MEETINGS OF THE

Boards of Directors

Joint Meeting of Valley Metro RPTA and Valley Metro Rail	Valley Metro RPTA	Valley Metro Rail

Date:

January 19, 2023

Starting Time

11:15 a.m.

Meetings to occur sequentially

Location:

Valley Metro

Boardroom/Webex

101 N. 1st Avenue, 10th Floor

If you require assistance accessing the meetings on the 10th floor, call 602.262.7433.

Agenda

January 12, 2023

Joint Meeting Agenda
Valley Metro RPTA
And
Valley Metro Rail
Thursday, January 19, 2023
Valley Metro, 101 N. 1st Avenue, 10th Floor
Boardroom/Webex
11:15 a.m.

	Action Recommended
1. Public Comment	1. For Information
The public will be provided with an opportunity at this time to address the committees on **non-agenda items and all action agenda items for the Joint, RPTA and VMR meeting agendas.** Up to three minutes will be provided per speaker unless the Chair allows more at their discretion. A total of 15 minutes for all speakers will be provided.	
2. Chief Executive Officer's Report	2. For information
Jessica Mefford-Miller, CEO, will brief the Joint Boards on current issues.	
3. Audit and Finance Subcommittee Update	3. For information
Councilmember Stipp, AFS Chair, will provide an update on the discussions and actions taken at the AFS meeting.	
4. Minutes	4. For action
Minutes from the December 1, 2022 Joint Board meeting are presented for approval.	
5. Super Bowl LVII Transit Planning Update	5. For information
Staff will provide an informational update on Super Bowl LVII transit planning and coordination across Operations & Maintenance, Safety & Security and Communications & Volunteers.	

6. Travel, Expenditures and Solicitations — 6. For information

The monthly travel, expenditures and solicitations for Valley Metro RPTA and Valley Metro Rail are presented for information.

7. Report on Current Events and Suggested Future Agenda Items — 7. For information

Chair Pastor will provide members the opportunity to report on current events and suggest future agenda items for consideration.

8. Next Meeting — 8. For information

The next meeting of the Joint Boards of Directors is scheduled for **Thursday, February 16, 2023 at 11:15 a.m.**

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats (large print or flash drive) are available upon request. For further information, please call Valley Metro at 602-262-7433 or TTY at 602-251-2039. To attend this meeting via teleconference, contact the receptionist at 602-262-7433 for the dial-in-information. The supporting information for this agenda can be found on our web site at www.valleymetro.org.

Information Summary

DATE
January 12, 2023

AGENDA ITEM 1

SUBJECT
Public Comment

PURPOSE
The public will be provided with an opportunity at this time to address the committees on **non-agenda items and all action agenda items for the Joint, RPTA and VMR meeting agendas.** Up to three minutes will be provided per speaker unless the Chair allows more at their discretion. A total of 15 minutes for all speakers will be provided.

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COMMITTEE PROCESS
None

CONTACT
Jessica Mefford-Miller
Chief Executive Officer
602-262-7433
jmeffordmiller@valleymetro.org

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 2**
January 12, 2023

SUBJECT
Chief Executive Officer's Report

PURPOSE
Jessica Mefford-Miller, Chief Executive Officer, will brief the Joint Boards of Directors on current issues.

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COMMITTEE PROCESS
None

CONTACT
Jessica Mefford-Miller
Chief Executive Officer
602-262-7433
jmeffordmiller@valleymetro.org

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 3**
January 12, 2023

SUBJECT
Audit and Finance Subcommittee (AFS) Update

PURPOSE
Councilmember Stipp, AFS Chair, will provide an update on the discussions and actions taken at the AFS meeting.

BACKGROUND | DISCUSSION | CONSIDERATION
The draft minutes from the January 5, 2023 AFS meeting are attached for further details of the meeting.

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
This item is presented for information only.

CONTACT
Ken Kessler
Chief Financial Officer
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kkessler@valleymetro.org

ATTACHMENT
Draft January 5, 2023 AFS meeting minutes

Minutes

January 12, 2022 **AGENDA ITEM 3**

Audit and Finance Subcommittee
Thursday, November 3, 2022
Via WebEx/Phone
12:00 p.m.

Meeting Participants
Councilmember Bill Stipp, City of Goodyear – **CHAIR**
Councilmember Clay Goodman, City of Buckeye
Mayor Brigette Peterson, Town of Gilbert
Vice Mayor Laura Pastor, City of Phoenix

Members not present:
Councilmember Francisco Heredia, City of Mesa

Chair Stipp called the meeting to order at 12:02 p.m.

Chair Stipp said so I will go ahead and call to order the Audit and Finance Subcommittee of Valley Metro, Valley Metro Rail on Thursday, January 5th. With that, do we need to note that Councilmember Heredia is not attending, and that Councilmember Pastor is on her way.

1. Public Comment

Chair Stipp said I see Mr. Crowley is –

Ms. Dillon said Mr. Crowley is here, sir.

Chair Stipp said okay. Mr. Crowley, you know the drill. Three minutes.

Mr. Crowley said nothing personal and you can't say bad things about those people across the way, but I can infer.

Chair Stipp said or anybody else.

Mr. Crowley said oh, okay.

Chair Stipp said for that matter so.

Mr. Crowley said I mentioned that first.

Chair Stipp said appreciate that. Thank you.

Mr. Crowley said okay. Down the street today they're inaugurating a new governor and I've done whatever reach out I could because our transportation system and especially the bus part of it is important to me. As you know, I was the head of the bus committee of Prop 400, so when I look at parts of the plan that are still deficient, I wonder why especially when there are things like 37 or was it 39 million that you moved forward from last year that you didn't use. But then I have these two halves of the bus and it shows all of the routes, or not all of them, but a major segment of them where you haven't done anything especially on the west side.

There are eight major arterials with nothing and on the East Valley, it's two with one of the being Queen Creek. But then when I look at what was done to us, I also recall that the past mayor of Mesa and the rest of the when they did what they did to change it saying, hey, we're not going to have enough money to get this programs done, it was the west side who took it in the throat I see when I look at the map.

I've got a letter from January 12th, 2022, that you all sent to me and it was the excerpts from the Board meeting and it was going over what Prop 400 needed to be expanded upon and the rest of it, but in it I didn't see any of the suggestions that I have tried to give you. As in, with that 37 million, every one of the stops in our system needs to have a shelter just because of the radicalness of our area. We're, what, 60% have a shelter and I believe, it's 20% just have a sign. Now, with the new plan that you have nothing to do with that's MAG that writes it and such.

The input that you're doing it could you ask them to please put in the infrastructure because when -- if you were the ones having to write for them, I'm sure that they would want you to make sure that the infrastructure was covered because they cover it for themselves and the freeways and the cities. But when it comes to transit, you guys are the ones that I need to have advocating. And I know that you have absolutely no power, but I still need you to be communicating to them that you need to make sure this new plan is by concentration of traffic patterns to get the buses out there faster and sooner. And I believe that most of your communities would then have them on all their major arterials and that the infrastructure needs to be a part of that plan so that it's done and gets addressed because it should have been addressed over these last 20 years, but why didn't you? Because you weren't told. I know.

Chair Stipp said thank you, Mr. Crowley. I assume there are no others. Okay.

With that, we have the minutes presented from the last meeting which was November 3rd. Those were in the packet. Pending any questions or -- I did skip over. I'm trying to speed through this so I apologize for that and it's a horrible welcome to Audit and Finance Subcommittee. We're just blowing right by your report. I apologize for that.

2. Chief Financial Officer's Update

Mr. Kessler said Chair, members of the Subcommittee, just a handful of comments from me today, some updates. First, just want to let you know that RPTA Annual Comprehensive Financial Report is being worked on. An extension was granted to the end of January to complete that and receive the GFOA certificate. That audit is well underway and on track to be done on time for that. Just a note the VMR audit itself has been complete. That was needed to be completed before or ahead of the RPTA just due to the nature of the relationships of the agencies as well as getting cities their net equity numbers in VMR.

Want to provide a couple of updates on some key recruitments for some key positions in the Finance and Procurement department. We have our Director of Contracts and Procurement formally titled the Chief Procurement Officer. That is with a search firm K&L too. They are working through compiling all the documents for posting that job and we expect that job opening should be posted in the next couple of weeks. So we're looking forward to filling that important role.

Also, the Controller position has been posted for about two weeks now. That job is open and underway for gathering resumes. I just received an email earlier this morning, haven't had a chance to look at it, with the first round of resumes that have been received. So I'm looking forward to seeing what kind of candidates we're bringing in for that.

Also, wanted to mention we provided the monthly financial reports to the Financial Working Group in our last meeting. I believe it was last week and also, worked through the PTF programming of capital funds for VMR for the balance of the Prop 400 plan.

So those are all of my updates for today. I'd be happy to answer any questions if there are any.

Chair Stipp said does anybody have any questions for Ken? Awesome. Thank you.

Mr. Kessler said thank you.

3. Minutes

The minutes from the November 3, 2022, Audit and Finance Subcommittee meeting are presented for approval.

They haven't changed since they were sent out. Does anybody have any questions? If not, I'll entertain a motion to approve the minutes.

Motion by Councilmember Pastor, second by Mayor Peterson.

Any discussion? All in favor, say aye. Any opposed? The ayes have it.

IT WAS MOVED BY COUNCILMEMBER PASTOR, SECONDED BY MAYOR PETERSON AND UNANIMOUSLY CARRIED TO APPROVE THE NOVEMBER 3, 2022 AFS MEETING MINUTES.

4. Rail Operator Certifications and Labor Audit

Ms. Beckstrom said thank you, Mr. Chair. I'd like to call Larry Kondrat up to present the results of this report.

Mr. Kondrat said Okay. Thank you, Sebrina. In case you don't know who I am, my name is Larry Kondrat. I'm a Senior Internal Auditor with Valley Metro and I'm here to present the results of the Rail Operators Certifications and Labor Audit.

The objectives and scope of the audit were to determine compliance for calendar year 2022 with applicable certification and labor requirements and industry best practices in four main areas: drug and alcohol testing, training and recertification, hours of duty and fitness for duty. Next slide, please.

All right. Internal Audit determined the report risk rating to be low based on the fact that Valley Metro had mostly effective operator certifications and labor controls, but that they can be enhanced. There were four findings in the report along with four recommendations. One finding was medium risk and three findings were low risk.

Okay. Finding One. Fitness for duty monitoring needs improvement. Internal Audit recommends that Valley Metro should, one, ensure that ACI improves their fitness for duty monitoring in tracking processes such as using an automated management tool to monitor and track compliance with fitness for duty standards. And two, to monitor ACI's compliance with fitness for duty program standards. Okay. Next slide, please.

All right. The second finding had to do with operator hours of duty standards. They need to be strengthened. Internal Audit recommends that Valley Metro should, one, solicit ACI's input and develop and implement written standards that define hours of duty requirements and, two, to monitor compliance with the written standards.

Finding three. Valley Metro's oversight of ACI's drug and alcohol program could be strengthened. Internal Audit recommends that Valley Metro should complete the review of ACI's 2021 program year to include a copy of the 2021 MIS report submitted to the FTA with a checklist. Going forward, Valley Metro should complete the review of ACI's 2022 program year after January 1st, but before the March 15th due date and include a copy of the 2022 MSI report.

All right. The last finding. Valley Metro should enforce and follow the established contractor training oversight process. Internal Audit recommends that Valley Metro should, one, require ACI to conduct and document the requirements established in the

Standard Operating Procedure 100.30 and, two, conduct and document an annual audit to ensure the training efforts are current and records are maintained.

All right. Valley Metro concurred with all four recommendations and the responses have been included in the management response matrix which is in the appendix.
I also want to point out that Valley Metro's leadership, they've already begun addressing the recommendations and I'd like to thank them for their eagerness and effort so far.

So are there any questions pertaining to the audit?

Chair Stipp said does anyone have questions pertaining to this?

Councilmember Goodman said no, I do. One question. If you could go back a couple slides on the drug –

Mr. Kondrat said the drug and alcohol program?

Councilmember Goodman said yeah. Were there any safety related incidents or is this just strictly a paperwork thing that was identified.

Mr. Kondrat said I'll let Jennifer Davis answer this. She -- that was her part of the audit.

Ms. Davis said good afternoon, sir. Thank you for the question. This was a paperwork review of the testing, but after any accident and incidences, the required drug and alcohol testing was being completed and documentation of that was (indiscernible)

Councilmember Goodman said okay. Thank you.

Chair Stipp said great. Seeing no other questions. I have questions probably related to both, so I'm going to wait until after the second presentation before I roll into those, but.

Mr. Kondrat said okay.

Chair Stipp said thank you, Larry. I'm trying not to rush her, but we do have an action on this item, so I would like a motion to approve the Rail Operator Certifications and Labor -- to accept and approve the recommendations.

Motion by Councilmember Goodman, second by Mayor Peterson.

Any other discussion? All in favor, say aye. Any opposed? The ayes have it.

IT WAS MOVED BY COUNCILMEMBER GOODMAN, SECONDED BY MAYOR PETERSON AND UNANIMOUSLY CARRIED TO ACCEPT THE RAIL OPERATOR CERTIFICATIONS AND LABOR AUDIT.

5. Bus Operator Certifications and Labor Audit

Ms. Beckstrom said thank you, Mr. Chair. Jennifer Davis will present the results of this audit report.

Ms. Davis said thank you, Sebrina. Good afternoon, Chair Stipp, members of the AFS Committee. Thank you for your time today. I'm Jennifer Davis, Senior Internal Auditor with Valley Metro and I'm presenting the results of the Bus Operator Certifications and Labor Audit conducted by the Internal Audit team.

As Larry mentioned, our objectives were to determine compliance with the requirements and best practices in the four main areas: drug and alcohol testing, training and recertification, hours of duty and fitness of duty. Internal Audit reviewed the records for the three bus contractors: First Transit, Total Transit and Ajo Transportation seeking compliance for the '22 calendar year.

Based on likelihood and impact, this report had a calculated medium risk as enhancements to controls could be made. This heat map shows plotting of the three medium risks and the one low risk finding.

Finding number one. Valley Metro should improve their oversight of the drug and alcohol program. Internal Audit recommends that, one, Valley Metro should provide contractors with the federal requirements for the drug and alcohol testing programs. Two, require the contractors update their alcohol -- drug and alcohol policies to reflect those federal requirements. And three, implement an annual review process where designated Valley Metro staff verify the documentation and federal requirements are being maintained.

Finding two. Valley Metro should improve their fitness of duty oversight. Valley Metro should enhance their oversight of the bus contractors to ensure that the operator's files are current and contain all the required fitness of duty documentation.

Finding three. Valley Metro should improve their oversight on contractor retraining programs for the bus operators. Internal Audit recommends that Valley Metro should, one, require contractors to establish and update the retraining procedures. Two, establish a template and a cadence for contractors to report their ongoing training record -- efforts to designated Valley Metro staff. And three, implement a review process where the designated staff verifies the training efforts are current and that the records are maintained.

Finding four. Valley Metro should improve their hours of duty oversight. Internal Audit is recommending Valley Metro enhance their oversight of the bus contractors to ensure that the operators are not exceeding hours of duty requirements.

Valley Metro management team concur with the recommendations and have been implementing some of the corrective actions listed in the response matrix at the end of the report.

Thank you for your time. Are there any questions on the Bus Operators Certification and Audit report.

Chair Stipp said does anyone have questions? Do you want to repeat your?

Councilmember Goodman said no. I'm assuming it's the same here.

Chair Stipp said so with there being no other questions, I think it's important for us to at least acknowledge and talk about both of these scenarios both as the bus contractors and ACI as the Valley Metro Rail contractor. We put a lot of responsibility on them as contractors, but the ultimate responsibility is this organization's and Valley Metro's and I think that really shows the importance of this Chief Operating Officer position that we are currently recruiting for that this -- both of these audits will be very informative to that individual coming in. And I think as the Audit and Finance Subcommittee, it should not be -- it should not go unnoted that we take these two audits very seriously. And I know in conversations that we've had with the CEO that she does as well. But I want that reflected, obviously, in the record of these two audits being delivered before we -- before we vote on them.

So I think it absolutely underscores the importance of contract management and a weakness that we've had as an organization but a strength that we'll have going forward.

So I appreciate the audit teams work. I'm going to look at all of you, but I can't get my eyes to go three different directions so. But thank you, thank you for that.

So having said that, if there's no further comments, I will accept a motion to accept and approve the Bus Operators Certifications and Labor audit.

Motion by Councilmember Goodman, second by Councilmember Pastor.

Any discussion? Seeing none. All in favor, say aye. Any opposed? The ayes have it.

IT WAS MOVED BY COUNCILMEMBER GOODMAN, SECONDED BY COUNCILMEMBER PASTOR AND UNANIMOUSLY CARRIED TO ACCEPT THE BUS OPERATOR CERTIFICATIONS AND LABOR AUDIT.

6. Internal Audit Update

Chair Stipp said and just for the record before we go any farther, when Mayor Peterson has to leave, we will still maintain a quorum, but all the remaining items are for information only. So back to Sebrina, thank you.

Ms. Beckstrom said thank you, Mr. Chair. For the work that we've completed in the last couple of months in Internal Audit as we didn't have a December AFS meeting, I'll be reporting out on the two. As you just noted or approved, we've completed the labor and -- or certifications and labor audits for both the rail and the bus modes and we will be finalizing a report on the paratransit mode which we anticipate presenting in the February AFS meeting.

We have several audits in progress. We're working on the fiscal year '23 quarter 1 credit card transactions review and we've gone back to -- we had opened the fare collections processes and controls and reduced fare reviews prior to the certifications and labor audit but switched gears a little bit to finish those up. And then now, we're going to hit those other audits again starting in this month of January.

For audit recommendation updates, we had two recommendations implemented. One related to the credit card policy which has been updated to better reflect supporting documentation needs. And then the other is that Finance has created a standard operating procedure to ensure timely payments to contractors.

There are six recommendations that are in process. Four of those are procurement manual related over a couple of different reports and the audit team had the ability to meet with Mr. Kessler here a couple of days after he started to discuss these recommendations and noting that we have a new CFO now, we had anticipate having a new CFO several months ago when these recommendations were written and that he is in the process of hiring his director of procurement. And so, we met and we agreed to extending the deadline, the due date per se of the implementation of these recommendations to the end of September of 2023 to give Mr. Kessler and his team time to -- to go over that.

And the reason that Internal Audi felt comfortable in granting that deadline extension is that the procurement process appears to be sufficient. It's more that the manual is pretty, outdated as a new system has come online of -- a new Finance system and there are some discrepancies there. So it's that the manual needs to be updated to reflect current practice.

Were there any questions so far?

Chair Stipp said anybody have any questions? Again, I think we see the cause and effect of not having the Chief Procurement Officer or whatever we're going to retitle it to and -- but appreciate the feedback on us -- that it being more policy manual related and rather than procedure related so I think that's key for our minutes going forward. Does that -- did that end the audit update?

Ms. Beckstrom said one more.

Chair Stipp said okay.

Ms. Beckstrom said so we -- I have some external audit reviews to -- to discuss with you. In August, I was able to attend the APTA Audit Committee Professionals meeting and during that meeting, we discussed major risks in our field, in transit, things that were hitting us pretty heavily and the vulnerability of cybersecurity came up very, very often. And our APTA peer review happened just a couple of months ago and they also indicated that cybersecurity was a vulnerability and that we should look into it as soon as possible.

That being said, I contacted the Cybersecurity and Infrastructure agency for -- with the federal government. It's a relatively new federal agency that actually provides free services in -- in the area of cybersecurity. They are pretty backed up. They have several different projects that they will do for free, but I was able to get them to come in the month of December to start work with us on a cybersecurity resilience test.

They came for two days, and we worked with the Finance, the operation technology and the IT technology groups to discuss the cybersecurity around -- and we had to take a specific -- look at a specific area. So we looked at the fare system. And we don't have a report yet from that review. We'll -- the IT group should receive that in the next few weeks and so we'll have that information to share.

As well as Valley Metro has contracted with a consultant to -- to look at the -- to assess the SCADA system which is the operational system for -- for the trains. And the contractor has begun work in that area. They started just before the holidays and they're working in -- in phases. And so, we really wanted to get as much as we could done before the Super Bowl to make sure that we had as much of the vulnerability identified and could fix as much as we could before Super Bowl. So they will have a couple of phases of their review done before the Super Bowl, and then they'll continue on throughout the rest of the fiscal year.

And again, the Super Bowl and with the APTA review, the sense of urgency for that to happen and thank Valley Metro leadership for jumping on and working through getting these two cybersecurity reviews underway. And Internal Audit is working hand in hand with these groups to -- to get that -- to get an assessment of where we are with cybersecurity.

And then, again, the APTA team will be coming back to do another safety and security review in February.

Ms. Mefford-Miller said APTA will be conducting a safety and security peer review that date has not yet been set. We do know it will come after February 2023.

Ms. Beckstrom said okay. So with that, that is all of the information I have to share today. Are there any questions?

Chair Stipp said I think, yes.

Councilmember Pastor said so I just want to get some clarity. There's a cybersecurity review happening, currently happening and it's being done before the Super Bowl, and it has to do with the fare piece?

Ms. Beckstrom said that is a separate one. So the fare box one was completed by the federal government agency.

Councilmember Pastor said okay.

Ms. Beckstrom said we have a consultant looking at the cybersecurity of specifically the operational technology SCADA system.

Councilmember Pastor said okay.

Ms. Beckstrom said and that, part of it will happen before the Super Bowl and part will be after. It's an ongoing process.

Councilmember Pastor said okay. And the whole intent of looking at this is to make sure that our system is strong enough and it not to be attacked as during the Super Bowl is happening and -- and if we get some findings, we can move quickly. That's what I'm assuming.

Ms. Beckstrom said definitely.

Councilmember Pastor said alright.

Ms. Mefford-Miller said if I may, Mr. Chair, the SCADA audit is to directly assess our operations technology.

This is a companion to prior audits that are information technology. Think of that as some of our administrative systems. Our operations systems like SCADA, that's our supervisory control and data acquisition, this controls things like train movements and our operations systems. So it's -- it's business critical and vulnerable. It does take a specific discipline and skill set and that's why we've engaged True North and they've responded very quickly, and in short order, we've been able to get them on board and get them to work.

Ms. Beckstrom said it's also important to note we will share the findings that we receive, but likely will need to do that in executive session due to the nature of the information.

Chair Stipp said that makes sense. Does anybody else have any questions? Yeah. Definitely agree on that.

It's great that we've got slightly proactive, I'm going to say proactive, that we didn't have this discussion in March. I realize we're having it in November or December, but we are -- we are at least getting ahead of the game and that -- that's very critical for us so I appreciate the staff (indiscernible) on that and seeing a weakness before we -- before it became readily available so -- or readily apparent.

So all of the information on internal audit was presented for our information only. If you have any follow-up questions, I'm assuming Sebrina is more than happy to take those.

7. <u>RPTA Fiscal Year (FY23) Mid-year Budget Adjustment</u>

Mr. Kessler said thank you, Chair. Yes. I'd like to introduce agenda item number 7, the mid-year budget adjustment to the RPTA operating budget. There are a few things in the operating budget, a few areas, that we have some work that's going to happen that was not planned for when the budget was developed last year in the areas of planning, regional services and the call center. As well as you may recall, the wage rate increase for our contractors that was approved, I believe that was last month. Those agenda items included approving the necessary budget adjustments for those items.

So here we'll just touch on those to sort of remind folks what was already acted on. And then this additional mid-year budget adjustment needed based on our finance and staff throughout the agency doing a forecast mid-year after looking at costs we've incurred through the first handful of months and forecasting out what we expect to do going forward and looking at some of these items that were not planned for when the budget was developed.

And Tyler Olson is here to present the details of the mid-year budget adjustment.

Mr. Olson said good afternoon, Mr. Chair, members of the Subcommittee. Thank you, Ken. So as Ken mentioned, we developed this budget well ahead of time as you're very familiar with nine months ahead of the fiscal year and some things we know, some things we don't at the time and really just a matter of just truing the budget up with the information that we have today.

I do want to note and within Financial Working Group and the Audit and Finance Subcommittee, we did mention a miss in our '23 budget base related to our indirect cost pool. Should have been in our base budget. Through all the complexity of the spreadsheets that we deal with we did miss that. Jim Hillyard brought that up to this group before. The good news is, based on our forecast, we can live within our means on that so we don't need to do a budget adjustment for that. We did share that with Financial Working Group as well.

This information has also been shared -- these presentations with Financial Working Group, RTAG and management committees.

So starting with RPTA. So as Ken mentioned, there's a couple changes that you are familiar with the East Valley and West Valley bus contracts. If you remember at the time of the '23 budget development, we included some contingency for the unknown negotiated potential rate to really get operators in the seats and continue the service that we want to put out every day. We did include that in the member cities IGA's, these amounts, that contingency, but based upon Board feedback, we removed that contingency before the budget was adopted so this is really just a formality administrative update so that we have the authority to spend for the rest of the year. So just over $3 million for those.

So a few of the other things that you're not as familiar with. In our planning area, we are underway on the origin and destination study, a very important study required by FTA for before and after openings of extensions. We also get a ton of really great information on a ridership profile, things of that nature. The majority of that work will be completed this fiscal year.

We're also working on our zero emissions plan. We need that plan in order to compete for FTA grants specifically for low to no emissions grants. So our fleet going forward, we want to look at that fleet how can we best make that really efficient, environmentally friendly through, you know, battery operated vehicles, things of that nature, so we're working on that. That is 100% federally funded that study.

Regional services, that is up due to the recent contract that was awarded by the Board last month. That has to do with the Scheidt & Bachmann regional maintenance on all of our regional fareboxes. So today, City of Phoenix has a contract in place with Scheidt & Bachmann it expires at the end of this month and so, this is really a gap coverage to get those boxes continue to be maintained up until we replace the fareboxes which is another contract that was approved by this Board, the regional replacement, and that will be with our Phase 2 of the fare collection system modernization if you remember that phasing that we had talked about before.

And then as it relates to the fare collection system modernization, the call center, we have a contract with Vix. The Board approved that contract in March of '21. It's really to augment our existing customer service group, but their focus is purely around the new fare collection system. And so, really there's an implementation this year and we're just really truing up the timing of -- of that implementation. There is no change to the contract value. We are well within the existing contract just an update on the timing on that.

So you can see, none of these items are member city funded. I will note that the regional services is funded through Phoenix's share of public transportation fund that's through their jurisdictional equity what's available in the Transit Lifecycle Program.
So collectively, $6.139 million adjustment. Sorry, these skip around.

Sources of funds. You can see that public transportation funds makes up the majority of that $2.8 million shared with regional area road funds and then the member city contributions. But, again, no changes to your intergovernmental agreements. Those have that contingency in there.

So total uses of funds, $6.1 million increase for the operating budget, that's a 3% increase over the amount that was approved in June.

With that, I'd be happy to answer any questions that you may have on RPTA.

Chair Stipp said anyone have questions on the RPTA piece? Tyler and the entire staff, -- we have spent the better part of the last five years beating you guys to death about living within your means, so I think we need to take a moment and celebrate the fact that we did have some budget adjustments this year and you have now taken the ability to live within those means and to make those various budget adjustments. So I do want to take that moment and celebrate that and I think the entire organization should be very -- very proud of being able to kind of withstand the ebbs and flows that we do at the city levels in the same regard. So tip of the hat to you guys and to everybody at Valley Metro.

Mr. Olson said thank you, Chair Stipp.

Chair Stipp said with that, again, this item is presented for information only. We'll go ahead and do the same for Valley Metro Rail.

8. Valley Metro Rail Fiscal Year 2023 (FY23) Mid-Year Budget Adjustment

Mr. Olson said moving into the Valley Metro Rail side. As Ken mentioned, the Valley Metro Rail is purely around our capital budget. As you know, our capital budget is primarily focused around those extensions that are built within the regional transportation plan that Prop 400 is providing local match for. So our two biggest projects, South Central and Northwest, those are really ramping up. We did have some underrun, significant underrun last year, so really, we're now catching up those activities and those costs and I do want to note that, you know, although these look like big numbers, these are, obviously, multi-year projects that are managed not only by our staff, but agreements with the FTA, member city contributions. There are no changes to the total project cost really just truing up the annual expenditures here based on that activity that's taking place. So both of those projects are over 50% complete.

Tempe Streetcar is, obviously, in service just have some trailing costs related to primarily our last vehicle from the manufacturer, Brookville, so we hope to have that all paid up this year and received and in operation as well as some of those parts to support that unique fleet. Some negotiations with the vendor there so we anticipate that to likely be closed out next year maybe some very small costs, close-out costs.

Our operations and maintenance center expansion really is done. It's literally 98% complete we just have this guard shack that we need to finalize out front. It's a very secure facility but this will just kind of enhance that safety and security presence right at the front door. So total adjustment is $106 million.

So sources of funds, that $106 million is broken out in the change column there so you can see federal and member city contributions are just over $40 million and public transportation funds filling in the gap there.

So total operating budget approved was $402 million, we're asking for $106.4 million increase to take us to $508.4 million.

And that concludes my presentation, I'd be happy to answer any questions that you have.

Chair Stipp said questions?

Councilmember Pastor said I have none.

Councilmember Pastor said Tyler, the only question that I think I want to ask about is the OMC Expansion. We had in the budget, you know, a hundred thousand dollars but were -- and we were anticipating ending it. Did we advance funds from what we would have anticipated to be '24 into this? Or are these additional?

Mr. Olson said no. So basically, some work that was assumed in '22 did not happen or was assumed to close out then and it got delayed, so really we're making that adjustment for '23.

Chair Stipp said so these are carryover funds, that the actual dollars are carryover?

Mr. Olson said yes. These funds are fully contained within the multi-year project.

Chair Stipp said okay.

Mr. Olson said we're not exceeding that

Mr. Olson said -- FTA budget.

Chair Stipp said I think that was probably a better way to ask the question. Thank you.

Mr. Olson said yeah.

Chair Stipp said anybody else have any questions? Seeing none. Again, this item is presented for information as well. Thank you, Tyler and Ken.

9. Intergovernmental Agreements, Contract Change Orders, Amendments and Awards

Chair Stipp said this item is always presented for our information, and you are encouraged to reach back to Valley Metro staff in the course of the next couple weeks before the actual board meeting with questions if you have any. And seeing none.

10. Report on Current Events and Suggested Future Agenda Items

Chair Stipp said this is the lull before the storm, if you will, as we get ready to head into February and then we kick it hard in March, April and May, so anybody have any items to add? Anything they want to report on? Seeing none.

The next meeting of the Audit and Finance Subcommittee is scheduled for February 2, 2023, at 12:00 p.m.

Without further discussion, the meeting was adjourned at 12:43 p.m.

Minutes

January 12, 2023 **AGENDA ITEM 4**

Joint Boards of Directors
Thursday, December 1, 2022
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

RPTA Meeting Participants
Vice Mayor Laura Pastor, City of Phoenix **- Chair**
Councilmember Bill Stipp, City of Goodyear – **Vice Chair**
Mayor Kevin Hartke, City of Chandler – **Treasurer**
Vice Mayor Monica Dorcey, City of El Mirage (phone)
Councilmember Lauren Tolmachoff, City of Glendale
Supervisor Jack Sellers, Maricopa County
Councilmember Francisco Heredia, City of Mesa
Councilmember Jon Edwards, City of Peoria
Vice Mayor Jennifer Adams, City of Tempe
Mayor Michael LeVault, Town of Youngtown

Members Not Present
Vice Mayor Veronica Malone, City of Avondale
Councilmember Clay Goodman, City of Buckeye
Councilmember Mike Scharnow, Town of Fountain Hills
Mayor Brigette Peterson, Town of Gilbert
Councilmember Leah Martineau, Town of Queen Creek
Councilmember Kathy Littlefield, City of Scottsdale
Councilmember Chris Judd, City of Surprise
Councilmember Aldofo Gamez, City of Tolleson
Mayor Rui Pereira, Town of Wickenburg

Valley Metro Rail Participants
Vice Mayor Jennifer Adams, City of Tempe - **Chair**
Vice Mayor Laura Pastor, City of Phoenix - **Vice Chair**
Mayor Kevin Hartke, City of Chandler
Councilmember Francisco Heredia, City of Mesa

Chair Pastor called the meeting to order at 12:47 p.m. I will convene the meeting and welcome members to the November/December meeting. Pat, will you now call the roll.

Ms. Dillon said yes. Good afternoon, everyone.

City of Avondale, Vice Mayor Veronica Malone?
City of Buckeye, Councilmember Clay Goodman?

City of Chandler, Mayor Kevin Hartke? Here.
City of El Mirage, Vice Mayor Monica Dorsey? Here.
Town of Fountain Hills, Councilmember Mike Scharnow?
Town of Gilbert, Mayor Brigette Peterson? Here.
City of Glendale, Councilmember Lauren Tolmachoff? Here.
City of Goodyear, Councilmember Bill Stipp? Present.
Maricopa County, Supervisor Jack Sellers? Here.
City of Mesa, Councilmember Francisco Heredia? Here.
City of Peoria, Councilmember Jon Edwards? Here.
City of Phoenix, Vice Mayor Laura Pastor? Here.
Town of Queen Creek, Councilmember Leah Martineau?
City of Scottsdale, Councilmember Kathy Littlefield? Here.
City of Surprise, Councilmember Chris Judd?
City of Tempe, Vice Mayor Jennifer Adams? Here.
City of Tolleson, Councilmember Adolfo Gamez?
Town of Wickenburg, Mayor Rui Pereira?
Town of Youngtown, Mayor Michael LeVault? Yes, Pat, I'm here.

Ms. Dillon said Chair, we are ready to proceed.

Chair Pastor okay. Before we get started, I would like to thank Mayor Hartke for his service. Today is his last meeting with Valley Metro. Doesn't mean it's not his last meeting in transportation. He has a lot of other roles in that arena, but he is passing it on to someone else in the City of Chandler and, Mayor Hartke, would you like to say anything.

Mayor Hartke said I want to thank my colleagues. It's been an honor and a pleasure working with you and I feel we're in good hands with Jessica Mefford-Miller and you will continue with your great staff to provide quality transportation to us. So we're in good hands and it's a good time to step it off to someone else.

Chair Pastor said well, thank you for your service. Are there any comments from anyone?

Supervisor Sellers.

Supervisor Sellers said you know as much as I appreciate everything that Mayor Hartke does, , I hope him passing off his duties here isn't the same as when he passed Chairmanship of the MAG Transportation Policy Committee to me.

Mayor Hartke said I passed it on to better hands than when I was there.

Chair Pastor said and you're going to lift Sellers and lift as we move forward. Anyone else? Well, thank you for your service.

If a committee member would like to ask a question or make a comment during the meeting, please type your comment in the box and it will be read aloud and answered. All meeting attendees, please mute your computer microphone or phone.

1. Public Comment

Chair Pastor said the public will be provided with an opportunity at this time to address the Committees on non-agenda items and all action agenda items. Up to three minutes will be provided per speaker unless the Chair allows more at his discretion. A total of 15 minutes for all speakers will be provided.

Blue.

Ms. Dillon said oh, Mr. Marcus Schmidt will be first and then Blue Crowley.

Chair Pastor said okay. Thank you.

Mr. Schmidt said thank you for this opportunity to speak with you. My name is Marcus Schmidt. I am in the City of Phoenix. I'm here also representing the National Federation of the Blind. I first want to thank the paratransit -- I've thanked Tom Young for taking time to put that presentation together and give us an update. Very informative about the condition of paratransit and I hope that the best practices that were identified will be given serious consideration and implemented especially concerned, I am, about the on-time performance dropping from 90 to 80% or lower. A lot of disabled people and other eligible Dial-a-Ride users use Dial-a-Ride for getting to doctor's appointments where you know timing is absolutely critical as well as to employment opportunities who also take on-time arrival very seriously and it can cost you your job if you miss that.

Concerning Dial-a-Ride, I also want to mention that we are continuing to have a problem with people getting re-certified. The process is either by mail, which is a print form which blind people cannot fill out or it's by electronic email, which is a non-fillable PDF, which blind people cannot fill out. And so, we just urge Valley Metro to work together with the blindness community and making that form accessible so that we can be independent and not have delays in this.

So last thing I want to mention with the little time I have is, I hope that the meetings can be more considerate of the public. What I mean, is having shorter Executive Sessions. Last meeting, I attempted to attend, and it was silent for over an hour before I had to leave because it went into Executive Session. Also, the platform that's being used right now with Webex is pretty antiquated. It's often difficult to get into through the iPhone and hoping that you can join the rest of a lot of companies and use something like

Teams or Zooms that's a lot, you know, more stable and easy to use. Thank you very much for your time.

Chair Pastor said thank you for your comments. Blue.

Mr. Crowley said with Prop 400, the document that you guys have dealt with is, what? Well, you didn't. It's over there at MAG and it hasn't discrepancies in it that I would like to make sure that you guys get dealt with. One of them is it says that you're going to be working off of the supergrid. Now, if you notice on the west side of the county all those black lines that I've got on that map. Those are all the supergrid routes that you never did. On the right-hand, on the other side, you have the routes in the East Valley, the two major ones, that you can see that also weren't done and when I look also at that part of it, I note that how much of a transit desert we have in both the Mesa, Gilbert and Chandler communities especially Gilbert and Mesa where if you look at that 400 square miles, you have, what, 80 linear miles of bus service there. Where if it's 800 square miles, let's just do the math on each one of those squares and we'll go from that.

With the document that they have over there, it doesn't have anything that they presented to the legislature, it doesn't have anything in there for maintenance of the bus system like they do for the rail asset management. You know, there it's 100% we're going to take care of it, but in the document, you don't have but zip when it comes for what are you going to be doing about maintaining the bus system and your expansion on it. There also is nothing in there for infrastructure whether it's for me on the bikes that you put everything multi-modal. That means if you're doing a new road, you put the bike lane there in the crosswalks, but also, multi-modal when it comes to the bus, the curb cuts and the pullouts. But none of that is in there and is that because you guys did, what of input? Zero. So when it comes to what you've done and what you're doing, it's wrong.

Also, when -- Bill, when we were at the last meeting, you asked the council if you could do the agenda items like you do at the cities and he said no, which is BS because that's the way it was done until her predecessor took out the public from being able to comment and make it a clear and positive system.

Thank you for your time.

Chair Pastor said thank you.

2. <u>Chief Executive Officer's Report</u>

Ms. Mefford-Miller said good afternoon, Commissioners, team and members of the public. I want to give you updates on a few performance items and talk about some events that we've got coming up across Valley Metro. And then give you a little bit of an

FY22 year in review and a preview to what we're going to be accomplishing next calendar year.

As a ridership update, we are currently carrying about 55% of our pre-pandemic ridership. I want to point out that we're rebounding more quickly on the rail system than we are on the bus system. So still, the bus has been fairly, stagnant at about a little over half of our pre-pandemic customers remaining with us. So we've made some changes to our bus service. Earlier last -- or earlier in October, we're currently preparing for April service change. We're about to conduct a travel demand survey which is going to be a great tool for us to work with our member cities to hopefully make some adjustments to our bus service to make sure that we're delivering the service how, when and where the public is actually traveling, so that we can be more productive and once again, grow that ridership. We're continuing to monitor the ridership and are preparing to be responsive to that.

In prior meetings, this Board took action on the ceiling, contract ceiling on some of our operations and maintenance contracts including our DMS cleaning contract, our Allied Universal security contract and our East and West Valley bus operations contract and our ACI rail contract. Those actions were in response to the workforce shortage that we have been experiencing since last calendar year and I want to provide you with some positive updates today.

Today is actually December 1 which marks the beginning of that wage increase authority for the operator contracts for our bus and rail operator contracts. Earlier this week, ACI reached an agreement with the Amalgamated Transit Union so those wage rates should go into effect today. First Transit who operates our service in the East Valley is currently negotiating with Amalgamated Transit Union. We look forward to the rapid conclusion of that negotiation so that we can implement those wage rates. We are making progress though. We have been working very collaboratively with our contractors and prescribing some specific actions that we'd like them to take to focus not only on recruitment, but also, retention. So currently, we're sitting at a 12% vacancy on East Valley bus operations. Still a critical concern, but we have come a long way since we began reporting this performance to this Board. We're just 5% down on West Valley and on ACI, our rail contract, we're currently at near full staffing, which is wonderful, but we're continuing a hiring surge because we've got Super Bowl operations swiftly approaching. Not long after that, we'll have our Northwest Phase II and then our South Central opening and our workforce requirements for those projects begin long before we actually begin revenue service.

We continue struggle on some of our skilled trades positions including mechanics and electromechanics. We're working very closely with our operations team to find the right wage rate. The right training opportunities and the right market to recruit those team members.

We've done well with security. This data, by the way, is as of October 31. With Allied Universal, we have 114 guard positions budgeted. The report here as of October 31 was 72, but we're currently sitting actually at 91 guards on the roster, so we're just 20% down. We want to bridge that gap, but we were about 50% down on Allied Universal guards when we began bringing this to this Board a number of months ago. So progress is afoot. Adrian Ruiz and her team are doing a fantastic job working with Allied to fill that out. That contract ceiling was increased in September, so we've had a little more time to work with those new wages.

Also, in the month of September, this Board undertook the conversation about East Valley bus operations and maintenance and how and whether the City of Tempe would remain with Valley Metro RPTA. We also undertook the opportunity to re-scope that contract. It's one of our largest service contracts. First Transit has been performing on this contract for nearly ten years now, so we have been working very closely with First Transit in recent months to focus on performance management. This began, to your question Mayor Hartke, before that APTA O&M Peer Review, but here's a snapshot of what we've done since April.

We have reduced our missed service miles by 66% on that contract. We've reduced our accident rate by 7.5%. And our customer complaint rate by nearly 40%. We are continuing to push our contractors to perform and are working very closely with them. I expect this new stronger performance to continue.

When we began re-scoping that contract with our member cites many months ago, there was some discussion of relaxing the performance standards prescribed in the contract for fear we were setting the bar too high. The bar was not too high, our performance was too low. So in that current scope which actually hit the street last week, we're continuing that bar for service performance and now, for the first time in a number of years, we're actually hitting those KPI's.

We've also been working to strengthen our customer and stakeholder engagement. We participated in a re-scoping of the East Valley contract. I mentioned earlier it included East Valley city staff, but it also included West Valley city staff because we aim to define performance standards and management practices and communication and collaboration practices that are consistent between Valley Metro and our contractors and our member cities across the entire Valley. That scope is currently being advertised; proposals are due early next calendar year. In early March, we'll review those and then present to this Board a recommendation for award of that contract in June of 2023. It will begin its period of performance in January of 2024. I'm optimistic about what we'll receive in terms of proposals and performance coming through that process.

And finally, we have been working for a number of months to rebuild our team to provide training and development opportunities and to recast some of our roles to focus more on achieving our performance objectives. We've got a dedicated team of people who care deeply about serving our customers each day and getting that service out on the street, but we've got be more focused and that includes adding resources that are re-allocated from vacancies other places in Valley Metro where we haven't had enough resources in areas like performance analysis, contract management, emergency management just to name a few.

Okay. Shifting gears a little bit, the construction and the management of construction of our light rail project requires tremendous effort and it is nice lately we've been able to share some of that progress on our construction programs. Earlier this week, we hosted a two and a half day visit from the Federal Transit Administration, ADOT Safety Oversight and other staff who are supporting our contract oversight efforts. That quarterly review is a review of all of our contract management practices, our timeline, our budget on each of those projects.

We also yesterday did a deep dive, lessons learned on the Tempe Streetcar. Very productive conversations and I applaud the work that staff has done. The contracts are very well run.

On Northwest Phase II, we're currently at over 70% completion and we took some time on Thanksgiving week to host tours with the media. Our project manager for Northwest Phase II, Tony Santana, who's pictured here, led tours with local media and we had participation from Fox10, 12News, AXOS (phonetic) Phoenix and KJZZ. The coverage of this was great. This is really a huge milestone for us. We're pushing light rail further into northwest Phoenix. This is our first light rail only elevated structure over I-17. We are looking forward to the Metrocenter redevelopment that's surrounding our new hub. This is also our first structure parking garage. We now have a four-story garage in place at our terminal station at Metrocenter including a transit center on the ground floor. So we're excited about this opportunity to share our many first which also includes outdoor elevators and escalators that will be included in the long term rail system maintenance plan that we'll be working on in 2023.

Also, last week we enjoyed a visit from Congressman Stanton. We congratulated him on his new -- in his re-election in the 9th District and it was great opportunity to give him a tour of the South Central Extension and Downtown Hub. He's been a longtime supporter of ours. We are anxiously awaiting the passage of the FY23 appropriations bill. We are hoping there will be additional funding in that bill for South Central and Northwest Phase II. And we thank Congressman Stanton as well as Senator Kelly for their leadership on that matter.

On a light note, we are preparing for our many holiday activities that take place across the Valley and Valley Metro is so pleased to support them. We actually wrap trains and buses with a special holiday themed wrap each year and those vehicles are in service today with the Together We Ride, Merry and Bright campaign. So look forward to them.

On Saturday, we are hosting one of our first post-pandemic community engagement opportunities. This Fiesta on Central is really a celebration of the communities in the south central corridor. We have construction that's gone on now three years. It's been a long time since these communities both downtown and further south on south Central have been disrupted. This is a great opportunity for Valley Metro staff to come together with the community. There will be music, food, booze, bounce houses, face painting, Santa is to make an appearance as well with his elves. So we look forward to that. That's going to be 9 to noon on Saturday at the Travis Williams Family Services Center parking lot. I will be there. Valley Metro staff will be there. We encourage you to attend.

We also have on December 12th coming up our second annual reimaging diversity, equity and inclusion. This is a program that is focused on engaging more diverse enterprises in our procurement practices. We're partnering with ADOT and COMTO, City of Phoenix and Sky Harbor Airport on this event. It's being held December 12th at GateWay Community College. So this is all part of our ongoing efforts to recruit more historically underutilized businesses to our business portfolio.

Looking ahead. At this time, we do not anticipate a board cycle in December, so we've got a heavy agenda today, probably a heavy agenda coming up in January of 2023 as well when we have our Board of Directors meeting on January 19th. Vice Mayor Pastor and I did have a conversation earlier today about scheduling of study sessions. As always, I welcome your feedback on format of the meetings and the sequencing of not just the formal meetings, but sequencing of study sessions and topics for study sessions that you'd like to dig into.

This being our last meeting of calendar year '22 I want to give you a review of some of the highlights that we've experienced this past year. We have accomplished so much on our construction projects, on our engagement with the community and improvements to our service performance over the past year. Early last January, Senator Kyrsten Sinema visited our Northwest Extension project. She has also provided tremendous support for infrastructure improvements that Valley Metro is executing across the Valley.

Those extensions all require new trains. I have to tell you since my arrival here I marvel at the rate at which we are bringing in new vehicles. That's buses, it's streetcars, it is light rail vehicles. It requires a tremendous amount of testing and resourcing. In January, we got two new Siemens trains that began passenger service. We are awaiting our final Brookfield streetcar that is scheduled to ship, hopefully, in January of 2023.

Valley Metro loves to participate in the community festivals and carry people to community festivals across the region. I hope folks are going to choose Valley Metro and streetcar to access the Tempe Arts festival this weekend. In February, we hosted a celebration in partnership with the City of Mesa's Asian community and included new signage at the Sycamore and Main Street light rail station, so fantastic opportunity. If there are events occurring in your region that we might miss, let us know.

Last spring and I was sad to miss this just before my arrival, we celebrated Transit Employee Appreciation Day. This is an opportunity, I think it's important that we celebrate the most important team members at Valley Metro and those are the folks who are on the front line driving our vehicles, maintaining our vehicles and keeping us all safer and more secure. We'll do this every year in addition to appreciate events that occur throughout the year.

Also, in spring, this is right after I arrived, we created a -- hit a major milestone on the South Central Extension/Downtown Hub. We have had so many track changes in downtown in recent months in response to construction. I really applaud the operations team, the communications team and the safety security and quality assurance team for making this happen. We're now over half complete on South Central and you're going to see a major shift in downtown construction activity at the end of this month. I've only known downtown Phoenix to be covered in orange construction barricades so those are beginning to go away and we're hitting a new phase in construction. We call this mobility matters and the idea is to open up traffic lanes and pedestrian travel. Also, make it easier for our light rail vehicles to travel around downtown Phoenix so that by the time our guests arrive for Super Bowl in February, downtown will be easier to navigate. At the same time, we're shifting more of our construction activity to the southern part of the South Central corridor.

Also in spring, we launched the second year of our small business financial assistance program. This is intended to assist small business who are impacted by our construction activities. I really do think we've got a best practice model with the small business assistance and the community engagement that we have surrounding our construction activities. And if you are building as big and as fast as we are here at Valley Metro, engaging and working with those communities is absolutely, essential. To date, we've awarded more than $700,000 in grants to small businesses.

In May, we opened the streetcar in Tempe. I was so happy to be here as part of this. We also had FTA administrator Ray Tellis on hand for that and the streetcar service in Tempe is going remarkably well. We're carrying so many people through this dense corridor. We had, as I mentioned earlier, a lot of conversations and lessons learned yesterday. And that's especially important because soon we will kick off the planning and design for the next extension of streetcar.

We also launched in -- last month, our new South Central Extension and Downtown Hub art grant program. This is a smaller grant program. There's $90 -- $90,000 in total available with caps of up to $5,000. This is designed to create art throughout the South Central community and engage those artists who aren't typically represented in some our larger format programs. Our applications are due December 12. I'm a big fan of public art and this is where public art and community engagement meet. This is a great program. I'm hopeful that it's successful and we can do more programs like this in the future.

Last month, we hit a big milestone with our fare collection modernization program. We began testing using internal Valley Metro staff and folks who signed up to proactively be our testers. They are testing our mobile fare pilot system. We anticipate opening mobile fares to the commuting public in January 2023. Very exciting. It's a much-needed technology. With the launch of mobile, our customers are going to be able to plan and pay for their trip using a single application.

It's a lot that we've accomplished in a short amount of time. The amount of construction and the amount of transformation that Valley Metro is making across the Phoenix community is really, palpable.

Looking ahead in 2023, we've got just as much work if not more planned. We are going to be make major transformations to the leadership team. I have alluded to some of it. We talked about a little bit of today. Our Chief Financial Officer Ken Kessler actually begins work on Monday. Next week, you will see us release openings for critical positions including our Chief Transportation Officer, our Chief Maintenance Officer and our Chief of Staff. We've got a number of other positions and reorganizations coming in the coming months. We will celebrate New Year's Eve, once again, with the Coors Light Free Rides on bus, rail and paratransit. We're hosting a little event on February 12th and the week prior that is Super Bowl LVII. This is our time to shine. This takes a ton of work especially from our operations, communications and safety and security team. They are doing a great job. We will, hopefully, we've got this on the agenda later today, begin our strategic planning process with our boards and member cities. We're going to continue making it a very high priority to collaborate with MAG and our member cities to support the extension of Proposition 400E.

In 2023, we will conclude our zero-emissions fleet transition planning and hopefully, submit our first successful low or no emissions vehicle award grant application. As Tom reviewed earlier, we're going to be making some big changes to paratransit and Ride Choice in 2023. And, of course, we are preparing for the opening of our expansions in 2024 and 2025 of Northwest Phase II and South Central Extension and Downtown Hub. A lot of things to come.

Thank for your time and the longish update this morning. Back to you, Chair.

Chair Pastor said thank you. Lot of accomplishments so let's give ourselves and everybody else around of applause. Sometimes we forget all the work that we're doing so thank you for doing that recap.

Any questions?

Vice Mayor Adams said Chair?Chair Pastor said go ahead.ice Mayor Adams said I just wanted to also thank Jessica and her team for everything that they've already accomplished. I mean, we're really moving in a great direction, and I just want to say thanks for that.

Ms. Mefford-Miller said thank you.

Chair Pastor said thank you, Vice Mayor.

3. Audit and Finance Subcommittee Update

Councilmember Stipp said thank you, Madam Chair. Again, I'll be brief. We had the announcement of Ken Kessler which we were excited to celebrate.

We did receive an update from Tyler on the first quarter budget variance. As a reminder, if you have not heard from your staffs, you will be seeing mid-year budget adjustments coming based on now some true numbers coming through. If you recall the long debate we had about contingencies, et cetera, that is coming your way. If you don't know anything about it, please check in with your staffs. You'll start seeing those at the beginning of calendar year '23.

We received Internal Audit updates regarding the ongoing audits and there are a number of them. The Internal Audit team has been working very hard and consecutively on a number of audits. We will start seeing those reports coming out in January. In addition to closing out some additional items, we had a brief review of the Intergovernmental Agreements, Contract Change orders.

The meeting was fairly short. We did adjourn for the year and our next meeting is January 5th.

Pending any questions that ends my report.

Chair Pastor said any questions? Don't hear any.

4. Consent Agenda

Chair Pastor said the Consent Agenda is presented for action. Do any of the Committee members have any questions-- Councilmember Tolmachoff.

Councilmember Tolmachoff said of course, I have a question. the staff report on Item, is it 4E. Let me make sure. Yeah, 4E. Under cost and budget staff is currently developing a scope of work, estimated costs and sources of funds will be provided to the board in advance of the December meeting, but I don't recall receiving that.

Ms. Mefford-Miller said we didn't provide that yet, Councilmember Tolmachoff. I anticipate being able to provide that this month before we actually would release an RFP.

Councilmember Tolmachoff said okay.

Ms. Mefford-Miller said we're trying to move quickly since we don't have a December cycle. We would like to get that RFP on the street before the end of the calendar year.

Councilmember Tolmachoff said okay. Thank you.

Chair Pastor said are there any other questions? Can I have a motion?

Motion by Councilmember Stipp, second by Councilmember Tolmachoff.

All those in favor, say aye. Any nays? Motion carries. Thank you.

IT WAS MOVED BY COUNCILMEMBER STIPP, SECONDED BY COUNCILMEMBER TOLMACHOFF AND UNANIMOUSLY CARRIED TO APPROVE CONSENT AGENDA ITEMS 4A-4E.

5. Federal Government Relations Consulting Services Contract Award

Ms. Mefford-Miller said thank you, Madam Chair. I'd like to invite Alexis Tameron Kinsey who is joining us virtually to report on Items 5 and 6. Alexis.

Ms. Kinsey said thank you, Jessica. Madam Chair, members of the Board. This first item is the federal government consulting contract. Our current federal legislative consulting contract was issues in January of 2018. And so this current contract expires at the end of this month.

In June of 2022, the Board of Directors approved an RFP for the federal government consulting services. We estimated at the time to be about $180,000 to $240,000 each year on average for a total contract award not to exceed $1.2 million over a five-year period.

In September of '22, Valley Metro issued an RFP for this contract. Proposals were received on October 14th of this year. Three proposals were received and deemed to be responsive to the RFP.

The selection committee was comprised of three Valley Metro staff members as well as a staff member from the cities of Mesa, Phoenix and Tempe. The unanimous consensus of the selection committee determined that Cardinal Infrastructure is the most qualified, highest ranked and recommended firm to perform the federal government relations consulting services for Valley Metro.

Cardinal Infrastructure is a woman-owned bipartisan firm specializing in transportation infrastructure and economic developed policy at the federal level. Their clients include public transit agencies, cities, regional authorities, private sector businesses and non-profit organizations. Cardinal Infrastructure is the incumbent firm.

The initial amount for this contract award is $204,000 for the first year or what that equates is $17,000 a month. The total contract value will not exceed $1,191,370 for a two-year base period and a three-year -- I'm sorry, three one-year option years for a total of five years. This includes a 10% contingency.

Expenditures for this contract remain on par with peer agency expenditures for similar services for this type of work and a comparison we provided in the memo of peer agencies expenditures have been included for you review.

And I'm happy to answer any questions that you may have.

Chair Pastor said are there any questions? Okay. I am requesting a motion.

Motion by Councilmember Heredia, second by Councilmember Edwards.

.
Chair Pastor said is there ny discussion? No discussion.

All those in favor, please say aye. Those not in favor, please say nays. Motion carries. Thank you.

IT WAS MOVED BY COUNCILMEMBER HEREDIA, SECONDED BY COUNCILMEMBER EDWARDS AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CEO TO EXECUTE A CONTRACT WITH CARDINAL INFRASTRUCTURE, TO PROVIDE FEDERAL GOVERNMENT RELATIONS CONSULTNG SERVICES TO VALLEY METRO FOR TWO YEARS, WITH THREE ONE-YEAR OPTIONS.

6. State Government Relations Consulting Services Contract Award

Ms. Kinsey said Madam Chair, members of the Board. The current state legislative consulting contract was also issued in January 2018 and expires at the end of this year. The current monthly retainer for this contract is $7,075 a month.
In June, the Board of Directors approved the RFP for this contract. The estimated at the time was between $60,000 to $90,000 per year for a total contract award not to exceed $550,000 over a five-year period.

In September, we issued the RFP for this contract. Proposals were also received in October. Two proposals were received and deemed to be responsive to the RFP.

The selection committee also comprised of three Valley Metro staff as well as a staff member from the cities of Glendale, Mesa and Phoenix. The unanimous consensus of the selection committee determined that Highground/Kruse Group Joint Venture is the most qualified, high ranked and recommended firm for services.

This joint venture is a local bipartisan team specializing in lobbying public affairs and advocacy, transportation infrastructure and economic development. Their clients include member cities, Maricopa County, the League of Cities and Towns, private sector businesses and non-profit organizations.

The initial year amount for this contract award is $87,000 or $7,250 a month. The total contract value will not exceed $498,100 for the two-year base period and a three year options so a total of five years. This also includes a 10% contingency.

And I'm happy to answer any questions on this item if you have them.

Chair Pastor said I have one question. Will it not exceed 516,000? Is that the total?

Ms. Kinsey said it is $498,100. I will say when we took this through the Transit Management Committee Joint TMC/RMC, we were still in negotiation with this firm. It has come down to $498,100 from what the estimate was $510,000. . So the actual amount not to exceed is 498,100.

Chair Pastor said okay.

Ms. Dillon said do, Chair, the motion will need to just reflect the $498,100.

Chair Pastor said okay. Do I have a motion? For the state government relations consulting service contract award.

Motion by Councilmember Tolmachoff, second by Mayor Hartke.

Any discussion? No discussion.

All those in favor, please say aye. Those not in favor. Okay. The ayes have it. Motion carries.

Ms. Kinsey said Thank you.

IT WAS MOVED BY COUNCILMEMBER TOLMACHOFF, SECONDED BY MAYOR HATKE AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CEO TO EXECUTE A CONTRACT WITH HIGHGROUND/KRUSE GROP JOINT VENTURE TO PROVIDE STATE GOVERNMENT RELATIONS CONSULTING SERVICES TO VALLEY METRO FOR TWO YEARS, WITH THREE ONE-YEAR OPTIONS. THE TOTAL CONTRACT VALUE WILL NOT EXCEED $498,100 FOR THE BASE AND OPTION YEARS WHICH INCLUDES A 10% CONTINGENCY.

7. Fare Collection System Modernization (FCSM) Project Update

Ms. Mefford-Miller said I'm going to invite Tyler Olson to provide a presentation.

Mr. Olson said good afternoon, Madam Chair, members of the Joint Board. I will provide you an informational update on our current fare collection system modernization project that's currently underway.

First, I definitely would like to thank and recognize all of your member city staff who have contributed to this project via workshops, design meetings, even procurements. It's a big lift as well as City of Phoenix and Valley Metro staff.

Just a little bit on the background of our current fare collection system which is a Scheidt & Bachmann fare collection system. That project began in 2005. The technology back then compared to today is quite outdated. To put that in perspective, this was before the first iPhone was released, so technology has certainly improved since then. Our fare vending machines are also Scheidt & Bachmann based and those began with revenue operations of light rail in 2009. Essentially, this equipment has exceeded its useful life.

We're having great difficulty in getting support for parts and replacements of those parts. The software is also very proprietary. It's difficult to make changes without engaging the vendor to help do so. Very simple changes such as fare increases, screen flow modifications, things of that nature. So our future system is much more geared toward open architecture so we can make some of those changes ourself and save money for the region.

A bit of background on our current project. We've taken a regional approach to this project as far back as 2015 defining the goals, specifications with your staff, member cities through working groups, Fare Policy Working Group, for example. We've even taken a regional approach to the procurements. City of Phoenix procuring and executing contract for some of the items and Valley Metro doing the same for some.

Our top goals for this project were to offer better payment solutions for our customers with enhanced features such as mobile ticketing and fare capping. Fare capping is very equitable component which I'll tell you about in a little bit. Improved data collection for ridership revenue, some of our most important metrics. And what we're really excited about is a true point of sale of a reduced fare. There's quite a bit of abuse in the system today. We don't have a true point of sale control, so in the future one that like to require a reduced fare would have to go through an eligibility process with Valley Metro, obtain their reduced fare ID which would also be their fare instrument which gives them access to reduced fare. Can't do it any other way. We also want to phase the project in such a way that has the least amount of impact on our customers moving from the legacy system to the new solution.

So digging into the procurements and contracts that are out there today. Starting at the top, the fare collection system was procured by City of Phoenix, which they entered a contract in August of 2020 that was approved by their council. That was awarded to Vix Technology. Valley Metro did procurements for customer service, retail network as well as the fare box replacement. Customer service was awarded to Vix Technology by this Board back in March of '21 and Encom was awarded the retail network, which is a replacement of the City of Phoenix operated retail network today. That was also March of '21. With the fare box replacement, that was recently awarded. That's the replacement of the regional fare boxes, so all buses in the entire region. That was awarded back in February of '22. There is a -- now a maintenance contract that's in your packet today for a discussion at the RPTA meeting that essentially would provide maintenance for those assets, fare boxes.

So taking a look at the total investment and funding on these contracts. This is the same order as the previous slide, but you've got a capital component at the left. You see that totaling $50.6 million and then the operating component at the right $102.7 million. Capital piece funded primarily with FTA grants at 80% and a local match PTF for the remainder. The operating contracts vary in length of years depending on the contract. Most of them are roughly 10 to 11 years other than the fare collection system, that has a 15-year operating contract in years there.

It's important to note that Valley Metro would only fund a portion of these costs, these ongoing operating costs. Essentially, those costs are allocated between agencies that operate so City of Phoenix and RPTA and VRM for their relevant share of that based on usage.

When we made this presentation to the TMC/RMC, they did ask us to include two additional items. The first one being the average annual operating cost, so you can see we've included that there at $8.9 million to the region. And then secondly, how does that compare to the fare revenues collected across the region for fixed route. So we've included two points here, FY19 fare revenues, obviously, pre-pandemic close to $48 million. We're at in FY22, our most recently closed year, just over $20 million. But I do want to note that FY22, if you remember, we only had eight months of fare collection. We had rear door boardings for the first part of the year as well as no physical fare inspection. So that would roughly be about $30 million if we collected all year.

Taking a look at the key milestones. We released an updated version of our mobile app back in July of '21. That included real time vehicle location, rider alerts and improved trip planning. We're currently working on the Phase 1 deliverable, as Jessica mentioned, our mobile fare launch which we're really excited about. We plan on releasing that in the early '23 time frame. About a year from there, Phase 2 launch would roll out essentially more sales channels and benefits, which I have a couple of slides on.

Quickly, on the Valley Metro mobile app today, we have an average user rating of 4.4, so it's really doing great. When we update the app for Phase 1 mobile ticketing, we'll essentially offer full and reduced fare day passes and one-ride passes. About a year from that time, as I mentioned, the rest of the fare collection system will be implemented and essentially, we'll move to stored value and fare capping.

So a little more on fare capping. A very equitable benefit to our customers. Essentially, customers can earn their way to a monthly pass. So, for example, an all-day pass costs $4. A monthly pass costs $64. So a lot of our transit dependent customers can't afford that upfront cost of a monthly pass at $64, so essentially, they end up buying more in day passes throughout the course of the month. With this new system, essentially, a customer can buy 16 all-day passes in a calendar month. They've reached the amount of an all-day pass at $64 at that point. They ride the rest of the month for free. So they don't have to continue buying all-day passes. So it's really a really equitable component that we're really excited about.

So Phase 1, again, we'll offer just on mobile full fare and reduced fare day and one-ride passes. It will be via bank card. In our future system, we will have an opportunity for unbank customers to load cash onto that mobile device at participating retailers. Not for this phase yet. Our Vix customer service team will also be in place to assist customers with anything fare related with this new system.

Some of the hardware. New fare readers will be on board each light rail station with a minimum of two, if it's higher end -- higher traffic station up to four or more. Our streetcar fare readers will be installed on board vehicles, two per vehicle. And each bus in the region will also have a validator as you can see on the right there.

So the current status. All of the fare readers on the bus have been installed, so if you do ride bus, you should be noticing that right up front next to the fare box the first thing you see. We're about wrapped up with the civil work at all the light rail stations. We're installing all the various poles and some of the validator heads as we get closer to our pilot launch. We're also in the process of doing the internal testing, as Jessica had mentioned, with City of Phoenix and our member cities, some of which have volunteered to help. So, again, appreciate their efforts. We will have a pilot testing that's offered to a limited group of the public prior to launch, full launch to the public for

Phase 1. Participants will be required to use their own bank cards, make the purchases, ride the system and provide feedback to us so we know how we're doing and how we can improve.

Phase 2 will have reloadable fare cards out there via fare vending machines. They can be purchased there or at a retail network. Users will also be able to load stored value onto their fare card at either of those places and our public website which will help them, essentially, register their card, manage, set up auto loading if they would like, set up accounts for their children or dependents. Phase 2 will have new fare vending machines. We have a rendering at the top right of the slide here. There will be at least two at every light rail station for redundancy. Higher stations could have, you know, up to four, roughly. And then essentially with those new fare boxes that I mentioned will be in place operating at that point. And they're a much more simplified fare box so today's fare boxes have all the bells and whistles because that's the only device there. Now, that we have those validators there, most of the transactions move to the validator whether it's a Smart card or a mobile really all the fare box will do in the future is accept cash and coin for one-ride fares, so less opportunity to break too.

So with that, that concludes my presentation and I'd be happy to answer any questions.

Chair Pastor said Supervisor Sellers.

Supervisor Sellers said yeah. This just reminds me. There's one comment I'd like to make and that is that if we don't get Prop 400 Extension approved soon, it could inhibit our ability to sign long term contracts.

Mr. Olson said thank you for your comment.

Chair Pastor said yes.

Ms. Mefford-Miller said it's also the local match for -- it's a source of operating funds for long term contracts and it's also the local match to the federal grants that fund infrastructure and equipment purchase. Yeah. Thank you, Supervisor.

Chair Pastor said so yes, Councilman Stipp.

Ms. Dillon said we're going to lose a quorum.

Councilmember Stipp said my question is virtually nothing. It's just we need to really promote and celebrate the -- I pay my $16 or whatever for the monthly pass, but I do it in three weeks at a time. The rest of the month is free. We have got to hit on that that Valley Metro is responsive to the needs of the community, et cetera, et cetera. I think that needs to be a promotable item that we've got to really hit hard as we move forward.

Mr. Olson said noted, thank you.

Chair Pastor said any other questions? Thank you for the presentation. Really appreciate it. We move to Item 8 and 9.

8. Quarterly Reports

Chair Pastor said for information only. There is no action. Does anybody need anything from those Item 8 and 9? I don't hear anything.

9. Travel, Expenditures and Solicitations

Chair Pastor said for information only. There is no action. Does anybody need anything from those Item 8 and 9? I don't hear anything.

10. Report on Current Events and Suggested Future Agenda Items

Chair Pastor said any report on current events or suggested future items? Don't hear anything.

11. Next Meeting

The next meeting of the Boards of Directors is scheduled for Thursday, January 19, 2023, with a study session starting at 11:15, Board meeting at 12:15 a.m.

The meeting was adjourned.

With no further discussion the meeting adjourned at 1:38 p.m.

Information Summary

DATE **AGENDA ITEM 5**
January 12, 2023

SUBJECT
Super Bowl LVII Transit Planning Update

PURPOSE
To provide an informational update on Super Bowl LVII transit planning and coordination across Operations & Maintenance, Safety & Security and Communications & Volunteers.

COST AND BUDGET
Within the adopted FY23 budget, Valley Metro has $150,000 to provide Super Bowl event support, including necessary event infrastructure, signage, customer communications, etc. Other budget areas will also be utilized as service levels will be enhanced for Super Bowl LVII, including rail and bus operations, maintenance and cleaning as well as security, all of which will remain within the authorized budget.

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
Once again, the metro Phoenix region is hosting Super Bowl: Super Bowl LVII largely taking place the week of February 6, 2023 in downtown Phoenix and Glendale. Valley Metro is a critical element of the region's successful track record of hosting mega events for the last decade+. In 2015, for Super Bowl XLIX, Valley Metro provided travel to nearly 400,000 residents, visitors and fans to the Super Bowl experiences in downtown Phoenix. Staff is preparing for an even greater volume of riders in 2023 with an expanded rail system and thanks to the many activities being planned in our region.

Currently, Valley Metro is working internally and externally across our divisions and with our cities, the Arizona Super Bowl LVII Host Committee and the National Football League (NFL) to plan for the fan and entertainment experiences and the Big Game concentrated between February 9 – 12, 2023. Staff is primarily focused on serving the following events, with other associated and/or new events continuing in discussion:

Event	Date(s)	Location
Super Bowl Experience presented by Lowe's at Convention Center	2/4/22 – 2/5/22 2/9/22 – 2/11/22	Phoenix Convention Center
Bud Light Super Bowl Music Fest	2/9/22 – 2/11/22	Footprint Center
Super Bowl Experience presented by Lowe's at Hance Park	2/9/22 – 2/12/22	Margaret T. Hance Park
Official Super Bowl Watch Party	2/12/22	Margaret T. Hance Park
Super Bowl LVII	2/12/22	State Farm Stadium

To support these many events and the rider experience, Valley Metro is all-hands-on-deck to provide a high-quality level of service and is in active coordination with our contractors and partners. Below details the planning being done in each area:

Operations & Maintenance

Valley Metro Operations & Maintenance (O&M) staff is developing an operating plan to support the events in downtown Phoenix. Plans include:

- Enhanced rail service, including late-night service and special event trains.
- Adjusting rail vehicle maintenance schedules to ensure the full fleet is available across peak event days.
- Bus support with buses on standby to support rail emergencies and overflow at event egress; also in coordination on any bus detours to regular service.
- Increased staffing and staffing support across all O&M groups; so, recruitment activities are very active right now.
- Maintenance staff posted along the rail alignment to support vehicle trouble-shooting and equipment repairs; also in coordination with Vix for field and customer service support for the new mobile fare functionality.
- Cleaners posted at park-and-rides and the downtown Phoenix stations; also mobile cleaning will be active along the entire alignment.
- Customer Service to extend hours on major event days.

Valley Metro is also in coordination with the cities of Phoenix and Glendale to extend local bus service on Super Bowl Sunday, February 12.

Safety & Security

Valley Metro Safety & Security is working with our security contractor (Allied Universal) and partners at local and federal law enforcement agencies to ensure a safe and secure environment for all who are visiting and enjoying Super Bowl festivities. Plans include:

- Increased Allied Universal presence at rail stations and park-and-rides, including fixed posts and roving patrols.
- Presence in the Emergency Operations Center to provide event and emergency coordination and support.
- Coordination with the Transportation Security Administration (TSA), local law enforcement and their K9 teams to sweep trains in the yard and in downtown.
- Conducting National Transit Institute's All-Hazards Awareness and Preparedness training for frontline teams.

Communications & Volunteers

This event requires significant customer communication and wayfinding to provide an excellent rider and event experience. Everyday riders will be informed of any service impacts and what to expect with additional crowds. Residents and visitors traveling to downtown Phoenix and Glendale will learn about the convenience of transit service as well as how to ride and connect with the many events. Plans include:

- Development of a printed map and materials to support customer education.
- Digital tools and advertising, such as a dedicated webpage, social promotion and a media buy to educate and promote our services.
- Signage plan to support wayfinding, how to ride, detours, etc.; also in coordination on signage at the Downtown Hub stations not yet operational.
- Media relations efforts to communicate how/why to ride, service levels, event preparations, know-before-you-go messages, etc.
- Volunteer program to provide ambassadors at key light rail stations and park-and-rides to help with rider experience, information and wayfinding.
- Identification of additional park-and-ride capacity.
- Event infrastructure including queue lines, fencing and additional fare payment options.
- Customer education on the new mobile fare technology (launching in January 2023), adding convenience and ease to the rider experience.

Continued planning is underway across all groups and with our many partners. Staff has learned a lot from past, mega events—and we are putting those best practices into action, once again. The team is prepared for supporting even larger crowds and providing the best transit experience possible. Additional updates will be provided to the Boards as needed and certainly with an event recap following this big week and the Big Game.

COMMITTEE PROCESS
RTAG: December 20, 2022 for information
TMC/RMC: January 4, 2023 for information
Boards of Directors: January 19, 2023 for information

CONTACTS

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Information Summary

DATE
January 12, 2023

AGENDA ITEM 6

SUBJECT
Travel, Expenditures and Solicitations

PURPOSE
The monthly travel, expenditures and solicitations are presented for information.

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

CONTACT
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ATTACHMENTS
Valley Metro Travel Report
Valley Metro RPTA and Valley Metro Rail Monthly Accounts Payable over $25,000
Active Requests for Proposals, Qualifications and Invitations for Bids

Valley Metro
Travel Reimbursement Report
For Travel Completion Dates
11/1/22 through 11/30/22

	Job Title	Purpose of Travel	Location	Dates Traveled	Total Travel Cost	Airfare	Other Transport	Lodging	Meals	Misc.	
	Manager, Design & Engineering	AREMA 2022 Annual Conf Expo	Denver, CO	8/27/22-8/31/22	$1,361.45	$152.08		$921.37	$228.00	$60.00	1
	Manager, Admin Services	ARMA InfoCon Annual Conference	Nashville, TN	10/15/22-10/20/22	$2,635.43	$537.18	$51.00	$1,510.75	$396.50	$140.00	1
	Chief Information Officer	Critical Infra Transp Cybersecurity Cons	New York, NY	10/26/22-10/29/22	$1,890.26	$524.71	$79.16	$1,009.89	$276.50		
	Deputy Director Maintenance	Critical Infra Transp Cybersecurity Cons	New York, NY	10/26/22-10/29/22	$2,029.54	$524.71	$233.29	$995.04	$276.50		
	Deputy Director, Service Planning	Rail Volution Conference	Miami, FL	10/29/22-11/2/22	$1,701.29	$357.20	$28.91	$944.68	$310.50	$60.00	1
	Project Admin, Gov't Relations	Rail Volution Conference	Miami, FL	10/29/22-11/2/22	$1,830.38	$411.19	$109.01	$944.68	$310.50	$55.00	2
	Capital Program Biz Manager	Rail Volution Conference	Miami, FL	10/29/22-11/2/22	$1,758.30	$411.19	$31.93	$944.68	$310.50	$60.00	1
	Planner III	Rail Volution Conference	Miami, FL	10/30/22-11/2/22	$1,493.70	$543.69		$708.51	$241.50		
	Public Information Specialist	Rail Volution Conference	Miami, FL	10/30/22-11/2/22	$1,419.71	$518.20	$25.25	$708.51	$167.75		
	Planner III	Rail Volution Conference	Miami, FL	10/30/22-11/2/22	$1,557.89	$536.19	$71.69	$708.51	$241.50		
	Marketing Program Superviser	Rail Volution Conference	Miami, FL	10/30/22-11/2/22	$1,936.74	$642.00	$47.81	$944.68	$242.25	$60.00	1
	Director, Capital Development	Rail Volution Conference	Miami, FL	10/30/22-11/2/22	$1,610.69	$617.20	$30.48	$708.51	$224.50	$30.00	1
	Senior Management Analyst	TFLEx 2022 Fall Workshop	Denver, CO	10/30/22-11/2/22	$1,398.32	$388.20	$48.06	$701.56	$200.50	$60.00	1
	Vice Mayor	Rail Volution Conference	Miami, FL	10/28/22-11/2/22	$2,009.44	$625.20	$129.06	$1,180.85	$310.50	($236.17)	3
	Total this reporting period				$24,633.14						
	Year to Date				**$71,105.03**						

Report reflects Out of State (AZ) Travel

** Misc*
[1] Airline Baggage Fees
[2] Mobile Workshop
[3] Hotel Deduction

Valley Metro Regional Public Transportation Authority
Monthly AP Payments over $25,000
November 2022

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
10000956	11/8/2022	First Transit Inc	Monthly Transit Services	5,727,735.61
10000943	11/4/2022	Gillig LLC	HD Circulator Buses	3,146,154.00
10000961	11/8/2022	Transdev Services Inc	Monthly General Paratransit Service	1,374,995.93
90000126	11/17/2022	ADP LLC	PPE 10/30/2022 Payroll Liabilities	1,070,717.82
90000122	11/4/2022	ADP LLC	PPE 11/13/2022 Payroll Liabilities	1,050,933.41
10000952	11/8/2022	Allied Universal Security Services	Fare Inspection and Security Services	540,887.72
10000973	11/10/2022	Total Transit Enterprises LLC	Monthly West Valley Contracted Fixed Route	505,396.08
10001002	11/23/2022	Vix Technology (USA) Inc	Customer Service Network	504,187.87
90000125	11/17/2022	Cigna Health and Life Insurance Company	Health Insurance Premiums	486,180.41
10000946	11/4/2022	DMS Facility Services Inc	Facilities Maintenance Services	379,752.89
10000945	11/4/2022	Creative Software Solutions LLC	Ridechoice Management Services	341,667.30
10000982	11/17/2022	Denovo Ventures LLC	ERP-EAM System Software Implementation	308,836.00
90000124	11/17/2022	ASRS	PPE 10/30/22 ASRS Contributions & LTD	288,217.09
90000121	11/4/2022	ASRS	PPE 11/13/22 ASRS Contributions & LTD	279,085.45
10000974	11/10/2022	Vix Technology (USA) Inc	Customer Service Network	201,681.91
10000994	11/23/2022	101 North First Ave LLC	101 Building Rent	184,358.76
90000130	11/30/2022	Surepays	RPTA Monthly Utilities	142,534.47
10000997	11/23/2022	DLT Solutions LLC	Oracle Products and Services-Subscription Costs - ERP Cloud Fusion	130,515.49
10000965	11/10/2022	Creative Software Solutions LLC	Ridechoice Management Services	126,079.78
10000984	11/17/2022	Environmental Systems Research Institut	ESRI Software and Support Agreement	102,936.66
90000127	11/17/2022	Wells Fargo Bank	Monthly Credit Card Charges	82,952.53
10000971	11/10/2022	Second Generation Inc, dba Ajo Transpor	Monthly Rural Connector Services	69,514.60
1001086	11/10/2022	ACRO Service Corporation	Staffing Services and Related Solutions-IT Project Management Services	68,756.00
10000978	11/10/2022	Senergy Petroleum LLC	Bulk Fuel	64,947.97
1001127	11/23/2022	CopperPoint Insurance Company	Mobility Center Rent	62,362.79
10000957	11/8/2022	Guidesoft Inc	Managed Services Provider	46,894.60
10000955	11/8/2022	Enterprise Rideshare	Van Pool Services	45,598.53
10001000	11/23/2022	URW LLC	Landscape Maintenance Services	45,347.96
10000959	11/8/2022	Stacy and Witbeck Inc	CMAR Services for Tempe Street Car	41,500.04
10000936	11/4/2022	URW LLC	Landscape Maintenance Services	41,309.64
1001096	11/10/2022	WEX Bank	Fleet Card Services	35,089.04

10000991	11/17/2022	Senergy Petroleum LLC	Bulk Fuel	32,582.25
1001078	11/4/2022	Hye Tech Network & Security Solutions L	Cisco SmartNet	31,607.07
1001094	11/10/2022	SHI International Corp	Software Value Added Reseller	28,659.81
1001123	11/23/2022	ACRO Service Corporation	Staffing Services and Related Solutions-IT Project Management Services	26,532.00
1001133	11/23/2022	QCM Technologies Inc	Information Security Program Support	25,369.36
				17,641,878.84

Valley Metro Rail, Inc
Monthly AP Payments over $25,000
November 2022

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
50000797	11/4/2022	Kiewit Infrastructure West Company	CMAR Services for Northwest Phase II	16,545,404.39
50000825	11/17/2022	Kiewit-McCarthy, a Joint Venture	CMAR Services for South Central-Downtown Hub	9,326,907.40
50000806	11/10/2022	Alternate Concepts Inc	Transportation Services	1,950,297.40
50000834	11/23/2022	Hill International Inc	PMCM Services	872,391.33
90000017	11/30/2022	Surepays	VMR Monthly Utilities	422,117.75
50000784	11/4/2022	Alternate Concepts Inc	Transportation Services	197,780.03
50000811	11/10/2022	Jacobs Engineering	Design Services for Northwest Phase II	118,265.66
50000827	11/17/2022	PGH Wong Engineering Inc	System Design Services	94,110.39
5001183	11/4/2022	San Tan Ford	New Vehicle Purchases	93,998.28
50000802	11/4/2022	City of Phoenix	1st Qtr 2023 Adv Rev Pymt	86,446.48
50000812	11/10/2022	PGH Wong Engineering Inc	System Design Services	78,651.76
50000820	11/17/2022	Award Winning Restorations	Light Rail Vehicle Painting	72,396.34
50000837	11/23/2022	Leach International Corp	Relays	70,688.75
50000798	11/4/2022	Penn Machine Company LLC	Gearbox/Axle Overhaul - IGW	51,930.00
5001195	11/10/2022	Susan Zoccola LLC	NEW II - Public Art Services-Fabrication / Install	50,000.00
5001219	11/17/2022	Snell & Wilmer LLP	BPO outside legal services.	41,155.66
5001179	11/4/2022	NASG Holdings LLC	Windshields	40,084.30
50000815	11/10/2022	City of Phoenix	Quarterly Regional Wireless Billing	37,357.56
5001230	11/23/2022	NASG Holdings LLC	Windows	35,136.60
50000831	11/17/2022	Zarco Guerrero	SCE - Public Art Services-Fabrication / Install	35,000.00
50000840	11/23/2022	City of Phoenix	City of Phoenix Fare Handling Fee	32,068.00
50000799	11/4/2022	PGH Wong Engineering Inc	System Design Services	31,196.44
				30,283,384.52

Procurement Report
for January Board Month

Contract Administrator	Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
RECENTLY COMPLETED PROCUREMENTS										
Jennifer H	Joint	RFP	Community Relations Support Services	Yes	January 2022	June 2022	September 2022	$6,500,000.00	3 years + 2 options	Executed
ACTIVE PROCUREMENTS										
Christian J	Joint	Sole Source	ADP Payroll Services for FY 23 - FFY24	No	N/A	N/A	November 2022	$302,500.00	1 year + 1 option	Initiating Documents
Jennifer H	RPTA	RFP	2023 Origin and Destination Survey	No	August 2022	September 2022	January 2022	$800,000.00	2 years	Pending Board Approval
Christian J	RPTA	RFP	Administrative Broker Services (Demand Response)	Yes	September 2022	November 2022	February 2023	$39,213,600.00	5 years + 3 options	In Evaluation
Christian J	RPTA	RFP	Regional ADA Paratransit Services Operations & Maintenance	Yes	September 2022	October 2022	February 2023	$94,235,746.00	3 years + 3 options	In Evaluation
Lori N	Joint	RFP	Federal Legislative Consulting Services	No	September 2022	October 2022	November 2022	$1,200,000.00	2 years + 3 options	Initiating Documents
Lori N	Joint	RFP	State Legislative Consulting Services	No	September 2022	October 2022	November 2022	$450,000.00	2 years + 3 options	Initiating Documents
Rick W	RPTA	RFP	East Valley Fixed Route Bus Services	Yes	November 2022	March 2023	August 2023	$400,000,000.00	3 yrs + 4yr+3yr opt	Solicitation Issued
FUTURE PROCUREMENTS										
Chris B	Joint	RFP	Facilities Maintenance Services	No	February 2023	TBD	TBD	TBD	TBD	Initiating Documents
Chris B	VMR	RFP	LRV Electronic Repairs	Yes	TBD	TBD	TBD	$210,000.00	3 years + 1 option	Initiating Documents
Chris B	VMR	Sole Source	SCV Sole Source Parts	Yes	TBD	N/A	TBD	TBD	TBD	Initiating Documents
Chris B	VMR	Sole Source	Railpod Equipment	Yes	TBD	N/A	TBD	$677,000.00	TBD	Initiating Documents
Chris B	VMR	Sole Source	LRV Truck Rebuild	Yes	TBD	N/A	TBD	$414,289.00	TBD	Initiating Documents
Chris B	VMR	Sole Source	LRV Air Compressors	Yes	TBD	N/A	TBD	TBD	TBD	SOW Development
Jennifer H	RPTA	RFP	Autonomous Vehicle Research	Yes	TBD	TBD	TBD	$250,000.00	5 years	SOW Development
Christian J	RPTA	COOP	Electric Vehicles - Vans	No	TBD	TBD	TBD	TBD	N/A	Evaluating the potential use of a co-operative contract
Christian J	RPTA	COOP	Vanpool Vans Services	No	February 2023	TBD	TBD	TBD	8 years	SOW Development
Lori N	Joint	RFP	Strategic Planning Development	No	December 2022	TBD	TBD	TBD	TBD	SOW Development
Ed N	Joint	RFP	Classification and Total Compensation Study	Yes	January 2023	TBD	TBD	$332,000.00	5 years	SOW Development

IFB - Invitation For Bids
RFP - Request for Proposals
RFQ - Request for Qualifications
COOP - Cooperative Contract
TBD - To Be Determined

Information Summary

DATE **AGENDA ITEM 7**
January 12, 2023

SUBJECT
Report on Current Events and Suggested Future Agenda Items

PURPOSE
Chair Pastor will provide members the opportunity to report on current events and suggest future agenda items for consideration.

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION
None

COMMITTEE PROCESS
None

CONTACT
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Chief Executive Officer
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jmeffordmiller@valleymetro.org

ATTACHMENT
None.

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date

Agenda

January 12, 2023

Valley Metro RPTA
Thursday, January 19, 2023
Boardroom/Webex
Valley Metro, 101 N. 1st Avenue, 10th Floor
11:15 a.m.

Action Recommended

CONSENT AGENDA

1A.	Minutes	1A. For action

Minutes from the December 1, 2022 Board meeting are presented for approval.

1B.	Fuel and Fuel Card Services Agreement – Rural Route 685/Gila Bend	1B. For action

Staff recommends that the Board of Directors authorize the CEO to execute a cooperative agreement purchase order with WEX Bank Fleet Card Services for revenue vehicle fuel for the provision of Rural Route 685 Ajo/Gila Bend bus services for a not-to-exceed amount of $974,000 over a five-year period.

1C.	Automated Speech Recognition Services	1C. For action

Staff recommends that the Board of Directors authorize the CEO to procure necessary IT services. The period of authorization is fiscal year 2023, in an amount not to exceed $48,478 plus a 15% contingency of $7,272, for a total not-to-exceed authorization amount of $55,750.

1D.	2023 Origin and Destination Study Contract Award	1D. For action

Staff recommends that the Board of Directors authorize the CEO to execute a contract with ETC Institute for the 2023 Origin and Destination Study for an amount not to exceed $867,675.

REGULAR AGENDA

2.	RPTA Fiscal Year 2023 (FY23) Mid-Year Budget Adjustment	2.	For action

Staff recommends the Board of Directors approve the Mid-Year Budget Adjustment update to the Valley Metro RPTA Operating Budget for FY23.

3.	Election of Board Treasurer and Joint Board Subcommittee Positions	3.	For action

The Board elect a RPTA Board Treasurer and a member to the Joint Board Subcommittee for the period of January 20, 2023 – June 30, 2023.

4.	Report on Current Events and Suggested Future Agenda Items	4.	For information

Chair Pastor will provide members the opportunity to report on current events and suggest future agenda items for consideration.

5.	Next Meeting	5.	For information

The next Board meeting is scheduled for **Thursday, February 16, 2023 at 11:15 a.m.**

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats (large print or flash drive) are available upon request. For further information, please call Valley Metro at 602-262-7433 or TTY at 602-251-2039. To attend this meeting via teleconference, contact the receptionist at 602-262-7433 for the dial-in-information. The supporting information for this agenda can be found on our web site at www.valleymetro.org

Minutes

January 12, 2023 **AGENDA ITEM 1A**

Valley Metro RPTA
Thursday, December 1, 2022
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

RPTA Meeting Participants
Vice Mayor Laura Pastor, City of Phoenix **- Chair**
Councilmember Bill Stipp, City of Goodyear – **Vice Chair**
Mayor Kevin Hartke, City of Chandler – **Treasurer**
Vice Mayor Monica Dorcey, City of El Mirage (phone)
Councilmember Lauren Tolmachoff, City of Glendale
Supervisor Jack Sellers, Maricopa County
Councilmember Francisco Heredia, City of Mesa
Councilmember Jon Edwards, City of Peoria
Vice Mayor Jennifer Adams, City of Tempe
Mayor Michael LeVault, Town of Youngtown (phone)

Members Not Present
Vice Mayor Veronica Malone, City of Avondale
Councilmember Clay Goodman, City of Buckeye
Councilmember Mike Scharnow, Town of Fountain Hills
Mayor Brigette Peterson, Town of Gilbert
Councilmember Leah Martineau, Town of Queen Creek
Councilmember Kathy Littlefield, City of Scottsdale
Councilmember Chris Judd, City of Surprise
Councilmember Aldofo Gamez, City of Tolleson
Mayor Rui Pereira, Town of Wickenburg

Chair Pastor called the meeting to order at 1:38 p.m.

Chair Pastor said welcome members to the November/December meeting.

Ms. Dillon said Chair, in the interest of time, we can get to the action items and then take public comment at the end.

Chair Pastor said okay.

1. Consent Agenda

Pastor said are there any questions? Hear no questions. Can I have a motion? Motion by Mayor Hartke, second by Councilmember Tolmachoff.

All those in favor, please say aye. Those not in favor. The ayes have it. Motion carries.

IT WAS MOVED BY MAYOR HARTKE, SECONDED BY COUNCILMEMBER TOLMACHOFF AND UNANIMOUSLY CARRIED TO APPROVE CONSENT AGENDA ITEMS 2A-2B.

2. New regional Fare Collection System Cash-only Bus Fareboxes Software and Maintenance Agreement

Ms. Mefford-Miller said Tyler Olson is on hand to provide a quick overview.

Mr. Olson said Madam Chair, Board member. I'll do a quick overview. I'm not going to touch on the background because I literally just did that. So historically, City of Phoenix has used Scheidt & Bachmann to perform the farebox maintenance on behalf of their fleet in the past and it has worked out favorably based on feedback. So this contract, essentially, would continue that same level of effort, but not only for Phoenix, but expand it to the entire region and these new assets that we acquired.

Other transit providers like RPTA and Tempe had their own contractors perform the work and ended up spending more in lifecycle maintenance and things like that purchasing it from Scheidt & Bachmann as needed as the components failed.

So the benefits of a regional contract are really twofold. We have volume discount competitive pricing. Example, our independent cost estimate showed that the existing rates for annual hardware maintenance were just over $5,000 per farebox whereas the new pricing is just under $4,000 so, you know, it doesn't sound like a lot, but over the regional fleet that's about 1.2 million in savings per year.

Secondly, also very important, would be consistent maintenance and improved reliability across the region. Having the same level of support and component replacement and lifecycle maintenance, essentially, leading to a consistent customer experience across the region as well.

Funding for this program would be included in the cost –

Ms. Dillon said excuse me. Tyler, can you jump to the recommendations?

Mr. Olson said okay.

Mr. Olson said yes. Okay. I'd be happy to address any questions that you may have.

Chair Pastor said are there any questions? I don't see any questions. May I have a motion?

Motion by Councilmember Stipp, second by Councilmember Heredia.

All those in favor, please say aye. I don't hear any nays. Motion carries.

IT WAS MOVED BY COUNCILMEMBER STIPP, SECONDED BY COUNCILMEMBER HEREDIA AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CEO TO EXECUTE AN ELEVEN-YEAR CONTRACT WITH SCHEIDT & BACHMANN TO PROVIDE HARDWARE MAINTENANCE AND SOFTWARE SUPPORT FOR THE NEW REGIONAL CASH-ONLY FAREBOXES FOR THE ENTIRE REGIONAL BUS FLEET. THE TOTAL OPERATING COST WILL NOT EXCEED $45,331,000 (CONTRACT VALUE OF $41,210,000 WITH A 10% CONTINGENCY OF $4,121,000).

4. Report on Current Events and Suggested Future Agenda Items

Chair Pastor said I don't hear anything.

5. Next Meeting

The next Board meeting is scheduled for Thursday, January 19, 2023 at 11:15 a.m.

6. Public Comment

Ms. Dillon said Blue, do you want to provide your public comment?

Mr. Crowley said well, my comment is on the (inaudible) still have not done anything to communicate to Jack that these are parts of the system that what MAG has put forth aren't applicable or right for us. One of them, if you aren't doing things according to traffic patterns and density and usage, how are you taking care of addressing air quality? When I hear from Mesa's staff people that the reason that we don't have the gird fully done in your community is your roads aren't wide enough. There is no road that in the major part of the system in Mesa that isn't big enough for a bus. Just a thought, ya'll, you know.

And when it comes to the light rail and the bus, when are you going to change what you put forth in the MAG plan that says here we're going to accept this and make it multi-modal through the whole thing? That's another part of that air quality thing that you are not getting and addressing.

So you need to put forth to Jack and his committee that it needs to have maintenance and asset management for the whole bus system as you do for the rail. That you need to have infrastructure as a part of it. Right now, are there bus stops at every single part of your system? No. Is there any plan for it? No. Are you doing anything to make yourselves come within compliance of industry standard? No. So when you need to spend that kind of money, you need to have it put in that new plan that you're going to be getting and doing. And like I said, if it's not multi-modal, how are you doing air quality?

With the rail going out to the West Valley, with it in the center of the city, five, five bus routes and your answer for that is that it helps the rail run faster. You need to have every single one of the bus routes be connected to the rail. And that means the rail needs to have stops at those places. So why you haven't gotten it done or done it that way, I don't understand.

I also for how long was up here asking what are you guys doing for a plan. Nobody told me. You don't. I know you're second stringers. You're the second team. You don't have the status over there at MAG, but since it's you that are the ones that are going to have to be doing the system and that you need to communicate to them like I said –

Ms. Dillon said Mr. Crowley, your time is up.

Mr. Crowley said -- maintenance -- I understand that, and I was finishing up. That we need to have maintenance and infrastructure in that plan that you're going to be sending out. And also, the other part that you're not realizing is with this past election, you're going to need 60% of the voters to pass it. Just a thought ya'll.

So make it right and they'll eat it easier.

Chair Pastor said thank you. Appreciate it.

The meeting was adjourned.

With no further discussion the meeting adjourned at 1:46 p.m.

Information Summary

DATE **AGENDA ITEM 1B**
January 12, 2023

SUBJECT
Fuel and Fuel Card Services Agreement – Rural Route 685/Gila Bend

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a cooperative agreement purchase order with WEX Bank Fleet Card Services for revenue vehicle fuel for the provision of Rural Route 685 Ajo/Gila Bend bus services for a not-to-exceed amount of $974,000 over a five-year period.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute a cooperative agreement purchase order with WEX Bank Fleet Card Services for revenue vehicle fuel for the provision of Rural Route 685 Ajo/Gila Bend bus services for a not-to-exceed amount of $974,000 over a five-year period.

BACKGROUND | DISCUSSION | CONSIDERATION
The Route 685 Ajo/Gila Bend Regional Connector operates along State Highway 85 and provides bus service to the communities of Ajo, Gila Bend, Buckeye, Goodyear, Avondale, Tolleson and Phoenix. Valley Metro uses fleet fuel cards through WEX Bank Fleet Card Services to refuel revenue vehicles as needed. An account has been established that allows Valley Metro to refuel at participating gas stations in Gila Bend and Buckeye.

Cooperative Agreements are contracts that are solicited and awarded by other public entities and whose cooperative language allows Valley Metro to utilize these contracts for goods and services it requires. This cooperative contract for Rural Route 685 revenue vehicle fuel was procured via the State of Arizona Procurement Office of the Department of Administration and is currently awarded to, WEX Bank Fleet Card Services. Valley Metro uses this contract to fulfill its Rural Route 685 revenue vehicle fuel purchase needs.

This cooperative agreement purchase order with WEX Bank Fleet Card Services will start February 1, 2023 for a five-year period.

COST AND BUDGET
The Rural Route 685 revenue vehicle fuel usage over five years has a total estimated value of $974,000. The five-year forecast for fuel is in the chart below.

	FY 23	FY 24	FY 25	FY 26	FY 27	FY28	Total
Months	**5**	**12**	**12**	**12**	**12**	**7**	**60**
Fuel Costs	**$75,000**	**$186,000**	**$191,000**	**$197,000**	**$203,000**	**$122,000**	**$974,000**

Fuel for Route 685 is funded in the Adopted FY23 Operating and Capital Budget. Contract Obligations beyond FY23 are incorporated into the Valley Metro RPTA Five-Year Operating Forecast and Capital Program (FY2023 thru FY2027).

COMMITTEE PROCESS
RTAG: December 20, 2022 for information
TMC: January 4, 2023 approved
Board: January 19, 2023 for action

CONTACT
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ATTACHMENT
None

Information Summary

DATE
January 12, 2023

AGENDA ITEM 1C

SUBJECT
Automated Speech Recognition Services

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to procure automated speech recognition services to maintain Valley Metro's interactive voice response system.

RECOMMENDATION
Staff recommends that the TMC forward to the Boards of Directors authorization for the CEO to procure necessary IT services. The period of authorization is fiscal year 2023, in an amount not to exceed $48,478 plus a 15% contingency of $7,272, for a total not-to-exceed authorization amount of $55,750.

BACKGROUND | DISCUSSION | CONSIDERATION
Valley Metro's IT department operates the regional Customer Service call center's telephony system. The system includes an Interactive Voice Response (IVR) component which helps reduce call center staffing requirements. The IVR achieves this by handling 40% of basic inquiries directly without requiring the involvement of a Customer Service Representative (CSR). To handle those questions automatically, the IVR relies on a service provided by Workflow Concepts that leverages Google's Automated Speech Recognition (ASR) services. The ASR service allows the IVR to both interpret the customer's speech and provide a computer-generated response.

Prior to FY 2023 the two-year cost of the ASR service was below the $50,000 limit necessitating Board authorization. In FY 2023 a combination of the following factors has pushed the two-year renewal cost above the limit:

- An increase in service costs attributed to inflation
- Expansion to cover the launch of the Fare Collection System Modernization (FCSM) mobile payment support contact center
- Expansion to cover the launch of the Paratransit & RideChoice Reservation and Scheduling service

Item	FY 2021	FY 2022	FY 2023[1]
Annual Service Cost	$18,568	$25,348	**$48,478**
Annual Calls Handled	552,014	549,552	*532,900*

COST AND BUDGET
The funds for the service outlined in this memo are already included in the adopted RPTA FY 2023 Operating and Capital Budgets. The currently requested authorization is not to exceed $55,750 in FY 2023. Since estimated call volumes for the two new call centers are speculative, a 15% contingency is included should usage exceeds the 360,000 minutes of voice translation currently included with the service.

Authorization to extend the service engagement into future fiscal years will be included in the annual IT professional services authorization memos brought to the Board toward the end of each fiscal year.

The service will be procured from reseller SHI International Corp. through an OMNIA Partners cooperative contract to ensure a competitively negotiated price and leverage the better volume discounts available through the contract.

Vendor	Cooperative Vehicle	Contract #
SHI	OMNIA Partners	2018011-02

COMMITTEE ACTION
RTAG: December 20, 2022 for information
TMC: January 4, 2023 approved
Board of Directors: January 19, 2023 for action

CONTACT
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ATTACHMENT
None

[1] FY 2023 annual call volume is an estimate based on actual call volume for July – November 2022

Information Summary

DATE **AGENDA ITEM 1D**

January 12, 2023

SUBJECT

2023 Origin and Destination Study Contract Award

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute a contract with ETC Institute for the 2023 Origin and Destination Study for an amount not to exceed $867,675.

RECOMMENDATION

Staff recommends that the TMC forward to the Board of Directors authorization for the CEO to execute a contract with ETC Institute for the 2023 Origin and Destination Study for an amount not to exceed $867,675.

BACKGROUND | DISCUSSION | CONSIDERATION

The Origin and Destination Study (also known as the Transit On-Board Survey) will collect data about passenger travel patterns on fixed bus routes and light rail. Valley Metro has conducted similar studies every three to five years since 1986, most recently in 2019. The study results are essential to Valley Metro and partner agencies for the following purposes:

- to collect data on customer travel patterns and demographics which enables Valley Metro and member agencies to better plan transit routes and service
- to calibrate and validate the Maricopa Association of Governments (MAG) regional transportation travel demand model for long-range planning and to inform discussion surrounding the extension of Proposition 400
- to provide data for the “After” study for Streetcar and the “Before” study for the South Central Light Rail Extension/Downtown Hub and NW Phase II Extension, as required by the Federal Transit Administration

Data collection for this study will take place in spring 2023. The consultant will collect 17,000 completed responses. Sampling beyond this base level is available to interested jurisdictions willing to incur added cost.

In June 2022, the RPTA Board authorized the issuance of a Request for Proposals (RFP) to procure consultant services for the execution of the Origin and Destination Study. Two firms (ETC Institute and Replica) submitted a proposal in response to the RFP. An interagency review panel comprising representatives from Valley Metro, MAG and the cities of Phoenix, Chandler, Gilbert and Mesa reviewed the proposal.

Staff completed an independent cost estimate (ICE) for the project. The proposed cost is fair and reasonable based on the ICE.

The interagency review panel provided the scores shown in the table below for both bidders and recommends contract award to ETC Institute to assist in the development and implementation of the 2023 Origin and Destination Study. ETC Institute conducted the two most recent origin and destination studies in 2019 and 2015 and is experienced conducting similar studies for transit agencies nationwide.

O&D RFP Scoring Criteria		ETC Institute	Replica
	Total Score	**786**	**645**
1 - Method of Approach to the Scope of Services	***Technical Points***	**372**	**192**
2 - Qualifications & Experience of the Firm	***Technical Points***	**190**	**121**
3 - Qualifications & Experience of Key Personnel	***Technical Points***	**192**	**132**
4 - Pricing	***Pricing Points***	**32**	**200**

COST AND BUDGET

The estimated cost for this project is $788,795 plus a 10% contingency of $78,880 for a total of $867,675, which will be expended over two fiscal years' budgets.

The second half of the Data Processing and Analysis task, as well as the final task of preparing the Final Report and Data File totaling $87,000 (including contingency) will be requested in the FY24 budget. Therefore, a total of $780,675 is needed in FY23. Because this study is essential for updating the Maricopa Association of Governments (MAG) regional transportation demand model, MAG has agreed to fund $200,000 for this study through the approved FY23 Unified Planning Work Program (UPWP) using Regional Area Road Funds (RARF). Prop 400 will cover the remaining costs. The FY 2023 RPTA budget includes $50,000 in funding for this project. A mid-year adjustment of $730,675 is required to secure all needed funding for FY23.

Cost Estimate Breakdown Table

Task	Description	Total price
1	Develop Project Management Plan and Schedule	$26,930
2	Survey Design and Sampling Plan	$28,364
3	Develop Survey Instrument	$32,229
4	Interviewer and QA/QC Manual	$19,214
5	Conduct and Evaluate the Pre-Test	$30,570
6	Administer the On-Board Transit Survey	$532,907
7	Data Processing and Analysis	$78,212
8	Prepare Final Report and Data File	$40,369
	SUBTOTAL	$788,795
	Study Contingency (10%)	$78,880
	TOTAL Study Cost	**$867,675**

COMMITTEE PROCESS
RTAG: December 20, 2022 for information
TMC: January 4, 2023 approved
Board of Directors: January 19, 2023 for action

CONTACT
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ATTACHMENT
None.

2023 Origin and Destination Study

RTAG

December 2022

1

Background

Surveys of customers travel patterns on-board

- Light rail
- Fixed-route buses
- Commuter buses
- Circulators

Conducted every three to five years

- 2019
- 2015
- 2010/2011
- 2007

2

2

Provides Critical Data for Planning

1. Get data on customer travel patterns and demographics to design better services
2. Support MAG's regional long range-plan and travel demand model and inform extension of Prop 400
3. Compare with past studies to assess transit use trends
4. Support "Before and After Studies" for rail capital projects

3

3

Goals and Objectives

Question Topics

- Trip origin and destination
- Transfers
- Trip purpose
- Fare type
- Access/egress modes
- Boarding/alighting location
- Demographics

17,000
completed surveys will be collected

15,000 Weekday
1,000 Saturday
1,000 Sunday

4

4

Proposed Scope and Schedule

Task 1 – Project Management Plan – January 2023
- Subtask 1.1 – Sampling Plan – January 2023
- Subtask 1.2 – Staffing Plan – January 2023

Task 2 – Survey Design - February 2023
- Pilot Test – February 2023

Task 3 – Survey Distribution/Data Collection – March/April/May 2023
- O2O Survey – March 2023
- OD Survey – End of March/April 2023
- OD Survey Targeting – May 2023

Task 4 – QAQC – Ongoing Starting in March 2023

Task 5 – Data Analysis and Expansion – June 2023

Task 6 – Report – July 2023

5

5

Request for Proposals

- **Initiated RFP process in October**
  - FTA-compliant
  - Valley Metro, MAG and cities of Phoenix, Mesa, Glendale and Chandler on evaluation panel
  - Two proposals submitted and received the following scores:

Criteria		ETC Institute	Replica
	Total Score	786	661
1 - Method of Approach to the Scope of Services	*Technical Points*	372	208
2 - Qualifications & Experience of the Firm	*Technical Points*	190	121
3 - Qualifications & Experience of Key Personnel	*Technical Points*	192	132
4 - Pricing	*Points*	32	200

6

6

Estimated Cost

Task Description	Quoted Price
Develop Project Management Plan and Schedule	$26,930
Survey Design and Sampling Plan	$28,364
Develop Survey Instrument	$32,229
Interviewer and QA/QC Manual	$19,214
Conduct and Evaluate the Pre-Test	$30,570
Administer the On-Board Transit Survey	$532,907
Data Processing and Analysis	$78,212
Prepare Final Report and Data File	$40,369
SUBTOTAL	$788,795
Study Contingency (10%)	$78,880
TOTAL Study Cost	$867,675

Next Steps

- **Task 1 – Project Management Plan**
  - Subtask 1.1 – Sampling Plan – January 2023
  - Subtask 1.2 – Staffing Plan – January 2023
- **Task 2 – Survey Design - February 2023**

Recommendation

Staff recommends that the TMC forward to the Board of Directors authorization for the CEO to execute a contract with ETC Institute for the 2023 Origin and Destination Study for an amount not to exceed $867,675

9

9

Information Summary

DATE **AGENDA ITEM 2**
January 12, 2023

SUBJECT
RPTA Fiscal Year 2023 (FY23) Mid-Year Budget Adjustment

PURPOSE
To request approval of the Mid-Year Budget Adjustment update to the Valley Metro RPTA Operating Budget for FY23.

RECOMMENDATION
Staff recommends the TMC forward to the Board of Directors approval of the Mid-Year Budget Adjustment update to the Valley Metro RPTA Operating Budget for FY23.

BACKGROUND | DISCUSSION | CONSIDERATION
In June of 2022, the Board approved the FY23 Operating and Capital Budget. The cost factors used to develop the budget have changed and adjustments are warranted to update the expenditures planned for the remainder of the fiscal year. Adjustments are being requested only on the operating budget.

Fixed route service costs for both East and West Valley have increased to address contractor high vacancy rates caused by severe labor shortages. The Board approved the contract changes to address this issue in the October 2022 meeting.

Planning costs are higher due to scheduled earlier completion of the required Origin and Destination Study combined with the development of Valley Metro's Zero Emissions Plan which will provide deeper insight into the feasibility of future alternative fuel vehicle transportation. The Zero Emissions Plan is required in order for Valley Metro to pursue Low to No Emissions grants through FTA to fund future electric vehicles and required infrastructure.

Regional Services Administration and Call Center costs are higher than planned due to increased maintenance coverage on new fareboxes and a revised schedule for the Vix Call Center implementation and launch.

Operating Activities:

Budget Item	Description	Increase (Decrease) Amt	Funding Source
East Valley Bus	Board approved a 12/1/22 Contractor Wage Rate increase to address labor market shortage.	$ 2,910,900	Member Cities PTF Federal
West Valley Bus	Board approved a 12/1/22 Contractor Wage Rate increase to address labor market shortage.	$ 183,800	Member Cities PTF Federal
	Pre-Approved Mid-Year Adjustment	**$ 3,094,700**	

Operating Activities:

Budget Item	Description	Increase (Decrease) Amt	Funding Source
Planning	Origin and Designation Study is being completed earlier than planned; development of Zero Emissions Plan to required by FTA to compete for Low or No Emissions grants.	$ 1,285,600	RARF PTF Federal
Regional Services	Scheidt & Bachmann maintenance gap coverage on fareboxes and software.	$ 1,138,000	Phoenix PTF
Call Center	Revised schedule for Vix customer service call center implementation.	$ 621,000	PTF
	Additional Mid-Year Adjustment Total	**$ 3,044,600**	
	Total Operations Budget Adjustment	**$ 6,139,300**	

COST AND BUDGET

Changes proposed are incorporated into overall agency sources and uses of funds below:

SOURCES OF FUNDS ($000,000)

Operating Revenues

Sources of Funds	FY23	FY23 Amended	Change $	Change %
Public Transportation Funds	$115.8	$118.5	$2.8	2%
Regional Area Road Funds	$4.5	$5.8	1.3	30%
Member City Contributions	$48.8	$50.2	1.5	3%
Advertising	$0.6	$0.6	0.0	0%
Federal Funds	$11.3	$11.9	0.6	5%
Federal Funds - Covid Relief	$0.5	$0.5	0.0	0%
Fares	$5.9	$5.9	0.0	0%
MAG Funds	$0.4	$0.4	0.0	0%
Other	$0.2	$0.2	0.0	0%
Carry Forward & Reserves	$1.4	$1.4	0.0	0%
Regional Area Road Funds	$0.5	$0.5	0.0	0%
VMR Reimbursements	$34.9	$34.9	0.0	0%
AZ Lottery Funds	$11.2	$11.2	0.0	0%
Total Operating Sources	**$235.9**	**$242.0**	**$6.1**	**3%**

USES OF FUNDS ($000,000)

Operating Expenditures

Uses of Funds	FY23	FY23 Amended	Change $	Change %
Fixed Route Operations	$117.7	$120.8	$3.1	3%
Vanpool Operations	$1.0	$1.0	0.0	0%
Planning	$2.4	$3.7	1.3	53%
Commute Solutions	$1.4	$1.4	0.0	0%
Regional Services	$16.6	$18.4	1.8	11%
Administration and Finance	$4.2	$4.2	0.0	0%
Demand Service	$46.0	$46.0	0.0	0%
AZ Lottery Funds Disbursements	$11.2	$11.2	0.0	0%
Valley Metro Rail	$35.4	$35.4	0.0	0%
Total Operating Uses	**$235.9**	**$242.0**	**$6.1**	**3%**

COMMITTEE PROCESS
Financial Working Group: December 20, 2022 for information
RTAG: December 20, 2022 for information
TMC: January 4, 2023 approved
AFS: January 5, 2023 for information
Board: January 19, 2023 for action

CONTACT
Kenneth Kessler
Chief Financial Officer
602-523-6043
kkessler@valleymetro.org

ATTACHMENT
None

RPTA
FY23 Mid-Year
Budget Adjustment

January 2023

1

Changes – Operating Activities

Budget Item	Description	Increase (Decrease) Amt	Funding Source
East Valley Bus	Board approved a 12/1/22 Contractor Wage Rate increase to address labor market shortage.	$ 2,910,900	Member Cities PTF Federal
West Valley Bus	Board approved a 12/1/22 Contractor Wage Rate increase to address labor market shortage.	$ 183,800	Member Cities PTF Federal
	Pre-Approved Mid-Year Adjustment Total	**$ 3,094,700**	

2

2

Changes – Operating Activities

Budget Item	Description	Increase (Decrease) Amt	Funding Source
Planning	Origin and Designation Study is being completed earlier than planned; development of Zero Emissions Plan to required by FTA to compete for Low or No Emissions grants.	$ 1,285,600	RARF PTF Federal
Regional Services	Scheidt & Bachmann maintenance gap coverage on fareboxes and software.	$ 1,138,000	Phoenix PTF
Call Center	Revised schedule for Vix customer service call center implementation.	$ 621,000	PTF
	Additional Mid-Year Adjustment Total	**$ 3,044,600**	
	Total Operations Budget Adjustment	**$ 6,139,300**	

3

3

Sources of Funds – Operating ($000,000)

Sources of Funds	FY23	FY23 Amended	Change $	Change %
Public Transportation Funds	$115.8	$118.5	$2.8	2%
Regional Area Road Funds	$4.5	$5.8	1.3	30%
Member City Contributions	$48.8	$50.2	1.5	3%
Advertising	$0.6	$0.6	0.0	0%
Federal Funds	$11.3	$11.9	0.6	5%
Federal Funds - Covid Relief	$0.5	$0.5	0.0	0%
Fares	$5.9	$5.9	0.0	0%
MAG Funds	$0.4	$0.4	0.0	0%
Other	$0.2	$0.2	0.0	0%
Carry Forward & Reserves	$1.4	$1.4	0.0	0%
Regional Area Road Funds	$0.5	$0.5	0.0	0%
VMR Reimbursements	$34.9	$34.9	0.0	0%
AZ Lottery Funds	$11.2	$11.2	0.0	0%
Total Operating Sources	$235.9	$242.0	$6.1	3%

4

4

Uses of Funds - Operating ($000,000)

Uses of Funds	FY23	FY23 Amended	Change $	Change %
Fixed Route Operations	$117.7	$120.8	$3.1	3%
Vanpool Operations	$1.0	$1.0	0.0	0%
Planning	$2.4	$3.7	1.3	53%
Commute Solutions	$1.4	$1.4	0.0	0%
Regional Services	$16.6	$18.4	1.8	11%
Administration and Finance	$4.2	$4.2	0.0	0%
Demand Service	$46.0	$46.0	0.0	0%
AZ Lottery Funds Disbursements	$11.2	$11.2	0.0	0%
Valley Metro Rail	$35.4	$35.4	0.0	0%
Total Operating Uses	$235.9	$242.0	$6.1	3%

5

5

Recommendation

Staff recommends that the Board of Directors approve the Mid-Year Budget Adjustment update to the RPTA Operating Budget for FY23.

6

6

Information Summary

DATE **AGENDA ITEM 3**
January 12, 2023

SUBJECT
Election of Board Treasurer and Joint Board Subcommittee Positions

PURPOSE
The Board will vote to elect a RPTA Board Treasurer and a member to the Joint Board Subcommittee for the period of January 20, 2023 – June 30, 2023.

RECOMMENDATION
Based upon a letter of interest received, it is recommended that the RPTA Board of Directors elect Councilmember OD Harris, RPTA Board Treasurer and to be a member of the Joint Board Subcommittee for the period of January 20, 2023 – June 20, 2023.

COST AND BUDGET
There is no fiscal impact.

COMMITTEE PROCESS
Board of Directors: January 19, 2023 for action

CONTACT PERSON
Chair Pastor, Councilmember, City of Phoenix

ATTACHMENT
None

Letter of Interest are available upon request.

Information Summary

DATE **AGENDA ITEM 4**

January 12, 2023

SUBJECT

Report on Current Events and Suggested Future Agenda Items

PURPOSE

Chair Pastor will provide members the opportunity to report on current events and suggest future agenda items for consideration.

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

None

STRATEGIC PLAN ALIGNMENT

None

COMMITTEE PROCESS

None

CONTACT

Jessica Mefford-Miller
Chief Executive Officer
602-262-7433
jmeffordmiller@valleymetro.org

ATTACHMENT

None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date

Agenda

January 12, 2023

Valley Metro Rail
Thursday, January 19, 2023
Boardroom/Webex
Valley Metro, 101 N. 1st Avenue, 10th Floor
11:15 a.m.

Action Recommended

CONSENT AGENDA

1A.	Minutes Minutes from the December 1, 2022 Board meeting are presented for approval.	1A. For action
1B.	South Central Extension/Downtown Hub (SCE/DH) Project: Third-Party Utility Relocation Work Orders Staff recommends that the Board of Directors authorize the CEO to execute work orders with third-party utility companies for them to complete construction of their utility relocations on the South-Central Extension/Downtown Hub light rail project for an additional amount not to exceed $4,907,804.	1B. For action
1C.	Capitol Extension – BNSF Railway Funding Agreement Staff recommends that the Board of Directors authorize the CEO to enter into an agreement with BNSF Railway to fund their review of the Capitol Extension (CAPEX) preliminary engineering and final design plans at an amount not to exceed $100,000.	1C. For action
1D.	Northwest Extension Phase II Light Rail Extension Project (NWEII) Design Services Contract Authority Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to increase the NWEII Light Rail Extension design contract with Jacobs Engineering Group Inc. by up to $460,000 to support DSDC, associated tasks, and contingency.	1D. For action

REGULAR AGENDA

2.	Valley Metro Rail Fiscal Year 2023 (FY23) Mid-Year Budget Adjustment	2.	For action

Staff recommends that the Board of Directors approve the Mid-Year Budget Adjustment update to the Valley Metro Rail Capital Budget for FY23.

3.	Report on Current Events and Suggested Future Agenda Items	3.	For information

Chair Adams will provide members the opportunity to report on current events and suggest future agenda items for consideration.

4.	Next Meeting	5.	For information

The next meeting of the Board is scheduled for **Thursday, February 16, 2023 at 11:15 a.m.**

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats (large print or flash drive) are available upon request. For further information, please call Valley Metro at 602-262-7433 or TTY at 602-251-2039. To attend this meeting via teleconference, contact the receptionist at 602-262-7433 for the dial-in-information. The supporting information for this agenda can be found on our web site at www.valleymetro.org

Minutes

January 12, 2023 **AGENDA ITEM 1A**

Valley Metro Rail
Thursday, December 1, 2022
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

Valley Metro Rail Participants
Vice Mayor Jennifer Adams, City of Tempe – **Chair (phone)**
Vice Mayor Laura Pastor, City of Phoenix - **Vice Chair**
Mayor Kevin Hartke, City of Chandler
Councilmember Francisco Heredia, City of Mesa

Chair Heredia called the meeting to order at 1:46 p.m.

Chair Heredia said alright. I'll be taking the reins here for this meeting for Vice Mayor Adams. We'll get started with our Valley Metro Rail meeting.

1. Public Comment

Chair Heredia said again, public will be provided with an opportunity at this time to address the Committees on non-agenda items and all action agenda items. So folks have three minutes.

We have Blue. Go ahead, Blue.

Mr. Crowley said alright. Did you happen to hear what I just had to say in public comment? Well, I'm continuing that. The rail, how come you're not multi-modal? Why in this new set that you did it didn't do it multi-modal? You haven't done it multi-modal from the beginning. Now, is that staff who decides that this shouldn't happen? Or is it a lack of knowledge on the part of the Board? That air quality is the reason we exist. That' you're trying to do something about maintaining a positive place where people can breathe. And the use of transit and transit facilities is what -- is a part of that.

As I have stated over and over again, when are you going to change the light rail from downtown Phoenix out to 83rd Avenue and put in the stops. You paid $30 million to the people to design it for you. Now, I understand that only $600,000 came from the bus so when they were doing it they were answering to the people that were pulling their purse strings. You need to re-design that, put in all the stops so that it is multi-modal and do the job right. Giving you back, what, a minute and a half.

Chair Heredia said thank you, Mr. Crowley. Appreciate it.

2. Consent Agenda

Chair Heredia said Consent Agenda is presented for action. Anyone have any questions or comments? If not, take a motion and a second.

Motion by Vice Mayor Pastor, second by Mayor Hartke.

All in favor, say aye. Any nays? Ayes have it.

IT WAS MOVED BY VICE MAYOR PASTOR, SECONDED BY MAYOR HARTKE AND UNANIMOUSLY CARRIED TO APPROVE CONSENT AGENDA ITEMS 2A-2C.

3. Report on Current Events and Suggested Future Agenda Items

Chair Heredia said Anyone have current events? Hearing none.

4. Next Meeting

The next Board meeting is scheduled for Thursday, January 19, 2023 at 11:15 a.m.

Chair Heredia adjourned the meeting.

Without further discussion, the meeting was adjourned at 1:48 p.m.

Information Summary

DATE **AGENDA ITEM 1B**

January 12, 2023

SUBJECT
South Central Extension/Downtown Hub (SCE/DH) Project: Third-Party Utility Relocation Work Orders

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute work orders with third-party utility companies for them to complete the relocation of their facilities for the SCE/DH project for an additional amount not to exceed $4,907,804.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute work orders with third-party utility companies for them to complete construction of their utility relocations on the South-Central Extension/Downtown Hub light rail project for an additional amount not to exceed $4,907,804.

BACKGROUND/DISCUSSION/CONSIDERATION
To date, the Board has authorized $52,708,205 in expenditure authority for reimbursement of third-party utility design and construction costs. The previous actions of the Board related to this contract are summarized below:

Current 3rd Party Relocations Spending Authority				
Date	**Action**	**Cost**	**Contingency**	**Total Authority**
April 2017	Board Award for Design Services	$2,112,050	$211,205	**$2,323,255**
Jan 2019	Board Action for Design Construction Services	$20,185,550	$2,018,555	**$22,204,105**
Sept 2019	Board Action for Design Construction Services	$25,636,364	$2,563,636	**$28,200,000**
Total Spending Authority				**$52,726,360**

COST AND BUDGET
The SCE/DH project is funded by Phoenix Transportation 2050 funds, regional Public Transportation Funds (PTF), and federal funds. Third-party utility design and construction reimbursements are included in the overall cost forecast established for the project.

The following table identifies work orders authorized to date and cost estimates for pending work orders for each third-party utility company to complete their relocation work. The table includes a 10% contingency to be held by Valley Metro for unforeseen/unknown conflicts.

SCE/DH Third Party Utility Relocation Work Orders Summary

Utility Company	Issued Work Orders	Pending Work Orders	Revised Total Cost Estimate
APS	$15,745,000	$990,000	$16,735,000
AT&T/TCA	$376,000	$50,000	$426,000
CenturyLink	$4,782,000	$1,555,000	$6,337,000
Level 3	$0	$50,000	$50,000
Cox Communications	$50,000	$2,211,000	$2,261,000
MCI Verizon	$0	$100,000	$100,000
Salt River Project – Electric/Fiber	$13,810,000	$0	$13,810,000
Salt River Project - Irrigation	$2,210,000	$160,000	$2,370,000
Southwest Gas	$12,280,000	$2,550,000	$14,830,000
Sprint	$10,000	$100,000	$110,000
Telecom Group (TCG)	$0	$50,000	$50,000
ZAYO Group (Telecom Provider)	$59,000	$50,000	$109,000
Totals	$49,322,000	$7,866,000	$57,188,000
Current Board Authorization			$52,726,360
Additional Authority Needed			$4,461,640
10% Contingency			$446,164
Total Additional Authority Requested			**$4,907,804**

The total expenditure authorization requested for 3rd Party Utilities, including previous Board authorizations, will be $57,634,164.

Funding is included in the Valley Metro Rail adopted FY23 Operating and Capital Budget. Contract obligations beyond FY23 are incorporated into the Five-Year Operating Forecast and Capital Program (FY24 thru FY28)

COMMITTEE PROCESS
RTAG: December 20, 2022, for information
RMC: January 4, 2023, approved
Board of Directors: January 19, 2023, for action

CONTACT
Henry Ikwut-Ukwa
Chief, Capital and Service Development
602-322-4420
hukwa@valleymetro.org

ATTACHMENTS
None

Information Summary

DATE **AGENDA ITEM 1C**
January 12, 2023

SUBJECT
Capitol Extension – BNSF Railway Funding Agreement

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to enter into a cooperative funding agreement with BNSF Railway to support their review of the Capitol Extension (CAPEX) preliminary engineering and final design plans for the portion of the project that impacts and is adjacent to the BNSF Railway right-of-way on 19th Avenue.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to enter into an agreement with BNSF Railway to fund their review of the Capitol Extension (CAPEX) preliminary engineering and final design plans at an amount not to exceed $100,000.

BACKGROUND | DISCUSSION | CONSIDERATION
In November 2021, Phoenix City Council and Valley Metro Board of Directors approved a revised Locally Preferred Alternative for the CAPEX project, establishing a single-line couplet alignment along Washington Street, Adams Street, 19th Avenue and Jefferson Street. In late 2021, Valley Metro advanced the project to preliminary engineering to include plan and profile layouts for the guideway. A portion of the new corridor is located adjacent to the BNSF Railway right-of-way, which comprises the entire western side of 19th Avenue between Adams Street and Jefferson Street. BNSF Railway is one of the largest freight railroad companies in America and operates a railroad line from northern Arizona, through Wickenburg and into downtown Phoenix. Typically, BNSF Railway operates approximately four trains a day on this railroad line.

The CAPEX guideway would be located between 19th Avenue and the BNSF Railway right-of-way for approximately 800 feet from Adams Street to Jefferson Street. Valley Metro expects impacts to occur within the BNSF Railway right-of-way to include utility relocations, temporary construction easements, reconstruction of at-grade crossings and the placement of overhead catenary system poles. Other impacts may be identified as the design of CAPEX is progressed.

Valley Metro requires BNSF Railway's coordination through the Preliminary Engineering and Final Design phases of the development of CAPEX. Based on the impacts expected to occur within the BNSF Railway right-of-way listed previously, this coordination will include virtual and in-person meetings including diagnostic evaluations, development of cost estimates for design and construction of modifications required by the proposed CAPEX design to the facilities in BNSF Railway's right-of-way, preparing draft agreements including legal review for any activities within the BNSF Railway right-of-way and reviewing and/or providing comments on preliminary layouts or designs, plans, and/or documents in connection with CAPEX.

COST AND BUDGET

The total cost for the BNSF Railway coordination and design reviews is not to exceed $100,000. The cost for BNSF Railway coordination is funded in the Adopted FY23 Operating and Capital Budget. Contract Obligations beyond FY23 are incorporated into the Valley Metro RPTA Five-Year Operating Forecast and Capital Program (FY2023 thru FY2027). Funding for this agreement is already budgeted within the existing $45.3 million CAPEX Cooperative Funding Agreement executed between City of Phoenix and Valley Metro on May 3, 2022.

COMMITTEE PROCESS

RTAG: December 20, 2022 for information
RMC: January 4, 2023 aprpoved
Board of Directors: January 19, 2023 for action

CONTACT

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hukwa@valleymetro.org

ATTACHMENT

None

Information Summary

DATE **AGENDA ITEM 1D**
January 12, 2023

SUBJECT
Northwest Extension Phase II Light Rail Extension Project (NWEII) Design Services Contract Authority

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to provide additional contract authority for the NWEII project design services contract with Jacobs Engineering Group, Inc. to add up to $460,000 for Design Services During Construction (DSDC).

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to increase the NWEII Light Rail Extension design contract with Jacobs Engineering Group Inc. by up to $460,000 to support DSDC, associated tasks, and contingency.

BACKGROUND | DISCUSSION | CONSIDERATION
To date, the Board has authorized $21,986,700 in contract authority for design services. A total of $21,463,170 in current contract commitments leaves a balance of $523,529 before additional funds are needed. Existing change orders and future known potential change orders are projected to exceed this remaining Board Authorization amount in April 2023.

The previous actions of the Board related to this contract are summarized below:

Current Contract Authority				
Date	Action	Cost	Contingency	Total Authority
June 2018	Board Award for Design Services	$14,800,000	$1,500,000	$16,300,000
May 2020	Board Action for Design Services During Construction	$4,169,727	$416,973	$4,586,700
April 2022	Board Action for Design Services During Construction	$1,000,000	$100,000	$1,100,000
Total				**$21,986,700**

COST AND BUDGET
The total authorization established for Jacobs Engineering Group's design contract authority is $21,986,700, which includes $5,686,700 for DSDC. Staff recommends that

an additional $460,000 be allocated to the Jacobs contract to complete DSDC services for a total authorization of $22,446,700 The two previous DSDC services cost authorizations did not account for the following unforeseen conditions:

- Extensive additional coordination for permitting and special inspections related to project structures and artwork.
- Non-Conformance Report (NCR) issues – Jacobs has had to develop and provide solutions to numerous NCR's beyond initial expectations.
- Crime Prevention Through Environmental Design (CPTED) evaluation and design: safety and security review and report, observing public activity and how it relates to the design, offering design suggestions and designs to further improve patron safety at the end-of-line and at the project tie-in location.
- Responding to more than anticipated Contractor questions and clarifications.
- Architectural and design effort on new wayfinding designs that were implemented during construction.
- Redesign related to the new fare vending system infrastructure including stand-alone validators and a new ticket vending machine (TVM) design.
- Private restoration improvements within the Temporary Construction Easement (TCE): far more detailed conversations between the contractor, Valley Metro, property owners and the design team on the tie-ins between the project and their property.

As a result of these coordination efforts, Jacobs has continued to provide full time support by staff farther into the construction phase than initially anticipated. This additional authority request includes $46,000 for use as a contingency.

Items for Authorization	Cost
Additional Authorization	$414,000
Contingency	*$46,000*
TOTAL	**$460,000**

The total expenditure authorization requested for the design contract, including previous Board authorizations, will be $22,446,700.

This project is funded by the City of Phoenix, the regional Public Transportation Fund (PTF) and the Federal Transit Administration. Funding is included in the Valley Metro Rail adopted FY23 Operating and Capital Budget. Contract obligations beyond FY23 are incorporated into the Five-Year Operating Forecast and Capital Program (FY24 thru FY28).

Board authorization is required to increase funding for Jacobs to allow them to continue with services needed during the construction period.

COMMITTEE PROCESS

RTAG: December 20, 2022 for information
RMC: January 4, 2023 aprpoved
Board of Directors: January 19, 2023 for action

CONTACT

Henry Ikwut-Ukwa
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ATTACHMENTS

None

Information Summary

DATE **AGENDA ITEM 2**
January 12, 2023

SUBJECT
Valley Metro Rail Fiscal Year 2023 (FY23) Mid-Year Budget Adjustment

PURPOSE
To request approval of the Mid-Year Budget Adjustment update to the Valley Metro Rail Capital Budget for FY23.

RECOMMENDATION
Staff recommends the Board of Directors approve the Mid-Year Budget Adjustment update to the Valley Metro Rail Capital Budget for FY23.

BACKGROUND | DISCUSSION | CONSIDERATION
In June of 2022, the Board approved the FY23 Operating and Capital Budget. The cost factors used to develop the budget have changed and adjustments are warranted to update the expenditures planned for the remainder of the fiscal year. Adjustments are being requested only on the capital budget.

Annual expenditures will increase for four capital projects in FY23 due to timing of scheduled work. Total project costs for all four remain within the overall project budgets.

Project increases for the South Central Extension/Downtown Hub are primarily for construction contractor increased utility work, timing of revenue vehicle payments, Salt River bridge design changes, and additional archeologic support.

The adjustment for Northwest Extension Phase II is a result of receiving an updated cash flow forecast from the contractor, as well as increased utility work (including city requested changes).

The upward adjustment for Tempe Streetcar is due to the timing of vehicle milestone payments for the new fleet, along with spare parts.

The adjustment for OMC Expansion is due to an updated construction schedule for the new guardhouse at the front entrance to provide additional security.

Capital Activities:

Budget Item	Description	Increase (Decrease) Amt	Funding Source
South Central	No change to total project budget. FY23 annual costs increased due to timing of scheduled work along with programmed payments for revenue vehicles and non-prior rights.	$ 53,166,000	PTF Federal City of Phoenix
Northwest Ext II	No change to total project budget. FY23 annual costs increased due to timing of scheduled work along with non-prior rights.	$ 47,206,000	Federal City of Phoenix
Tempe Streetcar	No change to total project budget. FY23 annual costs increased due to timing of scheduled work along with programmed payments for revenue vehicles and spare	$ 5,053,000	PTF Federal
OMC Expansion	No change to total project budget. FY23 annual costs increased due to timing of scheduled work for the guardhouse.	$ 941,000	PTF Federal
	Capital Total:	**$ 106,366,000**	

COST AND BUDGET

Changes proposed are incorporated into overall agency sources and uses of funds below:

SOURCES OF FUNDS ($000,000)

Capital Revenues

Sources of Funds	FY23	FY23 Amended	Change $	Change %
Federal Funds	266.9	307.0	40.1	15%
Member City Contributions	30.5	73.9	43.4	142%
Public Transportation Funds	104.7	127.5	22.8	22%
Total Capital Sources	**$402.1**	**$508.4**	**$106.4**	**26%**

USES OF FUNDS ($000,000)

Capital Expenditures

Uses of Funds	FY23	FY23 Amended	Change $	Change %
South Central/Downtown Hub	$260.1	$313.3	$53.2	20%
Northwest Phase II	106.3	153.5	47.2	44%
Tempe Streetcar	5.6	10.6	5.1	91%
Gilbert Road Extension	2.0	2.0	0.0	0%
OMC Expansion	0.1	1.1	0.9	632%
Systemwide Improvements	12.9	12.9	0.0	0%
State of Good Repair	15.1	15.1	0.0	0%
Total Capital Uses	**$402.1**	**$508.4**	**$106.4**	**26%**

COMMITTEE PROCESS
Financial Working Group: December 20, 2022 for information
RTAG: December 20, 2022 for information
RMC: January 4, 2023 aprpoved
AFS: January 5, 2023 for information
Board of Directors: January 19, 2023 for action

CONTACT
Kenneth Kessler
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kkessler@valleymetro.org

ATTACHMENTS
None

Valley Metro Rail FY23 Mid-Year Budget Adjustment

January 2023

VALLEY METRO RAIL | VALLEY METRO

1

Changes – Capital Activities

VALLEY METRO RAIL | VALLEY METRO

Capital Activities:

Budget Item	Description	Increase (Decrease) Amt	Funding Source
South Central	No change to total project budget. FY23 annual costs increased due to timing of scheduled work along with programmed payments for revenue vehicles and non-prior rights.	$ 53,166,000	PTF Federal City of Phoenix
Northwest Ext II	No change to total project budget. FY23 annual costs increased due to timing of scheduled work along with non-prior rights.	$ 47,206,000	Federal City of Phoenix
Tempe Streetcar	No change to total project budget. FY23 annual costs increased due to timing of scheduled work along with programmed payments for revenue vehicles and spare parts.	$ 5,053,000	PTF Federal
OMC Expansion	No change to total project budget. FY23 annual costs increased due to timing of scheduled work for the guardhouse.	$ 941,000	PTF Federal
	Capital Total:	**$ 106,366,000**	

2

2

Sources of Funds - Capital ($000,000)

Sources of Funds	FY23	FY23 Amended	Change $	Change %
Federal Funds	266.9	307.0	40.1	15%
Member City Contributions	30.5	73.9	43.4	142%
Public Transportation Funds	104.7	127.5	22.8	22%
Total Capital Sources	**$402.1**	**$508.4**	**$106.4**	**26%**

3

3

Uses of Funds - Capital ($000,000)

Uses of Funds	FY23	FY23 Amended	Change $	Change %
South Central/Downtown Hub	$260.1	$313.3	$53.2	20%
Northwest Phase II	106.3	153.5	47.2	44%
Tempe Streetcar	5.6	10.6	5.1	91%
Gilbert Road Extension	2.0	2.0	0.0	0%
OMC Expansion	0.1	1.1	0.9	632%
Systemwide Improvements	12.9	12.9	0.0	0%
State of Good Repair	15.1	15.1	0.0	0%
Total Capital Uses	**$402.1**	**$508.4**	**$106.4**	**26%**

4

4

Recommendation

Staff recommends that the Board of Directors approve the Mid-Year Budget Adjustment update to the Valley Metro Rail Capital Budget for FY23.

Information Summary

DATE **AGENDA ITEM 3**
January 12, 2023

SUBJECT
Report on Current Events and Suggested Future Agenda Items

PURPOSE
Chair Adams will provide members the opportunity to report on current events and suggest future agenda items for consideration.

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION
None

COMMITTEE ACTION
None

CONTACT
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ATTACHMENT
None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date