

Supervisor **John Pedrozo**, Chair, Merced County
 Supervisor **Henry Perea**, Vice-Chair, Fresno County
 Councilmember **Don Tatzin**, Vice-Chair, City of Lafayette
 Councilmember **Patrick Hume**, City of Elk Grove
 Supervisor **Vito Chiesa**, Stanislaus County
 Supervisor **Scott Haggerty**, Alameda County
 Supervisor **Allen Ishida**, Tulare County
 Councilmember **Bob Johnson**, City of Lodi
 Supervisor **Doug Verboon**, Kings County
 Supervisor **David Rogers**, Madera County



San Joaquin Joint Powers Authority

AGENDA

January 29, 2016 – 1:00 PM

Stanislaus County Board of Supervisors Chambers
 1010 10th Street, Modesto, CA

Alternate **Rodrigo Espinoza**, City of Livingston
 Alternate **Nathan Magsig**, City of Clovis
 Alternate **Federal Glover**, Contra Costa County
 Alternate **Don Nottoli**, Sacramento County
 Alternate **Richard O'Brien**, City of Riverbank
 Alternate **Tom Blalock**, BART
 Alternate **Bob Link**, City of Visalia
 Alternate **Mike Maciel**, City of Tracy
 Alternate **Russ Curry**, City of Hanford
 Alternate **Andrew Madellin**, City of Madera

This Agenda shall be made available upon request in alternative formats to persons with a disability, as required by the Americans with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (California Government Code § 54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting should contact San Joaquin Regional Rail Commission staff, at 209-944-6220, during regular business hours, at least twenty-four hours prior to the time of the meeting.

All proceedings before the Authority are conducted in English. Any writings or documents provided to a majority of the Authority regarding any item on this agenda will be made available for public inspection at the offices of the San Joaquin Regional Rail Commission located at 949 E. Channel Street, Stockton, California, 95202 during normal business hours or by calling (209) 944-6220. The Agenda and meeting materials are also available on the San Joaquin Regional Rail Commission Website: <http://www.acerail.com/Home/AboutUs/SJIPA.aspx>,

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|-----|--|------------------|--------------------|
| 1 | Call to Order, Pledge of Allegiance, Roll Call | Chair Pedrozo | |
| 2 | Consent Calendar | Chair Pedrozo | |
| 2.1 | Approve Minutes from November 20, 2015 Board Meeting | | ACTION |
| 2.2 | Approve Next Board Meeting Location and Time | | ACTION |
| 2.3 | SJIPA Operating Expense Report | | INFORMATION |
| 3 | Public Comment | Chair Pedrozo | ACTION |
| | Persons wishing to address the Authority on any item of interest to the public regarding SJIPA and the San Joaquin Rail Service shall state their names and addresses and make their presentation. Please limit presentations to three minutes. The Authority cannot take action on matters not on the agenda unless the action is authorized by Section 54954.2 of the Government Code. | | |
| 4 | Approve a Resolution of the Governing Board of the San Joaquin Joint Powers Authority (SJIPA), Authorizing the Chair to Execute the 2015-16 San Joaquin Intercity Passenger Rail Service Operating Agreement With Amtrak | Stacey Mortensen | ACTION |

MEMBER AGENCIES

Alameda County - Contra Costa County Transportation Authority - Fresno Council of Governments - Kings County Association of Governments - Madera County Transportation Commission
 Merced County Association of Governments - Sacramento Regional Transit - San Joaquin Regional Rail Commission - Stanislaus Council of Governments - Tulare County Association of Governments

5	Approve a Mid-Day and Early Morning Full Corridor Schedule and Authorize and Direct the Executive Director to Work with the Chair in Determining the Preferred Schedule and to Negotiate Staffing with Amtrak for the 7th Daily Roundtrip Train and Execute any and All Agreements Associated with the Implementation of the 7th Daily San Joaquin Service Roundtrip	Brian Schmidt	ACTION
6	Approve Agreement 16-J-18-00 of the San Joaquin Joint Powers Authority Authorizing a Five-Month Agreement for Advertising Services to ProProse, LLC dba Sagent for an Amount Not-To-Exceed \$465,500 from February 1, 2016 – June 30, 2016, and Authorizing and Directing the Executive Director to Execute the Agreement.	Dan Leavitt	ACTION
7	Approve Agreement 16-J-22-00 of the San Joaquin Joint Powers Authority Authorizing a Two-Year and Five-Month Agreement for Marketing and Outreach Services in the Bay Area Region to Circlepoint for an Amount Not-To-Exceed \$355,500 from February 1, 2016 – June 30, 2018, and Authorizing and Directing the Executive Director to Execute the Agreement.	Dan Leavitt	ACTION
8	Approve Agreement 16-J-23-00 of the San Joaquin Joint Powers Authority Authorizing a Two-Year and Five-Month Agreement for Marketing and Outreach Services in the Sacramento and Northern California Region to KP Public Affairs, LLC for an Amount Not-To-Exceed \$294,000 from February 1, 2016 – June 30, 2018, and Authorizing and Directing the Executive Director to Execute the Agreement.	Dan Leavitt	ACTION
9	Approve Agreement 16-J-24-00 of the San Joaquin Joint Powers Authority Authorizing a Two-Year and Five-Month Agreement for Marketing and Outreach Services in the Northern San Joaquin Valley Region to California Strategic Solutions, Inc. for an Amount Not-To-Exceed \$355,500 from February 1, 2016 – June 30, 2018, and Authorizing and Directing the Executive Director to Execute the Agreement.	Dan Leavitt	ACTION
10	Approve Agreement 16-J-25-00 of the San Joaquin Joint Powers Authority Authorizing a Two-Year and Five-Month Agreement for Marketing and Outreach Services in the Central San Joaquin Valley Region to America Hispanic Consulting Group, Inc. for an Amount Not-To-Exceed \$355,500 from February 1, 2016 – June 30, 2018, and Authorizing and Directing the Executive Director to Execute the Agreement.	Dan Leavitt	ACTION

11	Approve Agreement 16-J-26-00 of the San Joaquin Joint Powers Authority Authorizing a Two-Year and Five-Month Agreement for Marketing and Outreach Services in the Kings and Tulare Counties Region to Southwest Strategies for an Amount Not-To-Exceed \$151,500 from February 1, 2016 – June 30, 2018, and Authorizing and Directing the Executive Director to Execute the Agreement.	Dan Leavitt	ACTION
12	Approve Agreement 16-J-27-00 of the San Joaquin Joint Powers Authority Authorizing a Two-Year and Five-Month Agreement for Marketing and Outreach Services in the Kern County Region to Providence Strategic Consulting, Inc. for an Amount Not-To-Exceed \$151,500 from February 1, 2016 – June 30, 2018, and Authorizing and Directing the Executive Director to Execute the Agreement.	Dan Leavitt	ACTION
13	San Joaquin Valley Rail Committee Update	Daniel Krause	INFORMATION
14	Potential Transit and Intercity Passenger Rail Capital Program SJJPA Applications for April 2016	Dan Leavitt	INFORMATION
15	San Joaquin Operations Update	Brian Schmidt	INFORMATION
16	Administrative Matters	Stacey Mortensen	INFORMATION
17	Board Member Comments	Chair Pedrozo	INFORMATION
18	Adjournment	Chair Pedrozo	

SAN JOAQUIN JOINT POWERS AUTHORITY

January 29, 2016

STAFF REPORT

Item 2.1

ACTION

November 20, 2015 SJJPA Board Meeting Minutes

The regular meeting of the San Joaquin Joint Powers Authority (SJJPA) was held at 12:30pm, November 20, 2015 at the San Joaquin Council of Governments Board Room in Stockton.

1. Call to Order, Pledge of Allegiance, Roll Call, Oath of Office

John Pedrozo, Chairperson of the San Joaquin Joint Powers Authority (SJJPA), called the meeting to order at 12:30 pm and led the Pledge of Allegiance.

Board Members Present: Chairperson Pedrozo, Vice Chair Perea, Vice Chair Tatzin, Johnson, Hume, Chiesa, Rogers, Verboon, Ishida, and Blalock.

2. Consent Calendar

2.1 Approve Minutes from September 18, 2015 Board Meeting **ACTION**

2.2 Discuss and Approve Format for Future Board Meeting Minutes

2.3 Approve 2016 SJJPA Board Meeting Calendar

2.4 Approve Next SJJPA Board Meeting Location and Time

2.5 Approve that the Finance and Audit Subcommittee reviewed the Accounting Manual, Procurement Manual, and Investment Policy and concur with these being used for SJJPA with the understanding that once the Amtrak agreement is signed adjustments may be needed based on contract requirements.

ACTION

ACTION

ACTION

ACTION

M/S/C (Tatzin/Perea) to approve Items 2.1, 2.2, 2.3, 2.4 and 2.5. Passed and Adopted by the San Joaquin Joint Powers Authority on November 20, 2015, by the following vote to wit:

Ayes: 10 Chairperson Pedrozo, Vice Chair Perea, Vice Chair Tatzin, Johnson, Chiesa, Ishida, Hume, Rogers, Verboon, and Blalock.

Noes: 0

Abstain: 0

Absent: 0

3. Public Comment

Mike Barnbaum with Ride 916 let the Board know about the annual Steel Wheels conference coming up in Los Angeles which focuses on the long-distance Amtrak services.

Nate Knodt with San Joaquin RTD said that it is shocking the more people don't support the national Amtrak system and that all forms of transportation in the US are subsidized. He said that there is lots of demand for these services.

There were no additional public comments.

4. Approve a Resolution of the Governing Board of the San Joaquin Joint Powers Authority (SJJPA), Authorizing the Chair to Execute the 2015-16 San Joaquin Intercity Passenger Rail Service Operations Contract with Amtrak

Executive Director Stacey Mortensen provided a status of the 2015-16 San Joaquin Intercity Passenger Rail Service Operations Contract with Amtrak. Ms. Mortensen said that they are getting close to having an agreement, but that she still did not have numbers that she would feel comfortable giving the Board. She said that in the coming weeks she expected that there would be a contract that she could bring before the Board.

Vice Chair Perea said that it was important that Amtrak understand that we are willing to pay our fair share for the service, but that this should be thought of like a competitive bid.

Chair Pedrozo noted that this is an action item, and Vice Chair Tatzin asked if the recommendation was to approve the resolution.

SJJPA Legal Counsel, Dan Schroeder read that the resolution states that the SJJPA authorizes a special meeting via conference call prior to the January 2016 SJJPA Board Meeting to authorize the Chair to sign the 2015-16 San Joaquin Intercity Passenger Rail Service Operating Agreement and to negotiate any final changes to the 2015-16 San Joaquin Intercity Passenger Rail Service Operating Agreement proposed by Amtrak subject to concurrence of Counsel.

The SJJPA Board Members had a lengthy discussion regarding whether to approve the resolution as it is written, or to directly give the Chair the authority to sign the Operating Agreement. The Board Members agreed to approve the resolution as written because of the importance of the item and that they wanted to have a unanimous decision.

M/S/C (Tatzin/Perea) to approve Item 4 Resolution. Passed and Adopted by the San Joaquin Joint Powers Authority on November 20, 2015, by the following vote to wit:

Ayes: 10 Chairperson Pedrozo, Vice Chair Perea, Vice Chair Tatzin,
Johnson, Chiesa, Ishida, Hume, Rogers, Verboon, and Blalock.

Noes: 0

Abstain: 0

Absent: 0

5. Approve the Elimination of the Finance and Audit Subcommittee, and assign Board Members to the Executive Director's Ad Hoc Working Group ACTION

Stacey Mortensen made a presentation on the Elimination of the Finance and Audit Subcommittee, and assigning Board Members to the Executive Director's Ad Hoc Working Group. The content of Ms. Mortensen's presentation is included under Item 5 in the Board Briefing Materials available on the SJJPA's webpage.

Vice Chair Tatzin noted that the Finance and Audit Subcommittee did unanimously approve this item to be brought to the Board for action.

M/S/C (Tatzin/Blalock) to approve the elimination of the Finance and Audit Subcommittee, and assign Board Members to the Executive Director's Ad Hoc Working Group. Passed and Adopted by the San Joaquin Joint Powers Authority on November 20, 2015, by the following vote to wit:

Ayes: 10 Chairperson Pedrozo, Vice Chair Perea, Vice Chair Tatzin,
Johnson, Chiesa, Ishida, Hume, Rogers, Verboon, and Blalock.

Noes: 0

Abstain: 0

Absent: 0

6. Approval of SJJPA Marketing and Outreach Plan ACTION

Dan Leavitt, Manager of Regional Initiatives made a presentation regarding the approval of the SJJPA Marketing and Outreach Plan. The content of Mr. Leavitt's presentation is summarized under Item 7 in the Board Briefing Materials and Mr. Leavitt's powerpoint slides for this agenda item.

Vice Chair Perea asked if the Graphics Contract work would be centralized and done for the entire San Joaquin Corridor to support the work of the various grassroots consultants. Mr. Leavitt responded that it would.

Regarding the SJJPA webpage, Member Johnson asked if the ACErail website could have a link to the SJJPA website once it is moved from the ACErail website. Mr. Leavitt responded that this would be done.

Member Blalock, asked if the grassroots marketing leads would be presenting to the SJJPA Board and SJVRC once they are working for the SJJPA. Mr. Leavitt responded that they absolutely would be making such presentations.

Member Ishida noted that they don't have a major media center. He asked why they didn't combine Kings and Tulare counties with Fresno. Mr. Leavitt said that staff had thought about that, but that their idea is to have people who already know the community well doing the grassroots meetings, presentations, and events in the communities. He said that their thinking was that if they combined Kings and Tulare with Fresno, it was likely that the team would be Fresno based and they might not have representatives with people or experience in Kings and Tulare counties. He said the hope would be to get a firm who is part of the community that knows both counties well. However, Mr. Leavitt said that they could combine Kings/Tulare with Fresno if that is what the Board thought was best.

Member Verboon, noted it made sense to get local representatives to do community based outreach, but that the main media and advertising firms were in Fresno. If they are going for community representatives then he was fine with the staff recommendation.

Ms. Mortensen noted that the community outreach would be done locally but media and advertising for the smaller communities would need to be packaged with the larger media centers.

Member Rogers asked if the marketing would include doing advertising on the sides of buses. Mr. Leavitt responded that examples of the type of grassroots outreach they would be doing were having a booth at the Hanford farmers market or doing presentations to groups like the local chambers of commerce.

Mr. Leavitt asked for their approval of the SJJPA Marketing and Outreach Plan.

Vice Chair Perea thanked Mr. Leavitt and staff for their efforts and listening to concerns raised by the Board, he said he thought this would work very well.

Vice Chair Tatzin also thanked Mr. Leavitt. He asked that on page two of the scope of work for the Outreach and Marketing that the language be changed to state that the contact database would be done in a format specified by SJJPA staff. Mr. Leavitt said "absolutely", and noted that was a very good change.

Chair Pedrozo wanted to highlight the importance of the Operation Lifesaver program and making sure that this is an important part of the SJJPA's outreach program. He also noted the importance of reaching out to non-English speaking residents, and not just to Spanish speaking residents, and promoting the 7th daily round trip and how important it is to get that new service running to get more ridership.

Member Ishida noted that the Amtrak California website is much better for helping passengers understand the San Joaquin service than the current Amtrak.com website. Mr. Leavitt said that as soon as they could, staff would come to the Board with details about their new webpage. He said that staff has already been working with Amtrak and the new San Joaquin page would have a lot of the content and look and feel of the existing Amtrak California website, he said it will be very similar, but that it will be focused on the San Joaquin service and it will have more information than the current Amtrak California site.

Vice Chair Perea asked about when the 7th daily round trip would be deployed and Mr. Leavitt responded that Mr. Schmidt would be talking about that as part of a later item on the agenda.

Mike Barnbaum spoke that he had provided staff with recent Sacramento RT timetables. He said that the Capitol Corridor had paid for advertisement in the Sacramento RT timetables and it helps advertise their service. He suggested that SJJPA do the same with future Sacramento RT timetables. He said that the SJJPA has obtained the SJJPA @SanJoaquinTrain domain. He also said that currently the Capitol Corridor has a lot more followers and that he hoped the San Joaquins would be able to increase use of Twitter and social media. He thought that the big Picnic Day at UC Davis would be a good place to promote the San Joaquin service. He noted that the Capitol Corridor targets universities and colleges in their marketing campaigns.

Mr. Leavitt said that outreach to college students would be an important part of SJJPA outreach efforts and that there would be a special page on the Amtrak website for college students.

M/S/C (Verboon/Hume) to approve SJJPA Marketing and Outreach Plan. Passed and Adopted by the San Joaquin Joint Powers Authority on November 20, 2015, by the following vote to wit:

Ayes: 10 Chairperson Pedrozo, Vice Chair Perea, Vice Chair Tatzin, Johnson, Chiesa, Ishida, Hume, Rogers, Verboon, and Blalock.

Noes: 0

Abstain: 0

Absent: 0

7. Approval of New San Joaquin Valley Rail Committee Members ACTION

Mr. Leavitt, made a presentation regarding the approval of new members for the San Joaquin Valley Rail Committee. The content of Mr. Leavitt's presentation is summarized under Item 7 in the Board Briefing Materials and Mr. Leavitt's powerpoint slides for this agenda item. These are available on the SJJPA webpage.

Mr. Leavitt asked the Board to approve the following recommendations submitted for new San Joaquin Valley Rail Committee Members and Alternates:

- Yelda Bartlett, Alameda County Member
- Tim Sbranti, Alameda County Member
- Vincent Rover, Contra Costa County Member
- Ana Medina, Fresno County Member
- Austin Hall, Fresno County Alternate
- Jerome Jackson, Madera County Member
- Chris DaSilva, Madera County Member
- Yolanda Shepard, Madera County Alternate
- Robin Adam, Merced County Member
- Julio Valdez, Merced County Member
- Steve Cohn, Sacramento County Member
- Mike Costa, Sacramento County Member
- Matt Carpenter, Sacramento County Alternate
- David Ripperda, San Joaquin County Alternate
- Elizabeth Claes, Stanislaus County Alternate
- Bill Whitlatch, Tulare County Member
- Walter Stammer Jr., Tulare County Alternate
- Samuel Daly, San Francisco County Member

Chair Pedrozo asked for a motion.

M/S/C (Hume/Ishida) to approve the recommended San Joaquin Valley Rail Committee Members and Alternates. Passed and Adopted by the San Joaquin Joint Powers Authority on November 20, 2015, by the following vote to wit:

Ayes: 10 Chairperson Pedrozo, Vice Chair Perea, Vice Chair Tatzin, Johnson, Chiesa, Ishida, Hume, Rogers, Verboon, and Blalock.

Noes: 0

Abstain: 0

Absent: 0

8. Approval for Oakley to be Studied as a Potential New San Joaquin Station in the 2016 SJJPA Business Plan

ACTION

Mr. Leavitt, made a presentation regarding the approval of Oakley to be studied as a potential new San Joaquin Station in the 2016 SJJPA Business Plan. The content of Mr. Leavitt's presentation is summarized under Item 8 in the Board Briefing Materials and Mr. Leavitt's powerpoint slides for this agenda item. These are available on the SJJPA webpage.

Mr. Leavitt asked that the Board approval to study Oakley as a potential new San Joaquin Valley station, and that it be identified as a potential new station in the 2016 SJJPA Business Plan.

M/S/C (Tatzin/Blalock) to approve for Oakley to be studied as a potential new San Joaquin Valley station and be identified as a potential new station in the 2016 SJJPA Business Plan. Passed and Adopted by the San Joaquin Joint Powers Authority on November 20, 2015, by the following vote to wit:

Ayes: 10 Chairperson Pedrozo, Vice Chair Perea, Vice Chair Tatzin,
 Johnson, Chiesa, Ishida, Hume, Rogers, Verboon, and Blalock.

Noes: 0
Abstain: 0
Absent: 0

9. California Intercity Passenger Rail Leadership Coalition Update

Mr. Leavitt provided an update regarding the work of the California Intercity Passenger Rail Leadership Coalition. Mr. Leavitt focused on the Leadership Coalition's support for increasing the ongoing percentage of Cap & Trade funding for the Transit and Intercity Capital Program (TIRCP). The content of Mr. Leavitt's presentation is summarized in the Board Briefing Materials, and Mr. Leavitt's powerpoint slides for this agenda item (available on the website).

Ms. Mortensen briefed the Board about discussions underway at the federal level to raise the insurance liability caps for rail services (which is currently at \$200 million). She noted that ACE and SJJPA have written letters noting the financial implications that this would have on rail operators throughout the US.

10. San Joaquin Operations Update

Brian Schmidt, Director of Operations made a presentation regarding San Joaquin Operations. Please see Mr. Schmidt's powerpoint slides for more information (available on the SJJPA webpage).

Member Chiesa asked if the first option Mr. Schmidt presented for the 7th daily round trip would be considered feasible if they could not resolve the equipment problem. Mr. Schmidt responded that it would not be feasible without resolving that issue.

Mr. Schmidt noted that BNSF has been doing a great job to get on-time performance to improve and that the monthly coordination meetings are really helping. He said on-time performance is up to 86% for the last month and that staff expects this to remain at a high level.

Vice Chair Perea said it is disappointing to learn about the delay in positive train control being implemented. He said his fear is that it will continue to be delayed, he wanted to note his desire to keep pressure on the host railroads to get this done. Ms. Mortensen said that something the SJJPA can do is focus on what can be done to improve safety and that there are a number of safety issues PTC won't improve and so SJJPA should be pushing PTC but also working to improve safety in other areas such as at-grade crossings and public awareness (like Operation Lifesaver).

Vice Chair Perea asked how much of the San Joaquin delays are from freight railroad interference and how much are from other factors. Mr. Schmidt noted that the biggest issue for delays are passenger incidents (which can delay the service for hours) and San Joaquin equipment issues. He noted that both of these are areas the SJJPA can work on to improve. Vice Chair Perea asked for staff to provide a breakdown for the SJJPA for incidents so they could see what the various reasons for delay are and how much delay is being created by various categories. Mr. Schmidt said that staff would provide this information. Vice Chair Perea noted that in Spain they really put a lot of emphasis on on-time performance and that they will even refund passenger tickets if the trains are late. Vice Chair Perea asked about how we can improve the reliability of the San Joaquin equipment. Mr. Schmidt said that SJJPA staff are now providing oversight of the maintenance being done on the San Joaquin service. Vice Chair Perea asked about a new maintenance facility in the San Joaquin Valley. Mr. Schmidt said that they are just looking at having light maintenance done in the San Joaquin Valley as part of a layover facility if they have a mid-corridor start in the San Joaquin Valley. As the frequency of the San Joaquin service increases then they would need to start to look at the possibility of having a new maintenance facility in the San Joaquin Valley. Ms. Mortensen said that to help eliminate delays we were going to have to look closely on how the San Joaquin trains going in opposite directions on largely single-track rail lines meets and where those locations are in order to help avoid delays coming from San Joaquin operations and make sure the capital improvements being done help alleviate these issues.

Mike Barnbaum asked a number of questions regarding the deployment of the 7th daily round trip (reslotting existing services, thruway bus connections included, Amtrak call center).

11. Administrative Matters or Announcements

Ms. Mortensen made a presentation regarding administrative matters and correspondence. Please see the briefing materials for Item 11 for more information on the SJJPA webpage.

Member Balock asked about a quiet zone through Merced, he noted that Sunol is deploying wayside horns. He suggested Supervisor Haggerty's office could provide some information that might be helpful for Merced. Mr. Schmidt noted that the problem

is that Merced has small blocks, requiring trains to blow their horns frequently through downtown Merced.

12. Board Member Comments

There were no additional comments from the Board.

Member Ishida noted that Mr. Leavitt and he attended a meeting on November 3 on the upcoming State Rail Plan. He said that they seem to be focusing on passenger rail and connection to HSR, but he thought they would also get to freight rail as well. He asked Mr. Leavitt about the schedule. Mr. Leavitt said much of the work to do the draft would be done over the course of the next year but wasn't due for a couple of years.

Member Blalock asked if the San Joaquin trains could carry freight. Ms. Mortensen said that Amtrak does have the ability to carry freight and that staff would coordinate with Amtrak to consider this.

Chair Pedrozo said he asks others regarding how staff treats passengers, and if the trains are clean and on-time. He said that he heard from a County employee that this person's son was coming back to Chico and was treated rudely by the Amtrak staff. Chair Pedrozo also said he said he heard another passenger complain that the day that there was very severe weather conditions (a tornado warning) a San Joaquin train stopped but that passengers weren't notified why the train stopped.

Ms. Mortensen said that Capitol Corridor passengers get GovDelivery reports to passengers, and that staff would be looking into partnering with the Capitol Corridor to get alerts to passengers.

13. Adjournment

Chairman Pedrozo adjourned meeting.

SAN JOAQUIN JOINT POWERS AUTHORITY

January 29, 2016

STAFF REPORT

Item 2.2

ACTION

Approve next SJJPA Board Meeting Location and Start Time

Background:

Staff proposes Sacramento (Historic City Hall) at 1:30 pm for the March 25, 2016 SJJPA Board Meeting.

The meeting time is coordinated with the San Joaquin schedules.

Fiscal Impact:

There is no fiscal impact.

Recommendation:

Approve Next SJJPA Board Meeting Location/Time.

SAN JOAQUIN JOINT POWERS AUTHORITY

January 29, 2016

STAFF REPORT

Item 2.3

INFORMATION

SJJPA Operating Expense Report

Please see the attached SJJPA Operating Expense Report for the 5 months (July 1, 2015 – November 30, 2015).

San Joaquin Joint Powers Authority
Operating Expense Report
For The Five Months Ended November 30, 2015
42% of Budget Year Elapsed

OPERATING EXPENSES	SJPA FY 15-16 ALLOCATION	EXPENSE TO DATE
Project Management, Services & Supplies		
Salaries/Benefits/Contract Help	1,278,549	389,393
Office Expense Postage	5,125	5,152
Subscriptions/Periodicals/Memberships	3,690	-
Office Equipment Lease/Furniture	13,885	-
Computer Systems	10,000	-
Communications	6,379	-
Motor Pool	9,611	2,738
Transportation/Travel	30,000	3,580
Training	2,500	382
Audits Regulatory Reporting	15,000	-
Professional Services Legislative	75,000	-
Professional Services Legal	50,000	9,893
Professional Services General	10,255	4,196
Publications/Legal Notices	5,258	-
Indirect Overhead Applied	-	51,981
Project Management, Services & Supplies Subtotal	1,515,252	467,314
Contracted Services		
Maintenance of Headquarters Structures/Grounds	19,009	-
Insurance	2,700,000	19,388
Insurance Management Fees	5,000	-
Security Services/Safety Program	25,000	-
Strategic Development & Communication	1,000,000	17,083
Professional Services Operations	50,000	2,728
Communications, Operations	20,000	84
San Joaquin Intercity Rail Operations	40,897,063	-
Contracted Services Subtotal	44,716,072	39,283
TOTAL OPERATING EXPENSES	46,231,324	506,597

SAN JOAQUIN JOINT POWERS AUTHORITY

January 29, 2016

STAFF REPORT

Item 4

ACTION

APPROVE A RESOLUTION OF THE GOVERNING BOARD OF THE SAN JOAQUIN JOINT POWERS AUTHORITY (SJJPA), AUTHORIZING THE CHAIR TO EXECUTE THE 2015-16 SAN JOAQUIN INTERCITY PASSENGER RAIL SERVICE OPERATING AGREEMENT WITH AMTRAK

Background

In order to fully take over the management responsibilities of the San Joaquin intercity rail service, SJJPA must negotiate and sign an Operating Agreement with Amtrak. The negotiations with Amtrak for the 2015-16 San Joaquin Intercity Passenger Rail Service Operating Agreement (Agreement) have been underway since July 2015. SJJPA and LOSSAN JPA staff and counsel have been coordinating the negotiation efforts to streamline the process with Caltrans and Amtrak. The term of the Operating Agreement follows the federal fiscal year and because negotiations were still underway on October 1st, Caltrans amended the prior year Operating Agreement to remain in force until the JPA's executed the new Operating Agreements with Amtrak.

The attached final draft Agreement is based upon actual costs, rather than the historical fixed price structure, and it required much more up-front costing detail. A summary sheet from the Amtrak pricing forecast is also attached. Major areas of negotiation included the removal of one Comet Car trainset until the initiation of the 7th train, a more realistic projection of ridership and revenue based upon recent trends and a continuation of the liability and indemnification terms as are in the current state agreements. Expenses were reduced as a result of the negotiations, but revenues went down as well with the more realistic projections. It should be noted that the annual cost estimate for the San Joaquin service (\$79,230,282) and the required FY 15/16 State/SJJPA contribution (\$38,873,272) are based on the current 6-train scenario. Amtrak is in the process of developing a full year of 7-train service as part of the FY 17 negotiations which are getting underway. It should also be noted that the SJJPA obligation will be pro-rated this year based upon the payments Caltrans has made to Amtrak in the fiscal year under the amended agreement. The exact figure for SJJPA will be calculated with Caltrans just prior to execution. The adopted State Budget Allocation for the San Joaquin service contains sufficient funding to cover the costs identified in the Agreement.

The final draft agreement proposed by SJJPA staff and Counsel is under final review by Amtrak and Caltrans. No significant revisions are anticipated, but it is recommended

that the Chair be authorized to review and approve minor changes and execute the Agreement subject to concurrence of Counsel.

In the interest of space, the Appendices are not attached. However, none of these documents were significant points of negotiation as many are standardized throughout all agreements. Staff will make a more detailed presentation on the Agreement at the January 29th meeting.

Recommendation:

Adopt a Resolution Of The Governing Board Of The San Joaquin Joint Powers Authority (SJJPAA), Authorizing The Chair To Execute The 2015-16 Operating Agreement With Amtrak.

**RESOLUTION OF THE GOVERNING BOARD OF THE SAN JOAQUIN
JOINT POWERS AUTHORITY (SJJPA), AUTHORIZING THE CHAIR TO EXECUTE THE
2015-16 SAN JOAQUIN INTERCITY PASSENGER RAIL SERVICE OPERATING
AGREEMENT WITH AMTRAK**

WHEREAS, the Intercity Passenger Rail Act of 2012 provides for the creation of a San Joaquin Joint Powers Authority (SJJPA) which, if certain requirements are met, will manage the San Joaquin Intercity Rail Service; and

WHEREAS, ten (10) Member Agencies have approved a Joint Exercise of Powers Agreement to form the SJJPA and have appointed Board Members and Alternates; and

WHEREAS, the Final Interagency Transfer Agreement (ITA) was signed by the Chair of the Governing Board on June 29, 2015; and

WHEREAS, in order to fully take over the management responsibilities of the San Joaquin rail service, SJJPA must approve and sign an Operating Agreement with Amtrak; and

WHEREAS, SJJPA and Amtrak have been negotiating in good faith, have reached agreement on the major provisions and are in the final stages of agreement; and

WHEREAS, there may be minor changes to the final draft 2015-16 San Joaquin Intercity Passenger Rail Service Operating Agreement recommended by the SJJPA Managing Director or Counsel as part of their final review and it would be appropriate for the Chair to review and approve any minor changes.

NOW THEREFOR BE IT RESOLVED, that the Governing Board of the San Joaquin Joint Powers Authority hereby authorizes the Chair to review and approve any final changes to the final draft 2015-16 San Joaquin Intercity Passenger Rail Service Operating Agreement and to execute the Agreement subject to concurrence of Counsel.

PASSED AND ADOPTED by the SJJPA on this 29th, day of January 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

SAN JOAQUIN JOINT
POWERS AUTHORITY

STACEY MORTENSEN, Secretary

JOHN PEDROZO, Chair

Fiscal Year 2015-2016

Agreement for the Provision of

San Joaquin Intercity Passenger Rail Service

Between

San Joaquin Joint Powers Authority

and

National Railroad Passenger Corporation

February 1, 2016

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RECITALS

This agreement is made with reference with the following facts.

THIS AGREEMENT made as of the first day of October 2015, by and between the National Railroad Passenger Corporation, a corporation organized under the Rail Passenger Service Act (recodified at 49 U.S.C. § 24101 et seq.) and the laws of the District of Columbia and having its principal office and place of business in Washington, D.C. (hereinafter referred to as “Amtrak”), and the San Joaquin Joint Powers Authority (hereinafter referred to as “SJJPA”), a joint powers authority (JPA) established under the laws of the State of California and as amended pursuant to Assembly Bill 1779 (Chapter 802, Statutes of 2012), established under the laws of the State of California.

This Agreement complies with the provisions of California law (Cal. Govt. C § 14072.2, A.B. 1779, Galgiani, 2012) which authorize the State of California (hereinafter referred to as the “State”) to enter into agreements with specified joint exercise of powers entities, including SJJPA, pursuant to which SJJPA assumed administrative and management responsibility for State-supported intercity passenger rail service within the San Joaquin Corridor.

The San Joaquin Corridor stretches 374 rail miles between Oakland and Bakersfield and Sacramento and serves 17 stations in the following communities:

Oakland, Emeryville, Richmond, Martinez, Antioch, Stockton, Lodi, Sacramento, Modesto, Turlock/Denair, Merced, Madera, Fresno, Hanford, Corcoran, Wasco and Bakersfield. The San Joaquin Corridor also includes an extensive network of Thruway feeder buses which is further described in Appendix B.

SJJPA has requested that Amtrak provide passenger rail service and connecting Bus Feeder Service in and connecting to the San Joaquin Corridor as further described in Appendix B (hereinafter referred to as the Service); the cost of which will be borne by SJJPA subject to the Adopted 209 Methodology.

The California Legislature approved the fiscal year 2015-16 State budget on June 15, 2015, making available \$127.1 million to support the operations of the Pacific Surfliner, Capitol Corridor and the San Joaquin intercity rail routes.

All costs for the Service shall be reimbursed based on actual costs as documented and reported in the Amtrak Performance Tracking (APT) System for the associated “operating losses” (expenses not covered by revenue) of such Service and associated minor capital projects as further described herein.

SJJPA is authorized by applicable State law to enter into this Agreement with Amtrak on the terms and conditions hereinafter set forth and funds for this purpose have been made available by SJJPA through the State as set forth herein.

SJJPA and Amtrak (collectively referred to herein as the Parties and individually as Party) are committed to providing a safe, high-quality passenger rail service at a reasonable cost, and are mutually pursuing ongoing cost reduction and revenue enhancement strategies which are intended to be applied to enhanced service.

The Parties will work with the State regional, and local governments and agencies to concentrate on further improving the transportation services along and on the San Joaquin Corridor to ensure that the Service becomes an increasingly efficient part of the region’s transportation network.

Under Section 209 of the Passenger Rail Investment and Improvement Act of 2008, Pub. L. No. 110-432, 122 Stat. 4848 (“PRIIA”), Congress required, among other things, that Amtrak, in consultation with the relevant states and the District of Columbia, develop and implement a methodology for allocating the operating and capital costs of rail routes of not more than 750 miles outside the segment of the continuous Northeast Corridor railroad line between Boston, Massachusetts and Washington, District of Columbia among the relevant states and the District of Columbia, and Amtrak.

Amtrak developed such a methodology in consultation with a group of states, but was unable to achieve the necessary concurrence on the methodology from all

relevant states and the District of Columbia as required by PRIIA. Accordingly, on November 21, 2011, Amtrak petitioned the Surface Transportation Board (the “STB”) to adopt Amtrak’s proposed methodology.

The STB, in a decision dated April 14, 2012, adopted Amtrak’s proposed methodology to meet the requirements of PRIIA (the “Adopted 209 Methodology”), which decision is incorporated herein as Appendix H.

Provisions of the cost estimates and reconciliations for providing the Service are subject to the Adopted 209 Methodology.

AGREEMENT

NOW THEREFORE, in consideration of the recitals and the rights, duties and covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, SJJPA and Amtrak hereby agree to the following:

SECTION I. DEFINITIONS

- 1.1 Allocated Revenues
- 1.2 Amtrak
- 1.3 Additional Service means services other than those specifically included in this Agreement and described in Appendix B.
- 1.4 Additives
- 1.5 Agreement: means this fiscal year 2016 Agreement for the Provision of Passenger Rail Service and its Appendices between the San Joaquin Joint Powers Authority and the National Railroad Passenger Corporation
- 1.6 Adopted 209 Methodology: means the single, nationwide, standardized methodology for establishing and allocating operating and capital costs among the States and Amtrak, as approved by the Surface Transportation Board on April 4, 2012.
- 1.7 Amtrak Performance Tracking (APT) system
- 1.8 Assessments
- 1.9 Continuation Period: means the provision for the continuation of this agreement as outlined in Section 4(j).
- 1.10 Contract Bus Operator
- 1.11 Equipment Capital Charges
- 1.12 Incentives
- 1.13 Managing Agency: means the agency under contract with SJJPA to provide necessary administrative, professional and technical support to SJJPA and for the oversight of the San Joaquin Service and Corridor.
- 1.14 Marks

- 1.15 Member Agency(ies): means those public entity members of SJJPA
- 1.16 Monthly Reconciliation Statements
- 1.17 Operating Cost
- 1.18 Operating Loss
- 1.19 Parties or Party: means the signatories to this agreement including Amtrak/National Railroad Passenger Corporation and SJJPA
- 1.20 Passenger Rail Investment and Improvement Act (PRIIA)
- 1.21 Performance Standards
- 1.22 Route Advertising
- 1.23 Route Cost
- 1.24 San Joaquin Corridor: means the rail corridor which has its termini at Bakersfield, Oakland and Sacramento with intermediate train stations located in Kern County, Kings County, Fresno County, Madera County, Merced County, Stanislaus County, San Joaquin County, Sacramento County, Contra Costa County and Alameda County.
- 1.25 Service
- 1.26 SJJPA: means the San Joaquin Joint Powers Authority, the public agency created and organized as a joint powers agency pursuant to Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California.
- 1.27 Standard Supporting Documentation
- 1.28 State: means the State of California
- 1.29 Supplemental Agreements: means any written agreement between SJJPA and Amtrak that is not covered in this agreement and may be necessary or requested for the Service
- 1.30 Third Party Costs

SECTION 2 – SERVICE TO BE PROVIDED

- (a) Amtrak shall provide intercity passenger rail service in the San Joaquin Corridor as set forth in Appendix B hereto and substantially in accordance with the schedules prescribed therein. Amtrak shall not make changes to the Service without prior notice and approval from SJJPA. Amtrak shall not be required to increase the frequency of the Service, except pursuant to a mutually agreed and amended Appendix B.
- (b) Amtrak shall not be required to provide passenger rail service on any other route additional to the route set forth in Appendix B hereto except pursuant to a mutually agreed and duly executed amendment to this Agreement including an amended Appendix B. SJJPA may request Amtrak or others to conduct market analysis and studies for specific service changes. Should SJJPA request Amtrak to provide a market analysis, the Parties agree to collaborate and to develop promptly a mutually agreed upon type and form of market analysis.
- (c) Amtrak shall diligently work to provide intercity passenger rail service of high quality. The Parties shall cooperate in efforts to improve the Service, as may be appropriate. Unless expressly and mutually agreed in writing between the Parties, the Service shall be at least equal in quality and consistent in type to that which exists today on the State-supported intercity passenger rail corridors. SJJPA will consult with Amtrak when requesting Amtrak to implement SJJPA directives impacting such things as menu items and prices, level of on-board amenities, fares, on-board operating policies (including procedures for disabled access, train crew procedures and stationing, and checked baggage service), and reservations requirements. Any such directive will be subject to the written approval of the Parties. Both Parties agree that in order to provide a consistent level of service across all Amtrak-operated services, tariff related policies for San Joaquin Service (including age or membership restrictions to qualify for passenger-type discounts, and rules, procedures and fees for handling reservation, reservation cancellations, ticket exchanges, and ticket or payment refunds) will be handled consistent with Amtrak national tariff related policies. Amtrak will provide SJJPA at least fifteen (15) days written notice of any changes to the general tariff related policies.
- (d) **TRADE and SERVICE MARKS:** The Parties shall cooperate for the purpose of effecting the continuing existence and use of the Service herein and shall take such other actions as they may mutually agree is conducive to the establishment and provision of the Service on a regular, efficient and economic basis. To that end, Amtrak may continue to market its long-distance service and National Brand through which efforts Amtrak may incorporate the Service in its general advertising and promotional

programs as it may deem appropriate to the area in which the Service is provided. By mutual agreement between the Parties, confirmed in writing, Amtrak shall also arrange for additional/alternative advertising directed specifically to the Service as "Route Advertising", the cost of such Route Advertising shall be borne by SJJPA as a Route Advertising cost, in accordance with the Adopted 209 Methodology, and will be subject to any changes to the Adopted 209 Methodology

Each Party grants the other a limited, non-exclusive license to use its name, trade name, trademarks and service marks (collectively referred to as "Marks") as further described in Appendix C, for the purpose of implementing the regional marketing and advertising plan. Except as expressly provided herein, no right, property, license, permission or interest of any kind in or to the use of any Mark owned or used by a Party is or is intended to be given or transferred to or acquired by the other Party by the execution, performance or nonperformance of this Agreement or any part thereof. Each Party agrees to comply with all of the other Party's instructions regarding the other Party's Marks. Neither Party shall use any Marks of the other in any manner that would diminish its value or harm the reputation of the other Party.

Each Party acknowledges that the other Party's Marks and copyrights are considered to be valuable and that it (or its licensors) claims to own all worldwide right, title and interest therein and thereto. Each Party agrees that it shall in no way contest or deny the validity of, or the right or title of, the other Party's Marks by reason of this Agreement. Each Party further agrees not to register anywhere in the world any domain name, name, mark, symbol, logo, copyright, company, product name, service name or description that could be confused with or is similar to or which dilutes the other Party's Marks.

Each Party shall have the right to review and approve, prior to publication or display, the portion of any and all content, artwork, copy, advertising, promotional materials, direct mail, inserts, press releases, newsletters, web pages or other communications or any other publicity published or distributed by the other (or at its direction or authorization) that specifically references this Agreement, the Party's name or uses any of the Party's Marks. Approval shall not be unreasonably withheld, conditioned or delayed, and in no event shall the time period to respond to a request for approval exceed fifteen (15) days. All advertising and promotional materials shall contain disclaimers, limitations of liability notices, proprietary notices (e.g., trademark and copyright notices) and such other notices as required by the other Party. Notwithstanding any notice provision in this Agreement, the Parties may provide notice of approval or rejection as mutually agreed upon by the Parties.

The Parties acknowledge that they each maintain websites promoting the San Joaquin Corridor Service. In an effort to maintain consistent websites, each Party will timely notify the other of any updates or changes to their respective website.

- (e) The sections above notwithstanding, the Parties may work together on marketing campaigns and media advertising, advertising campaigns, and any advertising elements that may be included in the cost estimate as part of Appendix D.
- (f) Amtrak agrees to insert, in all published timetables related to the Service herein, the following statement: *"This Service is financed primarily through funds made available by the San Joaquin Joint Powers Authority through the California Department of Transportation"*.
- (g) **EXTRA WORK** - The Parties may , from time to time, identify extra work consisting of (1) new or additional services requiring unanticipated expenditures resulting from changes in the requirements set forth in this Agreement, including the Appendices; (2) new or additional services required to support and facilitate third party projects approved by SJJPA; and (3) projects of limited duration for which the services are not included in this Agreement or the Appendices (collectively, "Extra Work").

Prior to undertaking any Extra Work, the Parties will document in writing, the proposed scope of work, schedule and agree upon the estimated direct and indirect costs of performing the Extra Work, and in accordance with the Adopted 209 Methodology, if applicable.. Any Extra Work will also be subject to a supplemental agreement. SJJPA may contract with Amtrak or others for any Extra Work.

- (h) **MINOR CAPITAL IMPROVEMENTS:** In order to enhance the operation of the Service set forth in Appendix B, Amtrak and SJJPA may from time to time identify projects to improve facilities used on the San Joaquin Corridor route identified in Appendix A. Projects are understood to include the following: maintenance, physical improvements, alteration or repair work done for facilities related to rail or feeder bus service, which facilities include, but are not limited to, track, rail equipment, and stations (landscaping, pavement, parking lots, signage, P.A. systems, baggage rooms, lighting, bus loading and layover area).

SJJPA may request Amtrak or others to perform the project work using funds allocated by SJJPA. In order to implement a specific project with Amtrak, SJJPA will make a request in writing, providing a general scope of work and desired schedule. Amtrak shall respond in writing (e.g. providing a proposal, budget and schedule for accomplishing such work, requesting further information on the request or declining to perform such work) .

Prior to proceeding with any mutually agreed to projects, SJJPA will provide Amtrak with a written authorization to proceed with that project, including the mutually agreed to project description, any prior written approval of the plans and specifications for the project, and the total cost estimate and limits for such project, and payment schedule. Such authorization shall specify the maximum amount of funding that is allocated to the specific project being authorized, and will be subject to a written agreement signed by an authorized representative from each Party. Amtrak shall respond to SJJPA's authorization within thirty (30) days, providing concurrence in or rejection of the project description and budget. If Amtrak provides concurrence, its response shall advise of the project's estimated schedule, including start and completion dates. If Amtrak rejects the project, its response shall specify the reason(s) therefor.

- (i) **BUS FEEDER SERVICE:** Amtrak agrees to provide the following feeder bus services as part of the budget identified in Appendix B
 - i. Amtrak shall contract with one or more bus or non-Amtrak rail operators ("Contract Bus Operator(s)") for the provision of connecting bus service between station or stations served by the Service or other State-supported passenger rail service and other points, over such route(s) and in accordance with service levels as may be more particularly set forth in Appendix B. Only passengers in possession of valid Amtrak tickets, vouchers or passes for transportation to, from, or through the Amtrak station or stations set forth in Appendix B shall be accepted for carriage. Amtrak shall observe all provisions set forth Section 14035.55 of the Government Code in regards to Amtrak feeder buses. No checked baggage shall be carried, except between such specific points as may hereafter be agreed to by Amtrak and SJJPA. Changes in the aforesaid schedules(s) may be made, as necessary to coordinate with changes in applicable San Joaquin train schedules.. Amtrak shall provide SJJPA an opportunity to provide input on the solicitations for Contract Bus Operators. Amtrak shall provide SJJPA copies of all contracts within 30 days of execution. SJJPA may elect to have such services performed by others. Should the SJJPA's election to have services performed by others result in early termination of a bus service contract(s), SJJPA shall be responsible for any termination costs incurred by Amtrak associated with early termination of a bus contract(s).
 - ii. By means of its standard form of Amtrak Purchase Order, Amtrak shall contract with a bus operator or operators for connecting bus service(s), as set forth in this Section 2 and Appendix B of this Agreement and also provide SJJPA a copy of each amendment thereto. Each such service shall commence on the applicable commencement date set

forth in Appendix B hereto or date of execution of this Agreement, whichever is later, and shall terminate without further notice upon expiration or termination of this Agreement; provided however that any such service may be terminated by Amtrak (with concurrence of SJJPA) or the Contract Bus Operator on seventy-five (75) day's prior written notice; provided, further, that termination hereunder shall not relieve either Party hereto of financial obligations incurred prior to terminating. Provided further, that breach of any of the conditions of subdivision (c) of Section 14035.55 of the Government Code shall be grounds for termination of the State supported intercity passenger bus service. Prior to any termination by Amtrak, Amtrak will notify SJJPA of its intent to terminate.

- iii. Purchase Orders will not be revised during a term of contract, except for fuel cost adjustments as follows, service expansions or deletions per the request of SJJPA or a contract extension. All Purchase Order proposals for bus operations shall contain a separate identifiable fuel cost component, which shall be indexed based upon the Oil Price Information Services (OPIS) or the Energy Information Administration (EIA) index, with adjustments allowed, per the terms of the Purchase Order. During the period of contract performance, and depending on the terms of the respective Purchase Order, Amtrak will make an adjustment in contract value, in the manner specified below, should the OPIS/EIA average price per gallon increase or decrease by more than 10% in a three month period from the fuel price per gallon submitted with a bid.
 - a. The three month OPIS/EIA average price shall be subtracted from "OPIS/EIA average price" provided as part of the proposal (herein referred to as the base price) to determine the price differential.
 - b. The price differential shall be converted to a percent. If the difference is more than 10% from the base price, in a three month period depending on the terms of the respective Purchase Order, the amount above the 10% will be converted back to price per gallon (herein referred to as the differential price).
 - c. The formulas for calculating the cost differential is:
three months, (cumulative daily route miles operated) X
(differential price per gallon) / (fleet miles per gallon of fuel).
- iv. Amtrak and SJJPA agree to a flat rate for unlimited access of services on routes 15 and 99. This rate is included in the budget identified in Appendix D.

- v. Amtrak shall provide SJJPA with details of all fuel adjustments made, including the computation of the three-month OPIS/EIA average, At the onset of any Amtrak procurement process soliciting bids for contract bus services, both Amtrak and SJJPA may jointly agree to modify the above provisions via an amendment to this Agreement. Amtrak assumes no financial risk in this regard, as excess fuel costs are absorbed jointly by the Contract Bus Operator and SJJPA.
- vi. Each Contract Bus or non-Amtrak Rail Operator will invoice Amtrak monthly for the cost of the applicable service hereunder. In the event additional bus miles are operated on a trip-by-trip basis as a result of a natural disaster or man-made road closure (or any other reason mutually agreed to by SJJPA and Amtrak and confirmed in writing in advance where possible), said additional service shall be paid for at the established rate and will be incorporated in a separate monthly invoice to Amtrak, accompanied by a written explanation documenting the date, time and necessity for the additional miles operated.
- vii. **Rates for Short Non-Established Route Segments:**

Extra buses are sometimes required for segments of existing routes included in Appendix B for which there is no agreed-to price. Amtrak may pay for such extra bus segments in any of the following ways.

- a. Amtrak may pay the Contract Bus Operator at the rate provided by the Amtrak Purchase Order for the shortest route segment that includes the segment to be covered by the extra bus. Amtrak will notify SJJPA of the rate to be paid for such extra bus segments by providing SJJPA with a written notice of such a negotiated rate which will be signed by Amtrak's Director of Bus Operations or other authorized representative; or
- b. If Amtrak is able to negotiate with the Contract Bus Operator a limited time rate for such a short extra bus segment that will lower the cost of segments (as compared to the cost under subsection (i) above), Amtrak may pay the Contract Bus Operator for such extra segments based on that limited time rate. Amtrak will provide written notice to SJJPA of such a limited time rate, with a provision of a notice to SJJPA of such negotiated rate including invoiced charges based on that rate, which will be signed by Amtrak's Director of Bus Operations or other authorized representative; or
- c. If Amtrak is able to negotiate with the Contract Bus Operator a negotiated rate for such an extra bus segment that will lower the cost of such extra bus segments (as compared to the cost under subsection (i) above), Amtrak

may pay the Contract Bus Operator for such extra segments based on that negotiated rate. Amtrak will provide written notice to SJJPA of such a limited time rate, with a provision of a notice to SJJPA of such negotiated rate including invoice charges based on that rate, which will be signed by Amtrak's Director of Bus Operations or other authorized representative.

- d. Amtrak may negotiate such rates under the preceding Sections Items vii., b and c on the basis of multiple trips, daily usage, flat mileage, the cost of upgrading to a larger capacity bus, or any other reasonable basis.

viii. Rates for Temporary and Long-Term Special Service due to Service Disruptions

- a. If natural disasters or other events cause bus service to be temporarily detoured or otherwise disrupted (30 days or less), Amtrak may secure special bus service from a Contract Bus Operator at the lowest available rate that provides service acceptable to Amtrak and SJJPA. If Amtrak determines that the Contract Bus Operator cannot provide any or all of the special service sought at a rate acceptable to Amtrak, Amtrak may secure such special bus service from one or more non-contract transportation providers (including taxi or van service providers) at the lowest available rate that provides service acceptable to Amtrak and SJJPA. Amtrak will notify SJJPA of such special rates with any Contract Bus Operator and non-contract transportation providers by providing SJJPA with written notice of such a negotiated rate, including invoice charges which will be signed by Amtrak's Director of Bus Operations or other authorized Amtrak representative.
- b. If natural disaster or other events cause long-term (expected to exceed 30 days) disruptions to bus service, and Amtrak and SJJPA agree upon the basic level of service to be provided during such disruptions, Amtrak may negotiate with a Contract Bus Operator for continuing special bus service as the lowest available rate that provides service acceptable to Amtrak and SJJPA. Amtrak will also obtain SJJPA's concurrence with such special long-term service arrangements prior to confirmation to the Contract Bus Operator. Such rates may cover additional route miles, extra equipment needed to provide service, driving housing, and any other additional elements involved in providing the special bus service. Amtrak will notify SJJPA of such special rates with any Contract Bus Operator by providing SJJPA written notice of such a negotiated rate, and incorporating

such rates in all invoices including which will be signed by Amtrak's Director of Bus Operations or other authorized Amtrak representative.

ix. Rates for Short-Notice Bus Service from Non-Contract Bus Operators

- a. When a Contract Bus Operator is unable to meet a request for extra bus service, made on less than three hours' notice of need (or less than the call-time stated, if any, in the Contract Bus Operator's agreement with Amtrak), Amtrak may secure such extra bus service from a non-contract transportation provider (including taxi or van service provider) at the lowest cost available rate providing such service is acceptable to Amtrak and SJJPA. In the monthly bus bill provided by Amtrak to SJJPA, Amtrak will notify SJJPA of such special rates with any non-contract transportation providers by providing SJJPA with a copy of the invoice from the non-contract transportation provider, which includes such rates and will be signed by Amtrak's Director of Bus Operations or authorized Amtrak representative.
- b. Where Amtrak anticipates a future need to secure such short-notice extra bus service from a non-contract transportation provider, Amtrak may negotiate a rate for such service. Amtrak's written notice to SJJPA of such a negotiated rate, signed by Amtrak's Director of Bus Operations or authorized Amtrak representative, will satisfy the notice requirements under the preceding section.

x. SJJPA Payment of Short-Segment, Disruption-Service and Short-Notice Rates

Based on any rates obtained by Amtrak (with notice to SJJPA) under the preceding Sections 2 subsections vii, viii, and ix, Amtrak agrees to provide services in full pursuant to the budget established under Appendix D.

xi. Cost Allocation of Extra Buses Required by Late Trains

- a. When an extra bus must be ordered solely because of a late connecting San Joaquin train included in the Service, Amtrak will charge the cost of the extra bus to the SJJPA supported train's operations train operations rather than to the bus service. The actual cost of providing the extra bus shall be charged to Amtrak through the penalties process, and shall not exceed \$12,000 per month.

- b. The Parties will attempt in good faith to negotiate one or more separate agreements (which may take the form of a letter of understanding), providing that where a train frequently operates late for reasons not within Amtrak's direct control, and in consideration of the bus schedule or other factors Amtrak holds the bus for less than an hour, Section H, item xi.a would not apply and the cost of any extra bus required by the late connecting train would be charged to the bus service rather than to the late train's operation.
- c. When a train connecting to bus service is late, Amtrak will attempt to minimize the overall costs resulting from the late train by holding scheduled buses for a limited period of time, recognizing after a certain period that continuing to hold a bus will increase rather than decrease costs. In determining how long to hold a connecting bus, Amtrak will consider the bus driver's hours-of-service limitation, safety-related conditions, and the needs of the customers other than those on the late arriving train to reach their destinations or to make other connections among the relevant factors.

xii. SJJPA may, upon seventy-five (75) days written notice, request Amtrak to terminate any portion of the Service provided in Appendix B; provided that any such termination shall not relieve SJJPA of financial obligations incurred prior to the date of such termination. Feeder Bus services may be terminated in less than 75 days upon joint written approval by the Parties.

(j) **PERFORMANCE STANDARDS**

- (i) Performance Standards, Incentives, and Assessments.
Amtrak will endeavor to operate the Service so as to achieve the performance standards set forth in Appendix E, F and G ("Performance Standards"). In the event that Amtrak achieves or exceeds a certain level of performance established for each Performance Standard as set forth in Appendix E, F and G, SJJPA agrees to make additional payments to Amtrak in the incentive amounts set forth in Appendix E, F and/or G ("Incentives"). In the event that Amtrak does not achieve a certain level of performance established for each Performance Standard as set forth in Appendix E, F and G, Amtrak agrees to credit SJJPA the assessments amounts set forth in Appendix E, F and G ("Assessments").

- (ii) Data-Based Standards. Certain Performance Standards will be based on data that is regularly collected by Amtrak regarding the performance of its trains (“Data-Based Standards”). Each Data-Based Standard used to determine Incentives and Assessments is described in detail in Appendix F and G, including method and frequency of data collection.
- (iii) Observation-Based Standards. Amtrak has created and maintains standards for many elements of the services provided under this Agreement, including but not limited to the condition of passenger rail equipment, the condition of station facilities, and the conduct of its employees. For many of these standards, Amtrak utilizes internal quality control processes to monitor adherence to the standards. SJJPA desires to supplement Amtrak’s quality control processes with additional SJJPA inspections, which will be accomplished through the SJJPA-directed inspection as outlined in Appendix E and/or (“Observation-Based Standards”).
- (iv) Determination, calculation and disposition of Incentives and Assessments. During the term of this Agreement, Incentives and Assessments shall be calculated in the manner set forth below and recorded, though the amounts shall not be included in SJJPA’s regular invoices. On a quarterly basis, total Assessments shall be subtracted from total Incentives. If the result is a negative number, it shall represent a net Assessment to be credited by Amtrak against payments otherwise due by SJJPA. If the result is a positive number, it shall represent a net Incentive to be invoiced by Amtrak and paid by SJJPA. Amtrak and SJJPA shall have no further obligations toward each other as to how any Incentive or Assessment amounts are spent.

For Data-Based Standards set forth in Appendix F and/or G, Amtrak will collect the required data derived from the sources outlined in Appendix F and/or G and for the time period (monthly/quarterly) defined in Appendix F and/or G, calculate any applicable Incentives and Assessments, and present this calculation to SJJPA on a regular (quarterly) basis. Once both Parties are satisfied with the calculation, the net amount of any Incentives and Assessments shall be recorded for future disposition as described above.

For Observation-Based Standards, representatives of SJJPA and/or the State shall conduct inspections in the manner set forth in Appendix E, I and J.. Once both Parties are satisfied with the conclusion of the inspection and any applicable Incentives or Assessments, the net amount shall be recorded for future disposition as described above.

The Parties agree that they will limit the net amount of Incentives or Assessments to no more than \$12,500 per month, even in cases where the calculations in Appendix E, F and/or G would result in higher amounts.

If in the course of administering the calculation of Incentives and Assessments relating to the Observation-Based Standards, SJJPA and Amtrak are unable to agree on a specific fact related to calculating an Incentive or Assessment, the Parties may document the basis for the dispute in writing within sixty (60) days following the date the alleged fact was first presented by one Party to another, and this fact may then be resolved in accordance with Section 7 of this Agreement. Except for disputes identified in writing pursuant to this paragraph, the Parties shall be deemed to be in agreement with all Incentive and Assessment calculations made pursuant to this Section and Appendix E, F, G, I and/or J, and neither Party shall be entitled to adjust or make a claim concerning any such calculation.

- (v) The Parties acknowledge that they have agreed to these Incentives and Assessments based on the expectation of a certain level of operating and capital funding provided to Amtrak by a variety of sources, including but not limited to the State and the Federal sources administered by SJJPA. In the event of a material change in these funding levels during the term of this Agreement, the terms of these Incentives and Assessments may be modified by mutual written agreement of the Parties. Performance Standards, Incentives and Assessments will be renegotiated or adjusted on an annual basis, as conditions warrant.
- (vi) SJJPA and Amtrak agree that the following standards outlined in Appendix E, F, G, I and/or J shall apply during the term of this Agreement:

Data-Based Standards:

- Delay Minutes – Train Operations

- eCSI – Customer Service Indices

Observation Based Standards:

- Employee Conduct and Revenue Collection (Appendix E)
- Rolling Stock Availability, Serviceability, Cleaning and Maintenance (Appendix I)
- Maintenance of Stations (Appendix J)
- Connecting Motor Coach

During the term of this Agreement, the Parties shall confer not less than quarterly to review the performance data for the previous quarter; to diagnose the root cause(s) of performance results that are below the minimum acceptable level of performance; and to propose initiatives that may improve performance.

- (k) Uniform Performance Standards and Required Reports: SJJPA is required to ensure that the Service meets certain minimum performance standards, including the Uniform Performance Standards (UPS) as adopted by the California State Transportation Agency in June 2014, Appendix K. To appropriately monitor the operational and fiscal performance of the Service, Amtrak shall provide the operational and financial reports as described in Appendix L to SJJPA. The Parties agree to meet or confer on a quarterly basis to review and discuss actual results versus budget, and current San Joaquin Corridor related job vacancies, and to make adjustments to this Agreement and other service-related documents as necessary and appropriate.
- (l) Both Parties agree that maintaining appropriate staffing levels is key to the continued success of the Service, and Amtrak is committed to sourcing qualified job applicants and filling vacancies in a timely and efficient manner.
- (m) Equipment:
- Amtrak shall deploy State-owned equipment among the LOSSAN (Pacific Surfliner), Capitol, and San Joaquin Corridors consistent with the Deployment Plan for State-Provided Equipment as set forth in Appendix M (Fleet Deployment Plan). Amtrak agrees to meet or confer on a monthly basis with the LOSSAN Agency, the State SJJPA and CCJPA to review and update, as necessary, the Deployment Plan. Further, SJJPA agrees to meet or confer with Amtrak and the State within 48 hours of an event that causes a

reduction in the number of available units of equipment identified in Appendix M in order to modify the Deployment Plan to meet the reduced level of equipment. The Parties agree that Fleet Deployment Plan as adopted by the State may be amended by the State from time to time.

- ii. In the event that the Service may, from time to time, be fully utilized by the traveling public, Amtrak shall exercise reasonable efforts to provide additional rail passenger equipment from its available resources consistent with the funding requirements of Appendix D, unless otherwise identified within this Agreement. By mutual agreement, upon request of SJJPA, Amtrak shall deploy such additional compatible equipment as SJJPA may, in its discretion, make available for use in the Service on a route provided for herein.
- iii. During the term of this Agreement, Amtrak shall not remove its equipment currently deployed to the San Joaquin Service without prior written approval from SJJPA and State, which approval shall not be unreasonably withheld. SJJPA understands and agrees that under a force majeure event, Amtrak may redeploy one or more units of its equipment into another Amtrak service for a period of up to thirty (30) continuous days. If the duration of the force majeure event is longer than thirty (30) days, Amtrak must obtain the State and SJJPA's written approval to continue to redeploy the equipment. This approval will not be unreasonably withheld.
- iv. During the term of this Agreement, Amtrak shall not remove State-owned equipment from the Service without prior written approval from the State.
- v. The State shall have the ability to make all final decisions regarding modifications to State-owned equipment. SJJPA and Amtrak understand and agree that Amtrak shall not modify State-owned rolling stock without the State's prior written approval. Notice of such State-authorized modifications shall be provided to SJJPA within fifteen (15) days. In the event Amtrak modifies State owned rolling stock without the State's prior written approval, Amtrak shall be responsible for all costs associated with restoring the rolling stock to its prior condition.
- vi. **ADDITIONAL SERVICE:** In order to maximize rolling stock for certain peak travel periods, including the week of Thanksgiving, Christmas and the New Year, Amtrak included, as part of the FFY 16 forecast included in this Agreement (Appendix D) the use of additional rolling stock that may not be in regular use throughout

the remainder of the year.....Costs were assumed for prepping the equipment for service, cleaning and maintenance costs, and costs directly related to the operation of the additional rolling stock. SJJPA acknowledges that Amtrak has assumed, for pricing purposes that Additional Service to be provided under this Agreement shall not exceed the level of Additional Service beyond the level assumed by Amtrak under this Agreement, SJJPA agrees to reimburse Amtrak on an actual cost basis in accordance with the Adopted 209 Methodology.

- (n) Privately Owned Rail Passenger Cars. Amtrak may attempt to accommodate private rail cars on the Service. Amtrak reserves the right to refuse any request which in Amtrak's judgment, would cause a delay in movement of one of its trains or would result in any additional costs. Movement and parking of private cars shall be pursuant to Amtrak's national tariffs and policies. SJJPA shall incur no additional costs under this Agreement for the provision of accommodating private cars, and revenues from the provision shall be credited to the routes carrying the private cars per the Adopted 209 Methodology, Appendix H.
- (o) Dedicated Positions to State Service. As a part of the budget identified in Appendix D, Amtrak and SJJPA have agreed on certain positions, as dedicated to support the Service,. A list of these positions, including those that may be shared with other State intercity rail corridors is included in Appendix D. Amtrak may recommend additional Amtrak administered positions dedicated solely to support the Service and shall provide justification for additional labor, job descriptions and full cost impacts for SJJPA prior to increasing the existing number of dedicated positions for the Service.

SECTION 3 – DECISIONS AFFECTING SERVICE

- (a) **SJJPA Changes to the Service:** SJJPA shall give Amtrak not less than thirty (30) days' prior notice in writing of implementation of any SJJPA request which is likely to have a significant effect on the scheduling, marketing (including fares and ticketing), or operations of the passenger rail service provided pursuant to this Agreement. Such notice shall contain information in sufficient detail to support and justify such request. Accordingly, the Parties shall work in good faith to reach mutual accord on any such request as aforesaid pursuant to the following procedure:
 - (i) If any proposed aforesaid request relates only to the train and bus services provided pursuant to this Agreement, and if it can be implemented, in the reasonable judgment of Amtrak, without

adversely affecting the Service, Amtrak shall implement said request. If Amtrak does not concur, Amtrak shall promptly respond in writing, giving reasons in sufficient detail why they do not concur. In the latter event, the Parties shall promptly confer in an effort to reach agreement and concurrence within the period of the notice.. Neither Party shall unreasonably withhold its concurrence.

- (b) **Amtrak Requested Changes to the Service:** If Amtrak identifies modifications that would benefit the Service, Amtrak shall provide written notice to SJJPA of the desired modifications. SJJPA will in good faith review the proposed modifications and confer with Amtrak to negotiate the proposed modifications. If the Parties agree to modifications to the Service, the Agreement will be amended as required by the Service change. The Parties may not unreasonably withhold consent to modify the Service following these negotiations. The foregoing notwithstanding, either Party may withhold such consent at its sole discretion due to an adverse impact on the quality of the Service or safety. SJJPA may also withhold consent at its sole discretion if such modification would adversely impact ridership, financial performance, and/or any legal obligations contained in the interagency transfer agreement between SJJPA and the State. Amtrak shall inform SJJPA of discussions or negotiations with railroads or other regional rail authorities regarding schedule changes which may impact the Service. The Parties agree to involve and include each other in Service specific discussions with railroads or other regional authorities regarding any impacts to the Service as appropriate and permissible.
- (c) **Service Levels and Frequency:** Amtrak shall provide the Service levels and frequencies as outlined in Appendix B. Notwithstanding Section 3, subsections (a) and (b) above, the Service levels and frequencies may be modified as follows:
- (i) SJJPA may, upon not less than ninety (90) days prior written notice, request that Amtrak increase the level of Service (other than changes in the frequency of trains operated in Service which are addressed in Subsection (c) (ii) below) and/or the amount of equipment used in the Service, or upon not less than 60 days' notice request that Amtrak decrease the level of Service, so as to meet the needs of the traveling public. If the request is to increase either the Service or the amount of equipment used, Amtrak shall exercise reasonable efforts to accommodate such request, , which may include providing additional compatible passenger rail equipment that the State makes available from its available resources or, by written agreement with the State, to employ such additional compatible equipment as the State may

choose to make available for use to augment the Service, In the event that equipment is made available by SJJPA, or because SJJPA desires to substitute State-owned or leased equipment for Amtrak-owned equipment, such equipment will be used in the Service only if it complies with all applicable laws and regulations, and by mutual agreement of the parties, is compatible with Amtrak operations and associated equipment. SJJPA and Amtrak will use all good faith efforts to resolve discrepancies in compatibility. The Parties will work together to obtain the approval of any railroads over which such equipment is to be operated. Equipment includes locomotives, cab cars and any other type of car used in a passenger train.

- (ii) Unless otherwise agreed to in writing by the Parties, SJJPA may, upon not less than 180 days prior written notice, request that Amtrak increase or decrease frequency of Service. Amtrak shall work cooperatively with SJJPA and/or the State to obtain the approval of any railroads over which such increased frequency of service is to be operated. An increase or decrease in frequency of service will require a written amendment to this Agreement.
- (d) Notwithstanding the notice procedures contained in this Section 2, if access to or over rail lines on any route provided herein shall be unavailable by reason of obstruction or otherwise, Amtrak may suspend or reroute any part of the Service provided pursuant to this Agreement for so long as such access shall be unavailable. Amtrak shall promptly SJJPA of any such suspension or rerouting, and the Parties shall cooperate to restore the rail service provided for herein. Amtrak shall coordinate with SJJPA on communication strategies to notify passengers of any service change or disruption to service, and the anticipated return to normal service.
- (e) Amtrak shall make no operational decisions that will adversely unreasonably affect the performance of the Service. This shall include, but is not limited to, the holding of a regular train that is part of the Service for other Amtrak operated trains, in excess of 20 minutes.
- (f) If equipment normally used for the Service becomes unavailable for any reason, Amtrak shall exercise reasonable efforts to substitute additional compatible passenger rail equipment from its available resources, consistent with the funding requirements of the Adopted 209 Methodology, including Equipment Capital Charges associated with SJJPA's use of such substitute equipment. Any substituted passenger rail equipment will be subject to approval for use by SJJPA. Alternatively, SJJPA and Amtrak may, by written agreement, agree to use such additional compatible equipment SJJPA or the State may choose to make available.

- (g) Bus Feeder Service: Changes in bus service schedule(s) may be made, as necessary to coordinate with changes in applicable schedules for the rail portion of the services provided under this Agreement. Each such service shall commence on the applicable commencement date set forth in Appendix B and shall terminate without further notice on the applicable termination date set forth therein. Notwithstanding the foregoing, any such service may be terminated by Amtrak, with the concurrence of SJJPA, or the Contract Bus Operator on sixty (60) days' prior written notice; and SJJPA may upon seventy-five (75) days' prior written notice, request Amtrak to terminate any portion of the service provided in Appendix B; provided, further, that termination hereunder shall not relieve either Party hereto of financial obligations incurred prior to termination.

SECTION 4 –CALCULATION OF COSTS AND SCHEDULE OF PAYMENTS BY SJJPA

Capitalized terms shall have the meaning set forth in the Adopted 209 Methodology, Appendix H.

- a. SJJPA shall pay Amtrak the following financial support for the operation of the Service described in Appendix B for the period from February 1, 2016 through and including September 30, 2016. The State and Amtrak executed an amendment to the FY15 Operating Agreement that continued the terms of the FY15 Agreement until such time that SJJPA and Amtrak executed a new FY16 Agreement. The State will continue making payments to Amtrak through January 31st, or beyond, if necessary, to allow SJJPA sufficient time to take over the advance payments.
- i. The estimated sum of [REDACTED] (\$ [REDACTED]) for all projected Route Costs and Additives for the Service, and Third Party Costs, as set forth in Appendix D, pro-rated for the period of this Agreement.
- ii. **Operating Costs-General:** Service costs have been calculated according to Appendix D which is based upon the "SJJPA PRIIA 209 State Payment Forecast" and unless otherwise noted below, payments shall be made in accordance with Appendix D, Schedule A. Route Costs and Additives, Third Party Costs, and credits for Passenger and Other Allocated Revenue shall be charged based on actual costs incurred and revenues received as reported by APT. For purposes of estimating the net Operating Cost, estimates of Route Costs, Additives, Third Party Costs and Passenger and Other Allocated Revenues are based on FY'14 actuals.

- iii. **SJJPA Payments:** SJJPA agrees to pay all undisputed invoices within forty-five (45) days of receipt, consistent with the California Prompt Payment Act (Government Code 927 et.seq.). These estimated payments shall be adjusted throughout the year as part of the actual cost reconciliation and credited revenues process by Amtrak described in Section 5.
- iv. **Third Party Costs – Fuel:** For the purpose of determining the basis for Fuel Cost allocations, Fuel Cost shall be based upon the gallons allocated to the San Joaquins as reported by Amtrak Performance Tracking (APT) for each billing period multiplied by the average cost per gallon paid for fuel by Amtrak, on a monthly basis in Sacramento, Oakland, Bakersfield, or other fueling location(s) as appropriate.
- v. **Third Party Costs – Host Railroad Access Fees, Performance Incentives and Other Costs:** Host railroad expenses shall be computed by Amtrak on a monthly basis, as billed to Amtrak by the host railroads. Host railroad expenses shall be billed to SJJPA and each invoice shall include actual documented costs paid to the host railroad as reported by APT. SJJPA shall hold in reserve the estimated incentive payments for the year and reimburse Amtrak within 15 days of an undisputed separate invoice.
- vi. **Capital Costs – Passenger Service Equipment:** Capital Costs for Passenger Service Equipment are excluded from this Agreement. The State will be responsible for payment of Capital Costs for Passenger Service Equipment under the terms of the Agreement for the Provision of Equipment Capital between Amtrak and the State of California dated October 1, 2015.
- vii. **Capital Costs – Fixed Assets:** Under the provisions of PRIIA Section 209, Capital Costs associated with the utilization of Amtrak owned fixed asset capital investments and/or various other non-Amtrak owned fixed assets utilized for the operation of the State-supported route, if any, are to be calculated according to the Adopted 209 Methodology and charged to the applicable State-supported routes utilizing such assets. As of the present time, no specific calculations have yet been developed for the allocation of such costs and accordingly, no such costs have been allocated, nor are currently being assessed under the provisions of this Agreement.

(b) **Total Obligation:** The total amount of SJJPA's financial obligation to Amtrak under this Agreement for the Service to be rendered by Amtrak pursuant thereto shall not exceed \$#####, as set forth in Appendix D and pro-rated for the period of this Agreement, unless otherwise provided by amendment to this Agreement

(c) **Invoicing of Scheduled Payments:** On or before the first (1st) day of each month from the first through the twelfth months, inclusive, of the federal fiscal year specified in Appendix D hereto, Amtrak shall submit an invoice to SJJPA including as required any debits or credits resulting from the most recently completed monthly reconciliation. SJJPA agrees to pay Amtrak in accordance with the estimated monthly payment schedule included in Appendix D, in response to receipt of an undisputed invoice rendered by Amtrak. Invoices shall be rendered not less than forty-five (45) days prior to the due date and shall specify the address to which the said remittance shall be made. Payment of all invoices will be due within forty-five (45) days of receipt of an invoice, consistent with the California Prompt Payment Act (Government Code 927 et seq.).

(d) **Minor Capital Invoices.** If any minor capital projects are implemented in accordance with Section 2 (h) above, Amtrak shall render separate invoices for SJJPA's share of documented costs incurred for each as reported by APT, accompanied by Standard Supporting Documentation. Such invoices shall be rendered monthly. Invoices shall specify the address to which remittance shall be made. Payment will be made in accordance with the California Prompt Payment Act (GC §927 et seq.).

(e) **Payment for Services Performed Prior to the Expiration or Termination:** Notwithstanding the expiration date of the Agreement, SJJPA will pay Amtrak for actual costs for services performed during the term of the Agreement and for the allowable costs of specific projects authorized during the term of this Agreement, but invoiced after expiration of this Agreement, consistent with funding sources, work schedules and invoice dates in this Agreement.

Not later than ninety (90) days following the expiration or termination of this Agreement as provided herein, each Party hereto shall remit to the other the full balance due with respect to the underpayment or overpayment, if any, relating to the obligations of a Party to the other pursuant to the terms of this Agreement.

(f) **Withholding Payment:** In the event that Amtrak fails to perform the services as required by this Agreement, or an invoiced amount is disputed by SJJPA, the provisions of this subsection shall apply.

i. Withholding Payment Due to Failure to Comply

In the event Amtrak does not comply with the requirements of this Agreement, including provisions for State-provided equipment, SJJPA shall compute the value of the perceived failure and notify Amtrak in writing that a corresponding amount will be withheld from the monthly advance payment if the perceived failure has not been resolved to the State's and SJJPA's satisfaction. SJJPA shall detail the reason for the proposed withholding of payment and the actions SJJPA and the State consider necessary to resolve the perceived failure.

Once resolution of the failure to comply is achieved between SJJPA and Amtrak, the notice to withhold will be withdrawn, or the monthly payment withheld will be remitted with the next monthly advance payment. Should resolution of the non-compliance not be achieved through negotiation or the provisions of Section 7, "Informal Dispute Resolution", either Party may submit the matter to arbitration under the provisions of Section 8, "Arbitration".

ii. Withholding Payment Due to Invoice Dispute

In the event SJJPA disputes a charge detailed in a Monthly Reconciliation Statement, including whether APT properly allocated costs to a route covered under this Agreement, and Amtrak cannot substantiate said charge, SJJPA shall have the right to withhold the amount in dispute as specified herein and shall be required to pay the remainder of the invoice. SJJPA shall promptly advise Amtrak, in writing, of the amount of disputed charges to be withheld, detailed reasons for the withholding, and the actions that SJJPA considers necessary to resolve the disputed invoice amount.

Once resolution of the disputed invoice amount is achieved between SJJPA and Amtrak, the notice to withhold will either be accepted, withdrawn, or modified. In the event the disputed invoice item is withdrawn or modified, the portion of the disputed invoice will be remitted promptly, not more than thirty (30) days after resolution of the dispute.

Should resolution of the disputed invoice amount not be achieved through negotiation or the dispute resolution provisions of Section 7 of this Agreement, the withheld amount will be paid under protest after three (3) calendar months of withholding. Such payment shall not be considered as resolution of the dispute and the process outlined in Section 7 of this Agreement shall be carried to its conclusion. Should the resolution of the dispute result in a refund to SJJPA, said refund shall be applied as a credit to the next monthly payment, and shall be expressly accounted for therein. Should resolution of the dispute result in a remittance or payment to Amtrak, said payment, if not already paid under protest, will be made to Amtrak in the next monthly payment due and shall be expressly accounted for therein.

- (g) **Natural Disasters:** In the event of a natural disaster that causes revenue derived from the Service to increase or decrease, Amtrak SJJPA mutually agree to review projected revenue and expense identified in the monthly payment schedule included in Appendix D. As a result of the review described in the previous sentence, should the Parties determine that the funds available to SJJPA for the remainder of the year are insufficient to support the service levels described in Appendix B, SJJPA agrees to: (a) obtain supplemental funding and/or (b) work with Amtrak to implement any and all necessary service modifications to reduce projected contract payments to match the level of anticipated funding.
- (h) **Bus Feeder Service:** With respect to each connecting bus service authorized in Appendix B, Amtrak agrees that it will pay all documented monthly invoices from the Contract Bus Operators and non-contract transportation providers, subject to the terms of the Amtrak Purchase Orders.
- i. Amtrak agrees to provide SJJPA with a copy of the monthly billing from the Contract Bus Operator within forty-five (45) days after the end of that month. These bus billings shall be considered acceptable documentation to support Amtrak's documented costs.
- (i) **Changes and Updates to APT:** From time to time, Amtrak may make updates to the Amtrak Performance Tracking (APT) system which is the basis of many cost allocations within the Adopted 209 Methodology, or may make updates to Operating or Capital Cost forecasts derived from APT data. In the event any such updates are, consistent with the requirements of Adopted Section 209 Methodology, determined by Amtrak to warrant the revision of any such costs in a

manner that would result in an adjustment of the amounts paid by or to be paid to SJJPA under the terms of this Agreement, Amtrak will notify SJJPA of such adjustment(s) and, subject to mutual agreement of the Parties, amend this Agreement accordingly.

- (j) **Continuation Clause:** In the event that SJJPA continues to act in the management of the Service as set forth in this Agreement and the Parties fail to reach agreement for the operation of the Service for the period beginning October 1, 2016 through September 30, 2017 (FFY 2017 Agreement) prior to September 30, 2016, the Parties agree that the terms of this Agreement shall govern continued operation of the Service until a new agreement is executed by the Parties ("Continuation Period"). In such an event, SJJPA agrees to continue to reimburse Amtrak for the costs, at the levels established for the period of October 1, 2015 through September 30, 2016, including adjustments to monthly payments based upon the reconciliation process throughout the year, plus the addition of a 3% escalation component, for the term of the Continuation Period. Once an FFY 2017 Agreement is executed by the Parties, Amtrak will credit SJJPA's payments made during the Continuation Period to SJJPA's reconciled financial obligations under the FFY 2017 Agreement. In no event shall the Continuation Period extend beyond March 30, 2017.

SECTION 5 – MANNER OF RECONCILIATION, REIMBURSEMENT AND SCHEDULED PAYMENT ADJUSTMENT

- (a) **Monthly Reconciliation Statements for Service Costs:** Amtrak shall submit Monthly Reconciliation Statements with Standard Supporting Documentation to SJJPA as soon as practicable but in any event not more than forty-five (45) days after the end of each month. These reconciliations will include the APT-based actual monthly Passenger Related and Other Revenue, APT-based actual monthly Route Costs and Additives, and APT-based actual monthly Third Party Costs (including Fuel costs, Host Railroad Costs and Performance Incentives), for operating the Service. As provided by the Adopted 209 Methodology, the actual cost of providing the Service will be calculated using APT and supplemental financial data in accordance with Section 3(a)(iii) and Section 3(a)(iv). Fuel hedges utilized by Amtrak are reflected in the estimated fuel costs, and will be applied in the calculation of fuel expenses, regardless of economic conditions. Credits or debits resulting from the monthly reconciliation process will be credited or billed to SJJPA as set forth in Section # of this Agreement. SJJPA shall remit all undisputed payment(s) to Amtrak of any unpaid supplemental reimbursement resulting from the monthly reconciliation, processed according to the California Prompt Payment Act, or not more than forty-five (45) days after receipt of such invoice for supplemental

reimbursement and Standard Supporting Documentation. If, after reconciliation of the monthly invoice, it is determined that the amount of the scheduled monthly payment by SJJPA exceeded the amount of payment owed by SJJPA for such month, Amtrak shall credit on the next monthly reconciliation invoice an amount equal to such overpayment by SJJPA. If, after reconciliation of the final monthly invoice, it is determined that the amount of scheduled monthly payment by SJJPA exceeded the amount of payment owed by SJJPA for the final month of this Agreement, Amtrak shall at the SJJPA's option, credit or pay to SJJPA an amount equal to any such overpayment by SJJPA. Any overpayment will be reimbursed to SJJPA or may be applied against SJJPA payments due under the FY17 Agreement with advanced written approval from SJJPA. A sample of the Monthly Reconciliation and Standard Supporting Documentation is set forth in Appendix L and has been agreed upon by the Parties as providing a satisfactory level of supporting documentation for reconciliation. SJJPA reserves the right to request additional documentation for any particular item claimed by Amtrak, but supplemental reimbursement due to Amtrak resulting from the monthly reconciliation shall be made in full regardless of whether Amtrak produces such additional documentation. Amtrak shall not unreasonably withhold or delay the requested documents.

Reconciliation invoices submitted to SJJPA must contain all information and supporting documentation required by this Agreement.

- (b) **Quarterly Reconciliation Assessment:** The Parties agree that within forty-five (45) days of the end of each quarter of the contract year, the Parties will review in person or via conference call the Monthly Reconciliation Statements described in Section (a) above, Standard Supporting Documentation and any other documentation necessary to fully identify costs and reconcile and validate charges billed to SJJPA. The parties agree to evaluate the Schedule of Payments as outlined in Appendix D and to the extent that the net payment for each respective quarter reflect a variance of more than 5 percent positive or negative the Parties will adjust the remaining scheduled payments to align with the reconciled actuals. The Parties will also evaluate positive and negative variances affecting individual budget line items (Appendix D) and discuss strategies to match up the remaining funds available to SJJPA with a jointly strategized Amtrak estimated contract budget for the remainder of the contract year. In the event that the amount of forecasted Operating Costs for the remainder of the year exceeds the remaining SJJPA funds, (a) SJJPA agrees to obtain supplemental funding; and/or (b) work with Amtrak to implement any and all necessary service modifications to reduce projected contract payments to match the level of anticipated remaining SJJPA funding. However, Amtrak shall not be required to provide any of the said Service or any services whatsoever for which SJJPA is not bound hereunder or for which the cost SJJPA, as determined

hereunder, exceeds the aforesaid amount(s), unless supplemental funding is obtained and incorporated through an amendment to this Agreement.

- (c) **Third Party Costs – Host Railroad Access Fees, Performance Incentives and Other Costs Reconciliation:** On a quarterly basis, Amtrak shall provide documentation for an in-person review of all APT host railroad costs, by SJJPA at a mutually agreed to location in California. . SJJPA shall not disclose to any third party, without Amtrak's prior approval, any confidential or proprietary data provided hereunder.
- (d) **Incentives and Assessments Reconciliation:** The Parties agree that Incentives and Assessments will be reconciled on a quarterly basis as set for in Section 2 (j)(iv).
- (e) **Annual Reconciliations:** Amtrak shall also submit a year-end final line item reconciliation to SJJPA following the Appendix D format for 'aggregate amount allocations'.
- (f) **Suspension of Portions of Service for Non Payment:** In the event that SJJPA shall fail to remit any undisputed payment in full, as provided in this Section, Amtrak may suspend the applicable portion or portions of the Service provided for herein on ten (10) days' prior notice in writing to SJJPA of intended suspension. Notwithstanding the 180-day notice requirement contained in 49 U.S.C. Subsection 24706(a), if SJJPA fails to remit payment in full within the period of the said notice, Amtrak may discontinue the portion or portions of the said service referred to therein after thirty (30) days prior written notice to SJJPA; provided, however, that such discontinuance shall not constitute or be construed as a waiver by Amtrak of any such payment; provided, further, that any such discontinuance shall be without prejudice to the continued operation of any remaining portion or portions of the said service.

SECTION 6 DEFENSE OF CLAIMS

Amtrak shall bear the expense of prosecuting the settlement and defense of, and shall pay any settlement or final judgment disposing of any claim, action or proceeding involving injury to or death of any person or damage to or loss of any property arising directly from its operation of the rail passenger and bus feeder service provided for hereunder, or from its performance of maintenance services provided by Amtrak hereunder at stations and the Oakland Maintenance Facility. If any claim, action or proceeding shall at any time be brought against SJJPA asserting a liability for such injury, death, damage or loss, SJJPA shall promptly

give notice to Amtrak of such claim, action or proceeding and shall thereafter provide all such information as Amtrak may from time to time request.

SECTION 7 – INFORMAL DISPUTE RESOLUTION

The Parties shall employ a mutually agreed upon issue resolution process, as described below, with a primary objective to ensure the Service stays on schedule and issues between the Parties are resolved in a timely manner. The Parties agree to the following:

- a. If the Parties are unable to reach agreement on any particular issue relating to either Party's obligations pursuant to this Agreement, the Parties agree to promptly follow the issue resolution process as outlined below:
 - i. Step One: Amtrak's Senior Manager State Corridors and Deputy General Manager and SJJPA's Deputy Managing Director may initiate the process of informal dispute resolution by providing the other Party with written notice of a dispute. The written notice shall provide a clear statement of the dispute, and shall refer to the specific provisions of this Agreement that pertain to the dispute. Amtrak's Senior Manager State Corridors and Deputy General Manager and SJJPA's Deputy Managing Director shall meet either in person or telephonically and attempt to resolve the dispute within seven days following the written notice of dispute. If the dispute is resolved, the Parties shall document and sign a short description of the facts and the resolution that was agreed upon and will be binding on the Parties.
 - ii. Step Two: If the dispute is not resolved by the fourteenth day following the written notice described in Section 7(a)(i) above, Amtrak's General Manager State Supported Services and SJJPA's Managing Director shall meet and review the dispute within seven days (within 21 days following the written notice). Amtrak's General Manager State Supported Services and SJJPA's Managing Director will in good faith attempt to resolve the dispute. If the dispute is resolved, the Parties shall document and sign a short description of the facts and the resolution that was agreed upon and will be binding on the Parties.
- (b) All disputes must exhaust the informal dispute resolution process outlined in Section 7(a) prior to proceeding to arbitration. The Parties shall then follow the arbitration process outlined in Section 8.

SECTION 8 - ARBITRATION

- a. Unless otherwise provided for in applicable law, or agreed to by the Parties, in the event of a dispute between the Parties which has not been satisfactorily resolved by the Parties within sixty (60) days of the commencement of the dispute, said dispute may be submitted by either Party to arbitration by a

mutually agreed arbitrator who shall conduct the arbitration pursuant to the rules of the American Arbitration Association. In the event the Parties cannot agree on the selection of an arbitrator, each Party shall appoint an arbitrator and both of the Parties appointed arbitrators shall select, by mutual agreement, an arbitrator to hear the dispute.

b. The arbitrator shall resolve the dispute in accordance with the terms of this Agreement, and such resolution shall be final and binding upon the Parties. Each Party shall bear its own costs of arbitration, including its appointed arbitrator and reasonable attorney's fees. The cost of the arbitrator hearing the dispute shall be divided equally between the disputants. Any proceeding convened under this provision shall be conducted in the City Sacramento, California. Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Upon failure of a Party to comply with an arbitration award issued pursuant to this Section, the other Party may refer the matter to a court of competent jurisdiction for enforcement of the award.

c. Unless otherwise agreed by the Parties, only disputes regarding a Party's rights and obligations arising under the terms of: (i) this Agreement, (ii) any Supplemental Agreements, or (iii) any other agreement between the disputants in which this arbitration provision is incorporated by reference shall be subject to arbitration pursuant to this Section.

SECTION 9 - INSPECTION AND AUDIT

- (a) SJJPA may, at any time, inspect the Service, including the connecting bus services, facilities and equipment provided hereunder; provided, however, that such inspection shall comply with all applicable safety rules and regulations and shall not hinder or delay the operation of the Service. Upon reasonable notice, Amtrak shall permit auditors or any other duly authorized agents of SJJPA and/or the State to inspect all books, records and accounts relating to the Service, including supporting documentation provided to Amtrak by operating railroads, vendors, or any other subcontracted services in connection therewith and further including all records and documents relating to the determination and allocation of the costs and revenues of the Service. All such books, records, accounts and documents shall be maintained by Amtrak in accordance with generally accepted accounting principles and be accessible to SJJPA and/or the State for a period of three (3) years following the expiration of each contract period as described in this Agreement. Any such inspection shall be performed in Sacramento. Copies of Amtrak confidential and proprietary records may be viewed by SJJPA or its authorized agents only upon the Parties first executing a Non-Disclosure Agreement specific to the audit. Amtrak recognizes that SJJPA and the State are subject to the California Public Records Act and this Agreement will in no way contradict

the Act. During the audit period and pending the results of the audit SJJPA may not withhold or short pay any advance or reconciliation amounts either based upon preliminary audit findings or awaiting the results of the audit. However, nothing in this Section shall prevent SJJPA from exercising its rights under Section 4(c) of this Agreement.

- (b) Amtrak shall, without cost to SJJPA, make available such financial, operating and ridership data relating to the Service provided hereunder as may be available in Amtrak's information and data retrieval systems. Operating and ridership data shall be supplied for each train and bus hereunder and shall include numbers of (i) passengers carried, (ii) passenger miles, (iii) car miles, city pairs for each sold ticket, dates of sales, food and beverage sales and revenue. Such data shall be computed and furnished on a monthly basis. Amtrak will provide SJJPA with the monthly ridership tape of origin-destination data for all tickets collected on the train and feeder bus network provided for in this Agreement. Furthermore, Amtrak will take reasonable steps to provide such supplemental data relating to said Service as may be reasonably requested by SJJPA. In the event of changes in data format, Amtrak will make reasonable efforts to inform SJJPA in sufficient time so that SJJPA may make appropriate changes to use the reformatted data.

SECTION 10– FORCE MAJEURE

The obligations of Amtrak hereunder shall be subject to force majeure. Amtrak shall not be liable for any failure to perform, or for any delay or cancellation in connection with the performance of any obligation hereunder if such failure, delay or cancellation is due to or in any manner caused by the subsequent enactment of statutes, laws, regulations, acts, demands, orders or interpositions of any federal, state, county or local government agency or joint powers authority having jurisdiction thereof, or by Acts of God or of the public enemy, strikes, fire, flood, weather, theft, vandalism, war, acts of picketing, rebellion, insurrection or terrorism, track condition, or any other cause beyond Amtrak's control.

SECTION 11 –TERMINATION

- (a) **Termination for Convenience:** This Agreement may be terminated upon ninety (90) days prior notice in writing from SJJPA to Amtrak. Upon termination of this Agreement for any reason at any time other than at the end of a fiscal year, SJJPA shall pay the following termination costs to Amtrak:

- (i) The reasonable costs of settling and paying claims out of the termination of Services under subcontracts or purchase orders; ;
 - (ii) Reasonable costs determined at the time of termination which are incurred pursuant to the performance of any specific written instructions received from SJJPA; and
 - (iii) Any other reasonable costs incidental to such termination of Service, specifically excluding, however, any costs of labor protection arising from such termination. .
- (b) **Termination of Interagency Transfer Agreement:** This Agreement shall terminate effective upon termination of the Interagency Transfer Agreement between the State and SJJPA. SJJPA agrees to give notice to Amtrak, in writing and sent by email communication followed by a hard copy overnight courier with confirmed delivery, promptly upon receipt of notice of termination of the ITA in accordance with its provisions, or given by SJJPA, promptly upon giving such notice to the State.
- (c) **Termination Compensation:** Notwithstanding the foregoing, the total amount of termination costs payable to Amtrak shall not exceed 1/12 of the approved contract amount as set forth in Appendix D for the fiscal year in which the termination occurs. No termination of this Agreement shall diminish or affect SJJPA's obligation to pay for any service rendered or to fulfill any other obligation incurred prior to the effective date of the termination.

Termination pursuant to this Section 11, shall be without prejudice to Amtrak's right to receive compensation and reimbursement pursuant to the provisions under this Agreement for the Service provided until and including the date of termination.

SECTION 12 – NOTICES

Except as otherwise provided in Section 4 (a) hereof, any notices required by this Agreement or related to the services provided for under this Agreement by either Party shall be in writing and shall be directed to the officials identified herein by personal delivery or by deposit in the United States mail via first class mail, postage prepaid, or by overnight courier.

For Amtrak: Contractual Issues:
Senior Manager State Corridors
National Railroad Passenger Corporation
530 Water Street, 5th Floor
Oakland, California 94607

All Other Issues:
Deputy General Manager California
National Railroad Passenger Corporation
245 2nd Street - 2nd Floor
Oakland, California 94607

For SJJPA: Managing Director
San Joaquin Joint Powers Authority
949 East Channel Street
Stockton, CA 95202

The titles and addresses set forth herein may be changed at any time by either Party hereto by notice in writing to the other.

SECTION 13 - GENERAL CORRESPONDENCE

- (a) SJJPA shall respond in writing, within fifteen (15) working days of receipt, to all written questions and requests from Amtrak concerning approvals, interpretations, and other matters pertaining to this Agreement, unless otherwise allowed for by this Agreement.
- (b) Amtrak shall respond in writing, within fifteen (15) working days of receipt, to all written questions and requests from SJJPA concerning approvals, interpretations, and other matters pertaining to this Agreement, unless otherwise allowed for by this Agreement.

SECTION 14 – AGREEMENT CONTENT

This Agreement constitutes the entire agreement between the Parties related to the subject matter hereof. There are no agreements, whether express or implied except as are expressly set forth herein. All prior agreements and understandings between the Parties with respect to the provision of the Services herein and after the effective date of this Agreement are subsumed within this Agreement. No change or modification in or to this Agreement, shall be of any force or effect unless in writing, dated and executed by duly authorized representatives of the Parties.

SECTION 15 - CONSTRUCTION

The Section headings used in this agreement are for convenience only and shall not affect the construction of any of the terms hereof.

SECTION 16 – SEVERABILITY

If any part of this Agreement is determined to be invalid, illegal or unenforceable, such determination shall not affect the validity, legality or enforceability of any other part of this Agreement and the remaining parts of this Agreement shall be enforced as if such invalid, illegal or unenforceable part were not contained herein.

SECTION 17 – FAIR EMPLOYMENT PRACTICES

Amtrak shall observe the terms and conditions set forth in Appendix O, titled FAIR EMPLOYMENT PRACTICES ADDENDUM, attached hereto. In said Appendix, the term “Contractor” shall be deemed to read “Amtrak”.

SECTION 18 – CONFIDENTIALITY

SJJPA desires that Amtrak disclose to SJJPA certain proprietary and confidential commercial and financial information of Amtrak pursuant to this Agreement and the services provided hereunder. SJJPA agrees that, subject to the requirements of the California Public Records Act (California Government Code Sections 6250 et seq.) its employees, contractors and agents will not, either during or at any time after the term of this Agreement, publish or disclose to any third party or the public any identified Amtrak proprietary or confidential information of any kind or nature disclosed by Amtrak to SJJPA hereunder without first providing Amtrak with notice of the request and allowing Amtrak the opportunity to seek a protective order. This Section shall survive termination or expiration of this Agreement.

SECTION 19 – COMPLIANCE WITH LAWS

The Parties will comply with all applicable state, federal and local laws and regulations in the performance of this Agreement.

SECTION 20 - EMPLOYEE CONDUCT, DISCIPLINE AND REMOVAL

- (a) Nothing herein shall require Amtrak to perform any service or to take any action that would violate any term or condition of any labor agreement between Amtrak and any organization representing Amtrak's employees or any other labor agreement applicable to Amtrak.
- (b) All Amtrak employees/subcontractors exclusively engaged in providing the Service shall perform their duties in a safe, courteous, and efficient manner in accordance with Appendix E.
- (c) SJJPA reserves the right to request an employee be removed from the Service.

SECTION 21 - APPROVAL

This Agreement is of no force or effect until signed by both Parties.

SECTION 22 - ASSIGNMENT

This Agreement may be assigned to the State on behalf of SJJPA upon thirty (30) days written notice to Amtrak. This Agreement is not assignable to any other agency by either Party, either in whole or in part, without the consent of the other Party in the form of a formal written amendment.

SECTION 23 - INDEPENDENT CONTRACTOR

Amtrak, and the agents and employees of Amtrak, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of SJJPA.

SECTION 24 - NON-DISCRIMINATION CLAUSE

During the performance of this Agreement, Amtrak and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Amtrak and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Amtrak and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code

§12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Amtrak and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Amtrak shall include the nondiscrimination and compliance provisions of this clause in all subcontracts awarded under this Agreement to perform work under the Agreement. Provisions of this section are also included in Appendix O.

SECTION 25 - CHILD SUPPORT COMPLIANCE ACT

For any Agreement in excess of \$100,000, Amtrak acknowledges in accordance with Public Contract Code 7110, that:

- A. Amtrak recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code; and
- B. Amtrak, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

SECTION 26 - TIMELINESS

Time is of the essence in this Agreement.

SECTION 27- PRIORITY HIRING CONSIDERATIONS

If this Agreement includes services in excess of \$200,000, Amtrak shall give priority consideration in filling vacancies in positions funded by this Agreement to

qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

SECTION 27 - STATE PREVAILING WAGE RATES

Amtrak shall comply with all of the applicable provisions of the California Labor Code requiring the payment of prevailing wages. General Prevailing Wage Rate Determinations applicable to this project may be obtained from the Department of Industrial Relations Internet site at <http://www.dir.ca.gov>.

SECTION 29 - CERTIFICATION CLAUSES

By executing this Agreement, Amtrak certifies to the best of its knowledge and belief the following:

A. Statement of Compliance

Amtrak has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities).

B. Drug-Free Workplace Requirements

Amtrak will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
2. Establish a Drug-Free Awareness Program to inform employees about:
 - a) The dangers of drug abuse in the workplace;
 - b) The person's or organization's policy of maintaining a drug-free workplace;
 - c) Any available counseling, rehabilitation and employee assistance programs; and

- d) Penalties that may be imposed upon employees for drug abuse violations.

3. Every employee who works on the proposed Agreement will:

- a) Receive a copy of the company's drug-free workplace policy statement, Appendix G; and
- b) Agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

4. Failure to comply with these requirements may result in suspension of payments under the Agreement, or termination of the Agreement, or both and Amtrak may be ineligible for award of any future SJJPA agreements if SJJPA determines that any of the following has occurred: Amtrak has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

C. National Labor Relations Board Certification

Amtrak certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Amtrak within the immediately preceding two-year period because of Amtrak's failure to comply with an order of a Federal court, which orders Amtrak to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

D. Expatriate Corporations

Amtrak declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with SJJPA.

E. Domestic Partners

For contracts over \$100,000 executed or amended after January 1, 2007, Amtrak certifies that it is in compliance with Public Contract Code Section 10295.3.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives in multiple original counterparts as of the day and year first above written.

NATIONAL RAILROAD PASSENGER CORPORATION

By: _____
Joseph Boardman
President and Chief Executive Officer

Date: _____

Approved as to Form:

By: _____
Jared I. Roberts
Amtrak Law Department

Date: _____

and

SAN JOAQUIN JOINT POWERS AUTHORITY

By: _____
John Pedrozo
Chair

Date: _____

Approved as to Form:

By: _____
Daniel Schroeder
Counsel

Date: _____

Route & Service Financial Evaluation

Finance, Service Planning & Costing



San Joaquins FY2016 PRIIA 209 State Forecast (Revised) PRIIA 209 Pricing Policy (all numbers in FY2016 dollars except where noted)

	<i>PRIIA 209 Based on APT Actuals from FY2014</i>	<i>Adjustments to FY2014 Actuals</i>	<i>Adjusted FY2014 Actuals</i>	<i>Adjusted Actuals (Inflated to FY2016)</i>	<i>Incr.Base (Scheduled - Adjusted Actuals)</i>	<i>FY2016 Base (Scheduled)</i>
REVENUES¹						
Ticket Revenue	\$38,296,000	\$0	\$38,296,000	\$38,296,000	(\$972,000)	\$37,324,000
Food & Beverage	2,337,000	-	2,337,000	2,337,000	35,000	2,372,000
Other Revenue	424,000	-	424,000	424,000	237,000	661,000
Total Revenue	\$41,057,000	\$0	\$41,057,000	\$41,057,000	(\$700,000)	\$40,357,000
EXPENSES²						
<u>Third Party Costs</u>						
Host Railroad (Maintenance of Way and Performance Incentives)	\$6,624,000	\$0	\$6,624,000	\$7,096,000	(\$44,000)	\$7,052,000
Synthetic Host Railroad Charge	-	-	-	-	-	-
Fuel and Power	6,418,000	-	6,418,000	6,889,000	(219,000)	6,670,000
Subtotal: Third Party Costs	\$13,042,000	\$0	\$13,042,000	\$13,985,000	(\$263,000)	\$13,722,000
<u>Route Costs</u>						
Train & Engine Crew Labor	\$10,922,000	(\$5,000)	\$10,917,000	\$11,913,000	(\$688,000)	\$11,225,000
Car & Locomotive Maintenance and Turnaround	7,854,000	(1,000)	7,853,000	8,412,000	(253,000)	8,159,000
OBS - Crew	2,032,000	-	2,032,000	2,218,000	52,000	2,270,000
Commissary Provisions	1,225,000	-	1,225,000	1,270,000	(15,000)	1,255,000
Route Advertising	-	-	-	-	-	-
Sales Distribution	579,000	298,000	877,000	939,000	-	939,000
Reservations & Call Centers	3,161,000	-	3,161,000	3,386,000	(156,000)	3,230,000
Stations - Route	3,997,000	-	3,997,000	4,281,000	-	4,281,000
Stations - Shared	1,342,000	-	1,342,000	1,437,000	(47,000)	1,390,000
Commissions	803,000	-	803,000	803,000	(15,000)	788,000
Customer Concession	89,000	-	89,000	92,000	-	92,000
Connecting Motor Coach	19,305,000	-	19,305,000	20,016,000	(611,000)	19,405,000
Regional/Local Police	496,000	-	496,000	542,000	24,000	566,000
Block & Tower Operations	-	-	-	-	-	-
Terminal Yard Operations	586,000	-	586,000	639,000	28,000	667,000
Terminal MoW	-	-	-	-	-	-
Insurance	1,609,000	-	1,609,000	2,360,000	(39,000)	2,321,000
Subtotal: Route Costs	\$54,000,000	\$292,000	\$54,292,000	\$58,308,000	(\$1,720,000)	\$56,588,000
<u>Additives</u>						
Marketing	\$780,083	\$0	\$780,083	\$780,083	(\$13,300)	\$766,783
T&E	3,538,728	(1,620)	3,537,108	3,859,812	(222,912)	3,636,900
MoE	2,128,434	(271)	2,128,163	2,279,652	(68,563)	2,211,089
OBS	325,700	-	325,700	348,800	3,700	352,500
Police	827,694	-	827,694	827,694	(6,445)	821,250
G&A	1,080,000	5,840	1,085,840	1,166,160	(34,400)	1,131,760
Total: Additives	\$8,680,639	\$3,949	\$8,684,588	\$9,262,201	(\$341,920)	\$8,920,282
Total Expenses	\$75,722,639	\$295,949	\$76,018,588	\$81,555,201	(\$2,324,920)	\$79,230,282
State Operating Payment (Credit)	\$34,665,639	\$295,949	\$34,961,588	\$40,498,201	(\$1,624,920)	\$38,873,282

Notes

1. 'Actuals' are revenues per APT (FY2014). 'BASE' are revenues as forecast by Amtrak for FY2016.

2. Expenses per APT (FY2014) inflated to FY2016.

SAN JOAQUIN JOINT POWERS AUTHORITY

January 29, 2016

STAFF REPORT

Item 5

ACTION

Approve a Mid-Day and Early Morning Full Corridor Schedule and Authorize and Direct the Executive Director to Work with the Chair in Determining the Preferred Schedule and to Negotiate Staffing with Amtrak for the 7th Daily Roundtrip Train and Execute any and All Agreements Associated with the Implementation of the 7th Daily San Joaquin Service Roundtrip

Background:

As presented at previous SJJPA Board meetings, SJJPA, Caltrans and Amtrak staffs have been working on the implementation of the 7th daily roundtrip on the San Joaquin service since August 2015. This work included the development of full corridor and mid-corridor schedules, fleet deployment plans, schedule approval from both Host Railroads (BNSF and UPRR) and Revenue and Ridership Analysis.

As part of the 7th train review process, meetings with the BNSF were held in Merced to determine a suitable location to layover the train at night to accommodate an early morning mid-corridor start. The same review was done for the full length corridor schedule to determine if sufficient space was available in Bakersfield to accommodate a 4th train at night.

After visiting numerous locations in Merced, and in consultation with the BNSF operations personnel, it has been determined there is a need to construct a layover track in Merced for a mid-corridor start. Therefore, initiation of a mid-corridor 7th daily roundtrip would be delayed by 6 to 8 months.

In reviewing the availability of space in Bakersfield to accommodate a 4th train at night, there is the capacity to lay a train over immediately.

In order to not delay the start of the 7th Daily roundtrip staff recommends moving forward with the full corridor roundtrip, and continue reviewing the two schedules being proposed; an "Early Morning" schedule and a "Mid-Day" schedule. The two schedules are currently being reviewed by the Host Railroads and final evaluation of the revenue and ridership is being completed.

The mid-corridor start while not being recommended at this time for the 7th daily round trip will continue to be moved forward as the potential 8th daily roundtrip so that all facilities can be constructed in Merced (or other mid-corridor location) in coordination with the implementation of that train.

The schedules being reviewed as mentioned above are an early morning train out of Bakersfield and a mid-day train. The schedules under review are shown below with train numbers:

Early Morning Train Schedule:

Train 709

Departs:

Bakersfield	3:45 am
Wasco	4:10 am
Corcoran	4:46 am
Hanford	5:06 am
Fresno	5:46 am
Madera	6:11 am
Merced	6:50 am
Denair	7:12 am
Modesto	7:25 am
Stockton	8:02 am
Antioch-Pittsburg	8:30 am
Martinez	8:56 am
Richmond	9:21 am
Emeryville	9:40 am
Oakland	9:52 am

Train 708

Departs:

Oakland	3:55 pm
Emeryville	4:05 pm
Richmond	4:14 pm
Martinez	4:44 pm
Antioch-Pittsburg	5:04 pm
Stockton	5:39 pm
Modesto	6:07 pm
Denair	6:21 pm
Merced	7:03 pm
Madera	7:37 pm
Fresno	8:15 pm
Hanford	8:50 pm
Corcoran	9:06 pm
Wasco	9:39 pm
Bakersfield	10:16 pm

As part of the proposed early morning schedule, the schedule of one train will be adjusted from where it currently operates today to allow for better train meets and bus connections:

- 1) Train 704 which departs Sacramento in the early evening will be moved from 4:55 pm to 5:50 pm, 50 minutes later.

Mid-Day Train Schedule:

Train 1713

Departs:

Bakersfield	11:35 am
Wasco	12:01 pm
Corcoran	12:34 pm
Hanford	12:53 pm
Fresno	1:33 pm
Madera	1:38 pm
Merced	2:37 pm
Denair	2:59 pm
Modesto	3:12 pm
Stockton	3:52 pm
Antioch-Pittsburg	4:22 pm
Martinez	4:53 pm
Richmond	5:18 pm
Emeryville	5:37 pm
Oakland	5:49 pm

Train 1714

Departs:

Oakland	11:30 am
Emeryville	11:40 am
Richmond	11:49 am
Martinez	12:19 am
Antioch-Pittsburg	12:39 am
Stockton	1:14 pm
Modesto	1:42 pm
Denair	1:55 pm
Merced	2:24 pm
Madera	2:58 pm
Fresno	3:35 pm
Hanford	4:09 pm
Corcoran	4:25 pm
Wasco	4:58 pm
Bakersfield	5:36 pm

As part of the proposed mid-day train schedule, the schedule of three trains will be adjusted from where they currently operate to allow for better train meets and bus connections:

- 1) Train 712 which departs Oakland in the morning will be moved from 7:30 am to 8:05 am, 35 minutes later
- 2) Train 713 which departs Bakersfield in the morning at 10:05 am will be moved to 9:20 am, 45 minutes earlier
- 3) Train 703 which departs Sacramento in the early evening will be moved from 4:55 pm to 4:25 pm, 50 minutes earlier.

Both schedules have positive and negative impacts on the San Joaquin fleet as it relates to, maintenance of equipment, bus connections and fleet deployment. Ridership and revenue analysis for both San Joaquin service alternatives is underway. The final results of the revenue and ridership modeling are scheduled to be completed by Amtrak Mid-February. In order for sufficient time to begin marketing of the new train in April, staff is recommending the Executive Director be authorized to work with the Chair in determining the preferred schedule and negotiate the staffing and sign all necessary documents related to the 7th daily roundtrip.

Fiscal Impact:

Included in the Approved SJJPA Business Plan is \$3,700,000 for implementation of a 7th daily roundtrip beginning in April 2016. Additionally this funding is identified in the FY 2015/2016 State Budget for the San Joaquin Service. The funds are provided to the SJJPA by the State as part of the San Joaquin's annual operating budget.

Recommendation:

Approve a Mid-Day and Early Morning Full Corridor Schedule and Authorize and Direct the Executive Director to Work with the Chair in Determining the Preferred Schedule and to Negotiate Staffing with Amtrak for the 7th Daily Roundtrip Train and Execute any and All Agreements Associated with the Implementation of the 7th Daily San Joaquin Service Roundtrip.

SAN JOAQUIN JOINT POWERS AUTHORITY

January 29, 2016

STAFF REPORT

Item 6

ACTION

Approve Agreement 16-J-18-00 of the San Joaquin Joint Powers Authority Authorizing a Five-Month Agreement for Advertising Services to ProProse, LLC dba Sagent for an Amount Not-To-Exceed \$465,500 from February 1, 2016 – June 30, 2016, and Authorizing and Directing the Executive Director to Execute the Agreement.

Background:

As identified in the SJJPA Marketing and Outreach Plan (approved November 20, 2015), FY 2015/16 advertising will focus on a marketing campaign around the initiation of the new 7th Daily Round Trip for the San Joaquin service. Staff has carried out a competitive process to bring on a consultant to carry out this effort.

A request for proposals (RFP) was released on November 24, 2015 for SJJPA Advertising services for FY 2015-16. SJJPA received 10 responsive proposals by the December 22, 2015 deadline. These proposals were reviewed by the SJJPA staff evaluation team and the top-ranked proposers were invited to oral interviews that were held on January 19, 2016. The top-ranked proposers were:

- Ad Taxi Networks
- Affirm
- Circlepoint
- Glass Agency
- JP Marketing
- ProProse, LLC dba Sagent

ProProse, LLC dba Sagent's proposal received the highest score from the SJJPA staff evaluation team. Based on this scoring, SJJPA staff recommends selecting ProProse, LLC dba Sagent for the SJJPA Advertising Services for FY 2015-16. Please see the ProProse, LLC dba Sagent technical proposal attached.

Fiscal Impact:

As established in the approved SJJPA Marketing and Outreach Plan, the Agreement is for \$465,500. These funds have been provided to the SJJPA by the State as part of the SJJPA's annual marketing and outreach budget.

Recommendation:

Approve Agreement 16-J-18-00 of the San Joaquin Joint Powers Authority Authorizing a Five-Month Agreement for Advertising Services to ProProse, LLC dba Sagent for an Amount Not-To-Exceed \$465,500 from February 1, 2016 – June 30, 2016, and Authorizing and Directing the Executive Director to Execute the Agreement.

3. Project Experience & References / 4. Technical Proposal

	Years	Paid Media	Added Value	ROI
ITD & CHP teen distracted driving	2010-15	\$1,670,000	\$2,180,000	230.54%
CAL FIRE	2007-15	\$3,200,000	\$1,600,000	150%
CA Energy Commission	2007-09	\$400,000	\$1,900,000	575.00%
Report Drunk Drivers, Call 9-1-1	2005-06	\$0	\$2,300,000	n/a
Caltrans Fix I-5	2008	\$175,000	\$918,000	624.57%
Caltrans Fix 50 campaign	2013-'14	\$220,660	\$823,000	472.97%
Caltrans Tahoe Basin	2010-'15	\$239,336	\$584,053	344.03%
CA Dept of Public Health - Ped Safety	2014	\$199,250	\$340,814	271.05%
Caltrans Be Work Zone Alert	2014-15	\$4,760,000	\$3,600,000	175.63%
Caltrans Stormwater Education	2016-17	\$3,700,000	\$11,400,000	408.11%

Leveraging Media for Added Value:

Because we specialize in socially beneficial programs, we have become exceptionally effective at delivering substantial media added value to increase effectiveness and stretch budgets. We have great relationships with media partners who not only know they have to step up their level of contributions, but they like being part of such positive, effective campaigns. The table on the left shows some examples of added value we have delivered.

4. Technical Proposal

Sagent will develop an Integrated Marketing Plan (the Plan) that blends the recommended media strategies provided in this proposal with new and existing marketing, advertising, outreach and social media activities occurring in support of the San Joaquin intercity passenger rail service throughout the corridor markets to achieve increased awareness and new ridership. The Plan will provide a structured approach to best leverage all paid and earned media, outreach, partner marketing and promotional activities.

The backbone of the Plan includes the marketing campaign (creative advertising program for the remaining portion of FY 2015-16) and the Marketing and Outreach Services contract activities for each region (Sacramento, Bay area, Central Valley, etc.)

The planning and design of a creative advertising program requires understanding the objectives of the organization, the target audiences to be reached and the media and markets that will most efficiently and effectively reach the targets to achieve the objectives. We will work with SJJPA staff and review existing research to help inform our strategies. Sagent's president, Anne Staines, is also familiar with the marketing strategies for all three intercity rail lines in California from having managed the campaign at her prior employer, Glass McClure, prior

to starting Sagent. Segmentation of audiences and messages was an important strategy that paid off for Amtrak California then, and remains worth exploring now.

APPROACH TO TARGET AUDIENCES

The San Joaquin ridership profile is extremely diverse, ranging from students to seniors, and with various income levels. Currently, the customer base skews slightly female, and more passengers travel alone than with a companion or group. The trip purpose is overwhelmingly leisure and household income skews significantly lower for San Joaquin versus the other two state routes.

Since the rail travel mode does not exceed 2% versus other modes in California, the existing passenger profile is an important place to start in order to identify similar targets with the greatest opportunity to convert to new customers, and also speak to existing or former customers to increase top of mind awareness and frequency of travel by rail. If selected, Sagent Marketing will utilize additional route research that may be available from SJJPA to further refine targeting for demographic, psychographic and geographic similarities to the current San Joaquin rider profile.

4. Technical Proposal

Strategies of the Plan will include raising awareness and interest in riding the San Joaquin line, encouraging travel by both strengthening the appeal of the brand and through strategic promotional offers, with the goal to ultimately create sustainable increases in ridership that also results in increased revenue for the line. The new, 7th round trip, adds to the convenience and newsworthiness of the line, but it is not in itself strong enough to cause enough non-riders to begin riding the line. Our Plan will focus on building ridership overall — on all schedules — by both encouraging new riders to try the San Joaquin, and encouraging existing riders to ride more frequently and as part of larger groups.

Targeting will be used to attract new customers outside of the current rider profile. As directed by the RFP, the advertising plan includes “minority, non-English speaking, low-income and particularly Hispanic market” audiences. Many of these demographic segments have not been directly targeted previously and are considered very specifically in Sagent’s proposed approach to the media plan and creative messaging in order to directly increase awareness and intent-to-use among these target audiences. Business travelers are another group that has not been targeted in the past, and will be a focus, especially in the mid-corridor (Merced-start) proposed approach media plan.

CREATIVE CAMPAIGN DEVELOPMENT APPROACH

Our approach to developing the creative campaign is to begin with branding. The establishment of the SJJPA is an important opportunity for the San Joaquin line to develop a stronger brand personality of its own that will help reinforce existing rider’s loyalty and also attract new riders. It is not so much a matter of creating the brand — it is more about uncovering the richness of the authentic brand that current riders appreciate, and then expressing it in a way that will resonate with current and potential riders.

The San Joaquin line has a rich history steeped in the culture of the Central Valley. It is a culture that its residents and visitors know well and relate to. At the same time, the San Joaquin’s share a brand relationship with Amtrak. The Amtrak brand has high recognition and awareness, important assets for the San Joaquin line brand. So we recommend

developing branding elements that will respect the Amtrak heritage while also expressing what is most emotionally relatable about the line’s unique features and culture. The brand identity will be created with the San Joaquin’s target audiences in mind, including Latino residents and business travelers, who are underrepresented in the line’s ridership currently.

Sagent and our creative partners, FUEL Creative Group — in collaboration with SJJPA staff, stakeholders and other partners — will develop a San Joaquin brand strategy and creative advertising program. The approach to the San Joaquin brand will recognize and embrace the years of successful rail service under Caltrans and leverage brand value from existing awareness of the San Joaquin and Amtrak/Amtrak California brands. This strategy maximizes awareness and brand alignment efficiencies, and will allow SJJPA to capitalize on the Amtrak brand advantages and assets available in a consistent and cost-effective way.

There is also opportunity to leverage the increasing appeal of environmental responsibility to help build ridership. California was recognized a world leader in promoting sustainability at the Paris climate talks. The opportunity for the Central Valley to benefit from reduced air pollution is another big selling point, given that it continues to suffer from some of the worst air quality in California. Another powerful message that will resonate with some Valley residents is the opportunity for the San Joaquin to help bolster the Valley’s still sagging economy by increasing visitors to the Valley, and making business travel easier and more efficient as a mobile office.

The brand personality will be expressed as a logo, color palette, graphics, type treatment and core messages. Once approved by the SJJPA leadership, we will provide a brand standards guide that will help the SJJPA maintain consistent use of the brand identity. Although these elements were not required in the Scope of Work, we firmly believe that they will make the media campaign much more effective.

The creative advertising program will build on the brand elements and incorporate the objectives of the SJJPA “to raise a high-level of awareness in California’s San Joaquin Valley and the Bay Area about the new 7th Daily Round Trip for the San Joaquin intercity passenger rail service.” The creative design and campaign messaging will be developed to provide an integrated marketing

4. Technical Proposal

and communications program to reach all targets, markets and outreach goals. The program will be designed to carry the campaign creative and messaging through all elements of advertising, marketing and outreach activities for agency staff, contractors, stakeholders, partners and others.

The Sagent team will develop creative materials and messaging to support coordinated efforts by the Outreach contractors, new and existing local partners, and through Amtrak's existing communication channels including e-mail, online and social media. Core messaging will capitalize on the appeal of rail ridership—given that rail riders have unique needs and expectations. Messaging in Spanish and other languages will be based on culturally relevant perspectives—not simply translated directly from English. Rail safety messages will also be developed and advertised to targeted audiences as a part of our plan in partnership with “Operation Lifesaver” to increase safety around railroad tracks.

Because the campaign needs to be launched in a relatively short period of time to start driving ridership in March, advertising will begin with radio—giving more time for developing and finalizing the graphic elements.

Deliverables: Once complete and approved, all branding elements, brand standards guide and advertising elements created will be uploaded to an FTP-type site for access by SJJPA staff.

PAID MEDIA PLAN APPROACH

The following proposed media plan delivers highly targeted media to build awareness and encourage travel among prospective and current riders all along the San Joaquin corridor from Bakersfield to Stockton. Media markets and weights were selected based on their potential to deliver the greatest impact and cost efficiency, while maximizing reach and frequency to the targeted audiences. Central Valley cities/DMA's with the greatest population, highest current ridership and closest proximity to San Joaquin stations were chosen. The media mix for each market was then adjusted to achieve the desired results for the demographics with the highest value for the budget. We have also highly leveraged the budget to deliver bonus media to dramatically increase the campaign's effectiveness.

The budget was allocated only within the SJ Valley in order to concentrate messaging awareness and new rider acquisition in the origin city markets that will build core and repeat ridership. These markets also deliver a much greater value per media dollar spent than the more expensive and extremely crowded media markets of the SF Bay Area and even Sacramento.

The target audience within the SJ Valley is also much more likely to have use for the San Joaquin service to travel to a larger market (SF, SAC, LA, Reno, etc.) and can be acquired as a new customer at a much lower cost than spending media dollars to acquire riders in the much larger and more expensive media markets of the Bay Area or Sacramento regions where travel mode choices, destinations, and convenience vary much more widely. We believe that acquiring new customers within the SJ Valley markets has the highest potential for creating a repeat rider and the lowest risk of losing that rider to other modes (besides the car) and travel destination options.

This approach also leverages the significant paid advertising investment Amtrak already makes in the primary markets of Sacramento, Los Angeles and the San Francisco Bay Area to raise awareness of all Intercity Passenger Rail services. Messages encouraging rail travel in these larger markets will continue to increase awareness and ridership with the additional support of the new SJJPA Marketing and Outreach contractors in every region throughout the corridor.

PROPOSED MEDIA BUY

As requested, we have developed two media plans—Option 1 will support the full-line Bakersfield to Oakland round trip, and the Option 2 to support the mid-corridor, Merced start.

Both plans includes the following media, but with differences in the weights in each market:

Target Audiences:

- **Primary:** Adults 18+, with focus on reaching drivers who are considered more likely to be potential drivers.

4. Technical Proposal

- **Secondary:** Leisure travelers, Seniors, Business travelers in the Merced, Modesto and Stockton areas (for Media Plan #2), and Teens and young adults (for rail safety messages).
- **Languages:** Speakers of English, Spanish, Russian, Hmong, and Tagalog.
- **Markets:** We will geo-target residents who live in cities and towns along the San Joaquin line, as well as surrounding zip codes. Zip codes will be expanded slightly east of the rail lines to prioritize residents who would have to drive past SJ rail stations on their way to Oakland, as opposed to those who live closer to Interstate 5 and would backtrack to get to the station.
- **Digital ads** that target audiences by their demographic and psychographic profile, behavior, search terms and search history. These include Pay-Per-Click ads targeting those searching for travel-related information, as well as Behaviorally Targeted Display ads and Retargeting served up on websites visited by people who have searched for terms that put them in our target audience, including leisure travelers, seniors, and business travelers.
- **Facebook boosted posts** to help build followers by promoting posts that have high interest value.
- **Print ads** to reach seniors, business travelers and Spanish speakers.

RECOMMENDED MEDIA CHOICES

We considered all forms of media in our plan, prioritizing media that delivers the greatest reach, frequency and engagement at the most efficient rates targeting our audiences. We also considered where people consume media when they are likely to be making decisions related to our product. While TV has high visual appeal, the high cost-per-thousand significantly reduces the campaign effectiveness. However, we will be able to use video in Pre-Roll ads on websites like local news, YouTube, music stations and others. We also considered billboards along Highway 99, but their high cost and inability to tightly target residents made them less efficient. Therefore, our recommended media choices include the following:

- **Radio Traffic Report sponsorships:** 15-second messages in English and Spanish in areas from Bakersfield to Stockton.
- **Spanish Language:** 15-second radio announcements on Spanish language stations are added to boost exposure in markets where exposure in Spanish on traffic reports is low.
- **Pandora 30-second audio spots and digital banners** are demographically targeted and geo-targeted by proximity to San Joaquin rail stations from Bakersfield to Stockton.

THE 7TH ROUND TRIP: OPTION 1 (BAKERSFIELD TO OAKLAND) VERSUS OPTION 2 (MERCED TO OAKLAND)

A midline start of the 7th round trip in Merced creates opportunity to target business travelers in Merced, Modesto and Stockton to arrive in the Bay Area by start of business. So our proposed media plan for Option 2 includes greater focus on media in San Joaquin, Stanislaus and Merced counties—including media targeting business travelers.

However, we believe it would be a mistake to only focus media on the new roundtrip and ignore the opportunity to increase ridership and revenue on the full line with the other six round trips. So both approaches include media from Bakersfield to Stockton, with weights adjusted to focus on business riders in the Merced to Stockton area for Option 2.

RADIO TRAFFIC REPORT SPONSORSHIPS

The number one competition for travel on the San Joaquin's is automobile. So our first priority is to reach drivers when they are impacted by the inconveniences of traffic through messages in radio traffic announcements. Traffic sponsorship is very cost-efficient and also highly targetable and available in both English and Spanish, letting us reach drivers during drive time in areas all along our route. To increase exposure in Spanish in markets without as

4. Technical Proposal

many Spanish-language traffic reports, our plan also adds 15-second spots during drive time.

Both Option 1 and Option 2 provide coverage from stations in Bakersfield, Fresno, Merced, Modesto, and Stockton with spill into Visalia and Tulare, but 2 provides heavier coverage in the Merced, Modesto and Stockton areas. We were also able to negotiate two-for-one pricing, doubling the delivery of the media buy. Including bonus media, the two media plan options will deliver:

OPTION 1:

- **General Market:** 11,492 15-second announcements delivering more than 34 million impressions, which will reach 43.5 percent of the audience an average of 29.4 times from March through June.
- **Spanish:** 11,492 15-second announcements delivering 18.4 million impressions, which will reach 57.5% of the audience an average of 28.3 times from March through June,

OPTION 2:

- **General Market:** 10,842 15-second announcements delivering more than 32.3 million impressions, which will reach 42.5 percent of the audience an average of 27.4 times from March through June.
- **Spanish:** 10,842 15-second announcements delivering 17.8 million impressions, which will reach 58.2% of the audience an average of 27.1 times from March through June.

PANDORA

Pandora lets listeners create their own customized stations by music genre and listen via their computer or mobile device. It reaches 78 million listeners in the U.S. monthly — one quarter of the population. The average listener tunes in for approximately 21 hours a month. It is highly targetable by age, income, geography, language and psychographics, and generates click-throughs to campaign websites, making results highly trackable. There are fewer commercials on Pandora than on most commercial stations, giving greater visibility to the advertising that does run. It also engages listeners by having them give a thumbs-up or thumbs-down to individual songs to help fine tune the music selection. This engagement means that listeners are also paying attention to the visuals on their screen, increasing exposure to display and banner ads that run in combination with the audio commercials.

Our proposed media plan will tightly geo-target reach to listeners with 30-second audio messages and banner ads. It will provide focused reach to business travelers, Latinos, African Americans and low-income residents all along the San Joaquin line in the Central Valley.

Media Plan Option 1 provides balanced coverage along the entire Central Valley from Bakersfield to Stockton to support the 7th round trio starting in Bakersfield, and will deliver more than 7.4 million targeted impressions.

Media Plan Option 2 will provide greater impressions in the Modesto/Merced/Stockton area, and on business travelers to support the mid-line start, and will provide more than 8 million targeted media impressions.

Here are details about the impressions the two options provide:

Audience	Medium	Option 1 Impressions	Option 2 Impressions
General Market Ages 18+	:30 audio PSAs with 500 x 500 with added value companion banners	3,679,990	3,840,000
Business travelers Ages 18+	300 x 250 display banners	716,317	720,000
African Americans	:30 audio PSAs with 500 x 500 companion banners	673,684	842,106
African Americans, business travelers ages 18+, HH income < \$50k	300 x 250 display banners	135,714	142,857
Spanish-preferred, ages 18+	30 audio PSAs with 500 x 500 companion banners	1,600,000	926,316
Hispanic-bilingual business travelers HH income <\$50k	300 x 250 display banners	271,429	842,106
General Market Ages 18+	Mobile Display with bonus 300 x 250 banners	409,112	300,000
TOTAL IMPRESSIONS		7,486,246	8,040,195

4. Technical Proposal

DIGITAL ADVERTISING

Digital ads let us tightly target geographically by language spoken, zip code or DMA, demographically and behaviorally, and by search keywords. Our campaign will geo-target online users in and around the major markets — Bakersfield, Fresno/Visalia and Stockton/Modesto/Merced — as well as areas around towns with stops on the San Joaquin line like Wasco, Corcoran, Hanford, Madera, Denair, Turlock, and Lodi.

The Central Valley has high concentrations of populations who speak other languages including Spanish, Russian, Hmong and Tagalog, and these languages are reachable through digital banners on sites in these languages. Latino immigrants and other non-English speakers are the fastest adopting online users, and most (64%) access only through their mobile device; so mobile digital is included which reaches them very efficiently.

Our digital advertising plan includes:

- **Behavioral Targeting of Pre-Roll video and display ads** to business professionals, seniors and low-income individuals. Our campaign will target Spanish-dominant immigrants, as well as acculturated bilingual Latinos who consume media in both English and Spanish. These audiences will see our Pre-Roll video and display ads on consumer websites they frequent, including YouTube and music station websites. We will also extend the campaign through in-language digital ads in Russian, Hmong, and Tagalog.
- **Retargeting:** Reaches people who have recently visited the San Joaquin line website, and delivers our ads on other consumer websites they visit.
- **Key Word Targeting:** Reaches computer and mobile users searching for terms that make them prospective rail riders. We will serve ads to people searching for terms that indicate they may be potential riders. Our media plan targets those whose searches include terms with potential such as “bus, Greyhound, bus, buy tickets, Raiders, Amtrak,” and travel-related terms like “hotel, car rental, airport, air fare,” and the names of cities where the San Joaquin travels. Also, with ridesharing growing in acceptance — especially among 16 to 25 year olds — there are increasing options for longer-distance rides as well. So our

search terms can include the names of rideshare match services like Zimride, Tripda, Ridester, Rdvoux, Carpoolworld, RideJoy, and Craigslist’s RideBuzz to target their users.

Media Plan Option 1 targets markets all along the Central Valley line. It delivers 1,088,000 impressions on Pre-Roll Video and 5,100,000 impressions in text and display ads, for a total of 6,188,000 impressions over the four months.

Media Plan Option 2 targets markets all along the Central Valley line, but focuses additional media in the Merced, Modesto and Stockton areas, including business professionals. It delivers 1,144,000 impressions on Pre-Roll Video and 5,362,500 impressions in text and display ads.

FACEBOOK BOOSTED POSTS

Our plan includes promoted posts on Facebook targeting users within a 25 mile radius of Bakersfield, Fresno, Stockton, Modesto and Merced as a highly efficient way to build followers on the San Joaquin’s Facebook page, and also target younger audiences ages 13 to 25 with rail safety messages about Operation Lifesaver, who are more likely to pay attention to a social media message than obvious ads. Although the number of young people who regularly use Facebook has dropped from historic highs, it is still the most used social medium among teens. An advantage of boosted posts is that they show up in newsfeeds, rather than at the right side with other paid ads.

Facebook Boosted Posts				
25 mile radius of:	Age Range	Low	High	Potential based on population
Fresno	13-25	4,700	12,000	170,000
	26-54	3,400	8,900	270,000
Stockton	13-25	2,300	6,000	110,000
	26-54	1,500	3,900	210,000
Bakersfield	13-25	3,400	8,900	120,000
	26-54	2,500	6,600	200,000
Merced	13-25	1,800	4,800	38,000
	26-54	980	2,600	52,000
Totals		20,580	53,700	1,170,000

4. Technical Proposal

The number of persons who will be reached varies by the day and nature of the post being promoted, but the daily low and high estimates are shown below. We will reach more than a million Facebook users in our markets at very reasonable out-of-pocket rates.

PRINT ADS

Print ads will reach additional residents, including seniors and business travelers. They include:

Bakersfield Californian

- Three Half-page ads in the print edition
- Three single page ads in the e-edition

Fresno Bee

- Three print ads: Two mid-week and one on a Sunday

Merced Sun-Star reaching residents in the Merced, Los Banos, Chowchilla area.

Option 1:

- Three quarter-page, full-color ads in the Merced Sun-Star and Weekly Find-N-Save
- Five quarter-page, full-color ads in the Merced Sun-Star over
- 100,000 digital banner impressions delivered over course of campaign on mercedsunstar.com, mobile, tablet and extended network

Option 2:

- Six quarter-page, full-color ads in the Merced Sun-Star and Weekly Find-N-Save
- Ten quarter-page, full-color ads in the Merced Sun-Star over
- 200,000 digital banner impressions delivered over course of campaign on mercedsunstar.com, mobile, tablet and extended network

Central Valley Business Journal: Distributed to 17,000 businesses per month in Stanislaus, San Joaquin and Merced Counties, and with a “pass-around” rate of 5+, results reach to over 90,000 readers per month. Our plan includes:

- **Option 1:** Three quarter-page ads to generate awareness of the San Joaquin line as an option for business travel

- **Option 2:** Six half-page ads to create awareness and demand among business readers about the new Merced to Oakland round trip

Vida En La Valle is a free bilingual (Spanish/English) weekly newspaper of 156,000 circulation serving the Latino community throughout the Central Valley of California including Fresno, Merced, Modesto, Sacramento and Stockton. To maximize exposure and awareness, our plan includes 8 front-page strip ads (6 columns x 1.5 inches) in each of the editions in Fresno, Merced, Modesto and Stockton.

HIGHLIGHTS AND ADDED VALUE

Social Benefits Focus: Our singular focus on creating campaigns for socially beneficial programs means a proven strategic focus and measurable results for SJJPA.

Intercity Rail Experience: Sagent president Anne Staines’ experience marketing intercity rail in California means we understand the marketing challenges and opportunities facing the San Joaquin line. We are ready from day one with strategic insights to help build the brand, ridership and revenue.

Branding: The branding and logo treatment that our team will provide as part of campaign development will pay great dividends for the SJJPA and help establish the San Joaquin line as a memorable and relatable brand that current and future riders will value.

Latino Marketing Experience: Our bilingual staff’s experience developing programs that are culturally relevant among Latino audiences will help increase Latino ridership by ensuring the campaign is relatable and compelling.

Media Impressions: Our proposed media plan provides more than 64.7 million media impressions to increase awareness and generate increased ridership.

Media Added Value: Our proposed media buy includes bonus media that increases the campaign’s impact by more than 44.4 percent.

These and many other features of our proposal make the Sagent team the best choice for this important campaign that will launch the San Joaquin rail brand for increased success!

SAN JOAQUIN JOINT POWERS AUTHORITY

January 29, 2016

STAFF REPORT

Item 7

ACTION

Approve Agreement 16-J-22-00 of the San Joaquin Joint Powers Authority Authorizing a Two-Year and Five-Month Agreement for Marketing and Outreach Services in the Bay Area Region to Circlepoint for an Amount Not-To-Exceed \$355,500 from February 1, 2016 – June 30, 2018, and Authorizing and Directing the Executive Director to Execute the Agreement.

Background:

As identified in the SJJPA's approved Marketing and Outreach Plan, a key to the success of the SJJPA's marketing approach is the hiring of small businesses and/or individuals who are active in community issues to carry out grassroots, community based outreach throughout the San Joaquin Corridor. Staff released Request for Proposals (RFPs) to enable qualified firms/individuals to compete for this work on November 24, 2015.

The SJJPA received four responsive proposals for the Marketing and Outreach Agreement for the Bay Area Region by the December 23, 2015 deadline. These proposals were reviewed by the SJJPA staff evaluation team and the top-ranked proposers were invited to oral interviews that were held on January 13, 2016. The top-ranked proposers were:

- Caribou Public Relations, Inc.
- Circlepoint
- Winter Consulting

Circlepoint's proposal received the highest score from the SJJPA staff evaluation team. Based on this scoring, SJJPA staff recommends selecting Circlepoint for the SJJPA Marketing and Outreach Agreement for the Bay Area Region. This agreement will be for 2 years and 5 months, covering three fiscal years. Please see the Circlepoint's technical proposal attached.

Fiscal Impact:

As established in the approved SJJPA Marketing and Outreach Plan, the Agreement is for \$355,500 with \$67,500 of these funds for FY 2015-16. The funds for FY 2015-16 have been provided to the SJJPA by the State as part of the SJJPA's annual marketing and outreach budget.

Recommendation:

Approve Agreement 16-J-22-00 of the San Joaquin Joint Powers Authority Authorizing a Two-Year and Five-Month Agreement for Marketing and Outreach Services in the Bay Area Region to Circlepoint for an Amount Not-To-Exceed \$355,500 from February 1, 2016 – June 30, 2018, and Authorizing and Directing the Executive Director to Execute the Agreement.

TECHNICAL PROPOSAL

Exciting things are happening with the San Joaquin Rail Service, and we are thrilled at the opportunity to get on board! The San Joaquin service has grown to the fifth busiest intercity passenger rail service in the nation carrying about 1.2 million passengers a year with six daily round trips (four between Oakland and Bakersfield and two between Sacramento and Bakersfield). Projections show even greater ridership in the years to come. This growth and a renewed interest in commuter rail service presents many exciting opportunities to increase awareness of rail as a safe, comfortable, stress-free and sustainable way to get around.



Circlepoint has been conducting outreach and marketing services in the transportation industry for almost 30 years. Specifically, Chris Colwick and Dana Koefoed have been working on commuter rail projects in the Bay Area for nearly 10 years. They, along with other communication staff at Circlepoint, have developed close working relationships with staff, elected officials, business organizations, community groups and a wide variety of stakeholders on a range of projects led by Caltrain, VTA, CHSRA, BART, Alameda CTC, AC Transit, SFMTA, CCTA, and Caltrans, to name a few.

We recognize SJJPA's desire to have outreach representatives who are passionate about the service and upcoming improvements and are well-connected in the area of member and partner agencies, business groups, visitor bureaus, low-income and minority communities, and, generally speaking, potential riders of all types. Providing timely, engaging information to current customers, potential riders, partners and the community at large will elevate the image of the service, crystalize the benefits of commuter rail and foster a worthwhile dialogue that will greatly improve future iterations of the marketing and outreach program.

Chris and Dana will lead outreach efforts and serve as the points of contact and agency liaisons to all the various stakeholders in the Bay Area. We provide the three things that will take this outreach and marketing effort to the next level:

- Local knowledge of Bay Area stakeholders and community leaders
- Understanding of SJJPA short- and long-range goals and planning initiatives, including in-depth knowledge of the ACEforward project and related planning efforts
- A strategic, professional approach to marketing and grassroots outreach developed over years of crafting and implementing marketing and communication plans for hundreds of transportation projects and agencies in the Bay Area.

The recent formation of the SJJPA provides a unique opportunity to review, refresh and reinvigorate efforts to reach out and connect with stakeholders, market current and future service and advocate for greater support as the San Joaquin service continues to grow.

OUR APPROACH IS THE BLUEPRINT FOR SUCCESS

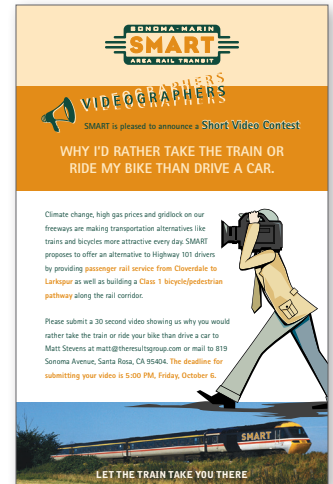
Circlepoint will bring its decades of experience in rail, destination marketing, and behavior change campaigns to achieve these goals by employing proven marketing strategies and tactics that will increase ridership and enhance public awareness and perception of the San Joaquin service. We will employ a simple, four-step approach to help SJJPA achieve the goals outlined in the 2015 Business Plan:

1. PLAN: The development of an effective, integrated marketing action plan is the key task for the success of raising awareness of the San Joaquin services. The action plan will map out the specific methods, opportunities, and messages we will employ to get the attention of target audiences and motivate users to use the system and make sustainable transportation choices. We will map out tie-ins to upcoming and foreseeable holidays and promotional events and opportunities with community partners. To ensure program quality and budget controls while delivering high-quality work products, the action plan will include an implementation schedule with key milestones and detailed cost and resource allocation estimates.

2. MESSAGE: Based on a collaborative effort between SJJPA staff and the advertising team, we will assist with the development of campaign messaging and imagery that resonates with our target audiences in the Bay Area and appeals to their motivations, such as avoiding traffic, growing economic opportunities or enjoying a stress-free trip. To reach the diverse populations in the Bay Area, we will develop messaging that takes into account cultural differences and nuances. Our subconsultant, Quiroz Communications, has extensive experience in multicultural communications and rail projects.

3. IMPLEMENT: With an emphasis on face-to-face engagement, we will conduct meetings, briefings and presentations to key stakeholders, elected officials, businesses, advocacy groups, schools, senior organizations, community groups and the general public to raise awareness and build relationships, excitement and long-term trust in the SJJPA and the San Joaquin service. Chris and Dana will serve as the local representatives of the agency in the Bay Area. We will employ a tailored combination of communication tools and channels to reach target audiences where they are and through their preferred and trusted forums. Managing and optimizing the campaigns will involve not only careful strategic planning to ensure cost-effective use of resources, but also intelligent digital media planning and shrewd timing of marketing activities to maximize market penetration.

4. EVALUATE: Circlepoint will guide SJJPA staff to articulate the goals and objectives of the program and define what success looks like, a process Circlepoint has undertaken with great success for many similar projects such as the Muni Forward project with SFMTA, the Orange County Transportation Authority's Bicycle Awareness campaign and the USDA Save Our Citrus campaign. Throughout the life of the program we will track and analyze the reach and effectiveness of marketing and outreach efforts and report both detailed and concise summary information to SJJPA. All media coverage, event participation and other promotions will be closely monitored for performance and adjusted and optimized based on these metrics.



TECHNICAL PROPOSAL

WE PLAN TO MEET YOUR GOALS

We've outlined below proven tactics that we use regularly on a variety of projects in order to meet the agency's goals for this project.

Goal: Elevate the marketing and outreach programs to ensure adequate education and awareness of the San Joaquin service in all communities served, and ensure key stakeholders participate in development of the marketing and outreach plan.

Our Approach, Tactics and Channels

- » Collaboratively develop a Marketing and Outreach Implementation Plan with SJPA staff and the marketing and advertising team. We assume an annual update to the plan.
- » Meet with member agencies, corridor communities and key stakeholders in the development and future refinement of the marketing and outreach plan to get their input and buy-in.
- » Conduct webinars (see details on page 12).
- » Develop metrics for evaluating the effectiveness of the program and solicit direct feedback from passengers and the public.
- » Provide monthly and weekly reports to SJPA to keep the project team apprised of activities, opportunities and lessons learned.

Goal: Ensure retention of existing riders.

Our Approach, Tactics and Channels

- » Provide up-to-date and engaging information to riders to reinforce the benefits around their choice to ride rail.
- » Use materials and digital media to highlight our appreciation for current riders.
- » Use online and in-person surveys (see details on page 12).



Goal: Engage with those not familiar with the service, including the general public, and specifically low-income, minority, non-English speaking and disadvantaged communities.

Our Approach, Tactics and Channels

- » Meet with schools, seniors and other special group trips to understand their needs and interests and build relationships.
- » Leverage existing social service and community-based organizations to meet with or otherwise reach disadvantaged communities through trusted sources and resources
- » Develop e-newsletters/ newsletters and other collateral and distribute via existing channels. We assume quarterly updates (at least web-based) to newsletters and collateral.
- » Provide key materials in common Bay Area languages to all interested stakeholders. We assume key materials will be translated into Spanish.

Goal: Identify and promote events, key destinations, regional attractions and customer appreciation activities to retain current riders and entice new customers to hop on board.

Our Approach, Tactics and Channels

- » Identify and prioritize events to efficiently allocate resources. We assume an initial list covering medium to large events in Contra Costa, Alameda and Santa Clara Counties.
- » Assist with planning, budgeting and execution of SJPA sponsored events as well as the agency's involvement in prioritized community and transit events, including but not limited to 49er games, San Jose Sharks games, Great America, San Jose Museum of Art, Children's Discovery Museum, Happy Hollow Park and Zoo, San Jose Jazz Festival, Alameda and Contra Costa County fairs and Stockton Arena events. We assume participation in at least two events per quarter.

Goal: Leverage existing and new partners and other existing networks to efficiently expand the distribution of information, materials and key messages, including local officials, businesses, associations, schools, community groups, tourism groups, affinity groups and community advocates in the areas of transportation, sustainability, mobility, social justice, environmental sustainability, and safety to increase ridership and revenue.

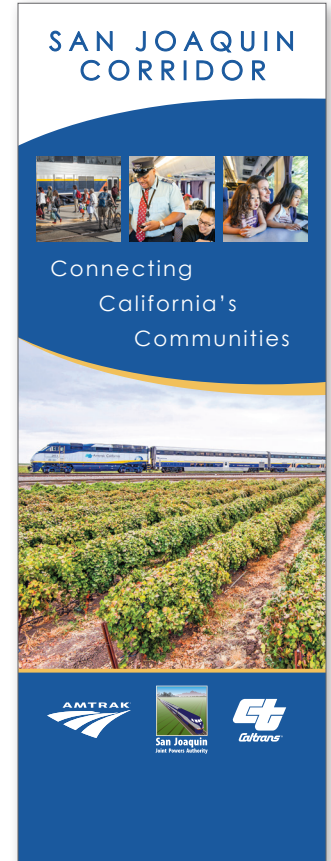
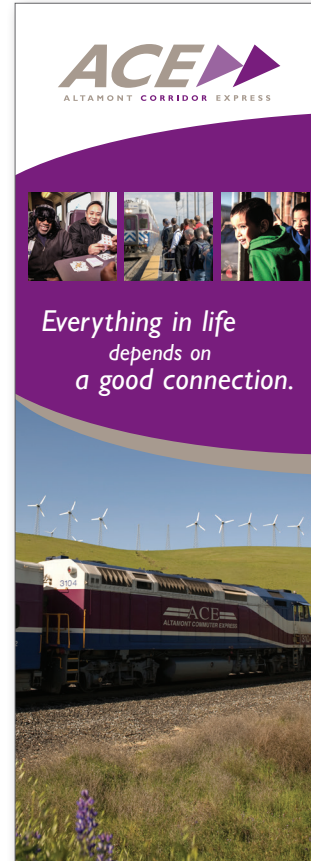
Our Approach, Tactics and Channels

- » Maintain a contact database for tracking and future engagement. Contacts will be provided to SJJPA on a regular basis as confirmed at kick-off.
- » Serve as agency liaison for all contacts and stakeholders.
- » Meet with leisure, business and groups involved in travel throughout the San Joaquin Corridor, California and Nevada.
- » Meet with Bay Area groups and key community leaders, many noted on page 14, to build relationships, raise awareness and promote the vision of SJJPA's major capital initiatives through one-on-one meetings and presentations. We assume at least one meeting or presentation per week.
- » Reach out and meet with new stakeholders to cultivate relationships and develop new channels for reaching potential riders and the public. We assume at least two monthly engagements with new stakeholders.
- » Continue or initiate membership in related and relevant organizations and associations. We assume at least quarterly participation in related associations.
- » Form partnerships and clearly explain the agency's connection between local and regional agencies and organizations such as SPUR, the Bay Area Council, Silicon Valley Leadership Group and the California Office of Operation Lifesaver. We assume at least one monthly briefing and ongoing pitches for distribution of joint information to these types of groups.
- » Develop a Tool Box of materials to facilitate partnerships (see details on page 12).

Goal: Partner with SJJPA on the design and implementation of a creative advertising program, including review and input on advertising materials created by SJJPA and partners. Monitor and leverage media and digital media, in close coordination with SJJPA, to highlight timely events, broaden reach of messaging and publicize events.

Our Approach, Tactics and Channels

- » Review and update Digital Media strategy in conjunction with update to advertising program, including online and social media assets.
- » Monitor and leverage local media, including social media, to increase accurate and engaging coverage and impressions.
- » Implement quarterly mini-campaigns (see details on page 12).
- » Review and develop updates and content for SJJPA and partner websites and social media platforms including developing infographics. We assume at least weekly postings on social media and monthly updates for web-based assets.



TECHNICAL PROPOSAL

BUILDING ON A STRONG FOUNDATION

We also recommend several additional outreach methods to the existing list of activities, including but not limited to the following:

Stronger and more active partnerships through direct, one-on-one engagement with regional transit and transportation service providers. Often the last mile is the most challenging, and by developing stronger ties with transit partners, we can leverage the added mobility benefits of an integrated travel experience. These partnerships also reinforce the importance or coordinated efforts between transportation and transit agencies in the region. For this we also recommend setting up a local, Bay Area or toll-free number and email that would go directly to Chris or Dana who would provide a direct, human response during regular business hours, rather than going to voicemail or a phone tree directory.

Online and hard copy surveys to solicit input on the San Joaquin service that can help inform future efforts. We recommend and assume doing a survey early in the contract, and then near the end of every fiscal year to inform the annual evaluation and refinement of the outreach program.

Webinars to highlight the benefits of rail and the future expansion of service. We assume at least one webinar annually to engage with stakeholders throughout the Bay Area. Webinars are an excellent

way to provide easy access to information and dialogue without having to require interested parties to leave their desks. We've found that lunchtime webinars marketed through partner agencies and stakeholder groups get excellent attendance at a fraction of the cost of a community meeting.

Development of mini-campaigns, including in-person meetings and activities, collateral and social media, to highlight key features, activities, benefits and connections to exciting events happening in the communities served. We have successfully used these mini-campaigns extensively with SFMTA's Muni Forward program. They allow us to target detailed messages to specific audiences, and ask for specific feedback. Mini-campaigns could be related to special events, seasonal activities, SJJPA milestones or related activities with a strong connection to the San Joaquin service.

Development of a "tool box" of materials so when we meet with groups or individuals, we can easily engage with them on their terms and connect with their hot button issues while also making it easy for these stakeholders to share our information in their own materials. We assume the tool kit will be discussed with and developed by the SJJPA advertising team and updated at least annually. By developing a tool box of materials, including short and engaging articles, social media posts, infographics, co-branded materials and short videos, we make it easier for partners to place our messaging in their own collateral.

Regional integration with the SJJPA advertising team and the other regional grassroots marketing efforts will provide a more cohesive and consistent message that will be more meaningful and impactful for all audiences. This also provides a chance to share lessons learned, new techniques and recent successes across the program. As we know, travelers don't just stop at county lines, and neither should the coordinated and consistent marketing messaging and outreach activities.



BRINGING LESSONS LEARNED TO THE TABLE

To illustrate how Circlepoint will bring its decades of experience to the Bay Area marketing and outreach program, below are potential key challenges for this project, along with examples of how we have addressed them on other projects.

It is difficult to reach and meaningfully engage with minority, non-English-speaking, and low-income constituencies.

- » **Go to your audience and leverage community-based organizations**—During development of the Community-Based Transportation Plan for East San Jose, Circlepoint teamed up with several CBOs to reach youth and seniors in the area. Working with groups like Catholic Charities, Mexican American Community Advisory Coalition (MACSA), Hank Lopez Community Center, and the Vietnamese American Council, these organizations provided a way to engage with a large number of youth and seniors on their terms and produced vastly superior focus groups than hosting meetings or blindly reaching out via email or through a website.
- » **Respect different cultures and create partnerships**—On the AC Transit BRT Project, Circlepoint worked with the Asian Health Services organization to conduct community meetings in Chinese with English interpretation, as needed. This allowed the meeting participants to feel welcome and respected and fostered a sense of trust by showing how the agency went out of its way to provide information in the most accessible way possible.

Effectively reaching youth, seniors, and organized groups can be time consuming and costly.

- » **Use relevant channels**—The Muni Forward program has sought to increase youth and young adult participation, particularly via social media. Circlepoint has contributed to the development of eye-catching graphics and social media mini-campaigns focused on particular lines or upgrades. These efforts resulted in strong support for transit improvements and an increase in comments submitted and participation in online surveys.
- » **Create excitement**—The Caldecott Tunnel Fourth Bore Project created a contest to engage students on both sides of the tunnel. The Fourth Bore Medallion Contest allowed school children to design the new medallion decorating the entrance to the tunnel. Multiple schools participated and hundreds of students submitted artwork. A celebration was held to unveil the winners and the Fourth Bore project received high praise and excellent media coverage as a result.

Special interest groups, business associations, local agencies and advocacy organizations are all busy focusing on their own mission and it is often difficult to get them to promote projects other than their own.

- » **Prioritize like-minded groups**—For the Caltrain Peninsula Corridor Electrification Project, Circlepoint worked with the Caltrain Modernization team to promote the project through SPUR lunchtime presentations and community events held by the Friends of Caltrain. Working jointly with these project partners and interest groups allowed the team to leverage those networks to reach large audiences of like-minded individuals.



- » **Employers have a direct connection**—On various transportation projects, Circlepoint has engaged with the Bay Area Council, TransForm, the Silicon Valley Leadership Group and other large employers to reach their members and employees through multiple channels, thereby extending the reach of project information quickly and efficiently. Large companies, in particular, have multiple direct lines of contact with their employees.

Encouraging cross-promotions with businesses in the tourism and recreation industry requires thoughtful planning and strong connections.

- » **Do business together**—Circlepoint worked with the Whitcomb Hotel and the Warfield event venues during project outreach for Better Market Street to highlight the synergies between tourism, entertainment and a prosperous commercial district during early development.
- » **Help them serve their customers**—For the Bay Bridge Seismic Upgrade and East Span Replacement, Circlepoint engaged with hundreds of tourism and entertainment destinations and service providers to announce each of the bridge closures. This included extensive coordination with regional transit and transportation agencies, hotel associations, chambers of commerce and others to broadly communicate the timing of the closures and alternative methods for getting around.

USING OUR CONNECTIONS

Circlepoint is in the business of identifying and engaging audiences through preferred channels to raise awareness and motivate behavior change. By leveraging our knowledge of the San Joaquin service, touting the exciting improvements on the way and utilizing our extensive networks of individuals, community leaders and active organizations, we look forward to promoting the SJJPA and its continued growth. Below is just a preliminary list of individuals and organizations we will work with to achieve the goals and objectives of the SJJPA:

Rod Diridon, Mineta Transportation Institute

Cindy Chavez, Santa Clara County Supervisor

Jim Wunderman, Bay Area Council

Carl Guardino, Silicon Valley Leadership Group

Marian Lee, Caltrain Modernization

Ben Tripousis, Northern California Director California High-speed Rail

Adina Levin, Friends of Caltrain

Leah Toeniskoetter, SPUR (San Jose)

Ken Yeager, Santa Clara County Supervisor

Mike Wasserman, Santa Clara County Supervisor

Jessica Zenk, City of San Jose

Jim Pierson, former head of Fremont Public Works

Andrew Tang, BART to Livermore Planning Manager

Nate Miley, Alameda County Supervisor

Joan Malloy, Union City Director of Economic and Community Development

Mark Evanoff, Union City Redevelopment Manager

Tess Lengyel, Alameda CTC

Linsey Willis, CCTA

SAN JOAQUIN JOINT POWERS AUTHORITY

January 29, 2016

STAFF REPORT

Item 8

ACTION

Approve Agreement 16-J-23-00 of the San Joaquin Joint Powers Authority Authorizing a Two-Year and Five-Month Agreement for Marketing and Outreach Services in the Sacramento and Northern California Region to KP Public Affairs, LLC for an Amount Not-To-Exceed \$294,000 from February 1, 2016 – June 30, 2018, and Authorizing and Directing the Executive Director to Execute the Agreement.

Background:

As identified in the SJJPA's approved Marketing and Outreach Plan, a key to the success of the SJJPA's marketing approach is the hiring of small businesses and/or individuals who are active in community issues to carry out grassroots, community based outreach throughout the San Joaquin Corridor. Staff released Request for Proposals (RFPs) to enable qualified firms/individuals to compete for this work on November 24, 2015.

The SJJPA received six responsive proposals for the Marketing and Outreach Agreement for the Sacramento & Northern CA Region by the December 23, 2015 deadline. These proposals were reviewed by the SJJPA staff evaluation team and the top ranked proposers were invited to oral interviews that were held on January 13 & 14, 2016. The top ranked proposers were:

- Crocker & Crocker
- Flint Spriggs Babb (FSB)
- KP Public Affairs
- Prosio Communications

KP Public Affairs' proposal received the highest score from the SJJPA staff evaluation team. Based on this scoring, SJJPA staff recommends selecting KP Public Affairs for the SJJPA Marketing and Outreach Agreement for the Sacramento and Northern California Region. This agreement will be for 2 years and 5 months, covering three fiscal years. Please see the KP Public Affairs' technical proposal attached.

Fiscal Impact:

As established in the approved SJJPA Marketing and Outreach Plan, the Agreement is for \$294,000 with \$54,000 of these funds for FY 2015-16. The funds for FY 2015-16

have been provided to the SJJPA by the State as part of the SJJPA's annual marketing and outreach budget.

Recommendation:

Approve Agreement 16-J-23-00 of the San Joaquin Joint Powers Authority Authorizing a Two-Year and Five-Month Agreement for Marketing and Outreach Services in the Sacramento and Northern California Region to KP Public Affairs, LLC for an Amount Not-To-Exceed \$294,000 from February 1, 2016 – June 30, 2018, and Authorizing and Directing the Executive Director to Execute the Agreement.



**Proposal – “Marketing and Outreach Services for the
San Joaquin Rail Service in the Sacramento Area and
Northern California Region”**

Solicitation No.: 16-J-23-00

Attention: Contracts and Compliance

Submittal by KP Public Affairs and Imprenta Communications Group

December 22, 2015

TECHNICAL PROPOSAL

Situation Analysis:

The San Joaquin Joint Powers Authority seeks to increase ridership of San Joaquin Intercity Passenger Rail Service through marketing and outreach campaigns in six distinct regions, one of which is the Sacramento area and Northern California region. As determined by the Authority, a key component to promoting ridership is getting service information to stakeholders, including traditionally underserved populations, and soliciting feedback.

KP believes there are some distinct challenges that must be addressed in order to make this program successful:

- *Lack of awareness.* Many local residents are not aware of or do not consider rail when making transportation choices. Even after information is provided, it is often not “retrieved” from memory with an immediacy that translates into decision-making.
- *Convenience.* Most research suggests that convenience is a major reason that individuals choose options other than rail, because individuals cannot easily get from Point A to Point B via rail without additional steps at each end.
- *Safety.* Some research suggests that individuals are concerned about personal safety during rail travel. This may be due to lack of knowledge, antiquated impressions or simply confusion with local transit.
- *Cost/affordability.* Compared to other transit options (specifically automobile or bus), rail is cost-prohibitive to some potential riders. Because this is not a barrier that we can overcome, we do not recommend engaging on cost other than providing information on passes, promotions and discounts.

Because these challenges are (in the short-term) static and present barriers to programs that seek to increase ridership, we believe that our PR campaign must not only promote and publicize the availability of the San Joaquin rail service, but it must also include compelling messages tailored to different audiences to encourage behavior change and translate into positive action by potential riders.

Recommended Strategy:

Our Team recommends a strategy that is rooted in the most compelling reasons that motivate potential riders to change their transportation choices. To accomplish that, they must be presented with benefits that appeal to their underlying motivations, and subsequently, be provided with the information that simplifies their decision-making. Essentially, we propose to target audiences with messages that not only overcome barriers, but also speak to their fundamental motivations: interest in something novel; responsiveness to environmental sensitivities; desire to avoid traffic congestion; need for travel; etc.

We believe these audiences will be additionally influenced by “champions” that appeal to those same motivations: environmentalists; local elected officials; well-known Millennials; leaders in minority and non-English speaking communities; and others.

To overcome the “safety” barrier, we recommend sharing information about rail safety statistics, and also putting a face on the ridership by creating passenger profiles for marketing purposes – showing potential customers who they will share their trains with.

We also believe a fundamental part of the effort is to overcome the “convenience barrier” and make stakeholders aware of the options to get from and to their ultimate destination. As part of this program, we believe it is imperative to demonstrate connections to transit partners such as city transit, taxi companies and ride-sharing apps. Our messages and materials must make it clear to potential riders that the rail service provides the transportation backbone to their trip, but there are reliable and affordable options to get to the rail station and to their final destination.

Framed in this manner and incorporated into an aggressive outreach program as outlined below, interest in the San Joaquin rail services among the public, key stakeholders and the media will increase.

Stakeholder Outreach

1. Create a Network of Messengers

- Our outreach program will involve leveraging existing assets to build a broad and active network of third-party influencers in the greater Sacramento area that support and promote San Joaquin rail service. The key elements of our stakeholder approach include:
 - Reinforce your supporter base by engaging key organizations and existing riders and enlist them to advocate to their networks.
 - Deliver tailored, consistent and frequent communication to stakeholders.
 - Establish new partnerships to facilitate the dissemination of materials and reach a broader audience.
 - Coordinate with regional teams to ensure consistency in messaging and have a broader reach.
- Key stakeholders in the greater Sacramento area that we will reach out to include:
 - Chambers of Commerce
 - Property and business improvement districts
 - Latino, Asian, and African American associations
 - Rotary/Kiwanis clubs
 - Senior organizations
 - Environmental groups
 - Schools
 - Local agencies
 - Elected officials

2. Create Ongoing Communication and Partnerships with Key Stakeholders

- In order to reach potential passengers, we recommend working through the networks of targeted stakeholder groups to distribute messages about the rail service through diverse communication channels, and enlist a variety of groups to help serve as messengers in the information distribution effort. This will include presenting to key business and community groups in Northern California, attending select events, as well as arming these groups with the tools such as fact sheets and newsletter content so that they can share information about San Joaquin rail with their networks.
 - Messages in the content that we develop will be tailored for the different audiences and different types of passengers.

- Messages for families/children will include information about Operation Lifesaver that schools can use to promote safety around railroad tracks.
- We will target business organizations and encourage them to share information through their varied member communications including newsletter, website, social media opportunities; and identify appropriate business-oriented events to attend or display rail information.
- We will work with community-based organizations (CBOS) and faith-based organizations (FBOS).
- In addition to engaging associations, we will identify and reach out to businesses that are tied to the tourism industry or are located near Amtrak stations in Northern California. These include:
 - Hotels
 - Convention and visitors bureaus
 - Businesses located near the California State Railroad Museum in Old Sacramento
 - Businesses near the Amtrak station in Sacramento
- We will work with SJJPA to conduct outreach to elected officials in the Sacramento area including city council, county supervisors and state legislators.
 - We can position the San Joaquin Rail service as an important way to meet regional transportation challenges, support population and economic growth, and help meet climate change goals to reduce transportation related greenhouse gas emissions.
- We will organize and monitor the outreach, and maintain a contact database for SJJPA.

3. Increase Awareness about Rail Service in Sacramento and Northern CA

- We will work with SJJPA to identify selected community events where it would be appropriate to pass out information or host a booth.
 - This will include capitalizing on rail-orientated events such as those hosted by the California State Railroad Museum.
 - In addition to tapping into existing community events, we will seek out opportunities to deliver presentations in front of target audiences about the benefits and convenience of San Joaquin rail.
- We will target disadvantaged, minority and non-English speaking constituencies.
 - In preparation for community-based organization and faith-based organization outreach, we will develop culturally and linguistically relevant collaterals as leave-behinds during meetings.
 - We will identify appropriate community events within the minority community to attend and distribute information about the rail service.
- To increase excitement about rail travel among other potential ridership groups, we will prepare messages and share materials aimed at:
 - Vacation travelers
 - Business travelers
 - Group trips
 - Seniors, families and children
 - Students

Media

1. Monitor Media and Track Issue Coverage

- We will monitor the media daily to capture positive coverage for use on social media.
- We will develop rapid response approaches to inaccurate or misleading coverage to correct the record.
- We will identify reporters covering transportation issues in Sacramento and Northern California.

2. Conduct Earned Media Outreach

- On behalf of SJJPA we will reach out to media outlets within Sacramento and Northern California to get positive attention on San Joaquin rail service and generate stories.
 - We will create an editorial calendar to guide our media outreach that includes different themes and identifies various news hooks based on events, announcements, etc.
 - Outreach will include drafting and distributing press releases about new developments regarding San Joaquin rail service.
 - It is also important to provide general background information about SJJPA and San Joaquin rail service to reporters covering the transportation and local government beats.
- Target publications include:
 - Mainstream newspapers (Sacramento Bee, Sacramento Business Journal, Redding Record Searchlight, Tahoe Daily Tribune, etc.)
 - Radio news shows
 - Senior publications
 - Community newspapers (i.e. Sacramento Observer, Sacramento Gazette, etc.)
 - Ethnic media outlets

3. Develop a Dedicated Ethnic Media Relations Campaign

- We will craft key messages appropriate for the Latino audience, and draft/translate media pitches/press releases for target newspapers and online publications.
- We will work with minority third-party validators in our media relations efforts – community based organizations (CBOS) and local leaders that are respected in the community, touting the benefits and value of the rail service.
- Example minority media outlets include:
 - El Hispano Newspaper
 - Vida en el Valle
 - Latino Times
 - Nuestro Tahoe
 - KRCX-FM Tricolor 99.9
 - KXSE-FM 104.3 Jose
 - KATD-AM 990 Radio Unica
 - KBAA-FM 103.3 La Ley
 - KGRB-FM 94.3 Radio Lazer
 - KLMG-FM 97.9 Latino
 - KSRN-FM 107.7 Radio Lazer

4. Tap into Social Media Channels

- Social media is a powerful way for a community of followers to create, share or exchange information and ideas, as well as pictures and videos. Because of this power to involve people in SJJPA's story, the right mixture of social media outreach can enlist followers, build loyalty and promote ridership.
- Our program will provide suggested social media content to SJJPA and encourage forming social media connections with targeted stakeholder groups.
 - Provide photos, news articles, reports, online surveys to feed into existing social media channels (Twitter, Facebook, Instagram, etc.)
 - Provide suggestions for social media architecture that best touches key stakeholders and target audiences:
 - Facebook: Consumers seek responses, information and content from brands that is relevant, authentic and shareable.
 - Twitter: Best used for content that is news oriented, easily digestible and topical. It is also a great customer service platform.
 - YouTube: YouTube's platform is purely video based. Put a face on rail ridership, show potential riders what to expect from rail service offerings and provide a direct link to website.
 - Instagram: Purely visual and posts should include little to no text. Use to engage consumers through photos and run promotions.
 - Utilize those platforms to help SJJPA rail service to integrate into the local community:
 - Follow key organizations and individuals.
 - Actively participate in conversations and posts.
 - Use consistent hashtags across platforms.
 - Bring events to life.
 - Disseminate consistent messaging and information throughout.

5. Utilize Amtrak and SSJPA websites as Foundation for Information

- We will use our stakeholder outreach efforts to drive traffic to the site.
- We will suggest website content or updates for Amtrak and SJJPA websites.
- We will capture photos, news articles, press releases and other communications from our outreach activities to add to Amtrak and SJJPA websites.

Coordination with SJJPA and Other Regional Teams

1. Collaborate with SJJPA on Advertising

- Paid advertising is a fast, powerful and unfiltered way to promote rail service in a manner that best highlights its advantages while reaching a broad number of potential riders.
 - We will work with the SJJPA to assess existing advertising assets and provide suggestions or modifications as needed.
 - Audit materials to determine if existing ad program is effective and reaching the right audience with messages that resonate.

- Assess for regional and audience nuances to ensure resources are deployed in an impactful, culturally and linguistically appropriate, and cost-effective manner.
 - Explore opportunities for cross-advertising with other organizations.
- Target resources based on a clear understanding of priority stakeholders and niche audiences. For example, if research suggests that the greatest potential for increased ridership is among young professional Sacramentans and environmentalists, then Comstocks and the Sacramento News and Review would be better options than the Sacramento Bee. Similarly, ads in Chamber and church bulletins may be more effective than magazines.
- Drive traffic back to website. The goal is to keep rail travel in people's minds. To do that, we must remove mental barriers to rail and present rail as a convenient travel option.
- We will make recommendations on SJJPA's paid social media program to aim our messages and at key audiences and increase visibility of the rail service in online discussions.
 - Paid advertising on social media channels such as Twitter and Facebook can be a good way to target audiences based on geography or selected demographics.
 - Social media advertising is a more cost-effective approach than traditional print or broadcast advertising, and allows you to segment your audience with tailored ads and tailored messaging that evolves with the outreach campaign.

2. Coordinate with Regional Outreach Programs across Jurisdictions

- We will work with SJJPA and their other local outreach contractors to identify joint opportunities for information distribution.
- We will collaborate on messaging and materials to create consistency where appropriate.
- We will share information about local "champions" and rail supporters to try to leverage their involvement and generate momentum across jurisdictions.

Tracking, Measuring and Reporting

KP and Imprenta will provide regular updates to SJJPA on the deliverables to track performance on the contract, including sending a weekly update of the contact list and print media, and a monthly progress report to SJJPA staff including:

- Meetings attended and meetings conducted
- Contacts made and correspondence
- Needed follow-up
- Research done
- Goals

In addition to these updates, we are proponents of ensuring that our activities result in impact and success. To do this we will regularly conduct internal analysis of the following:

- *Outputs* – a list of deliverables and products produced as a result of the project. Example outputs include press releases, brochures, presentations, draft newsletter content, etc.
- *Outcomes* – quantifiable achievements of the outputs. For example, information distributed, presentations delivered, media articles, and engagement with stakeholders and their networks, participation in events, chatter on social media.

- *Impacts* – the effects on the target audiences. For example, did the press release result in stories that generated reactions? Were organizations or individuals sharing brochures on your behalf? Did a large number of people witness the presentation and react? Did advocates share messages aligned with the campaign?

MANAGEMENT APPROACH AND STAFFING PLAN

KP Public Affairs is one of Sacramento's most respected public affairs firms. KP has a long track record of experience in issue management, community outreach, ally recruitment and coalition building, government relations, and earned and social media outreach. We are skilled at managing multi-faceted programs and multiple activity tracks. We are often engaged on controversial policy issues that require effective public relations programs to generate awareness, and strategically introduce new viewpoints and messengers to shape public opinion.

KP has the expertise to manage a multi-faceted outreach campaign on behalf of SJJPA. KP will provide overall project management and conduct outreach to earned media and local stakeholders. Imprinta will lead the outreach efforts and materials development aimed at minority audiences within Sacramento and the targeted Northern California region including minority organizations and community groups as well as minority media outlets.

Staffing plan:

- Alison MacLeod: Project Management (10 years with KP)
- Lisa Yarbrough: Earned Media Strategy and Management (11 years with KP)
- Laura Murrell: Outreach Coordinator (3 years at KP)
- Emily Smith: Materials Development (2 years at KP)
- Joe Zago: Strategic Consultant (10 years with Imprinta)
- Laura Gonzalez: Minority Outreach Lead (3 years with Imprinta)
- Joe Romero Jr.: Minority Outreach Coordinator (Less than 1 year with Imprinta)

SAN JOAQUIN JOINT POWERS AUTHORITY

January 29, 2016

STAFF REPORT

Item 9

ACTION

Approve Agreement 16-J-24-00 of the San Joaquin Joint Powers Authority Authorizing a Two-Year and Five-Month Agreement for Marketing and Outreach Services in the Northern San Joaquin Valley Region to California Strategic Solutions, Inc. for an Amount Not-To-Exceed \$355,500 from February 1, 2016 – June 30, 2018, and Authorizing and Directing the Executive Director to Execute the Agreement.

Background:

As identified in the SJJPA's approved Marketing and Outreach Plan, a key to the success of the SJJPA's marketing approach is the hiring of small businesses and/or individuals who are active in community issues to carry out grassroots, community based outreach throughout the San Joaquin Corridor. Staff released Request for Proposals (RFPs) to enable qualified firms/individuals to compete for this work on November 24, 2015.

The SJJPA received three responsive proposals for the Marketing and Outreach Agreement for the Northern San Joaquin Valley Region by the December 23, 2015 deadline. These proposals were reviewed by the SJJPA staff evaluation team and the top ranked proposers were invited to oral interviews that were held on January 14, 2016. The top-ranked proposers were:

- California Strategic Solutions, Inc.
- Southwest Strategies
- Tuleburg

California Strategic Solutions' proposal received the highest score from the SJJPA staff evaluation team. Based on this scoring, SJJPA staff recommends selecting California Strategic Solutions, Inc. for the SJJPA Marketing and Outreach Agreement for the Northern San Joaquin Valley Region. This agreement will be for 2 years and 5 months, covering three fiscal years. Please see the California Strategic Solutions' technical proposal attached.

Fiscal Impact:

As established in the approved SJJPA Marketing and Outreach Plan, the Agreement is for \$355,500 with \$67,500 of these funds for FY 2015-16. The funds for FY 2015-16

have been provided to the SJJPA by the State as part of the SJJPA's annual marketing and outreach budget.

Recommendation:

Approve Agreement 16-J-24-00 of the San Joaquin Joint Powers Authority Authorizing a Two-Year and Five-Month Agreement for Marketing and Outreach Services in the Northern San Joaquin Valley Region to California Strategic Solutions, Inc. for an Amount Not-To-Exceed \$355,500 from February 1, 2016 – June 30, 2018, and Authorizing and Directing the Executive Director to Execute the Agreement.

and Merced County		
Outreach and marketing in San Joaquin and Stanislaus County	Virginia Madueno	Imagen, LLC
Social media outreach and blog and social media tracking and placement in San Joaquin County and Stanislaus County	Jennifer Hidalgo	Imagen, LLC

Communication with SJJPA and Reporting

Monthly Reports: On the first of each month our team will provide a detailed activity report to the assigned SJJPA point of contact. The report will consist of a detailed meeting list, specific findings and recommendations as well as a summary of community and grassroots activities that our team participated in. Additionally, the report will provide a summary of social media activity for the month and recommendations for future social media and website contents.

Annual Reports: The two (2) page executive summary report will include the solicited feedback from the stakeholders throughout our regions in addition to passengers and general feelings about the San Joaquin rail service. We will also include a timeline of outreach activity highlight for that year and recommendations for improvement in the following year.

Bi-Monthly Conference Calls: Our team proposes bi-monthly conference calls with SJJPA to continue dialogue about progress, opportunities and partnerships within our region. We will also communicate any challenges on implementing the marketing and outreach plan. During this call we can get an update from SJJPA staff of any new marketing materials, brochures or electronic media that we can use in our outreach meetings.

Database Updates and Reporting

Our team will work to collect contact data of existing and new stakeholders and key contacts and provide regular updates to the SJJPA staff. In the reporting, we will identify which team member maintains and nurtures the contact and will also provide a short summary of their support level of passenger rail and the San Joaquin rail service. We will also provide a brief description of the sector in which they represent. We will do this through providing an excel spreadsheet of contact data each week on Friday by close of business unless another format is identified by SJJPA staff.

PROJECT SCOPE

Regional Advisory Working Group

Our first task in each county is to identify our regional advisory working group members. Local stakeholders in each county will be identified by our team and will be invited to participate in a regional advisory working group lunch. We will present our marketing and outreach strategy, purpose, goals and techniques and request feedback. Once we receive this feedback we can refine our marketing and outreach strategies with the approval of SJJPA. We believe that

through the discussions with this group we can determine and validate the best approaches to outreach to minority and non-English speaking community members.

We intend to begin organizing these working groups upon notification of contract award and will facilitate our first meeting no later than five weeks after the project contract has been executed. Our regional advisory working groups will consist of 10 - 12 individuals from the following organizations:

- (2) - Local elected officials, Board of Supervisors, City Councils and School Boards
- (1) - County Association of Governments
- (1) - Chambers of Commerce, business organizations, small business development centers and economic development corporations
- (1) - Visitor Bureaus, tourism associations, hotel associations
- (1) - Senior organizations
- (1) - College, community college students
- (1) - K-12 teacher
- (4) – Local community based organizations
 - Minority/ethnic (e.g. Lao Family in Merced)
 - Environmental (e.g. Sierra Club)
 - Environmental Justice (e.g. Grayson Westside Alliance and Catholic Charities)
 - Recreation (e.g. Tuolumne River Trust and Stanislaus Bicycle Club)
 - Health (e.g. Building Healthy Communities)
 - Community Action Agencies

Lead: California Strategic Solutions, Inc. and Community Development, Inc. in San Joaquin and Stanislaus Counties. Imagen, LLC in San Joaquin County.

Technique: We will facilitate a luncheon with a brief presentation about San Joaquin Rail, outline the local marketing and outreach strategy, initiate a dialogue and establish a calendar of meetings (preferably once every six months).

Goals: To gather feedback to refine our county strategy. To learn about opportunities to market to large audiences in the region, specifically, festivals, jobs fairs, conferences, etc. To identify any potential ambassadors for San Joaquin rail service.

Expected Outcome: To educate the regional advisory working group about the San Joaquin rail service routes, costs, amenities and overall benefit. Also, to bring awareness about our multi-ethnic marketing efforts for them to advise our team on new marketing and outreach venues, speaking opportunities and audiences.

Targeted Community Based Organizations in San Joaquin, Stanislaus and Merced Counties

Below is a list of the targeted minority community based organizations by County that we have determined we will focus our initial outreach efforts.

San Joaquin County

- San Joaquin County Hispanic Chamber of Commerce
- Catholic Charities
- El Concilio
- Municipal Advisory Councils
- San Joaquin NAACP
- Fathers and Families of San Joaquin
- Loa-Khmu Association
- Central Valley Senior Services
- Hispanic Association of Colleges and Universities
- Community Partnership for Families of San Joaquin
- San Joaquin County LGBT Community Network
- Café Coop
- Asian American Chamber of Commerce
- Comerciantes Unidos
- Teamsters
- San Joaquin County Trades Council
- IBEW

Stanislaus County

- Central Valley Hispanic Chamber of Commerce
- Salida Civic Organization
- Promotora Network
- Latino Professional Network
- Latino Community Roundtable
- Woman Success Network
- Central California Rural Legal Services, Inc.
- Stanislaus Multi-Cultural Community Health Coalition
- Hispanic Leadership Council
- Southeast Asian Resource Action Center
- Manos Unidas
- Latina Leadership Network
- Mujeres Latinas de Stanislaus
- South Modesto Business United
- Environmental Justice Network
- American GI Forum
- Latino Emergency Council
- Stanislaus Latino Business Council

Merced County

- Building Healthy Communities
- Pique
- Merced County Hispanic Chamber of Commerce
- Municipal Advisory Councils
- Jakara Movement

- Merced Lao Family Community
- Southeast Asian-Americans Professionals Association
- The National Council of Negro Woman
- Merced Organizing Project
- AARP Foundation Senior Community Service
- UC Merced

Public Outreach, Communication and Marketing Strategy

Introduction Letter

Our team will work with the existing SJJPA team and get the approval to send out an introductory letter to each county region. Our team leader (per county) will provide a brief statement at the Board of Supervisors and City Council meetings public comment period. The goal will be to introduce ourselves and make ourselves available to provide presentations and outreach to any constituencies of the elected officials that may be interested in learning more about the San Joaquin rail service. Our goal will be to present at public comment to all 3 county Board of Supervisors meeting as well as each City within the three county region.

The introductory letters will be sent to the identified contact at each community based organization identified above. Additionally, our team will send introductory letters to the following entities providing contact information and requesting opportunities to make presentations about the San Joaquin rail service:

- Local elected officials:
 - County Board of Supervisors
 - City Council Meetings
 - Municipal Advisory Council Meetings
 - State Assemblymember
 - State Senator
 - Congressional Representative
- County Association of Governments
- Local community based organizations
 - Minority/ethnic (e.g. Lao Family in Merced)
 - Environmental (e.g. Sierra Clubs)
 - Environmental Justice (e.g. Grayson Westside Alliance and Catholic Charities)
 - Transportation
 - Recreation (e.g. Tuolumne River Trust and Stanislaus Bicycle Club)
 - Health (e.g. Building Healthy Communities)
 - Community Action Agencies
- Service Clubs (Rotary, Lions Clubs, Kiwanis, etc)
- Chambers of Commerce, business organizations, small business development centers and economic development corporations
- Visitor Bureaus
- Local/Regional Tourism associations
- Hotel associations
- Local environmental and energy focused not – for – profits
- Universities, colleges and community colleges, trade school
- Businesses – manufacturing, service

- Senior groups
- K-12 schools
- Farm bureaus
- Churches, faith based organizations
- Labor and Trades Councils
- Water Districts

Lead: California Strategic Solutions, Inc. and Community Development, Inc. in Merced and Stanislaus Counties. Imagen, LLC in San Joaquin County. California Strategic Solutions, Inc. will draft the letter with team and work with SJJPA for approval.

Purpose: Communicate the contact information of the marketing and outreach team and solicit feedback on opportunities to provide a presentation and distribute materials while striving to increase ridership.

Technique: A letter will be drafted by our team and approved by the SJJPA team to distribute electronically to all of the regional identified stakeholders, elected officials and targeted community based organizations. The letter will provide an overview of the San Joaquin rail service with some highlights, a website address and provide outreach contact information (based on the county) for recipients to contact with further questions or information requests.

Goal: To distribute introduction letters and outreach team contact information to our networks electronically and encourage feedback.

Expected Outcome: Identify potential ambassadors that can help promote the San Joaquin rail service in the region and venues in which our team can promote the San Joaquin rail service.

Presentations and Stakeholder Outreach

Our team has extensive experience in community outreach in Merced, Stanislaus and San Joaquin counties. This experience has positioned our team to understand the community and stakeholder concerns about regional rail in general. There is a great deal of controversy within the three counties about high-speed rail and how it impacts passenger rail. Our outreach strategy will include basic information about how the two rail systems will work together after we are updated on the collaboration at the initial kick off meeting with the SJJPA staff.

Our team will develop a presentation that promotes awareness and highlights the benefits and convenience of the San Joaquin rail service. Our presentations and talking points to grassroots stakeholders will be consistent and uniform to ensure accuracy and strong messaging. Our team will develop specific “asks” of our stakeholders which will include requesting opportunities to present and speak to larger audiences about San Joaquin rail service. Additionally, we will request their perspective on which community events we should have a presence and where we should host an informational booth. We will ask the attendees to be our champions and promote the San Joaquin rail service and be available to write letters of support or provide testimonials when needed. We will develop the presentation in various languages and present to stakeholder groups in central community spaces.

Our team will develop a presentation calendar based on the feedback and suggestions of our advisory group. We imagine this schedule will be fluid and we will constantly be adding

opportunities to our presentation calendar. Our goal is to make one presentation per month per County for a total of 12 per county per year (36 total). We will request the assistance of our stakeholder groups to serve as hosts or help us organize these presentations. We will also work with local elected officials and member agencies to present to their citizen's advisory boards and commissions as well. We will capture images, pictures and testimonials from these presentations and circulate them through social media.

Booths and Promotional Opportunities

After confirmation of our outreach plans and targets by our regional advisory groups we will prepare a list annually of community events where the SJJPA staff should have a booth and a presence. Specifically, we will include the regional County fairs, festivals, health and job fairs, home and garden shows. We will also focus our efforts on increasing our presence at locations with a dominant Latino presence (e.g. Latino music festivals and Hmong New Year at the Merced fairgrounds, Stanislaus County Latino Business Expo, Catholic Church Festivals, 5 de Mayo and 16 de Septiembre event, along with the Stockton Asparagus Festival. Additionally, we recommend having a presence at the California League of Cities and California State Association of Counties conferences.

Partnerships

Colleges, Universities, Trade Schools

We will initiate contact with the communications directors of all local community colleges, universities, state colleges and trade schools. Our goal is to provide San Joaquin rail service information and fact sheets in student publications, orientation packages, student updates or any promotional programs. We would also use this relationship to identify student ambassadors that can work with us during the school informational and club days where we can distribute information. We will also look to them to provide testimonials about the benefits of using the San Joaquin rail service through our social media outlets.

Visitors Bureaus and Tourism

Our team will partner with the County Visitor and Tourism bureaus as well as hotel and entertainment associations. We will provide our marketing and outreach materials to be included in the promotion of the area's facilities, attractions and events for visitors. We will request introductions to the regions convention and meetings planners, hotel association managers, entertainment partners and group travel planners.

Senior Groups

Our team will work with regional transportation organizations and groups that represent seniors to better understand the current challenges of seniors using the San Joaquin rail service. We have included a senior advocate in our regional advisory working group to gather perspective on the best methods to outreach and market to the larger population. We know that many seniors will rely on relatives or friends to take them around, but we need to better understand how to promote San Joaquin rail service as an option for longer distance travel for vacation and tourism or visiting family.

K-12 Educators

Our team will identify the most efficient method to access the K-12 teacher and administrator network to promote San Joaquin rail service as a method of transporting students to field trips,

athletic events and for general use by student's families for travel. One of our proposed advisory group members in Merced is a teacher and city councilman who has indicated that he will assist us in accessing teachers broadly in Merced County in addition to our team member, See Lee, who was an educator and member of the Merced County Office Teacher Association.

Our team will inquire about any planned trips using the San Joaquin rail service and determine if we can accompany them to capture the experience of youth for our marketing efforts and generate testimonials from the teachers and chaperones about the ease of riding San Joaquin rail.

"Operation Lifesaver"

In all of our presentations and outreach efforts we will maximize the use of Operation Lifesaver safety materials, including their videos on safety around railroad tracks in Spanish and English. For events, we host a booth or are able to provide handout materials, we will include any materials on Operation Lifesaver. Additionally, we will encourage the K-12 educators we meet with to utilize the lesson plans provided by Operation Lifesaver in their classroom. Depending on Operation Lifesaver staffing availability, we can invite them to attend or be part of our outreach and marketing presentations. In the case they are not available, we can add a slide or two with their organizational information and safety messaging.

Education and Awareness

Handouts/Fact Sheets

Our team will work with SJJPA to determine which San Joaquin rail service fact sheets are available for distribution including schedules, routes, costs and website and contact information. These fact sheets will be distributed at community events, stakeholder meetings or sent via email or posted on partnering websites or social media sites. In the case that a Frequently Asked Questions (FAQ) handout does not exist, our team will assemble and distribute after the approval from the SJJPA staff.

Powerpoint Presentations

Our team will develop a standard powerpoint presentation that we can present to local groups and local government. The presentation will focus on the routes of the San Joaquin rail service, future routes, ridership and amenities. We will include a slide and comments about the importance of "Operation Lifesaver" in schools regarding safety around the railroad tracks and will encourage travel among families. The Powerpoint presentation will be continually modified based on feedback from stakeholders.

Media Monitoring

Our team will track articles about San Joaquin rail service and will integrate positive media coverage into our presentations and outreach plan. We will also develop responses to any negative coverage to ensure that we are prepared to address any criticisms or concerns throughout our outreach efforts. We will establish an electronic filing system of clips that can be used as we promote the awareness of the San Joaquin rail service.

Our team will proactively outreach to the various editorial boards, radio stations and tv stations in which we have relationships to encourage coverage of the San Joaquin rail service and encourage efforts to increase education about the system and ridership.

Social Media

Our team, specifically See and Jennifer will work to distribute bulletins, e-blasts and newsletters through social media outlets. They will provide the public with the most accurate and up to date information. Social media posts will be converted to Spanish to reach a wider section of the community. Social media outlets will receive all content during peak hours to maximize post visibility. Twitter peaking between 9am and 3pm Monday through Thursday and Facebook peaking between 11am and 4pm Monday through Friday; although both sites peak on Thursday at 3pm (Forbes Tech, 2012). Content will be posted often to keep interest, but not so much that it becomes a nuisance to social media users. Jennifer and See will respond to any community inquiries that might arise. They will also work on increasing followers by following like-minded accounts, liking related posts, utilizing hashtags, and keeping fresh information at the forefront. They can also develop low-cost social media contests to maximize visibility and increase the amount of followers.

COST PROPOSAL

Page 13 is a cost proposal of our team's outreach and marketing consulting services and our overall projects costs. On Page 14 we have provided a breakdown of the consultant hourly rate and monthly fees.

CONCLUSION

Our team is excited to be considered for the marketing and outreach services for the San Joaquin rail service within San Joaquin, Stanislaus and Merced counties. We understand that SJJPA is working with multiple consultants and agencies and we believe we can assist in implementing a marketing and outreach strategy in the target region that maximizes all of the ongoing efforts. We know that our experience, reputations and relationships with in the region and among the multi-ethnic community based organizations will serve the San Joaquin rail service well.

This team, we believe, brings a dynamic balance and unique perspective to this project given the vast private and public sector experience coupled with the great value we place on diversity.

We are committed to the future of the San Joaquin Valley and recognize the value and benefit rail will provide as the region continues to grow with the majority of the growth within the next 20 years projected to be Latino growth.

SAN JOAQUIN JOINT POWERS AUTHORITY

January 29, 2016

STAFF REPORT

Item 10

ACTION

Approve Agreement 16-J-25-00 of the San Joaquin Joint Powers Authority Authorizing a Two-Year and Five-Month Agreement for Marketing and Outreach Services in the Central San Joaquin Valley Region to America Hispanic Consulting Group, Inc. for an Amount Not-To-Exceed \$355,500 from February 1, 2016 – June 30, 2018, and Authorizing and Directing the Executive Director to Execute the Agreement.

Background:

As identified in the SJJPA's approved Marketing and Outreach Plan, a key to the success of the SJJPA's marketing approach is the hiring of small businesses and/or individuals who are active in community issues to carry out grassroots, community based outreach throughout the San Joaquin Corridor. Staff released Request for Proposals (RFPs) to enable qualified firms/individuals to compete for this work on November 24, 2015.

The SJJPA received two responsive proposals for the Marketing and Outreach Agreement for the Central San Joaquin Valley Region by the December 23, 2015 deadline. These proposals were reviewed by the SJJPA staff evaluation team and the top-ranked proposers were invited to oral interviews that were held on January 14, 2016. The top-ranked proposers were:

- America Hispanic Consulting Group, Inc.
- Southwest Strategies

America Hispanic Consulting Group's proposal received the highest score from the SJJPA staff evaluation team. Based on this scoring, SJJPA staff recommends selecting America Hispanic Consulting Group, Inc. for the SJJPA Marketing and Outreach Agreement for the Central San Joaquin Valley Region. This agreement will be for 2 years and 5 months, covering three fiscal years. Please see the America Hispanic Consulting Group's technical proposal attached.

Fiscal Impact:

As established in the approved SJJPA Marketing and Outreach Plan, the Agreement is for \$355,500 with \$67,500 of these funds for FY 2015-16. The funds for FY 2015-16

have been provided to the SJJPA by the State as part of the SJJPA's annual marketing and outreach budget.

Recommendation:

Approve Agreement 16-J-25-00 of the San Joaquin Joint Powers Authority Authorizing a Two-Year and Five-Month Agreement for Marketing and Outreach Services in the Central San Joaquin Valley Region to America Hispanic Consulting Group, Inc. for an Amount Not-To-Exceed \$355,500 from February 1, 2016 – June 30, 2018, and Authorizing and Directing the Executive Director to Execute the Agreement.



SCOPE OF WORK

To reach our destination minorities are key. The Central Valley in California is one of the poorest regions in the country. It is also very diverse. While cultural, linguistic and socio-economic factors complicate communication, the sheer number and economic power of these communities make them impossible to ignore. They represent a huge market but need to be communicated with in an effective manner. That is why even though we will talk to everyone this proposal is focused in a big way, in addressing these important and underserved groups. We are confident that by focusing on reaching minorities we are poised for more growth in ridership than by other methods. To do that we propose 6 actions:

Conveying our message staying focused. We will create and propose to the San Joaquin Joint Powers Authority a few powerful phrases to highlight the benefits of using the San Joaquin train services around these key messages: environmentally-friendly, comfort and convenience, no driving stress, interesting tourist routes and lower cost. Those phrases will be continually repeated verbally and in writing to build a coherent and strong but respectful message.

We contemplate our participation in major popular events in the two counties. The festivities of particular importance are: 5 de Mayo, El Grito Celebration, the Guelagueta, the Hmong New Year and Sikh festivals. We will create and present our own PowerPoint slideshows before any size audience in a coherent, cohesive and focused way. Here repetition is good.

Booth opportunities at the above mentioned events will be coordinated with SJJPA staff with advanced notice. A calendar of events will be generated and shared.

Getting all aboard starting with leadership to reach the communities. In terms of successful outreach, relationships matter. Our team is integrated by bilingual and bicultural highly-respected professionals with many years of direct engagement in community affairs. All of them have deep roots and proven track records in either or both the Hispanic or South East Asian groups residing in the Central Valley.

Our team has established and maintained partnerships with different entities (governmental or non governmental) including immigrants groups, community based organizations, local and regional in Fresno and Madera counties which we can engage to share the SJJPA's major initiatives.

We will schedule special interactive meetings with elected officials, directors, business leaders and student leaders in three different languages: Spanish, English



and Hmong. For the Sikh community we will seek out a talented interpreter/translator if needed. A focused outreach is also planned to organizations such as chambers of commerce, transportation advocates, colleges, universities, Veteran of Foreign Wars (VFW's) and tourism related business. We are ready to take the lead in joint promotions highlighting the multiple benefits that an increase in train ridership offers to local economies.

Direct contact will be established and continued with respected organizations such as: Fresno Economic Opportunities Commission; Fresno Housing Authority; Proteus; Fresno Unified School District; Fresno County Office of Education; Parent Institute for Quality Education; The Maddy Institute; Pequeños Empresarios; Fresno Latino Rotary Club; Consulate of México; Fresno Metro Black Chamber of Commerce; Asian Business Institute and Resource Center, Californians for Justice Education Fund, Cultural Brokers, Inc., Encourage Tomorrow, Jakara Movement Madera Coalition for Community Justice, West Fresno Health Care Coalition, West Fresno Coalition for Economic Development among many more across both counties. The purpose of these meetings and presentations will be to answer questions, communicate our message and engage them and their constituencies. We want the San Joaquin Rail service to be top of mind.

At the same time, particular attention will be given to specific audiences like college students and seniors emphasizing safety rules and resources available for people with special needs and older citizens, in every presentation. A close collaboration with **"Operation Lifesavers"** is contemplated. Beginning with distributing its safety material at all events, all the way to suggesting and advising on innovative ways to reach the public and on other matters of interest. In addition, we will make use of their safety videos and leverage them at special events. Particular attention will be given to schools and colleges that are located adjacent to railroad tracks.

Being committed for the long haul doing what we do best. All community outreach efforts need to be supported by a smart, coherent and cohesive communications strategy that could cement a good reputation and image among the public. To ensure that goal is reached, America Hispanic and its team will offer advice, review and editing of collateral created by the SJJPA. We suggest crafting new written materials such as pamphlets, factsheets and promotional giveaways that include the "focused messages" central of the campaign. Media engagement placement of ads in local church bulletins is recommended as they reach a great number of people in the Central Valley.

Taking care of our Platforms, being selective and monitoring public opinion. We will maintain an interactive Facebook official page, a blog and an attractive yet simple Webpage that mirrors and/or is incorporated into your existing page.



The interplay between the webpages can be further discussed, however we envision the campaign webpage to reinforce the existing webpage and vice versa. We plan to frequently and regularly review and feed the new page with interesting and engaging but focused content that will complement the community outreach efforts.

The website will offer factual information about events, provide outlets for staying up to date, and include a sign-up for grassroots activities.

Facebook is the preferred social media outlet among minorities. This makes it a very valuable communications resource. It will be used to post events, photos, newspaper articles and media coverage. Newspaper and media coverage clips will be shared with SJJPA's staff prior to posting. The social media site will also help monitor public opinion as it changes throughout the campaign. Especially with younger generations, we know the use of smartphones, cellphones, and the Internet is a driving force in how they get and receive their information so we will make all our online communications mobile-friendly.

Keeping Track of people and numbers. We will participate in the planning and organization of important events when our message needs to be delivered. We will maintain a database of all the individuals and groups we meet with in the Excel Format (See Below), this can easily be imported. Monthly reports will be generated from such. Regular correspondence and research pertinent to this project will be had via e-mails phone calls or in person with SJJPA Staff.

Sample Heading

MEETING	FIRST	LAST		PHONE	COMPANY/					INTERACTION		KEY	FOLLOW	INTERNAL	ENTERED	DATE	
DATE	NAME	NAME	TITLE	NUMBER	ORGNAZATION	ADDRESS	CITY	ZIP	COUNTY	INDUSTRY	TYPE	NOTES	CONTACT	UP	COMMENTS	BY	ENTERED

Education and Awareness we look to SJJPA staff to provide us with the San Joaquin Rail Service fact sheets and any other handouts pertinent to this project like schedules, costs and routes.

Staffing Plan

Martha Elvia Rosas will be the Project Executive. She will be in charge of overseeing the entire project and ensure its execution. She will be in charge of overseeing the project and ensuring that the team's goals and objectives are being achieved.

Leticia Espinoza is assigned as the Project Manager. Leticia will prepare all the reports and be the main contact person between the Outreach Representatives and Social Media Representatives and SJJPA Staff.



Both Martha Elvia and Leticia will assist in the community outreach efforts, by conducting meetings, presentations, and/or attending events.

Based on their many years of experience, we have assigned each individual to perform outreach to specific groups in addition to the general outreach. Mr. Blong Xiong will take the lead outreaching to the Southeast Asian Community, but will participate in the outreach efforts to as other organizations and businesses.

Mr. Alfredo Cuellar has dedicated his entire life in serving institutions of higher learning and has specialized in K-12 educational institutions. Superintendents and educational administrators across the valley have been his students so he will take the lead in this sector.

Mr. Jose Antonio Ramírez has many year of experience working with the Hispanic community, veterans, students, elected officials and with several consulates (Mexican, Indian and Portuguese) and so he will take the lead in outreaching to elected and appointed officials.

Mr. Humberto and Mrs. Diana Enriquez will be overseeing and providing content for the different social media platforms, while delivering correct and up to date information. Bubo consulting in consultation with the rest of the team will work to disseminate newsletters, bulletins and other relevant information through the appropriate social media outlets. Our goal is to continually increase the number of followers and multiply the amount of like's and accounts. Capturing images, media clips, testimonials, newspaper articles, and photographs will be used for as part of our social media platform.

Our team plans to meet twice a month to exchange information and ideas. SJJPA staff is invited to participate in person or via a conference call. Additionally, we will be in constant communication via email and/or phone calls to ensure that the project goals are being met and cross referencing with our Monthly Reports.

Tasks	Team	Consultants
Project Management & Team Consultation & Communication	Martha Elvia Rosas Leticia Espinosa	American Hispanic Consulting Group
Outreach & Marketing in Fresno County & Madera County	Martha Elvia Rosas Leticia Espinosa Blong Xiong Jose Antonio Ramirez Dr. Alfredo Cuellar	American Hispanic Consulting Group B&M LLC Community Development, Inc.
Social media outreach, tracking, media clips, newsletters, testimonials and image capturing in Fresno County & Madera County	Humberto Enriquez Diana Enriquez	BUBO Consulting

SAN JOAQUIN JOINT POWERS AUTHORITY

January 29, 2016

STAFF REPORT

Item 11

ACTION

Approve Agreement 16-J-26-00 of the San Joaquin Joint Powers Authority Authorizing a Two-Year and Five-Month Agreement for Marketing and Outreach Services in the Kings and Tulare Counties Region to Southwest Strategies for an Amount Not-To-Exceed \$151,500 from February 1, 2016 – June 30, 2018, and Authorizing and Directing the Executive Director to Execute the Agreement.

Background:

As identified in the SJJPA's approved Marketing and Outreach Plan, a key to the success of the SJJPA's marketing approach is the hiring of small businesses and/or individuals who are active in community issues to carry out grassroots, community based outreach throughout the San Joaquin Corridor. Staff released Request for Proposals (RFPs) to enable qualified firms/individuals to compete for this work on November 24, 2015.

The SJJPA received one responsive proposal for the Marketing and Outreach Agreement for Kings and Tulare Counties by the December 23, 2015 deadline. This proposal was reviewed by the SJJPA staff evaluation team and they were invited to an oral interview that was held on January 15, 2016. The proposal was:

- Southwest Strategies

Southwest Strategies' proposal received the highest score from the SJJPA staff evaluation team. Based on this scoring, SJJPA staff recommends selecting Southwest Strategies for the SJJPA Marketing and Outreach Agreement for the Kings and Tulare Counties Region. This agreement will be for 2 years and 5 months, covering three fiscal years. Please see the Southwest Strategies' technical proposal attached.

Fiscal Impact:

As established in the approved SJJPA Marketing and Outreach Plan, the Agreement is for \$151,500 with \$31,500 of these funds for FY 2015-16. The funds for FY 2015-16 have been provided to the SJJPA by the State as part of the SJJPA's annual marketing and outreach budget.

Recommendation:

Approve Agreement 16-J-26-00 of the San Joaquin Joint Powers Authority Authorizing a Two-Year and Five-Month Agreement for Marketing and Outreach Services in the Kings and Tulare Counties Region to Southwest Strategies for an Amount Not-To-Exceed \$151,500 from February 1, 2016 – June 30, 2018, and Authorizing and Directing the Executive Director to Execute the Agreement.

D. Technical Proposal

The San Joaquin Intercity Rail Service (San Joaquin) is the fifth busiest intercity passenger rail service in the nation carrying about 1.2 million passengers a year and it serves one of California's fastest growing areas, Kings and Tulare counties. Between the years 2013 and 2018, the population of Kings County will grow an average of 1.4 percent per year. The population of Tulare County will grow by 1.9 percent per year between 2011 and 2016.

The Amtrak station, which serves both Kings and Tulare counties, is located in Hanford. It is the fourth busiest along the San Joaquin line with 210,682 passenger ons/offers per year. A majority of these passengers connect to/from Amtrak's thruway bus services. The thruway bus services play a vital role in connecting the communities of Kings and Tulare counties to the rest of the Central Valley and to major metropolitan regions such as the Bay Area and Southern California.

For example, Kings County is home to the Lemoore Naval Air Station. It is the home of approximately 7,200 military personnel, 1,300 civilians, and almost 11,000 military dependents. The station is also home to a thruway bus stop, which connects members of the military with their families throughout California and beyond. In Visalia, the thruway bus stop connects to the Visalia-Sequoia Shuttle, connecting locals and tourists to the majestic Sequoia and Kings Canyon national parks. The Hanford station and thruway bus stops also provide passengers with access to local/regional transportation options such as Kings Area Rural Transit and the Tulare County Area Transit lines.

With additional round-trips to Oakland, new mid-corridor start/ends, better coordination with local public transportation agencies and the possible construction of new stations throughout the corridor, the San Joaquin service has an incredible opportunity to build its growing ridership, ease traffic congestion, improve air quality and increase tourism.

With this in mind, SWS has developed the technical proposal detailed below, which will leverage existing partnerships and strategically deploy community engagement activities to increase ridership and otherwise promote rail transportation in Kings and Tulare counties.

Because grassroots outreach is essential to reaching all members of the community, SWS and OCED will develop and deploy outreach plans designed to promote rail transit among all stakeholders through a robust community outreach process. This proposal has been crafted to ensure we reach as wide of an audience as possible. As an established, trusted community partner that operates throughout the San Joaquin Valley, OCED's CRPC and RDC teams will utilize their existing partnerships in Kings and Tulare counties to promote the rail service among local government entities; community-based organizations; economic development corporations and other business community partners; K-12 schools, community colleges and universities; environmental groups; multicultural and environmental justice organizations; and other organizations.

1. Development of Outreach Plans

In order to create an effective grassroots approach to outreach, SWS will create a targeted marketing and outreach plan specific to the Kings County portion of the line and Tulare County-based riders. Following an initial kickoff session with our team and key SJJPA staff, SWS will develop an outreach plan in coordination with SJJPA staff to meet the specific needs and objectives for Kings and Tulare.

Community outreach of this nature necessitates consistent, focused outreach in communities along and adjacent the rail corridor. With this in mind, SWS has developed a methodology that relies on community liaisons canvassing the community and discussing the benefits and convenience of rail with the diverse communities within Kings and Tulare counties. This will help ensure the continued growth and success of the San Joaquin service.

2. Designate Community Liaisons

As indicated above, SWS and OCED will designate one team member to serve as the community liaison for a particular location. These liaisons could serve an entire city, a neighborhood or a whole unincorporated community depending on the area's specific needs. Community liaisons have been widely successful in our outreach efforts of this nature, as they create continuity in outreach.

Community liaisons serve as a single point of contact for the community and the representative for SJJPA's activities in a particular part of the service territory. This continuity is particularly helpful as we deploy our targeted outreach activities among community-based organizations and at community events. It also streamlines responses to any questions that may arise about SJJPA's services, capital improvement projects or other activities. In keeping with our proposed approach, OCED team members will also serve as community liaisons in strategic locations where needed to advance SJJPA's rural, multicultural and disadvantaged community outreach.

3. Develop Communication Materials

In order to increase awareness and knowledge of the San Joaquin Intercity Passenger Rail Service, SWS and OCED will develop bilingual (English and Spanish) informational brochures, newsletters/electronic newsletters and fact sheets for current and potential passengers. The informational brochures' contents could include train and bus schedules, route maps and interconnecting service maps that promote local transportation agencies. They could also include information on student, group and senior discounts and promotions. In order to ensure that current passengers are receiving up-to-date information, SWS staff will distribute the collateral materials at Amtrak stations, city halls, chambers of commerce, libraries, community centers, schools and other locations as appropriate.

In each of our newsletters, SWS recommends working with local businesses, chambers of commerce and visitors bureaus to profile a popular tourist attraction, outdoor activity, hotel, or restaurant that is located near an Amtrak station or bus stop in Kings and Tulare counties. This will encourage riders to spend money in the communities Amtrak serves and help build support for Amtrak in the business community.

4. Conduct Stakeholder Briefings

Once key stakeholders have been identified, SWS recommends conducting one-on-one briefings and presentations to keep community members, elected officials and business groups informed; obtain feedback; and further promote awareness of rail initiatives in the communities. Briefings and presentations will be conducted in the communities of key stakeholders. SWS and OCED will develop bilingual collateral materials and a PowerPoint presentation tailored for each specific audience. A sign-in and contact sheet will be developed so that the outreach representatives can grow the stakeholder database and coordinate necessary follow-up.

5. Disseminate Information at Community Events

The project team will disseminate information at community events, which could include chamber of commerce functions, community festivals, and local farmers' markets to educate the public about the San Joaquin service and build good will in the community. Fact sheets and other materials will also be available at strategic locations throughout the community to help build the stakeholder database.

6. Deploy Eblast Campaign

SWS will work with SJJPA staff to develop regular eblasts that will be distributed to stakeholders throughout Kings and Tulare counties. A calendar of topics will be established for distribution of the eblasts to focus on the service, interconnecting travel options, local attractions and events. Working with its design team, SWS will develop content, design and distribute the series of eblasts. Any feedback will be recorded and shared with the appropriate

SJJPA staff on an ongoing basis. In addition, these eblasts will be disseminated to community members through OCED's comprehensive community databases for Kings and Tulare counties.

7. Launch Community Presentation Campaign

SWS' work with SANDAG and Caltrans for projects such as the North Coast Corridor Program and the LOSSAN rail corridor demonstrates its commitment to informing residents, businesses, community group leaders and elected officials of the positive benefits of commuting and traveling by rail. Implementing this type of outreach effort will help strengthen existing relationships with key stakeholders and community organizations and forge new ones, laying a solid foundation for ongoing communication and education as the San Joaquin service grows and expands. We will work with the SJJPA to plan, organize, develop and present information at a variety of community meetings. This includes, but is not limited to, outreach to the following organizations that are active in the area:

- a. Chambers of commerce, such as Visalia, Tulare, Hanford, Lemoore, Corcoran chambers of commerce, Downtown Visalia Alliance and Main Street Hanford
- b. Economic Development Corporations, including Kings and Tulare
- c. Multicultural business organizations, such as the Tulare-Kings Hispanic Chamber of Commerce
- d. Tourism boards, such as the Visalia Convention and Visitors Bureau
- e. Local and regional governments, including boards of supervisors, city councils, planning commissions, council of government boards, local school boards, county boards of education and community college boards of trustees
- f. Service organizations, such as Lions clubs and Kiwanis
- g. Advocacy groups, including the Kings Community Action Organization and Community Services Employment Training
- h. Community colleges and universities, including College of the Sequoias, West Hills College Lemoore, Fresno Pacific University's Visalia campus and Porterville College

The meetings will serve as a forum and give the outreach representatives, SJJPA, local/regional agencies and Amtrak the opportunity to inform the community of the services they provide and create a new generation of ridership. As part of this effort, SWS would coordinate placing public service announcements in local publications and stakeholder newsletters, develop presentations, create informational poster boards, secure event sites and coordinate event logistics. In addition, SWS will document community outreach events with photos and videos for inclusion on social media and in future collateral materials, as appropriate.

8. Engage in Media Relations

SWS has extensive experience working with media outlets throughout the state for its various clients' outreach activities. This has included coordinating news conferences; conducting media briefings around major project milestones; and additional as-needed media relations activities. This has included extensive work in the Central Valley, including the South Valley.

Securing media coverage for project announcements and related events will prove especially helpful in reaching a greater audience and building exposure. In order to maximize outreach efforts, SWS will develop a comprehensive media package for the San Joaquin service in Tulare and Kings counties. SWS will also distribute necessary press materials, including media alerts, press releases, opinion editorials and letters to the editor to leverage media involvement.

Prior to release, each media item will be reviewed by JJPA staff. The SWS team will also be available to manage on-site media coverage for one-on-one interviews and/or at specific events. Recognizing the unique niche print media

continues to fill in an increasingly digital world, we will develop press releases, op-eds, community event calendar entries and other materials for publication in traditional print media outlets and community newspapers, such as:

- a. The Hanford Sentinel
- b. The Visalia Times Delta
- c. The Tulare Advance Register
- d. The Corcoran Journal
- e. The Porterville Recorder
- f. The Kaweah Commonwealth
- g. The Business Journal
- h. Vide en el Valle

In addition, SWS will have a dedicated staff member monitor media coverage that is relevant to the SJJPA and submit a weekly report to SJJPA staff.

9. Launch Multicultural Outreach

In addition to English-speaking media, the SWS team has conducted outreach to media outlets in other languages, including Spanish, Punjabi, Hmong, Tagalog, Vietnamese, Russian and Mandarin. SWS recognizes the importance of a proactive, effective and inclusive public outreach campaign in communities that are ethnically diverse. In order to increase Hispanic ridership above the current 30 percent level, SWS, in conjunction with OCED, will develop a media strategy that will specifically target Spanish-speaking communities, with a special focus on underserved, rural areas. This could include public service announcements or other coverage through the following outlets:

- a. Telemundo
- b. Univision
- c. KBFP 105.3
- d. KIWI 102.9
- e. KEBT 96.9

In addition, through our partnership with OCED's RDC initiative, the project team will include multiple fluent Spanish speakers. These team members will serve as the community liaisons among Spanish-speaking communities to further expand outreach opportunities and empower Spanish-speaking communities with the resources they need to utilize rail transit.

10. Deploy Social Media

Social media plays a vital role in maintaining ongoing communications with various target audiences. Having implemented leading digital and social media programs in the public outreach arena, the SWS team will deploy a cross-channel digital strategy to communicate with stakeholders regarding the San Joaquin service. SWS's in-house social media team will build on the success of the Amtrak's current social media channels and work with SJJPA staff in developing content and recommendations to maximize the service's exposure on Facebook, Twitter, Yelp and YouTube.

11. Assist in Advertisement Campaign Development

As indicated in the RFP, our team will assist SJJPA by providing feedback on route-wide advertising materials. These will include web pages, print ads and other collateral materials as needed.

12. Conduct Educational Outreach through Operation Lifesaver

The San Joaquin Intercity Rail Service crosses both rural and more densely populated areas, such as downtown Hanford. Ensuring safety through educational efforts is key in preventing tragedies from occurring. SJJPA and SWS

staff will partner with “Operation Lifesaver” to promote safety in Tulare and Kings counties. SWS staff will work with local school districts and the media and develop presentations that will educate children and adults about rail safety. The presentations will cover pedestrian and driver safety at rail crossings in rural and urban areas. SWS staff will develop a report from each session that will be shared with Operation Lifesaver and SJPA staff.

13. Bolster Cross-Promotional Services

SWS has extensive experience in developing relationships that are productive and beneficial across sectors in the Central Valley and in Southern California. Our team will reach out to local chambers of commerce, economic development, and environmental groups to create joint strategies in promoting key messages and services. This includes promoting transit connections to local attractions.

In addition, our team regularly organizes successful public and private events such as ground breakings and ribbon-cutting ceremonies on behalf of clients. As part of a complete construction outreach portfolio, we have supported clients with event materials and logistics, including strategy development, invitations, speech writing, media relations and other planning needs. We will coordinate with SJPA staff to organize events for each project. Our team will use each event as an opportunity to build and communicate our overall message to the community and to the media. Key community members, SJPA staff and local elected officials will be featured. Each event will be coordinated with our stakeholders and stakeholders will be notified through project eblasts, newsletters and social media.

Finally, as a result of our work with the LOSSAN corridor in Southern California, our staff will be able to leverage established contacts to promote the convenience of travel between Southern and Central California through the thruway bus service in both regions.

14. Maintain Stakeholder Database

In order to maximize our contacts throughout the life of the outreach campaign, SWS will develop and maintain a stakeholder database. As the project develops, the database would be expanded and updated regularly. Pending further conversation with SJPA staff, we would implement a database beyond a traditional Excel or Access spreadsheet.

15. Conduct Project Administration

SWS will submit monthly invoices on behalf of the project team, which will include a summary of outreach conducted that month.

SAN JOAQUIN JOINT POWERS AUTHORITY

January 29, 2016

STAFF REPORT

Item 12

ACTION

Approve Agreement 16-J-27-00 of the San Joaquin Joint Powers Authority Authorizing a Two-Year and Five-Month Agreement for Marketing and Outreach Services in the Kern County Region to Providence Strategic Consulting, Inc. for an Amount Not-To-Exceed \$151,500 from February 1, 2016 – June 30, 2018, and Authorizing and Directing the Executive Director to Execute the Agreement.

Background:

As identified in the SJJPA's approved Marketing and Outreach Plan, a key to the success of the SJJPA's marketing approach is the hiring of small businesses and/or individuals who are active in community issues to carry out grassroots, community based outreach throughout the San Joaquin Corridor. Staff released Request for Proposals (RFPs) to enable qualified firms/individuals to compete for this work on November 24, 2015.

The SJJPA received three responsive proposals for the Marketing and Outreach Agreement for Kern County by the December 23, 2015 deadline. These proposals were reviewed by the SJJPA staff evaluation team and they were all invited to oral interviews that were held on January 15, 2016. The top-ranked scoring proposals were:

- JP Marketing
- Providence Strategic Consulting, Inc.
- Southwest

Providence Strategic Consulting's proposal received the highest score from the SJJPA staff evaluation team. Based on this scoring, SJJPA staff recommends selecting Providence Strategic Consulting, Inc. for the SJJPA Marketing and Outreach Agreement for the Kern County Region. This agreement will be for 2 years and 5 months, covering three fiscal years. Please see the Providence Strategic Consulting's technical proposal attached.

Fiscal Impact:

As established in the approved SJJPA Marketing and Outreach Plan, the Agreement is for \$151,500 with \$31,500 of these funds for FY 2015-16. The funds for FY 2015-16

have been provided to the SJJPA by the State as part of the SJJPA's annual marketing and outreach budget.

Recommendation:

Approve Agreement 16-J-27-00 of the San Joaquin Joint Powers Authority Authorizing a Two-Year and Five-Month Agreement for Marketing and Outreach Services in the Kern County Region to Providence Strategic Consulting, Inc. for an Amount Not-To-Exceed \$151,500 from February 1, 2016 – June 30, 2018, and Authorizing and Directing the Executive Director to Execute the Agreement.

Technical Proposal

The following is a Technical Proposal prepared by Providence Strategic Consulting, Inc. (PSCI) in response to the Scope of Work as outlined in the Request for Proposals for Marketing and Outreach Services for the San Joaquin Rail Service in the Kern County Region (No. 16-J-27-00). The San Joaquin Joint Powers Authority has recognized a need for local public outreach services in order to increase awareness and ridership. As a seasoned public relations firm with vast experience both in Kern County and on statewide projects, PSCI is prepared to capitalize on the goals of the SJJPA.

As Local Outreach Representatives for the San Joaquin Joint Powers Authority, the primary goal of the Marketing and Outreach Services project will be to increase ridership and rider retention, thereby increasing revenue.

PSCI has a successful track record with website management and will make suggestions as needed. The website will be an integral part of the marketing package and should include all social media links, promotional advertisements, rider testimonies, professional photographs, and more. All items should be available in both English and Spanish.

PSCI is very well established in the San Joaquin Valley community and is prepared to use its broad database of community contacts as communication channels for information flow. We would focus outreach on the stakeholders below, at a minimum:

- Greater Bakersfield Chamber of Commerce
- Kern County Hispanic Chamber of Commerce and Latino community
- Kern County Black Chamber of Commerce
- Kern High School District and Board of Trustees
- Kern Economic Development Corporation
- Local business owners
- Local non-profit organizations
- Area elected officials including City Councilmembers and County Supervisors
- Local newspapers, ad agencies, TV reporters and magazine editors
- Kern County Board of Trade & Film Commission
- Bakersfield Convention & Visitors Bureau
- Kern County Veterans Service Department & Veterans groups
- Senior Communities
- San Joaquin Valley CSU and UC school systems

PSCI and our various clients are already members of many of these organizations and enjoy strong relationships with others. Community contacts will be an integral part of PSCI's plan to capitalize on our existing long-term relationships, cultivate new connections and create strategic partnerships. PSCI maintains databases of thousands of Kern County citizens, elected officials, media representatives and organizational boards which we will employ for maximum effectiveness.

We are very accustomed to creating and delivering presentations throughout Kern County and will produce a list of likely presentation opportunities to calendar, as we work on the slide deck for using in these venues.

We will deliver effective and educational presentations to new and existing contacts within the affected communities including minority, disadvantaged, and non-English-speaking constituencies. Our team is frequently out in the community on various educational efforts for our clients and has a multitude of contacts throughout Kern County.

Seniors and Hispanic or Latino citizens make up a majority of the San Joaquin Valley population. Along with other minority groups, Spanish-speaking and senior communities will be an important piece of PSCI's outreach strategy to promote travel and special trip opportunities. PSCI is prepared to have a Spanish-speaking team member or members on staff to create and deliver presentations to the Latino community, and is already interviewing for that professional. Our "Kern Citizens for Energy" coalition website and collateral are available in Spanish and our stickers worn at public hearings were also available in Spanish – "Yo Soy La Industria Petrolera" or "I AM the Oil Industry".

Meeting with management and recreation leaders at Bakersfield-area senior living communities would be recommended in order to share the opportunities for these retirees to travel while avoiding the hassles of driving. Likely targets for meetings:

- Rosewood Senior Living Community
- The Villas at Scenic River
- Carriage House
- Brookside Senior Living
- Florence Gardens Senior Community
- Brookdale Riverwalk

Our proposed co-project manager, Julie Bell, is a longtime volunteer at Rosewood Senior Living Community.

We would collaborate with the **Kern County Hispanic Chamber of Commerce**, as we frequently do, in order to facilitate education and opportunities with the Latino community. We have also run ad campaigns on Spanish radio and would recommend an aggressive paid advertising effort. Along with Spanish-language radio, there should be a concerted focus on **El Popular newspaper** (distribution 22,000), as well as the **KC Hispanic and KC Black Chamber publications** and their frequent tradeshow opportunities.

Additional outreach would include collaboration with the **Kern County Board of Trade and Film Convention** and the **Bakersfield Convention & Visitors Bureau** to promote San Joaquin Rail services as a viable means of travel to and from venues. We would meet with management of the **Bakersfield Marriott at the Convention Center**, the hotel nearest the rail station and the site of most large events in Kern County. The Marriott already has a link to Amtrak on their website and we would explore additional partnership on events to promote travel by rail into their nearby hotel.

There should be outreach to central San Joaquin Valley **UC and CSU school systems** to determine potential promotion on campuses that helps students consider the train for going between home and school whether they are at UC Merced, Sac State, Fresno State or other Valley schools and going home to Bakersfield. Our staff members are alumni of CSU Bakersfield and Fresno State, among other prestigious universities.

Another potential key audience is the **Kern County Veterans Service Department**, where our friend Dick Taylor is the Director. The fact that Amtrak gives both military discounts and welcomes uniformed military personnel to the front of the line is laudable and worthy of more promotion. Approximately 50,000 veterans call Kern County home and our community is particularly supportive of veterans and their families. Perhaps there are trips that could be planned in partnership with veterans groups which would boost ridership but also provide an earned media opportunity.

PSCI will work with SJJPA staff and others involved to develop a strong advertising program that includes professional photography, pamphlets or other informational brochures and documents for events, radio and television advertisements, and billboard space. PSCI is very comfortable with all of these initiatives as we have executed them on behalf of clients for two decades. We have excellent contacts, if needed, in photography, printing and broadcast media in order to facilitate production on any advertising campaign.

PSCI will act as an editor and review advertising and all other materials as we do for multiple clients here in Kern County.

Key to achieving all of these objectives will be the strategic utilization of social media platforms including, but not limited to, Facebook, Instagram and Twitter to engage the public and increase both ridership quantity and retention. In addition to these platforms, we would recommend following key media and organizations in Kern in order to acquire a following. Social media advertisements and postings will be designed to reach the English and Spanish speaking communities.

Our team thoroughly enjoys advocacy and strategic community outreach in order to achieve business objectives. We look forward to working the SJJPA staff to grow and retain the ridership in the San Joaquin Valley.

SAN JOAQUIN JOINT POWERS AUTHORITY

January 29, 2016

STAFF REPORT

Item 13

INFORMATIONAL

San Joaquin Valley Rail Committee Update

Correspondence and Announcements:

The first meeting of the San Joaquin Valley Rail Committee (SJVRC) since its reorganization is being planned for early March. The meeting will likely take place at SJJPA offices in Stockton. A date will be determined shortly.

The transition of committee membership that includes no elected officials, SJJPA staff or SJJPA Member Agency staff is complete. All the county board of supervisor clerks have been contacted regarding the new membership composition of the committee and to notify them that they are no longer responsible for appointing members. The SJJPA is still working to fill remaining openings. The following openings are:

- Alternate for Alameda County
- Alternate for Contra Costa County
- Alternate for Los Angeles County
- Two regular members and the alternate for Mariposa County
- Alternate for Merced County

Additionally, the SJJPA is authorized to add members from two additional counties that are adjacent to our connecting bus lines. These counties have not been identified yet.

Due to the fact members of the SJVRC are now all community members, most of them will likely not be able to seek reimbursement for travel expenses to attend meetings from employers. Given the large geographic area of the San Joaquin Corridor, travel expenses can be significant.

To encourage attendance at committee meetings by as many members as possible, staff is recommending the establishment of a policy that would allow for some level of compensation for each meeting attended by SJVRC committee members to defray travel costs. SJJPA staff is currently examining approaches to provide compensation.

Recommendation:

Direct staff to develop a compensation policy to help committee members defray the travel costs of traveling to SJVRC committee meetings and to present at the March 25, 2016 Board Meeting, along with a new SJJPA policy and adopting resolution for board consideration.

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SAN JOAQUIN JOINT POWERS AUTHORITY

January 29, 2016

STAFF REPORT

Item 14

INFORMATION

Potential Transit and Intercity Passenger Rail Capital Program (TIRCP) SJJPA Applications for April 2016

Staff will present an update on SJJPA options for TIRCP applications for April 2016.

SAN JOAQUIN JOINT POWERS AUTHORITY

January 29, 2016

STAFF REPORT

Item 15

INFORMATION

San Joaquin Operations Update

Positive Train Control (PTC):

Amtrak is on schedule to have on-board PTC equipment installed by mid-2016 with begin static testing this summer and fall. It is anticipated the UPRR and BNSF will be validating the track configuration portion of PTC this year.

On-Time Performance:

At the last Board meeting it was requested staff provide a breakdown of incident/delays resulting in late trains and lower than expected on-time performance in FFY 2015. While one of the main causes of train delays this past year has been trespasser incidents, in reviewing the causes of delays during the first quarter of the year (October 1st through December 31st) the majority of delays were due to either, initial terminal delays due to mechanical failures or late bus connections. It is important to note that on-time performance during the first Quarter was at 85% up from 72.6% for the prior fiscal year - a significant improvement.

In analyzing the data for the first quarter of the year, the main cause for late San Joaquin trains is initial terminal delays. These delays fall into two categories, initial terminal delays due to mechanical failures and late bus connections. During the first quarter there were 24 occurrences of initial terminal mechanical failure delays totaling 547 minutes or 23 minutes per train, and 88 bus connection delays resulting in 1,511 minutes of delays or an average of 17 minutes. Below is a breakout of the delays.

A summary of initial terminal train (mechanical) delays show:

- 1) 11 or 46% of the delays occurred in October.
- 2) 7 or 29% of the delays occurred in November.
- 3) 6 or 25% of the delays occurred in December.

A summary of bus connection delays show:

- 1) 49 or 56% were initial terminal delays in Bakersfield or Sacramento
- 2) 22 or 25% of the delays occurred in Stockton and Martinez (Bay Area and Nor. Cal. buses)
- 3) 9 or 10% of the delays occurred in Emeryville (San Francisco buses)
- 4) 8 or 9% of the delays occurred in the Central Valley

A summary of the main delays occurring during the October through December period shows a few trends:

- 1) Amtrak reduced mechanical delays month over month.
- 2) Delays associated with late buses in Bakersfield and Sacramento accounted for more than 56% of all bus delays.
- 3) Delays associated with Northern California buses connecting in Martinez and Stockton account another 25% of bus delays.

Operations:

Staff will present Ridership, On-Time Performance and Train delay information at the Board Meeting.

SAN JOAQUIN JOINT POWERS AUTHORITY

January 29, 2016

STAFF REPORT

Item 16

INFORMATION

Administrative Matters

Correspondence and Announcements:

The approval of the 2016 SJJPA Business Plan will be an action item at the March 25, 2016 SJJPA Board Meeting and is to be submitted to CalSTA by April 1, 2016. This SJJPA Business Plan Update will be very similar to the SJJPA 2015 Business Plan. The changes will primarily focusing on providing current numbers for the San Joaquin operating expenses and bringing the plan up-to-date. Suggested revisions will be reviewed by the SJJPA Working Group and the SJVRC and will be uploaded to the SJJPA website for public review prior to the March 25, 2016 Board Meeting.

Please see CIPR Leadership Coalition thank you letter to US Senator Thune regarding PTC extension and the CIPR Leadership Coalition letter to CA Legislature Conference Committee Chairs requesting TIRCP funding be increased to 20% of ongoing Cap & Trade funds (attached).

Please also see e-mails attached from Mr. Spitze (December 4, 2015).

Recommendation:

There is no action being requested.



December 3, 2015

The Honorable Jim Beall
Co-Chair, Conference Committee
California State Senate
Sacramento, CA 95814

The Honorable Jimmy Gomez
Co-Chair, Conference Committee
California State Assembly
Sacramento, CA 95814

RE: 1) Support an increase in the Cap & Trade Transit and Intercity Rail Capital Program from 10% to 20%
2) Include Intercity Rail in any new sales tax revenue allocated to the Public Transit Account

The California Intercity Passenger Rail (CIPR) Leadership Coalition is comprised of agencies representing California's three existing intercity passenger rail services and two emerging intercity passenger rail services:

- Pacific Surfliner – Southern California
- San Joaquin – San Joaquin Valley/ San Francisco Bay Area/ Sacramento
- Capitol Corridor – Sacramento/Oakland/San Francisco /San Jose
- Coachella Valley– Los Angeles/ Palm Springs – (planned service)
- Coast Corridor – Los Angeles/ Central Coast/ San Francisco Bay Area (planned service)

Since contacting you with our two legislative priorities last summer, the CIPR services completed Federal Fiscal year 2015 on a high note:

- CA carried 5.5 million passengers; a 4% increase vs. Fiscal Year 2014
- CA carried 18% of all Amtrak riders (in its 46 routes)
- CA carried 37% of the 29 Amtrak state-supported Intercity Passenger routes
- CA still has 3 of the top 5 spots for ridership (Pac. Surfliner #2, Cap. Corr. #3, and San Joaquin #5)
- The ticket revenue was \$135.9 Million, a 4% increase vs. Fiscal Year 2014

We need your help to continue this success. Currently, the CIPR services lacks sufficient dedicated state funding to construct the infrastructure projects, purchase rail vehicles, and support the operation of service expansion plans. This limits the ability for intercity rail to not only adequately address existing demand, but to also provide additional services to support projected near-term and long-range ridership growth. This is different from other state public transit systems who receive ongoing federal and local funding assistance.

With the Governor's calling of a special session to address the state transportation system maintenance backlog, an opportunity is presented to adopt funding solutions to meet the state's overall, systemwide transportation goals. Therefore, we urge inclusion of multi-modal investments, including public transportation. Any solution should ensure that the successful CIPR services are eligible recipients of new state funding source for such purposes.

Two potential means for doing this would be as follows:

1. **Support an increase in funding directed to the cap-and-trade Transit and Intercity Rail Capital Program (TIRCP).** (previously referred to as SBX1 8 (Hill, D-San Mateo), and ABX 1 7 (Nazarian, D-Sherman Oaks))


We support doubling the share of cap-and-trade funding available for the TIRCP from 10 percent to 20 percent. As an eligible applicant for such funding, a doubling of the program would allow intercity rail to deliver much needed improvements statewide. This could include system expansions, integration improvements with regional and state transit systems, and capital efficiency improvements. CIPR is supportive of this effort.

2. **Support the inclusion of Intercity Passenger Rail as an eligible recipient of any new diesel sales tax revenues, or other funding source provided for public transportation.** (previously referred to as SBX1-7(Allen), and ABX1 8 (Chiu & Bloom))

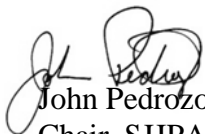
It is also important that CIPR services receive a share of any new diesel sales tax revenues, or other funding created for public transportation purposes. In contrast to transit agencies, who receive local revenues and state and federal funding by formula, the CIPR services rely solely on an annual allocation from the state Public Transportation Account (PTA) to fund all operating costs. If the state's local public transit services receive a portion of higher diesel sales tax revenue, then, in turn, the CIPR services should be included as eligible recipients, thereby allowing both transit and CIPR services to receive increased receipts of any new diesel sales tax revenues. The state-supported passenger rail network is uniquely positioned to improve mobility, connectivity, and economic development while protecting California's environment. We request that any augmentation of the PTA should include eligibility for Public Utilities Code Section 99315 (a) (passenger rail).

We look forward to working with you so that CIPR services can share in the capital and operating funding improvements now being discussed in the Legislature and are an effective means to meet the state's clean air goals and sustainable communities strategies. Thank you for your support of the state's intercity passenger rail services.

Sincerely,



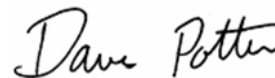
Gail Murray
Chair, CCJPA



John Pedrozo
Chair, SJJPA



David Golonski
Chair, LOSSAN



Dave Potter
Chair, CRCC

Cc: Senator Jerry Hill, Fifteenth District; Assemblymember Adrin Nazarian, Forty-sixth District
Senator Ben Allen, Twenty-sixth District; Assemblymembers Chui & Bloom
Members of Special Session Conference Committee on Transportation
Senator Hannah-Beth Jackson, Ninetieth District, Chair Passenger Rail Select Committee
-Senate Select Committee Members on Passenger Rail
Assembly member Adam Gray, Twenty-first District, Chair Passenger Rail Select Committee
-Assembly Select Committee Members on Passenger Rail

December 4, 2015 E-mails from Jim Spitze:

Dan and Bruce -

The engine of AMTRAK #712 overheated this morning and I am stuck in Martinez. This is at least the 3rd AMTRAK engine problem that I have encountered. I've been quiet with my complaints for most of this year but that was only because I think they have no impact ... and are just a waste of my time.

HOWEVER ... You guys need to get your act in order. Eventually someone's going to start publishing a series of AMTRAK horror stories and it won't be pretty. The "on time" record for AMTRAK #712 that I take from Richmond to Fresno almost every Friday is poor - at best! ... hardly ever less than half an hour late, frequently 45 minutes late, and today ... most likely over three hours late!

I just learned that we will be transferred to the next southbound train ... so I will be **THREE HOURS LATE** ... and the folks on this train who were planning on boarding a bus to Yosemite in Merced will miss their bus and will have to board a **MUCH LATER BUS** at 5pm ... rotten planning on AMTRAK's part and a pretty rotten way to treat your customers.

DARN!

Jim Spitze - Chairman - www.sccsequoia.com - 510-409-2888 Mobile

SCC Sequoia - Solutions that Endure

Dan and Bruce -

OK, gentlemen ... I am now on AMTRAK #714 which arrived **THIRTY MINUTES LATE** in Martinez ... and we are sitting here without power as you remove the replacement engine that will later be attached to AMTRAK #712 which is sitting next to us ... un-moveable. As of this moment, we have yet to leave from Martinez ... which means we won't arrive in Fresno any sooner than 3pm and, I predict, more likely round 3:30 ... a full **FOUR HOURS LATE!**

DARN! DARN ! DARN!

Jim Spitze - Chairman - www.sccsequoia.com - 510-409-2888 Mobile

SCC Sequoia - Solutions that Endure

Dan and Bruce -

BACKGROUND

- I ride AMTRAK twice a week about 48 weeks per year ... train #712 from Richmond to Fresno on Friday and #713 from Fresno to Richmond on Monday. I have been doing this since July 2009
- It has been my consistent experience that whenever something unexpected happens (a train crew “times out” or an engine overheats or the train hits something) AMTRAK behaves as though such a thing has never happened before and was totally unexpected. It is clear - at least to the passengers - that AMTRAK has no Emergency Response Plans or can’t find them when an emergency occurs

TWO SUGGESTIONS

1. One thing you should start doing ASAP is tell your train crews to keep your passengers far better informed as to what is happening. Virtually invariably, whenever an emergency occurs, the train crew holes up in the Cafe Car and talks to themselves while the passengers are kept almost totally in the dark. Today’s “communication” was a bit better than sometimes but not much. I walked to the Cafe Car and asked what was going on and got a pretty accurate response but that same info could have and should have been put on the trains public address system as soon as it was known. I found it sort of amusing to hear on the PA system - as I walked back to my seat - the info I had just “extracted” in the Cafe Car. Maybe my asking the question reminded the crew of their “communicate with the passengers” duties.

2. The evidence based on my personal well over 600 AMTRAK trips suggests that you have no active, up-to-date, ERPs (Emergency Response Plans) ... at least plans that your personnel are aware of and trained to execute smoothly. This is demonstrable incompetence. It is intolerable. Your passengers deserve better, far better ... and please don't tell me about how you distribute free snacks and bottled water when an emergency occurs. That is a mediocre palliative.

Jim Spitze - Chairman - www.sccsequoia.com - 510-409-2888 Mobile

SCC Sequoia - Solutions that Endure



November 13, 2015

The Honorable John Thune
 United States Senate
 Chair, Committee on Commerce, Science, and Transportation
 Washington, DC 20010-6125

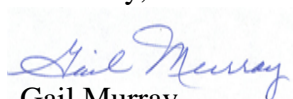
Dear Senator Thune:

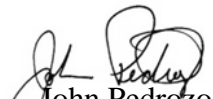
The California Intercity Passenger Rail (CIPR) leadership coalition extends our sincere appreciation in working with your colleagues to secure passage of the bi-partisan Surface Transportation Act of 2015 (HR 3819) that extends the deadline for implementation of Positive Train Control from December 2015 to December 2018. The CIPR leadership coalition last month sent a letter to you requesting an extension of the Congressional deadline for the implementation of Positive Train Control (PTC).

As CIPR coalition supports the extension for PTC installation, we are acutely aware that safety remains the highest priority for the three successful state-sponsored intercity passenger rail services (Capitol Corridor/Northern California, San Joaquin/Central Valley, and Pacific Surfliner/Southern California). To that end, we remain committed to working with our service partners to ensure the safe, effective, and thorough implementation of PTC. The 3-year extension will allow host railroads and operators the necessary time to properly and safely implement PTC.

Again, thank you for your leadership on this critical safety-sensitive project for the nation's passenger and freight rail network.

Sincerely,


 Gail Murray
 Chair, CCJPA


 John Pedrozo
 Chair, SJJPA


 David Golonski
 Chair, LOSSAN


 Dave Potter
 Chair, CRCC

cc: CIPR Congressional and State Legislative Delegations
 The Honorable Brian Kelly, Secretary – California State Transportation Agency

DIRECTIONS TO JANUARY 29, 2016 SJPA BOARD MEETING AT STANISLAUS COUNTY SUPERVISORS CHAMBERS

Tenth Street Place, 1010 10th Street (Basement), Modesto at 1:00 pm



Driving

For those driving, 1010 Tenth Street is located in downtown Modesto. Take SR-99 to the “Central Modesto” exit (“I” Street). Take I Street east several blocks to downtown. There are two public parking lots very close to City Hall (1010 Tenth Street). Turn left at 11th Street for either lot. The nearest public parking garage to City Hall is on 11th Street, on the corner of “K” Street and 11th Street (west corner). There is another lot on the east side of 11th Street between I & J streets. Parking is \$1 per hour.

Amtrak – San Joaquins

Getting there:

The Northbound 701 Daily arrives at Modesto at 10:49 am. Southbound 714 Daily arrives at the Modesto Amtrak Station at 12:17 pm. The Modesto Amtrak Station is on the outskirts of Modesto and is more than 6 miles from the meeting location. SJRRC will have shuttles waiting at the Modesto Amtrak Station to take those who are traveling by train for both the Northbound 701 Daily and Southbound 714 Daily. Passengers from Sacramento and Lodi will need to take the Amtrak connecting bus for Southbound 714 Daily to Stockton.

Getting home:

The Southbound 716 Daily departs from Modesto Station at 3:31 pm. The Northbound 715 Daily departs from Modesto Station at 5:02 pm. SJRRC will shuttle those taking the San Joaquin service to the Modesto Amtrak Station after the SJPA Board Meeting has concluded.

Please let us know if you will be traveling by train and would like a ride from the Amtrak Station to the SJPA Board Meeting (and back to the station after the meeting). Contact: Dan Leavitt at danl@acerail.com or (530) 400-9475