



RESOLUTION COMMITTING TO FUND UP TO \$50 MILLION IN ADDITIONAL STATE REGIONAL IMPROVEMENT PROGRAM FUNDS OR OTHER AVAILABLE SOURCES TO THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT, BEYOND THE ADOPTED BUDGET, FOR POTENTIAL COST OVER-RUNS OR A SHORTFALL OF REVENUES, TO SUPPORT AND ENSURE EXECUTION OF A FULL FUNDING GRANT AGREEMENT WITH THE FEDERAL TRANSIT ADMINISTRATION

WHEREAS, It is the Peninsula Corridor Joint Powers Board's (JPB) goal to electrify the Caltrain railroad corridor and enter revenue service on the electrified rail line by 2021 with an estimated total budget for the Peninsula Corridor Electrification Project ("PCEP" or "Project") of \$1.98 billion, including \$316 million (approximately 16.5%) in overall Project contingency; and

WHEREAS, The JPB has applied for inclusion in the Federal Transit Administration's (FTA's) Core Capacity Grant program to receive funding for the PCEP, and has worked with FTA staff to prepare for approval of the Full Funding Grant Agreement (FFGA), the last phase of the Core Capacity Grant program; and

WHEREAS, The FTA informed the JPB that the FTA required evidence that the JPB will have access to an additional 10% beyond the budgeted Project contingency to ensure that any cost over-runs or shortfall in revenues will be covered without additional federal assistance; and

WHEREAS, The JPB sought, received and provided to the FTA, letters from the Executive Directors of the Metropolitan Transportation Commission (MTC), the San Francisco County Transportation Authority (SFCTA or Transportation Authority), and of the JPB member agencies – Santa Clara Valley Transportation Authority (VTA), the City and County of San Francisco (CCSF), and San Mateo County Transit District (District)/San Mateo County Transportation Authority (SMCTA) – indicating that MTC, SFCTA/CCSF, VTA, and District/SMCTA had up to an additional



\$50 million (in aggregate up to \$200 million) that could be available to support the PCEP, beyond previously stated commitments to the Project; and

WHEREAS, The FTA now has informed the JPB that, in order for the FTA to approve the FFGA, the JPB must provide Board of Directors resolutions evidencing the agencies' commitments to be held to this additional contribution, if needed; and

WHEREAS, The JPB has put into place extensive controls to guard against cost over-runs, including an Oversight Protocol (Attachment 1) which provide extensive and frequent opportunities for all PCEP funding partners to oversee PCEP implementation, such as through review and comment on progress and cost reports, participation in consultant selection panels and proposal/bid reviews, and membership on the Project's Risk Management Team; and

WHEREAS, JPB staff has requested that the San Francisco funding partners (CCSF and SFCTA) have one or more of the agencies' Board of Directors provide a resolution or similar action committing to fund, on behalf of the District, up to \$50 million as the San Francisco funding partners' share of a 10% shortfall in the PCEP financial plan, associated with potential cost over-runs above the estimated project delivery cost and budgeted contingency or a shortfall in revenues, to support and ensure execution of the PCEP FFGA; and

WHEREAS, We have been working with the JPB, CCSF and other funding partners to develop a strategy that addresses the FTA's desire for a commitment from the Project funding partners to cover up to a 10% shortfall in the PCEP financial plan; and

WHEREAS, After considerable evaluation we concluded that of the San Francisco funding partners, the Transportation Authority is best positioned to provide a commitment of up to an additional \$50 million in State Regional Improvement Program funds that will address the FTA's question about potential cost overruns; and

WHEREAS, The Transportation Authority will work with the City and County of San



Francisco to seek and secure other available funding sources, if necessary, to fulfill San Francisco's commitment to the PCEP; now, therefore be it

RESOLVED, That the Board of Commissioners of the San Francisco County Transportation Authority hereby commits to funding up to \$50 million in additional State Regional Improvement Program Funds or other available sources for potential cost over-runs, if they arise, above the estimated project delivery cost and previously-budgeted contingency, or shortfall in revenues, for the Peninsula Corridor Electrification Project; and be it further

RESOLVED, That the Transportation Authority will work with the City and County of San Francisco to seek and secure other available funding sources, if necessary, to fulfill San Francisco's commitment to the Project; and be it further

RESOLVED, That this resolution will take effect upon the adoption of similar resolutions or actions by SMCTA and VTA.

Attachment:

1. Funding Partners Oversight Protocol for Caltrain Cal Mod Program (Electrification, Vehicles, CBOSS "Project")

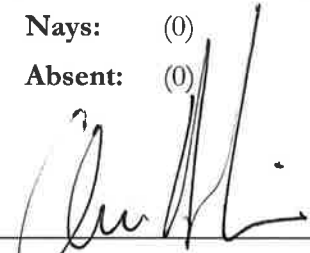


The foregoing Resolution was approved and adopted by the San Francisco County Transportation Authority at a regularly scheduled meeting thereof, this 5th day of January, 2017, by the following votes:

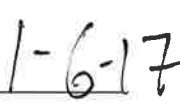
Ayes: Commissioners Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang and Yee (10)

Nays: (0)

Absent: (0)




Aaron Peskin
Chair




Date

ATTEST:



Tilly Chang
Executive Director



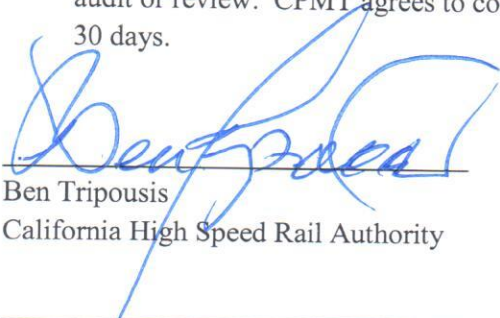
Date

Attachment 1

FUNDING PARTNERS OVERSIGHT PROTOCOL FOR CALTRAIN'S CAL MOD PROGRAM (Electrification, Vehicles, CBOSS "Project")

1. The Caltrain Project Management staff (CPMT) will have an open door policy with the Funding Partners' oversight representatives (Partners), who will have access to project Section Managers and available information. The Partners understand that some information will be confidential and commit to honor that confidentiality by not sharing or divulging any information so defined by CPMT in writing.
2. Any of the Partners may attend any and all progress meetings with the CPMT, to stay abreast of all project activities and when warranted, may also attend, as observers, partnering sessions and progress meetings with the contractor. The CPMT will provide a list of current and anticipated regularly scheduled meetings.
3. The Partners may also attend meetings with the FTA and its PMO. The CPMT will provide a list of current and anticipated regularly scheduled meetings. It will be the responsibility of the Partners to secure FTA's agreement to such participation. The CPMT will make the first approach to the FTA.
4. The CPMT will make available to the Partners all project deliverables, reports, plans, procedures, and progress and cost reports for review and comment, which will be performed within a stipulated review period to be agreed upon with the Partners that is consistent with and assures compliance with all applicable contractual requirements. Should the Partners not provide comments by the due date, the CPMT may assume that they are not forthcoming.
5. The Partners may review progress and cost reports and provide comments. CPMT will ensure that Partners have adequate time to review and comment.
6. CPMT shall provide to the partners a quarterly progress report on each defined project, with an Executive Summary not exceeding 3-5 pages, including provisions in item 9. At a minimum, the report will document the progress to date against the baseline and forecast outcomes for all major project components, and shall clearly identify any significant deviations in scope, schedule and budget that the CPMT can identify. Where the deviations are significant, CPMT shall provide a plan for resolving the deviation. The report shall also define all significant risks known to successful completion of the project and measures being taken to minimize those risks. CPMT and the Partners will also develop an agreed set of "dashboard" indicators based on the above report for use in informing senior management and policymakers of project status.
7. The Partners may participate in consultant selection panels and proposal/bid reviews. CPMT will advise the Partners of upcoming panels so the Partners have adequate time to determine whether they will participate.
8. The Partners may monitor quality through regular discussions with the Quality Assurance Manager.
9. The Partners will be members of the Risk Management team, and participate in all Risk Management meetings, and receive copies of the original risk register, its monthly updates, and reports. CPMT will notify the Partners within 10 business days of any issues that arise that result in additional costs exceeding \$250,000 with any aspect of the Project that creates additional risk.
10. The CPMT will institute a Configuration Management Board (CMB), with one representative each from San Francisco, the California High Speed Rail Authority, and the Valley Transportation Authority as voting members, to review all proposed changes, regardless of whether they are originated by the owner, designer, or contractor, to determine merit, agree on quantum, and ultimately authorize all changes for the project. The Partners agree that their representative to the CMB will have the appropriate technical and Project Management background. No member of the CMB will have veto power.
11. The Partners will provide support to the CPMT on funding and financing issues, subject to each respective governing board's willingness and authority to appropriate funding.

12. CPMT will ensure appropriate and required documentation is provided to the Partners so that the Partners can review and approve project invoices submitted to their respective agencies and assure that they are processed on a timely manner.
13. The Partners will assist CPMT with development of grant amendments and funding requests that are submitted to their respective agencies for approval.
14. The Director of Caltrain will present at the Board of Supervisors twice a year on the Cal Mod Program and answer questions regarding the status of the project.
15. The Partners can request a meeting with CPMT at any time in addition to the meetings above to receive additional information related to any aspect of the Project.
16. The CPMT agrees that one or more of the Partners can request an audit and/or review of any of the Project information at any time provided that the requesting Partner(s) cover any additional costs of the audit or review. CPMT agrees to comply with supporting information to comply with all request within 30 days.



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Metropolitan Transportation Commission

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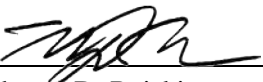
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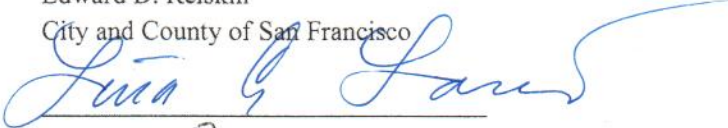
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