

VTA's BART Silicon Valley Phase II Extension

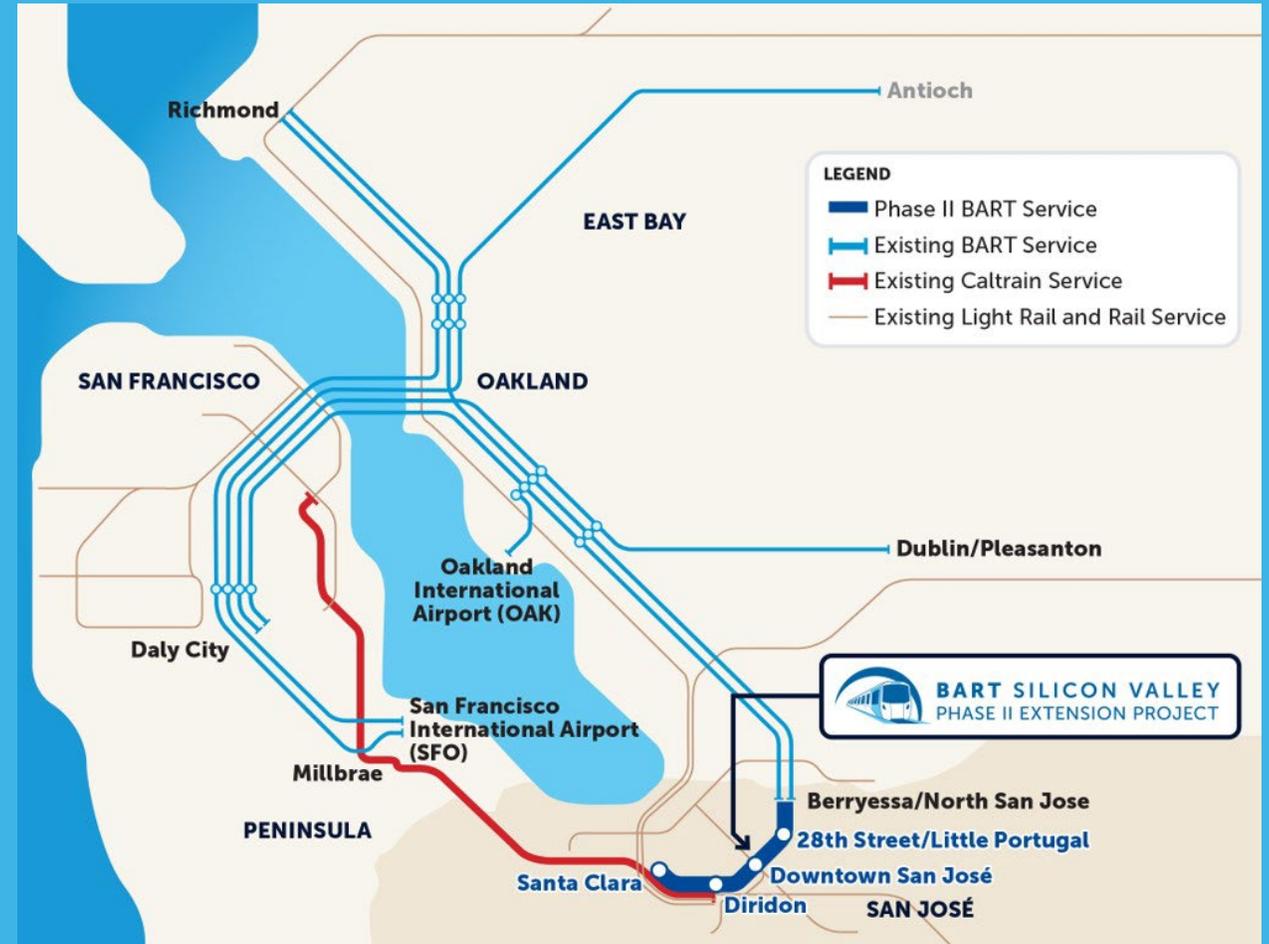


Joint VTA/BART Working Committee
March 6, 2026



Agenda

1. Project Update
2. Design Progress
3. Construction Status
4. Risk Management Overview



Recap of 2025

- ✓ **Winter 2025** Level 2 Cost Savings
- ✓ **Spring 2025** Start of TBM Launch Structure Construction
- ✓ **Summer 2025** Level 3 Tunnel Task Force Evaluation
- ✓ **August/September 2025** Independent Peer Review
- ✓ **October 2025** Project Configuration Approval (53' TBM for entire alignment)
- ✓ **Fall 2025** Ramping up for design advancement, contract packaging, and FFGA application planning

Current Efforts Underway

- Ongoing stakeholder engagement & community outreach
- West Portal/TBM Launch Structure construction
- Evaluating additional early work construction opportunities
- Advancing design towards 60% in coordination with BART
- Reviewing contract packaging and delivery approaches
- Updating baseline cost, schedule and risk
- Preparing for FFGA readiness document

Design Progress

Coordination Focus = No Surprises

- Bi-weekly status meetings with VTA and BART technical leads
 - Project status, upcoming items, issues for resolution
 - Review active, potential Requests for Variance (RFVs) to Design Criteria Manual (DCM)
- One-on-One meetings with key personnel to solidify team
- Focused Technical Working Groups on specific issues
- Design review process being finalized

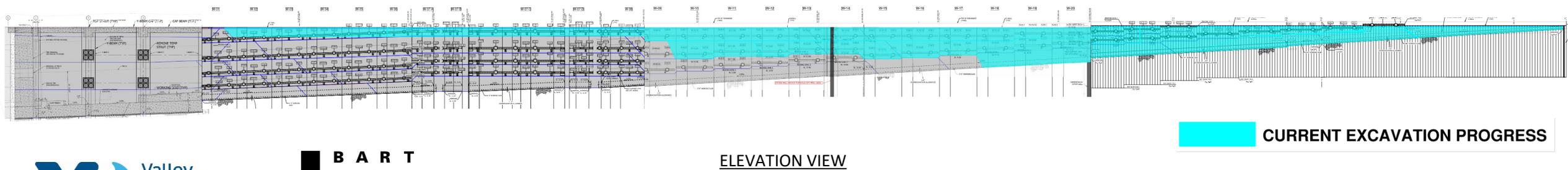
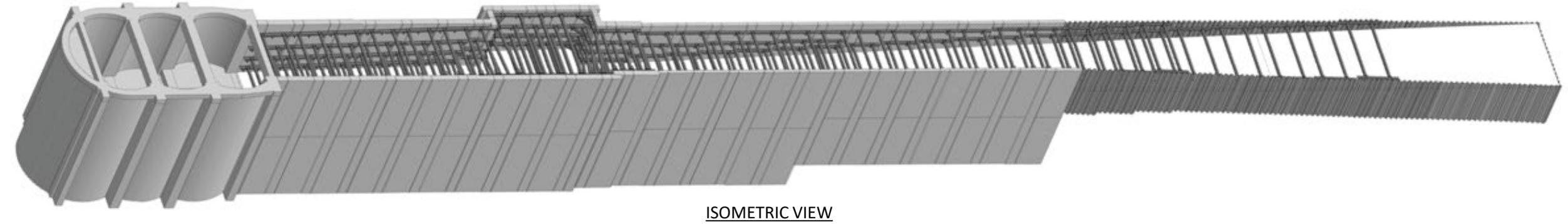
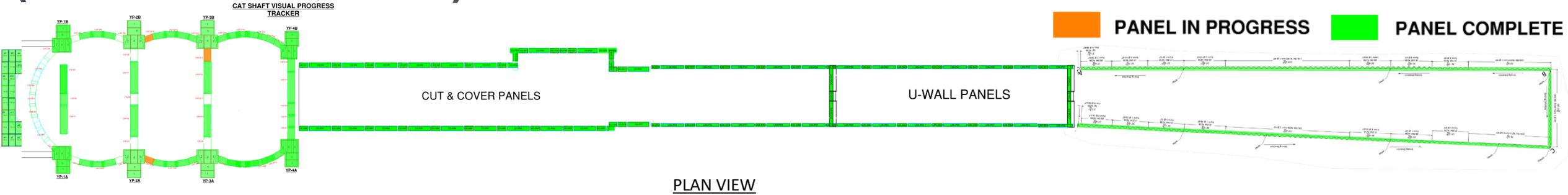
Design Timeline

2026 Timeline	Milestone
Q1/Q2	<ul style="list-style-type: none">• VTA's General Engineering Consultant (GEC) developing Interim Design Submittal (nominal 60% level)• Coordination with CP2/tunnel design• Over-the-Shoulder meetings with BART Subject Matter Experts• Ongoing site visits to understand existing operations/facilities
Q3/Q4	<ul style="list-style-type: none">• BART formal review of Interim Design Submittal (July 2026)• Comment Resolution• Launch 85% Design development effort

Design Next Steps

- Upcoming Notable Efforts & Areas of Focus:
 - Details of internal structure for tunnel (drainage, systems)
 - Co-create (BART and VTA) Newhall Yard Optimization Plan
 - Emergency Ventilation System
 - Communication Based Train Control

TBM Launch Structure Progress Visual Tracker (as of Feb 25, 2026)



TBM Launch Structure (EWP 3C): Cost & Schedule Reporting as of January 31, 2026

Original Budget (A)	Current Budget (B)	Approved Scope Change (B-A)	Trends¹ (D)	Current Budget + Trends (Worst Case) (B+D)
\$398.083	\$409.965	\$11.882	\$14.385	\$424.350 (+3.5%)

Notes:

- Cost in \$Millions ; Current Budget incorporates executed Change Orders including confinement walls.

Source: Bechtel – BSVII Construction Management Services (CMS) Team

¹ Trends include Change Orders currently under discussion including ones related to delayed execution related to UPRR Mitigation and Reimbursement Agreement

Contract Milestone	KST Baseline	May 2025 Update KST Forecast	January 2026 Update KST Forecast
Substantial Completion of Launch Structure	31-Mar-27	02-Jun-27	11-May-27
Baseline vs. Forecast Variance		-63	-41

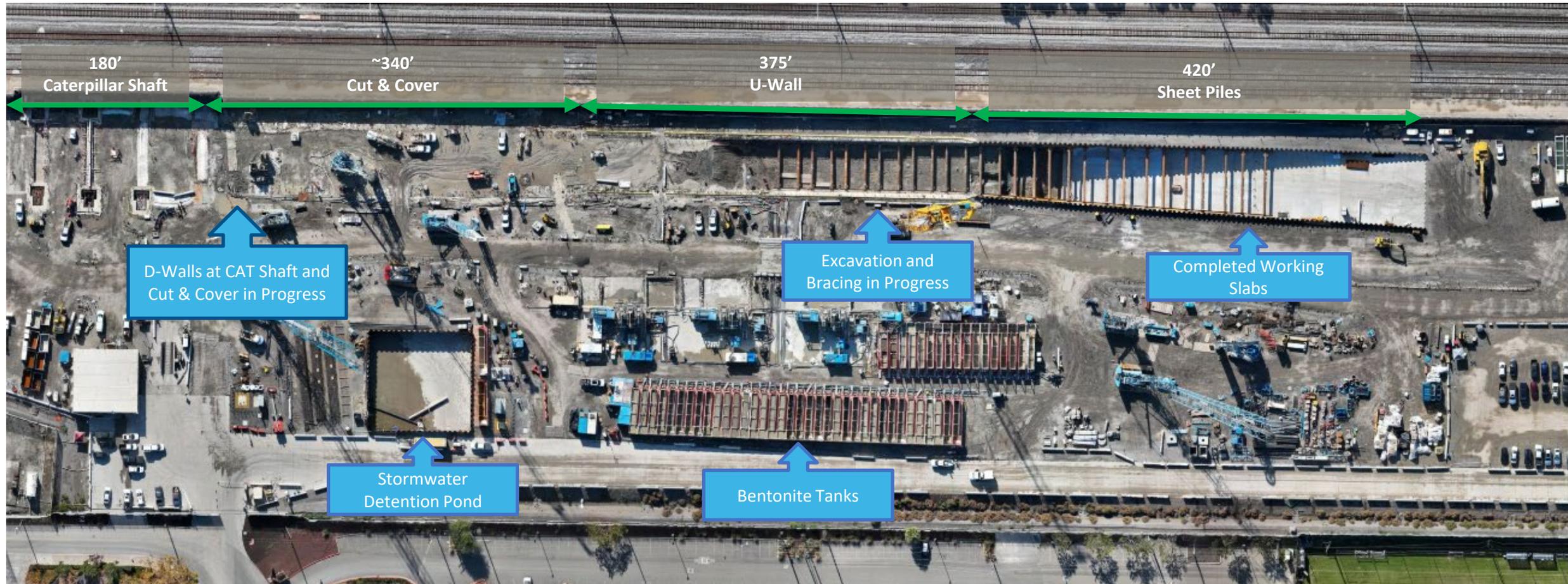
Notes:

- EW3C Substantial Completion includes Contractor owned contingency (85 days)

Source: Bechtel – BSVII Construction Management Services (CMS) Team

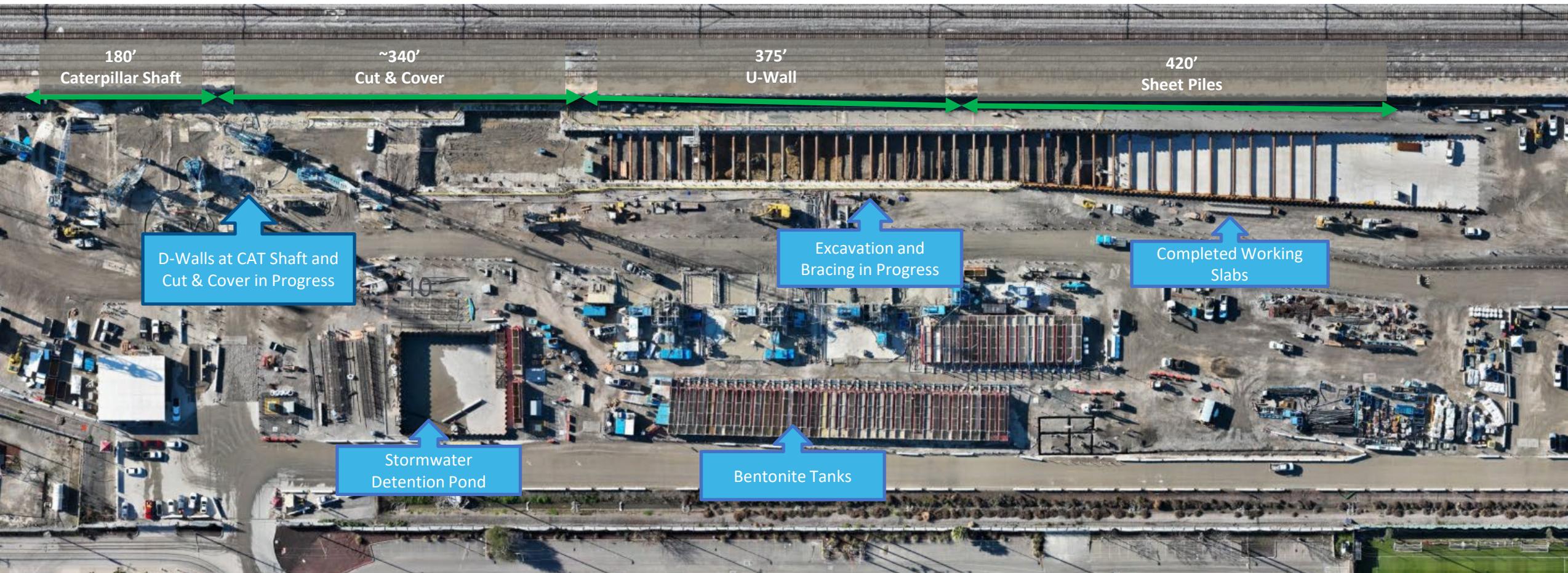
- Initial delays (-63 days) caused due to UPRR Mitigation and Reimbursement Agreement has been mitigated by 22 days (to -41 days) and is under further mitigation discussions.

Aerial View of Tunnel Launch Structure



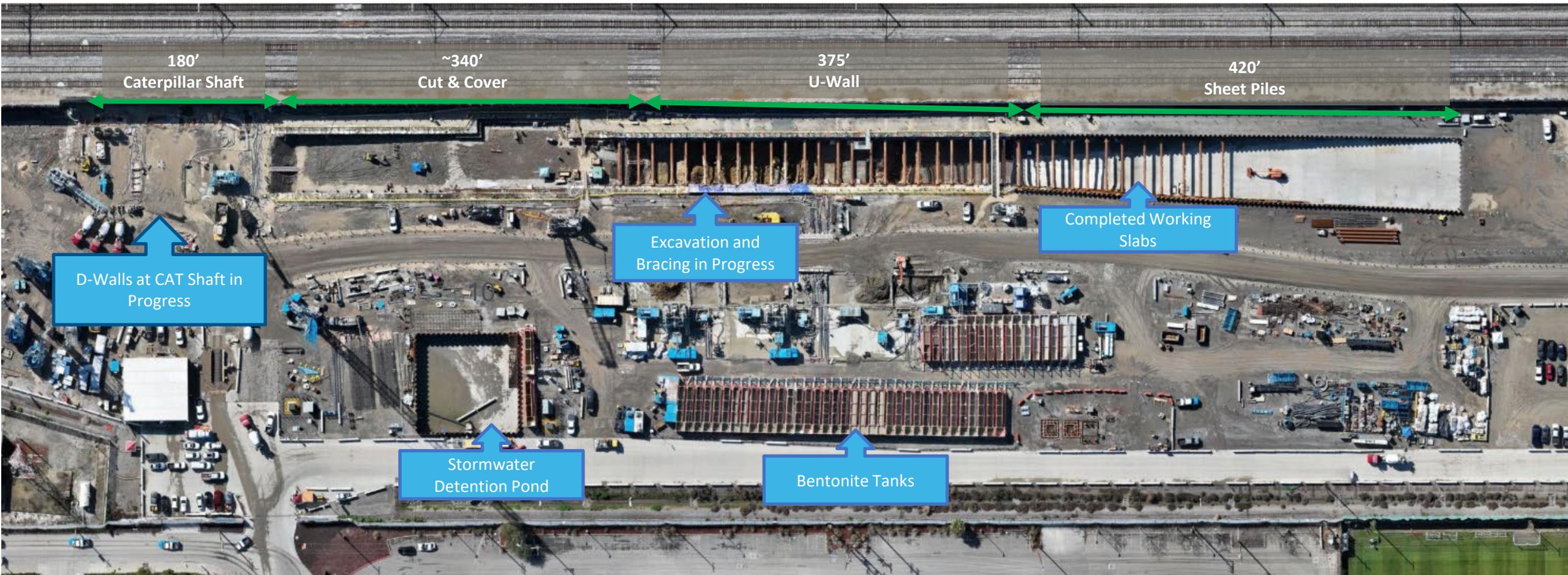
As of: November 24, 2025

Aerial View of Tunnel Launch Structure



As of: January 15, 2026

Aerial View of Tunnel Launch Structure



As of: February 12, 2026

Construction Progress



West Portal Launch Structure Bracing

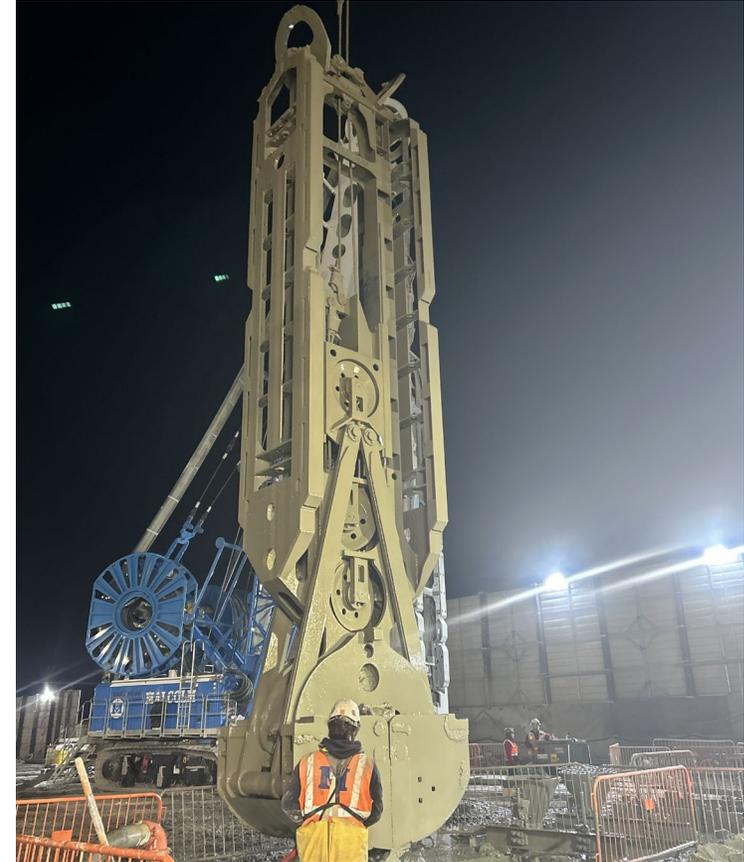


West Portal Launch Structure
Excavation

Construction Progress

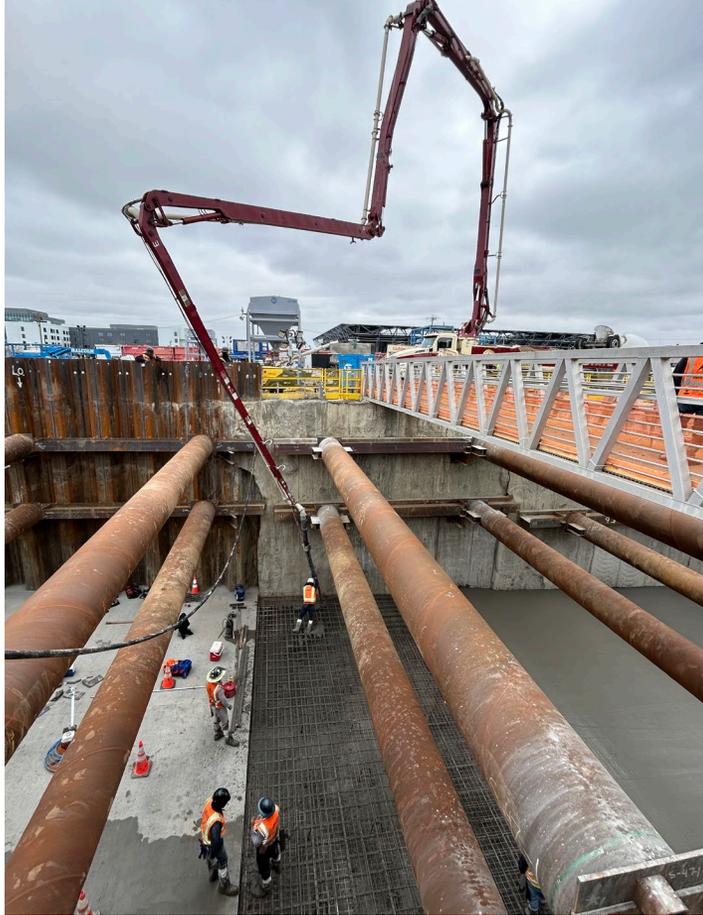


Excavation Utilizing Hydromill Equipment

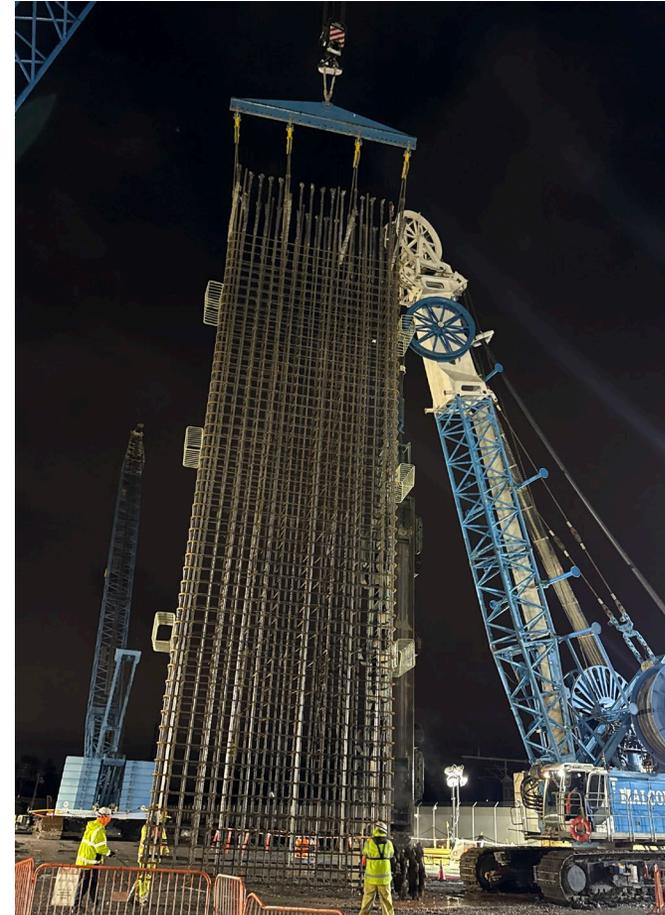


Crosswall Excavation for Caterpillar Shaft Utilizing Mechanical Grab

Construction Progress



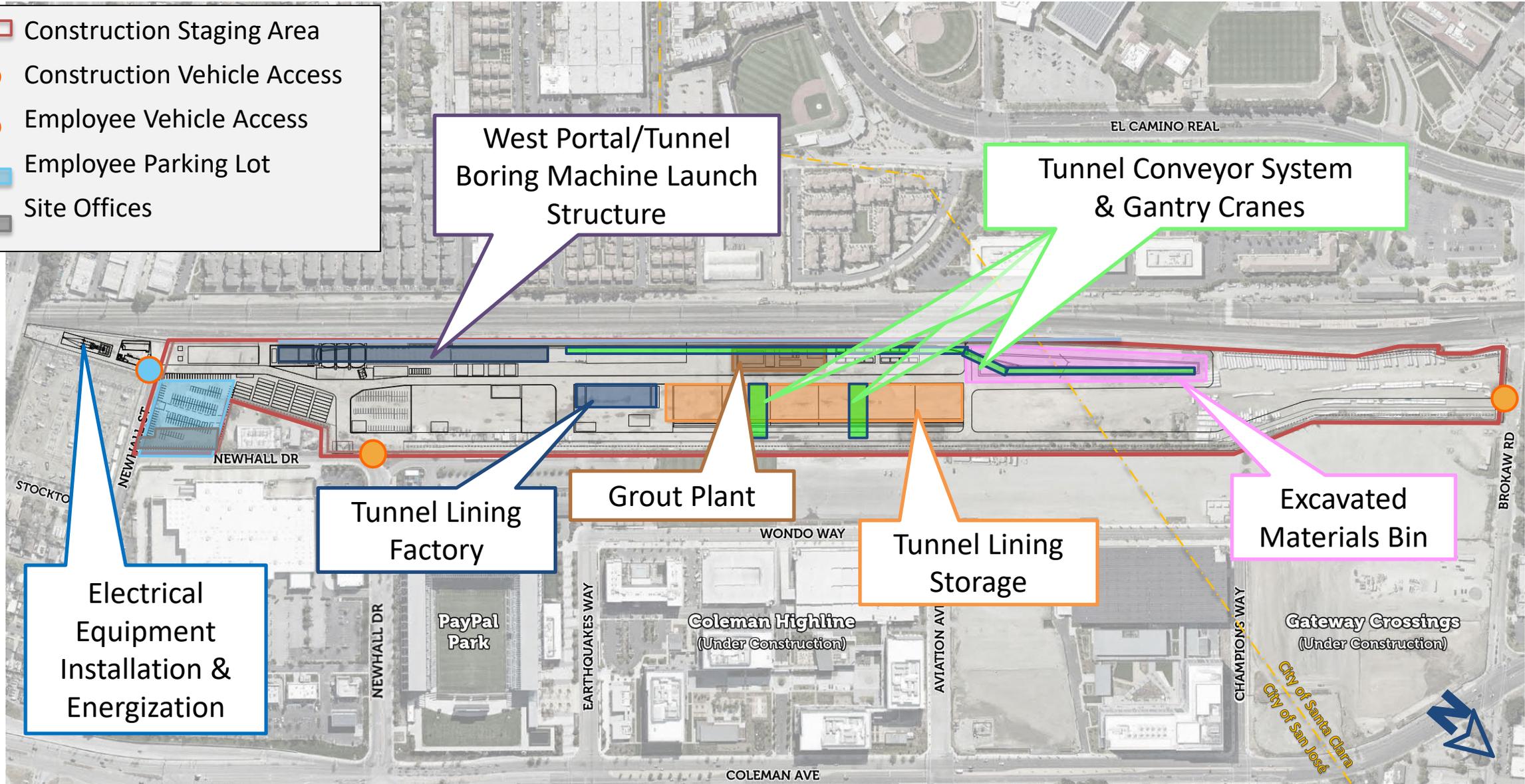
Concrete Working Slab Pour



Caterpillar Shaft Crosswall Rebar Cage Lifting

Elements to be Constructed Before Tunneling Begins

- Construction Staging Area
- Construction Vehicle Access
- Employee Vehicle Access
- Employee Parking Lot
- Site Offices



Risk Assessment of Critical Activities

Predecessor Activities to TBM Launch	Risk to Advance*	Beneficial to Advance Now
PCTL Storage Foundations	●	●
Long Lead Procurement for Tunneling	●	●
PCTL Plant Set Up	●	●
PCTL Initial Casting	●	●
Electrical Equipment Installation and Energization	●	●
Preconstruction Survey, Instrumentation & Monitoring	●	●
Property Protection	●	●
TBM Plant Installation and Testing	●	●
TBM Shaft Prep & Assembly	●	●

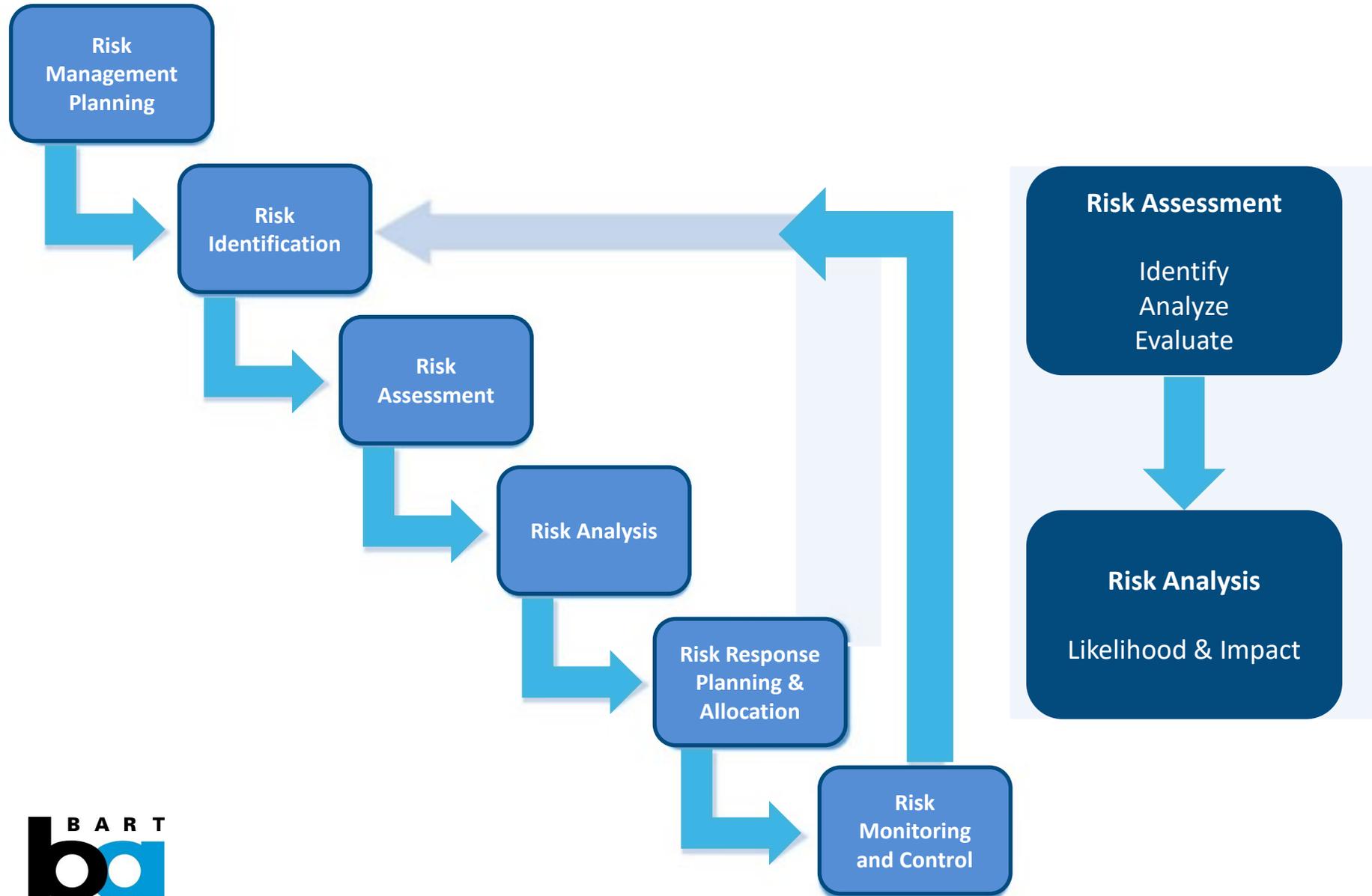
← Low Risk Activities with High Schedule Benefit

Legend:

- Low Risk/High Benefit
- Medium Risk/Benefit
- High Risk/Low Benefit

* Indicates risk associated with having someone other than the tunnel contractor perform these activities

Risk Management Process



Risk Analysis

- Ongoing risk reviews conducted for project including identification of potential mitigations and opportunities
- Key risks, including feedback from Peer Review, being tracked and monitored on “Watchlist”
- Risk register being updated to incorporate cost saving design, revised contract packaging approach, etc.

Risk Analysis Legend

Severity	Probability Range	Cost Range	Schedule Range	Level
High	> 75%	> 20 M	> 4 months	3
Medium	50% - 75%	10 M - 20 M	2 - 4 months	2
Low	< 50%	< 10 M	< 2 month	1
None	0%	0	0	0

Highest Current Construction/Design Risks

Identified Risk	Probability	Potential Cost Risk	Potential Schedule Risk	Overall Risk
Increased liability to VTA with an owner-furnished TBM	●	●	●	●
Potential lack of competition with new tunnel procurement/ increased cost	●	●	●	●
Delays with tunnel procurement affect Program's critical path	●	●	●	●
Changes in tunnel design ownership and management increases design interface complexity	●	●	●	●
TBM advance rate assumptions not being met	●	●	●	●
Truck traffic volume for disposal of muck from the tunnel higher than assumed	●	●	●	●
Unanticipated damage to historic buildings and other structures due to vibration and/or settlement	●	●	●	●

- Sources of identified Risks include: PMT, PMOC, BSVII Oversight Committee Subject Matter Expert Gall Zeidler, Independent Peer Review

Legend:

- Low Risk
- Medium Risk
- High Risk

Risk Mitigation

Identified Risk	Proposed Mitigation
Increased liability to VTA with an owner-furnished TBM	VTA to coordinate with Herrenknecht regarding performance guarantees and engage as needed during tunneling operations.
Potential lack of competition with new tunnel procurement	Conduct robust industry outreach, evaluate alternative contract models , and refine risk allocation before procurement.
Delays with tunnel procurement affect Program's critical path	Authorize additional early work packages for KST to protect schedule.
Changes in tunnel design ownership and management increases design interface complexity	Ensure contract documents clearly allocate design coordination responsibilities to avoid gaps or overlaps. Increase VTA design management staffing.
TBM advance rate assumptions not being met	Use milestone-based or productivity incentives for TBM performance rather than punitive liquidated damages.
Truck traffic volume for disposal of muck from the tunnel higher than assumed	Secure multiple contractors and hauling options to avoid single-point failures.
Unanticipated damage to historic buildings and other structures due to vibration and/or settlement	Consider shared risk pools specifically for building damage and third-party impacts to reduce claims escalation.

Highest Current Commercial Risks

Identified Risk	Probability	Potential Cost Risk	Potential Schedule Risk	Overall Risk
Unclear construction interfaces, handover milestones due to revised contract packaging	●	●	●	●
General construction labor shortage / higher labor premiums	●	●	●	●
Revised cost estimates higher than rough-order-of-magnitude projections	●	●	●	●
External policies such as Tariffs, Buy America requirements, impact on cost	●	●	●	●
FFGA execution delays affect Program's Critical Path	●	●	●	●
VTA financial capacity / funding plan to finance potential future project cost increases	●	●	●	●

- Sources of identified Risks include: PMT, PMOC, BSVII Oversight Committee Subject Matter Expert Gall Zeidler, Independent Peer Review

Legend:

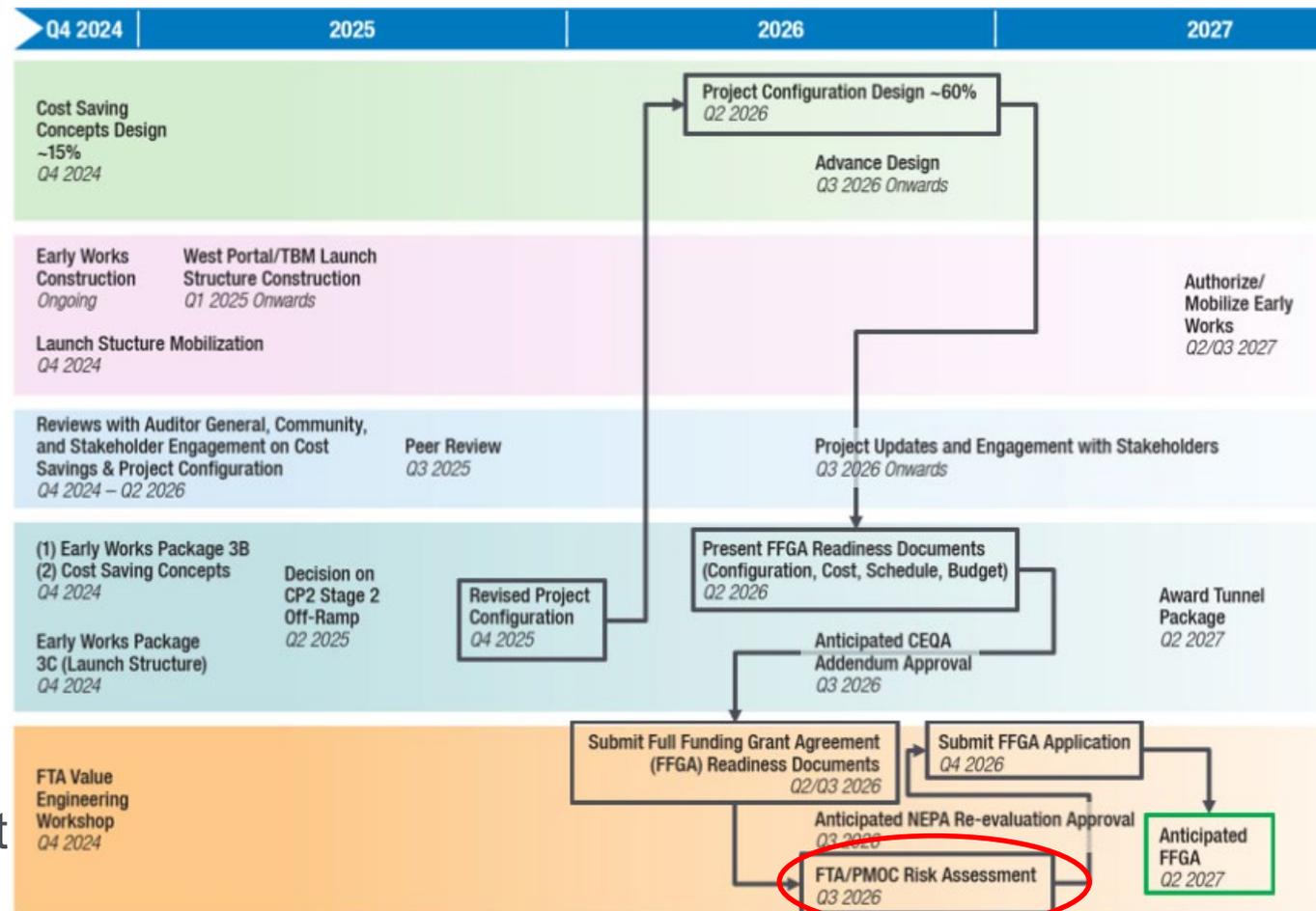
- Low Risk
- Medium Risk
- High Risk

Risk Mitigation

Identified Risk	Proposed Mitigation
Unclear construction interfaces, handover milestones due to revised contract packaging	Define clear, enforceable handover milestones between lead and follow-on contractors in each contract.
General construction labor shortage / higher labor premiums	Use risk-sharing mechanisms to reduce contractors' need to price worst-case labor escalation into bids.
Revised cost estimates higher than rough-order-of-magnitude projections	Re-baseline effort underway project cost estimate to reflect current market conditions to assess any potential impacts.
External policies such as Tariffs, Buy America requirements, impact on cost	Early procurement of long-lead items to reduce cost.
FFGA execution delays affect Program's Critical Path	Explore options to use non-federal funds sooner .
VTA financial capacity / funding plan to finance potential future project cost increases	Continue to explore funding options .

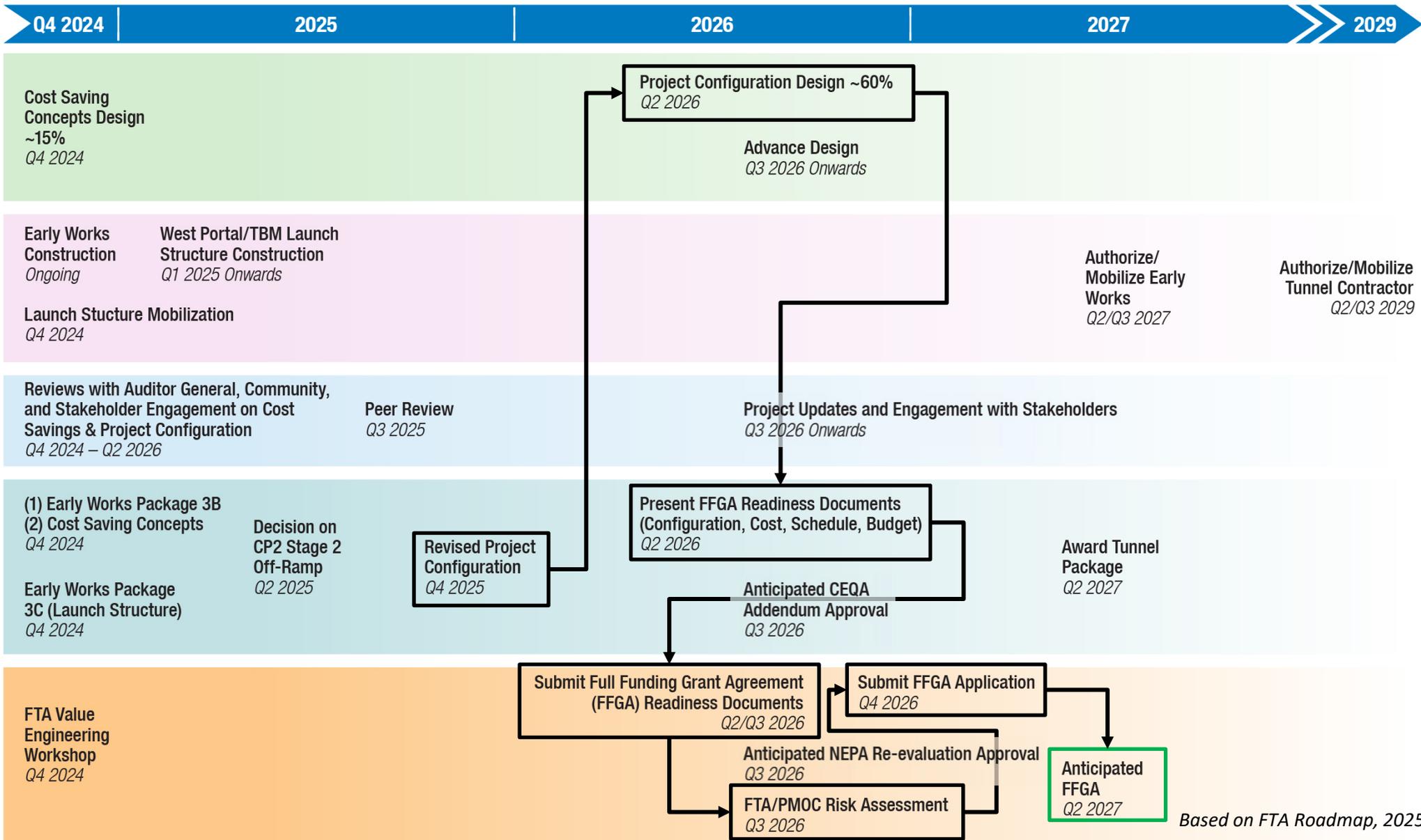
Ongoing & Upcoming Risk Management Efforts

- Continue Risk Reviews with FTA/PMOC
- Implement risk mitigation recommendations from Peer Review
- Re-baselining for FFGA readiness document submission including:
 - Updating schedule and cost estimates
 - Reviewing and updating allocated contingency
 - Conducting a bottom-up risk assessment and Monte Carlo analysis to determine unallocated contingency



Based on Federal Transit Administration Roadmap, 2025. Subject to Change

Path to FTA Full Funding Grant Agreement (FFGA)



Based on FTA Roadmap, 2025. Subject to Change

Questions?