MEETINGS OF THE

Boards of Directors

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

Date:

August 17, 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

August 10, 2023

Joint Meeting Agenda
Valley Metro RPTA
And
Valley Metro Rail
Thursday, August 17, 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 Goodman, AFS Chair, will provide an update on the discussions and actions taken at the AFS meeting.

4. Executive Session	4. For action

The Joint Boards will consider a request to adjourn the Regular Meeting and hold an executive session pursuant to Ariz. Rev. Stat. §§ 38-431.03(A)(3) & (4) for discussion with the Chief Legal Officer for legal advice and to instruct the Chief Legal Officer on possible litigation.

5. Executive Session Action Item(s) — 5. For action

The Joint Boards will consider a motion to direct the Chief Legal Officer to proceed with possible litigation within the parameters set during executive session.

CONSENT AGENDA

6A. Minutes — 6A. For action

Minutes from the June 22, 2023 Joint Board meeting are presented for approval.

6B. Authorization to Issue a Competitive Solicitation for Insurance Brokerage and Consulting Services — 6B. For action

Staff recommends that the Boards of Directors authorize the CEO to issue a competitive solicitation for Insurance Broker and Consulting Services.

6C. Intergovernmental Agreement (IGA) between the Regional Public Transportation Authority (RPTA) and Valley Metro Rail, Inc. (VMR) – Fourth Amendment — 6C. For action

Staff recommends that the Boards of Directors authorize the Board Chairs to execute the IGA fourth amendment.

6D. Authorization to Issue a Request for Proposals for Armored Car Services — 6D. For action

Staff recommends that the Boards of Directors authorize the CEO to issue a Joint Request for Proposals (RFP) to perform armored car services for fare revenues collected at fare vending machines and bus garages for a three-year base term with two one-year options.

REGULAR AGENDA

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 Stipp 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, September 21, 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**
August 10, 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**
August 10, 2023

SUBJECT
Chief Executive Officer's Report

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

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COMMITTEE PROCESS
None

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

ATTACHMENT
None

Information Summary

DATE
August 10, 2023

AGENDA ITEM 3

SUBJECT
Audit and Finance Subcommittee (AFS) Update

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

BACKGROUND | DISCUSSION | CONSIDERATION
The draft minutes from the August 3, 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 August 3, 2023 AFS meeting minutes

Minutes

August 10, 2023 **AGENDA ITEM 3**

Audit and Finance Subcommittee
Thursday, August 3, 2023
Via WebEx/Phone
12:00 p.m.

Meeting Participants
Councilmember Clay Goodman, City of Buckeye – **CHAIR** (phone)
Councilmember Max White, City of Avondale
Mayor Brigette Peterson, Town of Gilbert
Councilmember Laura Pastor, City of Phoenix (phone)
Vice Mayor Jennifer Adams, City of Tempe (phone)

Chair Goodman called the meeting to order at 12:03 p.m.

Chair Goodman said good afternoon. I will call to order the Audit and Finance Subcommittee meeting of Thursday, June 8th. I see Mayor Peterson online. Thank you for joining us.

Do we have Councilmember Heredia online?

Ms. Dillon said Councilmember Heredia, are you calling user 2? No, he's not on the line.

Chair Goodman said I guess not then we're missing Councilmember Heredia and Councilwoman Pastor, but we do have a quorum.

Vice Mayor Heredia and Councilmember Pastor joined the meeting via Webex.

1. Public Comment

Chair Goodman said do we have any public comment?

Ms. Dillon said Mr. Crowley.

Mr. Crowley said two days ago, the governor signed into legislation $14.9 billion in projects to be funded by an extension of the sales tax of which you're going to get 37 percent of that 37 percent, 3 1/2 percent is going to go to rail and if somebody could do the math for me I'd really like to know how much that comes out to and then that divided by 20 so I could know per year. But then when I look at your agenda for today and the policies and that but to digress for a moment. With the only three and a half percent of the funding for the rail going to be coming from this organization or from the sales tax, I believe that we need to bifurcate the agencies just because of the way the funding is going to be done then by each of the cities to continue the rail and that because that money that your rail part is going to be getting that's just for maintenance and to keep the thing from rusting away, cars and track.

But in your document today on the adopted policies and guiding principles for jurisdictional equality will be maintained, I look in here and when it gets to the part, it says, jurisdictions with light rail capacity projects may request that portion of its bus go to the rail. And I've had a real problem with the aggressiveness that this system has had with the rail because when I'm looking at what you're going to be okaying and going through, I see how many parts where it said you budgeted how much and you spent how much and if it's on rail 100 percent, 100 percent, 111 percent, 116 percent. And then when it comes to expenditures for bus, 68 percent. Now, instead of you just spending that 68 percent you think with oh, yeah, you're going to be doing service changes that you could have spent some of that on getting the service changes that myself and others had and that was in the '06 document.

One of the roads was Litchfield, another was Queen Creek, where is that in your service changes. Why do you think you're doing the job?

Ms. Dillon said Chair, there's no other public comment today.

Chair Goodman said great. Thank you, Mr. Crowley.

Mr. Crowley said you're welcome.

Chair Goodman said just a reminder to all those present, the bill the Governor signed just places the question on the ballot. We don't have the money yet, so we're only half done. So appreciate your comments.

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

Mr. Olson said thank you, Chair Goodman, members of the Audit and Finance Subcommittee. I'm filling in for Ken Kessler today, so I will do my best. I'm Tyler Olson, sorry. Tyler Olson, Budget Manager, filling in for Ken Kessler the Chief Financial Officer.

Just a few items to provide updates on. Of course, our public transportation fund still trending over budget in a good way, right, more favorable than we had planned and same with prior year actuals. So that growth over prior year still in the positive although you can see that the growth was hovering around 10 to 11 percent through April, we're now around 9 percent growth so a little bit of pull back on that growth. So something that we'll continue to monitor as we move forward.

Financial Working Group update. We didn't have any meetings this last month, not a whole lot on the agenda so save some time there. But just want to note that the meeting this month we will be discussing the FY25 budget development timeline, so we do start that early and we'll be discussing that with them and then also, bringing that development timeline to this Subcommittee in September.

I just wanted to give an update also on the fare policy outreach. We did take the fare policy for information in June highlighting some of the future fare capping and pass type updates as well as the reduced fare account registration requirement in the new system, which will mitigate a lot of the abuse that goes on today with misuse of reduced fare and selling discounted passes.

Mr. Olson said so we are in the outreach phase right now and our outreach team is doing significant work that I want to keep you updated on. Online and phone surveys right now paired with some rider outreach, field intercept surveys. We did have a public hearing last night which I attended, and I was really enthused by the great input and questions from a lot of transit enthusiasts. They're really interested in the new technology. So our goal is to really create a diverse set of data, getting all different types of customers to really provide some responses and collectively, we've already exceeded our goal and we're at 2,000 responses to the survey so far so just over that. So a lot of interest, so that's a good thing. So don't have any specific data on that at this point, obviously, we still have a ways to go, but we will bring all that back through the October cycle.

And one final update, just wanted to welcome our Director of Contractor and Procurement, Jonathan Thacker. He's been here a few weeks now and we're excited to have him here. He will be responsible for the day-to-day management and operation of our procurement department so that includes planning, scheduling, monitoring, quality assurance of all contracting and purchasing activities and reporting to the CFO.

Chair Goodman said welcome, Jonathan.

Mr. Olson said that concludes my update. I'd be happy to address any questions that you have.

Chair Goodman said any questions for Mr. Olson? Very good. We'll give you a little bit of a break before your next two items.

3. <u>Minutes</u>

The minutes from the June 8, 2023, Audit and Finance Subcommittee meeting are presented for approval.

Chair Goodman said we have the minutes. Any questions or comments, additions, deletions to the minutes? Hearing none. Can I have a motion that we approve the minutes?

Motion by Mayor Peterson, second by Councilmember Pastor.

All in favor, signify by saying aye. Any opposed? Minutes approved. Thank you very much.

IT WAS MOVED BY MAYOR PETERSON, SECONDED BY COUNCILMEMBER PASTOR, AND UNANIMOUSLY CARRIED TO APPROVE THE JUNE 8, 2023 AFS MEETING MINUTES.

4. Report on Transit Life Cycle Program (TLCP) Policy Change Recommendation

Mr. Olson said yes, thank you, Chair Goodman, members of the Audit and Finance Subcommittee. So I'm here to discuss today the recommended Transit Lifecycle Program policy change. This is really a result of Board request as well as staff input so really just bringing that input back to you for this recommended change.

So, some of you may be asking, you know, what is the TLCP? Why do we need it? The Transit Lifecycle Program really governs the transit component of our current 20-year Prop 400 tax. It's a half cent sales tax effective January 2006 through December of 2025. Has distinct bussing and rail programs with guiding principles, procedures, Board policy. Policy is set by the Board for this, and it really ensures that the program is balanced over the life of that. So in the upcoming slides, I'll provide an overview of kind of the origin of jurisdictional equity also known as JE as it relates to the Great Recession, the reason why we're here to recommend this and the April Board policy change and clarification on the existing Prop 400 funds.

Mr. Olson said so this TLCP guiding principles were originally approved by the RPTA Board of Directors in 2005 and this policy change recommendation we can discuss today really relates to only guiding principle number 6 that is only applicable to the RPTA bus programs. It does not impact Valley Metro Rail at all.

So a few years ago after the Board approved those policies, the Great Recession of the late 2000's occurred so 2008, 2009 time frame. That was a very significant event for our Prop 400 tax. The original program anticipated roughly 5 billion in revenues and over the 20-year period that was really cut short by about $2 billion, so quite a significant event. Really resulted in the creation of the Transit Lifecycle Program Working Group and that group is made up of your city staff and really facilitated by RPTA staff. Their immediate scope was to propose policy changes to deal with that significant shortfall over the life of the tax. So, excuse me, the Board ultimately adopted a policy for jurisdictional equity to be maintained and established for these specific thresholds for jurisdictional equity.

So in June of '21, the Board requested that we explore some options to modify the existing jurisdictional equity policy. We shared those policy options with the Audit and Finance Subcommittee in January of '22 and some of those recommendations were: well, we could leave it as is no policy change, we could tighten some of those jurisdictional equity thresholds, we could loosen some of those thresholds or we could remove them entirely. Ultimately, city staff were asked to provide feedback on these options, we met with them, and the one consensus was they all really agreed that we should not allow any subregion to be over allocated which I'll talk about here in the next slide.

So with the current Prop 400 coming to an end at the end of calendar year 2025, we did received some clarification from MAG that the existing Prop 400 rules apply for any funds remaining from this current tax. So, you know, as we draw those down, we will continue to use the existing Board policies in place, you know, any future Prop 400 E would be under a different set of rules. So the main driver for updating this policy is really to ensure that no subregion is over allocated or spending more than they're receiving in the plan. It really doesn't make sense at the end of it.

So here's a snapshot of the current jurisdictional equity by subregion. It's based upon the most recently approved Transit Lifecycle Program that the Board approved in April. The total revenues for the 20-year plan are anticipated to be $1.5 million, that's that first column what's been allocated. So what's in the plan, what's in the forecast. And then column, next to that a total cost allocated. That's really what's programmed. So that leaves about 21.8 million on the table right now for future programming and you can see that all the jurisdictional equity is within our -- our current policy, which is plus or minus 2.5 percent. So what that means is, you know, each subregion can be a little bit over their allocation, a little bit under.

The proposed policy change that we're talking about today here. As I mentioned, the existing policy states that each subregion shall not exceed plus or minus 2.5 percent so right now, they can go into the red, they can spend more than they're getting. And, you know, based upon city staff input, the new policy that we're recommending tightens that up so that, essentially, no subregion can be over allocated at all. So essentially, they have to stay between zero and 2.5 percent to the positive, they cannot draw down more money than they have.

So the recommendation that I just mentioned is before you. That concludes my update and I'd be happy to address any questions that you have.

Chair Goodman said any questions for Mr. Olson? All right. Hearing none.

Councilmember White said Chair Goodman, I'm sorry. I didn't turn the mic on quick enough. It's Max, City of Avondale. Just taking a look and I know that you don't want us to be going in the red anywhere below that 2.5. I think that makes it challenging when we look at the subregions we have a 20-year plan that it looks like may not be looking at the growth of the West Valley where it is now and I do understand that these things have been put in forecast well before my arrival, but I'm just concerned that if we do go in the red that that might cause limitations to our ability to grow.

Mr. Olson said yes, so, you know, as of right now all of the subregions are within the existing policy as well as the recommended policy so no action would have to be taken, but, you know, with the -- this current set of money only going through December of 2025, we are not aware of anything that would push this over at this point in time.

Obviously, there's factors outside of our control like an economic downturn, for example that would not only affect the West Valley but the entire county potentially.

Councilmember White said the only thing I'm looking at is how we're moving form like I guess like our Zoom in Avondale to microtransit. What if we see a higher demand between now and within the first year of implementation. That would take us a little further than the, you know, it would still be before '25. So we might see that growth and it might be exponential when people have a loss and see the convenience.

Mr. Olson said so public transportation funds can only be used for regional routes. I'm thinking that potentially microtransit might not be eligible depending on what that looks like exactly for public transportation funding.

Ms. Mefford-Miller said happy to jump in. Yeah. If I may, Mr. Chair.

Councilmember White, so this is to cover Proposition 400 which is our current revenue stream. So at this time microtransit services and local services like the microtransit in West Valley are supported at the local level. We do need to have a conversation about what will be supported at a hopeful extension of Proposition 400 to your point -- not just to your point but because this is the way the system is evolving, and demand is changing and we do expect demand to grow both as customers understand the value of the service and as our West Valley communities continue to grow in population. It's not a perfect answer or complete answer, but for current year microtransit, the service is locally funded. Moving forward, we need to have a different conversation. And this impacts a number of our jurisdictions.

Councilmember White said thank you. I appreciate your acknowledgement and I understand. It is local right now, but I probably am thinking so far ahead and forecasting mentally. Thank you for being understanding.

Ms. Mefford-Miller said I think we all are and we're right to make these decisions about how we're going to operate service into the future and it's about how that service will be funded.

Mr. Olson said thank you for the question.

Chair Goodman said thank you for the question. Any other questions? All right. Thank you. And just as a reminder, this will be on the larger Committee meeting on 8/17 for action, so this will move forward.

5. FY23 4th Quarter Budget Review

Mr. Olson said thank you, Chair. Members of the Subcommittee just wanted to quickly walk you through our 4th quarter, so this is really our last quarter of the fiscal year that we're in and closing those out. Our target would be 100 percent if we're right on the money, literally, but I do want to note that these are still preliminary. It does take a while to close those financials out and our accounting team is finishing up some entries for that so these numbers will move slightly but I don't have any concerns on that.

So beginning with RPTA sources, revenues are right on target at this point just a little over at 103 percent excluding passthroughs to Valley Metro collectively at 100 percent. Fare revenues are exceeding the plan which is a good thing. That does lower member city contributions to annual IGA's as part of our reconciliation process.

On the capital side of things, 94 percent of revenues have been collected versus plan, so drawing those monies down.

Uses of funds. Operating budget's at about 90 percent excluding the passthroughs to Valley Metro Rail. Fixed route, we did have some higher miles in the budget than we actually realized really around the assumption of going into some pre-COVID express service that wasn't realized based upon meeting with your city staff and what they wanted to move forward with their annual IGA's and the service in your communities.

On the planning side, we do have some consultant work that's getting catch up. I think we have some final billings in there related to the //O and D study, that's origination and destination study. And on the regional services side, VIX call center implementation for our new FCSM trailing a little bit behind, but it is a capital implementation project so that's really expected.

The uses of funds on capital. You can see that we're a bit behind on fleet purchases and other projects. A lot of these things end up getting deferred into the following year budget. We go through this process, as I mentioned, we're about to kick of the FY25 process, so you'll see a lot of this carry forward into FY25 based upon delivery of fleet, you know, and all the technology that goes into that.

There is a handout associated with this presentation. I just wanted to mention a couple things. For our demand service program, our contractual expenditures are slightly above plan due to some of the implementation costs that have been accelerated. Regional services have a few minor variances as well. I'm not going to read each one of these. We've covered most of these in the last quarter, but the important takeaway here is we're well within each of the program budgets as well as the total operating budget, very well within plan.

As many of you know, we develop this budget nine months ahead of time and, you know, something has changed before the ink has dried so just minor, minor variances.
And then on the capital side, some trailing costs for the financial system hitting in FY24.

And sorry, this slide should say FY23 at the top, apologies, last quarter. So yeah.
And then on Valley Metro Rail, we do have some passthrough funds that are based upon Board policy that go to Valley Metro Rail for capital expenses. There's timing with those. Some are higher than plan right now. That is a multi-year project budget that's agreed

upon with the FTA and member cities. A lot of that local funding has to pay for the costs upfront before we get the federal reimbursements later and pay that money back. So overall, the capital budget is within plan.

Any questions on RPTA before I jump into VMR?

Councilmember White said one question with RPTA and the uses of funds, the regional fleet. I know some of the FY23 remaining to be spent, will we have any inflationary impacts in the fleet cost for things we haven't realize yet? Or is that factored in? Just for information only.

Mr. Olson said yes. For any existing contracts would have had predetermined pricing in there with, you know, potential clauses for escalation, but, you know, obviously, you know, this county has been hit the hardest in the nation with inflation and we've seen that throughout this budget year, for sure. So, you know, unfortunately, one of those things outside of our control but we do have a regional fleet management plan where we look at all the needs across the entire region, update these accordingly so that could be pricing, you know, any adjustments in next year's budget potentially. The good news is most of the fleet is funded 80 percent federal, so we maintain those grants and fund the local match with city PTF, so. Thank you for the question.

Chair Goodman said any other questions? Okay. Mr. Olson.

Mr. Olson said for Valley Metro Rail.

Same view of sources of funds for operating. Fares are doing even better than plan on Valley Metro Rail exceeding our annual budget by 1.9 million. Again, that's a great thing because it reduces the member cities contribution, especially on the rail side, it's 100 percent locally funded other than federal that we get. So overall, sources collected at 88 percent so far.

Capital side of things. Again, still waiting on some final adjustments for some federal money that we received. Obviously, member city contributions and PTF. Those, again, some of those, again, front some of those capital costs before we can get those federal draw downs. It's really just a timing issue. We work with City of Phoenix to get those draw down collections and being a multi-year budget, we are totally within the project budgets for all the extensions.

Uses of funds on operating. 81 spent to date. We do have some underrun in operations maintenance. That's really for light rail and streetcar. We had planned on a significantly higher liability insurance rate in our budget knowing that the market had really tightened up on insurance and we are self-insured on the light rail side of things. That didn't actually realize, so that was nice. The quotes came in a lot less than planned so that is savings.

Also, had vacancies throughout the year which have improved with some of the adjustments that have taken place. So on the future project development side of things, some of those pre-capital activities tend to lag a little bit. So I expect there to be some underrun there.

On the capital side of things. 61 percent spent to date. Plan I think was a little more aggressive than realty. Some of those billings may still come in a little bit here, but I know our South-Central project will likely move some of these costs into our '24 budget through a mid-year adjustment, but again, these are predetermined multi-year project budgets, we're still within plan on that. So I do anticipate likely having something to bring to the Board in January.

Again, these are really some of the same variances that we saw last quarter. Each one of these programs is within budget as well as the overall operating budget many around fuel prices, escalation kind of the inflationary stuff.

Capital side of things. Again, there's really no updates from the last quarter, so I'm not going to read all those.

But I'd be happy to address any questions anyone has.

Chair Goodman said questions on VMR? All right. Hearing none.

6. Fiscal Year 2024 Audit Plan

Chair Goodman said moving on to the I think really the meat of what it is we do on this Committee. I think just I'm going to take the opportunity to say I'm a big fan of audits. Say that with all seriousness because this is a chance for us to take a look at the operations and identify where those shortcomings are and be proactive in how we address those things. So I always look at it as an opportunity to improve. So with that, let me turn it over to Sebrina who will give us an overview of the plan for next fiscal year.

So Ms. Beckstrom.

Ms. Beckstrom said thank you, Mr. Chair. Members of the Committee. Chair Goodman also asked me to go over a little bit of some background on Internal Audit and what we do, so I'll start there and then we'll go into the Audit Plan.

Defining Internal Audit, I have up here on this screen the definition of Internal Audit as set by the Institute of Internal Auditors. And that is an independent objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systemic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. So Internal Audit is designed to provide unbiased insight into an agency's operation for its board of directors and organizational management.

We, at Valley Metro, do that by planned audits as well as special requests from board members and also from our CEO. Jessica has been a big champion of Internal Audit as well and has asked for our services since she's been here.

Internal Audit work exists to reduce and mitigate risk and recommend potential improvements to performance and controls.

So the Internal Audit at Valley Metro abides by national auditing standards in completing a variety of tasks each year. These tasks include things like, as I mentioned before, the objective insight for the board and the CEO. We do this by reviewing standards and best practices and recommending improvements in efficiency of operations, continuously evaluating risks, assessing organizational controls and ensuring compliance with any applicable regulations.

So this year, we conducted our continuous risk assessment process. We usually do an annual risk assessment, but I'm kind of always assessing risk so we call it a continuous risk assessment process, which included prioritizing potential audits based on risk once we got that risk assessment process complete. We selected those audits for inclusion on the audit plan based on available audit resources. Right now, there are two of us. We have one additional staffer starting Monday and we have two open positions, so we're hoping to be fully staffed soon.

So the audit plan that you have before you has a series of audits that we plan to complete in this next year and that's just in the packet, the whole plan. It has a series of audits and special projects that we plan on completing. One that I wanted to draw particular attention to is that I plan on completing an Internal Audit self-assessment where I'm gonna go review all of our work for the last couple of years in preparation for our peer review that will come up. I think we can sit for our peer review (Indiscernible) but to prepare for that we self-evaluate, so that will take some of my time this year. So that's on one of our (Indiscernible) and that's more to make sure that Internal Audit is also following standards and best practices because we can't audit ourselves, but being auditors, we need to make sure that we're doing the right thing.

Councilmember White said Chair Goodman, Sebrina. Are you using Red Book or Yellow Book standards?

Ms. Beckstrom said Red Book.

Councilmember White said thank you so much.

Ms. Beckstrom said (Indiscernible) and then if there are any questions on any of these audits that we have on the plan, I'm happy to take those.

Chair Goodman said any questions about the plan? Okay. Hearing none.

Chair Goodman said very good. Any other questions or comments? This item is for action so can I have motion to approve the fiscal year 2024 Audit Plan?

Motion by Vice Mayor Adams, second by Councilmember White.

All in favor, signify by saying aye. Any opposed? Motion carries. Congratulations, Sebrina. Go forth.

IT WAS MOVED BY VICE MAYOR ADAMS, SECONDED BY COUNCILMEMBER WHITE, AND UNANIMOUSLY CARRIED TO ACCEPT THE FISCAL YEAR 2024 AUDIT PLAN.

7. <u>Internal Audit Update</u>

Ms. Beckstrom said for the next item, Mr. Chair, I'm calling Larry Kondrat, our Internal Audit Manager to the podium to present on this item.

Mr. Kondrat said thank you, Sebrina. Thank you, Mr. Chair and members of the Subcommittee.

I want to report out on a completed internal safety and security audit for element 19 which has to do with a hazardous materials program. ADOT requires us to complete 27 internal audits every three years and safety and security elements. And we completed number 19 last month, issued the report on July the 14 and in progress, we're conducting internal safety and security audit number 20, which has to do with the alcohol and drug program. And these safety and security audits apply to light rail. So yeah, we do on average nine per year in addition to our regular auditing.

In progress right now, we're finishing up test work on credit card transactions for quarters 3 and 4 and also, for the annual travel expense and reimbursement audit. So we should be wrapping that up shortly and present out to you next month.

Audit recommendations update. One recommendation was implemented in the last month. That was from the Finance department, and it had to do with a fare administration audit. With the limited amount of pass inventory that we keep on hand at the administrative office, they developed written procedures for the physical safeguarding of them and also, written procedures on the ordering of passes by Valley Metro staff.

And there are currently 15 recommendations in progress. Nine of those have to do with the operator certification and labor audit that we completed earlier this year. There's been a lot of personnel changes in the departments that are responsible for implementing the recommendations, so Internal Audit is currently working with the different departments and we're developing plans to move forward.

And that's about all I have with the recommendations update. That concludes all our updates and I'd be happy to answer any questions that you have.

Chair Goodman said any questions on the update? Okay. Hearing none. Thank you very much.

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

Chair Goodman said for information only. And then just a note, I think Pat sent an additional item via email since the agenda came out so just a note that that was to be attached to this agenda item. I'm not sure who has this item or if there is any?

Ms. Dillon said Chair Goodman, that item goes in this section as it is the East Valley Fixed Route Contract Award that will be presented to the Board at the August board meeting. So it goes with this group of memos that if your staff or any of the Board members have any questions, they can reach out to us directly. We don't need to address it specifically at this meeting.

Chair Goodman said I appreciate you keeping me on track. Thank you.

10. Report on Current Events and Suggested Future Agenda Items

Chair Goodman said anybody on the Subcommittee wish to share anything? Crickets. All right. I do have a couple of things.

I just want to thank everyone. The opportunity to serve as chair of this group and appreciate your patience today as we kind of muddle through the agenda. My apologies to everybody for not being there in person but as you can see the picture behind me, Buckeye just cut the ribbon on a new park so you're all welcome to come visit. You're all on mute, right.

Councilmember White said thank you for the invite.

Chair Goodman said a lot of money has been invested in this park. Did have the opportunity through NLC to visit Seattle/Tacoma a couple weeks ago and got around on public transit and what an incredible system that is and I don't remember what the dollar amount that they're investing but it's I want to say around $30 billion. But it just gave me an idea of what Valley Metro could be and I think with Prop 400 going on the ballot that we have an opportunity to grow into a system like that.

Just want to thank Jessica and her staff for all the hard work and late nights and weekends to help get that bill through the legislature and to the Governor's desk and just, as I said when we started the meeting, that's only half the battle. It goes on the ballot; we do need to get it passed so there's more work to come on that. But thanks to Jessica and her team for doing everything.

And the last item and I know the ink's still wet on my appointment as chair, but I need a pro tem for the next meeting. I'm going to be on a boat at the bottom of the Grand Canyon, so they tell me Zoom doesn't work down there. So if there's somebody that can chair our next subcommittee meeting that would be great.

Councilmember Pastor said I can do it. This is Councilmember Pastor.

Ms. Dillon said Councilmember Pastor still serves as City of Phoenix representative and she has a permanent seat on AFS. So the Councilmember is willing and we'll set you up.

Chair Goodman said great. Good to know. I appreciate it. Thank you, Councilmember. Anything else for the good of the order. Again, thanks to staff for pulling this together and with that, we are adjourned.

The next meeting of the Audit and Finance Subcommittee is scheduled for September 7, 2023, at 12:00 p.m.

The meeting was adjourned.

Without further discussion, the meeting was adjourned at 12:46 p.m.

Information Summary

DATE **AGENDA ITEM 4**
August 10, 2023

SUBJECT
Executive Session

PURPOSE
To enter into Executive Session

RECOMMENDATION
The Joint Boards will consider a request to adjourn the Regular Meeting and hold an executive session pursuant to Ariz. Rev. Stat. §§ 38-431.03(A)(3) & (4) for discussion with the Chief Legal Officer for legal advice and to instruct the Chief Legal Officer on possible litigation.

CONTACT
Michael Wawro
Chief Legal Officer
602-262-7433
mwawro@valleymetro.org

ATTACHMENT
None

Information Summary

DATE
August 10, 2023

AGENDA ITEM 5

SUBJECT
Executive Session Action Item(s)

PURPOSE
To take action on items discussed during the Executive Session.

RECOMMENDATION
The Joint Boards will consider a motion to direct the Chief Legal Officer to proceed with possible litigation within the parameters set during executive session.

CONTACT
Michael Wawor
Chief Legal Officer
602-262-7433
mwawro@valleymetro.org

ATTACHMENT
None

Minutes

August 10, 2023 **AGENDA ITEM 6A**

Joint Boards of Directors
Thursday, June 22, 2023
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

(This Board meeting followed a Study Session that began at 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 (phone)
Councilmember O.D. Harris, City of Chandler
Councilmember Monica Dorcey, City of El Mirage (phone)
Vice Mayor Peggy McMahon, Town of Fountain Hills
Councilmember Lauren Tolmachoff, City of Glendale
Councilmember Francisco Heredia, City of Mesa (phone)
Councilmember Jon Edwards, City of Peoria (phone)
Councilmember Kathy Littlefield, City of Scottsdale (phone)
Councilmember Aly Cline, City of Surprise
Vice Mayor Jennifer Adams, City of Tempe
Mayor Michael LeVault, Town of Youngtown (phone)
Mayor Rui Pereira, Town of Wickenburg (phone)

Members Not Present
Mayor Brigette Peterson, Town of Gilbert
Supervisor Jack Sellers, Maricopa County
Vice Mayor Jeff Brown, Town of Queen Creek
Councilmember Aldofo Gamez, City of Tolleson

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

Chair Pastor called the meeting to order at 1:04 p.m.

Chair Pastor said welcome to the Valley Metro RPTA and Valley Metro Rail. Welcome members to the June meeting.

Pat, will you take the roll?

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

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

Ms. Dillon said great. Thank you.

Chair Pastor said 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. <u>Public Comment</u>

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 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.

Ms. Dillon said Shannon McBride.

Ms. McBride said thank you for this opportunity to speak. My name is Shannon McBride. I am a native born and raised in Phoenix and I currently run an organization called 19North Community Alliance and I have been doing work along the alignment of Northwest Phase I and now Phase II for about ten years now and my primary role is to build collaborations with city office, police, businesses, schools, neighborhood groups to make communities safer. So we've done a lot of things in the ten years that we've been working together and I have considered Valley Metro a partner the whole journey. Adrian and Hillary and Don, we've been in this journey the whole time. And I wanted just to say first thing, I'm very encouraged by what I'm hearing at today's meeting.

The perspective that I bring is really not so much from riders but communities along the light rail, businesses along the light rail and the concerns that they are expressing to me regarding safety. So those same problems that happen on light rail end off coming off light rail into the communities that are adjacent.

I want to also recognize we are in the middle, as a nation, of a fentanyl crisis. We really are. And everybody's feeling it. So this same things that I'm going to be sharing with you I share with every business. Like, every business is having to make adjustments to improve the safety of their businesses from hiring security to adding fencing to closing doors and make one entrance. Like, this is our new reality as a city. So what the light rail is saying and what I'm hearing with the safety improvement, it's the same thing. It's just a big, long business that runs through the city of Phoenix, but those same adjustments are necessary to keep the system safe.

I want to say that I have four things that I would recommend, and I was encouraged because I could hear them in the presentation so that was exciting for me. Certainly, as I would say to any business, focusing on CPTED. How are we creating those stations, what are we doing on the light rail or around the light rail that can deter criminal activity and I'm talking about drug related crimes because I believe that is what's hurting our communities the most is this fentanyl crisis and the drug related crimes that we all are having to deal with every day. So CPTED principles continuing to use those.

I do believe that we need legal enforcement and that is our Phoenix PD. Right now, my understanding is that there are eight different transit positions in PD that have been funded that are open and I know hiring is hard, I get it, but let's take advantage of those funded eight positions that are for transit. Let's get them hired and let's partner with them to make our system safer.

I also would, as you said, partnering with outreach organizations similar QT is actually paying a non-profit called Phoenix Rescue Mission to do outreach at their stores. So that same sort of intentional contracting to make sure that we're offering services to those who are in crisis, I would highly recommend.

And then I do think increasing touchpoints for customers and that starts with ticketing. From the very beginning, customers need to buy a ticket. That's just part of how we bring the security for our buses and our light rails. And then all along the light rail process having connection with people so that there's visibility of not only security but, as you mentioned, hosts and people that are eyes and ears that are keeping an eye on the line.

So I heard those things I -- some of what I hear today so I'm very encouraged. I am here to partner. I'm a proponent of light rail and I want to make it as vibrant as safe as we possibly can and I'm here to partner to make that happen and to do whatever I can to help. So thank you for your time.

Chair Pastor said thank you for being here.

Ms. Dillon said Mr. Crowley.

Chair Pastor said Jessica, can you get Councilmember OD Harris would like the information from Shannon McBride, her information. Thank you.

Mr. Crowley said well, good afternoon. I love the survey you did, and I asked how many Karens that were talked to on it. I find it fascinating that you expressed that the survey was 50 percent full-time employment and 50 percent white. Well, I was just on the rail, and I know there was one white guy on there, but my car was not 50 percent white and -- or white male and when you say that you got a cross section of it, you're right, Glendale. I don't see where it says these were the ones that they did. It says here light rail and on streetcar. Goodyear, Park and Ride, is there a streetcar and a rail there? I know we got a railroad that goes through there but how is it that you're doing what you're supposed to be doing there?

Also, when it comes to the ridership and making sure that people are paying their fare, why do we have it at 65 for the elderly. Why haven't you dropped it to 55? When you also say that we're destination bound. Right now, it's going to be, what, nine minutes of exposure out in the sun until it's injurious to your health. So the problem is that the destination some of our homeless need is to get out of the sun. Riding back and forth on it, that's a crime? And you want to put police on the buses. Well, it used to be that police and fire rode the bus for free. That was their way of making sure that the police were a part of the equation. Well, you could do that again.

But I ride the bus. You're going to put a cop on the bus. Why? Am I a crime? Just like the homelessness. So is it not just homelessness but ridership that is criminal. Instead of, you know, one of the things that happened is when there's overcrowding on a bus that we do get some of those hostilities and your answer is we'll put a cop there. What you need to do is get more buses out there. What you need to do is keep on expanding the system. In your budget, you're going to replace 419 buses over the next five years.

Where's the new buses? Where's the expanded service? Where is Avondale fully covered by bus service on the grid? Where is Glendale fully covered on bus service on the grid? Where is the bus going to Wickenburg? When is that going to get re-established but what you find to be most important is we got to get more cops because Ms. Ruiz says we got to make it safer.

Like I said, how many Karens did you talk to?

Chair Pastor said thank you, Blue.

2. Executive Session

Chair Pastor said I would like to speak to Michael Wawro. I know I'm saying it wrong. Do we have to go into Executive Session for this?

Mr. Wawro said Chair, no, you don't. The item is noticed on the public agenda. If the Board would like to enter into Executive Session, it would be done on a motion, a second and a vote. If there's no need for the Executive Session, it can bring up the action item in a motion and we can just take a vote on it.

Chair Pastor said item number 2 and 3. Go ahead.

Councilmember Harris said just before we go into that decision, wanted to know like historically, how has it historically been done if we're stepping out of what the decorum typically is? So I just kind of wanted to know that.

Councilmember Stipp said Madam Chair if I may. Councilmember Harris, we typically go into Executive Session to discuss the matters that we discussed last month. So this is a duplicative Executive Session of what we did last month. So before you is the draft item, contract amendments that we talked about last month. If we need to go in, we certainly can, but if not, we can just move to Item 3 that just makes the contract changes. So we're not doing anything out of the norm. So did I get that? Since I didn't go to law school, did I get that?

Mr. Wawro said Madam Chair and Board member Harris, I can confirm that there were not any changes to the amendment that were not already discussed in the last Executive Session.

Chair Pastor said so this item we discussed in the last Executive Session.

Councilmember Harris said Wait. I'm sorry. (Indiscernible) the reason why I mentioned it is because wanted to make sure that we, you know, attorney-client privileges happen when we push stuff into Executive Session. We lose some of that privilege when we take it out. Just kind of wanted to make sure that there was still that layer of protection. That's I specifically mentioned it. Thanks.

3. Executive Session Action Item(s)

Chair Pastor said item 2 and 3 is an item that we discussed in our last Executive Session. We had a conversation in our last Executive Session about the CEO employment agreement and we in our last Executive Session, we made some amendments, or we discussed these amendments and now it's up to a vote.

If anybody wants to go into Executive Session, we can go into Executive Session or else I'm going to take it to a vote. Any comments from the virtual space? All right.

Motion by Vice Mayor Adams, second by Councilmember Tolmachoff.

Any discussion? All right.

All those in favor, please say aye. Do I hear any nays? No nays. Ayes carry. Item 2 and 3 have been passed.

IT WAS MOVED BY VICE MAYOR ADAMS, SECONDED BY COUNCILMEMBER TOLMACHOFF, AND UNANIMOUSLY CARRIED TO APPROVE AMENDMENTS TO THE CONTRACT FOR VALLEY METRO'S CHIEF EXECUTIVE OFFICER.

4. Chief Executive Officer's Report

Ms. Mefford-Miller said thank you, Madam Chair, members of the Board. I'll invite Erin Kuneyl of our planning department to deliver a presentation to you. This is a performance report that is retrospective. It ends for the period ending June 30th of 2022. The data I presented to you is of the last several months and in May in next month's packet, you will receive a quarterly report that does contain more recent information. Erin.

Ms. Kuneyl said thank you, Jessica. Madam Chair, members of the Board, I am Erin Kuneyl and I am here to present the Transit Performance report for fiscal year '22. As a reminder, this is a report that includes regional data for fiscal year '22 that spans from July 1st of 2021 through June 30th of 2022.

During that time, we saw in increase of totals boardings of about 14 percent. 70 percent of those boardings were found on the bus. Valley Metro Rail sees 3.77 boardings per mile which gives it the highest of any mode. Paratransit trips have a high on-time performance of 90 percent and van pool users pay an average of $5.18 a trip giving it an 86 for farebox recovery.

After seeing a decrease in ridership, we are seeing an upwards trend from fiscal year '21 of over 4 million riders.

Operating costs continue to climb from fiscal year '21 to $8.35 due to contract changes and the overall increases such as fuel costs.

I will now speak on bus trends followed by the rail and the streetcar. Bus boardings went up year over year 2 million riders or a 10 percent increase. After losing ridership due to COVID for the last two years, we are seeing a weekly ridership have a 14 percent increase. While weekday ridership is up, we are still seeing a decrease in Saturday boardings at around 5 percent. Local service is still down while circulators are trending upwards. Sunday boardings similar to Saturday we are seeing a small decrease at around 5 percent. After reinstating front-door boardings in the early months of fiscal year '22 we are -- we saw different riders taking extra trips on Saturdays and Sundays which we see less of an impact on the weekday trips. The average fare collected per trip is up to 65 cents which is on par with fiscal year '20. Front-door boarding was reinstated on October -- in October of fiscal year '22 giving fiscal year '22 nine months of fare collection. On-time performance is down from fiscal year '22 as post-traffic COVID returns to the road. As Jessica mentioned, Valley Metro is currently conducting a runtime analysis to increase the on-time performance.

I will now speak on the rail trends followed by streetcar. Rail saw a 30 percent increase from fiscal year '21 which is the highest of any mode. The average fare collected per trip is up from fiscal year '21 to 62 cents. We saw an increase of fares purchased post-pandemic compared to the pandemic levels. On-time performance is down to 72 percent. During this time, single tracking was put into place for construction for nearly three months. Valley Metro was proactive and adjusted the schedule which is more recently reflecting higher on-time performance and operations is working with cities for signal time changes.

Streetcar started service on May 20th giving it 42 days during fiscal year '22. In that short amount of time, we saw just over 60,000 boardings with ridership growth since then.

And lastly, paratransit trends continue to see a high on-time performance sitting just over 90 percent while seeing a decrease in operating cost per revenue hour. We are seeing a higher transition towards Ride Choice because of the benefit that it provides for the rider.

And that concludes my presentation, and I will take any questions.

Councilmember Stipp said I'll be really brief. You don't have to go back, but just if board members have their packets. Slides 3 and 4, which is the ridership significant decrease and the cost per operating mile which is seeing an increase. That has been a problem for the organization for a number of years. We've been working very closely with the staff from the Audit and Finance Subcommittee perspective on how we bring the cost per mile down while we're going through this operational period. I think just to kind of reassure everybody and hopefully, Jessica won't disagree with this statement, all of these studies that we're getting ready to do are really geared at both of these: Increasing ridership and bringing our cost per mile down. Kind of just to make sure that we are running as efficient of an operation as we possibly can and that has really been the goal of the Audit and Finance Subcommittee for the last three or four years anyway to try to bring those two pieces together so that we can be a financially sustainable model going forward. So for those of you that are new to the Board know that this is not brand new information but we've been working very hard on it. And now, as an organization, we are taking very positive steps forward with the implementation of the studies that we have previously approved going forward for this next fiscal year.

Chair Pastor said thank you for your work.

5. Legislative Update

Ms. Mefford-Miller said thank you, Madam Chair, members of the Board. I want to provide an update and create opportunity for discussion around the very important topic of renewing Proposition 400. As you're all aware and we've been pushing out news articles and updates, last week on Tuesday, June 13th the House and the Senate voted and passed Senate Bill 1246 which was a partisan and unworkable extension of Proposition 400. Now, that occurred on Tuesday and I want to tell you leading up all the way up through Saturday, the previous Saturday morning, we thought we were in a good position. We have been negotiating and meeting with Senate and other legislative staff for many months now, but this particular bill was born out of 11th hour negotiations between their own members. It resulted in a product that differed greatly from the language that Governor Hobbs previously worked out with Republican leadership.

Senate Bill 1246 would call for two separate ballot measures placed on the Maricopa County ballot bifurcating road and transit measures. Shortly after the bill passed, Governor Hobbs issued a statement indicating that she would veto the bill. She did indeed veto the bill yesterday. In her veto letter, some of the statements she made was that Senate Bill 1246 fails to meet the everyday needs of Arizonans. Instead, a minority of legislators unilaterally crafted a plan going against the public's desires and weaponized the very roads on which everyday Arizonans rely to get to work and improve their transit experience. Moreover, this regressive plan jeopardizes not only Maricopa County's economic vitality but that of the entire state setting Arizona back for decades.

At this moment, the Legislature is in recess until July 31st. We don't know yet if a modified version of the bill will be heard by the legislature. We've been continuing to work very closely with MAG, with our city stakeholders, dialoging with this Board. I remain optimistic, disappointed but optimistic that we'll find a path forward. Hopefully, through the legislature. If not, we would need to bypass the legislature and take the ballot directly to the state focused on an initiative that would free Maricopa County from legislative approval for ballot initiatives for its voters. Again, this isn't Valley Metro or this body that is making that decision but we're working closely in concert with MAG and with our member cities. And as you all know, Maricopa County is the only county in Arizona that has to gain legislative approval before going to our own voters.

Finally, we know that the Momentum Plan, the people's plan has overwhelming support from the people of Maricopa County, it has unanimous support from every single Valley mayor and the leadership of MAG, and I believe that plan and program has the support of this Board as well.

At this point, I want to invite discussion on this important topic.

Councilmember Harris said thank you. Thank you so much, Chair. Also, I just kind of wanted to add on top of what you shared that there was a recent statement that was put out about Proposition 400 statement. The people that signed this statement was Mayor Kate Gallego of Phoenix, Mayor John Giles of Mesa, Ken Weise of Avondale, Kevin Hartke of Chandler, Cory Woods of Tempe and Brigette Peterson of Gilbert. And basically, some of the same sentiments was as the mayors of some of the largest cities in Arizona we have been advocating for an extension of Prop 400 because it's the largest economic development plan in our state's history to ensure our continued vibrance as a region and presents comprehensive transportation options that benefit all Maricopa County residents and businesses. Unfortunately, just to your sentiment, a very small group of lawmakers including legislative leaders in the House and Senate are refusing to let Maricopa County residents vote on this plan at the ballot box despite years of public planning and unanimously endorsement of the region's 32 mayors and tribal leaders are significant concessions more than 30 in all have included more freeways and cuts to other transit including limiting light rail expansion. This uncompromising band of lawmakers is blocking a comprehensive transportation plan that benefits all the Valley residents and will ensure the regions transit infrastructure is built to support rapid future growth.

So I just kind of wanted to read that. I actually posted it on my Twitter. I re-tweeted it and stuff. It's just to the sentiment of how much, you know, how far is the legislators willing to go to block such an effort that the people really want. It's not even, you know, at this point, you know, I go out and I talk to many people. It's not even us anymore. It's literally the legislator have made it their decision, their own decision to create this atmosphere of unwillingness to work and cooperate in. And it's sad. It's a sad day when the people are not heard, and their voices are not lifted through the people that they voted for. And I'm just disappointed. I'm really disappointed and as a person that is local and person that's on the boots on the ground all the time, the legislators can do better than what they're doing. But they choose not to do better and I don't, you know, this is not about partisanship, this is just about people, you know, and so I want -- it's unfortunate, but I stand what my mayor signed and I'll continue to advocate to see this thing through as many of those that's listening or re-broadcasting this will do the same. Thank you.

Councilmember Tolmachoff said thank you, Madam Chair. You know, I know some of us have been, you know, maybe a little more involved than others and it became obvious, right, I mean, we were literally thought we were on the verge of being able to, you know, secure the support that we need to move this forward it became obvious that there were some trying to undermine putting out false narratives of Valley Metro's position on certain things. It's just become, I think, glaring apparent that we thought we were negotiating in good faith and that turned out not to be the case which is really a shame because as Councilmember Harris said this is about real people about their real life their real ability to be able to get where they need to go. This is not some gamesmanship opportunity for people to prove political points. This is about real people and it's really a shame that people see this as an opportunity to (Indiscernible) to get, you know, likes on Twitter and things like that. This is just really, really sad that that's what this has come down to.

I hope and (Indiscernible) by the way, Mayor Ken Weise was on the radio this morning and did a fantastic job as the MAG chair and basically, kind of graciously, but still called out the opposition and said that, you know, we have negotiated that there's been lots of negotiating. The negotiating has all taken place on this side of the ledger. And that we are still trying to work a deal so hopefully, the other side will come back to the table in good faith, but this is not a game. I wish they really understood that this is not about, you know, political moving yourself forward politically. You represent everybody not just us but the people at the legislature they represent real people and I hope that somehow, we can get that message to them. Thank you for the opportunity to speak.

Vice Mayor McMahon said good afternoon. I concur with my fellow board members. It's been really, really frustrating to go through this process. I'm sure for you and everybody else but my question is and I feel as though this is being purposely done and I feel like they're pushing it out and pushing it out and pushing it out to force us to take a different action and to even prolong eventually having the voters decide for Prop 400. So I'm asking about the consequence of that to Valley Metro and the funding and perhaps a timeline if that happens and the plan that you have for remedying that situation so that the voters can speak and vote in Prop 400.

Ms. Mefford-Miller said thank you, Vice Mayor, Madam Chair, members of the Board. For our part, Valley Metro continues to advocate on behalf of funding the transit system. We continue to work alongside our colleagues at MAG to participate in conversations. We're not directly negotiating. We are providing over and over information that has been requested. We are prompt, we are thorough, and we are professional in each of our dealings.

With respect to the expiration of Proposition 400 on December 31st, 2025, as we march closer to this and certainly, if we don't have the opportunity to go to our voters in calendar year 2024, we will tighten our plans for potentially reducing service. We're already experiencing some project impacts. Not as much as the highway side. All of those highway projects in Proposition 400 as envisioned, it's mostly highways and arterials. Right-of-way acquisition has been suspended causing those project costs to increase and putting more burden on the taxpayers for the very same projects that were included in the original plan.

For our part, the failure to continue Proposition 400 would result in halting planning and design on the Capital Extension which is the light rail expansion along I-10 West, the most congested interstate corridor in our Valley, but perhaps more immediately and more importantly it would demand that Valley Metro and member cities come up with different ways to fund our local bus service and our paratransit service else we would be forced to discontinue that service.

I am so optimistic that the leadership of our region and the voters in our communities are not going to let that happen. It is too important to cease investing in transportation infrastructure and mobility services in the fastest growing county in the country right now. The very thought of that is incredibly irresponsible. So while it has been frustrating and I remind our team and our stakeholders of this every day. We're going to see our way through that. The service we provide is too important to the people and the families that we serve in communities across the Valley. Same is true of the projects and programs that are included for highways, arterials, innovation, and other investments.

Chair Pastor said Councilmember Aly Cline and then Councilmember White and then Vice Mayor Adams.

Councilmember Cline said thank you. A number of us in the City of Surprise have regular meetings with our constituents and with the assistance of Jody Tas who is our intergov, we have presented the information about the risks of not approving 400 Extension and provided everyone who asked and some who maybe didn't ask with a list of their legislators and a sample letter that they could write so that they didn't have to work at it except to write it and send it and I have to say that in my district, we have had a great outpouring of folks who have reached out to their state representatives that are involved in this process to say this is something that we want and I know that all of us in the City of Surprise are actively working with our residents to make sure that that feedback is getting to our legislators so we are in support of this process. Thank you.

Councilmember White said thank you so much, Madam Chair. CEO Mefford-Miller, I really appreciate everything you and your staff have done to keep us educated and abreast of all of the different changes and the forums that the state legislature have taken a look at transportation and 400 E extension. I think as Arizonans, we all need to be very cautious and concerned that the legislature is still extending their term so they will go back into session in July which puts us all at the back end of anything that this legislative session has accomplished won't be enacted for 91 days until after they close their business for the year. So we're kind of fish out of water right now because what they normally go 100 days and then that's it.

So one, we know they're not acting in a consistent manner to how prior legislatures have acted in Arizona. But when I take a look at Avondale specifically, and I'm very grateful for Mayor Wiese's leadership on MAG, if we just think about the people I see at the bus stop. They need the bus, or they wouldn't be at the bus stop. They need transportation. We need public transportation. We still have some very remote agricultural areas in Avondale and the bus actually does drive past these farms. They're on major intersections. You can come and see the corner of Van Buren and Avondale Boulevard and there's a ton of development there, yes, we're opening up the boulevard, but there's a huge agricultural site south of Van Buren. And so I think that the people who are making these decisions for us are not thinking about cities, they're not thinking about towns and they are not thinking about their constituents. So I hope that, you know, if nothing else they will understand that they are leaving parts of industry and business that we need in our communities. We need food, we need workers to move from one side of town to the other and this is really hurting us in Maricopa County and people need to hear that and we need to cry it out from every town, valley, hill that we have. Valley Metro is servicing everybody, all 19 cities represented here. I know that we have our concerns about, you know, rail versus bus but paratransit is something that a lot of us need everywhere and the people who ride public transportation need public transportation. Thank you so much.

Vice Mayor Adams said I want to echo the comments made by my colleagues on this Proposition 400. You know, this affects the livelihood, it affects our businesses just on Apache alone we've had over a billion dollars of development take place because of light rail. That would never have happened without light rail and it's transforming that. That was a very bad area into a really safe area, a good area now and that's because of light rail. And the fact is that that our business community, it was going to be devastated by this kind of action by not getting this passed. And I think it's cruel to our community members to Max's point about, you know, the most physically challenged folks are going to be devastated by this. And like I said, I want to make clear that this is cruel to our community and I'm tired of this issue and them holding us hostage in Maricopa County. Thank you.

Councilmember Dorcey said so I think it's time for us to, as a group of elected officials who come from the cities who have been involved and worked with MAG in getting this, the legislature needs to hear something different now. They are not going to deal with us in good faith. Putting that return to session to July 31st has a very, very detrimental effect on whether or not an initiative could be put forward onto the ballot in November of '23, yeah, '23. So we need to stop talking about the legislature coming back and we need to talk about that initiative being filed and being filed promptly with the goal of having this go on the ballot in 2023.

Now, that ought to tell them that we're pretty serious about this that we represent people who are very serious about this and that, you know, they're horsing around down there and stalling and pulling all kinds of bad faith maneuvers in the negotiations are over. It's going to go to the voters and we need to get on with it. That's where I'm at. Get that initiative filed and let's get on with getting the signatures.

Councilmember Stipp said I don't think you intended this to be a round table by everybody but. You know, I think rather than repeating what all of you have said about the economic development impacts and the public service for the folks that really need this, there's a couple of other components. One is the air quality issue. Maricopa County is not going to meet its federal requirements for air quality unless we get a few less cars on the roadway and the only way to do that is going to be through public transit. I think, you know, this whole situation being multi-faceted. It you thought I was frustrated earlier this is very frustrating and I sat through the transportation policy committee yesterday at MAG, so this is like my second day of getting beaten on this. But I share everyone's frustration.

I want to kind of think about what do we as an organization, what do we as Valley Metro need to do to promote the services that we provide. I think in this upcoming year we need to be very vocal about what we are doing to benefit all of these things that we have all talked about. I said yesterday after the TPC meeting. I said we are in the middle of a street fight, and we are still wearing boxing gloves. It is time for us to maybe take the gloves off. We don't need to bring weapons, but we've got to take the gloves off a little bit. And I apologize for the horrible analogy, but I think it resonates very well. So I think from a Valley Metro perspective, I'm hoping that in this very short term but throughout this year, we will become a little bit more vocal about the services that we're providing and the people that we're assisting and getting everybody to understand -even if we get this through the legislature, we still have an uphill climb to get it through the voters. So we have got to really ramp up this public education campaign and I hope that everyone on this Board will join in and be part of that as we move forward.

Councilmember Littlefield said thank you. Well, I've talked to a number of people in Scottsdale and around the entire city and unfortunately, I can't agree with you that everybody in the Valley wants this. Not everybody does. And Scottsdale voters by and large, you know, there's people on both sides of this issue, they want a separate vote. One on light rail and one on everything else. And I think the reason for this is they believe that that's their right. This is their money, and they should have the right to determine how it should be spent. It's kind of, you know, you can't say everybody wants it, not everybody does. And they want to have the choice of whether or not to do this. And whether or not to do light rail and then whether or not to do the freeways.

And I think basically they're fine with the freeways, but they're not fine with the light rail. And I think because the Valley is by and large not New York, not Chicago, it's not as dense and compact as those places are where the light rail maybe makes more sense. They don't want it. And I know you don't want to hear this but I'm going to be honest with you guys and give you the feedback that I have received. Not from one or two people but from a lot of people who are saying no, we're funding a loser here, it's not going to make it and we need to use our money for something that will help people. And that's what I'm getting and that's where we're going on this. It's, you know, they want two votes is basically what it is. And they want what the legislature put up which is one vote for the road and one vote for the rail. And they want to be able to divide that because they feel that's more representative and gives the people more option and more representation. Thank you.

Ms. Dillon said I have a comment from Councilmember Clay Goodman. And he states, I agree with all that's been stated. Wholeheartedly agree. We move forward in supporting a standalone referendum.

Councilmember Tolmachoff said thank you. I'd like to respond to the comments made by Councilmember Littlefield. The legislation that the Governor vetoed was not simply just two separate votes. There were severe cuts to other transit programs in there and which are important and I also wanted to make the point so maybe, you know, maybe look at the legislation so you understand that there were quite a few differences between the two, there being two separate votes. It was quite different than what had been proposed and Valley Metro has negotiated, and MAG has negotiated on behalf of transit users and riders and let's keep in mind that I think Mr. Zuercher told us that 67, 68 percent of the people who use transit don't have access to any other mode of transportation. These people need to get to work, they need to get to the doctor, they need to go about their daily lives, and they don't have another way to get there. So this isn't just about light rail and that is, I think, shortsighted view of some of the people in our state legislature.

And the other issue is that the tax money also belongs to cities with light rail. This regional sales tax is paid in Maricopa County, so Phoenix residents pay tax. They've clearly said over and over again they support light rail. Tempe residents and Mesa residents pay this sales tax. Those residents clearly support light rail and their share, and they scaled way back what was going to go to light rail in the version that was agreed on at MAG. So the scenario that you're talking about while Scottsdale residents have the right to say, you know, what they want to say, the taxes are being paid by the cities and I think I'm pretty safe in saying that Phoenix's got a bigger tax base than any of the rest of us. And also, the fact that this is unlikely to pass even the regular transportation if you separate it out, it is unlikely to pass without the voters from Phoenix and Tempe and Mesa coming along.

So issue's a little bit bigger I think than the way you were framing it that Scottsdale voters don't want it. Thank you.

Chair Pastor said are there any other comments? All right. Well, all I have to say is how I'm looking at this is a short squeeze and I look at it as a short squeeze and I'm going to use the analogies of public-school systems since I'm an educator and a former board member. And if you have watched how the school system battle has or process has been moving through, little by little money is being taken away from public schools and being placed in other areas. Right or wrong, but that's what's happening with our public schools.

I look at this at the same way as a slow squeeze to us and little by little a chipping away and to be quite frank, I think as a Valley Metro as an entity we have to do a better job in the sense of telling our story and telling why we are valuable and what we do and what type of impact we do and to everyday people's lives. And that means we need to get those testimonies up and going and saying why do you take the bus. Why is light rail important to you? How do you get to school? How do you get to work? I have a veteran that takes a bus and light rail to get to the Veteran's hospitals. These are true people, real people that live in our communities that need to function every day and move.

So I am asking Valley Metro and my colleagues to figure out a good marketing plan so that we can get out into our communities and that they are people representative people of our cities that people understand and can relate to of all ethnicities, genders, economic capacity because it's many for many ways but if we don't start fighting we're losing. And I'm a fighter. And I'm not going to lose. And if I lose, I'm taking you with me so that's the way it happens in my world. And so it's important that even the staff and employees and MAG and the City of Phoenix and City of Tempe all member cities, all our big cities and small cities start the testimonies. And do it in a very organized campaign fashion that all of us are able to do through text messaging, emails, social media, door to door, whatever it is that's what we need to do. That's the campaign we need to do.

Now, I understand that it is several legislators that are holding it are not necessarily in the arena in the sense of transportation, but we also then have to start the pressure on their constituency and be able to say we need this and this is what's going to make this state viable. That's how we attract economic development and that's how we attract quality jobs to this state. So that's going to be my last message to everybody here as I come off as Chair. So thank you. Anybody else?

Ms. Dillon said there is a comment from Mayor Rui Pereira. Scottsdale will be needing to find new workers who can drive cars. The resorts may need to start their own shuttles to get employees.

Chair Pastor said thank you. Any other comments? Thank you.

6. Audit and Finance Subcommittee Update

Councilmember Stipp said real brief. My final Audit and Finance Subcommittee after five years on that group.

We had a very robust discussion about the proposed fare policy changes which we are going to see here in a little bit.

We had several audits on the fare administration, the reduced fare review which was done in memo form. Also received an update on the Internal Audit plan for the coming year.

We did spend some time in Executive Session to review the Chief Auditor's Sebrina Beckstrom's performance. For the Board's reference, we did recommend an outstanding overall evaluation for Sebrina. Sebrina herself has done outstanding job as well as her team has.

And with that, that concludes my comments pending questions.

Chair Pastor said good job, Sebrina. Any questions?

7. Consent Agenda

Chair Pastor said the Consent Agenda is presented for action. Ask the Board if there are any questions or if there are any other items they need to be pulled. Any items? All right. I need a motion.

Motion by Councilmember White, second by Councilmember Cline.

Any discussion? No.

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

IT WAS MOVED BY COUNCILMEMBER WHITE, SECONDED BY COUNCILMEMBER CLINE, AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA, ITEMS 7A-7E.

8. Proposed Fare Policy Changes

Mr. Kessler said Thank you, Madam Chair, members of the Board. I will go through this very quickly in consideration of the time we've spent here so far today.

So this item is for information. We're looking to update the fare policy as a result of our new technology that we're working to implement by early 2024. So just background on the project here. Here's some goals that we set forth for the project at the outset working in coordination with City of Phoenix.

Some of the key project milestones that have occurred so far and that we have planned into the future. Just want to mention that in 2024 when we launch the full system, we'll have account-based fare website so folks can manage their account on the web and through the app.

Just a number of items here that we'll be introducing. Want to highlight fare capping as a sort of a replacement of the current pass structure and that's what's really driving the need for the policy, fare policy update.

So just some background on the fare policy outreach and public participation plan. As I mentioned, the fare policy changes will be necessary as a result of the phase 2 launch with the reloadable smart card. We'll introduce fare capping. We'll have a reduced fare account requirement. That's another reason for the policy change. The policy today does not require reduced fare IDs for folks using reduced fares and that's one of the new items for the new system. The folks using multi-ride reduced fares will be required to have a reduced fare account or reduced fare ID.

And so just to touch on capping briefly here. Basically, how it works is you load value to your account. You pay the single ride fare, as you tap and board with each trip and then you cap out. For example, here's a monthly cap at $64 and basically, after that 32nd ride, you ride free on the system for that month. And here are the proposed fare caps that we will be coming back for approval in the new structure in the fall timeline. Basically, the same as the pass prices are today, it's just doing it in a different fashion through capping as opposed to paying for a pass upfront. So this provides a convenience to the riders. For example, with the monthly pass that they don't have to pay $64 up front to acquire a pass. They basically load value to their account throughout the month to the point where they've loaded at least $64 and then as they ride and use the system after they reach that $64 price point then they ride free for the rest of the month.

And the reduced fare account. Again, we'll be requiring all users who use reduced fares on multi-rides, so single ride fares will be the only reduced fare opportunities to ride without an ID or a mobile account that is reduced fare certified. So they will use the capping and take advantage of those discounts that are similar to today's passes that registration is reduced fare eligible will be required and we'll be going out in the fall later in this calendar year to get those accounts set up or ID's issues to folks who are truly eligible for reduced fare through an application process.

Here's just a visual of the new cards that Hillary's team through some focus groups established the Copper branding as well as the look of the card and we're refreshing the current Platinum pass to be consistent with our new Copper card.

Just want to highlight the fare policy public outreach and participation efforts that will be undertaken in August through September. Hillary's team will be leading this effort to get out there, educate folks, get some feedback and then move forward, as the project progresses, with updating the fare policy.

So just where we're at and next steps. So as I mentioned, August to September will be the outreach period. September, we'll hit the various staff working groups here at Valley Metro and then we'll be coming through the October Board cycle for approval of the fare policy update. To be effective when Phase 2 is launched. So it won't be effective immediately, we just want to have the approval in place ahead of the Phase 2 launch so when we do launch it, the policy is in effect at that time.

So that's my presentation. This is for information only. Happy to entertain any questions.

Chair Pastor said any questions? Doesn't seem like it. Thank you. Appreciate it.

9. Travel, Expenditures, and Solicitations

Chair Pastor said anybody want to hear anything? Doesn't seem like it.

10. Report on Current Events and Suggested Future Agenda Items

Chair Pastor said anybody?

Councilmember Tolmachoff said yes. I'd like to get it on the actual request for at least to start with a study session on next steps as far as the marketing campaign that Chair Pastor spoke to. And what, you know, what types of actions the board would think would be whether we start, you know, putting signs inside the buses saying this route is in jeopardy. Those kinds of things. I think we start with a -- with a study session on, you know, how we want to move forward with that. But I'd like to get it agendized. Thank you.

Vice Mayor Adams said I support that.

Councilmember Cline said possibly on a future agenda item if we could look at the opportunity for an update on where we are on concerns and issues from the bus rides and where we are in dealing with customer service response and issues, I think that would be great. Perhaps down the road after you've had a chance to put it all together and bring in some information so we could see what kinds of issues are coming about if they're one-offs or if we're having a consistent issue with route X having something, Y, so we could see the issues that could be more impactful than less impactful. Thank you.

Councilmember Harris said I just wanted to make sure that we talked about signage. I would like to know what type of signage as it pertains to safety do we communicate in terms of riding on board and things like that. So I would like to, if they can maybe just, you know, getting just all the different signage that they have that Valley Metro communicates with about ridership or whatever that looks like. I have never seen that before so I'm sure it is there but I would like to see signage from rail and bus to see how you communicate and what you're communicating on a regular basis to the passengers. So we just kind of have a picture of that on a page that would be great.

Councilmember White said thank you so much, Madam Chair. I'm interested to find out if our contractors have received any regulatory complaints. If we can find out any regulatory complaints that may have come through the contractors to ensure that gets executive review in Valley Metro. I don't know if we need a study session for that or how that can be filtered out.

Ms. Mefford-Miller said can I ask a clarifying question?

Chair Pastor said sure.

Ms. Mefford-Miller said Madam Chair, Councilmember White, can you elaborate on what you mean by regulatory complaints? And (Indiscernible)

Councilmember White said ADA.

Ms. Mefford-Miller said so because we intake the contacts, we have all of those records and we do categorize any complaints related to federal regulations including, for example, ADA and Title 6. So we do have all of those records and we're required to report that to the Federal Transit Administration.

Councilmember White said (Indiscernible)

Chair Pastor said so would you like it on the agenda or would you like more information?

Councilmember White said more information to view that reporting.

Ms. Mefford-Miller said got it.

Councilmember Harris said I have a question. Are you also talking about, you know, like the subcontract with the office, you know, the companies if they subcontract with.

You want to know what their background so it may not necessarily be Valley Rail, but it may be a different company that complain about their performance and stuff like that. I think that's what she's talking about.

Ms. Mefford-Miller said and we intake, Valley Metro intakes all of that regardless of whether it's a contractor or even if it's City of Phoenix or their contractors, we provide the regional customer service contact center and so we detect those complaints first before they ever go to –

Councilmember Harris said I think what she's saying is like let's say that the security team that we hire, they're subcontracted in. We want to know if outside of what they do at Valley Metro are they complaints. (Indiscernible)

Councilmember White said are they getting regulatory complaints?

Ms. Mefford-Miller said thank you. Okay. Thank you. That I'll have to look up.

Councilmember White said thank you.

Chair Pastor said thank you for clarity. Got it. All right.

11. Next Meeting

The next meeting is scheduled for Thursday, August 17, 2023, at 11:15 a.m.

Without further discussion, the meeting was adjourned at 2:05 p.m.

Information Summary

DATE **AGENDA ITEM 6B**
August 10, 2023

SUBJECT
Authorization to Issue a Competitive Solicitation for Insurance Brokerage and Consulting Services

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to issue a competitive solicitation for Insurance Brokerage and Consulting Services. These services will include property and casualty insurance brokerage and assistance with risk mitigation efforts for Valley Metro Rail, Inc. (VMR) and Regional Public Transportation Authority (RPTA) for a term of three years with two additional one-year renewal options. The not to exceed amount for the contract is $675,000 with the RPTA portion estimated to be $74,250 and the VMR portion estimated to be $600,750.

RECOMMENDATION
Staff recommends that the Boards of Directors authorize the CEO to issue a competitive solicitation for Insurance Broker and Consulting Services.

BACKGROUND | DISCUSSION | CONSIDERATION
Following a formal competitive request for proposal solicitation, RPTA and VMR executed a contract with Alliant Insurance Services, Inc. in May 2019 for a contract amount of $562,500. The current contract will expire in May 2024.

Valley Metro requires these consulting services to assist with insurance brokerage services for both rail and bus operations assets. The solicitation's proposed scope of work includes the following consulting services:

- Exposure analysis and assistance with risk mitigation efforts
- Design and implementation of a comprehensive insurance finance program
- Recommendations for coverage and unique endorsements related to all of Valley Metro's operations
- Marketing and obtaining annual quotes for insurance needs
- Ongoing review of Valley Metro's insurance program and provide recommendations for improvement
- Placement of various lines of insurance coverage on an annual basis

COST AND BUDGET
The estimated cost for a five-year contract is $675,000 with the RPTA portion estimated not to exceed $74,250 and the VMR portion estimated not to exceed $600,750. These figures are preliminary in nature. We will be able to provide a more definitive contract amount near the time of issuance of the contract to the selected bidder.

COMMITTEE ACTION
RTAG: July 18, 2023 for information
TMC/RMC: August 2, 2023 approved
Boards of Directors: August 17, 2023 for action

CONTACT
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ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 6C**
August 10, 2023

SUBJECT
Intergovernmental Agreement (IGA) between the Regional Public Transportation Authority (RPTA) and Valley Metro Rail, Inc. (VMR) – Fourth Amendment

PURPOSE
To request authorization for the fourth amendment of the interagency LRT Program Agreement, designating VMR as the Lead Agency to manage the light rail and streetcar portion of the TLCP. The amendment renews and extends the term of the IGA to June 30, 2026 and clarifies requirements that were established when VMR and RPTA were operated as two separate entities.

RECOMMENDATION
Staff recommends that the Boards of Directors authorize the Board Chairs to execute the IGA fourth amendment.

BACKGROUND | DISCUSSION | CONSIDERATION
In June 2006, RPTA and VMR entered into an IGA whereby RPTA designated VMR as the Lead Agency to plan, design, and construct the light rail transit ("LRT") program as defined by the Maricopa Association of Governments ("MAG") Regional Transportation Plan ("RTP"). Under the agreement, RPTA will reimburse VMR, for eligible incurred expenses from the Public Transportation Fund ("PTF"), upon receipt of properly documented expense requisition. VMR will be the record owner of all LRT capital assets purchased or constructed with PTF funding. Participating cities, within their jurisdiction, will become the owner of real estate purchased and occupied by LRT projects.

The agreement was extended and restated in June 2009 (Agreement #0940015-S) and was subsequently amended in March 2010 (Agreement #0940015-S 02).

In April 2015, RPTA and VMR again amended the IGA. That amendment extended the term of the agreement to June 30, 2020 and established a security interest for lead agency disbursements from bond funding. Bond funding was obtained by RPTA and bond proceeds were disbursed to VMR to advance light rail projects. The requirement for the security interest was to ensure the equitable treatment of each agency's balance sheet net position with respect to the bond-related proceeds and debt.

The proposed fourth amendment of the IGA between the RPTA and VMR renews and extends the term of the IGA to June 30, 2026. The agreement also updates the interagency PTF reimbursement process and eliminates the reporting requirements by

VMR to RPTA to reflect changes that occurred when the two legal entities began to be administered by a single leadership team.

COST AND BUDGET
No changes in cost and budget.

COMMITTEE PROCESS
RTAG: July 18, 2023
TMC/RMC: Aug 2, 2023, approved
AFS: Aug 3, 2023, for information
Board of Directors: Aug 17, 2023, for action

CONTACT
Ken Kessler
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ATTACHMENTS
None

Information Summary

DATE **AGENDA ITEM 6D**
August 10, 2023

SUBJECT
Authorization to Issue a Request for Proposals for Armored Car Services

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to issue a Joint Request for Proposals (RFP) to perform armored car services for fare revenues collected at fare vending machines and bus garages for a three-year base term with two one-year options.

RECOMMENDATION
Staff recommends that the Boards of Directors authorize the CEO to issue a Joint Request for Proposals (RFP) to perform armored car services for fare revenues collected at fare vending machines and bus garages for a three-year base term with two one-year options.

BACKGROUND | DISCUSSION | CONSIDERATION
Valley Metro's current contract with Brinks U.S. for armored car services expires on June 30, 2024. Valley Metro continues to have a need for fare revenue collections and cash processing at fare vending machines and RPTA bus garages. These services ensure that regional fare revenues are collected in a timely and secure manner, with all funds deposited to the regional bank for monthly fare revenue distribution.

It is planned that the competitive solicitation would be released in October 2023 and contract award recommendation would be brought back for Board approval in January of 2024

COST AND BUDGET
The estimated annual cost for the first year of the contract is as follows:

- RPTA $152,000
- VMR $260,000

Contract obligations for FY25 will be included in the Valley Metro FY25 Operating and Capital Budgets. Contract obligations beyond FY25 will be incorporated into the Valley Metro Five-Year Operating Forecast and Capital Program (FY2025 thru FY2029). Sources of funds for RPTA include Prop 400 and Member City Contributions. Sources of funds for VMR are Member City Contributions.

COMMITTEE ACTION
Board of Directors: August 17, 2023 for action

CONTACT
Tyler Olson
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ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 7**
August 10, 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
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ATTACHMENTS
Valley Metro Travel Report
Valley Metro RPTA and Valley Metro Rail Monthly Accounts Payable over $25,000
Active Requests for Proposals, Qualifications and Invitations for Bids

Valley Metro
Travel Reimbursement Report
For Travel Completion Dates
6/1/23 through 6/30/23

Job Title	Purpose of Travel	Location	Dates Traveled	Total Travel Cost	Airfare	Other Transport	Lodging	Meals	Misc.	
Manager, Capital Program Biz	WTS 2023 Annual Conference	Atlanta, GA	5/09/23-5/13/23	$1,971.28	$387.80	$75.16	$1,184.32	$264.00	$60.00	1
Manager, Svce Planning & GIS	APTA 2023 Mobility Conference	Minneapolis, MN	4/23/23-4/26/23	$1,576.77	$439.81		$800.46	$276.50	$60.00	1
Accountant III	GFOA Annual Conference	Portland, OR	5/21/23-5/24/23	$1,254.21	$297.96	$92.93	$640.32	$223.00		
Manager of Transit Safety	2023 APTA Rail Conference	Pittsburgh, PA	6/10/23-6/14/23	$2,339.27	$981.23	$35.00	$1,067.04	$256.00		
Manager, Rail Operations	2023 APTA Rail Conference	Pittsburgh, PA	6/11/23-6/14/23	$2,474.75	$820.95		$1,333.80	$320.00		
Chief Transportation Officer	2023 APTA Rail Conference	Pittsburgh, PA	6/11/23-6/14/23	$2,261.14	$840.96	$126.14	$1,067.04	$227.00		
Manager, Audit	34th Annual ACFE Global Fraud Conf	Seattle, WA	6/11/23-6/14/23	$1,773.12	$427.80	$122.00	$1,049.82	$173.50		
Director, Capital Development	2023 APTA Rail Conference	Pittsburgh, PA	6/10/23-6/14/23	$1,743.39	$621.95		$907.44	$214.00		
Chief Executive Officer	2023 APTA Rail Conference	Pittsburgh, PA	6/11/23-6/14/23	$1,355.08	$924.40	$82.23	$266.76	$74.25	$7.44	2
Deputy Director, Service Planning	Mpact Steering Committee Qtrly Mtg	Minneapolis, MN	6/25/23-6/28/23	$1,292.40	$387.80	$8.00	$578.10	$258.50	$60.00	1
Deputy Director, Capital Planning	2023 APTA Rail Conference	Pittsburgh, PA	6/10/23-6/14/23	$1,823.39	$621.95	$80.00	$907.44	$214.00		
Manager, Administrative Services	FNBPA 2023 Forum	Minneapolis, MN	4/25/23-5/01/23	$2,120.48	$277.18	$60.00	$1,194.00	$482.75	$106.55	3

Total this reporting period	$21,985.28
Year to Date	**$118,598.73**

Report reflects Out of State (AZ) Travel

** Misc*
[1] Airline Baggage Fees
[2] WiFi
[3] Airline Seat Charge & Baggage Fees

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

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
10001494	6/22/2023	First Transit Inc	Monthly Transit Services	5,995,680.61
10001502	6/22/2023	City of Phoenix	Fixed Route Bus Service	3,089,966.11
10001520	6/29/2023	Transdev Services Inc	General Paratransit Service	1,380,711.42
10001465	6/9/2023	Transdev Services Inc	General Paratransit Service	1,290,728.92
10001492	6/22/2023	DMS Facility Services Inc	Facilities Maintenance Services	1,274,699.31
90000185	6/16/2023	ADP LLC	PPE 6/11/2023 Payroll Liabilities	1,140,113.81
90000188	6/29/2023	ADP LLC	PPE 6/25/2023 Payroll Liabilities	1,101,340.47
1001638	6/22/2023	Schetky Northwest Sales Inc	Diamond Coach VIP 2200	845,120.92
1001651	6/29/2023	Schetky Northwest Sales Inc	Diamond Coach VIP 2200	845,120.92
90000187	6/29/2023	Cigna Health and Life Insurance Company	Health Insurance Premiums	479,233.93
10001479	6/15/2023	Creative Software Solutions LLC	Ridechoice Management Services	448,887.20
10001511	6/22/2023	Vix Technology USA Inc	Customer Service Network	410,073.48
90000184	6/16/2023	ASRS	PPE 6/11/23 ASRS Contributions & LTD	287,569.42
90000186	6/29/2023	ASRS	PPE 6/25/23 ASRS Contributions & LTD	286,451.07
90000183	6/1/2023	ASRS	PPE 5/28/23 ASRS Contributions & LTD	283,544.33
1001648	6/29/2023	City of Peoria	ADA PTF Funds Service Reimbursement	267,700.00
10001440	6/1/2023	Creative Software Solutions LLC	Ridechoice Management Services	199,875.66
10001514	6/29/2023	Creative Software Solutions LLC	Ridechoice Management Services	190,785.00
10001435	6/1/2023	101 North First Ave LLC	101 Building Rent	183,898.71
90000191	6/30/2023	Wells Fargo Bank	Monthly Credit Card Charges	166,898.01
90000192	6/30/2023	Surepays	RPTA Monthly Utilities	149,662.75
1001645	6/29/2023	Hye Tech Network & Security Solutions L	Technology and Audio /Visual Solutions	141,227.57
10001489	6/22/2023	ACRO Service Corporation	Staffing Services	120,109.70
10001459	6/1/2023	WSP USA Inc	Project Development Support	112,259.47
10001453	6/1/2023	Senergy Petroleum LLC	Bulk Fuel	103,608.52
10001475	6/15/2023	MTM Transit LLC	Paratransit Eligibility Assessment	102,348.94
10001458	6/1/2023	MTM Transit LLC	Paratransit Eligibility Assessment	101,437.00
10001506	6/22/2023	Senergy Petroleum LLC	Bulk Fuel	93,695.75

10001485	6/15/2023	Dell Marketing LP	Computer hardware and equipment	83,136.11
1001606	6/9/2023	CopperPoint Insurance Company	June 2023 Rent and CAM Charges	65,452.16
1001612	6/9/2023	QCM Technologies Inc	Information Security Program Support	62,260.33
10001436	6/1/2023	ACRO Service Corporation	Staffing Services	57,569.00
10001477	6/15/2023	ACRO Service Corporation	Staffing Services	53,016.00
1001579	6/1/2023	Hye Tech Network & Security Solutions L	Technology and Audio /Visual Solutions	45,622.15
10001441	6/1/2023	DLT Solutions LLC	Q4 2023 Subscription Costs - ERP Cloud Fusion	45,026.94
10001449	6/1/2023	URW LLC	Landscape Maintenance Services	40,773.02
10001499	6/22/2023	URW LLC	Landscape Maintenance Services	40,668.26
10001488	6/15/2023	Senergy Petroleum LLC	Bulk Fuel	39,759.47
1001609	6/9/2023	Magnetry LLC	Marketing and Advertising Services	38,244.00
10001493	6/22/2023	Enterprise Rideshare	Van Pool Services	37,891.37
10001473	6/9/2023	WEX Bank	Fleet Card Services - Fuel Cards	36,637.13
10001443	6/1/2023	Enterprise Rideshare	Van Pool Services	36,096.74
10001452	6/1/2023	Dell Marketing LP	Computer hardware and equipment	33,018.56
1001587	6/1/2023	Verizon Wireless	Verizon BPO	32,554.09
1001614	6/9/2023	Sanderson Ford Inc	New Vehicle Purchase	31,651.83
10001438	6/1/2023	CDW Government LLC	Headseats for call centers/Security Awareness Training	31,561.33
10001512	6/29/2023	ACRO Service Corporation	Staffing Services	27,508.00
10001486	6/15/2023	Krauthamer & Associates LLC	Recruitment Services	26,399.73
1001649	6/29/2023	City of Scottsdale, Remittance Processi	PTF Expenditure Reimbursement	25,511.00
				21,983,106.22

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

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
50001346	6/29/2023	Kiewit Infrastructure West Co.	CMAR Services for South Central-Downtown Hub	9,829,241.82
50001325	6/22/2023	Kiewit-McCarthy, a Joint Venture	CMAR Services for Northwest Phase II	7,505,587.05
50001339	6/29/2023	Alternate Concepts Inc	Transportation Services	1,476,884.26
50001260	6/1/2023	Alternate Concepts Inc	Transportation Services	1,180,714.10
50001259	6/1/2023	Allied Universal Security Services	Fare Inspection and Security Services	699,079.74
50001315	6/22/2023	Allied Universal Security Services	Fare Inspection and Security Services	559,435.91
50001293	6/9/2023	HDR Engineering Inc	Project Development Support	492,160.40
50001304	6/15/2023	HDR Engineering Inc	Community Relations Support	460,929.46
90000024	6/30/2023	Surepays	VMR Monthly Utilities	409,804.68
50001271	6/1/2023	J Banicki Construction Inc	Construction Services - JOC	379,071.46
50001272	6/1/2023	Jacobs Engineering	Design Services for Northwest Phase II	320,340.91
50001285	6/9/2023	Allied Universal Security Services	Fare Inspection and Security Services	209,871.86
50001305	6/15/2023	J Banicki Construction Inc	Construction Services - JOC	209,348.39
50001338	6/29/2023	AECOM Technical Services Inc	Design Services for South Central-LRT Extenstion	183,676.86
50001342	6/29/2023	Builders Guild Inc	Construction Services - JOC	174,765.33
50001328	6/22/2023	PGH Wong Engineering Inc	System Design Services	168,047.34
50001284	6/9/2023	AECOM Technical Services Inc	Project Development Support	155,174.38
50001264	6/1/2023	Brookville Equipment Corp	Street Car Spare Parts	134,910.36
50001262	6/1/2023	ARCADIS	Consulting Support Services	126,255.30
50001324	6/22/2023	Jacobs Engineering	Design Services for Northwest Phase II	106,131.46
50001267	6/1/2023	DLT Solutions LLC	Aconex Project Control System	77,306.10
50001326	6/22/2023	Kinkisharyo International LLC	Bumper	69,472.04
50001258	6/1/2023	AECOM Technical Services Inc	Project Development Support	68,622.46
50001302	6/15/2023	AECOM Technical Services Inc	Project Development Support	67,623.70
50001297	6/9/2023	Reigelman LLC	SCE - Public Art-Fabrication / Install	66,880.00
50001274	6/1/2023	PGH Wong Engineering Inc	System Design Services	66,720.10
5001831	6/29/2023	QCM Technologies Inc	Information Technology Solutions & Services-Ellipse	55,271.25
5001761	6/1/2023	Suns Legacy Partners LLC	Marketing Partnership/Sponsorship with Suns Legacy	50,250.00
5001798	6/22/2023	Jenco Inc	Lighting Fixtures	48,675.97
50001333	6/22/2023	City of Phoenix	Fare Handling Fee	47,552.00

50001349	6/29/2023	OH Partners	Community Relations Support Services	45,115.00
50001263	6/1/2023	Award Winning Restorations	Light Rail Vehicle Painting	44,632.79
50001275	6/1/2023	Siemens Mobility	AVI Board RTV for Replacement	41,789.07
50001273	6/1/2023	Knorr Brake Corporation	Brake Pads	40,004.00
50001278	6/1/2023	Prestamos CDFI LLC	Small Business Financial Assistance Program	39,395.81
50001307	6/15/2023	Knorr Brake Corporation	Brake Pads	38,852.00
50001351	6/29/2023	Siemens Mobility	PB Board RTV for Replacement	29,024.34
50001306	6/15/2023	Kiewit Infrastructure West Co.	SCE/DH Construction Advisory Board North Incentive Disbursement	28,309.00
50001299	6/9/2023	Siemens Mobility	Light Rail Vehicle-Milestone Schedule	28,260.29
50001309	6/15/2023	Siemens Mobility	PB Board RTV for Replacement	26,998.06
50001318	6/22/2023	CHK America Inc	Wayfinding Map Design Services	26,530.00
50001301	6/9/2023	Janelle L Stanley Design LLC	Downtown Transfer Hub - Public Art-Fabrication / Install	26,000.00
50001336	6/22/2023	WSP USA Inc	Community Relations Support Services	25,300.74
				25,840,015.79

Procurement Report
for August Board Month

Contract Administrator	Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
RECENTLY COMPLETED PROCUREMENTS										
ACTIVE PROCUREMENTS										
Lori N	RPTA	RFP	Vanpool Services	Yes	May 16, 2023	July 13, 2023	September 2023	TBD	5 years	Initiating Documents
Rick W	RPTA	RFP	East Valley Fixed Route Bus Services	Yes	November 2022	March 9, 2023	August 2023	$400,000,000.00	3 yrs + 4yr+3yr opt	In Negotiation
Edwin N	VMR	RFQ	Capitol Extension Design	Yes	April 2023	June 2023	September 2023	$14,000,000.00	5 years + 3 options	In Evaluation
Jennifer H	Joint	RFQ	Job Order Contracting (JOC) - Miscellaneous Construction Services	Yes	June 2023	August 2023	October 2023	$20,000,000.00	3 years + 2 options	Solicitation Issued
Jennifer H	RPTA	RFP	Autonomous Vehicle Research Services	No	June 2023	July 2023	October 2023	$250,000.00	2 years + 3 options	Solicitation Issued
Chris B	VMR	Sole Source	Rubber block/tire kits and steel tires	No	March 2023	March 2023	May 2023	$1,800,000.00	5 years	Routed for Signature
Chris B	Joint	RFP	Facilities Maintenance Services	No	April 2023	TBD	TBD	TBD	TBD	SOW Development
Chris B	VMR	Sole Source	LRV Air Compressors	No	June 2023	TBD	TBD	TBD	TBD	SOW Development
Jennifer H	VMR	RFP	Capitol Extension CMAR 2-Step (RFQ & RFP)	Yes	June 2023	July 2023	November 2023	TBD	5 years + 1 option	Solicitation Issued
Edwin N	VMR	RFQ	Capital Extension - Public Art	No	July 2023	August 2023	September 2023	TBD	5 years	SOW Development
Rick W	Joint	RFP	Financial Auditing Services	No	September 2023	TBD	TBD	TBD	TBD	SOW Development
FUTURE PROCUREMENTS										
Chris B	VMR	RFP	LRV Electronic Repairs	Yes	TBD	TBD	TBD	$210,000.00	3 years + 1 option	Awaiting SOW from Customer
Chris B	VMR	Sole Source	LRV Truck Rebuild	Yes	N/A	N/A	TBD	$414,289.00	TBD	Awaiting SOW from Customer
Chris B	VMR	Sole Source	LRV Hoist Repairs	No	April 2023	April 2023	May 2023	$183,000.00	1 year	Awaiting SOW from Customer
Chris B	RPTA	RFP	West Valley Fxed Route and Maintenance Services	Yes	TBD	TBD	TBD	TBD	TBD	Awaiting SOW from Customer
Chris B	VMR	Sole Source	SCV Sole Source Parts	Yes	TBD	N/A	TBD	$1,000,000.00	5 Years	Awaiting SOW from Customer
Edwin N	Joint	RFP	Classification and Total Compensation Study	No	TBD	TBD	TBD	$332,000.00	5 years	Awaiting SOW from Customer
Edwin N	Joint	RFQ	General Consulting Support Services	Yes	TBD	TBD	TBD	TBD	5 years + 3 options	Awaiting SOW from Customer

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

Information Summary

DATE
August 10, 2023

AGENDA ITEM 8

SUBJECT
Report on Current Events and Suggested Future Agenda Items

PURPOSE
Chair Stipp 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

August 10, 2023

Valley Metro RPTA
Thursday, August 17, 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 June 22, 2023 Board meeting are presented for approval.

1B. FranklinCovey Professional Development Training Services Contract Award — 1B. For action

Staff recommends that the Board of Directors authorize the CEO to execute a cooperative agreement purchase order for the All Access Pass learning resources with FranklinCovey, not to exceed $60,300 for the periods of FY24 and FY25.

1C. Skillsoft eLearning Library Contract Award — 1C. For action

Staff recommends that the Board of Directors authorize the CEO to execute a cooperative agreement purchase order for the eLearning library with Skillsoft, not to exceed $75,200 for the periods of FY24 and FY25.

1D. Recommended October 2023 Transit Service Changes — 1D. For action

Staff recommends that the Board of Directors authorize the CEO to amend member agency FY24 IGAs as necessary, and to execute change orders to the Transdev and National Express fixed route contracts to accommodate the recommended October 2023 service changes.

REGULAR AGENDA

2.	Transit Life Cycle Program (TLCP) Policy Change Recommendation	2.	For action

Staff recommends that Board of Directors approve a policy change to the TLCP Guiding Principle 6 – Jurisdictional Equity so that no sub-region's transportation excise tax revenues may be over allocated while maintaining the other jurisdictional equity thresholds allowing sub-regions to be under allocated up to 2.5% and limiting an individual jurisdiction's under allocation to a maximum of $7.5 million without that jurisdiction's expressed consent.

3.	Valley Metro RPTA Bus Advertising Policy Change	3.	For action

Staff recommends that the Board of Directors amend the Valley Metro RPTA Advertising Policy to fully maximize revenue (Option 3).

Option 3/FULLY MAXIMIZED: Unrestrained Model with All Available Fleet

- All local fixed route fleet available (Q = 240) for any/all available advertising products, including full wraps
- + Express fleet (Q = 56) available for any/all available advertising products
    - In the Tempe/Mesa yards, RPTA operates 32 Express vehicles
    - In the West Phoenix yard, RPTA operates 24 Express vehicles

4.	East Valley Fixed Route Services Contract Award	4.	For action

Staff recommends that Board of Directors authorize the CEO to execute a contract with Keolis Transit Services, LLC for East Valley Fixed Route Operations and Maintenance Services. Contract to be awarded for an initial three-year base term at a cost of $316,462,317 with a contingency amount of 5% of the three-year base term $15,824,000. Upon Board approval, the Contract will include an option for a four-year extension at a projected cost of $484,183,108 and an option for an additional three-year extension at a cost of $413,504,277.

5. Report on Current Events and Suggested Future Agenda Items — 5. For information

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

6. Next Meeting — 6. For information

The next Board meeting is scheduled for **Thursday, September 21, 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

August 10, 2023 **AGENDA ITEM 1A**

Valley Metro RPTA
Thursday, June 22, 2023
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

(This Board meeting followed a Study Session that began at 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 (phone)
Councilmember O.D. Harris, City of Chandler
Councilmember Monica Dorcey, City of El Mirage (phone)
Vice Mayor Peggy McMahon, Town of Fountain Hills
Councilmember Lauren Tolmachoff, City of Glendale
Councilmember Francisco Heredia, City of Mesa (phone)
Councilmember Jon Edwards, City of Peoria (phone)
Councilmember Kathy Littlefield, City of Scottsdale (phone)
Councilmember Aly Cline, City of Surprise
Vice Mayor Jennifer Adams, City of Tempe
Mayor Michael LeVault, Town of Youngtown (phone)
Mayor Rui Pereira, Town of Wickenburg (phone)

Members Not Present
Mayor Brigette Peterson, Town of Gilbert
Supervisor Jack Sellers, Maricopa County
Vice Mayor Jeff Brown, Town of Queen Creek
Councilmember Aldofo Gamez, City of Tolleson

Chair Pastor called the meeting to order at 2:06 p.m.

Chair Pastor said welcome members to the June meeting. This is RPTA Thursday, June 22, 2023.

1. Consent Agenda

Chair Pastor said item number 1, Consent Agenda.

Motion by Councilmember Harris, second by Councilmember Stipp.

All those in favor, please say aye. All right. Motion carries.

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

2. <u>Valley Metro RPTA Fiscal Year 2024 (FY24) Preliminary Operating and Capital Budget</u>

Ms. Mefford-Miller said Madam Chair, members of the Board, the budget has not changed since our last presentation. Ken Kessler, Chief Financial Officer is available to provide a presentation and/or answer any questions you may have about the draft FY2024 RPTA capital and operating budget.

Chair Pastor said Any questions? Looks like none. Oh, sorry. I thought it was information only. Okay. Here I go. Go, Vice Mayor.

Vice Mayor Adams said I'm just concerned about the 19 percent increase in fixed route bus operating costs and because our growth is only 5.4 percent. So I am concerned about the money. Those that know me it's not a surprise. But I'm just wondering like what we're going to do about this situation. Because it's not going in a good direction.

Mr. Kessler said Madam Chair, Vice Mayor Adams. Good question. Really what the biggest driver of that 19 percent increase in fixed route is really the full annual effect of some of the actions the Board took this year to address those labor issues by increasing rates in those contracts. So this is really kind of a one-time big increase because of that, so we'll see, you know, more of a smoothing out of that going forward into future years. So I don't anticipate we'll see anything like that in the following year.

Vice Mayor Adams said Thank you for the clarification. I really appreciate it.

Chair Pastor said It's operators. Do I have a motion?

Motion by Vice Mayor Adams, second by Councilmember Stipp.

All those in favor, please say aye. Any nays? There are no nays. Motion carries.

IT WAS MOVED BY VICE MAYOR ADAMS, SECONDED BY COUNCILMEMBER STIPP, AND UNANIMOUSLY CARRIED TO FORWARD TO THE BOARD OF DIRECTORS THE VALLEY METRO RPTA FY24 PROPOSED OPERATING AND

CAPITAL BUDGET, AND ACCEPTANCE OF THE FIVE-YEAR OPERATING FORECAST AND CAPITAL PROGRAM (FY 2024 THRU 2028).

3. Valley Metro RPTA Bus Advertising Policy

Chair Pastor said I actually don't need a presentation on this. We have talked about this several times and it was more of a kind of guideline as to what options we would have. There are one, two and three options. I was looking towards wanting to discuss the third option because that's the one that's going to make us the most money and if anybody wants to have any history on this, please ask your new Chair Bill, Councilmember Stipp because he will be bringing this back in August for a vote. Go ahead.

Councilmember Stipp said since this has been thrust upon me apparently, one of things we had asked for was and look at the policy discussion so. This information has been provided to us. I realize we're short of time. Please review the information. If you have a question about the history from the board perspective and how we ended up getting here, I'm happy to take those calls. The intent would be to bring back a discussion on changing the Board's, RPTA Board's policy. I think that's kind of where were going and based on my request last month to where we got today, I think there was some confusion. I think that's why it's being punted. So essentially, we're tabling this item until August? I think from a formal perspective rather than blowing it off.

Ms. Mefford-Miller said the item is agendized today for information only. So we would be happy to bring this back to the Board. I want to clarify. Would you like this brought back to the Board in August for action, Councilmember? Okay. Thank you.

Councilmember Stipp said I think there's enough new members of the Board that need to understand the actual advertising policy and then what changes are perhaps being considered. The current Chair Councilmember the honorable Laura Pastor has suggested that we look at option number 3. But I think this Board we need to have a little bit more robust discussion about that. Just so everyone's comfortable with that. Her and I were part of that original discussion and I think Councilmember Tolmachoff. Everybody else that is sitting here at this table, and I think everybody else who's online with the exception perhaps of Mayor Le Vault did not participate in that discussion. So I think we need to do a little bit of both kind of going forward. This was a great set of information and if you're interested in advertising, please read it. I know we got a lot of information but if you're interested in this advertising issue and why it's such an important part of this discussion, please read the material and then if we're going to do a policy update and then perhaps a little bit of info. If we cannot do it for the August meeting because of timing, then September I think is fine, but I don't think we should go any later than September on a policy change given advertising opportunities coming up and September may be too late. So I think we may have to look at what Outfront's revenue potentials are for August.

Ms. Mefford-Miller said we can look into our August meeting.

Chair Pastor said and I would recommend that discussion and possible action.

Councilmember Stipp said yes, definitely.

Chair Pastor said so that way once the discussion is had and information and questions are answered then there's a possible action.

Councilmember Stipp said then we can take action.

Chair Pastor said you can take action in August because I think if we need to generate more money, this is one way of generating more money. So that would be my suggestion.

Councilmember Stipp said I concur.

Chair Pastor said so this item has been continued to August.

4. <u>Fiscal Year 2024 (FY24) Election of Valley Metro RPTA Board Officers and Subcommittee Positions</u>

Chair Pastor said the slate of board officers and subcommittee members are outlined in the memo that is in your board packet. Are there any questions? So I would like to request a motion and a second to approve the slate of board officers and subcommittee positions as presented to serve for the fiscal year 2024.

Motion by Unidentified Speaker, second by Unidentified Speaker.

Any discussion?

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

IT WAS MOVED BY UNIDENTIFIED SPEAKER, SECONDED BY UNIDENTIFIED SPEAKER AND UNANIMOUSLY CARRIED TO APPROVE THE FY24 VALLEY METRO RPTA BOARD OFFICERS AND SUBCOMMITTEE POSITIONS.

Anybody that wants to speak?

Councilmember Stipp said thank you, Madam Chair. I just want to be very brief obviously, but I want to take the time to thank everybody for showing confidence in selecting me as the next RPTA Chair. I have long said that given Goodyear's limited public transit presence that we probably have no business being the Chair of RPTA.

However, I became very passionate about public transportation because I saw how truly important our services were to the people that relied on us very much during the pandemic.

We are an essential part of many people's lives and the effect of an efficient operation of this system is all of our responsibilities. The mission of Valley Metro, it's up on the wall, is to connect communities and enhance lives and I don't think we can ever really lose sight of that.

During the summer break, sometime in July or August or perhaps early fall, each one of us will be contacted by consultants working on our strategic plan. I really want to strongly encourage each one of the Board members and the member city staffs to participate in whatever activity they want to bring forward, whatever interviews they have and remember that we are not an organization of 19 individual transit systems but that we are the regional public transportation authority responsible for enhancing the lives of more than $23 million fare riders in, as Jessica pointed out, the fastest growing county in the country.

While we have an uncertain future ahead with Prop 400, it will take a coordinated effort on all of our behalf's and I think that's been shown here this afternoon and obviously, I need to thank our former or our soon to be former Board Chair Laura Pastor, but particularly the staff from the City of Goodyear Christine McMurdy and Jenna Chirico (phonetic) for their support of me and everything else that we do and I will say this. The last six years on my tenure here on the board have not been the smoothest for this organization but the Valley Metro staff has shown great patience and commitment to serving the region and I particularly want to thank you as well and I hope that I can live up to your expectations as the Chair. That's all I got. Thanks.

Vice Mayor Adams said I just want to thank Councilmember Pastor for her wonderful leadership and for being just a stand-up person and I wish you the best of luck in your future and I will be supporting you for Congress United States of America. Thank you.

Chair Pastor said thank you for everybody stepping up in leadership role and to take the reins. I really appreciate it. Just like to say I've had a great time as Chair. I entered here a year and a half ago and was on a wild ride and it's now nice and smooth and steady right now, so let's keep it that way except for today I decided to make it the longest meeting. And we still have one more meeting so.

5. Report on Current Events and Suggested Future Agenda Items

Pastor said anybody?

6. Next Meeting

The next Board meeting is scheduled for Thursday, August 17, 2023 at 11:15 a.m.

The meeting was adjourned.

With no further discussion the meeting adjourned at 2:18 p.m.

Information Summary

DATE **AGENDA ITEM 1B**
August 10, 2023

SUBJECT
FranklinCovey Professional Development Training Services Contract Award

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to continue procuring Professional Development Training services with FranklinCovey in support of Valley Metro's commitment to a culture of learning.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute a cooperative agreement purchase order for the All Access Pass learning resources with FranklinCovey, not to exceed $60,300 for the periods of FY24 and FY25.

BACKGROUND | DISCUSSION | CONSIDERATION
All Access Pass users have unlimited access to FranklinCovey courses, assessments, videos, tools, and eLearning; including 32 FranklinCovey content areas, 143 FranklinCovey Insights (short 10-15 minute self-paced, video-based courses), 64 FranklinCovey e-Learning courses with digital participant materials and Jhana, which are bite-sized performance guidance and realistic scenarios on a wide range of management, leadership and individual contributor topics.

In addition, the following facilitator resources are also included: unlimited virtual facilitator certifications, work session PowerPoints®, program videos, and LiveClicks™ webinar licenses. As well as, and most importantly, the ability to assemble, integrate and deliver the content through an almost limitless combination of delivery modalities.

The on-demand content in All Access Pass, available to all Valley Metro employees, is highly utilized by individual learners who completed over 1200 topics in FY22 and FY23. In addition, the All Access Pass content is also facilitated for groups of learners and is an essential component of Valley Metro's curriculum for the Emerging Leader and Leadership programs.

FranklinCovey services will be procured directly using a cooperative contract awarded by the Arizona State Procurement Office #ADSPO18-210204. Purchasing under a cooperative contract saves Valley Metro resources due to the simplified acquisition process, the cooperative purchasing power of multiple agencies and the terms and conditions that have previously been negotiated.

Staff recommends a two-year term with FranklinCovey, which is the same cost as FY22-FY23 two-year term agreement; doing so saves Valley Metro an additional 10% each year.

COST AND BUDGET

The expected spend for the FranklinCovey All Access Pass for the next two years is $60,300. For Fiscal Year 2024, the RPTA contract obligation is $30,150 which is fully funded within the FY24 Valley Metro Operating and Capital Budget. Contract Obligations beyond FY24 are incorporated into the Valley Metro RPTA Five Year Operating Forecast and Capital Program FY2024 thru FY2028.

Purchase	Vendor	Contract	Cost
All Access Pass and Jhana 297 seats per year	FranklinCovey	State Contract: ADSPO18-210204	FY24 $30,150 FY25 $30,150
		Total	**$60,300**

COMMITTEE PROCESS

RTAG: July 18, 2023, for information
TMC: August 2, 2023 approved
Board of Directors: August 17, 2023, for action

CONTACT

Penny Lynch
Director, Human Resources
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plynch@valleymetro.org

ATTACHMENT

None

Information Summary

DATE **AGENDA ITEM 1C**
August 10, 2023

SUBJECT
Skillsoft eLearning Library Contract Award

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to continue procuring Skillsoft eLearning Library services in support of Valley Metro's commitment to a culture of learning.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute a cooperative agreement purchase order for the eLearning library with Skillsoft, not to exceed $75,200 for the periods of FY24 and FY25.

BACKGROUND | DISCUSSION | CONSIDERATION
The Skillsoft eLearning library includes over 3000 self-paced eLearning topics and includes a wide variety of essential content such as business-related professional development; collaboration and productivity tools including MS Office, Adobe, Tableau, Asana, Jira, etc; as well as digital transformation and software development topics geared towards IT staff. In addition, the compliance eLearning library includes legal compliance, workplace health and safety, as well as environmental and transportation-related topics.

The Skillsoft eLearning on-demand content, available to all Valley Metro employees, is highly utilized by individual learners who accessed over 1000 eLearning topics in FY22 and FY23. In addition, the content has been and continues to be utilized by groups of employees in the same work unit who share their key learning and applications with each other. The Harassment Prevention content was facilitated for over 150 employees in Operations and Maintenance in March and April of 2023 and will be completed by employees in all divisions during FY24.

Skillsoft services will be procured directly using the General Services Administration (GSA) contract #47QTCA19D002B. Purchasing under a cooperative contract saves Valley Metro resources due to the simplified acquisition process, the cooperative purchasing power of multiple agencies and the terms and conditions that have previously been negotiated.

Staff recommends a two-year term with Skillsoft, which is $410 more than the FY22-FY23 two-year term agreement; additionally, doing so saves Valley Metro 6% each year.

COST AND BUDGET
The expected spend for the Skillsoft eLearning library for the next two years is $75,200. For Fiscal Year 2024, the RPTA contract obligation is $37,600 which is fully funded within the FY24 Valley Metro Operating and Capital Budget. Contract Obligations beyond FY24 are incorporated into the Valley Metro RPTA Five Year Operating Forecast and Capital Program FY2024 thru FY2028.

Purchase	Vendor	Contract	Cost
Skillsoft eLearning Library 400 licenses per year	Skillsoft	GSA #47QTCA19D002B	FY22 $37,600 FY23 $37,600
		Total	**$75,200**

COMMITTEE PROCESS
RTAG: July 18, 2023, for information
TMC: August 2, 2023 approved
Board of Directors: August 17, 2023, for action

CONTACT
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ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 1D**

August 10, 2023

SUBJECT

Recommended October 2023 Transit Service Changes

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to amend member agency Fiscal Year 2024 (FY24) Intergovernmental Agreements (IGAs) as necessary, and to execute change orders to the First Transit and Total Transit fixed route contracts to accommodate the recommended October 2023 service changes.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to amend member agency FY24 IGAs as necessary, and to execute change orders to the Transdev and National Express fixed route contracts to accommodate the recommended October 2023 service changes.

BACKGROUND | DISCUSSION | CONSIDERATION

Effective October 23, 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. A Title VI Assessment of the service changes was conducted and found that disparate impacts of the service changes would be mitigated. 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 improvement and service cancellations.

Recommended Route and Schedule Changes:

- Route 48—48th St: Extend route on Rio Salado Pkwy to Mesa Riverview.
- Peoria POGO: Eliminate route.
- Avondale ZOOM: Eliminate Route.

Public Outreach

An extensive public outreach was conducted from May 1 through June 2, 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 May 24, 2023
  - Online comment card
  - Via email at input@valleymetro.org
  - Social media

- **Communication Channels**:
  - 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: July 18, 2023 for information
TMC: August 2, 2023 approved
Boards of Directors: August 17, 2023 for action

CONTACT

Henry Ikwut-Ukwa
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ATTACHMENT

None

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Route 48—48th St: Route Extension

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Changes in West Valley

- **Avondale ZOOM—**Eliminate route.
- **Peoria POGO Destinations**: Eliminate route

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Expanded WeRIDE Service Area

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Route 3—Van Buren St:
Proposed Schedule Adjustment

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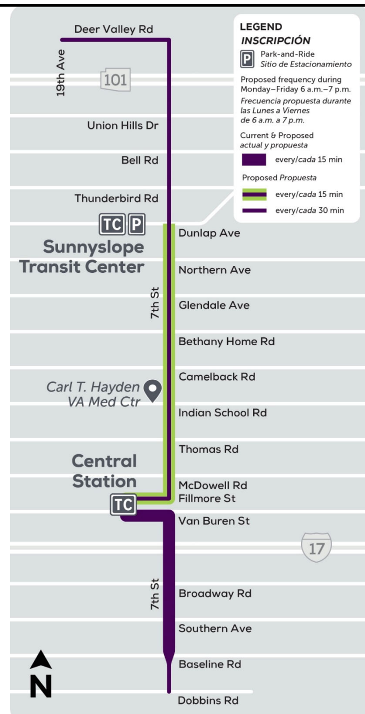
Route 7—7th St: Proposed Schedule Adjustment



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Route 16—16th St: Proposed Schedule Adjustment

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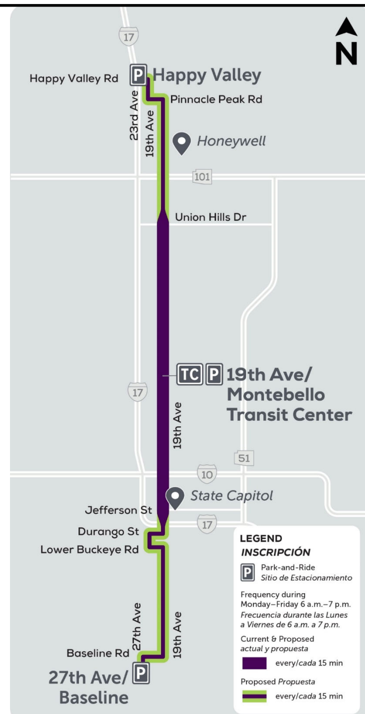
Route 19—19th Ave: Proposed Schedule Adjustment



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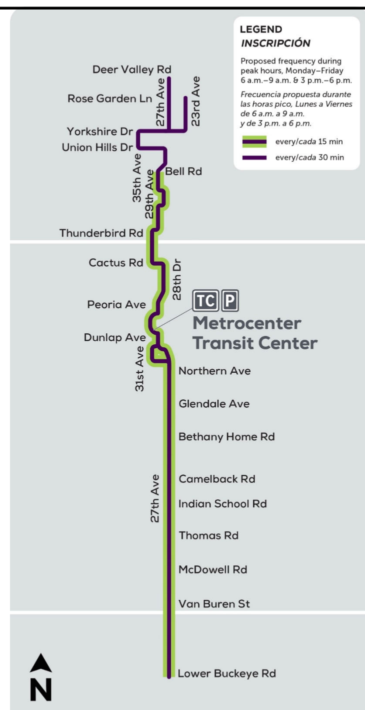
Route 27—27th Ave: Proposed Schedule Adjustment



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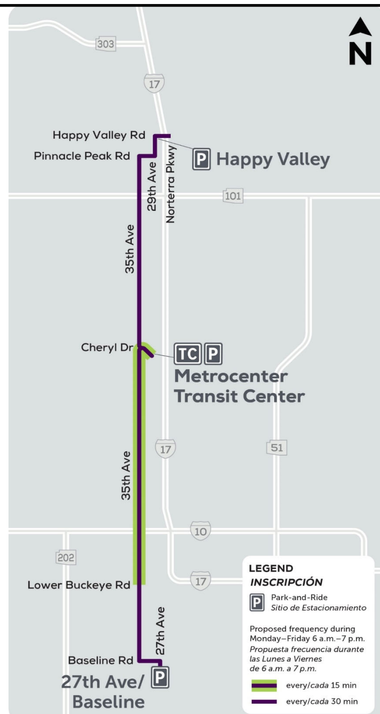
Route 35—35th Ave: Proposed Schedule Adjustment



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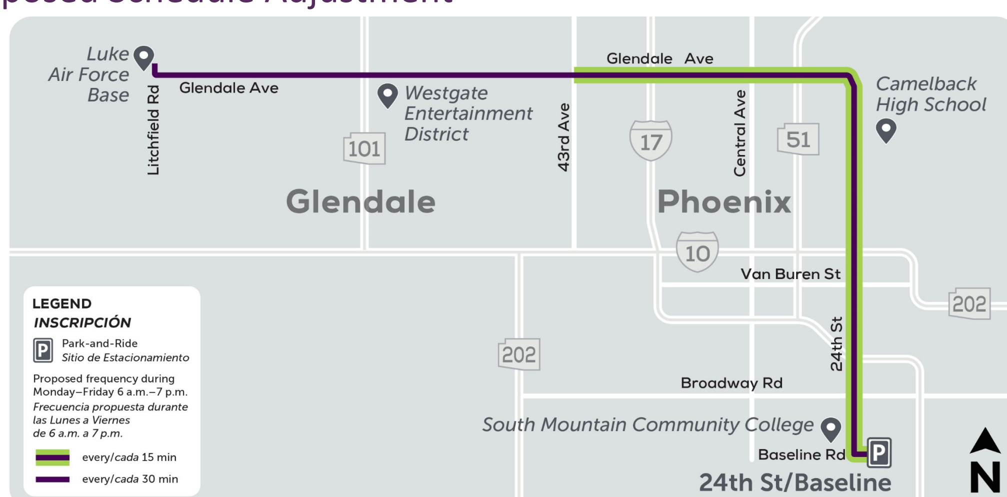
Route 70—24th St/Glendale Ave: Proposed Schedule Adjustment



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Downtown Phoenix DASH:
Proposed Route Extension

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Information Summary

DATE **AGENDA ITEM 2**
August 10, 2023

SUBJECT
Transit Life Cycle Program (TLCP) Policy Change Recommendation

PURPOSE
To request approval of a TLCP policy change to modify the Jurisdictional Equity (JE) thresholds at the sub-regional level to remove the provision allowing a sub-region's transportation excise tax revenues to be over allocated.

RECOMMENDATION
Staff recommends that the Board of Directors approve a policy change to the TLCP Guiding Principle 6 – Jurisdictional Equity so that no sub-region's transportation excise tax revenues may be over allocated while maintaining the other jurisdictional equity thresholds allowing sub-regions to be under allocated up to 2.5% and limiting an individual jurisdiction's under allocation to a maximum of $7.5 million without that jurisdiction's expressed consent.

BACKGROUND/DISCUSSION/CONSIDERATION
The TLCP was developed in 2005 to provide guidance for the implementation of the transit component of the Regional Transportation Plan and includes distinct bus and rail programs. The TLCP includes Guiding Principles, policies, procedures, and financial forecasts to ensure that the program is balanced. Information presented in the TLCP is a 20-year summary encompassing the life of the Transportation Excise Tax authorized in Prop 400. The Prop 400 Transportation Excise Tax revenues for transit are deposited in the Public Transportation Fund (PTF).

A few years after the initial adoption of the TLCP Policies, the Great Recession and the subsequent reduction in forecasted revenues presented serious financial challenges. At that time, there was a desire to scale back projects in a way that would be viewed as being geographically equitable and create consensus. In 2009, the Board responded by creating a TLCP Working Group made up of RPTA member jurisdictions to make policy recommendations to the Board. Then, in April 2010, based on the TLCP Working Group's recommendations, the Board changed Guiding Principle 6 of the TLCP Policies from stating "jurisdictional equity will be monitored" to "jurisdictional equity will be maintained." Subsequently, in February 2011, the Board established jurisdictional equity thresholds for RPTA:

a. Jurisdictional equity will be maintained by sub-region, with each sub-region not to exceed ± 2.5% of allocated transportation excise tax revenues.

b. No individual jurisdiction may be under allocated by more than $7.5 million without that jurisdiction's expressed consent.

At the June 2021 Board meeting, Vice Mayor Stipp requested a staff analysis exploring options of modifying these jurisdictional equity (JE) policy thresholds. At the January 2022 Audit and Finance Subcommittee (AFS) meeting, staff presented four JE policy options: 1) No Policy Change; 2) Tighten JE Thresholds; 3) Loosen JE Thresholds; 4) Remove JE Thresholds.

After review of these policy options, the AFS directed staff to discuss these options with city staff to get their feedback. In response, staff had discussions about these policy options with the Service Planning Working Group and at the sub-regional level. Some general themes emerged after several meetings with city staff collecting feedback. City staff did not support removing JE thresholds or eliminating JE. They also expressed a desire to be conservative in how PTF is programmed due to uncertainty about the economy, future contract rates, and the extension of Prop 400. Ultimately, city staff reached consensus on one potential change to the JE policy, which was to not allow any sub-region to be overallocated. However, staff has not yet brought a recommendation to the Board for action.

Moreover, in April 2023, the Board approved the TLCP Update along with a TLCP policy clarification:

> *Prop 400 rules apply to all PTF revenues collected during Prop 400. Any PTF balance remaining at the end of Prop 400 shall be spent in accordance with Prop 400 TLCP Jurisdictional Equity policies instead of Prop 400 Extension policies.*

This policy clarification had been requested by city staff at RPTA's sub-regional meetings. It was intended to mitigate the assumption that, if a sub-region does not fully spend its allocation during the Prop 400 period, it will no longer have control over how any carryover PTF is allocated. The goal of this policy clarification was to allow the sub-regions to spend their Prop 400 PTF more judiciously instead of acting out of fear of losing this money once Prop 400 expires or the Prop 400 Extension (Prop 400E) goes into effect. City staff had indicated that they would be more inclined to limit PTF spending if there were assurances that they would not lose their PTF allocations at the end of Prop 400.

However, the new policy to carryover Prop 400 PTF revenues beyond Prop 400 is unworkable if a sub-region is allowed to be overallocated. Therefore, in response to this new Prop 400 PTF carryover policy and the feedback we previously received from city staff regarding jurisdictional equity policies, staff now recommends modifying TLCP Policies Guiding Principle 6 so that no sub-region may be overallocated while maintaining the other jurisdictional equity thresholds.

The new TLCP policy on jurisdictional equity thresholds would be as follows:

a. Jurisdictional equity will be maintained by sub-region. No sub-region's transportation excise tax revenues may be under allocated by more than 2.5% or overallocated.
b. No individual jurisdiction may be under allocated by more than $7.5 million without that jurisdiction's expressed consent.

COMMITTEE PROCESS
RTAG: July 18, 2023 for information
TMC: August 2, 2023 approved
AFS: August 3, 2023 for information
Board of Directors: August 17, 2023 for action

CONTACT
Ken Kessler
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ATTACHMENT
TLCP Adopted Policies (June 2015) – Guiding Principle 6

Guiding Principle 6: Jurisdictional equity will be maintained.

Adopted Policies

a) Jurisdictional equity applies to transportation excise tax revenues collected pursuant to ARS 42-6105 and expended through the Public Transportation Fund (PTF).

b) Jurisdictional equity is the percent share of expected PTF revenues allocated to each jurisdiction over the 20-year life of the regional transit program as listed in Table A – Jurisdictional Equity Allocation.

c) The RTAG will review the TLCP financial model at least annually and make recommendations to maintain jurisdictional equity over the 20 year life of the program based on the following parameters:

    a. Jurisdictional equity will be maintained by sub-region, with each sub-region not to exceed ± 2.5% of allocated transportation excise tax revenues.
    b. No individual jurisdiction may be under allocated by more than $7.5 million without that jurisdiction's expressed consent.

d) Expenditures for activities that are regional in nature will not be counted as part of the jurisdictional equity calculation and include Regional Services, ADA Certification and Mobility Center costs, capital financing costs and RPTA planning and administration costs. (This change will be effective when the Mobility Center begins operation).

e) Jurisdictional allocations will be based on cost allocations for projects according to the following parameters:
    a. Supergrid, local and arterial bus rapid transit services will be allocated based on the net PTF subsidy. Costs will be calculated using actual contract rates for fiscal years 2006 through 2016. Costs will be calculated using average contract rates for fiscal years 2017 through 2026. Costs then will be allocated to jurisdictions on a mileage basis and fares allocated based on ridership.
    b. Express and freeway bus rapid transit services will be allocated on the net PTF subsidy. Costs will be calculated using actual contract rates for fiscal years 2006 through 2016. Costs will be calculated using average contract rates for fiscal years 2017 through 2026. Costs then will be allocated to jurisdictions on a mileage basis for jurisdictions in which there are boarding/alighting locations and fares will be allocated based on ridership.
    c. Rural routes are allocated to Maricopa County based on the PTF subsidy.
    d. All capital facilities are allocated to the jurisdiction in which they are located based on the PTF contribution. Additionally, depreciation of the cost of

Operations and Maintenance Facilities, excluding any FTA federal share, will be included in the operating rates charged for service. (This policy will be effective July 1, 2011 unless current practice)

e. Fixed route fleet costs are allocated to the agency operating the fleet. The costs will be included in the operating rates charged for service, excluding any FTA federal share. (This policy will be effective July 1, 2011 unless current practice)
f. Paratransit fleet costs are allocated to the jurisdictions for which the vehicles were purchased based on the PTF contribution. If the vehicles were purchased for a sub-regional service, the costs are further allocated based on the distribution of revenue hours by jurisdiction within that sub-regional service.
g. Rural fleet costs are allocated to Maricopa County based on the PTF contribution.
h. Vanpool fleet costs are considered regional and therefore not allocated to jurisdictions.

f) For the light rail program the primary goal will be to implement the entire program as defined in the Regional Transportation Plan. If there is a surplus of light rail funds, these funds may be utilized for rail equipment and facility modernization and upgrades.

g) A jurisdiction with a light rail/high capacity transit project in the current TLCP may request that a portion of its bus PTF jurisdictional equity allocation be transferred to supplement capital funding for such light rail/high capacity transit project provided that:

a. The transfer of funds does not cause the sub-regional jurisdictional equity to be out of balance, (as defined in policy c); and
b. The requesting jurisdiction reduces funding for other bus program projects in the amount of the transfer to the rail program to ensure its jurisdictional equity does not become negative; and
c. The transfer of funds does not result in a reduction of regional or cross-jurisdictional bus service, unless such reduction is a result of Board-approved performance-based service changes completed through the Short Range Transit Program; and
d. If the transfer of funds is completed over time resulting in an increased need for financing the rail program, additional funds will be transferred from the requesting jurisdiction to pay the incremental finance costs.
e. Each succeeding update to the TLCP will review and confirm the provisions of policy g) are upheld.

Table A –Jurisdictional Equity Allocation

Jurisdiction	Bus PTF % Share
Avondale	1.538%
Buckeye	0.073%
Carefree	0.000%
Cave Creek	0.000%
Chandler	9.463%
El Mirage	0.226%
Fountain Hills	0.085%
Gila Bend	0.136%
Gilbert	6.117%
Glendale (2)	5.679%
Goodyear	0.259%
Guadalupe	0.007%
Litchfield Park	0.227%
Maricopa County (1)	0.652%
Mesa	19.441%
Paradise Valley	0.535%
Peoria	2.217%
Phoenix	31.735%
Queen Creek	0.061%
Scottsdale	10.407%
Surprise	0.232%
Tempe	10.564%
Tolleson	0.308%
Wickenburg	0.022%
Youngtown	0.016%
Total	**100.000%**
West Valley	**11.585%**
Central Valley	**31.735%**
East Valley	**56.680%**

(1) Includes Gila River Indian Community and Salt River Pima-Maricopa Indian Community
.
(2) The Glendale Avenue Adjustment is incorporated into the policy percentages.

TLCP Policy Change Recommendation

August 2023

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Overview

- What is the TLCP and JE?
- Great Recession caused increased emphasis on JE
- Board requested we explore opportunities to modify JE
- April ‘23 Board policy change made existing JE thresholds unworkable
    - Policy change recommended
    - Policy modifications require Board Authorization

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TLCP Guiding Principles

Approved by Board of Directors in 2005

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).**

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Jurisdictional Equity – Revised

Great Recession Impact: PTF forecast reduced from $5B to $3B, shortfall of $2B

TLCP Working Group created in 2009

- Made up of staff members from RPTA member jurisdictions
- Proposed policy changes in response to the Great Recession's impact on PTF revenues

Policies adopted by the Board:

- April 2010 – Jurisdictional equity changed from <u>monitored</u> to <u>maintained</u>
- Feb 2011 – Established jurisdictional equity thresholds for RPTA

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Exploring Alternative JE Policies

June 2021 Board

- Requested exploration of JE Policy Change

Jan 2022 AFS

- JE policy options shared

City staff consensus

- Do not allow any sub-region to be over allocated

RPTA Board Policy Clarification

April 2023 Board Approved TLCP

April 2023 – Board approved the TLCP Update along with a TLCP policy clarification:

- Prop 400 rules apply to all PTF revenues collected during Prop 400 (based on MAG guidance)
- Remaining PTF at end of Prop 400 shall be spent in accordance to Prop 400 JE policies – not Prop 400E

New Prop 400 PTF carryover policy unworkable if a sub-region is allowed to be over allocated

- Policy change is recommended.

JE by Sub-region (20 Year Plan)

$ in Millions

Sub-Region	Total Revenue Allocation	Total Costs Allocated	Allocation Under (Over)	Percent Under (Over)	Amount to Program
East	$854.0	$841.6	$12.4	1.5%	$0.0
Central	$478.1	$471.3	$6.9	1.4%	$0.0
West	$174.5	$172.1	$2.5	1.4%	$0.0
Total	**$1,506.7**	**$1,484.9**	**$21.8**	**1.4%**	**$0.0**

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Proposed TLCP Policy Change

Guiding Principle 6

Existing Policy:

a. Jurisdictional equity will be maintained by sub-region, with **each sub-region not to exceed +/- 2.5% of allocated transportation excise tax revenues**.

b. No individual jurisdiction may be under allocated by more than $7.5 million without that jurisdiction's expressed consent.

New Policy:

a. Jurisdictional equity will be maintained by sub-region. **No sub-region's transportation excise tax revenues may be under allocated by more than 2.5% or over allocated**. *(revised)*

b. (Same as above)

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Recommendation

Staff recommends that the Board of Directors approve a policy change to the TLCP Guiding Principle 6 – Jurisdictional Equity so that no sub-region's transportation excise tax revenues may be over allocated while maintaining the other jurisdictional equity thresholds allowing sub-regions to be under allocated up to 2.5% and limiting an individual jurisdiction's under allocation to $7.5 million without that jurisdiction's expressed consent.

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Information Summary

DATE **AGENDA ITEM 3**
August 10, 2023

SUBJECT
Valley Metro RPTA Bus Advertising Policy Amendment

PURPOSE
To request Board action to amend the Valley Metro RPTA Advertising Policy to fully maximize revenue.

RECOMMENDATION
Staff recommends that the Board of Directors amend the Valley Metro RPTA Advertising Policy to fully maximize revenue (Option 3).

Option 3/FULLY MAXIMIZED: Unrestrained Model with All Available Fleet

- All local fixed route fleet available (Q = 240) for any/all available advertising products, including full wraps
- + Express fleet (Q = 56) available for any/all available advertising products
    - In the Tempe/Mesa yards, RPTA operates 32 Express vehicles
    - In the West Phoenix yard, RPTA operates 24 Express vehicles

BACKGROUND | DISCUSSION | CONSIDERATION
In early 2021, the Valley Metro RPTA Board of Directors expressed interest in exploring bus advertising on the RPTA-operated fleet. After research and discussion, the Board amended their historical “no advertising” policy and approved a bus advertising program and policy in November 2021.

The policy outlines the vehicle advertising products available on the RPTA-operated fleet. It also delineates which vehicles are eligible for advertising as well as the Advertising Standards, which determine advertising content. The Advertising Standards are consistent across our policies and with the City of Phoenix Public Transit’s policy.

Through this memo and presentation, staff will provide:

- History of bus advertising in the region
- Benefits and challenges of transit advertising
- More details on the current Valley Metro RPTA Advertising Policy
- Revenue estimates for adding to the available advertising inventory

History of Bus Advertising in Metro Phoenix
Primary bus advertising milestones and decision points:

- **1981** – City of Phoenix begins advertising on their bus benches
- **1994** – Valley Metro RPTA Board defers adoption of an advertising policy citing "image" and "clutter" concerns; City of Phoenix begins advertising on their buses
- **2000** – Valley Metro RPTA Board denies exterior advertising on buses citing sign ordinances, "system identity" and "safety" concerns as well as a lack of personal preference
- Several municipalities in the East and West Valleys initiate bus stop advertising programs in their communities
- **2021** – Valley Metro RPTA Board amends their "no advertising policy" to establish an exterior bus advertising program and policy; utilizes existing Advertising Sales Services agreement with OUTFRONT Media and a revenue share agreement of 65% of net revenues
- **2022** – Bus advertising program begins in March with first exterior advertising displayed on East Valley local fixed route and select circulator buses
- **2023** – Valley Metro RPTA and Rail Boards approve the contract renewal with OUTFRONT Media for the final, three-year option, instituting a Minimum Annual Guarantee (MAG) for the bus program of $400,000 or 65% of net revenues, whichever is greater

Benefits and Challenges of Transit Advertising
The greatest benefit of transit advertising is the revenue and how it offsets operational costs, helping to keep more service on the road. It also taps into a revenue source outside the traditional funding streams of fares and public dollars and grants.

In its first year of operation, the RPTA bus advertising program generated $633,503 (between March 2022 – March 2023), which was in line with the staff/contractor projection. The projection reflected that this was a new program (as advertising interest builds over time) and, per the RPTA advertising policy, advertising displays are permitted between the wheels and on the tails of vehicles (no full wraps) on local fixed route or select circulator buses only.

Advertising is a broadly used, revenue-generating tool across the transit industry. Below are six peers and their approach to bus advertising and the products they allow:

Peer City	Bus Advertising Y/N	Full Suite of Bus Products (including full wraps) Y/N
Dallas (DART)	Y	Y
Denver (RTD)	Y	Y

Houston (Metro)	N (No "visual clutter" sign ordinance)	N
Portland (TriMet)	Y	Y (Full wraps on perimeter; no windows)
San Diego (MTS)	Y	Y
Salt Lake City (UTA)	Y	Y (UTA logo must remain visible)
City of Phoenix	Y	Y

Relative to the City of Phoenix Public Transit, their bus advertising program has an established Minimum Annual Guarantee (or MAG) of $1.4 million. Their program is open to all bus advertising products, including on their RAPID bus fleet. It should be noted that they have 45% more buses than available within the RPTA-operated fleet.

The challenges of transit advertising can vary and range between concerns about maintenance/scheduling/wear n' tear, public safety/rider experience, broader views on advertising in general, including its impact on branding and system aesthetics, as well as varied opinions on the use of a public asset for a commercial purpose. These concerns can be felt locally, with several jurisdictions having different policies, ordinances and/or philosophies on city-wide advertising; and these concerns are also debated nationally by transit agency peers.

The maintenance/scheduling concerns have been managed locally as vehicles are prioritized for service, with installation schedules that have been directed by Valley Metro maintenance teams. The contract also has strong language relative to the contractor's responsibility for any vehicle/paint damage repairs. The other concerns are and have been part of discussions with the RPTA Board of Directors relative to the current and possible future advertising policy.

Current Valley Metro RPTA Advertising Program
Per the Valley Metro RPTA Advertising Policy, adopted by the Board of Directors in November 2021, bus advertising is permitted as follows (and visually displayed on the below graphic):

- Exterior bus advertising only
- Contained between the wheels and on the tails of buses, allowing the regional transit logo and branding to continue to be visible
    - Additionally, products that cover the windows (i.e. Ultra Super Kings) can be placed on up to 25% of the eligible fleet

- Available on local fixed route buses and select circulators (as determined by circulators cities); Express buses are not part of the current program
- Content follows an established set of Advertising Standards consistent with Valley Metro Rail and City of Phoenix Public Transit Advertising Policies

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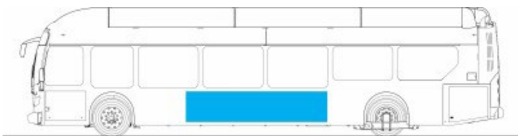
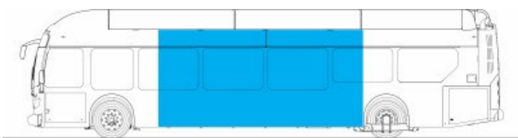
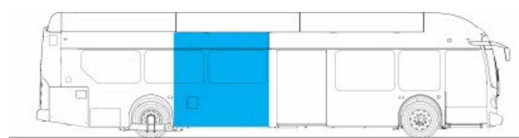


QUEEN

ULTRA SUPER KING



ULTRA SUPER QUEEN



TAIL

The current program has a MAG of $400,000, or 65% of net revenues, whichever is greater, which began July 1, 2023 with the OUTFRONT Media contract renewal. Also, per the contract, OUTFRONT follows the adopted advertising policy and the MAG can be revisited at Valley Metro's discretion, including if the policy changes. If the policy changes, Valley Metro would work with OUTFRONT to adjust the MAG and cement the adjustment through a contract change order.

Revenue Estimates for More Inventory

In consultation with OUTFRONT, staff developed three inventory options for additional advertising space to understand the revenue potential if the Board chooses to open up the RPTA bus advertising policy.

The options are for discussion only; the Board can determine the specific path forward. OUTFRONT was provided these options, including revenue projections and possible MAGs, based on current trends in the market and with the program. However, it is worth noting: OUTFRONT does not have the history of selling full wraps in this area/market nor the Express bus inventory in the East and West Valleys (per Option 3), so a range has been presented.

Option 1: Some Full Bus Wraps (FBWs)

- Continue with current advertising program
- + 25% of the local fixed route fleet being available for FBWs (which if the current fleet is 240 vehicles, OUTFRONT could advertise on up to 60 vehicles with FBWs)

Annual revenue projection for Option 1 = $1,733,000 | 65% projected to Valley Metro = $1,126,000 | MAG proposal = $500,000 – $600,000

Option 2: Unrestrained Model with Current Available Fleet

- All local fixed route fleet available (Q = 240) for any/all available advertising products, including full wraps

Annual revenue projection for Option 2 = $1,960,000 | 65% projected to Valley Metro = $1,274,000 | MAG proposal = $600,000 – $700,000

Option 3/FULLY MAXIMIZED: Unrestrained Model with All Available Fleet

- All local fixed route fleet available (Q = 240) for any/all available advertising products, including full wraps
- + Express fleet (Q = 56) available for any/all available advertising products
    - In the Tempe/Mesa yards, RPTA operates 32 Express vehicles
    - In the West Phoenix yard, RPTA operates 24 Express vehicles

Annual revenue projection for Option 3 = $2,123,800 | 65% projected to Valley Metro = $1,380,470 | MAG proposal = $700,000 – $750,000

COST AND BUDGET

Please see above for program revenue and the revenue potential.

COMMITTEE ACTION

Board of Directors: June 22, 2023 for information
Board of Directors: August 17, 2023 for action

CONTACT

Hillary Foose
Director, Communications & Strategic Initiatives
602-322-4468
hfoose@valleymetro.org

ATTACHMENT

Current policy: Valley Metro RPTA Advertising Policy
Proposed policy: Attached

VALLEY METRO RPTA ADVERTISING POLICY – V2 DRAFT

Valley Metro RPTA believes that advertising on buses is best performed using a standard set of established criteria. Therefore, the following criteria are established for advertising on the regional bus fleet operated by Valley Metro RPTA:

Vehicle Advertising
Advertising on buses is limited to exterior display advertising. All standard advertising products are permitted, including full wraps.

The fleet eligible for advertising is all local and Express buses and select circulator buses (as determined by the circulator city) operated by Valley Metro RPTA and its transit service providers.

Valley Metro and its member cities reserve the right to use its buses for exterior advertising of its own transit-related messages.

Advertising Standards
The Valley Metro RPTA Advertising Policy is and will continue to be consistent with the Valley Metro Rail and City of Phoenix Public Transit Department's policies that establishes the following standard:

The subject matter of Valley Metro RPTA bus advertising is limited to speech that proposes a commercial transaction.

The Valley Metro RPTA policy prohibits the display of advertising copy or graphics that:

1. Are false, misleading, or deceptive
2. Relate to an illegal activity
3. Advertise or depict the use of tobacco or smoking products
4. Represent, by language or graphics, violence or anti-social behavior
5. Advertise or depict language, gestures, conduct or graphical representations that are obscene, pornographic, vulgar, profane or scatological
6. Represent, by language or graphics, a "nude" or "seminude" person, as those terms are defined in Section 11-811, Arizona Revised Statutes, or the exposed buttocks of any person
7. Depict, relate to or reference a website or other medium that relates to "specified sexual activities" or "specified anatomical areas" as those terms are identified in Section 11-811, Arizona Revised Statutes

Alcohol content is permitted on vehicles.

All advertising is subject to approval by Valley Metro RPTA and/or its designated representatives.

Adopted by Valley Metro RPTA Board of Directors on XXX, 2023.

Bus Advertising Policy Amendment

August 17, 2023 Board of Directors

VALLEY METRO

1

Bus Advertising History

- **1994** – RPTA defers advertising citing “image” & “clutter;” COP advances bus advertising
- **2000** – RPTA denies advertising citing sign ordinances, “system identity” & “safety”
- **2021** – Valley Metro RPTA Board amends their “no advertising policy” to establish program
- **2022** – Bus advertising program in East Valley
- **2023** – Joint Boards approve contract renewal with OUTFRONT Media through June 2026

2

Benefits

- Revenue, supporting service
  - First year = $633k
  - New MAG = $400k or 65% of net
- Diversified revenue

Challenges

- Maintenance/scheduling
- Rider experience/public safety
- Branding and use of a public asset

VALLEY METRO

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3

Current Policy

- Exterior bus advertising only
- Between the wheels and on the tails
  - Logo and branding to remain visible
- Local fixed route buses and select circulators
  - Express buses are not part of the current program
- Advertising Standards guide content approvals

VALLEY METRO

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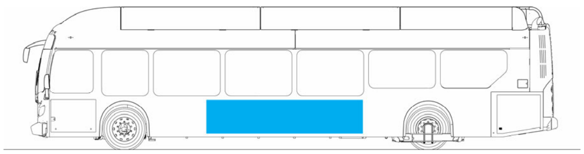

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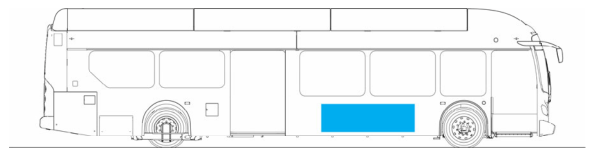

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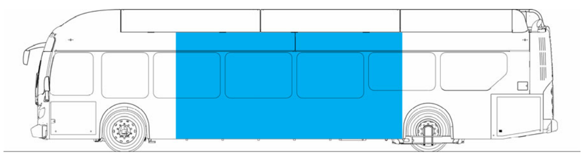

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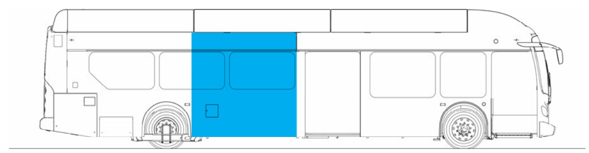

TAIL

5

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Potential Advertising Products

- Full wraps
- Express fleet

VALLEY METRO

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6

Revenue Potential

- **Option 1: Some Full Bus Wraps – 25% of Fleet**
  - 65% projected to Valley Metro = $1,126,000
  - MAG proposal = $500,000 – $600,000
- **Option 2: Unrestrained Model with Current Available Fleet**
  - 65% projected to Valley Metro = $1,274,000
  - MAG proposal = $600,000 – $700,000
- **Option 3: Unrestrained Model with All Available Fleet - Including Express**
  - 65% projected to Valley Metro = $1,380,470
  - MAG proposal = $700,000 – $750,000

7

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Recommendation

Staff recommends that the Board of Directors amend the Valley Metro RPTA Advertising Policy to fully maximize revenue (Option 3).

8

8

Information Summary

DATE **AGEND ITEM 4**
August 10, 2023

SUBJECT
East Valley Fixed Route Services Contract Award

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a Federally compliant contract with Keolis Transit Services, LLC for East Valley Fixed Route Operations and Maintenance Services. This Contract will maintain RPTA and City of Tempe services under a single unified contract. The contract has a three-year base term with the option to extend for an additional four years, and a second option to extend for an additional three years, not to exceed a total of 10 Years.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute a contract with Keolis Transit Services, LLC for East Valley Fixed Route Operations and Maintenance Services. Contract to be awarded for an initial three-year base term at a cost of $316,462,317 with a contingency amount of 5% of the three-year base term $15,824,000. Upon Board approval, the Contract will include an option for a four-year extension at a projected cost of $484,183,108 and an option for an additional three-year extension at a cost of $413,504,277.

BACKGROUND | DISCUSSION | CONSIDERATION
On January 20, 2022, the Board of Directors authorized the CEO to develop and issue a competitive solicitation to perform Fixed Route Bus Service in the East Valley. Prior to the issuance of a Request for Proposal (RFP), a working group consisting of Valley Metro staff, representatives from member jurisdictions, and a consultant (WSP) collaborated on the development of the RFP's Scope of Work and evaluation criteria.

The RFP detailed three different service options:

A. Unified service that maintains combined system management and operates both the Valley Metro Mesa Bus Operations and Maintenance (MBOM) and East Valley Bus Operations and Maintenance (EVBOM) facilities.
B. RPTA-managed services operated from Valley Metro's MBOM facility.
C. Tempe-managed services operated from the City of Tempe's EVBOM facility.

The RFP was issued on November 22, 2022. A Pre-proposal meeting was held at the Mesa Bus Operations and Maintenance (MBOM) facility with briefings and tours provided to firms interested in submitting proposals at each of the operating facilities (RPTA and Tempe).

In accordance with the solicitation instructions, the proposals were evaluated based on the following published evaluation criteria, which were developed by the working group:

Technical Evaluation • Qualifications & Experience • Qualifications & Experience of Assigned Personnel • Transition, Implementation, & Start-Up • Continuous Improvement • Understanding/Approach to the Scope of Services	 100 max. points 200 max. points 100 max. points 100 max. points 300 max. points
Price Evaluation	200 max. points
Total Points	1,000 max. points

The RFP instructions required firms to submit proposals for each of the three service scenarios. A total of six proposals were received. Transdev's proposal was withdrawn due to their acquisition of First Transit, which also submitted a proposal. Four proposals were deemed responsive, and one was deemed non-responsive.

A selection committee comprised of five well-qualified staff, one each, from the City of Tempe, City of Chandler, City of Mesa, Town of Gilbert, and Valley Metro, evaluated technical proposals. The Selection Committee finalized its evaluations of each firm's technical proposal, and Valley Metro staff finalized the 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.

Upon completion of the technical evaluation, interviews, and price evaluation, the selection committee determined that Option 'A' the Unified Service option would provide the best overall value.

The selection committee evaluation of the Option A proposals is summarized as follows:

Proposer	Technical Points	Tech Rank	Price Points	Combined Tech & Price	% Total Score
Keolis	728	1	187	915	92%
MV Transportation	665	2	192	857	86%
First Transit	640	3	200	840	84%
RTW Management	475	4	156	631	63%
TransDev	Withdrawn				
All Dat Jazz Cleaning	Non-Responsive				

Three firms were determined to be in the competitive range: Keolis, First Transit, and MV Transportation. All three were moved forward to submit their respective best and final offer (BAFO). The selection committee had the highest degree of confidence and fewest risk concerns with Keolis Transit Services. The Keolis proposed price was deemed fair and reasonable based on a comparison to competing offers and the independent cost estimate (ICE).

Based on this process, the selection committee has selected Keolis Transit Services, LLC as the firm whose proposal offers the best value to the agency.

COST AND BUDGET

The cost for East Valley Fixed Route Bus Services, inclusive of all option years, is not to exceed $1,229,973,702 which includes a contingency in the amount of $15,824,000 or 1.3%, over the next 10 years. 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: July 18, 2023, for information
TMC: August 2, 2023, approved
Board of Directors: August 17, 2023, for action

CONTACT

Tom Young
Deputy Chief, Bus and Paratransit Operations
tyoung@valleymetro.org

ATTACHMENT

Contract Oversight & Joint Management Program - Executive Summary

Contract Oversight & Joint Management Program
Executive Summary

Background

Valley Metro and member cities share a common goal to provide the highest quality services to member communities in a coordinated manner and to make fiscally responsible decisions that ultimately produce a premier transit system to Maricopa County. In 2023, contractor WSP facilitated a workgroup comprised of Valley Metro staff and transit staff from City of Phoenix, Mesa, Tempe, Chandler, Scottsdale, town of Gilbert, City of Surprise, Peoria, Avondale, Goodyear and Glendale to develop a formal, standardized process for managing contracted fixed-route bus and accessible transit services (the Oversight Program) and for ensuring effective communication and collaboration in the oversight and delivery of these services between Valley Metro and the cities served (the Joint Management Program). While described in two separate documents, these programs complement each other and were intended to be implemented together. Therefore, this document, which briefly summarizes the two programs, describes them together and highlights the requirements of the Joint Management Program using *italics*.

Overview

The contractor is responsible for providing transportation operations and vehicle maintenance services in accordance with the terms and conditions detailed in the signed agreements and all adopted amendments as follows:

- To manage all facets of the operations and maintenance of fixed-route bus or accessible transit services including:
  - To provide professional, courteous, timely, safe, clean, and reliable transportation services.
  - To respond to passenger inquiries and request in a professional, positive, and collaborative manner.
  - To ensure that all operations personnel, regardless of facility assignment, are properly trained so they can operate any route under the Contract.
  - To develop a balanced approach to transit operations that holds individuals accountable but also recognized the formative role played by formal and informal organizational cultures.

The Contract Oversight Program ensures compliance with these requirements and the Joint Management Program ensures communication and collaboration with the cities through agreed upon actions and tasks presented chronologically. In the interest of brevity, these elements will be described as briefly as possible. We are happy to share the program's full documentation if more detail is sought.

Daily & Weekly Management

a. **Contractor Daily Report** – Each morning, the contractor must provide a report of key performance indicators for the prior days service. The categories and number of measures are: Operations (32), Customer Service (2), Maintenance (8), Safety & Training (10).
b. **Daily Management Meeting** – the Valley Metro Transit Operations team conducts a brief daily meeting to review and discuss the prior day's performance via the Contractor Daily report and identify any areas needing immediate attention. Any area not meeting the level of quality established by Valley Metro will be addressed immediately.
c. **Daily Actions & Inspections** -- Based on information from the Daily Meeting and Daily Reports, Valley Metro will deploy personnel to support and respond to areas of operations needing attention. Activities may include onsite inspections, communication and coordination with member agencies or other stakeholders, and reviewing, commenting, and advising on the Contractor's plan of action.
d. **Weekly Performance Meeting –** Valley Metro will meet weekly with the contractor to discuss performance, issues, and opportunities for improvement and collaboration.

Monthly Management

a. **Monthly Performance Management Meeting** – Valley Metro will meet with the contractor to discuss performance. This may be replaced by the weekly meetings noted above.
b. **Monthly Invoice Review** – The contractor shall submit a monthly invoice packet that includes a detailed summary of the costs incurred per platform service hour, fuel service, and other previously approved special activities in addition to specific operations and maintenance performance reports. Valley Metro will review the monthly invoice packet with relevant supporting documentation for costs and performance requirements to determine eligibility payment amount. This review includes but is not limited to:
    i. Schedule Related Performance – e.g. On-Time-Performance and Missed Trips
    ii. Customer Related Performance – e.g. customer complaints, their investigations and responses; ADA compliance; employee appearance violations; and farebox compliance
    iii. NTD Reporting including:
        - Accident/Incident Reports
        - Security & Crime Reports
        - Key Personnel Status Report
        - Employee Training & Safety Report
        - Drug & Alcohol Testing Compliance Report
    iv. Facility-Related Assets – facility inspection and maintenance issues
    v. Vehicle-Related Assets
        - Vehicle Condition Report

- Vehicle Inspection Audits
- Farebox Maintenance Report
- Road Call Report
- Warranty Repair Claims
- Deferred Maintenance
- Preventive Maintenance

c. **Incentives & Liquidated Damages Tracking**

*d. **Monthly Sub-Regional Partner Meeting** – Valley Metro and member cities meet monthly on a sub-regional basis (e.g. East Valley and West Valley) to discuss contracted services performance, resolve challenges jointly, and to establish open lines of communication to proactively address matters related to fixed-route. These meetings began in April 2023 for the West Valley and May 2023 for the East Valley. Accessible transit services currently facilitate the ATS Partners meetings (subcommittee of RTAG) that are held every other month.*

*e. **Data Hub –** Valley Metro is developing a data hub accessible by the member cities to provide monthly key performance data (e.g. OTP, complaints, accidents, ridership, farebox recovery, etc).*

*f. **Monthly Performance Reports –** Valley Metro will continue to provide member cities with monthly performance reports. These reports are currently provided as stand-alone documents and as part of the sub-regional meetings.*

<u>Quarterly Management</u>

a. **Maintenance Vehicle Inspections** – inspection of at least 5% of vehicles to assess vehicle conditions and validate reporting accuracy.
b. **Maintenance Vehicle Records** – review the maintenance records for at least 3% of vehicles.
c. **Public Transit Agency Safety Plan (PTASP) Risk Register** – review contractor compliance.

<u>Semi-Annual Management</u>

a. **Accident/Incident Files** – review 3% of records

<u>Annual Management</u>

a. **ADA Compliance Monitoring** – monitoring for fixed route and paratransit service.
b. **Drug & Alcohol Program** – monitoring to ensure compliance with federal requirements.
c. **PTASP** – annual review and review of safety and security procedures.
d. **Safety & Security Program**
e. **Transit Asset Management Plan**
f. **Title VI Compliance**
g. **Training Program**
h. **Maintenance Program**

East Valley Fixed Route Services Contract Award Recommendation

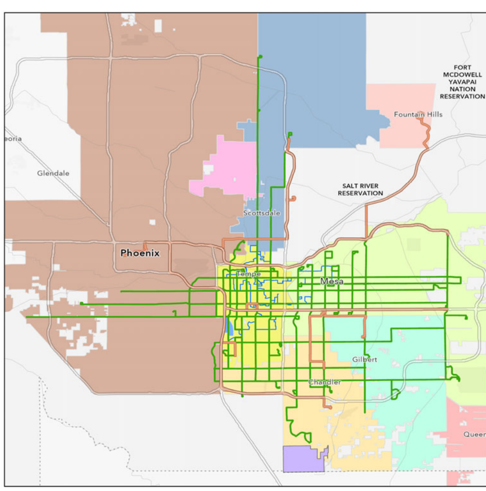
August 2023

VALLEY METRO

1

Contract Purpose

Deliver maintenance and operations services for all fixed-route, express, and circulator bus services in the eastern and southeastern communities of the Phoenix Metropolitan Area including the cities of Chandler, Mesa, Scottsdale, Tempe and the towns Fountain Hills and Gilbert.



East Valley
Contract Service

Routes Served - 42
Local - 21
Express - 8
Circulators - 9
School Trippers - 4

FY23 Revenue Miles - 11,457, 539

FY23 Average Weekly Ridership - 24,685

LEGEND
Service Type
Express
Local
Circulator

N

0.0 3.5 7.0 Miles

VALLEY METRO

FY23 Annual Miles	11,457,539
FY23 Average weekday ridership	24,685

VALLEY METRO

2

Request for Proposal (RFP) Development Working Group

- Valley Metro Staff
- Member City/Town Staff
  - City of Chandler, Mesa, Phoenix, Scottsdale, Tempe, town of Gilbert
  - City of Glendale, Peoria, Surprise
- Valley Metro Consultant (WSP)
- Developed Scope of Work
- Developed Evaluation criteria and weights

3

VALLEY METRO

3

Evaluation Criteria

1. Qualifications and Experience of Firm **– 100 Points**
2. Qualifications and Experience of Assigned Personnel **– 200 Points**
3. Transition, Implementation, and Start-up **– 100 Points**
4. Continuous Improvement **– 100 Points**
5. Understanding/Approach to the Scope of Services **– 300 Points**
6. Price Evaluation **– 200 Points**

4

VALLEY METRO

4

Request for Proposals

- Initiated RFP process in November 2022
  - FTA-compliant
  - Pre-proposal meeting
    - Tour of Mesa Facility
    - Tour of Tempe Facility
  - Evaluation Panel - Valley Metro, cities of Chandler, Mesa, Tempe, and the Town of Gilbert

5

VALLEY METRO

5

Service Options

Three service options

- Option A: Unified service – Maintain combined system management and operations
- Option B: RPTA-managed service – Valley Metro Mesa facility
- Option C: Tempe-managed services – City of Tempe facility

6

VALLEY METRO 6

6

Service Option Pricing

Proposer	Option B EV (exc. Tempe)	Option C Tempe Only	Option B + C Total	Option A Unified Service
Keolis	$283,929,702	$77,292,347	$361,222,049	$316,462,317
MV Transportation	$235,323,511	$60,953,407	$296,276,918	$289,565,800
First Transit	$243,766,207	$80,220,908	$323,987,115	$290,132,641

- Based on BAFO price submissions
- Unified option, lowest combined totals
- Unified option on average was 9.4% less
- Direction was to maintain unified service

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Request for Proposals

- All offerors were required to submit proposals for all 3-options
  - Six firms submitted proposals (18 total)
  - Transdev withdrew proposal – acquired by First Transit
  - One proposal non-responsive
  - Four proposals were reviewed and received the following scores:

Proposer	Technical Points	Tech Rank	Price Points	Combined Tech & Price	% Total Score
Keolis	728	1	187	915	92%
MV Transportation	665	2	192	857	86%
First Transit	640	3	200	840	84%
RTW Management	475	4	156	631	63%
TransDev	Withdrawn				
All Dat Jazz Cleaning	Non-Responsive				

8

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Keolis Proposal Cost Per Period

Term	Cost	Percent of Total
Base Term – 3 Year Term	$316,462,317	25.7%
Option 1 – 4 Year Extension	$484,183,108	39.4%
Option 2 – 3 Year Extension	$413,504,277	33.6%
Contingency (5% Base Term)	$15,824,000	1.3%
Total	$1,229,973,702	100.0%

9

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Recommendation

Staff recommends that the Board of Directors authorize the CEO to execute a contract with Keolis Transit Services, LLC for East Valley Fixed Route Operations and Maintenance Services. Contract to be awarded for an initial three-year base term at a cost of $316,462,317 with a contingency amount of 5% of the three-year base term $15,824,000. Upon Board approval, the Contract will include an option for a four-year extension at a projected cost of $484,183,108 and an option for an additional three-year extension at a cost of $413,504,277.

10

10

Information Summary

DATE **AGENDA ITEM 5**
August 10, 2023

SUBJECT
Report on Current Events and Suggested Future Agenda Items

PURPOSE
Chair Stipp 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

August 10, 2023

Valley Metro Rail
Thursday, August 17, 2023
Boardroom/Webex
Valley Metro, 101 N. 1st Avenue, 10th Floor
11:15 a.m.

Action Recommended

CONSENT AGENDA

1A. Minutes Minutes from the June 22, 2023 Board meeting are presented for approval.	1A. For action
1B. Operations and Maintenance Agreement Amendment-City of Phoenix and Valley Metro Staff recommends that the Board of Directors authorize the CEO to execute an amendment to the Operations and Maintenance Agreement with the City of Phoenix.	1B. For action
1C. Northwest Extension Phase II Light Rail Extension Project (NWEII)-Construction Manager at Risk (CMAR) Contract Authority Staff recommends that the Board of Directors authorize for the CEO to provide additional contract authority for the NWEII CMAR contract with KMJV for an amount not to exceed $7,700,000 to complete additional construction scope on the NWEII Project.	1C. For action
1D. Program Management/Construction Management Contract – Contract Extension and Additional Funding Staff recommends that the Board of Directors authorize the CEO to amend the Hill International, Inc. contract for Program Management/ Construction Management support for an amount not to exceed $11 million for an extension period through December 2025.	1D. For action

1E. South Central Extension/Downtown Hub Project (SCE/DH) Design Services Contract Authority

1E. For action

Staff recommends that the Board of Directors authorize the CEO to increase the SCE/DH Light Rail Extension design contract with AECOM for an amount not to exceed $3,000,000 to support the continued DSDC and contingency.

1F. MAX Dispatch System Contract Award

1F. For action

Staff recommends that the Board of Directors authorize the CEO to execute a contract with Zetron Inc., to purchase the MAX Dispatch System in the amount of $386,380 plus a contingency of $38,000 for an amount not to exceed of $424,380.

1G. Annual Corrosion Control Services Contract Change Order

1G. For action

Staff recommends that the Board of Directors authorize the CEO to execute a contract change order for annual corrosion control services with National Corrosion in an amount not to exceed $25,000 for a total of $237,915.

1H. South Central Extension/Downtown Hub (SCE/DH) Project-Construction Manager at Risk (CMAR) Contract Authority

1H. For action

Staff recommends that the Board of Directors authorize the CEO to provide additional contract authority for the SCE/DH CMAR contract with Kiewit Infrastructure West Co. for an amount not to exceed $97,900,000.

REGULAR AGENDA

2. Report on Current Events and Suggested Future Agenda Items

2. For information

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

3. Next Meeting

3. For information

The next meeting of the Board is scheduled for **Thursday, September 21, 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

August 10, 2023 **AGENDA ITEM 1A**

Valley Metro Rail
Thursday, June 22, 2022
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

(This Board meeting followed a Study Session that began at 11:15 a.m.)

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

Chair Adams called the meeting to order at 2:18 p.m.

Chair Adams said I'd like to call the meeting to order.

1. Consent Agenda

Chair Adams said Board members are there any questions or any items that need to be pulled for separate discussion? Request a motion and a second to approve the Consent Agenda Items 1A through 1C.

Motion by Councilmember Pastor, second by Councilmember Harris.

All those in favor?

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

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

Ms. Mefford-Miller said thank you, Madam Chair, members of the Valley Metro Rail Board. I would like to present this item. This is the draft Valley Metro Rail 2024 operating and capital budget. This has not changed since our last presentation.

Ken Kessler, Chief Financial Officer, again, is available to answer any questions or provide a presentation if the Board pleases.

Chair Adams said would anyone like a presentation today? Okay. I need to request a motion and a second to approve the Valley Metro Rail proposed operating and capital budget and acceptance of the five-year operating forecast and capital program.

Motion by Councilmember Pastor, second by Councilmember Harris.

All in favor? Any opposed? Motion carries.

IT WAS MOVED BY COUNCILMEMBER PASTOR, SECONDED BY COUNCILMEMBER HARRIS AND UNANIMOUSLY CARRIED TO APPROVE THE VALLEY METRO RAIL, INC. FISCAL YEAR 2024 (FY24) PROPOSED OPERATING AND CAPITAL BUDGET.

3. Fiscal Year 2024 (FY24) Election of Valley Metro Rail (VMR) Board Officers and Subcommittee Positions

Chair Adams said do I have any questions? Does anyone have any questions about this item? If not, could I have a motion and a second to approve?

Motion by Councilmember Pastor, second by Councilmember Harris.

All in favor? Motion carries.

IT WAS MOVED BY COUNCILMEMBER PASTOR, SECONDED BY COUNCILMEMBER HARRIS AND UNANIMOUSLY CARRIED TO APPROVE THE FY24 VALLEY METRO RAIL BOARD OFFICERS AND SUBCOMMITTEE POSITIONS.

4. Report on Current Events and Suggested Future Agenda Items

Chair Adams said are there anybody that wants to report on current events or if there are any agenda items for future meetings? Okay. I'm not hearing anyone out there.

3. Next Meeting

The next Board meeting is scheduled for Thursday, August 17, 2023 at 11:15 p.m.

Without further discussion, the meeting was adjourned at 2:21 p.m.

Information Summary

DATE **AGENDA ITEM 1B**
August 10, 2023

SUBJECT
Operations and Maintenance Agreement Amendment-City of Phoenix and Valley Metro

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute an amendment to the Operations and Maintenance (O&M) Agreement for the light rail system with the City of Phoenix to include the Northwest Extension Phase II light rail alignment in advance of its opening for revenue service.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute an amendment to the Operations and Maintenance Agreement with the City of Phoenix.

BACKGROUND | DISCUSSION | CONSIDERATION
The O&M agreement is the document that defines light rail operating parameters and the entities responsible for maintaining facilities, systems and elements along the light rail corridor in the City of Phoenix. Examples of maintenance requirements include track work, roadways, landscape, street lighting, traffic signals, signage, etc. The O&M agreement defines how parties will notify, acquire permits and gain access to property – this includes emergency access procedures and defines coordination with emergency response personnel when applicable. The O&M agreement also identifies insurance requirements, defense and indemnification arrangements and generally accepted instruction related to interface, compliance and operational functions in order to deliver reliable, safe and secure service. This amendment to the O&M agreement with the City of Phoenix is necessary to include the Northwest Extension Phase II light rail alignment in advance of its opening for revenue service.

COST AND BUDGET
Operations and maintenance costs are allocated to member cities based upon the proportion of light rail and streetcar miles operating within each jurisdiction. Valley Metro Rail establishes an operations and maintenance budget annually subject to Board approval.

COMMITTEE PROCESS
RTAG: July 18, 2023 for information
RMC: August 2, 2023 approved
Board of Directors: August 17, 2023 for action

CONTACT
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ATTACHMENT
None

The draft agreement is available upon request.

Information Summary

DATE **AGENDA ITEM 1C**
August 10, 2023

SUBJECT
Northwest Extension Phase II Light Rail Extension Project (NWEII)-Construction Manager at Risk (CMAR) Contract Authority

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to provide additional contract authority for the NWEII CMAR contract with Kiewit-McCarthy, A Joint Venture (KMJV), for an amount not to exceed $9,200,000 to complete additional construction scope on the NWEII project.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to provide additional contract authority for the NWEII CMAR contract with KMJV for an amount not to exceed $9,200,000 to complete additional construction scope on the NWEII Project.

BACKGROUND/DISCUSSION/CONSIDERATION
The Northwest Extension Phase II project is approximately 1.6 miles in length and includes light rail construction within Phoenix and extends northwesterly from 19th Avenue and Dunlap to Metrocenter.

In September 2017, the Board of Directors authorized the CEO to award a CMAR contract to KMJV for an amount not to exceed $1,760,000 for pre-construction services. Pre-construction services occurred parallel to the project's design process and allowed KMJV to participate in the project during design development by providing input on matters including constructability and value and engineering.

In May 2019, the Board authorized the CEO to increase the KMJV contract authority by up to $1,659,708 to further augment the pre-construction services effort. This included additional potholing to verify the location of existing utilities and overall additional work required in the pre-construction phase.

In July 2020, when the project was ready to enter the construction phase, the Board authorized the CEO to execute a contract amendment with KMJV to construct the project for an amount not to exceed $257,302,932. KMJV bid the project scope and developed a Guaranteed Maximum Price (GMP) proposal based on 90%-level design documents. This contract authorization included Concurrent Non-Project Activities (CNPA) costs as follows:

- Art: $407,336 (to be funded by regional Public Transportation Funds)
- City of Phoenix Water: $4,933,208 (to be funded by the City of Phoenix)

In April 2022, the Board authorized and the CEO to increase the KMJV contract authority by up to $15,290,000 to provide additional contract authority for the NWEII CMAR contract with KMJV for additional construction scope on the NWEII project including; additional drainage, retaining wall modifications, roadway improvements and additional allowances.

To date, the Board has authorized $276,012,640 in CMAR authority as shown below.

CMAR Current Contract Authority				
Date	**Action**	**Cost**	**Contingency**	**Total Authority**
Sep-2017	Preconstruction Services	$1,600,000	$160,000	$1,760,000
May-2019	Preconstruction Services Amendment	$1,508,825	$150,883	$1,659,708
July-2020	CMAR Guaranteed Maximum Price (GMP)	$233,911,756	$23,391,176	$257,302,932
April-2022	CMAR Contract Additional Funding	$13,900,000	$1,390,000	$15,290,000
Total		**$264,500,011**	**$24,932,219**	**$276,012,640**

COST AND BUDGET

The NWEII project is funded by the Federal Transit Administration (FTA), the City of Phoenix T2050, and regional Public Transportation Funds (PTF). The current funding authority established for KMJV will be exceeded due to increased scope added to the project after establishment of the April 2022 Board authorization including unknown conflicts, necessary field adjustments, and owner requested changes; included but not limited to the following:

- Unforeseen scope of work increases identified during the safety and security operating hazard analysis (OHA) walk. Typical items added to the project scope during OHA walks are safety rail, cameras, signage, and other crime or safety hazard mitigations Unforeseen Safety and Security requirements
- Addition of solar parking canopies the park-and-ride garage.
- Unforeseen System Design Modifications
  - Integration changes at 19th Avenue and Dunlap Station
  - Requirements for the signal building, parking garage, elevated station, bus transit center, and overhead catenary system

- Necessary field adjustments
    - Public utilities; hardscape modifications; unsuitable subgrade; pavement section modifications
- Additional Station Signage at Metro Parkway Station and Thelda Williams Transit Center
- Structures Painting
- Spare parts

Based on the items above, the project team estimates the additional base amount needed for KMJV's construction services is $8,400,000. An additional 10% contingency, to be held by staff, in the amount of $800,000 is also needed to address unforeseen changes and circumstances that may arise during construction and project closeout. The additional expenditure authorization requested herein, including contingency, is for $9,200,000.

The total expenditure authorization requested for the CMAR contract, including previous Board authorizations, will be $285,212,640 as summarized below.

Items for Authorization	Cost
Existing Contract Authority	$276,012,640
Additional Authorization Requested	$8,400,000
10% Contingency	$800,000
TOTAL	**$285,212,640**

This Board authorization request is for additional contract authority necessary to finalize construction change orders for scope adjustments outlined above. All costs identified herein are within the NWEII project cost forecast and expenses expected within FY24 are included in the Valley Metro Rail Adopted FY24 Operating and Capital Budget.

COMMITTEE PROCESS
RTAG: July 18, 2023 for information
RMC: August 2, 2023 for action
Board of Directors: August 17, 2023 for action

CONTACT
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ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 1D**
August 10, 2023

SUBJECT
Program Management/Construction Management Contract – Contract Extension and Additional Funding

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a 27-month time extension to the current contract with Hill International, Inc. for Program Management/Construction Management (PMCM) and to provide additional contract authority for an amount not to exceed $11 million.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to amend the Hill International, Inc. contract for Program Management/ Construction Management support for an amount not to exceed $11 million for an extension period through December 2025.

BACKGROUND | DISCUSSION | CONSIDERATION
In September 2016, following a competitive procurement, the CEO was authorized to execute a contract with Hill International, Inc. for Program Management/Construction Management Services (PMCM). The contract includes a five-year base with three, one-year extension options, for up to eight years. Task orders are issued on an annual fiscal year basis. The five-year base period for this contract ended in September 2021. Two of the one-year options were authorized by the Board in June 2021 extending the contract period to September 2023. Board approval is required to extend the contract duration for the final contract year and an additional 15 months. The request for an additional 15 months beyond the originally anticipated contract term is to ensure that the existing PMCM staff can complete work on the ongoing construction projects without a major shift in staff mid-project. Staffing continuity is critically important across multi-year corridor projects to ensure effective coordination and expeditious project delivery. Board approval is also required to increase contract authority beyond the currently approved expenditure limit of $70 million.

The PMCM consultant is utilized for the following:
- Project Management and other construction administrative staff
- Cost Estimating and Schedule Oversight
- Construction Inspections
- Safety and Security Oversight and Systems Integration

- Regulatory expertise and support related to Buy America and DBE
- Specialized expertise including Construction Claims, Rail Vehicles, and Fare Vending support

The contract provides full- and part-time consultant staff who serve as an extension of Valley Metro staff, as well as specialized expertise to meet specific needs.

This type of multi-year support services contract is beneficial for the following reasons:

- Creates familiarity of the Valley Metro organization and priorities across a consistent consultant team. Key members of the consultant team co-locate with Valley Metro, which also maximizes coordination and communication.
- Ensures consistent and timely coordination with the Federal Transit Administration and its Program Management Oversight Contractor.
- Provides quick access, when needed, to specialized experts who are familiar with Valley Metro's work practices and priorities.

COST AND BUDGET

Work under the PMCM contract began in September 2016, for an amount not to exceed $55 million for an initial five-year term that ended September 2021. The contract included an option to extend work up to three additional years. In June 2021, the Board approved a contract extension to exercise two of the one-year options and also increase the contract expenditure authority to $70 million. This request is to extend the contract by an additional 27 months and add $11 million in contract expenditure authority for anticipated project closeout work through December 2025. This allows for continued support for the expansion of High Capacity Transit Projects. Anticipated projects requiring support beyond September 2023 include South Central Extension/Downtown Hub, Northwest Extension Phase II, Capitol Extension, Vehicle Oversite and Fare Collection Modernization.

Contract expenditures for years 1 through 7 are summarized below:

Contract Expenditures (9/2016 thru 9/2023)	
Original Contract Authority	$55,000,000
Added Contract Authority (June 2021)	$15,000,000
Deduct Actual Expenditures (9/2016 thru 4/2023)	-$52,804,923
Deduct Estimated Expenditures (5/2023 thru 9/2023)	-$5,410,139
Estimated Contract Authority Remaining:	$11,784,938

Estimated expenditures for the proposed contract extension period are provided below:

Estimated 27-Month Extension Expenditures (10/2023 thru 12/2025)	
Northwest Extension Phase II	$897,198
South Central Extension/Downtown Hub	$17,912,029
Rail Vehicle Oversite	$2,481,223
Fare Collection System Modernization	$690,187
Cost for Capitol Extension	$751,277
Deduct Estimated Contract Authority Remaining	-$11,784,938
Need for additional contract value thru 12/2025	**$10,936,977**
Request for additional contract value (Rounded)	**$11,000,000**
Current contract value:	**$70,000,000**
New contract value:	**$81,000,000**

Fiscal management is controlled and will continue to be controlled at the project funding level. Prior to issuing a task order for the commencement of work, each project's funding sources will have been identified and regional, local or federal grant dollars will be confirmed or anticipated. Annual funding amounts and revenue sources will be identified in the fiscal year budgets.

Funds for PMCM activities are included in the adopted VMR FY24 Operating and Capital Budget. Contract obligations beyond FY24 are incorporated into the Five-Year Operating Forecast and Capital Program (FY24 thru FY28). The projects supported by this consultant are funded by a mix of federal, regional, and local dollars.

COMMITTEE PROCESS
RTAG: July 18, 2023 for information
RMC: August 2, 2023 approved
Board of Directors: August 17, 2023 for action

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ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 1E**
August 10, 2023

SUBJECT
South Central Extension/Downtown Hub Project (SCE/DH) Design Services Contract Authority

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to provide additional contract authority for the SCE/DH project design services contract with AECOM, Inc. for an amount not to exceed $3,000,000 for Design Services During Construction (DSDC).

RECOMMENDATION
Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to increase the SCE/DH Light Rail Extension design contract with AECOM for an amount not to exceed $3,000,000 to support the continued DSDC and contingency.

BACKGROUND | DISCUSSION | CONSIDERATION
To date, the Board has authorized $51,611,387 in contract authority for the SCE/DH project design services contract with AECOM. A total of $51,474,172 in contract commitments to date leaves a balance of $134,215 before additional contract authority is required. Existing change orders and future known potential change orders are projected to exceed the remaining Board Authorization.

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

Design Current Contract Authority				
Date	Action	Cost	Contingency	Total Authority
May 2017	Board Award for Design Services	$32,383,580	$3,238,358	$35,621,938
Oct 2017	Contract Amendment – Add Downtown Hub	$2,487,000	$248,700	$2,735,700
May 2019	Extend Design Services & Add Design Services During Construction	$12,048,863	$1,204,886	$13,253,749
Total				**$51,611,387**

COST AND BUDGET

AECOM's current total design contract authority is $51,611,387. Staff recommends that a not to exceed amount of an additional $3,000,000 in contract authority be allocated to AECOM to continue providing DSDC and for additional unforeseen design requests for a revised total authorization of $54,611,387. The initial authorizations did not account for unforeseen conditions and additional requested design changes. Major scope changes include:

- Salt River Bridge architectural enhancements
- Additional legal descriptions for real estate acquisition modifications and the USA Land Fee Relocation/Exchange application
- 3rd Avenue Loop reconfigurations
- Changes to waterline restraining system
- Modifications to the Baseline park-and-ride
- Design updates to accommodate the new fare collection equipment
- Traffic signal design modifications
- Third-Party Utility coordination
- Streetlight voltage requirement change for center running feeds
- Cityscape design modifications and presentation graphics support
- Basement surveys and research in the Downtown Hub
- Salt River Bridge vehicle guard rail modifications
- Design of bioswales

DSDC scope of services includes review of contractor submittals, responses to requests for information, design changes, final as-builts, and performance of all special inspections during project construction. DSDC was included in prior Board approvals, Board authorization is required to continue with services needed during the construction period because of the additional unforeseen scope changes listed above. As a result of these scope updates and coordination efforts, AECOM has provided 10 Design Addenda and 51 Design Change Notifications after the design documents were issued for construction. This additional authorization requests includes a 10% contingency.

Items for Authorization	Cost
Existing Contract Authority	$51,611,387
Additional Authorization Requested	$2,750,000
10% Contingency	$250,000
TOTAL	**$54,611,387**

The total expenditure authorization requested for the design contract, including previous Board authorizations, will be $54,611,387.

This action does not increase the overall project budget. These additional expenditures will be covered within the existing project budget with contingency. This project is funded by the City of Phoenix, the regional Public Transportation Fund (PTF) and the Federal Transit Administration. Funding is included in the Valley Metro Rail adopted FY24 Operating and Capital Budget. Contract obligations beyond FY24 are incorporated into the Five-Year Operating Forecast and Capital Program (FY24 thru FY28).

COMMITTEE PROCESS
RTAG: July 18, 2023 for information
RMC: August 2, 2023 approved
Board of Directors: August 17, 2023 for action

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ATTACHMENTS
None

Information Summary

DATE **AGENDA ITEM 1F**

August 10, 2023

SUBJECT

MAX Dispatch System Contract Award

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute a contract with Zetron Inc., to purchase the MAX Dispatch System in the amount of $386,380 plus a contingency of $38,000 for an amount not to exceed of $424,380.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to execute a contract with Zetron Inc., to purchase the MAX Dispatch System in the amount of $386,380 plus a contingency of $38,000 for an amount not to exceed of $424,380.

BACKGROUND | DISCUSSION | CONSIDERATION

The radio dispatch system that is currently in use is a “Motorola MIPS 5000” which includes the software running on the seven supplied PCs, a set of six consolette radios, and six digital network to radio gateways. The current system is no longer manufactured and is beyond useful life. We have tested several possible solutions and determined that the Zetron system is both cost effective and meets our needs. The current Motorola solutions product (AXS Command) is several times more expensive. It is our understanding the City of Phoenix is also planning on upgrading some of their systems to Zetron. Additionally we have reviewed the health of the companies offering solutions, with Zetron being a stable company with a significant history.

The recommended award of the contract to Zetron Inc. is under a cooperative procurement agreement with the State of Arizona.

An independent cost estimate 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 to purchase this MAX Dispatch System is an amount not to exceed of $424,380. This cost includes On-Site and Customer Support Services. The cost for the MAX Dispatch System is included in the Valley Metro Rail Proposed FY2024 Operating and Capital Budget. Contract obligations beyond FY 2024 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2024 thru FY2028).

The source of funding is from Member Cities.

COMMITTEE PROCESS
Board of Directors: August 17, 2023, for action

CONTACT
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ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 1G**
August 10, 2023

SUBJECT
Annual Corrosion Control Services Contract Change Order

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a contract change order for annual corrosion control services with National Corrosion in an amount not to exceed $25,000 for a total contract value of $237,915.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute a contract change order for annual corrosion control services with National Corrosion in an amount not to exceed $25,000 for a total of $237,915.

BACKGROUND | DISCUSSION | CONSIDERATION
In September of 2019 the Board of Directors authorized a five-year contract for Corrosion Control Services in the amount of $190,075. In October of 2021 the Streetcar Alignment was added into this contract at a total cost of $20,445 for three years services. When the stray current testing for the street car alignment was completed in 2021, there were two sections that did not pass and therefore required re-testing services. A change order was completed in March of 2022 to incorporate the re-testing at a cost of $22,840. This contract is in its final year of services which will be completed in the Fall of 2023. This change order will provide the necessary funding for the final year of services.

An independent cost estimate 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 annual corrosion control services over the 5-year contract is in an amount not to exceed $237,915, which includes estimated costs for travel, lodging and meals. The cost for the annual corrosion control services is included in the Valley Metro Rail Adopted FY2024 Operating and Capital Budget. Contract obligations beyond FY2024 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2024 thru FY2028).

The source of funding is from Member Cities.

COMMITTEE PROCESS
Board of Directors: August 17, 2023, for action

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ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 1H**

August 10, 2023

SUBJECT

South Central Extension/Downtown Hub (SCE/DH) Project-Construction Manager at Risk (CMAR) Contract Authority

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to provide additional contract authority for the SCE/DH CMAR contract with Kiewit Infrastructure West Co., for an amount not to exceed $97,900,000 to complete additional construction scope.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to provide additional contract authority for the SCE/DH CMAR contract with Kiewit Infrastructure West Co. for an amount not to exceed $97,900,000.

BACKGROUND/DISCUSSION/CONSIDERATION

The SCE/DH project is approximately 5.5 miles in length and includes light rail construction within Downtown Phoenix and extends south along Central Avenue to Baseline Road.

Kiewit Infrastructure West Co. initially entered into a CMAR contract with Valley Metro in June 2017. This contract involves two primary phases: pre-construction services, which occurred parallel to the project's design process, and the construction phase.

In June 2017, the Board authorized the CEO to award a CMAR contract to Kiewit in the amount not to exceed $2,640,000 for preconstruction phase services. Pre-construction services occurred parallel to the project's design process and allowed Kiewit to participate in the project during design development by providing input on matters including constructability and value and engineering.

In October 2017, the Board authorized the CEO to increase Kiewit's contract by up to $440,000 to provide pre-construction phase services parallel to the additional downtown changes, which include the downtown hub configuration to facilitate a 2-line system.

In December 2018, the Board authorized the CEO to increase Kiewit's contract by up to $22,000,000 for additional potholing/archaeological investigations, improvements to 7th Street and 7th Avenue, and the early procurement of special trackwork.

In June 2019, the Board authorized an increase Kiewit's contract by up to $452,955 for additional support services primarily related to 2-lane versus 4-lane analysis and community engagement as well as additional stakeholder, 3rd party utility and artists coordination.

In September 2019, the Board authorized the CEO to increase Kiewit's contract by up to $99,374,000 for early construction activities, which primarily consisted of utilities within the downtown hub area.

In May 2020, when the project was ready to enter the construction phase, the Board authorized the CEO to execute a contract amendment with Kiewit to construct the remainder of the project for an amount not to exceed $719,779,803. Kiewit bid the project scope and developed a Guaranteed Maximum Price (GMP) proposal based on 90%-level design documents.

To date, the Board has authorized $844,686,758 in CMAR contract authority for South Central Extension/Downtown Hub preconstruction services, early procurement, early utilities, and full construction as summarized below.

CM@Risk Current Contract Authority				
Date	**Action**	**Cost**	**Contingency**	**Total Authority**
Jun-2017	Preconstruction Services	$2,400,000	$240,000	$2,640,000
Oct-2017	Preconstruction Services for Downtown Changes	$400,000	$40,000	$440,000
Dec-2018	Potholing/Archaeological investigation, 7th St/7th Ave Improvements & Procurement of Special Trackwork	$20,000,000	$2,000,000	$22,000,000
June-2019	Extend Preconstruction Services work by 75 workdays	$411,777	$41,178	$452,955
Sept-2019	Downtown Utility Relocations	$90,340,000	$9,034,000	$99,374,000
May-2020	Full Construction	$654,345,275	$65,434,528	$719,779,803
Total		**$767,897,052**	**$76,789,706**	**$844,686,758**

COST AND BUDGET
The South Central Extension/Downtown Hub project is funded by the Federal Transit Administration (FTA), the City of Phoenix T2050, and regional Public Transportation Funds (PTF).

The initial authorization established for Kiewit will be exceeded due to increased scope added to the project after negotiating the GMP including quantity adjustments associated with the issuance of the final construction drawings, additional addenda, unknown conflicts, necessary field adjustments, and changes required by permit reviews. The following are some of the major scope changes that occurred after completion of the GMP negotiation. Concurrent Non-Project Activities (CNPA) are also noted in the list below:

- 10 Design Addenda. The new design plans and design revisions primarily consisted of:
    - Waterline and sewer system changes to address Maricopa County Environmental Services Department plan review comments
    - Pavement structural section changes
    - Salt River Bridge K-rail modification
    - Bioswale additions/modifications
    - Additional improvements to downtown 81” storm drain
    - 3rd avenue loop track modifications
    - Salt River South Bank Overbank Trail
    - Traffic Signal and lighting modifications
    - Roundabout gate crossing modifications
- Archaeological exploration and recovery support (over 90,000 artifacts to date)
- Salt River Bridge Scour protection
- Traffic Signal Equipment procurement (previously City of Phoenix)
- Relocation of 24” Broadway Road water transmission line.
- Baseline Park and Ride modifications
- 3rd Avenue loop special track/connections for Capitol/I-10 West extension
- Escalation for increase in oil prices.
- I-17 FMS relocation
- Additional fiber infrastructure capacity (CNPA)
- Additional waterline loop at Sherman (required by permit review)

Additional scope changes that are currently under development or negotiations include:

- Schedule impacts and mitigations costs
- Schedule delay costs (extended overhead)
- Changes related to unforeseen conditions and underground conflicts.
    - Waterline depth changes
    - 3rd party utility and city utility conflicts
- Salt River Bridge architectural enhancements (CNPA)
- Additional off duty police officer support

The additional base amount needed for KMJV's construction services is $89,000,000. An additional 10% contingency, to be held by staff, in the amount of $8,900,000 is also needed to address unforeseen changes and circumstances that may arise during construction and project closeout. The additional expenditure authorization requested herein, including contingency, is for $97,900,000.

The total expenditure authorization requested for the CMAR contract, including previous Board authorizations, will be $942,586,758, as summarized below.

Items for Authorization	Cost
Existing Contract Authority	$844,686,758
Additional Authorization Requested	$89,000,000
10% Contingency	$8,900,000
TOTAL	**$942,586,758**

This action will increase the total budget for the CMAR contract from $844,686,758 to $942,586,758. All costs identified herein are within the SCE/DH's project cost forecast and expenses expected within FY24 are included in the Valley Metro Rail Adopted FY24 Operating and Capital Budget. Contract obligations beyond FY24 are incorporated into the Five-Year Operating Forecast and Capital Program (FY24 thru FY28).

COMMITTEE PROCESS
Board of Directors: August 17, 2023 for action

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ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 2**
August 10, 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 ACTION
None

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ATTACHMENT
None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date