



MEETINGS OF THE

Boards of Directors

Joint Meeting of Valley Metro RPTA and Valley Metro Rail	Valley Metro RPTA	Valley Metro Rail
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Date:
November 18, 2021

Starting Time
11:15 a.m.

Meetings to occur sequentially

Location:
Valley Metro
Boardroom/Webex
101 N. 1st Avenue, 10th Floor

In compliance with the Federal Transportation Security Administration's mask mandate, Valley Metro continues to require the use of face coverings in its facilities. Employees and guests must wear masks, regardless of vaccine status, in hallways, common areas, and any time social distancing cannot be maintained. If you are in a conference room where 6' distance cannot be maintained, masks are to be worn. We appreciate your cooperation in complying with this federal law.

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



Agenda

November 12, 2021

Joint Meeting Agenda Valley Metro RPTA And

Valley Metro Rail

Thursday, November 18, 2021

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**. Up to three minutes will be provided per speaker unless the Chair allows more at his/her discretion. A total of 15 minutes for all speakers will be provided.

2. Chief Executive Officer's Report

2. For information

Scott Smith, CEO, will brief the Joint Boards on current issues.

3. Audit and Finance Subcommittee Update

3. For information

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

CONSENT AGENDA

4A. Minutes

4A. For action

Minutes from the October 21, 2021 Joint Boards meeting are presented for approval.



4B. IT Hardware Replacement

4B. For action

Staff recommends that the Boards of Directors authorize the CEO to procure hardware and licensing necessary to replace end-of-life servers and inadequate network switches. The amount of the authorization is not to exceed \$285,300.

REGULAR AGENDA

5. Insurance Coverage Renewal: Commercial Property and Liability and Workers Compensation and Employer's Liability

5. For action

Staff recommends that the Board of Directors authorize the CEO to purchase renewal coverage for Valley Metro's insurance needs as follows:

Commercial Property and Liability Insurance Coverage, including Workers Compensation and Employers Liability, from December 1, 2021 to November 30, 2022 for an amount not to exceed \$5,671,877. RPTA's obligation is \$407,348. VMR's obligation is \$5,264,529.

6. Chief Executive Officer Recruitment – Job Description Approval

6. For action

Jan Plank, Human Resources Director, Maricopa County and Gregg Moser, Krauthamer & Associates, will present the Chief Executive Officer job description for review and approval.

7. Fiscal Year 2020 (FY20) Transit Performance Report (TPR)

7. For information

Staff will provide information regarding system ridership, operating costs, fare revenue and performance indicators contained within the FY20 Transit Performance Report, as well as impacts related to COVID-19.



8. History of Regional Transportation Plan (RTP)/Prop 400/Transit Life Cycle Program (TLCP)

8. For information

Staff will provide an overview of the history of the RTP/Prop 400 and the TLCP.

9. Quarterly Reports

9. For information

Fiscal Year 2022 Quarterly Reports are presented for information.

10. Travel, Expenditures and Solicitations

10. For information

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

11. Report on Current Events and Suggested Future Agenda Items

11. For information

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

12. Next Meeting

12. For information

The next meeting of the Joint Boards is scheduled for **Thursday, January 20, 2022 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

November 12, 2021

AGENDA ITEM 1**SUBJECT**

Public Comment

PURPOSE

The public will be provided with an opportunity at this time to address the committees on **non-agenda items and all action agenda items**. Up to three minutes will be provided per speaker unless the Chair allows more at his/her 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

Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT

None



Information Summary

DATE

November 12, 2021

AGENDA ITEM 2**SUBJECT**

Chief Executive Officer's Report

PURPOSE

Scott Smith, Chief Executive Officer, will brief the 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

Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT

None



Information Summary

DATE

November 12, 2021

AGENDA ITEM 3**SUBJECT**

Audit and Finance Subcommittee (AFS) Update

PURPOSE

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

BACKGROUND | DISCUSSION | CONSIDERATION

The draft minutes from the November 4, 2021 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

Jim Hillyard
Acting Chief Financial Officer
602-262-7433
jhillyard@valleymetro.org

ATTACHMENT

Draft November 4, 2021 AFS meeting minutes



Minutes

November 12, 2021

AGENDA ITEM 3

Audit and Finance Subcommittee
Thursday, November 4, 2021
Via WebEx/Phone
12:00 p.m.

Meeting Participants

Councilmember Bill Stipp, City of Goodyear - **Chair**
Councilmember Lauren Tolmachoff, City of Glendale
Councilmember Francisco Heredia, City of Mesa
Councilmember Laura Pastor, City of Phoenix

Absent

Councilmember Robin Arredondo-Savage, City of Tempe

Chair Stipp called the meeting to order at 12:00 p.m.

1. **Public Comment**

Mr. Crowley said while they're trying to get this thing started, I'd like to request four minutes instead of three because I'm going to be responding to the Chair's request for information.

Chair Stipp said yes.

Mr. Crowley said thank you. One of the things you asked about was the Tempe rail and bus funding, well, in your agenda today on I believe it's 6B, if you'll look on page 3 at the top of it or in the middle, it says, Valley Metro insurable assets have been increased approximately 30% to \$750 million. And what's the second one? It's the Tempe Street project includes 30.5 miles of rail line and new streetcars. I believe that's proof that you were looking for, sir.

Also, I went to the Management meeting and one of the things on the agenda was the rail, the extension and such. And I'm looking for the page here and I'm probably not going to be able to find it, but what it states in there is the proposed and actual routings that we're doing one of them that's still going to be going on is the one to Paradise Valley and also the one that goes into downtown Glendale. And I believe Glendale, didn't you say it ain't ever going to be in here. And I know that Phoenix relinquished the



right of way there at 24th Street and Camelback so -- oh, there it is. It's on the first page of it and it says, in 2030 -- 40, we're going to have the extensions into downtown Glendale and the Paradise Valley one. And in 2030, that's when we're doing the extension on the 10. And I don't appreciate getting documents like this. You know, this is the record and such. Why can't they print what it's supposed to be there?

And then on to item 6D, the advertising program on the buses. I have asked often that when you're having meetings and such and outreach that that be on the bus and their advertising section or in the part behind the driver and I'm always told, we can't do that. That's the contractor that does those. So, if you could, if you are making the contract with this specific one, could you make sure that when it is something that you would like the public to be a participant of that one of the ways that you can put it out there is in those advertisers along the roof.

And thank you for that extra minute. Have a pleasant day.

Chair Stipp said Mr. Crowley, before you step away, I have a question for you. Did you ever get the information on the strategic plan that you requested last month?

Mr. Crowley said no, and I'd still like to know how is financing the operations for the rail since it wasn't listed and when I look in here in what you have today, it has it coming out of all of the actual funds, but that wasn't the way it was expressed when we first put it together. And no, I have not got that, and I still would like the other.

Chair Stipp said okay. Thank you. We'll address that at the appropriate time in the meeting. Thank you.

2. Chief Finance Officer's Report

Mr. Hillyard said good morning, Chair Stipp, members. Thanks again for joining us today. I'll be providing updates on two issues briefly and then handing off to Tyler for an update on PFT revenues.

The first update is the status of the CFO recruitment. On October 19th, the five members of the Board you see listed there and Mr. Smith interviewed our four final candidates. They were great discussions, each member provided Mr. Smith with some feedback and Mr. Smith is continuing with the hiring process. At this point in the process, we think that's about all that's appropriate to say publicly. Chair Heredia and Councilmember Stipp have been briefed privately in a bit more detail. If any of you would like a private update, please don't hesitate to contact me and I'd be happy to give you a confidential update with a little more detail.

The next issue. We heard loud and clear in October's Board meeting the Board's desire for timely notification when a contract is at risk of exhausting its spending authority



prematurely. Now, since that issue was raised with the Board, it's our intent to bring it back to the full Board for any discussion and any action, however, I did want to make sure the AFS knew that we were actively working to address the concern. I'd also like to just very briefly summarize sort of at 50,000 feet the policy that we're drafting that we think should ensure that doesn't happen again.

The first component of the policy is monitoring to identify contracts at risk for exhausting their authority prematurely and, I guess, I'd like to just underscore that last phrase for a second. At risk for exhausting their authority prematurely. Councilmember Tolmachoff, you asked in the Board meeting, what is Valley Metro's threshold for exceeding a contract's Board authority and I just wanted to make sure the answer to that question is zero. Valley Metro does not exceed its contract authority and we have no mechanism to do so, and we don't do that.

What does happen from time to time is over the five years or more of a contract, circumstances change, and we'll see a need to either increase utilization of a contract. And then the question is, will that utilization persist? And if it does, will it result in the Board's approved spending authority for the contract being exhausted before the end date of the contract arrives? So you have a contract, but no authority to utilize it.

So we'll have two mechanisms for monitoring whether a contract has entered that sort of at risk category. The first and primary one is the contract administrator. Each Valley Metro contract has a contract administrator. Their job is manage -- monitor the performance of the contractor and also the utilization of the contract. And so, under the policy we're promulgating, if the contract administrator sees an indication that a contract could have an increase in utilization that would put it at risk for prematurely exhausting its authority that contract administrator will need to bring that to the attention of our chief procurement officer.

We're also putting in place sort of a system fail safe. To make sure that nothing falls through the cracks, we'll be establishing in our new ERP, an annual threshold for each contract that corresponds to the expected full utilization of the Board approved authority and if we're seeing in any year spending that exceeds that threshold then our chief procurement officer will be alerted to it.

So in either of those circumstances, the chief procurement officer will then meet with the contract administrator to try to assess both the root cause of the contract's changing utilization and it's likelihood of prematurely exhausting its authority. That assessment will result in contracts being categorized in one of three categories. They can be categorized as not at risk of exceeding their Board approved authority and that would be, for example, an increase early in the contract is expected to be netted out by decreases, you know, later in the year or in later years of the contract. A perfect example of that would be our paratransit contracts. We almost always see increases in



utilization in the cool months and decreases in utilization in the hot months and they net each other out and, you know, and we don't see a risk of the authority being impacted. Those where we don't have enough information to know whether the contracts could be at risk of exhausting its authority prematurely, will be categorized as at risk. An example of those might be contracts for fuel prices where we sort of normally see world events impacting fuel prices and it's hard to know whether subsequent events will net those out. And then the final category we're establishing is likely to exceed -- or I'm sorry, to exhaust its contract authority and those would be cases where we're seeing a change that we believe that will require a modification to the Board approved authority. In many cases, however, we won't know at that time what the appropriate modification is because we'll still be gathering data on both the degree and the duration of the impact that we've seen.

So then to communicate those issues to the Board very clearly, we'll be adding to our quarterly reports to the Board a section on at risk contracts. It will list every contract that the assessment has found is either at risk or likely to prematurely exhaust its authority.

For each contract listed on the report, we'll have a summary of the issue that we believe is driving the change in utilization for that contract. And then for those that we've assessed as likely to exhaust their authority, you know, we'll have a target date for when we anticipate bringing that issue to the Board for discussion and resolution. And so doing, we'll ensure that the Board isn't blindsided by changes to contracts even for contracts that we're not convinced, you know, will ultimately result in a change or for contracts where we think there will, but we're still doing the analysis and therefore not yet ready to bring a memo before the Board.

And so, as I mentioned at the top, you know, we think it's appropriate to really discuss the approach with the full Board since it came up in the full Board, however, if AFS members have either questions or feedback for me on this approach, I'd deeply appreciate it if you'd contact me privately and share that with me so that we can go to the Board with an approach that's on target and addressing the concerns that have been raised.

And so, with that Chair Stipp, I'll turn it to Tyler to highlight the current status of --

Ms. Dillon said it looks like. Councilmember Tolmachoff, you unmuted yourself. Do you have a question? And I see Councilmember Pastor.

Councilmember Tolmachoff said well, I just, I mean, and I appreciate, you know, the work and the effort to try to mitigate this, but the part that I'm still a little bit baffled by is that -- so when you bring a contract that says it's \$10,000 a month for 60 months and then to say that you haven't exceeded the amount of the contract because I -- I mean, I



guess, I fundamentally disagree with that concept is that you have exceeded the contract because that's what was presented with us. I mean, the federal lobbying -- I mean, most of us have federal lobbying contracts, we know how much we pay for those contracts and I mean, you know, if -- so I guess, I just wanted to say that I fundamentally disagree with that statement that obviously in 2019, it was known that this was not going to be able to be, you know, make it all the way through the end of the contract and yet, the Board's not made aware of the situation until literally the contract has been essentially exhausted. So that's completely different. I think then the scenario that you're saying is that we don't exceed the amount of the contract because I disagree with that. Thank you.

Chair Stipp said Councilmember Pastor, you had a question as well.

Councilmember Pastor said yeah. And that's exactly the question because I believe it was -- I don't know I get my meetings all -- they all seem to come together, but the last time I believe or I don't believe, we voted on that. And one of my questions at that time or not -- behind the scenes which I really think I'm going to start publicly asking is how did this happen when that shouldn't have happened? And what policy wasn't at play? And I really appreciate this slide, but what I would -- I think everybody on the Board and you can disagree or not or may be extra information for you. But I would actually like to see the policy and how it's written because there's several things that you had said that I would have stopped you, but I don't have something physically in front of me to be able then to say what does this mean? And what is -- how is that going to play? So I would like to see the policy just so that all of us that are experts can say I would change this or I would change that.

I believe that when contracts are written, they are written a certain way. If there is an emergency where we had to utilize the contract, the contractor, more than what we thought then there should be conversations with the Board at the very beginning and saying where we're going to use -- when we do this, this is what's going to happen, and we may possibly be back in front of you for additional dollars.

At the end of day, all of us are the ones that are voting and administering a lot of these pieces in the sense of we're not doing the everyday, but we will be held accountable. And so, those are my statements.

Can you go back on this subject, but you moved ahead on the other slide beforehand and can I go back to that slide real fast. It was about the CFO. I noticed that -- so on the second one we interviewed four candidates. I thought we were interviewing -- I thought we interviewed -- we moved three candidates ahead.



Mr. Hillyard said Councilmember, so the hiring process is proceeding. I'd be delighted in a private setting to answer any questions you have because this is a public meeting, and we think it's probably better not to get into those kinds of details –

Councilmember Pastor said I'm just asking -- I don't -- we did -- I guess, what I'm saying is there were second interviews and I'm just asking, never mind. I will do it privately.

Mr. Hillyard said thanks so much.

Chair Stipp said thank you. Was there another - Councilmember Tolmachoff?

Councilmember Tolmachoff said I'd just like to second Councilwoman Pastor's request to actually see a draft of that policy.

Mr. Hillyard said Chair Stipp, we certainly are—

Councilmember Tolmachoff said (indiscernible)

Mr. Hillyard said pardon me. It is certainly our intent to bring the full policy to the Board for discussion. Since it came up in the Board meeting, we thought that that was the appropriate forum to really kind of dig into the issue. I think the intent here was simply to let the AFS know that we were actively working on it. To give you a sense of the direction so that if privately, you wanted to provide me with some feedback on that direction, you know, we would have that in preparation to have the best possible proposal for the Board.

Councilmember Tolmachoff said so Chair Stipp, can I just ask then is the -- so the policy will be part of -- the draft policy will be part of the Board packet for the meeting on the 18th? Is that what you're saying?

Councilmember Pastor said that's what I heard.

Mr. Hillyard said sure. It is our intent to bring it to the Board. At this point, I think we're on track to bring it on the 18th, however, we're still working internal review on the policy. And so, you know, because those dates -- because the Board process is already well advanced for November, you know, it's our hope to have it on 18th. I think we're not certain.

Chair Stipp said and since we're not having a meeting in December, the latest we would see this would be the January meeting. Is that correct?

Mr. Hillyard said that's correct, Chair Stipp.



Chair Stipp said yes, ma'am. Go ahead, Councilwoman Pastor.

Councilmember Pastor said that's okay. So I would like to see it on the 18th and then on the 18th, we can provide comments and that's up to the Chair, but I would like to see it on the 18th and that -- at that point, it's in our packet. I'm hoping those documents will be in our packet so then we're prepared on the 18th to have a dialog and give suggestions versus waiting until January.

Chair Stipp said if I may, just -- I think one of the things and I obviously got the -- as we set the agenda for today, I got just a little peek into the window of what's happening. We -- I think owe the staff time to prepare a good document and let them run through it internally. The pace of the Board meeting agenda process I think is such that it may get in the way of producing it for the 18th because our meeting on the 18th, the packet goes out on the 12th, and we've got the holiday in there next week. So I would rather -- personally, rather not us get a half done or a three quarter done product. And I think we're suffering from the fact that we're not going to have a Board meeting to actually have a discussion and, perhaps what we want to do is have the staff consider giving AFS a first glance at it at our December meeting which might solve a lot of these issues. And then bring it to the full Board in January. If that works within the confines of the staff ability. And I'm seeing some affirmation on that. Is that possible, Jim?

Mr. Hillyard said from a timing perspective, certainly.

Chair Stipp said and that gives you -- and if you can produce it for the November meeting then obviously, you will, but I'm getting the sense that November is really a kind of a long shot.

Mr. Hillyard said yeah, we very much appreciate that support and, in fact, that was part of the thinking of including it in an update here was to make sure that AFS had an opportunity to sort of see the direction that we were thinking and to sort of offline give us, you know, any feedback on that without sort of stepping on the larger Board's interest in this issue so thank you for looking for a compromise.

Chair Stipp said okay. Yeah. So I think we'll close the discussion on this with the assurance that this draft policy will come back to AFS in December for comments before it goes to the Board in January for final discussion. Is everybody okay with that? I mean, we're not making a motion, but I need -- I see a couple of thumbs up and if we're all okay with that then we've provided them some direction.

Mr. Smith said and thank you, Chair Stipp. This is Scott. Also, it was alluded to remember that we do have a Board process for things that go before the full Board and working with Chairman Heredia and the Management Committees and the RTAG also.



This will be run through our normal Board process. So we do have a formal process when things are presented to the Board and this would be part of that also.

Chair Stipp said okay. Appreciate that. I think honestly the majority of folks that had questions regarding this process and how we got here, and this particular contract sit on this Board so getting buy in from us I think will help it run much smoother as it goes through the rest of the process. With that, Jim, I did have one question just kind of as an example.

Mr. Hillyard said certainly.

Chair Stipp said we have in today's packet, the discussion about the facilities services change order. Is that -- that looks very similar. Is that the kind of thing that would be run through this monitoring process going forward? Is that kind of a good live example?

Mr. Hillyard said I -- it might be. I would need to defer to Mr. Abraham for kind of more detail on the driver behind that one since it's not an issue that I've been intimately involved with, but just broadly speaking, any time -- under this process, any time that we were seeing a contract that either the contract administrator thought was getting ahead of schedule or our data said was getting ahead of schedule, that it would be subject to an analysis. And then if we thought that there were -- it was either at risk or likely to exceed -- I'm sorry, to exhaust its contract authority prematurely then it would be included in this report. So the Board would have complete visibility into everything that we thought was even possible to exhaust its authority prematurely so there wouldn't be any surprises even when in many cases, we may be aware there's an issue before we know what the answer should be. So yes, we think we might exhaust authority because, for example, we're seeing more paratransit trips, but we haven't done the forecasting yet to know what the new number should be. And so, that way we'll be sure to have -- in the current process, our mechanism is really to bring a memo forward and we bring a memo forward when we know what the answer is. This will give us a way to say, we think there's an issue and we're working on the answer, but, you know, in a more, timely way.

Chair Stipp said okay. I'll look forward to more in-depth discussion in December.

Mr. Hillyard said thank you, sir.

Chair Stipp said thank you for everyone's flexibility, appreciate that. I think next on this CFO update is Tyler. Is that correct?

Mr. Olson said yes, it is.



Chair Stipp said okay.

Mr. Olson said good afternoon, Chair, members of the Subcommittee. Just wanted to give a quick update on preliminary numbers for the ADOT forecast that we received. These are considered preliminary until they are posted on ADOT's website.

So here's a look at the updated cumulative forecast in green. So, you know, this is really our PTF funds what that looks like from a forecast perspective relative to our total collections, it's cumulative. So you can see through FY21 we're at about \$2 billion and if we extended this forecast out to the remainder of Prop 400 through FY26 or December of 2025, that purple line of actuals would catch up to the cumulative in green there so.

So here's a look at kind of the annual comparisons. So 2020 forecast versus kind of the actuals for 2021, we've started right there and then just kind of taken last year's forecast compared to this year's forecast so you can see the difference in that and you can see that, you know, it is very optimistic. Just a background on the forecast, it's really based on a risk analysis process that ADOT performs. It relies on, you know, an expert panel of economists, you know, representing public, private, academic sectors really providing projections and reviewing various economic indicators such as CPI and income, employment, population growth that are used as inputs to that forecast. So, you know, very optimistic. Once ADOT publishes the final forecast to their website, we would incorporate that into our TLCP or Transit Lifecycle Program model based on these updated projections and that would be very favorable based on last year's versus this year's forecast.

So this is just a look at kind of the historical forecast in the 20-year plan. The original forecast and the Regional Transportation plan, RTP, that's in purple dotted there. And really the last year's forecast from ADOT in green compared to this year's forecast in purple. This is not cumulative these are just annual collections up until current year where it's forecasted out so.

That concludes my update. I'd be happy to answer any questions.

Chair Stipp said does anyone have questions for Tyler on this material? Tyler, can you produce a small chart that shows actual versus forecast in numbers instead of on a bar chart?

Mr. Olson said sure. Yeah. That's easy to do. Absolutely.

Chair Stipp said and the reason that I'm asking is, you know, we look at this RTP forecast which, you know, is way off and even the distance between 2020 forecasts and 2021 forecasts are a little off as well and I think as we get ready to move forward and



making funding decisions based on these forecasts, we should probably have a good understanding of the historical distance between the forecast and the actuals.

Mr. Olson said sure. I'd be happy to provide that.

Chair Stipp said okay. And if we can send that to all of the AFS members, I think that would be helpful. Thank you.

3. Minutes

Chair Stipp said minutes from the October 7, 2021, Audit and Finance Subcommittee meeting are presented for approval.

IT WAS MOVED BY COUNCILMEMBER TOLMACHOFF, SECONDED BY COUNCILMEMBER PASTOR AND UNANIMOUSLY CARRIED TO APPROVE THE OCTOBER 7, 2021 AFS MEETING MINUTES.

4. Internal Audit Update

Ms. Beckstrom said thank you, Chair Stipp. For our Internal Audit update this month, we'll start with -- can you move to the next slide -- a summary of the prior audit findings and recommendations. The City of Phoenix issued an internal audit related to the public transit department's, Phoenix Public Transit department's and Valley Metro's van pool.

The audit found that Valley Metro appears to be effectively monitoring the van pool contract with Enterprise and that the vehicles are being properly maintained. And it had one area where it said most vans were being disposed of according to federal guidelines, but there are some controls that needed to be strengthened over the disposal of vans that had been in accidents. And Valley Metro had worked to get -- worked to get a standard work or a policy and procedure created and sent that over to Phoenix already to implement that corrective action.

As far as our work in Internal Audit, we have completed field work on the Planning and Community Relations services contract and we're in the process of going through our quality control reviews. So results should be presented to the AFS on that contract management audit in the December AFS meeting. Along with that, you see on your screen the work that we're kicking off. We're going to take up the contract change orders, the continuous, the planning process for that as well as travel, but we did also receive a request from the Board through the AFS to review the professional consulting services contract that Valley Metro currently has in place with Cardinal Infrastructure and the circumstances which led to the request for an increase in the Board authority. We will conduct that review which will include the answers to the specific questions from the Board members that were forwarded to us. We're in the process of scoping that



review now and anticipate beginning the work on that project in the next couple of weeks. So I'm not sure with the holiday schedule the way that it is and a couple of other things that are facing my team, I'm hoping to have something for you to review in January, but it may be the February just because of how early in the month the AFS meeting happens and the process, as Chair Stipp mentioned earlier, the process of getting something on the calendar backs us up about three weeks to get something before you.

I think that's all I had unless there are any questions.

Chair Stipp said are there any questions regarding the van pool audit or the Internal Audit update? I think it's -- Sabrina, I really appreciate you setting good expectations for us as a Subcommittee not over promising and under delivering. I greatly appreciate that and certainly understand that these things take time and we do have the process coming up so thanks for your quick attention on that.

Ms. Beckstrom said you're welcome. Thank you.

5. FY22 First Quarter Budget Variance Review

Mr. Olson said yes, Chair Stipp, members of the Subcommittee, I will walk you through our first quarter of FY22 budget versus actuals. Since this is our first quarter, our target spend would be 25% if we were right on track. Before I start, I do want to note that, you know, we are very early in the year, so actuals tend to be a little bit lower than normal. It's very common early in the year, you know, there's a few reasons for this. You know, generally, there's a 30-day lag between receiving goods and services, receiving the invoices, and therefore, paying the vendor. You know, there's also seasonal expenditures, some things we pay upfront, some things we pay throughout the year. You know, example would be, you know, a subscription renewal, you know, paid at the beginning of the year, sometimes it's paid in the middle of the year. And then we do have a new Oracle financial system that we launched effective the first week of July which we're really excited about does add some efficiencies to the system. Really requiring vendors to set themselves up through an online portal and get that imaging process, submitting invoices through that portal and so, you know, there's a little bit of delay I think in some of the vendors getting setup, but I think over time you'll see that normalize as we get through the year so.

With that being said, I'm going to quickly move through the presentation as there isn't a whole lot to talk about yet. But moving on to RPTA first, so total sources of funds for operating, sources of funds typically lag so I'm not surprised, you know, we're 3% of target right now. Federal funds are on a reimbursement basis and, you know, we anticipate this will catch up as we move throughout the year.



The sources of funds on capital. Really not much in the way of expenses yet so, you know, revenues trailing behind that very light. Operating overview. Excluding expenses for passthrough funds, we're at 20% for RPTA. Passthrough represents the Valley Metro Rail salaries that are 100% reimbursed by Valley Metro Rail.

Moving onto fixed route operations. We're at 22% through Q1. Demand services coming in at 14%, you know, trips are less than planned so far this year, but we'll see how that changes as we return to ridership this year. Van pool operations coming in at 20%. Planning is coming in at around 19% at this point. I do want to note that there appears to be an overrun in the second two lines of planning for corridor and facility and administrative support. We did find an error in the timesheet allocations for this group that we are correcting. I suspect that was part of the transition from the new to old system and we are on it. It will be corrected next month's report. So really that effort belongs kind of spread between the three so. Commute Solutions, regional services as well as admin, finance all within 25% target thus far.

Moving on to our capital. Again, really not much activity here. The passthrough does represent the Prop 400 funds that are allocated based on Board policy of 47% that go to Valley Metro Rail for their capital program. Those are only expended on capital. RPTA acts as the fiduciary entity for all Prop 400 funds and administration of those funds. The bulk of RPTA capital budget is really regional fleet. You'll see that 42.8 million budget, you know, that's really based on timing of deliveries of fleet throughout the year so, you know, we anticipate, you know, that amount increasing as we move through the quarters of the year.

Any questions before I move on to Valley Metro Rail?

Chair Stipp said does anyone have questions for Tyler? Besides me. All right. Seeing none.

Tyler, I've got a couple of quick ones. On the regional services, the contract services is that 45% and it talks about annual maintenance and support and hosting fees. Are we - is this one of those we pay for it early and it smooths out for the rest of the year?

Mr. Olson said yes, sir. I try to catch up. You're on the handout now right?

Chair Stipp said probably, yeah.

Mr. Olson said okay.

Chair Stipp said yes, I am. Sorry. Page 9.



Mr. Olson said okay. Thank you, sir. Yeah. I should mention. We do have a handout with supplemental detail and the explanation of variances. So yeah, that's exactly right. That's one of those seasonal, you know, costs that we have to pay at the beginning of the year so support and hosting fees, in this case, for our customer service software. Those are on a fiscal year basis so you see that timing hit at the beginning of the year which, you know, at this point in time, it appears that we might be overrunning, but, you know, as we get through the year, you'll see that number stay within budget through the end of the year.

Chair Stipp said okay. Page 10, we have I think the same thing. It looks like a one-time payment for annual memberships like that should be the same?

Mr. Olson said yes, that's correct. Yes. Those are regional memberships that we share on behalf of the member cities for the region for APTA, ASTA, public transit associations that provide opportunity for, you know, continuing education and transit events.

Chair Stipp said okay. So and the reason that those two become, obviously, based on percentage, but also the category in which they're in, contractual services and other are very common categories for us to have this appearance of quote, unquote, overrun. So I think it's really important for us, especially as AFS in a public meeting to really hit these, you know, kind of quick hit on these.

Page 12, contractual services for the regional fleet is 209% over budget and it talks about unplanned expenses, but we did have those planned so I'm not understanding the explanation. I understand what we're doing and that those were being funded from CARES money was the way we were portraying it last year so how is this unplanned? And how are we over 200%?

Mr. Olson said so I probably could have explained that a little bit better. The barrier installation itself was unplanned. You know, at the time of the pandemic, we obviously didn't know this was going to happen and we reacted to protect our operators. We did assume that those barriers in our budget for -- I'm sorry, FY21. Sorry, I'm in about three years right now. For FY21, we did assume that that program would be completed, but as you know with some of the challenges, we've had in getting materials delivered on time, developing that budget nine months ahead of time, you know, sometimes these types of things happen, but I can assure you that we will be within budget for the year on the capital side. We will hold costs if we need to to ensure that we are within the annual appropriated budget.

Chair Stipp said great. Thanks. And final bus question, is page 13 which is maintenance facilities equipment, we're 169% over on that and there is no footnote. The dollar amount is relatively small, but I think the percentage requires an explanation.



Mr. Olson said okay. I'm happy to dig into that, Chair.

Chair Stipp said okay.

Mr. Olson said we try to identify kind of, you know, a threshold for variances. This doesn't fall within the 3% and \$50,000 over, but I'm happy to research that and get you an answer on that.

Chair Stipp said yeah. I think when we're, you know, 169% over budget, we probably deserve an explanation regardless of the dollar amount. That's, you know, public monies, that kind of thing so. Thanks for entertaining my questions. I'll let you go onto Rail.

Mr. Olson said okay. All right. So moving on to Valley Metro Rail. Similar trends here, you know, obviously, pretty light on expenses and revenues thus far. Total sources for Valley Metro Rail are 4% through Quarter 1. I want to point out the negative revenue in the other category. This is purely a billing error that was created with the transition from the legacy system to the new system. I can assure you that our accounting team is on it. We're working to correct that and it will be corrected in next month's report. Moving on to capital. Very similar error we have here. It appears that there's no budget for that other category. This is the same, exact billing error so it's just duplicated on both operating and capital so we will take care of that for Q2. 1% spent through Q1 or sources, sorry.

All right. Moving on to uses of funds. Total operating budget is coming in at 16% through the first quarter. I will go into more detail on the slides coming up. So light rail O&M we're at 19%, that's operations and maintenance without security. Note that the insurance has zero actuals. The insurance premium will be paid on December of this year. We will amortize that across the year so there will be actuals in there for second quarter. Light rail security is coming in at 22%.

Moving on to future project development. Not a whole lot of activity yet, we're at 7%, but we do anticipate that catching up as we move through the year as with most of these projects. Agency operating coming in at 18%.

And then moving on to our capital program. We're at 9% through Q1. You can see that Tempe Streetcar work was significant in the first quarter coming in at 28%, however, we expect that work to slow down as we move through the year, especially approaching our revenue start date in early spring so that will be within plan for the year.

And that concludes my update. I'd be happy to answer any other questions on Valley Metro Rail or otherwise.



Chair Stipp said anybody have rail questions?

Tyler, I've got two from the worksheet. Page 7 on the capital side which is the Tempe Streetcar project. I realize it's again a small dollar amount at \$1,000, but we're 200% over on travel and meetings with no footnote. If we can just get a follow-up on that. Mr. Olson said yeah. We can absolutely do that. Any travel associated with streetcar is likely due to Brookville, but I will confirm what that is. That's the vendor building the vehicles.

Chair Stipp said yeah, yeah. So and then the other one is the OMC Expansion and it's the other category which is at 400%. That's page 9.

Mr. Olson said right. Yes. I can look into that –

Chair Stipp said yeah.

Mr. Olson said -- see what that is. We're still within 6% , you know, within budget overall, but happy to look into what's driving that.

Chair Stipp said right. And, you know, I think when we start talking about looking at cost reductions and how do we move forward and how do we keep this sustainable going into the future, we -- it is concerning when we rely on, well, we're still within the budget. Well, if we're not building the budget correctly then, perhaps, we need to get it built right. I'm not saying that that's the case, but I get a little nervous about the answer that well, we're still within budget when we're going to be having discussions about what does percentage of operational decrease look like going forward. You know, we should be looking at of those dollars, so I appreciate the background explanation on those going forward.

Any other questions on the first quarter budget variance report?

Councilmember Pastor said may I ask one question?

Chair Stipp said yes, ma'am.

Councilmember Pastor said what's OMC?

Mr. Olson said that's the Operations and Maintenance Center. That's where all of our light rail vehicles are maintained, cleaned and -- as well as houses all our maintenance staff and their administration.

Councilmember Pastor said okay. Thanks. I just didn't know the acronym.



Chair Stipp said great. All right. So seeing no other questions for Tyler under item number 5, we'll move to item number 6.

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

Chair Stipp said this is presented for information. Does anybody have questions regarding the items that were presented A-F? Okay. I have two.

One is the one that I asked earlier which is about the facilities maintenance. It's a 17% increase and a contract change for a contract that was just awarded in 2019 and we're already looking for a contract extension or an increase in that. And the report that we had said -- it talks about unknowns. Well, we're not that far into it so I'm -- I'd be curious to know when we get to the Board meeting why? Why this is unknown? And why we're at where we're at? I don't need it today, but I think going into the Board meeting, we should have that answer unless somebody really wants to do it today.

And then the second question is regarding the advertising program. When that is presented to the Board because that's a Board level decision, I would really like to see all of the options that were considered not just the one that is presented. That should be part of that presentation going forward and I'd like to have that as part of the Board packet as we go forward.

Those are the only questions I had about those items.

Mr. Smith said Councilmember Stipp, this is Scott. When you say all of the options that were considered on what part of the program? The actually advertising that -- well, just what part of the program, specifically? There is about two or three different parts.

Chair Stipp said yeah. I think, you know, when we look at that we're limiting the size based on the presentation that is in the packet, the size of the parts of the bus or rail that can be advertised on and then what were the cost options? We've seen a number of those over the last, I'm going to say year, I don't know how long it's been that we've been talking about it everywhere from the \$600,000 to, you know, \$1.5 million. So what -- how did we come to the \$600,000? Where are we at? If we put more on a bus or less on a bus, obviously, that dictates how much revenue you're going to receive. I think it's important that we understand everything that's been looked at as we get ready to embark on this conversation.

Mr. Smith said okay. And I'll leave it up to Hillary to get into some of those details, but I will just say very quickly that the percentage amount is a contractual amount in the original contract with OUTFRONT that was approved by the Board and it's consistent with what we pay on -- in that overall contract that we pay on light rail. And the estimate



actually came from OUTFRONT on the revenue. So we will talk about the different levels of advertising that we could do, those are the options that I will have Hillary include in that, but just so you know, the revenue -- the percentage amount and the revenue amount are based on the -- an existing contract that we have.

Chair Stipp said no, yeah. I appreciate that clarity. It was very clear in there that the 65% that we share with them is -- that's contractual. I'm not debating that one bit.

Mr. Smith said okay.

Chair Stipp said I'm just talking about the dollar amounts that are available to us as an agency regarding that advertising.

Mr. Smith said okay.

Chair Stipp said that's all.

Mr. Smith said I'll make sure Hillary gets that and includes that analysis in her presentation.

Chair Stipp said okay. I think Councilmember Pastor had a question.

Councilmember Pastor said I did on -- let's see. 6E. What I would like to see in the packet or in the Board reports is the breakdown of how it got spent and I know that's detailed, but then we can see the pattern of where it's -- where the cost is coming from. In that sense as to why we need to change the contract order because we're not really sure -- I can't tell you what -- why we're doing it. I mean, so you can -- I think it's valuable to have this information for us. Or at least, that's how I make certain decisions as to understanding the story or why we got to where we got to.

And then the advertising piece because I'm new to this and I asked 21 questions to my staff about it. That would be great on behalf -- I think for all of us to understand how did this recommendation come about and what was the process in making this recommendation? Or what are the different options? And we can have a dialog and discussion.

Mr. Smith said and Councilmember Pastor, Scott, again. You may want to -- this began literally, I believe, last April and a lot of the recommendations were based upon conversations during a Board meeting and observations during the Board meeting and guidance given by the Board in that April meeting. So if you would like, you can -- we'll provide you with the information on the conversations that took place last April and the directions that were given.



Councilmember Pastor said I'm fine with that. I'm just now catching up to the conversation today and wanting to look at the options that -- why this recommendation came about, I guess, is what I'm saying.

Mr. Smith said right. I understand that I was just -- I understand -- I recognize that you weren't part of that conversation in April just trying to give you some background that it did -- as to how it appeared. It didn't come out of the blue, but -- but we also will include some more detail in the presentation related on how we use those directions given last April to come up with the plan that we've got. Now, you're going to be part of what Councilmember Stipp asked for as far as the discussion on the different options.

Chair Stipp said great. Any other questions? All right. Seeing none on item 6.

7. Future Agenda Items

Chair Stipp said we have the two that currently sit which is: The Transit Lifecycle Program update which you obviously can't do until you get the ADOT numbers so we have fall and winter so I still think we've got a few months of grace left on that one, And the fare recovery update, we won't -- I don't think we're really going to see that until the spring at the earliest.

Are there any other items that the Board would like to have on a future agenda?

The only one that I think came up today is the conversation from Mr. Crowley regarding the information I think we owe him and the Board probably some detailed answers to his questions and I really -- you know, Mr. Crowley has not been a regular participant in the AFS meeting and there are -- but he has been recently and I think his questions really merit answers -- formal answers from Valley Metro and I think this Board deserves an answer to some of those questions whether they are right, wrong or indifferent. We should probably have them provided so I would like to see that given to us by the next AFS meeting if everyone is okay with that.

Mr. Smith said and Councilmember Stipp, I want to make sure that you recognize that we are working on those. A lot of the issues that Mr. Crowley brings up go back to the origins and many years ago and reports and so we are diligently working through our records and also going through MAG's records to make sure we get all the background and so we can adequately answer a lot of those questions. And that's -- since they're records that have been put away into deep files in many cases, it's taking us a little bit longer to recreate that data to make sure that we have all the information that can answer his questions from back in 2000, I believe 6 and even before as it relates to Prop 400.



Chair Stipp said sure. And, you know, some of those things, we may not be able to extract, but there are some current issues that he's raising that I think we should have faster answers to, the light rail/bus discussion, the Tempe Streetcar, you know, those kinds of things we should be able to provide answers relatively quick. And I'd like to get those publicly answered for him and then privately answered for us that we can kind of put a bow on that and keep moving forward so anything you guys can do to expedite it, I would appreciate it.

Mr. Smith said and we will do that and have those answers to be presented next meeting and we'll get those. Jim, you have something for them?

Mr. Hillyard said yeah. Mr. Smith, Chair Stipp, we are on track to present to the Board -- okay. I'm sorry. Forgive the conferring. Tyler is planning on making that presentation to the November Board meeting speaking to sort of the larger impact on Prop 206, the Great Recession, the super grid issues that Mr. Crowley has raised. So just to reiterate, Mr. Smith's comments last meeting, with respect to the use of RPTA funds -- I'm sorry. The use of PTF funds for rail operations as Mr. Smith mentioned, we're prohibited from doing that and we don't.

Chair Stipp said right. I -- yeah. I think we're good there, but some of the questions just become repetitive and I'd like to just finally tie it all up and go from there so.

Mr. Hillyard said we'll be making that presentation next month. Or I'm sorry. In the November Board meeting.

Chair Stipp said that's awesome. Anybody else have anything else?

Ms. Dillon said Councilmember Pastor looks like she has something to say.

Chair Stipp said go right ahead.

Councilmember Pastor said sorry. I just wanted to make a recommendation if it's possible that the slides that we end up seeing today are in our packet or our binder so that then I'm just prepared to ask questions possibly on what is on the slide. It's hard for me to keep up when the slide goes away, and I have a question and then I'm just coming back so if that could be part of our binder.

Ms. Dillon said Councilmember Pastor, we will make every effort to get the slideshows into the packet. The only slides that are not available until the day of the meeting are the CFO, the Chief Financial Officer's report, because it's very similar to the CEO report that Scott provides. They are prepared up until almost the start of the meeting, so they are day of slides. We do make them available after the meeting, but we try to put all the other slideshows in the packet prior to delivery.



Chair Stipp said okay. I think we're there. Councilmember Pastor, if we -- if there's other things, we can do to try to support you as you -- I'm not going to say just walk into this, but you have been dropped into the deep end -- let anyone of us know. We will be more than happy to help keep you afloat until you can get your legs underneath you on this.

8. Next Meeting

The next meeting of the Audit and Finance Subcommittee is scheduled for December 2, 2021, at 12:00 p.m.

The meeting was adjourned at 1:15 pm.

DRAFT



Minutes

November 12, 2021

AGENDA ITEM 4A

Joint Boards of Directors
Thursday, October 21, 2021
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

RPTA Meeting Participants

Councilmember Francisco Heredia, City of Mesa - **Chair** (phone)
Mayor Kate Gallego for Councilmember Laura Pastor, City of Phoenix - **Vice Chair** (phone)
Councilmember Bill Stipp, City of Goodyear- **Treasurer** (phone)
Councilmember Pat Dennis for Vice Mayor Veronica Malone, City of Avondale (phone)
Vice Mayor Monica Dorcey, City of El Mirage (phone)
Councilmember Mike Scharnow, Town of Fountain Hills (phone)
Councilmember Lauren Tolmachoff, City of Glendale
Mayor Brigitte Peterson, Town of Gilbert (phone)
Supervisor Jack Sellers, Maricopa County (phone)
Vice Mayor Jon Edwards, City of Peoria (phone)
Councilmember Jeff Brown, Town of Queen Creek (phone)
Mayor David Ortega, City of Scottsdale (phone)
Councilmember Roland F. Winters Jr., City of Surprise (phone)
Councilmember Robin Arredondo-Savage, City of Tempe (phone)
Mayor Rui Pereira, Town of Wickenburg (phone)
Mayor Michael LeVault, Town of Youngtown (phone)

Members Not Present

Councilmember Clay Goodman, City of Buckeye
Mayor Kevin Hartke, City of Chandler
Councilmember Aldofo Gamez, City of Tolleson

Valley Metro Rail Participants

Councilmember Francisco Heredia, City of Mesa - **Chair** (phone)
Councilmember Robin Arredondo-Savage, City of Tempe - **Vice Chair** (phone)
Mayor Kate Gallego for Councilmember Laura Pastor, City of Phoenix (phone)
Mayor Kevin Hartke, City of Chandler (phone)

Chair Heredia called the meeting to order at 11:18 a.m.

Chair Heredia said good morning. Welcome to our October meeting. Appreciate you all calling in.



Just a couple ground rules here. If a Committee member would like to ask a question or make a comment, please type your comment in the box. It will be read aloud, or we will ask to -- for you to ask that question.

All meeting attendees just want to make sure you mute your computer microphone or phone during this process.

1. Public Comment

The public will be provided with an opportunity to address the Committee on non-agenda items, so we have three minutes. Ms. Dillon, do we have any comment cards?

Ms. Dillon said yes. Blue Crowley is here today. Mr. Crowley, if you would like to go over to the microphone, please.

Chair Heredia said perfect. Mr. Crowley, you have three minutes.

Mr. Crowley said in the meeting that you guys had of the Audit and Finance Committee, it has in their minutes, public comment which I did and the extent of which it shows is minimal at best and since I used this podium for the record, I would appreciate in the future when they do those minutes to public and where the record gets on there.

In your stuff today, we've got the Federal Government Relations Consulting Services and you want to increase the amount of money that you're giving them and I was reading over it and I found it fascinating that the Trump administration was blamed for a major part of what they had to do and why they needed to get more money. The way I look at it when it said about all those cutbacks, was that for the bus? That part of the transit that got cut back? That's reason for the expansions not having occurred was that's what the feds were cutting back on? Or is it mostly Mr. Smith's favorite of the two things and that would be rail.

I did notice that it did mention some of the expenditures that the Congressman Stanton was able to help procure for the Tempe Trolley, but you keep on just increasing what you're giving them, but I don't see where you're doing it for the bus. I've got the document there that I turned in last time showing what was supposed to be the expenditures and what you were going to be doing on the different routings to help increase the grid. But then I also know that when it comes to expenditures, what the system does and what it takes care of can be two different things.

Back in the day when I was part of the people writing it with the City of Phoenix, we asked what the industry standard would be for bus stops. And we were told by the consultants, there was none. Then when I got a hold of the Scottsdale plan and it said, the industry standard for bus stops is every quarter mile and it was done by the same consultants. So going with nobody will walk more than a quarter mile to where the bus



is, what are you doing about making it that way? And why is the status quo within this organization when it comes to bus stops, you're not giving every single one a shaded shelter insofar as that in the summer time, if you standing in that direct sunlight for over ten minutes and the buses aren't running even faster than that, it's injurious to your health.

Ms. Dillon said Chair, he's finished.

Chair Heredia said thank you, Mr. Crowley.

2. Chief Executive Officer's Report

Mr. Smith said thank you, Chair Heredia and welcome everybody. The Boardroom still looks awfully vacant and I'm hoping as you all are, I hope that someday we can get back together personally, in person, and until then we will do the best we can, virtually.

The first thing I would like to report on is really a celebration. These are pictures of the Northwest Extension Phase II. It is rapidly going vertical as I mentioned before, which is unusual for a light rail project. But you can see there, right now, we are far along on the construction of the elevated station at the former Metrocenter which everyone hopes will someday involve and transition into a very, very vibrant transit-oriented development. Excited to see that in the future.

There was a couple, three days ago, a press release that came out announcing that the Federal Transit Administration had finished their work on the full funding grant agreement request of well over \$150 million federal participation in this project. And it forwarded on to Congress for a 30-day review. At the end of this 30-day review, if there are no significant issues raised by members of Congress, we will the proceed to the actual grant agreement and the signing of that. And I just wanted to point this out for a couple reasons.

Number one, we're so grateful for the work of a lot of people over a lot of years. Mayor Gallego is on the phone or on the meeting today. Mayor Gallego and the former Mayor Greg Stanton deserves special credit as they led the efforts for T2050 back in August of 2015 and without T2050, we would not been able to fully fund this because of -- City of Phoenix stepped up and backfilled a lot of the needs that could not be covered by regional funds. And those other leaders have really pushed this program forward to arrive at this point.

While we're grateful for those leaders, we would not be here, but I also wanted to make sure that we recognize the incredible work of a lot of very dedicated, committed and talented professionals both on our staff, Valley Metro, and with our consultants. You can see these names and while these -- this list is certainly not all inclusive. It involves or includes all people who led significant parts of this grant process. This grant process



as I mentioned is a multi-year effort. It's one of the most stringent and demanding grants that the federal government gives and there's also included on here as you can see, not only, current Valley Metro employees, but prior leaders. For example, a good example is Wulfe Grote led this effort as head of our Capital Development for many years. And when Wulfe left, Henry Ikwut-Ukwa, our current one, stepped right in and took it across the finish line and believe me, there were incredible challenges to this project and every project every step of the way until we got to the finish line with the FTA.

We're still not there totally. But I wanted you to just be aware that this is truly -- if you want to say, it takes a village, a community to make one of these projects happen and get to this point where we have the federal government agree to become our financial partner and invest in this. These are just some of the areas and some of the names of our talented professionals and I wanted them to be recognized for their good work because without their work, this project does not happen and that is true for all of the major projects. So thank you to all these staff members and contractors and consultants and others that work with us to make good things happen as part of the Valley Metro program. And I hope you share my appreciation for them.

Another event that happened just a couple short weeks ago, less than two weeks ago, I guess, is the return of front-door boarding on all of our buses around the system, both Valley Metro and the City of Phoenix. We have worked closely with our partners in the City of Phoenix to make sure that while we operate under one brand, Valley Metro, we also are consistent in many of our operating procedures, rules, regulations, fares across the region so that our customers have the same experience whether they are riding a bus that's run by the City of Phoenix or one that's run by Valley Metro. We worked together and agreed that October 11th would be the day that we return to our front-door boarding and what that means is a couple things.

First of all, it hopefully is a step back to normalcy. I know the path to normalcy has been very, very rocky for all of us, but this is important for us to a couple reason. Number one, we went to rear-door boarding out of extreme caution and as a protection to our operators. Being able to return to front-door boarding not only recognizes advancing made in the fight against COVID, but also, the completion of the installation of the physical barriers on over 900 buses throughout the region that allow our operators to have both health and safety, but also their physical safety as it provides a separation. Unfortunately, there are times, thankfully they are not very often, but there are times when our operators are put at physical risk. And being able to install these barriers which protect them in all ways was very, very important for us and we used this as an opportunity to do that.

The second thing is that while we have been entering from the -- go back, please -- while we have been entering from the rear door, we have not been able to collect most of our fares since the fare box is in the front door. So we are not only entering through



the front door, but we are starting to collect fares through the front door and we hope that will help us with our fare revenue.

Fare revenue is a combination of being able to collect fares, but also returning riders. Okay. Now, next slide. And as was asked two or three months ago, this is our monthly ridership report. A couple of things stick out here. We are providing a, as you recall, a year-over-year for the month of September, both for September '19 and September '20. September '19 is, of course, before the pandemic. September '20 is right in the middle of the pandemic. And, of course, September '21 is our most recent. A couple things to see here. As you can see, we're still down well over 50% across the board in buses and total on our ridership. The ridership has sort of plateaued, but we've -- right now, we're sitting there around 54, 55% down combined ridership and we have been that for the last two or three months.

The good thing is if you look at light rail. Light rail is actually recovering much better than buses are. We are year over year over from 2021, you know, almost 10% on the bus and light rail combined. Bus is fairly flat, but has you can see, at 23%, our riders are starting to return on light rail, and we hope this trend continues.

The other thing is our ridership on paratransit even though it's not as significant that group of riders is certainly important since we are in many ways their only and their most important transportation. And you can see that while we are still down significantly, we are up over 25% or more on both our paratransit and Ride Choice so we're getting a lot busier on our demand services. So those are the ridership.

Lastly, I'd like to go over just the meeting schedule coming up in November. You can see our next Board meeting will be November 18th, TMC/RMC and Audit and Finance. And at this current time just for future planning, we are not planning on having a December meeting as we normally don't. If something does come up that requires action, we'll be sure to give you plenty of notice that we would be meeting in December, but for right now, you may want to keep it as a placeholder, but we are not planning on meeting in December.

And, Chair Heredia, that's my report.

Chair Heredia said perfect. Thank you, Scott. Any questions for Scott? Comments? All right. Hearing none.

3. Audit and Finance Subcommittee Update

Councilmember Stipp said thank you, Chair Heredia. We had a very productive yet brief meeting. The only items of significance were the Internal Audit Charter review which there were no recommended changes from our Internal Auditor nor did the AFS wish to



make any. So as part of our charter it is -- we're required to review it annually and we are continuing to proceed under those guiding principles.

We also had a brief presentation by Tyler Olson on the preliminary service level assumptions going into next fiscal year following the technical groups meeting as they went forward. We are also anticipating at the end of this month receiving the initial projections from both MAD and ADOT on where we think revenues will be so we'll start having a little bit more substantial discussion in the months to come.

And then we had a brief discussion on the Intergovernmental Contract Change orders and Amendments that is presented really, only to AFS for our information with the majority of the discussion to occur here at the Board meeting.

The only thing we've got coming up in the future is a Transit Lifecycle Program update which again helps guide the budget going forward and we do have a continuing item on the fare recovery update, but since we've just returned to front-door boarding, we don't expect to see really any movement on that, perhaps, until January.

And pending any questions, that ends my update.

Chair Heredia said thank you, Councilmember Stipp. Any questions for the Audit and Finance section?

Mayor Gallego said yes, Chairman Heredia.

Chair Heredia said go ahead, Mayor.

Mayor Gallego said so I'm just wanted to make sure. Are there any items that you discussed at AFS that might come forward to the full Board for discussion?

Councilmember Stipp said I think one of the items that we have that's still outstanding is the advertising on buses that has been kind of lingering for the last few months. We were updated by the CEO that we would be receiving some information, perhaps as late as January, perhaps sooner. We did request that that information come sooner. And that is about the only item that we have currently in the queue.

Mr. Smith said and Councilmember Stipp, if I might add -- of course, the TLCP does have to come -- does have to come before the Board for the Board's approval and their action, but we review it with the AFS previously, before coming before the Board and, of course, the entire budget will come before the Board as it evolves early next year.

Mayor Gallego said thank you, Mr. Smith. We were talking about the advertising when I was last with us so what's the timeline on that?



Mr. Smith said we have just recently received updated information from our vendor and different alternatives. The information we presented to the Board was simply conceptual, so we've asked them to go back and come up with a formal plan and we're devising that. We might be ready to come back to the Board as early as November with that. We just recently received that detailed plan from our vendor related to how we would do that, implement that on the buses. At the latest, it will come in January and the reason for that is we don't have a December meeting.

Mayor Gallego said I think November would be wonderful for action.

Mr. Smith said we'll try to get it ready for you by November.

Councilmember Stipp said Mayor, just for your information, we did have that discussion at AFS regarding the sooner rather than later. We did have a discussion regarding all of the advertising potentials that occur here in the Valley as we run into winter months so we were very encouraging to the Valley Metro staff to get that to us sooner. And I think with this new information, Mr. Smith, hopefully, we can actual see that at the November meeting, especially given that we're not having a meeting in December.

Mr. Smith said we'll push to see that happen.

Mayor Gallego said thank you. Thank you, Chairman.

Chair Heredia said any other questions, comments? All right. Hearing none.

4. Consent Agenda

Chair Heredia said Consent Agenda is presented for action. Any Committee members have any questions or items that we want to separate from the Consent Agenda? I think we only have two so hearing none. I request a motion and a second to approve the Consent Agenda and move forward with approval.

IT WAS MOVED BY MAYOR ORTEGA, SECONDED BY COUNCILMEMBER TOLMACHOFF AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA.



5. Federal Government Relations Consulting Services – Increase in Total Contract Authority for Cardinal Infrastructure, Inc.

Mr. Smith said thank you, Chair Heredia. As you can all imagine, the last three years have been incredibly eventful in transit and transportation, especially at the federal level. And I am going to turn it over now our head of Government Relations and the one who manages our federal relationship, Alexis Tameron Kinsey, who will present this item. So, Alexis.

Ms. Tameron Kinsey said thank you, Mr. Smith, Chair Heredia, members. For several years, Valley Metro RPTA and Valley Metro Rail did not retain Washington, D.C. based lobbyists to represent its interests as a regional transit agency with multiple large projects and other initiatives in development. Knowing that these projects and initiatives would require federal participation, it was in 2017 after consulting with member cities that the decision was made to secure the services of a federal lobbyist. In August of 2017, a request for proposals was issued. After a standard procurement process, Cardinal Infrastructure was identified and recommended by a panel of your city staff and Valley Metro staff as the most qualified and highest ranked firm out of nine bidders.

Cardinal is a woman-owned, boutique, bipartisan firm specializing in transportation infrastructure and economic development policy at the federal level. Cardinal's proposal and services contract provided for a monthly retainer-based agreement for a perspective workload consisting of normal and routine monitoring, tracking and lobbying activities. And as the memo in your packet sought to highlight, their workload has been anything, but normal or routine. It has been materially significant and substantially above the workload and expectations anticipated when the RFP was issued in August of 2017.

And since March 2018 at Valley Metro's request, Cardinal's lobbying efforts took a crisis-mode posture and a "whatever it takes" sense of urgency on behalf of our member cities. This included consequential challenges at the local and federal level as well as having to help mitigate COVID-19 related impacts to our regional transit system. In the face of these serious challenges and critical situations, we instructed Cardinal, specifically Anya Graves and her partner, Sherry Little, to increase their level of engagement with the federal government. To keep Valley Metro priorities alive and moving forward, we also asked them to leverage to the fullest extent possible their relationships with administration officials, members of Congress and key Congressional committee staff. It's important to note that Ms. Little spent 15 years on Capitol Hill including 9 years as a senior staff to the Senate Banking committee which has jurisdiction over transportation and transit matters. She also served previously as the Deputy Administration and acting Administrator of the FTA. And most recently, Ms. Graves, served as a transportation advisor to the Biden administration's transition team.



In direct correlation to the additional work that we expected of them, the region has been the beneficiary of upwards of \$1.3 billion in federal discretionary grants and

COVID-related rescue and recovery funding that has benefited every member agency that pays for transit service across the region. In addition to another the \$850 million in formula transit funding allocated to transit in Arizona which is currently being negotiated in Congress \$500 million of which would be allocated to the Phoenix-Mesa UZA.

That being said, considering Cardinal's response the multiple crises we were forced to deal with and the significant amount of additional work they took on in the last three and a half years, we agreed two times to adjust their monthly retainer. In July of 2019, we increased the retainer from \$10,000 to \$13,000 a month and in January 2021, we increased it to \$16,000 a month. Cardinal's rate increase was equitable and justified for the amount of additional work that they took on at our request. It also remains below peer agency expenditures for similar services when considering the level of service requested and provided and the overwhelming success that has been achieved by Cardinal during the existing contract.

I do want to note that we do have a process we follow when considering equitable adjustments such as these. That process is outlined in our procurement manual to ensure proper procedure was followed, documentation was provided, and budget approval existed. The increases were made within the approved contract totals and the Board-approved annual RPTA and VMR budgets. The adjusted monthly amount of \$16,000 a month remains within the Board-approved budget for fiscal year '22, but if paid through the end of the contract in December of '22, that amount will exceed the original five-year approved contract authority by \$224,000, hence the request before you today.

As illustrated during the last 19 months, the federal role in system operations has taken on a greater importance. We anticipate Valley Metro needing this level of federal engagement on an ongoing basis and with the reductions in fare box revenue, it is critical that federal funding opportunities continue and offer a maximum flexibility while we work to recover ridership across the region at the same time the region considers extending Prop 400.

I did have the opportunity to share this information with your city managers earlier this month. There was consensus and agreement that the federal lobbying services will need -- will continue to be needed, are valuable to the region and that Cardinal Infrastructure has done a good job on behalf of the region given the unanticipated circumstances we were faced with.



Lastly, I also shared with your city managers and transit staff because this contract ends in December of '22, we anticipate going out for an RFP for these services, again, in July or August of '22 which is also coincides with the start of the next fiscal year. This will ensure that we do not have any gap in our federal coverage and account for potentially new Congressional makeup after the midterms. And as we've done before, your city staff will be asked to participate in the evaluation of those proposals and expectations moving forward.

And with that, we would be happy to answer any of your questions.

Chair Heredia said thank you, Alexis. I will ask the Board members, any questions, comments?

Vice Mayor Edwards said this is Vice Mayor Edwards. I did -- I do a chat, but I do have a question or just a comment.

Chair Heredia said okay. I think Councilwoman Tolmachoff also has a question here.

Chair Heredia said okay. Perfect. Vice Mayor Edwards go ahead.

Vice Mayor Edwards said thank you, Chair Heredia. I just had a comment. You know, I'm going to be supporting this item to ensure that the organization doesn't lose the vital federal lobbying support in the midst of the negotiations with the federal infrastructure, but that being said, I have to go on record that I'm expressing my deep concern about the path that led us to where we are. When the Board authorized the total amount of the contract, it was my expectation that the amount would last for the duration of that contract. Changes to the monthly expenditure resulting in finding -- funding ending prior to the term of the contract should have been communicated to the Board at the time of the change and ideally, receive approval by the Board. You know, part of our function on the Board is to assist Valley Metro to be as successful and we want to help with that success however, we are also here to ensure that the funding decisions are transparent and exercise a high level of accountability. So like I said, again, I'm reluctantly going to support this item, but please be aware that my expectation is that we have better and more effective communication in the future to avoid a repeat of this type of a situation and if we don't, it's not going to have my support going forward in the future. Thank you.

Chair Heredia said thank you, Vice Mayor. Councilmember Tolmachoff.



Councilmember Tolmachoff said thank you, Chair Heredia. I concur with what Councilmember Edwards has already said, but I have some other comments that I'd like to add because -- and I -- when the contract -- I -- my concern is a lot of things. Number one concern is where else is this happening within the organization where contracts are exceeding the authority given by the Board? Who authorized this? I have a lot of questions about this, but the biggest thing is that -- and thank you for reading the staff reporter, I had already read it and I imagine all of us had already read it so I don't know that that's really necessary to read the staff report to us but thank you.

In July of 2019, it was apparent that the \$600,000 was not going to cover the cost of this contract yet here we are over two years later and had the contract not been exhausted right now, we still wouldn't be aware of this. So I mean, that's a -- that's a -- to me and my perspective, a violation of trust of the Board of Directors of this organization. I'm going to support it because I believe it's a, I mean, we all understand the importance of federal lobbying especially now so I'm going to be supporting this moving forward, but I think that in my opinion that this something that probably the whole circumstances surrounding this exact contract, who authorized this? And how does this happen over two years ago before we find out about it? And I think that it should go to the Audit and Finance Subcommittee to kind of get to the bottom of this and figure out where else this is happening, and I think that the Board itself needs to establish a policy. We did in Glendale that if a contract exceeds its contingency which generally is 10%, it has to come back to the Council. There's no more money to be spent.

This is a 37 and a half percent increase with no Board authority. It's not five percent or ten percent. It's a substantial increase in the contract and the lack of forthcoming information for over two years is, I believe, a violation of trust.

Chair Heredia said thank you, Councilwoman.

Ms. Tameron Kinsey said Chair Heredia if I may?

Chair Heredia said go ahead, Alexis.

Ms. Tameron Kinsey said I do want to -- I believe there was a question from Councilmember Arredondo-Savage with regard to how do we make sure that this doesn't happen in the future? I do want to note that Valley Metro's new enterprise resource management system what we call CORE provides a new functionality that will help the agency ensure that changes in spending on any multi-year contract that may require Board authority adjustments are identified and communicated in a timely way. Our old accounting system did not -- had no automated way of tracking spending against Board



authorizations. This new system, however, has a mechanism to track annual spending against each Board authorization so Valley Metro will continue tracking the system to include a threshold for the amount of spending anticipated in the Board authorization and should spending on a contract exceed that threshold, the system will alert Valley Metro procurement and finance teams who can work with the responsible division to determine whether the increase is temporary, if it's planned to be recouped later in the contract or ongoing and will require a contract authority increase. And when contract authority increase is anticipated to be needed early, Valley Metro will notify the Board by seeing the adjustment as soon as they can.

So we anticipate being able to start entering in those multi-year contracts in the system and in the months to come, Valley Metro staff will incorporate these thresholds for the approximately 180 multi-year contracts that we have Board authorizations on.

Chair Heredia said okay. Is that -- Councilwoman Arredondo-Savage, does that answer your question? Or you have additional comments, questions?

Councilmember Arredondo-Savage said I guess, it does kind of get me thinking a little bit, but I do appreciate that. But I feel like we're putting a lot on this new systems, not only that -- this item that we're hearing about the new system, it's another item that we have upcoming that we're hearing about this new system. I mean, maybe it's really time that we have a conversation about what our expectations of this new system, this new technology that we're going to have and what it's going to be addressing. Because I agree with my colleagues on this one. I don't think we ever should have gone down this pathway. As Councilmember Edwards mentioned, I definitely do have some concerns and want to ensure it doesn't happen again so maybe understanding a little bit about what this system and when it's implemented can do, we should definitely have that conversation. But my two thoughts and my concerns. Thank you. Thank you, Chair.

Chair Heredia said thank you, Councilwoman. I see another question from Councilmember Tolmachoff and then Councilmember Bill Stipp after.

Councilmember Tolmachoff said thank you, Chair Heredia. So Ms. McKinney said that under the new system, they would be alerted. Obviously, somebody authorized in July of 2019 an increase in spending on this contract and with simple math would have known at that time that we were -- the contract was going to be exhausted before the end of the contract so I mean, I'm all for technology and moving things forward, but whoever authorized it understood that we were going to end up here and then again in January of this year another increase.



You know, the simple math is let's know two years ago that we were going to run out of money before this contract was exhausted so it's the lack of information, I think that I have a problem with. I mean, even with the system, the system itself cannot authorize the spending. Somebody authorizes the spending so having a new system is not going to fix that. It's the lack of communication which is -- was outlined in Councilmember Edwards comments, is what the issue is.

And I'm wondering whether it's lack of a policy. You said, if Board authority was needed. At what point do you get over? Is it based on individual contracts? Or do we even have a policy? Does the Board have a policy on when do you have to come back to the Board? Or does that policy not exist?

Mr. Smith said Chair Heredia, if I could clarify one thing for Councilmember Tolmachoff and appreciate your comments. It's not readily apparent in 2019 whether we're going to exceed the total contract because as Alexis alluded to that increase in the monthly retainer could have been temporary. For example, we could have increased that and if the situation would have waned, we could have reduced it down below and put things -- certain things off to get back within the total contract amount after that. So while it sends out a warning sign which is I think what we're talking about that we've implemented already in our system, that it might exceed it, it all depends on what the activity is.

At the time we made this decision, we literally were in the middle of a fire, a major fire. And we were making crisis decisions and we did not know whether this would be -- how long this would last. It ended up lasting and it has lasted ever since we had to increase the amount which is why perhaps the knowledge of the total contract was a little bit delayed. I mean, we probably knew before now and we certainly knew in January that these things were not going to calm down. But the reason for the new system is to identify to us that, yes, using simple math, that if you continue at the current payment rate, we would exceed, but you need to look at because the question is do you anticipate that happening or is that something that will self-correct over the next two years.

And that's what we need to do and if we at that time in that analysis, determine that it is a good possibility that it would exceed then we would be in a position to come back to the Board and we will come back to Board and tell them at that time. The discussion on whether to do it may be the same, but certainly, the timing would be different and there would be a more current analysis of what is going on as opposed to an after the fact analysis of what's going on.

Councilmember Tolmachoff said Chair Heredia, I'd like to respond to that if I could.

Chair Heredia said go ahead, Councilwoman.



Councilmember Tolmachoff said thank you. Honestly, I've never seen a vendor come back and say, if we're committed to 10,000 a month that because we did a little extra work, you know -- I don't know what was on fire in July of 2019. It was well before COVID, but whatever the issue was in July of 2019, you know, even if the issues are resolved, I highly doubt it's really highly doubtful that the vendor is going to come back and you can just pay us less now. That being said, the question I had was does a policy exist for exceeding, you know, at what point do you need to -- we're already 10% over what the contract was authorized for. That would be \$60,000 so what policy or is there a policy -- at what point do we require it to come back to the Board? Or just whenever, you know, whenever you run out of money.

Mr. Smith said I think that's a little -- and Councilmember Heredia. First of all, there was a lot going on in '19. Our projects were literally at risk of being cancelled in 2019. And it was an extremely, extremely stressful time. I was getting phone call from Washington

FTA and from San Francisco telling us that our projects were in deep danger including Tempe Streetcar, South Central Extension and believe me it was a very, very significant situation.

But to answer your question as far as that. There are two things that you -- that the Board authorizes or as part of the authorization in a multi-year contract. The first one is the overall contract authority meaning that you approve X dollars to be spent during the duration of this contract. Because of the nature of our multi-year contracts, the contract flow is not always consistent. Some contracts have a lot of activity one year and not so much activity the next year. And so, it's determined how much you spend based on what the activity in the current year is.

Which gets me to the second control. There's the annual budget where you budget and approve a budget for the expenditures for that area in that year. And so, we budget an amount and if we anticipate more, we may budget more than what is in the straight amortization let's say of a contract with the anticipation that we may spend more this year, but less next year. Because not all of our contracts are straight line equal spending. This started out anticipated to be a straight line, but any retainer contract is just that, a retainer. It's not tied to a specific number of hours, it is just a retainer subject to an upward or downward adjustment depending upon the level of activity you want.

And it is very likely that we could have spent that much money to handle that existing crisis and then basically, tell the lobbyists, we don't need you for three months and paid them nothing for three months or negotiated something different that would make up and said, hey, we're authorized overall to pay you this much over five years, that's what you signed up for so we're going to adjust the contract downward so you will be paid the amount that was authorized by the Board.



In this particular -- and that's what we would normally do. We would -- they signed up for the long -- five year and that's -- we would adjust payments so that they would not exceed that. In this particular case, which was somewhat unique, we went from significant challenges with the projects and trying to save both Tempe Streetcar and South Central and our whole program to the COVID. So it was a very unusual situation that we had one crisis that led to another crisis and they added upon each other. This doesn't happen often in most any of our multi-year contracts which cover things a lot like landscaping and other things which is pretty predictable. This was completely unpredictable, and no one could have foreseen, first of all, both the local backlash and the Washington that that would spill over Washington of our light rail projects. But also, then the COVID which put everybody at risk and where we are deeply involved with both our congressional delegation and the FTA in helping to develop the relief package that finally Congress passed.

So this is a very, very unique situation. I would be surprised if something like this happens again, but we are setting up a system to ensure that we can at least identify a potential for excess and we can analyze it and if it -- we need to we can come back to the Board. We're going to do our best to make sure that you are notified as early as possible that there is a potential for a total contract authority to be exceeded and that would be on a case-by-case basis.

Councilmember Tolmachoff said Chair Heredia, I would say -- thank you, Mr. Smith for that. I still believe that there needs to be a stated policy for the organization for when that needs to occur because otherwise, it's left willy nilly up to whoever is managing the contracts what they think -- how it should move forward. So I don't see any harm in coming up with some sort of a policy that says, at this point of spending -- because I did look in the budget for this expenditure and it's not identified. It's just contracts. So this specific contract, I couldn't find anywhere where it was identified so that could be any number of contracts. And my biggest concern is I don't know and none of us know where else this may be happening, and these are public funds. I mean, we have to be absolutely clear and upfront and as transparent as possible about what we're doing with this -- these public funds.

So I would say today's not the day to debate whether -- to debate a policy, but I would say the idea of how this happened and what we can do to fix it. I would say send it back to the Audit and Finance Subcommittee. I'm going to be supporting, you know, moving this contract forward or this extension forward, but I think that we need to make sure that we have a policy in place because these are really, big contracts and this is public money and, you know, I feel like we need to do everything we can to protect and be as transparent as possible. Without a policy in place and as Mr. Smith said on a case-by-case basis, I don't know how we could assure the public that we're doing that.



Mr. Smith said Councilmember, thank you, Councilmember Tolmachoff. And I think one thing that and Alexis in explaining our program didn't go the whole way. And I agree with you on the policy. I have no problem with that. And I think that what it would be is -- what we would propose, excuse me, is while the system gives us the information, we would also propose that there would also be a monthly notification -- monthly or quarterly, whatever the Board would like, that we would actually formally notify the Board of those contracts that have been identified for the system as possibly exceeding their contract authority.

And then Board members could ask, or we could give a presentation if we think it's significant or even if we think that we'll fall in line over the term of the contract, at least it is identified and reported to the Board as a contract that possibly over the term of the contract could exceed its overall approval. And this would, of course, be for any of those contracts that we have on a recurring basis. And we would formally notify the Board just like we do on travel and just like we do on procurement, RFPs that are out there so that you have an idea in your packet every month if there is a contract or contracts that might be at risk and therefore, you could ask questions or we could present and we could discuss whether we need Board action or whether we think that this will come into line and won't require any additional authorizations.

Chair Heredia said perfect. I think Councilmember Stipp had additional comments as well or.

Councilmember Stipp said thank you, Chair Heredia. I one hundred percent agree with everything that my counter-Board members have talked about. This is not a technological problem. Humans were involved in this process from the very beginning and to infer that well, because we don't have the right technology in place, we got to this point, I think that's disingenuous.

I also believe that the comments that Councilmember Tolmachoff made about AFS looking at this from an auditing perspective are right on target and I will like to assure the rest of the Board that that will be an item that will come to the AFS at our November meeting to get that looked at. Ongoing contracts is one of the things that we normally look at and this is going to be something that I think we owe the board and the public a look at the processes that allowed us to get to this point so that we head this off in the pass -- we head it off at the pass long before we get to any technological decision points.

Final comment though. In listening to the argument about why we need to expand this and I don't want to start the bus versus rail thing, but if all of the issues that were being protected by the lobbyist were done to save rail, why is RPTA funding any of this extension? I think to Mr. Crowley's point earlier we owe the bus system some level of



protection and if we were fighting for South Central and Northwest Extension rail projects, that -- all of that money went to rail and none of that money went to bus. Or a very small portion of it. I should probably say it that way. I'm not going to argue that point on this. I'm going to vote in support of getting this contract moved forward, but I think we owe ourselves a strong look at how this money is being spent in the future and what we are really lobby for RPTA versus VMR and make some difficult decisions going forward.

Mr. Smith said Councilmember Heredia if I could maybe clarify something. And thank you, Councilmember Stipp. As we discussed as Alexis reported is in your report, yes, in 2019, it was primarily -- or '18 and '19, it was primarily rail. However, the COVID which we were deeply involved in including there were many times when three, four times a week, we would be in consultation with our delegation who was requesting specific guidance on the COVID relief funds that were earmarked for transit, the majority of which went to bus. We had over \$500 million come into this region to support transit and a large percentage of that went to RPTA and went to bus.

Those were the efforts that went on the federal level from the beginning of COVID on, it has been almost exclusively or nearly all of it except for Northwest II, bus related. These activities ebb and flow depending upon the issue before us. Overall, for example, we are right now lobbying on the surface transportation extension. Those are formula funds that represent bus. Those are how we buy our buses. Those are how we pay for maintenance. Those are things that, specifically, relate to bus operations, not rail operations. There are capital funds that are involved so there is some crossover there.

But I just want to make everyone -- make something very clear that while often we have to scramble because the happens to be the bus -- or the rail project that we went on this case, from one fire to a wild fire which was COVID which had a much broader impact on our system and therefore, required heavy duty lobbying and involvement in the funding that backfilled our bus, our RPTA, budget which each of your cities received allocations for and in the tune of literally, tens -- hundreds of millions of dollars that came into this region. And everybody benefited from that.

So I just want to -- I think it's worthy of a conversation so people feel comfortable and understand that, but I didn't want to leave the -- it sitting there that the assertion may be that we only lobby for rail and not for bus.

Councilmember Stipp said Chair Heredia.

Chair Heredia said go ahead, Councilmember Stipp.

Councilmember Stipp said are you saying that the COVID relief money was not based on formula that it was based on our lobbying efforts?



Mr. Smith said the actual disposition of COVID money was based on formula that came out of Washington. How much money went in and the definition of how that money could be used and the -- and putting more money for transit, in general, was very much a part of the bill. Our Congressional delegation in helping to formulate that bill and Congressional staff who on the committees that were writing those bills utilized us and our lobbyists extensively in trying to understand what they would be arguing for and presenting in Congress as the bills were written up. That is where our efforts came.

Once the bills were decided then they -- and they said, we're going to put -- for example, \$1.3 billion additional to this level of transit then the disposition of those funds is formula driven. But the definition of how much money and what it gets spent on that was all done as part of Congressional negotiation. And that was all part of -- and we were actively involved in that as I've said, almost on a daily basis with our lobbyist working the congressional committees where the bills are actually written and we know the congressional committee staff very well.

Also, with our representatives whose staff would call us and our lobbyist to try and understand and ask us what is the priority I should put in the bill? We're very fortunate that we have Rep. Greg Stanton who is on the transportation infrastructure committee and is very influential and including transit items. And Sen. Sinema is on the Senate Banking committee which handles transit funding on the Senate side. So we work very closely with their staff when they would call and say, hey, here's a proposal. What do you think of it? What should we add that's specific to Valley Metro, to the Valley and that's where our lobbying efforts come in.

And as I've said after that bill is written then the distribution of the funds is formula driven, but how the definition of what the funds are, where they can go or how much is involved.

Councilmember Stipp said I'm good. Thanks.

Chair Heredia said is there any other comments, questions on this item? I think just to recap this item, agenda item 5. Voting on the federal government relations consulting services increasing the total contract authority. I think we're voting on that piece today, but I think per the comments, I want to just reiterate to Valley Metro staff, Mr. Smith and Alexis, if we can figure out a policy or some process, right. I think the process of how it got to this point is something that we can look at and I highly suggest maybe through AFS we can look at like developing this type of policy or process to make sure we understand the technology that's being implemented that will help us, but there has to be some written to this -- these items that shouldn't get to this point so. Is that fair?

Ms. Tameron Kinsey said yes, sir, Chair Heredia.



Mr. Smith said Chair Heredia. Yeah. We appreciate that and we will propose -- we will come up with a policy which will -- all kinds of what we've discussed today and -- we will welcome the comments, but I think we can come up with something that will satisfy the Board's rightful need and desire to be informed as soon as possible if these situations come up. And we'll come up with something that I think -- we'll work with the staff also to come up with something that we can present to AFS that will resolve this issue.

Chair Heredia said perfect. So I'll request a motion and a second to forward this to -- for authorization.

Mayor Gallego said I move that we forward this for authorization and include the recommendation as approved by Management Committee for staff and the Audit and Finance Committee to develop proposed process change for the Management Committee, AFS and Board for future consideration so that contracts above the Board's approval threshold cost change orders must get Board approval within a reasonable time when a cost or change order is proposed or requested.

IT WAS MOVED BY MAYOR KATE GALLEG0, SECONDED BY MAYOR ORTEGA AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CEO TO INCREASE THE CONTRACT AUTHORITY IN THE AMOUNT OF \$224,000 TO COVER FEDERAL LOBBYING COSTS THROUGH DECEMBER 2022.

6. Travel, Expenditures and Solicitations

Mr. Chair said as I am aware, there is no information on this item. Scott?

Mr. Smith said no, Chair Heredia, unless there are questions.

Chair Heredia said any questions from Board members. All right.

7. Future Agenda Items Request and Report on Current Events

Chair Heredia said if anyone has any agenda items they would like to ask to include in a future meetings. Hearing none.

8. Next Meeting

The next meeting of the Joint Boards of Directors is scheduled for Thursday, November 18, 2021, at 11:15 a.m.

The meeting is adjourned.

With no further discussion the meeting adjourned at 11:57 a.m.



Information Summary

DATE

November 12, 2021

AGENDA ITEM 4B**SUBJECT**

IT Hardware Replacement

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to procure hardware and licensing necessary to replace end-of-life servers and inadequate network switches.

RECOMMENDATION

Staff recommends that the Boards of Directors authorize the CEO to procure hardware and licensing necessary to replace end-of-life servers and inadequate network switches. The amount of the authorization is not to exceed \$285,300.

BACKGROUND | DISCUSSION | CONSIDERATION

Valley Metro's server infrastructure provides the computer processing for all the agency's locally hosted applications and systems. This includes Valley Metro's badge access control system, phone system, the systems used to manage projects, track maintenance and assets, and count passengers to name only a few. In FY 2022, four of these servers purchased in FY 2016 reach their end of life and must be replaced. Once hardware is end-of-life, the manufacturer will no longer provide support, operating system maintenance releases, or parts for the equipment. As a result, they must be replaced to maintain the functionality of Valley Metro's IT systems at a cost of \$225,000.

Valley Metro's wireless network at the Operations and Maintenance Center (OMC) supports the light rail vehicle fleet by allowing the transfer of diagnostic telemetry, passenger counts, video footage, and audio announcements between the vehicles and the wayside systems at the OMC rail yard. The OMC expansion adds additional wireless access points (APs) to expand coverage to the new areas added to the facilities and rail yard to accommodate the vehicles needed for Tempe Streetcar, South Central/Downtown Hub, and Northwest Phase II. The two wireless controllers and two of the network switches that allow the OMC's wireless network to connect to Valley Metro's main network are unable handle the expansion's increased network traffic and must be replaced at a cost of \$60,300.

COST AND BUDGET

The funds for the hardware and licensing outlined in this memo are already included in the adopted RPTA and VMR FY 2022 Operating and Capital Budget and the



accompanying five-year budget projections. The currently requested authorization is not to exceed \$285,300. The RPTA portion is \$142,650 and the VMR portion is \$142,650.

As IT goods and services are purchased by virtually all Arizona public entities, Valley Metro obtains the best volume discounts by utilizing statewide cooperative contracts. The hardware and Cisco licensing will be procured from HyeTech Network & Security Solutions, LLC. through the 1Government Procurement Alliance (1GPA) cooperative contract #16-11PV-09. Microsoft licensing for the servers will be procured from CDW-G through the Arizona State cooperative contract #ADSP017-149774.

COMMITTEE ACTION

RTAG: October 19, 2021 for information

TMC/RMC: November 3, 2021 approved

Board of Directors: November 18, 2021 for action

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ATTACHMENT

None



Information Summary

DATE

November 12, 2021

AGENDA ITEM 5**SUBJECT**

Insurance Coverage Renewal: Commercial Property and Liability and Workers Compensation and Employer's Liability

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to purchase insurance coverage for Valley Metro's annual insurance needs as follows:

- 1) Commercial Property and Liability; and
- 2) Workers Compensation and Employer's Liability.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to purchase renewal coverage for Valley Metro's insurance needs as follows:

Commercial Property and Liability Insurance Coverage, including Workers Compensation and Employers Liability, from December 1, 2021 to November 30, 2022 for an amount not to exceed \$5,671,877. RPTA's obligation is \$407,348. VMR's obligation is \$5,264,529.

**The total premium cost for insurance renewal reflects an amount \$444,078 less than the not-to-exceed amount Valley Metro presented to TMC/RMC on November 3, 2021. Valley Metro's insurance broker was able to secure improved best and final quotes from insurance carriers.*

BACKGROUND | DISCUSSION | CONSIDERATION

Valley Metro purchases insurance on an annual basis to cover losses related to Valley Metro-owned property and to ensure that Valley Metro's operations are adequately secured against claims and catastrophic loss. RPTA and VMR jointly purchase insurance.

Valley Metro's insurance broker, Alliant Insurance Services, Inc. ("Alliant"), is responsible for obtaining the best available premium quotes from insurance carriers for each line of insurance to meet Valley Metro's annual insurance program needs.

Valley Metro staff, city risk managers and Alliant participated in a comprehensive risk management meeting on October 26, 2021. Participants analyzed the insurance market, reviewed insurance renewal materials and evaluated best available quotes for each line of insurance coverage in order to determine the best value options available to Valley Metro for next year's insurance program. After the Roundtable unanimously concurred with the proposal, the TMC/RMC unanimously adopted the recommendations.

COST AND BUDGET

Current Lines of Insurance and Expiring Insurance Premium

The attached tables summarize current and proposed insurance premium pricing for each type of insurance coverage for RPTA and VMR.

RPTA Pricing:

- Table 1 breaks down insurance premium pricing for RPTA and compares expiring premiums with the upcoming renewal year. Total excess liability limits are currently \$50,000,000, with a self-insured retention (SIR) limit of \$750,000. The expiring premium totals \$424,971. The renewal premium is \$407,348.

VMR Pricing:

- Table 2 breaks down insurance premium pricing for VMR and compares expiring premiums with the upcoming renewal year. Total excess liability limits are currently \$100,000,000, with a self-insured retention (SIR) limit of \$750,000. RPTA and VMR share the first \$50,000,000 of excess liability limits, with the second \$50,000,000 dedicated solely to VMR. The expiring premium totals \$3,085,423. The renewal premium is \$5,264,529.

Cost allocation between RPTA and VMR budgets for annual premiums has historically been approximately 11% to RPTA budget and 89% to VMR budget based on annual review of the value of assets and financial exposures. The percentage split varies by line of coverage.

Factors Driving Premium Increase

In order to maintain current levels of coverage, Valley Metro will experience a total upward premium cost adjustment of 82% between last year's board approved amounts and what is being requested this year. This includes a rolling stock increase in values of 64% (6 new streetcars and 8 additional light rail vehicles). See the attachment "Breakdown of Insurance Options" that details coverage deductible and limits options. The overall premium cost increase is a function of multiple factors, including: increased exposures associated with the expanding transportation network; light rail vehicle incidents and loss history; the implications of a continued hardening insurance market;

and limited opportunities for transit risk coverage because of the declining number of insurers willing to offer coverage to transit service providers and public entities.

Specifically:

1. Valley Metro's insurable assets increased approximately 30% from \$750M to \$975M as a direct result of the expanding system and associated assets.

Namely:

- Expansion of the Operations and Maintenance Center
- Tempe Streetcar Project, which includes 3.5 miles of rail line and 6 new streetcar vehicles
- Additional light rail vehicle fleet

2. Recent Light Rail Vehicle Events:

- December 22, 2019 - Underinsured wrong way driver caused a high-speed collision with the light rail, resulting in \$1.5M in damages paid by Travelers to Valley Metro
- January 3, 2021 - Underinsured driver ran a red light and collided with the light rail, resulting in \$107,000 of this amount paid by Travelers to Valley Metro
- March 14, 2021 - Light rail derailment involving three light rail vehicles, resulting in approximately \$4M in damages that has been paid by Travelers to Valley Metro

More generally, several factors have negatively impacted insurance premiums across the nation, and particularly so in public transit, including: weather/climate change; cyberterrorism; catastrophic jury awards; and distracted driving.

Excess Liability Coverage

In past years, insurance companies were willing to offer up to \$20M - \$25M in coverage. However, insurers industrywide recently began to decrease their general limits capacity to the \$5M - \$10M range. As a result, the number of insurers Valley Metro needs to maintain current coverage (\$100M) increased from seven to fifteen. The first tier of this "stacked" insurance coverage coincides with the highest risk exposure to the carrier and therefore carries with it the greatest cost. Additional tiers of insurance coverage are necessary in order to adequately protect against increasing exposures.

Light Rail Vehicle Coverage

After a decade and a half of covering Valley Metro light rail vehicles, The Travelers Companies, Inc. (Travelers) discontinued offering insurance for light rail exposures

nationwide. As a result, the extremely low deductible and pricing Valley Metro enjoyed for many years, which was unmatched when compared against other transit agencies, is no longer available. The per occurrence deductible alone will increase from \$100k to \$1M. Public transit and light rail service providers across the country have also experienced similar deductible and premium increases.

Historical and Prospective Views

Over the past three years, RPTA and VMR's insurance premiums have increased as follows:

Years	RPTA Premium	VMR Premium
2018-2019	\$207,552	\$1,758,577
2019-2020	\$249,881	\$2,030,146
2020-2021	\$424,971	\$3,084,138

(Board approved, not to exceed amounts)

The current renewal increase represents a historical outlier based on a number of factors, but not an anomaly in that Alliant does not expect premiums to return to previous levels as Valley Metro's transportation network expands and risk exposure naturally increases. Therefore, looking to the future, one question for further discussion is whether continuing to seek insurance coverage for the LRV rolling stock (which is the dominant driver of the current premium increase) is a preferred option compared with self-insuring that line. By illustration, self-insurance of the rolling stock would require a decision on the amount of replacement stock and then establishing and funding a reserve (i.e. perhaps up to $10 \times \$6\text{M}/\text{LRV} = \60M). The current reserve sits at approximately \$1M. Valley Metro would need to consider various funding mechanisms to create an appropriate reserve amount in lieu of continuing to pay the premium on this specific line of coverage for vehicle losses.

Budget

For the December 1, 2021- November 30, 2022 term, RPTA's contract obligation is \$407,348. FY 2022 costs are fully funded within the RPTA Adopted FY 2022 Operating Budget. Contract Obligations beyond FY 2022 are incorporated into the RPTA Five-Year Operating Forecast and Capital Program (FY 2022 – FY 2026).

For the December 1, 2021- November 30, 2022 term, VMR's contract obligation is \$5,264,529. FY 2022 costs are funded within the VMR Adopted FY 2022 Operating and Capital Budget to \$3,286,000 and will require a mid-year adjustment of \$1,070,000. Contract Obligations beyond FY 2022 will be incorporated into the VMR Five-Year Operating Forecast and Capital Program (FY 2023 – FY 2027).



In line with standard insurance conditions, policy premiums may be subject to audit of payroll, revenues, and insured property values, including railcars. If the audited exposure differs from the estimated exposure, there may be a nominal premium adjustment. Valley Metro will allocate any premium adjustment to RPTA and VMR budgets as necessary and appropriate.

COMMITTEE ACTION

RTAG: October 19, 2021 for information

TMC/RMC: November 3, 2021 approved

Boards of Directors: November 18, 2021 for action

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ATTACHMENTS

(1) Table 1- RPTA Insurance Pricing

(2) Table 2- VMR Insurance Pricing

(3) Appendix

TABLE 1 – RPTA Insurance Pricing

Line of Coverage	Policy Limit-Renewal	Renewal Premium	Policy Limit-Expiring	Expiring Premium
Property	Blanket Limit	\$23,850	Blanket Limit	\$22,625
Crime	\$2,000,000	\$3,232	\$2,000,000	\$2,996
Auto Liability & Physical Damage	\$750,000	\$41,661	\$750,000	\$34,560
Primary Excess Liability 1 st layer \$10M	\$10,000,000	\$33,025	\$10,000,000	\$33,777
Excess Liability - multiple layers to reach \$40M x\$10M*	\$40,000,000	\$219,111	\$40,000,000	\$251,395
Stand-Alone Terrorism	\$50,000,000	\$1,258	\$50,000,000	\$1,329
Cyber/Privacy	\$2,000,000	\$29,540	\$2,000,000	\$21,295
Workers Compensation	\$1,000,000	\$55,671	\$1,000,000	\$56,994
Grand Total		\$407,348¹		\$424,971²

¹ The grand total amount is \$17,188 less than values presented at TMC/RMC due to premium decreases secured by Alliant.

² Board approved, not to exceed amount.

TABLE 2 - VMR Insurance Pricing

Coverage Type	Policy Limit-Renewal	Renewal Premium	Policy Limit – Expiring	Expiring Premium
Property	\$663,704,650	\$426,150	\$601,996,326	\$367,468
Property- Tempe Streetcar	\$73,471,089	\$52,000	\$70,053,940	\$78,766
Inland Marine - Rolling Stock Tempe Streetcar ³	\$36,000,000	\$326,554	N/A	\$61,588
Inland Marine - Rolling Stock ⁴	\$100,000,000	\$2,138,061	\$151,465,207	\$330,665
Inland Marine Town Lake Bridge and Other	\$49,008,699	\$111,274	\$37,581,224	\$75,689
Crime	\$2,000,000	\$3,232	\$2,000,000	\$2,996
Auto Liability & Physical Damage	\$750,000	\$153,016	\$750,000	\$125,440
Primary Excess Liability - 1st layer \$10M	\$10,000,000	\$590,096	\$10,000,000	\$548,581
Excess Liability multiple layers to reach \$90Mx\$10M	\$90,000,000	\$1,284,472	\$90,000,000	\$1,348,205
Stand Alone Terrorism	\$50,000,000	\$22,478	\$50,000,000	\$19,439
Cyber / Privacy	\$2,000,000	\$29,540	\$2,000,000	\$21,295
Pollution Legal Liability ⁵	\$5,000,000	\$24,799	\$5,000,000	\$0
Aircraft (Drone) ⁶	\$1,000,000	\$1,285	\$1,000,000	\$1,285
Workers Compensation	\$1,000,000	\$101,592	\$1,000,000	\$104,006
Grand Total		\$5,264,529⁷		\$3,085,423

³ Renewal premium shown is estimated prorated premium for the six streetcars expected to be added at various dates during the policy term. Premium is incurred as of the date each streetcar is added to the policy.

⁴ Renewal premium shown includes estimated prorated premium for the eight additional new LRVs expected to be added at various dates during the policy term.

⁵ Pollution Legal Liability is a three-year insurance policy last renewed on December 1, 2018 for \$25,857 term premium.

⁶ Drone coverage acquired in May 2021 and policy is aligning with existing coverages.

⁷ The grand total is \$426,890 less than values presented at TMC/RMC due to premium decreases secured by Alliant.

Appendix - Background On Three Primary Lines of Coverage

Three lines of coverage make up 95% of this year's insurance increase. Therefore, Alliant, Valley Metro, city risk professionals, and city staff thoroughly reviewed and analyzed several deductible and coverage limits options before making final recommendations to the Board.

1) Inland Marine Rolling Stock

Inland Marine Rolling Stock, which represents 43% of the entire premium, is by far, the largest driver of change in Valley Metro's premium increase this year. Previously, Traveler's was the Inland Marine Rolling Stock carrier and covered the entire fleet (\$162M) with a \$100k collision deductible. Now, the best option involves four insurers, \$100M in total limits, and a \$1M deductible.

Alliant considered multiple options before making their current recommendations⁸:

- Reducing the policy limit to only \$50M would reduce the premium by \$85k (-3%)
- Reducing the policy limit to only \$25M would reduce the premium by \$290k (-12%)
- Increasing the deductible to \$2.5M would reduce the premium by \$150k (-6%)
- Increasing the deductible to \$5M would reduce the premium by \$300k (-12%)

In other words, either reducing coverage by 75% (from \$100M to \$25M) or raising the deductible by 400% resulted in only a 12% decrease in the premium. Therefore, given:

- Risk of catastrophic loss to fleet – consider a calamitous event at the Operations and Maintenance Center where Valley Metro services and stores light rail and streetcar vehicles
- Benchmarking with other light rail systems
- Fleet growth
- Ratio of coverage/deductible to premium savings the evidence did not support a total limits reduction below \$100M. The Roundtable and all participants agreed with this approach.

Under the multi-tier approach, the first tier (\$25M) takes on the most risk exposure and is the most expensive. Alliant reached out to twenty-five (25) different providers - only two were willing to offer pricing on this first tier, and they will share the risk and

⁸ Numbers are approximate.

premium. No insurer was willing to provide first tier coverage less than \$25M, making the current premium the best available on the current market.

2) Excess Liability

Valley Metro's \$100M excess liability limit is vital to protect our interests, benchmarked against other transit agencies nationwide, and is necessary to prevent against catastrophic loss.⁹ Before making its recommendations, Alliant considered adjustments to Valley Metro's SIR. Last year, Valley Metro raised its SIR from \$250k to \$750k. This year, Alliant shopped raising the SIR further, and found:¹⁰

- Increasing the SIR to \$2M would reduce the premium by \$150k (-25%)
- Increasing the SIR to \$5M would reduce the premium by \$200k (-41%)

Therefore, based on the same factors above and the decreasing returns associated with raising the SIR, the Roundtable agreed that the opportunity cost (i.e. \$4.25M SIR increase compared to a \$200K premium savings) associated with a higher SIR is not justified this year. Additionally, Valley Metro has historically addressed contingent liability on bus related services by carrying coverage in prudent amounts based on fleet size, and service-related risk exposure, in addition to the coverage carried by bus service providers. Valley Metro and city partners asked Alliant to explore cost savings if a part of excess coverages were reduced for the bus related services. Alliant found¹¹:

- Second excess layer (\$10M coverage) premium would be reduced by \$31k (-11%)
- Third excess layer (\$30M coverage) premium would be reduced by \$126k (-20%)
- Fourth excess layer (\$50M coverage) premium would increase by \$75k (+14%)

For the reasons listed above, and due to the cost increase at the highest layer of coverage, the evidence did not support removing any excess coverage on bus related services, and Alliant, Valley Metro and the Roundtable concurred.

3) Property

Lastly, Alliant researched changing the \$25k deductible for property coverage (buildings, contents, and infrastructure) and how that impacted the premium. They observed¹²:

⁹ Consider the recent light rail derailment – if lives had been lost, or serious injuries occurred, the expected claims would have exceeded tens of millions of dollars.

¹⁰ Numbers are approximate.

¹¹ Numbers are approximate.

¹² Numbers are approximate.



- Increasing the deductible to \$50k would reduce the premium by \$12.5k (-2.5%)
- Increasing the deductible to \$100k would reduce the premium by \$20k (-4%)

As with the previous analyses, the small premium savings did not warrant the additional risk and were not recommended after review by Alliant, Valley Metro, and the Roundtable.



Information Summary

DATE

November 12, 2021

AGENDA ITEM 6**SUBJECT**

Chief Executive Officer Recruitment – Job Description Approval

PURPOSE

To request approval of the job description for the position of Chief Executive Officer.

RECOMMENDATION

The Ad Hoc Recruitment Committee recommends that the Joint Boards of Directors approve the job description for the position of Chief Executive Officer.

COST AND BUDGET

None

BACKGROUND | DISCUSSION | CONSIDERATION

Following the September Board meeting Gregg Moser, Krauthamer & Associates, conducted phone interviews with members of the Ad-Hoc Recruitment Committee (AHRC) and associated City Managers to garner input for the draft job description. That draft was presented and reviewed for additional comments at the AHRC on Friday, November 5, 2021. Comments were incorporated into the job description that is being presented for full Boards of Directors approval.

COMMITTEE PROCESS

AHRC: November 5, 2021 for review

Boards of Directors: November 18, 2021 for action

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ATTACHMENT

Draft CEO Job Description



Valley Metro Chief Executive Officer

Valley Metro seeks an experienced, strategic, and innovative executive to lead Maricopa County's regional transportation authority as Chief Executive Officer (CEO). The CEO will work closely with the Valley Metro Boards of Directors and stakeholders from across the region to advance, encourage and grow public transit ridership through the development and implementation of innovative and customer centric solutions that offer better accessibility.

Located in Phoenix, Arizona, Valley Metro is the Regional Public Transportation Authority (RPTA) providing coordinated, multi-modal transit services to residents of Avondale, Buckeye, Chandler, El Mirage, Fountain Hills, Gilbert, Glendale, Goodyear, Maricopa County, Mesa, Peoria, Phoenix, Queen Creek, Scottsdale, Surprise, Tempe, Tolleson, Wickenburg and Youngtown.

Valley Metro's projected 2022 total budget is \$545.6m, consisting of a \$78.9 million operating budget and a \$466.7 million capital budget. With a core mission of "Connecting Communities and Enhancing Lives", Valley Metro plans, develops, operates and maintains the regional bus and light rail systems and alternative transportation programs for commuters, seniors, and people with disabilities. Valley Metro is committed to providing safe, efficient, and reliable public transportation to all customers and its 18 member cities and Maricopa County.

Valley Metro also works closely with the Maricopa Association of Governments (MAG) to develop a next generation long range regional transit plan and help member cities to identify their local transit needs. The CEO collaborates with MAG and other stakeholders to, seek and pursue additional revenue and funding options for transit projects and services and secure dedicated, sustainable long-term funding to advance the total transit network. Additionally, the CEO will collaborate with MAG to seek opportunities to attract capital investment to advance transit projects through public/private partnerships and work with the local communities to leverage transit-oriented development (TOD) to increase investment in transit.

In addition to its renowned bus and expanding light rail system, Valley Metro offers a variety of transportation alternatives including local, Express and RAPID commuter bus service, neighborhood circulator routes, on-demand paratransit services, and commuter vanpool and carpool services. In coordination with member cities and Maricopa County, Valley Metro operates 62 local bus routes, 21 Express/RAPID bus routes, and 18 circulator routes in addition to its 28 miles of light rail service. Valley Metro will also open the region's first streetcar line in Spring 2022. Valley Metro has over 430 employees and serves about 250,000 passengers daily.

Valley Metro is comprised of two separate legal entities and is governed by two Boards of Directors. The Regional Public Transportation Authority (RPTA) Board consists of 19 members (representing 18 cities and Maricopa County) that set regional policy direction for all modes of transit except light rail. The Valley Metro Rail (VMR) Board consists of four cities (Phoenix, Tempe, Mesa, and Chandler) that set policy direction for the rail system. The two agencies operate jointly under one CEO and one organizational structure. Intergovernmental agreements between the agencies define the responsibilities of each agency in meeting the overall strategic mission, vision, and goals for Valley Metro. The boards and the agency work to improve and regionalize the public transit system.



Offering multiple modes of transportation, Valley Metro is also a community partner for local businesses, helping them meet Maricopa County's trip reduction goals. With over ninety percent of its fleet fueled by alternative sources, Valley Metro is committed to providing sustainable services to its riders.

The greater Phoenix region is a great place for families and professionals. Valley Metro offers robust bus services throughout the region, and its light rail service runs through the metropolitan corridor, providing a convenient connection for riders to the community, restaurants, nightlife, entertainment, and more. Light rail also connects riders from Arizona State University to downtown Phoenix. Planned extensions will soon bring light rail to the State Capitol and West Valley.

The CEO, along with the Boards of Directors, will further the agency's goals in providing customers with a safe, efficient, and reliable total transit network. The CEO will work in a performance-driven, team-oriented environment to seek innovations within the organization to support high-quality customer service to its riders. Valley Metro is a leader in connecting communities and building a vibrant, sustainable region.

DUTIES AND RESPONSIBILITIES:

The CEO will perform his/her duties under the direction of the Boards of Directors. The CEO will carry out the policy direction of the Boards of Directors and will oversee the day-to-day management and operation of the agency. The CEO will be responsible for the planning, design, construction, operation, and maintenance of light rail and bus projects assigned to Valley Metro by the member agencies. Additionally, the CEO is authorized to retain and direct professional services (lawyers, accountants, consultants, etc.), execute contracts and sign intergovernmental agreements that have been approved by the Boards of Directors, and will have other duties and authority as directed by the Boards of Directors, the Board Chairs, or delegated through the RPTA Administrative Code and VMR governance agreements.

In addition to other duties and responsibilities that may arise during the term of the CEO's employment at Valley Metro, the CEO will:

- Keep the Board informed and frequently updated on all issues related to Valley Metro operations, services, funding, contracts, intergovernmental affairs, media, key staff, impacts to community and any other items of interest to member agencies.
- Work closely, collaboratively, and transparently with the Boards of Directors on matters affecting Valley Metro's operations and policies.
- Plan, develop, and establish agency policies and objectives and ensure compliance with all federal, state, and municipal laws.
- Establish metrics and programs for achieving agency-wide goals and objectives.
- Utilize effective metrics to monitor and measure contractor performance to proactively ensure contract requirements are consistently met; regularly report on contractor performance to the Board.
- Lead, manage, and direct the leadership team to execute on Valley Metro's numerous business objectives.
- Hire, direct, and manage staff to implement the policies and direction of the Boards of Directors efficiently and effectively.
- Advance Valley Metro's mission to treat all customers and employees fairly and promote inclusion, diversity, and equity for all individuals.

- Oversee the development and implementation of policies and performance management programs by which employee performance can be evaluated.
- Provide leadership, vision, and direction to the management team and staff to work toward and achieve current and long-range goals and objectives.
- Be present, available, communicative, and collaborative with the Boards of Directors, employees, staff from member agencies, community partners, and other stakeholders to provide the highest level of customer service possible.
- Develop, direct, and enforce organizational policies and procedures to ensure coordination and collaboration among various divisions and departments.
- Continuously evaluate, monitor, track, and calculate Valley Metro's needs and sources of revenue.
- Prepare and present budget proposals to the Boards of Directors for approval.
- Exercise fiscal responsibility while developing and controlling annual operating and capital financial plans.
- Oversee and closely monitor activity reports and financial statements, including audits, to determine the progress and status of Valley Metro's financial well-being.
- Make sound data-driven business decisions in response to metrics to increase efficiencies and deliver high quality customer service.
- Seek alternative sources of revenue, staying informed of potential federal, state, and local funding initiatives and availability. Lead in securing additional funding for services which further the Boards of Directors' goals and vision.
- Ensure that the appropriate staffing and resources are available to adequately carry out the provision of the Public Transportation Agency Safety Plan (PTASP).
- Ensure affordable, safe, and secure services for all customers.
- Evaluate, monitor, plan, and adjust operational services to meet the needs of the community and its customers in line with the Boards of Directors' direction.
- Serve as a leader in advancing the regional mobility initiatives and work collaboratively with various regional partners to coordinate significant projects and programs that will further regional mobility plans.
- Provide oversight of Valley Metro's multi-modal planning and programming efforts, including identifying priorities and establishing goals and strategies that ensure the success of major transportation improvements.
- In coordination with the region's federal designated recipient agency, serve as a contact with the Federal Transit Administration, city, regional, state, and federal elected officials on Valley Metro matters.
- Oversee a sound business operation with strong human resources, government relations, procurement, and other administrative functions.
- Coordinate with the Maricopa Association of Governments (MAG), the region's metropolitan planning organization (MPO), as needed to advance regional transit planning and funding needs.
- Establish and maintain positive working relationships with the Boards of Directors, Valley Metro's member agencies, employees, elected officials, local businesses, residents, community groups, and other stakeholders.
- Provide positive representation of Valley Metro to the media as well as in public settings.
- Take initiative, reason logically, and be creative in developing and introducing new ideas and alternative solutions for complex issues and problems.



- Oversee a large and complex capital and maintenance program and provide oversight of significant bus and rail operations.
- Promote alternative technologies and services that advance mobility solutions to provide better transit access for riders.
- When necessary and appropriate, take calculated risks and think outside-the-box to provide the best service possible to customers.
- Facilitate conversations among member agencies to increase accessibility and ensure equitable transit solutions for the region.
- Promote Valley Metro, its services, brand, and image to the community in order to increase ridership.
- Identify micro-transit solutions that may provide better accessibility to rural or remote communities that may not be adequately served by traditional modes of transit.
- Carry out other duties and responsibilities as necessary and directed to perform the duties of the CEO and as assigned by the Boards of Directors.

KNOWLEDGE AND SKILLS:

The incoming CEO should possess or be capable of quickly learning the following knowledge and skills:

- Local, state, and federal laws, regulations, and procedures governing public transit systems.
- Current issues, trends, and local/national political sensitivities of bus and high-capacity transit systems.
- Principles and practices of budget preparation, administration, and cost control measures in a service industry, preferably specific to bus and rail services.
- Organizational, administrative, and management skills to effectively and efficiently lead a highly complex multi-million-dollar agency.
- Ability to direct contractors that work within a union environment, manage a unionized workforce, negotiate union contracts, and address grievances.
- Negotiate large complex contracts with community and private-sector business partners.
- Work with elected officials, local businesses, staff from member agencies, and community partners to provide services that are equitable, sustainable, and accessible.
- Transportation policy issues especially as related to bus, high-capacity transit, and paratransit services.
- Strong, transparent communication and interpersonal skills.
- Establish and maintain working relationships with elected officials, executive managers, transit constituencies, and agency stakeholders.
- Collaborate with regional communities to support regional sales tax initiatives which go towards funding transit services.
- Exceptional collaborative leadership skills.
- Transparent neutral communication to all parties and willingness to bring positive and negative information to light.
- Calculated risk-taker who makes sound business decisions based upon metrics and research.



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MINIMUM QUALIFICATIONS & REQUIREMENTS:

The ideal candidate will possess a Bachelor's Degree in Public or Business Administration or related field, and ten or more years of executive-level management experience in the public or private sector for an organization with similar size and complexity to Valley Metro, or an equivalent combination of education and experience sufficient to successfully perform the duties of this position. A Master's Degree in Public Administration or Business is preferred. Prior executive transit management experience in a regional transportation agency is strongly desired.

HOW TO APPLY:

For more information or to submit a cover letter and resume, please contact Gregg Moser, gmoser@kapartners.com.



Information Summary

DATE

November 12, 2021

AGENDA ITEM 7**SUBJECT**

Fiscal Year 2020 (FY20) Transit Performance Report (TPR)

PURPOSE

To provide information regarding system ridership, operating costs, fare revenue and performance indicators contained within the FY20 Transit Performance Report, as well as impacts related to COVID-19.

RECOMMENDATION

This information is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

The Transit Performance Report (TPR) is updated annually using data provided by member agencies and the Valley Metro Regional Ridership report. The TPR includes information for each mode in the Phoenix region:

- Fixed-route bus
- Light rail
- Paratransit
- Vanpool

The FY20 TPR, in addition to providing annual information, includes a breakdown of COVID-related impacts to transit in the Valley Metro service area.

COST AND BUDGET

None.

COMMITTEE ACTION

RTAG: October 19, 2021 for information

TMC/RMC: November 3, 2021 for information

Boards of Directors: November 18, 2021 for information

CONTACT

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ATTACHMENT

FY20 TPR Presentation

Transit Performance Report (TPR)

FY20

Joint Boards Presentation November 18, 2021

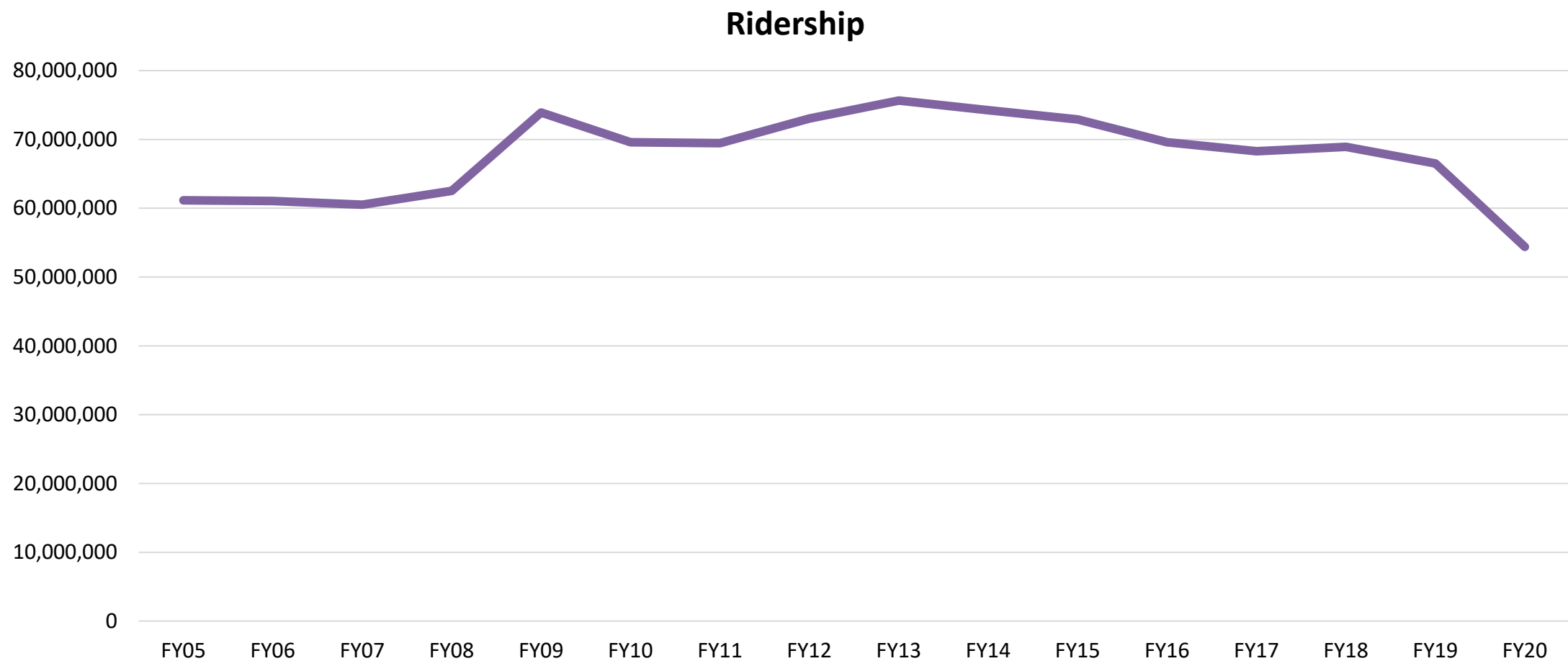


System Highlights



- **18.2% decrease** in total boardings from FY19
- **73% of system boardings** on bus
- **3.77 boardings per mile** on Valley Metro Rail
- **91.9% on-time performance** for ADA paratransit trips
- **\$3.84 average fare** for vanpool users

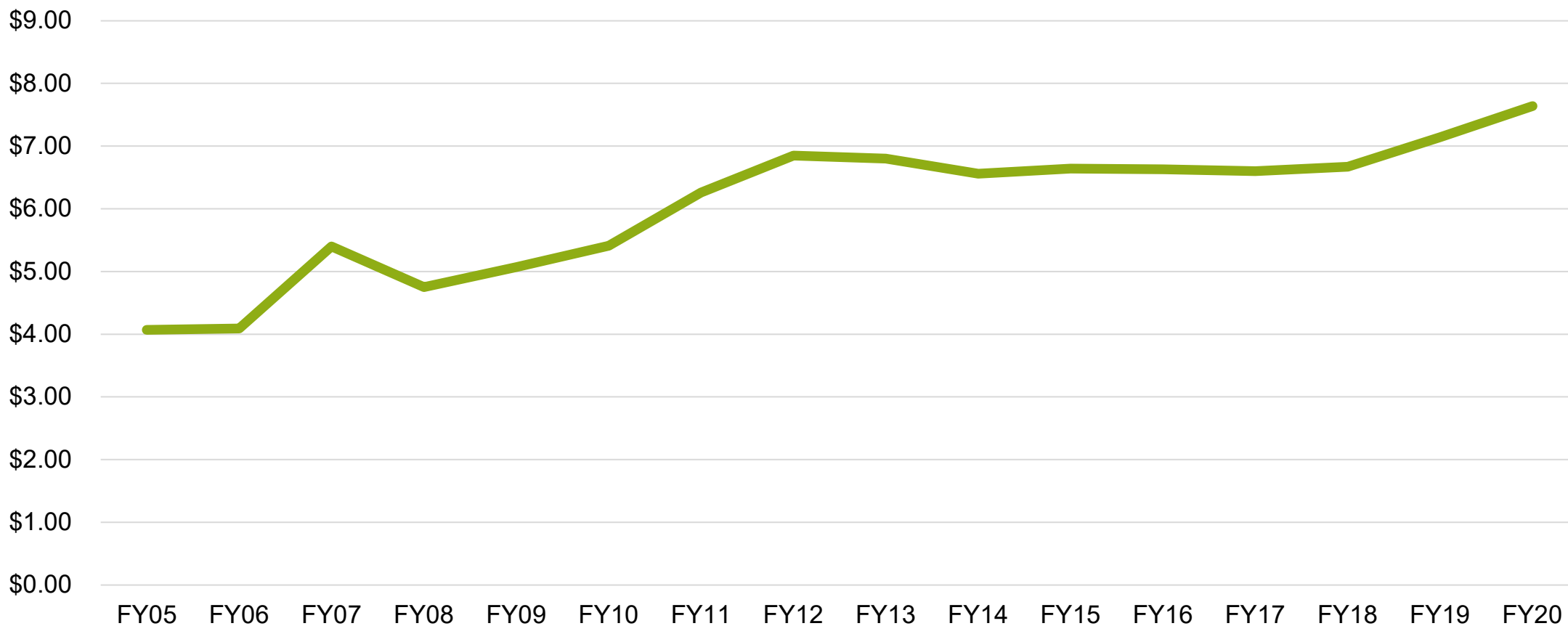
All Modes Historical Trends

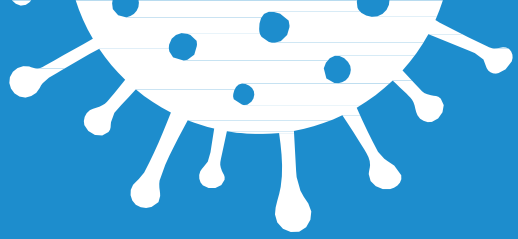


All Modes Historical Trends



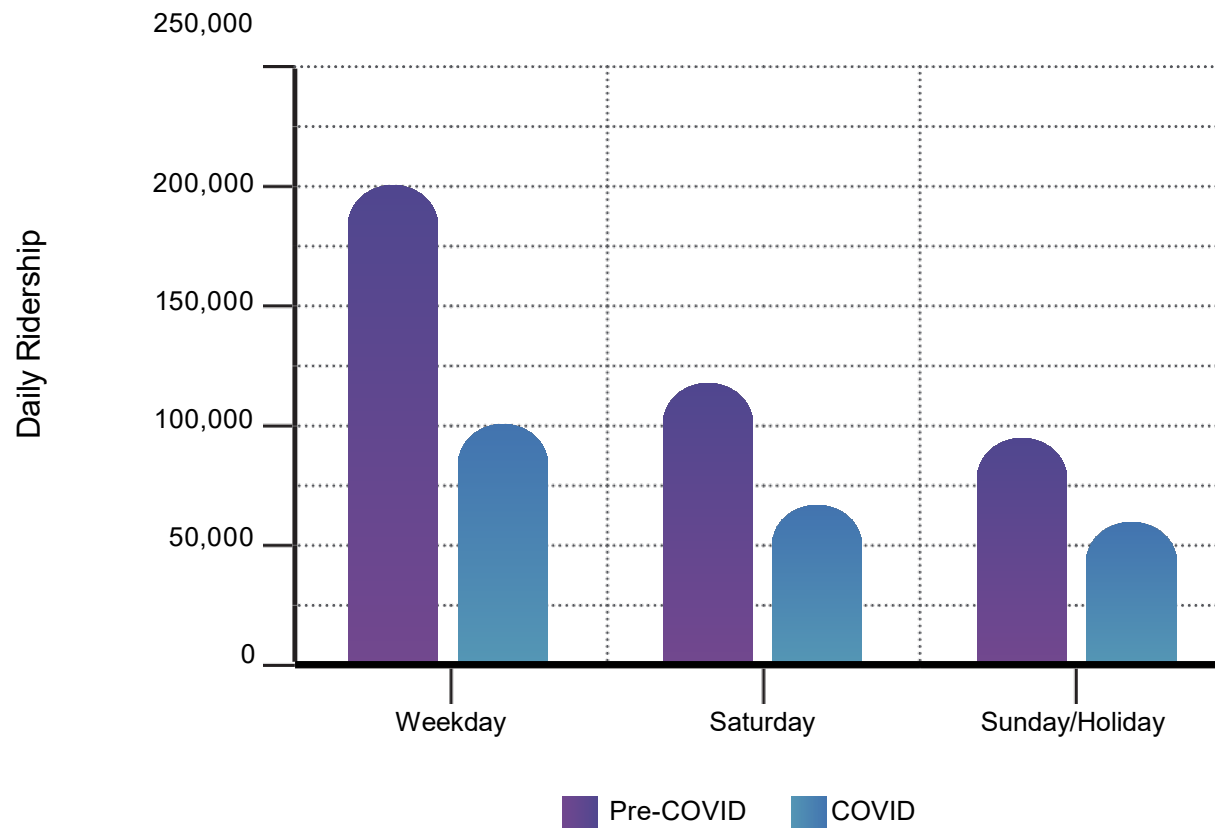
Operating Cost per Vehicle Revenue Mile



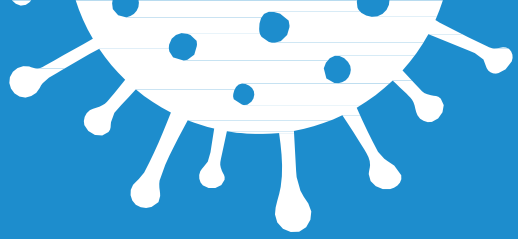


All Modes COVID-19 Ridership

Valley Metro System-Wide Transit Ridership (COVID Comparison*)



*COVID-19 impacts measure July 2019-Feb 2020 vs March 2020-June 2020



Valley Metro's Response to COVID-19

- **March 2020:**

- Rear-door boarding on buses
- Enhanced cleaning and fogging of all fleet

- **April 2020:**

- Reduced service to fit demand and safety protocols:
 - Express/RAPID
 - LRT
 - Circulators
 - Reduced 'limited service' on local routes

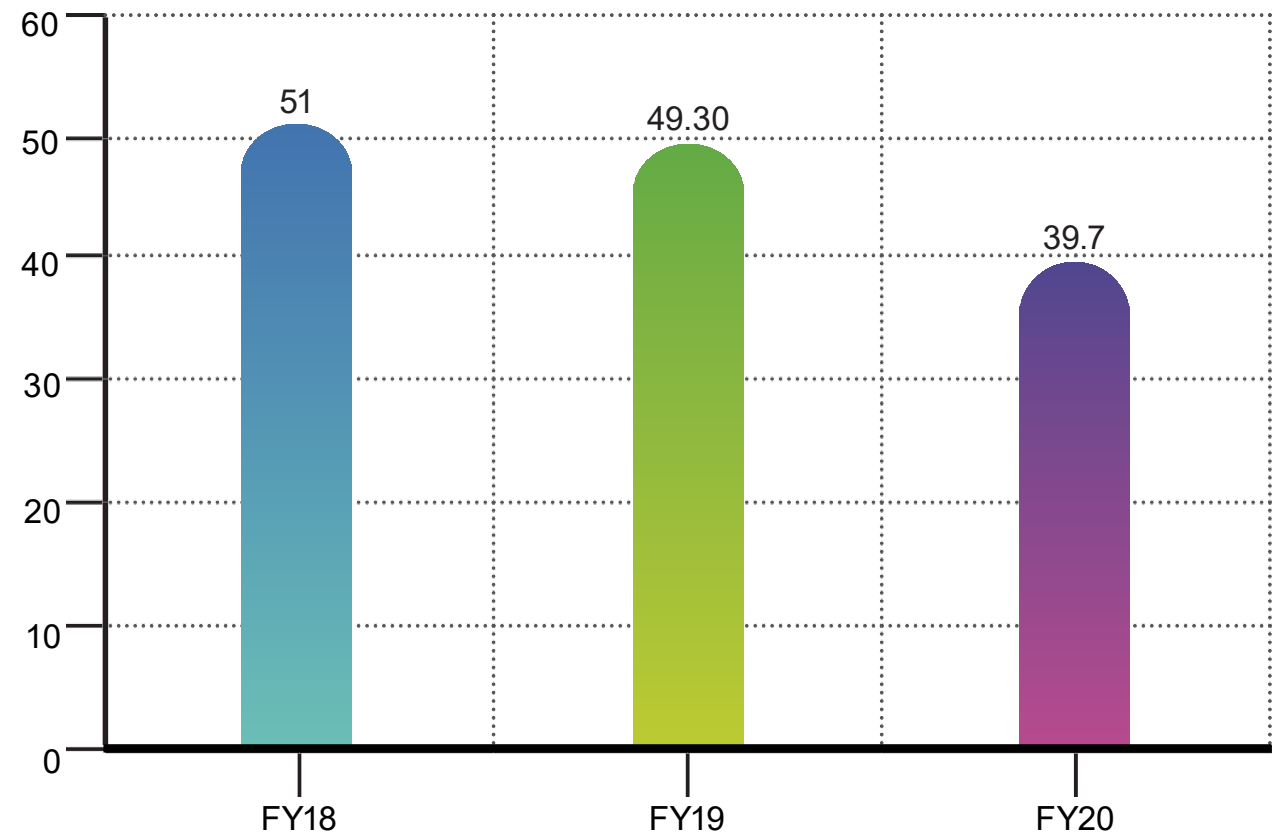
- **June 2020:**

- Rider survey of COVID protocols

Bus System Historical Trends



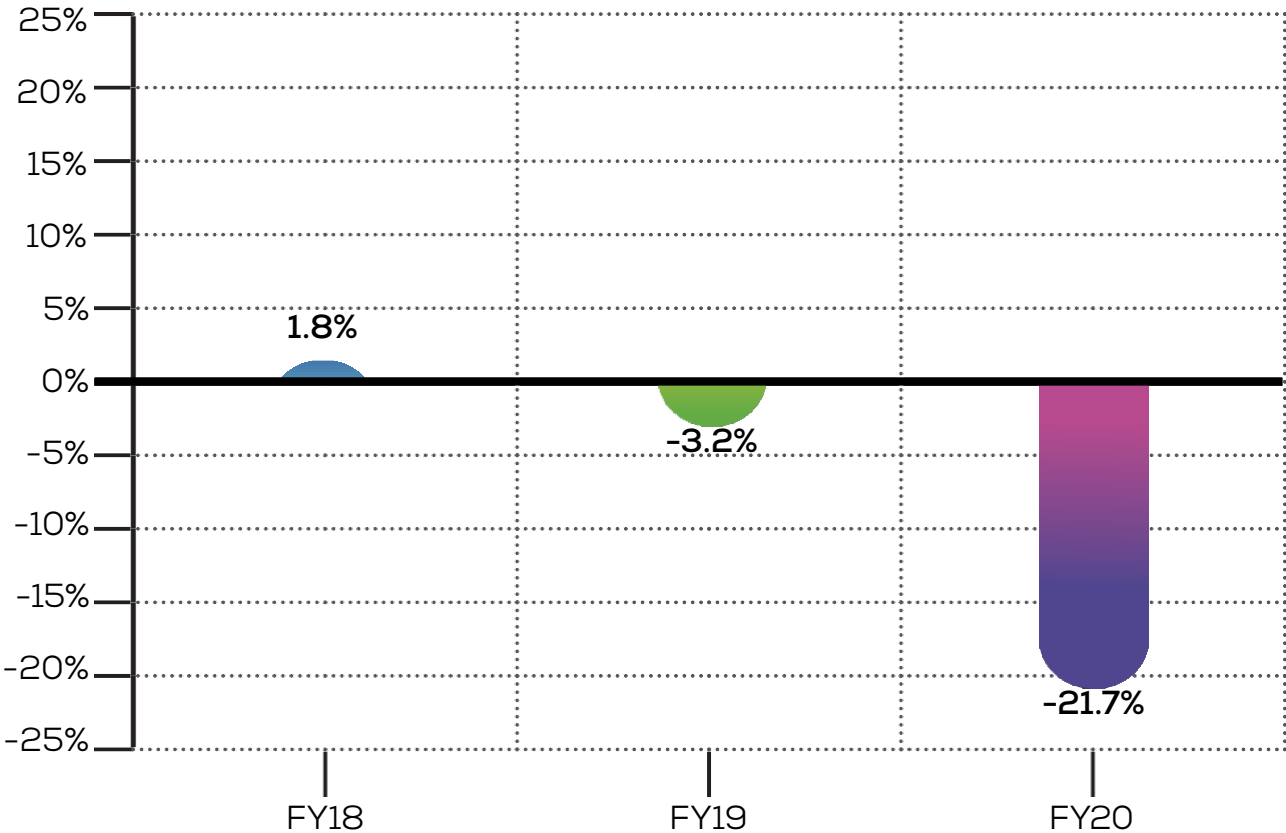
Total Bus Boardings (in millions)



Bus System Ridership Trends



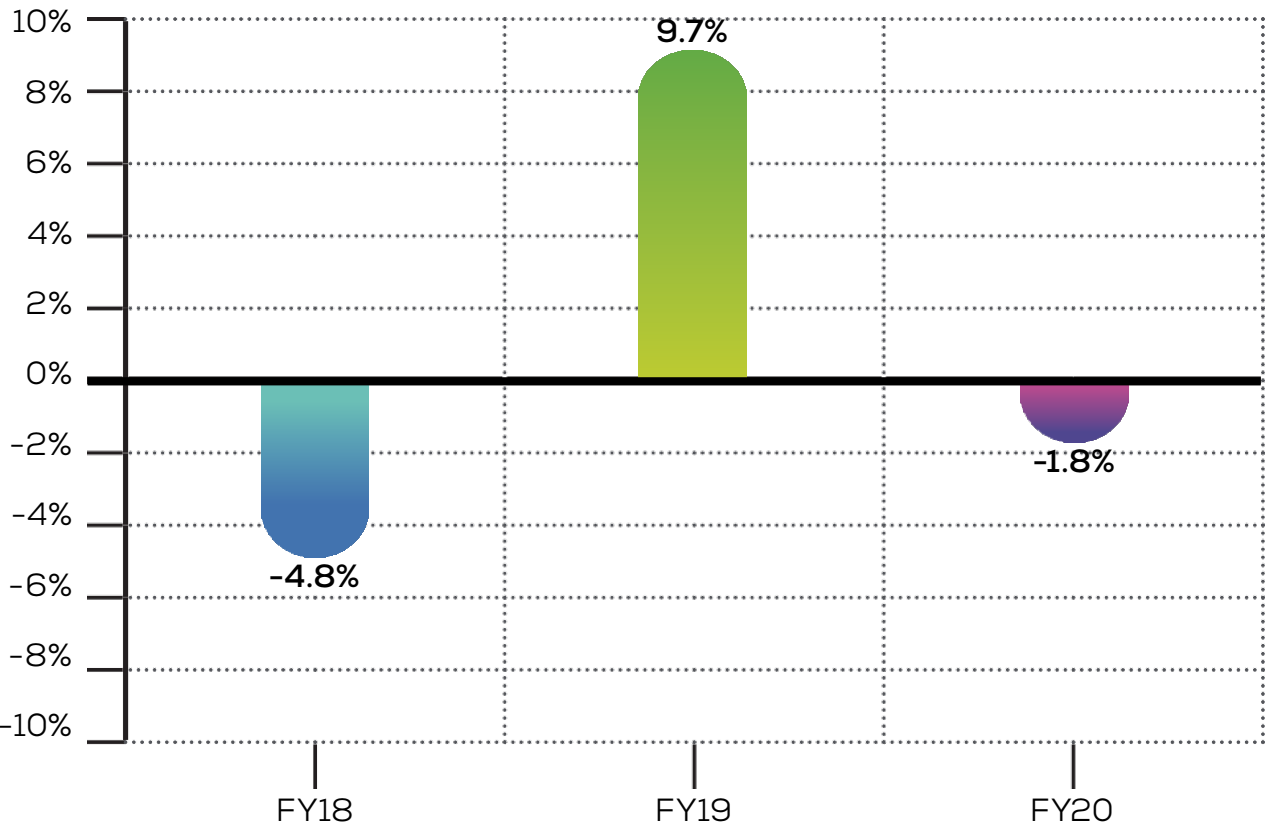
Annual Increase/Decrease in Weekday Average Boardings



Bus System Ridership Trends



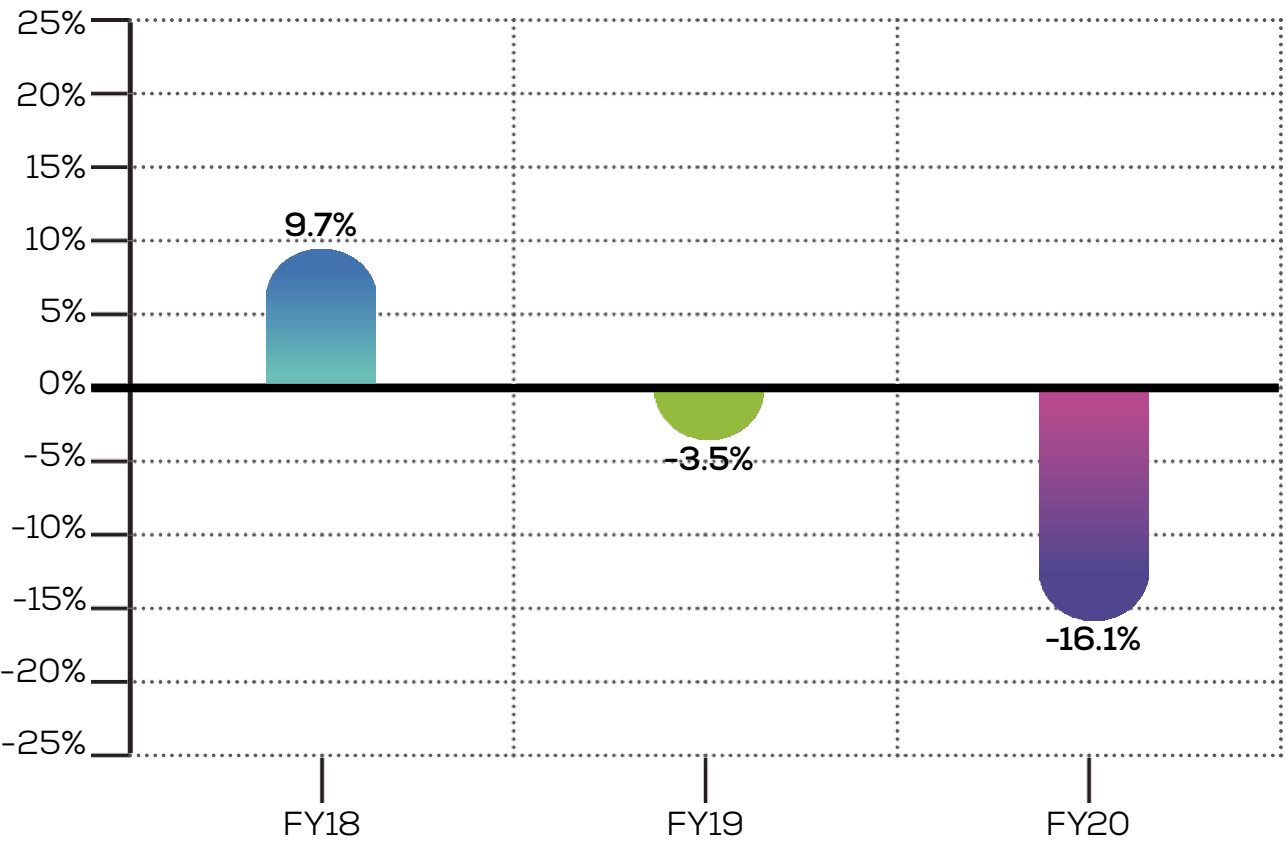
Annual Increase/Decrease in Saturday Average Boardings

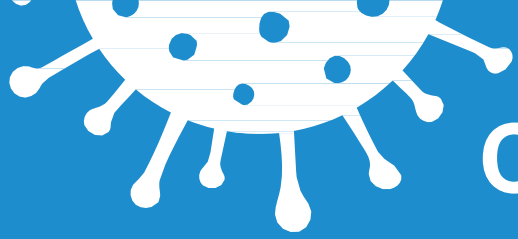


Bus System Ridership Trends



Annual Increase/Decrease in Sunday Average Boardings





COVID-19 Bus System Ridership Trends

Weekday COVID-19 Ridership Impacts* by Mode:

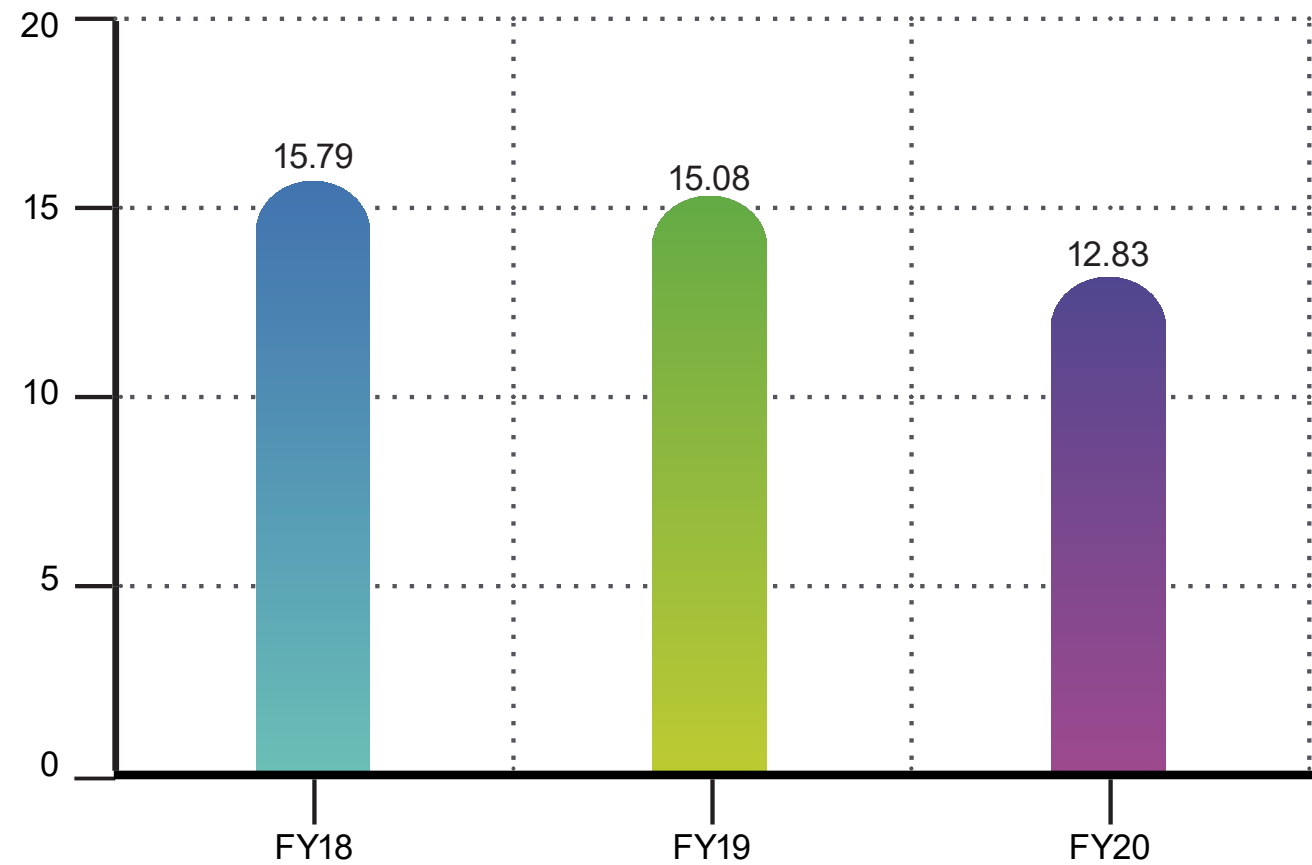
- **Local bus:** 47.5% decline
- **Circulator:** 67.9% decline
- **Express/RAPID:** 79.2% decline
- **Rural:** 50.3% decline

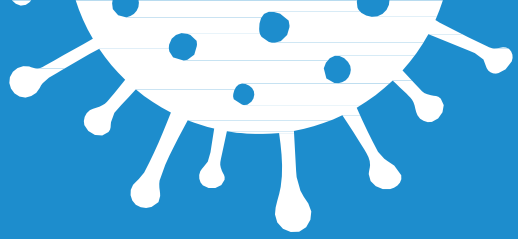
*COVID-19 impacts measure July 2019-Feb 2020 vs March 2020-June 2020

Rail System Historical Trends



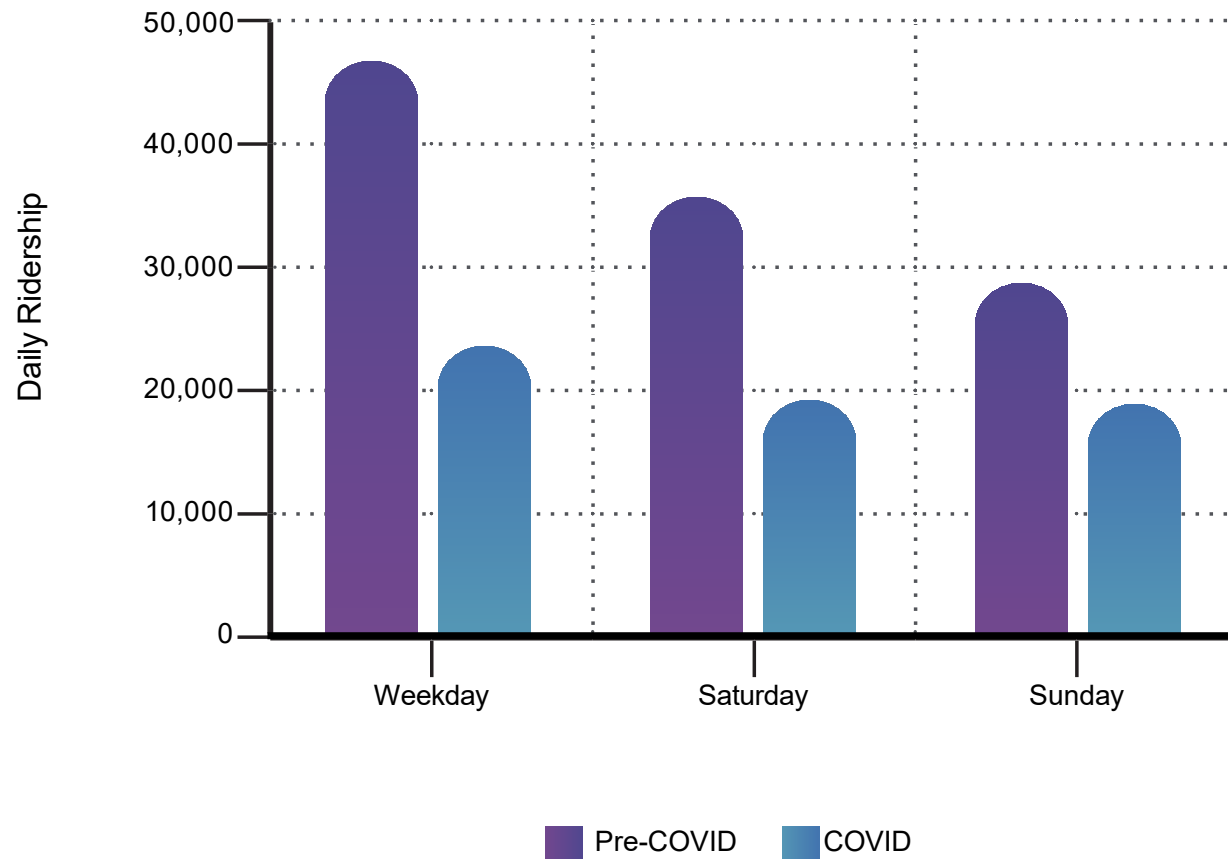
Total Light Rail Boardings (in millions)





COVID-19 Rail System Ridership Trends

Light Rail Ridership (COVID Comparison)*

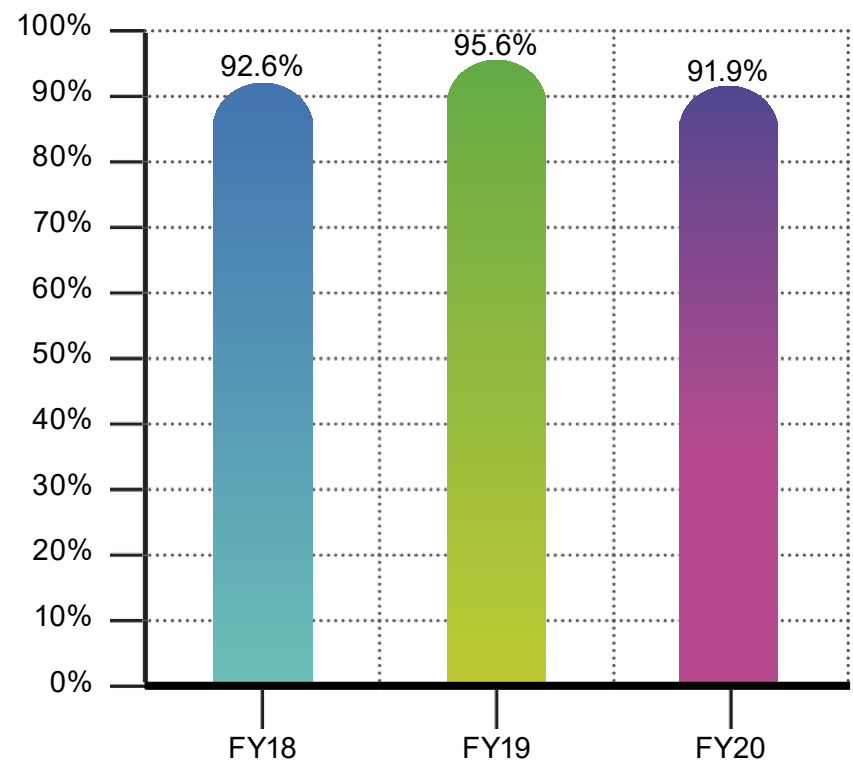


*COVID-19 impacts measure July 2019-Feb 2020 vs March 2020-June 2020

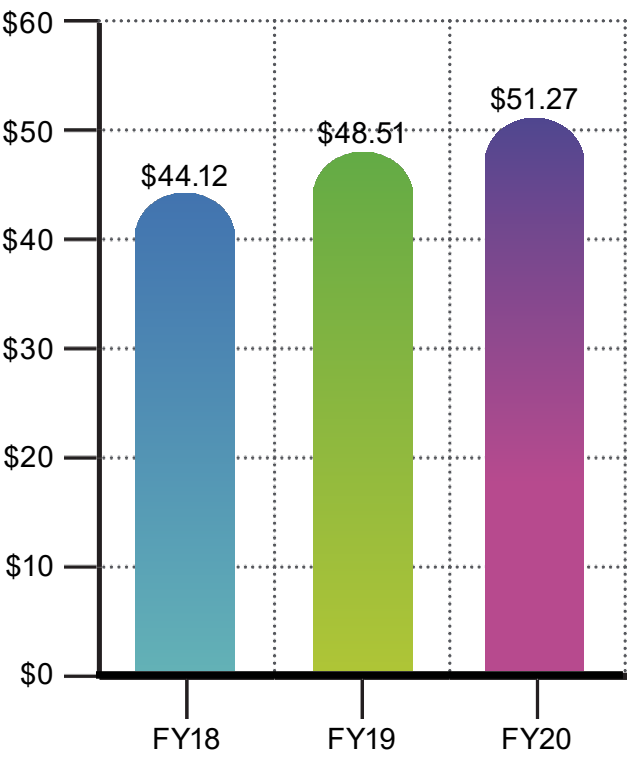
Paratransit Historical Trends

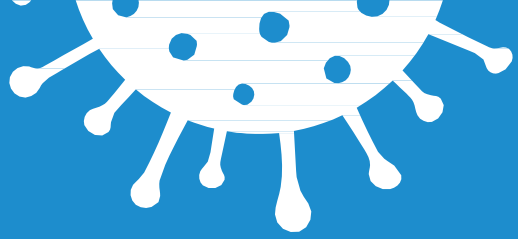


ADA On-Time Performance

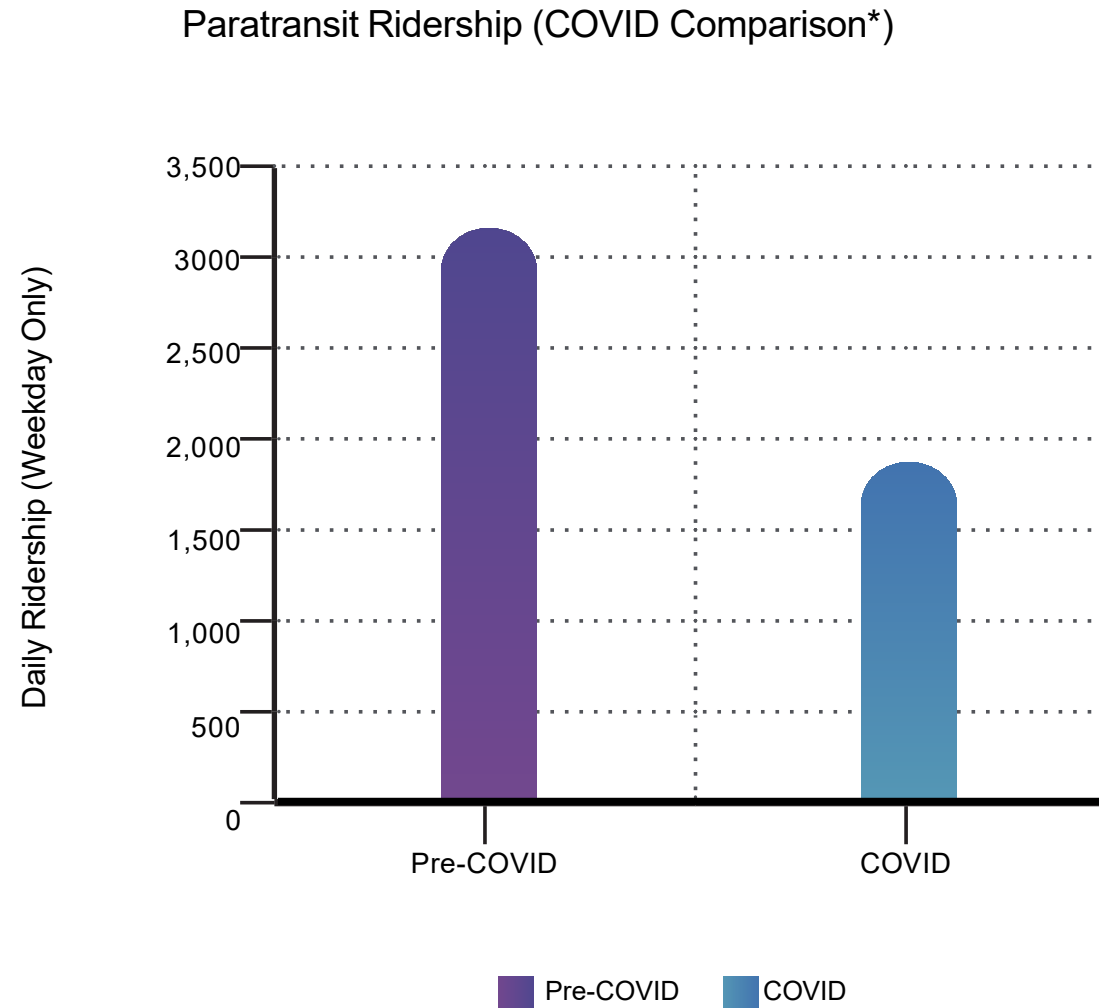


Operating Cost Per Boarding





COVID-19 Paratransit Ridership Trends



*COVID-19 impacts measure July 2019-Feb 2020 vs March 2020-June 2020

FY19 – FY20 Ridership Comparison

Bus

- Valley Metro: -19.5%
- TriMet (Portland): -9%
- METRO (Houston): -13.2%
- MTS (San Diego): -18.3%

Rail

- Valley Metro: -15%
- TriMet (Portland): -12.9%
- METRO (Houston): -14.2%
- MTS (San Diego): -16.6%

FY19 – FY20 Farebox Recovery Comparison

Bus

- Valley Metro: -28.1%
- TriMet (Portland): -18.7%
- MTS (San Diego): -17.9%

Rail

- Valley Metro: -27.8%
- TriMet (Portland): -26.5%
- MTS (San Diego): -20.4%



Information Summary

DATE

November 12, 2021

AGENDA ITEM 8**SUBJECT**

History of the Regional Transportation Plan, Prop 400, and the Transit Life Cycle Program

PURPOSE

To provide background information on the original 2003 RTP, which identified the plan for how Proposition 400 funding would be programmed. The presentation will also cover the impact of the great recession on the 20-year revenue stream, resulting policy decisions that were made, and the Prop 400 funded service and projects that are in place today.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COST AND BUDGET

None

COMMITTEE PROCESS

None

RECOMMENDATION

This item is presented for information only.

CONTACT

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Acting Chief Financial Officer
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ATTACHMENTS

None

Valley Metro Board History of RTP/ Prop 400/ TLCP

November 2021



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Overview



- Regional Transportation Plan (RTP) and Prop 400 Background
- Prop 400 Planned Service and Projects
- Impact of Great Recession & Changes Made
- Prop 400 vs. Current Plan

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Regional Transportation Plan & Prop 400 Background



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RTP Background



- Regional Transportation Plan (RTP), which was approved by MAG Regional Council in 2003
 - Developed by MAG under the direction of its Transportation Policy Committee (TPC), which consists of MAG member agencies, ADOT, and various public and private stakeholder groups.
 - Bus portion was developed by Valley Metro

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RTP Background (continued)



- Included the prioritization of projects across the three transportation modes (highways, arterials, and transit) which was the basis of the Prop 400 Plan
- Transit portion of RTP was a project/service-based plan for the region that emphasized regional service maximizing ridership

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Prop 400 Background



- The 2004 Maricopa County voter approval of Prop 400
 - Funded transportation improvements in Maricopa County
 - New and improved freeways, streets and arterial networks, and rail transit and bus service expansion
 - Funding Source: Half-cent Maricopa County Transportation Excise Tax
 - The transit component (the Public Transportation Fund - PTF) represents 33.3% of the half-cent sales tax
 - Replaced the Maricopa County voter-approved Prop 300: half-cent sales tax for highway construction expiring December 31, 2005 (very minimal transit funding)
 - Went into effect January 1, 2006; Expires December 31, 2025

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Prop 400 Background (continued)



PTF – Use and Allocations

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

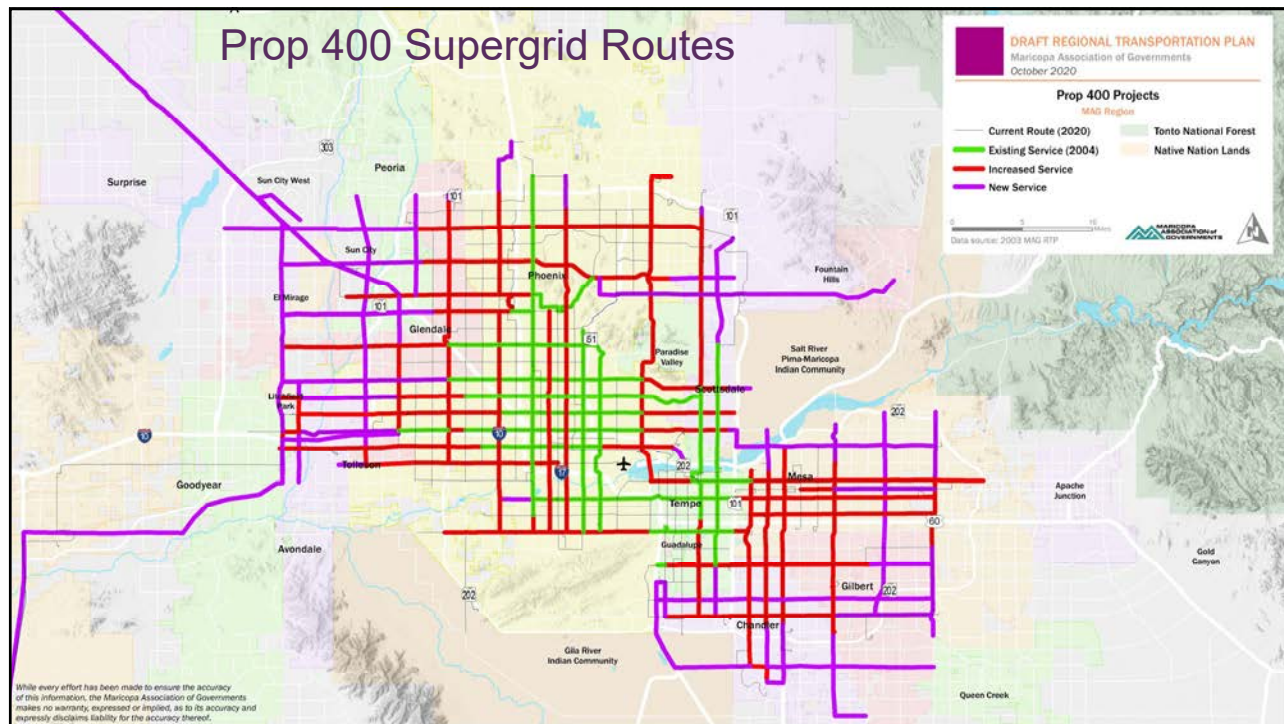
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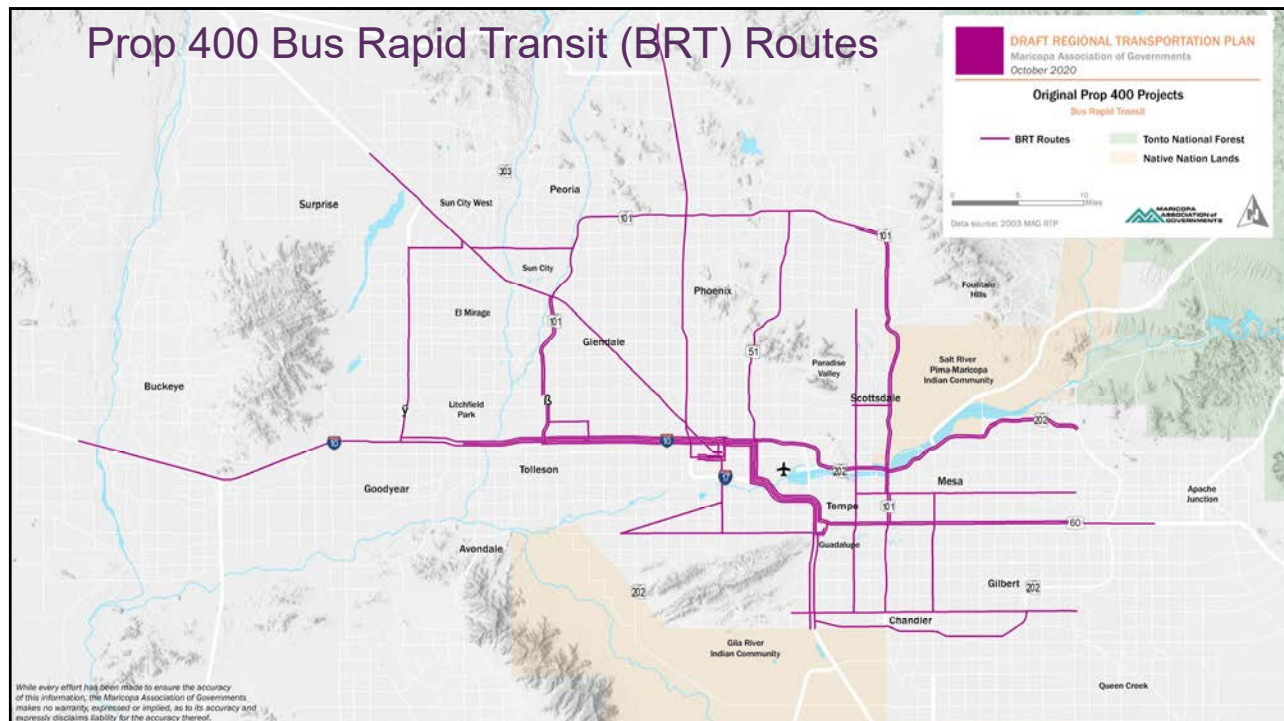
Prop 400 Planned Service and Projects



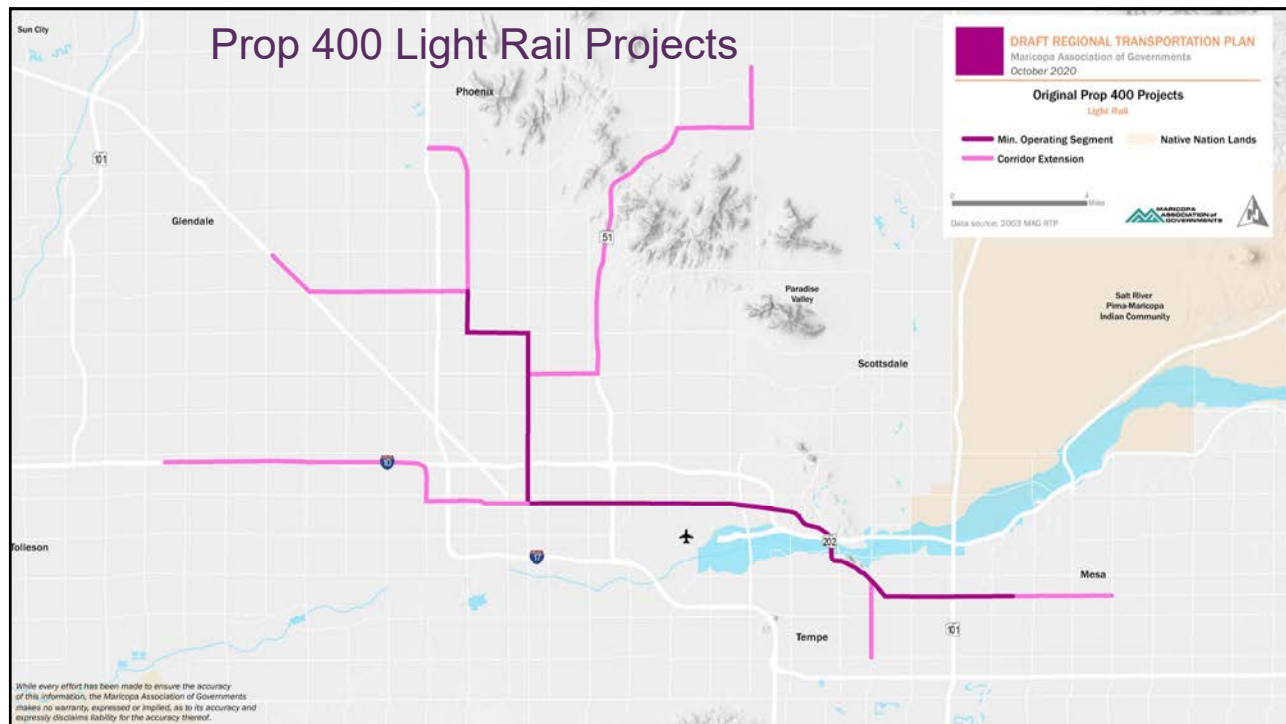
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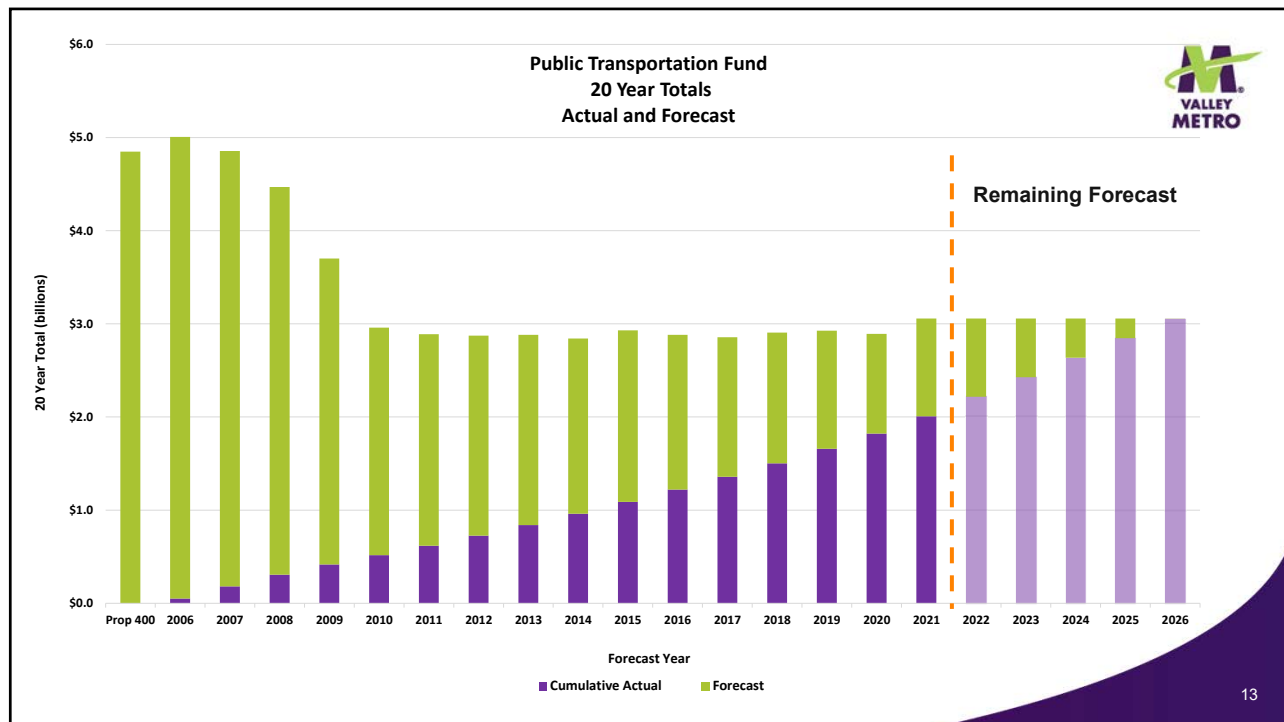


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Impact of Great Recession



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ADOT PTF Forecasts
(\$ in Millions)

Fiscal Year	Preliminary FY21 Forecast	Original 2003 RTP Forecast	Change (\$)
Actuals FY06-21	\$2,007.0	\$3,159.1	(\$1,152.1)
FY22	209.6	335.9	(126.3)
FY23	221.0	352.6	(131.6)
FY24	231.0	370.3	(139.3)
FY25	241.2	388.8	(147.6)
FY26	147.0	242.2	(95.2)
Total	\$3,056.8	\$4,848.9	(\$1,792.1)

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Great Recession Impact



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

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

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Jurisdictional Equity



Transit Life Cycle Program (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 monitored to maintained
 - February 2011 – Established jurisdictional equity thresholds for RPTA
 - +/- 2.5% for each sub-region (West, East, Central)
 - \$7.5 million underallocation threshold
 - Board can modify these policies

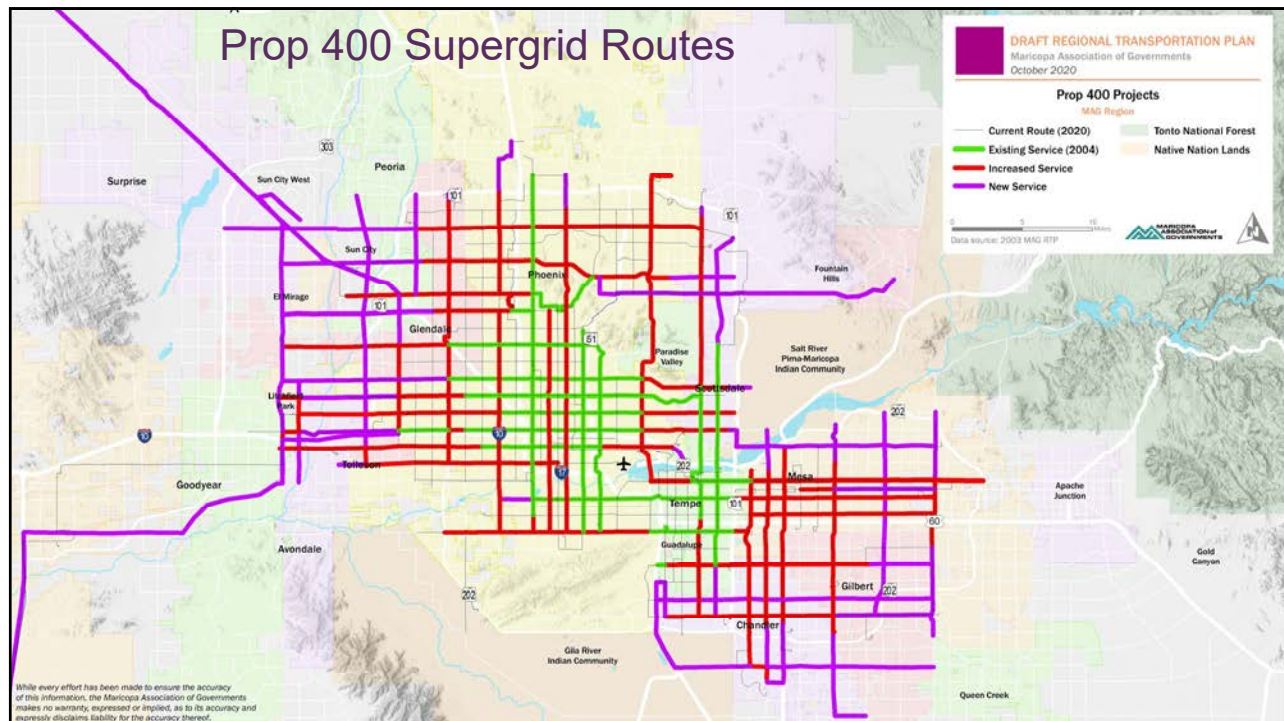
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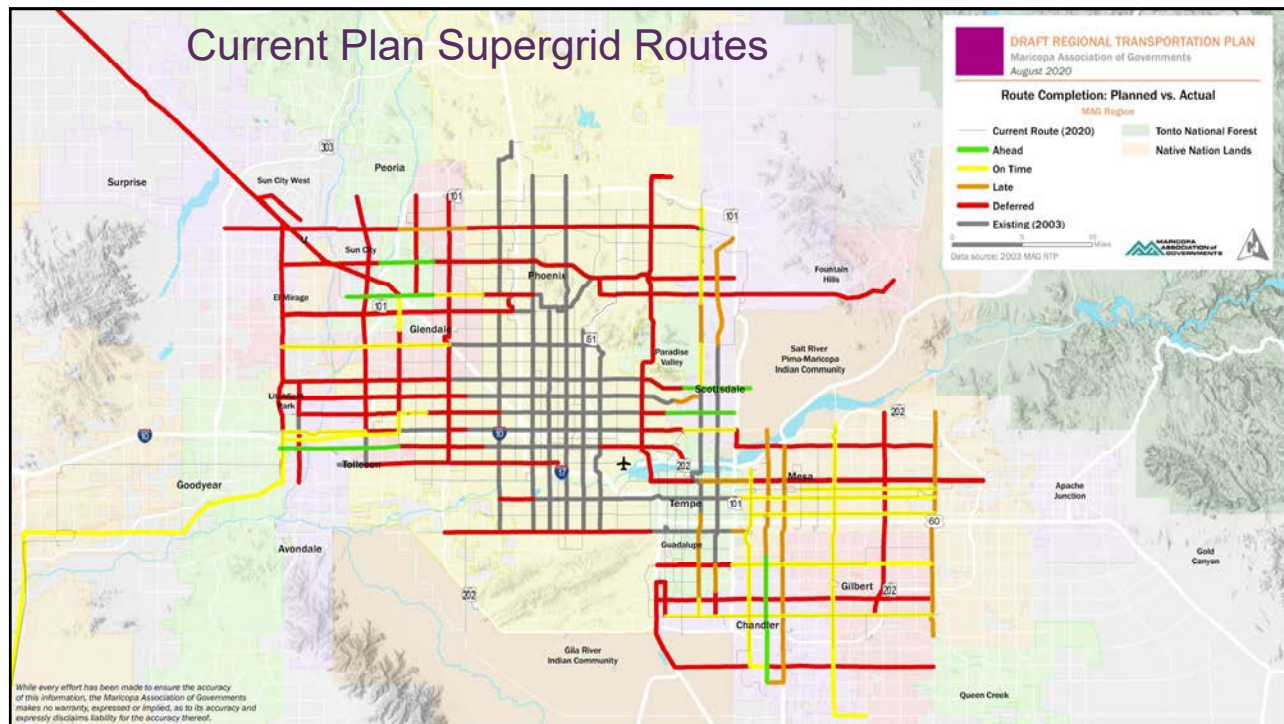
Prop 400 vs. Current Plan



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Prop 400 Service Changes



Bus Routes	Prop 400	Current Plan	Reduction	% Change
Supergrid	32	24	(8)	(25)%
Bus Rapid Transit	13	9	(4)	(31)%

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Prop 400 RPTA Fleet Purchases



Fleet	Prop 400	Current Plan	Reduction	% Change
Fixed Route Buses	2,138	1,650	(488)	(23)%
Rural Route Buses	36	32	(4)	(11)%
Paratransit Vehicles	1,000	740	(260)	(26)%
Vanpool Vehicles	1,404	1,302	(102)	(7)%

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Prop 400 RPTA Facilities Projects



Fleet	Prop 400	Current Plan	Reduction	% Change
Park & Rides	13	11	(2)	(15)%
Transit Centers	10	2	(8)	(80)%
Major Transit Centers	3	1	(2)	(67)%
Bus O&M Facilities	5	3	(2)	(40)%
DAR/Rural Bus Facilities	2	0	(2)	(100)%
Vanpool Maintenance Facility	1	0	(1)	(100)%

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Prop 400 Rail



Rail Line/Extension	Status	Miles	Completed Date
Minimum Operating Segment	Completed	19.3	2008
Central Mesa Extension	Completed	2.8	2015
Northwest Extension – Phase I	Completed	3.2	2016
Gilbert Road Extension	Completed	1.9	2019
Tempe Streetcar	Underway	3.0	2022
Northwest Extension – Phase II	Underway	1.6	2024
South Central Extension	Underway	5.5	2024
Capitol Extension	Not Funded	1.4	
I-10 West Extension	Not Funded	8.3	
West Phoenix Extension	Not Funded	TBD	
Northeast Phoenix Extension	Not Funded	TBD	
Downtown Glendale Extension	Cancelled	N/A	

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Key Takeaways



- **Prop 400 was a project/service-based plan for the region that emphasized regional service maximizing ridership**
- **Great Recession reduced anticipated revenues by ~40%**
- **Lower revenue forecasts resulted in a shift of priorities, increased focus on Jurisdictional Equity, and caused projects to be deferred/cancelled**
- **Jurisdictional Equity changed the way we do bus service in the region**
 - Allocation of PTF by city took precedence over service/performance
 - JE forced cities to prioritize within the funds available to their jurisdiction
 - Less focus on regional service
- **+/-2.5% and \$7.5 M JE thresholds are policies established by the Board that can be changed by the Board**

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Information Summary

DATE

November 12, 2021

AGENDA ITEM 9**SUBJECT**

Quarterly Reports

PURPOSE

To provide an informational update of activities at Valley Metro.

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

Quarterly Reports are provided as an informational update of Valley Metro activities

- Operations
- Safety and Security
- Finance
- Capital and Service Development
- Communication & Strategic Initiatives
- Accessible Transit Services

COMMITTEE PROCESS

TMC/RMC: November 3, 2021 for information

Boards of Directors: November 18, 2021 for information

CONTACT

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Adrian Ruiz

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Hillary Foose

Director, Communications & Strategic Initiatives

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Jim Hillyard

Acting Chief Financial Officer

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Jim Hillyard

Chief Administration Officer

jhillyard@valleymetro.org

Fiscal Year 2022 Quarterly Reports



First Quarter

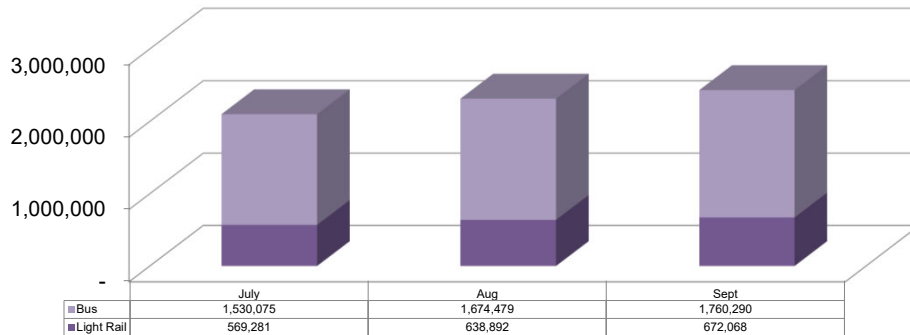
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Fiscal Year 2022 – Q1 Report Operations



2

Regional Ridership



	FY21 Q4	FY21 Q1	FY22 Q1
Bus	5,214,328	4,882,869	4,964,844
Light Rail	1,715,772	1,610,474	1,880,241
Total	6,930,100	6,493,343	6,845,085

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Fixed Route Bus – East Valley



Performance Indicator	Target	FY21 Q4	FY21 Q1	FY22 Q1
On-Time Performance	≥ 92%*	86%	90%	85%
Complaints Per 100,000 Boardings	≤ 45	74	75	93
Mechanical Failures Per 100,000 Revenue Miles	≤ 12	6.4	3.9	6.6
Revenue Service Completed	≥ 99.85%	99.90%	99.96%	99.88%
Preventable Accidents per 100,000 Miles	≤ 0.90	0.84	1.19	0.57
Ridership	--	1,321,226	1,250,306	1,210,810

* The on-time performance target is currently being re-evaluated to more align with the new Clever/CAD system parameters.

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Fixed Route Bus – West Valley



Performance Indicator	Target	FY21 Q4	FY21 Q1	FY22 Q1
On-Time Performance	≥ 92%*	88%	88%	86%
Valid Complaints Per 1,000 Boardings	≤ 0.25	0.51	0.30	0.40
Mechanical Failures Per 10,000 Revenue Miles	≤ 1.2	0.82	1.08	0.44
Revenue Service Completed	≥ 99.85%	99.89%	99.84%	99.85%
Preventable Accidents per 100,000 Miles	≤ 1.50	0.32	1.30	0.58
Ridership	--	31,406	32,944	37,121

* The on-time performance target is currently being re-evaluated to more align with the new Clever/CAD system parameters.

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Light Rail



Performance Indicator	Target	FY21 Q4	FY21 Q1	FY22 Q1
On-Time Performance	≥ 95%	88%	92%	84%
Complaints Per 100,000 Boardings	≤ 3.0	0.70	0.62	1.01
Preventative Maintenance Inspections - % On-Time (LRV)	≥ 80%	100%	99%	100%
Preventative Maintenance Inspections - % On-Time (Systems)	≥ 80%	99%	99%	97%
Preventable Accidents per 100,000 Miles	≤ 0.90	0.40	0.00	0.00
# of Employee Injuries - Lost Time (MOE & MOW)	0	0	2	1
Ridership	--	1,715,772	1,610,474	1,880,241

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Customer Service – Call Center



Performance Indicator	Target	FY21 Q4	FY21 Q1	FY22 Q1
Calls Received	--	168,442	174,658	182,800
Complaints Processed	--	5,562	5,356	6,587
NextRide Inquiries Handled by Interactive Voice Response (IVR)	--	151,418	127,095	155,963
NextRide Inquiries Handled by Text Messaging	--	383,259	344,663	382,850
Average Talk Time	--	2:35	2:16	2:19
Average Speed of Answer	≤ 1.00	0:37	:14	:40

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Customer Experience Coordinators (CEC)



Location	Cust. Cont.	Cust. Ast.	RTR Ed.	Fac. Ast.	Sec. Ast.	Ops. Ast.	Drinks Addr.	Animals Addr.	Platforms Visited	TVM Issues	Complaints	Observations	
												Total Animals	Total Drinks
19 North	51	14	10	-	1	-	-	-	3	-	-	1	6
Central Phoenix	17,601	3,200	2,128	4,279	130	111	752	103	1,100	137	10	129	1,051
East/Mesa	9,042	2,039	1,726	2,794	60	65	716	52	709	70	1	70	955
East/Tempe	10,537	2,102	1,038	3,616	82	104	333	37	822	97	1	58	645
West Phoenix	9,417	2,129	1,977	1,652	65	46	983	53	502	54	5	71	1,072
Grand Total	46,648	9,484	6,879	12,341	338	326	2,784	245	3,136	358	17	329	3,729

Locations:

Central Phoenix - Roosevelt to Airport
 East/Mesa - Sycamore and East
 East/Tempe - 50th Street to Price/Apache
 West Phoenix - McDowell to Dunlap

Definitions:

Cust. Cont. - Any verbal interaction with customer from CEC (ex: Hello, Good Morning, Thanks for riding, etc.)
 Cust. Ast. - When a customer asks for assistance or has a question for the CEC
 RTR Ed. - Education on "Respect the Ride"
 Fac. Ast. - Pick-up trash on platforms and trains
 Sec. Ast. - Assist Security with customer needs
 Ops. Ast. - Assisting Operator/Operations
 Drinks Addr. - Drinks that don't meet Valley Metro's policy addressed by CEC
 Animals Addr. - Animals addressed by CEC on whether they are considered service animals
 Platforms Visited - Number of platforms visited by CEC
 TVM Issues - Observed TVM not working
 Complaints - Customer files a complaint with CEC
 Total Animals - Service or unknown service animals observed
 Drinks - Doesn't meet Valley Metro's policy (Only spill proof cups)

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Fiscal Year 2022 – Q1 Report SSQA



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Safety – Rail (VMR)

Agency Safety Plan Metrics
CY 2021 | January through September



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Rail Safety Performance Targets

Rail	
Injuries	5% reduction in both number of events and rate per 100,000 revenue miles from CY2020
Employee Injuries	Below OSHA industry average
Passenger Falls on LRVs	5% reduction in both number and rate per 100,000 passenger boarding's from CY2020 (falls with no impairment noted)
Fatalities	Zero
Safety Events	5% reduction in both number of events and rate per 100,000 revenue miles from CY2020
System Reliability	According to manufacturer's established performance standards
Red Signal Overruns (Unauthorized)	10% reduction from CY2020



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Rail Safety Injuries, Employee Injuries, Falls on LRV, & Fatalities



Injuries		Employee Injuries		Falls on LRV		Fatalities	
Target	Actual	Target	Actual	Target	Actual	Target	Actual
< 18	12	< 6.7	1.50	< 34	9	0	1

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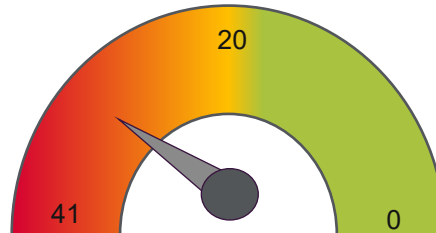
Rail Safety Events

Total number of reportable events (accidents, incidents) and rate per total LRV revenue miles.

Target: 5% reduction in both number of events and rate per 100,000 revenue miles from CY2020.

CY 2021 Data Through September		
Number of Events	Revenue Miles	Rate per 100,000 Revenue Miles
31	2,207,373	1.40

CY 2021 Targets	
Events	< 41
Rate	< 1.16



Improper/illegal left-turns by motorists are the leading cause of LRV collisions.

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Rail - System Reliability

The National Transit Database defines a major mechanical system failure as a failure of some mechanical element of the revenue vehicle that prevents the vehicle from completing a scheduled revenue trip or starting the next scheduled revenue trip because vehicle movement is limited or due to safety concerns.

VMR incurs a major mechanical failure every: 21,225 miles

National average:
17,576



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Rail Safety - Red Signal Overruns

Total number of unauthorized red signal overruns and rate per total LRV revenue miles.



CY 2021 Data Through September		
Number of Violations	Revenue Miles	Rate per 100,000 Revenue Miles
12	2,207,373	0.54



Operations and Safety working on mitigations and enhancements to reduce the rate of RSO for the system. Overall, the system remains safe

CY 2021 Targets	
Events	< 10
Rate	< 0.29



92% of signal overruns occur at locations with signals embedded in the track bed.

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Safety – Bus (RPTA)

Agency Safety Plan Metrics

CY 2021 | January through September



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Bus Safety Performance Targets

Bus	
Injuries	5% reduction in both number of events and rate per 100,000 revenue miles from CY2020
Employee Injuries	Below OSHA industry average
Passenger Falls	5% reduction in both number and rate per 100,000 passenger boarding's from CY2020 (falls with no impairment noted)
Safety Events	5% reduction in both number of events and rate per 100,000 revenue miles from CY2020
Fatalities	Zero
Operator Assaults	10% reduction from CY2020 in both number and rate of injury per hours worked
System Reliability	According to manufacturer's established performance standards



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Bus Safety - Injuries, Employee Injuries, & Falls on bus



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Bus Safety Events

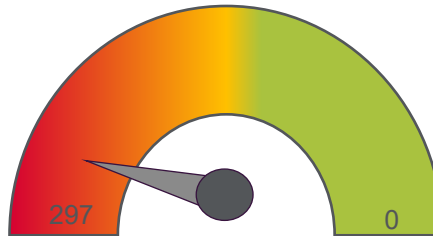
Total number of reportable events (accidents, incidents) per total bus revenue miles.



Target: 5% reduction in number of events from CY2020.

CY 2021 Data Through September	
Number of Events	Revenue Miles
279	9,215,565

CY 2021 Targets	
Events	< 297



Possible Contributing Factors:

- Increase in motor vehicle traffic when compared to CY2020.
- Challenges attracting and retaining bus operators. Skilled workforce

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Safety Bus - Fatalities, Operator Assaults, & System Reliability



Fatalities		System Reliability	Operator Assaults	
Target	Actual	Mean distance between major mechanical failures	Target	Actual
0	0	8,853 miles	< 44	27

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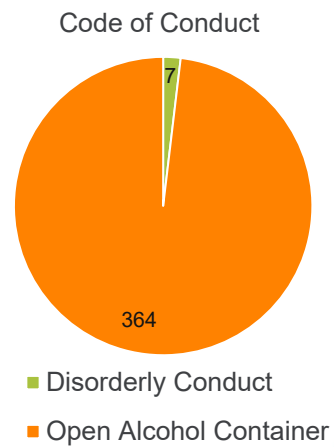
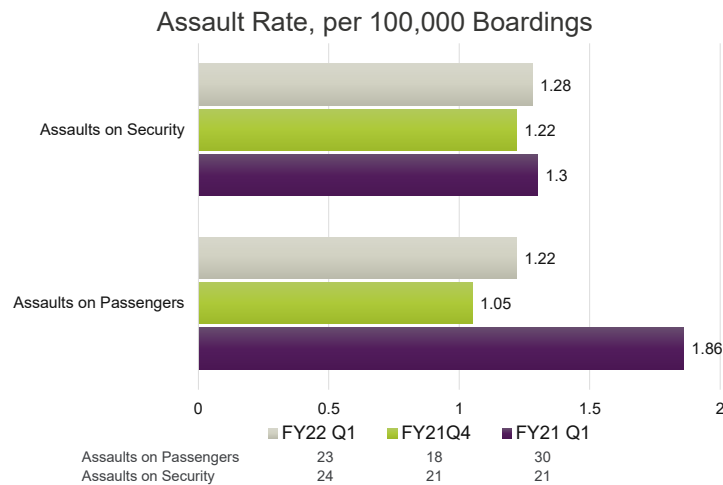
Security – Rail (VMR)



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Incidents - Rail

Coronavirus Mitigations-Environment



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Activity

Coronavirus Mitigations-Environment



Activity		FY22 Q1	FY21 Q4
Property Crimes	System	8	8
Crimes Against Persons	System	22	13
Code of Conduct	System	371	363
Activity		FY22 Q1	FY21 Q4
Medical Responses	System	195	171

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Incident Table – Current Quarter

Coronavirus Mitigations-Environment



City Jurisdiction						
		Phoenix	Tempe	Mesa		
Crimes Against Persons		13	5	4		
Property Crime		5	3	0		
Code of Conduct		311	31	29		
Grand Total		329	39	33		

Platform Activity						
City	Phoenix		Tempe		Mesa	
Total Platforms Per City	27		10		7	
Crimes Against Persons	19DL	4	VWCL	2	SYMN	1
	44WA	2	SMAP	2	ASMN	1
	7CB	1	ML3	1	STMN	1
	TOCN	1			GIMN	1
	38WA	1				
Property Crimes	19DL	2			SYMN	1
	TOCN	1			ASMN	1
	MDCN	1			GIMN	1
	ROCN	1				
Code of Conduct	19DL	105	ML3	7	ASMN	17
	19CB	22	UNRR	7	GIMN	6
	GL19	17	PRWA	4	MEMN	3
	44WA	17	VWCL	3	CCMN	2
	MO19	16	MCAP	3		

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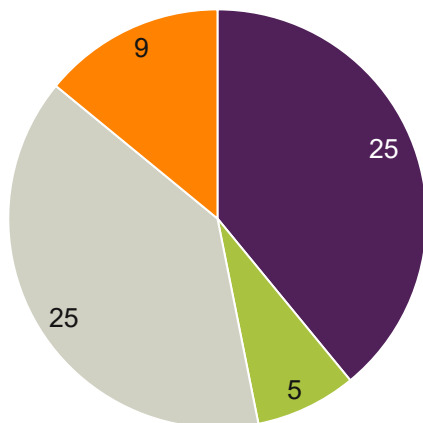
Security – Bus (RPTA)



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Incidents - Bus

Coronavirus Mitigations-Environment



- Criminal Damage
4% increase (24 last quarter)
- Assaults on Passengers
29% reduction (7 last quarter)
- Disorderly Conduct
29% reduction (35 last quarter)
- Assaults on Operators
No change from last quarter

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Fiscal Year 2022 – Q1 Report Finance



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Valley Metro RPTA Operating Results – Q1



RPTA Budget vs. Actual Report

For the quarter ending September 30, 2021

\$ Millions

	1st Quarter			Year to Date		
	Budget	Actual	Variance (Unfav.)	Budget	Actual	Variance (Unfav.)
Operations Expenditures						
Fixed Route Bus	26.9	24.2	2.7	26.9	24.2	2.7
Paratransit	9.5	5.3	4.2	9.5	5.3	4.2
Vanpool	0.3	0.2	0.1	0.3	0.2	0.1
Regional Services	3.6	2.6	1.0	3.6	2.6	1.0
Planning	0.5	0.4	0.1	0.5	0.4	0.1
Administration	1.0	0.8	0.2	1.0	0.8	0.2
METRO Rail (Salary, Fringe, OH)	7.7	5.8	1.9	7.7	5.8	1.9
Total Operations Expenditures	49.5	39.3	10.2	49.5	39.3	10.2

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Valley Metro RPTA Capital Results – Q1



RPTA Budget vs. Actual Report

For the quarter ending September 30, 2021

\$ Millions

	1st Quarter			Year to Date		
Capital Expenditures	Budget	Actual	Variance (Unfav.)	Budget	Actual	Variance (Unfav.)
Bus Purchases						
Valley Metro	8.2	0.0	8.2	8.2	0.0	8.2
Lead Agency	0.9	0.0	0.9	0.9	0.0	0.9
Paratransit Vehicles						
Lead Agency	0.6	0.0	0.6	0.6	0.0	0.6
Vanpool Vehicles	0.8	0.0	0.8	0.8	0.0	0.8
Other Capital	1.8	0.9	0.9	1.8	0.9	0.9
METRO Rail	14.7	15.3	(0.6)	14.7	15.3	(0.6)
Total Capital Expenditures	27.0	16.2	10.8	27.0	16.2	10.8

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Valley Metro Rail Operating Results – Q1



VMR Budget vs. Actual Report

For the quarter ending September 30, 2021

\$ Millions

	1st Quarter			Year to Date		
Operations Expenditures	Budget	Actual	Variance (Unfav.)	Budget	Actual	Variance (Unfav.)
Rail Operations/Security	15.1	11.8	3.3	15.1	11.8	3.3
Future Project Development	3.0	0.8	2.2	3.0	0.8	2.2
Agency Operating	0.5	0.4	0.1	0.5	0.4	0.1
Total Operating Activities	18.6	13.0	5.6	18.6	13.0	5.6

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Valley Metro Rail Capital Results – Q1



VMR Budget vs. Actual Report

For the quarter ending September 30, 2021

\$ Millions

	1st Quarter			Year to Date		
Capital Expenditures	Budget	Actual	Variance (Unfav.)	Budget	Actual	Variance (Unfav.)
Rail Projects						
Tempe Streetcar	1.7	1.5	0.2	1.7	1.5	0.2
Gilbert Rd	74.5	0.5	74.0	74.5	0.5	74.0
South Central	20.8	24.5	(3.7)	20.8	24.5	(3.7)
Northwest Phase II	2.2	13.8	(11.6)	2.2	13.8	(11.6)
OMC Expansion	0.6	0.5	0.1	0.6	0.5	0.1
System-wide Improvements	3.2	1.8	1.4	3.2	1.8	1.4
State of Good Repair	3.2	0.5	2.7	3.2	0.5	2.7
Total Capital	106.2	43.1	63.1	106.2	43.1	63.1

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Rail - Average Fare FY21 History / FY22 1st Quarter Average Fare – by Quarter



Q1	
Fare Revenue Budget	\$630,250
Fare Revenue Collected	\$518,596
Variance	(\$111,654)

Q1	
Fare Recovery Budget	4.2%
Fare Recovery Actual	4.6%

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Bus - Average Fare FY21 History / FY22 1st Quarter Average Fare – by Quarter



Q1		Q1	
Fare Revenue Budget	\$707,175	Fare Recovery Budget	3.1%
Fare Revenue Collected	\$133,419	Fare Recovery Actual	0.9%
Variance	(\$573,756)		

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Fiscal Year 2022 – Q1 Report Capital Development and Service Planning



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Transit Planning Projects



Project/Study Name	Completion Date	Status
Short Range Transit Program (S RTP) Update	Summer 2022	<ul style="list-style-type: none"> Rolling current inventory into next year's cycle for S RTP as we await ADOT financial forecasts. Received minor adjustments from cities on short-term requests.
Gilbert Transit Planning Study	Spring 2022	<ul style="list-style-type: none"> Drafted service concepts analysis report. Outreach postponed until Jan/Feb 2022 to avoid interference with forthcoming outreach initiative for a transportation bond election.
Transit Stop Inventory Reconciliation and Bus Stop Database	Winter 2022	<ul style="list-style-type: none"> Finalized database schema, user interface, and update methodology.
Ridership and COVID Response	Summer 2022	<ul style="list-style-type: none"> Continued data analysis comparing ridership pre-pandemic and during the pandemic. Drafting presentation for Valley Metro Leadership.

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Transit Planning Projects



Project/Study Name	Completion Date	Status
Climate Action Plan	Spring 2022	<ul style="list-style-type: none"> Completed baseline greenhouse gas inventory and identified sustainability key performance indicators. Developing action items to include in first draft of plan. Internal engagement to begin in January 2022.
Quality of Life Update	Spring 2022	<ul style="list-style-type: none"> Data gathering is ongoing. Initial coordination with Marketing and Communications is underway to design the Quality of Life website.
West Valley Microtransit Study	2023	<ul style="list-style-type: none"> Drafted scope of work. Met with Tolleson, Goodyear, Surprise and Avondale to discuss study goals. Collected travel demand data from MAG.
Transit Mitigation Opportunities for the Broadway Curve Project	2024	<ul style="list-style-type: none"> Coordinating with MAG to provide \$400,000 in Broadway Curve-specific support for Commute Solutions. Valley Metro will provide additional information for mitigation strategies as requested.

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Corridor and Facilities Planning



Project	Project Complete	Current Phase	Phase Complete	Status
Price Road Flexible Transit Study	Fall 2021	Service Planning	Fall 2021	<ul style="list-style-type: none"> Revised Service Recommendations and Funding report. Awaiting comment on formatting and design.
Capitol Extension	TBD	Preliminary Engineering	Spring 2023	<ul style="list-style-type: none"> Prepared for a revised Locally Preferred Alternative (LPA) approval by City Council in Fall 2021. Continued coordination with key project stakeholders. Continued Survey and Subsurface Utility Engineering. Began preliminary engineering.
I-10 West Extension	TBD	Planning	Summer 2022	<ul style="list-style-type: none"> Prepared for a revised LPA approval by City Council in Fall 2021. Began additional planning activities to develop a refined conceptual design, cost estimates, funding analysis and implementation plan.

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Corridor and Facilities Planning



Project	Project Complete	Current Phase	Phase Complete	Status
West Phoenix High-capacity Transit Alternatives Analysis	TBD	Alternatives Analysis	TBD	<ul style="list-style-type: none"> Preparing for Fall 2021 approval from Phoenix City Council to begin study. Drafted Scope of Work for the study. Submitted a federal Areas of Persistent Poverty (AoPP) grant to help fund the study.
Rio East/Dobson Streetcar Extension	TBD	Alternatives Analysis	TBD	<ul style="list-style-type: none"> Discussed Scope of Work with Tempe and Mesa staff. Finalizing budget to begin study.

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Avondale Bus Stop Improvements



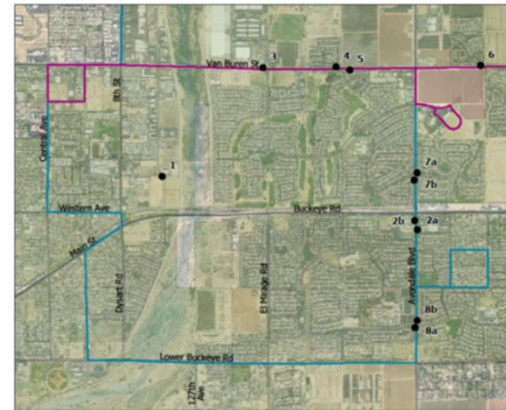
Project Complete	Current Phase	Phase Complete
Summer 2022	Design/ Construction	TBD

Status

- Approx. half of the \$500,000 budget used.
- Highest priority stop (Riley/10th St) has been completed.
- Two bus stops have been selected to advance toward construction for project close-out.
- Potential redesign of one bus stop (Van Buren/Links Dr EB) requested.

Avondale
Aspiring. Achieving. Accelerating.

Data as of September 2021.



Avondale FY20 Proposed Bus Stop Improvements

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Light Rail Station Painting



Project Complete	Current Phase	Phase Complete
Summer 2023	Construction	Summer 2023

Status

- Thirteen station platforms completed.
- Four stations are in planning.



Data as of September 2021.

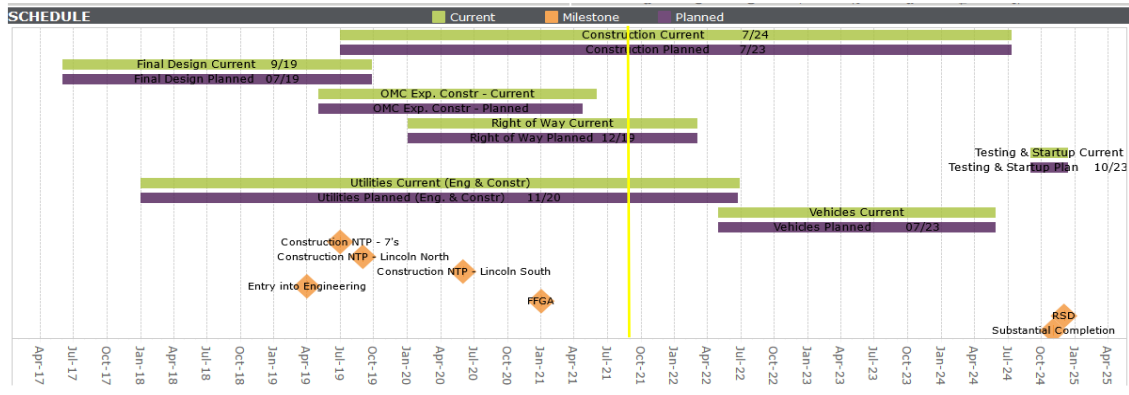
40

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South Central Extension/ Downtown Hub



Project Complete	Current Phase	Phase Complete	Status
2024	Construction	2024	<ul style="list-style-type: none"> Construction continues in downtown Phoenix and south of Lincoln Street. Work to start on Salt River Scour Protection and Overbank Trail Bridge.



Data as of September 2021. Schedule re-baselined at FFGA Award. For more details, visit valleymetro.org

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South Central Extension/ Downtown Hub



Expenditures to Date

Description	Expended (\$M)	Budget (\$M)
Contracted Services	\$ 289.7	\$ 986.2
Light Rail Vehicles	\$ 25.7	\$ 75.8
Right of Way	\$ 14.4	\$ 52.8
Professional Services	\$ 94.6	\$ 230.3
Total	\$ 424.4	\$ 1345.1

Contingency Utilization

Description	Dollars (\$M)
Total Contingency	\$151.3
Executed Change Orders & Budget Transfers	\$(6.3)
Total Project Contingency Remaining	\$145.0

Data as of September 2021.

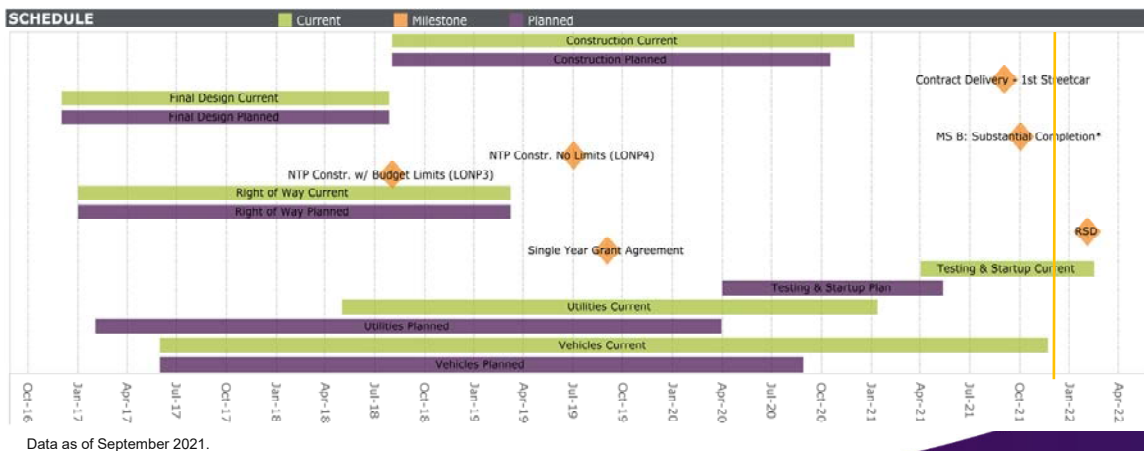
42

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Tempe Streetcar



Project Complete	Current Phase	Phase Complete	Status
2021	Integrated Testing (65% complete)	Spring 2022	<ul style="list-style-type: none"> Continue Traction power substation (TPSS) screen wall construction. Vehicle deliveries and testing underway.



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Tempe Streetcar



Expenditures to Date

Description	Expended (\$M)	Budget (\$M)
Contracted Services	\$107.7	\$112.0
Streetcar Vehicles	\$28.0	\$38.3
Right of Way	\$0.5	\$1.9
Professional Services	\$32.4	\$34.2
Total (including contingency)	\$173.5	\$192.4

Contingency Utilization

Description	Dollars (\$M)
Total Contingency	\$37.5
Executed Change Orders & Budget Transfers	\$(30.9)
Total Project Contingency Remaining	\$6.6

Data as of September 2021

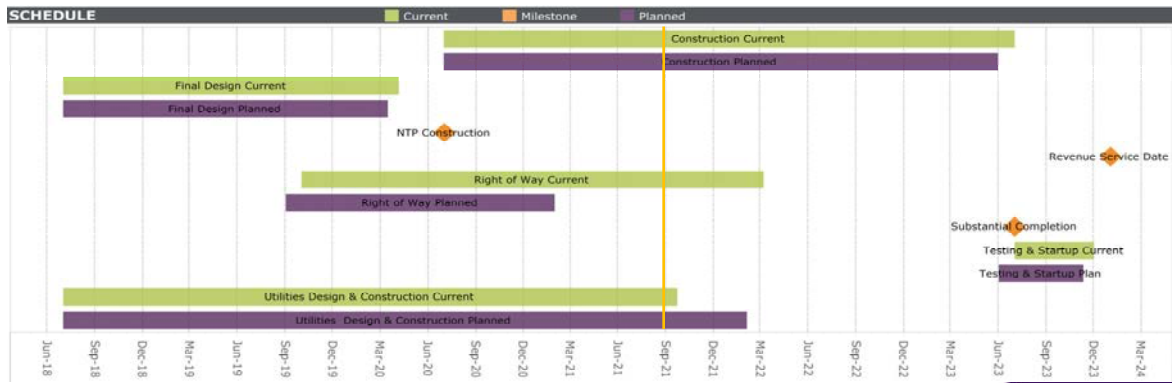
44

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Northwest Extension Phase II



Project Complete	Current Phase	Phase Complete	Status
2024	Construction	2024	<ul style="list-style-type: none"> Section 408 Permit received to allow construction on the AZ Canal. I-17 Bridge concrete girders set at Metrocenter Transit Center. Dunlap Avenue northside paving underway.



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Northwest Extension Phase II



Expenditures to Date

Description	Expended (\$M)	Board Authority (\$M)
Construction Manager at Risk	\$60.9	\$254.9
Civil Engineering	\$18.6	\$14.8
Systems Engineering	\$6.5	\$15.8
Art Contracts	\$0.3	\$1.4
Third Party Utilities	\$4.1	\$19.6
Right of Way	\$9.1	\$28.0
Valley Metro and City Related	\$7.6	\$68.2
Total	\$107.1	\$402.7

Data as of September 2021.

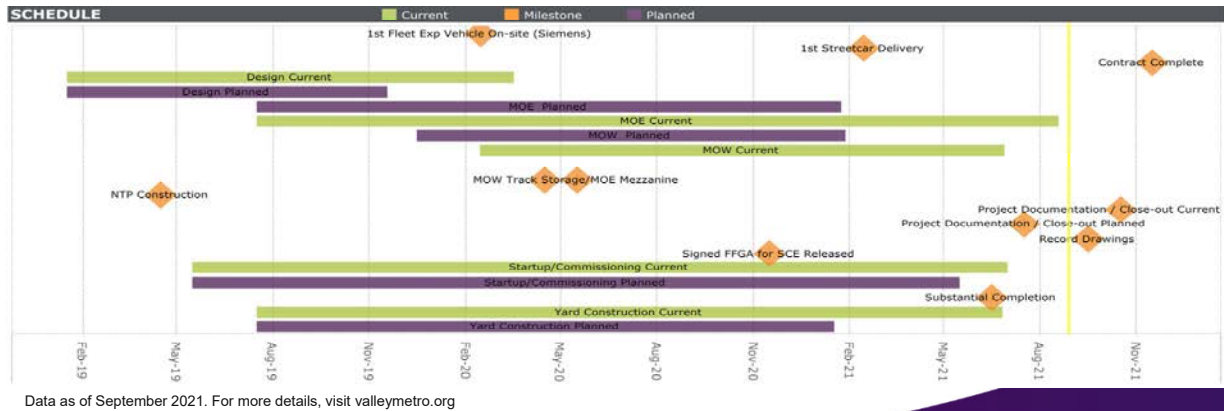
46

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Operations & Maintenance Center (OMC) Expansion



Project Complete	Current Phase	Phase Complete	Status
2021	Design/Construction	Fall 2021	<ul style="list-style-type: none"> Substantial completion milestone met on September 28th. Completing construction punch list items. Conducted punch list for the upgraded rail vehicle wash.



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OMC Expansion



Expenditures to Date

Description	Expended (\$M)	Budget (\$M)
Contracted Services	\$87.7	\$87.8
Professional Services	\$4.7	\$7.1
Total	\$ 92.4	\$94.9

Contingency Utilization

Description	Dollars (\$M)
Total Contingency	\$9.6
Executed Change Orders & Budget Transfers	\$(7.5)
Total Project Contingency Remaining	\$2.1

Data as of September 2021.

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Fiscal Year 2022 – Q1 Report

Communications and Strategic Initiatives



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Communications Update

- Provided support for the U.S. Secretary of Transportation visit on SCE/DH
- Promoted the launch of the new Valley Metro App, featuring real-time data
- Launched new partnership with Child Crisis Arizona who now manages Safe Place
- Supported front door boarding campaign with 30 days of advanced notification
- Launched *Storylines* public podcast on Sept. 1
- Coordinated with LIFEWTR to sponsor a special Artsline/Roosevelt wall mural by Lauren Lee



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Community Relations Update



- Transit Education: Returned to in-person outreach
- Agency Outreach:
 - ASU outreach for mobile app
 - Completed proofing for final printed Transit Book
- CAPEX/10WEST: Received CTC approval
- Tempe Streetcar:
 - Be Streetcar Smart promotions
 - Local business promotion at Downtown Foodie Stroll
- SCE/DH: Canvassing for nightly single-tracking
- Business Assistance:
 - 74% business participation along SCE/DH
 - 66% business participation along NWEI
 - SBFAP: 54 businesses funded at \$280k+



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Commute Solutions Update



- Celebrated ShareTheRide.com first anniversary
 - Increased members by 46%
 - Over 600 custom employer networks
 - 16K+ total members
- Received 2021 Association for Commuter Transportation National Award for Best Website Launch or Revision
 - Awarded August 2021 at national conference in Florida



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Marketing Update

- Prepared next phase of the COVID-19 response plan: return to front door boarding
- Produced the final printed Transit Book
 - Also updated wayfinding for the October service change
- Designed materials & provided marketing support for:
 - Storylines (external podcast)
 - Safety & promotional materials for Tempe Streetcar
 - Single tracking in Downtown Phoenix
 - Rideshare Month & Clean Air Campaign Event
 - Artsline
 - Cool Transit STUFF Art Contest
 - Phoenix New Times ads for NWEI & SCEDH businesses



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Fiscal Year 2022 – Q1 Report Accessible Transit Services (ATS)



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Paratransit



Performance Indicator	Target	FY21 Q4	FY21 Q1	FY22 Q1
One-Way Trips	--	69,852	53,808	72,062
On-Time Performance	≥ 95%	91.1%	94.6%	89.6%*
Complaints Per 1,000 Trips	≤ 1.5	1.5	1.9	2.5
Gross Cost Per Trip Fully Allocated at Contractor Level **	--	\$55.38	\$62.25	\$54.60

* Challenges with Driver recruitment and trip demand increases impacting the on-time performance

** Includes Fixed Costs, Fuel and LDs. Agency OH is not included.

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RideChoice



Performance Indicator	FY21 Q4	FY21 Q1	FY22 Q1
One-Way Trips	36,439	28,624	38,867
On-Time Performance	91.0%	93.9%	95.6%
Complaints Per 1,000 Trips	2.2	3.7	2.1
Gross Cost Per Trip	\$22.13	\$23.38	\$21.65

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Other Accessibility Services



Performance Indicator	FY21 Q4	FY21 Q1	FY22 Q1
Travel Training	15	26	42
Platinum Pass Trips	5,200	7,646	4,887
Cost Per Trip	\$1.01	\$0.88	\$1.03
ADA Applicants	747	849	520
Unconditional	62%	64%	67%
Conditional	30%	29%	30%
Temporary	6%	7%	3%
Denials	2%	<1%	<1%

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ATS Highlights



- 26 Replacement Paratransit Vehicles (ordered March 2021) delivery delayed due to chassis shortages
- Call And Control Center (Broker) RFP
 - RFP released September 3, 2021
 - Pre-Proposal Conference September 22, 2021
 - Proposal's submittals due October 20, 2021
 - Recommendation of award scheduled for February 2022 Board meeting
- Operations and Maintenance RFP
 - City of Phoenix review – scheduled for October 2021
 - RFP release date – scheduled for November 4, 2021
 - Pre-proposal conference – scheduled for November 30, 2021
 - Proposals due – scheduled for December 21, 2021
 - Recommendation of award scheduled for May 2022 Board meeting
- Paratransit scheduling and dispatch software – Trapeze being moved from Transdev to Valley Metro IT servers
- Working with Trapeze to implement new modules for RideChoice management beginning December 1, 2022

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ATS Highlights



- **Valley Metro Accessibility Advisory Group (VMAAG) Activity**

- Fixed Route and Light Rail complaint review
- Tempe Streetcar update
- RideChoice and Paratransit Contract status update
- RideChoice and Paratransit performance update (including customer comments)
- Capital Extension and I-10 West Extension update
- Transit Book Evolution update



Information Summary

DATE

November 12, 2021

AGENDA ITEM 10**SUBJECT**

Travel, Expenditures and Solicitations

PURPOSE

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

Non-essential travel has been suspended at this time.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COST AND BUDGET

None

COMMITTEE PROCESS

None

RECOMMENDATION

This item is presented for information only.

CONTACT

Jim Hillyard
Acting Chief Financial Officer
602-262-7433
jhillyard@valleymetro.org

ATTACHMENTS

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

Valley Metro
Travel Reimbursement Report
For Travel Completion Dates
9/1/21 through 9/30/21

Job Title	Purpose of Travel	Location	Dates Traveled	Total Travel Cost	Airfare	Other Transport	Lodging	Meals	Misc.
CEO	APTA Nominating Committee	Chicago, IL	9/15/21-9/16/21	\$614.17	\$226.80	\$28.00	\$245.37	\$114.00	\$0.00

Total this reporting period

\$614.17

Year to Date

\$3,666.93

Report reflects Out of State (AZ) Travel

Valley Metro Regional Public Transportation Authority
Monthly AP Payments over \$25,000
September 2021

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
90000008	9/30/2021	ADP LLC	Sept Wages Payable	1,831,103.34
10000079	9/16/2021	City of Tempe	FY21 Transit Service Recon	829,719.80
10000052	9/11/2021	Denovo Ventures LLC	ERP-EAM System Software Implementation	770,578.00
1000146	9/16/2021	Town of Gilbert	FY21 Transit Service Recon	606,182.25
1000162	9/24/2021	American Logistics Company LLC	RideChoice Services thru 11/30/2021	576,361.82
10000062	9/11/2021	City of Phoenix	Sept. 2021 FR Bus Service, DAR, FR Svc Op Supp	568,733.77
10000077	9/16/2021	City of Phoenix	FY21 Transit Service Recon	538,447.36
10000075	9/16/2021	Total Transit Enterprises LLC	Aug 2021 West Valley Contracted Fixed Route and Maintenance Services	506,444.22
90000006	9/30/2021	ASRS	Sept ASRS Contributions Employer	504,086.19
10000041	9/2/2021	Total Transit Enterprises LLC	July 2021 West Valley Contracted Fixed Route and Maintenance Services	497,625.24
90000007	9/30/2021	Cigna Health and Life Insurance Company	Sept 2021 Health Insurance Premiums	436,514.21
1000135	9/16/2021	City of Mesa	FY21 Transit Service Recon	431,943.74
1000145	9/16/2021	City of Chandler, MS 412 Transit Servic	FY21 Transit Service Recon	385,293.00
1000164	9/30/2021	Complete Coach Works	Bus Operator Protective Barriers for Fixed Route Bus Fleet	258,338.72
10000067	9/16/2021	101 North First Ave LLC	Oct. 2021 Rent 101 Bldg	173,617.08
10000035	9/2/2021	101 North First Ave LLC	Sept 2021 101 Building Rent	169,647.05
10000093	9/30/2021	GMI	Professional Consulting Services for IT Systems	162,874.70
1000147	9/16/2021	City of Peoria	FY21 Transit Service Recon	142,023.00
1000148	9/16/2021	City of Tolleson	FY21 Transit Service Recon	140,020.76
10000063	9/11/2021	Trapeze Software Group	FY22 7/1/2021 - 6/30/22-ATIS Agent, ATIS SOAP IVR Interface	114,695.26
10000047	9/7/2021	Senergy Petroleum LLC	Bulk Fuel	98,657.43
1000098	9/7/2021	SHI International Corp	Software Value Added Reseller (SVAR)-Software Purchases	94,757.96
1000150	9/16/2021	City of Glendale	FY21 Transit Service Recon	82,905.00
1000138	9/16/2021	Gila River Indian Community	FY21 Transit Service Recon	78,812.49
10000071	9/16/2021	Denovo Ventures LLC	ERP-EAM System Software Implementation	70,531.00
10000053	9/11/2021	DMS Facility Services Inc	Facilities Maintenance Services-Year 3	70,092.95
1000112	9/11/2021	IFE North America LLC	LRV Modular Door Control Unit Upgrade	68,640.00
10000039	9/2/2021	Senergy Petroleum LLC	Bulk Fuel	67,218.72
10000076	9/16/2021	URW LLC	Landscape Maintenance Services	64,221.45
10000058	9/11/2021	Second Generation Inc, dba Ajo Transpor	Rural Connector Services	59,940.62

1000136	9/16/2021	CopperPoint Insurance Company	Oct. 2021 Rent Mobility Center	55,944.45
1000118	9/11/2021	QCM Technologies Inc	Sept 2021 Information Technology Solutions & Services	53,331.98
10000084	9/24/2021	Guidesoft Inc	IT Project Management Services	52,684.68
10000072	9/16/2021	Enterprise Rideshare	Contract Year 9-Van Pool Services for FY22	47,415.14
8152021	9/15/2021	Wells Fargo	August Credit Cards	43,674.51
10000038	9/2/2021	Guidesoft Inc	Managed Services Provider-IT Service Help Desk	39,956.57
10000090	9/24/2021	WEX Health Inc	July + Aug 2021 Flexible Spending	39,617.25
10000059	9/11/2021	Senergy Petroleum LLC	Bulk Fuel	39,212.41
1000142	9/16/2021	Skillsoft Corporation	Learning - Interactive Videos & Courses	35,547.20
100011	9/11/2021	Franklin Covey Client Sales Inc	All Access Pass Plus	30,079.69
10000087	9/24/2021	Senergy Petroleum LLC	Bulk Fuel	25,377.24
				<hr/>
				10,862,868.25

Valley Metro Rail, Inc
Monthly AP Payments over \$25,000
September 2021

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
50000021	9/2/2021	Alternate Concepts Inc	July 2021 Transportation Services	1,210,965.28
50000032	9/7/2021	Brookville Equipment Corp	Tempe Streetcar Acquisition Program	1,085,646.36
50000047	9/16/2021	Alternate Concepts Inc	August 2021 Transportation Services	977,070.90
50000053	9/16/2021	Siemens Mobility	LRV Acquisition Program Milestone B Spares & Tools	916,516.99
50000045	9/11/2021	Siemens Mobility	LRV Acquisition Program Milestone D	591,929.77
5000021	9/2/2021	HBL America Inc	310 3-cell Block Batteries - TPSS Buildings	189,839.47
5000032	9/2/2021	QCM Technologies Inc	July + August 2021 IT Solutions + Services	125,954.71
50000027	9/2/2021	Penn Machine Company LLC	Tire Kits with Inserts	100,402.80
5000016	9/2/2021	CopperPoint Insurance Company	September 2021 Mobility Center Rent	55,862.13
50000065	9/30/2021	CDW Government LLC	Tripp 80KVA Smart Online 3Phase UPS	48,270.07
5000035	9/2/2021	SHI International Corp	Software Value Added Reseller (SVAR)-Software Purchases	40,250.50
50000049	9/16/2021	Penn Machine Company LLC	Gearbox/Axle Overhaul - IGW	38,947.50
5000019	9/2/2021	Delta Electric Motors Inc	Repair of Traction Motor	32,640.00
5000063	9/24/2021	LCPtracker Inc	LCPtracker Software Licenses	31,385.39
				5,445,681.87



**Procurement Report
for November Board Month**

RECENTLY COMPLETED PROCUREMENTS										
Contract Administrator	Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
Christian J	RPTA	Sole Source	RideChoice Brokerage Services for interim 1 year service delivery and 4 mo transition	Yes	N/A	N/A	August 2021	\$1,659,405.00	1 year	Pending City of Phoenix Approval
Barb H	VMR	Sole Source	KI-LRV Midlife Overhaul Parts (13)	Yes	June 2021	June 2021	August 2021	\$2,517,555.00	1 year + 1 option	Pending City of Phoenix Approval
ACTIVE PROCUREMENTS										
Contract Administrator	Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
TBD	VMR	COOP	Electrical Preventative Maintenance	No	None	None	Nov 2021	\$250,000.00	2 years	In Negotiation
Barb H	VMR	RFP	Railcar Mover	No	September 2021	October 2021	N/A	\$125,000.00	1 year + 1 option	Solicitation Issued
Kianie K	Joint	RFP	Community Relations Support Services	Yes	December 2021	January 2022	June 2022	\$6,500,000.00	3 year + 2 options	SOW Development
Ed N	Joint	RFQ	Planning Support Services	Yes	December 2021	January 2022	June 2022	\$30,000,000.00	3 year + 2 options	SOW Development
Christian J	RPTA	RFP	Centralized Call Center for Regional ADA Paratransit Services & RideChoice	Yes	September 2021	October 2021	February 2022	\$41,519,762.00	5 year + 3 options	Solicitation Issued
Kianie K	Joint	RFP	Printing Services	No	May 2021	June 2021	October 2021	\$1,324,000.00	3 year + 2 options	Pending Board Approval
Rick W	VMR	RFP	Rail Testing	No	August 2021	September 2021	November 2021	\$300,000.00	3 years + 2 opt yrs	Pending Board Approval
FUTURE PROCUREMENTS										
Contract Administrator	Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
Christian J	RPTA	COOP	Paratransit Vehicles	Yes	TBD	TBD	TBD	TBD	one time purchase	Initiating Documents
Barb H	VMR	Sole Source	SCV Managed Inventory Program	No	TBD	N/A	TBD	TBD	5 years	SOW Development
Barb H	VMR	RFP	LRV Electrical Repair	No	TBD	TBD	TBD	TBD	TBD	SOW Development
Rick W	VMR	IFB	OMC Midlife Flooring Replacement	No	TBD	TBD	TBD	TBD	TBD	SOW Development
Christian J	Joint	RFP	Regional ADA Paratransit Services Operations & Maintenance	Yes	November 2021	TBD	July 2022	TBD	TBD	SOW Development
Kianie K	RPTA	RFP	Autonomous Vehicle Research	Yes	TBD	TBD	TBD	\$250,000.00	5 years	SOW Development
Rick W	RPTA	RFP	CNG Gas Detection System	No	TBD	TBD	TBD	TBD	TBD	SOW Development
Rick W	RPTA	RFP	Rural Connector Service	Yes	TBD	TBD	TBD	TBD	TBD	SOW Development
Rick W	RPTA	Coop	Replacement Buses for Rural Connector Service x 4 Each	Yes	NA	NA	January 2022	TBD	TBD	Initiating Documents

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



Information Summary

DATE

November 12, 2021

AGENDA ITEM 11**SUBJECT**

Report on Current Events and Suggested Future Agenda Items

PURPOSE

Chair Heredia 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

Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT

None.

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date
Multi-year Contract Review and Notification	October 2021	January 2021



Agenda

November 12, 2021

Valley Metro RPTA
Thursday, November 18, 2021
Boardroom/Webex
Valley Metro, 101 N. 1st Avenue, 10th Floor
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**. Up to three minutes will be provided per speaker unless the Chair allows more at his/her discretion. A total of 15 minutes for all speakers will be provided.

CONSENT AGENDA

2A. Minutes

2A. For action

Minutes from the October 21, 2021 Board meeting are presented for approval.

2B. LED Lighting Upgrade at the Mesa Bus Operations and Maintenance Facility Contract Award

2B. For action

Staff recommends that the Board of Directors authorize the CEO to execute a contract through a Mohave cooperative purchasing agreement with Utility Construction Company, Inc. for a LED lighting upgrade at the Mesa Bus Operations and Maintenance Facility (MBOM) for a not-to-exceed amount of \$72,930.

REGULAR AGENDA

3. Valley Metro RPTA Bus Advertising Program

3. For action

Staff will request Board actions to initiate the Valley Metro RPTA Bus Advertising Program.



- A. Staff recommends that the Board of Directors amend RPTA's no advertising policy to adopt the proposed Valley Metro RPTA Advertising Policy.
- B. Staff recommends that the Board of Directors approve the Contract Utilization and Authority for Advertising Sales Service with OUTFRONT Media LLC through June 2023.

4. Report on Current Events and Suggested Future Agenda Items

4. For information

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

5. Next Meeting

5. For information

The next Board meeting is scheduled for **Thursday, January 20, 2022 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

November 12, 2021

AGENDA ITEM 1**SUBJECT**

Public Comment

PURPOSE

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

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COMMITTEE PROCESS

None

CONTACT

Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT

None



Minutes

November 12, 2021

AGENDA ITEM 2A

Board of Directors

October 21, 2021

Boardroom/Webex

11:15 a.m.

RPTA Meeting Participants

Councilmember Francisco Heredia, City of Mesa - **Chair** (phone)

Mayor Kate Gallego for Councilmember Laura Pastor, City of Phoenix - **Vice Chair** (phone)

Councilmember Bill Stipp, City of Goodyear- **Treasurer** (phone)

Councilmember Pat Dennis for Vice Mayor Veronica Malone, City of Avondale (phone)

Vice Mayor Monica Dorsey, City of El Mirage (phone)

Councilmember Mike Scharnow, Town of Fountain Hills (phone)

Councilmember Lauren Tolmachoff, City of Glendale

Mayor Brigitte Peterson, Town of Gilbert (phone)

Supervisor Jack Sellers, Maricopa County (phone)

Vice Mayor Jon Edwards, City of Peoria (phone)

Councilmember Jeff Brown, Town of Queen Creek (phone)

Mayor David Ortega, City of Scottsdale (phone)

Councilmember Roland F. Winters Jr., City of Surprise (phone)

Councilmember Robin Arredondo-Savage, City of Tempe (phone)

Mayor Rui Pereira, Town of Wickenburg (phone)

Mayor Michael LeVault, Town of Youngtown (phone)

Members Not Present

Councilmember Clay Goodman, City of Buckeye

Mayor Kevin Hartke, City of Chandler

Councilmember Aldofo Gamez, City of Tolleson

Chair Heredia called the meeting to order at 11:58 a.m.

1. Public Comment

Chair Heredia said public will have this opportunity. Pat, do we have a speaker?

Ms. Dillon said yes, sir. Mr. Crowley.

Chair Heredia said Mr. Crowley, you have three minutes.

Mr. Crowley said the agenda item I will be covering in a broad sense is the one on the services changes, but I'll start with the document from '06. On here it has funding sources for transit and it's a total of \$8.6 billion in 2006 monies and it's got federal funds, Prop 400, local funds, fare box. And I'd like to know what that pie chart looks like now since what was stated is that we lost \$2 billion between '09 and '12. Well, show me



that those cutbacks for the funding sources and show up until today I want to know how much you've got in.

And then I also noticed that it has the uses and it's got bus operation \$2.8 billion, Phoenix Public Transit \$905 million, bus capital \$1.7 billion and light rail capital \$3.2 billion. I'd like to see what those figures are since you got the monies and what you've done with them.

And I also would like to know who pays for rail operations? As I noticed we've got bus operations there, big chunk of change and light rail capital, but who, what, where and why do we pay light rail? How is that done? And where is that money? (Indiscernible) 60-40 and the amount is that it's costing more to build and do that then you've given us for the bus. What can I say?

With the document I turned in, Mr. Smith was instructed to get the supplemental document put together showing what it is, all the routes that got taken away, how were they substituted? What is the timeline, you know? I understand that there isn't that much institutional memory within this organization in that other than Pat and myself, who has been here? Well, I know that Mr. Smith came on board with this stuff that they did after '09, but with what you did, where is the new document?

And I also would like to point out that when it shows the light rail, that it didn't go into Metrocenter or what I thought was Metrocenter. And when I asked, why? I was told that Metrocenter is a concept and that's why it only went to the one side of the freeway. Well, it's more than a concept. Thank goodness that we are getting it over that part of the freeway, but I also look at all that map and say, you keep on doing that and you got the money to spend, where are those bus projects that? Oh, you don't have any. You need to be expanding. We need the grid made and you need to do your job.

Chair Heredia said thank you, Mr. Crowley.

2. Consent Agenda

Chair Heredia said I want to ask if any Board member would like to remove any item on the Consent Agenda? We have two items. Hearing none. Request a motion and a second to approve the Consent Agenda.

IT WAS MOVED BY COUNCILMEMBER ARREDONDO-SAVAGE, SECONDED BY COUNCILMEMBER TOLMACHOFF AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA.

3. Proposed April 2022 Service Changes

Mr. Smith said thank you, Chair Heredia. This item is on the agenda primarily so we can begin public outreach. We weren't planning on having a formal presentation unless the Board would like to have a presentation. The changes are important, but somewhat



limited. But if -- we were not asking you to approve these for April simply to enable us to go out for formal public hearings on these. These will be coming back to the Board in a few months after we've received the public comments for final action, Chair Heredia. So unless there's other questions, we won't have any presentation. But we're ready to answer any questions you might have.

Chair Heredia said perfect. Any Board member have any questions or comments on the proposed service changes?

Councilmember Stipp said Chair Heredia, this is Bill. I do.

Chair Heredia said go ahead, Councilmember.

Councilmember Stipp said well it's the follow up from last month's Board meeting, the questions that Mr. Crowley asked and even the comments from today. Can we get a -- and it's related to service changes which is why I'm tackling it, here. Can we get that comparison of what was proposed in the plan to what we actually have done? Can we get that sooner rather than later as we go through this process? Because Mr. Crowley keeps referring to the document from '06 and we have a service plan today and many of us have no idea what's he's talking about, and I think it's important that we understand that when we start talking about service changes.

And I think we all understand why we're in this situation that we're in because of the funding in the Valley. I don't think there's any dispute on that. I'd just like to know the backgrounds -- the background to that. I don't think that's unreasonable. Is my first question. Is that possible?

Mr. Smith said Chair Heredia, Councilmember Stipp, that's not only possible, we want you to know the background. Mr. Crowley did point something out and that is institutional knowledge and that happened 12 years ago. This -- the rebalancing 12 and 11 years ago and we are digging through our files to try and reconstruct as best as we can the process that happened that took the plan that was originally approved in 2004, 17 years ago, was update in 2006, 15 years ago and then with the Great Recession was completely -- had to be completely basically, almost thrown out and rebuilt in 2009 and '10.

Tyler Olson and his group working with Joe Gregory and their group are pulling up the documentation as best they can and actually reaching out to some of your cities because there are some staff who were around then to pull together as best we can a narrative and a history to show how we move from one to the next. And basically, since that 2009 and '10 rebalancing because of our revenue, we have not made any major -- we certainly have not made any major changes in philosophy as to where service is. There have been tweaks to individual routes, but we are working on that, and we hope to get that as quick as we can. We're also working with MAG because they have more institutional knowledge than we do. So we're in the process of doing that and we will get that to you as absolutely as soon as we can because I think that would be a great



discussion to have for everyone to really understand. And as somebody who was part of that rebalancing 11 years ago, I would love it if everyone could get that history because it is very important to recognize where we came from to understand why we are where we are today.

Councilmember Stipp said okay. Thank you. I appreciate that. That's question one. And the second question that came up last month that is kind of related to this -- to this item is -- and I'm going to quote from the minutes. Mr. Crowley said:

"I see where you're putting money such as in the Tempe trolley and saying that it's bus."

I think we need to get a better understanding of that and we need a public clarification on whether bus money went into the Tempe Streetcar or not, if that's a light rail project? And if so, how? I think that was a comment that was made that either needs to be clarified or completely, you know, proven false. That's too big of a comment to leave hanging out there for another month when we're talking about providing services to the Valley. And that is all the questions and comments I have.

Chair Heredia said thank you, Councilmember. Scott?

Mr. Smith said thank you, Councilmember for bringing that up. And I can say unequivocally that we are precluded by statute from taking regional funds that are -- that we receive out of Prop 400 and using any funds -- there is a fire wall between bus and rail. We cannot -- we cannot, and we are precluded legally from moving any monies out of rail into bus and vice versa, bus into rail, vice versa. Also, we can use no regional funds for any rail operations. Those must be funded from other sources other than Prop 400 and in our policy, they're funded by the cities of Phoenix, Tempe and Mesa. One hundred percent completely. Unless there are other sources other than Prop 400 funds that we could utilize for those. There are some federal funds that might be available, but they have nothing to do with Prop 400.

But I can say unequivocally that the statutes do not allow us to mix and match monies at the Valley Metro or the regional level between the two modes. The monies that are bus are -- remain bus and the monies that are rail, remain rail.

And I think those of you in the west Valley are very familiar with this because when Glendale exited the rail program, there was a lot of consternation and understandably so about the monies that had been allocated to, for example, the City of Glendale for their rail program and they could not be repurposed for any other effort other than to stay in the rail program. That was on the other side was a very stark reminder of what the statutes -- the enabling statute of Prop 400 requires. And the same thing happens throughout the Valley. That just happens to be our most recent example of where you could not mix funds between one and the other.



Councilmember Stipp said so clearly, that information was derived from something that he's reading so I think we should look at what we've got out there and figure out where that came from.

Mr. Smith said Councilmember, if Mr. Crowley can show us that we'll be more than happy to find out if there's any information that's confusing or that's incorrect, we will clarify it or correct it.

Councilmember Stipp said and I think that would be helpful for the staff that's in the Boardroom there with Mr. Crowley to facilitate that today if we can. Thanks.

Chair Heredia said thank you, Councilmember. Any other question, comments, concerns?

All right. Hearing none.

4. Future Agenda Items Request and Report on Current Events

Chair Heredia said any Board member like to add an agenda item or (indiscernible) an event?

Councilmember Winters said I don't know if this is the appropriate time to ask this question or not, but.

Chair Heredia said sure.

Councilmember Winters said this is Winters from Surprise. I understand the ALC is going away and the Ride Choice is (indiscernible) can you tell me what the background is on that? Why it's leaving?

Mr. Smith said Chair Heredia, Councilmember Roland Winters.

Basically, they're leaving the business. They're making a business decision to leave and I can -- what I can do to give you details because while I've been briefed on it, I can't remember it right off the top of my head of all the different reasons. I would be very, very happy to have Jim Hillyard and Tom Young follow-up with you to give you the specifics. But basically, it's not something we're doing. They are making a business decision. As we found some of our -- especially in this COVID-related business are re-evaluating where they want to be and what they want to do and that's one of the big challenges that we have.

We do have a procurement that's going to go out on the street in the very near future.

We will be presenting to the Board in the next few months to renew our paratransit and Ride Choice program. And we will be making some adjustments to try and cover some of the challenges we've had. But if it's okay with you, Councilmember Winters, I will have Tom and Jim follow up with you to give you the details of that?



Councilmember Winters said that's fine.

Mr. Smith said okay. Thank you.

Chair Heredia said perfect. All right. Well, thank you.

5. Next Meeting

Chair Heredia said the next the next Valley Metro RPTA Board of Directors meeting is scheduled for Thursday, November 18, 2021 at 11:15 a.m.

With no further discussion the meeting adjourned at 12:04 p.m.



Information Summary

DATE

November 12, 2021

AGENDA ITEM 2B**SUBJECT**

LED Lighting Upgrade at the Mesa Bus Operations and Maintenance Facility Contract Award

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute a contract through a Mohave cooperative purchasing agreement with Utility Construction Company, Inc. for a LED lighting upgrade at the Mesa Bus Operations and Maintenance Facility (MBOM) for a not-to-exceed amount of \$66,300 plus a contingency of \$6,630, for a total of \$72,930.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to execute a contract through a Mohave cooperative purchasing agreement with Utility Construction Company, Inc. for a LED lighting upgrade at the Mesa Bus Operations and Maintenance Facility (MBOM) for a not-to-exceed amount of \$72,930.

BACKGROUND | DISCUSSION | CONSIDERATION

The Mesa Bus Operations and Maintenance facility was constructed in 2003. In that timeframe, a few components have exceeded their useful life expectancy and need to be repaired or upgraded. Valley Metro would like to upgrade the current lighting to LED lighting in the following areas of the facility grounds:

- Pole Mounted HID Area Lighting Fixtures in the Parking and Pathway Areas
- Interior HID Highbay Fixtures in the Wash bays
- Canopy Structure HID Highbay Fixtures

The LED lighting upgrade will improve the quality of light which improves safety, reduce maintenance, and reduce energy consumption. The annual financial savings due to the reduction in energy consumption is estimated at \$18,300. Including an SRP rebate of \$5,721, the estimated payback period would be just over 3 years.

Cooperative Agreements are contracts that are solicited and awarded by other public entities and whose cooperative language allows Valley Metro to utilize these contracts for goods and services it requires. The cooperative contract for the LED lighting upgrade was procured via a Mohave cooperative purchasing agreement with Utility Construction Company, Inc.

**COST AND BUDGET**

The cost for the LED lighting upgrade is \$66,300. A contract contingency of 10 percent (\$6,630) is also requested to be used to fund contract changes which are not anticipated, but may become necessary. The cost for the LED lighting upgrade is included in the RPTA Adopted FY22 Operating and Capital Budget.

COMMITTEE PROCESS

RTAG: October 19, 2021 for information

TMC: November 3, 2021 for action - APPROVED

Board: November 18, 2021 for action

CONTACT

Ray Abraham

Chief Operations Officer

602-652-5054

rabraham@valleymetro.org

ATTACHMENT

None



Information Summary

DATE

November 12, 2021

AGENDA ITEM 3**SUBJECT**

Valley Metro RPTA Bus Advertising Program

PURPOSE

To request Board actions to initiate the Valley Metro RPTA Bus Advertising Program.

RECOMMENDATION

1. Staff recommends that the Board of Directors amend RPTA's no advertising policy to adopt the proposed Valley Metro RPTA Advertising Policy.
2. Staff recommends that the Board of Directors approve the contract utilization and authority for Advertising Sales Service with OUTFRONT Media LLC through June 2023.

BACKGROUND | DISCUSSION | CONSIDERATION

In April 2021, staff presented a comprehensive discussion of transit advertising to the Valley Metro RPTA Board of Directors, sharing the history (locally and within our industry), challenges and revenue potential of pursuing exterior bus advertising on the Valley Metro-operated fleet. Staff was directed to move forward with establishing an advertising program based on their feedback and by further researching and discussing the program with City of Phoenix Public Transit, our bus operations contractor(s) and our current advertising administrator, OUTFRONT Media LLC.

Based on the Board's feedback and our additional research and discussion, we recommend the following outline to establish the Valley Metro RPTA bus advertising program:

- Ads available on local fixed route buses
- Ads could be available on circulators as determined by the circulator cities
- Ad displays would prioritize Valley Metro logo/branding and largely maintain window visibility for safety
- Content would follow existing Advertising Standards consistent with Valley Metro Rail and City of Phoenix Public Transit Advertising Policies
- Utilize Valley Metro Rail's existing Advertising Sales Services agreement with OUTFRONT Media
 - OUTFRONT Media is committed to a 65% revenue share



OUTFRONT Media's contract was initiated in July 2015 with a five-year base and two, three-year renewal options, for up to 11 years. The first, three-year renewal option was executed in July 2020, expiring June 2023. For expediency, their industry and on-the-ground experience and in alignment with Valley Metro's Procurement Manual, staff recommends pursuing this new program with OUTFRONT Media through June 2023 and assess in 2022 our future procurement options.

COST AND BUDGET

OUTFRONT Media will provide Valley Metro RPTA with 65% of net advertising revenues, which is the rate currently utilized by the Valley Metro Rail agreement and commensurate with our transit agency peers.

Depending on the number of advertisements sold, which will take 12 months or longer to ramp up, OUTFRONT Media estimates annual revenue between \$600,000 – \$700,000 for Valley Metro RPTA.

In terms of revenue allocation within Valley Metro RPTA, staff has discussed two allocation models with member city staff:

- Annual revenue mile allocation similar to other credits (i.e. Preventive Maintenance, Alternative Fuel Tax)
- Regional services allocation (i.e. Call Center, Regional Marketing), freeing up PTF for regionally-funded bus service

COMMITTEE ACTION

Special RTAG Briefing offered on November 1, 2021 for information

TMC: November 3, 2021 for action - APPROVED

Board of Directors: November 18, 2021 for action

CONTACT

Hillary Foose

Director, Communications & Strategic Initiatives

602-322-4468

hfoose@valleymetro.org

ATTACHMENT

Draft of the Valley Metro RPTA Advertising Policy



Valley Metro RPTA Advertising Policy—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 contained between the wheels of the buses, allowing the regional transit logo and branding to continue to be visible. Products available for advertising include: Kings, Queens, Kongs, Tails, Headlights, Headliners and Window Extensions. Products which cover the windows can only be placed on up to 25% of the program-eligible fleet.

The fleet available for advertising is limited to local fixed route and select circulator buses operated by Valley Metro RPTA and its transit service providers; Express buses are not a part of the advertising program.

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 XXXX XX, 2021.



Valley Metro RPTA Bus Advertising Program

November 2021



1

Program Overview

- **Exterior bus advertising:**
 - Local fixed route buses
 - Circulator buses as determined by funding city or cities
- **Ad displays would prioritize Valley Metro logo/branding and window visibility**
- **Content would follow regional Advertising Standards**
 - Consistent with Valley Metro Rail and City of Phoenix Public Transit



2



Contract + Revenue

- **Utilize existing Advertising Sales Services agreement with OUTFRONT Media**
 - Bus scope was included
- **OUTFRONT Media is committed to a 65% revenue share**
 - Same rate as VMR & commensurate with peers
 - Could generate \$600,000 – \$700,000/annually
 - After 12+ month ramp up period
 - Does not include costs for additional oversight & coordination

3

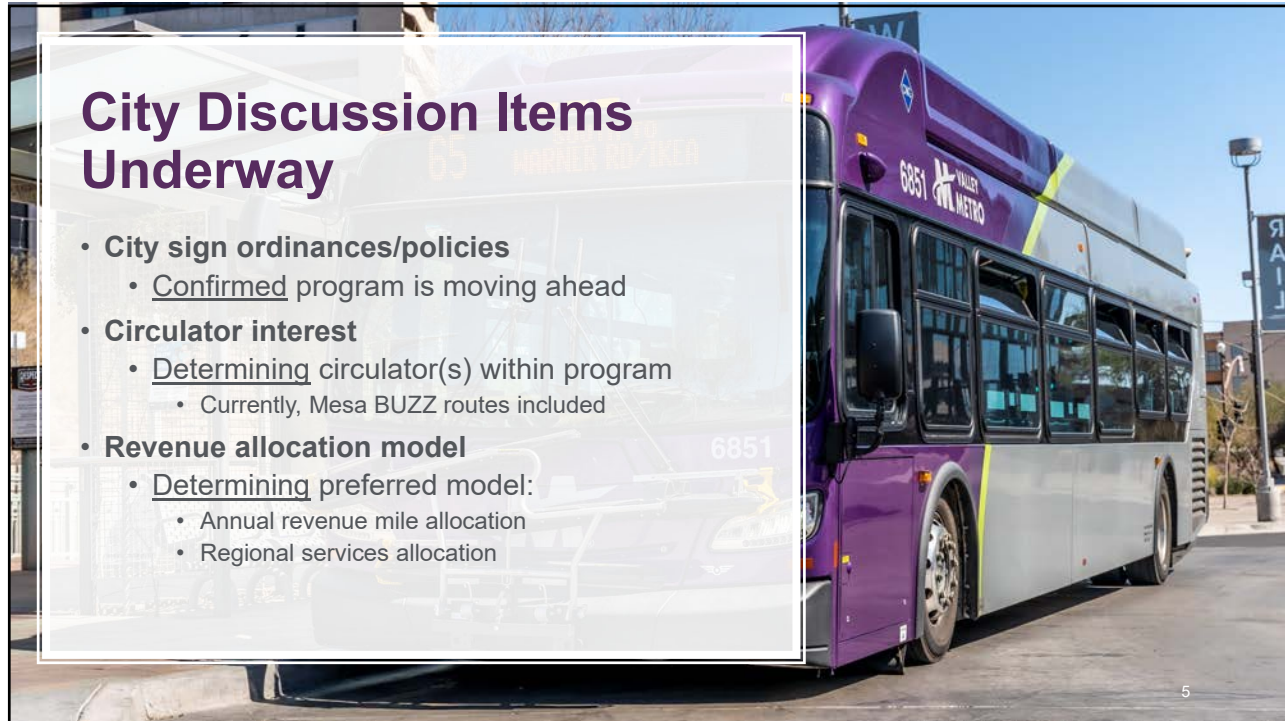
TMC & Board Actions



- **Adoption of Valley Metro RPTA Advertising Policy**
 - Available assets
 - Advertising Standards for content
- **Utilization of the Advertising Sales Services agreement with OUTFRONT Media**
 - Through June 2023

4

4



City Discussion Items Underway

- **City sign ordinances/policies**
 - Confirmed program is moving ahead
- **Circulator interest**
 - Determining circulator(s) within program
 - Currently, Mesa BUZZ routes included
- **Revenue allocation model**
 - Determining preferred model:
 - Annual revenue mile allocation
 - Regional services allocation

5

Q&A



6



Recommendations

- A. Staff recommends that the Board of Directors amend RPTA's no advertising policy to adopt the proposed Valley Metro RPTA Advertising Policy.**
- B. Staff recommends that the Board of Directors approve the contract utilization and authority for Advertising Sales Service with OUTFRONT Media LLC through June 2023.**



Information Summary

DATE

November 12, 2021

AGENDA ITEM 4**SUBJECT**

Report on Current Events and Suggested Future Agenda Items

PURPOSE

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

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

None

STRATEGIC PLAN ALIGNMENT

None

COMMITTEE PROCESS

None

CONTACT

Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT

None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date



Agenda

November 12, 2021

Valley Metro Rail
Thursday, November 18, 2021
Boardroom/Webex
Valley Metro, 101 N. 1st Avenue, 10th Floor
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**. Up to three minutes will be provided per speaker unless the Chair allows more at his/her discretion. A total of 15 minutes for all speakers will be provided.

CONSENT AGENDA

2A. Minutes

2A. For action

Minutes from the October 21, 2021 Board of Directors meeting are presented for approval.

2B. Facilities Maintenance Contract Change Order

2B. For action

Staff recommends that the Board of Directors authorize the CEO to execute a contract change order with DMS Facility Services, Inc. for facility maintenance services in an amount not to exceed \$712,635 for the period January 1, 2022, to January 31, 2024.

2C. Steel Rail Testing Services Contract Award

2C. For action

Staff recommends that the Board of Directors authorize for the CEO to execute a contract with Smith-Emery Laboratories, Inc. for a total term of 5 years (3-year base contract plus one two-year renewal option) to provide steel rail testing services in an amount not to exceed \$300,000.

REGULAR AGENDA

3. Capitol Extension – Amended Locally Preferred Alternative and Funding Agreement 3. For action

Staff recommends the Board of Directors approval of the 19th Avenue option (Appendix A) as the amended LPA for the CAPEX project and authorize the Chief Executive Officer (CEO) to enter into an agreement with the City of Phoenix to fund project activities through the Final Design phase for an amount not to exceed \$45.3 million.

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

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

5. Next Meeting 5. For information

The next meeting of the Board of Directors is scheduled for **Thursday, January 20, 2022 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

November 12, 2021

AGENDA ITEM 1**SUBJECT**

Public Comment

PURPOSE

The public will be provided with an opportunity at this time to address the committees on **non-agenda items and all action agenda items**. Up to three minutes will be provided per speaker unless the Chair allows more at his/her 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

Scott Smith

Chief Executive Officer

602-262-7433

ssmith@valleymetro.org

ATTACHMENT

None



Minutes

November 10, 2021

AGENDA ITEM 2A

Board of Directors

October 21, 2021

Boardroom/Webex

11:15 a.m.

Valley Metro Rail Participants

Councilmember Francisco Heredia, City of Mesa **Chair** (phone)

Councilmember Robin Arredondo-Savage, City of Tempe – **Vice Chair** (phone)

Mayor Kate Gallego for Councilmember Laura Pastor, City of Phoenix (phone)

Chair Heredia called the meeting to order at 12:05 p.m.

1. Public Comment

Chair Heredia said Pat, assuming we have Mr. Crowley.

Ms. Dillon said yes, sir, Mr. Crowley is ready. Go ahead.

Chair Heredia said you have three minutes.

Mr. Crowley said the documentation about the rail -- well, you heard him say that the bus is the bus, and the rail is the rail. What is the trolley? Is it a bus or is it a rail? Well, the original funding sources, they were using bus funds. And I see it as a rail project. And why Mr. Smith couldn't express that is beyond me.

With the Rail itself, I look at places like 16th Street and go, well, there's a major bus route that runs there and it crosses the rail. Are we multi-modal? No, there still is not a stop there. With your continued construction of the line, are you making it so that along it when you have bus routes crossing that you have a stop?

But are we doing anything multi-modal? Central Station is being leveled. Why? Well, was it because it was multi-modal? No, because we're moving the rail down the street here. Why doesn't the rail work with the bus? Because the rail considers itself only. When I see the monies that are going, like I said, who's paying for operations? I didn't see that listed there in expenditures. What are the operations costs? And like I said, who's paying it? And if possible, could the Chair instruct the staff to get that information to me, please.

With the rail and what it has done, like you said, there's the no expansion at the moment into Glendale, but as I've stated, when it was originally being shown and I saw that the rail only was on the east side of the freeway. I said, isn't this supposed to be going to the bus center there at Metro? That would have made it multi modal and they said -- and this is a quote from MAG. That Metrocenter is not a place, it's a concept. Well, my concept is that's pretty inefficient and not done right. When you did cross the freeway,



why is it that you had to go above ground? Why not do a tunnel just like the bike route that right there? And you could have gone straight over to the bus terminal, but no that's going to be eliminated.

Why aren't you doing things so that the system is working together? Thank you.

Chair Heredia said all right. Perfect. If -- I'll just suggest that Valley Metro staff that is there can maybe talk to Mr. Crowley to get some details on what he's looking for.

Mr. Smith said we will do that, Chair Heredia.

Chair Heredia said perfect.

2. Consent Agenda

Chair Heredia said Consent Agenda is presented for action. Any Board members have any questions or comments? Two items here. If none, I request a motion and a second to approve the Consent Agenda.

IT WAS MOVED BY COUNCILMEMBER ARREDONDO-SAVAGE, SECOND BY MAYOR GALLEGOS AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA.

3. Summary of Valley Metro Small Business and Disadvantaged Business Enterprises Effort

Mr. Smith said thank you, Chair Heredia. Chair Heredia, members of the Board. This is primarily an issue that was brought up by Mayor Gallegos several months ago. It's a -- and as we walk through and had discussion with staff, it's a very, very broad issue and can cover a lot of area. We've tried to -- our best to identify areas that we can provide information that would be most important or of interest to you on the Board. We've received recently some additional clarifications, some questions. I'm not going to say we're going to be perfect in our presentation, Mayor, but we're trying to cover as much as hit the points that we think between talking to with your staff and others that are relevant and salient to this discussion. But if we don't, please feel free to ask and we will fill in as best we can.

So I'm going to turn it over now to Patty Clark who is the director of our procurement, Chief Procurement Officer and Patty will give the presentation. Patty.

Ms. Clark said thank you, Scott. And thank you, Chair Heredia, and Councilmember for the opportunity to give an overview of the Disadvantaged Business Enterprise program. So we could go to the first slide, please. Thank you. As the designated recipient of the U.S. Department Transportation funds, the City of Phoenix has established the DBE program for the region. The objective of the program is to ensure that disadvantaged business enterprise have equal opportunities to participate in federally-funded contracts



administered by the City of Phoenix and its sub-recipients. The program is achieved by creating level playing fields across -- for all participants. It promotes the use of DBE firms. The program helps remove barriers and assist firms that can compete successfully in the marketplace outside of a DBE program. And lastly, the program ensures non-discrimination in award and in contract administration making sure that we follow all race and gender-neutral measures as regulated by the FTA. These measures include aspirational goals, training, outreach and technical assistance.

In October 2020, the City of Phoenix established their new triennial goal at 8.2%. It's important to note that Valley Metro has active contracts that date back to 2013 and at that time, the triennial goal was set at 3.2%. And additionally, we have active contracts that span over the past two triennial goal sets by the City of Phoenix, meaning the previous goals from October 2014th were set at 4.9% and in 2017, the goal was at 5.98%.

As the sub-recipient of federal funds, Valley Metro has adopted a process. Our process includes in the development of federally funded procurements, Valley Metro submits the solicitation documents prior to issuance to the City of Phoenix. The solicitation documents are then reviewed by the City of Phoenix and then returned with the appropriate DBE requirements that must be included in our solicitation.

Can I have the next slide, please? Valley Metro and the City of Phoenix conduct together a pre-offer conference to discuss in great details the mandatory DBE requirements for federally funded procurements.

We also discuss to the participants of the conference or how to discover DBE firms. After the solicitation process closes, the proposals are then reviewed for responsiveness to the DBE requirements. When there is an identified successful bidder, Valley Metro works closely with our designated City of Phoenix Equal Opportunity Specialist for concurrence that all DBE requirements were met. This means did the successful bidder submit all the required documentation. And did the proposer submit and identify outreach efforts for DBE contractors? And are we in receipt of the small business utilization commitment? It's important that this form here captures the total participation commitment.

So if all the requirements are met, the City of Phoenix issues Valley Metro a formal letter of concurrence that all of the DBE requirements were met.

So once a contract has been executed and we move forward to issue a notice to proceed, Valley Metro conducts a kick-off meeting to, once again, go over the DBE requirements and provide training to the prime contractors. And then throughout the contract, the duration of the contract, Valley Metro monitors the contract and the contractor's performance in the system of record through the City of Phoenix and that is B2GNow.



So on the right side of your slide, you can see that Valley -- you can see Valley Metro's DBE summary results. So Valley Metro currently to date has 50 contracts with DBE commitments. Our Prime contractors have made the commitment of an estimated total value for our DBEs a little over \$47 million. And the Prime spend to date is just at \$53 million. So therefore, exceeding their proposed DBE commitment by \$5.7 million.

So best practices and outreaches. So Valley Metro has a DBE Outreach Administrator, Gary Flunoy. Gary has professional and personal relationships with over 23 public and private organizations and he's also the president of the Conference of Minority Transportation Officials, also known as COMTO. His rapport with these organization allows him to connect contractors to DBE contractors. Gary also provides resource tools such as the official database containing the eligible DBE firms certified by the Arizona Unified Certification program to ensure that our Primes are aware of the potential DBE firms out there. Valley Metro also disburses our sourcing events by utilizing email blasts through our e-procurement system, multiple websites and also legal notices in the local paper.

Moving to the ongoing outreaches, I would like to now turn this over, the presentation, to our Director of Capital Development to further discuss our enhanced outreach efforts. Henry.

Mr. Ikwut-Ukwa said thank you. Thank you, Pat. Chair Heredia and Board members. Thank you for having me. When I came on board in February, one of the things that I asked staff to look at was how we administer and monitor the DBE program and based on what I received from them, we developed a program where we will be involved in serious outreach.

As of this time, the region has two major opportunities for Prime contractors and consultants to reach out to DBE. One is the Arizona transit community, we have ADOT, I believe. They have a DBE program where people come together, Prime consultants and contractors. That happens on a yearly basis. It's on the calendar. We reach out to all our consultants, Primes and DBEs to participate in that program making sure that we engender that personal relationship which is, basically, the basis of where this kind of connections can be made. So we participate in that and reach out to our consultants to also do so.

The other one is what the City of Phoenix does. City of Phoenix Aviation and Streets also conduct a programs events that brings Primes and DBE firms together and we participate in that.

So I asked the question, maybe going forward Valley Metro will also have something on the calendar that will be more focused to Valley Metro and we're working on having that as well on the calendar.

The other thing that I'm doing is also helping, talking each of the firms that work for Valley Metro to make sure that the commitments that they made, they're going through



with it. I am beginning to have regular meetings with each of the Primes that work on contracts with Valley Metro to make sure that the commitments that they made -- in cases where they can go over what those commitments are that they do so. I was told rightly that we can only encourage and use our influence to make them do more. We cannot really enforce. So we doing all of that with every single firm, contracts that we have. I'm meeting with all the Primes to look at what they are doing with our DBE program.

So that's my presentation and I'll take any questions.

Chair Heredia said okay. Anything else, Mr. Smith?

Mr. Smith said no. We'll answer any questions. Now, I'm sure Mayor Gallego probably has some questions or inquiries and things so, Mayor, not to turn it over to you, but I'm assuming you'll have some follow up questions that we'll do the best to answer.

Mayor Gallego said I do. And I had originally hoped to have a motion, but once again, this was not listed for action so in the future, when I request an item, I'd always welcome the opportunity to take action.

So I'll start with fun question. Mr. Smith, what's one of your favorite Valley Metro investments that has really helped a small business in the Valley thrive?

Mr. Smith said well I'm especially proud for a lot of reasons of our South Central Extension. Although it is -- because it's been a mix of both challenges to our small business community, but an example where we can reach out and make the community part of our projects. Before this even started, we told the contractors and we, actually, met with the contractors in the community to say that DBE was not the end, it was merely the beginning of what our outreach process would be. And while we're never perfect, I'm proud of what we've been able to do to create not just our -- our mantra was we're not creating job, we want to create careers.

One good example is what we did on the artwork. We found that many of our artists that participate in our art outreach are actually people that aren't even from the Valley because apparently there's an industry where people --

Mayor Gallego said I was looking for a success story of a Valley company, Mr. Smith.

Mr. Smith said oh, a Valley company?

Mayor Gallego said uh-huh.

Mr. Smith said I don't know the Valley companies. I don't track it by that, but I can tell you that we have several artists, individuals that we've made careers out of that had no intention of bidding on the artwork. And what we did is we not only brought them in, but we taught them how to apply for comparable jobs. And I know -- I can't tell you by name



because it has been a while, but we have at least two or three artists, south Phoenix based artists who had never applied for public art project. We got them involved in our arts work. They were awarded contracts. Not only that they have gone on to apply and been successful at other -- on other projects. I don't have off the top of my head a list of actual companies. We track things on an overall basis, but that's my -- that to me is one of my proudest is where we've created careers, for example, some of those artists. And that was primarily through the -- through the impact or the effort we had to expand our outreach to the local community.

Mayor Gallego said wonderful. If you were to talk about what percent of Valley Metro spending goes to our small business partners, what percent is it now?

Mr. Smith said our small business or our DBE? Because those two --

Mayor Gallego said let's go with DBE.

Mr. Smith said you know what? We were over those numbers. I'm sorry, Mayor. I don't have that off the top of my head. I can get those numbers to you very quickly because I know that we went over those over the last week as we were looking at this. And we do review those with our contractor, Kiewit, every month. I just don't have those on the top of my head.

Mayor Gallego said if I said we had a target of 47 million out of 2.4 billion does that seem feasible?

Mr. Smith said I think in the presentation what you said, \$47 million might have been the target for the DBE. Not doing the math right in front of me. Those were numbers that Patty put forth in her presentation.

Mayor Gallego said okay. To me it comes out to less than 2%, close to 2%. And so, one of the things I would like to see us discuss is, is that the number we want to be at or could we afford to be more ambitious?

Mr. Smith said and if I could, let me follow up with you on that specific because I know there are other numbers that we get as far as outreach with Kiewit and things and I can follow up with you, specifically, on that project to get you some more detailed numbers that are more broad based than what we showed you in that presentation right there which was more general in nature.

Mayor Gallego said perfect. Do we track the number of veteran-owned businesses that partner with the City of Phoenix? I mean, with Valley Metro.

Mr. Smith said I'm not sure. I'm not aware that we do track the number of veterans. That is not something that the federal government asks, and we primarily follow the formula that working with your DBE office ensures that we, first of all, are in compliance with federal, but I am not aware that we specifically do track that.



Mayor Gallego said wonderful. But new software might allow us to do so. Mr. Smith said I believe it would and we can also -- Patty, I guess, I should have deferred to you on a lot of these, Patty. You're more in tune with the day-to-day operations so if you have an answer that's better than mine then I would defer to you on this.

Ms. Clark said yes, sir. So, Mayor, we currently do not track the veteran spin, but within our new current system, the vendors can build out that profile and that is one of those that they can select.

Mayor Gallego said okay. Wonderful. I have several more questions, but Councilwoman Arredondo-Savage who is so knowledgeable on these issues just looked up and I thought I might pause for a second and then I'll come back to my questions.

Councilmember Arredondo-Savage said no, I, first and foremost, I just want you to say thank you to Mayor Gallego because I learned a lot from this presentation. I wasn't as familiar with this program and some of the things that we were doing so I am super grateful. I went through all the background material, and I know there was some additional information, but one of the things, I think Mayor that you mentioned and I'm still kind of a little confused is the evolution.

And I think Patty you tried to do your best trying to explain and I apologize I didn't catch quite cat it is the evolution from 3.2% to 8.2%, but really what that looks like in a bigger picture. It's really hard to figure out when you talk about 50 contracts out of how many contracts? It just didn't really seem to be put into context for me so I would really love a little bit more additional information. That would be super helpful. And exactly where we intended to be I thinking at like 41 million, but we ended up at 47 million and then put that into context too. Because I feel like I think if this is where Mayor Gallego is going is thinking, well, you know, it's great to be at status quo and to be where we need to be federally, but I think we all want to exceed and do better and attain our goals to the best of our ability and see if those are still appropriate (indiscernible)

And, of course, I love the idea of looking for veteran owned business owners. I think that is something I would one hundred percent get behind on. And I think, Patty, you probably already know this or somebody because the Small Business Administration, they have an awesome website that actually has a list of all the veteran owned businesses so you can contact James Piper and he is super knowledgeable and that just may be something really easy for us to do and to implement. I would one hundred percent say that we do that.

And I would also ask too, is how can the cities be more engaged? How can we work together and collaborate and to ensure that even some of maybe our local businesses throughout the state also have the ability to engage in maybe offering different contracts?



And I know too, Patty, you mentioned something about eliminating barriers and, of course, that just answered -- it just asks more questions to me when I get some information, so I apologize for that. Is -- what does that look like in regard to some of the education that is out there that you talked about for the ones that are actually submitting for a contract? But what about those businesses that are out there that don't know how to do it? You know, how are we reaching them? How are we encouraging more businesses to get engaged and to try to be a good partner in the future?

And I know I'm just asking kind of a lot of questions and information so I'm kind of talking out loud. And I did love -- there was one slide in here. I think it was -- oh, actually, it's in the background material about the gender and the ethnicity in regards to some of these. But I would like to see the trends. I don't know where we were back in 2013 and to where we are now. Are these all saying the same businesses? Has there been an evolution? Has there been a change of what those look like? And where do we want to go? Are there gaps of different types of DBEs or small businesses that we really should be trying to seek out and really try to build support with?

So I know that was a lot of information I threw out there. Mayor, you gave me an opportunity, so I interjected, but I really do -- I love this. I think this is really great and I just hope that we're leveraging everything that we can to the best of abilities. Because I think that we should definitely try to incorporate as many of these DBEs and small business owners as we possibly can. And I don't want to just -- I want to exceed our goals. I want to do more. I want to engage more so whatever that looks like and whatever I can do to help that I certainly do support that (indiscernible) so thank you.

Mayor Gallego said thank you. I would also love to see those trends and I hope in the future we can track more information and MBA by background, so I think what you measure matters and that what you're taking data on shows some of your priorities. Some of our fellow transit agencies have really been trying to support the (indiscernible) in their communities as well and have done cool things with innovation. Will you talk about if a small business has an idea, they want to bring to us -- we do have one RFP coming up for some of clean tech, but generally, how would they work with Valley Metro?

Mr. Smith said Mayor Gallego, a great question. One of the things that -- and that's both a question and a challenge because I'm not sure that we are competent that we are where we need to be and how they would work for Valley Metro. I can tell you that, for example, on our big projects we make a concerted effort, but I'm not -- I'm going to be the first to say that we can always do better.

One of the things we will be doing to make sure that those businesses know how they can work with Valley Metro -- and I think you heard Henry's excitement. Henry and I have had a couple discussions over the last week and coming from Atlanta where I think they had probably a much more mature program than we have, I would say. We -- I welcome the opportunity to have somebody who has been at one of those other transit agencies I think you're referring to, Mayor, to bring the ideas of how they succeeded.



And one thing that just literally since these questions came up and answering your questions, we recognize that we have some gaps in our efforts and what we need to do. So I've asked Henry and Patty and Jim Hillyard to work together with Gary to really review what we have to -- so we can answer that very question that you raised. How would a small business really feel comfortable coming to us and knowing that they could have every chance that -- possible to participate or to learn how to participate? And based on your inquiry and the questions you asked, we are -- we're going to begin that and hopefully, we can work with you and your staff moving forward to make that work even better.

Mayor Gallego said wonderful. Thank you. I've learned that some transit agencies have developed an unsolicited proposal process so that you can come into them that way. Or just an open pilot program as well. Some of our transit agencies have things like an office of innovation as well and I think that is worthy of exploration as well for Valley Metro. If we want to be forward thinking we have to have a way for great companies or ideas to come into us. Should the voters approve the extension of Prop 400, there's money set aside for innovation. Let's be ready to have the best, most innovative transit system and have staffing to be able to move forward with that.

I'm gratefully appreciative of the work Gary is doing. Two FTEs at Valley Metro. We're getting a lot of bang for those bucks, but I don't know that two is enough and especially if we look at DBE results in the past couple years. I think there's more out there that we might be able to do so I, again, think that is something we should continue to look at. We want the cool small businesses to thrive here and we want more success stories of small business that got contracts with directly with Valley Metro or with our Primes as subcontractors that really were able to succeed. In building our transit system, we want it to be built by more of the small businesses in our community. So I'd love to see us look at our goal and maybe also have some sub-goals including some specific demographics as our veterans.

The memo that came forward originally which was not put on an agenda mentioned that we work with the Grand Canyon Minority Supplier Development Council. I was surprised to see that name.

Mr. Smith said that is one of the places that we work with and Patty, if you had -- and we're very active in the council that Patty talked about. We are a co-sponsor of the DBE and small business program along with Phoenix airport and ADOT. We are the three co-sponsors of that initiative, and we work closely with both your aviation department and ADOT and try not to duplicate efforts. And I don't know if that's where that contact came from, but I know through joint effort between us and ADOT and Phoenix Aviation that we've a long -- come across a lot of organizations that we can work with.

Mayor Gallego said I believe they changed their name ten years ago so just surprised to see it in the memo.



Mr. Smith said well it might have been something, you know, once again, I can't tell you exactly where that is if they changed their name it's something we've worked on.

Mayor Gallego said wonderful. Well, I just -- I guess -- I think small business is a really important constituency here and my message today is I hope we put more into our DBE program, but also generally, in small, cool, innovative businesses that we -- we do more in these areas.

Mr. Smith said Mayor, we appreciate that. We hear you. I think you can tell we are committed and now, we're -- we'll take steps and work with you and your staff, especially in implementing specific procedures and programs to try and accomplish that goal at a higher level. And we look forward to coming back to you and this Board with specific report. Give us a couple, three months where we can come up with some specific proposal how to increase or better or improve our program and we'll come back to you with a specific report on that. We'll work with Councilmember Heredia to put that on an agenda early next year.

Mayor Gallego said wonderful. And will you put it on for action? Unlike today.

Mr. Smith said whatever action you would like to put on there, we will certainly reach out to you and find what action you would like.

Mayor Gallego said perfect. Thank you.

Chair Heredia said perfect. Anything else, Mayor?

Mayor Gallego said I'll let someone else if you have any questions, Chairman.

Chair Heredia said yeah. No questions, but I echo Councilwoman Arredondo-Savage. You know, the information was very -- you know, something that I wasn't as familiar with, so it was great to see this information. And echo your thoughts on how we can promote further minority outreach, you now, small businesses and, you know, with a lot of -- based on some experience as a -- in the City of Mesa that we had in kind of revamping our list of who we send out RFPs to or our list that we send out to for information, you know, doing that constant outreach to additional institutions and businesses and associations is an important asset because sometimes, you know, folks are just not aware of being able to apply or being part of the process, right. So as much as we can do.

And I'm assuming, you know, for future agenda item as far as I don't know if it would be appropriate to maybe put as a part of the recommendations and something to vote on it, you know, the maybe goals that we can set out to be more ambitious with that as one part of that piece. So I don't know if that -- that that's something that you were looking for, Mayor, but that makes sense to put maybe in writing like we should be, you know, maybe a number out there that we aspire to work towards too.



Mayor Gallego said I think that would be wonder. There's numbers we look at all the time like on time performance and others. Those are incredibly important, but so is our economic impact and this is a way to grow it.

Chair Heredia said for sure. For sure. Anything else that you want to add?

Mayor Gallego said I do would love to look at that unsolicited proposals opportunity or some sort of innovation council where we can have cool ideas which even our riders sometimes come up with -- wouldn't it be neat if we could make this change and other transit agencies have methods to move forward. We have an innovation officer at the City of Phoenix and that's been a wonderful way to just help us as a city so having those formal structures I think could be really neat for -- for our riders and our community. And I would also say. I would welcome the opportunity to have our DBE things more highlighted on the Valley Metro website. It was a little bit hard for me to find them clicking through.

Ms. Clark said so, Mayor, this is Patty. I do agree and we are actually working on updating that where you don't have to click so far down to actually get to the website. So that is actually one of the things that we are already, currently working on so. But I appreciate your comment.

Mayor Gallego said okay. Then I'm with you and I'm with Henry on trying to do more directly with Valley Metro. We love what the Aviation department is doing at the City of Phoenix and happy to have partners in there, but I think even just going off some of the comments that Valley Metro Board members made earlier today, we want that capacity for all (indiscernible)

Ms. Clark said absolutely. And, again, once again, it was a privilege and an opportunity for me to be able to speak about the DBE program and what our Valley Metro process is. Definitely, hearing you and I also hope that you also hear us saying that we're committed and want to be good partners with you in this endeavor as well. It's very important.

Mayor Gallego said it's nice that you guys are excited about this as well --

Ms. Clark said we are.

Mayor Gallego said -- because I think (indiscernible)

Mr. Smith said and, Mayor, if I could just add, you've got -- you don't have two better and more talented and excited executives than Patty and Henry to lead this. I'm confident they'll do a great job in advancing the cause.

Councilmember Arredondo-Savage said Chair Heredia?

Chair Heredia said go ahead.

Councilmember Arredondo-Savage said just really quick. I just want to re-emphasize how much I do appreciate this coming forward so, again, thank you, Mayor Gallego. Because I -- like I said, I learned a lot and I'm very excited to hear the enthusiasm from Patty and Henry and what they've been doing and wanting to grow it and making sure that have the right resources to be able to make that happen. And but also to feel like they've got that flexibility to be creative and then to be flexible and see what that may create.

I do want to just reiterate that I really love the idea of incorporating veteran owned businesses. I hope that we can do that in the future. I think that would be a really easy collaboration and easy way to find who those business are because they may already be part of the program and we just don't know it. But I'd love to see that become part of the partnership moving forward.

And I also mentioned of course, Mayor Gallego said it much better than I did, as we look at our goals and how -- what we want to attain I love the idea of looking at those sub-goals and really addressing those trends and trying to identify where we want to grow, where we can make some concerted efforts to make some changes if need be. So I'm excited to see this. I look forward to it coming back and hopefully, that we make sure that you have all the resources that you guys need, Patty and Henry, to continue to even make this more successful. So, again, thank you, Chair. Thank you, Mayor Gallego for bringing this forward and I'm really grateful.

Chair Heredia said perfect. Anything else, Mayor? And we'll work with your staff and yourself and Councilwoman Pasteur on moving forward this on a future agenda to get more details and specifics on how we can strengthen this piece. And, again, I think the innovation part, figuring that out, what can we do at Valley Metro on that end is an important aspect to this as well so.

Perfect.

4. Future Agenda Items Request and Report on Current Events

Chair Heredia said as we just discussed, we'll work on setting up an agenda item that has requests and recommendation on that with Phoenix staff and Mayor Gallego and Councilwoman Pastor for more details so. And then Councilmember Arredondo-Savage.

Councilmember Arredondo-Savage said thanks, Frankie.

Chair Heredia said yeah.

Councilmember Arredondo-Savage said yeah. Just really quick. There's an agenda item here. I didn't bring it up. It's actually the Consent Agenda of 2B, the non-revenue vehicle purchases, and it just made me think about something in the Audit and Finance



Subcommittee that we talked about and when we were discussing the future budgets and efficiencies and I believe Mayor Gallego brought this up, is how are we talking and incorporating our fleet when it comes to introducing electric vehicles? So I think that's something that we need to have that discussion about not only, you know, with in the bus fleet, but also within our day to day vehicles and what that looks like. I know that was really well received from Audit and Finance and same with the Board. But seeing this agenda item on here just make me think that we haven't seen anything in regards to how we are going to introduce or what our future may look like in regards to electric vehicle. So, however we put that forward, Chair, I support it. Thank you.

Chair Heredia said that's a great suggestion. I think as cities, you know, we're looking at, you know, various different options out there, you know, we -- City of Mesa, I'll just toot our horn that we first -- we got our first electric fire truck ordered. And so, I think we're going to be one of the first in the country. I think LA as well ordered one. So -- and we're looking at options for our fleet, you know, using electric vehicles on that end as well. And so, as supplies get more abundant, I think the options will be there and I think price will come down, hopefully, but that's a great suggestion. Are we looking at electric vehicle fleet? So.

Councilmember Arredondo-Savage said I'd like to take it as credit, but I really can't. I got to give the credit to Mayor Gallego. Kate was the one that brought that forward through AFS, but this agenda item on our -- tonight just made me just remember that we hadn't seen anything so thank you. Thank you, Mayor Gallego. I'm not taking your credit.

Chair Heredia said thanks, Mayor. All righty. We'll work on that item as well.

5. Next Meeting

Chair Heredia said the next meeting of the Valley Metro Rail Board of Directors is scheduled for Thursday, November 18, 2021, at 11:15 a.m.

The meeting is adjourned.

With no further discussion the meeting adjourned at 12:11 p.m.

Information Summary

DATE

November 12, 2021

AGENDA ITEM 2B**SUBJECT**

Facilities Maintenance Contract Change Order

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute a contract change order with DMS Facility Services, Inc. for facility maintenance services in an amount not to exceed \$712,635 for the period January 1, 2022, to January 31, 2024.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to execute a contract change order with DMS Facility Services, Inc. for facility maintenance services in an amount not to exceed \$712,635 for the period January 1, 2022, to January 31, 2024.

BACKGROUND | DISCUSSION | CONSIDERATION

In January 2019 the Board of Directors authorized a contract award to DMS Facility Services, Inc. to provide facility maintenance services for a 5-year term for an amount not to exceed \$4,271,680. Under the terms of the contract which commenced on February 1, 2019, the contractor provides all necessary vehicles, tools, supplies, materials and other related equipment required to perform a full range of facility maintenance services related to bus and light rail, such as:

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

At the time of the contract being awarded in 2019, Valley Metro did not account for additional staffing and workload necessary to maintain facilities on an ongoing basis along an expanded alignment, including the significant expansion of the Rail Operations and Maintenance Center (OMC). This includes the expansion of the Maintenance of Equipment (MOE) and the Maintenance of Way (MOW) facilities. In addition, Valley Metro is experiencing an aging system which requires more-than-anticipated resources to maintain. Between the expanded and aging system, this increase in scope is necessary in order keep the system in a state of good repair for safety and at a high level of service reliability.



COST AND BUDGET

The cost of the change order to the facility maintenance services contract with DMS Facility Services over the remaining period of the contract is an amount not to exceed \$712,635. The cost of the change order is included in the Rail Adopted FY22 Operating and Capital Budget. Contract Obligations beyond FY22 are incorporated into the Adopted Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2022 thru FY2026).

The source of funding is from member cities.

COMMITTEE PROCESS

RTAG: October 19, 2021 for information

RMC: November 3, 2021 for action - APPROVED

Board of Directors: November 18, 2021 for action

CONTACT

Ray Abraham

Chief Operations Officer

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ATTACHMENTS

None



Information Summary

DATE

November 12, 2021

AGENDA ITEM 2C**SUBJECT**

Steel Rail Testing Services Contract Award

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute a contract with Smith-Emery Laboratories, Inc. for a total term of 5 years (3-year base contract plus one two-year renewal option) to provide steel rail testing services in an amount not to exceed \$300,000.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to execute a contract with Smith-Emery Laboratories, Inc. for a total term of 5 years (3-year base contract plus one two-year renewal option) to provide steel rail testing services in an amount not to exceed \$300,000.

BACKGROUND | DISCUSSION | CONSIDERATION

Valley Metro Rail has a combination of girder rail and T-rail that requires annual inspection and non-destructive testing for defects. The contractor will provide all labor, supervision, supplies, machinery, and services to complete the testing. Valley Metro currently has about 8 miles of T-rail and 20 miles of girder rail. Two new extensions will be added that will add 8 more miles to the light rail track. There is also a streetcar line that will be tested in 2023.

Over time, rail can develop discontinuities originating from either manufacturing defects or from in service use. These discontinuities can be disastrous if they go undetected. Annually Valley Metro's contractor will perform ultrasonic testing to preserve the integrity of the rail. It uses high frequency, directional sound waves to measure material thickness to find head and web separation, horizontal split head, fractures, bolt hole cracks in the rail that is direct fixated or embedded. The work performed will be in compliance with ISO 17025 testing standards and include measurement of track strength, and rail wear. The contractor is to provide the employees capable and trained in the operation of the contractor's testing equipment. Employees must also be Federal Railroad Administration (FRA) track safety trained. Detailed reports concerning the rail conditions are to be provided detailing the point of defect and measurements identified.

In August 2021, Valley Metro issued a Request for Proposals for this contract. Proposals were evaluated based on the following criteria: (1) Firm Qualifications & Experience, (2) Personnel Qualifications & Experience, (3) Understanding / Approach to



the Scope of Services and (4) Price. There were three firms that proposed and two of the firms were deemed non-responsive. They were deemed non-responsive due to the failure to submit a proper technical proposal in accordance with the evaluation criteria in the Request for Proposals

At the conclusion of the evaluation process, the selection committee chose the proposal from Smith-Emery Laboratories, Inc. as the offer deemed the “best value” to the agency.

COST AND BUDGET

The cost for the Rail Testing services over the 5-year contract is in an amount not to exceed \$300,000. The cost for the Rail Testing services is included in the Valley Metro Rail Adopted FY2022 Operating and Capital Budget. Contract obligations beyond FY2022 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2022 thru FY2026).

The source of funding is from member cities.

COMMITTEE PROCESS

RTAG: October 19, 2021 for information

RMC: November 3, 2021 for action - APPROVED

Board of Directors: November 18, 2021 for action

CONTACT

Ray Abraham

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ATTACHMENT

None



Information Summary

DATE

November 12, 2021

AGENDA ITEM 3**SUBJECT**

Capitol Extension – Amended Locally Preferred Alternative and Funding Agreement

PURPOSE

To request approval of the Capitol Extension (CAPEX) amended locally preferred alternative (LPA), connecting downtown Phoenix to the Arizona State Capitol, and to enter into a funding agreement with the City of Phoenix.

RECOMMENDATION

Staff recommends the Board of Directors approve the 19th Avenue option (Appendix A) as the amended LPA for the CAPEX project and authorize the Chief Executive Officer (CEO) to enter into an agreement with the City of Phoenix to fund project activities through the Final Design phase for an amount not to exceed \$45.3 million.

BACKGROUND | DISCUSSION | CONSIDERATION

In 2012, Valley Metro and the City of Phoenix approved an alignment for an 11-mile project, formerly known as the Capitol/I-10 West Extension (CAP/10). In August 2015, Phoenix voters approved the Transportation 2050 (T2050) plan which included the CAP/10 project. In 2016, Phoenix City Council and Valley Metro Rail Board of Directors approved a two-phased approach to the project. The CAPEX (Phase I) alignment will extend light rail from roughly 3rd Avenue in downtown Phoenix to the Arizona State Capitol via Washington, Adams and Jefferson streets. Phase II of the project, the I-10 West Extension (10WEST) will extend light rail from the Arizona State Capitol along I-10 to 79th Avenue.

In 2017, opportunities to refine the CAPEX project emerged due to the development of the Downtown Hub (part of the South Central Extension/Downtown Hub project) and robust downtown development. The route between downtown Phoenix and the Arizona State Capitol along Jefferson Street was reevaluated, with options presented and input solicited from the public and other stakeholders. The CAPEX amended LPA is based on results of two separate public outreach series conducted in 2020, comprehensive stakeholder engagement and technical analysis.



During the CAPEX reassessment process, Valley Metro identified and evaluated five possible alignments:

- 2012 LPA Route (double track on Jefferson Street west of 8th Avenue), *Appendix B*
- Washington Street Double-track (double-track on Washington Street west of 3rd Avenue), *Appendix C*
- Concept A (double-track on Washington Street west of 8th Avenue), *Appendix C*
- Concept B (15th Avenue Loop), *Appendix C*
- Concept C (18th Avenue Loop with 19th Avenue as an optional connection), *Appendix C*

The technical analysis revealed Concept C outperformed the other options, with 18th Avenue identified as the primary turnaround recommendation for the option. Benefits include lower potential impacts to historic and government properties, lower impacts to vehicular traffic and bus operations, higher operational efficiencies and optimal preparation for a future connection to 10WEST. Additionally, by traversing two separate streets, Concept C would serve more residential and employment centers, maximizing access for current and future users.

Concurrent with the technical evaluation, the project team pursued an extensive public engagement effort. This effort included meeting with community groups, key stakeholders and businesses along the corridor; participating in community events; and conducting a series of public meetings.

In January 2020, Valley Metro held public meetings to present four CAPEX options for review and input (2012 LPA Route and Concepts A, B and C). Respondents expressed the greatest support for Concept C as the preferred CAPEX route, with approximately 54 percent of the 183 surveys received favoring this option over the others.

Based on input received from the January 2020 public meetings and a subsequent May/June online meeting, key stakeholder coordination and technical analysis, Valley Metro recommended advancing Concept C as an amended alignment to the 2012 recommendation to Phoenix City Council in October 2020. However, the Arizona Department of Public Safety (DPS) expressed concerns with the 18th Avenue option, resulting in additional reevaluation of the CAPEX LPA.

Since November 2020, the project team held meetings with representatives from DPS, the Arizona Department of Administration, Arizona Governor's Office and staff from the State Senate and House of Representatives to further examine the 18th Avenue segment of Concept C. In response to these discussions, Concept C was amended to remove 18th Avenue from consideration. The project team conducted preliminary exploratory analysis and conceptual design to conclude 19th Avenue (*Appendix A*) as the preferred north/south location of the loop portion of the LPA.



COST AND BUDGET

To complete the design and environmental assessment phases, Phoenix and Valley Metro will enter into an agreement for Phoenix to fund up to \$45.3 million. On November 3, 2021, Phoenix City Council approved the revised LPA and granted the city manager authority to enter into this funding agreement. Specific project elements that will be addressed as the design advances include guideway design, station locations, street configuration and turnaround tracks, among other project components. Design will not proceed beyond 15%-level designs until both Phoenix and Valley Metro approves the project delivery method.

When the project proceeds to the construction phase, Valley Metro and City of Phoenix will need to enter into a separate funding agreement to advance the project.

COMMITTEE PROCESS

RTAG: October 19, 2021 for information

RMC: November 3, 2021 for action - APPROVED

Board of Directors: November 18, 2021 for action

CONTACT

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ATTACHMENT

APPENDIX A: Amended CAPEX LPA (Concept C, 19th Avenue Option) Map

APPENDIX B: 2012 LPA Route Map

APPENXIX C: Maps of Other Evaluated Route Options

APPENDIX A

Amended CAPEX LPA (Concept C, 19th Avenue Option)



LEGEND

 Valley Metro Rail	 South Central Extension/Downtown Hub	 Capitol Extension	 I-10 West Extension
 Existing Station	 South Central Station	 Station Area	 South Central Special Use Platform

APPENDIX B

2012 LPA Route (double track on Jefferson Street west of 8th Avenue)



LEGEND

- Valley Metro Rail
- ■ ■ Capitol/I-10 West Phase I
- Potential Station
- ■ ■ 19th Ave Design Option
- Existing Station
- ■ ■ Capitol/I-10 West Phase II
- South Central Stations

APPENDIX C: Maps of Other Evaluated Route Options

Washington Street Double-track (double-track on Washington St west of 3rd Ave)



Concept A (double-track on Washington Street west of 8th Avenue)



Concept C (18th Avenue Loop with 19th Avenue option)



Capitol Extension (CAPEX) Revised Alignment Recommendation

November 2021



1

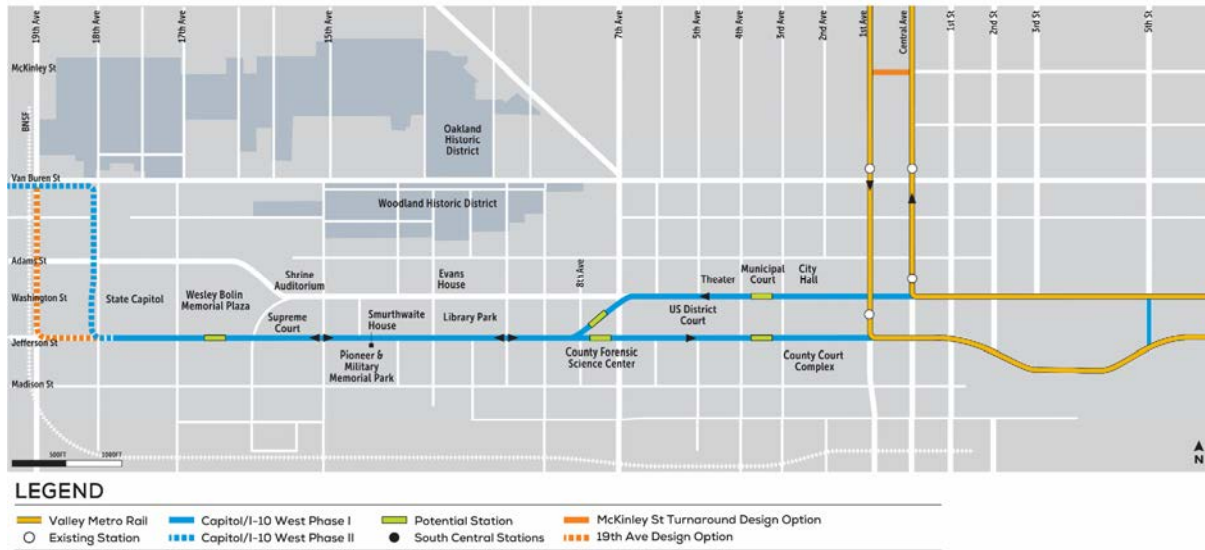
Currently Adopted Regional High-capacity Transit



2

2

2012 Approved Route



3

3

Project Activity



- Phoenix City Council directed Valley Metro and Phoenix staff in April 2019 to revisit the 2012 Approved Route for the Capitol Extension and re-engage the community through public outreach
- In response, the project team completed the following:
 - Technical Alignment Analysis (2019 to 2020)
 - Public Outreach (2020)
 - State Coordination (2021)

4

4

Alignment Analysis



5

2012 Approved Route – Phase I



6

6

Washington Street Double-track



PROS: higher projected ridership and operational efficiency
CONS: significant right of way and mobility impacts along Washington St.

7

7

Concept A

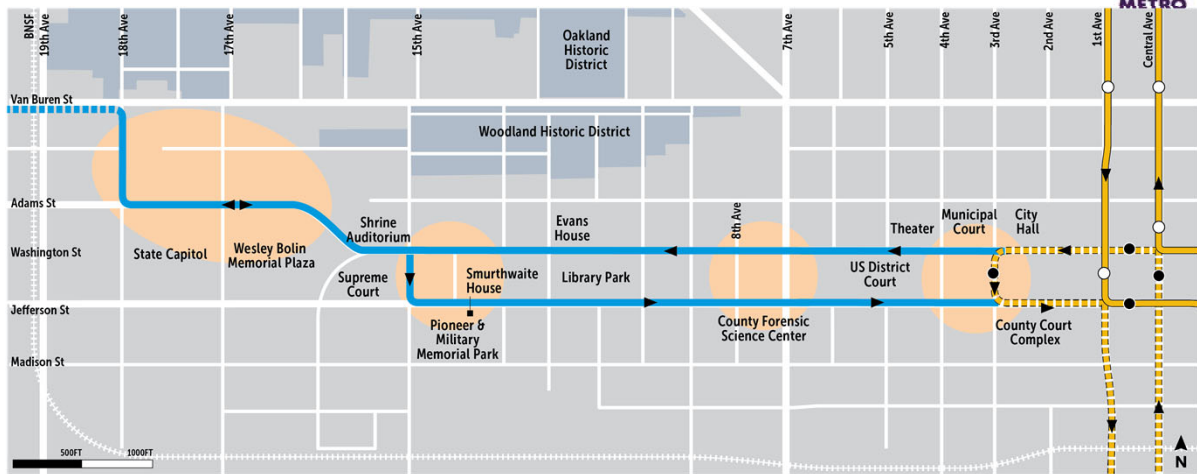


PROS: higher projected ridership and operational efficiency
CONS: significant right of way and mobility impacts west of 7th Ave.

8

8

Concept B



PROS: economic development potential and reduced mobility impacts

CONS: significant right of way and mobility impacts west of 15th Ave.

9

9

Concept C



PROS: economic development potential, operational efficiency, higher projected ridership and reduced impacts to mobility and right of way

10

10

Public Outreach Summary



11

Public Outreach Strategy



12

12

Public and Stakeholder Outreach



- Two technical workshops with various city of Phoenix departments (2019)
- 40+ stakeholder meetings including pertinent state agencies (since September 2019)
- Two public outreach meeting series (January and May/June 2020)

13

13

Public and Stakeholder Outreach



- **January 2020 Public Meetings:**
 - Three In-person events
 - Project history and current status
 - Alignment options
- **May/June 2020 Public Meetings:**
 - Online and virtual: May 27 through June 30
 - Project history and current status
 - Leading alignment alternative



14

14

May/June 2020 Public Meeting Participation



PARTICIPATION

The online public meeting had **1,355** unique page views.



40

people attended the live, call-in sessions on June 16, 2020.

17

people attended the live, call-in sessions on June 20, 2020.

15

15

May/June 2020 Public Meeting Feedback



FEEDBACK RECEIVED

334 people provided feedback.



Total feedback received at the live, call-in sessions on June 16, 2020:

15

Total feedback received at the live, call-in sessions on June 20, 2020:

16

Total feedback received through direct communication with community outreach staff:

3

Total feedback received at the online public meeting between May 27 and June 30, 2020:

300

16

16

Recommended Alignment



17

Leading Alternative – Concept C

Concept C outperformed the other alternatives evaluated in the technical analysis, which included the following criteria:

- Transit Ridership
- Economic Development
- Right of Way
- Historical and Cultural Resources
- Operational Efficiency
- Mobility
- Community Response



How do you feel about the Leading Alternative route option?

183 people responded.



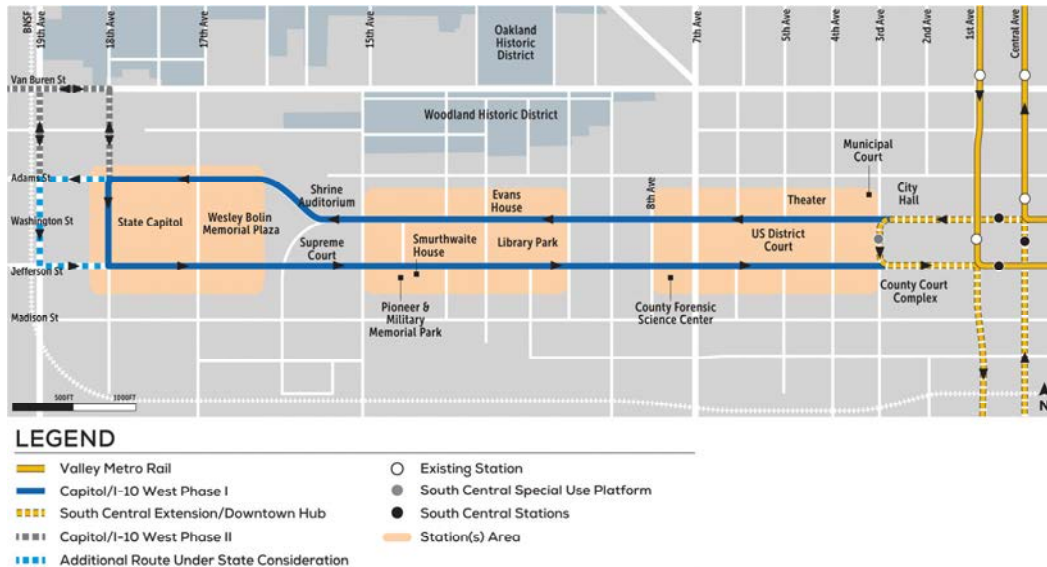
67%

of respondents feel positive about the leading alternative route option, 19% feel neutral and 14% feel negative.

18

18

Previously Recommended Alignment (2020)



19

19

State Coordination

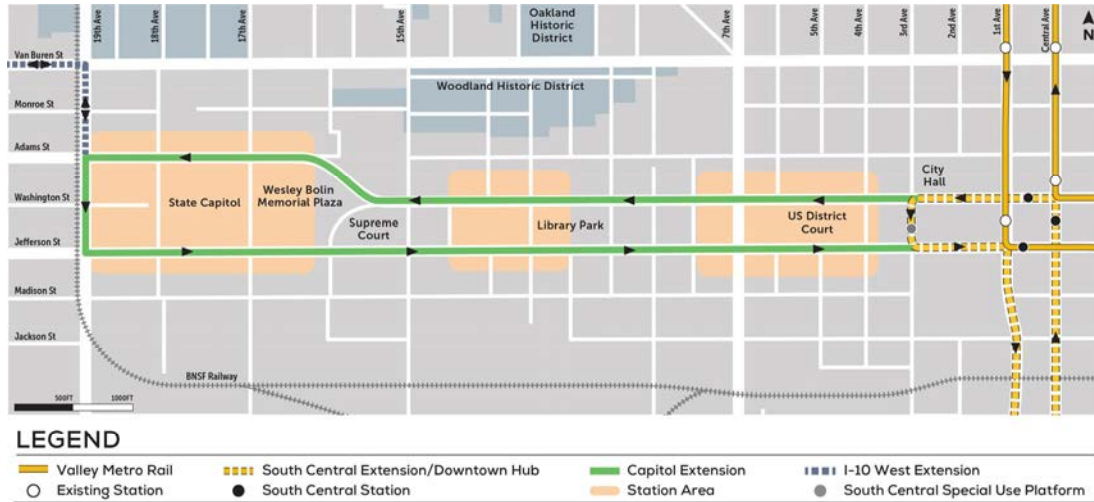


- **Project team met with representatives from the State:**
 - Department of Public Safety (DPS)
 - Arizona Department of Administration (ADOA)
 - Governor's Office
 - Staff from the State Senate and House of Representatives
- **Conducted analysis and conceptual design to conclude 19th Avenue as the preferred loop option**
- **Coordination included 19th Ave stakeholders**

20

20

Recommended Alignment (Concept C, 19th Ave Option)



21

21

Next Steps



- Enter into Funding Agreement with City of Phoenix
- Advance Preliminary Engineering (PE) and Environmental Assessment (EA) process
- Continue Transit-oriented Development (TOD) planning coordination
- Continue community and stakeholder outreach

22

22

Recommendation



Staff recommends the Board of Directors approval of Concept C, 19th Ave Option as the amended LPA for the CAPEX project and authorize the CEO to enter into an agreement with the City of Phoenix to fund project activities through the Final Design phase for an amount not to exceed \$45.3 million.

23

Information Summary

DATE

November 12, 2021

AGENDA ITEM 4**SUBJECT**

Report on Current Events and Suggested Future Agenda Items

PURPOSE

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

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION

None

COMMITTEE ACTION

None

CONTACT

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ATTACHMENT

None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date