MEETINGS OF THE

Boards of Directors

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

Date:
March 16, 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

March 9, 2023

Joint Meeting Agenda
Valley Metro RPTA
And
Valley Metro Rail
Thursday, March 16, 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.

CONSENT AGENDA

4A. Minutes	4A. For action

Minutes from the February 19, 2023 Joint Board meeting are presented for approval.

4B.	Authorization to Issue a Request for Proposals for Facility Maintenance Services	4B. For action

Staff recommends that the Boards of Directors authorize the CEO to issue a Joint Request for Proposals (RFP) to perform Facility Maintenance Services under a two-year base contract with three one-year options.

4C.	Request for Miscellaneous Construction Services (Job Order Contracts – JOC) Increase in Contract Authority	4C. For action

Staff recommends that the Boards of Directors authorize the CEO to provide additional contract expenditure authority for the Miscellaneous Construction Services contracts with Builders Guild, Inc. and J. Banicki Construction in the amount of $3.7 million. This action would provide an overall contract authority of $15.7 million.

4D.	Authorization to Issue a Competitive Solicitation for Miscellaneous Construction Services (Job Order Contracts – JOC)	4D. For action

Staff recommends that the Boards of Directors authorize the CEO to issue a federally compliant competitive solicitation to hire multiple contractors to provide miscellaneous construction services for existing and proposed bus and rail facilities.

4E.	2023 Valley Metro Federal Public Transportation Agenda	4E. For action

Staff recommends that the Boards of Directors approve the 2023 Federal Public Transportation Agenda.

REGULAR AGENDA ITEMS

5.	Strategic Planning Services Contract Award	5. For action

Staff recommends that the Boards of Directors authorize the CEO to execute one-year base contract with four one-year extension options, with Guidehouse, Inc. for Strategic Planning Services in a total amount not to exceed $410,000.

6. Transit Life Cycle Program Overview — 6. For information

Staff will provide a presentation and overview of the Transit Life Cycle Program (TLCP).

7. Travel, Expenditures and Solicitations — 7. For information

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

8. Report on Current Events and Suggested Future Agenda Items — 8. For information

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

9. Next Meeting — 9. For information

The next meeting of the Joint Boards is scheduled for **Thursday, April 20, 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 **AGENDA ITEM 1**
March 9, 2023

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**
March 9, 2023

SUBJECT
Chief Executive Officer's Report

PURPOSE
Jessica Mefford-Miller, Chief Executive Officer, will brief the TMC/RMC 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**
March 9, 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 March 2, 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
602-262-7433
kkessler@valleymetro.org

ATTACHMENT
Draft March 2, 2023 AFS meeting minutes

Minutes

March 9, 2022 **AGENDA ITEM 3A**

Audit and Finance Subcommittee
Thursday, March 2, 2023
Via WebEx/Phone
12:00 p.m.

Meeting Participants
Councilmember Bill Stipp, City of Goodyear – **CHAIR**
Councilmember Clay Goodman, City of Buckeye (phone)
Councilmember Laura Pastor, City of Phoenix

Members Not Present
Mayor Brigette Peterson, Town of Gilbert
Vice Mayor Francisco Heredia, City of Mesa

Chair Stipp called the meeting to order at 12:09 p.m.

Chair Stipp said thank you, everybody. We'll go ahead and call the March 2nd meeting of the Audit and Finance Subcommittee. I'm just going to announce that we do not have Mayor Peterson nor Vice Mayor Heredia, but we do have a quorum with Councilmember Goodman being on the Webex, so thank you Councilmember Goodman.

With that we'll go ahead and begin the meeting. I do want to give a special shout out to Mike Wawro. Hey, Mike, glad you're on the mend. Good to see you.

1. Public Comment

Chair Stipp said I saw Mr. Crowley here. I assume he's ready for his three minutes of fame today.

Mr. Crowley said I'm looking at what you guys are doing today, and it says use of funds operating and capital, the numbers on it for fiscal administration, which is from my understanding, all of you people. You're costing as much as the operating of the bus. Is that the best use of funds because every dime I can get I want going for the bus, new routes, making it the way it's supposed to be.

But what I can't find on here with the operating and capital is where's your lobbyists? Where are those funds? I looked at $13 million and went that's two, three routes. That's how many pieces of equipment. But then again, I don't know whether it's going to take you guys doing a mea culpa or what, but I love the way you're twisting on a vine right now in your futures. I would suggest one of the things that you should tell MAG is to separate the two agencies so that when the funding does come for the bus, it goes for the bus and not just administration. But then again what input do you have down there at the legislature especially when you have to use a mouthpiece around the corner from here and they reflect this agency and what needs to be done or are they roads and highways and that's where they want the money to go. When I see that they're not doing it according to congestion and volume, your part of it, I wonder how much intelligence they're using because the reason you exist is so that they can build their roads because it's not being polluted. With the lack of a system that we have, how many times have we had violations over the last 26 years that you were supposed to be helping get the job on air quality because with the system that would be what you're doing. But enjoy. They're fun down there at the legislature. I call them family.

Chair Stipp said thank you, Mr. Crowley. Any other comments? Okay.

2. <u>Chief Financial Officer's Update</u>

Mr. Kessler said thank you, Mr. Chair. Just a few items to update the Subcommittee on. A couple of key positions, I think I provided an update maybe a couple of months ago about the recruitment. Our Controller recruitment has been wrapped up. I'm happy to announce for the first time that Michael Matthews over here has been selected as the permanent Controller. He has been acting in the position since, I believe, about August. I believe the second go round acting in the position due to a couple vacancies over the last few years, so well deserved for Michael into the role.

And then secondly, our Director of Contracts and Procurement, we're currently reviewing applications and we should be scheduling interviews for that position here very soon.

Another thing I did want to mention, we have recently entered into an agreement with Phoenix Rising for a new ticket partnership. So this ticket partnership will work very similar to the Footprint Center partnership where your ticket to the matches for Phoenix Rising will act as your fare on light rail for a number of hours before the event through the end of the transit day. So we're very happy and excited to onboard this new ticket partnership and looking to further our ticket partnership relationships around the system going forward.

And with that, that concludes my comments.

Chair Stipp said thank you. Are we going to roll that into some communication for the Board as well?

Ms. Mefford-Miller said yes, we can do that and we reported that to TMC/RMC yesterday as well. We were planning on making that part of our Board meeting later this month, but I can send that out.

Chair Stipp said we don't have to send it out just making sure we got that.

Ms. Mefford-Miller said absolutely.

3. Minutes

The minutes from the February 2, 2023 Audit and Finance Subcommittee meeting are presented for approval.

Chair Stipp said the minutes were included in our packet.

Motion by Councilmember Pastor, second by Councilmember Goodman.

Any discussion?

All those in favor, say aye. Any opposed? The motion passes with three ayes.

IT WAS MOVED BY COUNCILMEMBER PASTOR, SECONDED BY COUNCILMEMBER GOODMAN AND UNANIMOUSLY CARRIED TO APPROVE THE FEBRUARY 2, 2023 AFS MEETING MINUTES.

4. Fiscal Year 2022 (FY22) Regional Public Transportation Authority (RPTA) and Valley Metro Rail, Inc. (VMR) Annual Comprehensive Financial Report (ACFR) and Single Audit Reporting Package (SARP)

Mr. Kessler said Mr. Chair, there is no presentation for this. This is here in the packet. We had considered a page turn on this little document, but we thought going through the financial statements page by page might be a little onerous.

All kidding aside. Michael's here to answer any questions if there are any questions on this and I'm with you. I can't let go of the acronym CAFR because I guess, ACFR just doesn't quite sound as good. But it is what it is that's what they changed it to across the nation. But yes, if there are any questions, Michael will be happy to answer any.

Chair Stipp said as we talked about in the prep for this meeting, I'd like to have it in the minutes the lack of findings or the clean audit report. Can you just speak to that?

Mr. Kessler said we did receive a clean opinion for both RPTA and VMR with no material findings for both agencies.

Chair Stipp said I just want to make sure that was reflected in the minutes. So with that, again, this information was presented for us so can I have a motion to accept the Annual Comprehensive Financial Report and the Single Audit Reporting Package for FY22 for RPTA and Valley Metro Rail?

Motion by Councilmember Pastor, second by Councilmember Goodman.

Any discussion? Seeing none.

All those in favor, say aye. Motion passes with three ayes.

IT WAS MOVED BY COUNCILMEMBER PASTOR, SECONDED BY COUNCILMEMBER GOODMAN AND UNANIMOUSLY CARRIED TO ACCEPT THE FISCAL YEAR (FY22) REGIONAL PUBLIC TRANSPORTATION AUTHORITY (RPTA) AND VALLEY METRO RAIL, INC. (VMR) ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) AND SINGLE AUDIT REPORTING PACKAGE (SARP).

5. Credit Card Transactions Review Memo

Chair Stipp said Sebrina, if you'll talk to that. Can you, again, for the Boards information, explain why we're doing a memo as opposed to a full-on audit report?

Ms. Beckstrom said definitely.

Chair Stipp said as you get ready to move through.

Ms. Beckstrom said thank you, Mr. Chair. Internal Audit completed a review of quarter 1 and quarter 2 credit card transaction as part of our continuous review process and reporting process for these types of expenditures. We bring this to you a couple of times a year so that the information is more timely. And then we'll have an overall annual credit card transaction audit at the end of the year.

Overall, the transactions tested were supported by receipts and complied with policy requirements. Although this was not a formal audit report, I provided some suggestions for improvement and shared those suggestions with the CFO. The annual credit card review, as I mentioned before, will include quarters 3 and 4 and will take place after June 30 of 2023.

Are there any questions?

Chair Stipp said any questions? I do have one. Since we've gone this through memo process rather than the formal tracking process, is the suggestion for improvement particularly surrounding the non-IT credit cardholders use of the credit card purchase that management approval is going to work that into our policies that you can check that in the second?

On page three of the memo, it says IT purchases conducted by non-IT cardholders did not consistently have documented IT management approval however, the policy does not clarify which IT purchases require IT management approval.

So are we going to work that into the policy? I'm not sure.

Ms. Beckstrom said that would probably be a question for Ken.

Ms. Davis said is that the Kelsey (Indiscernible).

Ms. Beckstrom said it's the other.

Ms. Davis said this isn't about cardholders. This is about transactions, so what this was is we had talked about incorporating into the training or into the policy some clarification on which IT purchases qualified for the IT manager's approval. It was just something that we were looking forward, process looking forward.

Mr. Kessler said there's some purchases that are a little gray in terms of whether or not they're IT or not IT and that's what this relates to.

Chair Stipp said it does appear that the policy does need some clarification or at least in the training or the policy which IT purchases require IT management approval. So I just want to make sure we don't leave this lingering. Credit card transactions, as you well know, have been a pain point for the organization for a number of years, so if we've got a lingering piece, I'd like to smooth that out.

Mr. Kessler said yes, we need to better define what's IT and it requires the IT signoff.

Chair Stipp said there's a lot of moving parts. Is that something that we're going to be able to do before the next look at this? I'm not even sure where to point my head at.

Ms. Beckstrom said for June 30.

Mr. Kessler said I would imagine we could get that done by then.

Councilmember Pastor said my question just for clarity and how quickly can we incorporate this policy into this piece? Because if I'm reading it correctly, it says did not consistently have documented IT management approval. So that means they were purchasing some items that didn't have IT management approval. What I'm hearing is that some items, and I'm not sure what items because I'm going to ask what items, but some items people felt that they didn't need that approval. So what are those items? Or in the policy be very descriptive in saying these following items do not need IT management approval or these items need management approval.

Ms. Beckstrom said right. That's what we were looking for the clarity on.

Councilmember Pastor said how quickly can we do it? How quickly can you put this in a policy?

Mr. Kessler said I would imagine we could get this done probably within a month.

Chair Stipp said so by the time we do the next audit, that's what Sebrina was saying, we'll be able to check to see whether it was in there or not.

Councilmember Pastor said then I have a second question. What type of items would not need IT management approval? Like ink?

Chair Stipp said just in general.

Councilmember Pastor said just in general.

Ms. Davis said when I was doing the testing, we were pulling transactions that were coded to specific IT project and anything that came up as a computer code it was pulled into the sample that was considered IT that I was looking for approval. What we would see would be ongoing subscriptions that aren't able to be on a PO, peripherals so those type of things that get pulled into a sample because they're computer related, but do we need to go to the IT manager for ongoing subscriptions that have (Indiscernible)? We don't, but just to get that clarification so there's not that gray area of well, this is a new subscription. Did it need to be? Or this peripheral costs more than this one or it was really just kind of some guidance from management on what risk are they trying to averse and just get that clarification. So those were the type of items that we were looking at that did not have the approval that didn't. Then these are non-IT cardholders so the cardholders that IT does have all of those transactions are reviewed by the management of the IT department. So it was really a smaller sample of transactions that were already approved.

Did I clear that up? No, I made that worse?

Chair Stipp said so if I give you an example like you bought a new HDMI cable for your computer to you classified it as an IT purchase when, in fact, it's probably just a supply in your department.

Ms. Davis said correct.

Chair Stipp said is that kind of an example of that?

Ms. Davis said yes.

Chair Stipp said so this isn't rampant people buying computers?

Ms. Davis said not at all. That's why it didn't come to a raising of a level of a finding or Something that we needed to track going forward. It was just a suggestion action that there was some unclarity there so we were just looking for some clarity going forward so we didn't run into a situation like that.

Chair Stipp said I got it. Do you got it?

Councilmember Pastor said I completely understand it, but I have it. But I can see like me being a non-IT person going in and saying I got a new computer and then I want Word or something placed on it. Is that what I'm hearing?

Ms. Davis said we actually have other IT policies that prevent you from purchasing software for your computer so you wouldn't be able to do that.

Councilmember Pastor said so when you say subscriptions.

Ms. Davis said like Dropbox.

Councilmember Pastor said that's what you have to tell me. Because I'm not that world and I would be one putting all these things saying I want this, I want that, so that's why I would need some clarity.

Chair Stipp said you know what kind of controls you need in place, okay.

Chair Stipp said Councilmember Goodman, do you have any questions?

Councilmember Goodman said no, I'm good. Thank you.

Chair Stipp said this item is presented for our information only. We've given Sebrina and the staff a follow-up for the next one which is to make sure that we've got clarity, so no action required on that.

6. Internal Audit Update

Ms. Beckstrom said as February was a short month, the Internal update remains very similar to the report out for January. I'm happy to answer any questions that you may have about the information that's presented here on the screen. We are going through the APTA Peer Review process this week as well so that information will be coming in the coming months as well. I'm about ready to start my annual audit risk assessment for the next fiscal year.

Chair Stipp said does anybody have questions on this item? Not seeing any. Just for the rest of the AFS's information, I have asked Sebrina and the team to slow their reporting for the next couple of months while we go through the budget process, so anticipate the June meeting will have a little larger portion and then August will be the first big, the next big wave of audit reports. Thank you for that. Does that end the Internal Audit?

Ms. Beckstrom said yes.

Chair Stipp said is this Jennifer's last meeting?

Ms. Beckstrom said yes, it is.

Chair Stipp said thanks for all your hard work.

Ms. Davis said thank you. I've accepted an Audit Manager position at ADOT's Audit and Analysis Division starting there March 20th so I'm very excited about this new opportunity.

Chair Stipp said excited for you, sad to see you go but thank you for all your hard work.

Ms. Davis said thank you. Appreciate that.

7. FY2024 Operating and Capital Budget Information for Valley Metro RPTA and Valley Metro Rail

Chair Stipp said before we get started on this, because of the calendar and this being March 2nd the information was just provided to the Financial Working Group last week, is that right, do I have that right, yeah, was just provided last week. Our staffs have not really had an opportunity to see much of this so I have asked the Valley Metro staff to take the budget process very high level overview today kind of an introductory piece and then similar to what we did last year in April we'll look at all the new initiatives, in May, we'll look at the inflationary and ongoing affects and then with a anticipation with approving the budget in June simply because of the calendar and really not for any other reason to kind of move through that. And I've also asked that we institute again the rolling question document that was sent out not just for AFS but for all of the Board members, so we'll kind of keep those things going.

But I wanted the AFS members to know the conversation that we had in preparation for this meeting and then kind of how we're going to roll things forward before we kick it over to Ken so with that, I'll turn it over to Ken. Thank you.

Mr. Kessler said thank you, Mr. Chair. Appreciate you providing that background on the process and where we're going and how we're getting there. So this is, as you mentioned, just a high level overview of the preliminary FY24 budget.

So we're starting off with RPTA. As you mentioned, Mr. Chair, we talked to Financial Working Group last week, TMC/RMC yesterday, again, because of the timing of the calendar, we gave them a high-level overview yesterday. This is a preliminary budget. There are some fluid aspects to the budget some numbers are being updated as we go over like the next month or so, so once we get into the details, we should hopefully have some firmer numbers going forward for next year's budget.

Did want to note that with the discussion with Financial Working Group, we talked about the situation with the East Valley bus contract. As you may be aware, we have extended that through half of next fiscal year so there's uncertainty in the second half of the year in terms of what that cost will be, so we basically, utilized the independent cost estimate that was prepared for that procurement to estimate the full year cost of that and we had provided that information to the Financial Working Group last week.
Just sort of high-level baseline numbers here and this is based on the service that's actually operated by Valley Metro so this isn't the whole budget here in this look. This is

just the operations for the RPTA side of the house. We do know that there's some slight changes in forecast for fuel coming from Tempe. We just recently received updates on those numbers so there will be some slight changes to these numbers going forward and that may have a slight impact to the East Valley bus service member city's IGA's in terms of the timing and when we deliver that because we want to update those numbers and make sure everything is captured in those IGA's going forward.

So paratransit, again, here forecasting decreased trips on paratransit. We do have a new contract that will be coming on board next year and, again, we have some, a little bit of updating to the numbers to do here. This was based on a previous estimate so these numbers next month will be more refined based on more up to date information on the actual cost in the new contract.

And Ride Choice, again, another area where we're going to have a new contract coming on board next year. We have forecasted to increase trips on Ride Choice as the service continues to be more popular and in next year's budget there are some on-time startup costs that are included, so that's part of that increase there as well.

And just want to touch on this slide briefly, so this is a high-level view of the uses of funds for the total operating and capital budget for RPTA, you can see passenger services makes up the majority. The next biggest area of fiscal administration. To clarify here what this really means and maybe we need to update the verbiage, this is really passthroughs from RPTA, so this is passthroughs to VMR. As you may be aware, you know, VMR employees are all really actually employees of RPTA, all the agency employees are RPTA those costs are initially incurred on the RPTA side, passed through to VMR for reimbursement and then there's also Arizona Lottery funds about hum$11.2 million each year that are passed through from RPTA to the member cities and Maricopa County so that's what makes up that category there. And the actual agency administration there, you can see, is 2% of the overall total operating and capital budget.

Chair Stipp said is there an opportunity to change the description or the title of that? I realize it's just a pie chart theoretically but in our financial documents is that a huge lift?

Mr. Kessler said we can definitely do that.

Mr. Olson said Chair Stipp, we're happy to update this to whatever the Board would prefer to see. Any specific categories we'd be open to.

Mr. Kessler said just passthroughs maybe.

Chair Stipp said I think we're in a very sensitive time where words really matter. I think the word administration is probably the biggest challenge that we're going to have. And then I think the word passthrough will also be challenging so somebody pull out a thesaurus. Figure out what we should do, but I think when these kinds of things come out it may be agency. I don't want to say support activities, but it may just be VMR.

Mr. Kessler said it's not all VMR because of the lottery piece of it. We'll definitely clarify that language for how this is described.

Chair Stipp said (Indiscernible) there's another slice of the pie and you guys figure it out.

Mr. Kessler said absolutely. Thank you.

Chair Stipp said thanks.

Mr. Kessler said the source of funds. This is a breakdown of the total source of funds in the total operating capital budget, PTF, federal and member cities being the main sources of funds.

Here's a look at the total budget. Now, this is the total budget looking at it by all services, by service type or function within the organization. Just really quickly, some of the changes due to contractual rate increases that are built into the contracts plus a full year impact of the Board approved wage rate adjustments that affected several contracts, so those are some of the drivers behind those changes from year to year.

And then just a quick view at the source of funds for the total budget. Again, PTF, member city contributions and federal funds being the large part of the overall budget.

And then now looking at the uses on the capital side. Our regional fleet, again, our fleet replacement is the biggest part of our RPTA capital side and on the other regional projects, just want to highlight there that's, basically, our fare collection projects underway.

So it's the Fare Collection Modernization project that's moving us to electronic fares as well next year we're going to have a separate contract that the Board approved for replacing fareboxes.

And then the sources on the capital side, federal funds and carry forward and reserves. Those are just basically balances of PTF that are being applied to the budget.

And then here's a breakdown of those passthrough funds on the use side. As you can see there, very large components of that for VMR personnel and the VMR capital funding that's money that goes to VMR to actually implement those capital projects that are underway.

And then on the sources, you can see here, again, the capital funding allocation. That's basically the percentage allocated to VMR of the overall transit piece of the PTF sales tax and then, of course, the Arizona Lottery funds and the personnel reimbursements from VMR.

And this is just sort of a depiction of kind of what we talked about of how we're going to talk about the budget going forward. When we get into detail, we're going to show the base budget, those sorts of ongoing obligations, the inflation impacts, market, ridership impacts and the continuing commitments things that the Board has already approved in the past and just sort of annualizing that into a full year budget impact. And then this is kind of reverse order of what we'll be talking about just kind of how it had been laid out in the past and then the Valley Metro recommendations, those new initiatives we'll be talking about in detail next month.

And then this is just a quick numerical overview of those categories kind of what each piece makes up in terms of the total budget and the details behind that, the narrative, will be discussed in detail next month.

Any questions on RPTA before I move on to VMR?

Chair Stipp said let's just pause there. Councilmember Goodman, do you have any questions on that overview?

Councilmember Goodman said no. Just wanted to echo your comments a few slides back about administration. When I first saw that, I immediately thought overhead, so I think it's important that we get that cleaned up so we understand exactly what's in there.

Chair Stipp said great. Thank you. All right. No other questions on RPTA we'll switch over to VMR.

Mr. Kessler said going onto VMR. Just a high-level look at baseline numbers as it relates to light rail operations. Just want to note due to the increase in boardings and cost a large part of that is due to Northwest Phase II operations commencing midyear next year, so very excited to see that new extension come on board into revenue service. And just on the fare revenues, just want to note that although we budgeted 5 million for this year, currently, we're trending to be a fair amount above that and that's kind of why the increase in fare revenues next year as well as the on boarding for half a year of operations of a new extension.

Streetcar. Not a lot to note here. So, again, the high-level baseline numbers here. Just want to point out the budget number for fare revenues in the current year is due to the free fare period, so that only represents a partial year and going forward we've budgeted for a full year of fare revenues.

The project development area, so basically, there's a variety of projects that are in development planning phase, pre-engineering phase and then also shown here is our admin and systems planning budget for next year.

And just visual depiction of the overall operating and capital budget.

Obviously, the capital activities are the major part of the total operating and capital budget mainly due to the two major projects that are underway for South Central and Northwest Phase II.

Then on the source of funds, member city contributions, federal funds and PTF making up the vast, vast majority of the source of funds for the operating and capital budget.

Then a little more detail on the operating budget uses. You can see here on light rail that is up about 13%, streetcar about 7% and, again, drivers on the rail side are the on-boarding operations from Northwest Phase II as well as contract rate increases and a full year impact of the wage rate adjustments that were approved by the Board.

And here's a breakdown of the sources of funds for the operating budget with member city contributions and PTF making up the majority. And just for clarifications because some people might say, well, I thought PTF couldn't be used for rail operations. That's not for actual operations in the operating budget, it is future project development, so those future project development categories I just showed there that's what the PTF is used for.

And on the capital side, again, we have at the top here, the two major projects that are the majority of the capital budget. Both of those projects over 50% complete, so those numbers are kind of ramping down next fiscal year especially on the Northwest Phase II as that project starts operations midyear. And there here's the sources of the funds that –

Chair Stipp said for the non-rail folks like myself, can you use PTF for state of good repair and systemwide improvements.

Mr. Kessler said yes, because those are capital.

Chair Stipp said so, literally, anything capital or I should say nothing operating.

Mr. Kessler said I'll be honest. We'll probably look at how we show that because, you know, when I was with Phoenix, I always questioned why do we show future project development as operating because of the potential to question, well, you're showing it funded with PTF, so we'll evaluate like going forward with that and maybe look at maybe a different way to present that so there's no confusion raised.

Chair Stipp said I think it's this group is the only group that is both VMR and RPTA and I want to say half, but sometimes half or more than half of this committee is non-VMR folks, so kind of good gee whiz information so thank you. Sorry for the interruption.

Mr. Kessler said again, this is similar to the RPTA the look by the, you know, breaking it out by base budget, the obligations and then the Valley Metro recommended new initiatives going forward. So these are the numbers at the time we prepared this. There's some fluidity to the budget at this point so these numbers will change a little bit with the next month's cycle.

And just a look at the timeline, where we're at there at the arrow, what we have coming ahead of us, pretty much as you laid out, Chair, going forward through to a June adoption of the budgets.

Happy to answer any further questions.

Chair Stipp said Councilmember Goodman, do you have any questions?

Councilmember Goodman said no questions. Thanks, Chair.

Chair Stipp said Ken, thank you. I feel like we're starting behind the eight ball because it's, as we talked about, because it's March 2nd.

But I do appreciate the overview and the understanding, and I think the breakdown will help us kind of advance through. And then any opportunity to get the information to us sooner as we get ready to go into April I think would be greatly appreciated, but that fact that Financial Working Group gets this information ahead of time is very helpful for us as members of the Committee, so thank you.

Mr. Kessler said we like to have those detailed discussions with the staff and dig into the details as much as we can and get questions answered and vet things.

Chair Stipp said you know us electeds. We always come from somewhere else.

Mr. Kessler said thank you, Chair.

Chair Stipp said thank you.

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

Chair Stipp said this is presented for our information only. Again, I encourage Board members if you have questions from that information to presented to please reach out to the Valley Metro staff with your questions before the Board meeting. But seeing no immediate questions.

9. Report on Current Events and Suggested Future Agenda Items

Chair Stipp said I'll ask for any report on current events or suggested future agenda items. Seeing none of those.

The next meeting of the Audit and Finance Subcommittee is scheduled for April 6, 2023, at 12:00 p.m.

Chair Stipp said that will be probably our longest meeting in a long time as we get ready to talk about new initiatives, so rest up.

Without further discussion, the meeting was adjourned at 12:47 p.m.

Minutes

March 9, 2023 **AGENDA ITEM 4A**

Joint Boards of Directors
Thursday, February 16, 2023
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

RPTA Meeting Participants
Councilmember Laura Pastor, City of Phoenix **- Chair**
Councilmember Bill Stipp, City of Goodyear – **Vice Chair**
Councilmember Max White, City of Avondale
Councilmember Clay Goodman, City of Buckeye
Councilmember O.D. Harris, City of Chandler
Councilmember Monica Dorcey, City of El Mirage (phone)
Vice Mayor Peggy McMahon, Town of Fountain Hills
Mayor Brigette Peterson, Town of Gilbert (phone)
Supervisor Jack Sellers, Maricopa County (phone)
Vice Mayor Jeff Brown, Town of Queen Creek
Councilmember Kathy Littlefield, City of Scottsdale
Councilmember Aly Cline, City of Surprise (phone)
Vice Mayor Jennifer Adams, City of Tempe
Mayor Rui Pereira, Town of Wickenburg (phone)

Members Not Present
Councilmember Lauren Tolmachoff, City of Glendale
Councilmember Jon Edwards, City of Peoria
Vice Mayor Francisco Heredia, City of Mesa
Councilmember Aldofo Gamez, City of Tolleson
Mayor Michael LeVault, Town of Youngtown

Valley Metro Rail Participants
Vice Mayor Jennifer Adams, City of Tempe - **Chair**
Councilmember Laura Pastor, City of Phoenix - **Vice Chair**
Councilmember O.D. Harris, City of Chandler

Chair Pastor called the meeting to order at 12:41p.m.

Chair Pastor said today is February 16, 2023. We are going to convene the meeting and welcome members to the February meeting. I would like to welcome Vice Mayor Peggy McMahon who will be representing the Town of Fountain Hills.

Pat, will you now call the roll.

Ms. Dillon said yes, ma'am. Good afternoon, everyone.

City of Avondale, Councilmember Maxine White? Present.
City of Buckeye, Councilmember Clay Goodman?
City of Chandler, Councilmember OD Harris? Here.
City of El Mirage, Councilmember Monica Dorsey? Here.
Town of Fountain Hills? Vice Mayor Peggy McMahon? Here.
Town of Gilbert, Mayor Brigette Peterson? Here.
City of Glendale, Councilmember Lauren Tolmachoff?
City of Goodyear, Councilmember Bill Stipp? Present.
Maricopa County, Supervisor Jack Sellers?
City of Mesa, Vice Mayor Francisco Heredia?
City of Peoria, Councilmember Jon Edwards?
City of Phoenix, Vice Mayor Laura Pastor? I'm here.
Town of Queen Creek, Vice Mayor Jeff Brown? Here
City of Scottsdale, Councilmember Kathy Littlefield?
City of Surprise, Councilmember Aly Cline? Here.
City of Tempe, Vice Mayor Jennifer Adams? Present.
City of Tolleson, Councilmember Adolfo Gamez?
Town of Wickenburg, Mayor Rui Pereira? Mayor Pereira is present on the Webex.
Town of Youngtown, Mayor Michael LeVault?

Ms. Dillon said Chair, we're ready to proceed.

Chair Pastor said thank you, Pat. 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. Executive Session

Chair Pastor said there is no need to utilize the Executive Session today.

2. 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 for the Joint RPTA and the 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. Thank you.

Ms. Dillon said Mr. Crowley.

Mr. Crowley said s per my conversation with the Chair, the new way of the public addressing you and such is not her idea and why it got changed, we still don't know. I should be able to address this and all the other ones on the specifics of it.

On your Joint meeting, you're going to be doing $13 million for consultants. I turned in the minutes from the prior three meetings at the manager's meeting showing because the minutes from them and my input on them applied totally to every part of it, but it wasn't done or addressed that way. They said hey, you turn that in at the first meeting just because we're doing it in the others and you said this is where it's to apply. It doesn't go into the record.

Now, that $13 million, 10% is going to be the group, the part for the bus and such. Avondale, you get a Park and Ride. Tempe, you get some stuff. And Mesa, you're going to get a bus washer. $13 million for planning for the rail, 10% for the bus and for the rail part, are you going to do it multi-modal? No. Oh, and Avondale, you get bus stops improvements.

Now, as I pointed out at the last meeting, there are over a thousand or 1100 bus stops within you guys' cities with no facility. They're just a sign or a bench. Why? You've had 26 years to build the infrastructure and you've done what? Gilbert, you've got a single 25-mile stretch. How much of it doesn't have shelters? How many of your bus stops are at standard which the industry standard is a bus stop every quarter mile and, in this area, since we do have things that will kill you known as the sun in the summertime and if you're standing outside in direct sunlight and you're as white as I am you can die how quick? And how fast do you get cancer, sir, if you're standing in that same thing?

Why this system is doing what it's doing I don't understand. You were supposed to get a briefing from the lobbyists to tell you what they're doing. I've got two articles by Mary Jo Pitzl showing that down at the legislature they don't think that you should exist.

But then what have you done to put into them what it is that you need as in (inaudible) of the system itself, that you continue to do the infrastructure and rebuild what you haven't done and to get the job done.

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

Ms. Mefford-Miller said good afternoon, Madam Chair, members of the Board. First, I would like to give you and update on the Proposition 400 Extension which is perhaps the most pressing issue facing Valley Metro at this time. It has been a very active couple of weeks with respect to the renewal of Prop 400. Before I give you an update on specific activities, I want to set a little bit of backdrop for what 400 is and what we would expect the extension of 400 or 400 E as it has been called would do.

We are working from the momentum plan that was developed by the Maricopa Association of Governments, our partners MAG in close coordination with all of our member cities and residents from across the Valley. This plan was approved as many of you are aware because you are involved with it, this plan was unanimously approved by all of our Valley mayors. It includes the expansion of our freeway and arterial system, the continued operation and expansion of our transit system as well.

In addition to supporting the local match for light rail construction which seems to be getting a lot of the attention and capturing a lot of the air in the room, Proposition 400 is our primary source of revenue for the operation of all of Valley Metro services including and especially our regional bus system and our paratransit system. When we are hearing from legislators, we do hear a great deal about light rail and the importance of light rail shouldn't be understated, but we also must push to the fore all of the other mobility solutions that Valley Metro delivers. And for our 18 member cities and Maricopa County, most of what we're delivering is bus service. Every day 70% of our customers are boarding a Valley Metro, City of Phoenix or a member city bus, so that's an important point that we continue to work to convey.

When I look at the MAG momentum plan not just the momentum plan, but the successes that we've had from Prop 400 and Prop 300 before that for the last 40 years this region has built such an amazing multi-modal transportation system that includes our highways, our arterials and our transit system. This plan moving us forward continues that. This plan would deliver additional highway capacity especially in some of our growing communities particularly in the east and west Valley, additional arterial investments throughout the Valley and then here in the core of the region additional investment in light rail where we're no longer building highway capacity. We have simply run out of space. In fact, the momentum plan would fund the construction of light rail, the I-10 West corridor within the right of way of Interstate 10 which is the most congested section of highway in the Phoenix Metropolitan region. There's just a backdrop on 400.

We've seen a number of bills introduced and this past Monday at the Senate there was a hearing on Senate Bill 1122. There have actually been a series of hearings over the last few weeks. There was a vote on Senate Bill 1122. Originally, Senate Bill 1122 proposed devoting 5% of the proceeds of 400 E to transit. The momentum plan by the way calls for 40.5% so it's about 40% of funding be devoted to transit for the -- the support of our ongoing operations, the maintenance of our system and the expansion of the system.

On Monday, legislators worked together to introduce a number of amendments that would increase that level of funding from 5% to 10% and then there was a 15% and there was 20%. That 5% level would result in a $244.5 million annual reduction to Valley Metro's operating budget and some of the other bills including House Bill 2031 that was introduced by Rep. Cook that allocation to transit would be 20%, so increased from 5% but this is still about $120 million a year reduction in transit investment across the Valley. This is an incredibly important point to note.

We've been working very closely with our state legislators, myself, our Director of Government Affairs, our state lobbying team has been meeting with members of the House and the Senate just as quickly as they'll let us in the door to express the importance of transit. We're also working with our member cities and some of our partnering organizations to ensure that we are collectively aware of the funding levels that are prescribed by the momentum planned and the funding levels that have been prescribed by the bills introduced.

We understand that tomorrow there will be a hearing on House Bill 2031 and that was introduced by Rep. Cook. He was so good to allow us the opportunity to meet with him just this morning to discuss his bill and we appreciate that opportunity. However, this bill does reduce the transit allocation to 20%. I do want to be very clear that we cannot sustain our existing operations at that level of funding. We have no ability, of course, to expand the system over that 20-year period at that level of funding.

We've also been working with our Valley mayors. A couple of days ago I had the opportunity to speak with the west Valley mayors and managers and I am imploring each of us to reach out to and work with our state legislators so that we can come up with a bill that truly helps us implement the vision laid out in the momentum 20 -- in the momentum plan and that that bill would ultimately be presented to the voters of Maricopa County for their approval.

So hot button. I'll continue to keep this Board apprised. We keep our ear to the ground and, again, we're going in every door to have every conversation that is open to us. May I answer any questions for the Board?

Chair Pastor said Vice Mayor.

Vice Mayor Adams said I'm just brainstorming right now. Would it be helpful if, because we're so represented here across the Valley, they know like who we are as a Board and like, you know, we're all supportive of it continuing to be funded fully and I'm just kind of throwing that out there is that might be helpful.

Ms. Mefford-Miller said I think it would be helpful and we continue to carry the water at every conversation, I'm talking about who Valley Metro is and how we're governed. In a meeting a couple of weeks ago with Sen. Carol who has been instrumental both in the last legislative session and this one. A comment that he made was where are you in this because I'm here taking heat for my own party no less where are you?

Are you coming to the hearings? And so, I would also express to this Board and to our member cities to meet with these legislators and to be present and speak out at the hearings. I was so delighted on Monday when one of our paratransit customers who learned about this through an organization that he's involved with. He arrived and presented testimony and it was really, powerful. Because it's one thing for me, I work for Valley Metro which is a great pleasure to speak on our behalf, but it was another to have that rider there sharing this own lived experience and how that bill, if passed, would impact his day-to-day life. So I will represent us and continue to communicate who is on this Board. If would be helpful if this Board and our member city leadership especially those that were so heavily involved in momentum would express that as well.

Vice Mayor Adams said thank you very much.

Ms. Mefford-Miller said thank you, Vice Mayor.

Mayor Peterson said yesterday at the MAG TPC, Transportation Policy Committee, I sit on that one also, it was also mentioned to maybe reach out to the legislators that are supporting this effort and to thank them and to make sure that they hear from us and to reach out to the Governor's office to let her know how we are working together to make this happen. Very disappointed to have a conversation with someone yesterday that said they were guaranteed that Governor Ducey was going to pass 400 E and then chose to veto it, I think to get something else. We're long past that, but I think it's just as important to reach out and thank all those folks as it is to ask them for their assistance too.

Ms. Mefford-Miller said thank you, Mayor.

Councilmember Stipp said I want to echo that. Mayor and I were on TPC yesterday. I think it's important for everybody to understand very specifically that Sen. Carol really stuck his neck out on Monday with a no vote on that committee which effectively killed the most damaging of these bills that were going forward. Sen. Carol has since been taking a tremendous amount of heat for that, so if you have the ability through your intergov or yourself to actually reach out to Sen. Carol and thank him for being bold enough to a step that would be, I think, appreciated by him for sure because he's really taking a lot of arrows at this particular point.

You know, while I appreciate, you know, we're sitting here at the Valley Metro Board of Directors, and I know that Jessica has been working very closely with membership at MAG. MAG has been telling all of us at cities, well, don't worry, we got it, we're taking the lead on this. But here we are fighting horrible after horrible bill, so, you know, for what it's worth I think we need to start thinking about taking a little bit more aggressive approach. While I appreciate the paratransit customer being there, I think their presence made zero difference to the party line vote had it not been for Sen. Carol. And that is just a horrible statement on where we are politically as a state right now. So please, if you have the inclination, get engaged or at least at a minimum, continue to work with your intergov to make sure that your city is engaged and understanding what is going to happen if Prop 400 doesn't go through.

Ms. Mefford-Miller said thank you, Councilmember Stipp.

Chair Pastor said go ahead.

Vice Mayor Adams said are there talking points that you guys could provide to us? I think that would be helpful.

Ms. Mefford-Miller said we would be happy to do so. And we'll continue to provide updates to those as the bills introduced evolve. Absolutely.

Vice Mayor Adams said if we're all giving kind of the same consistent message I think that would be really helpful.

Ms. Mefford-Miller said certainly. Thank you.

Councilmember Harris said my main question is that throughout this process, I mean, obviously, you know, City of Chandler perspective, we had our meeting and we've talked about this and there's a lot of legislation that is going on that we're not particularly happy about. I won't get into that (Indiscernible) and the other stuff that they're doing that we're trying to protect local, you know, that's kind of what our main focus is protecting local. But I was not what was for sure what was the main opposition of not passing that. I've heard a lot, but I didn't know what was the main opposition so we can kind of understand more what's the main opposition about it?

Ms. Mefford-Miller said I don't want to speak on behalf of others, but I haven't heard a singular cohesive argument against allowing the voters of Maricopa County to decide whether or not they would like to implement the transportation plan that was developed by the people in leadership of Maricopa County. And I think that is very important. By the numbers, most of our state legislators do not represent Maricopa County or perhaps represent only a small portion of Maricopa County. And so, I think the debates and the conversations I have heard at the legislature, they're not terribly specific. They don't reflect the nuts-and-bolts details of the plan. Some of these are philosophical debates about issues that are somewhat related or not at all related to transportation, in particular. So that's why it is so important that we show up, that we express support, as Vice Mayor Adams said, for our supporters and we represent very well what is to be gained by passing this enabling legislation to, again, give voters of Maricopa County the opportunity to decide their own programming.

Ms. Dillon said Mayor Pereira, you have your hand raised? We can't hear you, Mayor.

Mayor, if you'd like to put your question in the chat, I could read it out for you.

While he's doing that, we can see if there are any other questions.

Chair Pastor said are there any other questions?

I guess, for me, can our lobbyists because I know they're on the ground right now at the Capital, but can they reach out to us and say I strategically or I think you should be able to call so and so you have a relationship. I have a lot of relationships and like many of us, at the Capital so it's a matter for me I'm in strategic mode right now.

And strategically starting to place, okay, who has the best relationship here and kind of figure out, you know, those that are not supporting it, what is the issue?

Ms. Mefford-Miller said yes. Thank you, Madam Chair. We can certainly task our lobbyists with supporting this Board more directly. We'll begin today by working with them to develop those message points that Vice Mayor Adams requested earlier. I would also say to this Board because I know we're all differently situated within our respective communities, so we don't know all of those touchpoints that you have. If you think there might be a contact you can communicate with, share that and the lobbyists would be helpful to make that connection.

The other piece I think really that is missing in the conversation to date is engagement of the business community, the Chambers of Commerce because we move people. We carry people to businesses and the economic development that is occurred along light rail is tremendous and should be celebrated and the amount of jobs and opportunities we connect to every day is something that we should be discussing. We have an understanding of what service looks like in each of your jurisdictions, we know what routes are there, we know what points of interest are there, I would love assistance in connecting with key institutions like health care and education institutions which are big markets for transit. And perhaps we could sit down together which leadership of those institutions in your city and create those connections. I think that is really, powerful.

Ms. Dillon said Chair, I have the question from Mayor.

Chair Pastor said okay.

Ms. Dillon said Mayor Pereira writes: I attended a GPEC meeting today, and the word is that the bill is being rewritten and may look a lot like what the Governor vetoed last year with a slight change in the way that the dollars are being split.

Ms. Mefford-Miller said I can say at least as of our meeting with Rep. Cook a couple of hours ago that bill which is 2031 did include a lot of the language from the MAG momentum plan that was consistent with House Bill 2685 that was vetoed by Governor Ducey, but that split, the technical language is there, but we can't implement the plan without the funding. So you can't take 40.4% and bring it down to 20% and still expect to be able to execute that division of that plan or our existing operations. So it is a start, but, again, that split is something that we have to focus on.

Chair Pastor said so I'm back into strategy mode. At what point because we're on defense right now and I want to get to offense. And so, at what point, do we look at the plan and talk to MAG or move within the MAG world and say, all right, what are they willing or what is it that needs to get through that is going to put us completely in jeopardy? I know everything does, but I'm not sure if we're going to get what we want in the sense of the whole plan. And I'm processing as I'm thinking and so we have to get to offense and what that looks like I don't know.

Ms. Mefford-Miller said I don't want to comment on the contents of the plan as that is not my role, but what I could do is defer to Councilmember Stipp and Mayor Peterson who are engaged with MAG and (Indiscernible).

Chair Pastor said thank you.

Ms. Mefford-Miller said I want to recognize that may not be a conversation for this day for this room.

Chair Pastor said those members that sit there you guys can talk to me later and say I think this is what's going to happen or this is the momentum or this is the conversation. But I think we all on here need to understand it in order to understand. We understand the urgency but really what's the urgency and how do we then move.

Ms. Mefford-Miller said the one thing I would say for us all is it's early. We do still have time. It is February. We do hope to arrive at a budget some months down the road. So I would hate to play all of our cards now from a strategic perspective and back off this soon into the game. We've been talking with our legislators and our lobbyists. They've characterized us right now here in the middle of February as being midway through the first quarter of the game, so let's not throw it all out. This is a plan. It's a solid plan. It's a plan what was developed with years and thousands of input points, and we have 40 years of history and success to point back to. And to deviate from that course at this early stage I think would be perilous for us.

Mayor Peterson said and Chair, please note that MAG and representatives from MAG are working on this constantly. The chair is Jack Sellers of MAG TPC. The Chair of the regional committee is Avondale's mayor Kenn Weise. They have become quite the duo from what I understand at making presentations and talking to people and getting out, so MAG is constantly working on this, and we are constantly talking about it. And let's reach out and thank David Cook for moving forward with this too. When I mentioned people before, it's just as important to thank the people that are working behind this at the same time.

Chair Pastor said any other questions? So everybody understands the urgency? And strategize amongst ourselves to move fast and furious. And you are correct, Jessica, it is the first quarter and usually what everything happens it's the final quarter and it's usually the last five minutes.

Vice Mayor Brown said I did have one question. So I know at MAG they had some bullet points and you've asked for bullet points and talking points and the impact to this body. MAG knew approximately how much this was costing in terms of inability currently to move forward. Do we have that from Valley Metro at this point?

Ms. Mefford-Miller said Vice Mayor Brown, do you mean the impact to our current system and budget?

Vice Mayor Brown said yes, and the inability to plan for the future. For instance, MAG's to the tune of, and I'll let Councilmember Stipp or Mayor Peterson address it more directly, but to the tune of hundreds of millions of dollars currently just inflationary and/or loss of bonding capacity and the inability to actually plan for projects into or past, I guess, '25, 2025.

Ms. Mefford-Miller said wonderful question. So for the highway side, there are projects that are currently not advancing because of uncertainty of regionally available funds. When you postpone projects, as you all know, they get more expensive over time. We haven't yet at this moment, hit that point with Valley Metro. If this goes on, we will. We are just about at the point next month where we would enter federal transit administration's project development stage for the Capital Extension. Cap Ex is the last major project that is being funded under the existing Prop 400. We can't do anything on I-10 West which is the extension of that so we'll soon hit the point in time where we would have needed to begun planning for I-10 West.

I will also tell you. We are submitting or preparing anyway to submit applications for federal funding on a frequent basis for discretionary programs. We anticipate submitting a request for low and no emissions vehicles to the Federal Transit Administration in April. In that, we have to provide assurance that we have the local funding available. The way supply chain is working we would likely be making those purchases close to or after the expiration of Prop 400, and if we don't have our local match available, we don't even get evaluated. So we are literally not in the game.

And I talked a lot about operations earlier I would be remiss if I didn't remind us that 400 is the funding source that provides the local match for federal funding. We should all realize and appreciate we have been so successful here in the Valley at attracting federal infrastructure investment. This is one of the reasons I was drawn to come here and to work with this city because of the level of investment that is being made. We don't get those dollars. Those dollars will be spent. They just will not be spent in

Arizona. All of these federal programs are oversubscribed, but we've been successful because our projects are strong, and our delivery has been very good.

Vice Mayor Brown said I appreciate that. That does answer my question. And to Chair Pastor's earlier point about what does it mean to Valley Metro, I think that inclusion of that type of information will be extremely helpful.

Ms. Mefford-Miller said absolutely.

Chair Pastor said Maricopa County Supervisor Sellers, would you like to speak on this? And welcome.

Supervisor Sellers said nothing to add. Thank you.

Chair Pastor said alright, sir.

Councilmember Stipp said you said it all. Let's move on.

Chair Pastor said alright. We will move on.

Ms. Mefford-Miller said let's take a brief look inside the operation of the organization. I want to provide you with some update points. First, on workforce shortage. We've been reporting on this for, I would say six, eight months now, and we have made strong progress thanks in large part to the actions of this Board in fall of 2022 to increase the wage rates for some of our operations contracts.

As some success stories that we have include rail operations with ACI, we had a big gap. We had a long way to go to support our workforce requirement for Super Bowl and our Northwest Phase II Extension that opens in the very near future. We have hit the milestone and we were able to field a very high level of service this past weekend thanks to the new operators and ACI had did an excellent job of having training staff and management staff on hand because so many of those operators out during Super Bowl operations when we had a lot of people in downtown Phoenix were brand new operators, and they performed very well.

We are struggling in a couple of areas still including West Valley operations. This is our National Express contract. We are working closely with that contractor on a performance improvement program to include increasing their workforce availability so that they can field their level of service.

I also want to point out that we're continuing to struggle in the skilled trades in traction power technicians and communications technicians. These are Valley Metro direct employees, and this is going to be not a short-term battle but a midterm battle and we are really going to have to work to attract and also train these technical roles. And this isn't unique to Valley Metro or transit by the way, but workforce in the skilled trades is a challenge for us nationwide.

Having a look at ridership and the figures I'm reporting to you by the way end December 31 so there's always a little bit of a lag in performance reporting. We had a strong third quarter. We're continuing to grow year over year. December ridership was as little lower than we would have liked. Preliminary figures from January are strong and, of course, we know that we're going to have good, good solid February ridership for us.

Looking at our contractor performance. On our East Valley bus operations and maintenance contract, the areas of focus for us right now include reducing the number of customer complaints. We're working closely with our contractor, in this instance its First Transit, to do this. I want to highlight our revenue service completed has improved. It's moving in the right direction and that is thanks to the increase in those workforce numbers on the First Transit side. We're also conducting a systemwide running time analysis. This means we're looking at how long does it really take for the bus to get from one end of the route to another with the goal of improving on-time performance. So that's also a midterm project. That's not something that we can execute within a quarter but we on the path.

In the West Valley, I mentioned we are working closely with National Express on a pretty, comprehensive performance improvement plan to move some of these indicators in the right direction including revenue service completed, on-time performance and customers complaints. We've had a little bit of success lately. I don't want to promise that our first quarter of this calendar year will be much better, but it will be better.
On light rail, this is our ACI contract, light rail and streetcar. Again, we're able to field all of our scheduled service. That is going very well. Our on-time performance which you'll note as of December 31, for that quarter, it was 65%. It's not good and as a rail customer, it's very frustrating when the train isn't arriving on-time. And what we've found is as traffic patterns have changed, we've got more people on the road than we did not long ago it's taking longer for our train to travel from one end of the alignment to another. So on Saturday, February 4th, we implemented a new train schedule. We added time to that schedule and our on-time performance is up by more than 20% so that's a great success. We want to follow it with Super Bowl activities rather than taking two weeks to really monitor it it's really going to take about four weeks because we have a couple of anomalous weeks, but great improvement, better service for the customer.

Also, better experience for operators because they're not trying to run hot or stressing, so we're seeing a reduction in red signal violations and other violations for operators and an increase in customer satisfaction. So moving in the right direction and kudos to the rail operations team for the improvement in this area. Vice Mayor.

Vice Mayor Adams said can you go back to that last slide? The preventative maintenance inspections are down to 38%.

Ms. Mefford-Miller said this is temporary and if you'll note, Vice Mayor, in quarter two, we were at 94%. What we were doing in the fourth quarter was readying our new trains for revenue service. We have ten new Siemens trains that we put into service for Super Bowl events and Rob Rosenberg our Deputy Director of Maintenance. Rob and his team have been working, to say overtime is a vast understatement, have been working to ready those new trains.

And now working to get our preventative maintenance program back on schedule. So you'll see great improvement in the first quarter of calendar year '23.

Vice Mayor Adams said thank you for that clarification. It really helps.

Ms. Mefford-Miller said thank you for the question. On paratransit, one area of performance improvement that we are focused on is our on-time performance. Tom Young who you heard from earlier, Director of Accessible Transportation Services, is working with our vendor which is Trans Dev on this contract. We're also in a procurement process. You're going to hear from us next month on this topic.

And on Ride Choice. Ride Choice on-time performance is going very well. Customer satisfaction is very high. I appreciate, Councilmember Cline, the evangelism for Ride Choice. It's really a wonderful program. One of my fellow soccer parents in Gilbert is an avid using of Ride Choice and he describes it as life changing. It's a wonderful program.

Okay. Quick update on our construction projects. South Central/Downtown Hub, the team, Valley Metro, City of Phoenix, Kiewit put in a tremendous amount of work to ready downtown for the Super Bowl festivities and if you had the opportunity to be in downtown, it was and is a point of pride. Everything has been so clean. It has been easy to get around. There is so much signage available. The orange construction barricades are all gone. We're continuing work on South Central, but the concrete work, the flat work, the really nitty gritty dirty work is done in downtown and instead we've shifted our focus on the heavy civil work to the South Central portion of the corridor. So now, is where the dirty kind of earth work and street reconfiguration is taking shape in South Central. We're engaging especially at this time with our local businesses to mitigate the impacts of construction on that community and I'll tell you in just a minute about one such program.

Meanwhile, up north, we are not inside of one year of beginning revenue service on the Northwest Phase II Extension project which is incredibly exciting. And a year is not a long time when you're constructing a rail alignment. We will very soon begin for pre-revenue operations for Northwest Phase II. There's so much that has to be done on the operations side before we actually open. Dan Filipino and his team, Adrian Ruiz and her team are doing a tremendous job working together in supporting the construction program and preparing to begin service there. Super exciting.

This is a couple of photos of our terminal station at Metrocenter. On the west side of I-17, we have a four-story parking garage in place. Our elevated station at Metrocenter is something to be seen. We look forward to hosting events and, of course, inviting this board to visit with us at Metrocenter. It really is something to walk across that light rail bridge over I-17 and arrive on the west side at Metrocenter and see all of the great development including some of the housing and mixed-use development that's planned for the Metrocenter site. It's a big deal.

So speaking of South Central, we have a new program and I'm really excited about this program. It's called the South Central Extension Art Grant Awards program. It was spurred in part by the leadership of Chair Pastor. This is an investment in smaller scale arts programs in the South Central community and we held an application process, applications were due in December. We have since evaluated them and this week and next we're in the process of notifying the recipients. We will fund more than a dozen projects totaling about $75,000. This is a lot of different projects. So this is different that the heavy duty art that you're seeing at some of our stations. It includes performance art. There's a mural going in at Calvin's (phonetic) Market and that's from the Central Park neighborhood association. There is music that is designed to honor mothers on Mother's Day that will be played throughout the Central Corridor at restaurants. I love that idea.

There's something called Knowledge Fest and that will be a series of events highlighting Black History month through storytelling, jazz, poetry and literature and that was awarded to the Arizona Informant Foundation. There is a festival for women positive films, family activities and cultural resources at Hayden Park. That's just a sampling of the programs. I love it. It is community focused and really designed to celebrate the rich cultural diversity that we have in the South Central Corridor.

We talked a lot about fare today. Mobile fare launched. It's going really well. We had over 4500 downloads, I think, of mobile fares during the Super Bowl event activities for those individuals who weren't able to avail themselves of the OnePass opportunity because they weren't going to one of those three destinations. It's been huge. I'll tell you having that fare payment option really alleviated a lot of the burden on our equipment and also the time that it takes just to board light rail or bus before you trip.

Let's talk about Super Bowl for a little bit. I don't know if you heard, but we had a game here and some events here. This was a long stretch for us and Super Bowl events in downtown ranged from February 4th and 5th and then we had our big blitz was the 9th through 12th. We carried right around -- our ridership figures are still preliminary, but we carried right around 250,000 passenger boardings during that time period, which is about a 60% increase in our system ridership.

This team did so well. They made it look easy. It is not easy. They've been planning this event for more than a year. Working with our partners at the City of Phoenix, Department of Homeland Security, police, fire. To execute this program we had over 400 of our team members engaged in direct delivery of service. That's driving a bus or a train, cleaning a station or providing security service. We had 150 more team members people like me who have other kinds of day jobs out volunteering and that team delivered 1500 volunteer hours.

So what it looked like on the ground for our customers. We had people awaiting with a smile, with maps and information at all of our Park Ride lots, making sure people were aware of the pass program. If they didn't qualify for that making sure they were hooked up with mobile fare or connected with a ticket vending machine. Then when they arrived at their station downtown, they were greeted with friendly faces, helpful information everywhere, incredibly clean and secure platforms. Allied Universal Security did a wonderful job of deploying a professional and ready staff to help us.

Hillary and her team in Communications did a great job of messaging with our Get a Game Plan program. So people arrived, we were ready to orient people, but they generally arrived at our station knowing what to do and where to go and that's thanks to our Communications team.

Dan Filipino and his operations team were everywhere. And as I said, those trains were running on time. We leveraged special event trains when we needed for post events. We were running mostly three car trains in the evening. On a daily basis, we typically run two car trains. So we had a lot of capacity and it is a thing of beauty to see a three car train pull up at a platform and staff successfully load one car and then the second car and then the third car. The amount of people we can move quickly is just amazing. So I thought this was a great testament to the success of our rail system.

Rob Rosenberg and his team, as I mentioned, not only were they supporting our existing fleet, but they readied ten new vehicles which was no small feat. So we were able to deploy 50 light rail vehicles out for the event. So kudos to staff, I mean, well done.

Vice Mayor Adams said are we able to get anything from the Super Bowl about how successful we were? Like a letter or anything, like, you know, this kind of transportation makes it easy for us to come back, have another Super Bowl here. I'm just trying all like the pressure (Indiscernible) campaign with these folks downtown.

Ms. Mefford-Miller said you know, I was hustling over here this morning because I was coming from a bus conference with Super Bowl Host Committee, Downtown Phoenix Inc, City of Phoenix and Sky Harbor Airport that focused specifically on celebrating transportation's role in Super Bowl, so there's messaging around just that. As we're finalizing our ridership numbers, we too will put out a press release celebrating those very high ridership figures. And Vice Mayor Adams, to your question, I will reach back out to Super Bowl Host Committee so that they can communicate directly the role of transit in securing the Super Bowl. It is no accident or it's not by happenstance that we are one of two cities that have hosted Super Bowl four times. In addition to the beautiful weather, it is the transportation system that we have in this Valley that is able to move people quickly. Sky Harbor set a record for enplanements on Monday of this week at their airport. They were the busiest airport in the world on that day which is huge. This is really something we should celebrate especially at a time when we're contemplating whether or not we're going to continue funding this transportation system.

Vice Mayor Adams said exactly. I'm just thinking something from the NFL Commissioner would be really, powerful.

Ms. Mefford-Miller said yes, thank you. We will reach out.

Vice Mayor Adams said I might be able to help you get that if you'd like.

Ms. Mefford-Miller said of course. Hillary says yes. I'm going to let you connect with Hillary Foose, Vice Mayor. She would love that. Any inroads that we can gain access to would be incredibly beneficial.

Look ahead. So we're beginning the March cycle with a quickness. We have Transportation Management Committee, Rail Management Committee coming up March 1, AFS March 2nd, March 16th Board of Directors meeting and then we'll begin our April cycle on April 5th and then Board of Directors April 7th.

Ms. Dillon said that's wrong. I have the wrong date. Sorry.

Ms. Mefford-Miller said scratch that. This concludes my report, Madam Chair.

Chair Pastor said thank you for the report. It's an exciting report.

4. Audit and Finance Subcommittee Update

Councilmember Stipp said I'll be brief. The minutes are contained in our packet. We did have the paratransit operator certifications and labor audit which was the final of the three internal audits that were performed. There were findings, but none were significant.

We had the internal audit update. We did review the second quarter budget. Where we currently stand, everything is currently within the existing plan which, obviously, is always good news.

We had the first of the service level budget assumption update from Ken Kessler, our Chief Financial Officer, which is the kick-off of the budget process as we embark on that journey which will take us now until June. Really good information as we look forward to this next fiscal year.

And with that, pending any questions that will end my report.

Chair Pastor said any questions? No questions.

5. Consent Agenda

Chair Pastor said the Consent Agenda is presented for action. Are there any questions on this item or do you want to discuss, or we can discuss after a motion because I need a motion and a second.

Motion by Councilmember Stipp, second by Councilmember White.

Any discussion? I got it.

All those in favor of the motion. I have a motion and a second. All those in favor, please say aye. All those not in favor, please vote no. Motion carries. Thank you.

IT WAS MOVED BY VICE COUNCILMEMBER STIPP, SECONDED BY COUNCILMEMBER WHITE AND UNANIMOUSLY CARRIED TO APPROVE THE JANUARY 19, 2023, MINUTES.

6. Travel, Expenditures, and Solicitations

Chair Pastor said this item is just presented for information only. Are there any questions? Don't see any.

7. Report on Current Events and Suggested Future Agenda Items

Chair Pastor said does anybody have any?

Councilmember White said Madam Chair. City of Avondale wanted to just share about the BLVD. I know we heard a little bit of information about our transportation system, but we did open up a new garage at the BLVD very, very close to where we have a shed, so there's public parking available to folks who do stop at the Park and Ride out there. There's overflow, there's a garage as well that the City has opened.

And then we also have an awesome partnership with the City of Goodyear and WeRIDE and Councilmember Stipp might also be able to speak to this, but our WeRIDE program is going very well. There's neat ways with WeRIDE. It's microtransit. It's definitely something we appreciate the support of Valley Metro with because a lot of our riders out in the West Valley they take the Express bus. I'm finding that a lot more of my constituents are also in the van pools that are supported by Valley Metro. But when we think about WeRIDE, it's really neat microtransit that helps folks get to our resource center out in Avondale, also out the Banner on Thomas and throughout small portions of Goodyear and also small portions of Avondale. The ride fares are comparable, and I liken it to what we would think of and I don't want to give their competitors out so I won't tell you what I liken it to. But think about all those other great transportation systems you can order ride right on your phone.

So I just wanted to share some of that with what's going on out in the West Valley and how we had free Zoom for a temporary time out in Avondale also. Also, something supported by Valley Metro. That was kind of just to see where the ridership was because we're changing how we do transportation a little bit, but we do appreciate the partnership and we really see that folks do like access to transportation. Even though we might not have the rail out there, there's a lot of other transportation options and our city would like to support things that are effective, efficient and successful. Thank you so much, Madam Chair and CEO, thank you.

Chair Pastor said thank you and that is exciting to hear. Exciting news.

I just want to thank everybody who participated in the Super Bowl. I know all of Valley Metro staff was volunteering and everybody was pushing 12 hour, 15 hour days in volunteering, so I just want to commend Valley Metro for stepping up and delivering the service that they delivered. So I just think we need a round of applause. Okay. I got all my notes and stuff.

Councilmember Harris said Chair. I would like to see for a future item how we're mitigating heat factors in terms of waiting and definitely, would like to know what the participation will look like from cities and others and the costs, you know, the type of costs that would be. And if there has been a study on it. Because I'm new I would like to learn a little bit more about how we mitigate heat while doing ride share and all the other stuff that we're doing so that would be great.

Ms. Mefford-Miller said we can do that. Thank you, Councilmember.

Chair Pastor said anyone else? Okay.

8. <u>Next Meeting</u>

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

Without further discussion, the meeting was adjourned at 1:34 p.m.

Information Summary

DATE **AGENDA ITEM 4B**
March 9, 2023

SUBJECT
Authorization to Issue a Request for Proposals for Facility Maintenance Services

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to issue a Joint Request for Proposals (RFP) to perform Facility Maintenance Services under a two-year base contract with three one-year options.

RECOMMENDATION
Staff recommends that the TMC/RMC forward to the Boards of Directors authorization for the CEO to issue a Joint Request for Proposals (RFP) to perform Facility Maintenance Services under a two-year base contract with three one-year options.

BACKGROUND | DISCUSSION | CONSIDERATION
Valley Metro's current contract with DMS Facility Services for Facility Maintenance Services expires January 31, 2024. Valley Metro continues to have a need for maintenance of facilities, park and rides, and maintenance of passenger stations along the light rail and streetcar alignments. This work also covers Valley Metro's Mesa Bus Operations and Maintenance Facility.

The contractor shall provide all necessary vehicles, tools, supplies, materials and other related equipment required to perform the facility maintenance services defined in this contract. Services performed under this contract include a full range of facility maintenance services related to bus and light rail include:

- Mesa Bus Operations and Maintenance Facility;
- Light Rail Operations and Maintenance Center;
- Light rail park-and-ride lots and security offices located on the lots;
- Light rail operator facilities at end-of-line stations;
- Passenger stations, substations and signal stations
- Streetcar alignment

This contract will start February 1, 2024 for a two-year base period.

COST AND BUDGET

The estimated annual cost for facility maintenance services is as follows:

- RPTA $77,000
- VMR $1,300,000

Contract obligations for FY24 will be included in the Valley Metro FY24 Operating and Capital Budgets. Contract obligations beyond FY24 will be incorporated into the Valley Metro Five-Year Operating Forecast and Capital Program (FY2024 thru FY2028). Source of funds for RPTA include Prop 400 and Member City Contributions. Sources of funds for VMR are Member City Contributions.

COMMITTEE ACTION

RTAG: February 21, 2023 for information
TMC/RMC: March 1, 2023 approved
Board of Directors: March 16, 2023 for action

CONTACT

Rob Rosenberg
Deputy Director of Rail Maintenance and State of Good Repair
602-652-5081
rrosenberg@valleymetro.org

ATTACHMENT

None

Information Summary

DATE **AGENDA ITEM 4C**
March 9, 2023

SUBJECT
Request for Miscellaneous Construction Services (Job Order Contracts – JOC) Increase in Contract Authority

PURPOSE
To request approval for the Chief Executive Officer (CEO) to provide additional contract expenditure authority for the Miscellaneous Construction Services contracts with Builders Guild, Inc and J. Banicki Construction. in the amount of $3.7 million.

RECOMMENDATION
Staff recommends that the TMC/RMC forward to the Boards of Directors authorize the CEO to provide additional contract expenditure authority for the Miscellaneous Construction Services contracts with Builders Guild, Inc. and J. Banicki Construction. in the amount of $3.7 million. This action would provide an overall contract authority of $15.7 million.

BACKGROUND | DISCUSSION | CONSIDERATION
The Miscellaneous Construction Services Contracts, also known as Job Order Contracts (JOC), provide a wide range of specialty construction expertise to assist Valley Metro with project implementation. The JOC contractors support projects of various sizes to support bus and rail operations and maintenance.

To date, the current JOC Contractors have provided services on multiple efforts including:

- Civil site preparation for the installation of station platform mobile fare validators
- Bus and rail operations and maintenance facility upgrades
- Bus stop improvements
- Public art maintenance
- Light rail station painting
- Light rail stray current testing and corresponding repairs
- Light rail station safety and security railing installation
- Traction power substation transformer replacement
- Civil site work to maintain driveway access to light rail facilities
- Civil site work to rehabilitate concrete and paved surface areas
- Emergency repair and replacement of damaged railing
- Repair and rehabilitation of track guideway curbing
- Structural bridge repairs

In October 2019, the RPTA and VMR Boards of Directors authorized the CEO to execute a three-year Miscellaneous Construction Services Contract with Builders Guild, Inc. and J. Banicki Construction to provide construction services for Valley Metro's transit capital and operating needs for a combined amount not to exceed $12 million for a three-year contract period. In June 2022, the Boards of Directors authorized the CEO to award a one-year extension option for these contracts to continue to provide construction services through December 31, 2023 with no requested change to contract authority. Since this extension request, a number of projects have been advanced with estimated construction costs that would exceed the existing contract authority.

These projects include but are not limited to:

- Civil site preparation work for Phase II of the Fare Collection System Modernization project to install new fare vending machines
- Installation of the Operations and Maintenance Facility Guard House and Shade Canopies
- Avondale Transit Center
- Rehabilitation of the HVAC system at the Maintenance of Equipment Building at the Operations and Maintenance Center

COST AND BUDGET

The JOC contracts are task order based. The source of funding will be determined on a task order by task order basis specific to a project. Typical sources of funding for the projects will be from the regional Public Transportation Fund (Prop 400/PTF), federal funding, and/or Member cities. Prior to any task orders being issued, funding sources are verified and will be accounted for in the appropriate VMR and/or RPTA budgets. The table below summarizes the current and anticipated expenditures for the existing JOC contracts:

Description	Amount
Current Contract Authority (NTP January 2020)	$12,000,000
Contract Expenditures (January 2020-December 2022)	$7,015,000
Anticipated Expenditures (January 2023-December 2023)	$8,305,000
Additional Contract Authority Needed	$3,320,000
10% Contingency	$332,000
Total	**$3,652,000**
Total Additional Contract Authority Requested	**$3,700,000**

COMMITTEE ACTION
RTAG: February 21, 2023 for information
TMC/RMC: March 1, 2023 approved
Boards of Directors: March 16, 2023 for action

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

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 4D**
March 9, 2023

SUBJECT
Authorization to Issue a Competitive Solicitation for Miscellaneous Construction Services (Job Order Contracts – JOC)

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to issue a federally compliant competitive solicitation to hire multiple contractors to provide miscellaneous construction services for existing and proposed bus and rail facilities.

RECOMMENDATION
Staff recommends that the TMC/RMC forward to the Board of Directors authorize the CEO to issue a federally compliant competitive solicitation to hire multiple contractors to provide miscellaneous construction services for existing and proposed bus and rail facilities.

BACKGROUND | DISCUSSION | CONSIDERATION
RPTA and VMR often need construction support for small capital projects, including new facilities, routine modernizations, and emergency rail construction/repair activities. Valley Metro currently has two job order contracts with J. Banicki Construction and Builders Guild, Inc. These contracts have a combined existing authority of $12 million and contract terms of a three-year base with two one-year extension options. This was a joint procurement involving RPTA and VMR. Projects are assigned on a task order basis and typically range from $50,000 to no more than $2.5 million each. The existing contracts expire on December 31, 2023 and approximately $7M has been expended through December 31, 2022. Additional authority will be needed to fund future planned projects through the expiration of these contracts and a separate memo to request additional contract authority has been provided for consideration (See Agenda Item 3C).

The list of anticipated small construction projects for RPTA and VMR is continuing to grow. While support is needed to construct new or expanded facilities, the greater need is to modernize and maintain aging bus and rail facilities. The attached list identifies potential projects that will be needed over the next three years with estimate in the range of $15 million to $20 million. It is anticipated that this list would grow and may include small transit facility needs for member cities. It is proposed, as was done before, to issue a joint RPTA/VMR procurement to allow RPTA to take advantage of administrative efficiencies and economies of scale.

The number of contractors selected will depend upon the number of proposals received and their responsiveness to meeting Valley Metro's needs. In combination, the total authority for the contracts will not exceed $20 million. Specific construction assignments and their budgets will be negotiated and issued on a task order basis. Contractors will be selected for individual tasks based upon their expertise, with a goal to balance work amongst the contractors selected. Recommendations for the contract awards will be presented to the Boards for approval.

COST AND BUDGET
The combined contract authority needed for the new contracts is estimated to be $20 million over three years, with an estimated 25% of the work attributed to RPTA and 75% to VMR. The final request for contract authority will be presented to the Boards with the request to award these contracts.

The JOC contracts are task order based. The source of funding will be determined on a task order by task order basis specific to a project. Typical sources of funding for the projects will be from the regional Public Transportation Fund (Prop 400/PTF), federal funding, and/or Member cities. Prior to any task orders being issued, funding sources are verified and will be accounted for in the appropriate VMR and/or RPTA budgets.

COMMITTEE ACTION
RTAG: February 21, 2023 for information
TMC/RMC: March 1, 2023 approved
Boards of Directors: March 16, 2023 for action

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

ATTACHMENT 1
Examples of Miscellaneous Construction Projects

ATTACHMENT 1

EXAMPLES OF MISCELLANEOUS CONSTRUCTION PROJECTS

- Light Rail Station improvements
  - Repainting light rail station facilities
  - Replace light rail station platform pavers with concrete surface
  - Repair or replace landscaping systems
  - Installation or repair of fencing and/or railing
  - Remove, repair and/or replacement of rail switches
  - Remove and replace existing bridge joints
  - Replace or upgrade existing security cameras
  - Repair or replace ADA tactile pavers
  - Repair property damage to bus and rail facilities due to incident/accidents
  - Emergency service for track repair, switch replacement, traction power, communication or other assistance to rail operations

- Bus and Rail Operations and Maintenance Facility improvements
  - Removal and replacement of PCCP and subsurface restoration
  - Installation of support infrastructure equipment for electric bus fleet
  - Replacement and rehabilitation of HVAC systems and other mechanical/plumbing equipment
  - Replacement of existing lighting with LED lighting

- Bus Stop improvements
  - Installation of bus bays and shelters
  - Repair or replacement of expanded bus shelter pads

- Park-and-Ride and Transit Center improvements
  - Replace or upgrade existing security cameras
  - Repainting parking canopies
  - Repair, reseal, and restripe asphalt surfaces

Information Summary

DATE
March 9, 2023

AGENDA ITEM 4E

SUBJECT
2023 Valley Metro Federal Public Transportation Agenda

PURPOSE
To request approval of the 2023 Valley Metro Federal Public Transportation Agenda.

RECOMMENDATION
Staff recommends that the TMC/RMC forward to the Boards of Directors approval of the 2023 Federal Public Transportation Agenda.

BACKGROUND/DISCUSSION
To meet strategic funding objectives, each year Valley Metro works with its federal consultants to develop a federal public transportation legislative agenda.

The agenda provides information to member cities and regional stakeholders to bring to attention the importance of federal funding and transit investments to the Phoenix metropolitan region. This includes the development of public transit priorities and goals, critical strategy, guidance and coordination in securing discretionary grants from U.S. Department of Transportation (USDOT) and the Federal Transit Administration (FTA), including but not limited to, the Buses and Bus Facilities (BBF) discretionary grant, Rebuilding American Infrastructure with Sustainability and Equity (RAISE) transportation grant, Low or No Emission (Low-No) Vehicle & Infrastructure program, Capital Investment Grants (CIG), Integrated Mobility Innovation, Transit Oriented Development (TOD) and other competitive grant programs as they become available and in the maximum amount possible.

In November 2021, Congress passed, and President Biden signed into law the bipartisan Infrastructure and Investment Jobs Act (IIJA). Included in the law was a long-awaited renewal of the Fixing America's Surface Transportation (FAST) Act, which is a five-year reauthorization of surface transportation programs and funding levels for FY 2022 through FY 2026.

Staff has developed the attached federal agenda for 2023 with goals to:

- Encourage Congress to support annual budget and appropriations bills that fully fund authorized amounts for public transportation in the Infrastructure Investment and Jobs Act (IIJA);
- Enhance federal funding opportunities through competitive grant programs including but not limited to the Buses and Bus Facilities (BBF), Low or No Emission (Low-No) Vehicle & Infrastructure program, Integrated Mobility

Innovation, Transit Oriented Development (TOD) grant programs, in addition to congressionally directed community project funding (earmarks).

- Maintain authorized funding levels for the Capital Investment Grant (CIG) program and increase the federal share of project funding to continue funding rail projects in the pipeline that include South Central Extension/Downtown Hub, Northwest Phase II Extension, and the State Capitol and I-10 West Extensions.
- Encourage Congress to support additional transit funding, specifically federal funding flexibility for pandemic-related costs, supply chain impacts (e.g. vehicle and rolling stock), workforce development and new technologies to enhance mobility and increase ridership throughout the region.

Valley Metro staff and contract lobbyists will continue to monitor developments, continually engage Arizona's congressional delegation and industry associations (e.g., APTA, Bus Coalition) to advocate and advance our region's federal funding and policy priorities.

COST AND BUDGET
None

COMMITTEE ACTION
RTAG: February 21, 2023 for information
TMC/RMC: March 1, 2023 approved
Boards of Directors: March 16, 2023 for action

CONTACT
Alexis Tameron Kinsey
Director of Government Relations
602-322-4450
atameronkinsey@valleymetro.org

ATTACHMENT
2023 Valley Metro Federal Public Transportation Agenda

2023 Federal Public Transportation Agenda

Valley Metro's mission to "Connect Communities and Enhance Lives" has never been more important or more challenged. Providing safe and reliable public transportation not only helps move people, but it also supports the local economy, healthy lifestyles and community well-being. Maricopa County was the fastest growing county over the past decade accompanied by a 28 percent increase in jobs with an expectation that a similar rate of growth will continue into the foreseeable future. Nearly 590,000 jobs are located within a half-mile of the frequent service network. Valley Metro's regional system continues to be a critical mode of transportation for the Valley's essential workforce.

Valley Metro has been keeping pace with large public and private sector investments along its light rail corridor totaling over $16 billion including $1.2 billion in non-transit infrastructure improvements. With 60 percent of GHG emissions coming from personal passenger vehicles in the Valley, public transportation will become increasingly important in addressing future air quality conformity. With ridership still not recovered to pre-pandemic levels, Valley Metro will continue to be challenged to address changing ridership demand and it is critical that federal funding opportunities continue and offer maximum flexibility.

Local funding through Proposition 400 has leveraged more than $1.5 billion in federal discretionary funding to the region. Valley Metro is committed to working closely with the Arizona Congressional Delegation and the U.S. Department of Transportation (USDOT) to continue advancing the public transit program in the valley. The availability of continued local funding is essential to allow access to billions of dollars in federal funding needed over the next five years.

The Valley Metro Board of Directors encourages Congress to:

Ensure annual budget and appropriations bills fully fund authorized amounts in the Infrastructure Investment and Jobs Act.

- The Infrastructure Investment and Jobs Act provides increased funding levels and amendments to existing programs has created new discretionary and formula grant programs for public transit systems. Pending legislation may provide further funding opportunities to advance capital projects. Valley Metro will ensure the region is well versed in these new opportunities to advance priority projects.

Enhance federal funding opportunities.
The region will seek federal grant opportunities, including but not limited to the Buses and Bus Facilities (BBF) discretionary grant, Rebuilding American Infrastructure with Sustainability and Equity (RAISE) transportation grant, Low or No Emission (Low-No) Vehicle & Infrastructure program, Capital Investment Grants (CIG), Integrated Mobility Innovation, Transit Oriented Development (TOD) and other competitive grant programs as they become available.

- **Low or No Emissions Vehicle and Infrastructure Program/Bus Fleet Transition Plan**
  Valley Metro continues to work together with our regional partners to create a more environmentally sustainable transit fleet. The Fleet Transition plan identifies current and future power needs at facilities, including steps for beginning electrification and expected duration of necessary enhancements that align with FTA requirements. A long-term fleet management plan will serve as a roadmap to align Valley Metro's goals and technology, infrastructure and labor capabilities and avoids early retirement of the conventional bus fleet. The Low or No Emissions competitive grant program provides Valley Metro with

funding for the purchase or lease of zero-emission and low-emission transit buses as well as acquisition, construction and leasing of required support facilities.

- **Bus and Bus Facilities – West Valley Transit and Paratransit Facilities and East Valley Facility enhancements** are envisioned for the future. Development of these routes and facilities will rely on the Bus and Bus Facilities discretionary grant program. Valley Metro also supports additional funding through the annual Congressional appropriations process for this formula program and for congressionally directed community project funding (earmarks).

Maintain authorized funding levels for the Capital Investment Grant (CIG) program.
Valley Metro light rail system provides significant economic development opportunities along the corridor. Despite the pandemic, Valley Metro continued construction on nearly $1.5 billion in infrastructure projects providing much needed employment and economic activity. Several extensions of this system are in various stages of development and construction, which include the following:

- **South Central Light Rail Extension/Downtown Hub** – A 5.5-mile extension from downtown Phoenix on Central Avenue to Baseline Road. FTA awarded a Full Funding Grant Agreement to Valley Metro for $529 million of the total $1.3 billion project in January 2021. $81.3 million was allocated to the project as part of the American Rescue Plan Act of 2021 with an additional $21 million allocated in the FY 2023 Omnibus Appropriations Act.
- **Northwest Extension Phase II** – A 1.6-mile extension from the current end-of-line in Phoenix, from 19th Avenue and Dunlap across I-17 to the former Metrocenter Mall complex. The project entered engineering in March 2020 and $100 million has been set-aside from FTA's budget. A $158 million full funding grant agreement was signed by USDOT Secretary Pete Buttigieg in a ceremony held on November 19, 2021.
- **Capitol (CAPEX) and I-10 West (10West) Extensions** – Connect existing light rail service in downtown Phoenix to the State Capitol area and the West Valley. Further analysis and coordination with stakeholders are occurring on the alignment, and it is expected that environmental and preliminary engineering work will continue in 2023 with entry into the CIG program expected within the year.

Continue to provide relief funding for pandemic related costs, supply chain impacts and workforce development.
- Valley Metro supports continued federal funds flexibility in allowing reimbursement for operating costs to maintain existing service, including flexible changes, updates or waivers to Buy America requirements, the Commercial Drivers License (CDL) process, and other opportunities to ease the burden in maintaining or expanding service.
- Valley Metro supports the Federal Transit Association (FTA) continuing the federal share for Transportation Infrastructure Grants, at the option of the recipient, up to one hundred percent for all eligible expenses.
- Valley Metro urges FTA to work with grantees to provide new and innovative solutions to the challenges faced in a post-pandemic economy where commuting schedules are unlikely to return to previous patterns through new technologies, fare strategies and service models to enhance mobility throughout our region.

Support legislative efforts of the American Public Transportation Association (APTA), Bus Coalition, Capital Investment Grant (CIG) Working Group, Community Streetcar Coalition, and other affiliated organizations.

Valley Metro appreciates our federal partnership and looks forward to working at all levels to maintain and build upon transit for our riders, local economy and quality of life across the region.

Information Summary

DATE **AGENDA ITEM 5**
March 9, 2023

SUBJECT
Strategic Planning Services Contract Award

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a one-year base contract with four one-year extension options, with one firm for Strategic Planning Services.

RECOMMENDATION
Staff recommends that the Boards of Directors authorize the CEO to execute one-year base contract with four one-year extension options, with Guidehouse, Inc. for Strategic Planning Services in a total amount not to exceed $410,000.

BACKGROUND | DISCUSSION | CONSIDERATION
In December 2022, the Boards of Directors authorized the CEO to issue a competitive solicitation for Strategic Planning Consultants. Valley Metro issued a request for proposals (RFP) for Strategic Planning Services.

A selection committee consisting of three Valley Metro staff evaluated the proposals on a set of pre-defined evaluation criteria:

A.	Qualification and Experience of the Firm	400 points
B.	Understanding / Approach to the scope of service	300 points
C.	Order all Evaluation of the Proposal	200 points
D.	Pricing	100 points

The selection committee reviewed the submitted proposals from the following four offerors:

- Guidehouse
- WSP USA, Inc.
- Sbrand Solutions LLC
- Bailey Strategic Innovation Group

The firms were evaluated and scored based on their qualifications, experience, understanding and overall method of approach to the scope of services as it results to evaluation criteria. The selection committee/evaluation panel members evaluated all aspects of the technical and price proposals from the four (4) firms. All firms scored high enough to meet the technical requirements. Out of those four firms, only two (2) were deemed to be in the competitive range based on being ranked #1 (tied) across the board by all evaluators, having the highest score on the technical portion. The evaluation panel did not feel there was a reasonable room for the third and fourth lowest proposers to catch up in scoring, and therefore the top two proposals were deemed to be the only two in the competitive range. As such, the top two (2) firms were invited to proceed in the evaluation process by submitting BAFO pricing. After review of BAFO responses, the selection committee finalized their scoring and Guidehouse, Inc. was recommended for award based on the result of the selection committee's evaluation.

The evaluation committee recommends issuing a contract with the firm that is shown in bold text:

FIRMS	TECHNICAL POINTS	INITIAL PRICING	BAFO PRICING
Guidehouse, Inc.	**822**	**$475,000**	**$410,000**
WSP USA, Inc.	822	$451,805	$435,107
Sbrand Solutions LLC	715	$11,000	N/A
Bailey Strategic Innovation Group	769	$47,952	N/A

COST AND BUDGET
Valley Metro plans to engage with strategic planning activities at the end of March 2023. Pricing is for the initial six (6) months of work with deliverables due by September 1, 2023 with a not to exceed amount of $410,000.

COMMITTEE PROCESS
Boards of Directors: March 16, 2023 for action

CONTACT
Lori Noyes
Procurement Manager
602-523-6033
lnoyes@valleymetro.org

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 6**
March 9, 2023

SUBJECT
Valley Metro Transit Life Cycle Program Overview

PURPOSE
To present an overview of the Transit Life Cycle Program (TLCP).

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION
The TLCP is maintained by the Regional Public Transportation Authority (RPTA) and implements transit projects in the Maricopa Association of Governments (MAG) Regional Transportation Plan (RTP). The Program meets the requirements of state legislation calling on the RPTA to conduct a budget process that ensures the estimated cost of the Regional Public Transportation System does not exceed the total amount of revenues expected to be available. This includes expenses such as bus purchases and operating costs, passenger facilities, maintenance facilities, park-and-ride lot construction, light rail construction and other transit projects.

The TLCP receives funding from the Proposition 400 (Prop 400) half-cent sales tax extension, as well as federal transit funds, fare revenues and local sources. The half-cent sales tax extension started on January 1, 2006 and revenues from the tax were available beginning in March 2006. The RPTA maintains responsibility for administering half-cent revenues deposited in the Public Transportation Fund for use on transit projects, including light rail transit (LRT) projects as identified in the MAG RTP. The RPTA Board must separately account for monies allocated to light rail transit, capital costs, and operation and maintenance costs for other transit modes.

Although the RPTA maintains responsibility for the distribution of half-cent funds for light rail projects, Valley Metro Rail, Inc., (VMR) a public nonprofit corporation, was created to implement the LRT system. VMR is responsible for overseeing the operation of the light rail line, as well as the design, construction and operation of future corridor extensions to the system.

After the passage of Prop 400, RPTA and its member agencies developed the TLCP to conform to the requirements of the RTP. As a first step, the Board of Directors adopted a set of Guiding Principles in October 2005. The Guiding Principles provided a framework for the development of policies and procedures for the implementation of Prop 400 funded RTP transit projects.

In April 2010, the Board approved changes to the Guiding Principles. These changes led to additional policy changes, which were adopted by the Board in September 2010. The changes in Guiding Principles and policies were in response to the economic downturn and subsequent reduction in forecasted revenues, which presented serious challenges to scaling back the projects in a way that would be viewed as being geographically equitable and create consensus.

RPTA typically updates the TLCP each year to reflect changes in revenues, economic conditions and forecasted expenditures. The goal of the update is to ensure that forecasted revenues and expenditures are balanced each year through the life of the Prop 400 tax and that there is geographic balance to the expenditures as defined in the TLCP policies.

CONTACT

Ken Kessler
Chief Financial Officer
kkessler@valleymetro.org

ATTACHMENT

None

Valley Metro RPTA
Transit Life Cycle Program

March 16, 2023

1

Regional Transportation Plan & Prop 400 Background

2

Regional Transportation Plan

- **Proposition 400 plan development was managed by MAG Transportation Policy Committee (TPC)**
  - Fund new and improved freeways, streets and arterial networks, and rail transit and bus service expansion
  - Transportation needs were assessed by sub-region
    - Population was used as a guide to ensure each sub-region received an appropriate share of revenues
  - Each sub-region prioritized needs among the modes
    - Transit improvements were prioritized more by the East Valley and Phoenix
    - Freeway improvements were prioritized more by the West Valley

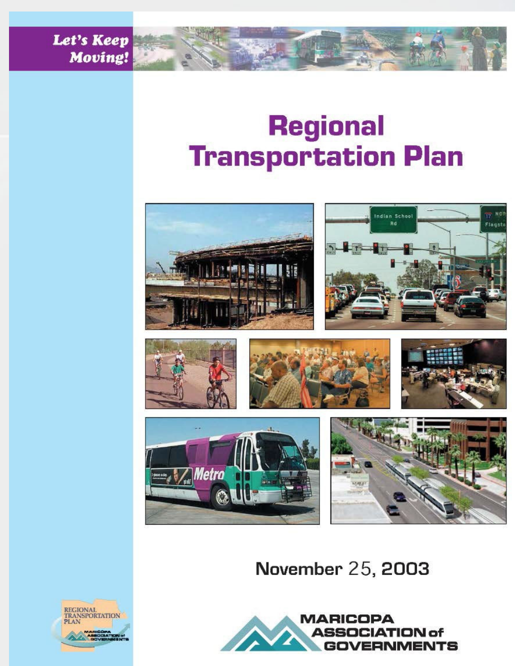
3

3

Region	Shares from the RTP	
Region	**Pop. Shares (2006 to 2025)**	**RTP Shares**
East	**35.40%**	**31.50%**
Phoenix	**39.60%**	**42.70%**
West	**25.00%**	**25.80%**

Regional Shares by Mode

Mode	East	Phoenix	West	Regional	Total
Freeway/Highway	23.9%	34.1%	36.4%	5.5%	100.0%
Arterial Streets	67.0%	5.6%	24.0%	3.4%	100.0%
Bus	43.0%	49.4%	5.8%	1.8%	100.0%
Rail	15.8%	82.1%	2.0%	0.0%	100.0%
Total Transit (Bus & Rail)	30.4%	64.6%	4.1%	1.0%	100.0%
Planning, etc	0.0%	0.0%	0.0%	100.0%	100.0%
Bike/Ped	0.0%	0.0%	0.0%	100.0%	100.0%
AQ	0.0%	0.0%	0.0%	100.0%	100.0%
Total	29.6%	40.5%	24.4%	5.5%	100.0%
With regional % allocated by pop %	**31.5%**	**42.7%**	**25.8%**		100.0%
Population Share	**35.4%**	**39.6%**	**25.0%**		100.0%



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Prop 400 Transportation Excise Tax

- The 2004 Maricopa County voter approval of Prop 400
  - Funded transportation improvements in Maricopa County
    - Went into effect January 1, 2006; Expires December 31, 2025
  - Half-cent sales tax for Maricopa County
    - Extension of tax approved in 1985 for freeway improvements
      - Had minimal transit funding
    - Funding allocations are in State statutes and revenues cannot be transferred between programs
      - 56.2% for freeway program – Regional Area Road Fund (RARF)
      - 10.5% for arterial program – Regional Area Road Fund (RARF)
      - 33.3% for transit program – Public Transportation Fund (PTF)

5

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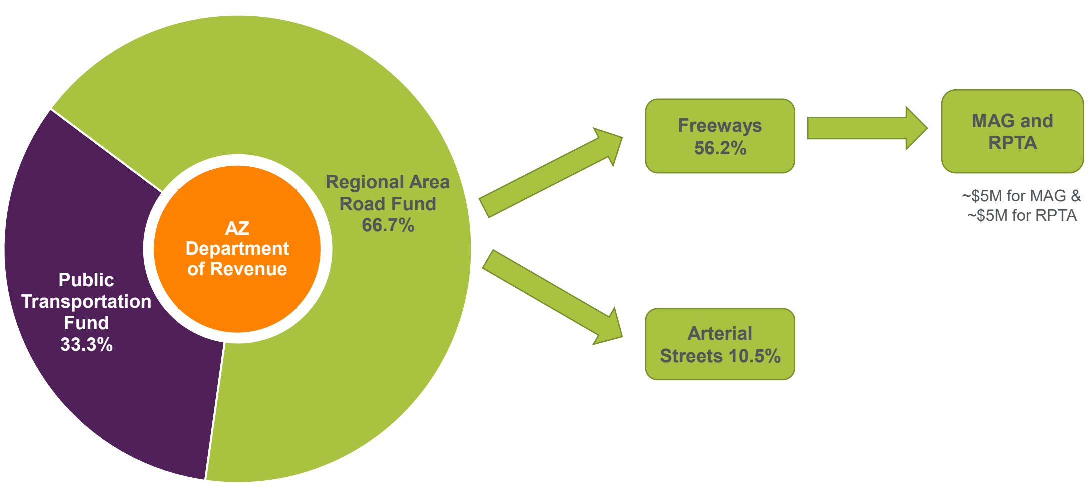
Transportation Excise Tax Distributions



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TLCP Guiding Principle

1. A defined and consistent process will be established for allocating funding for projects in the Regional Transportation Plan.
2. A defined and consistent process for Plan amendments and changes will be established.
3. Funding allocations will be regularly monitored and managed.
4. A defined and consistent process will be established to ensure that legislated compliance audit, reporting and performance requirements are met.
5. Budgeting and accounting systems will be established to manage Public Transportation Funds and monitor and report results.
6. Jurisdictional equity will be maintained (bus program only).

7

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TLCP Policy Allocations

PTF – Use and Allocations

- Allowable use per state statute:
  - **Bus (RPTA):** *"Capital costs, maintenance and operation of public transportation classifications."*
  - **Rail (VMR):** *"Capital costs and utility relocation costs associated with a light rail public transit system."*
    - Operations of light rail is 100% locally funded
- PTF allocations to bus and rail programs (Board Policy - 2005) :
  - 56.76% annually to bus (RPTA) program
  - 43.24% annually to rail (VMR) program
  - Each program has a financial model to ensure balanced revenues and expenditures

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Revenue Forecast

- **ADOT manages forecast process**
  - Risk Analysis Process (RAP)
    - Econometric model
    - Independent variables for each category of tax
  - RAP Panel discussion
    - Panelists are experts in various fields and provide forecasts for the independent variables
  - Forecast published in September or October each year
    - Most recent forecast published October 2022

9

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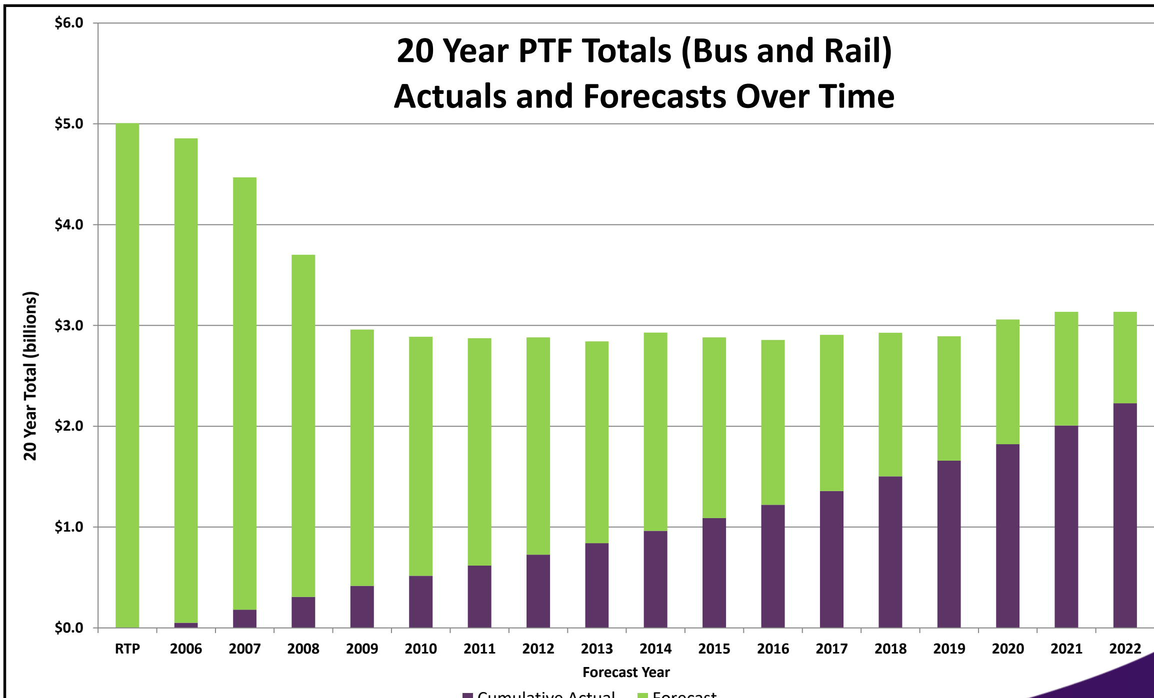

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Great Recession Impact

PTF forecast reduced from $5B to $3B, shortfall of $2B

- **VMR** deferred/cancelled projects in the rail plan
- Forced a reprioritization by **RPTA** member cities
- Significant reduction, deferral, or elimination of projects/services
- The Jurisdictional Equity (JE) requirements were established by the Board for **RPTA** based on the proportion of funds each city was expecting in Prop 400. This resulted in:
  - Allocation of PTF by city took precedence over service/performance
  - Forced cities to prioritize within the funds available to their jurisdiction
  - Created a barrier to establishing more regional services

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Prop 400 Rail

Rail Line/Extension	Status	Miles	Completed Date
Minimum Operating Segment	Completed	19.3	2008
Central Mesa Extension	Completed	2.8	2015
Northwest Extension – Phase I	Completed	3.2	2016
Gilbert Road Extension	Completed	1.9	2019
Tempe Streetcar	Completed	3.0	2022
Northwest Extension – Phase II	Underway	1.6	2024
South Central Extension	Underway	5.5	2024
Capitol Extension	Planning	1.4	2027
I-10 West Extension	Prop 400E	8.3	2030
West Phoenix Extension	Prop 400E	TBD	TBD
Northeast Phoenix Extension	Cancelled	N/A	N/A
Downtown Glendale Extension	Cancelled	N/A	N/A

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Information Summary

DATE **AGENDA ITEM 7**
March 9, 2023

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
Ken Kessler
Chief Financial Officer
602-262-7433
Kkessler@valleymetro.org

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
1/1/23 through 1/31/23

Job Title	Purpose of Travel	Location	Dates Traveled	Total Travel Cost	Airfare	Other Transport	Lodging	Meals	Misc.	
Chief Executive Officer	APTA 2022 TRANSform Conference	Seattle, WA	10/8/22-10/11/22	$1,893.63	$526.96	$116.00	$997.77	$189.50	$63.40	1
Chief Executive Officer	Rail Volution Conference	Miami, FL	10/31/22-11/2/22	$1,557.54	$518.20	$28.00	$776.31	$172.50	$62.53	2
Total this reporting period				$3,451.17						
Year to Date				**$75,921.39**						

Report reflects Out of State (AZ) Travel

** Misc*
[1] Car Service/Transit Pass Fees
[2] Uber/Cab Fees

Valley Metro Rail, Inc
Monthly AP Payments over $25,000
January 2023

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
10001096	1/12/2023	First Transit Inc	Monthly Transit Services	5,815,400.37
10001085	1/5/2023	Transdev Services Inc	General Paratransit Service	1,293,423.83
90000142	1/27/2023	ADP LLC	PPE 1/22/2023 Payroll Liabilities	1,104,578.26
90000139	1/12/2023	ADP LLC	PPE 1/08/2023 Payroll Liabilities	1,082,985.07
10001080	1/5/2023	Creative Bus Sales Inc	Paratransit Vans	1,021,296.00
10001094	1/12/2023	DMS Facility Services Inc	Facilities Maintenance Services	779,332.36
10001091	1/5/2023	Motor Coach Industries Inc	Over the Road Transit Coaches	699,560.58
10001120	1/20/2023	Motor Coach Industries Inc	Over the Road Transit Coaches	699,560.58
90000140	1/20/2023	Cigna Health and Life Insurance Company	Health Insurance Premiums	489,015.22
10001084	1/5/2023	Total Transit Enterprises LLC	Monthly West Valley Contracted Fixed Route	419,976.09
10001104	1/12/2023	Vix Technology (USA) Inc	Customer Service Network	357,177.94
10001081	1/5/2023	Creative Software Solutions LLC	Ridechoice Management Services	345,737.55
10001097	1/12/2023	HDR Engineering Inc	Planning and Community Relations Support Services	338,160.14
90000141	1/27/2023	ASRS	PPE 1/22/23 ASRS Contributions & LTD	289,684.70
90000138	1/12/2023	ASRS	PPE 1/08/23 ASRS Contributions & LTD	285,630.60
10001123	1/28/2023	101 North First Ave LLC	101 Building Rent	185,266.61
10001116	1/20/2023	Trapeze Software Group	Software Subscription Costs	182,771.04
10001113	1/20/2023	Scheidt & Bachmann USA Inc	Software Services	170,013.30
10001124	1/28/2023	Creative Software Solutions LLC	Ridechoice Management Services	151,629.25
90000144	1/31/2023	Surepays	RPTA Monthly Utilities	151,104.40
10001098	1/12/2023	J Banicki Construction Inc	Construction Services - JOC	112,980.53
10001090	1/5/2023	Senergy Petroleum LLC	Bulk Fuel	100,137.52
10001092	1/12/2023	Builders Guild Inc	Construction Services - JOC	99,770.73
10001102	1/12/2023	Second Generation Inc	Monthly Rural Connector Services	85,484.68
1001271	1/27/2023	QCM Technologies Inc	Information Security Program Support	73,650.33
10001086	1/5/2023	Dell Marketing LP	Computer hardware and equipment	70,136.56
10001118	1/20/2023	Dell Marketing LP	Computer hardware and equipment	68,750.02
1001267	1/27/2023	CopperPoint Insurance Company	Mobility Center Rent	65,452.16

10001105	1/12/2023	Dell Marketing LP	Computer hardware and equipment	61,985.14
1001261	1/20/2023	On Advertising Inc	Marketing Services	61,400.00
1001237	1/12/2023	City of Scottsdale	PTF Reimbursement	57,745.00
10001110	1/20/2023	Guidesoft Inc	Managed Services Provider	56,024.27
90000143	1/31/2023	Wells Fargo Bank	Monthly Credit Card Charges	54,007.91
1001238	1/12/2023	City of Glendale	PTF Reimbursement	51,068.00
10001119	1/20/2023	Senergy Petroleum LLC	Bulk Fuel	48,015.41
10001103	1/12/2023	URW LLC	Landscape Maintenance Services	41,829.73
1001244	1/20/2023	ACRO Service Corporation	Staffing Services and Related Solutions-IT Project Management Services	41,672.00
10001082	1/5/2023	Enterprise Rideshare	Van Pool Services	38,489.62
10001126	1/28/2023	Enterprise Rideshare	Van Pool Services	36,221.84
1001253	1/20/2023	Magnetry LLC	Marketing and Advertising Services	30,666.00
				17,117,791.34

Valley Metro Regional Public Transportation Authority
Monthly AP Payments over $25,000
January 2023

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
50000962	1/27/2023	Kiewit Infrastructure West Company	CMAR Services for South Central-Downtown Hub	12,722,568.36
50000948	1/20/2023	Kiewit-McCarthy, a Joint Venture	CMAR Services for Northwest Phase II	7,476,260.36
50000937	1/12/2023	Siemens Mobility	Light Rail Vehicles	4,042,346.34
50000915	1/5/2023	Alternate Concepts Inc	Transportation Services	1,084,157.67
50000935	1/12/2023	Stacy and Witbeck Inc	CMAR Services for Tempe Street Car	722,150.53
90000019	1/31/2023	Surepays	VMR Monthly Utilities	331,185.06
50000942	1/20/2023	AECOM Technical Services Inc	Design Services for South Central-Downtown Hub	325,199.43
50000928	1/12/2023	Builders Guild Inc	Construction Services - JOC	295,293.58
50000968	1/27/2023	Prestamos CDFI LLC	Small Business Financial Assistance Program	252,469.60
50000943	1/20/2023	Alternate Concepts Inc	Transportation Services	208,242.87
50000964	1/27/2023	PGH Wong Engineering Inc	System Design Services	202,737.72
50000934	1/12/2023	Siemens Mobility	Light Rail Vehicles	185,172.00
50000933	1/12/2023	PGH Wong Engineering Inc	System Design Services	149,540.85
50000922	1/5/2023	PGH Wong Engineering Inc	System Design Services	143,268.36
50000961	1/27/2023	Jacobs Engineering	Design Services for Northwest Phase II	118,767.95
50000963	1/27/2023	Leach International Corp	Relays	100,637.50
50000945	1/20/2023	DLT Solutions LLC	Aconex Project Control System	77,306.10
5001399	1/20/2023	Mary K Lucking	NEW II - Public Art Services-Fabrication / Install	60,000.00
50000965	1/27/2023	SDB Contracting Services	OMC Light Poles	59,298.34
5001395	1/20/2023	Peter Goldlust	NEW II - Public Art Services-Fabrication / Install	56,086.00
50000927	1/12/2023	Award Winning Restorations	Light Rail Vehicle Painting	36,025.37
5001396	1/20/2023	Sanderson Ford Inc	New Vehicle Purchases	34,958.69
50000936	1/12/2023	City of Phoenix	City of Phoenix Fare Handling Fee	32,068.00
50000969	1/27/2023	City of Phoenix	City of Phoenix Fare Handling Fee	32,068.00
50000953	1/20/2023	Siemens Mobility	Light Rail Vehicles-Software	31,005.27
50000932	1/12/2023	J Banicki Construction Inc	Construction Services - JOC	30,345.58
50000951	1/20/2023	PGH Wong Engineering Inc	System Design Services	27,326.97
50000967	1/27/2023	Westinghouse Air Brake Technologies Cor	Relays	27,260.75
50000952	1/20/2023	Scheidt & Bachmann USA Inc	Repairs to ticketing Unit	25,247.66
				28,888,994.91

Procurement Report
for March Board Month - Updated 2/28/2023

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										
Lori N	Joint	RFP	Federal Legislative Consulting Services	No	September 2022	October 2022	November 2022	$1,200,000.00	2 years + 3 options	Executed
Lori N	Joint	RFP	State Legislative Consulting Services	No	September 2022	October 2022	November 2022	$450,000.00	2 years + 3 options	Executed
Jennifer H	RPTA	RFP	2023 Origin and Destination Survey	No	August 2022	September 2022	January 2022	$800,000.00	2 years	Executed
ACTIVE PROCUREMENTS										
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**
Lori N	Joint	RFP	Strategic Planning Development	No	01/17/23	02/03/23	March 2023	TBD	TBD	In Negotiation
Christian J	RPTA	RFP	Administrative Broker Services (Demand Response)	Yes	September 2022	November 2022	March 2023	$46,566,997.00	5 years + 3 options	Pending Board Approval
Christian J	RPTA	RFP	Regional ADA Paratransit Services Operations & Maintenance	Yes	September 2022	October 2022	March 2023	$145,551,351.00	3 years + 3 options	Pending Board Approval
Christian J	RPTA	RFP	Vanpool Services	Yes	March 2023	TBD	TBD	TBD	5 years	SOW Development
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
Chris B	VMR	COOP	Aerial Device/Bucket Trucks	No	N/A	N/A	2/16/23	$970,271.00	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
FUTURE PROCUREMENTS										
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**
Chris B	Joint	RFP	Facilities Maintenance Services	No	February 2023	TBD	TBD	TBD	TBD	SOW Development
Chris B	VMR	RFP	LRV Electronic Repairs	Yes	TBD	TBD	TBD	$210,000.00	3 years + 1 option	SOW Development
Chris B	RPTA	RFP	West Valley Fxed Route and Maintenance Services	Yes	TBD	TBD	03/16/23	TBD	TBD	SOW Development
Chris B	VMR	Sole Source	SCV Sole Source Parts	Yes	TBD	N/A	03/16/23	$1,000,000.00	5 Years	SOW Development
Chris B	VMR	Sole Source	Tires/Blocks	No	TBD	TBD	03/16/23	$1,592,768.00	5 years	SOW Development
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
Edwin N.	VMR	RFQ	Capitol extension Design	Yes	TBD	TBD	TBD	TBD	5 years + 3 options	SOW Development
Edwin N.	VMR	RFQ	Capital Extension - Public Art	No	TBD	TBD	TBD	TBD	5 years	SOW Development
Edwin N.	Joint	RFP	Classification and Total Compensation Study	No	TBD	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 8**
March 9, 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
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

March 9, 2023

Valley Metro RPTA
Thursday, March 16, 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 February 16, 2023 Board meeting are presented for approval.

1B. ADA Paratransit DriverMate Tablets (Mobile Data Terminals) Purchase and Installation — 1B. For action

Staff recommends that the Board of Directors authorize the CEO to procure and install ADA Paratransit DriverMate Tablets (Mobile Data Terminals) in the paratransit vehicles to electronically transmit customer pick-up and drop off trip information to and from drivers in an amount not to exceed $113,287 plus a 5% contingency of $5,664, for a total not-to-exceed authorization amount of $118,951.

1C. Accessible Content Coordination Services Contract Award — 1C. For action

Staff recommends that the Board of Directors authorize the CEO to execute a cooperative agreement with Acro Service Corporation for Accessible Content Coordination Services in an amount not to exceed $283,400 for the rest of FY23, FY24 and FY25.

1D.	Recommended April 2023 Transit Service Changes	1D.	For action

Staff recommends that the Board of Directors authorize the CEO to amend member agency FY23 IGAs as necessary, and to execute change orders to the First Transit and Total Transit fixed route contracts to accommodate the recommended April 2023 service changes.

REGULAR AGENDA

2.	Administrative Broker Services (Demand Response) Contract Award	2.	For action

Staff recommends that the Board of Directors authorize the CEO to execute a contract with Creative Software Solutions, LLC (dba MJM innovations) for Administrative Broker Services (Demand Response) for a total contract value not to exceed $49,404,000 plus a 10 percent contingency of $4,940,400 for a total of $54,344,400. In addition, ADA Paratransit Overflow provider and RideChoice provider services is reimbursed through this contract as a direct pass through cost without mark-up or profit at a not to exceed cost of $64,100,193; totaling $118,444,593.

3.	ADA Paratransit Operations and Maintenance Services Contract Award	3.	For action

Staff recommends that the Board of Directors authorize the CEO to execute a three-year base contract with three one-year options with MTM Transit for ADA Paratransit Operations and Maintenance Services for a total contract value not to exceed $132,319,410 plus a 10 percent contingency of $13,231,941 in an amount not to exceed a total of $145,551,351.

4.	Authorization to Issue a Request for Proposals (RFP) for West Valley Transit Services	4.	For action

Staff recommends that the Board of Directors authorize the CEO to issue a federally compliant Request for Proposals (RFP) to perform Transit Services which include express, local fixed route, and demand response in the West Valley for a five-year base period with five one-year options for a total of 10 Years.

5. FY 2024 Operating and Capital Budget Information for Valley Metro RPTA — 5. For information

Ken Kessler, Chief Financial Officer, and Tyler Olson, Manager, Budget & Operations Financial Controls, will provide an overview of the FY 2024 Proposed Operating and Capital Budget.

6. Report on Current Events and Suggested Future Agenda Items — 6. For information

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

7. Next Meeting — 7. For information

The next Board meeting is scheduled for **Thursday, April 20, 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

March 9, 2023 **AGENDA ITEM 1A**

Valley Metro RPTA
Thursday, February 16, 2023
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

RPTA Meeting Participants
Councilmember Laura Pastor, City of Phoenix **- Chair**
Councilmember Bill Stipp, City of Goodyear – **Vice Chair**
Councilmember Max White, City of Avondale
Councilmember Clay Goodman, City of Buckeye
Councilmember O.D. Harris, City of Chandler
Councilmember Monica Dorcey, City of El Mirage (phone)
Vice Mayor Peggy McMahon, Town of Fountain Hills
Mayor Brigette Peterson, Town of Gilbert (phone)
Supervisor Jack Sellers, Maricopa County (phone)
Vice Mayor Jeff Brown, Town of Queen Creek
Councilmember Kathy Littlefield, City of Scottsdale
Councilmember Aly Cline, City of Surprise (phone)
Vice Mayor Jennifer Adams, City of Tempe
Mayor Rui Pereira, Town of Wickenburg (phone)

Members Not Present
Councilmember Lauren Tolmachoff, City of Glendale
Councilmember Jon Edwards, City of Peoria
Vice Mayor Francisco Heredia, City of Mesa
Councilmember Aldofo Gamez, City of Tolleson
Mayor Michael LeVault, Town of Youngtown

Chair Pastor called the meeting to order at 1:34 p.m.

1. Executive Session

Chair Pastor said I need a request of a motion and a second to enter into Executive Session according to Arizona Revised Statute 38-431.03A4.

Councilmember White said Madam Chair, I move we go into Executive Session.

Vice Mayor Adams said I second.

Chair Pastor said I have a motion and a second. All those in favor, please say aye. Those not in favor, please say no. Motion carries. Thank you.

Ms. Dillon said Board members that are joining us on the phone. You'll need to exit this Webex, please and connect to the confidential Webex that's been given to you and we will join you shortly in the other room. And then when we come back, you'll need to come back to this original Webex. Thank you.

IT WAS MOVED BY COUNCILMEMBER WHITE, SECONDED BY VICE MAYOR ADAMS, AND UNANIMOUSLY CARRIED TO CONVENE EXECUTIVE SESSION.

Regular meeting adjourned at 1:34 p.m.

Executive Session convened at 1:34 p.m.

Regular meeting convened at 1:48 p.m.

2. <u>Executive Session Action Item(s)</u>

Chair Pastor said request a motion and a second to authorize the CEO to execute settlement agreement approved by the interim General Counsel and authorize the interim General Counsel to settle the litigation involving Damon P. Stepp in the amount not to exceed $75,000.

Motion by Councilmember Stipp, second by Councilmember White.

Any discussion? All those in favor, please say aye. Those not in favor, please say no.

The motion carries.

IT WAS MOVED BY COUNCILMEMBER STIPP, SECONDED BY COUNCILMEMBER WHITE AND UNANIMOUSLY CARRIED TO APPROVE AND AUTHORIZE THE CEO TO EXECUTE SETTLEMENT AGREEMENT APPROVED BY THE INTERIM GENERAL COUNSEL AND AUTHORIZE THE INTERIM GENERAL COUNSEL TO SETTLE THE LITIGATION INVOLVOING DAMON P. STEPP IN AN AMOUNT NOT TO EXCEED $75,000.

3. <u>Consent Agenda</u>

Chair Pastor said the Consent Agenda is presented for action. Are there any questions? May I have a motion?

Motion by Vice Mayor Brown, second by Councilmember Cline.

Any discussion? All those in favor, please say aye. All those that are not in favor, please say no. The ayes carry. Thank you.

IT WAS MOVED BY VICE MAYOR BROWN, SECONDED BY COUNCILMEMBER CLINE AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA, ITEMS 3A-3C.

4. Report on Current Events and Suggested Future Agenda Items

Chair Pastor said Anybody have anything?

5. Next Meeting

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

The meeting was adjourned.

With no further discussion the meeting adjourned at 1:49 p.m.

Information Summary

DATE **AGENDA ITEM 1B**
March 9, 2023

SUBJECT
ADA Paratransit DriverMate Tablets (Mobile Data Terminals) Purchase and Installation

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to procure and install ADA Paratransit DriverMate Tablets (Mobile Data Terminals) in Valley Metro owned vehicles to support Valley Metro's ADA Paratransit services.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to procure and install ADA Paratransit DriverMate Tablets (Mobile Data Terminals) in the paratransit vehicles to electronically transmit customer pick-up and drop off trip information to and from drivers in an amount not to exceed $113,287 plus a 5% contingency of $5,664, for a total not-to-exceed authorization amount of $118,951.

BACKGROUND | DISCUSSION | CONSIDERATION
In June 2020, Valley Metro entered into a Software License and Maintenance Agreement with Trapeze for the scheduling and dispatch software necessary to operate Regional ADA Paratransit services (Trapeze Pass). Previously, the licenses were owned by Transdev, our ADA Paratransit Contractor.

On September 17, 2020, the Board of Directors authorized the CEO to develop and issue a RFP to combine the reservation and scheduling functions for the Regional ADA Paratransit and RideChoice programs to better match customers with the most cost-effective service meeting their needs and to develop a separate Operations and Maintenance RFP to separate the administrative and operating functions.

As a term of the solicitation, Valley Metro has committed to provide the successful proposer ADA Paratransit vehicles and scheduling and dispatching software which includes mobile data terminals. Working through Trapeze, the principal owner and proprietor of the dispatch and scheduling technology, we reviewed the mobile data terminal technology currently available and determined the Samsung Galaxy Tablets with Trapeze software and Flex II Cradle Kit, which provides device cooling during extreme heat met the requirements Valley Metro required and was substantially less costly than their industry developed mobile data terminal. In addition, the device provides the driver automatic navigation to all scheduled stops. Ongoing maintenance and device replacement is a requirement to the successful proposer as part of the contract.

Item	Total
109 – Samsung Galaxy Tablets Active 3 T577 LT	$60,790
105 – Flex II Cradle Kit	$19,130
Installation Services on 105 Vehicles	$25,507
Project Management	$7,860
Total:	**$113,287**

COST AND BUDGET
The funds for the mobile data terminals outlined in this memo will be included in the RPTA FY 2024 Operating and Capital Budgets as part of the RideChoice & ADA Paratransit Administrative Broker Services initiative. The requested authorization is not to exceed $118,951.

Trapeze is the principal owner and proprietor of the technology in the suite Valley Metro is expanding. Trapeze is the sole-source distributor of the suite as well as any services and maintenance required to support the suite.

COMMITTEE ACTION
RTAG: February 21, 2023, for information
TMC: March 1, 2023, approved
Board: March 16, 2023, for action

CONTACT
Tom Young
Manager of Accessible Transit Services
tyoung@valleymetro.org

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 1C**
March 9, 2023

SUBJECT
Accessible Content Coordination Services Contract Award

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a cooperative agreement with Acro Service Corporation for Accessible Content Coordination Services in an amount not to exceed $283,400 for the rest of FY23, FY24 and FY25.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute a cooperative agreement with Acro Service Corporation for Accessible Content Coordination Services in an amount not to exceed $283,400 for the rest of FY23, FY24 and FY25.

BACKGROUND/DISCUSSION/CONSIDERATION
Accessible Content Coordinators are professionals trained to ensure the agency website, online modules, mobile applications, documents, and videos comply with federal agency Section 508 and WCAG 2.0 requirements. This federally-mandated accessibility requirement for government agencies allows our customers to access and utilize our services, documents, marketing materials, defining policies and guidelines by providing them in an accessible, easy-to-view format, essentially creating equal accessibility for all.

Valley Metro has historically purchased these services through Knowledge Services, a state cooperative contract, since September 2019, spending approximately $100,000/year. Valley Metro continues to have an ongoing need and legal requirement for these services to ensure accessibility compliance for all user experiences.

Moving forward, Accessible Content Coordination Services will be provided by Acro Service Corporation utilizing a cooperative contract awarded by the Arizona State Procurement Office. Purchasing under a cooperative contract saves Valley Metro resources due to the simplified acquisition process, the cooperative purchasing power of multiple agencies, and the use of terms and conditions that have previously been negotiated. And while the rates are strongly negotiated by the State, market rates for this niche service have increased, also based on the limited resources proficient in this specialized and skilled trade.

COST AND BUDGET
Staff is seeking a multi-year, cooperative agreement with Acro Service Corporation cooperative for Accessible Content Coordination Services in an amount not to exceed $283,400.

The costs for April – June 2023 are included in the FY23 Valley Metro RPTA adopted budget. Contract obligations beyond FY23 will be incorporated into the Valley Metro RPTA Operating Budgets and Five-Year Forecast.

The source of funding is regional Public Transportation Funds.

Purchase	Vendor	Contract	Cost[1]
Accessible Content Coordination Services	Acro Service Corporation	State Contract: **CTR060284**	$283,400
		FY23 Total	**$33,800**
		FY24 Total	**$124,800**
		FY25 Total	**$124,800**

COMMITTEE PROCESS
RTAG: February 21, 2023 for information
TMC: March 1, 2023 approved
Board of Directors: March 15,2023 for action

CONTACT
Mick Webber
Marketing Manager
602-523-6007
mwebber@valleymetro.org

ATTACHMENT
None

[1] Cost is based on 520 work hours for April – June in FY23; 1,920 work hours in FY24; and 1,920 work hours in FY25 at a contract rate of $65 per hour.

Information Summary

DATE **AGENDA ITEM 1D**
March 9, 2023

SUBJECT
Recommended April 2023 Transit Service Changes

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to amend member agency Fiscal Year 2023 (FY23) Intergovernmental Agreements (IGAs) as necessary, and to execute change orders to the First Transit and Total Transit fixed route contracts to accommodate the recommended April 2023 service changes.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to amend member agency FY23 IGAs as necessary, and to execute change orders to the First Transit and Total Transit fixed route contracts to accommodate the recommended April 2023 service changes.

BACKGROUND | DISCUSSION | CONSIDERATION
Effective April 24, 2023 Valley Metro transit service changes are recommended throughout the region. Changes were coordinated and analyzed through the five-year Short Range Transit Program as well as the Board adopted Transit Standards and Performance Measures. In addition, the fixed route service changes were proposed and reviewed in coordination with the Valley Metro Service Planning Working Group, comprising representatives from Valley Metro member agencies. Valley Metro also worked with each affected member agency regarding the proposed changes and funding impacts prior to arriving at recommendations. Extensive public outreach was also conducted.

This summary includes recommended bus service changes for Valley Metro-operated services and routes, and routes funded through the regional Public Transportation Fund (PTF). Changes that only affect locally funded service operated by other agencies (e.g. Phoenix) are not addressed herein. Overall, the recommended changes include fixed route service improvements, service reductions, and routing modifications.

<u>Recommended Route and Schedule Changes:</u>

- Route 61—Southern Rd: Extend route to 51st Ave.
- Route 571—Surprise Express: Modify routing to travel on I-10/101 in both directions.
- Route 573—West Glendale Express: Eliminate north portion of route overlapping with Route 575, start and end route at Glendale PnR.
- Avondale ZOOM: In Avondale, extend route to Avondale Park and Ride.

Public Outreach
An extensive public outreach was conducted from November 7 through December 9, 2023, via online comment, email, social media and a remote public hearing via webinar. The outreach covered all proposed service changes regardless of funding source or operator.

- **Input Opportunities**:
  - Virtual public hearing conducted on November 16, 2022
  - Online comment card
  - Via email at input@valleymetro.org
  - Social media

- **Communication Channels**:
  - Six advertisements were placed in the *Arizona Republic* (2), *East Valley Tribune*, *La Prensa Hispana*, *La Voz* and *Arizona Informant*. They included information regarding the proposed route changes, public comment period and public hearing.
  - Transit vehicle announcements (Route Scout)
  - A-frame signage at key transit locations
  - Email notices to riders and Trip Reduction Program employers
  - Press release resulting in news coverage
  - Social media posts
  - Website (valleymetro.org/service changes)
  - Internal communication to staff and contractors

COST AND BUDGET
Items here include only service changes for Valley Metro-operated services and routes, and routes funded through the regional Public Transportation Fund (PTF). Costs for changes that do not impact Valley Metro-operated routes and routes not funded through PTF are excluded from this memorandum.

Contract adjustments for minor bus service changes that do not require an amendment to the IGAs will be made through the year-end reconciliation process. For paratransit changes, the budget impact will be determined during the IGA reconciliation process and the contractor change order.

COMMITTEE PROCESS
RTAG: February 21, 2023 for information
TMC/RMC: March 1, 2023 approved
Boards of Directors: March 16, 2023 for action

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

ATTACHMENT
None

Recommended April 2023 Service Changes

March 2023

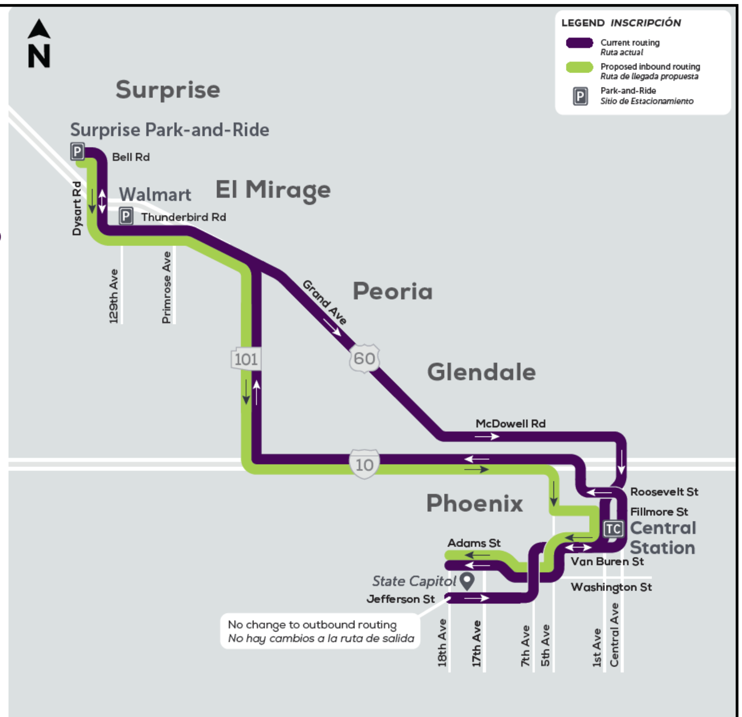
1

Route 61—Southern Ave

2

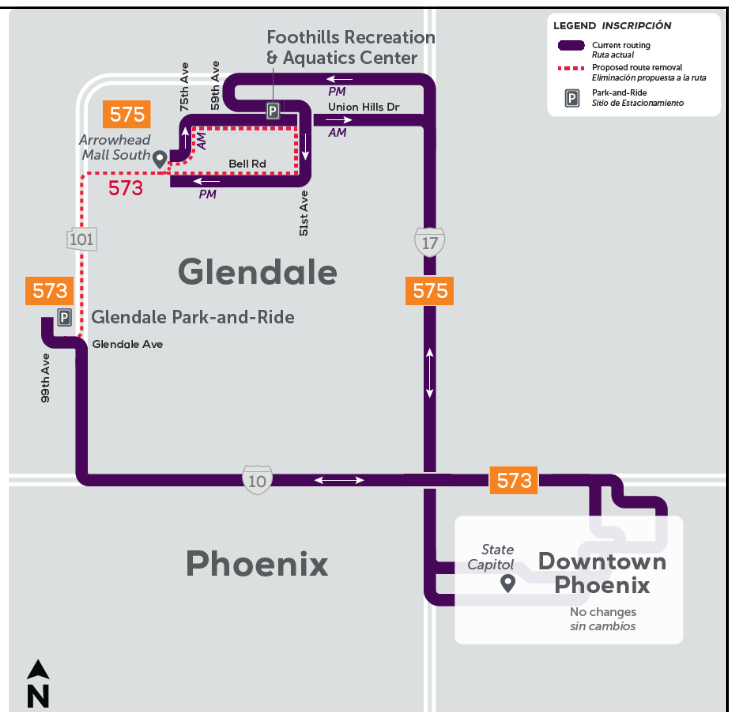
2

Route 571—Surprise Express



3

Route 573—West Glendale Express



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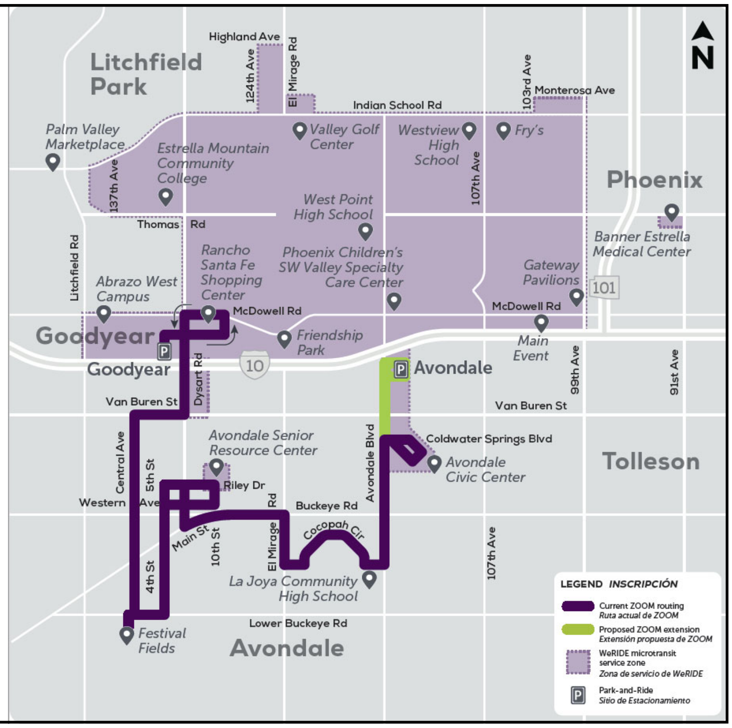
Avondale ZOOM



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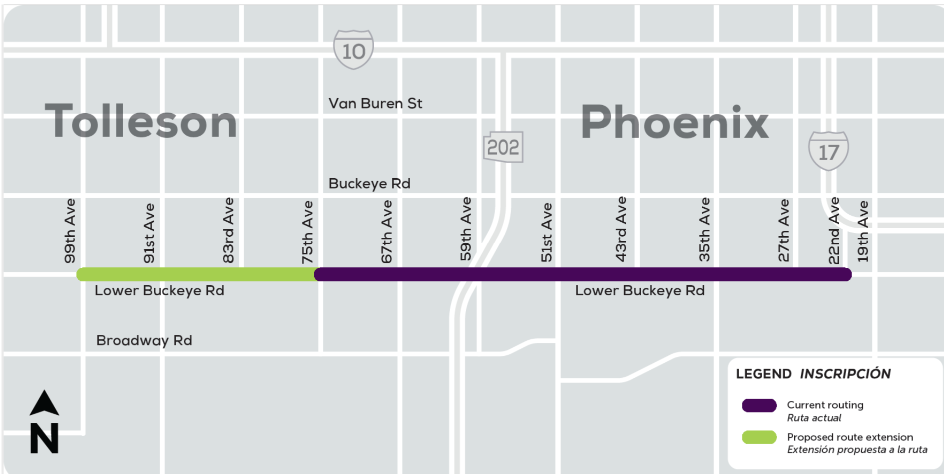
Service Changes Approved by City of Phoenix

VALLEY METRO

6

6

Route 28—Lower Buckeye Rd



7

7

Recommendation

Staff recommends that the TMC forward to the Board of Directors authorization for the CEO to amend member agency FY23 IGAs as necessary, and to execute change orders to the First Transit and Total Transit fixed route contracts to accommodate the recommended April 2023 service changes.

8

8

Accessible Transit Services Contract(s) Award

1

Accessible Transit Services Contract(s) Award

RideChoice Program
Alternative travel options for people with disabilities and seniors, veterans, others

-- Avondale
-- Chandler
-- Fountain Hills
-- Gilbert
-- Goodyear
-- Maricopa County
-- Mesa
-- Scottsdale
-- Surprise
-- Tempe
-- Tolleson

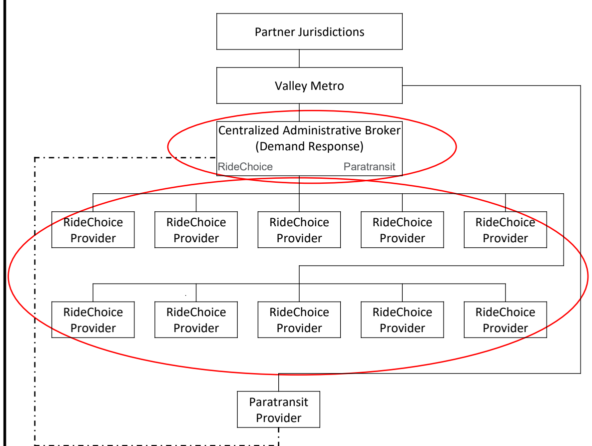
ADA Paratransit
Shared ride services for people with disabilities traveling within 3/4 mile of fixed routes

-- Avondale
-- Chandler
-- El Mirage
-- Fountain Hills
-- Gilbert
-- Glendale
-- Goodyear
-- Litchfield Park
-- Maricopa County
-- Mesa
-- Paradise Valley
-- Peoria
-- Phoenix
-- Scottsdale
-- Sun City
-- Sun City West
-- Surprise
-- Tempe
-- Tolleson
-- Youngtown

2

2

Accessible Transit Services Contract(s) Award

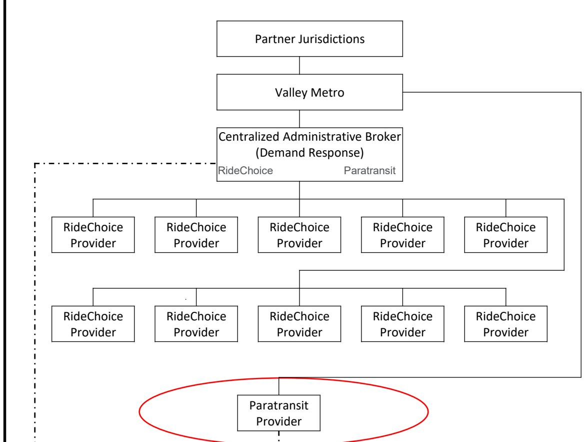


Administrative Broker Services Contract:
- Reservations for all RideChoice and ADA Paratransit trips
- Contracting with RideChoice Providers
- Trips dispersed for RideChoice customers
- Driver and route scheduling for ADA Paratransit Trips
- 5-year base contract, 3 1-year extensions – 8-years
  - $54,344,400 Reservations & Scheduling
  - $64,100,193 RideChoice Provider Cost
  - **$118,444,593 Total**

3

3

Accessible Transit Services Contract(s) Award



ADA Paratransit Operations and Maintenance Contract:
- Operate Vehicles (Drivers)
- Maintain Vehicles (clean, fuel, PMI, repair)
- Safety and Training
- 3-year base contract, 3 1-year extensions – 6-years
- **$145,551,351 Total**

4

4

Information Summary

DATE **AGENDA ITEM 2**
March 9, 2023

SUBJECT
Administrative Broker Services (Demand Response) Contract Award

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a five-year base with three one-year options Federally compliant contract with Creative Software Solutions, LLC (dba MJM Innovations) for Administrative Broker Services (Demand Response).

RECOMMENDATION
Staff recommends that the Board of Directors authorize for the CEO to execute a contract with Creative Software Solutions, LLC (dba MJM innovations) for Administrative Broker Services (Demand Response) for a total contract value not to exceed $49,404,000 plus a 10 percent contingency of $4,940,400 for a total of $54,344,400. In addition, ADA Paratransit Overflow provider and RideChoice provider services is reimbursed through this contract as a direct pass through cost without mark-up or profit at a not to exceed cost of $64,100,193; totaling $118,444,593.

BACKGROUND | DISCUSSION | CONSIDERATION
On September 17, 2020, the Board of Directors authorized the CEO to develop and issue a RFP to combine the reservation and scheduling functions for the Regional ADA Paratransit and RideChoice programs to better match customers with the most cost-effective service meeting their needs and to develop a separate Operations and Maintenance RFP to separate the administrative and operating functions.

Representatives from four jurisdictions (Mesa, Tempe, Peoria, Goodyear, and Glendale) along with representatives from Valley Metro developed the scope of work and the RFP was published on September 19, 2022. The term of the contract is for a base of five years with three one-year options for extension.

In accordance with the solicitation instructions, the proposals were evaluated based on the following published evaluation criteria: (1) Firm Qualifications & Experience (2) Personnel Qualifications & Experience, (3) Understanding / Approach to the Scope of Services, which make up the Technical Scoring and (4) Price, which is solely reserved for price scoring.

Out of three firms that submitted proposals, all were deemed responsive. A selection committee comprised of qualified staff from the Cities of Tempe, Mesa, Glendale, Maricopa County, and Valley Metro Staff, evaluated technical proposals. The selection committee has finalized its evaluations of each firm's technical proposal, and the agency has finalized evaluation of each firm's price proposal. The Selection Committee ranked proposals and arrived at its award recommendation using a best value process which allows for a contract award based on a combination of technical and cost factors. The selection committee evaluation of these proposals is summarized as follows:

PROPOSER POINTS (1000 Possible Points)							
Proposer	Technical Points	Tech Rank	Price Points	Combined Tech & Price	% Total Score	Original Pricing Mid tier Year 1	BAFO Pricing Mid tier Year 1
MJM Innovations	724	1	200	924	92.4%	$4,348,255	$4,248,255
IntelliRide Transdev	651	2	160	812	81.2%	$5,482,578	
Medstar Cabulance	267	3					

The selection committee determined that two of three firms that submitted, Creative Software Solutions, LLC dba MJM Innovations and IntelliRide, LLC subsidiary of Transdev, met the requirements of the solicitation. Although both of these two firms were technically qualified, the selection committee had the highest degree of confidence and fewest risk concerns with MJM Innovations. MJM's proposed price was considered fair and reasonable based on competitive comparisons between the offerors, and comparisons with the Independent Cost Estimate (ICE).

COST AND BUDGET

The cost for Administrative Broker Services (Demand Response) Services for a total contract term of maximum 8 years, is $118,444,593 which includes a 10 percent contingency for the administrative broker in the amount of $4,940,400 The project is included in the Valley Metro RPTA FY23 and FY24 Operating and Capital Budget. Contract Obligations beyond FY24 are incorporated into the Valley Metro RPTA Five-Year Operating Forecast and Capital Program (FY2025 thru FY2030).

COMMITTEE PROCESS

RTAG: February 21, 2023, for information
TMC: March 1, 2023, approved
Board: March 16, 2023, for action

CONTACT

Tom Young
Manager, Accessible Transit Services
tyoung@valleymetro.org

ATTACHMENT

None

Information Summary

DATE **AGENDA ITEM 3**
March 9, 2023

SUBJECT
ADA Paratransit Operations and Maintenance Services Contract Award

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a three-year base with three one-year options for a federally compliant contract with MTM Transit for ADA Paratransit Operations and Maintenance Services.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute a three-year base contract with three one-year options with MTM Transit for ADA Paratransit Operations and Maintenance Services for a total contract value not to exceed $132,319,410 plus a 10 percent contingency of $13,231,941 in an amount not to exceed a total of $145,551,351.

BACKGROUND | DISCUSSION | CONSIDERATION
On September 17, 2020, the Board of Directors authorized the CEO to develop and issue a RFP to combine the reservation and scheduling functions for the Regional ADA Paratransit and RideChoice programs to better match customers with the most cost-effective service meeting their needs and to develop a separate Operations and Maintenance RFP to separate the administrative and operating functions.

Representatives from four jurisdictions (Mesa, Tempe, Chandler, and Surprise) along with representatives from Valley Metro developed the scope of work and the RFP was published on September 12, 2022. The term of the contract is for a base of three years with three one-year options for extension.

In accordance with the solicitation instructions, the proposals were evaluated based on the following published evaluation criteria: (1) Firm Qualifications & Experience (2) Personnel Qualifications & Experience, (3) Understanding / Approach to the Scope of Services, which make up the Technical Scoring and (4) Price, which is solely reserved for price scoring.

Out of four firms that submitted proposals, three were deemed responsive. A selection committee comprised of qualified staff from the cities of Tempe, Chandler, Mesa, Surprise and Valley Metro Staff, evaluated technical proposals. The selection committee has finalized its evaluations of each firm's technical proposal, and the agency has finalized evaluation of each firm's price proposal. The Selection Committee ranked proposals and arrived at its award recommendation using a best value process which allows for a contract award based on a combination of technical and cost factors. Based on this process, the selection committee has selected MTM Transit as the firm whose proposal offers the best value to the agency. The selection committee evaluation of these proposals is summarized as follows:

PROPOSER POINTS (1000 Possible Points)							
Proposer	Technical Points	Tech Rank	Price Points	Combined Tech & Price	% Total Score	Original Pricing Year 1	BAFO Pricing Year 1
MTM	709	1	199.5	908.7	90.8%	$22,732,300	$22,200,600
First Transit	684	2	140.3	824.3	82.4%	$29,777,710	$30,968,886
Transdev	648	3	147.6	795.8	79.6%	$30,473,432	
Bio Janitorial	Non-Responsive						

The selection committee determined that the three firms, MTM Transit, First Transit and Transdev all met the requirements of the solicitation and although these three were technically qualified, the selection committee had the highest degree of confidence and fewest risk concerns with MTM Transit. MTM's proposed price was considered fair and reasonable based on competitive comparisons between the offerors, and comparisons with the Independent Cost Estimate (ICE).

COST AND BUDGET
The cost for ADA Paratransit Operations and Maintenance Services is $145,551,351 which includes a 10 percent contingency in the amount of $13,231,941. The project is included in the Valley Metro RPTA FY24 Operating and Capital Budget. Contract Obligations beyond FY24 are incorporated into the Valley Metro RPTA Five-Year Operating Forecast and Capital Program (FY2025 thru FY2030).

COMMITTEE PROCESS
RTAG: February 21, 2023, for information
TMC: March 1, 2023, approved
Board: March 16, 2023, for action

CONTACT
Tom Young
Manager, Accessible Transit Services
tyoung@valleymetro.org

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 4**
March 9, 2023

SUBJECT
Authorization to Issue a Request for Proposals (RFP) for West Valley Transit Services

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to issue a Request for Proposals (RFP) to perform Transit Services (express, fixed route, and demand response) in the West Valley for a five-year base period with five one-year options for a total of 10 Years.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to issue a federally compliant Request for Proposals (RFP) to perform Transit Services which include express, local fixed route, and demand response in the West Valley for a five-year base period with five one-year options for a total of 10 Years.

BACKGROUND/DISCUSSION/CONSIDERATION
Valley Metro's current contract five-year base period for West Valley fixed route bus service expires June 30, 2024. The current contractor, National Express dba Total Ride provides fixed route bus operation for the following routes:

- Express Routes 562, 563, 571, 573, 575
- Grand Avenue Limited
- Avondale Zoom circulator routes
- Peoria POGO circulator routes

Valley Metro will not be exercising the option years in the current contract and is seeking authorization to issue an RFP to solicit a contractor to operate fixed route bus service, express service, and demand response services including micro transit in the West Valley. The contract term will be for a for a five-year base period with five one-year options for a total of 10 Years. beginning July 1, 2024. This RFP will include operating bus routes, demand response, and micro transit service and maintaining Valley Metro owned revenue vehicles.

The contractor shall be responsible for all facets of provision of services including selection and hiring of personnel qualified for the operation and maintenance of equipment and services.

COST AND BUDGET
The cost to Valley Metro for the first year of the contract is estimated to be $7,000,000. Funds are accounted for annually in the agency's operating budget.

COMMITTEE PROCESS
RTAG: February 21, 2023 for information
TMC: March 1, 2023 approved
Board of Directors: March 16, 2023 for action

CONTACT
Dan Filippino
Deputy Director of Transportation & Project Integration
602-652-5055
dfilippino@valleymetro.org

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 5**

March 9, 2023

SUBJECT

Valley Metro RPTA Fiscal Year 2024 (FY24) Preliminary Operating and Capital Budget

PURPOSE

To provide an overview of the FY24 Preliminary Operating and Capital Budget.

RECOMMENDATION

This item is presented for information.

BACKGROUND/DISCUSSION/CONSIDERATION

The Valley Metro Regional Public Transportation Authority (RPTA) FY24 combined operating and capital budget (the budget) is $467.7 million (M) and includes $60.0M of expenses for light rail/high-capacity transit capital.

The preliminary FY24 budget has been prepared with the goal of delivering a fiscally prudent, balanced budget using carry forwards and reserves when needed for capital projects. The budget was developed in compliance with Board of Directors' adopted budget, financial and Transit Life Cycle Program (TLCP) policies.

The annual budget is prepared on an accrual basis and adopted by the Board of Directors each fiscal year. The legal level of budgetary control is the total annual appropriated budget. With respect to Capital Budgets, project contingency accounting is used to control expenditures within available project funding limits. With respect to Operating Budgets, encumbrance accounting is not used and all appropriations lapse at the end of the year. Prior to final adoption, a proposed budget is presented to the Board of Directors for review and public comment is received. Final adoption of the budget must be on or before June 30 of each year.

The RPTA budget includes a significant level of expenditures on behalf of Valley Metro Rail (VMR). RPTA is the official employer for all Valley Metro employees therefore all employee related expenses for VMR are include in the RPTA budget. VMR reimburses RPTA for its share of employee expenses. RPTA is also the recipient of all public transportation funds received from Proposition 400. Revenues to support the rail program are passed through to VMR on a reimbursement basis.

Budget Overview

The total operating budget of $228.8M represents a $33.3M (17%) increase from the previous year's operating budget of $195.5M. The total capital budget of $99.1M, which includes debt service, represents a $1.1M (1%) increase from the previous year's capital budget of $98.0M.

The increase in the operating budget is primarily driven by fixed route operations, demand service operations, and regional services. Fixed route operations is increasing by 17 percent, or $20.5M mainly due to annual contract rate increases, a full year of the Board-approved operator wage rate increases, Phoenix-operated bus service, and Phoenix regional support services. Demand service operations is increasing by 14%, or $6.5M, primarily due to a forecasted increase in RideChoice trips of 27%, combined with increased ADA service operated by other entities which is funded with PTF. Regional services is increasing 23%, or $4.3M due to a full year of operation of the new fare services call center and increased maintenance service levels for fareboxes on regional fixed route fleet.

The RPTA and Valley Metro Rail (VMR) budgets are developed with a unified staff plan, with department managers planning the level of effort required to meet the bus and rail activities. Salary and overhead charges to bus and rail projects are based on actual time worked on each project. For FY24 there are 484 employees budgeted in the integrated agency, with 254 FTE's budgeted to RPTA/Shared agency activities and 230 budgeted to VMR only activities.

COMMITTEE PROCESS
Preliminary Budget Review:
Financial Working Group: February 21, 2023 for information
RMC: March 1, 20231 for information
AFS: March 2, 2023 for information
Board of Directors: March 16, 2023 for information

Proposed Budget Adoption:
AFS: June 1, 2023 for action
RMC: June 7, 2023 for action
Board of Directors: June 22, 2023 for action

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

ATTACHMENT
None

RPTA

FY24 Preliminary Budget Overview Update

March 2023

1

Baseline: RPTA Operations

	FY23 Budget	FY24 Budget
BUS OPERATIONS		
Passenger boardings	6,547,000	7,470,000
Service miles delivered-RPTA operated	12,556,000	12,633,000
Gross Operating Costs	$ 102,424,000	$ 119,494,000
Fare Revenues	$ 4,263,000	$ 4,706,000
Fare Recovery	4%	4%

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Baseline: RPTA Operations

	FY23 Budget	FY24 Budget
PARATRANSIT OPERATIONS		
Trips	412,000	320,000
Gross Operating Costs	$ 23,357,000	$ 22,232,000
Fare Revenues	$ 1,649,000	$ 1,228,000
Fare Recovery	7%	6%
Cost per Trip	$ 54.15	$ 69.48

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Baseline: RPTA Operations

	FY23 Budget	FY24 Budget
RIDECHOICE OPERATIONS		
Trips	175,000	222,000
Gross Operating Costs	$ 4,797,000	$ 10,310,000
Fare Revenues	$ 583,000	$ 749,000
Fare Recovery	14%	7%
Cost per Trip	$ 23.98	$ 46.44

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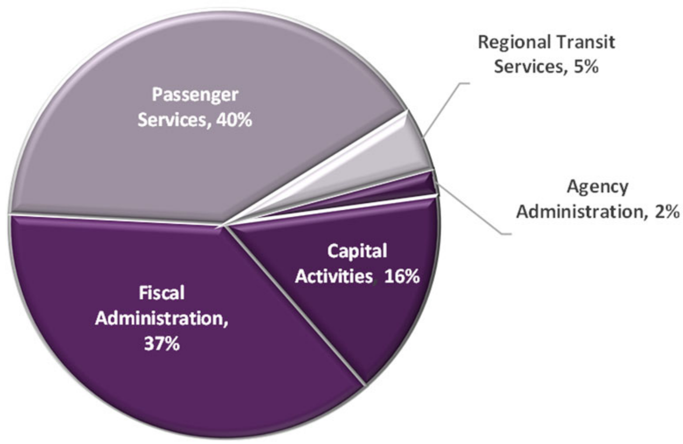
Uses of Funds: Operating & Capital



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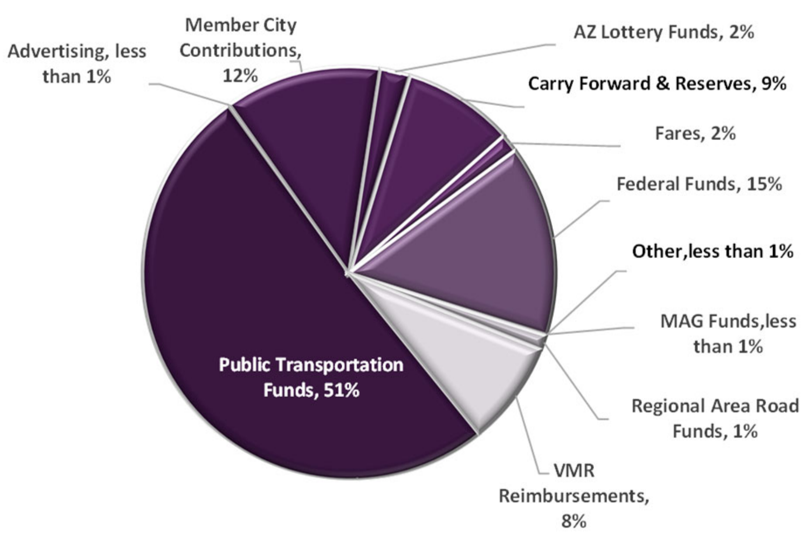
Sources of Funds: Operating & Capital



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Uses of Funds: Operating ($,000,000)

Uses of Funds	FY23	FY24	Change $	Change %
Fixed Route Operations	$120.8	$141.3	$20.5	17%
Demand Service Operations	46.0	52.5	6.5	14%
Vanpool Operations	1.0	1.2	0.2	20%
Planning	3.7	4.4	0.7	19%
Commute Solutions	1.4	1.6	0.2	12%
Administration and Finance	4.2	5.2	1.0	23%
Regional Services	18.3	22.6	4.3	23%
RPTA Operating	**$195.5**	**$228.8**	**$33.3**	**17%**

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Sources of Funds: Operating ($,000,000)

Source of Funds	FY23	FY24	Change $	Change %
Public Transportation Funds	$118.0	$140.4	$22.4	19%
Regional Area Road Funds	5.6	5.1	(0.5)	-9%
Member City Contributions	50.2	59.3	9.1	18%
Bus Advertising	0.6	0.8	0.2	25%
Federal Funds	11.9	13.1	1.1	9%
Federal Funds - COVID Relief	0.5	0.0	(0.6)	-119%
Fares	5.9	6.9	1.0	17%
MAG Funds	0.6	0.2	(0.4)	-65%
Other	0.2	0.1	(0.1)	-60%
Carry Forward & Reserves	2.0	3.0	1.0	53%
RPTA Operating	**$195.5**	**$228.8**	**$33.3**	**17%**

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Uses of Funds: Capital ($,000,000)

Uses of Funds	FY23	FY24	Change $	Change %
Regional Fleet	$48.5	$68.4	$19.9	41%
Regional Facilities	5.7	1.6	(4.1)	-71%
Other Regional Projects	17.1	6.2	(10.9)	-64%
Member Agency Disbursements	4.4	0.0	(4.4)	-100%
Debt Service	22.3	22.9	0.5	2%
RPTA Capital	**$98.0**	**$99.1**	**$1.1**	**1%**

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Sources of Funds: Capital ($,000,000)

Source of Funds	FY23	FY24	Change $	Change %
Public Transportation Funds	$28.1	$0.0	($28.1)	-100%
Member City Contributions	0.2	0.0	(0.2)	-1
Federal Funds	56.9	59.4	2.5	4%
Other	0.3	0.2	(0.1)	-41%
Carry Forward & Reserves	12.6	39.5	26.9	214%
RPTA Capital	**$98.0**	**$99.1**	**$1.1**	**1%**

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Pass-thru Funds: Uses ($,000,000)

Uses of Funds	FY23	FY24	Change $	Change
VMR RARF Disbursements	$0.5	$0.5	$0.0	0%
AZ Lottery Funds Disbursements	11.2	11.2	$0.0	0%
VMR Personnel	34.9	39.6	4.7	14%
VMR PTF Capital Funding	112.8	60.0	(52.8)	-47%
VMR PTF Capital Reserve for Future Use	0.0	28.5	28.5	0%
RPTA Pass-Thru	**$159.3**	**$139.8**	**($19.6)**	**-12%**

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Pass-thru Funds: Sources ($,000,000)

Source of Funds	FY23	FY24	Change $	%
AZ Lottery Funds	$11.2	$11.2	$0.0	0%
Regional Area Road Funds	0.5	0.5	0.0	0%
VMR Personnel Reimbursements	34.9	39.6	4.7	14%
VMR PTF Capital Funding Allocation	112.8	88.5	(24.3)	-22%
RPTA Pass-Thru	**$159.3**	**$139.8**	**($19.6)**	**-12%**

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Budget Schedule Dates

Committee/Boards/FWG	
February 21, 2023	Present High Level Budget to City Staff (FWG)
March	Present High Level Budget to Committees & Boards - for Information
March 21, 2023	Detailed Initiative Discussion with City Staff (FWG)
April 6, 2023	Detailed Initiative Discussion with AFS
April 18, 2023	Detailed Initiative Discussion & Present 5-Year Plans to City Staff (FWG)
May 3, 2023	Present Initiative Details to TMC/RMC
May 4, 2023	Detailed Initiative Discussion & Present 5-Year Plans to AFS
May 18, 2023	Present Initiative Details to Board
June	Present Annual Budget and 5-Year Plans to Committees/Boards - for Action

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Thank You

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Information Summary

DATE
March 9, 2023

AGENDA ITEM 6

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

March 9, 2023

Valley Metro Rail
Thursday, March 16, 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 February 16, 2023 Board meeting are presented for approval.	
1B.	Light Rail Vehicle (LRV) Steel Tires and Tire Block Kits Five-Year Supply Contract Award	1B. For action
	Staff recommends that the Board of Directors authorize the CEO to execute a five-year supply contract for LRV steel tires and tire block kits with Penn Machine Company in an amount not to exceed $1,800,000.	
1C.	Streetcar Vehicle Parts Supply Contract	1C. For action
	Staff recommends that the Board of Directors authorize the CEO to execute a five-year supply contract for Streetcar Vehicle parts requirements from Brookville Equipment Corporation in an amount not to exceed $1,000,000.	

REGULAR AGENDA

2.	FY 2024 Operating and Capital Budget Information for Valley Metro Rail	2. For information
	Ken Kessler, Chief Financial Officer, and Tyler Olson, Manager, Budget & Operations Financial Controls, will provide an overview of the FY 2024 Proposed Operating and Capital Budget.	

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 — 4. For information

The next meeting of the Board is scheduled for **Thursday, April 20, 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

March 9, 2023 **AGENDA ITEM 1A**

Valley Metro Rail
Thursday, February 16, 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**
Coucilmember Laura Pastor, City of Phoenix - **Vice Chair**
Councilmember O.D. Harris, City of Chandler

Members Not Present
Vice Mayor Heredia, City of Mesa

Chair Adams called the meeting to order at 1:49 p.m.

Chair Adams said good afternoon. Welcome, everyone. I will call the February meeting of Valley Metro Rail Board to order.

1. Consent Agenda

Chair Adams said the Consent Agenda which is presented for action. Are there any questions or are there any items that need to be pulled for separate consideration? I request a motion and a second to approve the Consent Agenda.

Motion by Councilmember Pastor, second by Councilmember Harris.

Any discussion? Okay. Can I have a vote, please. Okay.

IT WAS MOVED BY COUNCILMEMBER PASTOR, SECONDED BY COUNCILMEMBER HARRIS AND UNANIMOUSLY CARRIED TO APPROVE CONSENT AGENDA ITEMS 1A-1D.

2. Report on Current Events and Suggested Future Agenda Items

Chair Adams said Are there members reports on current events or any agenda items for future meetings? Hearing none.

3. Next Meeting

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

Chair Adams adjourned the meeting.

Without further discussion, the meeting was adjourned at 1:50 p.m.

Information Summary

DATE **AGENDA ITEM 1B**
March 9, 2023

SUBJECT
Light Rail Vehicle (LRV) Steel Tires and Tire Block Kits Five-Year Supply Contract Award

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a five-year supply contract for LRV steel tires and tire block kits with Penn Machine Company in an amount not to exceed $1,800,000.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute a five-year supply contract for LRV steel tires and tire block kits with Penn Machine Company in an amount not to exceed $1,800,000.

BACKGROUND | DISCUSSION | CONSIDERATION
The lifecycle of a light rail vehicle is approximately 30 years. There are currently 49 Kinkisharyo light rail vehicles (LRVs) in the total fleet which have been in revenue service for 15 years

LRV wheels are manufactured by Penn Machine Company. The wheel consists of a steel hub, steel tire and rubber blocks. The design of the wheel allows for the removal and replacement of the steel tire without having to replace the entire wheel assembly. The tires are designed with steel that is softer than the tracks to minimize track wear. The LRV wheels are a normal wear component based on mileage and wear patterns.

The contractor will provide 160 LRV steel tires and tire block kits per year over the 5-year contract period. This is a materials/parts only requirements contract. All labor will be done in house by Valley Metro Rail staff.

The recommended vendor to purchase the tires from is Penn Machine Company and is a non-competitive procurement due to the company being the original equipment manufacturer (OEM). Valley Metro light rail vehicles are using Bochum tires which is a German design and Penn Machine Company is the only company in the US licensed to make and sell the Bochum products. The Bochum tires are manufactured in such a way that the entire tire is not of the same hardness and is designed around safety, ride quality and wear. This construction in combination with the type of rails that Valley Metro is running on with flange lubrication is what is giving Valley Metro the above average wear in the industry.They are also the only company with the knowledge and technical drawings to manufacture tires with the Valley Metro Rail tire profile.

An independent cost estimate and a non-competitive procurement justification including a cost comparison and price analysis have been completed. The proposed price has been deemed fair and reasonable based on the price analysis.

COST AND BUDGET
The cost for the LRV steel tires and tire block kits being purchased from Penn Machine Company is an amount not to exceed $1,800,000 over the 5-year term of the contract. The cost for the purchase of the tires and tire block kits is included in the Valley Metro Rail Adopted FY 2023 Operating and Capital Budget. Contract obligations beyond FY 2023 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2023 thru FY2027).

COMMITTEE PROCESS
RTAG: February 21, 2023 for information
RMC: March 1, 2023 approved
Board of Directors: March 16, 2023 for action

CONTACT
Rob Rosenberg
Deputy Director of Rail Maintenance and State of Good Repair
602-652-5081
rrosenberg@valleymetro.org

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 1C**
March 9, 2023

SUBJECT
Streetcar Vehicle Parts Supply Contract

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a five-year supply contract for Streetcar Vehicle parts requirements from Brookville Equipment Corporation in an amount not to exceed $1,000,000.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute a five-year supply contract for Streetcar Vehicle parts requirements from Brookville Equipment Corporation in an amount not to exceed $1,000,000.

BACKGROUND | DISCUSSION | CONSIDERATION
On April 20, 2017, the Board of Directors authorized the CEO to execute a contract with Brookville Equipment to manufacture and supply six Off-Wire Battery Propulsion Streetcar Vehicles, plus related spare parts for the Tempe Streetcar Project. Valley Metro currently has five vehicles in revenue service and the sixth vehicle to be delivered in the near future. The Streetcar contract does not include an adequate spare parts inventory after the vehicles are in service and warranty has expired. Therefore, a parts supply contract is needed to maintain the fleet moving forward.

The recommended award of the contract to Brookville Equipment Corporation is a non-competitive procurement due to the company being the original equipment manufacturer (OEM). The contractor will provide the supply of streetcar vehicle parts and components over the five-year contract period. This is a inventory replenishment contract. All labor will be done in house by Valley Metro Rail staff.

As Brookville Equipment is the Original Equipment Manufacturer (OEM) and provider of the six streetcar vehicles, they are the OEM/supplier of related spare parts needed for continued operation. The design of the vehicles and related parts are proprietary to Brookville. This in conjunction with manufacturing agreements that are in place make Brookville the only source Valley Metro can use for spare parts.

An independent cost estimate and a non-competitive procurement justification including a cost comparison and price analysis have been completed. The proposed price has been deemed fair and reasonable based on the price analysis.

COST AND BUDGET

The cost for the streetcar vehicle parts being purchased from Brookville Equipment Corporation is an amount not to exceed $1,000,000 over the five-year term of the contract. The cost for the purchase of the streetcar vehicle parts is included in the Valley Metro Rail Adopted FY 2023 Operating and Capital Budget. Contract obligations beyond FY 2023 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2023 thru FY2027).

COMMITTEE PROCESS

RTAG: February 21, 2023 for information
RMC: March 1, 2023 approved
Board of Directors: March 16, 2023 for action

CONTACT

Rob Rosenberg
Deputy Director of Rail Maintenance and State of Good Repair
602-652-5081
rrosenberg@valleymetro.org

ATTACHMENT

None

Information Summary

DATE **AGENDA ITEM 2**
March 9, 2023

SUBJECT
Valley Metro Rail, Inc. Fiscal Year 2024 (FY24) Preliminary Operating and Capital Budget

PURPOSE
To provide an overview of the FY24 Preliminary Operating and Capital Budget.

RECOMMENDATION
This item is presented for information.

BACKGROUND | DISCUSSION | CONSIDERATION
The Valley Metro Rail, Inc. (VMR) FY24 combined operating and capital budget (the budget) is $428.5 million (M). The preliminary FY24 budget has been prepared with the goal of delivering a fiscally prudent, balanced budget. The budget was developed in compliance with Board of Directors' adopted budget, financial and Transit Life Cycle Program (TLCP) policies.

The annual budget is prepared on a modified accrual basis and adopted by the Board of Directors each fiscal year. The legal level of budgetary control is the total annual appropriated budget. With respect to Capital Budgets, project contingency accounting is used to control expenditures within available project funding limits. With respect to Operating Budgets, encumbrance accounting is not used and all appropriations lapse at the end of the year. Prior to final adoption, a proposed budget is presented to the Board of Directors for review and public comment is received. Final adoption of the budget must be on or before June 30 of each year.

Budget Overview
The total operating budget of $108.7M represents a $14.4M (15%) increase from the previous year's operating budget of $94.3M. The total capital budget of $319.8M represents a $188.7M (37%) decrease from the previous year's capital budget of $508.4M.

Light rail operations, maintenance and security is increasing by 13 percent, or $9.0M. More than $2.1M of that increase is due to Northwest Extension Phase II commencing revenue service operations in January of 2024. Over $1.0M of the increase is for operations mainly due to annual contract rate escalations and a full year of the Board-approved operator wage rate increases. Additionally, maintenance of way increased by $3.3M due non-revenue vehicle replacements, increases in parts, and contract rate escalations for contractors and a full year of board-approved cleaner wage rate increases. Security costs are up by almost $1.5M due to annual contract rate escalations and a full year of the Board-approved wage rate increases. Support costs are up by $1.0M primarily due to increases in rail system maintenance planning needs.

Streetcar operations, maintenance, and security is increasing 7%, or $0.5M. This is primarily due to increases in maintenance of way and vehicle maintenance. Vehicle maintenance is increasing by $353,000 due to additional staff support, combined with increased labor rates. Maintenance of way is increasing by $394,000 due to increased labor rates, additional parts needs, and increases in contractual services.

Agency Operating is increasing $0.9M due to labor rate increases, related indirect cost allocations, combined with additional effort by executive leadership positions including Chief of Staff and Chief of Innovation. Also contributing to the increase is an increase in consulting to support Valley Metro's strategic planning.

The RPTA and VMR budgets are developed with a unified staff plan, with department managers planning the level of effort required to meet the bus and rail activities. Salary and overhead charges to bus and rail projects are based on actual time worked on each project. For FY24 there are 484 employees budgeted in the integrated agency, with 254 FTE's budgeted to RPTA/Shared agency activities and 230 budgeted to VMR only activities.

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

ATTACHMENT
None

Valley Metro Rail

FY24 Preliminary Budget Overview

March 2023

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Baseline: Light Rail Operations

	FY23 Budget	FY24 Budget
LIGHT RAIL OPERATIONS		
Passenger boardings	6,727,000	9,449,000
Service miles delivered	3,539,000	3,648,000
Gross Operating Costs	$ 70,130,000	$ 79,046,000
Fare Revenues	$ 5,000,000	$ 5,883,000
Fare Recovery	7%	7%

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Baseline: Streetcar Operations

	FY23 Budget	FY24 Budget
STREETCAR OPERATIONS		
Passenger boardings	408,000	408,000
Service miles delivered	163,000	163,000
Gross Operating Costs	$ 6,787,000	$ 7,285,000
Fare Revenues	$ 38,000	$ 135,000
Fare Recovery	1%	2%

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Uses of Funds: Project Development

($,000)

Uses of Funds	**FY24**
Capitol Extension	$1,707
I-10 West Extension	6,599
Rio East/Dobson Streetcar	1,223
West Phoenix	7,300
Northwest Phoenix	838
Capital Project Development Administration	527
Systems Planning & Project Development	1,000
Total Uses	**$19,194**

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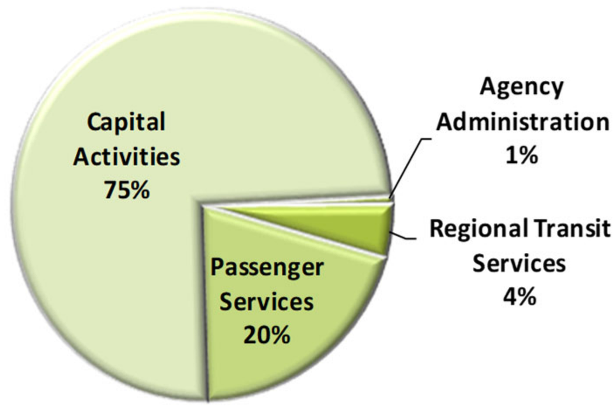
Uses of Funds: Operating & Capital

VALLEY METRO RAIL | VALLEY METRO



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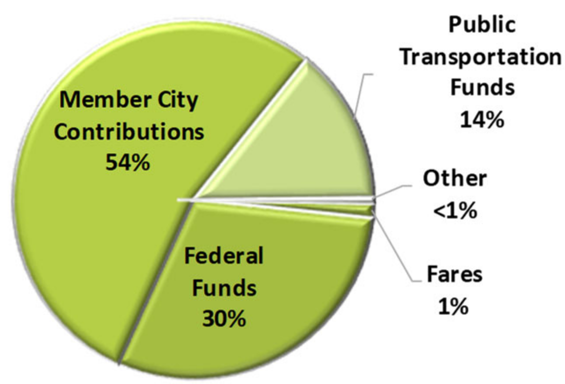
Sources of Funds: Operating & Capital

VALLEY METRO RAIL | VALLEY METRO



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Uses of Funds: Operating ($,000,000)

Uses of Funds	FY23	FY24	Change $	Change %
Light Rail Operations & Maintenance	$60.8	$66.9	$6.1	10%
Light Rail Security	9.3	12.2	2.9	31%
Subtotal Light Rail	*70.1*	*79.1*	*9.0*	*13%*
Streetcar Operations & Maintenance	5.8	6.3	0.5	8%
Streetcar Security	1.0	1.0	0.0	4%
Subtotal Streetcar	*6.8*	*7.3*	*0.5*	*7%*
Future Project Development	15.1	19.2	4.1	27%
Agency Operating	2.2	3.1	0.9	38%
Total Operating Uses	**$94.3**	**$108.7**	**$14.4**	**15%**

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Sources of Funds: Operating ($,000,000)

Sources of Funds	FY23	FY24	Change $	Change %
Advertising	$0.4	$0.9	$0.4	93%
Fares	5.0	6.0	1.0	19%
Federal Funds	5.9	1.6	(4.3)	-73%
Federal Funds - Covid Relief	33.0	0.0	(33.0)	-100%
MAG Funds	0.5	0.5	0.0	0%
Member City Contributions	40.7	83.1	42.5	104%
Public Transportation Funds	8.1	15.9	7.8	97%
Regional Area Road Funds	0.5	0.5	0.0	0%
Other	0.1	0.1	0.0	0%
Total Operating Sources	**$94.3**	**$108.7**	**$14.4**	**15%**

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Uses of Funds: Capital ($,000,000)

Uses of Funds	FY23	FY24	Change $	Change %
South Central/Downtown Hub	$313.3	$224.2	($89.0)	-28%
Northwest Phase II	153.5	55.7	(97.8)	-64%
Tempe Streetcar	10.6	0.1	(10.5)	-99%
Capital Extension	0.0	12.9	12.9	-
Gilbert Road Extension	2.0	1.3	(0.7)	-35%
OMC Expansion	1.1	0.0	(1.1)	-100%
Systemwide Improvements	12.9	8.9	(4.0)	-31%
State of Good Repair	15.1	16.5	1.5	10%
Total Capital Uses	**$508.4**	**$319.8**	**($188.7)**	**-37%**

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Sources of Funds: Capital ($,000,000)

Sources of Funds	FY23	FY24	Change $	Change %
Federal Funds	306.9	127.6	(179.2)	-58%
Member City Contributions	73.8	148.0	74.2	101%
Public Transportation Funds	127.8	44.1	(83.7)	-65%
Total Capital Sources	**$508.4**	**$319.8**	**($188.7)**	**-37%**

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Budget Schedule Dates

Committee/Boards/FWG	
February 21, 2023	Present High Level Budget to City Staff (FWG)
March	Present High Level Budget to Committees & Boards - for Information
March 21, 2023	Detailed Initiative Discussion with City Staff (FWG)
April 6, 2023	Detailed Initiative Discussion with AFS
April 18, 2023	Detailed Initiative Discussion & Present 5-Year Plans to City Staff (FWG)
May 3, 2023	Present Initiative Details to TMC/RMC
May 4, 2023	Detailed Initiative Discussion & Present 5-Year Plans to AFS
May 18, 2023	Present Initiative Details to Board - RPTA Study Session, VMR Agenda Item
June	Present Annual Budget and 5-Year Plans to Committees/Boards - for Action

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Thank You

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Information Summary

DATE **AGENDA ITEM 3**
March 9, 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
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