



TRANSIT PLANNING & OPERATIONS COMMITTEE

Thursday, August 21, 2003

MINUTES

1. CALL TO ORDER

The Regular Meeting of the Transit Planning and Operations (TP&O) Committee was called to order at 4:35 p.m. by Chairperson Valerio in Room 106, San Jose City Hall, 801 North First Street, San Jose, California.

ROLL CALL

Members Present

David Cortese, Vice Chairperson
Ron Gonzales
Manuel Valerio, Chairperson

Members Absent

Francis LaPoll
Dena Mossar
Ken Yeager

A quorum was present.

2. PUBLIC PRESENTATIONS

There were no Public Presentations.

3. ORDERS OF THE DAY

Chairperson Valerio requested that Item #6., Authorize the General Manager to execute a contract with BFI Waste Services of Santa Clara County (BFI), the lowest responsible and responsive bidder, for solid waste and recyclable paper collection and disposal services for VTA facilities located within the City of San Jose for \$240,204 for a three-year term with two one-year options in the amounts of \$81,410 and \$82,804 for option years four and five respectively, be removed from the Consent Agenda and placed on the Regular Agenda.

M/S/C (Gonzales/Cortese) to approve 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. **Minutes of May 15, 2003**

M/S/C (Gonzales/Cortese) to approve the Minutes of May 15, 2003.

5. **Agreements with Great Mall of the Bay Area Associates, L.P. and Union Pacific Railroad**

M/S/C (Gonzales/Cortese) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute agreements with the Great Mall of the Bay Area Associates, L.P. (Great Mall) in an amount not to exceed \$328,800 and the Union Pacific Railroad (UPRR) in an amount not to exceed \$250,000 for construction of intersection improvements and railroad crossing modifications at the Great Mall Drive (Escort Drive) and Main Street intersection.

The Agenda was taken out of order.

7. **Community Oriented Design Enhancements (CODE) Program Update from July through August 2003**

M/S/C (Gonzales/Cortese) to receive and file the Community Oriented Design Enhancements (CODE) Program Update from July through August 2003.

8. **Report on the Capitol Light Rail Project for the Month of July 2003**

M/S/C (Gonzales/Cortese) to receive and file the Report on the Capitol Light Rail Project for the Month of July 2003.

9. **Report on the Tasman East Light Rail Project for the Month of July 2003**

M/S/C (Gonzales/Cortese) to receive and file the Report on the Tasman East Light Rail Project for the Month of July 2003.

10. **Report on the Vasona Light Rail Project for the Month of July 2003**

M/S/C (Gonzales/Cortese) to receive and file the Report on the Vasona Light Rail Project for the Month of July 2003.

11. Joint Powers Board Monthly Status Report

M/S/C (Gonzales/Cortese) to receive and file the Joint Powers Board Monthly Status Report.

12. Committee for Transit Accessibility Report

M/S/C (Gonzales/Cortese) to receive and file the Committee for Transit Accessibility Report.

13. Monthly Legislative Report

M/S/C (Gonzales/Cortese) to receive and file the Monthly Legislative Report.

REGULAR AGENDA

6. BFI Waste Services of Santa Clara County (BFI) Contract

Frank T. Martin, Chief Operating Officer, stated that issues regarding the prevailing wage rate for the contract with BFI Waste Services of Santa Clara County (BFI) have arisen. He stated that staff has verified through payroll information received from BFI as well as from a commitment from BFI that they pay prevailing wage rates.

Member Gonzales queried whether a policy is in place within VTA related to prevailing wage rate as it pertains to this type of contract. Frances McNichol, Contracts Manager, responded that the issue of paying prevailing wage rates is a part of the RFP (Request for Proposals) Document. VTA's Contract Compliance Group receives certified payrolls on a regular basis to verify that prevailing wages are being paid on all of VTA's construction projects. In the case of non-construction projects, the project manager reviews payroll on a periodic basis to ensure compliance.

M/S/C (Gonzales/Cortese) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a contract with BFI Waste Services of Santa Clara County (BFI), the lowest responsible and responsive bidder, for solid waste and recyclable paper collection and disposal services for VTA facilities located within the City of San Jose for \$240,204 for a three-year term with two one-year options in the amounts of \$81,410 and \$82,804 for option years four and five respectively.

14. North Division Construction Completion Project/Budget Augmentation for the Construction of Building 'C'

Les Miller, Deputy Director, stated that this is the final completion contract for the North Bus Yard reconstruction activities. Mr. Miller noted that there are two elements to the recommendation: 1) to augment the existing budget for the North Yard Program by \$3,120,000 and 2) to authorize the General Manager to execute the option for the award of the construction for the Building 'C' that was included in the completion contract. The completion contract was awarded by the Board of Directors in June 2003 to Vitton Construction which included an option for Building 'C'. Building 'C' provided for an enclosed detail facility with a pit for bus inspection as well as an enclosed area for tire repair and replacement.

Mr. Miller noted that the budget was constrained at the time the Board of Directors was asked to approve and award the contract to Vitton Construction. Since then, \$4.4 million in savings has been recognized and identified through the Bus Procurement Program including federal grant monies. This recommendation is to utilize that savings to construct Building 'C' and to augment the budget to reflect the Financial Stability Committee's recommendations to change cost accounting for projects.

Member Gonzales queried whether this would be the last adjustment for the project. Mr. Miller responded that this would be the last adjustment in the North Yard. Mr. Miller stated that the current completion date is January 30, 2004. When this option is exercised, the completion date will be March 30, 2004/ April 1, 2004.

M/S/C (Cortese/Gonzales) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to augment the Board Authorized North Division Capital Project Budget of \$37,260,000 by \$3,120,000 for a revised total project budget of \$40,380,000 and authorize the General Manager to execute an amendment to the current contract with Vitton Construction for Building 'C' Bid Alternate #1 in the amount of \$1,640,000 for a construction contract total of \$5,176,000.

15. ACE Shuttle Service Contract

Ms. McNichol stated that a protest has been received on the award of the contract to New Century Transportation (New Century). The protest included several points including: 1) Current performance on the contract with New Century is unsatisfactory. Ms. McNichol stated that the project manager indicated that the performance is quite satisfactory. 2) If VTA had used the published evaluation criteria, it would not have selected New Century. 3) The bid price offered by New Century was too low and they could not perform the services for the price bid. 4) New Century was in the middle of bankruptcy action and not in compliance with the court. 5) New Century was not financially stable.

Ms. McNichol stated that there are no qualms whatsoever with the performance of New Century and further stated that VTA did indeed use the published evaluation criteria. Ms. McNichol stated that an independent review was conducted and New Century affirmed to VTA that they were going to perform the services and that they could perform them for the price bid. Ms. McNichol stated that VTA requested and received court documents verifying that the bankruptcy action has been successfully resolved. Ms. McNichol stated that VTA conducted an independent review of New Century's financial record. As further assurance, New Century has offered to post, at no cost to VTA, a performance bond equal to one year's revenue. Ms. McNichol stated that it is VTA's intention to deny the protest.

M/S/C (Gonzales/Cortese) to approve submitting a recommendation to the Board of Directors to authorize the General Manager to execute a three-year agreement with New Century Transportation (New Century) to provide Altamont Commuter Express (ACE) shuttle bus services in an amount not to exceed \$3,708,004 with options for two additional one-year periods with escalation rates not to exceed the increase in the San Francisco Bay Area Consumer Price Index.

OTHER ITEMS

16. January 2004 Transit Service Reduction Plan Report

Mike Aro, Service & Operations Planning Deputy Director, provided a draft report of the January 2004 Transit Service Reduction Plan. Mr. Aro stated that staff would return to the Committee in September 2003 with this item for action and to the Board of Directors in October 2003.

Mr. Aro stated that the Board of Directors approved a two-year budget on June 5, 2003. The two-year budget included an assumption of a 21 percent service reduction. The Board of Directors further directed staff to explore the feasibility of temporarily using 2000 Measure A revenues to fund current operations to avoid making 21 percent service reductions.

Mr. Aro presented two alternatives. Alternative A is a 21 percent service reduction to be implemented in January 2004 if it is determined that revenues cannot be advanced from 2000 Measure A to fund the current operations. Alternative B is a 3 percent service reduction which would be implemented if 2000 Measure A revenues can be advanced to fund current operations. The 3 percent service reduction represents services that would normally be considered poor performers. Mr. Aro stated that normally the resources saved from eliminating substandard services would be reinvested into the system in more productive areas. Due to the current financial situation, the reallocation process will not take place and the reduction in service levels will be used to address VTA's current operating revenue shortfall.

Mr. Aro stated that it is important to point out that whether 21 percent or 3 percent service reductions are taken, there would continue to be a \$60 million to \$100 million structural deficit. In either case, the adopted budget for the next two years buys time and will support VTA until the November 2004 election.

Mr. Aro stated that 60 percent of the service reductions would occur in the area of discontinued services and route changes.

Vice Chairperson Cortese queried whether there have been expressions of expectations regarding further service reductions including the 3 percent service reductions that are usually reinvested into the system. Mr. Aro stated that there have been no expressions of expectations and noted that the public has been made aware of service reductions by direct mail, e-mail, and VTA website.

Peter M. Cipolla, General Manager, stated that staff came back to the committees to specifically point out to the Board of Directors that VTA is moving ahead with the normal process and is also moving ahead with a very conservative approach to the budget and continuing to downsize the organization as much as possible and maintain the level of service.

Mr. Martin noted that a 24 percent service reduction has been taken to the community through the public hearing process. As a part of the public hearing process, staff requested comments from the public in order to modify the proposal. Staff has made adjustments to the original proposal to accommodate concerns that were made. The 3 percent is inclusive of the original 24 percent.

Mr. Aro stated that staff would return to the Board of Directors in October 2003 with information regarding service standards.

Member Gonzales left the meeting at 5:00 p.m., the quorum was lost, and a Committee of the whole was declared.

17. Committee Work Plan

Mr. Martin stated that at the September 2003 meeting staff would provide a Fuel Cell Demonstration Update. Mr. Martin stated that Service Standards will be brought to the Committee as an informational item for feedback at the September 2003 meeting and it will come back in October 2003 as an action item for Board of Directors' approval in November 2003. Mr. Martin stated that performance measures will be discussed at the September 2003 meeting and the quarterly reporting process currently used will be updated and also presented at the September 2003 meeting.

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

18. Committee Staff Report

Kurt M. Evans, Government Affairs Manager, provided an update regarding **SB916** (Perrata). **SB916** will authorize a vote in the region to increase tolls on state-owned bridges by \$1 to fund transportation improvements. Mr. Evans stated that when the Board of Directors originally reviewed the bill, it adopted an oppose-unless amended position primarily because there was a \$2 million expenditure in the plan to reopen the debate on the Altamont Pass alignment with a high-speed rail system in California. Mr. Evans noted that the \$2 million expenditure was stricken from the bill and the author addressed the concerns of the Board of Directors. Staff is prepared to go to the Board of Directors on September 4, 2003 with a recommended support position for this legislation. Mr. Evans stated that the bill is currently on the Assembly floor.

On order of Chairperson Valerio, there being no objection, the Committee of the Whole received the Committee Staff Report.

19. Chairperson's Report

Chairperson Valerio stated that he will be unable to attend the September 4, 2003 Board of Directors' Meeting.

20. Determine the Consent Agenda for September 4, 2003 Board Meeting

CONSENT: **Item #5.** Authorize the General Manager to execute agreements with the Great Mall of the Bay Area Associates, L.P. (Great Mall) in an amount not to exceed \$328,800 and the Union Pacific Railroad (UPRR) in an amount not to exceed \$250,000 for construction of intersection improvements and railroad crossing modifications at the Great Mall Drive (Escort Drive) and Main Street intersection; **Item #6.** Authorize the General Manager to execute a contract with BFI Waste Services of Santa Clara County (BFI), the lowest responsible and responsive bidder, for solid waste and recyclable paper collection and disposal services for VTA facilities located within the City of San Jose for \$240,204 for a three-year term with two one-year options in the amounts of \$81,410 and \$82,804 for option years four and five respectively; **Item #14.** Authorize the General Manager to augment the Board Authorized North Division Capital Project Budget of \$37,260,000 by \$3,120,000 for a revised total project budget of \$40,380,000 and authorize the General Manager to execute an amendment to the current contract with Vitton Construction for Building 'C' Bid Alternate #1 in the amount of \$1,640,000 for a construction contract total of \$5,176,000; and **Item #15.** Authorize the General Manager to execute a three-year agreement with New Century Transportation (New Century) to provide Altamont Commuter Express (ACE) shuttle bus services in an amount not to exceed \$3,708,004 with options for two additional one-year periods with escalation rates not to exceed the increase in the San Francisco Bay Area Consumer Price Index.

REGULAR: None

21. Announcements

There were no Announcements.

22. Adjourn

On order of Chairperson Valerio, there being no objection, the meeting was adjourned at 5:05 p.m.

Respectfully submitted,

Judith Tinlin, Board Assistant
VTA Board of Directors