



ADMINISTRATION & FINANCE COMMITTEE

Thursday, October 19, 2006

MINUTES

1. CALL TO ORDER

The Regular Meeting of the Administration and Finance Committee (A&F) was called to order at 12:05 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
Forrest Williams, Chairperson

Members Absent

Don Gage
Madison Nguyen

Alternates Present

Pete McHugh

Alternates Absent

Jamie Matthews
Ken Yeager

*Alternates do not serve unless participating as a Member.

A quorum was present.

2. PUBLIC PRESENTATIONS

Jerry Grace, Interested Citizen, expressed appreciation for being able to participate in the Administration and Finance Committee (A&F) Meeting. Mr. Grace announced that he will be moving from Oakland to Berkley in November 2006. Mr. Grace expressed his support and wished the San Jose Sharks Team well for the season.

3. ORDERS OF THE DAY

Chairperson Williams requested that **Agenda Item # 6.**, Annual Swap Report for Period Ending June 30, 2006, be removed from the Consent Agenda and placed on the Regular Agenda.

M/S/C (Kerr/McHugh) to accept the Orders of the Day.

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

CONSENT AGENDA

4. Regular Meeting Minutes of September 21, 2006

M/S/C (McHugh/Kerr) to approve the Regular Meeting Minutes of September 21, 2006.

5. Report on Santa Clara Valley Transportation Authority Investments for the month of August 2006

M/S/C (McHugh/Kerr) to review the Santa Clara Valley Transportation Authority Investments for the month of August 2006.

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

Annual Swap Report for Period Ending June 30, 2006.

7. Monthly Legislative History Matrix

M/S/C (McHugh/Kerr) to review the Monthly Legislative History Matrix.

8. Exemption from Annual Monitoring of Intersections

M/S/C (McHugh/Kerr) to approve submitting a recommendation to the Board of Directors to approve the exemption of Congestion Management Program intersections undergoing construction from Level of Service (LOS) monitoring during the 2006 monitoring period. These intersections include Sunnyvale – Saratoga Road/Remington Avenue (Sunnyvale) and Sunnyvale – Saratoga Road/Fremont Avenue (Sunnyvale).

The Agenda was taken out of order.

REGULAR AGENDA

6. Annual Swap Report for Period Ending June 30, 2006

Roger Contreras, Chief Finance Officer, reported that in May 2005, the Board of Directors adopted VTA's first Interest Rate Swap Policy, which requires that an annual swap performance report be provided to the Administration and Finance Committee. As of June 2006, there are four variable-to-fixed interest rate swap transactions that are included in the report. The first one is the 1985 Equipment Trust Certificates (1985 ETC) and there are three 2005 Sales Tax Revenue Refunding Bonds (2005 Bonds).

The 1985 ETC were used to purchase the 50 UTEC Light Rail Vehicles. In this transaction, VTA has experienced savings of close to \$.8 million through the life of this transaction through 2006. The other three transactions relate to the 2005 Refunding

Bonds, which were used to refund a portion of the 2001 Bonds. These bonds were originally used to originally to buy 70 Low Floor Light Rail Vehicles. The performance of this financing transaction through June 30, 2006 is \$1.7 million. It is estimated that throughout the life of these four transactions VTA will experience savings of \$21.5 million as compared to the traditional fixed rate financing.

Mr. Contreras stated that more detailed information regarding the swap transactions will be presented at the December 1, 2006, Board of Directors Workshop.

M/S/C (McHugh/Kerr) to review the Annual Swap Report for Period Ending June 30, 2006.

9. Federal Legislative Advocacy Contract

Kurt Evans, Government Affairs Manager, reported that VTA has had a contract with BKSH & Associates for the past 11 years for Federal legislative advocacy service. The contract with BKSH & Associates expires as of December 31, 2006. Given the long relationship with this firm, earlier this year the Board directed staff to issue a Request for Proposals (RFP) for these services to give other firms in Washington D. C. an opportunity to bid.

In July 2006, VTA issued an RFP. In response to the RFP, VTA received nine written proposals. After receiving the written proposals, a review panel was convened a review panel to evaluate them based upon five criteria: 1) Qualifications of the firm; 2) Staffing and project organization; 3) Demonstrated understanding of the project; 4) Local firm preference; and 5) Cost and price.

The review panel consisted of: Kurt Evans, VTA's Government Affairs Manager for State and Federal Affairs; Jim Lawson, VTA's Government Affairs Manager for Local and Regional Affairs; Don Kimerer, VTA's Contract Administrator for this RFP; Kelly Doyle, Associate Transportation Specialist for the City of San Jose; and Chris Mogensen, Assistant to the City Manager for the City of Palo Alto.

After an in-depth evaluation of the nine written proposals, four firms were invited for oral interviews. Oral interviews were conducted in September 2006. Following the oral interviews, the review panel ranked the short-listed firms and concluded that Akin Gump was the best qualified of all the firms to perform the broad array of services that VTA needs to be effective and to meet VTA's needs in Washington D. C.

Chairperson Williams asked how the new firm would report its progress to the Board of Directors since it will be important for the Board to monitor the firm's progress and measure its effectiveness. Mr. Evans responded that the firm will provide reports to the Board on a regular basis including weekly legislative updates on the current issues in Washington D.C. and a monthly report that will provide progress on work accomplished for VTA.

Chairperson Williams asked whether VTA would set annual target objectives for the advocacy firm. Mr. Evans responded that the Board of Directors adopts a legislative program annually which would establish the targeted legislative objectives for the year.

M/S/C (McHugh/Kerr) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to executive a contract with Akin Gump Strauss Hauer & Feld (Akin Gump) for federal legislative advocacy services for a period of three years in the amount of \$648,000. The term of the contract would be from January 1, 2007, to December 31, 2009. During the entire three-year term of the contract, the fixed retainer would be \$18,000 per month. Further authorize the General Manager, at his discretion, to extend this contract after December 31, 2009, for two additional

one-year periods at a fixed retainer rate to be negotiated, but which could not exceed \$18,500 for the first year and \$19,200 for the second year.

10. Real Estate Relocation and Advisory Services

Carolyn M. Gonot, Chief Development Officer, reported that it has been VTA's policy to reissue a Request for Qualifications (RFQ) approximately every five years to establish an updated list of qualified firms for relocation and advisory services for real estate. VTA's current list of relocation firms has been in place for approximately four years, and it was time to re-issue the RFQ for these services.

On August 23, 2006, VTA issued an RFQ. Five firms submitted proposals. After review of the proposals, staff is recommending that four of the five firms be selected for the list of qualified consultants: 1) Bender Rosenthal, Inc., Sacramento, CA; 2) Overland, Pacific & Cutler, Inc., Oakland, CA; 3) Paragon Partners, Ltd., Huntington Beach, CA; and 4) Universal Field Services, Inc., Sacramento, CA.

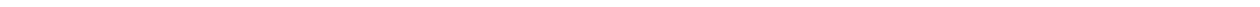
Mr. Jerry Grace asked for clarification on the staff recommendation. Chairperson Williams clarified that that four of the five firms are recommended by staff to be selected for the list of qualified consultants.

M/S/C (Kerr/McHugh) to approve submitting a recommendation to the Board of Directors to approve the following list of qualified real estate consultants: Bender Rosenthal, Inc., Sacramento, CA; Overland, Pacific & Cutler, Inc., Oakland, CA; Paragon Partners, Ltd., Huntington Beach, CA, and Universal Field Services, Inc., Sacramento, CA, which will be valid for a five-year period; and authorize the General Manager to execute contracts to provide relocation and advisory services for various capital projects with the listed firms, as funds become available for each project. Each contract will be for a maximum three-year period with an option for two additional years, for a total value not to exceed \$2,000,000 for all agreements.

11. Consultant Lists for General Plan Amendment and Permit Processing Services

Ms. Gonot reported that VTA issued an RFQ on April 18, 2006, for planning services including preparation of general plan amendments, rezoning, environmental processing under the California Environmental Quality Act (CEQA) requirements, master plans and specific plans, permit processing services and other planning services. The services will

be used for the 2000 Measure A Transit Improvement Program and VTA joint development program.



In response to the RFQ, four proposals were received on June 1, 2006. Based on the evaluation of the written proposals and past professional business conducted with all of the recommended firms, staff developed the proposed list of three qualified firms: 1) Lamphier-Gregory, Oakland, CA; EDAW / DMJM Harris / AECOM / HMH Engineers, San Jose & San Francisco, CA; and Dyett & Bhatia, San Francisco, CA.

M/S/C (McHugh/Kerr) to approve submitting a recommendation to the Board of Directors to approve the following list of consultants: Lamphier-Gregory - Oakland, CA; EDAW/DMJM Harris/AECOM/HMH Engineers - San Jose and San Francisco, CA; and Dyett & Bhatia - San Francisco, CA, which will be valid for a five-year period; and authorize the General Manager to execute task-order contracts to perform general plan amendment and permit processing services for the 2000 Measure A Transit Improvement Program and the VTA Joint Development Program with the listed firms, as funds become available for each project. Each contract will be for a maximum three-year period with an option for two additional years, for a total value not to exceed \$1,000,000 for all agreements. This amounts to an annual consulting budget of \$250,000.

12. Contract Amendment with Brian Kangas Foulk for Final Landscape Design and Design Support During Construction of the State Route 87 South High Occupancy Vehicle Lane Widening Project

Ms. Gonot reported that in December 2001, the Board of Directors authorized the execution of an agreement with Brian Kangas Foulk (BKF) for final design services for the State Route (SR) 87 South HOV Lane Project. The contract amendment would increase the approved contract value by \$275,000 for a new contract value of \$9,817,411, to provide for the following additional items:

- Continuation of design support during construction for the civil project;
- Preparation of design cross-sections and geotechnical analysis for placement of additional naturally occurring asbestos (NOA) fill within the project limits;
- Preparation of revised roadway striping plans to coordinate with SR 87 North HOV Project;
- Preparation of plans and specifications for a value-engineering proposal on a retaining wall; and
- Completion of all technical reports, final landscape design and bid support.

Chairperson Williams inquired as to the location of the landscaping for the project. Ms. Gonot responded that landscaping would be provided on the entire length from Julian Street to SR 85.

Board Member Kerr asked if urban watershed management is incorporated into the design of the project. Further, he asked if the project would be designed so that water run-off from the roadways goes into storm drains, or would it be retained and absorbed by the landscaping to recharge the ground.

Mr. John Ristow, Deputy Director of Programming and Project Development, responded that this project has a little water run-off that goes from pavement to paved run-off channels, and it also has fairly significant capture mechanisms. Mr. Ristow stated that the State and Federal government have issued new requirements regarding storm water run-off that will require VTA to better incorporate watershed treatment as part of the project design and landscaping in the future.

M/S/C (Kerr/McHugh) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to amend the contract with Brian Kangas Foulk for final landscape design and design support services during construction for the State Route 87 South High Occupancy Vehicle Lane Widening Project, increasing the approved contract value by \$275,000 for a new contract value of \$9,817,411; and to extend the term of the contract through June 30, 2007.

13. Preparation of US 101 Northern San Jose Corridor Improvement Implementation Plan

Ms. Gonot reported that the US 101 Northern San Jose project will follow-up on the corridor planning of US 101 by developing an implementation plan of improvements for the section of US 101 from south of the Trimble Road / De La Cruz Boulevard Interchange to north of the McKee Road Interchange. The plan will focus on: 1) Vehicle-capacity increasing lane improvements on US 101; 2) Potential new ramp connections at the I-880/US 101 Interchange; and 3) Local access interchange improvements at 4th Street / Zanker Road, Old Oakland Road, and Mabury Road.

Board Member Kerr requested clarification on the project funding. Ms. Gonot indicated that funding would be provided through a combination of VTA Local Program Reserve (LPR) and City of San Jose funding. The LPR is established by swapping of federal and state grants into 1996 Measure B projects and establishing a VTA-controlled fund for project initiation activities as approved by the Board of Directors. The staff recommendation is to approve \$500,000 as the VTA share of the project funding. No funding from the VTA transit enterprise fund will be used for this work.

Chairperson Williams commented that the City of San Jose is proposing to contribute \$1.25 million to the project planning through a cooperative agreement with VTA.

M/S/C (Kerr/McHugh) to approve submitting a recommendation to the Board of Directors to approve the preparation of a US 101 Northern San Jose Corridor Improvement Implementation Plan including the 4th Street/Zanker Road, Old Oakland Road and Mabury Road Interchange Projects; approve adding the three local access improvement projects to the VTA Capital Budget at an estimated cost of \$143 million; authorize the General Manager to execute all necessary cooperative agreements with Caltrans and the City of San Jose necessary to fund and implement the projects; and approve the use of \$500,000 of Local Program Reserve funds to provide the VTA share of funding for the project.

14. **Contract with TY Lin International for Preliminary Engineering of the U.S. 101 Northern San Jose Corridor Improvement Implementation Plan**

Ms. Gonot reported that staff is recommending that the execution of a contract with TY Lin International for Preliminary Engineering of the US 101 Northern San Jose Corridor Improvement Implementation Plan for a total contract value of \$1.5 million.

Mr. Jerry Grace expressed support for this project and asked if VTA is conducting public outreach for the project. Chairperson Williams confirmed that VTA is conducting the appropriate public outreach for this project.

M/S/C (Kerr/McHugh) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a contract with TY Lin International to begin the preliminary engineering phase on the US 101 Northern San Jose Corridor Improvement Implementation Plan, including 4th Street/Zanker Road, Old Oakland Road and Mabury Road Interchange Projects, for a total contract value of \$1,500,000.

15. **Contract with URS Corporation for Development of High Occupancy Toll (HOT) Lane Demonstration Project**

Ms. Gonot reported that the passage of AB 2032, signed into law by Governor Schwarzenegger in 2004, allows VTA, one of three agencies within California, to conduct, administer and operate an electronic toll system on any two of the transportation corridors included in the carpool lane system in Santa Clara County in coordination. VTA, working with Caltrans, has been authorized to convert existing High Occupancy Vehicle (HOV) carpool / bus lanes to High Occupancy Toll (HOT) Lanes within Santa Clara County.

In 2003, the VTA Board of Directors directed staff to conduct a feasibility study of HOT lane facilities. This study began in April 2004, and identified US 101 and SR 85 as the most promising corridors for HOT lane operations. In September 2005, the Board authorized staff to proceed to the Preliminary Engineering (PE) phase in the development of a demonstration project of a HOT lane based on the findings of the feasibility study. VTA issued the REP for the PE phase of the HOT Lane Demonstration Project on June 26, 2005. Two teams submitted proposals. After review of the written proposals and interviews, staff selected URS Corporation team with key sub-consultants Gray-Bowen and Wilbur Smith Associates

Board Member Kerr requested clarification on whether the proposal is to build an extra lane or take over an existing lane. Ms. Gonot responded that VTA is considering the options of whether there is a need to add a lane, and if so how it will be funded.

Mr. Evans clarified that the purpose of the project is to increase throughput by squeezing more capacity within the existing corridor. The project would involve review of current HOV lanes to determine whether there is excess capacity in them, and if there is excess capacity available in the HOV lane then there is the potential to incorporate a HOT lane

in that location to allow more cars to buy into using the HOV lane which would then assist with the capacity issues on the mixed flow lane.

Mr. Evans stated that this is a congestion management tool that allows for more efficient usage of the HOV lanes and it also helps to relieve traffic congestion in the mixed flow lanes. State statute requires that when an agency converts an HOV lane to a HOT lane it is required to maintain the HOV / HOT at a certain level of service so that it continues to provide benefits to transit service in the corridor as well as for multiple occupant vehicles.

M/S/C (Kerr/McHugh) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a contract with URS Corporation for a total value of \$2,050,000 for the preliminary engineering and development of a High Occupancy Toll Lane Demonstration Project; and approve the use of \$2,250,000 of funds from the Local Program Reserve for this contract and staff support services.

OTHER ITEMS

16. Items of Concern and Referral to Administration

There were no Items of Concern and Referral to Administration.

17. Committee Work Plan

Mr. Lawson noted that the Committee's request for information on Actuarials for Retirees will be added to the A&F Committee Work Plan in December.

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

18. Committee Staff Report

Mr. Lawson reported that VTA hosted the 2006 American Public Transportation Association (APTA) Annual Conference on October 8-11, 2006 in San Jose. He thanked everyone for their hard work to ensure that the conference was successful. Mr. Lawson commended Board Member Dolly Sandoval for her service on the Host Committee that worked very hard to ensure the success of this major event.

19. Chairperson's Report

Chairperson Williams expressed appreciation and thanked staff and Board Members for their diligent work on the 2006 APTA Conference. Chairperson Williams stated that the 2006 APTA Conference was a great success.

20. **Determine Consent Agenda for the November 2, 2006 Board Meeting**

CONSENT: Agenda Item # 8., Approve the exemption of Congestion Management Program intersections undergoing construction from Level of Service (LOS) monitoring during the 2006 monitoring period. These intersections include Sunnyvale – Saratoga Road/Remington Avenue (Sunnyvale) and Sunnyvale – Saratoga Road/Fremont Avenue (Sunnyvale); **Agenda Item # 9.,** authorize the General Manager to execute a contract with Akin Gump Strauss Hauer & Feld (Akin Gump) for federal legislative advocacy services for a period of three years in the amount of \$648,000. The term of the contract would be from January 1, 2007, to December 31, 2009. During the entire three-year term of the contract, the fixed retainer would be \$18,000 per month. Further authorize the General Manager, at his discretion, to extend this contract after December 31, 2009, for two additional one-year periods at a fixed retainer rate to be negotiated, but which could not exceed \$18,500 for the first year and \$19,200 for the second year; **Agenda Item # 10.,** Approve the following list of qualified real estate consultants: Bender Rosenthal, Inc., Sacramento, CA; Overland, Pacific & Cutler, Inc., Oakland, CA; Paragon Partners, Ltd., Huntington Beach, CA, and Universal Field Services, Inc., Sacramento, CA, which will be valid for a five-year period; and authorize the General Manager to execute contracts to provide relocation and advisory services for various capital projects with the listed firms, as funds become available for each project. Each contract will be for a maximum three-year period with an option for two additional years, for a total value not to exceed \$2,000,000 for all agreements; **Agenda Item # 11.,** Approve the following list of consultants: Lamphier-Gregory - Oakland, CA; EDAW/DMJM Harris/AECOM/HMH Engineers - San Jose and San Francisco, CA; and Dyett & Bhatia - San Francisco, CA, which will be valid for a five-year period; and authorize the General Manager to execute task-order contracts to perform general plan amendment and permit processing services for the 2000 Measure A Transit Improvement Program and the VTA Joint Development Program with the listed firms, as funds become available for each project. Each contract will be for a maximum three-year period with an option for two additional years, for a total value not to exceed \$1,000,000 for all agreements. This amounts to an annual consulting budget of \$250,000; **Agenda Item # 12.,** Authorize the General Manager to amend the contract with Brian Kangas Foulk for final landscape design and design support services during construction for the State Route 87 South High Occupancy Vehicle Lane Widening Project, increasing the approved contract value by \$275,000 for a new contract value of \$9,817,411; and to extend the term of the contract through June 30, 2007; **Agenda Item # 13.,** Approve the preparation of a US 101 Northern San Jose Corridor Improvement Implementation Plan including the 4th Street/Zanker Road, Old Oakland Road and Mabury Road Interchange Projects; approve adding the three local access improvement projects to the VTA Capital Budget at an estimated cost of \$143 million; authorize the General Manager to execute all necessary cooperative agreements with Caltrans and the City of San Jose necessary to fund and implement the projects; and approve the use of \$500,000 of Local Program Reserve funds to provide the VTA share of funding for the project; and **Agenda Item # 14.,** Authorize the General Manager to execute a contract with TY Lin International to begin the preliminary engineering phase on the US 101 Northern San Jose Corridor Improvement Implementation Plan, including 4th Street/Zanker Road, Old

Oakland Road and Mabury Road Interchange Projects, for a total contract value of \$1,500,000.

REGULAR: Agenda Item # 15., Authorize the General Manager to execute a contract with URS Corporation for a total value of \$2,050,000 for the preliminary engineering and development of a High Occupancy Toll Lane Demonstration Project; and approve the use of \$2,250,000 of funds from the Local Program Reserve for this contract and staff support services.

21. Announcement

There were no Announcements.

22. ADJOURNMENT

On order of Chairperson Williams, there being no objection, the meeting was adjourned at 1:05 p.m.

Respectfully submitted,

Maria Marinos, Board Secretary
VTA Board of Directors