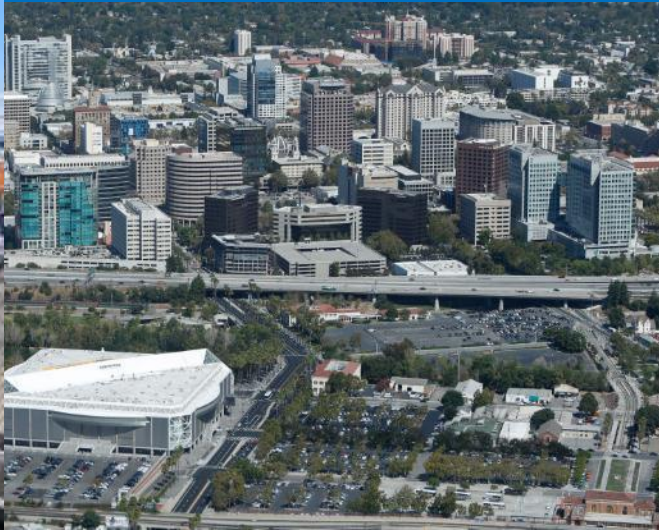




# Silicon Valley BART Extension: Operations & Maintenance Agreement Update



Board of Directors Meeting  
November 21, 2019



# History:

## BART/VT A Comprehensive Agreement

- Executed in November 2001.
- A partnership approach toward extending BART service to Santa Clara County.
- BART District counties, state and federal legislators advocated to ensure that Santa Clara County provided a “fair and equitable” contribution to cover all Extension construction and operations and maintenance (“O&M”) costs and mitigation of impacts to the core system and capital costs.
- Santa Clara voters approved 1/8 cent sales tax to fund Extension O&M costs in November 2008.



# Roles and Responsibilities Overview

Facility/Equipment	Owns	Operates & Maintains	Safety & Security
Transit Centers (Plazas, Parking, Intermodal areas)	VTA	VTA	VTA
Access Roads	VTA	VTA	VTA
Station Buildings	↑	↑	↑
Operating Corridor			
Wayside Support Facilities	VTA	BART	BART
Revenue Vehicles	↓	↓	↓
Police Zone Facility			
Track Equipment	BART	BART	BART
Operating Software & Licenses	BART	BART	BART
Spare Parts	BART/VTA	BART/VTA	BART/VTA



# O&M Agreement Table of Contents

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- V. Ongoing O&M and Capital Costs and Funding**
- VI. Administrative Issues
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- VIII. Insurance
- IX. Liability, Indemnification, Claims Handling
- X. Default
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- XII. Implementation Letters and Administrative Amendments
- XIII. Miscellaneous Provisions



# I. Overview and General Agreements

- Supersedes the O&M and Ongoing Costs/Revenues sections of the Comprehensive Agreement and O&M provisions in other agreements.
- Comprehensive Agreement remains in effect for all non-O&M matters.
- The Parties will work cooperatively as partners and neither has the relationship of contractor to the other.
- Each Party will have full decision-making authority over its separate O&M activities using its own standards, practices, policies and procedures.
- Stations and Revenue Vehicles will be operated and maintained with an identity consistent with the fact that this is a BART extension.
- VTA will have full financial responsibility for the SVRT Extension including a share of Core System capital costs.



## II. Operations Responsibilities

- Each Party will be responsible for controlling the use and access of its respective Area of Control
- The Parties will coordinate on BART's development of service schedules.
- Procedures are in place to avoid impacts to safety and operations.
- Each Party will be responsible for emergency response, security and policing within its Area of Control.



## II. Maintenance Responsibilities

- Each Party will provide ongoing maintenance of the their respective Area of Control.
  - Limited exceptions
- Each Party will have sole authority to make decisions relating to its maintenance, repair and/or replacement responsibilities.
- Each Party to follow its own standards, practices, policies and procedures.



### III. Right of Way Acquisitions/ Conveyances

- VTA to convey real property rights to BART in various forms prior to start of revenue service.
- After start of revenue service, VTA will be responsible for acquiring additional rights if needed by BART.
- Each Party will be responsible for controlling the use and access of its respective Area of Control.
- Upon Termination of O&M Agreement, BART to quitclaim real property rights to VTA.





## V. Ongoing Operating and Capital Funding

- The extension is to be cost-neutral to BART; VTA bears all costs attributable to the operation of the extension.
- VTA must provide dedicated, stable, ongoing funding for BART's costs.
- BART will have direct access to funds, with accountability for spending.
- Fare Revenues + Measure B Funds initially
  - **Trustee:** Holds Measure B funds
  - **Subsidy:** BART can draw upon for budgeted costs
  - **Reserve:** BART can draw upon for non-budgeted costs
  - **Residual:** Measure B Funds Remaining after Subsidy and Reserve.



## V. Ongoing Operating and Capital Funding

- **Subsidy Payment** – VTA will pay BART in advance a monthly Subsidy payment in an amount equal to 1/12 of the current annual aggregate Subsidy Amount for that year.
- **Annual Reconciliation** – Budgeted amounts reconciled annually to reflect actual capital and O&M costs.
- **Reassessment** – After 5 years of Revenue Service on Segment I either Party can seek reassessment and adjustment of Section V (including subsections, related to operating costs, fare revenue allocations, and capital contributions).



# Top Cost Items – Resolved

1. **Process for Payment and Allocation of Revenues** – VTA controls Residual with BART participation when it reaches 1X the value of the Subsidy; VTA also provides BART in advance funds equal to one year of the Subsidy.
2. **Large Capital Investment Projects** – First year of revenue service VTA share of Large Core System Corridor projects is 8%. Future years' share determined by updated ridership forecasts.
3. **Termination for Convenience** – Parties to conduct an analysis of the impacts to inform the terms related to separation of the systems.
4. **Definition of Core System** – eBART/OAC excluded from VTA fare allocation and capital responsibility; participation in future non-heavy rail modes to be determined when contemplated.
5. **Annual Capital Financial Plan** – BART prepares project descriptions in consultation with VTA; BART/VTA jointly develop the Extension funding plan.



# Agreement Finalization Activities

BART transmittal to VTA of a completed “package deal” draft agreement with all substantive terms addressed (11/4/19)	Complete
Resolution of the top 5 Costs/Funding Issues	Complete
VTA full response to BART’s 11/4/19 draft O&M Agreement	Underway
VTA Board authorization for the VTA General Manager to execute the O&M Agreement	Complete
Sales Tax Trust Agreement (BART + VTA + Trustee)*	Underway
Amendment to TDA Pledge and Assignment Agreement*	Underway
Technical proofing by BART/VTA staff	Underway
Final drafting, proofing, clean-up by BART/VTA Counsel	Underway
BART Board authorization for the BART General Manager to execute the O&M Agreement	Anticipated 12/5/2019

\*To be executed concurrently with the O&M Agreement



# O&M Agreement

QUESTIONS?