



## **ADMINISTRATION & FINANCE COMMITTEE**

Wednesday, October 20, 2004

### **MINUTES**

#### **1. CALL TO ORDER**

The Regular Meeting of the Administration and Finance Committee (A&F) was called to order at 12:03 p.m. by Chairperson Williams in Room 216 B, City of San Jose, 801 North First Street, San Jose, California.

#### **ROLL CALL**

##### **Members Present**

David Casas, Vice Chairperson  
Don Gage  
Forrest Williams, Chairperson

##### **Members Absent**

Patricia Dixon

##### **Alternates Present**

None

##### **Alternates Absent**

Dennis Kennedy  
Breene Kerr

\* Alternates do not serve unless participating as a Member.

**A quorum was present.**

#### **2. PUBLIC PRESENTATIONS**

There were no Public Presentations.

#### **3. ORDERS OF THE DAY**

Vice Chairperson Casas requested that Agenda Item # 7., Authorize the General Manager to execute a \$93,000 one year option for the contract with Driver Alliant Insurance Services, Incorporated (formerly Robert F. Driver Company, Incorporated), to continue to provide insurance brokerage and loss control service for VTA operations. Including this option, the total contract will be \$357,555 be removed from the Consent Agenda and placed on the Regular Agenda.

Vice Chairperson Casa requested that Agenda Item # 8., Authorize the General Manager to execute a \$94,485, two and one half year extension to the contract with Aon Risk Services of Northern California (Aon) for insurance brokerage, and Owner-Controlled Insurance Program (OCIP) administration associated with the Highway Construction Program. With the addition of the extension the total contract value will be \$979,834 be removed from the Consent Agenda and placed on the Regular Agenda.

M/S/C (Gage/Casas) to accept the Orders of the Day.

## **CONSENT AGENDA**

**4. Regular Meeting Minutes of September 16, 2004**

M/S/C (Gage/Casas) to approve the Regular Meeting Minutes of September 16, 2004.

**5. Report on Santa Clara Valley Transportation Authority Investments for the Month of August 2004**

M/S/C (Gage/Casas) to receive and file the Report on Santa Clara Valley Transportation Authority Investments for the Month of August 2004.

**6. Monthly Legislative Reports**

M/S/C (Gage/Casas) to receive and file the Monthly Legislative Reports.

**7. (Removed from the Consent Agenda and placed on the Regular Agenda.)**

Authorize the General Manager to execute a \$93,000 one year option for the contract with Driver Alliant Insurance Services, Incorporated (formerly Robert F. Driver Company, Incorporated), to continue to provide insurance brokerage and loss control service for VTA operations. Including this option, the total contract will be \$357,555.

**8. (Removed from the Consent Agenda and placed on the Regular Agenda.)**

Authorize the General Manager to execute a \$94,485, two and one half year extension to the contract with Aon Risk Services of Northern California (Aon) for insurance brokerage, and Owner-Controlled Insurance Program (OCIP) administration associated with the Highway Construction Program. With the addition of the extension the total contract value will be \$979,834.

**NOTE: M/S/C MEANS MOTION SECONDED AND CARRIED AND, UNLESS OTHERWISE INDICATED, THE MOTION PASSED UNANIMOUSLY.**

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9. **Citizens Advisory Committee Appointment**

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to ratify the appointment of Noel Tebo to the Citizens Advisory Committee (CAC) position representing the City of San Jose.

10. **Bicycle and Pedestrian Advisory Committee Appointment**

M/S/C (Gage/Casas) to approve submitting a recommendation to the Board of Directors to ratify the appointment of Raymond "Scott" Chan to the Bicycle and Pedestrian Advisory Committee (BPAC) representing the City of Los Altos for the term ending June 30, 2006.

**The Agenda was taken out of order.**

**REGULAR AGENDA**

7. **Option Year for the Operations Insurance Broker Contract**

Vice Chairperson Casas queried about the one-year option on the Operations Insurance Broker Contract and if it would preclude staff from starting and moving forward with another Request for Proposal (RFP) process. Nanci Eksterowicz, Risk Management Manager, responded that the contract is a three-year contract with two one-year and added that this is the first of the one-year options unless there is some conformance issue staff will probably move forward with the second one-year option next year. Mr. Eksterowicz noted before the end of the contract staff will repeat the RFP process.

Vice Chairperson Casas queried if the \$93,000 was the amount for the one-year contract. Ms. Eksterowicz responded yes.

M/S/C (Casas/Williams) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a \$93,000 one year option for the contract with Driver Alliant Insurance Services, Incorporated (formerly Robert F. Driver Company, Incorporated), to continue to provide insurance brokerage and loss control service for VTA operations. Including this option, the total contract will be \$357,555.

8. **Extension of the Broker Contract for the Highway Construction Owner Controlled Insurance Program**

Vice Chairperson Casas queried about the two and half-year extension on the contract. Ms. Eksterowicz responded that the extension is to allow for completion of the highway projects in the controlled insurance program and noted the extension is driven by the length of the highway projects since the projects would require the insurance services.

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Vice Chairperson Casas queried about the contract and if it would preclude staff from pursuing a competitive bid at the end of the next year. Ms. Eksterowicz responded that the money the broker makes with the Owner Controlled Insurance Program is with the start up and placement of the insurance; therefore, another broker would not want to bid on the last piece of the contract.

Vice Chairperson Casas noted that he was referring to the primary piece of the contract and if it would preclude staff from pursuing a competitive bid for the services provided by the primary contract. Peter M. Cipolla, General Manager, responded that this is the primary contract.

Vice Chairperson Casas asked if this was a continuation of the contract. Mr. Cipolla responded that it is a continuation of the Owner Controlled Insurance Program.

Vice Chairperson Casas queried about the contract expiration date. Mr. Cipolla responded that staff is extending the contract to the completion of the highway program projects.

**M/S/C (Casas/Gage)** to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a \$94,485, two and one half year extension to the contract with Aon Risk Services of Northern California (Aon) for insurance brokerage, and Owner-Controlled Insurance Program (OCIP) administration associated with the Highway Construction Program. With the addition of the extension the total contract value will be \$979,834.

#### **11. Electronic Document Management System (EDMS) Pilot Project**

Jack J. Collins, Chief Construction Officer, provided a brief overview on the Electronic Document Management System (EDMS) Pilot Project. Mr. Collins commented that the pilot project is an opportunity for VTA to move away from film media for the retention of documentation into the digital age. Mr. Collins noted that VTA's Informational Technology (IT) Group has evaluated a number of software products that would digitalize document storage, retrieval, and distribution of the documents. Mr. Collins noted staff's recommendation to enter in a private project where the Downtown East Valley (DTEV) and Silicon Valley Rapid Transit Corridor projects would subsidize the costs of the pilot project since both projects deal with large amounts of documentation. Mr. Collins continued that while both projects are in the preliminary engineering phase, over the next two-years staff would evaluate the digital software and determine if the product should be implemented in VTA's entire organization. Mr. Collins noted two elements associated with the estimated cost of the pilot project: software licenses estimated at \$385,000 for 200 users and consultant services to integrate the software in VTA's enterprise system estimated at \$220,000 for a total of \$600,000 over the two-year pilot period.

Vice Chairperson Casas queried about the return of the investment and the length of the period. Mr. Collins responded that the software licenses are good for a period of

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two plus-years; however, noted if a new version of the product was released then the Board would determine if they wanted to pay to update the product. Mr. Collins continued that it is anticipated to take one-year of service for consultants estimated at \$220,000 to integrate the software in VTA's enterprise system.

Vice Chairperson Casas queried if there were maintenance fees and on-going costs in the program. Mr. Collins responded yes, over the two-years.

Vice Chairperson Casas expressed his concern and queried on how the contractors were scored and if the ranking was both quantitative and qualitative. Vice Chairperson Casas noted his request at the September 16, 2004 Administration and Finance Committee Meeting for staff to provide detailed data to assist the Board Members in making better decisions as it relates to financial decisions to ensure success. Vice Chairperson Casas noted \$600,000 is a substantial investment to implement the pilot project and recognized the potential \$700,000 savings per year; however, queried on the basis regarding the 25 percent decrease in labor management and how staff determined the break even on the initial capital investment within one-year.

Vice Chairperson Casas noted the due diligence of the decision-making process. Vice Chairperson Casas expressed his appreciation regarding the information provided in the summary; however, noted the importance of having enough information to make an informed decision to determine if this is the appropriate thing to do with VTA's money, which is essentially the tax payers money. Vice Chairperson Casas expressed his concern regarding the need for staff to provide additional detail information to Board Members regarding financial decisions. Mr. Collins responded that staff anticipates the 25 percent decrease in labor management and the assumption is based on the software product Hummingbird™ allowing staff to work with the data faster; however, staff would like to implement the pilot project in the DTEV and Silicon Valley Rapid Transit Corridor capital projects before implementing into VTA's enterprise system. Staff would like to analyze the product over the two-years then forward a recommendation along with the matrix on the software product to Board Members for consideration regarding the implementation of the software product in VTA's enterprise system then any additional costs associated with the product being implemented in VTA's enterprise system regarding hardware/software would be discussed at that point.

Vice Chairperson Casas queried on the justification regarding how the organization was selected and justifications for the assumptions. Vice Chairperson Casas noted the importance to understand the background and to have the visibility and transparency of data before making a financial decision.

Chairperson Williams queried about preliminary data and if it was available to the Committee Members. Mr. Collins responded yes and noted that the information will be made available to the Committee Members.

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Vice Chairperson Casas queried about the ranking and background information submitted in the RFP regarding the contractors. Mr. Collins responded that staff completed a step process of evaluating the firms and ended up negotiating with only two finalists.

Vice Chairperson Casas queried about the process and information used in evaluating the firms selected and noted his intention to oppose the item only because he is unable to make an informative decision.

Vice Chairperson Casas noted the importance of having greater transparency of data to make better decisions and to make this part of the normal practice to assist with the understanding of what lead to the recommendation.

Member Gage queried about the hardware upgrades required if the product was implemented into the entire organization. Mr. Collins responded that that would be a future decision in terms of hardware and additional software if the Board Members decided to implement the product into the entire organization.

Member Gage queried about the impact if the product was implemented into the entire organization. Mr. Collins responded that staff does not know the impact at this juncture because staff only estimated the users in the project offices.

Chairperson Williams noted that this is a small pilot project that allows staff to determine if it will benefit the agency. Member Gage noted the need for hardware upgrades at some point in time, regardless. Chairperson Williams responded that at the end of the pilot project staff will be able to determine if the product is something that should be implemented throughout the entire agency network system. Kaye L. Evleth, Chief Administrative Officer, noted that the information will be forwarded back to the Board Members.

Chairperson Williams expressed his support and noted the agency needs to invest some time and energy to improve the processes and look for ways to save time with less. Chairperson Williams suggested that Mr. Collins and Vice Chairperson Casas meet to discuss some of the concerns raised relating to the item. Vice Chairperson Casas agreed to meet with Mr. Collins regarding the concerns off-line.

Chairperson Williams queried if Committee Members had to make a decision today. Mr. Collins responded that pricing is based on entering into a contract soon or the pricing expires. Vice Chairperson Casas responded that the contract is probably an investment revenue and an extension of pricing is not a significant concern month to month until the end of the quarter itself. Mr. Collins responded that the contractor actually dropped their prices if they could book the sale before year-end. Mr. Cipolla noted that staff would still recommend forwarding the item to the Board of Directors for consideration at the November 4, 2004 VTA Board of Directors Regular Meeting.

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**M/S/F (Williams/Gage)** on a vote of 2 Ayes to 1 Noes to 0 Abstentions to submit the recommendation to the Board of Directors to authorize the General Manager to execute a contract with General Networks Corporation for the supply of software licenses and consulting services for implementation of an electronic document management system (EDMS) pilot project in an amount not to exceed \$600,000. (Vice Chairperson Casas opposed.)

Member Gage suggested that the EDMS Pilot Project be placed on the Regular Agenda on the November 4, 2004 VTA Board of Directors Regular Meeting. Mr. Collins responded that staff will provide a follow up memo that addresses the issues raised by Vice Chairperson Casas and forward the information to the Board of Directors before the November 4, 2004 VTA Board of Directors Regular Meeting.

Vice Chairperson Casas expressed his appreciation for the follow up information that will be provided by staff.

**On order of Chairperson Williams**, there being no objection, the Committee approved forwarding the item without a recommendation to the Board of Directors for discussion and consideration at the November 4, 2004 VTA Board of Directors Regular Meeting. Authorize the General Manager to execute a contract with General Networks Corporation for the supply of software licenses and consulting services for implementation of an electronic document management system (EDMS) pilot project in an amount not to exceed \$600,000.

## **12. FY 2006 and FY 2007 Biennial Budget Assumptions**

Roger Contreras, Chief Financial Officer, provided a brief overview on the FY 2006 and FY 2007 Biennial Budget Assumptions. Mr. Contreras continued that budget assumptions will be used as guidelines to develop the recommended FY 2006 and FY 2007 budgets. The budget assumptions represent the financial constraints imposed on VTA's operations, service, and expenditure levels, which VTA will commit in these two-years. Mr. Contreras continued that most economists continue to believe that the economic fundamentals are strong and are on a solid growth track; however, it is important to note that according to the Association of Bay Area Governments (ABAG), the Bay Area will lag behind the nation in recovering from the recession. ABAG is predicting a moderate regional growth of 1.4 percent in FY 2005 for the Bay Area, which will settle to 3 percent in FY 2007.

Mr. Contreras commented on the Consumer Price Index (CPI) and noted that the California Department of Finance projects a 2.6 percent increase for the Santa Clara County in FY 2006. Staff believes that inflation will remain stable and projects an inflation rate of 3 percent for FY 2007.

**NOTE:** M/S/F MEANS MOTION SECONDED AND FAILED.

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Mr. Contreras continued that wages and benefit rates are projected to increase by 3.5 percent in FY 2006 and FY 2007, which is consistent with the applied rates in the VTA Long Range Operating Forecast.

Mr. Contreras commented on the bond issues authorized by the Board of Directors to avoid implementation of the proposed 21 percent service reduction and noted that staff does not expect to have deficit in the current year nor anticipate issuing bonds in FY 2006 and FY 2007 budget cycle.

Mr. Contreras continued that VTA's investment interest rate is projected to be 3 percent in FY 2006 and FY 2007.

Mr. Contreras noted that sales tax estimate is projected at \$149 million for FY 2006 and \$156 million in FY 2007, which is an increase of 5 percent per year. Mr. Contreras added that the estimates represent the midpoint between the conservative and moderate projections provided by the Center for Continuing Study of the California Economy (CCSCE) and current projections for FY 2005 reflect a conservative estimated increase of \$3.1 million over FY 2004. Staff believes that the projections provided by CCSCE are reasonable estimates based on the expected growth of the Bay Area; however, staff will modify the projections when preparing the budget if actual sales tax change and warrant a different trend.

Mr. Contreras continued that the actual average diesel price in FY 2005 is \$1.51 per gallon, staff assumes diesel prices will remain high in FY 2006 and FY 2007; therefore, proposing a \$1.70 and \$1.75 per gallon. Additionally, staff is proposing adding \$0.05 to FY 2005 budget price of \$1.60 per gallon for a new budget price of \$1.65.

Mr. Contreras commented that staff will continue to use the current estimate of \$0.134 per kWh for FY 2006 and FY 2007 and noted the actual average of \$0.122 per kWh for FY 2004. Mr. Contreras added that staff will continue to monitor and reassess the assumption for traction power if the costs continue to increase.

Mr. Contreras commented that in December 2003 the Board of Directors approved a VTA Fare Policy to establish a process for fare review to be conducted in conjunction with the development of a biennial budget, which included a cost recovery target with a January implementation date for any necessary fare increases. Mr. Contreras continued that VTA's primary goal is to move closer to the cost recovery target for the next budget cycle, increase ridership, and lower operating costs and added that a fare increase will be an option only if these factors do not yield the intended cost recovery target goal.

Mr. Contreras continued that ridership for bus and light rail service has been on a steady decline since April 2001; however, noted that the rate of decline has slowed down from the mid 2003. Mr. Contreras noted that staff is projecting ridership for both bus and light rail ridership of 39 million for FY 2005, 40 million for FY 2006, and 42 million for FY 2007 and added that the assumptions reflect a baseline level of bus service with no increases, other than the openings of the Tasman East/Capitol Light Rail Line in July 2004 and the Vasona Light Rail Line in October 2005.

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Mr. Contreras commented on the total miles and hours for bus and light rail service as well as on the agency fleet size. Mr. Contreras noted that the Service and Operations Planning Department and Fiscal Resources Division are currently assessing VTA's resources and will determine the service levels. Mr. Contreras continued that staff anticipates an active fleet of 420 buses and 100 light rail trains; however, added that these forecasts may change as plans for implementation of Community Bus Service are developed.

Member Gage queried if VTA used the same fuel as Caltrain. Mr. Contreras responded no. Member Gage noted that the sulfur fuel price is \$1.75 and VTA is not projecting that price until FY 2007. Mr. Contreras responded that Caltrain has a different component regarding the cost of fuel delivery; therefore, Caltrain has the increase in the fuel price. Mr. Cipolla noted that the actual price per barrel of fuel has increased and exceeded \$55 per barrel at this time; therefore, staff will revisit the fuel cost projections. Mr. Cipolla noted that before the adoption of the FY 2006 and FY 2007 Biennial Budget Assumptions staff will perform cycles of modifications within the budget assumptions.

Member Gage noted Caltrain and Baby Bullet ridership increasing in double. Mr. Cipolla responded that VTA light rail ridership is increasing by double digits. Mr. Contreras noted that bus service ridership is decreasing; however, light rail service ridership is increasing.

Member Gage noted the importance of keeping check on ridership levels because as gas prices increase more people may use public transportation. Mr. Cipolla responded that VTA has had 5 months in a row where light rail ridership has increased and much of it is attributed to the Tasman East/Capitol Light Rail Extension as well as the reopening of the Oakridge Mall.

Vice Chairperson Casas noted the importance of identifying where ridership is increasing. Mr. Cipolla responded segment lines identify ridership levels.

Vice Chairperson Casas asked about the ridership report. Mr. Cipolla responded that Board Members receive a quarterly report regarding ridership service.

Vice Chairperson Casas queried if Board Members receive a quarterly report. Mr. Cipolla responded that Board Members receive a quarterly performance report that outlines the details on ridership on all categories including Caltrain, Altamont Commuter Express (ACE) and Americans with Disabilities Act (ADA) Service.

Chairperson Williams queried if ridership information is available on the website. Mr. Cipolla responded that the website has the total ridership information.

Vice Chairperson Casas queried about the wage and benefit rate increase of 3.5 percent and what were benefits classified as. Mr. Contreras responded that the negotiated labor contracts have a 3 percent increase for FY 2005, less than 1 percent increase in FY 2006, and 1.5 percent increase in FY 2007. Mr. Contreras noted that benefits are classified as

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workers compensation, social security, pension, employee/employer health insurance, retiree health insurance, and unemployment insurance.

Vice Chairperson Casas queried if the 3.5 percent wage and benefit rate was a tangible number for the agency to realize from a forecast standpoint. Mr. Contreras responded yes that the rate was a tangible number. Ms. Evleth added that benefits fluctuate back and forth; therefore, 3.5 percent is a tangible long-term trend to be combined with wages and benefits.

Chairperson Williams queried about the investment return rate. Mr. Contreras responded that 3 percent is a conservative number and a safe bet. Chairperson Williams asked if the 3 percent number was achievable. Mr. Contreras responded yes that the 3 percent is a conservative number that is achievable.

Chairperson Williams asked about the \$80 million in bond issues and if VTA was going to require use of the money. Mr. Contreras responded that staff does not anticipate use of the \$80 million. Mr. Cipolla added that the \$80 million is for operating purposes.

Chairperson Williams asked why staff believes that the money is not needed at this time. Member Gage responded fiscal responsibility within the organization as well as implementation of recommendations from the Ad-Hoc Financial Stability Committee. Mr. Contreras responded that sales tax revenues are increasing and cost reductions within the organization; therefore, staff does not anticipate use of the \$80 million funds for operating purposes.

Mr. Cipolla responded that staff will present a very comprehensive expenditure plan to the Board Members at the Friday, November 5, 2004 VTA Board of Directors Workshop Meeting.

Chairperson Williams noted the importance to recognize VTA has implemented significant changes to reduce costs within the organization.

Chairperson Williams queried on the inflation rate. Mr. Contreras responded that inflation rate was 1.6 percent in 2004 and is 1.2 percent today; therefore, staff believes with the economy growing inflation will settle between 2.6 – 3 percent in FY 2006 and 2007. Mr. Contreras added that the information regarding the 2.6 percent inflation rate in FY 2006 was provided by the California Department of Finance.

Chairperson Williams queried about the sales tax rate. Mr. Contreras responded that the sales tax rate is trending up. Mr. Cipolla responded that staff is using information provided by the CCSCE and added that staff is using the same bases regarding the sales tax projections for the expenditure and operating plan presented at the VTA Board of Directors Workshop Meetings. Mr. Cipolla added that the projections that staff is implementing into the plans are conservative projections.

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Chairperson Williams queried about budget adjustments. Mr. Cipolla responded that budget adjustments may be implemented until Board Members adopt the actual budget because changes may occur. Mr. Cipolla commented on the diesel fuel price increases and noted that for every 20 cent increase in diesel fuel price will add approximately \$1 million of fuel expense to VTA's operating budget.

**M/S/C (Gage/Casas)** to approve submitting a recommendation to the Board of Directors approve the FY 2006 and 2007 Biennial Budget Assumptions.

**13. Lease with Cingular Wireless for a Site at Capitol Expressway LRT Station Park-N-Ride Lot (north lot)**

Vice Chairperson Casas expressed his concern and queried about the negotiated income regarding the lease agreement with Cingular Wireless. Vice Chairperson Casas noted Cingular Wireless recently announced they made \$461 million in operating profit for the last quarter. Vice Chairperson Casas noted that the telecommunication sites are worth between a \$.5 million and \$3 million yet Cingular Wireless is offering VTA \$15,000 a month for effectively 20 plus years of service.

Vice Chairperson Casas expressed his concern and wanted to make sure that staff has completely went through the process with Cingular Wireless to determine what VTA could charge for the lease of the property rather than agreeing to the standard \$15,000 per month since Cingular Wireless approached VTA regarding installation of a telecommunication tower site on VTA property. Carolyn Gonot, Chief Development Officer, responded that staff was looking at the standard rates and asked Michael Rodenburger, Associate Real Estate Agent, to provide the methodology and approach staff initiated regarding negotiations with Cingular Wireless.

Mr. Rodenburger responded that staff has researched the market regarding telecommunication site leases and the terms are consistent with similar site leases for other locations; however, noted that for this particular location staff did not have very much data to compare. Mr. Rodenburger noted that at the time the lease agreement was negotiated there was a lack of information available and added that the delay was related to the approval process with the City of San Jose. He added that staff is collecting additional data on an ongoing basis and will be requesting higher prices on new proposals regarding site leases. Mr. Cipolla added that this item could be deferred if the Committee would like additional due diligence.

Member Gage suggested staff consider reducing the length of the contract with Cingular Wireless. Mr. Rodenburger responded that final language has not been agreed to and noted one of the components staff wants to include in the contract is an option, which relates to a break point to review the 4 percent annual increases as it relates to the market value.

Chairperson Williams inquired on the possibility to renegotiate the contract. Mr. Cipolla responded that staff has not signed any contract at this time.

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Member Gage suggested staff consider a shorter contract and an option to review and determine whether or not the 4 percent annual increases is consistent with the market value since more people are moving towards cellular phone usage as an option.

Vice Chairperson Casas noted that monopoles are an antiquate technology but is still the least expensive option. Member Gage noted that eventually telecommunication companies will move towards satellite, which is much better for reception; therefore, he commented that staff needs to consider this when looking at a shorter contract as well. Member Gage noted his support to delay the item if staff wanted to pursue additional negotiations with Cingular Wireless; however, noted if Cingular Wireless decides to move towards satellite they will not require the use of VTA's property for the telecommunication towers.

Vice Chairperson Casas noted Cingular Wireless approached VTA regarding securing the site; therefore, Cingular Wireless wants to lease the site for the telecommunication tower.

Committee Members suggested postponing and deferring the item to the December 16, 2004 Administration and Finance Committee Meeting. Ms. Gonot responded that additional information will be provided to the Committee Members at the December 16, 2004 Administration and Finance Committee Meeting.

**On order of Chairperson Williams**, there being no objection, the Committee approved deferring the item for further discussion and consideration to the December 16, 2004 Administration and Finance Committee Meeting or sooner if possible to Authorize the General Manager to execute a five-year lease agreement and options for four additional five-year periods with Cingular Wireless to lease a telecommunications site from VTA starting at \$1,500 a month with 4 percent annual increases thereafter.

## **OTHER ITEMS**

### **14. Committee Work Plan**

**On order of Chairperson Williams**, there being no objection, the Committee reviewed the Committee Work Plan.

### **15. Committee Staff Report**

There was no Committee Staff Report.

### **16. Chairperson's Report**

There was no Chairperson's Report.

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**17. Determine Consent Agenda for the November 4, 2004 Board Meeting**

**CONSENT: Agenda Item # 7.**, Authorize the General Manager to execute a \$93,000 one year option for the contract with Driver Alliant Insurance Services, Incorporated (formerly Robert F. Driver Company, Incorporated), to continue to provide insurance brokerage and loss control service for VTA operations. Including this option, the total contract will be \$357,555; **Agenda Item # 8.**, Authorize the General Manager to execute a \$94,485, two and one half year extension to the contract with Aon Risk Services of Northern California (Aon) for insurance brokerage, and Owner-Controlled Insurance Program (OCIP) administration associated with the Highway Construction Program. With the addition of the extension the total contract value will be \$979,834; **Agenda Item # 9.**, Ratify the appointment of Noel Tebo to the Citizens Advisory Committee (CAC) position representing the City of San Jose; **Agenda Item # 10.**, Ratify the appointment of Raymond “Scott” Chan to the Bicycle and Pedestrian Advisory Committee (BPAC) representing the City of Los Altos for the term ending June 30, 2006; and **Agenda Item # 12.**, Authorize the General Manager to award a contract to Stringer Business Systems for the lease of walk-up photocopiers, for a three-year period in the amount of \$502,110 and for two additional one-year options in the amount of \$137,537 per year for a total of \$777,185.

**REGULAR: Agenda Item # 11.**, Authorize the General Manager to execute a contract with General Networks Corporation for the supply of software licenses and consulting services for implementation of an electronic document management system (EDMS) pilot project in an amount not to exceed \$600,000.

**18. Announcements**

There were no Announcements.

**19. ADJOURNMENT**

**On order of Chairperson Williams**, there being no objection, the meeting was adjourned at 12:55 p.m.

Respectfully submitted,

Michelle M. Garza, Board Assistant  
VTA Board of Directors

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