

Update provided to SFCTA Board on March 14, 2017

Agenda Item 12: Update on the Peninsula Corridor Electrification Project

Status of the contracts on the Peninsula Corridor Electrification Project:

In September 2016, a Limited Notice to Proceed (LNTP) was issued to the contractors to advance design of the project. The terms of the contract were guaranteed if a Full Notice to Proceed (NTP) was issued on March 1, 2017. On March 1, 2017 contractors were scheduled to move into the construction phase of the project. On February 17, 2017, FTA announced that execution of the Core Capacity grant would be delayed until the President makes decisions about the availability of funds in the Administration's upcoming budget proposal to Congress. Caltrain negotiated with the contractors for an extension to preserve the electrification project's contracts during this time. The contracts are fixed price design build contracts with prices tied to the proposed schedules submitted by the contractors.

How long is the extension with the contractors:

On February 27, 2017, Caltrain announced that it has negotiated an extension of the deadline for contractors to begin construction of the Peninsula Corridor Electrification Project while the agency awaits a decision from the FTA about the execution of a \$647 million funding agreement. The contractors agreed to extend the deadline for four months, from March 1 to June 30. Buying additional four months of time from the contractors could require the utilization of up to \$20 million in project contingency that otherwise would have been available for construction related expenses in the future. The sooner the grant agreement is executed, the smaller the impact will be to the project's contingency.

Current status of the FTA Core Capacity Full Funding Grant Agreement:

Caltrain has been working with the FTA since 2009 to ensure that the project meets all of the rigorous statutory and regulatory requirements of the Core Capacity competitive discretionary program. The project was rated highly after thorough evaluation including ridership studies, design assessments, financial analyses and cost benefit evaluations by the FTA and the U.S. Department of Transportation. On Friday February 17, 2017, the Caltrain FFGA completed the mandatory 30- day review period and is eligible for a signature to be executed. FTA announced that execution of the Core Capacity grant would be delayed until the President makes decisions about the availability of funds in the Administration's upcoming budget proposal to Congress.

The PCEP has already received \$73m in previously appropriated Core Capacity funds and the FFGA would allow Caltrain to access those funds in addition to future Core Capacity funds. The FY17 House and Senate Appropriations bill included \$333m for the core capacity program and the House bill specifically recommended \$100m for the PCEP.

In March, Caltrain Executive team, contractors, and members of the business community are meeting with officials in Washington D.C. to ensure that the merits and benefits of this project, which will create jobs throughout the country, is understood clearly by the Administration and key Members of Congress.

Every project that has achieved the FTA milestones mentioned above has received an executed Full Funding Grant Agreement.

For additional information:

<http://www.caltrain.com/Assets/Caltrain+Modernization+Program/Electrification+Documents/PCEP+FAQ.pdf>

Contact Information: Casey Fromson, Caltrain Government Affairs Director,
fromsonc@samtrans.com