

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

AGENDAS FOR BOARD AND COMMITTEE MEETINGS

August 23, 2007
9:00 a.m.

A regular meeting of the Board of Directors and regular meetings of the Standing Committees will be held on Thursday, August 23, 2007, commencing at 9:00 a.m. All meetings will be held 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 and Standing Committees regarding any matter on these agendas. 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” and “consent calendar addenda” 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 who wish to address BART Board matters. A request must be made within one and five days in advance of Board/Committee meetings, depending on the service requested. Please contact the Office of the District Secretary at (510) 464-6083 for information.

Kenneth A. Duron
District Secretary

Regular Meeting of the
BOARD OF DIRECTORS

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

1. CALL TO ORDER
 - A. Roll Call.
 - B. Pledge of Allegiance.
 - C. Introduction of Special Guests.
 - a. Carl Guardino

2. CONSENT CALENDAR
 - A. Approval of Minutes of the Meeting of August 9, 2007.* Board requested (6) to authorize.

RECESS TO STANDING COMMITTEES

Immediately following the Standing Committee Meetings, the Board Meeting will reconvene, at which time the Board may take action on any of the following committee agenda items.

ALL COMMITTEES ARE ADVISORY ONLY

ADMINISTRATION COMMITTEE

Immediately following the Board Meeting recess

Director Franklin, Chairperson

- A-1. Ratification of Side Letter 11 with BART Police Managers' Association (BPMA) Revising Step Progression Rates.* Board requested to authorize. (1)
- A-2. Transfer of Steele Ranch Property to California State Parks and Establishment of Steele Ranch Endowment.* Board requested to authorize. (1)
- A-3. Fiscal Year 2007 Year-End Budget Revisions.* Board requested to authorize. (10)
- A-4. Fiscal Year 2008: Draft Short Range Transit Plan (SRTP) and Capital Improvement Program (CIP).* For information. (10)
- A-5. General Discussion and Public Comment.

ENGINEERING AND OPERATIONS COMMITTEE

Immediately following the Administration Committee Meeting

Director Fang, Chairperson

- B-1. Award of Invitation for Bid No. 8828, Purchase of Gasoline and Diesel Fuel for Non-Revenue Vehicle Fleet.* Board requested to authorize. (9)
- B-2. Sole Source Procurement with Group Alpha, Inc., for Gate Driver Printed Circuit Boards.* Board requested to authorize. (TWO-THIRDS VOTE REQUIRED.) (9)
- B-3. Agreements for General Environmental Services for BART Projects.* (12)
 - a. Agreement No. 6M5007 with Environmental Resources Management
 - b. Agreement No. 6M5008 with Camp Dresser and McKeeBoard requested to authorize.
- B-4. Quarterly Performance Report, Fourth Quarter Fiscal Year 2007 - Service Performance Review.* For information. (9)
- B-5. General Discussion and Public Comment.

PLANNING, PUBLIC AFFAIRS, ACCESS, AND LEGISLATION COMMITTEE
Director Radulovich, Chairperson

NO REPORT.

RECONVENE BOARD MEETING

3. CONSENT CALENDAR ADDENDA

Board requested to authorize as recommended from committee meetings above.

4. REPORTS OF STANDING COMMITTEES

A. ADMINISTRATION COMMITTEE

- A-1. Ratification of Side Letter 11 with BART Police Managers' Association (BPMA) Revising Step Progression Rates.* Board requested to authorize. (1)
- A-2. Transfer of Steele Ranch Property to California State Parks and Establishment of Steele Ranch Endowment.* Board requested to authorize. (1)
- A-3. Fiscal Year 2007 Year-End Budget Revisions.* Board requested to authorize. (10)
- A-4. Fiscal Year 2008: Draft Short Range Transit Plan (SRTP) and Capital Improvement Program (CIP).* For information. (10)

B. ENGINEERING AND OPERATIONS COMMITTEE

- B-1. Award of Invitation for Bid No. 8828, Purchase of Gasoline and Diesel Fuel for Non-Revenue Vehicle Fleet.* Board requested to authorize. (9)
- B-2. Sole Source Procurement with Group Alpha, Inc., for Gate Driver Printed Circuit Boards.* Board requested to authorize. (TWO-THIRDS VOTE REQUIRED.) (9)
- B-3. Agreements for General Environmental Services for BART Projects.* (12)
 - a. Agreement No. 6M5007 with Environmental Resources Management
 - b. Agreement No. 6M5008 with Camp Dresser and McKeeBoard requested to authorize.
- B-4. Quarterly Performance Report, Fourth Quarter Fiscal Year 2007 - Service Performance Review.* For information. (9)

C. PLANNING, PUBLIC AFFAIRS, ACCESS, AND LEGISLATION COMMITTEE

NO REPORT.

5. GENERAL MANAGER'S REPORT

NO REPORT.

6. BOARD MATTERS

A. Roll Call for Introductions.

7. GENERAL DISCUSSION AND PUBLIC COMMENT

Staff Contacts:

(1)	Teresa E. Murphy	464-6231	Administration
(2)	Gary Gee	464-7022	BART Police Department
(3)	Eugene Skoropowski	464-6990	Capitol Corridor
(4)	Katherine Strehl	464-6425	External Affairs
(5)	Scott Schroeder	464-6070	Office of the Controller/Treasurer
(6)	Kenneth A. Duron	464-6080	Office of the District Secretary
(7)	Matthew Burrows	464-6037	Office of the General Counsel
(8)	Dorothy W. Dugger	464-6090	Office of the General Manager
(9)	Paul Oversier	464-6710	Operations
(10)	Carter Mau	464-6194	Planning and Budget
(11)	Vinod Chopra	874-7481	Silicon Valley Extension
(12)	Marcia deVaughn	464-6126	Transit System Compliance
(13)	Gary LaBonte	287-4809	Transit System Development
(14)	Kathleen Mayo	287-4881	Transit System Development



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>DM Dreyer</i>	GENERAL MANAGER ACTION REQ'D: Forward to Board of Directors
DATE: <i>8/15/07</i>	BOARD INITIATED ITEM: No

Originator/Prepared by: Stephen Weglarz Dept: Labor Relations Ext. 6232 Signature/Date:	General Counsel <i>MB 8/13/07</i>	Controller/Treasurer <i>[Signature]</i>	District Secretary []	BARC []
---	--------------------------------------	--	---------------------------	-------------

NARRATIVE:

Ratification of Side Letter with BPMA Revising Step Progression Rates

PURPOSE:

To obtain Board authorization for the District to enter into an Agreement (BPMA Side Letter – 11) to modify the 2005-2009 BPMA Collective Bargaining Agreement for the purpose of amending pay grade steps and adjusting salaries.

DISCUSSION:

On September 21, 2005, the District and the BPMA agreed that the District may, at its discretion, undertake an evaluation of the BPMA salary rates compared to certain other local jurisdictions as well as the appropriateness of the existing differential between compensation paid to the various rank levels within the police management bargaining unit classifications.

On December 13, 2006, the District and the BPMA agreed that the District would begin the evaluation and that based on the survey results negotiations for any changes, if appropriate, should commence on or before April 1, 2007. Pursuant to these understandings a survey, evaluation and negotiations were conducted.

When completed, the survey and evaluation indicated that there were substantial differentials between pay rates for BPMA staff and equivalent staff at other local jurisdictions which were used as comparisons. They also found that the existing differentials between compensation paid to the Police management bargaining unit classifications and subordinate classifications were inappropriate and greatly hindered the recruitment of qualified members of the BPOA and elsewhere into the Police Department's management ranks. It was recommended that in order to remain competitive with respect to promotion, recruitment and retention, several changes should be made to adjust salaries.

1. For Sergeants, eliminating the bottom pay step and adding a new top pay step at 3.5% above the current top step.
2. For Lieutenants, eliminating the bottom pay step and adding two new top pay steps at 3.5% above the current top step and the new next higher step, respectively.

EDD: Ratification of Side Letter with BPMA Revising Step Progression Rates

3. For Commanders, eliminating the bottom two pay steps and adding two new top pay steps at 3.5% above the current top step and the new next higher step, respectively.

On June 25, 2007, the BART General Manager reviewed the results of the study, evaluation and negotiations. Thereafter, Staff was authorized to develop a Side Letter of Agreement to be submitted for approval to the BART Board of Directors and the BPMA.

If approved, the Side Letter of Agreement would become effective on September 1, 2007.

FISCAL IMPACT:

The changes are estimated to increase base salaries by a total of \$195,000 for the 10 months of FY08. The total including overtime, shift differential and fringe benefits would be \$495,000, which will be added to the Police Department budget when the FY08 budget is revised.

ALTERNATIVE:

Not approve BPMA Side Letter – 11, maintain the current pay steps and differentials between bargaining unit classifications and not address recruitment issues. In the alternative, implement the changes in two (2) or three (3) stages between September 1, 2007 and June 30, 2009.

RECOMMENDATION:

That the Board adopt the following Motion.

MOTION:

The Interim General Manager or her designee is authorized to execute the attached BPMA Side Letter – 11 with the BART Police Managers' Association regarding the equity adjustments.

August 1, 2007

**SIDE LETTER OF AGREEMENT: BPMA/SL-11
EQUITY ADJUSTMENT**

**Lieutenant Gregory Savage
President
BART Police Managers' Association
800 Madison Street
Oakland, CA 94607**

Dear Lt. Savage:

This document sets forth an agreement between the Bay Area Rapid Transit District (District) and the BART Police Managers' Association (BPMA), concerning salary adjustments.

HISTORY

On September 21, 2005, the District and the BPMA agreed that the District may, at its discretion, undertake an evaluation of the salary rates compared to certain other local jurisdictions as well as the appropriateness of the existing differential between compensation paid to the various ranks within the police management bargaining unit classifications. On December 13, 2006, the District and the BPMA agreed that the District would begin the evaluation and that negotiations should commence on or before April 1, 2007. Thereafter, a survey, evaluation and negotiations were conducted. On June 25, 2007, the BART General Manager reviewed the results of the study, evaluation and negotiations. Staff was authorized to develop a Side Letter of Agreement to be submitted for approval by the BART Board of Directors and BPMA as set forth below.

AGREEMENT

The District and the BPMA agree that the survey and evaluation indicates that there are substantial differentials between pay rates for BPMA staff and equivalent staff at other local jurisdictions which were used as comparisons. It is also agreed that the existing differential between compensation paid to bargaining unit classifications and subordinate classifications was inappropriate and

hindered greatly the recruitment of qualified members of the BPOA and elsewhere into the Police Department's management ranks. Therefore, it is agreed that in order to treat Police Management fairly and remain competitive with respect to promotion, recruitment and retention, several changes should be made to adjust salaries:

1. Eliminate bottom Position/Pay Step 838-01 (Sergeant).
2. Add new top Position/Pay Step 838-05 (Sergeant) at 3.5% above the current top step.
3. Eliminate bottom Position/Pay Step 888-01 (Lieutenant).
4. Add new Position/Pay Step 888-04 (Lieutenant) at 3.5% above the current top step.
5. Add new top Position/Pay Step 888-05 (Lieutenant) at 3.5% above Step 888-04.
6. Eliminate bottom Position/Pay Step 898-01 (Commander).
7. Eliminate Position/Pay Step 898-02 (Commander).
8. Add new Position/Pay Step 898-03 (Commander) at 3.5% above Step 898-02.
9. Add new top Position/Pay Step 898-04 (Commander) at 3.5% above Step 898-03.

The District and the BPMA agree that if approved by the BART Board of Directors and BPMA, the above salary adjustments will become effective on September 1, 2007. Said salary adjustments shall not adversely impact annual salary increases as agreed to in Section 50 of the 2005-2009 Collective Bargaining Agreement. The adjusted salary schedule is attached hereto as an Exhibit.

Concur for the District:

Concur for the Association:

Stephen J. Weglarz
Department Manager,
Labor Relations

Date

Gregory Savage
President

Date

BART Police Managers' Association



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>[Signature]</i>	GENERAL MANAGER ACTION REQ'D: Approve and forward to the Board
DATE: 8/16/07	BOARD INITIATED ITEM: No

Originator/Prepared by: Paul Voix Dept: Real Estate Ext. 4748 <i>[Signature]</i> Signature/Date: 8/14/07	General Counsel <i>[Signature]</i> 8/15/07	Controller/Treasurer <i>[Signature]</i> 8/14/07	District Secretary []	BARC <i>[Signature]</i> 8-14-07
---	--	---	---------------------------	---------------------------------------

NARRATIVE:
TRANSFER OF STEELE RANCH PROPERTY TO CALIFORNIA STATE PARKS AND ESTABLISHMENT OF STEELE RANCH ENDOWMENT

PURPOSE: Authorization for the General Manager to effect the transfer of San Francisco Airport Extension Project (SFO Extension) environmental mitigation site, Steele Ranch (Parcel No. D-3723) to the California Department of Parks and Recreation (State Parks) and to establish the required Steele Ranch Endowment.

DISCUSSION: The construction of the SFO Extension involved the construction of BART facilities in the West of Bayshore (WOB) area between the West side of Highway 101 and the Caltrain tracks. As noted in the SFO Project Final Environmental Impact Statement/Final Environmental Impact Report (FEIS/FEIR) the WOB is a habitat area for the endangered San Francisco Garter Snake (SFGS) and the threatened California Red Legged Frog (CRLF). Due to the impact of the SFO Extension on the SFGS and CRLF habitat, BART was required to implement several environmental mitigations. This included arranging for the 1997 purchase by SamTrans, on BART's behalf, of the 244 acre Steele Ranch located on the San Mateo County Coast where there are populations of SFGS and CRLF.

The District's obligations related to Steele Ranch are based on several sources including:

- 1) The 1996 Biological Opinion (BO) issued by the U.S. Department of Interior, Fish and Wildlife Service (USFWS) to the Federal Transit Administration (FTA) related to the SFO Project;
- 2) The SFO Extension Project Final Environmental Impact Report/Final Environmental Impact Statement (FEIR/FEIS), which includes the Mitigation Monitoring and Reporting Plan (MMRP), certified in 1996 by the BART Board;
- 3) The 1999 Agreement between BART and the California Department of Fish and Game (CDFG) allowing work to proceed in the WOB parcel (Snake Agreement).

The requirements in the above three sources obligated BART to arrange for the purchase of

EDD: TRANSFER OF STEELE RANCH TO STATE PARKS WITH ENDOWMENT

Steele Ranch, to protect it as a habitat for the SFGS and CRLF in perpetuity, to establish an endowment that will provide approximately \$50,000.00 per year for the maintenance and enhancement of the habitat at Steele Ranch, and to “transfer title to Steele Ranch to an appropriate local, State or Federal resource or trustee agency or to an appropriate public trust organization to manage.” Such a transfer will require FTA concurrence and the transferee must be approved by the USFWS and the CDFG. The BO refers to State Parks as a possible appropriate transferee entity. Initial contacts with the FTA, the USFWS, and the CDFG have resulted in tentative approval of the proposed transfer of Steele Ranch to State Parks. Consistent with the terms agreed to with SamTrans for the transfer to BART of all property purchased for the SFO Extension, staff is in the process of having SamTrans execute a quitclaim of Steele Ranch to BART.

Discussions with State Parks’ representatives have resulted in a tentative set of terms for the transfer of title to Steele Ranch and for the establishment of a Steele Ranch endowment with the State Parks Foundation. The parties have agreed that an endowment with a principle of \$1,000,000.00 will generate approximately \$50,000.00 per year.

Staff is now seeking Board authorization for the General Manager to execute agreements for the transfer of Steele Ranch to State Parks and for the establishment of the Steele Ranch Endowment. State Parks plans to incorporate Steele Ranch into the adjacent Ano Nuevo State Park. The Steele Ranch Endowment is expected to be established with the State Parks Foundation and funds generated by the endowment would be utilized for the maintenance and enhancement of Steele Ranch. The State Parks Foundation has been utilized by the State Parks as an entity that can hold funds dedicated for the benefit of specific properties controlled by State Parks.

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

FISCAL IMPACT:

Funding for the \$1,000,000 endowment is within the Right of Way line item of the revised total Project budget. The Office of the Controller/Treasurer certifies that funds are currently available to meet this obligation. The total cost of \$1,000,000 will be funded as follows:

<u>F/G 42J – SFO Project Fund Investment Earnings</u>	<u>\$1,000,000</u>
---	--------------------

Currently \$36,156,478 of funding is available for commitment from this source. As of month ending June 30, 2007, \$34,875,563 has been committed against this fund source. There are no pending commitments in BART’s financial management system. This action will commit \$1,000,000 leaving an uncommitted balance of \$280,915 in this fund source.

There is no fiscal impact on available unprogrammed District Reserves.

ALTERNATIVES: BART is obligated to transfer title to Steele Ranch and to establish the Steele Ranch Endowment to satisfy its environmental obligations. Upon completion of the outstanding SFO Extension environmental mitigations, the SFO Extension Full Funding Grant

EDD: TRANSFER OF STEELE RANCH TO STATE PARKS WITH ENDOWMENT

Agreement (FFGA) can be closed out. Alternatively, BART could elect to retain ownership of Steele Ranch for the time being and leave open an unfulfilled SFO Extension environmental mitigation. Under this alternative, BART would continue to be responsible for incurring costs associated with maintenance of a 244 acre ranch that is a protected SFGS and CRLF habitat on the San Mateo County Coast and would continue to be exposed to potential liability. Moreover, this alternative would also preclude the close out of the SFO Extension FFGA.

RECOMMENDATION: Adoption of the following motion.

MOTION: Subject to receiving the approval of the Federal Transit Administration, the US Fish and Wildlife Service and the California Department of Fish and Game, the General Manager or designee is authorized (i) to effect the transfer of Steele Ranch (Parcel No. D-3723) to the California Department of Parks and Recreation and (ii) to establish an endowment of \$1 million for the maintenance and enhancement of Steele Ranch.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: 	GENERAL MANAGER ACTION REQ'D: Place on the August 23, 2007 Administration Committee Agenda
DATE: 8/17/07	BOARD INITIATED ITEM: No

Originator/Prepared by: Robert Umbreit Dept. Operating Budgets Ext. 6273	General Counsel 	Controller/Treasurer 	District Secretary 	BARC
Signature/Date: <i>R. Umbreit 8/16/07</i>	<i>R. K... 8-17-07</i>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i>

NARRATIVE:

Fiscal Year 2007 Year-End Budget Revisions

PURPOSE: To amend the Fiscal Year 2007 (FY07) Budget for year-end adjustments.

DISCUSSION:

Summary of FY07 Operating Results

Preliminary FY07 results show that the District ended the year favorable by 4% in total operating sources, \$22.5 million (M) more than the budget. This included \$10M in State Transit Assistance (STA) spillover funding, which was then paid to the Metropolitan Transportation Commission (MTC) under terms of the SFO Extension \$60M loan agreement. Operating expenses were slightly over budget by \$3.4M (less than 1%), debt service was over budget by \$10M due to the loan payment, and other allocations were \$0.9M favorable to budget because of an adjustment to recognize lowering of the material inventory level. These results leave \$9.7M available for year-end allocation. Staff recommends that \$2.1M be allocated to capital projects and \$7.6M be allocated to operating reserves which will be used to fund one-time operating expenses.

FY07 Operating Results (\$millions)

Operating Sources	Budget	Actual ⁽¹⁾	Variance	
Operating Revenue	\$ 296.0	\$ 312.8	\$ 16.8	6%
Sales Tax	202.7	198.8	(3.9)	-2%
Fin. Assistance & Allocations	78.9	88.5	9.6	12%
Total Sources	577.5	600.1	22.5	4%
Operating Uses				
Operating Expense	486.4	489.8	(3.4)	-1%
Debt Service	60.3	70.3	(10.0)	-17%
Other Allocations	0.7	(0.2)	0.9	120%
Allocations to Capital	30.0	32.1	(2.1)	-7%
Allocations to Operating	-	7.6	(7.6)	n/a
Total Uses	\$ 577.5	\$ 599.7	\$ (22.1)	-4%

⁽¹⁾ Board approval of closing budget revisions requested

Operating revenue was favorable by \$16.8M. Passenger revenue was \$10.4M better than budget and other operating revenue was \$6.4M better than budget. Advertising, interest and parking revenue all contributed to the favorable variance in other operating revenue. Operating expense was essentially on budget but came in slightly unfavorable in total. Over-budget expenses related to the high levels of ridership BART experienced in the latter half of the year were a big factor.

EDD: Fiscal Year 2007 Year-End Budget Revisions (cont.)

Average weekday ridership was 339,359 and total trips were 101.7 million, 2% higher than the budget and about 5% growth over last year. Unbudgeted expenses for extra service for Bay Bridge closures and Spare the Air Days contributed to the expense budget overrun but were offset by reimbursements by CalTrans and MTC which were recorded as revenue. Debt service was \$10M over budget, the combination of the MTC \$60M SFO loan payment of \$10M plus interest on the loan of \$1.4M, offset by \$1.4M in net savings from the FY07 bond refunding issue. The MTC loan agreement was finalized after the FY07 budget was adopted, and therefore is included in the year-end budget revisions.

Recommended Allocation of Year-End Results

Staff recommends that **\$7.6M** be allocated to operating reserves, which will then be added to an upcoming FY08 budget revision to fund a number of one-time expenses. These include **\$1.3M** to fund FY08 one-time budget initiatives, already included in the adopted FY08 budget. Additional funding of **\$3.0M** is proposed for projects including addressing demagnetized tickets, repairing traction motors and replacing encoders needed for rail car reliability, developing the scope of the Information Technology strategic plan recommended in the Organizational Audit, and funding for BART to develop strategies and initiatives associated with developing greenhouse gas reduction programs. Power budget savings of **\$3.3M** are proposed to be used for three energy-related programs. \$2M will be set aside for reserves to protect against future energy market uncertainty and \$1M for the District's share in a new high-efficiency power plant. In addition \$0.3M is included for a survey of District property to determine optimum sites for solar projects, and to install real-time meters on traction power. The meter installation should pay for itself within two years by increasing efficiency of the amount of power scheduled, which will produce savings from lower power purchases.

Allocations of **\$2.1M** to a variety of small capital projects are also recommended by staff. These allocations include: funding the remaining increment of West Bay parking equipment, Hayward shop modifications related to the Strategic Maintenance Program, modifying Transit Information Center facilities, funding Train Operator and Train Controller staff time related to West Dublin construction-related service, and a study to identify causes of water intrusion in underground stations and tunnels and develop potential solutions.

STA Funding and Reserves

As proposed in the FY08 Preliminary Budget, BART will receive an additional \$12M in STA spillover funding (lower than the original estimate of \$14.6M) which was generated from FY07 state tax receipts. As discussed during the development of the budget, we plan to put the \$12M of STA funds in reserves, to be available to help fund the estimated \$14M FY06 and FY07 retiree medical actuarial funding contribution required in FY09. If these funds are not all needed in FY09 to make the retiree medical payments, any amount remaining in reserves should help bring the operating reserve fund up to the Financial Stability Policy goal of 5% of the operating expense budget.

The FY08 STA funding level is not yet certain and awaits final determination of the state budget. However, even the likely worst-case scenario should result in additional funding for FY08 adequate to meet the FY08 BART budget assumption of \$1.2M needed to fund the remaining costs for increased night and weekend service. These two STA related budget actions will be brought to the Board for decision following the completion of the state budget process.

Summary of Proposed Budget Revisions for Board Approval

Further information regarding FY07 operating results are available in Attachment 1. The budget

EDD: Fiscal Year 2007 Year-End Budget Revisions (cont.)

revision line items are listed on the attached resolution. In addition to the proposed allocations and budget adjustments to recognize increased revenue and expenses, there are revision items to conform the budget to the MTC loan and MTC funding related to the SFO Agreement, both of which were finalized after the FY07 budget was adopted. The sum of all of these entries will produce a balanced year-end result for FY07, and will increase capital allocations by \$2.1M and operating allocations by \$7.6M.

FISCAL IMPACT:

If the Board approves the proposed allocations the District will finish the year with a positive result of \$424,716, which after accounting for the office space lease adjustment of \$386,770 leaves the District with a small net positive result of \$37,946.

ALTERNATIVES:

If the Board does not make the recommended operating and capital allocations, the District would end the year with a favorable result of \$10.1M.

RECOMMENDATION:

Approval of the motion below.

MOTION:

Adoption of the attached resolution.

Fourth Quarter FY07

BUDGET PERFORMANCE REPORT EXECUTIVE SUMMARY

	CURRENT QUARTER			FISCAL YEAR-TO-DATE		
	Budget	Actual	Var.	Budget	Actual	Var.
REVENUE						
	69.5	73.6	6.0%	271.7	282.1	3.8%
Net Passenger Revenue	6.3	9.1	45.9%	24.3	30.7	26.4%
Total Net Operating Revenue	75.7	82.7	9.3%	296.0	312.8	5.7%
EXPENSE						
Net Labor	79.6	80.2	-0.8%	323.6	326.7	-1.0%
Electric Power	9.8	7.4	24.7%	40.0	34.8	13.0%
Purchased Transportation	3.3	2.7	19.6%	13.1	12.4	5.3%
Other Non Labor	25.2	31.8	-26.3%	87.3	93.2	-6.7%
Total Operating Expense	118.0	122.1	-3.5%	463.9	467.1	-0.7%
EXTRAORDINARY EXPENSES						
Rail Car Swap	0.0	0.0		22.5	22.7	-0.8%
Net Extraordinary Items	0.0	0.0		22.5	22.7	
OPERATING DEFICIT	(42.2)	(39.4)	6.8%	(190.5)	(177.0)	7.1%
TAX & FINANCIAL ASSISTANCE						
Sales Tax	48.2	47.8	-0.6%	202.7	198.8	-1.9%
Property Tax & Other	11.9	12.9	8.8%	27.0	27.4	1.6%
SFO Operating Assistance	2.6	3.5	35.9%	11.0	10.2	-7.1%
State Transit Assistance (STA)	5.6	5.6	0.0%	11.2	21.2	89.5%
Rail Car Fund Swap	-	-		22.5	22.7	0.8%
Other Financial Assistance	2.2	3.4	53.6%	7.2	7.0	-3.3%
Debt Service	(15.1)	(15.7)	4.2%	(60.3)	(70.3)	-16.6%
Capital Allocations	(8.4)	(3.9)	-53.6%	(30.0)	(23.5)	21.7%
Proposed Capital Allocations	-	(2.1)		-	(2.1)	
Proposed Operating Allocations	-	(7.6)		-	(7.6)	
SFO Reserve Allocations	-	(4.5)		-	(6.5)	
Other Allocations	(0.7)	0.2		(0.7)	0.2	120.3%
Net Financial Assistance	46.2	39.7	-14.2%	190.5	177.4	-6.9%
NET OPERATING RESULT	4.0	0.3		0.0	0.4	
System Operating Ratio	64.2%	67.8%	3.6%	63.8%	67.0%	3.2%
Rail Cost Per Passenger Mile	33.1 ¢	33.6 ¢	-1.5%	33.3 ¢	33.2 ¢	0.2%

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

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

M=million

- Systemwide average weekday ridership for this quarter was 348,635, 3.4% above budget, partly due to the MacArthur Maze Meltdown. Compared to same quarter in FY06, core system weekday trips were up by 5.5% and SFO Extension trips were up by 9.3%. For the year, average weekday ridership was 339,359 and total trips grew 5.0% over FY06 (core 4.9% and SFO extension 5.8%).
- Other operating revenue was \$6.4M over budget due to advertising bonus \$2.5M, parking revenue \$1.1M, interest \$0.9M, parking fines \$0.3M, telecommunications \$0.3M, other revenues \$0.9M and an unbudgeted Spare the Air expense reimbursement \$0.4M.

EXPENSE

- Net labor YTD was \$3.1M unfavorable, but within 1% of the budget. Service and security-related overtime was the main factor in the slight overrun, which also included \$1M for labor settlement expenses that weren't budgeted.
- Electric power was \$5.2M (13%) favorable YTD due to below budget purchase contracts.
- Purchased transportation was \$0.7M favorable YTD, ADA Paratransit was less than budgeted.
- Other non-labor was over budget YTD primarily due to material usage and traction motor repairs related to rail car maintenance, bank card charges relating to ticket sales, legal fees for outside counsel, and \$1M for obsolete inventory write-offs.

EXTRAORDINARY ITEMS

- \$22.7M was received YTD for the Rail Car Fund Swap agreement with MTC. The District received a federal preventive maintenance grant, recorded in other financial assistance, and deposited the funds with MTC for the rail car replacement fund.

OPERATING DEFICIT

- Favorable operating revenues offset the over-budget expenses, resulting in an Operating Deficit that was \$13.5M less than budgeted.

TAX & FINANCIAL ASSISTANCE

- Sales tax was 1.9% under budget, with 3.7% growth over FY06, below the budget of 5.7% growth. However, the 4th quarter grew 7.6% after only 0.1% in the 3d quarter, and the YTD result was greater than the forecast that was used during the FY08 budget process had projected.
- STA came in \$10M favorable to budget due to unbudgeted \$10M STA funding used to pay down \$60M MTC loan (in Debt Service).
- For SFO operations, SamTrans paid \$4.7M YTD (\$5M less \$0.3M FY06 credit). \$5.5M was drawn down from reserves. Overall, the subsidy was lower than budgeted due to increased passenger revenue, which means a lower amount is required to cover expenses.
- Debt service was \$10M unfavorable to budget with \$2.2M in debt service savings from the 2006 refunding, offset by unfavorable items: \$1.4M interest expense and \$10M payment on the \$60M MTC loan and \$0.8M premium fare bond allocations (timing issue only, will be \$0.8M favorable in FY08).
- Proposed operating and capital allocations totalling \$9.7M are included pending Board approval.
- \$6.5M of planned Allocations to Capital was instead allocated to the SFO Reserve Account, with the Capital program being made whole by additional capital funds from MTC.
- Other allocations include the \$0.6M Access Fund and \$0.1M for parking equipment payback, less a \$0.9M reverse allocation (funds coming into the budget) to recognize lowering the inventory balance.

NET OPERATING RESULT

- The net operating result for the year is balanced, with a net result of \$0.4M to cover the amount of the Lakeside lease adjustment.

SYSTEM OPERATING RATIO / RAIL COST PER PASSENGER MILE

- The operating ratio (revenue divided by expense) was favorable for the year because favorable operating revenues were significantly higher than the slight expense budget overrun.
- Rail cost per passenger mile was unfavorable to budget for the quarter, but was slightly favorable YTD.

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

In the matter of amending Resolution No. 4988 regarding Fiscal Year
2007 Annual Budget

Resolution No. _____

RESOLVED, that Resolution No. 4988 is amended by changing the following line items in Exhibit A thereof:

	<u>Current Amount</u>	Increase/ (Decrease) In This <u>Resolution</u>	<u>Amended Amount</u>
<u>Fund Source Line Item:</u>			
Operating Revenue	\$ 295,953,937	\$ 11,959,580	\$ 307,913,517
SB 1335 (STA)	\$ 11,181,541	\$ 10,008,300	\$ 21,189,841
5307 Preventitive Maint. Grant - Rail Car Fund Swap	\$ 22,500,000	\$ 180,000	\$ 22,680,000
<u>Fund Use Line Item:</u>			
Net Labor Expense	\$ 323,556,389	\$ 3,175,395	\$ 326,731,784
Extraordinary Expense - Rail Car Fund Swap	\$ 22,500,000	\$ 180,000	\$ 22,680,000
Revenue Bond Debt Service	\$ 60,338,245	\$ (1,423,169)	\$ 58,915,076
MTC Loan Debt Service	\$ -	\$ 11,410,000	\$ 11,410,000
Allocations to Operating Reserves	\$ -	\$ 7,632,500	\$ 7,632,500
Allocations - Access & Other	\$ 737,818	\$ 38,478	\$ 776,296
Allocations - Decrease Inventory Funding	\$ -	\$ (926,415)	\$ (926,415)
Allocations to Capital Rehabilitation ⁽¹⁾	\$ 18,998,651	\$ (4,437,560)	\$ 14,561,091
Allocation to SFO Reserve ⁽¹⁾	\$ -	\$ 6,498,651	\$ 6,498,651

⁽¹⁾ Decrease of \$4,437,560 is the net total of reduction of \$6,498,651 for capital funding supplied by MTC as part of their \$24 million payment for the revised SFO agreement, replacing BART capital allocations which are then put into the reserve to fund SFO operations, and the proposed increase of \$2,061,091 for year-end allocations to capital projects.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>[Signature]</i>	GENERAL MANAGER ACTION REQ'D:
DATE: 8/17/07	BOARD INITIATED ITEM: No

Originator/Prepared by: Scott D Miller Dept: Operating Budgets Ext. 6263	General Counsel <i>[Signature]</i> 8/14/07 []	Controller/Treasurer <i>[Signature]</i> []	District Secretary []	BARC []
Signature/Date: <i>[Signature]</i> 8/17/07				

NARRATIVE:

Draft FY08 Short Range Transit Plan (SRTP) and Capital Improvement Program (CIP)

Purpose: To obtain authorization to release the District's Draft FY08 SRTP and CIP for review by the Metropolitan Transportation Commission (MTC) and the public, and to schedule the Board meetings of September 13, 2007 to receive comments and September 27, 2007 to adopt the FY08 SRTP/CIP.

Discussion: This document is an update of the FY06 SRTP/CIP. The SRTP portion covers the period from FY08 through FY17 and supplies information about the District and its ten-year planning efforts. The CIP is new, reformatted, and covers a 25-year horizon, from FY08 through FY32, compared with the ten-year horizon in previous CIPs.

The document is posted on BART's website and although the Board meeting is the formal opportunity to comment on the document, comments are accepted at any time throughout the year.

Highlights of the Operating Service Plan & Financial Plan section of the draft document are as follows:

- Ridership growth for the current 43 station system is forecast to increase about 1.6% annually from FY09 through FY17, reaching 400,000 trips by FY17. This rate is based upon BART's ridership forecasting model and is slightly less than the long-term historical average, which includes opening of extension stations or periods of economic expansion.
- The operating financial forecast projects a cumulative deficit through the next six years. After that, as debt service and other allocation requirements decrease and revenues increase, some financial capacity is available.
- Past the FY09 end of the current labor contract, annual pay raises averaging 2% are assumed, approximately the average of the current contract.
- The financial forecast includes the new agreement among BART, SamTrans and the MTC for the operation of the SFO Extension.
- Until additional bonding is required to fund future renovations, the long-term financial forecast indicates capacity to restore operating reserves to the District policy levels and fund the District's share of the Earthquake Safety Program, as well as to provide funds

EDD: Draft FY08 SRTP/CIP

for a future renovation program.

Highlights of the Capital Improvement Plan sections of the draft document are as follows:

- The CIP time horizon has been expanded from 10 years to 25 years. This will consolidate the CIP and the previously published 30 year Capital Plan into one document, and will improve consistency and ease of administration as we advance our programs for funding consideration. It will also bring the CIP timeframe into alignment with MTC's Regional Transportation Plan (RTP) 25-year outlook.
- The System Renovation and Vehicle Reinvestment Programs are updated versions of in-depth analyses performed for the series of capital presentations made to the Board in 2006.
- Appendix B: The Station Status Report has been replaced by the summarized Station Planning, Access and Transit-Oriented Development Report.
- Appendix D: FY08 CIP Summary, Programs, and Projects Database - The Track Two System Reinvestment projects are grouped into asset classes, consistent with MTC's Regional Transit Capital Inventory classification. This new approach ensures the capturing of a broader spectrum of the District's future project needs and could increase the funding potential for these projects.

Fiscal Impact:

The SRTP/CIP is required supporting documentation for BART's grant applications. As such, this document is the prerequisite to the MTC's authorization of non-District grant funds.

Alternative:

Do not release the Draft FY08 SRTP/CIP for public review and comment.

Recommendation:

Authorize release of the Draft FY08 SRTP/CIP document for MTC and public review at the August 23, 2007 Board meeting.

Motion:

That the Draft FY08 SRTP/CIP be released for review and comment by the MTC and the public and that the Board set September 13, 2007 as the date to receive comments and September 27, 2007 as the date to adopt the document.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: 	GENERAL MANAGER ACTION REQ'D: Approve and forward to the E&O Committee Meeting
DATE: 8/14/07	BOARD INITIATED ITEM: No

Originator/Prepared by: Larry Fisher Dept: Maintenance and Engineering Ext. 6442 Signature/Date: 8/13/07	General Counsel 8/13/07	Controller/Treasurer 8/13/07	District Secretary 	BARC 8/13/07
--	-----------------------------------	--	-------------------------------	------------------------

NARRATIVE:

PURCHASE OF GASOLINE AND DIESEL FUEL

PURPOSE:

To authorize the General Manager to Award Invitation to Bid No. 8828 to Valley Oil Co., Mountain View, CA. for the purchase of gasoline and diesel fuel for the District's non-revenue vehicle fleet.

DISCUSSION:

Gasoline and diesel fuel are used to power the District's non-revenue vehicle fleet and engine driven equipment. Approximately one hundred eighty five thousand (185,000) gallons of gasoline and one hundred thousand (100,000) gallons of diesel are used annually for this purpose. Deliveries are made in bulk quantities into storage tanks at the District's Oakland Shop upon request. To achieve the greatest economic value for the District, an IFB for a multi-year contract was developed and advertised, requesting bids for both gasoline and diesel fuel.

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

A notice requesting bids was published on June 22, 2007 and bid requests were mailed to thirty-three (33) prospective bidders. On July 10, 2007 three (3) bids were recieved. The lowest responsive bidder is listed below. This solicitation contains two (2) items that are being awarded as an aggregate (class) contract. All bids are detailed in Appendix "A".

	Total for item 1, including all app taxes, except sales tax. Reg. Unleaded Gasoline (Est. 600K gal @ \$2.60/gal)	Total for item 2, including all app taxes, except sales tax. Diesel fuel no.2 (Est. 350K gal @ \$2.38/gal)	Grand total incl sales tax Items 1 & 2
<u>Low Responsive Bidder</u>			
Valley Oil Company Mountain View, CA	\$1,560,420.00	\$716,160.00	\$2,475,780.75

Oil Price Information Services (OPIS) is a comprehensive source for pricing infomation on

EDD: PURCHASE OF GASOLINE AND DIESEL FUEL

petroleum products. The OPIS benchmark is relied on by federal, state, municipal and county governments, major metropolitan transit authorities and railroad systems to verify fair wholesale purchase prices for local petroleum products.

During the contract performance period, delivery price will be established by the weekly OPIS net average prices together with the unit price adjustment offered by the low bidder and applicable state and local taxes.

In accordance with the evaluation procedures contained in the IFB, the unit prices for award are based on the "Net Average Price" established in the July 10, 2007 report of Oil Price Information Services (OPIS) for San Francisco. The evaluated price was the "Net Average Price" adjusted by "mark-downs" or "mark-ups" as submitted by each bidder. The price per gallon for both gasoline and diesel fuel, (excluding sales tax) based upon the OPIS net average price along with each bidder's adjustments is detailed in Appendix "B".

The District's previous estimated quantity contract for gasoline and diesel was awarded to Valley Oil Company. The unit price per gallon, excluding fuel taxes, based on the May 17, 2004 OPIS average was \$1.61 for unleaded gasoline and \$1.60 for diesel No. 2. This contract expires August 13, 2007.

The District will order the fuel by telephone prior to the required date of delivery. Delivery shall be made within twenty-four (24) hours of any telephone order, unless otherwise specified by the District.

FISCAL IMPACT:

Funding for this contract will be provided from the FY08 through FY11 Operating Budgets for Cost Center 642, Non-revenue Vehicle Maintenance. Funding is currently in place for FY08 expenditures.

ALTERNATIVE:

Gasoline and diesel fuel are essential to the operation of District automotive and engine driven equipment and must be available on an ongoing basis. The only alternative to this purchase would be to buy as-required from retail outlets at higher cost and less convenience. This fuel will be used by District staff to operate autos, trucks, and equipment in the context of District operations.

RECOMMENDATION:

On the basis of analysis by staff and certification by the Controller/Treasurer that the funds are available for FY08, it is recommended that the Board adopt the following motion:

MOTION:

The General Manager is authorized to award IFB No. 8828, an estimated quantity contract for gasoline and diesel fuel to Valley Oil Company of Mountain View, CA., for the bid price of \$2,475,780.75 pursuant to notification to be issued by the General Manager, subject to compliance with the District's Protest Procedures.

EDD: PURCHASE OF GASOLINE AND DIESEL FUEL

Attachments

EDD: PURCHASE OF GASOLINE AND DIESEL FUEL FOR NON-REVENUE VEHICLE FLEET

IFB 8828

Appendix "A"

Supplier	Item 1 Regular Unleaded Gasoline Estimated 600,000 gal, Including all applicable taxes, except sales tax	Item 2 Diesel No. 2 Fuel Estimated 300,000 gal, Including all applicable taxes, except sales tax	Totals, Items 1 & 2, Including all applicable taxes, except sales tax	8.75% Sales Tax	Grand Total
Valley Oil Company Mountain View, CA	\$1,560,420.00	\$716,160.00	\$2,276,580.00	\$199,200.75	\$2,475,780.75
Spartan Tank Lines San Jose, CA	\$1,582,320.00	\$725,940.00	\$2,308,260.00	\$201,972.75	\$2,510,232.75
San Francisco Petroleum San Francisco, CA	\$1,674,420.00	\$770,760.00	\$2,445,180.00	\$213,953.25	\$2,659,133.25

The following taxes apply to fuel purchased by the District: (cents per gallon, except sales tax):

	<u>Regular Unleaded Gasoline</u>	<u>Diesel No. 2 Fuel</u>
Federal Excise Tax	N/A	N/A
California State Road Tax (use)	.1800	N/A
California Oil Spill Prevention Surcharge	N/A	N/A
California Lead Poison	N/A	
		California State Road Tax
		California Oil Spill Prevention Surcharge

Note: The District is exempt from Federal Tax on Diesel for only that portion of Diesel used for "off road purposes", and may file for a refund on that portion after tax.

EDD: PURCHASE OF GASOLINE AND DIESEL FUEL

**EDD: PURCHASE OF CASOLINE AND DIESEL FUEL FOR NON-REVENUE VEHICLE FLEET
IFB 8828**

Appendix "B"

PRICE BUILD-UP OPIS AVE. (EXCLUDING SALES TAX)

SUPPLIER	GASOLINE-UNIT PRICES		DIESEL-UNIT PRICES	
Valley Oil Company	2.4107 + <u>.01</u> 2.4207 + <u>.18</u> 2.6007	OPIS AVE MARK-UP TAXES	2.3692 + <u>.018</u> 2.3872	OPIS AVE MARK-UP
Spartan Tank Lines	2.4107 + <u>.0465</u> 2.4572 + <u>.18</u> 2.6372	OPIS AVE MARK-UP TAXES	2.3692 + <u>.0506</u> 2.4198	OPIS AVE MARK-UP
San Francisco Petroleum	2.4107 + <u>.20</u> 2.6107 + <u>.18</u> 2.7907	OPIS AVE MARK-UP TAXES	2.3692 + <u>.20</u> 2.5692	OPIS AVE MARK-UP

TAXES:

CA ROAD TAX (use) .1800



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>DMongger</i>	GENERAL MANAGER ACTION REQ'D: Approve and Forward to the Board of Directors
DATE: <i>8/16/07</i>	BOARD INITIATED ITEM: No

Originator/Prepared by: Susan Presley Dept: Susan Presley Ext. 3824 Signature/Date: <i>[Signature]</i> <i>8/2/07</i>	General Counsel <i>MB</i> <i>8/16/07</i>	Controller/Treasurer <i>[Signature]</i> <i>8/16/07</i>	District Secretary []	BANC <i>[Signature]</i> <i>8/13/07</i>
--	---	---	---------------------------	---

NARRATIVE:

Sole Source Procurement of Gate Driver Printed Circuit Boards (Two-Thirds Vote Required)

Purpose:

To obtain a Board finding that Group Alpha, Inc. is a single source of supply for gate driver printed circuit boards and that the purchase of this equipment is for the sole purpose of duplicating or replacing equipment or material in use at the District; and for the Board to authorize the General Manager to negotiate and enter into a three-year sole source contract with Group Alpha, Inc. for the purchase of this equipment in accordance with Public Contract Code Section 20227.

Discussion:

There are eight gate driver printed circuit boards located inside the Auxiliary Power Supply Equipment (APSE) on each car. The gate driver board contains electronic components that turn on and off the high powered semi-conductors, which supply power for lighting, air conditioning, control, communications, propulsion and braking systems. The original equipment manufacturer (OEM) of the gate driver board is Bombardier Transportation. Presently there is a high failure rate of the Bombardier gate driver board. Failure of the gate driver board causes the APSE to stop generating both 208 v.a.c. and battery charging voltage required to keep the transit vehicle in service.

Group Alpha Inc. assisted Bombardier Transportation, the OEM for the APSE equipment, in the design of the software and hardware used in the Integrated Bench Test Unit (IBTU). This involvement allowed Group Alpha Inc. to developed an alternate design unique to BART that exceeds the OEM design performance. This development required re-engineering, as well as extensive testing and qualification by the District. District staff's search for an alternative source has led to the conclusion that other manufactureres currently do not offer a printed circuit board that meets the District's performance requirements.

The new design will mitigate the removal of trains from service due to APSE failures caused by poor gate driver performance. As part of the Continuous Improvement Process being implemented by Rolling Stock and Shops, replacement of the gate driver circuit boards prior to failure is necessary to maintain car performance and availability. The District's current reserve of

EDD: Sole Source Procurement of Gate Driver Printed Circuit Boards (Two-Thirds Vote R

gate driver printed circuit boards is insufficient to retrofit the A2/B2 cars; therefore, staff recommends the procurement of the new gate driver printed circuit board design from Group Alpha, Inc.

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

Vehicle Systems Engineering has estimated the replacement cost for the parts listed above to be \$825,000 based on a budgetary estimate by Group Alpha, Inc. District staff believes the Group Alpha estimate to be fair and reasonable based on previous procurements with Group Alpha.

Pursuant to Public Contract Code Section 20227, the Board may direct the purchase of any supply, equipment or material without observance of competitive bidding upon a finding by two-thirds of all members of the Board that there is only a single source of procurement and that the purchase is for the sole purpose of duplicating or replacing equipment currently in use.

The Procurement Department will review the contract to confirm compliance with the District's procurement standards. The Office of the General Counsel will approve the contract as to form.

Alternatives: Issue an Invitation for Bid (IFB), with the likelihood of receiving only a single bid from Group Alpha, Inc. This will increase the process time for obtaining gate driver printed circuit boards.

Fiscal Impact: Funding for this three-year contract in the not-to-exceed amount of \$825,000, plus applicable sales tax, will be provided from the General Fund, Materials & Supplies Inventory build-up account (140-010). District obligations will be subject to a series of annual Inventory Re-order (IRO) notices. Each IRO will have a defined order quantity along with a specific delivery schedule and budget. The Office of the Controller-Treasurer certifies that funds are available to meet the initial base year IRO amount of approximately \$275,000, plus applicable sales tax. For the succeeding year, the gate driver printed circuit boards will be purchased only upon certification by the Controller-Treasurer that funds are available.

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

Motion: The Board finds pursuant to Public Contract Code Section 20227 that Group Alpha, Inc. is the sole source for procurement of gate driver printed circuit boards and that the purchase is for the purpose of duplicating or replacing equipment in use at the District. The Board authorizes the General Manager to enter into direct negotiations with Group Alpha, Inc. and to execute a three-year sole source contract for the purchase of this equipment at a price not to exceed \$825,000, plus applicable sales tax.

(Two-thirds vote required)



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>[Signature]</i>		GENERAL MANAGER ACTION REQ'D: Approve and Forward to E&O Committee		
DATE: 8/16/07		BOARD INITIATED ITEM: No		
Originator/Prepared by: Gary Jensen Dept: System Safety Ext. 7659	General Counsel	Controller/Treasurer	District Secretary	BART
Signature/Date: <i>[Signature]</i> 8/13/07	<i>[Signature]</i> 8/13/07	<i>[Signature]</i> 8/14/07	<i>[Signature]</i>	<i>[Signature]</i> 8/13/07

NARRATIVE:

AUTHORITY TO EXECUTE PROFESSIONAL SERVICES AGREEMENTS NO. 6M5007 AND 6M5008 FOR GENERAL ENVIRONMENTAL SERVICES

PURPOSE

To obtain Board authorization for the General Manager to execute Agreements No. 6M5007 and 6M5008 in an amount not to exceed \$5,000,000 each with Environmental Resources Management (ERM) and Camp Dresser and McKee, Inc. (CDM) respectively for General Environmental Services (GES) to support the District's Environmental Compliance Programs, including hazardous materials and NEPA/CEQA.

DISCUSSION

In 2002, the District entered into Agreements No. 7G8310 and 7G8320 with Science Applications International Corporation and Environmental Resources Management to provide General Environmental Services. These Agreements are expiring and the District has ongoing needs for GES support, including support for (1) the Earthquake Safety Program, (2) Warm Springs Extension, (3) Joint Development Projects, and (4) District Maintenance Operations.

Accordingly, RFP No. 6M5007 was issued on February 9, 2007. The Request for Proposals (RFP) was advertised on February 14, 2007 in local publications. RFPs were mailed to 48 prospective bidders. A preproposal meeting was conducted on February 22, 2007 that was attended by 38 prospective bidders.

Eight (8) proposals were received on April 3, 2007 from the following firms:

<u>Firm</u>	<u>Location</u>
MACTEC Engineering and Consulting	Oakland, CA
Fugro West, Inc.	Oakland, CA
Shaw Environmental, Inc.	Concord, CA
Environmental and Occupational Risk Management Inc.	Sunnyvale, CA
EarthTech Inc.	Oakland, CA
Camp Dresser and McKee, Inc.	Walnut Creek, CA
Environmental Resources Management	Walnut Creek, CA
Alisto Engineering Group	Walnut Creek, CA

The proposals were evaluated by a Source Selection Committee chaired by Contract Administration and composed of representatives from System Safety, the Office of Civil Rights,

EDD: AGREEMENTS 6M5007 AND 6M5008

Maintenance Engineering, and the Earthquake Safety Program. A thorough evaluation of these proposals was conducted. As a result of the technical evaluation, a short list of four (4) proposers was developed for oral presentations. Oral presentations were conducted on May 21, 2007 with MACTEC, Fugro West, CDM, and ERM.

The Source Selection Committee recommends the award of the two General Environmental Services Agreements to ERM and CDM based on their highest cumulative technical evaluation and oral presentation scores. Staff has made a determination that the proposed rates and fees are fair and reasonable.

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

FISCAL IMPACT

Each Agreement has a not-to-exceed limit of \$5,000,000. District obligations will be subject to a series of work directives. Each work directive will have a defined scope of services, and a separate schedule and budget. Any work directive assigned for funding under a State or Federal grant will include state or federal requirements. Work Directives will be approved only if the funds are certified as available by the Controller-Treasurer, and Capital Development Control certifies eligibility of funds.

Authority to issue work directives and administration of Agreement No. 6M5007 and 6M5008 will reside with BART's Chief Safety Officer.

Funding for individual work directives will be provided from the Capital Budget and/or Operating Budget accounts.

ALTERNATIVE

Extend the current Agreement 7G8310 for an additional period to provide necessary services while staff conducts a new procurement.

RECOMMENDATION

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

MOTION

The General Manager is authorized to execute Agreement No. 6M5007 with Environmental Resources Management and Agreement No. 6M5008 with Camp Dresser and McKee, both for general environmental services and each in an amount not to exceed \$5,000,000 over a five year period with two (2) one year options to extend, pursuant to notification to be issued by the General Manager and subject to the District's protest procedures and FTA's requirements related to protest procedures.

GENERAL ENVIRONMENTAL SERVICES FOR BART PROJECTS

- **Introduction**

The San Francisco Bay Area Rapid District requires environmental services for various BART Projects.

Request for Proposal (RFP) No. 6M5007 was issued by the District with the required services. The RFP stated that the District intended to make a maximum of two awards under the RFP (RFP Nos. 6M5007 and 6M5008)

The RFP described the selection process in detail and indicated the criteria to be used for making the selection.

- **Scope of Work**

- Hazmat program management services, environmental consulting services.
- Site, facility and field investigations.
- Environmental and remediation engineering.
- Regulatory compliance.
- Emergency support services.
- Technology/implementation/construction management.
- Public information support

- **Selection Process**

Followed California Government Code and Federal Brooks Act regulations related to the procurement of Architectural/Engineering services in which:

- Proposers are first evaluated on the basis of their qualifications, both written and oral
- Upon determining the most qualified propose, terms and conditions of the agreement are then negotiated.

Terms and conditions favorable to the District has been successfully negotiated with the most qualified propose; therefore, staff recommends awarding the agreement as outlined on the following page.

Agreement No. 6M5007

Environmental Resources Management (ERM), for a five-year period plus two one-year options with a not-to-exceed value of \$5,000,000.

• **Subconsultants**

Subconsultant Name	<u>Location</u>
- Jones and Stokes Associates	Oakland, CA.
- EIP Associates	San Francisco, CA.
- Toxicchem Management Systems, Inc.	San Jose, CA.
- Millenium Consulting Associates	Pleasant Hill, CA.

• **Reasons for Selection: ERM**

- Met all technical requirements
- Outstanding rail transit corridor experience
- Project experience covered all areas of scope of work
- Project manager with experience in all scope areas

Agreement No. 6M5008

Camp Dresser & McKee, Inc. (CDM), for a five-year period plus two one-year options with a not-to-exceed value of \$5,000,000.

• **Subconsultants**

Subconsultant Name	<u>Location</u>
- Alisto Engineering Group	Walnut Creek, CA.
- Rodel Cleaning Specialists	San Francisco, CA.
- North State Environmental	South San Fransisco, CA.
- Their PR	San Francisco, CA.
- Torrent Laboratory	Milpitas, CA.
- Transmetrics, Inc	Campbell, CA.

• **Reasons for Selection: CDM**

- Met all technical requirements
- Outstanding transit corridor experience
- Project experience in all areas of scope of work
- Extensive working relationship with project team members