



ADMINISTRATION & FINANCE COMMITTEE

Thursday, April 20, 2006

MINUTES

1. CALL TO ORDER

The Regular Meeting of the Administration and Finance Committee (A&F) was called to order at 12:02 p.m. by Chairperson Williams in Room 157, County Government Center, 70 West Hedding Street, San Jose, California.

ROLL CALL

Members Present

Breene Kerr, Vice Chairperson
Madison Nguyen
Forrest Williams, Chairperson

Members Absent

Don Gage

Alternates Present

None

Alternates Absent

Jamie Matthews
Pete McHugh
Ken Yeager

* Alternates do not serve unless participating as a Member.

A quorum was present.

Michael T. Burns, VTA General Manager, introduced Bill Lopez, Chief Administrative Officer, to the Committee. Mr. Lopez expressed appreciation and thanked the Committee for the opportunity to attend and participate in the Administration and Finance Committee Meeting. Mr. Lopez commented that he looks forward to the challenges and opportunities within VTA.

Chairperson Williams and Committee Members welcomed Mr. Lopez to the Administration and Finance Committee Meeting and VTA.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.

3. ORDERS OF THE DAY

There were no Orders of the Day.

CONSENT AGENDA

4. **Regular Meeting Minutes of March 16, 2006**

M/S/C (Kerr/Nguyen) to approve the Regular Meeting Minutes of March 16, 2006.

5. **Report on Santa Clara Valley Transportation Authority Investments for the Month of February 2006**

M/S/C (Kerr/Nguyen) to review the Report on Santa Clara Valley Transportation Authority Investments for the Month of February 2006.

6. **Monthly Legislative Report for March 2006**

M/S/C (Kerr/Nguyen) to review the Monthly Legislative Report for March 2006.

7. **BART Warm Springs Extension Policy Advisory Committee Appointment**

M/S/C (Kerr/Nguyen) to approve submitting a recommendation to the Board of Directors to appoint VTA Board Ex-Officio Member John McLemore to the BART Warm Springs Extension Project Policy Advisory Committee to represent VTA.

REGULAR AGENDA

8. **BART Plus Ticket Program Agreement**

Roger Contreras, Chief Financial Officer, provided a brief overview of the BART Plus Ticket Program Agreement. Mr. Contreras commented that BART initiated the BART Plus Program in April 1991 with the purpose of facilitating fare payment by transit riders whose travel patterns require them to use both BART and local transit, typically bus services. The most recent BART Plus program agreement was executed in January 2004 for a two-year term, with possible extensions up to three more years.

Mr. Contreras commented that besides VTA and BART, other operators included in this agreement were SamTrans, Muni, Union City Transit, Central Contra Costa Transit Authority, Eastern Contra Costa Transit Authority, Livermore Amador Valley Transit Authority, and the Dumbarton Bridge Service Consortium, which includes VTA. Mr. Contreras continued that it was determined to incorporate the City of Benicia "Breeze" bus system to join the program as a party to the agreement. Mr. Contreras stated that revenues to VTA are approximately \$31,000 per year from the BART Plus Program.

Chairperson Williams inquired about the TransLink Program. Mr. Burns suggested that a TransLink Program presentation be added to the A&F Committee Workplan to be provided to the Committee in six months.

M/S/C (Nguyen/Kerr) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute an agreement to extend the BART Plus multi-agency ticket program in cooperation with BART and eight other Bay Area transit agencies.

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

9. Financial Audit Services Contract

Mr. Contreras provided a brief overview of the Financial Audit Services Contract. Mr. Contreras noted that the Financial Audit Services Contract is not the Request for Proposal (RFP) for Organizational and Financial Assessment Consulting Services. Mr. Contreras continued that the Financial Audit Services Contract is to look at VTA's financial and compliance controls.

Mr. Contreras referenced Section 11-7 of VTA's Administrative Code, which requires an independent audit of VTA's finances at the close of each fiscal year by a certified public accountant. In addition, the State and Federal Government, the Independent Citizen's Watchdog Committee for the 2000 Measure A, and the Bond Counsel require independent audit reports.

Mr. Contreras stated that the five-year contract with Macias, Gini & Company, LLP (Macias) for VTA's auditing and reporting services has expired. On February 6, 2006, a RFP was issued for Financial Audit Services and proposals were received from the four following firms: Brown Armstrong Accountancy Corporation; Caporicci & Larson; Macias; and Vavrinek. Mr. Contreras continued that a selection committee comprised of the Controller, Fiscal Resources Manager, and Accounting Manager reviewed the proposals and recommended Vavrinek, Trine, Day and Co. at a cost of \$520,000 for the three-year period.

Chairperson Williams queried about Macias, Gini & Company, LLP (Macias) and asked why Vavrinek, Trine, Day and Co. was recommended. Mr. Contreras responded that Vavrinek, Trine, Day and Co. qualifications proposed the lowest cost for the five-year contract. Vavrinek, Trine, Day and Co. is the only proposer who qualifies for the local firm preference points since it has an office located within Santa Clara County.

M/S/C (Nguyen/Kerr) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a three-year contract with Vavrinek, Trine, Day and Co. (Vavrinek) to provide financial and compliance audit services to Santa Clara Valley Transportation (VTA) at a cost of \$520,000 for the three-year period. Further authorize the General Manager to extend the contract for two additional one-year options at a price not to exceed \$186,000 for the first year of renewal and \$192,000 for the second year. Total amount of the contract for the five-year period is \$898,000.

10. Oracle Site License Renewal

Doug Beley, Technology Manager, provided a brief overview of the Oracle Site License Renewal. Mr. Beley commented that consistent with VTA's Technology Strategic Plan, VTA has established a technology architecture that standardizes technologies used in systems at VTA. The standardization approach reduces the lifecycle costs of business applications and Oracle applications, such as database, management and development tools are included in VTA's standard technologies. Mr. Beley stated that VTA purchases licensing and annual support agreements from software or hardware vendors to give VTA access to upgrades, bug fixes, patches, and vendor technical support personnel.

Mr. Beley commented that five years ago, VTA entered into a contract with Oracle based on a site license model rather than a model based upon individual licenses for each software application, which enabled VTA to run approximately 24 databases including Oracle management and development applications. This site license decision generated a five year cost savings of more than \$670,000 as compared to cost of purchasing individual application licenses.

Chairperson Williams asked if VTA is satisfied with the services of Oracle and queried about cost savings. Mr. Beley responded that VTA is satisfied with the services of Oracle and noted that there would be some additional savings associated with labor and training costs.

M/S/C (Nguyen/Kerr) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to enter into a contract with Oracle Corporation for software licenses and maintenance support for Oracle products for a period of five years. The contract amount will not exceed \$1,626,702.

11. Telephone System and Voice Network Maintenance

Mr. Beley provided a brief overview of the Telephone System and Voice Network Maintenance. Mr. Beley commented that the contract is to provide preventive and corrective maintenance on VTA's telephone system, Mitel PBXs, voice mail server, Task Call Center Manager server, OpsManager server and software, and all associated network hardware and software. Mr. Beley continued that the contract is to provide routine adds, moves, and changes to the telephone system and data network.

Mr. Beley stated that a RFP for Telephone System and Voice Network Maintenance was advertised on October 31, 2005 and staff received one proposal from Advantel. Staff believes there was only one proposer due to the size of VTA's account and VTA's request for a technician certified in Mitel technology.

Mr. Beley commented that Advantel will provide protection against major failures to the PBX switch, voice mail, or automated voice response server, covering the full replacement cost of equipment. The contract establishes competitive hourly rates for equipment technicians and cable technicians. In addition to providing fixed preventive and corrective maintenance on VTA's telephone system and voice network, the contract provides for routine adds, moves, and changes to the telephone system and the voice network, which will be provided on a Time and Materials basis using the quoted labor rates.

Vice Chairperson Kerr stressed the importance to have better support for conference calls. Vice Chairperson Kerr queried and asked what is the strategy to replace the telephone system with Voice over IP. Vice Chairperson Kerr queried and asked if something could be done to address the issues with conference calling. Mr. Beley responded that as of today VTA does not have a plan to replace the telephone system with Voice over IP. Mr. Beley noted that VTA's Long-Range Capital Plan has staff looking at replacing the telephone system in the next four to six years.

Vice Chairperson Kerr inquired about VTA's conference calling capabilities. Mr. Burns responded that staff could work with AT&T to set up conference calls. Mr. Lawson commented that VTA is paying a significant premium for the maintenance on the telephone system so it is beneficial for staff to take a financial look at the telephone system to determine the appropriate time to replace the equipment. Mr. Lawson stated that staff would provide the Committee with a review of the costs associated with the telephone system and Voice over IP will be part of the consideration.

M/S/C (Kerr/Nguyen) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to enter into a contract with Advantel to maintain VTA's telephone system and voice network. The term of the contract is for two years, with an option to extend the contract for one additional year. This contract will not exceed \$230,000 for the first year; \$230,000 for the second year; and \$239,200 for the optional third year, for a total contract value not to exceed \$699,200 over a three year period.

12. Amend the Existing Agreement with Viscom Products to provide 20 Additional Light Rail Vehicle Video Surveillance Systems

Mr. Beley provided a brief overview of the Amend the Existing Agreement with Viscom Products to provide 20 Additional Light Rail Vehicle Video Surveillance Systems. Mr. Beley commented that this is to amend a contract with Viscom Products to provide and install video surveillance systems on the remaining 20 Light Rail Vehicles (LRVs). Mr. Beley continued that the Video Surveillance System is on the entire fleet of Buses and will complete the entire 100 LRVs in VTA's fleet. Mr. Beley stated that the Closed Circuit Television (CCTV) cameras act as a deterrent to graffiti, vandalism, and other crimes on VTA's system. Mr. Beley commented that VTA has realized savings due to the Video Surveillance System on VTA's Transportation System. Since installing the Video Surveillance System equipment, the Santa Clara County Office of the Sheriff Transit Patrol Division (Transit Patrol), working with Securitas staff (VTA's contracted security vendor staff), has made 63 arrests, which resulted in conviction and closed 518 individual cases.

Vice Chairperson Kerr queried and asked if the Video Surveillance System will have Video over IP and will it provide Real Time data. Vice Chairperson Kerr asked if VTA could have a master control system when an operator pushes a red button on light rail then security could see what is going on in the vehicle. Mr. Beley responded that VTA does not have the network scheduled or budgeted at this time.

Vice Chairperson Kerr noted the importance for VTA to have Wireless Internet Connectivity and Video over IP capabilities to address the issues related to the safety and security concerns. Mr. Beley responded that the Telephone System and Voice Network Maintenance item describes Wireless Internet Connectivity at the Light Rail Stations only. Vice Chairperson Kerr asked if the Telephone System and Voice Network Maintenance item would work on VTA buses. Mr. Beley responded that the system does not work on buses.

Vice Chairperson Kerr queried why the contract does not have an option for Board consideration related to surveillance. Vice Chairperson Kerr stressed the importance to take the necessary steps to provide additional safety and security for VTA's operators.

Vice Chairperson Kerr suggested asking the vendor for an option to be included in the contract regarding Video over IP to address the cost associated with change orders to the contract. Mr. Beley responded that the contract is for the Video Surveillance System related to the remaining 20 LRVs. Mr. Beley noted that VTA's entire bus fleet and 80 of the 100 LRVs are outfitted with the Video Surveillance System.

Mr. Burns commented that once the equipment is installed and the equipment has the capability then staff would not have to make a change to the equipment only an addition to the system. Mr. Lawson assured the Committee that VTA is not investing in a technology that is obsolete.

Vice Chairperson Kerr stressed the importance to assure VTA operators that VTA is working to address the issues and concerns related to operator safety and security on VTA's Transportation system.

Vice Chairperson Kerr requested that staff provide more information to the Committee.

Chairperson Williams requested staff provide to the Committee a proposal of how VTA would get to the point of having video access in the system vehicles along with cost projections.

M/S/C (Kerr/Nguyen) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to amend the existing agreement with Viscom Products to provide and install video surveillance systems on 20 additional light rail vehicles and provide maintenance for three years, with an option to extend the contract on an annual basis for two additional years of maintenance. The contract amendment will be in the amount of \$381,546 for the first three years and \$48,100 for two additional years of optional maintenance. Including this amendment, the total contract value will be \$2,199,676.

13. 1996 Measure B Transportation Improvement Program (MBTIP) – Increase Route 237/880 Interchange Stage C, Phase II Construction Contract Amount

Jack J. Collins, Chief Construction Officer, provided a brief overview of the 1996 Measure B Transportation Improvement Program (MBTIP) – Increase Route 237/880 Interchange Stage C, Phase II Construction Contract Amount. Mr. Collins commented that the item is to authorize the General Manager to execute the final and balancing contract change order with RGW Construction for construction of the Route 237/880 Interchange Stage C, Phase II Project. Mr. Collins stated that the increase amount of \$50,031 is to compensate the contractor for existing and potential contract change orders, including those change orders that were requested by third parties with corresponding compensation provided by those third parties.

Mr. Collins commented that VTA staff has negotiated a final contract cost with RGW Construction for the Route 237/880 Interchange Stage C, Phase II contract. The Santa Clara County will be financially responsible for any additional funding for the 1996 MBTIP Route 237/880 Interchange project.

Chairperson Williams asked if the State has reimbursed VTA. Mr. Collins responded, "yes" that the State reimbursed VTA over \$1 million and noted that they requested a lot of drainage changes on the project, which VTA completed.

Chairperson Williams expressed appreciation and thanked staff for their diligent work on the Route 237/880 Interchange Stage C, Phase II project.

M/S/C (Kerr/Nguyen) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute the final and balancing contract change order with RGW Construction for construction of the Route 237/880 Interchange Stage C, Phase II project for a final contract amount of \$27,550,030.79, an increase of \$50,031 over the current Board of Directors authorized contract amount.

14. Annual Renewal of Property and Casualty Insurance Coverage

Nanci Eksterowicz, Risk Manager, provided a brief overview of the Annual Renewal of Property and Casualty Insurance Coverage. Ms. Eksterowicz commented that VTA's Property and Casualty Insurance Coverage renews annually on July 1st. Ms. Eksterowicz stated that Driver Alliant Insurance Services, contract insurance broker, develops VTA's Insurance Program by requesting competing premium indicators from a broad range of carriers in the insurance marketplace. Insurance carriers are selected on the basis of premium cost, coverage criteria, and underwriting background.

Ms. Eksterowicz commented that insurers will require VTA to review premium quotes and commit to the purchase of the policies during a two to three week period immediately prior to the July 1, 2006 inception date. Therefore, staff is seeking Board authority now to purchase the insurance coverage to avoid placing VTA in the undesirable position of being uninsured for any period of time. The Annual Operations Program Insurance renewal request for an amount not to exceed \$1,830,000, authority represents the broker's best estimate of potential premium cost, based on the current market and experience with the completed renewals of other public agency clients. Ms. Eksterowicz stated that the results of the insurance marketing and final purchase pricing will be reported to the Committee as an information item at the September 21, 2006 Administration and Finance Committee Meeting.

Ms. Eksterowicz commented that significant property rate increases are a result of hurricane Katrina combined with the last two years of record property and liability losses. The premium estimate for the property insurance for road vehicles and the Light Rail Vehicles premium anticipates increases resulting from VTA's claims experience.

Mr. Grace queried about the insurance contract and the length of the contract. Ms. Eksterowicz responded that VTA has a contract with the insurance broker who is responsible to develop VTA's insurance program and purchase the insurance policies on behalf of VTA. Ms. Eksterowicz stated that VTA recently awarded a new contract for three years and two one-year options.

M/S/C (Nguyen/Kerr) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to purchase insurance coverage for Excess Liability, General and Auto Liability, Public Officials Errors and Omissions Liability, Property/Boiler and Machinery, Inland Marine for Buses, Vans and Mobile Equipment, Inland Marine for Light Rail Vehicles, and Flood exposures, for the annual Operations Program insurance renewal for an amount not to exceed \$1,830,000, from the proposers offering the most advantageous terms to VTA.

15. State Legislative Positions: SB 1812 (Runner)

Kurt Evans, Government Affairs Manager, provided a brief overview of the State Legislative Positions: SB 1812 (Runner). Mr. Evans commented that the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) is the Federal Surface Transportation Authorization Act Legislation, which was enacted last year. SAFETEA-LU provides the authority for the federal government to allocate funding on highway, transit, motor carrier safety, and railroad safety through FY 2009.

SAFETEA-LU authorizes the U.S. Department of Transportation to establish and conduct the Surface Transportation Project Delivery Pilot Program related to the National Environmental Policy Act (NEPA). California is designated as one of five states that are eligible to apply to participate in a six-year pilot program that delegates to the state the responsibilities of the Federal Highway Administration (FHWA) under NEPA. The responsibilities delegated to the state would still be subject to the same procedural and substantive requirements as if they were carried out by FHWA. By accepting this authority, the state must also accept the financial costs associated with this authority, as well as full liability for lawsuits filed under NEPA in federal court. Mr. Evans commented that the intent of the pilot program is to speed up the delivery of Capital Improvement Projects on the State Highway System without a lessening of environmental protection.

Mr. Evans stated that to be selected to participate in the pilot program, a state must enter into a “written agreement” with the U.S. Department of Transportation, which the state must consent to accept the jurisdiction of the federal courts for the “compliance, discharge, and enforcement of any responsibility assumed by the state;” and certify that state laws are in effect that authorize the state to meet the requirement. Mr. Evans noted that the intent of SB 1812 (Runner) is to make the necessary statutory changes to meet that requirement and to allow Caltrans to apply to participate in the pilot program, but only for a two-year period. Therefore, if California participates in the pilot program and Caltrans assumes FHWA responsibility for environmental review then Caltrans assumes liability for the project in the event of lawsuits not FHWA.

Mr. Evans commented that there are some direct benefits to VTA given that VTA oftentimes manages State Highway Capital Improvement Projects in Santa Clara County on behalf of Caltrans. Mr. Evans noted that under current law, Caltrans acts as a “middle man” between FHWA and VTA for transportation projects. Therefore, by allowing Caltrans to take on FHWA’s role under NEPA, one layer of bureaucracy would be removed, thereby speeding up the process. Mr. Evans commented that for more complex environmental approvals, such as Environmental Assessments and Environmental Impact Statements, Caltrans estimates a potential savings of 120-180 days per project.

Board Member Nguyen queried about the two year sunset deadline and if California would still be allowed to participate in the six-year pilot program. Mr. Evans responded that under SAFETEA-LU each of the states has the ability to remain in the pilot program for six-years. Mr. Evans noted that the State would like to see how the pilot program works and is willing to commit to two-years then would review the pilot program participation to determine commitment to additional years in the pilot program.

Chairperson Williams queried about SB 1812 (Runner) moving forward and stressed the importance to keep the Committee aware of the process. Mr. Evans responded that since the State Legislature has taken the cautious two-year sunset approach it will allow the bill to move forward in the process. Mr. Evans noted that staff will keep the Committee aware of the SB 1812 (Runner) process.

M/S/C (Kerr/Nguyen) to approve submitting a recommendation to the Board of Directors to adopt a support position for SB 1812 (Runner), which would permit Caltrans to participate in a federal pilot program that allows certain states to assume the responsibilities of the Federal Highway Administration (FHWA) under the National Environmental Policy Act (NEPA) for a limited period of time to see if this approach would speed up the delivery of capital improvement projects on the state highway system without a lessening of environment protection. Specifically, the bill authorizes Caltrans to consent to the jurisdiction of the federal courts with regard to the assumption of FHWA's responsibilities under NEPA and waives the state's Eleventh Amendment protection against lawsuits brought in federal court for as long as Caltrans participates in the pilot program. SB 1812 has a two-year sunset.

16. Fund Transfer Agreements with Caltrans for Fiscal Years 2006 and 2007 State Transportation Improvement Program Planning, Programming and Monitoring Program

John Ristow, Programming and Project Development Deputy Director, provided a brief overview of the Fund Transfer Agreements with Caltrans for Fiscal Years 2006 and 2007 State Transportation Improvement Program (STIP) Planning, Programming and Monitoring Program. Mr. Ristow commented that VTA is eligible to receive up to 1 percent of the STIP funds as the Congestion Management Agency to Santa Clara County. Mr. Ristow stated that the resolution would authorize the General Manager to access the funds for the STIP Planning, Programming and Monitoring Program (PPM). The PPM funding is provided to Congestion Management Agencies to assist with the costs to prepare the STIP Program every other year, to perform oversight of projects receiving STIP funding, and to perform project development support activities for STIP projects. VTA uses these funds for project development and project oversight activities including preparation of the Programmed Projects Quarterly Monitoring Reports.

Vice Chairperson Kerr asked if VTA is planning on repaving Highway 17 in Los Gatos. Mr. Ristow responded that the State Highway maintenance activity is a different program but noted that VTA utilizes funds to keep up on many issues and concerns. Mr. Ristow noted that the repaving of Highway 17 in Los Gatos concern was brought forward at VTA's Technical Advisory Committee (TAC) with a Caltrans representative in attendance. Mr. Ristow noted that Caltrans has been made aware of the repaving issue and concern of Highway 17 in Los Gatos and this should be one of Caltrans priorities.

Mr. Grace queried about the program area. Mr. Lawson responded that the program area is for the entire County of Santa Clara. Mr. Grace referenced a recent transportation fatality and asked where the accident occurred. Mr. Lawson responded that the accident occurred in San Mateo County.

M/S/C (Kerr/Nguyen) to approve submitting a recommendation to the Board of Directors to adopt a resolution authorizing the General Manager to execute fund transfer

agreements with the State of California Department of Transportation for fiscal years 2006 and 2007 State Transportation Improvement Program Planning, Programming and Monitoring Program.

17. Cooperative Agreement with the City of Milpitas for State Route 237/Interstate 880 Interchange and Tasman East Light Rail Landscaping Projects

Mr. Ristow provided a brief overview of the Cooperative Agreement with the City of Milpitas for State Route 237/Interstate 880 Interchange and Tasman East Light Rail Landscaping Projects. Mr. Ristow commented that the item is to deliver the landscaping phases for State Route (SR) 237/Interstate 880 Interchange and Tasman East Light Rail Landscaping Projects. The SR 237/Interstate 880 Interchange in Milpitas final civil construction on State C was completed and open for traffic in 2005. The Tasman East/Capitol Light Rail project civil construction was completed and the extension opened for service in 2004. Mr. Ristow noted that due to lack of state and local funding, the landscaping phases of both the SR 237/I-880 Interchange and Tasman East Light Rail Projects were delayed until 2010.

Staffs from the City of Milpitas and VTA have developed a plan to leverage the partial funding available to both projects, by combining respective funds and advancing the SR 237/I-880 Interchange Landscaping Project into construction in late 2006. The proposed plan employs a combination of securing additional resources and reprogramming of existing funds between the two projects in order to complete landscaping of the interchange project in the near term. The recommended cooperative agreement between VTA and the City of Milpitas establishes the proposed funding, project development and construction responsibilities of the two agencies necessary to implement the landscaping projects. VTA and Caltrans would be responsible for the SR 237/880 landscape funding and implementation, while the City of Milpitas would be responsible for Tasman East Light Rail landscaping.

Board Member Nguyen asked if VTA has a guarantee that they will receive funding for the Tasman East Light Rail landscaping project. Mr. Ristow responded that the second agreement would state that the City of Milpitas would be responsible for the remaining funding commitment for the Tasman East Light Rail landscaping project. The plan also requires VTA, as the Congestion Management Agency for Santa Clara County, to agree to reprogram the existing STIP funds from the SR 237/I-880 Interchange to the Tasman East Light Rail Project. The STIP fund reprogramming will be the subject of a separate, future action by the VTA Board of Directors.

Jaime Rodriguez, City of Milpitas Public Works Acting Traffic Engineer and Alternate TAC Member representing the City of Milpitas, commented that the proposed cooperative agreement establishes the roles and responsibilities of each agency to implement the projects. VTA will function as the project manager and will be responsible for coordination and management of the planning and engineering consultants, fiscal management, coordination of team members, preparation of environmental and design documents, and partial funding of the SR 237/I-880 Interchange Landscaping Project. The City of Milpitas will contribute the majority funding and perform an oversight role as a team member of the interchange project. Milpitas will also function as the project manager and perform all roles for

delivery of the Tasman East Light Rail Landscaping Project. Mr. Rodriguez stated the City of Milpitas has committed to completing the landscaping by 2010.

Chairperson Williams queried about the funding to complete the project. Mr. Ristow responded that the proposed funding plan exchanges the \$1.8 million STIP funding and the \$1.8 million 1996 Measure B Transportation Improvement Program (MBTIP) funding between the two projects. The exchange allows at least one of the projects to utilize near term available funding to advance into construction. The proposed funding amount is greater than existing funding because the area proposed to be landscaped under the new plan is approximately 35 percent than the original plan in order to include the McCarthy and Tasman Road interchange areas. The proposed funding agreement and reprogramming of the MBTIP funds has been reviewed and approved by the County of Santa Clara MBTIP Administrator.

Chairperson Williams queried about the percentage amount allocated for the project landscaping. Mr. Ristow responded that each of the projects had an amount allocated and budgeted for the project landscaping but the amount was not sufficient for the projects.

M/S/C (Nguyen/Kerr) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a cooperative agreement with the City of Milpitas that specifies the funding, project development and construction responsibilities for landscaping of State Route 237/Interstate 880 Interchange and Tasman East Light Rail Projects.

18. Contract Amendment with Parsons Transportation Group for Final Landscape Design and Design Support Services during Construction of the State Route 237/Interstate 880 Interchange Landscaping Project

Mr. Ristow provided a brief overview of the Contract Amendment with Parsons Transportation Group for Final Landscape Design and Design Support Services during Construction of the State Route 237/Interstate 880 Interchange Landscaping Project. Mr. Ristow commented that the VTA Board of Directors authorized the execution of a contract with Parsons Transportation Group (PTG) for final design of the SR 237/I-880 Interchange Project Phases C1 and C2. Mr. Ristow stated that various contract amendments were necessary to provide additional design services, including preliminary landscape design development. The most recent contract amendment included preparation of the landscape final design to 65 percent level and utilized \$148,800 of 1996 MBTIP funding. The recommended contract amendment is to complete the final landscape design and for design support services during installation of the landscaping. Mr. Ristow commented that the funding for the contract amendment is to be provided through a cooperative agreement between VTA and the City of Milpitas.

Mr. Ristow stated that final design services would continue to be completed under cost plus fixed fee contract terms, and design support services during construction will continue to be completed under time and materials contract terms. The contract term through December 31, 2007 will provide services through closeout of the project. The funding to support this recommended contract amendment is derived from a cooperative agreement between VTA and the City of Milpitas. The cooperative agreement specifies that the City of Milpitas will provide \$300,000 to complete the landscaping design and design support during construction services. Although not a part of this contract

amendment, the cooperative agreement will also provide funding for construction, inspection, project management and administration service to be preformed by VTA for this project. Mr. Ristow noted that part of the agreement is that the City of Milpitas in agreement with Caltrans would maintain the landscaping maintenance and litter of the Interchange for one year.

M/S/C (Nguyen/Kerr) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to amend the contract with Parsons Transportation Group for final landscaping design and design support services during construction of the State Route 237/Interstate 880 Interchange Landscaping Project, increasing the approved contract value by \$300,000 for a new total contract value of \$6,055,139 and extending the contract term through December 31, 2007.

19. Contract Amendment with URS Corporation for Final Landscape Design and Design Support Services during Construction of the Interstate 880/Coleman Avenue Interchange Project

Mr. Ristow provided a brief overview of the Contract Amendment with URS Corporation for Final Landscape Design and Design Support Services during Construction of the Interstate 880/Coleman Avenue Interchange Project. Mr. Ristow commented that the item allows VTA to closeout the civil work design support to VTA and follows up on the redesign of the landscaping for the project authorized by San Jose City Council. The Interstate 880/Coleman Avenue Interchange Project has been identified as a high priority, regionally important project by VTA, the City of San Jose and the State of California.

Mr. Ristow stated that the Valley Transportation Plan 2020 (VTP 2020) identifies the project as a Tier 1 priority. The Master Plan for Mineta San Jose International Airport identifies the project as a critical ground access route for the airport. The Traffic Congestion Relief Plan (TCRP) sponsored by Governor Gray Davis recognized the regional importance of the I-880/Coleman Avenue Interchange project.

Vice Chairperson Kerr queried about the amount of funding the City of San Jose is contributing for the landscaping. Mr. Ristow responded that the City of San Jose is responsible to provide funding for a revised landscaping plan for the Interstate 880/Coleman Avenue Interchange. The responsibilities outlined in the amendment to the cooperative agreement between the City of San Jose and VTA calls for City staff to prepare the revised design plans and for VTA to incorporate the plans into construction contract documents, facilitate Caltrans approvals, obtain permits, and perform overall administrative of the landscaping project. Mr. Ristow commented that funding for the amendment is to be provided by GARVEE bond funding and by the City of San Jose through a cooperative agreement between the VTA and the City of San Jose for landscaping services.

M/S/C (Kerr/Nguyen) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to amend the contract with URS Corporation for final landscaping design and design support services during construction of the Interstate 880/Coleman Avenue Interchange Project, increasing the approved contract value by \$350,000 for a new total contract value of \$9,267,505 and extending the contract term through December 31, 2007.

20. Sale of Parcel Located at 392 West San Fernando Street in the City of San Jose to Dwight and Roberta Centanne

Mr. Ristow provided a brief overview of the Sale of Parcel Located at 392 West San Fernando Street in the City of San Jose to Dwight and Roberta Centanne. Mr. Ristow commented that the subject parcel of land is a 1,390 square foot remnant from a 3,520 square foot acquisition parcel, identified as APN: 259-45-088, which was purchased by VTA in December 2000 from the County of Santa Clara for the Vasona Light Rail Project. A portion of property was incorporated as part of the final right-of-way for the Vasona project, leaving the remaining portion vacant and unused. The construction of the Vasona Light Rail line is now complete and revenue operation started in October 2005.

Mr. Ristow commented that staff is recommending that the VTA Board of Directors declare the sliver parcel surplus and approve the sale of the property. The surplus parcel standing on its own has insufficient frontage to allow automobile or pedestrian access, also with its irregular shape, it has no potential use other than from the adjacent property owner for plottage purposes. Mr. Ristow commented that in April 2005, VTA received a letter from the Centannes expressing interest in purchasing the remnant parcel, which is situated directly east and contiguous to their property at 394 West San Fernando Street. Therefore, the declaration of the subject parcel as surplus, and approval of a sale to the Centannes for the appraised price of \$25,000, which will benefit all the respective interested parties.

M/S/C (Kerr/Nguyen) to approve submitting a recommendation to the Board of Directors to determine that approximately 1,390 square feet of vacant land located at 392 West San Fernando Street in the City of San Jose is surplus, and authorize the General Manager to execute all documents necessary to sell the parcel of land to Dwight and Roberta Centanne.

OTHER ITEMS

21. Resolution of Necessity for the State Route 152/156 Improvement Project: Property Owned by Thomas T. H. Lin, et al

Mr. Ristow provided a brief overview of the Resolution of Necessity for the State Route 152/156 Improvement Project: Property Owned by Thomas T. H. Lin, et al. Mr. Ristow commented to improve traffic flow, the SR 152/156 Improvement Project will convert the existing at-grade intersection of SR 152 Pacheco Pass Highway and SR 156 into an interchange. The project will reconfigure the existing at-grade intersection into an interchange consisting of a continuous two lane, at-grade, direct connection between eastbound SR 156 and eastbound SR 152 and between westbound 152 and westbound 156; a connector flyover for eastbound SR 152 vehicles continuing on eastbound SR 152 through the interchange; a connector for eastbound SR 152 vehicles connecting to westbound SR 156; and a connector along westbound SR 152 for vehicles continuing on westbound SR 152.

Mr. Ristow commented that to construct the SR 152/156 Improvement Project, partial property acquisitions are required from several property owners, including Thomas T. Lin, et al. The Lin property will be purchased by VTA, and then transferred to the State within one year after the completion of the project.

Mr. Ristow stated that the Lin property, a total of 102,893 square feet is required for the project and included in the acquisition area is a 6,363 square foot utility easement required for an overhead pole line and underground gas line. The remaining 96,530 square feet is a fee take required to accommodate the new alignment of the SR 152 divided highway including fill slope for the elevated section of the roadway construction. Improvements contained in the acquisition area include a house, barn, fencing, gravel driveway, and landscaping. The tenant of the house has been notified and will be relocated in accordance with federal and state relocation requirements.

Mr. Ristow commented that funding for construction of the project is subject to deadlines imposed by the State of California. In order to ensure that funding for the project is not jeopardized, VTA must take the action to acquire the needed property through eminent domain proceedings.

Chairperson Williams queried about the negotiations between the owners and VTA. Mr. Ristow responded that VTA has conducted several meetings with Mr. Lin's representative and an offer based on the approved appraisal was made to the property owner on February 8, 2006. Mr. Ristow noted that negotiations between Mr. Lin and VTA to acquire the property interests have not been successful. Mr. Ristow noted that the next step is for the Board to determine that the property is needed for the State Route 152/156 Improvement Project, which allows VTA to negotiate price and value of the property with the owner. Mr. Ristow stated that the property is required for the project and a condemnation action must be initiated in order to obtain possession of the parcels prior to construction of the SR 152/156 Improvement Project.

On order of Chairperson Williams, there being no objection, the Committee received information on the Resolution of Necessity for the State Route 152/156 Improvement Project: Property Owned by Thomas T. H. Lin, et al.

22. Items of Concern and Referral to Administration

There were no Items of Concern and Referral to Administration.

23. Committee Work Plan

Mr. Lawson commented on the Committee Work Plan and noted the addition of the TransLink presentation, Network Video Communication, a report on the cost of VTA's Telephone System with the most appropriate time to replace and viable alternatives as well as a report regarding conference calls.

Vice Chairperson Kerr queried about the Wireless Internet Connectivity item that VTA Board of Director Chairperson Cindy Chavez requested be forwarded to A&F Committee.

Mr. Lawson responded that the Wireless Internet Connectivity item would be placed on the A&F Workplan. Mr. Lawson added that the Debt Policy and Bond Refinancing will be on the A&F Workplan for the May 18, 2006 A&F Committee Meeting.

On order of Chairperson Williams, there being no objection, the Committee reviewed and noted some additions to the Committee Work Plan.

24. Committee Staff Report

Mr. Lawson commented and encouraged Committee Members to attend the next VTA Facilities and Construction Projects Tour that is scheduled for Friday, April 28, 2006. Mr. Lawson noted the June 7, 2006 Citizens Advisory Committee (CAC) will have a Workshop Meeting serving in their role as the 2000 Measure A Watchdog Committee. The June 8, 2006 Technical Advisory Committee (TAC) Meeting will be held in the San Jose City Hall Rotunda. The Coyote Valley Specific Plan was presented at the April 13, 2006 Policy Advisory Committee (PAC) Meeting. The City of Palo Alto will provide a presentation at the May 11, 2006 PAC Meeting. Mr. Lawson commented that the next Project Advisory Committee is scheduled on Thursday, April 27, 2006, at 5:30 p.m. held at Milpitas City Hall.

25. Chairperson's Report

Chairperson Williams noted that the Capitol Corridor Joint Powers Board (CCJPB) submitted a business plan to the State, which went through the first time so the Capitol Corridor is fully funded through the upcoming year. Chairperson Williams stated that the Capitol Corridor has outperformed all expectations and expressed appreciation for the hard work to have additional trips to San Jose. Chairperson Williams expressed appreciation and thanked staff for their diligent work, effort, and assistance with the Friday, April 14, 2006 VTA Facilities and Construction Projects Tour. Chairperson Williams encouraged fellow Committee Members to attend the next VTA Facilities and Construction Projects Tour scheduled for Friday, April 28, 2006.

26. Determine Consent Agenda for the May 4, 2006 Board Meeting

CONSENT: Agenda Item # 7., Appoint VTA Board Ex-Officio Member John McLemore to the BART Warm Springs Extension Project Policy Advisory Committee to represent VTA; **Agenda Item # 8.**, Authorize the General Manager to execute an agreement to extend the BART Plus multi-agency ticket program in cooperation with BART and eight other Bay Area transit agencies; **Agenda Item # 9.**, Authorize the General Manager to execute a three-year contract with Vavrinek, Trine, Day and Co. (Vavrinek) to provide financial and compliance audit services to Santa Clara Valley Transportation (VTA) at a cost of \$520,000 for the three-year period. Further authorize the General Manager to extend the contract for two additional one-year options at a price not to exceed \$186,000 for the first year of renewal and \$192,000 for the second year. Total amount of the contract for the five-year period is \$898,000; **Agenda Item # 10.**, Authorize the General Manager to enter into a contract with Oracle Corporation for software licenses and maintenance support for Oracle products for a period of five years. The contract amount will not exceed \$1,626,702; **Agenda Item # 11.**, Authorize the General Manager to enter into a contract with Advantel to maintain VTA's telephone system and voice network. The term of the contract is for two years, with an option to

extend the contract for one additional year. This contract will not exceed \$230,000 for the first year; \$230,000 for the second year; and \$239,200 for the optional third year, for a total contract value not to exceed \$699,200 over a three year period; **Agenda Item # 12.**, Authorize the General Manager to amend the existing agreement with Viscom Products to provide and install video surveillance systems on 20 additional light rail vehicles and provide maintenance for three years, with an option to extend the contract on an annual basis for two additional years of maintenance. The contract amendment will be in the amount of \$381,546 for the first three years and \$48,100 for two additional years of optional maintenance. Including this amendment, the total contract value will be \$2,199,676; **Agenda Item # 13.**, Authorize the General Manager to execute the final and balancing contract change order with RGW Construction for construction of the Route 237/880 Interchange Stage C, Phase II project for a final contract amount of \$27,550,030.79, an increase of \$50,031 over the current Board of Directors authorized contract amount; **Agenda Item # 14.**, Authorize the General Manager to purchase insurance coverage for Excess Liability, General and Auto Liability, Public Officials Errors and Omissions Liability, Property/Boiler and Machinery, Inland Marine for Buses, Vans and Mobile Equipment, Inland Marine for Light Rail Vehicles, and Flood exposures, for the annual Operations Program insurance renewal for an amount not to exceed \$1,830,000, from the proposers offering the most advantageous terms to VTA; **Agenda Item # 15.**, Adopt a support position for SB 1812 (Runner), which would permit Caltrans to participate in a federal pilot program that allows certain states to assume the responsibilities of the Federal Highway Administration (FHWA) under the National Environmental Policy Act (NEPA) for a limited period of time to see if this approach would speed up the delivery of capital improvement projects on the state highway system without a lessening of environment protection. Specifically, the bill authorizes Caltrans to consent to the jurisdiction of the federal courts with regard to the assumption of FHWA's responsibilities under NEPA and waives the state's Eleventh Amendment protection against lawsuits brought in federal court for as long as Caltrans participates in the pilot program. SB 1812 has a two-year sunset; **Agenda Item # 16.**, Adopt a resolution authorizing the General Manager to execute fund transfer agreements with the State of California Department of Transportation for fiscal years 2006 and 2007 State Transportation Improvement Program Planning, Programming and Monitoring Program; **Agenda Item # 17.**, Authorize the General Manager to execute a cooperative agreement with the City of Milpitas that specifies the funding, project development and construction responsibilities for landscaping of State Route 237/Interstate 880 Interchange and Tasman East Light Rail Projects; **Agenda Item # 18.**, Authorize the General Manager to amend the contract with Parsons Transportation Group for final landscaping design and design support services during construction of the State Route 237/Interstate 880 Interchange Landscaping Project, increasing the approved contract value by \$300,000 for a new total contract value of \$6,055,139 and extending the contract term through December 31, 2007; **Agenda Item # 19.**, Authorize the General Manager to amend the contract with URS Corporation for final landscaping design and design support services during construction of the Interstate 880/Coleman Avenue Interchange Project, increasing the approved contract value by \$350,000 for a new total contract value of \$9,267,505 and extending the contract term through December 31, 2007; and **Agenda Item # 20.**, Determine that approximately 1,390 square feet of vacant land located at 392 West San Fernando Street in the City of San Jose is surplus, and authorize the

General Manager to execute all documents necessary to sell the parcel of land to Dwight and Roberta Centanne.

REGULAR: Agenda Item # 21., Receive information on the Resolution of Necessity for the State Route 152/156 Improvement Project: Property Owned by Thomas T. H. Lin, et al.

The Agenda was taken out of order.

2. PUBLIC PRESENTATIONS (continued)

Mr. Grace expressed appreciation to attend and participate in the A&F Committee Meeting. Mr. Grace commented that he won second place gold metal in the Special Olympics Basketball event. Mr. Grace expressed appreciation to the San Jose Sharks Hockey Team. Mr. Grace expressed concern regarding the time length of the April 6, 2006 VTA Board of Directors Regular Meeting. Mr. Grace suggested that the VTA Board of Directors Regular Meetings be scheduled earlier in the day.

27. Announcements

There were no Announcements.

28. ADJOURNMENT

On order of Chairperson Williams, there being no objection, the meeting was adjourned at 1:19 p.m.

Respectfully submitted,

Michelle M. Garza, Board Assistant
VTA Board of Directors