012. A total of six (6) Bids were received as follows:

<u>BIDDER</u>	<u>BID PRICE (Lump Sum)</u>
A&R Telecom, Bellflower, CA	\$649,809.86
American Power Systems, Stockton, CA	\$1,050,000.00
Blocka Construction, Inc. Fremont, CA	\$1,076,200.00
Shimmick Construction Co. Inc. Oakland, CA	\$1,199,000.00
LC General Engineering & Construction, Inc. San Francisco, CA	\$1,246,000.00
Industrial Battery Services, Inc., Richmond, CA	\$1,360,000.00
Engineer's Estimate	\$1,180,000.00

The apparent low bid, submitted by A&R Telecom, was not responsive because it did not comply with the bond submittal requirements (bond was not executed by a surety, and did not include the surety corporate seal, power of attorney form and notary acknowledgement). The second low bidder, American Power Systems, submitted a responsive Bid. Upon review of the Bidder's business and financial capabilities, staff has determined that the Bidder is responsible and that its bid of \$1,050,000 is fair and reasonable.

This Contract was advertised pursuant to the revised DBE Program requirements. The Office of Civil Rights reviewed the scope of work for this Contract and determined that there were subcontracting opportunities and a DBE participation goal of 8% was set for this Contract. American Power Systems committed to subcontracting 12.4% to DBEs.

FISCAL IMPACT:

Funding of \$1,050,000 for the replacement of train control room batteries will come from project budget 20LZ000 Battery Replacement for Train Control Rooms. The Controller/Treasurer certifies that funds are currently available to meet this obligation.

As of July 26, 2012, \$1,643,000 is available for this project from the following sources:

Fund No.	Source	Fund Description	Amount
354R	Federal	CA-90-Y833 FY10 Capital Assistance	\$ 754,400
6017	Bridge Toll Alloc.	Bridge Toll FY9-10 Alloc. 10395402	\$ 188,600
3002	Federal	CA-90-Y873-00	\$ 560,000
851W	BART Alloc.	FY07-11 Capital Allocation	\$ 140,000
		Total	\$1,643,000

BART has expended \$118,923.00, encumbered \$0, and pre-encumbered \$750,000 to date. This action will encumber \$1,050,000.00, including the already pre-encumbered \$750,000.00, leaving an available fund balance of \$474,077.

There is no fiscal impact on available un-programmed District Reserves.

ALTERNATIVES:

The alternative is not to replace the train control room battery systems at this time. This would leave the entire BART system, including train operation, vulnerable to power failure and could result in operational shutdown.

RECOMMENDATION:

Adoption of the following motion.

MOTION:

The General Manager is authorized to award Contract No. 20LZ-110, Train Control Room Battery Replacements, to American Power Systems for the Bid price of \$1,050,000.00, pursuant to notification issued by the General Manager, subject to compliance with the District's protest procedures and FTA's requirements related to protests.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Wanda Delaney</i>		GENERAL MANAGER ACTION REQ'D:		
DATE: c <i>9/5/12</i>		BOARD INITIATED/ITEM: No		
Originator/Prepared by: Kirtland Smith <i>[Signature]</i>	General Counsel <i>[Signature]</i>	Controller/Treasurer <i>[Signature]</i>	District Secretary	BARC <i>[Signature]</i>
Signature/Date: <i>9/5/2012</i>	[]	[]	[]	[]

TITLE:

Invitation For Bid #8904 - KIT, HIGH SPEED GEAR ASSEMBLY

NARRATIVE:

PURPOSE: To obtain Board authorization to award Invitation for Bid (IFB) No. 8904 to Motion Industries in the amount of \$1,075,888.98 for the purchase of Kit, High Speed Gear Assembly.

DISCUSSION:

Each of the vehicles in the District's revenue vehicle fleet is powered by four traction motors. Each motor is attached to an axle wheel assembly through a gearbox, The gearbox is the main mechanical device that transfers power from the traction motor to the axle. A critical component of the gearbox is the High Speed Gear Assembly. Each gearbox, including the High Speed Gear Assembly, is rebuilt every five years. The kits to be procured under this action include the bearings, seals, o-rings, oil slingers, and gaskets used to rebuild the High Speed Gear Assembly.

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

A Notice Requesting Bids was published on March 23, 2012 and Bid requests were mailed to twenty three (23) prospective bidders. Bids were opened on June 19, 2012 and the following eight (08) bids were received:

<u>Bidder</u>	<u>1440 Kits</u>	<u>Grand Total including 8.75% Sales Tax</u>
Motion Industries Hayward, CA	\$687.03	\$1,075,888.98
Strategic Sourcing Solutions Florence, KY	\$768.98	\$1,204,222.68

Diamond Tool & Die Oakland, CA	\$799.35	\$1,251,782.10
Annex Precision Santa Clara, CA	\$828.82	\$1,297,932.12
Pacific Rubber San Carlos, CA	\$987.43	\$1,546,315.38
Bombardier Pittsburgh, PA	\$1,302.34	\$2,039,464.88
National Precision Bearing Preston, WA	\$1,514.54	\$2,371,769.64
DLR Distributors Stone Mtn., GA	\$1,608.62	\$2,519,098.92

Independent cost estimate by BART staff: \$1,200,000.00

Staff has determined that the low Bid submitted by Motion Industries in the amount of \$1,075,888.98 (includes 8.75% sales tax) is fair and reasonable.

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

FISCAL IMPACT:

Funding for contract IFB 8904 will be provided from the General Fund, Materials & Supplies Inventory build-up account 140-010.

The Kit, High Speed Gear Assembly are scheduled to be procured over the contract's thirty six (36) month period at the following estimated annual costs:

- FY13 \$ 358,630.00
- FY14 \$ 358,630.00
- FY15 \$ 358,630.00

Funds for FY13 expenditures of \$358,630.00 are currently available in the General Fund, Materials & Inventory build-up account. Any additional orders above this amount will only be placed with Motion Industries upon certification by the Controller Treasurer that funds are available.

ALTERNATIVE: Reject all Bids and re-advertise the contract. Re-advertising is not likely to lead to increased competition nor lower prices.

RECOMMENDATION: On the basis of analysis by staff and certification by the Controller Treasurer that the funds are available for this purpose, it is recommended that the Board adopt the following motion.

MOTION: The General Manager is authorized to award IFB No. 8904, an estimated quantity contract for procurement of HIGH SPEED GEAR ASSEMBLY Kits, to Motion Industries, for the Bid price of \$1,075,888.98, includes applicable sales tax, 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>Shawn J Jackson</i>	GENERAL MANAGER ACTION REQ'D:
DATE: 9/5/12	BOARD INITIATED ITEM: No

Originator/Prepared by: Shawn J Jackson Dept: [] Signature/Date: <i>Shawn J Jackson</i> 9/5/2012	General Counsel <i>Andrea Rawas</i> 9/5/12 []	Controller/Treasurer <i>[Signature]</i> []	District Secretary <i>[Signature]</i> []	BARC <i>Paul Werner</i> 9/5/12 []
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Status: Routed	Date Created: 08/01/2012
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TITLE:
Award Invitation for Bid for No. 8909 For the Procurement of Powered Stand-on Riding Autoscrubber

NARRATIVE:

PURPOSE:

To obtain Board authorization for the General Manager to award Invitation for Bid No. 8909 to JC Paper Company, for the purchase of sixteen (16) powered stand-on riding autoscrubbers.

DISCUSSION:

Maintaining clean platforms and walkways are important to our passengers and the District, and are components of the quarterly Passenger Environment Survey. Seeking to improve scores and increase staff efficiency, System Service supervisors in collaboration with employee representatives have been involved in field testing different powered equipment. This powered stand-on riding scrubber was selected as the preferred equipment for cleaning inside stations given its smaller footprint and ease in maneuvering.

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

A notice requesting bids was published on June 29, 2012 and bids were mailed to six (6) prospective bidders. Bids were opened on July 24, 2012 and the following two (2) sealed bids were received.

Bidder	Total Bid Price <u>(Including 8.75% Sales Tax)</u>
1. JC Paper Company, Fremont, CA	\$188,673.42
2. Nilfisk-Advance, Inc., Plymouth, MN	\$179,292.73

Independent cost estimate by staff: \$195,523.10

Staff has determined the apparent low bid submitted by Nilfisk-Advance, Inc. was non-responsive. The District's specifications were written to ensure that the autoscrubber selected would be able to clean all areas of the station including elevators and pass through exits. The Nilfisk-Advance autoscrubber failed to comply with the specifications for machine length and could not operate in smaller elevators located throughout the District.

FISCAL IMPACT:

Funding of \$188,673.42 to purchase sixteen (16) powered stand-on riding autoscrubber machines is included in the total project budget for the FMS #79NI000 – Other OPS Departments Equipment. The Office of the Controller/Treasurer certifies that funds are currently available to meet this obligation.

As of the 07/24/2012, \$697,360.00 is available for this project from the following fund sources:

Grant	Amount
F/G 354R - FY10 Capital Projects	253,600.00
F/G 6017 - FY09-10 Bridge Toll Allocation #10395402	63,400.00
F/G 850N - Capital Improvement Allocation	110,360.00
F/G 851W - FY07-11 Capital Allocation	270,000.00
Total	697,360.00

BART has expended \$422,586.64 committed \$20,265.00 to date for other actions. This action will commit an additional \$188,673.42 leaving an uncommitted balance of \$65,834.94 in these fund sources.

There is no fiscal impact on available un-programmed District Reserves.

ALTERNATIVE:

Reject all bids and rebid. Rebidding is not likely to result in additional responsive bids or better pricing.

RECOMMENDATION:

Adopt the following motion:

MOTION:

The General Manager is authorized to award Invitation For Bid No IFB 8909 to JC Paper Company, for the bid price of \$188,673.42, including all applicable sales tax, pursuant to notification to be issued by the General Manager, and subject to compliance with District Protest Procedures.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Patricia DeLoe</i>		GENERAL MANAGER ACTION REQ'D: Approve for Board Action		
DATE: 8/3/12		BOARD INITIATED ITEM: No		
Originator/Prepared by: Patrice McElroy Dept: Human Resources Ext. 6885	General Counsel	Controller/Treasurer	District Secretary	BARC
Signature/Date: <i>Patrice McElroy 8/3/12</i>	<i>Audrey Paray 8/2/12</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>Paul Han 8-1-12</i>
Status: Routed		Date Created: 07/30/2012		

TITLE: **SAFETY CERTIFIED AND REGULAR TEMPORARY HELP SERVICES AGREEMENT Nos. 6M4189, 6M4191 AND No. 6M4197**

NARRATIVE:

NARRATIVE:

PURPOSE:

To obtain Board authorization for the General Manager to execute three agreements for temporary help services for the District. One agreement is with Wollborg/Michelson Personnel Service, Inc. to provide safety certified temporary help services; the remaining two agreements are with Wollborg/Michelson Personnel Service, Inc. and SearchPros Staffing LLC to provide regular temporary help services for the District.

DISCUSSION:

The District has utilized the services of a temporary help agency to facilitate temporary staffing needs since 1986. The current temporary help services agreement, Agreement No. 6M4052, incorporating both safety certified and regular temporary help services, was awarded to Wollborg/Michelson Personnel Service, Inc. in 2007. That agreement was for a term of four years plus two separate option years. As a result of a higher than anticipated level of capital work over the period of this agreement, which resulted in a greater need for safety monitors, expenses for safety certified staff have consistently exceeded estimates. The District will exhaust the available funds approximately ten months prior to the end of the full six year period.

Accordingly, the District has initiated a new solicitation for temporary help services. In developing the RFP, staff proactively sought to optimize opportunities for a diverse pool of prospective bidders to compete successfully. The decision was made to issue two Requests for Proposal (RFPs), one for safety certified services, and the other for regular temporary services. In addition, the District proposes to award two contracts for regular temporary services in order to further increase opportunities for vendors seeking to do business with the District.

Following the required union notice process, Requests for Proposal (RFP) Nos. 6M4191 (for regular temporary services) and 6M4189 (for safety certified temporary services) were issued on March 29 and March 27, 2012, respectively. Both RFPs were

mailed to 122 prospective proposers, and advertised in eleven (11) local newspapers. Outreach and networking meetings were held for the two proposals on April 10, 2012 with seventeen (17) firms attending. A pre-proposal meeting for the two proposals was held on April 17, 2012 with twenty-five (25) firms attending. Seven (7) proposals were received by the District for each of the two RFPs in May, 2012.


Two separate Source Selection Committees were formed to review the proposals, one for each of the two solicitations. The Safety Certified Temporary Help Source Selection Committee was chaired by Contract Administration and included representatives from Human Resources, Operations Liaison and the Office of Civil Rights. The Regular Temporary Help Source Selection Committee was also chaired by Contract Administration and included representatives from Human Resources and the Office of Civil Rights. Proposals were first reviewed to determine if the Proposers were considered responsive to the requirements of the RFP. Subsequently, both committees conducted a technical evaluation of the proposals for compliance with the minimum technical requirements set forth in the RFP. Upon completion of the technical review process, proposals from three (3) vendors for the safety certified temporary help services work and four (4) vendors for the regular temporary help services were found not to have met the technical requirements and were not considered further for award.

Four proposals for the safety certified temporary help services and three proposals for the regular temporary help services were determined to have met all of the District's minimum requirements. The four proposals that met the minimum technical requirements for the safety certified temporary help services were HR Management Corp. Inc, Outsource Consulting Services, Wollborg/Michelson Personnel Services, Inc., and SearchPros Staffing LLC, a certified Disadvantaged Business Enterprise. The three proposals that met the minimum technical requirements for the regular temporary help services were HR Management Corp, Inc., Wollborg/Michelson Personnel Service, Inc. and SearchPros Staffing LLC.

Under the terms of the RFP for the safety certified temporary help services, the District is to award a single agreement to the lowest priced technically acceptable proposer. The regular temporary help services RFP specifies awards to the two lowest priced technically acceptable proposers. Pricing for these agreements is expressed as a percentage mark-up over the usual District hourly rate for the work in question. The mark-up is for fringe benefits, overhead/general and administrative costs and profit.

Wollborg/Michelson Personnel Service, Inc., of San Francisco, California, presented the lowest-priced, technically acceptable proposal for the safety certified RFP, with a total mark-up rate of 24.50%. The other three technically acceptable proposals were SearchPros Staffing LLC at a mark-up rate of 26.58%, Outsource Consulting Services, Inc., at a mark-up rate of 28.56% and HR Management Corp, Inc, with a mark-up rate of 30.95%.

Wollborg/Michelson Personnel Services, Inc., of San Francisco, California also presented the lowest priced, technically acceptable price proposal for the regular



temporary help services with a total mark-up rate of 26.47%. The other two technically acceptable bids were from SearchPros Staffing LLC, at a mark-up rate of 28.65%, and HR Management Corp, Inc., with a total mark-up rate of 29.95%.

The Source Selection Committees for both the safety certified temporary help services and regular temporary help services have determined the prices to be fair and reasonable. A further review of Wollborg/Michelson Personnel Service, Inc.'s and SearchPros Staffing LLC's financial and business data indicate that both are responsible firms. Based on the above determination, the Source Selection Committees recommend that awards be made to Wollborg/Michelson Personnel Service, Inc. to provide both safety certified and regular temporary help services, and to SearchPros Staffing LLC, for regular temporary help services to the District. Each agreement is for four years with no option years. The agreements will be approved as to form by the Office of the General Counsel.

The agreement for safety certified work is federally funded and is therefore subject to the revised DBE Program. Pursuant to the revised DBE Program, the Office of Civil Rights is utilizing race and gender neutral efforts for professional services agreements. Therefore, no DBE participation goal was set for the safety certified agreement. The regular temporary help services agreement is subject to the Non-Discrimination Program for Subcontracting. Under the Non-Discrimination Program for Subcontracting, the subcontractor availability figures are 16% MBE and 20% WBE. Neither Wollborg/Michelson Personnel Service, Inc. nor SearchPros Staffing LLC intends to subcontract any of the work for the temporary help services agreements. Therefore, the District's Non-Discrimination in Subcontracting Program does not apply.

FISCAL IMPACT:

The maximum compensation for safety certified temporary help services shall not exceed \$17,500,000.00 over the term of the agreement. The annual expenses associated with this agreement are largely funded through capital projects. Any assignment funded under a Federal or State grant will be initiated pursuant to a request that includes a defined scope and budget. Capital Development and Control will certify the eligibility of identified funding sources and the Controller-Treasurer will certify the availability of funding prior to incurring expenses against this agreement.

The maximum compensation for each of the two regular temporary help services agreements shall not exceed \$1,300,000 over the term of the agreement. The expenses for these agreements will be approximately \$650,000 in FY13 and are currently funded in the operating budget. Funding for subsequent years, FY14 to FY16, of the contracts, approximately \$650,000 per year will be requested in future budget cycles.

ALTERNATIVES:

Discontinue the use of agency temporary help services or make a determination to reissue the Request for Proposals.

RECOMMENDATION:

Adoption of the following motion.

MOTION:

The General Manager or her designee is authorized to award the below listed Agreements to provide safety certified temporary help services and regular temporary help services, pursuant to notification to be issued by the General Manager. The awards are subject to the District's protest procedures, and the award of Agreement No. 6M4189 for safety certified temporary help services is also subject to the FTA's requirements related to protest procedures.

1. Agreement No. 6M4189 in an amount not to exceed \$17,500,000 to Wollborg/Michelson Personnel Service, Inc. for safety certified temporary help services.
2. Agreement No. 6M4191 in an amount not to exceed \$1,300,000 to Wollborg/Michelson Personnel Service, Inc. for regular temporary help services.
3. Agreement No. 6M4197 in an amount not to exceed \$1,300,000 to SearchPros Staffing LLC for regular temporary help services.

Safety Certified Temporary Help
Services

RFP 6M4189

Presentation to the Board of Directors
September 13, 2012

Safety Monitor Program Overview

The Safety Monitor Program:

- Provides qualified people 24 hours a day/7 days a week to ensure the operational safety of a contractor or other outside agency work activity.
- Has been in effect for over 15 years and is managed by Operations Liaisons.
- Is approved and regulated by the California Public Utilities Commission .
- Is comprised of approximately 85 individuals, primarily BART retirees plus active employees.
- Is budgeted and funded by the projects which require these services.
- Has a stellar 15 year safety record in the execution of capital projects in the operating system.

Who Are The Safety Monitors?

- External Safety Monitors (Retired BART Employees)
 - 75-80 retired BART personnel who are employed by a temp agency and are assigned to BART projects.
 - Possess comprehensive knowledge of District safety procedures, operations procedures and work methods.

- Internal Safety Monitors (BART Employees)
 - 5 Operations Supervisors within Operations Liaisons
 - Typically assigned to BART projects on a full-time basis

- Safety Monitors must successfully complete the 40-hour Safety Monitor classroom training and 32-hour field certifications to augment their existing system experience and knowledge.

Why Use “Temp Services” Safety Monitors?

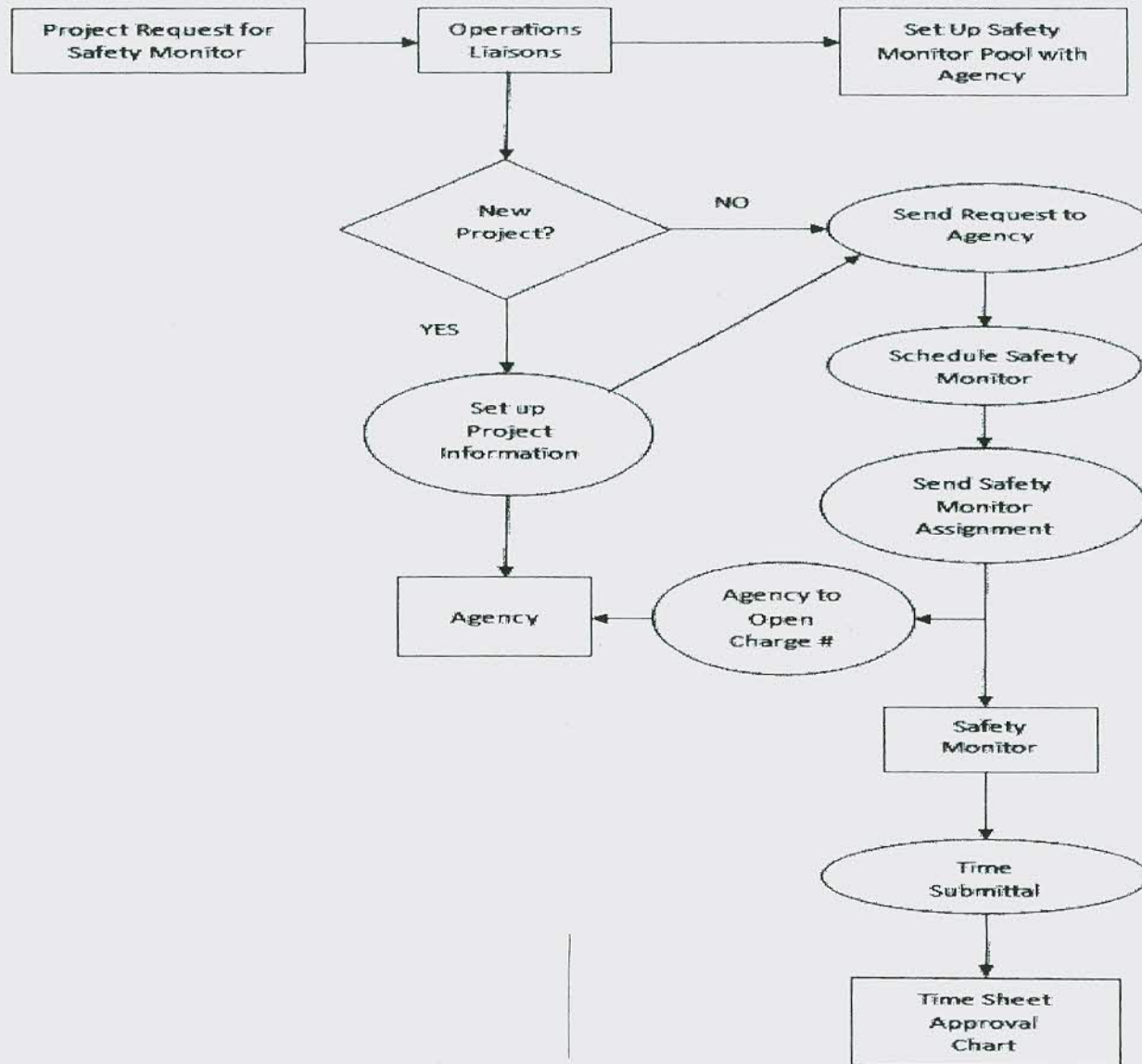
- Flexible/Cost Effective
 - Temp monitors can accommodate flexible scheduling.
 - Temp monitors are assigned as needed, and paid by the hour.
 - If work is cancelled (within the contractual timeframe) BART is not obligated to compensate the monitor or agency.

- Experience Talent Base
 - The District and the projects benefit from the vast BART knowledge and varied skill sets that the temp monitors provide.
 - Temp services staff are already indoctrinated in the BART safety culture.

Safety Monitor Scheduling Complexity

- Essentially all work performed by Contractors and outside Agencies require Safety Monitor resources.
 - Earthquake Safety Program
 - 34.5kVAC Cable Replacement
 - Telecommunications Revenue
 - Security Upgrades
 - Station Modernization
 - System Upgrades & Repair
- Resource Allocation Challenges:
 - 50 project requests per week equaling 125 assignments
 - 900 hours assigned per week
 - 50 invoices processed per week
 - Frequent rebalancing (dynamic nature of project execution)
 - Staff availability varies
 - Specific skill sets limits breadth of staff available for complex work
 - External Safety Monitors can only work 960 hours per fiscal year

Safety Monitor Assignment Chart



Estimated Mark-up for Multiple Contracts

Staff anticipates total mark-up will increase when contract value is decreased due to lower total Over Head and Profit (OH&P) margins

Contract Mark-up and OH&P Average

	Contract Amount	Total Mark-up	OH&P
Contracts			
1	\$ 17,500,000.00	24.50%	6.00%
2	\$ 17,500,000.00	26.58%	4.75%
3	\$ 17,500,000.00	28.56%	3.65%
4	\$ 17,500,000.00	30.95%	7.05%
Average		27.65%	5.36%

Cost Estimates for Multiple Contracts

	Contract Amount	Total Mark-up	Total Hours Purchased	Reduced Available Hours	Additional Cost To fund Reduced Hours	Added cost for Staff (1/2 FTE) to manage 2 contracts	Estimated Added Cost
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Current RFP Low Bidder

	\$17,500,000	24.50%	293611		\$0	\$0	\$0
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2 Contracts

	\$8,750,000	27.65%	140681				
	\$8,750,000	27.65%	140681				
Total	\$17,500,000	27.65%	281361	12250	\$703,671	\$290,000	\$993,671

SBE Contract

	\$3,000,000	27.65%	48233	2100	\$94,500	\$290,000	\$384,500
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Annual OH&P Comparison for Different Contract Values

	Contract Amount	Total Mark-up	OH&P	OH&P per year
1 Contract	\$ 17,500,000.00	27.65%	5.36%	\$234,609
2 Contracts	\$8,750,000	27.65%	5.36%	\$117,305
SBE	\$3,000,000	27.65%	5.36%	\$40,219

Ref

Rejection of RFP 6M4189

- Requires immediate Change Order to existing Contract for \$3.5M to fund Safety Monitor Program
- No guarantee of award to SBE if multiple contracts are issued
- Increases costs due to
 - Expected increase in Mark-up (\$703K with 2 contracts)
 - Increased administrative burden and cost (\$290K with 2 contracts)
 - Tracking and billing to multiple vendors
 - Allocating proper safety monitor skill sets with resources distributed across multiple vendors
- Risks
 - Risk to projects to get adequate resource alignment
 - No District authority to assign individuals to specific vendors
 - Ability to maintain balanced level of utilization across all vendors

Staff Recommendation

Award RFP 6M4189 to low bidder, and issue a separate \$3M Federal Set-Aside Micro Small Business contract

- Guarantees award to small business
- \$384K additional cost



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: 		GENERAL MANAGER ACTION REQ'D: Place on the September 13, 2012 Board of Directors Agenda		
DATE: c 9/6/12		BOARD INITIATED ITEM: NO		
Originator/Prepared by: Robert Umbreit Dept: Operating Budgets	General Counsel 	Controller/Treasurer 	District Secretary 	BARC
Signature/Date: 9/4/12 [] 9/6/12 [] [] [] 9-5-12 []				

TITLE:

Fiscal Year 2012 Year-End Budget Revision

NARRATIVE:

PURPOSE: To amend the Fiscal Year 2012 (FY12) Budget for year-end adjustments.

DISCUSSION: The District finished FY12 \$33.4 million (M) (5%) favorable to budget in total sources and \$26.1M unfavorable (-4%) in total uses, excluding non-cash adjustments of \$3.5M, for a net positive result of \$10.8M. Although the FY12 Budget, developed in early 2011, assumed a moderate level of economic growth, budget assumptions for revenue sources underestimated the strength of the recovery. During FY12, ridership and sales tax grew at a much greater rate than projected. However, the expense budget was tight all year and both labor and non-labor expenses ended the year unfavorable to budget. In addition, the District unexpectedly needed to supplement workers' compensation reserves by \$8.9M. These results are summarized in the table below, with more detail included in the Background section and in Attachment 1.

FY12 Operating Results (\$ million)	Budget	Actual ⁽¹⁾	Var.	%
Sources				
Operating Revenue	\$ 379.1	\$ 402.0	\$ 22.8	6%
Sales Tax	180.6	195.2	14.6	8%
Other Assistance	57.8	53.7	(4.1)	-7%
Total Sources	617.5	650.9	33.4	5%
Uses				
Labor	364.3	366.6	(2.3)	-1%
Workers Comp Funding	-	8.9	(8.9)	n/a
OPEB Unfunded Liability	1.6	5.1	(3.5)	n/a
Non-Labor	141.0	148.9	(7.9)	-6%
Total Expense	506.9	529.6	(22.7)	-4%
Debt Service	62.3	62.3	0.0	0%
Capital Allocations	47.1	42.5	4.6	10%
Other Allocations	2.8	10.8	(8.0)	-286%
Total Debt Svc. & Alloc.	112.2	115.6	(3.4)	-3%
Total Uses	619.1	645.2	(26.1)	-4%
OPEB Unfunded Liability ⁽²⁾	(1.6)	(5.1)	3.5	
Net Result	\$ -	\$ 10.8	\$10.8	

⁽¹⁾ Excludes MTC Rail Car Fund Swap revenue & expense of \$25.9M

⁽²⁾ OPEB: Other Post Employment Benefits, primarily retiree medical

During the FY13 Budget development process a list of items was identified for potential funding from FY12 year-end results. New critical funding needs have come up since the adoption of the FY13 Budget, and a modified year-end allocation plan is now proposed by staff. The Board is requested to approve year-end budget revisions of \$10.8M to fund these items as described below.

BACKGROUND: Passenger trips in FY12 totaled 110.8M, the highest level in BART's history. An improving Bay Area economy and high gas prices contributed to the strong growth. Total trips exceeded the FY12 Budget by 5.3% and grew by 7.1M trips from FY11. Average weekday ridership of 366,565 was 5.1% over budget and grew 6.2% from FY11.

BART's two largest sources of revenue, passenger fares and sales tax, were both favorable to budget in FY12. Passenger fares were \$21.7M (6.3%) favorable, in line with the ridership variance. Sales tax exceeded the budget by \$14.6M and grew 8.0% from FY11. The favorable result from passenger fares and sales tax was slightly offset by reduced State Transit Assistance and other smaller revenue variances (both positive and negative) producing a \$33.4M (5%) favorable result in operating sources.

Operating expense was \$22.7M (4%) over budget for the year. The variance includes an unbudgeted \$8.9M increase to workers' compensation/general liability self insurance funding, due to increased reserve requirements called for in the District's actuarial report finalized at the end of FY12. Another \$3.5M of the overage was due to the Other Post Employment Benefits (OPEB) unfunded liability, which does not affect the net operating result. Excluding these expenses, operating expense was over budget by \$10.3M (2%). Net labor and benefits were \$2.3M (1%) over budget mainly due to overtime costs. Non-labor expense was over budget by \$7.9M (6%) due to the factors discussed below.

Workers' compensation costs have been increasing across the nation. The District's \$8.9M increase is driven mainly by increased costs for older claims, not by new injuries, as reflected in four main issues: the rising cost of medical care generally; the sharp increase in medical, and especially surgical, interventions for injuries typical of District occupations; the aging of the District's workforce; and a greater reluctance of both injured workers and Medicare, as a party to many such discussions, to settle claims.

Non-labor expenses were impacted by increased escalator maintenance, with a corresponding \$2.2M increase in the Maintenance and Engineering Department expenses. In addition, a change in accounting practices for inventory attributable to the implementation of the new accounting system resulted in \$1.1M of unplanned expense in Rolling Stock and Shops. Non-labor expenses for Information Technology (IT) were \$3.5M over budget, due to increased licensing and equipment fees and higher consulting costs. This was partially offset by \$1.0M in IT labor savings. Although approved in the FY12 Budget, the hiring of permanent IT staff to support the new business system was slow due to the competitive technology job market, resulting in one-time higher consulting costs.

Capital allocations were \$4.6M below budget with an equal amount directed to the SFO

Extension Reserve because the District received San Mateo County Prop 1B funding as part of SamTrans' \$32M payment for termination of the original SFO operating agreement. In order to process these funds, the capital program directly received the Prop 1B funding and the capital allocations were lowered by the same amount in order to fund the SFO Extension Reserve, with no net impact to the capital program.

Other allocations were over budget by \$8.0M due to several items, none of which affect the net operating result. In addition to the \$4.6M allocated to the SFO Extension Reserve discussed above, an additional \$4M allocation was made related to the positive results from operating the SFO Extension and funding received from SamTrans during the fiscal year. The FY12 SFO Extension ridership exceeded budget by 1.0M trips (8%), generating a \$2.4M net operating income. SamTrans Prop 42 TCRP funding of \$1.6M was also received in FY12. This \$4.0M total will be allocated to the SFO Extension Reserve. A budgeted allocation to the Hillcrest Park and Ride project was not made because the associated grant revenue was not received. With no bottom line impact, this variance reduced Other Assistance and Other Allocations, each by \$2.2M. In addition, \$1.6M related to the Kaiser Center (Lakeside) lease was allocated to offset a reduction in accumulated net revenue in prior years from the timing difference between recognizing expense related to the Kaiser Center lease between cash and accrual basis of accounting.

SUMMARY OF PROPOSED YEAR-END ALLOCATIONS:

The following section discusses the FY12 year-end budget revision proposal to direct \$9.6M of the \$10.8M positive net result to critical capital needs and \$1.2M to operating reserves to fund two operating projects. The District will also apply the remaining \$9.7M of Federal Formula 5307 Preventive Maintenance funds programmed in 2009 by MTC to capital needs.

The FY13 Budget process designated projects as preliminary candidates for FY12 year-end funding. In addition, three new projects are recommended in this FY12 revision: pre-funding future years planned purchases of Rail Car sub-flooring for \$4.7M, a comprehensive analysis of Powell Street Station capital needs for \$1.0M, and programs to proactively address increased workers' compensation costs (\$1.0M). An alternative plan has been developed to fund the remaining projects identified during the budget process with Prop 1B Station Modernization funds expected in January 2013.

Capital projects totaling \$19.3M are proposed for funding with \$9.6M of FY12 year-end allocations and the \$9.7M 5307 funds. These are projects discussed in the FY13 Budget process: Powell Concourse Ceiling and Waterproofing (\$7.5M), C-Car HVAC Renovation (\$2.2M), C-Car Propulsion Motor Control Box Renovation (\$1.1M), Pigeon Abatement (\$1.0M), Enterprise Storage Networks (\$0.5M), Fare Evasion Mitigation (\$0.5M), replacement of Treasury Servers (\$0.3M), and eBART Project Development Funding (\$0.5M, conditional on results of the Alameda County sales tax measure and Contra Costa county funding). The proposed capital allocation also includes funding for two of the three new projects consisting of Rail Car sub-floors and the Powell Street Station comprehensive analysis.

The sub-floor allocation is to replace the sub-flooring for the remaining 159 A2/B2 Rail Cars not

yet funded for floor replacement. Setting aside funds for this procurement now would allow the District maximum flexibility to pursue the best price and materials for the following reasons. There are a limited number of potential manufacturers of the flooring material. BART's non-standard, two-inch thick sub-floor requires special equipment and a dedicated production line. The current manufacturer, Milwaukee Composites, has notified BART that it will not be able to continue to produce BART's orders beyond May 2013 because it has considerable work from other transit authorities which will consume its production capacity for many years. In order to allow for the maximum number of manufacturers to be available to perform this work, funds need to be set aside for a procurement in this fiscal year.

The Powell Street Station comprehensive analysis will inventory and synthesize a wide range of activities, projects and initiatives that impact the customer experience and infrastructure of the station including environmental health, water intrusion, capacity, retailing, advertising, accessibility, spatial planning and urban design. The analysis will guide development of the Station Area Master Plan, which will include long term design, development and implementation opportunities in a scalable and incremental format for one of the most heavily utilized BART stations. The \$1M allocation will fund the Master Plan and some initial project implementation.

Operating allocation revisions for the FY12 year-end budget include an allocation to operating reserves to fund the increased Late Night Bus Service (\$0.2M), as discussed in the FY13 Budget process, and to address increased workers' compensation costs (\$1.0M). The District plans to use the \$1.0M to implement an improvement program with some or all of the following elements, in addition to attendance management initiatives already underway: a renewed accident prevention program, including close analysis of the characteristics of injuries and an incentive component; a proactive review of all open cases to identify resolution opportunities, through additional medical management, return to work strategies, and fraud control activities; increased focus on return to work generally; and enhanced use of medical networks and pharmaceutical providers to manage cost and care.

Because the FY12 net operating result and 5307 grant funds are insufficient to fund the entire list of projects plus the three new needs, two capital projects discussed during the FY13 Budget process, the Powell Street Station Platform Ceiling (\$3.0M) and the Balboa Park Station Improvements (\$5.0M), are not recommended for funding at this time. However, the State plans to resume allocations of Prop 1B bond funding in January 2013 and these projects are planned to be funded from that source. If this does not occur, the projects will be a top priority for other future available funding.

In addition to the items discussed above, the budget revision also requests Board approval for the following adjustments to conform the final budget to Board Rules regarding the budget. The expense budgets are increased for the total negative labor variance (including the workers' compensation reserve funding and OPEB adjustment) of \$14.8M and negative non-labor variance of \$7.9M. Capital Allocations are increased by \$5.0M to reflect the recommended \$9.6M increase for capital projects net of the \$4.6M to recognize the San Mateo Prop 1B funding. Other Allocations are increased \$8.6M due to the San Mateo Prop 1B funding (\$4.6M) and allocation to the SFO Operating Reserve (\$4.0M). Additional allocation revisions include a

Kaiser Center Lease Adjustment (\$1.6M increase), Operating Reserve (\$1.2M increase), and Hillcrest Park and Ride (\$2.2M decrease). Operating Revenues are increased by \$22.8M largely due to higher fare revenue, and Financial Assistance is increased by \$14.6M for higher Sales Tax receipts and \$1.6M to recognize SamTrans Prop 42 TCRP funds. Finally, Financial Assistance is increased by \$25.9M and an offsetting "extraordinary expense" (not included in Operating Expense) for the same amount is added to recognize MTC funding for the New Rail Car program that passes through the District's financial statements.

FISCAL IMPACT: Board approval of the proposed allocations results in a balanced FY12 Budget.

ALTERNATIVES: If the Board does not approve the recommended allocations, the District would end the year with a favorable result of \$10.8M. Alternatively, the Board could specify other uses for the funding.

RECOMMENDATION: Approval of the motion below.

MOTION: Approval of the attached resolution "In the Matter of Amending Resolution No. 5163 regarding Fiscal Year 2012 Annual Budget."

**Attachment 1
Quarterly Financial Report
Fourth Quarter
Fiscal Year 2012**

Revenue

- Avg weekday trips for the quarter were 374,591, 6.1% over budget. Ridership growth was strong during FY12, with 4Q core trips up 5.3% and SFO trips up 12.1%, compared to 4QFY11. FY12 net passenger revenue was 6.3% over budget due to over budget trips.
- Parking revenue was \$0.1M favorable for FY12 because of strong ridership.
- Other Operating Rev was \$1.1M over budget for FY12 due in part to permit fees, support cost reimbursement and other vendor payments.

Expense

- Labor and benefits for 4Q incorporated an \$8.9M increase in reserve requirements for workers' compensation. The YTD unfavorable variance of \$11.3M included cost overruns in overtime.
- OPEB unfunded liability is a non-cash expense with an offsetting allocation in Net Financial Assistance; there is no net bottom line impact.
- Electric Power was \$0.9M favorable to budget for 4Q due to market power prices continuing to be lower than budget; deferral of photovoltaic (solar) projects; and Lodi Energy Center (LEC) supply offset by market purchases. FY12 ended under budget by \$0.1M.
- Other Non Labor unfavorable year end variance of \$9.0M was primarily driven by increased elevator maintenance (\$2.2M), a change in accounting practices for inventory (\$1.1M) and increased licensing & equipment fees as well as higher consulting costs in Information Technology (\$3.5M offset by \$1.0M in labor savings).

Operating Deficit

- The operating deficit (revenue minus expense) was 0.1% under budget for FY12.

MTC Rail Car Swap

- The MTC rail car fund swap was a funding exchange program between MTC and BART that does not affect the net operating result.

Taxes and Financial Assistance

- Sales tax for 4QFY12 grew 6.5% over 4QFY11. FY12 grew 8.0% from FY11, with a \$14.6M favorable budget variance.
- Property tax was on budget and 0.6% over FY11. Compared to FY11, Alameda and Contra Costa counties increased 2.6% and 1.3%, respectively, and SF County dropped 2.5%.
- STA was \$3.3M under budget due to lower State receipts and revised regional allocation factors.
- The Capital and Other Allocations "actuals" figures include the recommended \$14.2M year-end allocation to capital discussed in the FY12 year-end budget revision EDD.

Net Operating Result

- The District ends FY12 with a balanced net result, assuming Board approval of the recommended year-end allocations.
- Operating ratio (revenue divided by expense) and rail cost per passenger mile were favorable for the year due to better than budget passenger trips and revenues.

	Current Quarter			(\$ Millions)	Year to Date		
	Budget	Actual	Var		Budget	Actual	Var
Revenue							
Net Passenger Revenue	88.4	94.8	7.2%		345.7	367.3	6.3%
Parking Revenue	3.8	3.9	3.1%		14.7	14.8	0.6%
Other Operating Revenue	4.7	5.9	24.4%		18.7	19.8	6.1%
Total Net Operating Revenue	96.9	104.5	7.8%		379.1	402.0	6.0%
Expense							
Net Labor	90.2	101.1	-12.1%		364.3	375.6	-3.1%
OPEB Unfunded Liability **	.4	1.2	-203.2%		1.6	5.1	-223.5%
Electric Power	8.6	7.7	10.7%		35.2	35.1	0.4%
Purchased Transportation	3.9	3.3	15.0%		15.7	14.8	5.6%
Other Non Labor	23.3	33.4	-42.9%		90.1	99.0	-9.9%
Total Operating Expense	126.5	146.7	-16.0%		506.9	529.6	-4.5%
Operating Surplus (Deficit)	(29.6)	(42.2)	-42.6%		(127.7)	(127.6)	0.1%
MTC Rail Fund Car Swap	-	(25.9)	-		-	(25.9)	-
Taxes and Financial Assistance							
Sales Tax	42.2	48.1	14.0%		180.6	195.2	8.1%
Property Tax, Other Assistance	13.6	17.7	30.4%		36.1	35.3	-2.2%
MTC Rail Fund Car Swap	-	25.9	-		-	25.9	-
State Transit Assistance	10.8	10.4	-4.0%		21.7	18.4	-15.3%
Debt Service	(7.2)	(6.4)	-10.9%		(62.3)	(62.3)	0.0%
Capital and Other Allocations	(10.5)	(26.9)	157.7%		(49.9)	(64.1)	28.5%
OPEB Unfunded Liability Offset **	.4	1.2	203.2%		1.6	5.1	223.5%
Net Financial Assistance	49.3	70.0	41.8%		127.7	153.6	20.2%
Net Operating Result	19.8	1.9			(.0)	.0	0.0%
System Operating Ratio	76.6%	71.2%	-5.4%		74.8%	75.9%	1.1%
Rail Cost / Passenger Mile	32.1 ¢	43.1 ¢	-34.0%		33.3 ¢	33.3 ¢	-0.1%

* Totals may not add due to rounding to the nearest million.

**The Other Post Employment Benefits (primarily retiree medical) is a non-cash expense to recognize the difference in actual retiree medical funding (per the ramp-up plan) and the full actuarially calculated Annual Required Contribution and does not affect the Net Operating Result.

■ No Problem
■ Caution: Potential Problem/Problem Being Addressed
■ Significant Problem

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

In the matter of amending Resolution No. 5163 regarding Fiscal Year 2012 Annual Budget

Resolution No. _____

RESOLVED, that Resolution No. 5163 is amended by changing the following line items in Exhibit A thereof:

	<u>Current Amount</u>	<u>Increase/ (Decrease) In This Resolution</u>	<u>Amended Amount</u>
<u>Fund Source Line Item:</u>			
Operating Revenue	\$ 379,127,780	\$ 22,849,226	\$ 401,977,006
Sales Tax	\$ 180,600,000	\$ 14,613,547	\$ 195,213,547
SamTrans Prop 42 TCRP	\$ -	\$ 1,602,048	\$ 1,602,048
MTC Rail Car Fund Swap Financial Assistance	\$ -	\$ 25,940,067	\$ 25,940,067
<u>Fund Use Line Item:</u>			
Net Labor Expense	\$ 365,865,371	\$ 14,826,720	\$ 380,692,091
Non Labor Expense	\$ 141,006,539	\$ 7,917,849	\$ 148,924,388
Allocations to Capital - Rehabilitation*	\$ 47,103,883	\$ 5,023,031	\$ 52,126,914
Allocation to SFO Operating Reserve	\$ -	\$ 8,603,659	\$ 8,603,659
Allocation to Reserve - Kaiser Center Lease Adjustment	\$ -	\$ 1,574,210	\$ 1,574,210
Allocations to Operating Reserve	\$ -	\$ 1,200,000	\$ 1,200,000
Allocations - Other, Hillcrest Park and Ride	\$ 2,200,000	\$ (2,200,000)	\$ -
Allocation to MTC Rail Car Fund Swap	\$ -	\$ 25,940,067	\$ 25,940,067

*Amendment of \$5,023,031 includes the recommended increase to Capital Rehabilitation Allocations of \$9,588,666 less the Allocation to SFO Operating Reserve of \$4,565,635 (funds were supplied by San Mateo Prop 1B funding directly to the capital program)



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL <i>Wesley DeBauge</i>		GENERAL MANAGER ACTION REQ'D:		
DATE: c <i>9/7/12</i>		BOARD INITIATED ITEM: NO		
Originator/Prepared by: Patrice McElroy Dept: Human Resources	General Counsel <i>Quinn</i>	Controller/Treasurer <i>Patrice</i>	District Secretary	BARC <i>Alpat</i>
Signature/Date: <i>Patrice McElroy 9/5/12</i>	<i>Quinn 9/10/12</i>	<i>Patrice 9/10/12</i>	[]	[]

Time Extension and Increase of Contract Value, Agreement No. 6G6428, Athens Administrators

NARRATIVE:

PURPOSE:

To obtain the Board's approval to authorize the General Manager to execute a change order to Agreement No. 6G6428, Workers Compensation Administration Services, with Athens Administrators. This modification would increase the value of the Agreement from \$5,614,555 to \$6,267,161 and would extend the termination date of the Agreement from September 30, 2012 to June 30, 2013.

DISCUSSION:

The Board authorized award of Agreement No. 6G6428 to Athens Administrators on July 14, 2005 for a period of five years with two optional one-year extensions in an amount not to exceed \$5,614,555. The District exercised both options to extend the Agreement, and the second of these extensions will expire on September 30, 2012. In anticipation of the end of the Agreement, staff recently prepared a Request for Proposal (RFP) for these services. However, staff would like additional time to determine whether the cost containment features of the service can be isolated from the overall administration, which would potentially create several additional contracting opportunities.

Workers' Compensation costs have increased sharply in recent months, and the Workers' Compensation Administrative function is critical in bringing about improved performance. The new RFP must be carefully designed to both assure that maximum opportunity is available to all potential bidders, and that the ultimate work product is well coordinated and serves the District's needs effectively. For this purpose, additional time is needed to prepare the RFP.

Extending this agreement by nine months will allow us to continue service while we explore the possibility of a new structure for the services.

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

FISCAL IMPACT:

This five year agreement with two optional one-year extensions was approved for a cost not to

exceed \$5,614,555. Athens has agreed to extend this agreement at a monthly rate not to exceed \$72,401 per month. This change order will extend the Workers' Compensation administration services for a period of nine months, and increase the not-to-exceed amount of the Agreement by \$651,606 bringing the cost for the total agreement period of seven years and nine months to an amount not exceed \$6,267,161. The funding for the agreement and the subsequent change order, which ends on June 30, 2013, is included in the FY13 budget for Human Resources.

ALTERNATIVES:

The Board could approve a shorter time extension than requested, with the funding reduced accordingly. However, nine months is the minimum amount of time needed to prepare and issue a new RFP and award a new agreement for workers compensation administration services.

RECOMMENDATION:

Staff recommends that the Board adopt the motion.

MOTION:

The Board of Directors hereby authorizes the General Manager to execute a change order to Agreement No. 6G6428 with Athens Administrators for Workers Compensation Administration Services, to increase the not-to-exceed value to \$6,267,161, and to extend the term of the Agreement for an additional nine months, from September 30, 2012 to June 30, 2013.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL <i>Marcia DeBenedictis</i>		GENERAL MANAGER ACTION REQ'D:		
DATE: c <i>9/5/12</i>		BOARD INITIATED ITEM: No		
Originator/Prepared by: Susan Shaffer Dept: Real Estate and Property Development <i>Susan Shaffer</i> Signature/Date: <i>8/30/12</i> X6936	General Counsel <i>Melissa Poyas</i> <i>8/30/12</i>	Controller/Treasurer <i>[Signature]</i>	District Secretary <i>[]</i>	BARC <i>[Signature]</i> <i>9-4-12</i>

TITLE:

ON-CALL REAL PROPERTY APPRAISAL SERVICES AGREEMENTS

NARRATIVE:

PURPOSE: To authorize the General Manager or her designee to execute separate Agreements with the following consultants to provide On-Call Real Property Appraisal Services to support District Projects: Associated Right of Way Services, Inc., Smith & Associates, and Bender Rosenthal, Inc.

DISCUSSION: On April 11, 2012, the District issued Request for Proposals (RFP) No. 6M4182, the purpose of which is to select up to three (3) consultants to provide the District with On-Call Real Property Appraisal Services for a five-year period. The services will be required on an as-needed, on-call basis. Execution of these agreements will enable the District to secure needed advice and reports on real property appraisals for District projects including, but not limited to, full and partial real property acquisition appraisals, appraisals of fee and easement interests, appraisals for rent/lease purposes, appraisals for furniture, fixtures and equipment, and appraisals of loss of business goodwill. Assignments under these agreements will be defined on a project-by-project basis and will be dependent on annual operating budget appropriations and capital funds received for individual District projects.

The RFP was transmitted to approximately 173 firms, and a pre-submittal meeting was conducted on May 3, 2012. On June 5, 2012 proposals were received from the following firms: Associated Right of Way Services, Inc., Smith & Associates, and Bender Rosenthal, Inc. Proposals were reviewed by a Source Selection Committee (the "Committee") consisting of staff from the Office of Civil Rights, Procurement, and Real Estate and Property Development. Proposals were first reviewed to determine if they were responsive to the requirements of the RFP and if the proposers were considered to be responsible prospective consultants. All three of the proposals were found to be responsive and the proposers were considered responsible. Subsequently, the proposals were evaluated and scored by the Committee.

As stipulated in the RFP, the District was seeking up to three consultants. Based on the competitive range of scores determined by the Committee, oral interviews were conducted with all of the three proposers on July 11, 2012. Based on the evaluation of the submitted proposals and the oral interviews, the Committee, using a best value methodology, unanimously determined that all three of the interviewed firms should be recommended for award of on-call agreements. The proposed consultants and their subconsultants are:

ON-CALL REAL PROPERTY APPRAISAL SERVICES AGREEMENTS

1. Associated Right of Way Services, Inc.
 - a. Goodwill Appraiser: Donna Desmond Associates
 - b. Fixtures and Equipment Appraiser: NARVCO Enterprises, Inc.
2. Smith & Associates
 - a. Goodwill Appraiser: Donna Desmond Associates
 - b. Fixtures and Equipment Appraiser: NARVCO Enterprises, Inc.
3. Bender Rosenthal, Inc.
 - a. Goodwill Appraiser: Sanli Pastore & Hill, Inc.
 - b. Fixtures and Equipment Appraiser: Certified General Appraisal Services

Pursuant to the revised DBE Program, the Office of Civil Rights is utilizing race and gender neutral efforts for professional services contracts. Therefore, no DBE participation goal was set for this contract. Although no DBE goal was set for this contract, three proposals were received and all three primes were awarded. One prime committed to 80% DBE participation and the other two primes each committed to 5% DBE participation.

Multiple agreements are being recommended to enable the District to competitively secure requisite consultant support on a project-by-project basis using the District's Work Directive process, to ensure that requisite assistance is provided on a timely basis, and to ensure that no conflict of interest exists.

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

FISCAL IMPACT: Each Agreement will have a not-to-exceed limit of \$800,000 of work (a total of \$2,400,000) over the five-year term of each Agreement. The Real Estate and Property Development Department's annual operating budget and capital funds received for individual District projects will be the sources of funds to pay for the consultant services on a Work Directive basis over the five-year agreement period.

ALTERNATIVES: The District could reject all proposals and solicit new proposals, or award to less than the recommended three proposers. Re-issuing the RFP could adversely impact the District's capital programs that require real property appraisals.

RECOMMENDATION: Adoption of the following motion.

MOTION: The General Manager or her designee is authorized to execute the following Agreements to provide On-Call Real Property Appraisal Services for a five-year period, for an amount not to exceed \$800,000 per Agreement pursuant to notification to be issued by the General Manager and subject to the District's protest procedures:

- a) Associated Right of Way Services, Inc.
- b) Smith & Associates
- c) Bender Rosenthal, Inc.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Marisa delBande</i>		GENERAL MANAGER ACTION REQ'D:		
DATE: c <i>9/7/12</i>		BOARD INITIATED ITEM: No		
Originator/Prepared by: Michaela Morales Dept: for Scott Schroeder Controller-Treasurer <i>MS</i>	General Counsel <i>MB</i>	Controller/Treasurer <i>[Signature]</i>	District Secretary <i>[Signature]</i>	BARC <i>[Signature]</i>
Signature/Date:	<i>9/7/12</i>	[]	<i>09/10/12</i> []	<i>9-5-12</i> []
TITLE:				

TO AUTHORIZE THE ISSUANCE AND SALE OF THE DISTRICT'S SALES TAX REVENUE BONDS, REFUNDING SERIES 2012, SALES TAX REVENUE BONDS 2012 SERIES B (federally taxable) AND THE EXECUTION AND DELIVERY OF THE REQUIRED DOCUMENTS

NARRATIVE:

PURPOSE:

To request Board adoption of a resolution, which authorizes the issuance of the Sales Tax Revenue Bonds, Series 2012, and Sales Tax Revenue Bonds 2012, Series B (federally taxable) and authorizes the Controller-Treasurer to 1) enter into a Bond Purchase Agreement with the joint venture team of RBC Capital Markets, LLC, Backstrom McCarley Berry & Co., LLC, Ramirez & Co. Inc., Piper Jaffray & Co., Alamo Capital, and Fidelity Capital Markets (a division of National Financial Services, LLC) 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 Indenture, Bond Purchase Agreement, Continuing Disclosure Agreement, and related agreements and, 3) to negotiate and commit to bond credit support agreements in connection with the issuance of the Bonds.

DISCUSSION:

In 2012, the District proposes to issue Sales Tax Revenue Bonds, Series 2012, and Sales Tax Revenue Bonds 2012, Series B (federally taxable) in the total principal amount of approximately \$250,000,000. After setting aside approximately \$2 million for costs of issuance, the District intends to apply the proceeds of approximately \$111,000,000 of the bonds to finance a portion of the cost of construction of the Oakland Airport Connector (OAC). This is the District's share of the project.

The Oakland Airport Connector is a design, build operate and maintain project. It is the first such undertaking by the District of this type and is a Private, Public Partnership (P³) endeavor in which a private entity will operate the connector for twenty (20) years under an operating lease arrangement. After a thorough review of the OAC operating contract, Bond Counsel has determined that Federal tax law prohibits the District from using tax exempt debt if an operating lease exceeds fifteen (15) years. Consequently, the District will be utilizing taxable debt to fund the OAC portion of the deal. This is not dissimilar to the original Transportation

Infrastructure Finance and Innovation Act (TIFIA) loan financing which was contemplated early in the project. At that time, taxable debt carried a lower cost of capital than tax exempt debt and TIFIA loans are priced off a taxable rate index. Over the past two years, taxable debt has become a bit more expensive than tax exempt debt however, taxable debt issues do not require a debt service reserve fund which was assumed in the OAC financing model so with the gives and takes, it is not anticipated that the OAC will suffer a substantial debt service penalty as a result of this market shift.

The remaining proceeds will be used to refinance the 2001 and parts of the 2006 bond issues as well as other outstanding bonds that are economically viable and the SFO Premium Fare Box Bonds which were originally used to construct the SFO station and currently secured by a \$1.50/ticket surcharge assessed at the SFO station.

The District advertised the RFP for underwriting services in 14 newspapers; held a pre-bid conference and mailed out 87 RFPs and received 12 proposals. Two of the 12 did not seek senior manager status and, therefore, did not meet the required scope of service. A Selection Committee consisting of the Controller-Treasurer, Assistant Treasurer, Executive Manager of Planning and Budgets and a member of the Districts' Office of Civil Rights performed a technical evaluation of the proposals. Based upon the technical scores, 3 proposers were invited for an oral interview with the selection committee. After completing a round of oral interviews, the Selection Committee ranked these proposals and recommended the joint venture team of RBC Capital Markets, LLC, Backstrom McCarley Berry & Co., LLC, Ramirez & Co. Inc., Piper Jaffray & Co., Alamo Capital and Fidelity Capital Markets (a division of National Financial Services, LLC) which also proposed the lowest underwriting fee.

This RFP was advertised prior to the District implementing the Small Business Program policy, and there were no certified small businesses competing for the scope of services. The nature of bond underwriting requires a single firm (senior manager) to act as the primary firm responsible for purchasing the bonds from the District. This requires substantial financial resources and a willingness to put them at risk in a dynamic market. The District must rely on the senior manager to underwrite the bonds at the highest price (lowest interest rate) obtainable in the market at the time of sale. Consequently, many smaller firms seek a co-manager status to aid the senior manager with pre-selling and distribution of the bonds.

Pursuant to the District's Non-Discrimination in Subcontracting Program, the availability percentages for this contract are 16% for MBEs and 20% for WBEs. The bidder will not be subcontracting any work and will do all work with its own forces. Therefore, the District's Non-Discrimination in Subcontracting Program does not apply. However, the joint venture team includes one minority firm.

The proposed resolution will authorize the Controller-Treasurer to negotiate the structure, financing 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, the Official Statement, Supplemental Indenture, Bond Purchase

Agreement, Continuing Disclosure Agreement, and related agreements, and payment to cover the costs of issuance as well as the negotiation and commitment to bond insurance or other credit support agreements in connection with issuance of the Sales Tax Revenue Bonds, Series 2012 and Sales Tax Revenue Bonds 2012, Series B (federally taxable).

FISCAL IMPACT:

The cost for underwriting, legal counsel, financial advisors, rating agencies, trustee services and other auxiliary fees in connection with the issuance of the Sales Tax Revenue Bonds, Series 2012, should not exceed \$2 million. All fees shall be paid out of bond sale proceeds, therefore, no direct costs will be paid by the District. If no bonds are issued, no expense will be incurred. Interest and principal debt service on the bonds will be paid in accordance with the provisions of the Supplemental Indenture via allocation from the District's annual adopted operating budget. The projected increase in total debt services after refinancing and raising new money should be approximately \$3 million annually.

ALTERNATIVES:

The Board may elect not to issue the Sales Tax Revenue Bonds, Series 2012, or Sales Tax Revenue Bonds 2012, Series B (federally taxable) which would eliminate the means to fulfill the previous commitment to fund the District's share of the OAC through debt; the refinancing of higher cost bond issues currently outstanding; refinancing the Premium Fare bonds and bypass the opportunity to reduce the financing costs of the outstanding bonds.

RECOMMENDATION:

Adoption of the following motion.

MOTION:

That the attached resolution be adopted.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

RESOLUTION NO. ____

RESOLUTION OF THE SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF NOT TO EXCEED \$300,000,000 SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT SALES TAX REVENUE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER INDENTURE, A FIRST SUPPLEMENTAL INDENTURE PURSUANT TO WHICH SUCH BONDS ARE TO BE ISSUED AND A BOND PURCHASE AGREEMENT PURSUANT TO WHICH SUCH BONDS ARE TO BE SOLD; APPROVING AN OFFICIAL STATEMENT RELATING TO SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE, SALE AND SECURITY OF SUCH BONDS, INCLUDING A CONTINUING DISCLOSURE AGREEMENT AND AN ESCROW AGREEMENT; DELEGATING TO THE CONTROLLER/TREASURER OF THE DISTRICT POWER TO DETERMINE FINAL TERMS OF SUCH BONDS AND TO COMPLETE SAID DOCUMENTS; AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO.

WHEREAS, the Association of Bay Area Governments (“ABAG”) previously issued \$56,715,000 Association of Bay Area Governments BART SFO Extension Bonds (Airport Premium Fare), 2002 Series A (the “ABAG Bonds”) in order to assist the San Francisco Bay Area Rapid Transit District (the “District”) in financing the extension to the San Francisco International Airport, which ABAG Bonds are payable from contributions by the District; and

WHEREAS, the District desires to issue San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds in one or more Series (the “Series 2012 Bonds”) to provide funds to refund the ABAG Bonds and such portions of the outstanding San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds (hereinafter collectively referred to as the “Prior Bonds”) as shall be determined appropriate by the Controller/Treasurer of the District in order to achieve cash flow savings and/or to restructure existing debt service and to provide funds for the District’s obligation to the construction of the Oakland Airport Connector project (the “OAC”) (such purposes being hereinafter collectively referred to as the “Series 2012 Financing Plan”);

WHEREAS, the District has heretofore issued its sales tax revenue bonds (the “Bonds”) under and pursuant to an Indenture, dated as of July 1, 1990, as supplemented and amended by the First Supplemental Indenture, dated as of August 7, 1990, the Second Supplemental Indenture, dated as of August 29, 1991, the Third Supplemental Indenture, dated as of June 7, 1995, the Fourth Supplemental Indenture, dated as of April 1, 1997, the Fifth Supplemental Indenture, dated as of March 12, 1998, the Sixth Supplemental Indenture, dated as of October 7, 1999, the Seventh Supplemental Indenture, dated as of July 12, 2001, the Eighth Supplemental Indenture, dated as of September 7, 2005, the Ninth Supplemental Indenture, dated as of June 29, 2006, the Tenth Supplemental Indenture, dated as of November 30, 2006 and the Eleventh Supplemental Indenture, dated as of May 19, 2010 (hereinafter collectively referred to as the “1990 Indenture”), between the District and U.S. Bank National Association (“U.S. Bank”), successor by merger to U.S. Bank Trust National Association, which was successor to First Trust

OHSUSA:751110516.4

Adopted: _____, 2012

of California, National Association, which was successor to Bank of America National Trust and Savings Association, which was successor to Security Pacific National Bank, as trustee (the “Trustee”);

WHEREAS, the following Bonds were issued pursuant to the 1990 Indenture and are outstanding in the following amounts:

Series	Issuance Date	Original Principal Amount	Outstanding Principal Amount
1990	August 7, 1990	\$158,478,429.95	0
1998	March 12, 1998	348,510,000.00	0
2001	July 12, 2001	168,650,000.00	\$ 41,745,000
2005A	September 7, 2005	352,095,000.00	272,455,000
2006	June 29, 2006	64,915,000.00	64,915,000
2006A	November 30, 2006	108,110,000.00	101,245,000
2010	May 19, 2010	129,595,000.00	125,795,000

WHEREAS, the District desires to issue the Series 2012 Bonds, payable on a parity with the Bonds pursuant to a new indenture (the “Master Indenture”), as it may be amended and supplemented pursuant to its terms, including as amended and supplemented by a First Supplemental Indenture thereto (the “First Supplemental Indenture”), which Indenture and First Supplemental Indenture are proposed to be entered by the District and the Trustee;

WHEREAS, there has been prepared and presented to this meeting a proposed form of Master Indenture and First Supplemental Indenture (such Master Indenture and First Supplemental Indenture, 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 “Indenture”);

WHEREAS, RBC Capital Markets, acting on behalf of itself and as representative of Backstrom McCarley Berry & Co., LLC, Ramirez & Co., Inc., Alamo Capital, Piper Jaffray & Co. and Fidelity Capital Markets (hereinafter collectively referred to as the “Underwriters”), has submitted a proposed contract to purchase the Series 2012 Bonds (such purchase contract, 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 Official Statement in preliminary form (the “Preliminary Official Statement”) to be used in connection with the offering and sale of the Series 2012 Bonds;

WHEREAS, in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15(c)2-12(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 U.S. Bank, as trustee and dissemination agent;

WHEREAS, in order to provide for the refunding of the Prior Bonds, there has been prepared and submitted to this meeting a proposed form of Escrow Agreement (such Escrow 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 “Escrow Agreement”), which is proposed to be entered into by the District and the escrow bank to be designated therein;

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

Section 1. The issuance by the District of San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds, Series 2012 Bonds, payable on a parity with the Bonds, in an aggregate principal amount not to exceed \$300,000,000 and being sufficient to: (i) refund the ABAG Bonds and such portion of the Prior Bonds as shall be determined appropriate by the Controller/Treasurer of the District in order to achieve cash flow savings and/or to restructure existing debt service, (ii) provide funds for the construction of the OAC; (iii) if necessary, fund a Bond Reserve Fund (as such term is defined in the Indenture) to the Bond Reserve Requirement (as such term is defined in the Indenture) applicable upon the issuance of the Series 2012 Bonds, and (iv) pay costs of issuance of the Series 2012 Bonds, on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture, as finally executed and delivered, is hereby approved. 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 Series 2012 Bonds to be issued, including determining whether such Series 2012 Bonds shall be issued as taxable or tax-exempt bonds (subject to the aforesaid limitations and the limitations hereinafter specified) and to specify said terms in the Indenture as finally executed and delivered. The Controller/Treasurer’s determination with regard to the size of the refunding portion of the bond issue shall be based on the funding requirements for the Series 2012 Financing Plan, including the availability of cash flow savings resulting from the restructuring of existing debt service, at the time the Series 2012 Bonds are marketed and which, based on the issue as a whole, shall provide present value debt service savings in an amount not less than five percent (5%) of the principal amount of the refunded Prior Bonds.

Section 2. The Master Indenture and First Supplemental Indenture in the forms presented to this meeting are hereby approved. The Controller/Treasurer of the District is hereby authorized and directed to execute and deliver the Master Indenture and First Supplemental Indenture in substantially the forms presented to this meeting with such changes, insertions and omissions as may be approved by him, said execution being conclusive evidence of such approval; and the District Secretary is hereby authorized to attest to such signature. The proceeds of the Series 2012 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 Series 2012 Bonds shall not exceed thirty (30) years. The maximum rate of interest to be payable on the Series 2012 Bonds shall not exceed seven percent (7%) per annum. Optional redemption of the Series 2012 Bonds shall be provided for at not later than ten and one-half (10 1/2) years from the date of issuance at a premium not greater than two percent (2%); provided, however, that the Controller/Treasurer of the District is hereby authorized to cause all or any portion of the Series 2012 Bonds to be issued as noncallable bonds or with respect to taxable bonds to provide for a “make-whole” call as is customary for taxable issuances. The interest

payment dates, denominations, forms, manner of execution, terms of redemption and other terms of the Series 2012 Bonds shall be as provided in the Supplemental Indenture as finally executed.

Section 3. The sale of the Series 2012 Bonds to the Underwriters on the terms and conditions contained in the Bond Purchase Agreement is hereby approved and authorized. The Bond Purchase 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 Bond Purchase Agreement in substantially the form presented to this meeting with such changes, insertions and omissions as may be approved by him, said execution being conclusive evidence of such approval. The maximum underwriting discount on the sale of the Series 2012 Bonds (exclusive of original issue discount) shall be not greater than three-tenths of one percent (0.30%) of the principal amount of the Series 2012 Bonds. The proceeds shall be applied simultaneously with the delivery of the Series 2012 Bonds, as required by the terms of the Indenture as finally executed.

Section 4. The Preliminary Official Statement in the form presented to this meeting is hereby approved and the distribution of the Preliminary Official Statement, in connection with the offering and sale of the Series 2012 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 Series 2012 Bonds.

Section 5. The Continuing Disclosure 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 a Continuing Disclosure Agreement in substantially the form presented to this meeting, with such changes, insertions and omissions as may be approved by him, said execution being conclusive evidence of such approval.

Section 6. The Escrow 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 one or more escrow agreements in substantially the form presented to this meeting, with such changes, insertions and omissions as may be approved by him, said execution being conclusive evidence of such approval.

Section 7. The Controller/Treasurer of the District is hereby authorized and directed to take such actions as are necessary in connection with the investment of funds deposited in the escrow funds established pursuant to the Escrow Agreement, and, if applicable, U.S. Bank, in its capacity as trustee or escrow agent, or The Bank of New York, in its capacity as trustee and escrow agent for the ABAG Bonds, the underwriters, or Sperry Capital Inc., in its capacity as financial advisor to the District, is hereby authorized and directed to file such applications and other documents on behalf of the District as may be required to order and obtain U.S. Treasury Obligations – State and Local Government Series to be purchased with proceeds of the Series 2012 Bonds and deposited in the escrow funds.

Section 8. 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 Indenture or the Escrow 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 Series 2012 Bonds or enhance the relationship between risk and return with respect to investments.

Section 9. The Controller/Treasurer 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 Master Indenture, the First Supplemental Indenture, the 1990 Indenture, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement, the Continuing Disclosure Agreement, the Escrow Agreement and by this Resolution, including without limitation, the delivery of tax certifications, the delivery of any documents necessary in connection with the refunding of the Prior Bonds, the delivery of any 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 and sale of the Series 2012 Bonds. The Controller/Treasurer and such officials of the District as the Controller/Treasurer designates are hereby authorized to undertake such travel and incur such expenses, upon consultation with the District’s financial advisors, as is considered advisable to secure appropriate credit ratings and/or credit enhancement for the Series 2012 Bonds or assist in the marketing of the Series 2012 Bonds, which authorization shall constitute prior approval under Section 5-3.2(b) of the Rules of the Board of Directors of the District.

Section 10. All actions heretofore taken by the officers, representatives or agents of the District in connection with the issuance and sale of the Series 2012 Bonds are hereby ratified, confirmed and approved.

Section 11. The Controller/Treasurer is hereby further authorized and directed, from time to time, for and in the name and on behalf of the District, to take any and all actions necessary to refinance any outstanding Bonds if the refinancing transaction will result in net present value savings of at least five percent (5%) of the principal amount of the Bonds being refunded, as determined by the Controller/Treasurer and which determination shall be final and conclusive. The Controller/Treasurer is authorized to engage such consultants, bond counsel, underwriters, or other parties and to execute, acknowledge and deliver, and to prepare and review, as he deems appropriate, all indentures, official statements and all other documents, certificates, agreements and information necessary to accomplish such refinancing transactions taking as guidance the forms and provisions of the Refunding Documents authorized herein.

This Resolution shall take effect immediately upon its adoption.

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EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Walter Delgado</i>		GENERAL MANAGER ACTION REQ'D:		
DATE: 9/5/12		BOARD INITIATED ITEM: NO		
Originator/Prepared by: Jerry Lockett Dept:	General Counsel <i>Andrew Parris</i> 9/5/12 []	Controller/Treasurer <i>[Signature]</i> []	District Secretary []	BARC <i>Paul Werner</i> 9/5/12 []
Signature/Date:		Signature/Date:		
Status: Routed		Date Created: 07/31/2012		

The Department of Industrial Relations
Conveyance Inspection Fees For FY13 through FY17

NARRATIVE:

Purpose: To obtain Board authorization for the General Manger to allocate \$197,633.00 of Maintenance and Engineering Operating Funds, for the payment of the Conveyance Inspections Fees required by the State of California,- for the District's 179 escalators, 137 elevators, and 3 chair lifts, for each of FY13 through FY17

Discussion: The State of California charges local agencies for the inspections of elevators, escalators, and chair lifts. The State of California requires that they complete an annual inspection on all publically operated elevators, escalators, and chair lifts. The State Conveyance Fees increase went into effect in FY11. In FY12 the Board approved \$195,000.00 for these State inspection fees. For FY 2013:

179 Escalators @	\$675/unit	\$120,825.00
137 Elevators @	\$225/unit	\$30,825.00
3 Chair lifts @	\$125/unit	\$375.00
Annual Cost of Inspections		\$152.025.00

Cost of Re-inspection / penalties (30%) \$45,608.00

Total Annual Cost \$197,633.00

In order to continue to use a purchase order mechanism for payment of State invoices for these fees, Contract Administration has requested documentation authorizing the payment for these services. Approval by the Board of Directors through this process will provide satisfactory authorization.

If the Conveyance Inspection Fees are not paid within 60 days of the notification, a fee is assessed equal to 100 percent of the Conveyance Inspection Fee. For example, if the \$675.00 escalator fee is not paid within 60 days, the new payment including the penalty fee, would be \$1,350.00.

Fiscal Impact: Funding for the **\$197,633.00** in Conveyance Inspection Fees are included in the Maintenance and Engineering Operating Budget for FY13 and will be included for FY14 - FY17

Alternatives: There are no reasonable alternatives. Failure to pay could result in the District being ordered to shut down all of the elevators, escalators, and chair lifts, leaving all of the District's passengers stations unusable by patrons using wheelchairs and with limited physical mobility.

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

Motion : The General Manager is authorized to allocate and pay up to **\$197,633.00** from each of FY13 - FY17 budgeted Power and Mechanical Maintenance Operating Funds for the Conveyance Inspection Fees, Required by the State of California, for the District's 179 escalators, 137 elevators, and 3 chair lifts



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Walter DeLuca</i>		GENERAL MANAGER ACTION REQ'D: Approve and Forward to the Board		
DATE: c <i>9/5/12</i>		BOARD INITIATED ITEM: No		
Originator/Prepared by: Lori Lovett Dept: Maintenance & Engineering <i>Lori Lovett 8/29/12</i>	General Counsel <i>Angela Pavesi 8/30/12</i>	Controller/Treasurer <i>[Signature]</i>	District Secretary <i>[Signature]</i>	BARC <i>[Signature]</i>
Signature/Date:	[]	[]	[]	[]

TITLE:

Change Order No. 1, Cable Trays, Splicing and Grounding, to Contract No. 15EJ-120, A-Line 34.5kV Cable Section Replacement

NARRATIVE:

PURPOSE:

To authorize the General Manager to execute Change Order No. 1, Cable Trays, Splicing and Grounding, to Contract No. 15EJ-120, A-Line 34.5kV Cable Section Replacement Between Nineteenth Avenue Substation (ANA) and Bayfair Substation (ABF), in an amount not to exceed \$595,900 with Blocka Construction, Inc.

DISCUSSION:

The Board authorized award of Contract No.15EJ-120 to Blocka Construction Inc. on September 23, 2010. Notice to Proceed was issued on November 15, 2010 with a Contract price of \$9,285,000.

The original scope of work for this Contract includes the removal and replacement of existing high voltage traction power (34.5kV) cables, conduit and raceways between substations ABF and ANA, the addition of elbow termination enclosures at six substations, installation of cable splices and splice trays, interface with existing AC Switchgear termination cabinets, and full testing and commissioning of the new high voltage raceway system. Change Order No. 1 consists of additional quantities of cable trays and splices as well as additional related grounding work.

Upon commencing the work, it was determined that the original quantities of Bid Items 8 and 10, cable trays and cable splices, listed in the Bid Schedule are inadequate to span the length of the high voltage raceway system to be replaced. Based on an analysis of the maximum allowable length that cable can be pulled, it has been determined that splices must occur in 48 locations to achieve full installation of the new system rather than 34 locations as identified in the Bid Schedule. There is also an increase in the number of splices required from 102 to 144.

While the final configuration of the conduit and cable tray locations were being reviewed by project staff, it was noted that inadequate electrical grounding provisions for the new high voltage raceway system were specified in the original Contract Documents. It has been determined that additional grounding provisions are necessary at each splice tray location in order to provide appropriate protection to the new high voltage raceway system.

To address these issues, Change Order No. 1 includes 14 additional cable trays, 42 additional

splices and installation of ground rods, clamps and ground cables at each cable splice tray location throughout the project limits (48 locations).

This work is integral to the original scope of the Contract. Project Staff therefore requests that the General Manager be given authority to execute Change Order No. 1 in an amount not to exceed \$595,900. Change Order No. 1 will extend the Contract Completion Date by 55 calendar days.

Pursuant to Board Rule 5-2.4, Change Orders involving expenditures greater than \$200,000 require Board approval.

This Contract was advertised pursuant to the revised Disadvantage Business Enterprise (DBE) Program requirements. Blocka Construction, Inc. has committed to utilize a DBE for 6.7% of the Change Order work.

The Office of the General Counsel will approve this Change Order as to form prior to execution.

The Procurement Department will review this Change Order prior to execution for compliance with procurement guidelines.

This Change Order is 6.4% of the Contract amount.

FISCAL IMPACT:

Funding of \$595,900 for the award of Contract 15EJ-120 Change Order No.1 is included in the total project budget for FMS #15EJ100 – Traction Power Cables – A Line. The Office of the Controller/Treasurer certifies that funds are currently available to meet this obligation.

As of August 10, 2012, \$14,063,983 is available for this project from the following sources:

Change Order No. 1 to Contract 15EJ-120, Cable Trays, Splicing and Grounding

Fund No.	Source	Fund Description	Amount
226E	BART	1998 Sales Tax Rev Debt Service	153,910
226I	BART	1999 Sales Tax Rev Debt Service	356,153
347W	Federal	FY05 Capital Improvements - CA-03-0729	615,638
347X	Federal	FY06 Capital Improvements - CA-05-0211	5,800,000
347Z	Federal	FY07 Capital Improvements - CA05-0216	1,605,362
352X	Federal	FY05 Capital Assist. Program - CA-90-Y339	2,325,602
352Z	Federal	FY07 Capital Projects - CA-90-Y541	329,239
353K	Federal	FY09 Capital Improvements - CA-05-0236	322,426
6011	Regional	Bridge Toll Alloc # 07376802	61,101
6014	Regional	Bridge Toll Alloc # 09387205	270,152
6015	Regional	Bridge Toll Alloc # 09387201	269,743
6213	Regional	Regional Measure II - Alloc #08382301	426,198
8202	BART	Sales Tax Revenue Bond	18,004
850W	BART	FY00-06 Capital Allocation	1,450,000
851W	BART	FY07-11 Capital Allocation	60,455
		Total	14,063,983

BART has expended \$7,853,730, committed \$4,333,067, and reserved \$0 to date for other actions. This action will commit \$595,900 leaving an available fund balance of \$1,281,286 in this project.

There is no fiscal impact on available unprogrammed District Reserves.

ALTERNATIVES:

The alternative to executing this Change Order would be to issue a new Change Order to reduce the original Contract scope by eliminating the replacement of the last cable segment between AFV and ANA substations and to advertise a new contract for the necessary additional grounding work. This, however, is likely to result in higher costs for such work.

RECOMMENDATION:

Recommend that the Board approve the following motion.

MOTION:

The General Manager is authorized to execute Change Order No. 1, Cable Trays, Splicing and Grounding, to Contract No. 15EJ-120, A-Line 34.5kV Cable Section Replacement Between Nineteenth Avenue Substation (ANA) and Bayfair Substation (ABF), with Blocka Construction, Inc. in an amount not to exceed \$595,900.

EXECUTIVE DECISION DOCUMENT

ATTACHMENT #1

CHANGE ORDER SUMMARY

BACKGROUND

Name of Contractor: Blocka Construction Inc.
Contract No./NTP: 15ID-120/11/15/10
Contract Description: A-Line 34.5kV Cable Section Replacement Between
Nineteenth Avenue Substation and Bayfair Substation
Percent Complete as of 9/7/12: 60%

<u>COST</u>	<u>% of Award</u>	<u>CO Totals</u>	<u>Contract Amount</u>
Original Contract Award Amount:			\$9,285,000.00
Change Orders:			
Other than Board Authorized C.O.s	1.9%	\$175,776.34	
Board Authorized Change Orders	0%	\$0.00	
Pending Change Order No. 001	<u>6.4%</u>	<u>\$595,900.00</u>	
Subtotal of All Change Orders	8.3%	\$771,676.00	<u>\$771,676.00</u>
<u>Revised Contract Amount:</u>			\$10,056,676.34

SCHEDULE

Original Contract Duration: 330 days
Time Extension to Date: 0 days
Time Extension Due to Approved COs: 0 days
Revised Contract Duration: 330 days

SUMMARY REASON FOR THIS CHANGE ORDER

Cost and time impacts due to design revisions to:

1. Increase number of cable trays/splicing
2. addition of isolated grounding system



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Walter DeKorin</i>		GENERAL MANAGER ACTION REQ'D: Approve and Forward to Board of Directors		
DATE: <i>9/5/12</i>		BOARD INITIATED ITEM: No		
Originator/Prepared by: Shirley J Ng Dept: TSD	General Counsel <i>Augustine</i> <i>8/13/12</i>	Controller/Treasurer <i>[Signature]</i>	District Secretary <i>[Signature]</i>	BARC <i>Paul</i> <i>9/4/12</i>
Signature/Date: <i>[Signature]</i> <i>8/13/12</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Status: Routed		Date Created: 07/19/2012		

TITLE:

Contract No. 15PD-110, Earthquake Safety Program Aerial Structures - C Line, Change Order No. 122, C Line Impacts

NARRATIVE:

PURPOSE:

To authorize the General Manager to execute Change Order No. 122, C Line Impacts, in the amount of \$670,888.83 to Contract No. 15PD-110, Earthquake Safety Program Aerial Structures - C Line, with William P. Young Construction, Inc.

DISCUSSION:

The Board authorized award of Contract No. 15PD-110 to William P. Young Construction, Inc. on July 1, 2010. Notice to Proceed was issued on July 25, 2010. During the course of construction, the Contractor encountered numerous differing site conditions. In addition, there were other changes related to permit conditions with third party utilities and cities that were added to the scope. This resulted in the Contractor performing a substantial amount of work out of sequence in an attempt to mitigate the effects of the changes that were implemented. These issues affected the efficiency of the Contractor's crew and extended the construction duration. On November 8, 2011, the Contractor filed a Notice of Potential Claim in the amount of \$1,164,859.37. The District evaluated the claim and determined there was merit. Negotiations ensued on the amount and cost of inefficiency. Staff came to a negotiated settlement of \$670,888.83 and a release of all claims.

Pursuant to Board Rule 5-2.4, Change Orders involving expenditures greater than \$200,000 require Board approval. Therefore, staff is hereby seeking Board authority for the General Manager to execute this Change Order.

The Procurement Department will review this Change Order prior to execution for compliance with procurement guidelines.

The Office of General Counsel will approve this Change Order as to form prior to execution.

FISCAL IMPACT:

The total not-to exceed amount of \$670,889 for Change Order No. 122 is included in the total project budget for the FMS #15PD000, ESP-Aerial Structures C Line. The Office of the Controller/Treasurer certifies that funds are currently available to meet this obligation.

As of July 31, 2012, \$24,171,245 is available for commitment for this project from the following sources:

F/G 801F - ESP GO Bond	\$11,240,702.00
F/G 801J - ESP GO Bond	\$12,930,543.00
Total	\$24,171,245.00

BART has expended \$16,960,755 and committed \$517,010, and reserved \$276,094 to date for other actions from these fund sources. This action will commit \$670,889 leaving an available fund balance of \$5,746,497.

There is no fiscal impact on available unprogrammed District Reserves.

ALTERNATIVES:

The alternative is to decline to proceed with the Change Order, which will likely result in a claim from the Contractor and potential litigation where the District's liability could exceed the amount of the proposed Change Order settlement.

RECOMMENDATION:

Recommend that the Board approve the following motion.

MOTION:

The General Manager is authorized to execute Change Order No. 122 in the amount of \$670,888.83 to Contract No. 15PD-110, Earthquake Safety Program Aerial Structures - C Line with William P. Young Construction, Inc.

EXECUTIVE DECISION DOCUMENT

ATTACHMENT #1

CHANGE ORDER SUMMARY

BACKGROUND

Name of Contractor: William P. Young Construction, Inc.
Contract No./NTP: 15PD-110 / July 26, 2010
Contract Description: C Line Aerial Structures Retrofit
Percent Complete as of 08/01/12 100%

<u>COST</u>	<u>% of Award</u>	<u>CO Totals</u>	<u>Contract Amount</u>
Original Contract Award Amount			\$10,606,641.10
Change Orders:			
Other than Board Authorized C.O.s	9.91%	\$1,050,893.38	
Board Authorized Change Orders	5.06%	\$537,000.00	
Pending Change Order #122	<u>6.33%</u>	<u>\$670,888.83</u>	
Subtotal of all Change Orders	21.30%	\$2,258,782.21	<u>\$ 2,258,782.21</u>
<u>Revised Contract Amount:</u>			\$12,865,423.31

SCHEDULE

Original Contract Duration: 900 days
Time Extension to Date: 0 days
Time Extension Due to Approved COs: 0 days
Revised Contract Duration 900 days

SUMMARY REASON FOR THIS CHANGE ORDER

Cost impacts due to differing site conditions, unstated third-party permit conditions, design revisions, resolution of NOPC #003.



**CAPITOL CORRIDOR JOINT POWERS AUTHORITY
MEETING OF THE BOARD OF DIRECTORS**

Wednesday September 19, 2012

10:00 a.m.

City Council Chambers
Suisun City Hall
701 Civic Center Blvd., Suisun City, CA
(see attached map)

Simultaneous teleconference calls will take place at:

San Jose City Hall – Tower Building 200 E. Santa Clara Street, Room #T1853 San Jose, CA
Placer County Transportation Planning Agency 299 Nevada Street, 2 nd Floor Conference Room Auburn, CA

DRAFT AGENDA

- I. Call to Order
- II. Roll Call and Pledge of Allegiance
- III. Report of the Chair
 - 1. Nomination and Election of Vice-Chair [fill vacancy to complete 2011-2012 term] *Action*
- IV. Minutes of the June 20, 2012 Meetings *Action*
- V. Consent Calendar **[No items]**
- VI. Action and Discussion Items
 - 1. CCJPA FY13 Budget *Action*
 - 2. CCJPA/Amtrak FY 13 Operating Agreement *Action*
 - 3. Legislative Matters *Action*
 - 4. CCJPA Positive Train Control Oversight Program *Action*
 - 5. Status Report: *Vision Plan Update* *Action*
 - 6. Status Report: 2018 CHSRA Northern California High Speed Train Blended Service *Action*
 - 7. Results of June 2012 Onboard Surveys *Discussion*
 - 8. Managing Director’s Report [*Rail Safety month, Sac Cutover pics, UCDavis wifi survey, LEFE stats*] *Info*
 - 9. Work Completed *Info*
 - a. Sacramento Railyard Relocation Project Phase 1 [New platform/facilities]
 - b. Safety/Security Fence Projects
 - c. CPUC Hearings: City of Davis Application for Grade Crossing at Davis Station
 - d. Marketing Activities (June – August 2012)
 - 10. Work in Progress *Info*
 - a. Yolo Causeway West Crossover Project
 - b. Donner Pass Phase 2 Project (2nd Train to/from Auburn)
 - c. Sacramento-Roseville 3rd Track Environmental Review/Preliminary Engineering
 - d. Proposition 1B Transit Safety/Security Improvement Projects
 - e. Capitol Corridor Bicycle Access Program
 - f. Proposed Capitol Corridor Service to Salinas
 - g. Upcoming Marketing Activities
- VII. Board Member Reports
- VIII. Public Comment
- IX. Adjournment. Next Meeting Date: 10:00 a.m., November 14, 2012 at City Council Chambers, Suisun City Hall, 701 Civic Center Blvd., City of Suisun City, CA

Notes:

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

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

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