

ADMINISTRATION & FINANCE COMMITTEE

Thursday, April 15, 2010

MINUTES

CALL TO ORDER

The Regular Meeting of the Administration and Finance Committee (A&F) was called to order at 12:04 p.m. by Chairperson Kniss in Room B-104, VTA River Oaks Campus, 3331 North First Street, San Jose, California.

1. ROLL CALL

Attendee Name	Title	Status
Don Gage	Board Member	Present
Liz Kniss	Chairperson	Present
Chuck Reed	Board Member	Present
Perry Woodward	Vice Chairperson	Absent
Nora Campos	Alternate Board Member	N/A
Pete McHugh	Alternate Board Member	Present
George Shirakawa	Alternate Board Member	N/A

* 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

Chairperson Kniss referenced the Addendum **Agenda Item #12.X**. PBX & Phone Support – Contract Extension, noting it was noticed and distributed prior to the Administration and Finance (A&F) Committee meeting, which is in accordance with the Ralph M. Brown Act.

Chairperson Kniss stated Addendum **Agenda Item #12.X**. PBX & Phone Support – Contract Extension would be heard after **Agenda Item #12**. State Proposition 116 Allocation Request.

Chairperson Kniss requested to move **Agenda Item #15**. Status Report on Strategies to address the FY 2010 and FY 2011 Budget Deficit before **Agenda Item #13**. Financial Stability Ideas for Consideration.

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

The Agenda was taken out of order.

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

CONSENT AGENDA

4. **Regular Meeting Minutes of March 18, 2010**

M/S/C (Gage/McHugh) to approve the Regular Meeting Minutes of March 18, 2010.

5. **Monthly Investment Report – February 2010**

M/S/C (Gage/McHugh) to review the Report on Santa Clara Valley Transportation Authority Investments for the month of February 2010.

6. **Monthly Legislative History Matrix**

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

7. **2010 Quarterly Attendance Report**

M/S/C (Gage/McHugh) to review the 2010 Quarterly Attendance Report.

REGULAR AGENDA

8. **Bill Position: AB 1670 (Beall)**

Kurt Evans, Government Affairs Manager, reported AB 1670 (Beall) authorizes the California Transportation Commission (CTC) to relinquish the Alameda/Monterey Highway and Alum Rock Avenue to the City of San Jose.

VTA supports the relinquishment of State Route 82 and 130 for the following:

- SR 82 and 130 function as local arterials within San Jose City limits;
- Any public improvements within these corridors are subject to Caltrans design standards, which impacts project cost and schedule since review time is lengthy;
- VTA has an official commitment since the Santa Clara – Alum Rock Bus Rapid Transit (BRT) Project was designed to the City's standards with the assumption that SR 130 would be relinquished.

If the Alameda and Alum Rock are not relinquished to the City then VTA would have to redesign the BRT Projects to Caltrans standards, which could result in a two year project schedule delay.

The next step is for Caltrans and the City to discuss the terms for the relinquishment and determine what work is necessary to bring the roadways up to a state of good repair.

M/S/C (McHugh/Reed) to approve submitting a recommendation to the Board of Directors to adopt a support position for AB 1670 (Beall), which authorizes the California Transportation Commission (CTC) to relinquish the following to the City of San Jose: (a) the portion of State Route 82 from U.S. 101 to I-880; and (b) the portion of State Route 130 within the San Jose City limits.

9. **Annual Operations Insurance Renewal**

Nanci Eksterowicz, Risk Manager, reported VTA's Annual Property and Casualty Insurance Coverage renews at the beginning of the fiscal year of July 1st; however, premium quotes are not available. Alliant, VTA's contract insurance broker, structured the insurance program by requesting competing premium estimate quotes from various carriers in the insurance market. Insurers require VTA to review the premium quotes and commit to the purchase of the policies prior to the July 1, 2010 inception date.

Ms. Eksterowicz stated the results of the insurance marketing and final purchase pricing will be reported to the Committee as an Information Item at the September 16, 2010 A&F Committee Meeting.

Alliant was directed to explore increasing coverage protection in several areas to decrease VTA's exposure to catastrophic losses, but based on history the increased coverage options were considered and rejected as too costly to purchase. Alliant will continue to explore increasing coverage protection options for VTA.

Upon query from Alternate Board Member McHugh, Ms. Eksterowicz responded VTA has the resources to cover claims, adding VTA has no history of devastating losses.

Joe Smith, Chief Administrative Officer, stated VTA's reserves are fully funded and available if necessary, noting staff is comfortable with the current levels of coverage.

M/S/C (McHugh/Gage) 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 Light Rail Vehicles, Inland Marine for Buses, Vans and Mobile Equipment, and Flood exposures, for the annual Operations Program Insurance Renewal for an amount not to exceed \$2,168,651.

10. Clear Wireless LLC Lease at River Oaks

Bijal Patel, Property Development and Management Deputy Director, reported the communications site lease agreement with ClearWireless LLC is for a five year term starting in June 2010 and contains four five year renewal options at VTA's sole discretion. The agreement requires ClearWireless LLC to pay rent annually at a market rate in the amount of \$25,500 with increases at four percent annually.

VTA has negotiated to obtain from ClearWireless LLC telecommunications services that are currently provided by another vendor at a discounted rate, which will result in a savings of \$50,000 annually to VTA.

Ms. Patel stated VTA has revised the organizations telecommunication licensing and fee schedule. VTA currently has eight telecommunication leases in its portfolio and generates approximately \$300,000. VTA will continue to market more aggressively, noting the organizations portfolio contains very attractive locations within major corridors that will generate additional revenues.

Alternate Board Member McHugh expressed his appreciation and commended staff for their diligent work and effort to look for ways to generate funds and increase savings.

M/S/C (Gage/McHugh) on a vote of 3 ayes to 1 abstention to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a Communications Site Lease with ClearWireless LLC for a period of 5 years, rent to commence at \$25,500/year with increases at 4% per annum, with the first 5 years' rent totaling \$138,116. The lease contains four - 5 year options at VTA's discretion. Board Member Reed abstained per Government Code Section 84308.

11. Silicon Valley Rapid Transit (SVRT) Design Build Resolution of Findings

Carolyn M. Gonot, Chief SVRT Program Officer, provided a brief overview on the presentation entitled, "Silicon Valley Berryessa Extension Design-Build Delivery Analysis Resolution of Findings," highlighting: 1) Authority to Award Design-Build

Contracts; 2) Design–Build Delivery Evaluation Cost Savings; 3) Design–Build Delivery Evaluation Schedule Advantage; 4) Risk Assessment Design-Build Risks and Opportunities; 5) Design–Build Delivery Evaluation Reduced Risks; 6) Other Considerations; 7) Going Forward; and 8) Next Steps.

Ms. Gonot stated the California Public Contract Code (PCC) provides authority to VTA to award a design – build contract under best value criteria. PCC Section 20209.6 requires a finding that use of the design-build process will accomplish one of the following objectives:

- Reduces project costs;
- Expedites the project’s completion; and,
- Provides design features not achievable through the design-bid-build method.

PCC Section 20209.8 authorizes a transit district to award a design-build contract to the responsible bidder whose proposal is determined to be the best value, noting best value uses criteria in addition to price to select the contractor.

The Design-Build cost estimate is \$85 million lower with a six month shorter schedule. The design and construction risks are transferred to the contractor with Design-Build. The management risks are incurred by VTA but are easily mitigated if action is taken quickly. Federal Transit Administration (FTA) supports design-build contracting within the New Starts Funding Program.

Ms. Gonot commented if the design-build contract strategy is adopted, the following recommended actions will improve market response and aid in achieving successful outcome:

- Conduct industry forum;
- Assemble management team with design-build experience to support VTA personnel;
- Continue development of design-build procurement information regarding contract language and business landscape through expression of interest (EOI) document;
- Review bonding and insurance conditions, requirements, and exceptions to seek lower bonding limits if single large value civil package;
- Develop detailed risk mitigation plans relative to design-build to clearly define the allocation of risk between VTA and the design-build;
- Incorporate “lessons learned” by other transit agencies to include co-location of teams and active partnering;
- Draft specific general conditions and special conditions to create a balance use of prescriptive and performance specifications to promote creativity and cost efficiency;
- Proactive involvement of FTA/Program Management Oversight Consultant (PMOC) representatives during development of request for proposal and contractor selection process;
- Award contracts based on “best value” to ensure the best firms are selected;
- Review and update SVRT Program Management Plan and Risk Management Plan to reflect change in strategy; and
- VTA would retain responsibilities for real estate acquisition, utility relocation, Union Pacific Railroad (UPRR) relocation, and communications and outreach efforts.

Ms. Gonot stated the next step is to forward the recommendation to enable design-build authority to the May 6, 2010 Board of Directors Regular Meeting. VTA staff will request permission to enter into the New Starts Final Design in December 2010 to receive the full funding grant agreement by December 2011.

Ms. Gonot commented on the following Design-Build Method Procurement actions:

- Request for Qualifications (RFQ) from Design-Builders in October 2010;
- Request for Proposals (RFP) from Design-Builders in April 2011;
- Design-Builder Selection determined in March 2012; and
- VTA's Board of Directors considers recommendation to Award Design-Build Contract in April 2012.

Michael T. Burns, General Manager, stated VTA needs to submit the project agreement to proceed into the final design phase to FTA by the June 2010 deadline.

Board Member Reed referenced the City of San Jose Airport Project, noting the project was constructed using the Design-Build Method, it was an excellent experience saving time and funding.

Board Member Reed offered the assistance of City staff to provide information to support the Design-Build Method for the SVRT Milpitas and Berryessa Extension Project.

Alternate Board Member McHugh stated the City of Milpitas requests VTA's assistance with any usual cost impacts with the SVRT Milpitas and Berryessa Extension Project. Ms. Gonot responded staff will work closely with the cities on the SVRT Milpitas and Berryessa Extension Project to ensure issues and concerns are addressed.

Alternate Board Member McHugh noted the importance for everyone to work together and assist one another through the Design-Build Method process.

Michael T. Burns, General Manager, commented the Design-Build Method is a prudent way to proceed with the SVRT Milpitas and Berryessa Extension Project, 10-mile segment. Design-Build Method allows the Project to be constructed faster and is cost-effective as well as allowing staff to select the best contractor for the project.

Board Member Reed stated the "best value" analysis allows staff to select the best contractor to complete the project.

M/S/C (McHugh/Reed) to approve submitting a recommendation to the Board of Directors to adopt a resolution finding that use of the design-build process for the Silicon Valley Berryessa Extension (SVBX) Project will reduce project costs and expedite the project's completion; and authorize the General Manager to proceed with the solicitation of design-build contractors for the SVBX Project.

12. State Proposition 116 Allocation Request

Pedro Guzman, Grants Principal Program Manager, reported State Proposition 116 passed the Clean Air and Transportation Improvement Act of 1990, which designated approximately \$2 billion for the preservation, acquisition, construction, or improvement of rail right of way, rail terminals and stations, rolling stock acquisition, grade separations, rail maintenance facilities, and other passenger rail related capital expenditures.

VTA as a rail operator is an eligible candidate for Proposition 116 funding and would use the funds for VTA's Rail Rehabilitation and Replacement project. Most of VTA's

Proposition 116 funding was spent prior to 2000, but VTA still has approximately \$137,957 remaining; therefore, the funds must be allocated by the California Transportation Commission (CTC) by June 30, 2010 or the funds revert back to the State.

Mr. Guzman noted the necessity to rehabilitate VTA's light rail line at the following locations:

- Safety and operational improvements on the Vasona Line;
- Removal and replacement of Guadalupe Corridor Light Rail Transit (LRT) railroad ties between Branham Lane and the Ohlone Chynoweth Station in South San Jose; and
- De-stressing of the Guadalupe Corridor LRT line along Tasman Drive in North San Jose.

Mr. Guzman noted staff anticipates the funding allocation request will be agendaized on the May 19, 2010 CTC Meeting. The funding for VTA's Rail Rehabilitation and Replacement project is in place; therefore, no local funds are required for the project improvements.

M/S/C (Reed/Gage) to approve submitting a recommendation to the Board of Directors to adopt a resolution for a State Proposition 116 Allocation Request for \$137,957 to the California Transportation Commission (CTC), and authorize the General Manager to execute the Fund Transfer Agreements upon their receipt from the state.

12.X. PBX & Phone Support – Contract Extension

Gary Miskell, Chief Information Officer, reported that VTA entered into a contract agreement with Advantel Networks in 2006 to provide maintenance and support for VTA's phone, PBX, voice mail, and other electronic messaging services.

Mr. Miskell stated that the contract is about to expire; therefore, the recommendation is to amend the contract to extend the term for an additional six months for a cost of \$100,000 to continue to provide PBX and wire line phone services to VTA's employees and systems.

Mr. Miskell stated a Request for Proposal (RFP) was submitted for VTA's Technology Services General Store and staff received 68 bids. The six month contract extension would allow staff adequate time to complete the RFP process and select the best service contractor to provide the necessary services for VTA.

M/S/C (Gage/McHugh) on a vote of 3 ayes to 1 abstention to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a contract amendment with Advantel, Inc. for telephone system and voice network maintenance. The contract amendment will extend the contract term for an additional six months for a cost of \$100,000, for a new contract value of \$904,080. Board Member Reed abstained per Government Code Section 84308.

OTHER ITEMS

15. Status Report on Strategies to address the FY 2010 and FY 2011 Budget Deficit

Joe Smith, Chief Financial Officer, provided a brief overview on the presentation entitled, "FY 2010 & FY 2011 Budget Deficit Update," highlighting: 1) FY 2010 & FY 2011 Adopted Budget; 2) FY 2010 & FY 2011 Budget Deficit Update Status as of December 2009 Board Meeting; 3) FY 2010 & FY 2011 Budget Deficit Update Status as

of April 2010; 4) FY 2010 & FY 2011 Budget Deficit Update Current Projection April 2010; 5) FY 2010 & FY 2011 Budget Deficit Update Summary; and 6) FY 2010 & FY 2011 Budget Deficit Update Ongoing Concerns.

Mr. Smith stated staff projected a two year deficit; therefore, drawing down \$27 million from VTA's Operating Reserves so the FY 2011 Ending Operating Reserves would be \$19 million or 5.3 percent.

After the adoption of the FY 2010 and FY 2011 Budget, staff received the third and fourth quarter sales tax receipts for FY 2009, which were substantially lower than anticipated.

Mr. Smith referenced the December 10, 2009 Board Meeting, noting staff projected a two year deficit of \$70 million minus \$15 million from savings from internal efficiencies and \$25 million from the 2000 Measure A Operating Assistance the anticipated additional deficit remaining was \$30 million. Mr. Smith stated the Board directed staff to return in April 2010 with a budget update status report.

Mr. Smith referenced the April 1, 2010 Board Meeting, noting the following items utilized to assist the projected two year deficit of \$70 million:

- Received \$15 million in savings from internal efficiencies;
- Received \$15 million in State Transit Assistance (STA) funds for FY 10 & FY 11;
- Received \$12 million from additional Federal Stimulus Funds reallocated to VTA;
- Received \$37 million for the first and second quarter sales tax receipts; and
- \$3 million decrease in VTA's revised Fare Revenue Projections for FY 10 & FY 11.

Board Member Reed queried about the third and fourth quarter sales tax projections. Mr. Smith responded the information will be available in June 2010.

Chairperson Kniss suggested staff look into identifying some indicators to determine the current sales tax projections for the quarter. Chairperson Kniss suggested staff contact Steven Levy, Center for Continuing Study of the California Economy (CCSCE), to provide information on the sales tax projections.

Mr. Smith stated VTA's current projection in April 2010 anticipates a two year deficit of \$21 million with FY 2011 Ending Operating Reserves estimated to be \$25 million or 7.2 percent.

Mr. Smith reported the drawdown of additional \$25 million from the 2000 Measure A Operating Assistance is not needed at this time. The combined \$15 million in STA funding, \$12 million in Federal Stimulus Funding, and the impact of sales tax receipts are sufficient to provide VTA's Ending FY 2011 Operating Reserves at a \$20 million level; therefore, further mitigation actions are not triggered at this time.

Mr. Smith stated VTA's ongoing concerns are the rate of economic recovery, STA funding for future years less than anticipated in the Short Range Transit Plan (SRTP), and VTA's Long-Term Structural deficit remains.

Board Member Gage expressed appreciation that the organization will have some funds available in VTA's Operating Reserves.

On order of Chairperson Kniss and there being no objection, the Committee received a status report on strategies to address the FY 2010 and FY 2011 Budget Deficit.

13. **Financial Stability Ideas for Consideration**

Jim Lawson, Senior Policy Advisor and Ad-Hoc Financial Recovery Committee Staff Liaison, noted the attendance of the Ad-Hoc Committee Stakeholders Tammy Dhanota representing Service Employees International Union (SEIU) and Loretta Springer representing Amalgamated Transit Union (ATU).

Board Member Gage reported the charge of the Administration and Finance (A&F) Committee is to explore ways to meet VTA's current budget obligations. The Ad-Hoc Financial Recovery Committee is responsible for addressing VTA's long-term structural deficit.

Board Member Gage stated the Ad-Hoc Committee has had several meetings where the Committee received information on VTA's structural issues, adding he has forwarded some ideas for consideration to address VTA's ongoing deficit.

Board Member Gage noted the importance to emphasize that everything is on the table and at this point it is not productive to start defending programs or projects.

Board Member Gage commented the next Ad-Hoc Committee Meeting is scheduled for Wednesday, April 28, 2010, where Cindy Chavez, Ad-Hoc Committee Stakeholder representing the South Bay AF of L/CIO Labor Council will provide information to the Committee for review and discussion.

Board Member Gage noted the importance for the Ad-Hoc Committee to not waste time defending projects and programs that will not make a real difference to address VTA's structural deficit.

Board Member Gage stated the list of "*Ideas for Consideration*" is a starting point, noting his request to the Ad-Hoc Committee to provide suggestions and recommendations for discussion.

Board Member Gage referenced the following areas on the list of "*Ideas for Consideration*":

Revenues

- An examination of fare media and address some concerns about Eco Pass and other deeply discounted fares in light of the new TransLink Program; and
- Consideration of ballot measures that may extend the 30 year life of 2000 Measure A and also look at possible benefits to transit from Senate Bill 83.

Transit Service

- Elimination of routes that do not meet productivity standards; and
- Contracting out routes that do not meet productivity standards or consider having local communities providing contracted service.

Cost Structure

- Reduce the overall cost of operations by addressing the issues of pensions and benefits.

Options Include

- Creating a Board Policy that controls VTA's direct costs through significant changes to its current pay and benefits structure; and
- Provide Third Party Evaluation to give an unbiased look at the entire VTA operation and make some recommendations about areas of potential cost savings.

Contracted Services

- Consider the applicability of contracting out service, noting the need to support competitive bidding for some contracted services and determine how much support VTA can provide in the future, which includes Paratransit Services, Caltrain, and Altamont Commuter Express (ACE); and
- Assess VTA's commitment to Contracted Services.

Board Member Gage stated that the "*Ideas for Consideration*" are not easy choices, but are necessary in order for VTA to survive and continue to provide needed transportation services in the Bay Area.

Board Member Gage stressed the importance to address VTA's structural deficit in a meaningful way. He requested staff to compile a cost analysis to identify and determine the saving outcome if specific ideas are implemented, noting VTA has to identify ways to address the \$40 million budget deficit.

Board Member Gage stated the final recommendations are scheduled on the June 23, 2010 Ad-Hoc Financial Recovery Committee, which will be forwarded to the Board of Directors for consideration.

Board Member Gage stressed the importance to look at everything to identify and determine what it will take to keep VTA in operation.

Board Member Gage noted the items identified as being eliminated does not necessarily mean forever as the economy improves VTA may be able to restore the items.

Chairperson Kniss expressed appreciation and thanked everyone for their diligent work.

On order of Chairperson Kniss and there being no objection, the Committee received the Financial Stability Ideas for Consideration.

Board Member Reed left the meeting at 1:23 p.m.

14. Ad-Hoc Financial Recovery Committee Recommendations: Vendors

Jim Lawson, Senior Policy Advisor, reported that Ad-Hoc Financial Recovery Committee Member Rose Herrera suggested staff work with VTA's vendors to reduce their cost of services to VTA by ten percent in view of the current financial shortfall.

Mr. Lawson noted the item was referred to the Administration and Finance (A&F) Committee since it addresses VTA's current budget.

VTA has worked closely with its vendors to reduce the scope of services in an effort to save resources, which has led to savings as well as a reduction in services.

Mr. Lawson stated due to the complexity of all VTA non-labor expenses, staff suggests looking at each vendor on a case by case basis rather than suggesting a set ten percent reduction.

On order of Chairperson Kniss and there being no objection, the Committee received the Ad-Hoc Financial Recovery Committee Recommendations: Vendors.

16. Paratransit Program Information

James Unites, Service and Operations Planning Deputy Director, provided a brief overview on the presentation entitled, "Paratransit Program Overview," highlighting: 1) Americans with Disabilities Act (ADA) Requirements; 2) Required ADA Paratransit

Service Criteria; 3) Paratransit Eligibility; 4) VTA's Paratransit System; 5) Budget FY 2010; 6) FY 2009 Service Summary; 7) Expense and Ridership; 8) Paratransit Ridership by Time of Day; 9) Paratransit Ridership by Age Group; 10) Fares; 11) Premium Services; 12) Premium Service Ridership; 13) Paratransit Vehicles; 14) Paratransit Facilities; and 15) Maintenance and Fuel.

Mr. Unites stated Outreach and Escort Inc. (OUTREACH) was selected as the paratransit brokerage services provider for VTA on August 1, 1993. OUTREACH manages the Paratransit Services and responsible for scheduling, dispatch, monitor rides, manage client accounts including fares, conduct paratransit eligibility certification process, provide customer service, and report service and financial information to VTA.

There are approximately 14,166 customers eligible to receive Paratransit Services. VTA's ADA Paratransit Budget is developed as part of VTA's two year budget process, which was reduced from \$28.1 million to \$25.6 million for FY 2010 due primarily to a nine percent paratransit ridership decline.

Mr. Unites stated the \$2.5 million reduction in VTA's ADA Paratransit Budget for FY 2010 is credited to less premium trips taken, the alignment of paratransit service with VTA's bus and light rail network, the overall economy, negotiated reduced service provider rates, and through the availability of alternative ride programs and other services offered by OUTREACH.

Mr. Unites stated VTA provides a sublicense to OUTREACH for parking at the Cerone Bus Division and the Guadalupe Light Rail Division, which reduces paratransit costs.

Board Member Gage offered to assist OUTREACH as a contact to the South County to identify parking facility locations for the vehicles that service South County as an effort to reduce paratransit costs.

The County of Santa Clara provides comprehensive vehicle maintenance service at a reduced cost through a contract with OUTREACH, while Toyota performs the warranty vehicle maintenance work on the Prius sedans.

In January 1, 2007, OUTREACH entered into an agreement to purchase fuel from the County for paratransit operations, which saves \$0.243 per gallon as a result of competitive rates due to bulk purchasing volume.

Mr. Unites noted an annual savings of \$693,000 in fuel costs for FY 2009 due to an improvement in the combination of the fleet with more energy efficient vehicles.

Michael T. Burns, General Manager, expressed appreciation and recognized OUTREACH for working collaboratively with VTA to identify savings and cost efficiencies.

On order of Chairperson Kniss and there being no objection, the Committee received the Paratransit Program Information.

17. Items of Concern and Referral to Administration

There were no Items of Concern and Referral to Administration.

18. Committee Work Plan

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

19. **Committee Staff Report**

There was no Committee Staff Report.

20. **Chairperson's Report**

There was no Chairperson's Report.

21. **Determine Consent Agenda for the May 6, 2010 Board of Directors Meeting**

CONSENT: Agenda Item #8. Adopt a support position for AB 1670 (Beall), which authorizes the California Transportation Commission (CTC) to relinquish the following to the City of San Jose: (a) the portion of State Route 82 from U.S. 101 to I-880; and (b) the portion of State Route 130 within the San Jose City limits;

Agenda Item #9. 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 Light Rail Vehicles, Inland Marine for Buses, Vans and Mobile Equipment, and Flood exposures, for the annual Operations Program Insurance Renewal for an amount not to exceed \$2,168,651;

Agenda Item #10. Authorize the General Manager to execute a Communications Site Lease with Clear Wireless LLC for a period of 5 years, rent to commence at \$25,500/year with increases at 4% per annum, with the first 5 years' rent totaling \$138,116. The lease contains four - 5 year options at VTA's discretion;

Agenda Item #12. Adopt a resolution for a State Proposition 116 Allocation Request for \$137,957 to the California Transportation Commission (CTC), and authorize the General Manager to execute the Fund Transfer Agreements upon their receipt from the state; and

Agenda Item #12.X. Authorize the General Manager to execute a contract amendment with Advantel, Inc. for telephone system and voice network maintenance. The contract amendment will extend the contract term for an additional six months for a cost of \$100,000, for a new contract value of \$904,080.

REGULAR: Agenda Item # 11. Adopt a Resolution finding that use of the design-build process for the Silicon Valley Berryessa Extension (SVBX) Project will reduce project costs and expedite the project's completion; and authorize the General Manager to proceed with the solicitation of design-build contractors for the SVBX Project.

22. **Announcements**

There were no Announcements.

23. **ADJOURNMENT**

On order of Chairperson Kniss and there being no objection, the Committee meeting was adjourned at 1:46 p.m.

Respectfully submitted,

Michelle M. Garza, Board Assistant
VTA Office of the Board Secretary