

**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**  
300 Lakeside Drive, P. O. Box 12688, Oakland, CA 94604-2688

**BOARD MEETING AGENDA**

September 22, 2011

9:00 a.m.

A regular meeting of the Board of Directors will be held at 9:00 a.m. on Thursday, September 22, 2011, in the BART Board Room, Kaiser Center 20<sup>th</sup> Street Mall – Third Floor, 344 – 20<sup>th</sup> Street, Oakland, California.

Members of the public may address the Board of Directors regarding any matter on this agenda. Please complete a “Request to Address the Board” form (available at the entrance to the Board Room) and hand it to the Secretary before the item is considered by the Board. If you wish to discuss a matter that is not on the agenda during a regular meeting, you may do so under General Discussion and Public Comment.

Any action requiring more than a majority vote for passage will be so noted.

Items placed under “consent calendar” are considered routine and will be received, enacted, approved, or adopted by one motion unless a request for removal for discussion or explanation is received from a Director or from a member of the audience.

Please refrain from wearing scented products (perfume, cologne, after-shave, etc.) to these meetings, as there may be people in attendance susceptible to environmental illnesses.

BART provides service/accommodations upon request to persons with disabilities and individuals who are limited English proficient who wish to address BART Board matters. A request must be made within one and five days in advance of Board meetings, depending on the service requested. Please contact the Office of the District Secretary at 510-464-6083 for information.

Rules governing the participation of the public at meetings of the Board of Directors and Standing Committees are available for review on the District's website (<http://www.bart.gov/about/bod>), in the BART Board Room, and upon request, in person or via mail.

Meeting notices and agendas are available for review on the District's website (<http://www.bart.gov/about/bod/meetings.aspx>), and via email or via regular mail upon request. Complete agenda packets (in PDF format) are available for review on the District's website no later than 48 hours in advance of the meeting. Those interested in being on the mailing list for meeting notices (email or regular mail) can do so by providing the District Secretary with the appropriate address.

Please submit your requests to the District Secretary via email to [BoardofDirectors@bart.gov](mailto:BoardofDirectors@bart.gov); in person or U.S. mail at 300 Lakeside Drive, 23<sup>rd</sup> Floor, Oakland, CA 94612; fax 510-464-6011; or telephone 510-464-6083.

Kenneth A. Duron  
District Secretary

Regular Meeting of the  
BOARD OF DIRECTORS

The purpose of the Board Meeting is to consider and take such action as the Board may desire in connection with:

1. CALL TO ORDER

- A. Roll Call.
- B. Pledge of Allegiance.
- C. Introduction of Special Guests:  
American Public Transportation Association (APTA) International Rail  
Rodeo Maintenance Team Winners.

2. CONSENT CALENDAR

- A. Approval of Minutes of the Meeting of September 8, 2011.\* Board requested to authorize.
- B. Cost-Sharing Agreement for Paratransit Services between BART and the City and County of San Francisco.\* Board requested to authorize.

3. ADMINISTRATION ITEMS

Director Blalock, Chairperson

- A. Fiscal Year 2011 Year-End Budget Revisions.\* Board requested to authorize.
- B. Short Range Transit Plan/Capital Improvement Program (SRTP/CIP) Overview.\* For information.

4. ENGINEERING AND OPERATIONS ITEMS

Director Fang, Chairperson

- A. Award of Contract No. 6M3154, Reconditioning of Transit Vehicle Cadmium Batteries.\* Board requested to authorize.
- B. Oakland Airport Connector Project: Quarterly Update.\* For information.

5. PLANNING, PUBLIC AFFAIRS, ACCESS, AND LEGISLATION ITEMS

Director Murray, Chairperson  
NO REPORT.

6. GENERAL MANAGER'S REPORT

7. BOARD MATTERS

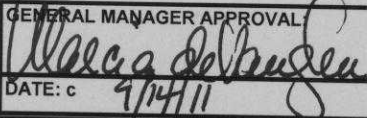
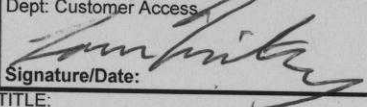
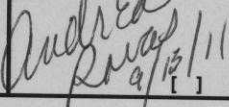
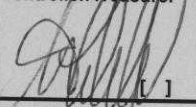
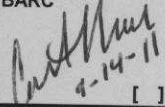
- A. Board Member Reports. For information.
  - i. Report of the Redistricting Special Committee.
  - ii. Report of Board Workshop - Alameda County Transportation Commission Potential Transportation Expenditure Plan.
- B. Report of the Citizen Review Board. For information. (President Franklin's request.)
- C. Roll Call for Introductions.  
(An opportunity for Board members to introduce a matter for consideration at a future Committee or Board Meeting or to request District staff to prepare items or reports.)

8. GENERAL DISCUSSION AND PUBLIC COMMENT





## EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL 		GENERAL MANAGER ACTION REQ'D: Forward to Board for 9/22/2011 Meeting		
DATE: c 9/14/11		BOARD INITIATED ITEM: No		
Originator/Prepared by: Laura Timothy Dept: Customer Access 	General Counsel  9/13/11	Controller/Treasurer 	District Secretary [ ]	BARC  9-14-11
TITLE:				

### Cost-Sharing Agreement for Paratransit Services between BART and the City and County of San Francisco

#### NARRATIVE:

##### Purpose:

To obtain Board authorization for the General Manager to execute a Cost-Sharing Agreement, as revised, between BART and the City and County of San Francisco (the City) for the provision of ADA Paratransit Service within the parties' joint service areas for a period of up to ten years.

##### Discussion:

Since 1995, BART and the City have entered into cost-sharing agreements pursuant to which the City, through the San Francisco Municipal Transportation Agency (SFMTA), agreed to provide ADA-required paratransit services to eligible individuals in the BART service area within the City and BART, in return, agreed to pay a portion of the City's costs for such services. On December 2, 2010, the BART Board authorized the General Manager to execute an additional Cost-Sharing Agreement that would continue the same essential terms of the previous cost-sharing agreements for a period of up to ten additional years. SFMTA has requested that the proposed Cost-Sharing Agreement be revised and has requested BART to contribute to the administrative management costs associated with providing the paratransit services in the joint area. SFMTA has provided an analysis of its administrative costs which have been reviewed by BART staff and found to be reasonable. Pursuant to the revised terms of the Cost-Sharing Agreement, BART would be responsible for paying an annual Administration Fee equal to 5% of the BART share of the annual net operating expense, in addition to the amount owed by BART for its share of the annual net operating expenses.

As in previous agreements, there are provisions for BART and SFMTA to review the 1994 study which determined the cost-sharing percentage. The original methodology and other factors used to calculate the cost-sharing percentage would be reviewed to ensure the formula is still valid and add new data that is available. The study would also include an evaluation of administrative costs and recommend BART's share of these costs for future years. The Cost-Sharing Agreement, as revised, provides that BART's share of costs will be adjusted based on the results of such study and that BART will only have to pay the Administration Fee for two years if such study is not completed.

The Office of the General Counsel has approved the Cost-Sharing Agreement, as revised, as to form.

**Fiscal Impact:**

The Cost-Sharing Agreement, as revised, provides for BART to pay 8.8% of the annual net operating expenses of providing paratransit services to eligible individuals in the City's service area. The cost to BART for such expenses was \$1,250,000 in FY 2009 and \$1,306,271 in FY 2010. The Agreement further provides for BART to pay an annual Administration Fee equal to 5% of the BART share of the annual net operating expenses. For FY 2011, the amount owed by BART under the Agreement would be \$1,086,417 (including the additional 5%, or \$51,734, for administrative costs). These funds are included in the Customer Access budget.

**Alternatives:**

Not execute the Cost-Sharing Agreement, as revised, and negotiate to provide the paratransit services under a separate contract which would prevent BART from benefiting from substantial economies of scale and efficiencies of program achieved by SF Muni Paratransit.

**Recommendation:**

Adoption of the following motion:

**Motion:**

The General Manager is authorized to execute the Cost-Sharing Agreement for Paratransit Services between the City and County of San Francisco and the San Francisco Bay Area Rapid Transit District, as revised.





## EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>Marcia Delaney</i>		GENERAL MANAGER ACTION REQ'D: Place on the September 22, 2011 Board of Directors Agenda		
DATE: 9/16/11		BOARD INITIATED ITEM: No		
Originator/Prepared by: Robert Umbreit Dept: Operating Budgets	General Counsel <i>Andrew Pava</i> 9/16/11	Controller/Treasurer <i>Angela</i> 9/16/11	District Secretary <i>Orluth</i> [ ]	BARC <i>Carol</i> 9-16-11 [ ]
Signature/Date: <i>R. Umbreit</i> 9/16/11 [ ]				

TITLE:

### Fiscal Year 2011 Year-End Budget Revision

NARRATIVE:

**PURPOSE:** To amend the Fiscal Year 2011 (FY11) Budget for year-end adjustments.

**DISCUSSION:** Results for FY11 show that the District finished the year \$33.0 million (M) (6%) favorable in total sources and \$8.9M unfavorable (-2%) in total uses, excluding non-cash adjustments of \$2.7M, for a net positive result of \$21.4M. When the FY11 budget was prepared in the spring of 2010, ridership and revenues were still declining, and budget assumptions for the year were flat performance in both ridership and sales tax. However, during the second half of the year passenger revenue and sales tax rebounded strongly as the recession ended, with high gas prices also contributing to ridership growth. Meanwhile, the expense budget was tight all year and labor expenses ended the year over budget, which was the main cause of the expense overrun. These results are summarized in the table below, with more detail included in the Background section and in Attachment 1:

FY11 Operating Results				
(\$ million)	Budget	Actual <sup>(1)</sup>	Var.	%
<b>Sources</b>				
Operating Revenue	\$ 362.2	\$377.0	\$ 14.8	4%
Sales Tax	162.5	180.8	18.3	11%
Other Assistance	57.4	57.3	(0.1)	0%
Total Sources	<b>582.1</b>	<b>615.1</b>	<b>33.0</b>	<b>6%</b>
<b>Uses</b>				
Operating Expense	481.4	491.4	(10.0)	-2%
Debt Service	68.2	68.1	0.1	0%
Capital Allocations	21.8	20.5	1.3	6%
Other Allocations	0.6	2.0	(1.4)	-239%
Allocation to Reserves	16.7	15.6	1.1	7%
Total Uses	<b>588.7</b>	<b>597.6</b>	<b>(8.9)</b>	<b>-2%</b>
OPEB Unfunded Liability <sup>(2)</sup>	(6.6)	(5.4)	(1.2)	
Lakeside Lease Adjustment		1.5	(1.5)	
<b>Net Result</b>	<b>\$ 0.0</b>	<b>\$ 21.4</b>	<b>\$ 21.4</b>	

<sup>(1)</sup>Board approval of closing budget revisions requested

<sup>(2)</sup>OPEB: Other Post Employment Benefits, primarily retiree medical

The positive results had been projected, and during the FY12 budget process a number of items were designated for funding from FY11 year-end results. The Board is requested to approve year-end budget revisions to fund these items, which total \$2.6M. Staff also recommends that an

additional \$1.0M be allocated for several immediate capital funding needs, with the remainder of \$17.8M going to an initial contribution towards the \$150M match requirement for the Rail Car Replacement Project, if state and other funding sources do not materialize in FY12. If the funding for the \$150M match does materialize, the \$17.8M will be used for other critical capital needs.

**BACKGROUND:** Passenger revenue was \$14.0M favorable for the year, leading to the favorable total operating revenue variance. Total ridership of 103.7M trips grew 2.7% in FY11, after dropping by 5.5% in FY10. Weekday ridership grew 3.1%, ending at an average of 345,256 trips per day. Sales tax exceeded budget projections by a large margin, growing 8.6% for the year, after dropping 9.6% in FY10. The resulting \$18.3M favorable result in sales tax, combined with the operating revenue results produced a favorable result in operating sources of 6% or \$33.0M.

Operating expense was \$10.0M (2%) over budget for the year, due to labor and benefits exceeding budget by \$10.8M, while non-labor was under budget by \$0.8M. The labor variance includes an unbudgeted need to increase general liability/workers compensation self insurance funding by \$3.0M, due to an increase in the reserve requirements called for in the District's actuarial report. The remaining over budget spending in labor was primarily driven by overtime and staffing levels in the large operating departments. Overall, with the series of budget actions over the past decade, the expense budget has become extremely tight, and will be evaluated this year in the context of attendance management efforts and other factors. During the past year, although our projections indicated expenses would exceed budget, it was clear that the positive revenue variance would be greater than the expense overrun at year-end.

Capital allocations were \$1.3M below the budgeted amount and Other Allocations over budget by the same amount, because the District received San Mateo County Prop 1B funding as part of their \$32M payment for termination of the original SFO operating agreement. In order to process these funds, the capital program directly received the Prop 1B funding, and the capital allocations were lowered by the same amount in order to fund the SFO reserve, with no net impact to the capital program.

The FY11 budget included a \$16.7M contribution to reserves. Of that amount \$1.1M was for part of the \$3.6M total Feeder Bus payment for AC Transit, to be on hold until a permanent agreement was reached. However, MTC withheld the \$1.1M from BART State Transit Assistance funding, so the contribution to reserves was not needed. The resulting \$15.6M reserve contribution brings the reserve balance to a total of \$30.3M. This amount is higher than the Financial Stability Policy goal of 5% of operating expenses, which for FY12 would be \$25.3M.

**SUMMARY OF PROPOSED YEAR-END ALLOCATIONS:** The following projects were designated for funding during the FY12 budget process: rail car seat materials demonstration program; backup for a grant for the Enterprise Asset Management System (to provide funding for software, consulting etc. to start the program); Strategic Opportunities Assessment (examination of long-term BART service, capacity and coverage opportunities); Police evidence lockers and tasers; and purchase of the Evora trunk radio site. The seat demonstration program and evidence locker and taser purchase were accomplished during the year and are already included in the year-end result, so no allocations are required in this budget revision. Regarding the seat



program, a type of potential vinyl seat material has been identified and some of the seats replaced this year will use the material in order to garner customer feedback. Funding for the new material is included in the planned procurement for FY12. If the program is successful the materials will be incorporated in the seats for the Rail Car Replacement Project, and they will gradually replace the current cloth seats in the three-year seat replacement cycle that was funded in the FY12 budget.

Staff considers the Enterprise Asset Management program to be a critical part of the District's capital planning process. Because the grant outcome will not be known until approximately December, the revision includes an allocation of \$1.24M for this project as well as \$0.75M for the Strategic Opportunities Assessment and \$0.6M to purchase the Evora trunk radio site, for a total of \$2.6M.

In addition to the previous three projects, staff proposes \$1.0M which will fund the following projects. An allocation of \$576,000 is needed to complete the planned procurement of seats for the three-year seat replacement cycle purchase for FY12. This amount was actually included in the FY11 operating budget for procurement in FY11, but the procurement was not completed during the year and has been added to the planned FY12 purchase. Another \$227,000 is requested to replace and enhance lighting at the Concord Shop; the current lighting is below BART facility and OSHA standards and needs to be replaced. Funding is requested to purchase and implement subcontractor payment collection software, which will enable the District to automate the collection and tracking of subcontractor payment data, facilitate reporting on payments made to DBE/MBE/WBEs and integrate the software with the current system. Software to automate this process is necessary to provide timely reporting on subcontractor payments as well as ensure an accurate reporting of the information in an efficient manner. Half of the funding for the data collection system will come from existing project funding and the other half (\$200,000) is requested from year-end funds.

The preliminary positive net result of \$21.4M, less \$3.6M for the projects recommended above, leaves \$17.8M available for Phase 1 of the Rail Car Replacement Project. This is an initial contribution that may be required to partially fund the required \$150M local match for the Rail Car Replacement Project, in accordance with BART Resolution No. 5134. Per the terms of the District's agreement with MTC, BART is required to provide \$150M in local match and MTC provides the remaining \$2.4 billion in funding in the Phase 1 Funding Plan for the first 200 cars of the Rail Car Replacement Project. When Resolution No. 5134 was adopted, state High Speed Rail funds were considered a reliable funding source to meet this local match requirement. Since that time, connectivity funds from the High Speed Rail program have not yet been funded, and while efforts continue in Sacramento to secure these funds, the \$17.8M contribution may be a necessary component of the funding package to provide the required local match. If the \$150M match does materialize, then the \$17.8M would be used to fund important capital needs that currently are not funded, such as repair of 1-3 cars damaged in the FY11 derailment, replacement of train control room batteries, station modifications for pigeon control, station emergency lighting, station fire alarm upgrades, escalator and elevator repair projects, C-1 car HVAC repairs and other pressing capital funding needs.

In addition to the proposed allocations to capital, the budget revision also requests Board approval for the following adjustments, previously discussed, in order to conform the final budget to Board Rules regarding the Budget. The negative labor variance of \$10.8M is funded



by reducing the non-labor budget by \$0.9M and using revenues of \$9.9M, which brings operating expense into balance. Capital Rehabilitation Allocations are lowered by \$1.3M and Other Allocations increased by \$1.3M to recognize the San Mateo Prop 1B funding, and the contribution to Operating Reserves is lowered by \$1.1M because MTC withheld the amount from BART STA funds.

**FISCAL IMPACT:** If the Board approves the proposed allocations the District will finish the year balanced.

**ALTERNATIVES:** If the Board does not make the recommended capital allocation, the District would end the year with a favorable result of \$21.4M. Alternatively, the Board could specify other uses for the funding.

**RECOMMENDATION:** Approval of the motion below.

**MOTION:** Approval of the attached resolution "In the Matter of Amending Resolution No. 5138 regarding Fiscal Year 2011 Annual Budget".

**BEFORE THE BOARD OF DIRECTORS OF THE  
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**

In the matter of amending Resolution No. 5138 regarding Fiscal Year 2011 Annual Budget

Resolution No. \_\_\_\_\_

RESOLVED, that Resolution No. 5138 is amended by changing the following line items in Exhibit A thereof:

		<u>Current Amount</u>		<u>Increase/ (Decrease) In This Resolution</u>	<u>Amended Amount</u>
<b><u>Fund Source Line Item:</u></b>					
Operating Revenue	\$	362,202,853	\$	14,005,023	\$ 376,207,876
Sales Tax	\$	162,500,000	\$	18,319,206	\$ 180,819,206
<b><u>Fund Use Line Item:</u></b>					
Net Labor Expense	\$	347,453,124	\$	10,796,150	\$ 358,249,274
Non Labor Expense	\$	133,952,259	\$	(793,971)	\$ 133,158,288
Allocations to Capital - Rehabilitation*	\$	21,835,529	\$	20,053,716	\$ 41,889,245
Allocation to SFO Operating Reserve	\$	-	\$	1,326,885	\$ 1,326,885
Allocations to Reserves	\$	16,742,175	\$	(1,139,916)	\$ 15,602,259

\*Amendment of \$20,053,716 includes the recommended increase to Capital Rehabilitation Allocations of \$21,380,601 less the Allocation to SFO Operating Reserve of \$1,326,885 (funds were supplied by San Mateo Prop 1B funding directly to the capital program)



**Attachment 1  
Quarterly Financial Report  
Fourth Quarter  
Fiscal Year 2011**

**REVENUE**

•Avg weekday trips for the quarter were 353,150, 6.5% over budget. Ridership growth accelerated during 4QFY11, with core trips up 5.9% and SFO trips up 9.9% compared to 4QFY10. FY11 net passenger revenue was 4.3% over budget due to over budget and longer trips.  
•Parking revenue was \$0.6M favorable YTD because of strong ridership.

**EXPENSE**

•Labor and benefits were unfavorable this quarter by \$4.1M (4.8%) primarily due to overtime and staffing levels in larger departments. The YTD unfavorable variance includes an increase to the general liability /worker's compensation self insurance reserve of \$3M.  
•OPEB unfunded is shown as an expense and offset, no bottom line impact.  
•Electric Power was \$0.5M unfavorable for the quarter and \$0.4M unfavorable for the year, mainly due to Public Purchase Program Surcharges  
•Purchased transportation was \$0.4M (2.8%) favorable for the year, primarily due to ADA Paratransit coming in \$0.3M less than budgeted.  
•Other Non Labor was over budget for the quarter due to timing of budget vs. actual, but essentially on budget for the year.

**OPERATING DEFICIT**

•Operating deficit was favorable to budget by \$4.8M (4.0%) for the year due to the favorable operating revenues.

**TAX & FINANCIAL ASSISTANCE**

•Sales tax for 4QFY11 grew 12.4% over 4QFY10 (budget was -2.4%), highest positive quarter since FY06. FY11 grew 8.6% from FY10, with a \$18.3M favorable budget variance.  
•Property tax was 0.1% over budget and 2% under FY10. Compared to FY10, SF, Contra Costa, and Alameda counties dropped 3.4%, 2.5%, and 0.4%, respectively.  
•The Capital and Other Allocations "actuals" figures include the recommended \$21.4M year-end allocation to capital.

**NET OPERATING RESULT**




•The net operating result for the year reflects the amount of the Lakeside Lease adjustment\*\*\*, otherwise the District would end the year with a balanced net result, assuming the recommended year-end allocation to capital is approved.

**SYSTEM OPERATING RATIO/RAIL COST PER PASSENGER MILE**

•Operating ratio (revenue divided by expense) and rail cost per passenger mile are both slightly favorable for the year due to better than budget trips and passenger revenue.

Current Quarter			(\$ Millions)*	Year to Date		
Budget	Actuals	Var		Budget	Actuals	Var
			<b>Revenue</b>			
80.1	87.1	8.7%	Net Passenger Revenue	329.5	343.5	4.3%
3.6	4.0	13.4%	Parking Revenue	13.4	14.0	4.6%
5.1	6.2	20.9%	Other Operating Revenue	19.3	19.5	0.8%
<b>88.8</b>	<b>97.3</b>	<b>9.6%</b>	<b>Total Net Operating Revenue</b>	<b>362.2</b>	<b>377.0</b>	<b>4.1%</b>
			<b>Expense</b>			
85.7	89.8	-4.8%	Net Labor	340.8	352.9	-3.5%
1.7	.9	45.4%	OPEB Unfunded Liability**	6.6	5.4	18.7%
8.6	9.1	-5.9%	Electric Power	34.9	35.3	-1.1%
3.7	3.8	-1.1%	Purchased Transportation	15.0	14.6	2.4%
25.1	30.1	-19.8%	Other Non Labor	84.0	83.2	1.0%
<b>124.8</b>	<b>133.6</b>	<b>-7.1%</b>	<b>Total Operating Expense</b>	<b>481.4</b>	<b>491.4</b>	<b>-2.1%</b>
<b>(35.9)</b>	<b>(36.3)</b>	<b>-1.1%</b>	<b>Operating Surplus (Deficit)</b>	<b>(119.2)</b>	<b>(114.4)</b>	<b>4.0%</b>
			<b>Taxes and Financial Assistance</b>			
39.2	45.1	15.2%	Sales Tax	162.5	180.8	11.3%
14.2	16.9	19.3%	Property Tax, Other Assistance	35.5	37.9	6.9%
-	-	-	State Transit Assistance	18.8	19.7	5.0%
(8.7)	(8.2)	-5.8%	Debt Service	(68.2)	(68.1)	-0.1%
(13.3)	(36.8)	176.9%	Capital and Other Allocations	(36.0)	(59.8)	66.1%
1.7	.9	-45.4%	OPEB Unfunded Liability Offset	6.6	5.4	-18.7%
<b>33.0</b>	<b>17.9</b>	<b>-45.8%</b>	<b>Net Financial Assistance</b>	<b>119.2</b>	<b>115.9</b>	<b>-2.7%</b>
<b>(3.0)</b>	<b>(18.4)</b>		<b>Net Operating Result</b>	<b>0.0</b>	<b>1.5</b>	
71.2%	72.8%	1.6%	<b>System Operating Ratio</b>	75.2%	76.7%	1.5%
35.9 ¢	35.6 ¢	0.8%	<b>Rail Cost / Passenger Mile</b>	33.6 ¢	33.0 ¢	1.8%

\* Totals may not add due to rounding to the nearest million.

 No Problem  
 Caution: Potential Problem/Problem Being Addressed  
 Significant Problem

\*\*The Other Post Employment Benefits (primarily retiree medical) is a non-cash expense to recognize the difference in actual retiree medical funding (per the ramp-up plan) and the full actuarially calculated Annual Required Contribution and does not affect the Net Operating Result.

\*\*\*The Lakeside building lease is recognized over the life of the lease (including initial period reduced rent), which is a non-cash book entry; budget includes actual cash outlay.

**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**

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**MEMORANDUM**

**TO:** Board of Directors

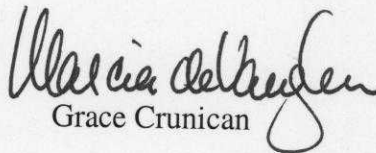
**DATE:** September 16, 2011

**FROM:** General Manager

**SUBJECT:** BART's 2012 Short Range Transit Plan/Capital Improvement Program  
informational presentation

The attached presentation for the September 22, 2011 Board meeting provides a high level overview of BART's 2012 Short Range Transit Plan/Capital Improvement Program (SRTP/CIP). The document itself is currently under development and we will bring this item back to the Board for discussion and consideration next spring.

If you have any questions about this presentation, please contact Carter Mau, Executive Manager, Planning & Budget, at 510 464-6194.

  
Grace Crunican

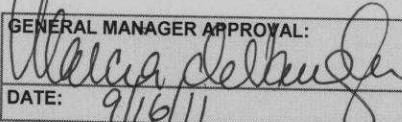
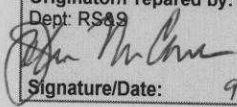
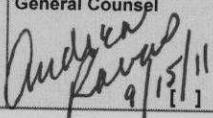
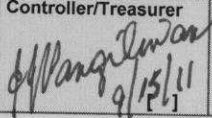
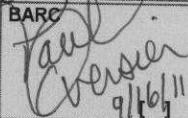
Attachment

cc: Board Appointed Officers  
Executive Staff





## EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: 		GENERAL MANAGER ACTION REQ'D: Approve and forward to the Board		
DATE: 9/16/11		BOARD INITIATED ITEM: No		
Originator/Prepared by: Kirtland Smith Dept: RS&S  Signature/Date: 9/15/2011	General Counsel  9/15/11	Controller/Treasurer  9/15/11	District Secretary [ ]	BARC  9/16/11

Status: Routed	Date Created: 09/06/2011
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TITLE:

### Award of Contract No. 6M3154, Reconditioning Transit Vehicle Nickel-Cadmium Storage Batteries

NARRATIVE:

#### PURPOSE:

To request Board authorization for the General Manager to award Contract No. 6M3154 to Industrial Battery Services (IBS) of Richmond, California for Reconditioning Transit Vehicle Nickel-Cadmium Storage Batteries.

#### DISCUSSION:

The District's revenue vehicles utilize a 37 volt (VDC) storage battery set to provide low voltage backup power for interior lights, door operators, train control and other electrical systems. Revenue vehicle batteries must be routinely maintained and bad cells must be replaced. This involves reconditioning battery sets at specified intervals; every three years for C-Cars and every five years for A/B-Cars. During reconditioning, batteries cells are restored to design capacity requirements. When battery cells have aged to the point where reconditioning is no longer effective, they must be replaced.

The District does not have proper facilities or equipment to recondition or dispose of batteries as required by law. Therefore, the District's batteries are sent to an outside contractor that is in the business of reconditioning and disposing of batteries.

This is a three-year estimated quantity Contract for the reconditioning and replacement of revenue vehicle batteries. During the term of the Contract, the District is required to purchase from the Supplier a minimum amount of 75 percent of the total dollar value of the Contract. Upon Board Authorization to Award this Contract, the General Manager will also have the authority to purchase up to 125 percent of the total dollar value of the Contract, subject to availability of funding.

Advance Notice to Bidders was mailed on May 24, 2011 to eighty three (83) prospective Bidders. On May 27, 2011, Contract No. 6M3154 was advertised as a two step contract whereby Technical Qualifications Bids would be opened and reviewed as the first step. Then only Price Bids for acceptable Technical Qualification Bids would be opened in the second step. A pre-Bid meeting was held on June 8, 2011, and was attended by a single prospective Bidder, IBS.

A pre-bid protest was received on July 25, 2011 from Stangco Industrial Equipment, Inc., an electrical equipment supplier located in Santa Ana, California. Stangco asserted an unfair business practice because the manufacturer of the batteries being reconditioned, SAFT, would only sell through authorized distributors. An alternative battery product, such as the one offered by Stangco, is subject to submittal, design review and product testing requirements per BART engineering specifications, and none had been submitted. After review of the protest by the BART staff, a decision by the District denying the pre-bid protest was sent to the protester on August 17, 2011.

One bid was received from Industrial Battery Services (IBS). The Technical Qualification Bid from IBS was opened on August 23, 2011 and after review by staff was determined to be acceptable. The Price Bid was then opened on August 30, 2011 as follows:

	Total Bid	Total including 8.75% sales tax
Industrial Battery Services (IBS) Richmond, CA	\$2,355,228	\$2,517,342

The Engineers estimate for this work is \$2,306,260, not including sales tax. Staff has determined that the bid submitted by IBS is responsive and that the bid price is fair and reasonable. Furthermore, a review of this Bidder's business experience and financial capabilities has resulted in the determination that this Bidder is responsible.

Pursuant to the District's Non-Discrimination in Subcontracting Program, the availability percentages for this contract are 10% for MBEs and 12% for WBEs. The bidder will not be subcontracting any work and will do all work with its own forces. Therefore, the District's Non-Discrimination in Subcontracting Program does not apply. For reference, IBS is a certified minority-owned business (MBE).

#### **FISCAL IMPACT:**

Funding for this contract will be provided from the Rolling Stock & Shops (RS&S) Maintenance Contracts, Account 680-300, estimated as follows :

Fiscal Year 2012,	\$839,114
Fiscal Year 2013,	\$839,114
Fiscal Year 2014,	\$839,114
Total	\$2,517,342

Expenditures for FY2012 is included in RS&S operating budget for FY2012. The expenditures for FY2013 and FY2014 will be included in future RS&S operating budgets. Availability of funding exceeding \$2,517,342.00 must be confirmed with the Controller-Treasurer, up to limits



established for this estimated quantity Contract.

**ALTERNATIVE:**

The alternative to awarding the Contract would be to reject all Bids and readvertise the Contract, which staff believes is not likely to lead to a better price or more competition.

**RECOMMENDATION:**

Adoption of the following Motion.

**MOTION:**

The General Manager is authorized to award Contract No. 6M3154, an estimated quantities contract for Reconditioning Transit Vehicle Nickel-Cadmium Storage Batteries, to Industrial Battery Services for a total Bid price of \$2,355,228, plus applicable taxes, pursuant to notification to be issued by the General Manager. The General Manager is also authorized to approve changes to the Contract up to an additional 25% of the Contract value for a total authorization not to exceed \$2,944,035 plus applicable taxes, subject to availability of funds.