



# **San Joaquin Regional Rail Commission**

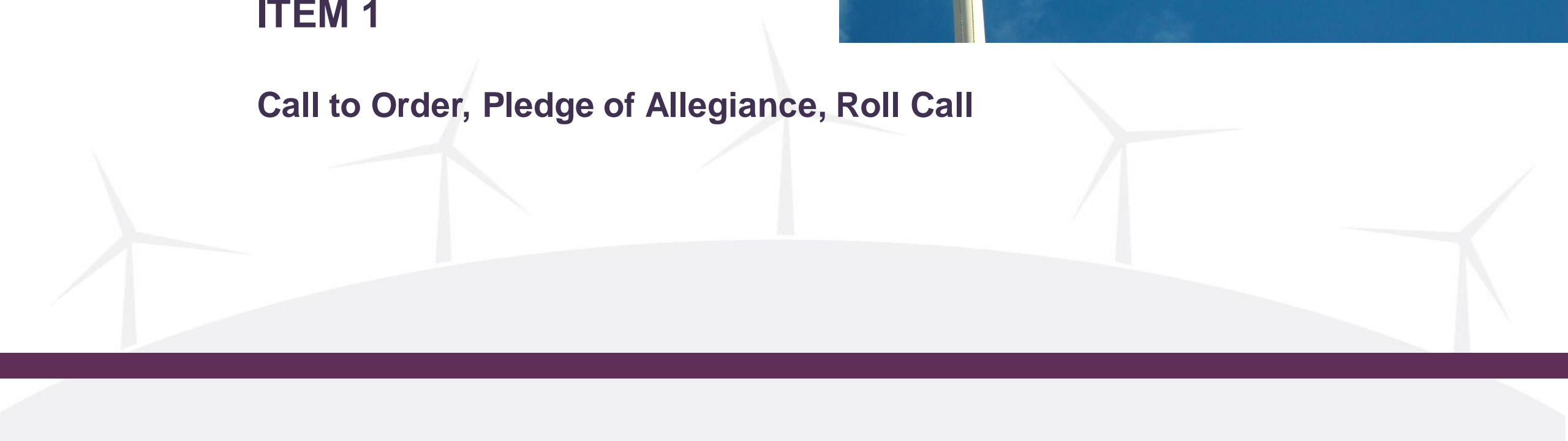
## **June 5, 2020 Board Meeting**





## **ITEM 1**

**Call to Order, Pledge of Allegiance, Roll Call**





## ITEM 2

### Public Comments

Please use the GoToMeeting chat function to alert staff if you wish to make a Public Comment. Alternatively, you can write in your public comment to [publiccommentssjrc@acerail.com](mailto:publiccommentssjrc@acerail.com) and staff will read the comment aloud.



## ITEM 3

### Consent Calendar

<b>3.2</b>	<b>Rail Commission/ACE Monthly Expenditure</b>
<b>3.3</b>	ACE Monthly Fare Revenue
<b>3.4</b>	ACE Ridership
<b>3.5</b>	ACE On-Time Performance
<b>3.6</b>	Update on Positive Train Control
<b>3.7</b>	Washington Update
<b>3.8</b>	<p>Approve a Resolution of the Board of Commissioners of the San Joaquin Regional Rail Commission Adopting Fiscal Year 2019/2020 Budget Amendment #2:</p> <p>a) Reducing Fare Revenue from \$10.5 million to \$8.2 million and adding the Federal Transit Administration (FTA) Coronavirus Aid, Relief, and Economic Security (CARES) Act for \$2.3 million</p>
<b>3.9</b>	Approve a Resolution of the Board of Commissioners of the San Joaquin Regional Rail Commission Authorizing the Extension of Budgetary Authority through August 7, 2020 at a Monthly Rate for Operations and Capital as Approved for Fiscal Year 2019/2020



## **ITEM 4**

### **Status of COVID-19 Impacts and Relief Funding (Stacey Mortensen)**





# WEEK OVER WEEK COMPARISON

Daily Ridership	San Joaquins 4 Round Trips	Capitol Corridor 5 Round Trips	Pacific Surfliner 7 Round Trips	ACE 2 Round Trips
Week of March 16 * * Prior to Service Reductions	1036*	668*	944*	739*
Week of April 14	455	125	152	335
Week of May 18	599	211	497	455



## WORKSITE ISSUES TO NAVIGATE

- Daily Health and Temperature Screening of All Employees and Contractors at Worksites
- All Frontline Employees with Regular Public Contact Have Been Tested for Corona Virus
- Virtual "All Hands" Staff Meeting Scheduled for Monday





## PASSENGER ISSUES TO NAVIGATE

- Next Item on the Agenda (Passenger Survey) Will Help Guide Agency Focus
- Secured a Small Inventory of Disposable Masks Onboard Trains
- Monitoring Onboard Ridership for Adequate Passenger Spacing
- Exploring Handwashing Stations at ACE Stations (Although, these are out of stock at every vendor so far)





## NEXT STEPS

- A Big THANK YOU to staff, for:
  - Rising to the Challenge
  - Working as a Team
  - Focusing on the Passengers
  - Keeping an Optimistic Outlook





## **ITEM 5**

### **ACE COVID-19 Passenger Health and Safety Survey Results (David Lipari)**





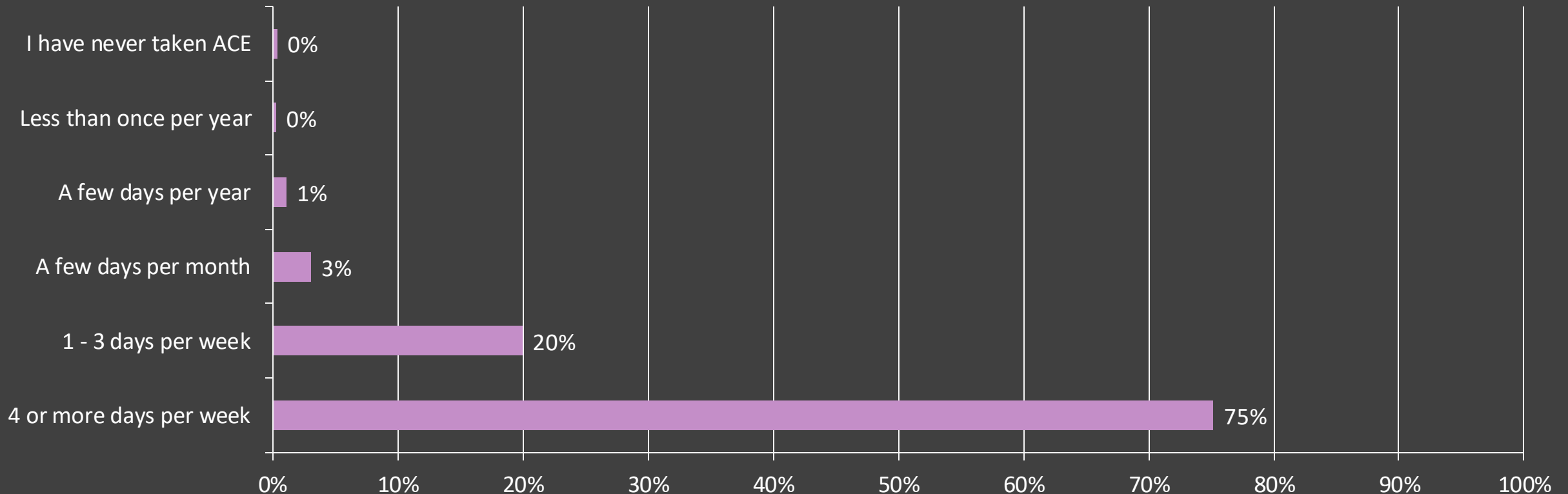
## BACKGROUND

- On May 15, 2020, staff released a survey to ACE passengers to begin to understand passenger sentiment and expectation on returning to riding the service.
- The survey was released via e-blast, text alert, social media, and the website.
- As of June 1, 2020, the survey generated 1,083 responses.



# WHO'S RESPONDING?

Before the coronavirus outbreak and stay-at-home order, how often did you ride ACE?

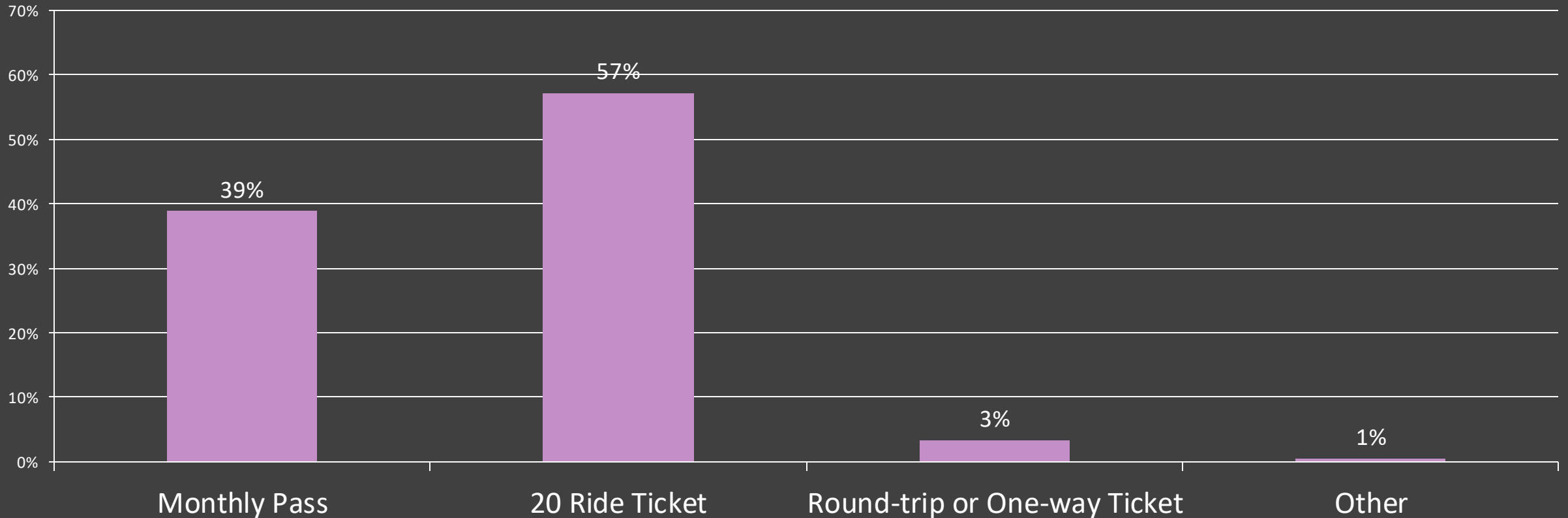


- Respondent sample is primarily dedicated ACE Riders.
- 75% of respondents indicated riding the service 4 or more days per week.
- 95% of respondents were at least weekly riders of the service.



# WHO'S RESPONDING?

## What type of ACE ticket do/did you normally use?

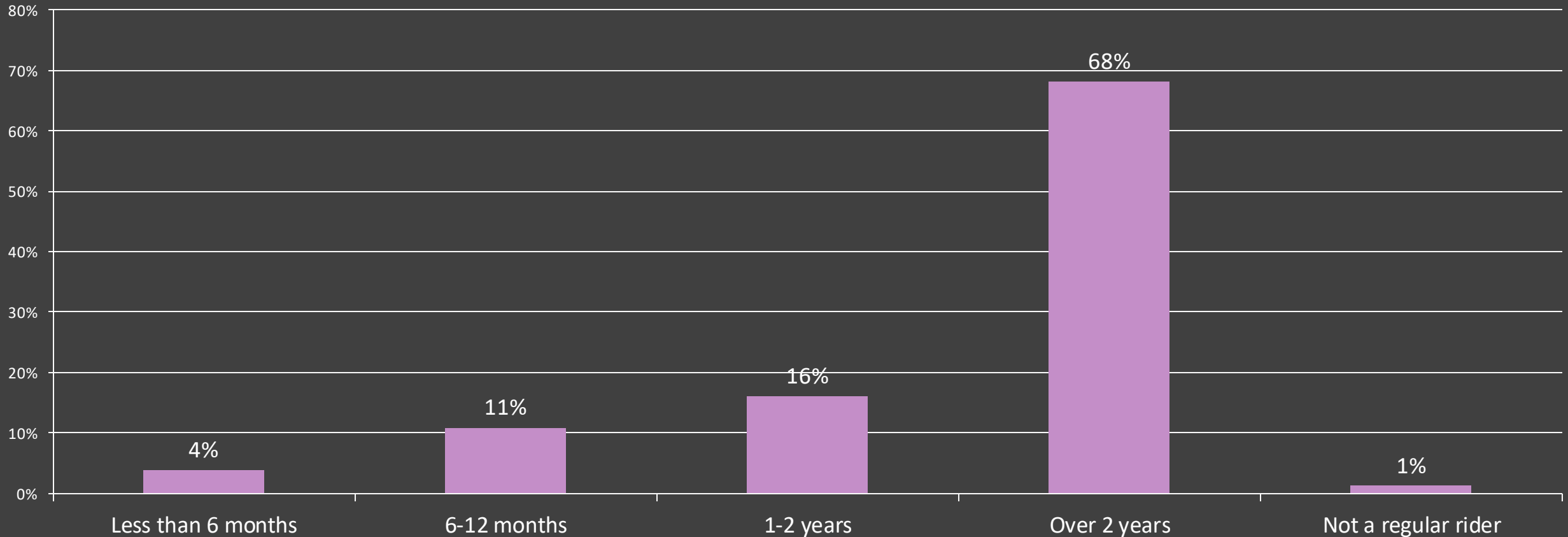


- Respondent sample is primarily multi-ride pass users – 95%.
- 39% of respondents indicated using a monthly pass.
- 57% of respondents indicated using a 20 Ride.



# WHO'S RESPONDING?

How long have you been a regular ACE rider?

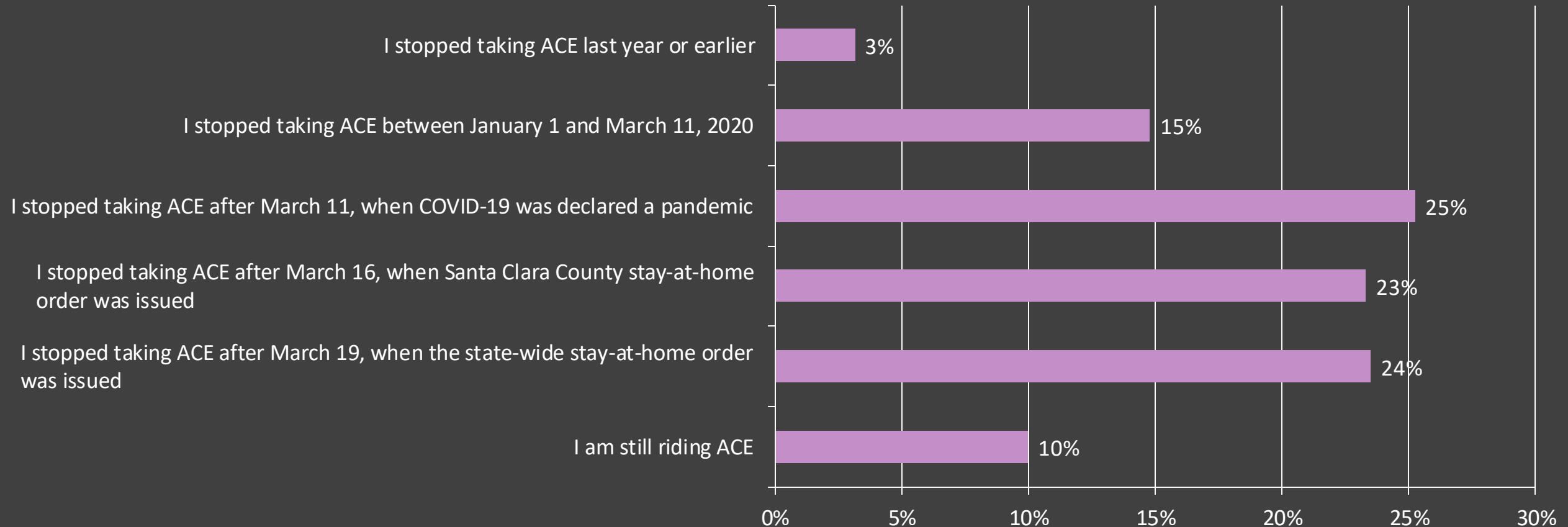


- Respondent sample is primarily dedicated ACE riders.
- 68% of respondents indicated regularly using the service for over 2 years.



# WHEN DID RESPONDENTS STOP RIDING ACE?

## When was the last time you rode ACE?



- Respondent sample indicated a significant variation for when respondents stopped riding the service.



## WHAT DO YOU MISS ABOUT RIDING ACE?

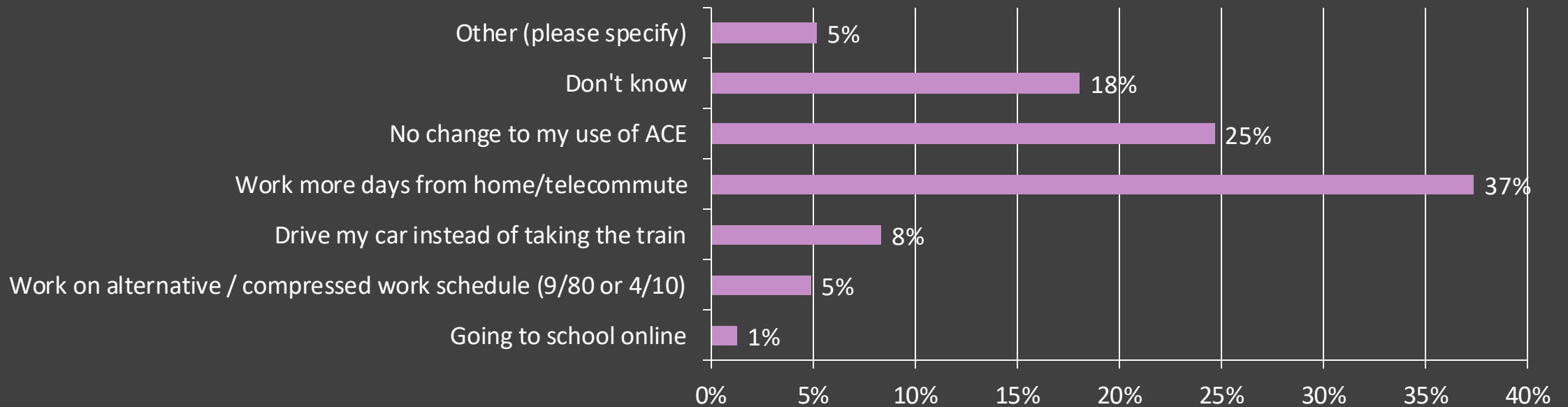
- “I miss my friends on the train and the relaxation of letting someone else do the driving.”
- “ACE allows me to go into the office and work on the train (not drive!). I miss my ACE and in office routine.”
- “The convenience of being able to ride my bike to the station and the commuting by bike from ACE to my office. Nice daily routine with exercise!”





# RIDERSHIP RETURNING INDICATORS

Once the stay-at-home order is lifted, how do you expect the coronavirus crisis to impact your own commute?

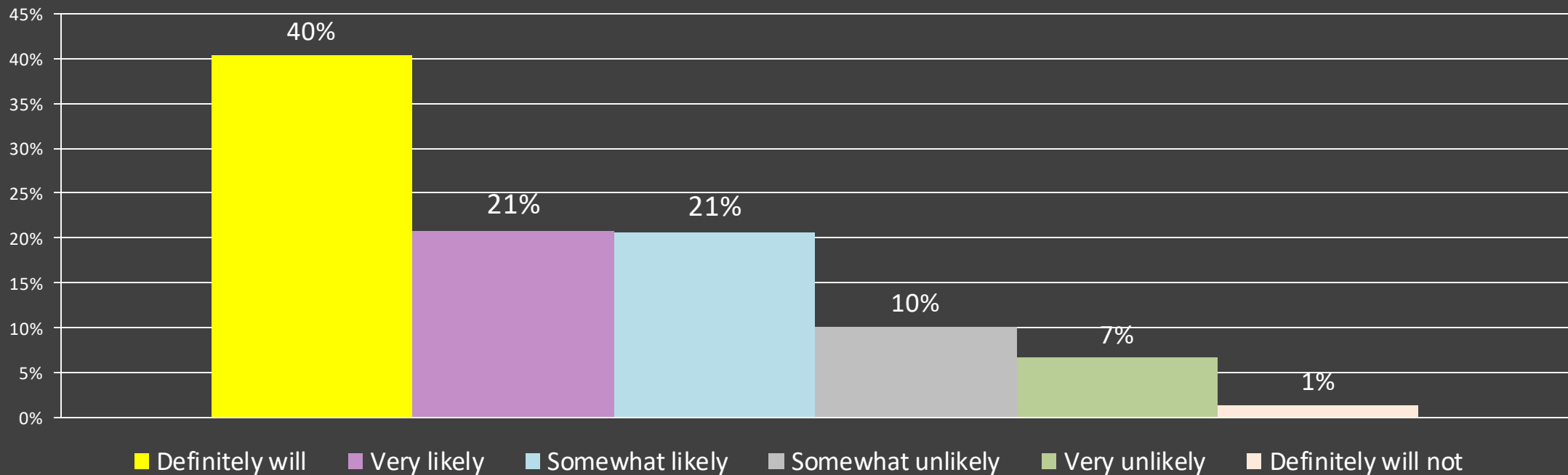


- Respondent sample indicated a significant variation.
- 25% anticipate zero change to commute.
- 37% indicate a larger portion of their work week will be from home.



# RIDERSHIP RETURNING INDICATORS

Once the stay-at-home order is lifted, how likely are you to ride ACE again?

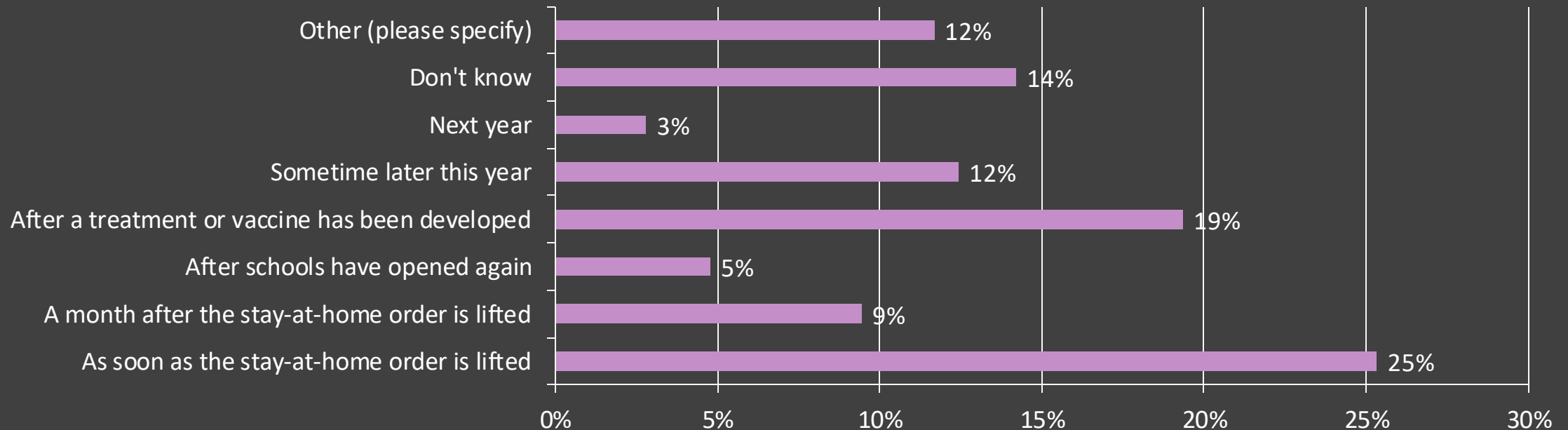


- Respondent sample indicated a strong preference to returning to ACE.
- 82% indicated an at least 'Somewhat Likely' intention to ride ACE.
- 61% indicated an at least 'Very Likely' intention to ride ACE.



# RIDERSHIP RETURNING INDICATORS

## How soon would you feel comfortable riding ACE again?



- Respondent sample indicated a strong variation in timing for returning to ride.
- 38% responded 'Other', 'Don't Know', or 'Sometime later this year' indicating a sizeable amount of uncertainty in the respondents' intentions.



# ACE COVID-19 RESPONSE EXPECTATIONS

- How likely are any of the following potential improvements to motivate you to take ACE more often in the future?
  1. Hand sanitizer in each car
  2. Hospital Grade cleaning and disinfecting
  3. One seat blocked off next to each passenger
  4. Cleaning crews onboard during trip
  5. More frequent trains





## CONCLUSIONS

- There is a high probability based on the responses that the majority of ACE riders will return to riding the service.
- The timing of ridership return will be in progressions as different health and safety markers are reached, i.e. orders lifting, time for adjustment, vaccine, etc.
  - This may result in plateaus of ridership gains over the course of FY20/21
- Some passengers may reduce their riding frequency, but limiting in-person requirements, may accelerate employees moving to lower cost markets, increasing the market availability for ACE.



## CONCLUSIONS

- It is clear both from open responses and the question regarding health and safety expectations that ACE will need to ensure appropriate health and safety measures remain in place for a significant period of time.
- Due to the importance of the health and safety measures, staff recommends engaging in a clear, proactive rider communications campaign to educate riders on the steps being taken to ensure their safe return to ridership.





## **ITEM 6**

**Draft 2020/2021 Work Program and Budget  
(Stacey Mortensen/Kevin Sheridan/Brian Schmidt)**



# BUDGET ADOPTION SCHEDULE

- MAY 1, 2020 – Assumptions for the Draft Capital and Operating Budgets for Fiscal Year 2020/2021.
- June 5, 2020 – Draft 2020/2021 Fiscal Year Work Program & Operating and Capital Budgets.
- July 2020 - Public Hearing; Final Work Program & Operating and Capital Budgets to be submitted for approval.





# SJRRC/ACE DRAFT OPERATING BUDGET FY 20/21

- Operating Budget Assumptions:
  - Service reduced to 2 daily roundtrips Monday through Friday due to COVID-19 Pandemic for the entire fiscal year.
  - Current train sets consist of 5 passenger cars and one locomotive. As ridership grows cars will be added to maintain Social Distancing until we reach 10 cars per train set.
  - Ridership is currently averaging 512 passengers for the first 4 days in June 1st.





# SJRRRC/ACE DRAFT OPERATING BUDGET FY 20/21

- Operating Budget Strategies:
  - Implement cost reduction strategies beyond service-related expenses, including:
    - Employee travel
    - Office supplies
    - Ticketing services
    - Workforce transition from daily maintenance to Capital Overhaul
  - Implement New Revenue Work Strategies:
    - Equipment maintenance services for Caltrans-owned rail equipment.
      - These agreements include funding for Staff as well and Herzog.
    - Modifications to oldest ACE locomotives into cab or alternative power cars.
    - When ridership increases to a point where social distancing is not possible with the current two trains operating 10 cars each (High on-board count of 450 riders), Staff will bring back a service restoration plan for increasing service levels and a request for additional funding for the increased service level.



# PROJECT MANAGEMENT, SERVICES, & SUPPLIES

## SJRRC/ACE Operating Budget

	Prior Year SJRRC/ACE Combined Operating Budget	2020/2021 SJRRC Operating Budget	2020/2021 ACE Operating Budget	2020/2021 SJRRC/ACE Combined Operating Budget	% Change From Prior Year to Current Year
<b>Project Management Services and Supplies</b>					
Salaries/Benefits/Contract Help	6,581,960	1,501,731	4,875,580	6,377,311	-3%
Office Expenses/Postage	56,073	22,369	27,485	49,854	-11%
Subscriptions/Periodicals/Memberships	16,175	6,750	9,650	16,400	1%
Office Equipment Leases / Supplies / Maintenance / Furniture	102,278	39,976	64,231	104,207	2%
Computer Systems	137,500	84,750	8,850	93,600	-32%
Communications	81,648	21,272	60,904	82,176	1%
Motor Pool	89,070	17,240	62,149	79,389	-11%
Transportation/Travel	44,900	10,650	17,125	27,775	-38%
Training	25,995	7,245	18,750	25,995	0%
Audits/Regulatory Reporting	83,200	14,200	69,400	83,600	0%
Professional Services Legislative	79,500	76,470	-	76,470	-4%
Professional Services Legal	150,000	125,000	60,000	185,000	23%
Professional Services General	276,529	127,356	163,695	291,051	5%
Publications/Legal Notices	27,000	11,000	16,000	27,000	0%
Taxes/Assessments	23,025	23,025	-	23,025	0%
<b>Project Management, Services &amp; Supplies Subtotal</b>	<b>7,774,853</b>	<b>2,089,034</b>	<b>5,453,819</b>	<b>7,542,853</b>	<b>-3%</b>



# CONTRACTED AND SHUTTLE SERVICES

## SJRRC/ACE Operating Budget

	Prior Year SJRRC/ACE Combined Operating Budget	2020/2021 SJRRC Operating Budget	2020/2021 ACE Operating Budget	2020/2021 SJRRC/ACE Combined Operating Budget	% Change From Prior Year to Current Year
<b>Contracted Services</b>					
Maintenance of San Joaquin County Facilities	87,000	99,499	-	99,499	14%
Maintenance & Improvements System Wide ACE Stations	54,900	-	54,900	54,900	0%
Maintenance of Headquarters Structures/Grounds	184,055	39,532	130,992	170,524	-7%
ACE Operations & Maintenance*	8,301,828	-	3,931,538	3,931,538	-53%
Positive Train Control	276,000	-	276,000	276,000	0%
Consumables/Repair Parts	1,208,800	-	550,000	550,000	-55%
Operating Leases	110,000	31,800	39,100	70,900	-36%
Fuel	1,794,223	-	831,482	831,482	-54%
Railroad Maintenance, Oversight/Dispatching	2,289,510	-	1,076,631	1,076,631	-53%
Insurance	3,214,007	180,949	3,764,611	3,945,560	23%
Insurance Management Fees	150,000	22,500	127,500	150,000	0%
Security Services/Safety Programs	395,729	43,128	352,601	395,729	0%
FRA/FTA Drug Testing Program	7,100	-	7,100	7,100	0%
Community Engagement & Marketing	389,900	33,000	422,742	455,742	17%
Special Trains	163,985	-	163,985	163,985	0%
Passenger Services	16,078	-	14,500	14,500	-10%
Ticketing Services	885,932	-	436,614	436,614	-51%
Professional Services Operations	509,621	21,725	243,948	265,673	-48%
Communications Operations	193,071	-	96,536	96,536	-50%
Communications WiFi	303,406	-	400,000	400,000	32%
Emergency Ride Home/Emergency Bus Bridges	42,330	-	19,125	19,125	-55%
Rail Maintenance Facility	1,144,101	-	1,113,480	1,113,480	-3%
<b>Contracted Services - Sub-Total</b>	<b>21,721,576</b>	<b>472,133</b>	<b>14,053,385</b>	<b>14,525,518</b>	<b>-33%</b>
Shuttle Services	1,354,855	-	742,783	742,783	-45%
<b>Total Operating Expenses</b>	<b>30,851,284</b>	<b>2,561,167</b>	<b>22,149,987</b>	<b>24,711,154</b>	<b>-20%</b>



# OPERATING REVENUE (ANTICIPATED TO CHANGE FOR FINAL BUDGET)



## SJRRC/ACE Operating Budget

	Prior Year SJRRC/ACE Combined Operating Budget	2020/2021 SJRRC Operating Budget	2020/2021 ACE Operating Budget	2020/2021 SJRRC/ACE Combined Operating Budget	% Change From Prior Year to Current Year
<b>Operating Revenue</b>					
Measure K	4,610,096	2,459,167	964,124	3,423,291	
SJCOG - Local Transportation Funds (LTF)	4,147,715		2,826,882	2,826,882	
Fare Revenues	10,500,000		1,229,580	1,229,580	
ACTC Measure B Local	3,091,148		3,113,049	3,113,049	
ACTC Measure BB Local	1,454,292		1,464,621	1,464,621	
Santa Clara VTA Local	3,793,064		3,819,880	3,819,880	
Transportation for Clean Air (TFCA)	80,000		80,000	80,000	
SJCOG - State Transit Assistance (STA)	702,450		65,522	65,522	
MTC - State Transit Assistance (STA)	498,478		347,133	347,133	
ACTC Measure B Local - Admin Fee	15,000		15,000	15,000	
ACTC Measure BB Local - Admin Fee	15,000		15,000	15,000	
Amtrak Thruway Service	75,000		75,000	75,000	
Ticket Sales Others	163,985		163,985	163,985	
State Rail Assistance	1,603,056		0	0	
High Speed Rail	102,000	102,000	0	102,000	
LCTOP - Means Based Fare Program			173,687	173,687	
Other Revenue - Caltrans Siemens Agreement*			1,900,000	1,900,000	
FTA CARES ACT			5,896,524	5,896,524	
<b>Total Operating Revenue</b>	<b>30,851,284</b>	<b>2,561,167</b>	<b>22,149,987</b>	<b>24,711,154</b>	<b>-20%</b>



# CAPITAL BUDGET

- Draft Capital Budget = \$89,848,794
  
- Revenue sources include:
  - Senate Bill (SB-) 132
  - Transit and Intercity Rail Capital Program (TIRCP)
  - State Rail Assistance (SRA)
  - Federal 5307, 5337, and Congestion Mitigation and Air Quality (CMAQ)
  - Affordable Housing and Sustainable Communities (AHSC)
  - Measure K Smart Growth



## CAPITAL PROJECTS – ACE/SJRRC

- Included in the Draft Capital Budget are a number of multi-year, multi-phase projects, including:
  - Stockton Diamond Grade Separation
  - ACE Extension – Stockton to Natomas
  - ACE Extension – Lathrop to Ceres/Merced
  - Rail Car Purchase
  - Platform Extensions Projects
  - Robert J. Cabral Station Expansion
  - Railcar Midlife Overhaul
  - Cabral Station Track Extension
  - East Channel Street Improvements
  - Tracy ACE Station Improvements



## CAPITAL PROJECTS – SJJPA

- The Draft Capital Budget also includes SJJPA projects, contributing funding to:
  - Madera Station Relocation
  - Stockton Wye
  - Oakley Station Platform
  - Network Integration Planning
  - Safety & Security Projects throughout the San Joaquins Corridor
    - Fencing and security improvements at Western Pacific Depot





## **ITEM 7**

**Approve a Resolution of the Board of Commissioners of the San Joaquin Regional Commission Approving Professional and Contracted Service Amendments for Fiscal Year 2020/2021 and Authorizing and Directing the Executive Director to Execute All Agreements and Amendments Not-To-Exceed the Following Amounts:**

- a. Allied Universal for Security Services = \$338,825**
- b. Marsh USA Inc. for Insurance Broker Services = \$150,000**
- c. Masabi, LLC for Mobile Ticketing Services = \$12,000, plus 5.95% Transaction Fee on Ticket Sales**
- d. Lisa and Dirk Lorenz for Ticketing Services = \$106,116**

**(Autumn Gowan)**



## BACKGROUND

- Annually, the Rail Commission utilizes option years for applicable professional and contracted services agreements.
- The Agreements have been previously approved by the Board for the base term and pricing.
- The following Amendments are recommended in the 2020/2021 fiscal year:
  - Allied Universal for Security Services = \$338,825
  - Marsh USA Inc. for Insurance Broker Services = \$150,000
  - Masabi, LLC for Mobile Ticketing Services = \$12,000, plus 5.95% Transaction Fees of the Gross Ticket Sales
  - Lisa and Dirk Lorenz for Ticketing Services = \$106,116



## BACKGROUND

- The following amendments are within the Executive Director's Expenditure Authority for the 2020/201 fiscal year:
  - American Eagle for Website Maintenance and Hosting = \$31,800
  - ETA Phi Systems for Train Tracking Software and Services = \$43,643
  - CJ Graphics, Inc. for Ticket Printing Services = \$33,927
  - Kemper CPA Group, LLP for Financial Auditing Services = \$67,100
  - Winter Consulting Group, LLC for Outreach Services = \$38,000
  - LAVTA for Tickets Sales at Livermore Station = \$20,820
  - Legacy Mechanical & Energy Services, Inc. for HVAC and Water Treatment Services = \$17,953
  - Janitek Cleaning Services for Janitorial Services = \$55,610
  
- Before entering in an Amendment utilizing an option year, staff coordinated with the contractor or consultant to confirm option year pricing is still fair and reasonable.



# FISCAL IMPACT & RECOMMENDATION

- Fiscal impact:
  - Costs associated with the proposed agreements and amendments are allocated as follows and identified in the SJRRC/ACE Fiscal Year 2020/2021 Budget.
  
- Recommendation:
  - Approve a Resolution of the Board of Commissioners of the San Joaquin Regional Rail Commission Approving Professional and Contracted Service Amendments for Fiscal Year 2020/2021 and Authorizing and Directing the Executive Director to Execute All Agreements and Amendments Not-To-Exceed the Following Amounts:
    - Allied Universal for Security Services = \$338,825
    - Marsh USA Inc. for Insurance Broker Services = \$150,000
    - Masabi, LLC for Mobile Ticketing Services = \$12,000, plus 5.95% Transaction Fees of the Gross Ticket Sales
    - Lisa and Dirk Lorenz for Ticketing Services = \$106,116



## **ITEM 8**

**Approve a Resolution of the Board of Commissioners of the San Joaquin Regional Rail Commission Approving an Agreement for Crew Layover Lodging Services to Marriott San Jose Downtown for an Amount Not-To-Exceed \$672,897 total from July 1, 2020 through June 30, 2021, and Authorizing the Executive Director to Execute Any and All Necessary Documents  
(Brian Schmidt/Autumn Gowan)**



## BACKGROUND

- As part of the Federal Railroad Administration (FRA) regulations, the Rail Commission is obligated to provide crew rest facilities between operating schedules. Historically, the Staff has researched other options layover options, but nothing has been as cost effective as hotels.
- While employing the services of a hotel is not seen as a long-term solution, there are several reasons why this is the best option at this time:
  - Hotels are independently safe, secure, and ADA and OSHA compliant.
  - Because of the agency's growth potential, partnering with a hotel allows for the most efficient and cost-effective option currently.
  - In the future, when bi-directional ACE service implemented, there will not be a need to have crew and layover facilities in the San Jose area.



# PROJECT PROCUREMENT

- On February 28, 2020, SJRRC released a Request for Proposals (RFP) via vendor portal Planet Bids for the solicitation Crew Layover Lodging Services. By utilizing Planet Bids, 7 firms were notified of the opportunity. Staff also posted the opportunity on Transit Talent. Eleven (11) firms downloaded the solicitation documents.
- On the due date of April 14, 2020, two (2) firms submitted proposals. During the initial procurement review, both were deemed non-responsive due to incomplete proposals. SJRRC reached out to both proposers to troubleshoot and found that both proposers were short staffed due to the COVID-19 pandemic and were unable to provide quality responses.
- SJRRC staff determined that a fair and open competition for these services would not be likely in the current environment and made the decision to cancel the solicitation with the intent to release a new solicitation towards the end of 2020 or early 2021.
- SJRRC will prepare and release a new solicitation at such time the COVID-19 pandemic has ended.





# PROJECT PROCUREMENT

- Currently, Marriott San Jose Downtown (Marriott) is under contract for these services. Staff reached out to Marriott to see if they would be willing to enter into a one (1) year agreement knowing that the effects of COVID-19 are unknown.
- Marriott agreed and proposed a daily room rate of \$132.46 inclusive of taxes and other fees for Weekdays.
- The contract to be awarded is for one (1) year with no additional options.

<u>Standard Room Rate</u>	<u>Local Tax Rate 14%</u>	<u>Other Fees (Daily)</u>	<u>Total Rate</u>	<u>Max Number of Rooms per Day</u>	<u>Estimated Service Days</u>	
\$114.00	\$15.96	\$2.50	\$132.46	20	254	\$ 672,896.80
				Total Not to Exceed		\$ 672,896.80





# PROJECT PROCUREMENT

- SJRRC's Procurement Manual allows for sole source procurements when "a single source of supply is immune from effective competition".
- Pursuant to Procurement Manual, the Contracts and Compliance Department and Legal Counsel have confirmed that the procurement qualifies as a sole source purchase based on the following:
  - A waste of agency funds would be created in the use of staff time to release a solicitation in the current environment with the knowledge that a fair and open competition is not available.
  - The SJRRC Contracts and Compliance Department and a Director have confirmed that the procurement qualifies as a sole source purchase, budgeted funds are available and SJRRC Legal counsel has been consulted





# FISCAL IMPACT & RECOMMENDATION

- Fiscal Impact:

- Funding for the Crew Layover Lodging Services is included in the fiscal year 2020/2021 budget in the ACE Operations and Maintenance line.

- Recommendation:

- Approve a Resolution of the Board of Commissioners of the San Joaquin Regional Rail Commission Approving an Agreement for Crew Layover Services to Marriott San Jose Downtown for an Amount Not-To-Exceed \$672,897 total from July 1, 2020 through June 30, 2021 and Authorizing the Executive Director to Execute Any and All Necessary Documents.



## **ITEM 9**

### **Commissioner's Comments**





## **ITEM 10**

### **Ex-Officio Comments**





## **ITEM 11**

### **Executive Director's Report**





## **ITEM 12**

### **CLOSED SESSION**





## **ITEM 13**

### **Adjournment**

