

Members of the Board

Jody Breckenridge, Chair
Jeffrey DelBono
Timothy Donovan
Anthony J. Intintoli, Jr
James Wunderman, Vice Chair

BOARD OF DIRECTORS' MEETING
Thursday, September 1, 2016 at 1:00 p.m.
San Francisco Bay Area
Water Emergency Transportation Authority
Port of San Francisco
Pier 1; San Francisco

The full agenda packet is available for download at sanfranciscobayferry.com/weta.

AGENDA

1. CALL TO ORDER – BOARD CHAIR
2. PLEDGE OF ALLEGIANCE/ROLL CALL
3. REPORT OF BOARD CHAIR **Information**
4. REPORTS OF DIRECTORS **Information**
5. REPORTS OF STAFF **Information**
 - a. Executive Director's Report
 - b. Monthly Review of Financial Statements
 - c. Legislative Update
6. CONSENT CALENDAR **Information/Action**
 - a. Board Meeting Minutes – August 4, 2016
 - b. Approve the Award of a Sole Source Contract with Valley Power Systems North, Inc. for Main Engine Overhauls on the Vessels *Pisces* and *Scorpio*
 - c. Approve Changes to Diversity Program for Contracts and Submittal of the Revised Program to the U.S. Department of Transportation
 - d. Approve Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE) Goals for FFY 2017 through FFY 2019
 - e. Status Report on South San Francisco Ferry Service Performance
7. RECESS INTO CLOSED SESSION
 - a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION **Action
To Be Determined**

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (One case.)
 - b. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION **Action
To Be Determined**

(Paragraph (1) of subdivision (d) of Section 54956.9)
Name of case: (Application of PropSF, LLC for authority to operate as a scheduled and on-call vessel common carrier between points in Redwood City, Alameda City, San Rafael, Emeryville, Oakland, San Leandro, and San Francisco and to establish a Zone of Rate Freedom and Related Matter, Before the Public Utilities Commission of the State of California, Application No. 15-08-014)

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8. **REPORT OF ACTIVITY IN CLOSED SESSION** **Action**
To Be Determined
Chair will report any action taken in closed session that is subject to reporting at this time. Action may be taken on matters discussed in closed session.
9. APPROVE CONTRACT AWARD TO DAKOTA CREEK INDUSTRIES, INC. FOR CONSTRUCTION OF THREE NEW 445-PASSENGER, 34-KNOT FERRIES **Action**
10. APPROVE CONTRACT AWARD TO GHIRARDELLI ASSOCIATES, INC. FOR CONSTRUCTION MANAGEMENT SERVICES FOR THE RICHMOND FERRY TERMINAL PROJECT **Action**
11. DOWNTOWN SAN FRANCISCO FERRY TERMINAL EXPANSION PROJECT UPDATE **Information**
12. APPROVE CONTRACT AWARD TO CH2M HILL ENGINEERS FOR CONSTRUCTION MANAGEMENT SERVICES FOR THE DOWNTOWN SAN FRANCISCO FERRY TERMINAL EXPANSION PROJECT **Action**
13. APPROVE AGREEMENT WITH CALIFORNIA STATE COASTAL CONSERVANCY TO PROVIDE ENVIRONMENTAL MITIGATION FOR DOWNTOWN SAN FRANCISCO FERRY TERMINAL EXPANSION AND RICHMOND FERRY TERMINAL PROJECTS **Action**
14. ADOPTION OF THE FINAL 2016 WETA STRATEGIC PLAN **Information/Action**
15. CLOSED SESSION **Action**
To Be Determined
In the event of any urgent matter requiring immediate action which has come to the attention of WETA after the agenda has been issued and which is an item appropriately addressed in Closed Session, WETA may discuss and vote whether to conduct a Closed Session under Brown Act (California Government Code Sections 54954.2(b)(2) and 54954.5).
- If WETA enters into Closed Session under such circumstances, WETA will determine whether to disclose action taken or discussions held in Closed Session under the Brown Act (California Government Code Section 54957.1).
16. REPORT OF ACTIVITY IN CLOSED SESSION **Action**
To Be Determined
Chair will report any action taken in closed session that is subject to reporting at this time. Action may be taken on matters discussed in closed session.
17. OPEN TIME FOR PUBLIC COMMENTS FOR NON-AGENDA ITEMS

ADJOURNMENT

This information will be made available in alternative formats upon request. To request an agenda in an alternative format, please contact the Board Secretary at least five (5) working days prior to the meeting to ensure availability.

PUBLIC COMMENTS The Water Emergency Transportation Authority welcomes comments from the public. Speakers' cards and a sign-up sheet are available. Please forward completed speaker cards and any reports/handouts to the Board Secretary.

Non-Agenda Items: A 15 minute period of public comment for non-agenda items will be held at the end of the meeting. Please indicate on your speaker card that you wish to speak on a non-agenda item. No action can be taken on any matter

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raised during the public comment period. Speakers will be allotted no more than three (3) minutes to speak and will be heard in the order of sign-up.

Agenda Items: Speakers on individual agenda items will be called in order of sign-up after the discussion of each agenda item and will be allotted no more than three (3) minutes to speak. You are encouraged to submit public comments in writing to be distributed to all Directors.

Water Emergency Transportation Authority (WETA) meetings are wheelchair accessible. Upon request WETA will provide written agenda materials in appropriate alternative formats to individuals with disabilities. Please send a written request to contactus@watertransit.org or call (415) 291-3377 at least five (5) days before the meeting.

Participation in a meeting may be available at one or more locations remote from the primary location of the meeting. See the header of this Agenda for possible teleconference locations. In such event, the teleconference location or locations will be fully accessible to members of the public. Members of the public who attend the meeting at a teleconference location will be able to hear the meeting and testify in accordance with applicable law and WETA policies.

Under California Government Code Section 84308, Directors are reminded that they must disclose on the record of the proceeding any contributions received from any party or participant in the proceeding in the amount of more than \$250 within the preceding 12 months. Further, no Director shall make, participate in making, or in any way attempt to influence the decision in the proceeding if the Director has willfully or knowingly received a contribution in an amount of more than \$250 within the preceding 12 months from a party or such party's agent, or from any participant or his or her agent, provided, however, that the Director knows or has reason to know that the participant has a financial interest in the decision. For further information, Directors are referred to Government Code Section 84308 and to applicable regulations.

MEMORANDUM

TO: WETA Board Members
FROM: Nina Rannells, Executive Director
DATE: September 1, 2016
RE: Executive Director's Report

CAPITAL PROJECT IMPLEMENTATION UPDATE

Vessel Replacement – Central Bay

The *Encinal* and *Harbor Bay Express II* are included in the Capital Budget for replacement as they have reached the end of their useful lives (generally 25 years) and staff has secured funding commitments for replacement vessels. In December 2013, the Board of Directors approved a contract with Aurora Marine Design (AMD) for vessel construction management services and with Kvichak Marine Industries in April 2015 for the construction of two new replacement vessels. Vessel construction began in early September 2015.

Vessel 1 *Hydrus* – The hull structure is nearing 100% completion and was launched on July 19 at Kvichak Marine in Seattle and will be transferred to Nichols Brothers for joining of the superstructure. Delivery of this vessel is anticipated in late December 2016.

Vessel 2 *Cetus* - Fabrication of the hull structure is well underway. Delivery of this vessel is anticipated in late April 2017.

Vessel Replacement/New Construction - North Bay Vallejo and Richmond

This project will construct three new high-speed vessels including one to replace the *Vallejo* and two to support initiation of new Richmond ferry service. In December 2015, the Board of Directors approved a contract with Fast Ferry Management for vessel construction management services. The Request for Proposals to construct three new passenger-only vessels was released on March 21, 2016 and a Pre-Proposal conference was held on April 14, 2016. Step-1 Technical proposals were received from shipyards May 13, 2016 and Step-2 Technical and price proposals from all responsive bidders were due June 24, 2016. Interviews were held with responsive bidders on July 27, 2016. The September 1 Board meeting agenda includes an item recommending a contract award for this project.

Gemini/Pisces Quarter-life and Passenger Capacity Increase Project

This project provides for a general refurbishment of the vessel and will include the following components: refurbish shafts, propellers, rudders, replace bearings, replace and re-upholster seating, replace carpets, renew deck coatings, touch up interior finishes, and overhaul main engines, HVAC, electrical, plumbing, emission, fire and lifesaving safety systems. In addition, the scope of work for this project includes increasing the passenger capacity from 149 to 225. The Board of Directors approved a contract with Marine Group Boat Works in February 2016 for refit work on the vessel *Gemini*. Initial sea trials were held on July 27, 2016 and the vessel was delivered to San Francisco on August 27, 2016. With a small punch list of items to complete, the vessel is expected to return to service on August 29. As this project is wrapping up, the same scope of work is planned for the vessel *Pisces* and the RFP was released on August 5, 2016. Staff anticipates being in a position to recommend a contract award in October with work to be completed winter/spring 2016/17.

North Bay Operations and Maintenance Facility

This project will construct a new ferry operations and maintenance facility located at Building 165 on Mare Island in Vallejo in two phases. The landside phase includes site preparation and construction of a new fuel storage and delivery system along with warehouse and maintenance space. The waterside phase will construct a system of modular floats and piers, gangways, and over-the-water utilities.

The Board of Directors awarded a design-build contract for the landside phase to West Bay Builders, now Thompson Builders, in August 2013. Landside construction is substantially complete. Remaining tasks for the landside construction phase include commissioning and testing of systems that run between the landside and waterside portions of the project.

The Board of Directors awarded a design-build contract for the waterside construction phase to Dutra Construction in July 2014. Construction of the waterside phase is underway. Pile driving activities were completed on September 2, 2015. A total of 23 piles were driven over a 4 week period. The existing service float was modified and rehabilitated at Bay Ship & Yacht and was delivered to the site in February 2016. All of the concrete floats were delivered to the site and secured to the piles in December 2015. The construction contractor has completed installation of the superstructure and is working to complete installation of utility systems. The construction team is working on testing and commissioning the utility and product delivery systems. System commissioning will begin in August. The final completion date for the waterside construction is tentatively scheduled for September.

Central Bay Operations and Maintenance Facility

This project will construct a new ferry operations and maintenance facility at Alameda Point to serve as the base for WETA's existing and future central bay ferry fleet. The anticipated opening date will be in the spring of 2018. The facility will provide running maintenance services such as fueling, engine oil changes, concession supply, and light repair work for WETA vessels. The new facility will also serve as WETA's Operations Control Center for day-to-day management and oversight of service, crew, and facilities. In the event of a regional emergency, the facility will function as an Emergency Operations Center, serving passengers and sustaining water transit service for emergency response and recovery.

The Board of Directors awarded a construction contract to Overaa/Power, a Joint Venture, at its June 2016 meeting. A groundbreaking ceremony to commemorate the start of construction is scheduled for September 15.

Alameda Seal Haul-out

A seal haul-out was developed voluntarily by WETA at the site of the future Central Bay Operations and Maintenance Facility. After working with a marine mammal expert and a working group of Alameda seal enthusiasts, a specially-designed float was installed in July 2016 at the site. Early reports and photographic evidence suggests the seals love the new float. The next steps are to gradually relocate the float eastward towards a final mooring location. The first move took place on July 28. Subsequent moves will occur approximately every two weeks until the final location is reached.

Downtown San Francisco Ferry Terminal Expansion Project

This project will expand berthing capacity at the Downtown San Francisco Ferry Terminal in order to support new and existing ferry services to San Francisco. The proposed project would also include landside improvements needed to accommodate expected increases in ridership and to support emergency response capabilities.

Staff is in the final stage of developing design documents and technical specifications required to initiate the construction procurement process for the project. Additionally, permit applications have been submitted to the San Francisco Bay Regional Water Quality Control Board, Bay Conservation and Development Commission, and U.S. Army Corps of Engineers to authorize construction of the project. The September 1 Board meeting agenda includes an informational update and recommendation to approve a contract award for construction management services in support of this project.

SERVICE DEVELOPMENT UPDATE

Richmond Ferry Service

This service will provide an alternative transportation link between Richmond and downtown San Francisco. The conceptual design includes plans for replacement of an existing facility (float and gangway) and a phased parking plan. The WETA Board adopted a Funding Agreement and Memorandum of Understanding with the Contra Costa Transportation Authority at its March 2015 meeting that funds the operation for a minimum period of 10 years.

A construction management RFP was released in June 2016. The RFP for construction of the terminal facility is anticipated for release in the fall of 2016. Terminal construction will begin in 2017 with pile driving and dredging activities taking place in the 2017 in-water work window.

All resource agency permit applications have been submitted. A provisional Letter of Permission was received from the US Army Corps of Engineers in June. The dredging approval process with the Dredged Material management Office is near completion. The remaining resource agency approvals are anticipated to be received over the next few months. Staff continues to coordinate with the City of Richmond on lease negotiation.

Treasure Island Service

This project, which will be implemented by the Treasure Island Development Authority (TIDA), the San Francisco County Transportation Authority (acting in its capacity as the Treasure Island Mobility Management Authority) and the prospective developer, will institute new ferry service to be operated by WETA between Treasure Island and downtown San Francisco in connection with the planned Treasure Island Development Project. The anticipated start of operations would be 2021, given the current project schedule.

WETA staff is working with City of San Francisco staff to support development of this project, including participating in regular meetings of the City's Technical Advisory Committee convened to update and further develop the Treasure Island Mobility Management Program, which will include new ferry service provided in conjunction with the development project. Staff has begun negotiation of a Memorandum of Understanding (MOU) with the City that would set forth the terms and conditions under which WETA would operate the future Treasure Island ferry service. The finalization and execution of an MOU for the Treasure Island service would be subject to consideration by the WETA Board.

South San Francisco Service

The South San Francisco ferry service is currently in its fourth year of operation, averaging 496 daily boardings and 31 percent farebox recovery.

At its May meetings, the Metropolitan Transportation Commission (MTC) approved a program amendment allowing the South San Francisco Ferry service seven years to reach its threshold of 40 percent farebox recovery. The rationale for this revision in MTC's Regional Measure 2 requirements was that the service had demonstrated strong ridership growth and there were many letters of support received by stakeholders on both sides of the Bay. The service now has

until 2019 to reach the 40 percent farebox standard. A more detailed update of the service is included for information on the Consent Calendar of the September 1 Board Meeting agenda.

Alameda Seaplane Lagoon Ferry Terminal

In April 2016, the Alameda City Council and WETA Board of Directors adopted a Memorandum of Understanding (MOU) defining a future service concept for western Alameda and identifying the terms and conditions under which a new Seaplane Lagoon Ferry Service would be implemented. The MOU defines roles and responsibilities for each party pertaining to the proposed construction of a new ferry terminal along Seaplane Lagoon on the former Naval Air Station at Alameda Point, future operation of the service, and the pursuit of funds necessary to support the new service. Staff will continue to work with the City to fulfill WETA's commitments under the MOU with the common goal of achieving the start of service by 2020.

Mission Bay Ferry Terminal

The Port of San Francisco released an engineering feasibility and site selection study for a future Mission Bay ferry terminal in March 2016. WETA staff participated in the study and provided input regarding ferry operations and potential service models. The Port Commission authorized release of an RFP for design and permitting services at its July 2016 meeting. To support the effort, the City of San Francisco has placed \$7 million in its capital budget. A project Memorandum of Understanding between the Port and WETA will be developed for Port Commission and WETA Board consideration in fall 2016.

Redwood City Ferry Terminal

A Redwood City Ferry Terminal site feasibility report was completed in draft in 2012, in an effort to identify site opportunities, constraints and design requirements and better understand project feasibility and costs associated with the development of a terminal and service to Redwood City. During the summer of 2016, staff from the Port, WETA and the City of Redwood City have met to redefine the project, shifting the development towards a public facility available to multiple ferry operators in advance of formal WETA service, given the lack of project funds for such service at this time. This alternative development model will allow the Port and City to move forward with construction of a terminal, allowing time for WETA and the City to advocate for operational and vessel funding for eventual WETA service. The next step in the project is to develop a project Memorandum of Understanding.

SYSTEM PLANS/STUDIES

WETA Strategic Plan

The Draft WETA Strategic Plan, released in January 2016, is the result of a planning process that began in March 2015 with an introductory Board workshop that provided agency and service background information and identified strategic areas for discussion. A second workshop in May 2015 reviewed and validated the Board-adopted mission and vision statements and provided an opportunity to consider new WETA policies related to service performance and expansion. Taking input from the Board, WETA staff spent the summer reaching out to stakeholders, sharing draft strategic plan policies and gaining valuable input for the eventual draft plan.

The WETA Board of Directors released the draft 20-year Strategic Plan, which is posted on the WETA website, for public review and comment at its January 2016 meeting. At the March 2016 Board meeting, Chair Breckenridge created a working group consisting of staff, Vice Chair Wunderman and Board Member Donovan to review the draft plan within the context of WETA's mission and vision statements. As the result of the work of this committee, the WETA Board adopted revised Mission and Vision statements at its June 2016 meeting. A revised draft Strategic Plan consistent with the new Mission and Vision statements will be presented to the WETA Board for consideration at the September 2016 meeting.

Alameda Terminals Access Study

Both ferry terminals in Alameda have experienced a surge in ridership beginning with the first BART strike in July 2013. As a result, parking at both terminals typically spills on to adjacent streets and informal parking lots. WETA initiated work on an Alameda Terminals Access Study in 2014 as a means to identify immediate, medium and long-term solutions to improve customer access to these terminals. As an outgrowth of this work, the City of Alameda Transportation Commission formed an Ad Hoc Subcommittee, made up of Transportation Commission members and City of Alameda, WETA and AC Transit and local community organization staff to investigate potential City improvements for ferry terminal access during the spring of 2015.

Initial work identified through the study outreach and taken up by the Ad Hoc Subcommittee focused on parking improvements to the Harbor Bay terminal area and restoring AC Transit feeder bus service to the Main Street terminal.

City staff has recently been coordinating with the Harbor Bay Master Homeowner's Association to develop a strategy for addressing overflow parking in the vicinity of the Harbor Bay Terminal. The strategy proposes to institute a residential parking permit program, thereby eliminating overflow parking on the surrounding arterials and residential streets. In addition, the Homeowner's Association requests that WETA consider a parking fee at the lot and that potential revenue from parking fees help fund a free shuttle program for Harbor Bay residents. WETA Staff has engaged a parking specialist consultant and will be evaluating potential parking fee programs not just for Harbor Bay but for the entire WETA system. WETA staff will continue to work with its partners at the City and the Harbor Bay Homeowner's Association.

At Main Street, WETA staff has worked with City staff since spring 2015 to open the Officer's Club parking lot as an overflow lot for the many riders now parking on dirt lots or on the shoulders of Main Street. WETA funded a new crosswalk and minor improvements to the lot, which opened to ferry riders on May 24, 2016. Aside from parking, installation of 20 bicycle lockers at the Main Street terminal -- funded through a grant from the Bay Area Air Quality Management District -- occurred on February 22. Staff will shift its focus to additional improvements that can be made related to alternative modes such as buses, shuttles, bicycles, and pedestrian improvements after the parking improvements are underway. Staff anticipates bringing forward the Access Plan and a discussion of the many ongoing work efforts in support of this plan in fall 2016.

Berkeley Environmental Studies

This proposed Berkeley service will provide an alternative transportation link between Berkeley and downtown San Francisco. Staff has coordinated with FTA staff to discuss the process for completion of the Final EIS/EIR. FTA has indicated that it will not be able to complete the NEPA process and issue a Record of Decision because a long-term operational funding source is not available for the service at this time. After coordination between WETA staff and Berkeley elected officials, the Mayor of Berkeley has recently submitted a letter supporting development of a ferry terminal in Berkeley, pledging to work cooperatively with WETA towards project implementation.

OTHER BUSINESS

State Transportation Bills

Two identical transportation funding bills were introduced on August 24 by Senator Jim Beall (SBX1 1) and Assembly Member Jim Frazier (ABX1 26) that would provide \$7.4 billion annually to transportation projects that repair and maintain our state highways and local roads, improve trade corridors and support public transit. Staff is working with Barry Broad in Sacramento to

better understand these bills and identify the potential impacts and opportunities that they will provide in support of WETA's projects and programs.

CPUC Applications for New Ferry Operations

Two private ferry operators, PropSF and Tideline Marine Group, have recently applied to the Public Utilities Commission of the State of California (CPUC) for the authority to operate as scheduled vessel common carriers with flexible rates between points in various cities in the San Francisco Bay Area. WETA has commented on these applications and will continue to monitor the development of these new ferry services as they move through the CPUC and implementation process.

CPUC Organizational Changes

Working closely with Barry Broad in Sacramento, staff has been monitoring discussions and activities related to potential changes in the California Public Utilities Commission's programs and authority. AB 2903 (Gatto), as amended through August 17, calls for a number of changes and reforms to the CPUC's authority, including directing the Governor to develop a plan to shift CPUC transportation oversight functions to the State Transportation Authority by January 31, 2018. Staff will continue to monitor activity in this area and engage in consultative discussions with state officials to help ensure that plans for transitioning ferry regulatory oversight is done in a manner that supports WETA's legislative authority and ability to provide safe and effective public transit service.

Emergency Response Activities Update

WETA's enabling legislation, SB 976 as amended by SB 1093, directs the agency to provide comprehensive water transportation and emergency coordination services for the Bay Area region. Staff is currently working on the following emergency response related activities:

SF Bay Area Regional Port Reopening Seminar, Workshop and Exercise: The Port of San Francisco in collaboration with the U.S. Coast Guard, Army Corps of Engineers, Dept of Transportation Maritime Administration, the Federal Emergency Management Agency, the Dept of Defense, and San Francisco Fleet Week conducted a workshop on June 14 focused on the process to reopen the Port of San Francisco following a catastrophic event. The various local, regional, state and federal agencies involved in such an effort provided an overview of their roles and responsibilities. Participants discussed the sequencing of events and timeline necessary to reopen the Port of SF and commence maritime operations, including ferry service. This seminar and workshop are part of an exercise series that will include a table top exercise on September 1 which will focus in part on fueling operations, and conclude with the San Francisco Fleet Week Full Scale Exercise on October 3.

EPA Mass Transit Response Coordination Workshop: WETA has been requested to participate in a workshop on September 14 hosted by the Environmental Protection Agency (EPA) which will focus on improving response to a chemical or biological attack on Bay Area transit agencies. The intent of this workshop is for EPA to better understand the equipment, operations and roles of Bay Area transit agencies in preparation for EPA's participation in a full scale transit response exercise on October 26. Staff will be attending the workshop on September 14.

VEOCI: Staff is currently working to implement, VEOCI, a web-based, virtual EOC information and resource management system that will allow staff to access an online workspace for emergency management activities in the EOC and if they are unable to report to WETA's EOC or if they are in the field. VEOCI is anticipated to be used for:

- Staff notification
- Internal and External Communications
- Managing tasks and resources
- Document storage
- Compiling information for reports/situational awareness
- Reimbursement documentation

This system will be compatible with the State of California's web based resource management system, CalEOC and is expected to be complete in the fall.

Coast Guard Manning Requirements

In response to a 2015 U.S. Coast Guard (USCG) initiative, staff has been working closely with the USCG Inspections unit (San Francisco Sector) in 2015 to review and verify the current manning levels required on WETA's fleet of vessels. As a result of this work, the WETA vessels current manning levels remain in place; this is noted in the vessel files and on each vessel Certificate of Inspection. Staff is working with the Coast Guard Inspections unit to close out this matter.

Hazard Mitigation Plan

WETA is preparing a new Hazard Mitigation Plan (HMP) in accordance with the Federal Disaster Mitigation Act of 2000 (DMA 2000). DMA 2000 requires local governments to develop and submit HMPs as a condition of receiving Hazard Mitigation Grant Program and other mitigation project grant funding. This includes pre-disaster mitigation funding and post-disaster mitigation funding for existing WETA facilities. The essential steps of hazard mitigation are to identify and profile hazards that affect the local area surrounding existing facilities, analyze the people and facilities at risk from those hazards, and develop mitigation actions to lessen or reduce the impact of the profiled hazards. WETA staff is working with a consultant to prepare the HMP. The process includes coordination with stakeholder agencies with jurisdictions that might interface with WETA during a disaster response. The process also includes opportunity for public comment. The third and final HMP planning team meeting was held on August 18 to review the draft HMP. The HMP is anticipated for completion in September 2016. The HMP will be sent to Cal OES and FEMA for review and approval. After those approvals are received, the HMP will be presented to the Board for adoption.

KEY EXTERNAL OUTREACH/BUSINESS MEETINGS

On August 9, Nina Rannells attended the Bay Area Council Transportation Committee meeting.

On August 12, Lauren Gularte attended the monthly Regional Business Outreach Committee meeting.

On August 22, Nina Rannells attended the monthly Clipper2 Executive Committee meeting.

On August 24, Nina Rannells and Kevin Connolly attended the Bay Area Council Water Transit Subcommittee meeting.

On Sept 1, Lauren Gularte and Kevin Donnelly will attend the San Francisco Bay Regional Port Reopening tabletop exercise.

OPERATIONS REPORT

Monthly Operating Statistics - The Monthly Operating Statistics Reports for July 2016 is provided as Attachment A.

Attachment A

Monthly Operating Statistics Report July 2016

		Alameda/ Oakland	Harbor Bay	South San Francisco	Vallejo*	Systemwide	
Boardings	<i>vs. last month</i>	Total Passengers July 2016	134,453	25,116	10,419	100,426	270,414
		Total Passengers June 2016	117,160	27,824	11,905	94,837	251,726
		Percent change	14.76%	-9.73%	-12.48%	5.89%	7.42%
	<i>vs. same month last year</i>	Total Passengers July 2016	134,453	25,116	10,419	100,426	270,414
		Total Passengers July 2015	116,219	27,209	10,661	96,806	250,895
		Percent change	15.69%	-7.69%	-2.27%	3.74%	7.78%
	<i>vs. prior FY to date</i>	Total Passengers Current FY To Date	134,453	25,116	10,419	100,426	270,414
		Total Passengers Last FY To Date	117,160	27,824	11,905	94,837	251,726
		Percent change	14.76%	-9.73%	-12.48%	5.89%	7.42%
		Avg Weekday Ridership July 2016	4,301	1,256	521	3,590	9,667
Ops Stats	Passengers Per Hour		218	193	72	147	172
	Revenue Hours		617	130	144	685	1,576
	Revenue Miles		7,291	2,874	2,442	17,025	29,631
Fuel	Fuel Used (gallons)		64,286	13,809	18,191	147,670	243,956
	Avg Cost per gallon		\$1.85	\$1.85	\$1.85	\$1.99	\$1.94

* Vallejo ridership includes ferry + Route 200 bus passengers. July bus ridership totaled 7,583.

MEMORANDUM

TO: Board Members

**FROM: Nina Rannells, Executive Director
Lynne Yu, Manager, Finance & Grants**

**SUBJECT: Monthly Review of FY 2016/17 Financial Statements for One Month
Ending July 31, 2016**

Recommendation

There is no recommendation associated with this informational item.

Summary

This report provides the attached FY 2016/17 Financial Statements for one month ending July 31, 2016.

Operating Budget vs. Actual

	Prior Actual	Current Budget	Current Actual
Revenues - Year To Date:			
Fare Revenue	1,676,726	1,491,261	1,942,399
Local Bridge Toll Revenue	1,027,182	1,554,247	846,587
Other Revenue	-	33,599	-
Total Operating Revenues	2,703,909	3,079,107	2,788,986
Expenses - Year To Date:			
Planning & Administration	253,646	254,795	156,978
Ferry Services	2,450,263	2,824,312	2,632,008
Total Operatings Expenses	2,703,909	3,079,107	2,788,986
System-Wide Farebox Recovery %	68%	53%	74%

Capital Actual and % of Total Budget

	YTD Actual	% of FY 2015/16 Budget
Revenues:		
Federal Funds	14,070	0.04%
State Funds	26,863	0.06%
Bridge Toll Revenues	8,850	0.04%
Other Local Funds	454	0.02%
Total Capital Revenues	50,238	0.05%
Expenses:		
Total Capital Expenses	50,238	0.05%

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

San Francisco Bay Area Water Emergency Transportation Authority
FY 2016/17 Statement of Revenues and Expenses
For One Month Ending 7/31/2016

% of Year Elapsed of Year Elapsed 8.5%

	Current Month	Year - To - Date			% of Year FY 2016/17 Total	% of Total Budget
		FY2015/16 Actual	FY 2016/17 Budget	FY 2016/17 Actual		
OPERATING EXPENSES						
<u>PLANNING & GENERAL ADMIN:</u>						
Wages and Fringe Benefits	67,687	\$98,615	\$120,603	\$67,687	1,420,000	4.8%
Services	100,867	155,627	144,681	100,867	1,703,500	5.9%
Materials and Supplies	574	3,388	5,605	574	66,000	0.9%
Utilities	871	716	2,293	871	27,000	3.2%
Insurance	1,178	-	2,378	1,178	28,000	4.2%
Miscellaneous	15,878	439	19,449	15,878	229,000	6.9%
Leases and Rentals	25,332	23,794	27,433	25,332	323,000	7.8%
Admin Overhead Expense Transfer	(55,409)	(28,933)	(67,648)	(55,409)	(796,500)	7.0%
Sub-Total Planning & Gen Admin	\$156,978	\$253,646	\$254,795	\$156,978	3,000,000	5.2%
<u>FERRY OPERATIONS:</u>						
<u>Harbor Bay FerryService</u>						
Purchased Transportation	\$124,262	\$146,364	\$157,709	\$124,262	1,856,900	6.7%
Fuel - Diesel & Urea	25,554	32,773	38,398	25,554	452,100	5.7%
Other Direct Operating Expenses	28,439	34,967	47,850	28,439	563,400	5.0%
Admin Overhead Expense Transfer	7,175	4,968	8,748	7,175	103,000	7.0%
Sub-Total Harbor Bay	\$185,430	\$219,071	\$252,705	\$185,430	2,975,400	6.2%
Farebox Recovery	63%	58%	50%	63%	50%	
<u>Alameda/Oakland Ferry Service</u>						
Purchased Transportation	\$671,068	\$478,712	\$533,744	\$671,068	6,284,400	10.7%
Fuel - Diesel & Urea	118,961	114,035	138,302	118,961	1,628,400	7.3%
Other Direct Operating Expenses	74,894	62,330	129,750	74,894	1,527,700	4.9%
Admin Overhead Expense Transfer	22,743	13,079	28,707	22,743	338,000	6.7%
Sub-Total Alameda/Oakland	\$887,665	\$668,155	\$830,503	\$887,665	9,778,500	9.1%
Farebox Recovery	83%	85%	54%	83%	54%	
<u>Vallejo FerryService</u>						
Purchased Transportation	\$909,215	\$917,782	\$876,230	\$909,215	10,316,900	8.8%
Fuel - Diesel & Urea	291,882	280,332	384,154	291,882	4,523,100	6.5%
Other Direct Operating Expenses	99,062	89,472	131,907	99,062	1,553,100	6.4%
Admin Overhead Expense Transfer	21,293	5,011	25,437	21,293	299,500	7.1%
Sub-Total Vallejo	\$1,321,452	\$1,292,596	\$1,417,728	\$1,321,452	16,692,600	7.9%
Farebox Recovery	77%	70%	60%	77%	60%	
<u>South San Francisco FerryService</u>						
Purchased Transportation	\$170,661	\$184,758	\$223,964	\$170,661	2,637,000	6.5%
Fuel - Diesel & Urea	33,663	41,464	48,946	33,663	576,300	5.8%
Other Direct Operating Expenses	28,940	38,344	45,710	28,940	538,200	5.4%
Admin Overhead Expense Transfer	4,198	5,875	4,756	4,198	56,000	7.5%
Sub-Total South San Francisco	\$237,462	\$270,441	\$323,377	\$237,462	3,807,500	6.2%
Farebox Recovery	32%	27%	23%	32%	23%	
Total Operating Expenses	\$2,788,986	\$2,703,909	\$3,079,107	\$2,788,986	36,254,000	7.7%
OPERATING REVENUES						
Fare Revenue	\$1,942,399	\$1,676,726	\$1,491,261	\$1,942,399	17,558,400	11.1%
Local - Bridge Toll	846,586	1,027,182	1,554,247	846,587	18,300,000	4.6%
Local - Alameda Tax & Assessment	-	-	33,599	-	395,600	0%
Total Operating Revenues	\$2,788,986	\$2,703,909	\$3,079,107	\$2,788,986	36,254,000	7.7%

San Francisco Bay Area Water Emergency Transportation Authority
FY 2016/17 Statement of Revenues and Expenses
For One Month Ending 7/31/2016

Project Description	Current Month	Project Budget	Prior Years Actual	FY2016/17 Budget ¹	FY2016/17 Actual	Future Year	% of Total Project Budget
CAPITAL EXPENSES							
FACILITIES:							
Maintenance and Operations Facilities							
North Bay Operations & Maintenance Facility	\$7,827	\$31,082,000	\$28,592,897	\$2,489,103	\$7,827	\$0	92%
Central Bay Operations & Maintenance Facility	8,998	69,500,000	4,425,134	32,962,866	8,998	32,112,000	6%
Terminal Improvement							
Electronic Bicycle Lockers	-	79,500	46,661	32,839	-	-	59%
Terminal Access Improvement	-	250,000	67,528	182,472	-	-	27%
Replace Terminal Fendering - East Bay Terminals	-	92,000	-	92,000	-	-	0%
FERRY VESSELS:							
Major Component Rehabilitation / Replacement							
Selective Catalyst Reduction (SCR) System Overhaul	3,101	1,400,000	61,008	1,338,992	3,101	-	5%
Major Component Rehabilitation - Solano	1,365	430,000	-	430,000	1,365	-	0%
Vessel Engine Overhaul - Bay Breeze	-	650,000	-	650,000	-	-	0%
Vessel Engine Overhaul - Scorpio	-	625,000	-	625,000	-	-	0%
Major Component & Waterjet Rehab - Mare Island	413	3,600,000	-	3,600,000	413	-	0%
Vessel Mid-Life Repower/Refurbishment							
Vessel Qtr-Life Refurb & Capacity Increase - Gemini	590	3,507,000	2,053,446	1,453,554	590	-	59%
Vessel Qtr-Life Refurb & Capacity Increase - Pisces	1,081	4,100,000	-	4,100,000	1,081	-	
Vessel Qtr-Life Refurburbishment - Taurus	-	2,400,000	-	2,400,000	-	-	
Vessel Expansion/Replacement							
Purchase Replacement Vessel - Express II & Encinal	3,635	33,951,000	19,724,430	14,226,570	3,635	-	58%
Purchase Replacement Vessel - Vallejo	5,023	21,052,000	56,940	8,447,060	5,023	12,548,000	0%
CAPITAL EQUIPMENT / OTHER:							
Purchase Heavy Duty Forklift	-	105,000	-	105,000	-	-	0%
Purchase Utility Vehicles	-	50,000	-	50,000	-	-	0%
CCTV and LCD Network Integration	-	400,000	-	300,000	-	100,000	
SERVICE EXPANSION:							
Terminal/Berthing Expansion Construction							
Downtown Ferry Terminal Expansion - South Basin	5,067	79,580,000	5,569,989	8,279,011	5,067	65,731,000	7%
Richmond Ferry Terminal	6,335	18,000,000	1,383,228	4,403,772	6,335	12,213,000	8%
Expansion Ferry Vessels							
Richmond Ferry Vessels - 2 each	6,803	42,000,000	105,789	16,897,211	6,803	24,997,000	0%
Total Capital Expenses	\$50,238	\$312,853,500	\$62,087,050	103,065,450	\$50,238	\$147,701,000	
CAPITAL REVENUES							
Federal Funds	\$14,070	\$67,154,383	\$13,093,526	\$35,539,068	\$14,070	\$18,521,789	20%
State Funds	26,863	185,846,825	37,429,974	41,446,164	26,863	106,970,688	20%
Local - Bridge Toll	8,850	53,733,891	8,584,455	23,490,913	8,850	21,658,523	16%
Local - Alameda Sales Tax Measure B / BB	454	4,950,000	2,949,095	2,000,905	454	-	60%
Local - Alameda TIF / LLAD	-	18,400	-	18,400	-	-	0%
Local - San Francisco Sales Tax Prop K	-	1,100,000	-	550,000	-	550,000	0%
Local - Transportation Funds for Clean Air	-	50,000	30,000	20,000	-	-	60%
Total Capital Revenues	\$50,238	\$312,853,499	\$62,087,050	\$103,065,450	\$50,238	\$147,701,000	

¹ FY2016/17 Budget includes adjustments to reflect actual FY2015/16 expenditures

MEMORANDUM

TO: Board Members

FROM: Peter Friedmann, WETA Federal Legislative Representative
Ray Bucheger, WETA Federal Legislative Representative

SUBJECT: WETA Federal Legislative Board Report – August 23, 2016

The End of the August Recess Means Congress is Back in “Action” – What’s on Tap for When Congress Returns?

Members of Congress return to Washington, DC after having been out of session for seven weeks, which included two weeks of Party nominating conventions and the regular five weeks of August “recess”. Congress is scheduled to be in session through the end of September and then adjourn for the month of October so that members can spend the final weeks before November 8 campaigning in their states and districts. It is possible that Congressional leadership could cut the September work period short, perhaps by a week or two, in order to give their members additional time on the campaign trail, but this will depend on whether or not agreement can be reached on the appropriations process.

In fact, the appropriations process may be the only thing driving the September schedule. Federal Fiscal Year 2017 begins on October 1, which means that Congress must pass the FY17 appropriations bills by September 30, or more likely, pass a Continuing Resolution (CR) by that date that would fund the Federal government at FY16 levels and give Congress more time to finish work on the FY17 appropriations process. If Congress can finish this work early in the month, the September work-period is likely to be cut short. If Congress waits until the last minute, which it is prone to do, we may actually see an entire month of “action”.

Of course, “action” is a relative term. Don’t be surprised if Congress spends an entire month in Washington, DC but then has nothing to show for it come October. While it has been suggested that Congress could address a number of issues in September, including gun control legislation and funding to combat the Zika virus, the reality is that the only thing that Congress *has* to do is act on appropriations, and on that front, it is most likely that Congress will pass a CR that expires in December, so as to delay the hard decisions from having to be made until after the election. How will Congress likely fill the rest of the time it has in Washington, DC? Likely by taking political votes on legislation that has little to no chance of becoming law.

What Does a Continuing Resolution Mean for WETA?

Given that the programs that provide funding to WETA, including the FHWA formula program and the FTA ferry grant program that fall under the umbrella of the Highway Trust Fund, they are not subject to the annual appropriations process. While this means that Congressional action on the appropriations front (or lack there-of) *should* mean less disruption to these programs, the reality is that there is still a lot of uncertainty surrounding these programs. For instance, it is not clear when

FHWA plans to announce updated allocations for its formula program, and it is not clear when FTA will issue the next Notice of Funding Opportunity (NOFA) for the ferry grant program (nor do we know how many years the next NOFA will cover). Of course, this is why we have been on the Hill, meeting with the Congressional delegation – we have been talking about ways we can work together to try to inject some certainty into an uncertain system.

Priorities for the Remainder of 2016 and Beyond

As reported in the previous Board report, here is a summary of what we are doing to create specific funding opportunities for WETA:

Looking Towards the Next FTA Ferry Grant Solicitation

While FTA is unlikely to issue its NOFA for FY17 funds until after September, we are working to gain support from the Bay Area Congressional delegation for pressing the agency to be upfront about how it will distribute funding in FY17 and FY18 (i.e. will it distribute a single year of funding or combine two years of funding as it has done over the past four years?). Our objective in doing this is to maximize the amount of federal funding WETA receives from the FTA program.

Working to “Repurpose” Previously Awarded Earmarks

Funding that we secured for WETA for the ferry service from Berkeley to downtown San Francisco in FY08 (\$642,346), FY09 (\$475,000) and FY10 (\$1,000,000) could not be utilized at the time, and because of the rules attached to this funding, the money cannot be re-allocated without Congressional approval. Unfortunately, the Congressional earmark ban makes it nearly impossible to gain this approval. Nonetheless, we are working with the California Congressional delegation to develop a mechanism that would allow WETA to “repurpose” the FY08, FY09 and FY10 funding and utilize it for more immediate needs.

Setting Our Sights on the Next Surface Transportation Bill

Although it is a longer-term objective, we are working to increase the amount of money available through the FTA ferry grant program. Given that competition for transit money is fierce, increasing the size of the FTA ferry grant program will require a concerted effort amongst various stakeholders, including other ferry systems, organized labor, ship-building interests, etc. Grassroots and grass-tops mobilization will be important and so will targeting the right members of the House and Senate.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY
MINUTES OF THE BOARD OF DIRECTORS MEETING

(August 4, 2016)

The Board of Directors of the San Francisco Bay Area Water Emergency Transportation Authority met in regular session at the Port of San Francisco at Pier 1, San Francisco, CA.

1. CALL TO ORDER – BOARD CHAIR

Chair Jody Breckenridge called the meeting to order at 1:02 p.m.

2. PLEDGE OF ALLEGIANCE AND ROLL CALL

Chair Breckenridge led the Pledge of Allegiance. Other Directors present were Vice Chair Jim Wunderman, Director Jeffrey DelBono, Director Timothy Donovan and Director Anthony Intintoli.

3. REPORT OF BOARD CHAIR

Chair Breckenridge welcomed Directors, staff and guests to the meeting. On WETA's behalf, she wished the United States Coast Guard (USCG) a happy birthday and congratulated the organization on turning 226 years old and still going strong. She added that she had talked with the new USCG Flag Officer and provided him with a briefing on WETA and its functions and operations on the San Francisco Bay, as well as WETA's communication process in interacting with the USCG. Chair Breckenridge said she had also had discussions since the last meeting with Cal OES Director Mike Ghilarducci and with Marine Exchange Executive Director Captain Lynn Korwatch. She said her discussion with Captain Korwatch had included grant and other funding possibilities for WETA. Chair Breckenridge added that she had also spent some time up in Seattle at Kvichak Marine Industries, where she was able to survey the construction of WETA's vessel *Hydrus*, presently underway there. She said the vessel construction was progressing and that the welding work she had seen was impressive and remarkably beautiful.

4. REPORTS OF DIRECTORS

Vice Chair Wunderman said that as a representative of the Bay Area Council (BAC), he had met with a number of regional and state representatives regarding transportation funding. He said Senator Jim Beall, the Chairman for the Senate Transportation and Housing Committee, had visited the BAC to discuss strategy for transportation funding. Vice Chair Wunderman said he was not hugely confident about a comprehensive bill getting onto the ballot for the fall at this point but that it was hoped an additional BAC visit to Sacramento at the end of the month would reveal additional information. He said the funding discussions likely would not impact WETA but added that the November ballot was expected to have three different sales tax measures for Santa Clara, Contra Costa and San Francisco. Vice Chair Wunderman added that along with the bond measure for BART, the transportation funding measures were expected to total approximately \$20 billion in funding for the future of Bay Area transportation. He said he didn't know, at this point, how much of that money would be directed to water transportation.

Vice Chair Wunderman extended an invitation to all to the BAC's Water Transportation Subcommittee meeting scheduled to take place at 10:00 a.m. on August 24. He said the meeting guest will be Kate White, Deputy Secretary of Environmental Policy and Housing Coordination at the California State Transportation Agency, who will discuss state funding for clean propulsion technology.

5. REPORTS OF STAFF

Executive Director Nina Rannells welcomed Directors to the meeting. She referred the Board to her written report and offered to answer any questions. She said the vessel replacement project for the three new vessels was expected to be brought to the Board at the September meeting. Ms. Rannells said the Gemini work had been completed and that 75 more seats were being added to increase the passenger capacity from 175 to 225, adding that the vessel was expected to be back in service within the next couple of weeks.

Ms. Rannells shared an update on the waterside construction completion of the North Bay Operations and Maintenance Facility and said it was expected that WETA would be onsite at the facility in September and that the facility would be ready for a ribbon cutting ceremony in October. She said dates being considered for a groundbreaking ceremony for the Central Bay Operations and Maintenance Facility were in mid-September and that staff would be checking in with Directors' regarding their availability.

Ms. Rannells referred the Board to the ridership report for 2016 and noted that it reflected a 20 percent increase over the prior fiscal year ending June 2015. She said that since WETA began its operations of services, there had been an overall ridership increase of more than 70 percent. Ms. Rannells noted that this was quite remarkable and reflected tremendous growth for the agency's operations over the last four years.

Ms. Rannells introduced Manager of Planning and Development Kevin Connolly who provided an overview of Alameda terminals access improvements. He said the new O'Lot parking lot at the Alameda Main Street Terminal was being used extensively and is consistently filled to about 90 percent capacity on weekdays. Mr. Connolly told Directors to expect to see results in the fall for the contract work presently underway investigating fee for parking at Harbor Bay and possibly at other terminals throughout the WETA system.

Mr. Connolly said WETA and City of Alameda staff had been working with AC Transit in marketing the Harbor Bay ferry terminal bus service to the community. He said that a free transfer was provided by WETA to all ferry riders who take the AC Transit bus service to the terminal. Chair Breckenridge requested that an update on the findings about the implementation of a parking fee in the WETA system be shared with Directors by October. He added that, if adopted by the Board, the parking fee at the Harbor Bay Terminal would likely not be implemented until early next year.

Chair Breckenridge asked for an update on the review of the Vallejo bus service analysis. Mr. Connolly said staff had already participated in the first of what would be a series of meetings planned with Vallejo partners and that meeting had included SolTrans and the Solano Transportation Authority (STA). He said WETA's Route 200 bus service contract will run through December and that it may need to be extended for up to six months while further analysis is done to determine the best implementation solution. He said changes in the way WETA had utilized the bus resources in the past were anticipated, but it was not clear at this time exactly what the changes would be and whether they would take place in January or in June.

PUBLIC COMMENT

Alameda Base Reuse Director Jennifer Ott thanked WETA staff for the Harbor Seal haul out work at Alameda Point. She said that the Harbor Bay Terminal parking fee implementation was anticipated to be an important tool in the City's kit for resolution on terminal accessibility issues as the City takes more of an active role in addressing the challenges and participating in the resolutions. She said the City Council had approved the various pieces needed to address accessibility, such as AC Transit service and the parking fee, and the next step was implementation of those pieces. Ms. Ott emphasized that AC Transit

was now committed to meeting every arrival and departure at the Harbor Bay Terminal and the next objective was to get a commitment to provide service to the Main Street Terminal.

Chair Breckenridge said she would like Directors to be thinking five and ten years ahead as they review the parking fee implementation findings and generally. She said this will help assure that WETA is proactive and not reactive so that the system grows intelligently by building foundations for the future and not just to accommodate immediate and pressing challenges.

Senior Planner Chad Mason provided an overview of the successful work done to accommodate a community of Harbor Seals at the Central Bay Operations and Maintenance Facility site at Alameda Point with a new seal haul out float. He explained that the haul out had been put in place and moved once already, with plans to move it several more times, a little bit further each time, until it was put in place permanently about 900 yards from the shore.

Ms. Rannells referred Directors to the financial documents in her report and noted that the agency had been able to hold 2016 fiscal year expenses to the same level as the prior fiscal year. She said one of the reasons for this was that fuel prices had remained low again this past year. She noted for the Directors that WETA had returned an unspent \$5 million to the Metropolitan Transportation Commission (MTC), as required by MTC in their administration of these funds. Director Intintoli said WETA should have been able to retain that \$5 million in reserves in case fuel prices rise or WETA has unforeseen expenses in the new fiscal year. He asked if that was something that could be addressed for the future, perhaps with language to support it in a future Regional Measure 3 (RM3). Ms. Rannells agreed with Director Intintoli's position, and said that she had discussed that with the group working on the measure on WETA's behalf.

6. CONSENT CALENDAR

Director DelBono made a motion to approve the consent calendar which included:

- a. Board Meeting Minutes – June 2, 2016
- b. Authorize Release of a Request for Proposals for the *Pisces* Quarter-Life Refurbishment and Passenger Capacity Increase Project
- c. Authorize Release of a Request for Proposals for the *Mare Island* Major Component and Waterjet Rehabilitation Project
- d. Approve a Sole Source Contract with Marine Jet Power AB for the Waterjet Replacements Required as a Part of the *Mare Island* Major Component & Waterjet Rehabilitation Project

Director Intintoli seconded the motion and the consent calendar carried unanimously.

Yeas: Breckenridge, DelBono, Donovan, Intintoli, Wunderman. Nays: None.

7. APPROVE BAY BRIDGE FORWARD FERRY ENHANCEMENT PROGRAM

Mr. Connolly presented the item recommending that Directors approve the following actions in support of the Bay Bridge Forward Ferry Enhancement Program:

1. Authorize extension of the enhanced summer service schedule for the Alameda/Oakland and Vallejo ferry services through December 2017; and
2. Authorize a FY 2016/17 Operating Budget increase in the amount of \$2.0 million to support operating these service enhancements through the full fiscal year.

Mr. Connolly explained that the enhanced service would be implemented in three phases with phase one enhancements, the most immediate, to extend enhanced Vallejo and Alameda/Oakland summer service schedules through December 2017.

Chair Breckenridge emphasized the importance of educating the WETA ridership to assure they understand that the extended service offerings are presently just for the one year through December 2017. Director DelBono said Directors should see if there was any possibility to get the \$5 million WETA had to return to MTC back to support additional future service offerings. Ms. Rannells said she would take that interest back to MTC to use as a conversation starter.

Chair Breckenridge asked if parking at the Vallejo terminal was nearing or exceeding capacity with any regularity given the consistent record breaking ridership every month. Mr. Connolly said the Vallejo parking garage was not limited to ferry rider use and generally had a surplus of parking, even with the increases in the ferry ridership on the Vallejo route.

Director DelBono reiterated that it was important to figure out how to get the \$5 million that WETA had been made to return to MTC back to support service extension and meet rider and other stakeholder expectations. Ms. Rannells said she saw the award of Bay Bridge Forward funds as a first step in the process of increasing regional funds for ferries. Chair Breckenridge said further and continued work must be done to educate everyone about what is required for a truly robust regional ferry service.

Vice Chair Wunderman asked at what point WETA's service offerings would exceed terminal capacity. Mr. Connolly said the Downtown San Francisco Terminal Expansion project would expand capacity in San Francisco in 2018. He added that the planned Seaplane Lagoon terminal in Alameda would also increase terminal capacity beginning in 2020. Mr. Connolly said that in addition to terminal capacity challenges, there were other capacity concerns specific to the Oakland and Alameda service routes. He explained that the Port of Oakland's recent increased shipping business has significantly increased the traffic in the estuary traveled by the Alameda/Oakland vessels. He said this traffic was expected to further increase and continue to impact WETA's schedules.

PUBLIC COMMENT

Alameda Base Reuse Director Jennifer Ott said she and the City of Alameda strongly encouraged Directors to support the item.

Director Donovan made a motion to approve the item.

Director Intintoli seconded the motion and the item carried unanimously.

Yeas: Breckenridge, DelBono, Donovan, Intintoli, Wunderman. Nays: None.

8. MISSION BAY FERRY LANDING STATUS REPORT

Mr. Connolly introduced this informational item with a brief slideshow presentation of the three fundamental projects that will provide the foundation to support future Mission Bay, Redwood City and Treasure Island ferry service. He explained that these three new service offerings will not be possible without the three other WETA projects that were already underway; the Central Bay Operations and Maintenance Facility at Alameda Point, the Downtown San Francisco Ferry Terminal expansion, and new vessels construction and delivery.

Mr. Connolly introduced Port of San Francisco Senior Waterfront Planner David Beaupre and Joe Roger, Port of San Francisco Project Manager for the Mission Bay Ferry Landing terminal project. Mr. Beaupre provided a slideshow presentation with an overview of the planned Mission Bay development and ferry terminal. He explained that they had taken a preliminary look at several sites and ultimately chosen a terminal site at 16th Street, between Pier 54 and the Mission Rock Restaurant. He explained that in addition to riders from the UCSF campus and hospital and the planned Golden State Warriors stadium, additional Mission Bay ferry riders were expected to come from the million

square feet of commercial space and about 2,000 new homes that were currently in development at Pier 70, as well as residents from the burgeoning Central Waterfront, Dogpatch and Potrero Hill neighborhoods.

Mr. Beaupre said the Port of San Francisco (The Port) had already done significant community outreach over the last few months and that a formal Request for Proposal for project design and development has been issued. He said it was expected that the contract for that work would be awarded by October with hope that the service would be in place in 2021 or 2023. Mr. Beaupre said the immediate next steps were to develop a project MOU with WETA identifying how the two agencies would work together to deliver the many project pieces. He said total cost for the project was estimated between \$32 and \$45 million and funds totaling about \$6.9 million were already committed to the project, about half provided by The Port with the balance coming from the City of San Francisco General Fund. He added that the project is a high priority for the City and The Port and all partners were keen to close the funding gap as soon as possible.

Ms. Rannells thanked Mr. Beaupre and Mr. Roger for their attendance and the presentation. She said this was a very important project not just for the Mission Bay community but also for WETA as a service expansion project. Ms. Rannells said that she appreciated the Port's efforts as the landowner and project lead on terminal design and construction and said the site that had been chosen was a location that WETA fully supported from an operational standpoint. Ms. Rannells she looked forward to moving ahead on the MOU discussions.

Vice Chair Wunderman said the Mission Bay Ferry Landing Project was the most likely and important of all of WETA's current projects. He said the development of Mission Bay was predictable, because it has been in the planning stages for years but that funding had not been included as a piece of the initial planning efforts. He said that WETA did not control what got built on the land, but development and water transit went hand in hand. Vice Chair Wunderman said that funding was a major component of the early and continuing discussions about other projects in San Francisco, such as the Treasure Island development. He explained that by including the funding component in concert with the development component from the beginning, water transit and development planning could happen simultaneously and support each other. Vice Chair Wunderman suggested applying this concept of early stage, linked funding and development planning as a blueprint for future San Francisco water transit and development project discussions.

Director Donovan asked if WETA's Project Labor Agreement language would be included in the Mission Bay Ferry Landing project contracts. Ms. Rannells said that she did not know what the Port's own policies were on labor harmony, but that she would introduce this into the MOU discussion with the Port.

PUBLIC COMMENT

Veronica Sanchez of Masters, Mates & Pilots (MM&P) thanked the WETA Board and staff and The Port guests and said she was glad to see MM&P's advocacy visible and formalized in The Port partnering with WETA on the Mission Bay Ferry Landing project. She said that The Port was now engaged and very interested in WETA's work and added that a partnership between the two agencies could help mitigate a public perception that they were in competition for limited funding opportunities. Ms. Sanchez said WETA's partnership with The Port on this project was going to raise WETA's public visibility very quickly.

Mr. Connolly said that The Port Commission had been very interested in WETA and its long term plans. He said The Port's perception of WETA was as a partner and The Port was very interested in integrating their projects with WETA's services. He added that he had been invited back to present WETA's Strategic Plan to The Port Commission in the fall.

PUBLIC COMMENT

Tideline Marine Group President Nathan Nayman said that as the official water taxi of The Port he wanted to hear about the commitment in The Port's plan to integrate Tideline water taxis into the Mission Bay project.

Mr. Beaupre said that planning for the project included investigating how and where to include water taxis, either as an integrated offering or as a standalone service. He said one of the possibilities in discussion had been to use the public boat launch at Pier 52 as a water taxi stop for the area.

Mr. Nayman said he would continue the discussion about the water taxi landing directly with The Port Commission.

9. REDWOOD CITY FERRY PROJECT STATUS REPORT

Mr. Connolly introduced this informational item to provide Directors with an update on future Redwood City ferry service. He explained that WETA had done a study on potential Redwood City ferry service back in 2012 and said this study's data would be utilized and valuable as the agency moved forward to support and eventually provide a future Redwood City ferry service. He reviewed the site that had been chosen for a future Redwood City ferry terminal and explained it was a location that would not conflict with the pleasure boating and other leisure activities at the Port of Redwood City or the cement and gravel aggregate and other commercial maritime activities in the Port of Redwood City channel. He said that a private ferry operator has been operating in the channel which had spurred discussions about how best to share the tight channel resources with all of its users.

Mr. Connolly said the minimum level of service – three peak morning and three evening departures – with *Vallejo* class, high-speed vessels, would require a minimum of four boats; three to run and one as a back-up in the case of primary vessel mechanical or other unforeseen failure. Mr. Connolly said that this project would provide many benefits to the region but that it did run the risk of being dropped from the Metropolitan Transportation Commission's (MTC) long range plan (Plan Bay Area) because of cost. He said that WETA staff met in a series of discussions with Redwood City, the Port of Redwood City and MTC to discuss changing the shape of the project in the Plan Bay Area to reduce initial costs so that the project would be included in the plan. Mr. Connolly said that for purposes of Plan Bay Area, the project was modified to initially build out a public terminal that could be used by other operators, with the Port of Redwood City acting as the lead agency on the project. He said this would bring service into the area sooner, with WETA public service – and the associated costs for operations and vessels - in future stages of the project. Mr. Connolly explained that what was submitted to MTC as a Plan Bay Area Project was the environmental clearance and design work to support the revised vision. He said these two pieces of the project were expected to cost between \$7 and \$8 million, which could be provided from San Mateo Transportation Authority transportation sales tax measure funds previously approved by voters to support Redwood City ferry service.

Mr. Connolly emphasized that WETA would continue work with its Redwood City partners to establish an MOU in the coming weeks that will clarify exactly how the revised project will look and who will play what roles in bringing WETA public ferry service to fruition. He then introduced Redwood City Assistant City Manager Aaron Aknin who provided an overview of the Redwood City ferry terminal project.

Mr. Aknin thanked the Board for welcoming him at the meeting and Mr. Connolly for his partnership and numerous trips down to Redwood City to work on the project. He said the City was very excited about its partnership with WETA and about taking the necessary steps to bring ferry service to the City. He said there were thousands of new residential units presently under construction and several million square feet of office space being developed in close proximity to the planned ferry terminal site. He further explained that the City was committed to increasing the projected ridership numbers for ferry service and had just approved a \$500,000 transportation study with the ultimate goal of getting residents out of

their cars and onto alternative modes of transportation. Mr. Aknin said ferry service was expected to play a critical role in that long term objective.

Chair Breckenridge thanked Mr. Aknin for speaking at the meeting and asked how long he anticipated it would take to complete the transportation study. Mr. Aknin said the study was expected to take approximately six months.

Vice Chair Wunderman said both the BAC and WETA had heard from many representatives of Redwood City and the Port of Redwood City about the urgent need to bring ferry service to Redwood City. He asked if those representatives were satisfied with the approach WETA was taking. He said he understood that the new plan may not be what people were hoping for and he wanted to understand the general perception of the new plan. Mr. Aknin said the new plan had generally been received positively. He noted that the new transportation study to garner increased ridership numbers, the environmental clearances for the site and service, and the terminal design were all pieces of the larger project that were going to take some time. He explained that people were aware of this and the perception was that this new approach would position the project very well for the next Regional Transportation Plan. Mr. Aknin added that he felt it was a fine approach overall.

Vice Chair Wunderman said his perception of the Redwood City ferry service was that it was a gateway to Silicon Valley. He said he felt the service should be moved ahead as quickly as possible and he was pleased that there was a productive partnership in place working on it.

Director DelBono asked for clarification on how the revised project would be put in place. Mr. Connolly explained that the new plan was for Redwood City to take the lead on construction and maintenance of the terminal with WETA providing input as a partner. The new terminal would allow private operators to begin offering service to Redwood City right away with WETA service to follow once funding for operations and vessels had been secured. He said breaking the project up in this way guaranteed its inclusion in MTC's Plan Bay Area instead of having it omitted from the Plan because of project cost and low scoring.

Director DelBono said he was anxious to bring ferry service to the South Bay but he was not entirely comfortable hearing that private operators would be using the Redwood City terminal. He added that he understood the challenges with the MTC project assessment but he felt it would be a huge step backward to have private ferry service in Redwood City. He said he would prefer to see a developer build the terminal and then have WETA operate the service.

Director Intintoli said that would be a great idea if WETA had operational money for a Redwood City service. He said this was another example of why WETA should be included in RM3. Vice Chair Wunderman said that securing future service for Redwood City would very likely position WETA in a much better place to receive a larger share of RM3 funds. Chair Breckenridge said WETA needed more of a business case to present to MTC with regard to the project to assure it will receive the attention it deserves and this new plan was a way to create that for Redwood City.

10. TREASURE ISLAND FERRY SERVICE UPDATE

Mr. Connolly introduced this informational item and explained that WETA staff had been working with current Treasure Island stakeholders for more than a year on the Treasure Island Ferry Project. He introduced San Francisco County Transportation Authority Principal Transportation Planner Rachel Hiatt who shared a slideshow presentation overview of the Treasure Island development and ferry service plans. Ms. Hiatt explained that her work was supporting the Treasure Island Development Authority (TIDA) which was overseeing the overall redevelopment of the Island. She explained that the Treasure Island Mobility Management Agency (TIMMA) was the entity legislated to oversee the unique transportation plan for the Island. Ms. Hiatt said the development Agreement, environmental findings,

and transportation plan were approved back in 2011. Ms. Hiatt said that much of the Island's development will be residential, but it will also include commercial, retail, park and trail open spaces, urban farming, a conference center and hotel, and an intermodal transportation hub to be built where the current administrative buildings are situated on the Island.

Ms. Hiatt said the project, including the transportation plan, was a high priority Plan Bay Area project. She explained that affordable housing and living on the island had been an important topic for all stakeholder boards and said there were about two thousand potentially vulnerable residents currently living in subsidized housing on the island with some in transition from being recently homeless. Ms. Hiatt said there was a 25 percent below market rate requirement for the residential developments on the Island.

Ms. Hiatt said the transportation plan for the Island included the intermodal transportation hub with offerings of brand new East Bay AC Transit service to downtown Oakland every ten minutes, ferry service every 20-30 minutes, a free – possibly autonomous - island shuttle circulator, and Muni transit every 3 1/2 minutes by 2030. She explained that additional transportation goals would require all residential units to be built within a 15-minute walk to the intermodal transportation hub, an emphasis on walking and the use of bicycles, carpooling and car sharing. She said all future residents of the Island will be required to purchase a transit pass, and there will be a congestion toll for people accessing the Island with a vehicle during peak travel times.

Chair Breckenridge asked if there would be some sort of requirement for jobs that are hourly or lower end wage positions that the employees have to be a resident of the Island. She said her concern was that if not, those employees would be driving or taking transportation on to the Island, and most likely would be coming from the East Bay. Ms. Hiatt said planners were hopeful that people would use the AC Transit bus service to come from the East Bay. She added that employees coming to work on the Island from the East Bay would have already paid a toll to cross the Bay Bridge and therefore would not be required to pay an additional access toll to get onto the Island.

Ms. Hiatt explained that Treasure Island planners would like to utilize new technologies for transportation on the Island, such as electric vehicles and green technology ferry vessels. She said the toll plans would likely include a discount or credit for high frequency users. Ms. Hiatt further explained that the original idea had been that the dedicated transit, toll and parking fares generated by residents and those accessing the Island would provide enough money to offer the transit services and maintain the transportation hub. She said over the last few months, when presenting the toll policies to her Board, her Directors have expressed interest in diversifying the transportation funding sources. She said her Directors have asked that other sources of operational funding be identified so the burden of an access toll high enough to cover all of the transportation funding required does not fall on the shoulders of the Island's population. She said their concern is that they feel Treasure Island users should not shoulder the entire burden of transportation costs on the Island and that the toll should be minimized.

Ms. Hiatt said the first residential units will be available in 2019 and that is when the shuttle and bus service is scheduled to begin. She said the growing assumption at this time is that WETA ferry service will be put in place in 2022 as that is when the developer is obligated to have waterside construction completed. Ms. Hiatt said that there were some capital funding gaps for the project, including initial vessel construction, that need to be closed. She said further details on the ferry service would be sorted in the MOU discussions with WETA staff.

Director Donovan asked if there was still a plan for a hotel to be built on the Island. Ms. Hiatt said that there was a plan in place for a 500-room hotel to be built on the Island. Director Donovan said that if a big hotel chain was planning to build on the Island, perhaps they could help out with funding gaps for transportation. Ms. Hiatt said that was a possibility.

Chair Breckenridge asked, with the ferry plans for service every 20-30 minutes, how many vessels would be needed to meet that schedule. Mr. Connolly said that service would initially run about every hour and would phase up to service every 30 minutes. He said the vessel would likely be one 450-passenger vessel that was fast with a back-up from the general fleet. Chair Breckenridge said if the vessel will be high capacity and run on new technology, the design for the vessel may not even exist yet. Vice Chair Wunderman asked if it made better sense to use smaller vessels with the objective of boarding and offboarding more quickly. Mr. Connolly said that was one of many questions that will be considered between now and 2022 when the service will be put in place.

Ms. Rannells said that throughout the ten years she had been at WETA, staff had been involved in ongoing discussions with City agencies about the Treasure Island ferry service. She said those discussions had gone through numerous evolutions, and that the initial City/developer commitments to the project was for two or three new vessels and a terminal on Treasure Island. WETA's focus has been to expand the berthing at the Downtown Ferry Building to support this new service, and to work with the City to define and develop a ferry service plan. She said that, provided that the Board was supportive, that staff would work to explore options on how to deliver sufficient vessel capacity to be able to start service once the terminal is built. Ms. Rannells said she would like to see a partnership between WETA, the City and all of the Treasure Island partners to seek and secure funding for new vessels to serve this project.

Vice Chair Wunderman said he had been working on the Treasure Island redevelopment for thirty years. He said the project presented tremendous and desperately needed housing opportunities as well a unique opportunity to create a place where people can truly live without a car. He said to build homes on the island and then have people stranded, or feeling stranded, would be a terrible waste of a tremendous opportunity. Vice Chair Wunderman said WETA needed to partner strongly with the City of San Francisco to advocate for and help secure the funding needed to provide ferry service on the Island.

Director DelBono asked what kinds of discounts or benefits low income residents would receive on tolls and transit costs. Ms. Hiatt said the residents not living in below market housing will be required to purchase a transit pass but how that would be handled for lower income users was still in discussion. She said it was likely that those residents would receive discounted passes.

PUBLIC COMMENT

Ms. Sanchez said that on behalf of her union, they were very excited about the projects. She said all of the projects pointed back to grant funds. She said her union can deploy federal lobbyists on WETA's behalf in a coordinated strategy. She suggested WETA and its various city agency and other partners approach federal funding as an integrated whole instead of piecemeal, agency by agency. She said this would be an important strategy to mitigate confusion and make a more compelling request in Washington. Ms. Sanchez also suggested that WETA's lobbyist Peter Friedmann reach out to Diane Feinstein with a request to approve the release of the money for the Berkeley project that has gone unused and could possibly be repurposed for Treasure Island.

Chair Breckenridge said that with the finalization of the WETA Strategic Plan, project priorities will become clearer, and the next steps will be lining up an action plan to seek support and funding for the projects accordingly. She said WETA cannot rely on a future RM3 until it is a reality. Chair Breckenridge said she appreciated the support of all of WETA's partners.

11. CONSIDER CENTRAL BAY OPERATIONS AND MAINTENANCE FACILITY NAMING OR OTHER RECOGNITION PROGRAM OPTIONS

Manager of Public Information and Marketing Ernest Sanchez presented this item with the following options to honor Ron Cowan and create a mechanism for recognizing other WTAWETA leaders over time:

1. Rename the Central Bay Operations & Maintenance Facility (CBOMF) the Ron Cowan Central Bay Operations & Maintenance Facility;
2. Recognize Ron Cowan's contributions, through resolution, and on a plaque memorialization to be installed at the CBOMF;
3. Institute a "Leadership Wall" Program with Ron Cowan named as the first honoree at the Central Bay Operations & Maintenance Facility Site; or
4. Institute alternative recognition programs or actions as may be identified by the Board of Directors.

Vice Chair Wunderman said that Mr. Cowan was a leader and a visionary and he felt option 1 was what WETA should do to recognize and honor him. Vice Chair Wunderman made a motion to adopt option 1.

Director DelBono seconded the motion.

PUBLIC COMMENT

Jerry Bellows of MARAD said he urged the Board to choose the more traditional option of a Leadership Wall to honor Mr. Cowan and other past and future leaders.

Director Intintoli offered a substitute motion. He said he felt WETA should leave the option open to recognize others and set a precedent in this adoption. He said he preferred that WETA follow a more traditional leadership wall that had photographs of the people who had been leaders in supporting and leading the organization in the past and going into the future. He made a motion to adopt option 3.

Chair Breckenridge confirmed with the Directors that they had read correspondence received from the Alameda community about the item.

Chair Breckenridge seconded the substitute motion to adopt option 3, to implement a leadership wall program. She said it provided the most flexibility to support multiple honorees for regional and statewide supporters and leaders. She said that when one considered where the agency had been and where it was today, especially its current level of service offerings and its emergency response role, it was quite remarkable and there were many people who contributed to that success and deserved to be honored.

Director Donovan asked if it would be possible to choose both option 1 to honor Mr. Cowan and also option 3 to honor other leaders. Ms. Rannells replied that this would be possible and that it was at the discretion of the Board. Director DelBono said that the leadership wall could be installed at any of the facilities.

Vice Chair Wunderman said he was on a Wall of Fame at San Francisco State University and he didn't think the honoring process had to be an either/or scenario. He said there were a handful of people already who could be honored on a wall and there would be more people to honor on a wall in the future. He said a wall should not replace the specific honor he supported for Mr. Cowan.

Chair Breckenridge called for a vote on the substitute motion and the motion did not pass.

Yeas: Breckenridge, Intintoli. Nays: DelBono, Donovan, Wunderman.

Director DelBono said he agreed with Vice Chair Wunderman about Mr. Cowan's contributions. He said Mr. Cowan is a visionary and a dreamer who wanted the ferry service to be the most important transportation in the Bay Area and he deserved to be honored with a building in his community. He said he recognized that Alameda was a political place and that some in the community may disagree with the decision to honor Mr. Cowan and added that this was not a concern in his decision on the matter.

Chair Breckenridge called for a vote on this initial motion and the motion passed.

Yeas: DelBono, Donovan, Wunderman. Nays: Breckenridge, Intintoli.

Chair Breckenridge said Mr. Cowan should be involved in the groundbreaking ceremony and Ms. Rannells said she understood that time was of the essence given his failing health.

Vice Chair Wunderman said he felt badly to have divided the Board on this item. He said he believed this was the first time all of the Directors did not vote unanimously. Chair Breckenridge said she felt the votes were reflective of the community's views. Vice Chair Wunderman said he appreciated the Board having the conversation and he felt a wall was great to honor leaders in the future, but he felt that Mr. Cowan deserved a more special recognition.

12. OPEN TIME FOR PUBLIC COMMENTS FOR NON-AGENDA ITEMS

No additional public comments.

13. ADJOURNMENT

All business having been concluded, the meeting was adjourned at 3:27 p.m.

Respectfully Submitted,
Board Secretary

MEMORANDUM

TO: Board Members

**FROM: Nina Rannells, Executive Director
Keith Stahnke, Manager, Operations**

SUBJECT: Approve the Award of a Sole Source Contract with Valley Power Systems North, Inc. for Main Engine Overhauls on the Vessels *Pisces* and *Scorpio*

Recommendation

Approve the award of a Sole Source Contract to Valley Power Systems North, Inc. (VPSNI) in an amount up to \$1,050,000 for engine overhaul work on the vessels *Pisces* and *Scorpio*, and authorize the Executive Director to negotiate and execute an agreement and take any other required actions to support this work.

Background/Discussion

The four MTU 16V2000M70 main engines on the vessels *Pisces* and *Scorpio* have been in service since 2008/2009. These engines will reach the 10,000 hour overhaul service interval in FY16/17. This preventive maintenance is required to ensure reliable operation of the engines. The removal and overhaul of *Pisces* engines will be staggered in order to minimize downtime of the vessel. In mid-October *Scorpio* will have one engine removed in order to be refurbished and a swing engine will be installed. Sixty days later the refurbished engine will be installed and the second engine will be removed for refurbishment and swapped with the swing engine. The engine overhauls on *Pisces* will occur during the quarter life rehabilitation project. Staff expects to bring forward a recommendation for award of the *Pisces* quarter-life work in October.

Scope of Work

VPSNI personnel will prepare each engine for removal from the vessels. Once delivered to the VPSNI facility each engine (total of four) will have QL4 major overhauls performed replacing major and minor subcomponents in accordance with MTU specifications.

After complete assembly, fluid installation and tune up, engines will be dyno tested to ensure proper operation and performance. VPSNI personnel will reconnect the engines and perform startup and sea trial tests. The last engine overhauled will become the swing engine and will be returned to WETA in a preservation package for long term storage.

Sole Source Discussion

Staff recommends a sole source contract for this procurement as MTU factory parts and installation will need to be completed by a factory-authorized dealership in order to obtain a warranty on parts and labor. Given the costs, using a factory authorized dealership to install the manufacturer's parts significantly reduces financial risk to WETA in undertaking this project.

After researching the engine supply and parts industry, staff has concluded that there are no known aftermarket parts manufacturers for these engines and confirmed that MTU factory parts are the only parts available for these engines. Additionally, because MTU does not allow competition between its factory authorized dealerships, VPSNI is the sole MTU factory authorized dealership for the sales, parts and service of MTU Series 2000 engines in the Bay Area region.

VPSNI is well qualified to complete this work as it overhauled the Encinal's main engines in 2013 and Solano's main engines in 2014. VPSNI performs ongoing service and repair to the majority of WETA's vessels and also provides sales, service and repair for Golden Gate Ferry vessels.

Staff has reviewed the price quote provided by VPSNI for this work and has determined that it is fair and reasonable compared to WETA's internal estimates and to similar work performed by other engine distributors. The recommended contract authorization amount of \$1,050,000 includes a base award of \$913,044 and a contract contingency of \$136,956 (15%).

In accordance with the above analysis, staff has determined that this procurement meets the requirements for sole source procurement under federal regulations and as set forth in the WETA's Administrative Code Section 502.2(E), which authorizes the agency to procure goods and services without competition under limited circumstances. Subdivision (E) of this provision allows the agency to procure items non-competitively when there is only a single source of supply available, or only one contractor is qualified to provide the service or product. Because VPSNI is uniquely able to provide and warranty the necessary work, a competitive bidding process would serve no useful purpose for this procurement.

Fiscal Impact

The *Pisces Quarter-Life Refurbishment and Capacity Increase* project is included in the FY 2016/17 Capital Budget in the amount of \$4,100,000 and is funded with Federal Transit Administration (FTA) grant funds and Regional Measure 1 (RM1) capital funds. The *Scorpio Vessel Engine Overhaul* project is included in the FY 2016/17 Capital Budget in the amount of \$625,000 and is funded with FTA grant funds and RM1 capital funds. Sufficient funds are available in the combined project budgets to support the award of this contract.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2016-21

APPROVE A SOLE SOURCE CONTRACT WITH VALLEY POWER SYSTEMS NORTH, INC. FOR INTERMEDIATE OVERHAUL OF THE VESSELS *PISCES* AND *SCORPIO* MAIN ENGINES AND AUTHORIZE THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE THE AGREEMENT

WHEREAS, the San Francisco Bay Area Water Emergency Transportation Authority (Authority) has identified the need for the overhaul of the *Pisces and Scorpio* main engines; and,

WHEREAS, the Authority has determined that Valley Power Systems North, Inc. is the sole MTU factory authorized dealership for the sales, parts and service of MTU Series 2000 engines in the Bay Area region; and,

WHEREAS, the Authority has determined that this procurement meets the requirements for sole source procurement under federal regulations and as set forth in the WETA's Administrative Code Section 502.2(E); and

WHEREAS, the Authority has identified Valley Power Systems North, Inc. being both responsive and responsible in the provision of services; now, therefore, be it

RESOLVED, that the Board of Directors hereby approves entering into an agreement with Valley Power Systems North, Inc. in an amount up to \$1,050,000 which includes a 15% project contingency and authorizes the Executive Director to execute the agreement.

CERTIFICATION

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on September 1, 2016.

YEA:

NAY:

ABSTAIN:

ABSENT:

/s/ Board Secretary

2016-21

END

MEMORANDUM

TO: Board Members

**FROM: Nina Rannells, Executive Director
Lauren Duran Gularte, Program Manager/Analyst**

SUBJECT: Approve Changes to Diversity Program for Contracts and Submittal of the Revised Program to the U.S. Department of Transportation

Recommendation

Approve the updated WETA Diversity Program for Contracts (Program) and authorize submittal of the revised Program to the U.S. Department of Transportation (DOT).

Background

Pursuant to 49 Code of Federal Regulations (CFR) Part 26, agencies that receive federal funds are required to have a plan for inclusion of Disadvantaged Business Enterprises (DBE) in contracting opportunities. The Program sets forth the policies and procedures for WETA's DBE Program. A DBE is a small business concern that is at least 51% owned and controlled by socially and economically disadvantaged individuals, groups which include designated racial/ethnic minorities and women. The purpose of the DBE Program is to "level the playing field" for disadvantaged businesses by removing barriers to their participation in the bidding, award and administration of WETA's federally funded contracts.

Discussion

On November 3, 2014, DOT published revisions to 49 CFR Part 26 to improve DBE program implementation in three program areas. The revised regulations:

- Update the uniform certification application and reporting forms, and provide data collection required by the Moving Ahead for Progress in the 21st Century (MAP-21) on percentages of DBEs in each state;
- Strengthen the certification-related program provisions;
- Modify outreach requirements, focusing public participation and consultation efforts on the goal setting process; and
- Modify several other program provisions concerning overall goal setting, good faith efforts, transit vehicle manufacturers, and counting for trucking companies, and include a requirement to report on actual payments to DBEs on open contracts.

In fall 2014, staff updated agency procedures and forms used on an ongoing basis to be consistent with the revised regulations. With the development of the new FFY 2017-2019 Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE) program, staff has updated the overall program to be consistent with the new requirements.

The revised Program, provided as **Attachment A**, includes an increase in the statutory gross receipts cap, clarification of the definition of Socially and Economically Disadvantaged individual, updates to the contract assurance clauses and other minor changes.

Fiscal Impact

There is no direct fiscal impact associated with this item.

END



**The San Francisco Bay Area
Water Emergency Transportation
Authority**

Diversity Program for Contracts

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RESPONSIBILITIES A-1**

EXHIBIT B: ORGANIZATION CHART B-1

EXHIBIT C: SMALL BUSINESS ENTERPRISE ELEMENT C-1

DIVERSITY PROGRAM FOR CONTRACTS

I. POLICY (Section 26.23)

The San Francisco Bay Area Water Emergency Transportation Authority (“The AUTHORITY”) is committed to a Diversity Program for the participation of Disadvantaged Business Enterprises (“DBEs”) and Small Business Enterprises (“SBEs”) in the AUTHORITY’s contracting opportunities in accordance with 49 Code of Federal Regulations (CFR) Part 26, revised and effective November 3, 2014, as may be amended (“Regulations”). It is the policy of the AUTHORITY to ensure nondiscrimination on the basis of race, color, sex or national origin in the award and performance of any U.S. Department of Transportation (“U.S. DOT”) assisted contracts or in the administration of its DBE program or the requirements of 49 CFR Part 26. It is the intention of the AUTHORITY to create a level playing field on which DBEs and SBEs can compete fairly for contracts and subcontracts relating to the AUTHORITY’s construction, procurement and professional services activities.

The Board of Directors is responsible for establishing the DBE policy of the AUTHORITY. The Executive Director of the AUTHORITY is responsible for ensuring adherence to this policy. The DBE Program Administrator, in coordination with AUTHORITY Managers, is responsible for the development, implementation and monitoring of the Diversity Program for Contracts in accordance with the AUTHORITY’s nondiscrimination policy. It is the expectation of the Board of Directors and the Executive Director that all AUTHORITY personnel shall adhere to the provisions and procedures, as well as, the spirit of this Program.

This policy will be circulated to all AUTHORITY personnel and to members of the community that perform or are interested in performing work on AUTHORITY contracts. The complete Diversity Program for Contracts and the annual overall DBE goals analysis are available for review on the AUTHORITY’s official internet Website and at the:

DBE Program Office
San Francisco Bay Area
Water Emergency Transportation Authority
Pier 9, Suite 111, The Embarcadero
San Francisco, CA 94111

If you have any questions or would like further information regarding this Program, please contact the DBE Program Administrator, by email gularte@watertransit.org, by telephone at 415-364-3188 or by fax at 415-291-3388.

Date: 09/1/16



Nina Rannells
Executive Director

A. Applicability (Sections 26.3 and 26.21)

The AUTHORITY, a recipient of federal financial assistance from the Federal Transit Administration (“FTA”) and the Federal Highway Administration (“FHWA”) of the U.S. DOT, is required to implement a Disadvantaged Business Enterprise (DBE) Program in accordance with 49 CFR Part 26, which is incorporated herein by this reference. The Program outlined herein applies to all AUTHORITY contracts that are funded, in whole or in part, by U.S. DOT federal financial assistance. In the event of any conflicts or inconsistencies between the Regulations and this DBE Program with respect to U.S. DOT-assisted contracts, the Regulations shall prevail.

B. Objectives (Section 26.1)

The objectives of this Program are the following:

1. To remove barriers to DBE participation in the bidding, award and administration of AUTHORITY contracts;
2. To assist DBEs to develop and compete successfully outside of the Program;
3. To ensure that the Program is narrowly tailored in accordance with 49 CFR Part 26;
4. To ensure that only DBEs meeting the eligibility requirements are permitted to participate as DBEs;
5. To identify business enterprises that are eligible as DBEs to provide the AUTHORITY with required materials, equipment, supplies and services; and to develop a good rapport with the owners, managers and sales representatives of those enterprises;
6. To develop communication programs and procedures which will acquaint prospective DBEs with the AUTHORITY’s contract procedures, activities and requirements and allow DBEs to provide the AUTHORITY with feedback on existing barriers to participation and effective procedures to eliminate those barriers.
7. To administer the Program in close coordination with various managers and staff within the AUTHORITY so as to facilitate the successful implementation of this Program.

C. Prohibited Discrimination (Section 26.7)

The AUTHORITY shall not exclude persons from participation in, deny benefits to, or otherwise discriminate against any persons in connection with the award and performance of any contract governed by 49 CFR Part 26 on the basis of race, color, sex or national origin.

The AUTHORITY shall not directly or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of this Program with respect to individuals of a particular race, color, sex or national origin.

II. DEFINITIONS (Section 26.5)

Any terms used in this Program that are defined in 49 CFR § 26.5 or elsewhere in the Regulations shall have the meaning set forth in the Regulations. Some of the most common terms are defined below.

A. Disadvantaged Business Enterprise (DBE) (Section 26.5)

A DBE is a for-profit, small business concern; 1) that is at least fifty-one percent (51%) owned by one or more individuals who are both socially and economically disadvantaged, or, in the case of a corporation, in which fifty-one percent (51%) of the stock is owned by one or more socially and economically disadvantaged individuals; and 2) whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

B. Small Business Concern (Section 26.5)

With respect to firms participating as DBEs in U.S. DOT assisted contracts, a small business concern is an existing small business, as defined by Section 3 of the Small Business Act and the Small Business Administration regulations implementing it (13 CFR Part 121), whose average annual gross receipts for the previous three (3) years does not exceed \$23.98 million (or as adjusted for inflation by the Secretary of U.S. DOT) pursuant to 49 CFR § 26.65(b).

C. Socially and Economically Disadvantaged Individuals (Section 26.5)

Socially and economically disadvantaged individual means any individual who is a citizen (or a lawfully admitted permanent resident) of the United States and who has been subjected to racial or ethnic prejudice or cultural bias within American society because of his or her identity as a member of groups and without regard to his or her individual qualities. The social disadvantage must stem from circumstances beyond the individual's control.

There is a rebuttable presumption that an individual is both socially and economically disadvantaged if s/he is a citizen or lawfully admitted permanent resident of the United States and is:

Attachment A

1. "Black Americans," which includes persons having origins in any of the Black racial groups of Africa;
2. "Hispanic Americans," which includes persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
3. "Native Americans," which includes persons who are enrolled members of a federally or State recognized Indian tribe, Alaska Natives, or Native Hawaiians;
4. "Asian-Pacific Americans," which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), Republic of the Northern Marianas Islands, Samoa, Macao, Fiji, Tonga, Kiribati, Tuvalu, Nauru, Federated States of Micronesia, or Hong Kong;
5. "Subcontinent Asian Americans," which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal or Sri Lanka;
6. Women;
7. Any additional groups whose members are designated as socially and economically disadvantaged by the SBA, at such time as the SBA designation becomes effective.

Additionally, any individual can demonstrate, by a preponderance of evidence, that he or she is socially and economically disadvantaged on a case-by-case basis. The AUTHORITY will follow the guidelines in 49 CFR Part 26, Appendix E for this determination.

An individual cannot be presumed or determined on a case-by-case basis to be economically disadvantaged if he or she has a personal net worth exceeding \$1.32 Million (excluding the individual's ownership interests in the small business concern and his or her primary residence) or are able to accumulate substantial wealth as defined in 49 CFR §26.67.

D. Race-Neutral (Section 26.5)

A procedure or program that is used, or can be used, to assist all small businesses. For the purposes of this Program, race-neutral includes ethnic and gender neutrality.

E. Race-Conscious (Section 26.5)

A measure or program that is specifically focused on assisting only DBEs, including women-owned DBEs.

F. Personal Net Worth (Section 26.5)

The net value of the assets of an individual remaining after total liabilities are deducted. An individual's personal net worth does not include the individual's ownership interest in an applicant or participating DBE firm, or the individual's equity in his or her primary place of residence. An individual's personal net worth includes only his or her own share of community property with the individual's spouse.

III. RESPONSIBILITY FOR DBE PROGRAM IMPLEMENTATION

A. Duties of DBE Program Administrator (Section 26.25)

Pursuant to 49 CFR § 26.25 (www.fhwa.dot.gov/HEP/49cfr26.HTM), the Program shall be administered by the DBE Program Administrator ("Administrator"), who shall be appointed by and have direct, independent access to the Executive Director of the AUTHORITY. The DBE Program Administrator is designated as the Disadvantaged Business Enterprise Liaison Officer (DBELO). The DBELO is the primary person responsible for implementing all aspects of this Program and will work closely with other departments and consultants of the AUTHORITY, including legal, procurement, insurance, marine engineering, planning and development and others who are responsible for making decisions relative to the AUTHORITY's construction, procurement and professional service contracts. The Administrator will assist relevant managers and staff participating in a review committee for the evaluation of submittals. The Administrator's specific duties and responsibilities are attached as Exhibit A and incorporated herein.

B. Duties of Diversity Program for Contracts Review Committee (Section 26.53 and 26.87)

The Executive Director and two staff persons shall comprise the Diversity Program for Contracts Review Committee ("Review Committee"). The Administrator shall make recommendation subject to the concurrence of the Review Committee, attend all Review Committee meetings and furnish background information, but shall not be a voting member of the Review Committee. The Review Committee shall preside over hearings that may be held pursuant to this Program, including administrative reconsideration of the Administrator's determination of a bidder's compliance with good faith efforts/Diversity Program for Contracts requirements in accordance with 49 CFR §26.53(d) and 26.87(e) respectively.

C. Regional Outreach (Section 26.51)

The Administrator is designated by the Executive Director to represent the AUTHORITY as a member of appropriate regional outreach consortia. The AUTHORITY will participate in such group programs, activities and efforts in the San Francisco Bay Area to create a level playing field on which DBEs can compete fairly; to enhance outreach and communication efforts with these firms; to provide appropriate assistance and information for participation in U.S. DOT-assisted contracts and other contracts; and to develop joint resources among recipients. To this end, the Administrator will attend scheduled meetings of such groups and will contribute to the achievement of their projects approved by the AUTHORITY's Executive Director.

D. California Unified Certification Program (Section 26.81)

The AUTHORITY is a signatory to the California Unified Certification Program ("CUCP") Memorandum of Agreement ("MOA"). The AUTHORITY will participate in CUCP activities to further the objectives of the DBE Program, consistent with the Regulations and the CUCP MOA, as approved by the U.S. Secretary of Transportation on March 13, 2002, and as may be amended from time to time.

IV. ADMINISTRATIVE REQUIREMENTS

A. DBE Financial Institutions (Section 26.27)

It is the policy of the AUTHORITY to investigate the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in the community, to make reasonable efforts to use these institutions and to encourage prime contractors on U.S. DOT-assisted contracts to make use of these institutions.

The Administrator has researched the website for The Federal Reserve Board at www.federalreserve.gov/releases/mob/ to identify minority-owned banks derived from the Consolidated Reports of Condition and Income filed quarterly by banks (FFIEC 031 through 034) and from other information on the Board's National Information Center database. The Administrator will continue to use this source to continue to solicit minority-owned banks to participate in the AUTHORITY's DBE Program.

To date, the Administrator has identified the following minority-owned financial institutions that offer services in the San Francisco Bay Area (as of March 31, 2016):

Bank of Guam
Bank of the Orient
BBCN Bank
California Pacific Bank
Cathay Bank
CTBC Bank Corp USA

East West Bank
First Commercial Bank
Gateway Bank
Metropolitan Bank

Mission National Bank
Preferred Bank
State Bank of India

Information on the availability of these institutions can be obtained from the Administrator.

Together with the AUTHORITY's Manager, Finance and Grants, the Administrator shall explore the full extent of services offered by banks and other financial institutions that qualify as DBEs in the San Francisco Bay Area and determine areas in which the AUTHORITY may reasonably utilize their services. The AUTHORITY shall also encourage its prime contractors to use the services of DBE financial institutions.

B. DBE Database (Section 26.31)

The DBE Database is a consolidated and automated directory that identifies firms that have been certified as DBEs by the CUCP. The DBE Database is jointly maintained and updated by the CUCP certifying member agencies in coordination with the California Department of Transportation (Caltrans), and the CUCP DBE Database Manager. The DBE Database is available at Caltrans' website on the Internet, www.dot.ca.gov/hq/bep/find_certified.htm, and can be made available to contractors and to the public upon request. The AUTHORITY will use the DBE Database as a primary resource in developing overall goals and contract-specific goals, and conducting outreach and other activities to promote DBE participation in U.S. DOT contracts.

The DBE Database shall include the firm's name, address, telephone number, and types of work, utilizing the North American Industry Classification System (NAICS) codes for which the firm is certified as a DBE. Additionally, the DBE Database may include, whenever possible, the date the firm was established, the legal structure of the firm, the percentage owned by disadvantaged individuals, capacity, previous work experience and a contact person. The DBE Database shall not in any way prequalify the identified DBE firms with respect to licensing, bondability, competence or financial responsibility.

C. Bidders List (Section 26.11)

The Administrator has created and is maintaining a bidders list consisting of all firms bidding on prime contracts and bidding or quoting on subcontracts on U.S. DOT-assisted projects. The AUTHORITY will require all prime contractors bidding or proposing on U.S. DOT-assisted contracts to submit the following information about the prime contractor and all subcontractors who provide a bid, proposal or quote to the

prime contractor: the firm's name, address, firm's status as a DBE or non-DBE, number of years in business, and annual gross receipts of the firm.

This information must be received by the AUTHORITY before a recommendation is made to the Board of Directors for award of contract. If the information is not received within the time specified, the bidder/proposer will be deemed non-responsive.

Data gathering will be conducted by requiring firms bidding on contracts to submit a form entitled, Prime Contractor and Subcontractor/Subconsultant/Supplier Report. The Administrator will maintain the confidentiality of any proprietary information in accordance with applicable Federal, State and local law. This information will be requested of all bidders as further described in Section VIII.

D. Over-Concentration (Section 26.33)

If the Administrator determines that DBE participation is so over-concentrated in certain types of work or contracting opportunities assisted by FTA or FHWA that it unduly burdens the participation of non-DBEs in that type of work, the Administrator will develop appropriate measures to address the over-concentration. The Administrator will seek approval of such measures from FTA or Caltrans on behalf of FHWA and, at that time, the measures will become a part of this Program. Currently, the AUTHORITY is unaware of any types of work that have a burdensome over-concentration of DBE participation.

E. Business Development Programs (Section 26.35)

The AUTHORITY may establish or participate in a DBE business development program to assist firms in gaining the ability to compete successfully in the marketplace outside the DBE Program. As a part of the business development program or separately, the AUTHORITY may establish or participate in a mentor-protégé program in which another DBE or non-DBE firm is the principal source of business development assistance. If the AUTHORITY determines such a program is beneficial, a proposed program will be developed and submitted to the U.S. DOT operating administrations for approval, after which it will become a part of this DBE Program. Guidelines outlined in Appendices C and D of 49 CFR Part 26 will be utilized in setting up the formal agreements and programs.

The AUTHORITY participates extensively in maritime and transit industry associations (Passenger Vessel Association, Interferry, America Public Transit Association, California Transit Association), and advertises contractor opportunities with the AUTHORITY through those venues. Through those associations, the AUTHORITY purchasing and project management staff will be available for and communicate with representatives of small businesses to become acquainted with the owners and to identify qualified businesses that may furnish services and products. AUTHORITY staff will provide information on how to do business with the AUTHORITY, technical assistance on specified contracts, and other topics of interest to small business concerns.

F. Dissemination of Policy Statement (Section 26.23)

The Administrator shall issue a signed and dated Policy Statement throughout the AUTHORITY and to the business community, including DBEs and non-DBEs that perform work on U.S. DOT-assisted contracts for the AUTHORITY. The Policy Statement shall be disseminated as follows:

1. Through interoffice mail to Managers, and buying staff;
2. Through regular mail to DBE and Non-DBE firms that are currently performing work on U.D. DOT-assisted contracts;
3. Through regular mail to DBE and non-DBE firms that have recently been awarded U.S. DOT-assisted contracts; and
4. Through the AUTHORITY's website and upon request by the interested public, including the business community.

Additionally, to ensure that potential bidders are aware of the DBE policy, the AUTHORITY makes reference to this policy in its contract specifications and advertisements of all U.S. DOT-assisted contracts.

G. Monitoring Actual DBE Participation (Sections 26.37 and 26.55)

The Administrator shall monitor and track the actual DBE participation through contractor and subcontractor reports of payments. The Administrator will maintain a running tally of payments actually made to DBE firms and will require prime contractors and DBE subcontractors and suppliers to provide appropriate documentation to verify such payments, including details of each payment. The AUTHORITY will monitor actual DBE participation and will include a written certification that the AUTHORITY has reviewed contracting records and monitored work sites in California for this purpose. Monitoring may be conducted in conjunction with monitoring of contract performance for other purposes (close out revisions for a contract).

The Administrator shall ensure that DBE participation is counted in accordance with the Regulations. Credit toward overall or contract goals, if applicable, will only be given upon satisfactory evidence that payments were actually made to DBEs.

H. Reporting to U.S. DOT (Section 26.11)

The Administrator will continue to provide data about the AUTHORITY's DBE Program and the reports regarding DBE participation and annual overall goals required by the Regulations to FTA and Caltrans on behalf of FHWA, as required.

I. No Quotas or Set-Asides (Section 26.43)

The AUTHORITY does not, and will not, use quotas nor set-asides in any way in the administration of this Program.

V. ACHIEVING GOALS AND COUNTING DBE PARTICIPATION (Section 26.45)

The AUTHORITY receives U.S. DOT financial assistance as a direct recipient of such funds from Federal Transit Administration (FTA) and as a subrecipient of such funds from Federal Highway Administration through California Department of Transportation (Caltrans). The Board of Directors shall establish an overall goal for the participation of DBEs in all budgeted contracts utilizing U.S. DOT/FTA financial assistance. The overall goal shall be expressed as a percentage of the total amount of U.S. DOT funds the AUTHORITY anticipates expending in the three forthcoming fiscal years. In appropriate cases, a project goal may be established, approved and expressed as a percentage of funds for a particular grant or project or group of grants and/or projects.

The AUTHORITY's overall goal and/or project goal represents the amount of ready, willing and able DBEs that are available to participate in contracting opportunities and is reflective of the amount of DBE participation the AUTHORITY would expect absent the effects of discrimination. The AUTHORITY intends to meet its goal to the maximum extent feasible through the race-neutral measures described in Section V.D. Where race-neutral measures are inadequate to meet the overall goal or project goal, the AUTHORITY may use race-conscious measures for particular contracts with subcontracting opportunities.

A. Methodology For Setting Overall Goals or Project Goals (Section 26.45)

1. Projecting U.S. DOT-Assisted Contract Expenditures. In consultation with the appropriate AUTHORITY managers and staff responsible for contracting activities, the Administrator will conduct a thorough analysis of the projected number, types of work and dollar amounts of contracting opportunities that will be funded, in whole or in part, by U.S. DOT federal financial assistance for the goal period or project goal. Consistent with the Regulations, the analysis for overall goals will exclude projected contract expenditures for vessel construction projects.

2. Establishing a Base Figure. The AUTHORITY will develop a base figure for the relative availability of DBEs by determining the number of ready, willing and able DBEs relative to the number of all businesses ready, willing and able to participate in its U.S. DOT-assisted contracts for the goal period or project goal. The AUTHORITY will follow one of the methodologies provided in the Regulations or develop an alternative methodology and provide the appropriate documentation in the Goal Analysis Report described in Section V.B.2.

a. Analyzing Available Businesses in the AUTHORITY's Local Market Area. The Administrator will conduct a thorough analysis of its local market area which is determined by the area in which the substantial majority of the contractors and subcontractors with which the AUTHORITY does business are located and the area in which the AUTHORITY spends the substantial majority of its federal contracting dollars. This analysis will include a description of geographical boundaries of its local market area, the NAICS codes for the types of work to be contracted, and any other indicators

that the AUTHORITY determines to be relevant in defining its local market area for the goal period or project goal. The Administrator will then determine the number of all firms in the AUTHORITY's local market area that are available to participate in the AUTHORITY's projected contracts. The Administrator will consider a variety of sources including, but not limited to, the U.S. Census Bureau's County Business Patterns Database, the AUTHORITY's Bidders List, and relevant disparity studies.

b. Analyzing Available DBEs in the AUTHORITY's Local Market Area. The Administrator will conduct a similar analysis to determine the total DBEs that are available to participate as contractors, subcontractors, consultants, subconsultants, manufacturers, and suppliers in the projected contracts for the goal period or project goal. This analysis will include a description of the available DBEs relative to the geographical boundaries of its local market area, the NAICS codes for the types of work to be contracted, and any other factors as described in Section V.A.2.a. The AUTHORITY will consider a variety of sources including, but not limited to, the CUCP DBE Database, its Bidders List, and any relevant disparity studies.

c. Calculating the Base Figure. The Administrator will determine the Base Figure by dividing the available DBEs in its local market area by the available businesses in its local market area consistent with the Regulations. The calculation will include a weighting factor according to the contract expenditure patterns analyzed in Section V.A.1.

3. Adjusting the Base Figure. The AUTHORITY will adjust the base figure based on demonstrable evidence indicating that the availability of DBEs for U.S. DOT-assisted contracts for the goal period or project goal may be higher or lower than the base figure indicates. At minimum, the Administrator will analyze the results of DBE participation in the AUTHORITY's current and recent past contracts, any available and relevant disparity studies (to the extent that they are not accounted for in the base figure), and any available and relevant results of other and similar U.S. DOT recipients' efforts to contract with DBEs.

4. Projection of Percentage of Overall Goal or Project Goal to Be Achieved Through Race-Neutral and Race-Conscious Measures. The AUTHORITY proposes to meet the maximum feasible portion of the overall goal or project goal through race-neutral methods. If the projected portion of the race-neutral goal is less than the overall or project goal, the remaining portion may be achieved by using race-conscious methods for particular projects that have subcontracting opportunities. If there is a need to use race conscious methods the Administrator shall monitor the progress toward achieving the annual overall or project goal and increase or reduce the use of race conscious methods in accordance with 49 CFR § 26.51(f)..

B. Publishing and Adopting the Overall Goals or Project Goals (Section 26.45(g))

1. Consultation with Various Groups, Organizations, and Officials. The AUTHORITY will hold one or more public participation sessions to obtain input in

the goal-setting process, specifically on the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and efforts to establish a level playing field for the participation of DBEs. Members from the public that will be invited to attend the public participation sessions will include, but not be limited to, minority, women and general contractors groups, community organizations and other officials or organizations which could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses and the effects of discrimination on opportunities for DBEs.

2. Goal Analysis Report. Upon completion of the analysis described in Section V.A. and after consultation with various groups, organizations and other officials, unless otherwise directed, the Administrator will prepare a Goal Analysis Report for DBE participation in FTA-assisted contracts for the three year triennial period, or for the project goal. Each report shall document the analysis and methodology in arriving at the proposed goal and shall include a projection of the portion of the goal to be achieved through race-neutral and race-conscious measures.

3. Publication of the Proposed Overall DBE Goal or Project Goal. Pursuant to 49 CFR § 26.45(g), AUTHORITY will publish a notice of the proposed overall or project goal on its official Internet Web site before submission to the operating administration.

4. Adoption of the Overall DBE Goal. Following review of the Goal Analysis Report, the Board of Directors shall adopt an overall DBE goal for DBE participation which shall include a projection of portions of that goal that can be achieved through race neutral and race conscious measures. It will also consider authorization of the submission of the Goal Analysis Report to FTA for review by August 1, or by a different submission date established by the concerned operating administration.

C. Transit Vehicle Manufacturers Certification (26.49)

The AUTHORITY shall require any transit vehicle manufacturers to certify that they have established an overall DBE goal that has been approved or not disapproved by FTA as a condition to bid on any applicable AUTHORITY contracts. Expenditures for FTA-assisted transit vehicle procurements are not included in the funding base to which the overall goal for other FTA-assisted contract expenditures applies.

D. Achieving the Annual Overall Goal or Project Goal (Section 26.51)

The AUTHORITY shall achieve the overall goal and/or project goal for DBE participation through a combination of race-neutral and gender-neutral measures and race-conscious measures for particular contracts with subcontracting opportunities.

1. Race-Neutral and Gender-Neutral Methods. The AUTHORITY intends to use race-neutral and gender-neutral methods to the maximum extent feasible to achieve its overall goal and/or project goal. DBE participation that is obtained on

contracts that have no specific DBE contract goal, or where prime contractors use a strictly competitive bidding process that did not consider the DBE's status as a DBE in awarding a subcontract shall be considered race-neutral and gender-neutral DBE participation. In addition, the AUTHORITY will use the following measures as appropriate:

a. Configuring large contracts into smaller contracts, when feasible, when to do so would make contracts more accessible to small businesses and would not impose significant additional cost, delay or risk to the AUTHORITY;

b. Identifying components of the work that represent subcontracting opportunities and identifying the availability of DBE subcontractors. Contractors will be encouraged to consider small businesses for components of the work for which there is a known supply of ready, willing, and able small businesses, including DBEs, in preparing their bids;

c. Assisting in overcoming limitations in bonding and financing;

d. Providing technical assistance in orienting small businesses to public contract procedures, use of the Internet, and facilitating introductions to the AUTHORITY's and other U.S. DOT recipients' contracting activities;

e. Providing outreach and communication programs on contract procedures and contract opportunities to ensure the inclusion of DBEs which includes facilitating small business events that may be coordinated with other U.S. DOT grantees, federal agencies, or local organizations. These events will include procedures explaining how to do business with the AUTHORITY and explore best business practices, which may be used to market small businesses at the AUTHORITY;

f. Ensuring the distribution of the DBE Database to the widest feasible universe of potential prime contractors;

g. Providing business development assistance;

h. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate participation by DBEs and other small businesses; and

i. Section (26.39) Establishing a race-neutral small business enterprise (SBE) element as part of its DBE program to facilitate competition by small business concerns, taking all reasonable steps to eliminate obstacles to their participation in procurements as prime contractors or subcontractors. Details of the SBE element are included in Exhibit C and incorporated herein.

2. Race Conscious Measures. The Board of Directors shall establish contract-specific DBE participation goals on particular prime contracts with subcontracting opportunities to the extent that the AUTHORITY cannot achieve its overall goal with race-neutral methods. Where a contract-specific DBE goal has been

established, the bidder or proposer must meet the contract-specific goal or demonstrate that it made sufficient good faith efforts to do so. A bidder shall be ineligible for contract award if it does not meet the goal or demonstrate sufficient good faith efforts.

The contract-specific goal shall be established by the Board of Directors based upon a recommendation from the Executive Director substantiated by information furnished by the Administrator. The contract-specific goal shall apply to the percentage participation of DBEs in the total contract work and be set forth in the Special Provisions of the contract specifications. The AUTHORITY is not required to establish a contract-specific goal for every prime contract with subcontracting opportunities. For each contract involving subcontracting opportunities, the factors outlined below will be considered to determine whether a contract-specific goal should be established for the particular contract and, if so, what the percentage goal shall be:

- a. The projected portion of the AUTHORITY's overall goal that will be met by establishing contract-specific goals;
- b. The progress toward achieving the AUTHORITY's overall goal;
- c. The full range of activities in the proposed contract;
- d. The availability of DBEs as prime contractors or subcontractors in the types of work involved in the performance of the proposed contract;
- e. The unique conditions of the project that might affect the ability of the prime contractor to coordinate, utilize or incorporate subcontractors or suppliers into the project. (Projects consisting of only one or two subtrades may not be appropriate for a contract-specific goal due to the fact that establishing a goal could result in restrictive bidding.);
- f. The effect that the contract-specific goal might have on the time of completion; and
- g. Any other relevant criteria.

2. Awarding Contracts with Contract-Specific Goals. The AUTHORITY shall award contracts to the lowest responsible bidder as required by the California Public Contracts Code Sections 20914 and 20916, where applicable. For such contracts, as well as for contracts awarded pursuant to a Request for Proposal procedure where the lowest responsible bidder standard does not apply, a bidder that fails to demonstrate that it achieved the contract-specific DBE participation goal and fails to demonstrate that it made sufficient good faith efforts to do so shall not be deemed "responsive" and, therefore, shall be ineligible for award of the contract.

- a. Evaluation of Bids or Proposals: After the bid opening, or submission deadline for proposals, the Administrator shall evaluate all bids/proposals to

determine whether the bidders/proposers submitted all of the information required by 49 CFR § 26.53(b). The responsible bidder with the lowest apparent bid price, or the most highly ranked proposer, who also meets the contract-specific DBE goal or demonstrates sufficient good faith efforts shall be recommended for the contract award. In the event that the bidder with the lowest monetary bid price fails to meet the contract-specific goal or fails to demonstrate sufficient good faith efforts, or is otherwise unresponsive or not responsible, the Administrator shall evaluate the bidder with the next lowest bid price. Should the Administrator determine that additional information is needed to evaluate a bidder's or proposer's submission with regard to the DBE requirements, the Administrator shall request said bidder or proposer to submit the required information, or may contact the listed DBEs directly.

b. Evaluation of DBE Certification Status: The AUTHORITY shall require that any DBEs listed by bidders for participation in the contract be certified DBEs as of the time of bid opening. The Administrator shall review the Bidder's DBE forms to confirm each DBE firm's certification status. The AUTHORITY shall accept current certifications by any recipients of U.S. DOT funds acceptable to the AUTHORITY in accordance with 49 CFR Part 26.

c. Determination of Amount of DBE Participation: The Administrator shall review the total dollar value of the work to be performed by DBEs and the total contract bid price reported on the Prime Contractor and Subcontractor/Subconsultant/Supplier Report for accuracy and shall compare it to the contract-specific goal established for the contract.

d. Determination of Good Faith Efforts: If the amount of DBE participation does not meet the contract-specific goal, the Administrator shall review the good faith efforts report submitted by the bidder. The Administrator shall determine whether the bidder has performed the quality, quantity and intensity of efforts that demonstrates a reasonably active and aggressive attempt to meet the contract-specific goal in accordance with 49 CFR Part 26, Appendix A.

e. Bidder's Right to Administrative Reconsideration: In the event that the Administrator determines that the apparent low bidder has not met the contract-specific goal and has not demonstrated good faith efforts, the Administrator will notify the bidder in writing. The notification shall include the reasons for the determination and that the bidder has the right to submit further written documentation or appear before the Review Committee for reconsideration prior to the time that a recommendation for award of contract is presented to the Board of Directors or the Executive Director, depending on the size of the contract.

Within two (2) working days of being informed by the AUTHORITY that it is not responsive/responsible because it has not met the contract-specific goal or has not documented sufficient good faith efforts, a bidder may request administrative reconsideration. Bidder should make this request in writing to the following reconsideration official: Executive Director, San Francisco Bay Area Water Emergency Transportation Authority Pier 9, Suite 111, The Embarcadero, San Francisco, CA

94111, telephone number (415) 291-3377. The Review Committee shall provide the bidder with a written decision on reconsideration, explaining the basis for its determination. In the event that the Review Committee finds that the bidder has not met the contract goal or demonstrated good faith efforts, the Administrator will deem said bidder not responsive and evaluate the bidder submitting the next lowest bid.

f. Recommendation for Award: Following the determination of the lowest responsive and responsible bidder, the Administrator shall prepare a report on the lowest responsive and responsible bidder's compliance with the DBE requirements for review by the Executive Director and for presentation to the Board of Directors, if applicable, at the time the contract award is considered. If the Board or the Executive Director disagrees with the recommendation, it shall reject all bids or refer the matter back to staff for further evaluation and recommendation. The decision of the Board of Directors or the Executive Director on the award of contract, if such a decision is made, shall be final and binding on all parties, subject to compliance with the AUTHORITY's bid protest procedures.

E. Counting and Tracking DBE Participation (Section 26.55)

The Administrator will count DBE participation in accordance with 49 CFR §26.55. Only the work actually performed by a DBE will be counted towards the DBE goal. The cost of supplies and materials obtained by the DBE or equipment leased (except from the prime contractor or its affiliate) may also be counted. The DBE firm must perform a commercially useful function, as defined in 49 CFR §26.55(c).

Work that a DBE subcontracts to a non-DBE firm does not count toward DBE goals. Expenditures may only be counted if the DBE is performing a commercially useful function. A DBE should perform at least thirty percent (30%) of the total cost of its contract with its own work force.

If materials or supplies are obtained from a DBE manufacturer, 100 percent (100%) of the cost will be counted. If the materials and supplies are purchased from a DBE regular dealer, 60 percent (60%) of the cost will be counted.

DBE achievement will not be counted toward DBE goals until the DBE has been paid. If contract-specific goals are set, the Administrator will track the participation of DBEs in contract-specific goal contracts separately from the participation of DBEs that is considered race-neutral. Additionally, the Administrator will not count that portion of a DBE's participation that is achieved after the certification of the DBE has been removed during the performance of a contract.

A DBE subcontractor may not be terminated (or an approved substitute DBE firm) without prior written AUTHORITY consent. This includes, but is not limited to, instances in which a prime contractor seeks to perform work originally designated for a DBE subcontractor with its own forces or those of an affiliate, a non-DBE firm, or with another DBE firm. For contracts with DBE contract goals, the AUTHORITY will consent to the

termination of a DBE subcontractor only for good cause, which includes, but is not limited to, the circumstances listed in 49 C.F.R 26.53(f)(3).

F. Failing to Meet Overall Goals (Section 26.47)

If the awards and commitments shown on the AUTHORITY's Uniform Report of Awards or Commitments and Payments at the end of any federal fiscal year are less than the overall goal applicable to that federal fiscal year, the Administrator will analyze in detail the reasons for the difference between the overall goal and awards and commitments. Specific steps and milestones to correct the problems identified and to meet overall goals for future fiscal years will be established. Analysis and corrective actions will be retained for three years and made available to FTA on request for their review.

VI. REQUIRED CONTRACT PROVISIONS (Sections 26.13, 26.23, 26.27, 26.29, 26.31, 26.37, 26.55, and Subpart D)

Each financial assistance agreement the AUTHORITY signs with FTA or Caltrans on behalf of FHWA will include a nondiscrimination assurance from the AUTHORITY. U.S. DOT-assisted contracts that the AUTHORITY lets will include, as appropriate, the model contract provisions that are set forth in the current version of the AUTHORITY's Federal Solicitation and Contract Templates, available from the Administrator. The Administrator shall have discretion to modify the provisions for particular contracts as needed, in consultation with Legal Counsel. These required contract provisions consist of:

- ◆ The AUTHORITY's DBE Program policy.
- ◆ The following nondiscrimination assurance from the contractor (and each subcontract the prime contractor signs with a subcontractor): "The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as recipient deems appropriate."
- ◆ A statement that encourages prime contractors to use financial institutions owned and controlled by socially and economically disadvantaged individuals in the community.
- ◆ A clause that requires prime contractors to pay subcontractors for satisfactory performance of their contracts no later than 30 days from receipt of each payment the AUTHORITY makes to the prime contractor. This clause also requires the prompt return of retainage payments from the prime contractor to the subcontractor within 30 days after the subcontractor's work is satisfactorily completed.

- ◆ U.S. DOT requires recipients to use one of the following methods to ensure prompt and full payment of any retainage kept by the prime contractor or subcontractor to a subcontractor:
 1. Decline to hold retainage from prime contractors and prohibit prime contractors and subcontractors from holding retainage from subcontractors.
 2. Decline to hold retainage from prime contractors and include a contract clause obligating the prime contractor and subcontractors to make prompt and full payment of any retainage kept by the prime contractor to the subcontractor within 30 days after the subcontractor's work is satisfactorily completed.
 3. Hold retainage from the prime contractors and provide for prompt and regular incremental acceptances of portions of the contract, pay retainage to prime contractors based on the acceptances, and include a contract clause obligating the prime contractor and subcontractors to pay all retainage owed to the subcontractor for satisfactory completion of the accepted work within 30 days after payment to the prime contractor.

The AUTHORITY will use Method No. 3 above to comply with the Prompt Payment requirement.

- ◆ The website address for the DBE directory identifying all firms eligible to participate as DBEs in the AUTHORITY's program.
- ◆ The DBE participation goal (where applicable).
- ◆ A section that provides the DBE certification standards.
- ◆ A section that provides how DBE participation is counted toward goal.
- ◆ A section on reporting requirements, including a provision ensuring that DBE participation is credited toward overall or contract goals only when payments are actually made to DBE firms.
- ◆ A section on administrative remedies to ensure compliance with the DBE program.

VII. CERTIFICATION STANDARDS (Subpart D and Appendix E)

The AUTHORITY is a participant of the CUCP, which follows U.S. DOT directives and guidance concerning certification matters. The CUCP MOA provides U.S. DOT recipients the option to be either a certifying member or a non-certifying member. The AUTHORITY has elected to be a non-certifying member. The CUCP makes all DBE

certification decisions on behalf of U.S. DOT recipients in the state. The AUTHORITY relies upon the CUCP for the certification of DBE firms and ensures that only firms certified as eligible DBEs participate in the Program. Should the AUTHORITY decide to change its non-certifying status and elect to become a certifying member, the AUTHORITY will apply the standards of Subpart D and Appendix E of the Regulations.

VIII. MONITORING AND RECORDKEEPING (Sections 26.11 and 26.37)

A. Bidders List (Section 26.11)

The AUTHORITY will require all prime contractors bidding on U.S. DOT-assisted contracts to return, at the time of bid opening (options apply as to the time this information is required so long as it is prior to the award of the contract), the following information about the prime contractor and all subcontractors who provided a bid:

- Firm name
- Firm address
- Firm's status as a DBE or non-DBE
- Age of the firm
- Annual gross receipts; and
- Type of work

The AUTHORITY will use this information to maintain and update its Bidders List.

B. Monitoring Payments to DBEs (Section 26.37)

The contractor shall maintain records of all DBE participation in the performance of the contract, including subcontracts entered into with certified DBEs and all materials purchased from certified DBEs.

It is the contractor's responsibility to maintain records and documents for three (3) years following the performance of the contract. These records will be made available for inspection upon request by any authorized representative of the AUTHORITY or U.S. DOT. This reporting requirement is also extended to any certified DBE subcontractor.

The AUTHORITY will maintain a running tally of payments actually made to DBE firms and may require prime contractors and DBE subcontractors and suppliers to provide appropriate documentation to verify such payments. Credit toward overall or contract goals will only be given upon satisfactory evidence that payments were actually made to DBEs.

The AUTHORITY may perform interim audits of contract payments to DBEs. The audit will review payments to DBE subcontractors to ensure that the actual amount paid to DBE subcontractors equals or exceeds the dollar amounts stated in the report of proposed DBE participation.

C. Reporting to U.S. DOT (Section 26.11)

The AUTHORITY will continue to report DBE participation and overall goal setting methods to FTA and Caltrans on behalf of FHWA as directed. Statistical data will be maintained as prescribed on a semi-annual basis to provide reports to U.S. DOT administrations reflecting the DBE participation on the AUTHORITY's federally-assisted procurement activities.

D. Contract Remedies (Section 26.37)

The AUTHORITY will monitor compliance of its contractors on federally-assisted contracts with the requirements of the Regulations and the DBE Program. The AUTHORITY may impose such contract remedies as are available under federal, state and local law and regulations for non-compliance. Such remedies may include, but are not limited to, withholding of progress payments and contract retentions, imposition of liquidated damages, and termination of the contract in whole or in part.

**IX. PUBLIC PARTICIPATION AND OUTREACH EFFORTS
(Sections 26.45 and 26.51)**

The AUTHORITY's activities, public participation and outreach efforts, are directed at assisting the AUTHORITY to solicit public input to set DBE participation goals and to widen public awareness of the AUTHORITY's Diversity Program for Contracts to meet AUTHORITY DBE goals.

In establishing DBE goals, the AUTHORITY will provide for public participation. This will include:

- Prior to finalizing the Goals Analysis Report, the AUTHORITY will consult with U.S. DOT agencies, other U.S. DOT grantees, minority, women's and general contractor groups, community organizations, or other officials or organizations which could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the AUTHORITY's efforts to establish a level playing field for the participation of DBEs.
- The AUTHORITY will publish a notice on its official internet website announcing its proposed overall goal or project goal prior to submission to the operating administration.
- In conjunction with the AUTHORITY's activities to meet its DBE goals, the AUTHORITY will implement various public participation and outreach activities designed to broaden awareness of the AUTHORITY's Diversity Program for Contracts. The measures described in 49 CFR § 26.51 focusing on race-neutral means will be actively pursued, and the AUTHORITY will also encourage its contractors to make similar outreach efforts to include DBE participation in subcontracting opportunities. In

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conjunction with regional outreach committee and CUCP, the AUTHORITY will continue to participate and help organize and offer training programs for meeting DBE eligibility requirements, familiarize potential contractors with AUTHORITY procurement procedures and requirements, and otherwise develop effective programs to further the inclusion of DBEs in the AUTHORITY's contracting activities.

Exhibit A

DBE Program Administrator's Duties and Responsibilities (Section 26.25)

1. Analyzing and assessing the available resources and evidence for the establishment, achievement, and further improvement of DBE goals for U.S. DOT-assisted contracts;
2. Developing, monitoring and evaluating the Diversity Program for Contracts, and preparing supplemental written procedures and guidelines to implement the Program;
3. If the AUTHORITY is a certifying member of the CUCP, maintaining and updating the DBE Database in accordance with 49 CFR § 26.31;
4. Maintaining and updating the Bidders List in accordance with 49 CFR § 26.11;
5. Conducting race-neutral and gender-neutral measures to facilitate the participation of small business concerns, including DBEs, through outreach and other community programs, training and business development programs, restructuring contracting opportunities, informing and assisting with preparing bids, simplifying bonding, surety and insurance requirements or other race-neutral means;
6. Participating in the contract bid and award process, including recommending specific contract goals where appropriate, reviewing contract specifications, attending pre-bid conferences and evaluating bids for contractor responsiveness, responsibility and good faith efforts;
7. Monitoring specific contract performance, actual DBE participation, contract payments, and purchase requisitions;
8. Monitoring overall DBE participation, adjusting overall goals and means of achievement, assessing areas of over-concentration of DBE participation, and reporting to the Executive Director, the AUTHORITY Board of Directors, FTA and Caltrans on behalf of FHWA, as needed;
9. If the AUTHORITY is a certifying member of the CUCP, determining all certification actions including initial certifications, recertifications, denials and removals;
10. Participating in the statewide Unified Certification Program in accordance with 49 CFR § 26.81, and CUCP MOA;
11. Assisting the AUTHORITY's Managers and Staff in the review committee for the evaluation of submittals;
12. Participating in regional outreach activities;
13. Participating in other transit organizations on common issues pertaining to diversity programs for contracts;
14. Establishing, implementing, and monitoring a Small Business Enterprise program;

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15. Investigating DBE protests; and
16. Maintaining all appropriate records and documentation of the Program.

Organization Chart

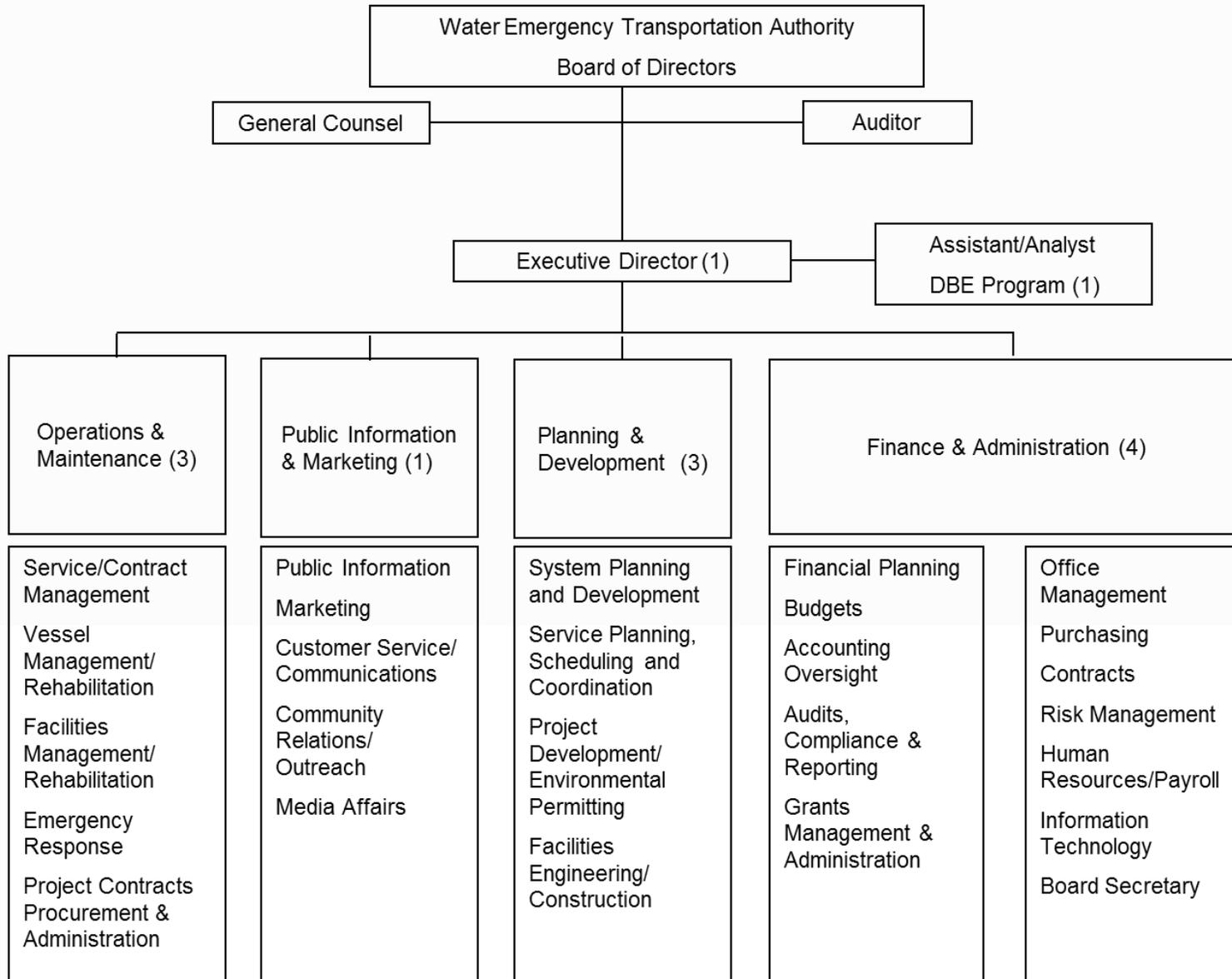


EXHIBIT C

Small Business Enterprise Element (Section 26.39)

The AUTHORITY has established a Small Business Enterprise element (SBE Program) as one of its race-neutral methods of achieving small business participation, including disadvantaged business participation, on particular contracts with subcontracting opportunities. This SBE element applies to all federally funded AUTHORITY contracts where race-neutral and gender-neutral methods are employed. The AUTHORITY will take all reasonable steps to eliminate obstacles for SBEs to participate as prime contractors or subcontractors in the AUTHORITY's procurement activities.

A. Definition of Small Business Enterprise

To participate as an eligible small business in programs administered by the AUTHORITY, a firm must meet both of the following requirements:

1. A firm (including affiliates) must be an existing small business as defined by Small Business Administration (SBA) regulations, 13 CFR Part 121, for the appropriate type(s) of work that a firm performs. The firm must hold one of the acceptable certifications listed in Section B below.

2. Even if a firm meets the above requirement, the firm's (including affiliates') average annual gross receipts over the previous three years cannot exceed a maximum cap of \$23.98 million (or as adjusted for inflation by the Secretary of U.S. DOT). SBA size standards vary by industry, and for certain industries may be higher than the \$23.98 million cap. For example, the SBA size standard for a general construction contractor is \$36.5 million. If a general construction contractor's average annual gross receipts over the previous three years is \$25 million, while it is below \$36.5 million and meets the SBA size standard, it would be ineligible to participate as a small business for AUTHORITY purposes as it exceeds \$23.98 million.

For information on SBA size standards, visit: <http://www.sba.gov/content/determining-size-standards>. Affiliates are defined in SBA regulations 13 CFR Part 121.103.

B. Acceptable Comparable Small Business Enterprise Certifications

The AUTHORITY will accept the small business enterprise certifications performed by other agencies, provided that the size standards described in Section A1 and A1 above are met. If a firm is certified in one or more of the following programs, and meets AUTHORITY size standards, the firm is automatically deemed a small business for AUTHORITY purposes. The term "SBE" will be used collectively for qualified SBEs, WBEs, MBES and other approved certifications. As indicated below, the AUTHORITY may require an affidavit of size for each SBE prime contractor or subcontractor. Certifications from self-certification programs are not acceptable. The

AUTHORITY may request and review financial information provided by SBE firms if necessary to confirm eligibility.

1. Disadvantaged Business Enterprise (DBE) certification pursuant to U.S. Department of Transportation regulations, 49 CFR Part 26. This includes DBE certifications performed by the California Unified Certification Program or by the Unified Certification Program of any other state.

2. State Minority Business Enterprise (SMBE) State Women Business Enterprise (SWBE) certification by the State of California or by any other state provided that their certification complies with Section A1 and A1 above. In addition to copies of SMBE/SWBE certifications, bidders certified out-of-state must submit an affidavit of size for each SMBE/SWBE prime contractor or SMBE/SWBE subcontractor at the time of bid submittal.

3. Small Business (SB) certification by the California Department of General Services (DGS) provided that their certification complies with Section A1 and A1 above. In addition to copies of SB certifications, bidders must submit an affidavit of size for each SB prime contractor or subcontractor at the time of bid submittal.

4. Microbusiness (MB) certification by the California Department of General Services for ALL industries.

5. SBA 8(a) by the Small Business Administration provided that their certification complies with Section A1 and A1 above. In addition to copies of SBA 8(a) certifications, bidders must submit an affidavit of size for each SBA 8(a) prime contractor or SBA 8(a) subcontractor at the time of bid submittal.

6. SBE/MBE/WBE certification from other state, county, or local government-certifying agency provided that their certification complies with Section A1 and A1 above. In addition to copies of certifications, bidders must submit an affidavit of size for each certified prime contractor or subcontractor at the time of bid submittal.

C. Race-Neutral SBE Measures

The AUTHORITY will continue its efforts to enhance small business participation through the regional outreach committee and other community programs, training and business development programs, restructuring contracting opportunities, simplifying bonding, surety and insurance requirements or other race-neutral means.

D. Determining and Adopting the Overall SBE Goal

The AUTHORITY will establish an overall SBE goal on a triennial basis for participation by Small Business Enterprises in all federally funded contracts the AUTHORITY expects to award during the triennial goal period. The AUTHORITY will set its overall

SBE goal on the same three year cycle as the overall DBE goal. The overall SBE goal will be determined based on an analysis of the number and type of federally funded contracting opportunities the AUTHORITY expects to release in the next three year reporting period, the AUTHORITY's history of attracting SBEs, as well as the availability of SBEs in the types of work involved in upcoming opportunities. As part of this analysis staff will consult the California Unified Certification Program (http://www.dot.ca.gov/hq/bep/find_certified.htm) and Department of General Services databases for information on the availability of SBEs for various types of work. The overall SBE goal will be expressed as a percentage of the total amount of U.S. DOT funds the AUTHORITY anticipates expending in the three forthcoming fiscal years.

Following the review of the board report, the Board of Directors shall adopt an overall SBE goal which will subsequently be published in solicitations for federally funded contracts (that are not excluded from the AUTHORITY's SBE Program) and will also be published on the AUTHORITY's website.

The AUTHORITY may choose to exclude certain eligible contracts from the AUTHORITY's SBE Program after consideration of the following factors:

1. The full range of activities in the proposed contract
2. The availability of SBEs as prime contractors or subcontractors in the types of work involved in the performance of the proposed contract;
3. The unique conditions of the project that might affect the ability of the prime contractor to coordinate, utilize, or incorporate subcontractors or suppliers into the project. (Projects consisting of only one or two sub-trades may not be appropriate for inclusion in the AUTHORITY's SBE program.)
4. The effect that SBE participation may have on timing for the completion of the contract.
5. Any other relevant criteria.

E. Achieving The Overall SBE Goal

The AUTHORITY will seek to achieve the overall SBE goal for each year in the three year reporting period. Although the AUTHORITY will not set contract specific goals, submitters are strongly encouraged to obtain SBE participation, including DBEs, in their bid or proposal. The bidder or proposer is required to provide a commitment of SBE achievement on a form provided by the AUTHORITY in their submittal notifying the AUTHORITY of the bidder's or proposer's SBE goal commitment for that contract. The Administrator shall review the SBE goal commitment and will confirm each SBE firm's certification status. If a firm receives SBE status during the completion of the contract, the AUTHORITY may include the firms' participation in its SBE program achievement. Acceptable comparable Small Business Enterprise certifications are listed in Section B

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of this document. Certain certifications require completion of a SBE Affidavit Form in a form designated by the AUTHORITY, and submitted at the time of bid opening.

Submittals that fail to document the solicitation of SBE participation may not be considered. The Administrator shall determine whether the bidder/proposer has performed the quality, quantity and intensity of efforts that demonstrates a reasonably active and aggressive attempt to attain SBE participation. All bidders/proposers must submit a description of the process that was followed to select the subcontractors and suppliers proposed to be included in this work and the steps taken to obtain small business participation. The AUTHORITY will consider SBE utilization, and the AUTHORITY's ability to meet its overall SBE goal in the evaluation of submittals of federally funded contracts included in the AUTHORITY's SBE Program.

Work that a SBE subcontracts to a non-SBE firm does not count toward the overall SBE achievement. Expenditures may only be counted if the SBE is performing a commercially useful function. Only the work actually performed by a SBE will be counted toward the AUTHORITY's overall SBE achievement. The cost of supplies and materials obtained by the SBE or equipment leased (except from the prime contractor or its affiliate) may also be counted. The Administrator will not count that portion of a SBE's participation that is achieved after the certification of the SBE had been removed during the performance of a contract.

If the amount of SBE participation at the end of any federal fiscal year is less than the overall SBE goal, the Administrator will analyze the reasons for the difference between the goal and actual participation in contract awards and commitments and take reasonable steps to increase SBE participation.

PRIME CONSULTANT AND SUBCONTRACTOR/SUBCONSULTANT/SUPPLIER REPORT

Section A: Prime Consultant/Contractor Information:

1. RFQ # and Name: _____
2. Offeror's Name: _____
3. Address: _____
4. Phone: _____ Email: _____
5. Owner or Contact Person: _____
6. Title: _____
7. Prime Consultant NAICS Codes: _____

8. Is your firm a Small Business Enterprise (SBE)?: Yes ____ No ____
9. If your firm is a DBE or SBE please list certification type or No. and Certifying Agency: _____
10. If your firm is an SBE, please read and fill out, if applicable, the SBE Affidavit of Size form and attach a copy of your firm's certification.
11. Age of your firm: _____
12. Annual Gross Receipts (please check one): Below \$500K: ____ \$500K-\$1M: ____ \$1M-\$4M: ____ \$6M-\$13M: ____ Above \$13M: ____

Section B: Subcontractor/Subconsultant/Suppliers Information

You must include the DBE/SBE certification number in column 7 for each DBE/SBE subcontractor listed, and if applicable fill out SBE Affidavit of Size form included in proposal document. Attach "Intent to Perform" letter signed by each subcontractor who will perform work should this contract be awarded to the Prime listed above. Offerors MUST provide the following information on ALL subcontractors/subconsultants/ suppliers that provided Offeror a bid, quote, or proposal for work, services or supplies associated with this RFQ pursuant to Authority's sub-proposal reporting requirements. **Include all sub-proposal acceptance(s) AND rejection(s).** Please carefully read all instructions on page 3.

			DBE/SBE PARTICIPATION						
1. Subcontractor/Subconsultant/Supplier	2. Annual Gross Receipts (check one)	3. Contractor's License No. (if applicable)	4. Certified DBE (Yes/No)	5. Certified SBE (Yes/No)	6. DBE/SBE Certifying Agency	7. DBE Certification No. &/or SBE Type	8. Describe Work or Type of Materials/Supplies and list NAICS Codes	9. Proposal Accepted (Yes/No)	10. Percentage of Contract Participation
Name:	Below \$500K								
Address:	\$500K-\$1M								
	\$1M-\$4M								
Contact Person:	\$4M-\$6M						NAICS Codes:		
Phone:	\$6M-\$13M								
Email:	Above \$13M								
Age of Firm:									
Name:	Below \$500K								
Address:	\$500K-\$1M								
	\$1M-\$4M								
Contact Person:	\$4M-\$6M						NAICS Codes:		
Phone:	\$6M-\$13M								
Email:	Above \$13M								
Age of Firm:									
Name:	Below \$500K								
Address:	\$500K-\$1M								
	\$1M-\$4M								
Contact Person:	\$4M-\$6M						NAICS Codes:		
Phone:	\$6M-\$13M								
Email:	Above \$13M								
Age of Firm:									

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			DBE/SBE PARTICIPATION						
1. Subcontractor/Subconsultant/Supplier	2. Annual Gross Receipts (check one)	3. Contractor's License No. (if applicable)	4. Certified DBE (Yes/No)	5. Certified SBE (Yes/No)	6. DBE/SBE Certifying Agency	7. DBE Certification No. & Type / SBE Type	8. Describe Work or Type of Materials/Supplies and list NAICS Codes	9. Proposal Accepted (Yes/No)	10. Percentage of Contract Participation
Name:	Below \$500K								
Address:	\$500K-\$1M								
	\$1M-\$4M								
Contact Person:	\$4M-\$6M						NAICS Codes:		
Phone:	\$6M-\$13M								
Email:	Above \$13M								
Age of Firm:									
Name:	Below \$500K								
Address:	\$500K-\$1M								
	\$1M-\$4M								
Contact Person:	\$4M-\$6M						NAICS Codes:		
Phone:	\$6M-\$13M								
Email:	Above \$13M								
Age of Firm:									
Name:	Below \$500K								
Address:	\$500K-\$1M								
	\$1M-\$4M								
Contact Person:	\$4M-\$6M						NAICS Codes:		
Phone:	\$6M-\$13M								
Email:	Above \$13M								
Age of Firm:									

Attach additional sheets as necessary.

11. DBE Participation: _____ %
12. SBE Participation: _____ %

The undersigned will enter into a formal agreement with the subcontractor(s), subconsultant(s) and/or supplier(s) whose sub-proposal was accepted conditioned upon execution of a contract with the San Francisco Bay Area Water Emergency Transportation Authority. I certify under penalty of perjury that the information included on this form is accurate and true.

Signature: _____

Name (Print): _____

Title: _____

Date: _____

How to fill out Prime Consultant and Subcontractor/Subconsultant/Supplier Report Form

Section A: Prime Consultant/Contractor Information:

1. RFQ/RFP # and Name: Insert name of the Authority Request for Proposals/Qualifications (RFP/RFQ) or Invitation for Bids (IFB)
2. Offeror's Name: Insert company name.
3. Address: Insert address of company.
4. Phone & Email: Insert phone number and email address of person responsible for filling out information contained in this form.
5. Owner or Contact Person: Insert contact name for the prime contractor.
6. Title: Insert title of person listed in #5.
7. Prime Consultant/Contractor NAICS Codes: List the North American Industry Classification System Code(s) for work performed by the Prime. Codes can be found at www.census.gov/naics.
8. Is your firm a Small Business Enterprise (SBE)?: Indicate, by checkmark, if your firm is a Small Business Enterprise as defined in the attached description of WETA's SBE Program Eligibility. Please see instructions for Section B #7, below, for SBE Certifications accepted by WETA.
9. If your firm is a DBE or SBE list certification type or No. and Certifying Agency: For DBE firms list the certification number provided by the California Unified Certification Program and the certifying agency. For SBE firms please list the type of certification (eg. SDBE, SWBE, SB, MB, SBA, SBE/MBE/WBE) and the certifying agency. Please see the description of WETA's Small Business Enterprise Program Eligibility on the following pages for SBE Certifications accepted by WETA.
10. If your firm is an SBE, read and fill out, if applicable, the SBE Affidavit of Size form included in this RFQ/RFP and attach a copy of your firm's certification.
11. Age of your firm: Provide the number of years your firm has been in business.
12. Annual Gross Receipts: Indicate, by checkmark, the range of annual gross receipt your firm receives.

Section B: Subcontractor/Subconsultant/Suppliers Information

PLEASE NOTE THE IMPORTANT REQUIREMENTS BELOW:

Offerors **MUST** provide the following information on ALL subcontractors/subconsultants/suppliers that provided Offeror a bid, quote, or proposal for work, services or supplies associated with this RFQ pursuant to Authority's sub-proposal reporting requirements. This information shall be provided for all sub-proposers regardless of tier for DBEs, SBEs, non-DBEs and non-SBEs. **Include all sub-proposal acceptance(s) AND rejection(s).**

Attach "Intent to Perform" letter signed by each subcontractor who will perform work should this contract be awarded to the Prime listed above.

1. Insert the name, address, contact person, phone number, email address and age of firm for each subcontractor, subconsultant, or supplier.
2. Annual Gross Receipts: Indicate, by checkmark, the range of the firm's annual gross receipts.
3. Contractor's License No.: If applicable, insert the contractor's license number.
4. Certified DBE (Yes/No): Indicate if the firm is a certified DBE firm accepted by WETA. WETA accepts DBE participation only from firms currently certified in the California Unified Certification Program

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(CUCP), go to www.californiaucp.org for further information. Do not indicate more than one “Yes” for alternative subcontractors/subconsultants for the same work.

5. Certified SBE (Yes/No): Indicate if the firm is a certified SBE accepted by WETA. Please see WETA’s SBE Program Eligibility description on the following pages for more information on certification types accepted and other requirements. Proof SBE certification and, if applicable, SBE Affidavit of Size must be attached to your submittal.
6. DBE/SBE Certifying Agency: If you marked yes as a Certified DBE or SBE, note which agency your certification letter is from—BART, SFMTA, SamTrans etc.
7. DBE Certification No. & Type / SBE Type: If you marked yes as a Certified DBE, you must provide the CUCP Certification Number AND the number corresponding to the type of DBE as follows: 1. African-American, 2. Hispanic, 3. Native American, 4. Asian-Pacific, 5. Asian-Indian, 6. Female-Woman, 7. Other. If you marked yes as a Certified SBE please list the type of certification (eg. SMBE, SWBE, SB, MB, SBA, SBE/MBE/WBE). Please see the description of WETA’s Small Business Enterprise Program Eligibility on the following pages for SBE Certifications accepted by WETA.
8. Describe Work or Type of Materials/Supplies and list NAICS Codes: DBE/SBE participation includes that portion of the work actually performed by a certified DBE/SBE with its own forces. For example, for DBE supplier, count 60% of the costs of materials and supplies. List the North American Industry Classification System Code(s) for the work to be performed by the Subcontractor/Subconsultant/ Supplier. Codes can be found at www.census.gov/naics.
9. Proposal Accepted (Yes/No): Indicate if the subcontractor/subconsultant/supplier’s proposal has been accepted. If yes, please attach “Intent to Perform” letter signed by each subcontractor who will perform work should this contract be awarded to the Prime listed above.
10. Percentage of Contract Participation: Insert the percentage of the prime contract participation for each subcontract. Prime consultant/contractor understands that the percentage of contract participation from DBE or SBE firms listed on this form is a firm commitment and will become a condition of the contract should it be awarded.
11. DBE Participation: Insert the sum of column 10 for each DBE listed.
12. SBE Participation: Insert the sum of column 10 for each SBE listed.

Use additional sheets if necessary. If there are no subcontractors proposed, Section B will remain blank.

SMALL BUSINESS ENTERPRISE AFFIDAVIT OF SIZE

If your business was certified by any of the following, please complete and submit this form with a copy of your certification. This form may be used for Prime Contractors, Subcontractors, Subconsultants, and Suppliers. See WETA Diversity Program for Contracts Exhibit C, section A1, A2, and B for further information.

- SMBE/SWBE Certification by state other than California, provided that your firm's average annual gross receipts fall below the SBA industry-specific size cap and in no case exceed \$23.98 million.
- SB Certification by the California DGS, provided that your firm's average annual gross receipts fall below the SBA industry-specific size cap and in no case exceed \$23.98 million.
- SBA 8(a) Certification by the Small Business Administration provided that your firm's average annual gross receipts fall below the SBA industry-specific size cap and in no case exceed \$23.98 million.
- SBE/MBE/WBE Certification by any California county or local government-certifying agency or out-of-state government-certifying agency, provided that your firm's average annual gross receipts fall below the SBA industry-specific size cap and in no case exceed \$23.98 million.

I HEREBY DECLARE AND AFFIRM that I am the _____(Title)
and duly authorized representative of _____
(Name of Firm)

whose address is _____

and whose phone number is _____

I HEREBY DECLARE AND AFFIRM that the firm is a Small Business Enterprise (SBE) in accordance with the Water Emergency Transportation Authority (AUTHORITY) standards as defined in its Diversity Program for Contracts. The firm is certified as of the date that the AUTHORITY receives the bid/proposal for:

(RFP/RFQ Name)

and I will provide the certification to document this fact with this enclosure.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THE FOREGOING STATEMENTS ARE TRUE AND CORRECT, AND THAT I AM AUTHORIZED, ON BEHALF OF THE ABOVE FIRM, TO MAKE THIS AFFIDAVIT.

(Date) (Affiant) (Title)

Description of the Selection Process of Subcontractors/Subconsultants/Suppliers

RFP/RFQ # and Name: _____
Offeror's Name: _____
Address: _____
Phone: _____ Fax: _____
Owner or Contact Person: _____ Title: _____

Provide a narrative description of how the Offeror selected its subcontractors/
subconsultants/suppliers, including the following elements (please attach additional sheets as
necessary):

1. Soliciting small businesses, including DBEs, to participate through all reasonable and available means.

Example: Include attendance at pre-bid meeting, advertisements, written notices and agencies, organizations or groups contacted to provide assistance in contacting, recruiting and using small business concerns.

2. Selecting portions of the work that are economically feasible for small businesses, including DBEs.

Example: List items of work which the Contractor made available to small business concerns, including, where appropriate, any breaking down of the scope of Services (including those items normally performed by the Contractor with its own forces) into economically feasible units to facilitate DBE/SBE participation.

3. Providing adequate information about the Scope of Services in a timely manner to DBEs/SBEs.

Example: List dates of written notices soliciting bids from DBEs/SBEs and the dates and methods used for following up initial solicitations to determine with certainty whether the DBEs/SBEs were interested.

4. Negotiating in good faith with DBEs/SBEs.

5. Not rejecting DBEs/SBEs as unqualified without sound business reasons.

Example: Explain reasons for rejecting bids from DBEs/SBEs and accepting proposals from selected firms.

6. Making efforts to assist DBEs/SBEs in obtaining required insurance.

7. Making efforts to assist DBEs/SBEs in obtaining necessary equipment, supplies or materials.

8. Describe any other steps that the Contractor used to select its subcontractors/
subconsultants/suppliers.

The undersigned certifies that the above narrative description is true and accurate.

Signature: _____

Name: _____

Title: _____

Date: _____

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Lauren Gularte, Program Manager/Analyst

SUBJECT: Approve Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE) Goals for FFY 2017 through FFY 2019

Recommendation

Approve the following actions associated with WETA's FFY 2017-2019 Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE) goals:

1. Establish a 1.78% DBE goal applicable to anticipated upcoming contracts assisted by the Federal Transit Administration (FTA), and authorize the Executive Director to circulate and transmit the DBE goal to FTA; and
2. Establish a 5.04% Small Business Enterprise (SBE) goal applicable to anticipated upcoming contracts assisted by FTA.

Background/Discussion

This item provides an overview of the development of the DBE and SBE goals for the agency for the three-year period between FFY 2017 and FFY 2019, as required by the Department of Transportation in order to remain eligible for Federal Transit Administration funding.

DBE Goal

As a recipient of federal transportation funding, WETA is required to have a diversity program for the participation of DBE firms in WETA contracting opportunities. The Department of Transportation requires federal grant recipients to set overall DBE goals on a three-year basis. WETA is required to develop and submit a new goal for FFY 2017-2019 to the Federal Transit Administration by September 1, 2016.

Staff recommends establishing a 1.78% overall DBE goal for FFY 2017 through FFY 2019. This recommendation is based upon an evaluation of contracting opportunities for DBE firms in WETA's contracts for projects anticipated to receive FTA funding during the next three fiscal years. This includes seventeen FTA-assisted contracts totaling \$26,691,568 for the following types of projects:

Contract Type	FTA Dollars	Percentage
Vessel Overhaul/Refurbishment	\$ 18,690,228	70%
Terminal Rehabilitation	\$ 1,254,480	5%
Terminal Expansion	\$ 6,746,860	25%
Total	\$ 26,691,568	100%

The proposed DBE goal was determined by utilizing a two-step process and reflects staff's determination of the level of DBEs ready, willing and able to participate in these contracting activities in the next three federal fiscal years. The full DBE Goal Analysis Report identifying the anticipated program of projects and the extensive DBE availability analysis conducted is provided as **Attachment A** to this report.

SBE Goal

In January of 2011, DOT published revisions to the DBE regulations to require recipients of DOT funding to take all reasonable steps to facilitate competition by small business concerns (not just DBEs). The revised regulations require active implementation of this specific Small Business Enterprise element as a means of increasing DBE participation on a race neutral basis. In February of 2012, the WETA Board of Directors approved a SBE element of its DBE plan that is similar in concept to the DBE program. This program requires setting an overall SBE goal on the same schedule as the DBE goal based upon an evaluation of SBE contracting opportunities for projects and an assessment of WETA's history of attracting SBE participation.

Staff conducted the SBE availability analysis using the same two step methodology as the DBE Goal Analysis to determine the number of SBEs available to participate on WETA's federally funded contracts. Staff recommends establishing a 5.04% overall SBE goal for FFY 2017 through FFY 2019. The full SBE Goal Analysis Report is also provided as **Attachment B** to this report.

Race/Gender Neutral Measures and Public Participation

U.S. DOT Regulations require that the maximum feasible portion of the overall DBE goal be achieved using race-neutral means such as programs and initiatives that assist small businesses in general and that are not limited to minority or women-owned firms. WETA's efforts in this area are facilitated through active participation in educational and outreach events organized by the San Francisco Bay Area Regional Business Outreach Committee (BOC); a committee comprised of 17 Bay Area transit and transportation agencies. Over the past year the BOC has sponsored or participated in four workshops or events for interested firms including a consultation and public participation meeting with trade, business organizations and DBE firms on the agency's DBE goal setting process for FFY 2017-2019 and upcoming contracting opportunities detailed in the DBE Goal Analysis Report. The BOC also produces a quarterly newsletter with contracting opportunities, tips for successful bids and contact information for DBE Administrators at each agency. This newsletter is posted on WETA's website and distributed to a list of DBE and non-DBE firms.

Fiscal Impact

There is no fiscal impact associated with this item.

END



DRAFT FEDERAL FISCAL YEARS 2017 THROUGH 2019

***DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL ANALYSIS
REPORT***

For Contracts Assisted by the Federal Transit Administration

August 9, 2016

SUMMARY

The San Francisco Bay Area Water Emergency Transportation Authority (WETA) operates passenger ferry service on the San Francisco Bay. Under the San Francisco Bay Ferry brand, WETA carries over 2 million passengers annually on four ferry routes, utilizing a fleet of 12 high speed passenger-only ferry vessels. San Francisco Bay Ferry currently serves the cities of Alameda, Oakland, San Francisco, South San Francisco and Vallejo. WETA is a recipient of federal financial assistance from the Federal Transit Administration (“FTA”) and the Federal Highway Administration (“FHWA”) of the U.S. DOT, and is required to implement a Disadvantaged Business Enterprise (DBE) Program in accordance with 49 CFR Part 26, including setting a triennial goal for the inclusion of DBEs in WETA’s federal contracting activities.

WETA has developed a 1.78% DBE goal applicable to Federal Fiscal Years 2017, 2018, and 2019 contracting opportunities assisted by the Federal Transit Administration (FTA) in accordance with revisions to 49 CFR Part 26.

The goal is applicable to a total of \$26,691,568 of FTA dollars that are budgeted for 17 contracts anticipated to be awarded from October 1, 2016, through September 30, 2019. WETA will periodically evaluate the goal and the award of federally assisted contracts to determine whether the present goal continues to be realistic or whether mid-course adjustments will be necessary. The DBE goal developed for FTA-assisted contracts identify the relative availability of DBEs, based on evidence of ready, willing and able DBEs in relationship to all comparable businesses that are likely to be available to compete for WETA’s FTA-assisted contracts. The three-year overall goal reflects WETA’s determination of the level of DBE participation that would be expected absent the effects of discrimination.

Attachment A

WETA has historically included new vessel construction projects in the agency's overall goal. However, as a result of the new FTA regulations for DBE programs in effect in November 2014, new ferry construction projects are no longer included in the calculation of WETA's overall goal. Goals for inclusion of DBEs in WETA's federally assisted vessel construction contracts are captured in separate project specific DBE goals prepared by WETA, or through a Transit Vehicle Manufacturer (TVM) certified shipyard's DBE program.

The type of contracts included in WETA's FFY 17-19 overall goal consist of 11 vessel overhaul or refurbishment projects, 4 terminal rehabilitation projects and 2 terminal expansion projects. The substantial majority of contracts and federal dollars are budgeted to be expended on vessel overhaul or refurbishment contracts.

Contract Type	FTA Dollars	Percentage
Vessel Overhaul/Refurbishment	\$ 18,690,228	70%
Terminal Rehabilitation	\$ 1,254,480	5%
Terminal Expansion	\$ 6,746,860	25%
Total	\$ 26,691,568	100%

The following report provides a step by step overview of WETA's determination of its FFY 17-19 DBE goal which was developed in accordance with 49 Code of Federal Regulations (CFR) Part 26, issued by the U.S. Department of Transportation (U.S. DOT).

DETERMINING WETA's LOCAL MARKET AREA

WETA's local market area is the area in which the substantial majority of contractors and subcontractors with which WETA's does business are located and the area in which WETA spends the substantial majority of its federal contracting dollars. Staff determined the local market area by examining each federally assisted contract let over the last three federal fiscal years based on the location (county) of the successful bidder. The substantial majority of WETA's federal contracting dollars have been awarded to contractors and subcontractors in Alameda, Contra Costa, Marin and San Francisco counties. Additionally, WETA has included the other 5 counties in the San Francisco Bay Area as firms in these counties are likely to bid on WETA's projects due to geographic proximity. WETA's local market area for FFY 17-19 includes the counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma.

RELEVANT AVAILABLE EVIDENCE

WETA examined available evidence within its geographic market area to determine which sources should be considered for inclusion in WETA's FY17-19 DBE Goal Methodology:

Census Bureau's County Business Pattern (CBP) Database: WETA used the Census Bureau's County Business Pattern (CBP) database

Attachment A

(<http://censtats.census.gov/cgi-bin/cbpnaic/cbpsect.pl>), updated as of April 2016, to obtain the number of all firms (DBEs and non-DBEs) in WETA's market area that are ready, willing and able to bid for WETA's FTA-assisted contracts.

California Unified Certification Program (CUCP) Database: WETA used the California Unified Certification Program (CUCP) database to determine the number of certified DBEs in WETA's market area that are ready, willing, and able to bid for WETA's FTA-assisted contracts.

WETA's Bidders List: WETA maintains a bidders list as required under 49 CFR Part 26.11 of all bidders (successful and unsuccessful) on federally assisted contracts. Staff reviewed the bidders list and determined that the type of contracts included in the last three years of the bidders list are not similar enough with the projects/contracts included in WETA's upcoming FFY 17-19 goal period to solely determine the relative availability of DBEs in WETA's market area.

Disparity Studies Performed by Other Agencies: Several Bay Area transit agencies [San Mateo County Transit District (SamTrans), Bay Area Rapid Transit (BART), Santa Clara Valley Transportation Authority (VTA) and the California Department of Transportation (Caltrans)] have completed disparity studies in the past and the San Francisco Municipal Transportation Agency (SFMTA), VTA, SamTrans and Caltrain are currently conducting disparity studies. The types of contracts included in these disparity studies are not marine specific (vessel and terminal) and not similar enough to include these disparity studies as a data source.

Goals of Other DOT Recipients: WETA did not consider the goals of other U.S. DOT recipients as other DOT recipients in the region do not have substantially similar contracting opportunities.

Dun & Bradstreet's Hoovers Database: All of WETA's federally assisted contracts are either vessel specific contracts or contracts that require marine construction services. The County Business Patterns database does not provide information on individual firms to determine if the firms within a certain trade have marine or vessel specific skills. In order to ensure an accurate overall DBE goal, WETA used Dun & Bradstreet's Hoovers Database to refine DBE Availability in a Step 2 adjustment for vessel specific contracts and for limiting firms within the Other Heavy and Civil Engineering Construction industry to those with marine construction expertise.

Dun & Bradstreet (D&B) provides commercial data to businesses and other entities. D&B maintains a database of over 240 million companies globally using a variety of sources including public records, trade references, telco providers, telephone interview, print, digital, and trade publications. D&B owns the

Attachment A

business research corporation Hoovers. Hoovers data is being constantly updated and provides the ability to search by keyword. Hoovers Database was used as a source by WETA in the development of a project specific DBE goal for the construction of new ferries which was approved by FTA in January 2016 as well as in a project goal for the construction of new vessels for the New York City Department of Transportation Staten Island Ferries.

Contracts Assisted by FTA for FFY 17-19

A total of \$26,691,568 of FTA dollars is budgeted for 17 contracts to be awarded during FFY 2017 through 2019. See Table 1 below. A two-step process is used to determine the overall goal for these contracts.

Table 1: Federally Funded Contracts Anticipated to be Awarded During FFY17-19

Contract Type	Description of Contract	FTA Dollars
Anticipated for Award in FFY 16/17		
Vessel	Engine (10,000 Hour) Overhaul - Pisces & Scorpio	\$860,160
Terminal	Replace Terminal Fendering - East Bay Terminals	\$73,600
Vessel	Quarter-Life Refurbishment - Pisces	\$1,962,240
Vessel	Replace Primary Lifesaving Equip. - Gemini, Pisces, Scorpio & Taurus	\$75,200
Vessel	Quarter-Life Refurbishment - Scorpio & Taurus	\$4,010,880
Terminal	South San Francisco Gangway & Ramps Rehabilitation	\$167,120
Vessel	Peralta Phase II Refurbishment	\$1,886,068
Terminal	Richmond Ferry Terminal	\$2,127,000
Terminal	San Francisco Berthing Expansion - South Basin	\$4,619,860
Anticipated for Award in FFY 17/18 & FFY 18/19		
Vessel	Main Engine Intermediate Overhaul - Gemini & Taurus	\$167,040
Terminal	Passenger Float Drydock and Rehab - Main Street Terminal	\$501,360
Vessel	Engine Overhauls Encinal, Bay Breeze, Pisces & Scorpio	\$932,800
Vessel	Engine (10,000 Hour) Overhaul - Peralta	\$170,800
Vessel	Quarter-life Refurbishment - Intintoli	\$3,757,440
Vessel	Major Dry Dock - Bay Breeze	\$170,800
Terminal	Passenger Float Drydock & Rehab - Harbor Bay Terminal	\$512,400
Vessel	Mid-life Refurbishment - Solano	\$4,696,800
Total FTA Dollars		\$26,691,568

Step One. Determining Base Figures

Base figures were calculated for contracts budgeted for award to determine the relative availability of DBEs in specific areas of expertise using the North American Industrial Classification System (NAICS) codes for the counties in WETA’s market area. WETA identified 24 NAICS codes as pertinent areas of expertise for the contracts. The NAICS codes and descriptions are identified in Table 2 below.

Number of DBEs: To determine the number of DBEs in WETA’s market area staff searched the CUCP database for ready, willing and able DBEs certified in the NAICS codes identified for the prime contracts and subcontracts. The numbers of DBEs identified are displayed in Column C of Table 2 located below.

Number of All Firms (DBEs and non-DBEs): To determine the number of all firms (DBEs and non-DBEs) in WETA’s market area, staff searched the Census Bureau’s County Business Patterns database for all firms specializing in the NAICS codes identified for the prime contracts and subcontracts. Numbers of all firms identified are displayed in Column D of Table 2.

Relative Availability of DBE Firms: Relative availability is derived by dividing the number of ready, willing and able DBEs in a particular NAICS code by the number of all firms in that NAICS code. Table 2 shows this equation carried out for the DBEs identified in the CUCP database and all firms identified in the County Business Pattern database. The resulting relative availability figures are displayed in Column E of Table 2.

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Table 2: Availability of DBEs and All firms by NAICS Code in WETA’s Local Market Area

A. NAICS Code	B. NAICS Description	C. DBEs	D. All Firms	E. Relative DBE Availability (E = C ÷ D)
237990	Other Heavy and Civil Engineering Construction	30	68	44.12%
238210	Electrical Contractors and Other Wiring Contractors	33	1,575	2.10%
238220	Plumbing, HVAC Contractors	14	1,780	0.79%
238310	Drywall and Insulation Contractors	10	417	2.40%
238320	Painting and Wall Covering Contractors	14	1,012	1.38%
238330	Flooring Contractor	3	378	0.79%
238350	Finish Carpentry Contractors	11	449	2.45%
238910	Poured Concrete Foundation and Structure	29	418	6.94%
325212	Synthetic Rubber Manufacturing	0	2	0.00%
332323	Ornamental & Architectural Metal Work Mfg	4	65	6.15%
332722	Bolt, Nut, Screw, Rivet, and Washer Manufacturing (Steel fasteners)	0	10	0.00%
332996	Fabricated Pipe and Pipe Fitting Mfg	3	13	23.08%
334511	Search, Detection, Navigation, Guidance, Aeronautical and Nautical System and Instrumentation Mfg	0	15	0.00%
336360	Motor Vehicle Seating and Interior Trim Mfg	0	4	0.00%
336390	Other Motor Vehicle Parts Mfg	0	8	0.00%
336611	Shipbuilding and Repair	0	11	0.00%
336612	Boat Building	0	4	0.00%
339950	Signage Mfg	5	93	5.38%
483211	Inland Water Freight Transportation	0	1	0.00%
517110	Wired Telecommunications Carriers	3	524	0.57%
541320	Landscape Architectural Services	21	267	7.87%
541330	Engineering	117	2,196	5.33%
541370	Surveying and Mapping (Except Geophysical) Services	19	95	20.00%
811310	Commercial and Industrial Machinery and Equipment Repair and Maintenance	3	340	0.88%

FTA Funds to be Expended in Each Specific Area and Calculating Base Figure: To determine the FTA dollars that will be expended for each specific area of expertise, the FTA-assisted contracts and subcontracts identified by project managers were categorized according to their NAICS industry classifications. See Exhibit 1, Column B. Contract dollars of each industry classification were divided by the total contract dollars

Attachment A

(\$26,691,568) resulting in percentage of total dollars per contract and classification, called the “weighted” percentage. The result is shown in Exhibit 1, Column D.

Next, the Base Figure for the Overall Goal was calculated by multiplying the weighted percentage of funds to be expended for each NAICS code (Exhibit 1, Column D) by DBE relative availability for each NAICS code (carried forward from Table 2 and shown in Exhibit 1, Column E). Base Figures for each NAICS code is shown in Exhibit 1, Column F. Finally, Base Figures for all NAICS codes were totaled, resulting in an 8.28% overall base figure.

Calculating Base Figure per Individual Contract: To determine the Base Figure for each contract, the percentage of work (prime and sub) identified by project managers was multiplied by the DBE relative availability (carried forward from Table 2), and totaled for each contract. See Exhibit 2.

Step Two. Adjusting Base Figures

WETA examined the nature of the contracts budgeted for award to determine whether any further refinements were warranted. Staff determined adjustments were warranted on all 11 vessel contracts and four terminal contracts.

Vessel Contracts:

The marine industry is highly specialized and construction must comply with several regulatory agencies, including the United States Coast Guard (USCG) and the America Bureau of Shipping (ABS). One example of this specialization is demonstrated by marine electrical requirements, which, unlike land-based electrical installations, do not have a “ground” for electrical circuits and require special training and expertise. Another example is the application of marine paint to vessel hulls. Hull paint is chemically designed to discourage marine growth and requires special handling, surface preparation, and application. One final example is shipyard plumbing, which requires specific knowledge as well as piping materials for each application. Standard copper and plastic piping found in homes and buildings are prohibited from most shipboard applications. Specialized materials require specialized installation and welding, which limits sub-contractors to those with the required expertise.

Adjusting the base figure to accurately reflect the availability of DBEs with marine-specific skills is necessary to identify a reasonable overall DBE goal. However, the County Business Patterns database only lists the total number of all firms within a NAICS code and does not provide information on individual firms in order to determine if a firm is able to conduct work on vessels. A list of the NAICS codes used in the vessel overhaul or refurbishment contracts for FFY 17-19 was compiled in order to recalculate the availability of DBEs that are ready willing and able to perform work on vessels. The data was refined to include firms that have marine expertise by conducting a key word search using the words “marine,” “vessel,” or “ship” in the firm’s name, or business

Attachment A

description for the 14 vessel specific NAICS codes in order to identify all ready, willing, and able firms in WETA's local market area. The Hoovers Database was used to determine the number of all firms and the CUCP database was used to determine the number of DBE firms.

The scope of work for vessel overhaul and refurbishment projects is substantially similar to the construction of new ferries. Vessel refurbishment projects include refurbishment of almost every system on the vessel including engines, plumbing, seating, flooring, navigational equipment, painting, surface coating, and some electrical. The use of Hoovers Database and the method described above to refine the list of DBEs and all firms to those that have marine specific skills was used by WETA in the development of a project specific DBE goal for the construction of new ferries which was approved by FTA in January 2016.

The adjusted vessel specific NAICS codes and relative DBE availability is provided in the table below:

Table 3: Adjusted DBE Availability for Vessel Specific NAICS Codes in WETA's Market Area

A. NAICS Code Number	B. NAICS Description	C. DBEs	D. All Firms	E. Relative DBE Availability (E = C/D)
<u>Vessel Specific NAICS Codes</u>				
238210	Electrical Contractors and Other Wiring Contractors	0	3	0.00%
238220	Plumbing, HVAC Contractors	0	3	0.00%
238310	Drywall and Insulation Contractors	0	0	0.00%
238320	Painting and Wall Covering Contractors	0	1	0.00%
238330	Flooring Contractor	0	0	0.00%
238350	Finish Carpentry Contractors	0	0	0.00%
334511	Search, Detection, Navigation, Guidance, Aeronautical and Nautical System and Instrumentation Mfg	0	0	0.00%
336360	Motor Vehicle Seating and Interior Trim Mfg	0	0	0.00%
336390	Other Motor Vehicle Parts Mfg	0	0	0.00%
336611	Shipbuilding and Repair	0	9	0.00%
336612	Boat Building	0	49	0.00%
517110	Wired Telecommunications Carriers	0	0	0.00%
541330	Engineering	0	12	0.00%
811310	Commercial and Industrial Machinery and Equipment Repair and Maintenance	0	73	0.00%

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Using these revised DBE availability figures, staff recalculated the Base Figure per Contract for each of the 11 vessel overhaul or refurbishment contracts.

All Vessel Contracts - Step 2 Adjustment:

Step 1: Results from Step 1 Base Figure calculations for the 11 vessel specific projects ranged from 0.0% to 1.27% and are displayed in Exhibit 2.

Step 2: DBE Availability for all NAICS codes for vessel overhaul and refurbishment contracts is 0%. This revision is reflected in the DBE Availability per Contract column in Table 7 which displays the overall goal.

Terminal Contracts:

In addition to adjusting the vessel specific contracts, staff determined that adjustments are also necessary on the following terminal contracts:

1. Replace Terminal Fendering – East Bay Terminals
2. South San Francisco Gangway and Ramps Rehabilitation
3. San Francisco Berthing Expansion –South Basin
4. Richmond Ferry Terminal

The prime work for all four of the above projects is in NAICS code 237990 Other Heavy and Civil Engineering Construction. The scope of work within NAICS code 237990 for each of the above projects requires a firm with marine construction expertise and equipment. Marine construction is highly specialized and there are very few firms in the 9 county Bay Area that perform this type of work.

To determine whether any of the DBE firms listed in NAICS code 237990 perform marine construction and would therefore be “ready, willing, and able” to perform the prime work required, staff used the Dun & Bradstreet Hoovers database to search for all firms in WETA’s local market area in the 237990 NAICS codes that perform marine construction, using the keywords “marine,” “dredging,” “pier,” and “waterfront.” WETA found a total of 11 companies in its local market area that perform marine construction under NAICS code 237990. None of the DBE firms listed in CUCP database under NAICS code 237990 for WETA’s market area were listed in the Hoovers database search in NAICS codes 237990 using the keywords “marine,” “dredging,” “pier,” and “waterfront.” Exhibit 3 provides both the CUCP list of DBEs in NAICS code 237990 and the list from Hoovers Database of marine construction firms with the above keyword search. This evidence suggests that none of the 30 DBE firms listed under NAICS code 237990 are “ready, willing, and able” to perform the prime work in the four contracts listed above.

The following adjustments are therefore necessary to ensure the accuracy of the availability of firms in 237990 to perform this work.

Replace Terminal Fendering – East Bay Terminals and South San Francisco Gangway and Ramps Rehabilitation Projects: These two projects include marine construction as the

Attachment A

prime work. The total project cost for Replace Terminal Fenderings – East Bay Terminals is \$92,000 (FTA funded at 80%) and the total project cost for the South San Francisco Gangway and Ramps Rehabilitation is \$209,000 (FTA funded at 80%). There may be some limited subcontracting opportunities available under NAICS code 237990. The following step 2 adjustment is based on DBE availability for subcontracting opportunities amounting to 5% of the work under NAICS code 237990.

Replace Terminal Fendering – East Bay Terminals Step 2 Adjustment:

Step 1: Results from Base Figure Calculations: 26.47%

Step 2: Remove the prime work from calculation. Provide for subcontracting opportunities in the amount of 5% of the work under NAICS Code 237990, resulting in adjusted Base Figure of 2.21%

Table 4: Replace Terminal Fendering – East Bay Terminals Step 2 Adjustment

NAICS Code & Description for Prime & Subcontracting Opportunities		Percent of Individual Contract Dollars	Relative DBE Availability	Base Figure Per Contract
Replace Terminal Fendering - East Bay Terminals				
Prime	237990 Other Heavy and Civil Engineering Construction	55.00%	0.00%	0.00%
Sub	237990 Other Heavy and Civil Engineering Construction	5.00%	44.12%	2.21%
Sub	325212 Synthetic Rubber Manufacturing	36.00%	0.00%	0.00%
Sub	332722 Bolt, Nut, Screw, Rivet, and Washer Manufacturing (Steel fasteners)	4.00%	0.00%	0.00%
Contract Total		100.00%		2.21%

Attachment A

South San Francisco Gangway and Ramps Rehabilitation Step 2 Adjustment:

Step 1: Results from Base Figure Calculations: 22.57%

Step 2: Remove the prime work from calculation. Provide for subcontracting opportunities in the amount of 5% of the work under NAICS Code 237990, resulting in adjusted Base Figure of 2.71%

Table 5: South San Francisco Gangway and Ramps Rehabilitation Step 2 Adjustment:

NAICS Code & Description for Prime & Subcontracting Opportunities		Percent of Individual Contract Dollars	Relative DBE Availability	Base Figure Per Contract
South San Francisco Gangway and Ramps Rehabilitation				
Prime	237990 Other Heavy and Civil Engineering Construction	45.00%	0.00%	0.00%
Sub	237990 Other Heavy and Civil Engineering Construction	5.00%	44.12%	2.21%
Sub	238210 Electrical Contractors and other Wiring Contractors	5.00%	2.10%	0.11%
Sub	811310 Commercial and Industrial Machinery and Equipment Repair and Maint.	30.00%	0.88%	0.26%
Sub	238320 Painting and Wall Covering Contractors	10.00%	1.38%	0.14%
Sub	325212 Synthetic Rubber Manufacturing	5.00%	0.00%	0.00%
Contract Total		100.00%		2.71%

Attachment A

San Francisco Berthing Expansion –South Basin and Richmond Ferry Terminal Projects:
 The San Francisco Berthing Expansion South Basin project is approximately a \$65 million project and the Richmond Ferry Terminal Project is approximately a \$14 million project. The scope of work for both of the prime work categories in these projects include marine construction services and will require specialized experience and equipment. As discussed earlier, none of the DBEs listed in the CUCP database are ready willing and able to perform marine construction. Additionally, due to the size of these projects, the bonding and financial requirements will likely limit the prospective prime contractors for the work to companies that exceed the DBE size standards. However, WETA acknowledges that there could be opportunities for the prime to subcontract portions of the work that could fall under the same NAICS codes as the prime contracts. The following step 2 adjustment is based on DBE availability for subcontracting opportunities amounting to 5% of the work under NAICS code 237990.

San Francisco Berthing Expansion –South Basin Step 2 Adjustment:

Step 1: Results from Base Figure Calculations: 29.55%

Step 2: Remove the prime work from calculation. Provide for subcontracting opportunities in the amount of 5% of the work under NAICS Code 237990, resulting in adjusted Base Figure of 8.46%

Table 6: San Francisco Berthing Expansion –South Basin Step 2 Adjustment:

NAICS Code & Description for Prime & Subcontracting Opportunities		Percent of Individual Contract Dollars	Relative DBE Availability	Base Figure Per Contract
San Francisco Berthing Expansion - South Basin				
Prime	237990 Other Heavy and Civil Engineering Construction	47.80%	0.00%	0.00%
Sub	237990 Other Heavy and Civil Engineering Construction	5.00%	44.12%	2.21%
Sub	332996 Fabricated Pipe and Pipe Fitting Mfg	20.43%	23.08%	4.71%
Sub	332323 Ornamental and Architectural Metal Work Mfg	24.19%	6.15%	1.49%
Sub	541320 Landscape Architectural Services	0.23%	7.87%	0.02%
Sub	238210 Electrical Contractors	1.49%	2.10%	0.03%
Sub	238220 Plumbing and HVAC Contractors	0.87%	0.79%	0.01%
Contract Total		100.00%		8.46%

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Richmond Ferry Terminal Step 2 Adjustment:

Step 1: Results from Base Figure Calculations: 32.39%

Step 2: Remove the prime work from calculation. Provide for subcontracting opportunities in the amount of 5% of the work under NAICS Code 237990, resulting in adjusted Base Figure of 3.71%

Table 7: Richmond Ferry Terminal Step 2 Adjustment:

NAICS Code & Description for Prime & Subcontracting Opportunities		Percent of Individual Contract Dollars	Relative DBE Availability	Base Figure Per Contract
Richmond Ferry Terminal				
Prime	237990 Other Heavy and Civil Engineering Construction	65.00%	0.00%	0.00%
Sub	237990 Other Heavy and Civil Engineering Construction	5.00%	44.12%	2.21%
Sub	541330 Engineering Services	13.01%	5.33%	0.69%
Sub	332323 Ornamental and Architectural Metal Work Mfg	8.00%	6.15%	0.49%
Sub	483211 Inland Freight Transportation	3.33%	0.00%	0.00%
Sub	238210 Electrical Contractors	1.00%	2.10%	0.02%
Sub	238220 Plumbing and HVAC Contractors	1.00%	0.79%	0.01%
Sub	541370 Surveying and Mapping (except geophysical) Services	0.33%	20.00%	0.07%
Sub	339950 Signage Mfg	0.33%	5.38%	0.02%
Sub	238910 Poured Concrete Foundation and Structure	3.00%	6.94%	0.21%
Contract Total		100.00%		3.71%

Overall Goal

DBE availability per contract was calculated into projected DBE participation dollars by taking the FTA dollars budgeted for each contract (from Table 1) and multiplying them by the adjusted availability per contract. The total of the projected DBE participation dollars was then divided by the total of the budgeted FTA dollars for all contracts, resulting in a 1.78% overall goal. See Table 7 below.

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Table 7: Overall DBE Goal FFY 17-19

Contract Type	Contract	FTA Dollars	DBE Availability per Contract	FTA Dollars Projected for DBEs
Anticipated for Award in FFY 16/17				
Vessel	Engine (10,000 Hour) Overhaul - Pisces & Scorpio	\$860,160	0.00%	\$0
Terminal	Replace Terminal Fendering - East Bay Terminals	\$73,600	2.21%	\$1,624
Vessel	Quarter-Life Refurbishment - Pisces	\$1,962,240	0.00%	\$0
Vessel	Replace Primary Lifesaving Equip. - Gemini, Pisces, Scorpio & Taurus	\$75,200	0.00%	\$0
Vessel	Quarter-Life Refurbishment - Scorpio & Taurus	\$4,010,880	0.00%	\$0
Terminal	South San Francisco Gangway and Ramps Rehabilitation	\$167,120	2.71%	\$4,534
Vessel	Peralta Refurbishment - Phase 2	\$1,886,068	0.00%	\$0
Terminal	Richmond Ferry Terminal	\$2,127,000	3.71%	\$78,912
Terminal	San Francisco Berthing Expansion - South Basin	\$4,619,860	8.46%	\$390,840
Anticipated for Award in FFY 17/18 & FFY 18/19				
Vessel	Main Engine Intermediate Overhaul - Gemini & Taurus	\$167,040	0.00%	\$0
Terminal	Passenger Float Drydock and Rehab - Main Street Terminal	\$501,360	0.00%	\$0
Vessel	Engine Overhauls Encinal, Bay Breeze, Pisces and Scorpio	\$932,800	0.00%	\$0
Vessel	Engine (10,000 Hour) Overhaul - Peralta	\$170,800	0.00%	\$0
Vessel	Quarter-life Refurbishment - Intintoli	\$3,757,440	0.00%	\$0
Vessel	Major Dry Dock - Bay Breeze	\$170,800	0.00%	\$0
Terminal	Passenger Float Drydock and Rehab – Harbor Bay Terminal	\$512,400	0.00%	\$0
Vessel	Mid-life Refurbishment - Solano	\$4,696,800	0.00%	\$0
Total FTA Dollars and DBE Dollars		\$26,691,568		\$475,909
FTA Dollars Projected for DBEs		FTA Budgeted	Annual Overall Goal	
\$475,909		\$26,691,568	1.78%	

Race/Gender-Neutral Measures

Summary of Race Neutral Methods of Achieving DBE Participation

Regulations require that the maximum feasible portion of the overall DBE goal be achieved through race-neutral measures. Neutral efforts are programs and other initiatives that assist small businesses in general and are not limited to minority or women-owned firms.

WETA continues to focus on expanding race/gender-neutral outreach through participation in the “Business Outreach Committee” (BOC), a consortium of seventeen Bay Area transit and transportation agencies formed in an effort to maximize outreach efforts. The BOC member agencies includes Alameda Contra Costa Transit District, Alameda County Transportation Commission, Bay Area Rapid Transit, Central Contra Costa Transit Authority, City of Rio Vista, Golden Gate Bridge, Highway and Transportation District, Marin Transit, Metropolitan Transportation Commission, Napa Valley Transportation Authority, San Francisco Municipal Transportation Agency, San Francisco Bay Area Water Emergency Transportation Authority, San Mateo County Transit District/Peninsula Joint Powers Board, Santa Clara Valley Transportation Authority, Solano County Transit, Transbay Joint Powers Authority, and Western Contra Costa Transit Authority.

The BOC publishes a quarterly newsletter to advertise each BOC member agency’s upcoming contracting opportunities as well as advertise BOC events and workshops to assist DBEs and small businesses. The BOC has an aggressive annual outreach calendar. Events in the past year have included DBE certification webinar presented by certifying agencies of the California Unified Certification Program, meet the buyers and meet the primes events, and professional services networking and technical training workshops. Many of these events are focused on introducing DBE and small businesses to prime contractors in order to provide networking opportunities.

In preparation for the development of upcoming overall triennial goals, the BOC also held a consultation meeting with trade and business organizations on the DBE goal setting process and BOC agencies’ upcoming contracting opportunities, as well as a public participation event to solicit public comments on each agency’s DBE goal and upcoming contracts (see discussion below).

In addition to participating in the educational and outreach activities through the BOC, WETA will continue race/gender-neutral activities in its contracting opportunities, including:

- Ensuring that bidding and contract requirements facilitate participation by DBEs and other small businesses by incorporating DBE language throughout WETA’s bid documents including:
 - WETA’s DBE Program policy.

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- A nondiscrimination assurance from the contractor (and each subcontract the prime contractor signs with a subcontractor).
- A statement that encourages prime contractors to use financial institutions owned and controlled by socially and economically disadvantaged individuals in the community.
- The website address for the DBE directory identifying all firms eligible to participate as DBEs in WETA's program.
- Ensuring contracts are accessible to small businesses, and if not, making efforts to unbundle large contracts to make them more accessible.
- Encouraging prime contractors to subcontract portions of the work that they might otherwise perform themselves.
- Providing technical assistance and other support services to facilitate consideration of DBEs and other small businesses.
- Provide information at pre-bid conferences to prospective contractors/consultants as to applicable small business/DBE requirements including DBE database websites, resources and answering any questions.
- Providing an email service to firms interested in receiving notification when WETA posts new contracting opportunities on its website.
- Providing an online networking list for prospective prime and subcontractors for large construction contracts in order to promote networking well in advance of pre-bid meetings.
- WETA also recently partnered with the Chairman of the Construction Committee of the San Francisco African American Chamber of Commerce and board member of the National Association of Minority Contractors (NAMC) to advertise the Central Bay Operations and Maintenance Facility Construction project released and awarded earlier this year and plans to do so for other large projects.

Public Participation

Consultation with Various Groups, Organizations and Officials

Member agencies of the BOC conducted a public participation session on April 12, 2016, at the Alameda County Transportation Commission's office in Oakland, California. The meeting consisted of two parts, a meeting focused on consulting with and receiving comments from various trade groups, minority, women's and general contractor groups, community organizations, and other representatives to discuss how to increase availability of disadvantaged, minority and women owned businesses and a second session with owners and representatives of DBE firms.

Some of the comments and questions that were asked by participants of the first session were:

- How are goals set? Is there a standard amongst all agencies?
- How valid is the number of available DBE's? How can you be sure the database you are using to collect DBE information is correct?

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- What are the consequences of not meeting the DBE goals?
- The availability data may be skewed. How do you monitor that?
- How are local funds being used towards the DBE community?
- It is a little hard to believe ferries have no DBE contracting opportunities available.
- It is great to see the number of agencies here to represent in a formal meeting such as this one.
- Would like to see a base % goal required by each agency.
- The key is unbundling contracts. Times are changing and opportunities need to be made more available to match the present time.

Each question was answered by one or more BOC member. WETA responded to the comment regarding the limited DBE contracting opportunities in ferry contracts, noting that for vessel specific contracts and marine construction there is very little DBE participation. In addition, WETA and Golden Gate Bridge Highway & Transportation District are partnering to reach out to several Washington state DBE firms specializing in marine work that WETA recently identified to provide them information on DBE certification in California and will continue outreach efforts to DBE firms and potential DBE firms in California.

The second session included a presentation on how agencies set overall DBE goals, provided an overview of anticipated agency contracting opportunities over the next three fiscal years and an opportunity to receive comments. WETA provided a presentation on the San Francisco Berthing Expansion – South Basin Project to advertise this upcoming contracting opportunity to DBE firms.

Both sessions provided a forum for representatives from businesses and organizations to share their views about the availability of certified and potential DBEs ready, willing and able to compete for DOT-assisted contracts, to discuss their concerns, and to provide input on how DOT recipients might more effectively administer their programs to improve DBE participation.

Adjustments Made Based on Comments from Various Groups, Organizations and Officials

Since the comments received at the public participation sessions do not concern WETA's specific contracting opportunities projected for FFY 2017 through FFY 2019, no additional adjustments will be made to the DBE availability figures or the overall goal.

Publication of Goal

FTA's November 2014 revisions to the DBE regulations eliminated the requirement to provide for a public comment period. On August 9, 2016 WETA published the 1.78%

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overall goal and Goal Analysis Report on its official website. WETA will review any comments received and consider whether any adjustments are warranted.

Conclusion

The proposed overall DBE goal for FTA-assisted contracts for FFY 2017 through 2019 is 1.78% with DBE participation sought on a race/gender neutral basis.

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Exhibit 1: Calculating Weighted FTA Dollars and Base Figure

A. NAICS Code	B. NAICS Description and Associated Contracts	C. FTA Dollars for contract	D. Weighted % of Total FTA Dollars	E. DBE Availability	F. Base Figure
	Other Heavy and Civil Engineering Construction				
237990	Other Heavy and Civil Engineering Construction				
	Richmond Ferry Terminal	\$1,452,077	5.44%	44.12%	2.40%
	San Francisco Berthing Expansion - South Basin	\$2,439,059	9.14%	44.12%	4.03%
	South San Francisco Gangway and Ramps Rehabilitation	\$83,560	0.31%	44.12%	0.14%
	Replace Terminal Fendering - East Bay Terminals	\$44,160	0.17%	44.12%	0.07%
238210	Electrical Contractors and other wiring contractors				
	South San Francisco Gangway and Ramps Rehabilitation	\$8,356	0.03%	2.10%	0.00%
	Richmond Ferry Terminal	\$22,500	0.08%	2.10%	0.00%
	San Francisco Berthing Expansion - South Basin	\$68,896	0.26%	2.10%	0.01%
	Quarter-Life Refurbishment - Pisces	\$156,979	0.59%	2.10%	0.01%
	Quarter-Life Refurbishment - Scorpio & Taurus	\$320,870	1.20%	2.10%	0.03%
	Quarter-life Refurbishment - Intintoli	\$300,595	1.13%	2.10%	0.02%
238220	Plumbing, HVAC Contractors				
	Richmond Ferry Terminal	\$22,500	0.08%	0.79%	0.001%
	San Francisco Berthing Expansion - South Basin	\$40,406	0.15%	0.79%	0.001%
	Quarter-Life Refurbishment - Pisces	\$139,319	0.52%	0.79%	0.00%
	Quarter-Life Refurbishment - Scorpio & Taurus	\$292,794	1.10%	0.79%	0.01%
	Quarter-life Refurbishment - Intintoli	\$274,293	1.03%	0.79%	0.01%
238310	Drywall and Insulation Contractors				
	Quarter-Life Refurbishment - Pisces	\$533,729	2.00%	2.40%	0.05%
	Quarter-Life Refurbishment - Scorpio & Taurus	\$120,326	0.45%	2.40%	0.01%
	Quarter-life Refurbishment - Intintoli	\$112,723	0.42%	2.40%	0.01%
238320	Painting and Wall Covering Contractors				
	South San Francisco Gangway and Ramps Rehabilitation	\$16,712	0.06%	1.38%	0.00%
	Peralta Refurbishment - Phase 2	\$499,997	1.87%	1.38%	0.03%
	Mid-life Refurbishment - Solano	\$704,520	2.64%	1.38%	0.04%

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238330	Flooring Contractor				
	Quarter-Life Refurbishment - Pisces	\$98,112	0.37%	0.79%	0.00%
	Quarter-Life Refurbishment - Scorpio & Taurus	\$200,544	0.75%	0.79%	0.01%
	Quarter-life Refurbishment - Intintoli	\$187,872	0.70%	0.79%	0.01%
	Mid-life Refurbishment - Solano	\$187,872	0.70%	0.79%	0.01%
238350	Finish Carpentry Contractors				
	Peralta Refurbishment - Phase 2	\$300,073	1.12%	2.45%	0.03%
238910	Poured Concrete Foundation and Structure				
	Richmond Ferry Terminal	\$67,500	0.25%	6.94%	0.02%
325212	Synthetic Rubber Manufacturing				
	Replace Terminal Fendering - East Bay Terminals	\$26,496	0.10%	0.00%	0.00%
	South San Francisco Gangway and Ramps Rehabilitation	\$8,356	0.03%	0.00%	0.00%
332323	Ornamental and Architectural Metal Work Mfg				
	Richmond Ferry Terminal	\$180,000	0.67%	6.15%	0.04%
	San Francisco Berthing Expansion - South Basin	\$1,117,462	4.19%	6.15%	0.26%
332722	Bolt, Nut, Screw, Rivet, and Washer Manufacturing (Steel fasteners)				
	Replace Terminal Fendering - East Bay Terminals	\$2,944	0.01%	0.00%	0.00%
332996	Fabricated Pipe and Pipe Fitting Mfg				
	San Francisco Berthing Expansion - South Basin	\$943,611	3.54%	23.08%	0.82%
334511	Search, Detection, Navigation, Guidance, Aeronautical and Nautical System and Instrumentation Mfg				0.00%
	Peralta Refurbishment - Phase 2	\$199,923	0.75%	0.00%	0.00%
336360	Motor Vehicle Seating and Interior Trim Mfg				
	Quarter-Life Refurbishment - Pisces	\$363,014	1.36%	0.00%	0.00%
	Quarter-Life Refurbishment - Scorpio & Taurus	\$742,013	2.78%	0.00%	0.00%
	Quarter-life Refurbishment - Intintoli	\$695,126	2.60%	0.00%	0.00%
	Mid-life Refurbishment - Solano	\$375,744	1.41%	0.00%	0.00%
336390	Other Motor Vehicle Parts Mfg				
	Quarter-Life Refurbishment - Pisces	\$129,508	0.49%	0.00%	0.00%

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336611	Shipbuilding and Repair				
	Passenger Float Drydock and Rehab - Main Street Terminal	\$501,360	1.88%	0.00%	0.00%
	Passenger Float Drydock and Rehab - Harbor Bay Terminal	\$512,400	1.92%	0.00%	0.00%
	Engine (10,000 Hour) Overhaul - Pisces & Scorpio	\$220,201	0.82%	0.00%	0.00%
	Quarter-Life Refurbishment - Pisces	\$392,448	1.47%	0.00%	0.00%
	Quarter-Life Refurbishment - Scorpio & Taurus	\$2,294,223	8.60%	0.00%	0.00%
	Peralta Refurbishment - Phase 2	\$886,075	3.32%	0.00%	0.00%
	Main Engine Intermediate Overhaul - Gemini & Taurus	\$49,995	0.19%	0.00%	0.00%
	Engine Overhauls Encinal, Bay Breeze, Pisces and Scorpio	\$99,996	0.37%	0.00%	0.00%
	Engine (10,000 Hour) Overhaul - Peralta	\$49,993	0.19%	0.00%	0.00%
	Quarter-life Refurbishment - Intintoli	\$2,149,256	8.05%	0.00%	0.00%
	Major Dry Dock - Bay Breeze	\$170,800	0.64%	0.00%	0.00%
	Mid-life Refurbishment - Solano	\$939,360	3.52%	0.00%	0.00%
336612	Boat Building				
	Replace Primary Lifesaving Equipment - Gemini, Pisces, Scorpio & Taurus	\$75,200	0.28%	0.00%	0.00%
339950	Signage Mfg				
	Richmond Ferry Terminal	\$7,499	0.03%	5.38%	0.00%
483211	Inland Water Freight Transportation				
	Richmond Ferry Terminal	\$74,925	0.28%	0.00%	0.00%
517110	Wired Telecommunications Carriers				
	Quarter-Life Refurbishment - Pisces	\$19,622	0.07%	0.00%	0.00%
	Quarter-Life Refurbishment - Scorpio & Taurus	\$40,109	0.15%	0.00%	0.00%
	Quarter-life Refurbishment - Intintoli	\$37,574	0.14%	0.00%	0.00%
541320	Landscape Architectural Services				
	San Francisco Berthing Expansion - South Basin	\$10,425	0.04%	7.87%	0.00%
541330	Engineering				
	Richmond Ferry Terminal	\$292,500	1.10%	5.33%	0.06%
	Quarter-Life Refurbishment - Pisces	\$129,508	0.49%	5.33%	0.03%
541370	Surveying and Mapping (Except Geophysical) Services				
	Richmond Ferry Terminal	\$7,499	0.03%	20.00%	0.01%

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811310	Commercial and Industrial Machinery and Equipment Repair and Maintenance				
	South San Francisco Gangway and Ramps Rehabilitation	\$50,136	0.19%	0.88%	0.00%
	Engine (10,000 Hour) Overhaul - Pisces & Scorpio	\$639,959	2.40%	0.88%	0.02%
	Main Engine Intermediate Overhaul - Gemini & Taurus	\$117,045	0.44%	0.88%	0.00%
	Engine Overhauls Encinal, Bay Breeze, Pisces and Scorpio	\$832,804	3.12%	0.88%	0.03%
	Engine (10,000 Hour) Overhaul - Peralta	\$120,807	0.45%	0.88%	0.00%
	Mid-life Refurbishment - Solano	\$2,489,304	9.33%	0.88%	0.08%

Total Federal Funds	\$26,691,568
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Base Figure	8.28%
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Exhibit 2: Base Figure Breakdown per Individual Contract

NAICS Code & Description for Prime & Subcontracting Opportunities			Percent of Individual Contract Dollars	Relative DBE Availability	Base Figure Per Contract
Anticipated for Award in FFY 16/17					
Engine (10,000 Hour) Overhaul - Pisces & Scorpio (Vessel Project)					
Prime	336611	Shipbuilding and Repair	25.60%	0.00%	0.00%
Sub	811310	Commercial and Industrial Machinery and Equipment Repair and Maintenance	74.40%	0.88%	0.65%
Contract Total			100.00%		0.65%
Replace Terminal Fendering - East Bay Terminals					
Prime	237990	Other Heavy and Civil Engineering Construction	60.00%	44.12%	26.47%
Sub	325212	Synthetic Rubber Manufacturing	36.00%	0.00%	0.00%
Sub	332722	Bolt, Nut, Screw, Rivet, and Washer Manufacturing (Steel fasteners)	4.00%	0.00%	0.00%
Contract Total			100.00%		26.47%
Quarter-Life Refurbishment - Pisces (Vessel Project)					
Prime	336611	Shipbuilding and Repair	20.00%	0.00%	0.00%
Sub	517110	Wired Telecommunications Carriers	1.00%	0.57%	0.01%
Sub	238210	Electrical Contractors and other wiring contractors	8.00%	2.10%	0.17%
Sub	238220	Plumbing, HVAC Contractors	7.10%	0.79%	0.06%
Sub	541330	Engineering	6.60%	5.33%	0.35%
Sub	238310	Drywall and Insulation Contractors	27.20%	2.40%	0.65%
Sub	336360	Motor Vehicle Seating and Interior Trim Manufacturing	18.50%	0.00%	0.00%
Sub	238330	Flooring contractor	5.00%	0.79%	0.04%
Sub	336390	Other Motor Vehicle Parts Manufacturing	6.60%	0.00%	0.00%
Contract Total			100.00%		1.27%
Replace Primary Lifesaving Equipment - Gemini, Pisces, Scorpio & Taurus (Vessel Project)					
Prime	336612	Boat Building	100.00%	0.00%	0.00%
Contract Total			100.00%		0.00%

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Quarter-Life Refurbishment - Scorpio & Taurus (Vessel Project)					
Prime	336611	Shipbuilding and Repair	57.20%	0.00%	0.00%
Sub	517110	Wired Telecommunications Carriers	1.00%	0.57%	0.01%
Sub	238210	Electrical Contractors and other wiring contractors	8.00%	2.10%	0.17%
Sub	238220	Plumbing, HVAC Contractors	7.30%	0.79%	0.06%
Sub	238310	Drywall and Insulation Contractors	3.00%	2.40%	0.07%
Sub	336360	Motor Vehicle Seating and Interior Trim Manufacturing	18.50%	0.00%	0.00%
Sub	238330	Flooring contractor	5.00%	0.79%	0.04%
Contract Total			100.00%		0.34%

South San Francisco Gangway and Ramps Rehabilitation					
Prime	237990	Other Heavy and Civil Engineering Construction	50.00%	44.12%	22.06%
Sub	238210	Electrical Contractors and other wiring contractors	5.00%	2.10%	0.11%
Sub	811310	Commercial and Industrial Machinery and Equipment Repair and Maintenance	30.00%	0.88%	0.26%
Sub	238320	Painting and wall covering contractors	10.00%	1.38%	0.14%
Sub	325212	Synthetic Rubber Manufacturing	5.00%	0.00%	0.00%
Contract Total			100.00%		22.57%

Peralta Refurbishment - Phase 2 (Vessel Project)					
Prime	336611	Shipbuilding and Repair	46.98%	0.00%	0.00%
Sub	238320	Painting and wall covering contractors	26.51%	1.38%	0.37%
Sub	238350	Finish Carpentry Contractors	15.91%	2.45%	0.39%
Sub	334511	Search, detection, Navigation, Guidance, Aeronautical and Nautical System and Instrumentation Mfg	10.60%	0.00%	0.00%
Contract Total			100.00%		0.76%

Richmond Ferry Terminal					
Prime	237990	Other Heavy and Civil Engineering Construction	70.00%	44.12%	30.88%
Sub	541330	Engineering Services	13.01%	5.33%	0.69%
Sub	332323	Ornamental and Architectural Metal Work Mfg	8.00%	6.15%	0.49%
Sub	483211	Inland Freight Transportation	3.33%	0.00%	0.00%
Sub	238210	Electrical Contractors	1.00%	2.10%	0.02%

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Sub	238220	Plumbing and HVAC Contractors	1.00%	0.79%	0.01%
Sub	541370	Surveying and Mapping (except geophysical) Services	0.33%	20.00%	0.07%
Sub	339950	Signage Mfg	0.33%	5.38%	0.02%
Sub	238910	Poured Concrete foundation and structure	3.00%	6.94%	0.21%
Contract Total			100.00%		32.39%

San Francisco Berthing Expansion - South Basin					
Prime	237990	Other Heavy and Civil Engineering Construction	52.80%	44.12%	23.29%
Sub	332996	Fabricated Pipe and Pipe Fitting Manufacturing	20.43%	23.08%	4.71%
Sub	332323	Ornamental and Architectural Metal Work Mfg	24.19%	6.15%	1.49%
Sub	541320	Landscape Architectural Services	0.23%	7.87%	0.02%
Sub	238210	Electrical Contractors	1.49%	2.10%	0.03%
Sub	238220	Plumbing and HVAC Contractors	0.87%	0.79%	0.01%
Contract Total			100.00%		29.55%

Anticipated for Award in FFY 17/18 & FFY 18/19					
Main Engine Intermediate Overhaul - Gemini & Taurus (Vessel Project)					
Prime	336611	Shipbuilding and Repair	29.93%	0.00%	0.00%
Sub	811310	Commercial and Industrial Machinery and Equipment Repair and Maintenance	70.07%	0.88%	0.62%
Contract Total			100.00%		0.62%

Passenger Float Drydock and Rehab - Main Street Terminal					
Prime	336611	Shipbuilding and Repair	100.00%	0.00%	0.00%
Contract Total			100.00%		0.00%

Engine Overhauls Encinal, Bay Breeze, Pisces and Scorpio (Vessel Project)					
Prime	336611	Shipbuilding and Repair	10.72%	0.00%	0.00%
Sub	811310	Commercial and Industrial Machinery and Equipment Repair and Maintenance	89.28%	0.88%	0.79%
Contract Total			100.00%		0.79%

Engine (10,000 Hour) Overhaul - Peralta (Vessel Project)					
Prime	336611	Shipbuilding and Repair	29.27%	0.00%	0.00%
Sub	811310	Commercial and Industrial Machinery and Equipment Repair and Maintenance	70.73%	0.88%	0.62%
Contract Total			100.00%		0.62%

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Quarter-life Refurbishment - Intintoli (Vessel Project)					
Prime	336611	Shipbuilding and Repair	57.20%	0.00%	0.00%
Sub	517110	Wired Telecommunications Carriers	1.00%	0.57%	0.01%
Sub	238210	Electrical Contractors and other wiring contractors	8.00%	2.10%	0.17%
Sub	238220	Plumbing, HVAC Contractors	7.30%	0.79%	0.06%
Sub	238310	Drywall and Insulation Contractors	3.00%	2.40%	0.07%
Sub	336360	Motor Vehicle Seating and Interior Trim Manufacturing	18.50%	0.00%	0.00%
Sub	238330	Flooring contractor	5.00%	0.79%	0.04%
Contract Total			100.00%		0.34%

Major Dry Dock - Bay Breeze (Vessel Project)					
Prime	336611	Shipbuilding and Repair	100.00%	0.00%	0.00%
Contract Total			100.00%		0.00%

Passenger Float Drydock and Rehab - Harbor Bay Terminal					
Prime	336611	Shipbuilding and Repair	100.00%	0.00%	0.00%
Contract Total			100.00%		0.00%

Mid-life Refurbishment - Solano (Vessel Project)					
Prime	336611	Shipbuilding and Repair	20.00%	0.00%	0.00%
Sub	811310	Commercial and Industrial Machinery and Equipment Repair and Maintenance	53.00%	0.88%	0.47%
Sub	238320	Painting and wall covering contractors	15.00%	1.38%	0.21%
Sub	238330	Flooring Contractor	4.00%	0.79%	0.03%
Sub	336360	Motor Vehicle Seating and Interior Trim Manufacturing	8.00%	0.00%	0.00%
Contract Total			100.00%		0.71%

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Exhibit 3: Listing of Firms in NAICS Codes 237990

A. Hoovers Database search, NACIS Code 237990 using keywords “marine,” “dredging,” “pier,” and “waterfront.”

Company Name	Primary Address 1	Primary City	Primary County	Primary State	Primary Zip	Phone Number	Web Address	Primary Industry	Primary US NAICS Code	All NAICS Codes
Vortex Marine Construction, Inc.	1 Maritime Way	Antioch	Contra Costa County	CA	94509	510-261-2400	www.vortex-sfb.com	Commercial & Heavy Construction Contractors	237990	237990;561990
Tidal Marine Construction Inc	2465 Vista Del Monte Ste A	Concord	Contra Costa County	CA	94520	925-609-6464	www.tidalmarine.net	Commercial & Heavy Construction Contractors	237990	237990
Bayside Dredging Co	1425 Tichenor Ct	Lafayette	Contra Costa County	CA	94549	925-284-8100		Commercial & Heavy Construction Contractors	237990	237990
Sean Alexander Marine Services, Inc.	4480 Discovery Pt	Discovery Bay	Contra Costa County	CA	94505	925-634-8744	www.sealmarine.com	Commercial & Heavy Construction Contractors	237990	237990
Mobile Marine Svc.	4687 La Vista Dr	Oakley	Contra Costa County	CA	94561	510-882-1604		Commercial & Heavy Construction Contractors	237990	237990
THE DUTRA GROUP	2350 Kerner Blvd Ste 200	San Rafael	Marin County	CA	94901	415-258-6876	www.dutragroup.com	Commercial & Heavy Construction Contractors	237990	212319;237990;541330
Dutra Dredging Company	2350 Kerner Blvd Ste 200	San Rafael	Marin County	CA	94901	415-721-2131		Commercial & Heavy Construction Contractors	237990	237990
DOD Marine Constructors A JV	185 Devlin Rd	Napa	Napa County	CA	94558	707-265-1100	www.novagr.com	Commercial & Heavy Construction Contractors	237990	237990
Marine Contractors, JV	185 Devlin Rd	Napa	Napa County	CA	94558	707-265-1116	www.novagr.com	Commercial & Heavy Construction Contractors	237990	237990
Camenzind Dredging, Inc.	792 Montrose Ave	Palo Alto	Santa Clara County	CA	94303	650-424-0367	www.camenzinddredging.com	Commercial & Heavy Construction Contractors	237990	237990
Dutra Dredging Company	615 River Rd	Rio Vista	Solano County	CA	94571	707-374-5127		Commercial & Heavy Construction Contractors	237990	237990
Bellingham Marine Industries, Inc.	8810 Sparling Ln	Dixon	Solano County	CA	95620	707-678-2385	www.bellingham-marine.com	Commercial & Heavy Construction Contractors	237990	237990;327390

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B. CUCP Database Search, NAICS Code 237990

Firm/DBA Name	Address	City	State	Zip	County	Certification	DBE NAICS
CIVILCOM LLC	2211 AUSTIN ST	ALAMEDA	CA	94501	Alameda	DBE	237310; 237990;
SUAREZ & MUNOZ CONSTRUCTION, INC.	20975 CABOT BLVD.	HAYWARD	CA	94545	Alameda	DBE	237310; 237990; 238190; 238910; 238990;
D-LINE CONSTRUCTORS, INC.	499 EMBARCADERO, SUITE Q	OAKLAND	CA	94606	Alameda	DBE	236220; 237310; 237990;
A.J. VASCONI GENERAL ENGINEERING	1820 GALINDO STREET, SUITE 275	CONCORD	CA	94520	Contra Costa	DBE	237310; 237990; 238110;
GEMS ENVIRONMENTAL MANAGEMENT SERVICES, INC	1120 WILLOW PASS COURT	CONCORD	CA	94520	Contra Costa	DBE	237110; 237990;
SUMMIT ASSOCIATES	2300 CLAYTON ROAD, SUITE 1380	CONCORD	CA	94520	Contra Costa	DBE	236210; 236220; 237310; 237990; 541330; 541350; 541380; 541
SUNRISE PACIFIC, INC. DBA WU ENGINEERING	P.O. BOX 6168	MORAGA	CA	94556	Contra Costa	DBE	237310; 237990; 238120; 541330; 541340;
HILLSIDE DRILLING, INC.	539 S. 11TH STREET	RICHMOND	CA	94804	Contra Costa	DBE	237310; 237990; 238110; 238910; 238990;
LAWRENCE FORD CONSTRUCTION, INC	2565 EL PORTAL DRIVE, UNIT A	SAN PABLO	CA	94806	Contra Costa	DBE	236210; 237310; 237990; 238290;
SCHOTKA CONSTRUCTION INC	5555 NAPA VALLEJO HWY	AMERICAN CANYON	CA	94503	Napa	DBE	237990; 238110; 238120; 238910; 238990;
HYDROCONSULT ENGINEERS, INC.	45 POLK STREET, 3RD FLOOR	SAN FRANCISCO	CA	94102	San Francisc	DBE	221111; 221310; 237990; 541330;
ROADWAY CONSTRUCTION INC	ONE MARKET PLAZA SPEAR TOWER	SAN FRANCISCO	CA	94105	San Francisc	DBE	221310; 237110; 237310; 237990; 238910;
THE THIER GROUP	3749 BUCHANNAN ST., #475266	SAN FRANCISCO	CA	94107	San Francisc	DBE	237990; 541618; 541810; 541820;
AZUL WORKS INC	1555 YOSEMITE AVENUE, SUITE NO. 2	SAN FRANCISCO	CA	94124	San Francisc	DBE	236220; 237110; 237990; 238110;
EMPIRE ENGINEERING & CONSTRUCTION, INC.	180 MENDELL STREET	SAN FRANCISCO	CA	94124	San Francisc	DBE	221310; 236118; 236210; 236220; 237110; 237990; 238110; 561
MISSION CONSTRUCTORS, INC.	2177 JERROLD AVE., #201	SAN FRANCISCO	CA	94124	San Francisc	DBE	236210; 237110; 237120; 237990;
NTK CONSTRUCTION INC	501 CESAR CHAVEZ STREET, SUITE 123	SAN FRANCISCO	CA	94124	San Francisc	DBE	236220; 237990;
OLIVER TRANSBAY CONSTRUCTION INC	1485 BAYSHORE BOULEVARD SUITE B145-	SAN FRANCISCO	CA	94124	San Francisc	DBE	236210; 237990; 238910; 562112;
PHOENIX ELECTRIC COMPANY	1350 VAN DYKE AVENUE	SAN FRANCISCO	CA	94124	San Francisc	DBE	237990;
RELIANCE ENGINEERING INC	PIER 96 ADMIN BLDG	SAN FRANCISCO	CA	94124	San Francisc	DBE	237990; 238210; 562112;
ABA	22 WAWONA STREET	SAN FRANCISCO	CA	94127	San Francisc	DBE	236116; 236220; 237110; 237120; 237130; 237310; 237990; 541
APADANA ENGINEERING, INC.	5 THOMAS MELLON CIRCLE, SUITE 154	SAN FRANCISCO	CA	94134	San Francisc	DBE	237110; 237310; 237990; 531210;
EXARO TECHNOLOGIES CORPORATION	1831 BAYSHORE HWY	BURLINGAME	CA	94010	San Mateo	DBE	237110; 237120; 237310; 237990; 238190; 238990; 561990;
REFLEX ENGINEERING INC	1308 ROLLINS ROAD	BURLINGAME	CA	94010	San Mateo	DBE	236220; 237310; 237990; 238140; 238910;
EAGLE ENGINEERING AND CONSTRUCTION, INC	1175 PALOMAR DRIVE	REDWOOD CITY	CA	94062	San Mateo	DBE	221119; 237990; 238110; 238120; 238910; 333611; 517110;
J.J.R. CONSTRUCTION	1120 NINTH AVENUE	SAN MATEO	CA	94402	San Mateo	DBE	237310; 237990; 238910; 238990;
PARI & GERSHON INCORPORATED	2053 LINCOLN AVE, STE A	SAN JOSE	CA	95125	Santa Clara	DBE	236116; 236220; 237990; 238910; 541620; 611420;
DEENSGROUP CONSTRUCTION	2175 THE ALAMEDA, SUITE 100	SAN JOSE	CA	95126	Santa Clara	DBE	237110; 237130; 237310; 237990;
QUIMU CONTRACTING, INC.	695 PRIDDY DRIVE	DIXON	CA	95620	Solano	DBE	237310; 237990; 238110; 238120; 238910;
CAPERS SERVICES	4528 HARMONY PLACE	ROHNERT PARK	CA	94928	Sonoma	DBE	236116; 236118; 236210; 236220; 237990; 541511; 541512; 541



FEDERAL FISCAL YEARS 2017 THROUGH 2019

SMALL BUSINESS ENTERPRISE (SBE) GOAL ANALYSIS REPORT

For Contracts Assisted by the Federal Transit Administration

August 19, 2016

SUMMARY

WETA's Disadvantaged Business Enterprise (DBE) Program requires the establishment of an overall Small Business Enterprise (SBE) goal for each triennial DBE goal period. The SBE goal analysis is conducted using the same methodology as the DBE overall goal. This report provides a description of the data sources used to set the SBE goal, a brief description of the two step process to determine the goal and tables displaying the Base Figure, Base Figure per contract and overall SBE goal. Please refer to the DBE Goal Analysis Report for a more detailed description of the methodology used to establish both the DBE and SBE goals.

WETA has developed a 5.04% SBE goal applicable to Federal Fiscal Years 2017, 2018, and 2019 contracting opportunities assisted by the Federal Transit Administration (FTA) in accordance with revisions to 49 CFR Part 26.

The goal is applicable to a total of \$26,691,568 of FTA dollars that are budgeted for 17 contracts anticipated to be awarded from October 1, 2016, through September 30, 2019. The SBE goal developed for FTA-assisted contracts identifies the relative availability of SBEs, based on evidence of ready, willing and able SBEs in relationship to all comparable businesses that are likely to be available to compete for WETA's FTA-assisted contracts.

Contracts Assisted by FTA for FFY 17-19

A total of \$26,691,568 of FTA dollars is budgeted for 17 contracts to be awarded during FFY 2017 through 2019. See Table 1 below. A two-step process is used to determine the overall goal for these contracts.

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Table 1: Federally Funded Contracts Anticipated to be Awarded During FFY17-19

Contract Type	Description of Contract	FTA Dollars
Anticipated for Award in FFY 16/17		
Vessel	Engine (10,000 Hour) Overhaul - Pisces & Scorpio	\$860,160
Terminal	Replace Terminal Fendering - East Bay Terminals	\$73,600
Vessel	Quarter-Life Refurbishment - Pisces	\$1,962,240
Vessel	Replace Primary Lifesaving Equip. - Gemini, Pisces, Scorpio & Taurus	\$75,200
Vessel	Quarter-Life Refurbishment - Scorpio & Taurus	\$4,010,880
Terminal	South San Francisco Gangway & Ramps Rehabilitation	\$167,120
Vessel	Peralta Phase II Refurbishment	\$1,886,068
Terminal	Richmond Ferry Terminal	\$2,127,000
Terminal	San Francisco Berthing Expansion - South Basin	\$4,619,860
Anticipated for Award in FFY 17/18 & FFY 18/19		
Vessel	Main Engine Intermediate Overhaul - Gemini & Taurus	\$167,040
Terminal	Passenger Float Drydock and Rehab - Main Street Terminal	\$501,360
Vessel	Engine Overhauls Encinal, Bay Breeze, Pisces & Scorpio	\$932,800
Vessel	Engine (10,000 Hour) Overhaul - Peralta	\$170,800
Vessel	Quarter-life Refurbishment - Intintoli	\$3,757,440
Vessel	Major Dry Dock - Bay Breeze	\$170,800
Terminal	Passenger Float Drydock & Rehab - Harbor Bay Terminal	\$512,400
Vessel	Mid-life Refurbishment - Solano	\$4,696,800
Total FTA Dollars		\$26,691,568

Step One. Determining Base Figures

Base figures were calculated for contracts budgeted for award to determine the relative availability of SBEs using the same local market area (9 county Bay Area) and North American Industry Classification codes as were used for the FFY 17-19 DBE Goal Analysis.

Number of SBEs: To determine the number of SBEs in WETA’s market area staff searched the CUCP database for DBEs (all DBEs are considered SBEs), Small Minority Business Enterprises (SMBEs) and Small Women Business Enterprises (SWBEs) certified

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in the NAICS codes identified for the prime contracts and subcontracts. In addition, staff also consulted the Department of General Services database (<http://www.bidsync.com/DPXBisCASB>) to find the number of SBEs certified by the California Department of General Services. The lists of DBEs, SMBEs, SWBEs and SBEs were combined, and duplicates deleted to determine the total number of SBEs in WETA's market area. The total number of SBEs identified in each NAICS code is displayed in Column C of Table 2 located below.

Number of All Firms (SBEs and non-SBEs): To determine the number of all firms (SBEs and non-SBEs) in WETA's market area, staff searched the Census Bureau's County Business Patterns database for all firms specializing in the NAICS codes identified for the prime contracts and subcontracts. Numbers of all firms identified are displayed in Column D of Table 2.

Relative Availability of SBE Firms: Relative availability is derived by dividing the number of ready, willing and able SBEs in a particular NAICS code by the number of all firms in that NAICS code. Table 2 shows this equation carried out for the SBEs identified in the CUCP and DGS databases and all firms identified in the County Business Pattern database. The resulting relative availability figures are displayed in Column E of Table 2.

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Table 2: Availability of SBEs and All firms by NAICS Code in WETA's Local Market Area

A. NAICS Code	B. NAICS Description	C. SBE Firms	D. All Firms	E. Relative SBE Availability (E = C ÷ D)
-				
237990	Other Heavy and Civil Engineering Construction	36	68	52.94%
238210	Electrical Contractors and other wiring contractors	306	1,575	19.43%
238220	Plumbing, HVAC Contractors	136	1,780	7.64%
238310	Drywall and Insulation Contractors	20	417	4.80%
238320	Painting and Wall Covering Contractors	27	1,012	2.67%
238330	Flooring Contractor	46	378	12.17%
238350	Finish Carpentry Contractors	58	449	12.92%
238910	Poured Concrete Foundation and Structure	39	418	9.33%
325212	Synthetic Rubber Manufacturing	2	2	100.00%
332323	Ornamental and Architectural Metal Work Mfg	12	65	18.46%
332722	Bolt, Nut, Screw, Rivet, and Washer Manufacturing (Steel fasteners)	0	10	0.00%
332996	Fabricated Pipe and Pipe Fitting Mfg	6	13	46.15%
334511	Search, Detection, Navigation, Guidance, Aeronautical and Nautical System and Instrumentation Mfg	0	15	0.00%
336360	Motor Vehicle Seating and Interior Trim Mfg	1	4	25.00%
336390	Other Motor Vehicle Parts Mfg	0	8	0.00%
336611	Shipbuilding and Repair	0	11	0.00%
336612	Boat Building	0	4	0.00%
339950	Signage Mfg	7	93	7.53%
483211	Inland Water Freight Transportation	1	1	100.00%
517110	Wired Telecommunications Carriers	3	524	0.57%
541320	Landscape Architectural Services	54	267	20.22%
541330	Engineering	596	2,196	27.14%
541370	Surveying and Mapping (Except Geophysical) Services	45	95	47.37%
811310	Commercial and Industrial Machinery and Equipment Repair and Maintenance	4	340	1.18%

FTA Funds to be Expended in Each Specific Area and Calculating Base Figure: The FTA-assisted contracts and subcontracts identified by project managers were categorized according to their NAICS industry classifications. See Exhibit 1, Column B. Contract dollars of each industry classification were divided by the total contract dollars

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(\$26,691,568) resulting in percentage of total dollars per contract and classification, called the “weighted” percentage. The result is shown in Exhibit 1, Column D.

Next, the Base Figure for the Overall Goal was calculated by multiplying the weighted percentage of funds to be expended for each NAICS code (Exhibit 1, Column D) by SBE relative availability for each NAICS code (carried forward from Table 2 and shown in Exhibit 1, Column E). Base Figures for each NAICS code is shown in Exhibit 1, Column F. Finally, Base Figures for all NAICS codes were totaled, resulting in a 15.19% overall base figure.

Calculating Base Figure per Individual Contract: To determine the Base Figure for each contract, the percentage of work (prime and sub) identified by project managers was multiplied by the SBE relative availability (carried forward from Table 2), and totaled for each contract. See Exhibit 2.

Step Two. Adjusting Base Figures

WETA examined the nature of the contracts budgeted for award to determine whether any further refinements were warranted. In order to determine the SBEs that are capable of conducting work on WETA’s vessel contracts and contracts with marine specific expertise, staff determined that the same Step 2 adjustments as were conducted in the DBE Goal Analysis were warranted on all 11 vessel contracts and four terminal contracts.

Vessel Contracts:

As described in the description of the Step 2 adjustment in the DBE Goal Analysis Report, working on vessels is highly specialized and requires marine specific methods, expertise and in some cases certifications. Adjusting the base figure to accurately reflect the availability of SBEs with marine specific skills is necessary to identify a reasonable overall SBE goal. The lists of all firms and SBEs were adjusted to only include those firms with the keywords “marine”, “vessel”, or “ship” in the firm’s name, business description or work codes. The adjusted vessel specific NAICS codes and relative SBE availability is provided in the table below:

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Table 3: Adjusted SBE Availability for Marine Construction and Vessel Specific NAICS Codes in WETA's Market Area

A. NAICS Code Number	B. NAICS Description	C. SBEs	D. All Firms	E. Relative SBE Availability (C/D)
Marine Construction				
237990	Other Heavy Civil Engineering & Construction	0	11	0.00%
Vessel Specific NAICS Codes				
238210	Electrical Contractors and Other Wiring Contractors	1	3	33.33%
238220	Plumbing, HVAC Contractors	0	3	0.00%
238310	Drywall and Insulation Contractors	0	0	0.00%
238320	Painting and Wall Covering Contractors	0	1	0.00%
238330	Flooring Contractor	0	0	0.00%
238350	Finish Carpentry Contractors	0	0	0.00%
334511	Search, Detection, Navigation, Guidance, Aeronautical and Nautical System and Instrumentation Mfg	0	0	0.00%
336360	Motor Vehicle Seating and Interior Trim Mfg	0	0	0.00%
336390	Other Motor Vehicle Parts Mfg	0	0	0.00%
336611	Shipbuilding and Repair	0	9	0.00%
336612	Boat Building	0	49	0.00%
517110	Wired Telecommunications Carriers	0	0	0.00%
541330	Engineering	1	12	8.33%
811310	Commercial and Industrial Machinery and Equipment Repair and Maintenance	0	73	0.00%

Using these revised SBE availability figures, staff recalculated the Base Figure per Contract for each of the 11 vessel overhaul or refurbishment contracts.

All Vessel Contracts - Step 2 Adjustment:

Step 1: Results from Step 1 Base Figure calculations for the 11 vessel specific projects are displayed in Exhibit 2.

Step 2: SBE Availability for all NAICS codes for vessel overhaul and refurbishment contracts are reflected in the SBE Availability per Contract column in Table 7 which displays the overall goal.

Terminal Contracts:

In addition to adjusting the vessel specific contracts, staff determined that adjustments are also necessary on the terminal contracts listed below:

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1. Replace Terminal Fendering – East Bay Terminals
2. South San Francisco Gangway and Ramps Rehabilitation
3. San Francisco Berthing Expansion –South Basin
4. Richmond Ferry Terminal

The prime work for all four of the above projects is in NAICS code 237990 Other Heavy and Civil Engineering Construction. The scope of work within NAICS code 237990 for each of the above projects requires a firm with marine construction expertise and equipment. As is further described in the DBE Goal Analysis Report, staff used the Dun & Bradstreet Hoovers database to search for all firms in WETA’s local market area in the 237990 NAICS codes that perform marine construction, using the keywords “marine,” “dredging,” “pier,” and “waterfront.” Only firms with these keywords in the firm’s name, business description or work codes are included. The same methodology was used to adjust the list of SBE firms.

WETA found a total of 11 companies in its local market area that perform marine construction under NAICS code 237990 in the Dun & Bradstreet database (all firms). None of the SBE firms listed in CUCP or DGS databases under NAICS code 237990 for WETA’s market area were listed in the Hoovers database search in the same NAICS code using the keywords “marine,” “dredging,” “pier,” and “waterfront.” Exhibit 3 provides the list of SBEs and the list of all firms found in NAICS code 237990 using the above keyword search. This evidence suggests that none of the 36 SBE firms listed under NAICS code 237990 are “ready, willing, and able” to perform the prime work in the four contracts listed above.

The following adjustments are therefore necessary to ensure the accuracy of the availability of firms in 237990 to perform this work.

Replace Terminal Fendering – East Bay Terminals and South San Francisco Gangway and Ramps Rehabilitation Projects: These two projects include marine construction as the prime work. There may be some limited subcontracting opportunities available under NAICS code 237990. The following step 2 adjustment is based on SBE availability for subcontracting opportunities amounting to 5% of the work under NAICS code 237990.

Replace Terminal Fendering – East Bay Terminals Step 2 Adjustment:

Step 1: Results from Base Figure Calculations: 67.76%

Step 2: Remove the prime work from calculation. Provide for subcontracting opportunities in the amount of 5% of the work under NAICS Code 237990, resulting in adjusted Base Figure of 38.65%

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Table 4: Replace Terminal Fendering – East Bay Terminals Step 2 Adjustment

NAICS Code & Description for Prime & Subcontracting Opportunities		Percent of Individual Contract Dollars	Relative SBE Availability	Base Figure Per Contract
Replace Terminal Fendering - East Bay Terminals				
Prime	237990 Other Heavy and Civil Engineering Construction	55.00%	0.00%	0.00%
Sub	237990 Other Heavy and Civil Engineering Construction	5.00%	52.94%	2.65%
Sub	325212 Synthetic Rubber Manufacturing	36.00%	100.00%	36.00%
Sub	332722 Bolt, Nut, Screw, Rivet, and Washer Manufacturing (Steel fasteners)	4.00%	0.00%	0.00%
Contract Total		100.00%		38.65%

South San Francisco Gangway and Ramps Rehabilitation Step 2 Adjustment:

Step 1: Results from Base Figure Calculations: 33.06%

Step 2: Remove the prime work from calculation. Provide for subcontracting opportunities in the amount of 5% of the work under NAICS Code 237990, resulting in adjusted Base Figure of 9.24%

Table 5: South San Francisco Gangway and Ramps Rehabilitation Step 2 Adjustment:

NAICS Code & Description for Prime & Subcontracting Opportunities		Percent of Individual Contract Dollars	Relative SBE Availability	Base Figure Per Contract
South San Francisco Gangway and Ramps Rehabilitation				
Prime	237990 Other Heavy and Civil Engineering Construction	45.00%	0.00%	0.00%
Sub	237990 Other Heavy and Civil Engineering Construction	5.00%	52.94%	2.65%
Sub	238210 Electrical Contractors and other wiring contractors	5.00%	19.43%	0.97%
Sub	811310 Commercial and Industrial Machinery & Equipment Repair & Maintenance	30.00%	1.18%	0.35%
Sub	238320 Painting and wall covering contractors	10.00%	2.67%	0.27%
Sub	325212 Synthetic Rubber Manufacturing	5.00%	100.00%	5.00%
Contract Total		100.00%		9.24%

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San Francisco Berthing Expansion –South Basin and Richmond Ferry Terminal Projects:
 The San Francisco Berthing Expansion South Basin project is approximately a \$65 million project and the Richmond Ferry Terminal Project is approximately a \$14 million project. The scope of work for both of the prime work categories in these projects include marine construction services and will require specialized experience and equipment. Additionally, due to the size of these projects, the bonding and financial requirements will likely limit the prospective prime contractors for the work to companies that exceed the SBE size standards. However, WETA acknowledges that there could be opportunities for the prime to subcontract portions of the work that could fall under the same NAICS codes as the prime contracts. Therefore 95% of the prime work under 237990 for both these projects has been adjusted to provide for a 0% SBE availability. The following step 2 adjustment is based on SBE availability for subcontracting opportunities amounting to 5% of the work under NAICS code 237990.

San Francisco Berthing Expansion –South Basin Step 2 Adjustment:

Step 1: Results from Base Figure Calculations: 42.24%

Step 2: Remove the prime work from calculation. Provide for subcontracting opportunities in the amount of 5% of the work under NAICS Code 237990, resulting in adjusted Base Figure of 16.94%

Table 6: San Francisco Berthing Expansion –South Basin Step 2 Adjustment:

NAICS Code & Description for Prime & Subcontracting Opportunities		Percent of Individual Contract Dollars	Relative SBE Availability	Base Figure Per Contract
San Francisco Berthing Expansion - South Basin				
Prime	237990 Other Heavy and Civil Engineering Construction	47.80%	0.00%	0.00%
Sub	237990 Other Heavy and Civil Engineering Construction	5%	52.94%	2.65%
Sub	332996 Fabricated Pipe and Pipe Fitting Manufacturing	20.43%	46.15%	9.43%
Sub	332323 Ornamental and Architectural Metal Work Mfg	24.19%	18.46%	4.47%
Sub	541320 Landscape Architectural Services	0.23%	20.22%	0.05%
Sub	238210 Electrical Contractors	1.49%	19.43%	0.29%
Sub	238220 Plumbing and HVAC Contractors	0.87%	7.64%	0.07%
Contract Total		100.00%		16.94%

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Richmond Ferry Terminal Step 2 Adjustment:

Step 1: Results from Base Figure Calculations: 46.13%

Step 2: Remove the prime work from calculation. Provide for subcontracting opportunities in the amount of 5% of the work under NAICS Code 237990, resulting in adjusted Base Figure of 11.72%

Table 7: Richmond Ferry Terminal Step 2 Adjustment:

NAICS Code & Description for Prime & Subcontracting Opportunities		Percent of Individual Contract Dollars	Relative SBE Availability	Base Figure Per Contract
Richmond Ferry Terminal				
Prime	237990 Other Heavy and Civil Engineering Construction	65.00%	0.00%	0.00%
Sub	237990 Other Heavy and Civil Engineering Construction	5.00%	52.94%	2.65%
Sub	541330 Engineering Services	13.01%	27.14%	3.53%
Sub	332323 Ornamental and Architectural Metal Work Mfg	8.00%	18.46%	1.48%
Sub	483211 Inland Freight Transportation	3.33%	100.00%	3.33%
Sub	238210 Electrical Contractors	1.00%	19.43%	0.19%
Sub	238220 Plumbing and HVAC Contractors	1.00%	7.64%	0.08%
Sub	541370 Surveying and Mapping (except geophysical) Services	0.33%	47.37%	0.16%
Sub	339950 Signage Mfg	0.33%	7.53%	0.02%
Sub	238910 Poured Concrete foundation and structure	3.00%	9.33%	0.28%
Contract Total		100.00%		11.72%

Overall Goal

SBE availability per contract was calculated into projected SBE participation dollars by taking the FTA dollars budgeted for each contract (from Table 1) and multiplying them by the adjusted availability per contract. The total of the projected SBE participation dollars was then divided by the total of the budgeted FTA dollars for all contracts, resulting in a 5.04% overall goal. See Table 7 below.

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Table 7: Overall SBE Goal FFY 17-19

Contract Type	Contract	FTA Dollars	SBE Availability per Contract	FTA Dollars Projected for SBEs
Anticipated for Award in FFY 16/17				
Vessel	Engine (10,000 Hour) Overhaul - Pisces & Scorpio	\$860,160	0.00%	\$0
Terminal	Replace Terminal Fendering - East Bay Terminals	\$73,600	38.65%	\$28,446
Vessel	Quarter-Life Refurbishment - Pisces	\$1,962,240	3.21%	\$62,988
Vessel	Replace Primary Lifesaving Equip. – Gemini, Pisces, Scorpio & Taurus	\$75,200	0.00%	\$0
Vessel	Quarter-Life Refurbishment - Scorpio & Taurus	\$4,010,880	2.66%	\$106,689
Terminal	South San Francisco Gangway and Ramps Rehabilitation	\$167,120	9.24%	\$15,442
Vessel	Peralta Refurbishment - Phase 2	\$1,886,068	0.00%	\$0
Terminal	Richmond Ferry Terminal	\$2,127,000	11.72%	\$249,284
Terminal	San Francisco Berthing Expansion - South Basin	\$4,619,860	16.94%	\$782,604
Anticipated for Award in FFY 17/18 & FFY 18/19				
Vessel	Main Engine Intermediate Overhaul – Gemini & Taurus	\$167,040	0.00%	\$0
Terminal	Passenger Float Drydock and Rehab – Main Street Terminal	\$501,360	0.00%	\$0
Vessel	Engine Overhauls Encinal, Bay Breeze, Pisces and Scorpio	\$932,800	0.00%	\$0
Vessel	Engine (10,000 Hour) Overhaul - Peralta	\$170,800	0.00%	\$0
Vessel	Quarter-life Refurbishment - Intintoli	\$3,757,440	2.67%	\$100,324
Vessel	Major Dry Dock - Bay Breeze	\$170,800	0.00%	\$0
Terminal	Passenger Float Drydock and Rehab – Harbor Bay Terminal	\$512,400	0.00%	\$0
Vessel	Mid-life Refurbishment - Solano	\$4,696,800	0.00%	\$0

Total FTA Dollars and SBE Dollars	\$26,691,568		\$1,345,778
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FTA Dollars Projected for SBEs	FTA Budgeted	Annual Overall Goal
\$1,345,778	\$26,691,568	5.04%

Conclusion

The overall SBE goal for FTA-assisted contracts for FFY 2017 through 2019 is 5.04%.

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Exhibit 1: Calculating Weighted FTA Dollars and Base Figure

A. NAICS Code	B. NAICS Description and Associated Contracts	C. FTA Dollars for contract	D. Weighted % of Total FTA Dollars	E. SBE Availability	F. Base Figure
	237990 Other Heavy and Civil Engineering Construction				
	Richmond Ferry Terminal	\$1,452,077	5.44%	52.94%	2.88%
	San Francisco Berthing Expansion - South Basin	\$2,439,059	9.14%	52.94%	4.84%
	South San Francisco Gangway and Ramps Rehabilitation	\$83,560	0.31%	52.94%	0.17%
	Replace Terminal Fendering - East Bay Terminals	\$44,160	0.17%	52.94%	0.09%
	238210 Electrical Contractors and other wiring contractors				
	South San Francisco Gangway and Ramps Rehabilitation	\$8,356	0.03%	19.43%	0.01%
	Richmond Ferry Terminal	\$22,500	0.08%	19.43%	0.02%
	San Francisco Berthing Expansion - South Basin	\$68,896	0.26%	19.43%	0.05%
	Quarter-Life Refurbishment - Pisces	\$156,979	0.59%	19.43%	0.11%
	Quarter-Life Refurbishment - Scorpio & Taurus	\$320,870	1.20%	19.43%	0.23%
	Quarter-life Refurbishment - Intintoli	\$300,595	1.13%	19.43%	0.22%
	238220 Plumbing, HVAC Contractors				
	Richmond Ferry Terminal	\$22,500	0.08%	7.64%	0.006%
	San Francisco Berthing Expansion - South Basin	\$40,406	0.15%	7.64%	0.012%
	Quarter-Life Refurbishment - Pisces	\$139,319	0.52%	7.64%	0.04%
	Quarter-Life Refurbishment - Scorpio & Taurus	\$292,794	1.10%	7.64%	0.08%
	Quarter-life Refurbishment - Intintoli	\$274,293	1.03%	7.64%	0.08%
	238310 Drywall and Insulation Contractors				
	Quarter-Life Refurbishment - Pisces	\$533,729	2.00%	4.80%	0.10%
	Quarter-Life Refurbishment - Scorpio & Taurus	\$120,326	0.45%	4.80%	0.02%
	Quarter-life Refurbishment - Intintoli	\$112,723	0.42%	4.80%	0.02%
	238320 Painting and Wall Covering Contractors				
	South San Francisco Gangway and Ramps Rehabilitation	\$16,712	0.06%	2.67%	0.00%
	Peralta Refurbishment - Phase 2	\$499,997	1.87%	2.67%	0.05%
	Mid-life Refurbishment - Solano	\$704,520	2.64%	2.67%	0.07%

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238330	Flooring Contractor				
	Quarter-Life Refurbishment - Pisces	\$98,112	0.37%	12.17%	0.04%
	Quarter-Life Refurbishment - Scorpio & Taurus	\$200,544	0.75%	12.17%	0.09%
	Quarter-life Refurbishment - Intintoli	\$187,872	0.70%	12.17%	0.09%
	Mid-life Refurbishment - Solano	\$187,872	0.70%	12.17%	0.09%
238350	Finish Carpentry Contractors				
	Peralta Refurbishment - Phase 2	\$300,073	1.12%	12.92%	0.15%
238910	Poured Concrete Foundation and Structure				
	Richmond Ferry Terminal	\$67,500	0.25%	9.33%	0.02%
325212	Synthetic Rubber Manufacturing				
	Replace Terminal Fendering - East Bay Terminals	\$26,496	0.10%	100.00%	0.10%
	South San Francisco Gangway and Ramps Rehabilitation	\$8,356	0.03%	100.00%	0.03%
332323	Ornamental and Architectural Metal Work Mfg				
	Richmond Ferry Terminal	\$180,000	0.67%	18.46%	0.12%
	San Francisco Berthing Expansion - South Basin	\$1,117,462	4.19%	18.46%	0.77%
332722	Bolt, Nut, Screw, Rivet, and Washer Manufacturing (Steel fasteners)				
	Replace Terminal Fendering - East Bay Terminals	\$2,944	0.01%	0.00%	0.00%
332996	Fabricated Pipe and Pipe Fitting Mfg				
	San Francisco Berthing Expansion - South Basin	\$943,611	3.54%	46.15%	1.63%
334511	Search, Detection, Navigation, Guidance, Aeronautical and Nautical System and Instrumentation Mfg				0.00%
	Peralta Refurbishment - Phase 2	\$199,923	0.75%	0.00%	0.00%
336360	Motor Vehicle Seating and Interior Trim Mfg				
	Quarter-Life Refurbishment - Pisces	\$363,014	1.36%	25.00%	0.34%
	Quarter-Life Refurbishment - Scorpio & Taurus	\$742,013	2.78%	25.00%	0.69%
	Quarter-life Refurbishment - Intintoli	\$695,126	2.60%	25.00%	0.65%
	Mid-life Refurbishment - Solano	\$375,744	1.41%	25.00%	0.35%
336390	Other Motor Vehicle Parts Mfg				
	Quarter-Life Refurbishment - Pisces	\$129,508	0.49%	0.00%	0.00%

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336611	Shipbuilding and Repair				
	Passenger Float Drydock and Rehab - Main Street Terminal	\$501,360	1.88%	0.00%	0.00%
	Passenger Float Drydock and Rehab - Harbor Bay Terminal	\$512,400	1.92%	0.00%	0.00%
	Engine (10,000 Hour) Overhaul - Pisces & Scorpio	\$220,201	0.82%	0.00%	0.00%
	Quarter-Life Refurbishment - Pisces	\$392,448	1.47%	0.00%	0.00%
	Quarter-Life Refurbishment - Scorpio & Taurus	\$2,294,223	8.60%	0.00%	0.00%
	Peralta Refurbishment - Phase 2	\$886,075	3.32%	0.00%	0.00%
	Main Engine Intermediate Overhaul - Gemini & Taurus	\$49,995	0.19%	0.00%	0.00%
	Engine Overhauls Encinal, Bay Breeze, Pisces and Scorpio	\$99,996	0.37%	0.00%	0.00%
	Engine (10,000 Hour) Overhaul - Peralta	\$49,993	0.19%	0.00%	0.00%
	Quarter-life Refurbishment - Intintoli	\$2,149,256	8.05%	0.00%	0.00%
	Major Dry Dock - Bay Breeze	\$170,800	0.64%	0.00%	0.00%
	Mid-life Refurbishment - Solano	\$939,360	3.52%	0.00%	0.00%
336612	Boat Building				
	Replace Primary Lifesaving Equipment - Gemini, Pisces, Scorpio & Taurus	\$75,200	0.28%	0.00%	0.00%
339950	Signage Mfg				
	Richmond Ferry Terminal	\$7,499	0.03%	7.53%	0.00%
483211	Inland Water Freight Transportation				
	Richmond Ferry Terminal	\$74,925	0.28%	100.00%	0.28%
517110	Wired Telecommunications Carriers				
	Quarter-Life Refurbishment - Pisces	\$19,622	0.07%	0.57%	0.00%
	Quarter-Life Refurbishment - Scorpio & Taurus	\$40,109	0.15%	0.57%	0.00%
	Quarter-life Refurbishment - Intintoli	\$37,574	0.14%	0.57%	0.00%
541320	Landscape Architectural Services				
	San Francisco Berthing Expansion - South Basin	\$10,425	0.04%	20.22%	0.01%
541330	Engineering				
	Richmond Ferry Terminal	\$292,500	1.10%	27.14%	0.30%
	Quarter-Life Refurbishment - Pisces	\$129,508	0.49%	27.14%	0.13%
541370	Surveying and Mapping (Except Geophysical) Services				
	Richmond Ferry Terminal	\$7,499	0.03%	47.37%	0.01%

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811310	Commercial and Industrial Machinery and Equipment Repair and Maintenance				
	South San Francisco Gangway and Ramps Rehabilitation	\$50,136	0.19%	1.18%	0.00%
	Engine (10,000 Hour) Overhaul - Pisces & Scorpio	\$639,959	2.40%	1.18%	0.03%
	Main Engine Intermediate Overhaul - Gemini & Taurus	\$117,045	0.44%	1.18%	0.01%
	Engine Overhauls Encinal, Bay Breeze, Pisces and Scorpio	\$832,804	3.12%	1.18%	0.04%
	Engine (10,000 Hour) Overhaul - Peralta	\$120,807	0.45%	1.18%	0.01%
	Mid-life Refurbishment - Solano	\$2,489,304	9.33%	1.18%	0.11%

Total Federal Funds	\$26,691,568
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Base Figure	15.19%
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Exhibit 2: Base Figure Breakdown per Individual Contract

NAICS Code & Description for Prime & Subcontracting Opportunities				Percent of Individual Contract Dollars	Relative SBE Availability	Base Figure Per Contract
Anticipated for Award in FFY 16/17						
Engine (10,000 Hour) Overhaul - Pisces & Scorpio (Vessel Project)						
Prime	336611	Shipbuilding and Repair		25.60%	0.00%	0.00%
Sub	811310	Commercial and Industrial Machinery and Equipment Repair and Maintenance		74.40%	1.18%	0.88%
Contract Total				100.00%		0.88%
Replace Terminal Fendering - East Bay Terminals						
Prime	237990	Other Heavy and Civil Engineering Construction		60.00%	52.94%	31.76%
Sub	325212	Synthetic Rubber Manufacturing		36.00%	100.00%	36.00%
Sub	332722	Bolt, Nut, Screw, Rivet, and Washer Manufacturing (Steel fasteners)		4.00%	0.00%	0.00%
Contract Total				100.00%		67.76%
Quarter-Life Refurbishment - Pisces (Vessel Project)						
Prime	336611	Shipbuilding and Repair		20.00%	0.00%	0.00%
Sub	517110	Wired Telecommunications Carriers		1.00%	0.57%	0.01%
Sub	238210	Electrical Contractors and other wiring contractors		8.00%	19.43%	1.55%
Sub	238220	Plumbing, HVAC Contractors		7.10%	7.64%	0.54%
Sub	541330	Engineering		6.60%	27.14%	1.79%
Sub	238310	Drywall and Insulation Contractors		27.20%	4.80%	1.31%
Sub	336360	Motor Vehicle Seating and Interior Trim Manufacturing		18.50%	25.00%	4.63%
Sub	238330	Flooring contractor		5.00%	12.17%	0.61%
Sub	336390	Other Motor Vehicle Parts Manufacturing		6.60%	0.00%	0.00%
Contract Total				100.00%		10.43%
Replace Primary Lifesaving Equipment - Gemini, Pisces, Scorpio & Taurus (Vessel Project)						
Prime	336612	Boat Building		100.00%	0.00%	0.00%
Contract Total				100.00%		0.00%

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Quarter-Life Refurbishment - Scorpio & Taurus (Vessel Project)					
Prime	336611	Shipbuilding and Repair	57.20%	0.00%	0.00%
Sub	517110	Wired Telecommunications Carriers	1.00%	0.57%	0.01%
Sub	238210	Electrical Contractors and other wiring contractors	8.00%	19.43%	1.55%
Sub	238220	Plumbing, HVAC Contractors	7.30%	7.64%	0.56%
Sub	238310	Drywall and Insulation Contractors	3.00%	4.80%	0.14%
Sub	336360	Motor Vehicle Seating and Interior Trim Manufacturing	18.50%	25.00%	4.63%
Sub	238330	Flooring contractor	5.00%	12.17%	0.61%
Contract Total			100.00%		7.50%

South San Francisco Gangway and Ramps Rehabilitation					
Prime	237990	Other Heavy and Civil Engineering Construction	50.00%	52.94%	26.47%
Sub	238210	Electrical Contractors and other wiring contractors	5.00%	19.43%	0.97%
Sub	811310	Commercial and Industrial Machinery and Equipment Repair and Maintenance	30.00%	1.18%	0.35%
Sub	238320	Painting and wall covering contractors	10.00%	2.67%	0.27%
Sub	325212	Synthetic Rubber Manufacturing	5.00%	100.00%	5.00%
Contract Total			100.00%		33.06%

Peralta Refurbishment - Phase 2 (Vessel Project)					
Prime	336611	Shipbuilding and Repair	46.98%	0.00%	0.00%
Sub	238320	Painting and wall covering contractors	26.51%	2.67%	0.71%
Sub	238350	Finish Carpentry Contractors	15.91%	12.92%	2.06%
Sub	334511	Search, detection, Navigation, Guidance, Aeronautical and Nautical System and Instrumentation Mfg	10.60%	0.00%	0.00%
Contract Total			100.00%		2.76%

Richmond Ferry Terminal					
Prime	237990	Other Heavy and Civil Engineering Construction	70.00%	52.94%	37.06%
Sub	541330	Engineering Services	13.01%	27.14%	3.53%
Sub	332323	Ornamental and Architectural Metal Work Mfg	8.00%	18.46%	1.48%
Sub	483211	Inland Freight Transportation	3.33%	100.00%	3.33%
Sub	238210	Electrical Contractors	1.00%	19.43%	0.19%
Sub	238220	Plumbing and HVAC Contractors	1.00%	7.64%	0.08%

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Sub	541370	Surveying and Mapping (except geophysical) Services	0.33%	47.37%	0.16%
Sub	339950	Signage Mfg	0.33%	7.53%	0.02%
Sub	238910	Poured Concrete foundation and structure	3.00%	9.33%	0.28%
Contract Total			100.00%		46.13%

San Francisco Berthing Expansion - South Basin					
Prime	237990	Other Heavy and Civil Engineering Construction	52.80%	52.94%	27.95%
Sub	332996	Fabricated Pipe and Pipe Fitting Manufacturing	20.43%	46.15%	9.43%
Sub	332323	Ornamental and Architectural Metal Work Mfg	24.19%	18.46%	4.47%
Sub	541320	Landscape Architectural Services	0.23%	20.22%	0.05%
Sub	238210	Electrical Contractors	1.49%	19.43%	0.29%
Sub	238220	Plumbing and HVAC Contractors	0.87%	7.64%	0.07%
Contract Total			100.00%		42.24%

Anticipated for Award in FFY 17/18 & FFY 18/19					
Main Engine Intermediate Overhaul - Gemini & Taurus (Vessel Project)					
Prime	336611	Shipbuilding and Repair	29.93%	0.00%	0.00%
Sub	811310	Commercial and Industrial Machinery and Equipment Repair and Maintenance	70.07%	1.18%	0.83%
Contract Total			100.00%		0.83%

Passenger Float Drydock and Rehab - Main Street Terminal					
Prime	336611	Shipbuilding and Repair	100.00%	0.00%	0.00%
Contract Total			100.00%		0.00%

Engine Overhauls Encinal, Bay Breeze, Pisces and Scorpio (Vessel Project)					
Prime	336611	Shipbuilding and Repair	10.72%	0.00%	0.00%
Sub	811310	Commercial and Industrial Machinery and Equipment Repair and Maintenance	89.28%	1.18%	1.05%
Contract Total			100.00%		1.05%

Engine (10,000 Hour) Overhaul - Peralta (Vessel Project)					
Prime	336611	Shipbuilding and Repair	29.27%	0.00%	0.00%
Sub	811310	Commercial and Industrial Machinery and Equipment Repair and Maintenance	70.73%	1.18%	0.83%
Contract Total			100.00%		0.83%

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Quarter-life Refurbishment - Intintoli (Vessel Project)					
Prime	336611	Shipbuilding and Repair	57.20%	0.00%	0.00%
Sub	517110	Wired Telecommunications Carriers	1.00%	0.57%	0.01%
Sub	238210	Electrical Contractors and other wiring contractors	8.00%	19.43%	1.55%
Sub	238220	Plumbing, HVAC Contractors	7.30%	7.64%	0.56%
Sub	238310	Drywall and Insulation Contractors	3.00%	4.80%	0.14%
Sub	336360	Motor Vehicle Seating and Interior Trim Manufacturing	18.50%	25.00%	4.63%
Sub	238330	Flooring contractor	5.00%	12.17%	0.61%
Contract Total			100.00%		7.50%

Major Dry Dock - Bay Breeze (Vessel Project)					
Prime	336611	Shipbuilding and Repair	100.00%	0.00%	0.00%
Contract Total			100.00%		0.00%

Passenger Float Drydock and Rehab - Harbor Bay Terminal					
Prime	336611	Shipbuilding and Repair	100.00%	0.00%	0.00%
Contract Total			100.00%		0.00%

Mid-life Refurbishment - Solano (Vessel Project)					
Prime	336611	Shipbuilding and Repair	20.00%	0.00%	0.00%
Sub	811310	Commercial and Industrial Machinery and Equipment Repair and Maintenance	53.00%	1.18%	0.63%
Sub	238320	Painting and wall covering contractors	15.00%	2.67%	0.40%
Sub	238330	Flooring Contractor	4.00%	12.17%	0.49%
Sub	336360	Motor Vehicle Seating and Interior Trim Manufacturing	8.00%	25.00%	2.00%
Contract Total			100.00%		3.51%

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Exhibit 3: Listing of Firms in NAICS Codes 237990

A. Hoovers Database search, NACIS Code 237990 using keywords “marine,” “dredging,” “pier,” and “waterfront.”

Company Name	Primary Address 1	Primary City	Primary County	Primary State	Primary Zip	Phone Number	Web Address	Primary Industry	Primary US NAICS Code	All NAICS Codes
Vortex Marine Construction, Inc.	1 Maritime Way	Antioch	Contra Costa County	CA	94509	510-261-2400	www.vortex-sfb.com	Commercial & Heavy Construction Contractors	237990	237990;561990
Tidal Marine Construction Inc	2465 Vista Del Monte Ste A	Concord	Contra Costa County	CA	94520	925-609-6464	www.tidalmarine.net	Commercial & Heavy Construction Contractors	237990	237990
Bayside Dredging Co	1425 Tichenor Ct	Lafayette	Contra Costa County	CA	94549	925-284-8100		Commercial & Heavy Construction Contractors	237990	237990
Sean Alexander Marine Services, Inc.	4480 Discovery Pt	Discovery Bay	Contra Costa County	CA	94505	925-634-8744	www.sealmarine.com	Commercial & Heavy Construction Contractors	237990	237990
Mobile Marine Svc.	4687 La Vista Dr	Oakley	Contra Costa County	CA	94561	510-882-1604		Commercial & Heavy Construction Contractors	237990	237990
THE DUTRA GROUP	2350 Kerner Blvd Ste 200	San Rafael	Marin County	CA	94901	415-258-6876	www.dutragroup.com	Commercial & Heavy Construction Contractors	237990	212319;237990;541330
Dutra Dredging Company	2350 Kerner Blvd Ste 200	San Rafael	Marin County	CA	94901	415-721-2131		Commercial & Heavy Construction Contractors	237990	237990
DOD Marine Constructors A JV	185 Devlin Rd	Napa	Napa County	CA	94558	707-265-1100	www.novagr.com	Commercial & Heavy Construction Contractors	237990	237990
Marine Contractors, JV	185 Devlin Rd	Napa	Napa County	CA	94558	707-265-1116	www.novagr.com	Commercial & Heavy Construction Contractors	237990	237990
Camenzind Dredging, Inc.	792 Montrose Ave	Palo Alto	Santa Clara County	CA	94303	650-424-0367	www.camenzinddredging.com	Commercial & Heavy Construction Contractors	237990	237990
Dutra Dredging Company	615 River Rd	Rio Vista	Solano County	CA	94571	707-374-5127		Commercial & Heavy Construction Contractors	237990	237990
Bellingham Marine Industries, Inc.	8810 Sparling Ln	Dixon	Solano County	CA	95620	707-678-2385	www.bellingham-marine.com	Commercial & Heavy Construction Contractors	237990	237990;327390

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B. CUCP and DGS Database Search, NAICS Code 237990, using keywords “marine,” “dredging,” “pier,” and “waterfront.”

NAME	ADDRESS	CITY	STATE	ZIP	
A.J. VASCONI GENERAL ENGINEERING	1820 GALINDO STREET, SUITE 275	CONCORD	CA	94520	DBE
ABA	22 WAWONA STREET	SAN FRANCISCO	CA	94127	DBE
AMA DIVERSIFIED CONSTRUCTION GROUP	537 4th Street	SANTA ROSA	CA	95401	SBE
APADANA ENGINEERING, INC.	5 THOMAS MELLON CIRCLE, SUITE 154	SAN FRANCISCO	CA	94134	DBE
AZUL WORKS INC	1555 YOSEMITE AVENUE, SUITE NO. 2	SAN FRANCISCO	CA	94124	DBE
C.GUINN DESIGN BUILD CONSTRUCTION	P.O. Box 29617	OAKLAND	CA	94604	SBE
CAPERS SERVICES	4528 HARMONY PLACE	ROHNERT PARK	CA	94928	DBE
CIVILCOM LLC	2211 AUSTIN ST	ALAMEDA	CA	94501	DBE
DEENSGROUP CONSTRUCTION	2175 THE ALAMEDA, SUITE 100	SAN JOSE	CA	95126	DBE
D-LINE CONSTRUCTORS, INC.	499 EMBARCADERO, SUITE Q	OAKLAND	CA	94606	DBE
EAGLE ENGINEERING AND CONSTRUCTION, INC	1175 PALOMAR DRIVE	REDWOOD CITY	CA	94062	DBE
EMPIRE ENGINEERING & CONSTRUCTION, INC.	180 MENDELL STREET	SAN FRANCISCO	CA	94124	DBE
EXARO TECHNOLOGIES CORPORATION	1831 BAYSHORE HWY	BURLINGAME	CA	94010	DBE
EXCAVATORS, INC	336 GLEN EAGLE CT	VACAVILLE	CA	95688	SWBE
GEMS ENVIRONMENTAL MANAGEMENT SERVICES, INC	1120 WILLOW PASS COURT	CONCORD	CA	94520	SMBE
HILLSIDE DRILLING, INC.	539 S. 11TH STREET	RICHMOND	CA	94804	DBE
HYDROCONSULT ENGINEERS, INC.	45 POLK STREET, 3RD FLOOR	SAN FRANCISCO	CA	94102	DBE
J. A. GONSALVES & SON CONSTRUCTION, INC.	1100 SOSCOL FERRY ROAD #2	NAPA	CA	94558	SMBE
J.J.R. CONSTRUCTION	1120 NINTH AVENUE	SAN MATEO	CA	94402	DBE
LAWRENCE FORD CONSTRUCTION, INC	2565 EL PORTAL DRIVE, UNIT A	SAN PABLO	CA	94806	DBE
MISSION CONSTRUCTORS, INC.	2177 JERROLD AVE., #201	SAN FRANCISCO	CA	94124	DBE
NTK CONSTRUCTION INC	501 CESAR CHAVEZ STREET, SUITE 123	SAN FRANCISCO	CA	94124	DBE
OLIVER TRANSBAY CONSTRUCTION INC	1485 BAYSHORE BOULEVARD SUITE B145-421	SAN FRANCISCO	CA	94124	DBE
PARI & GERSHON INCORPORATED	2053 LINCOLN AVE, STE A	SAN JOSE	CA	95125	SWBE
PHOENIX ELECTRIC COMPANY	1350 VAN DYKE AVENUE	SAN FRANCISCO	CA	94124	DBE
PSM ASSOCIATES	1326 Howard Ave.	SAN CARLOS	CA	94070	SBE
QUIMU CONTRACTING, INC.	695 PRIDDY DRIVE	DIXON	CA	95620	SMBE
REFLEX ENGINEERING INC	1308 ROLLINS ROAD	BURLINGAME	CA	94010	DBE
RELIANCE ENGINEERING INC	PIER 96 ADMIN BLDG	SAN FRANCISCO	CA	94124	DBE
ROADWAY CONSTRUCTION INC	ONE MARKET PLAZA SPEAR TOWER	SAN FRANCISCO	CA	94105	DBE
SCHOTKA CONSTRUCTION INC	5555 NAPA VALLEJO HWY	AMERICAN CANYON	CA	94503	DBE
SUAREZ & MUNOZ CONSTRUCTION, INC.	20975 CABOT BLVD.	HAYWARD	CA	94545	DBE
SUMMIT ASSOCIATES	2300 CLAYTON ROAD, SUITE 1380	CONCORD	CA	94520	DBE
SUNRISE PACIFIC, INC. DBA WU ENGINEERING	P.O. BOX 6168	MORAGA	CA	94556	DBE
THE THIER GROUP	3749 BUCHANNAN ST., #475266	SAN FRANCISCO	CA	94107	DBE
VALENTINE CORPORATION	111 PELICAN WAY	SAN RAFAEL	CA	94901	SBE

MEMORANDUM

TO: Board Members

**FROM: Nina Rannells, Executive Director
Kevin Connolly, Manager, Planning & Development**

SUBJECT: Status Report on South San Francisco Ferry Service Performance

Recommendation

There is no recommendation with this information item.

Background

The Water Emergency Transportation Authority (WETA) launched its service from the east bay cities of Oakland and Alameda to South San Francisco in July 2012. Capital funding for the South San Francisco ferry terminal and new vessels came from a combination of sources, including the Federal Transit Administration, State Proposition 1B, Regional Measure 2 and local San Mateo County Transportation Authority transportation sales tax funds. Operating funds come from passenger fares and Regional Measure 2 funds administered and allocated annually by the Metropolitan Transportation Commission (MTC).

Regional performance measures for Regional Measure 2 (RM2) operating funds adopted by MTC include both a farebox recovery requirement and a requirement that services maintain a positive change in passengers per revenue vehicle hour over a three-year period. New services utilizing RM2 operating funds are given a two-year ramp up period and are expected to achieve threshold farebox recovery rates by the third year of operation.

MTC's adopted farebox requirements, organized by mode and time period of service, are as follows:

MTC Performance Measure Thresholds, Regional Measure 2 Projects

Service Type	Ferry	Rail	Bus
Peak Service	40%	35%	30%
All Day Service	30%	25%	20%
Owl Service	N/A	N/A	10%

If a service does not meet the above threshold by the third year of operation, the operator is required to submit a Corrective Action Plan to MTC.

Discussion

The South San Francisco Ferry service operates during commute hours, alleviating congestion on the region's roadways and bridges. There are three morning and three return evening departures during the weekday commute period. There is also limited midday service between South San Francisco and the San Francisco Ferry Building. Free shuttles operated by South San Francisco employers and the San Mateo Commuter's Alliance meet every arrival and departure, linking the ferry terminal to destination employment sites. Ridership has

grown steadily since the beginning of operations, rising from an average of 141 boardings per weekday in July 2012 to 496 by July 2016, resulting in a positive change in passengers per revenue vehicle hour over the initial three years of operation. Farebox recovery – the portion of operating cost covered by fare revenue -- has also increased from a low of 9% in the initial months to 31% for Fiscal Year 2015/16.

Despite clear signs of progress, MTC staff, following the process established in the Regional Measure 2 program, asked that WETA develop a “Corrective Action Plan” detailing measures to improve ridership and reduce operating expenses in an effort to improve farebox recovery. At its September 2015 meeting, the WETA Board adopted a South San Francisco Ferry Corrective Action Plan. The Plan detailed marketing and service strategies for improving ridership and relied upon interlining vessels and crews to reduce operating expenses.

The Plan also recommended revisions to the ferry requirements in the RM2 program. Specifically, the Plan argued that services should receive 10-14 years to achieve the 40 percent farebox recovery threshold, not three. This recommendation was based on the actual experience of ferry and other capital intensive projects such as the Harbor Bay service. Also, the plan advocated for all WETA routes to be treated as a single service, similar to how bus service is treated, and not individual services. This suggestion was made because all of WETA’s services are interrelated in terms of crews and vessels and they cannot practically be evaluated from a financial perspective as a single, independent unit. Several stakeholders’ letters supporting WETA’s suggested revisions to the RM2 program were sent to MTC, which included the San Mateo County Transportation Authority, Bay Area Council, the cities of South San Francisco and Alameda, Masters, Mates & Pilots and the San Mateo Economic Development Association.

In May 2016, MTC extended the ramp-up period for South San Francisco service to June 2019, giving the service seven years to achieve the 40 percent farebox recovery threshold. The letters of support and the strong performance and upward trend of the service were cited as the basis behind this decision.

In the coming years, WETA intends to focus on service quality and reliability while keeping operating costs in control. Ridership has grown 207 percent since the opening of the service and 17 percent over the past year. The City of South San Francisco is also pursuing an aggressive development program in Oyster Point that should continue to build ridership. The City recently approved a proposal for 2.25 million square feet, \$300 million biotech office development immediately adjacent to the terminal. Currently, 1.4 million square feet of office space is under construction in Oyster Point and will open in the next year.

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Keith Stahnke, Manager, Operations

SUBJECT: Approve Contract Award to Dakota Creek Industries, Inc. for Construction of Three New 445-Passenger, 34-Knot Ferries

Recommendation

Approve the following related actions for the contract award for construction of three North Bay Passenger Ferries

1. Approve contract award to Dakota Creek Industries, Inc. for the construction of three new high-speed ferries in an amount not to exceed \$62,089,000 and authorize the Executive Director to negotiate and enter into an agreement and take any other related actions as may be necessary to support this work; and
2. Authorize a budget increase to the FY 2016/17 Capital Budget in the amount of \$7,065,000 to support full funding of this project.

Background

This project provides for design, construction, and delivery of three new 445-passenger, 34-knot ferries to address the growth in the Vallejo route, increase the fleet to support implementation of new Richmond service and ensure that adequate spare vessels are available to support uninterrupted operation of these services.

On December 10, 2015, the Board awarded a contract to Fast Ferry Management, Inc. for vessel construction management services for the procurement of three high-speed ferries to support WETA's North Bay services. The work under this contract includes such items as vessel design review and technical specifications preparation, vessel construction management oversight, and warranty administration.

Early project design and development activities included outreach to naval architects and shipyards to review recent similar vessel construction projects, discussions with propulsion systems manufacturers and industry experts for the latest developments in marine engines, alternative systems and emission control systems equipment, and consultation with other ferry transit agencies that have recently constructed new vessels or completed extensive rehabilitation work, including King County Transit and Golden Gate Ferry, to identify best practices in procurement and project management.

On February 11, 2015, Fast Ferry Management and Elliot Bay Design Group (EBDG) presented an informational report to the Board of Directors on vessel propulsion technology, providing an overview of the current state of propulsion alternatives focused on the North Bay Vessels project and how new technology can apply to vessels on the Vallejo and Richmond routes given their service profiles.

On March 3, 2016, the Board of Directors authorized the release of a Request for Proposals (RFP) for North Bay Vessel Construction for the procurement of three 445-passenger 34-knot vessels.

The required design service life of these vessels is twenty five (25) years; approximately 75,000 operating hours. A preliminary design for this new class of vessels was completed by Advanced Multihull Designs, the original naval architect for the current North Bay fleet. The preliminary design was included in the RFP as a Contract Guidance drawing and formed the basis for the refined proposals received from the bidders. The vessel Technical Specifications were tailored to procure vessels that will withstand the service profile of the North Bay services; the longest and most arduous of all San Francisco Bay ferry routes. The route demands a high-performance heavy-duty vessel.

Discussion

Procurement & Evaluation Process:

The selection of the design/build/deliver Contractor was made using a two-step sealed Request for Proposals (RFP) process in accordance with the Authority's Administrative Code and Federal Transit Administration procurement requirements. This Best Value procurement process considers both price and qualitative components of a proposal that are deemed the most advantageous and of the greatest value to the procuring agency.

The Request for Proposals (RFP) was released on March 21, 2016. Notice of this RFP was sent to WETA's mailing list, posted on the Agency's website, and advertised with the San Francisco Chronicle, Passenger Vessel Association weekly industry email and in the Regional DBE Business Outreach Committee quarterly newsletter. On April 14, 2016 WETA hosted a mandatory Proposers' conference at Pier 9 which was attended by five shipyards. WETA staff issued three addenda to the original RFP clarifying the specifications set forth in the RFP, and responding to pre-bid questions.

Step 1 consisted of WETA making a determination as to which Offerors were technically acceptable based upon their initial Technical Proposals. No pricing data was provided during this step. Step 1 Proposals from three shipyards were received by WETA on May 13, 2016. WETA Proposal Evaluation Committee (PEC) convened and completed Step 1 scoring to determine which Offerors fell within the competitive range. WETA issued a Competitive Range notification on May 20, 2016 to Dakota Creek Industries, Inc. and Kvichak Marine Industries, Inc. One shipyard failed to meet certain proposal requirements.

WETA issued three additional addenda to the original RFP clarifying the specifications set forth in the RFP and responding to Offerer questions.

WETA then requested that all Offerors in the competitive range prepare and submit Step 2 proposals. The Step 2 proposals consisted of a more detailed Technical Proposal along with a separately sealed Price Proposal. Step 2 proposals were received from the two remaining Offerors on July 22, 2016 and the PEC convened to begin review and scoring of the Technical Proposals. To assist the PEC in gaining the best possible understanding of all aspects of the Technical Proposals the two Offerors were interviewed in-person at WETA offices at Pier 9 on July 27, 2016 where certain aspects of the Technical Proposals were clarified and discussed. The PEC then reconvened to review follow-on information and score the Step 2 Technical Proposals. The Price Proposals were then opened and scored according the formula in the RFP.

Scoring Summary:

As a result of this process and final scoring, the PEC determined that the proposal submitted by Dakota Creek Industries, Inc. offers the Best Value to WETA in accordance with the provisions of the RFP.

The scoring results are summarized in Table 1 below and the associated Price proposals submitted are summarized in Table 2 below.

Table 1: Scoring Results

Scoring Criteria	Points	Dakota Creek	Kvichak
STEP-1	100	87.3	81.4
STEP-2 Technical Proposal	500	390.4	405.3
STEP-2 Price Proposal	400	400.0	357.6
Total Score	1000	878	844

Table 2: Price Proposals

Price Proposal	Dakota Creek	Kvichak
Vessel Construction Cost (basis for RFP scoring)	\$56,849,835	\$62,876,959
Total Cost including options	\$57,488,515	\$63,515,639

As such, staff recommends that the Board approve award of a contract to Dakota Creek Industries, Inc in the amount of \$62,089,000 for the construction of three new 445-passenger 34-knot vessels. Dakota Creek is well qualified and experienced to complete this work as it has built six sister ships of similar design that are all in operation in the San Francisco Bay Area today. WETA owns and operates three of these vessels and Golden Gate Ferries owns and operates the other three. All six vessels have a proven documented history of reliability, ruggedness, and overall service efficiency. To date the WETA-owned, Dakota Creek-built vessels have accumulated 160,000 hours of service, traveled 3,000,000 miles, and carried 13 million passengers while maintaining an overall reliability percentage of 99.1%. Given the mechanical and electronic complexity of these vessels, and the harsh operating conditions of San Francisco Bay; missing only 9 trips out of every 1,000 is a great testament to the original workmanship of the Dakota Creek shipyard.

The recommended contract award amount of \$62,089,000 includes funds for the base ferry bid for three vessels (\$56,850,000) plus funds for optional extended engine warranties(\$639,000), recommended spare parts (\$2,000,000) and a 4.2% contingency allowance (\$2,600,000) to allow for additive changes for work not yet identified but that may be necessary to satisfactorily complete the project. The recommended award requires a project budget increase in the amount of \$7,065,000 to support this contract award and all other project-related contracts and expenses as summarized in Table 3 below.

Table 3: Project Budget

Items	Cost
Vessel Cost	56,850,000
Option Items	639,000
Contingency Allowance (4.2%)	2,600,000
Spare Parts Allowance	2,000,000
Sub-Total: Shipyard Contract	62,089,000
Estimated Use Tax Due	5,838,000
Construction Management Services (Contract #15-013)	1,890,000
WETA Project Administration	150,000
General Project Expenses	150,000
Total: Project Budget	70,117,000

As a part of the award process, WETA issued a Notice of Intent to Award to Dakota Creek Industries, Inc. on August 25, 2016.

DBE/SBE Participation:

Following the requirements of 49 CFR §26.45, WETA conducted an analysis of the availability of DBE firms for this vessel construction project. On January 13, 2016, FTA approved a 1.6% DBE Project Goal for this project. Staff has reviewed the DBE/SBE materials provided by Dakota Creek Industries and has determined that they have complied with both the DBE/SBE requirements. Dakota Creek Industries has committed 0% DBE participation and 4.09% SBE participation.

Potential Bid Protest:

Following Kvichak's submission of its Step 2 proposal, Kvichak notified WETA that it may submit a bid protest if the Board awards the contract to Dakota Creek Industries. Kvichak stated that Aurora Marine Design's participation on Dakota Creek Industry's team could result in an organizational conflict of interest because Aurora Marine Design performs certain consulting work for WETA. Kvichak has not submitted a formal bid protest. Nonetheless, WETA investigated the potential organizational conflict of interest. Based on information obtained to date, WETA has concluded that Aurora Marine Design's participation in Dakota Creek Industry's team did not create an organizational conflict.

Fiscal Impact

The FY 2016/17 Capital Budget includes two projects, totaling \$63,052,000, to build three new vessels for WETA's North Bay services including a replacement Vallejo service vessel and two new vessels to support the new Richmond ferry service. A Capital Budget increase in the amount of \$7,065,000, to be funded with Proposition 1B (Prop 1B) grant funds, is required to fully fund these projects at the total cost of \$70,117,000.

With the approval of this item, the vessels will be funded as follows: \$36,129,069 (52%) Prop 1B grant funds, \$17,590,345 (25%) Federal Transit Administration grant funds, \$12,000,000 (17%) Regional Measure 2 Bridge Toll Revenues (RM2), and \$4,397,586 (6%) AB664 Net Bridge Toll Revenues.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2016-22

APPROVE THE AWARD OF A CONTRACT WITH DAKOTA CREEK INDUSTRIES, INC. FOR SHIPYARD SERVICES TO DESIGN, CONSTRUCT, AND DELIVER THREE NEW 445-PASSENGER, 34-KNOT PASSENGER FERRIES AS PART OF THE NORTH BAY FERRY PROCUREMENT PROJECT

WHEREAS, San Francisco Bay Area Water Emergency Transportation Authority (WETA) has established the North Bay Ferry Procurement Project as a part of its FY 2016/17 Capital Budget and program of projects; and

WHEREAS, WETA has established procedures in its Administrative Code relating to the selection and contracting of Construction Services, including projects where FTA funds will be used; and,

WHEREAS, WETA has Federal Transit Administration (FTA) and local match funds to support the Project; and

WHEREAS, on March 21, 2016, WETA issued an Request for Proposals (RFP) for the North Bay Ferry Procurement Project; and

WHEREAS, WETA followed the procedures in its Administrative Code, consistent with an FTA project regarding solicitation and evaluation of qualifications; and,

WHEREAS, WETA staff has evaluated proposals submitted for this project based upon a Best Value competitive procurement process and, as a result, recommends the award of a contract for services to Dakota Creek Industries, Inc., to complete this project for a not-to-exceed amount of \$62,089,000 which includes a 4.2% percent owner's contingency; now, therefore, be it

RESOLVED, that the Board of Directors hereby approves an agreement with Dakota Creek Industries, Inc. to provide shipyard services for the design, construction, and delivery of three new 445 passenger, 34 knot ferry vessels for an amount not to exceed \$62,089,000 which includes a 4.2% percent owner's contingency; and be it further

RESOLVED, that the Board of Directors authorizes the Executive Director to negotiate and execute a contract for this work and to take any other related actions as may be necessary to support this work; and be it further

RESOLVED, that the Board of Directors authorizes a budget increase to the North Bay Ferry Procurement Project in the FY 2016/17 Capital Budget in the amount of \$7,065,000 to support full funding of this project.

CERTIFICATION

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on September 1, 2016.

YEA:
NAY:
ABSTAIN:
ABSENT:

/s/ Board Secretary
2016-22
END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Manager, Planning & Development
Chad Mason, Senior Planner

SUBJECT: Approve Contract Award to Ghirardelli Associates, Inc. for Construction Management Services for the Richmond Ferry Terminal Project

Recommendation

Approve contract award for construction management services for the Richmond Ferry Terminal project to Ghirardelli Associates, Inc., in an amount up to \$900,000 and authorize the Executive Director to negotiate and execute the contract and take any other required actions to support this work.

Background/Discussion

The Richmond Ferry Terminal project is being developed to provide a terminal facility for new ferry service between the City of Richmond and Downtown San Francisco. The new terminal facility will be located at the southern point of the Ford Peninsula adjacent to the Ford Building. The terminal will include a landing, gangway, passenger float, ramping system, and piles. Landside project components include vehicle and bicycle parking improvements and a terminal entry gate. The project also includes public access improvements to the Bay Trail and installation of a new kayak launch in Marina Bay to replace an existing launch that is proposed to be removed as part of the project.

On December 10, 2015, the Board authorized release of a Request for Proposals (RFP) to provide construction management services for the Richmond Ferry Terminal Project. On June 7, 2016, the RFP was released and circulated to over 400 firms on the WETA technical consultant list and posted to the agency website consistent with the WETA Administrative Code. The RFP was also advertised in the Business Outreach Committee quarterly newsletter. A total of four proposals were received in response to the RFP.

Selection criteria for the contract award as established in the RFP included the following:

1. Proposer Information and Understanding of Project Objectives	10%
2. Technical and Management Approach	15%
3. Capabilities and Experience of Proposed Staff	65%
4. Organization of the Team	10%
<hr/> Total	<hr/> 100%

An evaluation panel was convened by the Executive Director to score the proposals submitted by each firm based on the above criteria. The panel considered both the content of each written proposal and information presented during formal interviews conducted with three of the four firms. The scores for each firm are listed in Table 1 below:

Table 1: Combined Scoring

	Firms			
	4Leaf, Inc.	Ghirardelli Associates, Inc.	K&B Construction Services Inc.	Park Engineering
TOTAL SCORE	78	96.5	51	80

Based on the scoring results, staff recommends awarding a contract to Ghirardelli Associates, Inc. to provide construction management service for the Richmond Ferry Terminal project. In particular, the panel rated Ghirardelli Associates, Inc. highly based on their qualifications and experience providing similar construction management services as they relate to both the landside and waterside components of the Richmond Ferry Terminal project. Additionally, Ghirardelli Associates, Inc. proposed a clear and efficient approach to project management and team organization.

Under the contract for this work, Ghirardelli Associates, Inc. would serve as WETA's "owner's representative," providing oversight and support during the pre-construction project development, project construction and project closeout phases of the Richmond Ferry Terminal project. This work would include both early project development work and construction management after contract award. Preliminary work will include tasks such as coordination with WETA's design consultant, support in the development of construction bid documents and work to support award of a construction contract. Construction management work after construction contract award will include such tasks as monitoring the construction contractor's performance against contract requirements, processing and assuring accuracy of monthly invoices, overseeing safety and contractor compliance with environmental safeguards, inspection and testing services during construction, and project closeout.

This contract would be managed on a task order basis during the course of project development, procurement and construction. Consultant billing will be based upon the time spent by the consultant's employees to perform the work and for materials used during the process.

Fiscal Impact

The Richmond Ferry Terminal project is included in the FY 2016/17 Capital Budget and is funded with Federal Transit Administration (FTA) and State Proposition 1B (Prop 1B) funds. Sufficient funds are available in the project budget to support the award of this contract.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2016-23

**APPROVE CONTRACT AWARD WITH GHIRARDELLI ASSOCIATES, INC.
FOR CONSTRUCTION MANAGEMENT SERVICES
FOR THE RICHMOND FERRY TERMINAL PROJECT**

WHEREAS, the WETA Board of Directors authorized the release of a Request for Proposals for construction management services for the Richmond Ferry Terminal project at its December 10, 2015 meeting; and

WHEREAS, WETA has followed established procedures in its Administrative Code relating to the selection and contracting of consulting services, solicitation, and evaluation of qualifications; and

WHEREAS, WETA staff has recommended the award of a construction management contract to Ghirardelli Associates, Inc. for the Richmond Ferry Terminal project; now, therefore, be it

RESOLVED, that the Board of Directors hereby approves entering into an agreement with Ghirardelli Associates, Inc. for service description in an amount up to \$900,000; and be it further

RESOLVED, that the Board of Directors authorizes the Executive Director to negotiate and execute the agreement and take any other related actions to support this work.

CERTIFICATION

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on September 1, 2016.

YEA:
NAY:
ABSTAIN:
ABSENT:

/s/ Board Secretary
2016-23
END

MEMORANDUM

TO: Board Members

**FROM: Nina Rannells, Executive Director
Mike Gougherty, Senior Planner**

SUBJECT: Downtown San Francisco Ferry Terminal Expansion Project Update

Recommendation

There is no action requested of the Board with this informational item.

Discussion

The Downtown San Francisco Ferry Terminal Expansion (DFTX) project is being developed by WETA to expand and improve facilities at the existing ferry terminal in downtown San Francisco. The project will include construction of 2 new ferry gates (Gate F and G), landside pedestrian circulation improvements, installation of amenities such as weather-protected areas for queuing, and covering of the current “lagoon” area south of the Ferry Building to enhance WETA’s emergency response capabilities.

Staff has developed a plan that would allow WETA to start construction of the DFTX project next year and open the new facilities for use as early as 2019. The plan includes the following actions and activities.

2016
Award Contract for Construction Management Support Services
Release Construction Manager at Risk (CMAR) Request for Proposals (RFP)
Execute Project Labor Agreement
Execute Disposition and Development Agreement (DDA) with Port of San Francisco
Finalize Project Permits (DMMO, RWQCB, BCDC, USACOE)
2017
Award CMAR Contract for Pre-Construction Services
Amend Contract with ROMA Design to provide Final Design Services
Award CMAR Contract for Construction Services
Approve Lease Agreement with Port of San Francisco
Groundbreaking Ceremony/Start Construction

Staff will provide a project update and overview of the upcoming activities, as outlined in the above schedule, at the Board Meeting.

Fiscal Impact

There is no fiscal impact associated with this informational item.

END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Manager, Planning & Development
Mike Gougherty, Senior Planner

SUBJECT: Approve Contract Award to CH2M Hill Engineers for Construction Management Services for the Downtown San Francisco Ferry Terminal Expansion Project

Recommendation

Approve contract award for construction management services for the Downtown San Francisco Ferry Terminal Expansion (DFTX) project to CH2M Hill Engineers (CH2M) in an amount up to \$3,300,000 and authorize the Executive Director to negotiate and execute the contract and take any other required actions to support this work.

Background/Discussion

On April 7, 2016, the Board authorized release of a Request for Proposals (RFP) to provide construction management services for the DFTX project. On June 7, 2016, the RFP was released and circulated to over 400 firms on the WETA technical consultant list and posted to the agency website consistent with the WETA Administrative Code. The RFP was also advertised in the Business Outreach Committee quarterly newsletter. A total of six proposals were received in response to the RFP.

Selection criteria for the contract award as established in the RFP included the following:

1. Proposer Information and Understanding of Project Objectives	10%
2. Technical and Management Approach	15%
3. Capabilities and Experience of Proposed Staff	65%
4. Organization of the Team	10%
<u>Total</u>	<u>100%</u>

An evaluation panel was convened by the Executive Director to score the proposals submitted by each firm based on the above criteria. The panel considered both the content of each written proposal and information presented during formal interviews conducted with five of the six firms. The scores for each firm are listed in Table 1 below:

Table 1: Combined Scoring

	Firms					
	4Leaf, Inc.	CH2M	Ghirardelli Associates	K&B Construction	Premier Structures	Weston Solutions
TOTAL SCORE	81	97	90.5	52	88	86

Based on the scoring results, staff recommends awarding a contract to CH2M to provide construction management support services for the DFTX project. In particular, the panel

rated CH2M highly based on their qualifications and previous experience providing construction management services for similarly complex marine construction projects. Additionally, CH2M has strong knowledge and familiarity with the Construction Manager at Risk (CMAR) project delivery process.

Under the contract for this work, CH2M would serve as WETA's "Owner's Representative," providing oversight and support during the CMAR selection process, early construction work, finalization of project design work and permitting, negotiation of a guaranteed maximum price for construction, and full construction management and closeout of the project.

This contract would be managed on a task order basis during the course of project development, procurement and construction. Consultant billing will be based upon the time spent by the consultant's employees to perform the work and for materials used during the process.

Fiscal Impact

The DFTX project is included in the FY 2016/17 Capital Budget and is funded with Federal Transit Administration (FTA), Regional Measure 2, San Francisco Proposition K and State Proposition 1B (Prop 1B) funds. Sufficient funds are available in the project budget to support the award of this contract.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2016-24

**APPROVE CONTRACT AWARD WITH CH2M HILL ENGINEERS
FOR CONSTRUCTION MANAGEMENT SERVICES FOR THE DOWNTOWN SAN
FRANCISCO FERRY TERMINAL EXPANSION PROJECT**

WHEREAS, the WETA Board of Directors authorized the release of a Request for Proposals for construction management services for the Downtown San Francisco Ferry Terminal Expansion project at its April 7, 2016 meeting; and

WHEREAS, WETA has followed established procedures in its Administrative Code relating to the selection and contracting of consulting services, solicitation, and evaluation of qualifications; and

WHEREAS, WETA staff has recommended the award of a construction management contract to CH2M Hill Engineers for the Downtown San Francisco Ferry Terminal Expansion project; now, therefore, be it

RESOLVED, that the Board of Directors hereby approves entering into an agreement with CH2M Hill Engineers for service description in an amount up to \$3,300,000; and be it further

RESOLVED, that the Board of Directors authorizes the Executive Director to negotiate and execute the agreement and take any other related actions to support this work.

CERTIFICATION

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on September 1, 2016.

YEA:
NAY:
ABSTAIN:
ABSENT:

/s/ Board Secretary
2016-24
END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Manager, Planning & Development
Mike Gougherty, Senior Planner
Chad Mason, Senior Planner

SUBJECT: Approve Agreement with California State Coastal Conservancy to Provide Environmental Mitigation for Downtown San Francisco Ferry Terminal Expansion and Richmond Ferry Terminal Projects

Recommendation

Authorize the Executive Director to execute an agreement in an amount not to exceed \$1,330,000 with the California State Coastal Conservancy to provide environmental mitigation for the Downtown San Francisco Ferry Terminal Expansion and Richmond Ferry Terminal projects.

Discussion

In order to secure authorization from the National Marine Fisheries Service (NMFS) and Bay Conservation and Development Commission (BCDC) to construct the Downtown San Francisco Ferry Terminal Expansion (DFTX) and the Richmond Ferry Terminal projects, WETA is required to provide .74 acres of fill removal in San Francisco Bay to mitigate potential environmental impacts under Section 7 of the Endangered Species Act and Essential Fish Habitat provisions of the Magnuson Stevens Fishery Conservation and Management Act.

In July 2016, WETA approached the California State Coastal Conservancy, a non-regulatory state agency that supports projects to protect coastal resources, to inquire about potential opportunities to fund projects to remove fill in San Francisco Bay. The Coastal Conservancy indicated that funding was still needed for a project to remove nearly 2 acres of fill near the Terminal Four site in Richmond at the northwestern tip of Point San Pablo, and that .74 acres could be removed on WETA's behalf at a cost of \$1,330,000 (.65 acres for DFTX for \$1,155,000 and .09 acres for Richmond for \$175,000).

In general, few opportunities exist along San Francisco Bay to remove fill and the few opportunities that do exist are in high demand by project sponsors seeking to fulfill environmental mitigation requirements. WETA's environmental consultants have reviewed the proposal by the Coastal Conservancy and determined that the cost is fair and reasonable. Additionally, WETA has confirmed with NMFS and BCDC that this arrangement would satisfy their mitigation requirements for both the DFTX and Richmond Ferry Terminal projects.

Fiscal Impact

Funds to support these required mitigations are included in the Downtown San Francisco Ferry Terminal Expansion and Richmond Ferry Terminal project budgets.

END

SAN FRANCISCO BAY AREA WATER EMERGENCY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2016-25

APPROVE AGREEMENT WITH CALIFORNIA STATE COASTAL CONSERVANCY TO PROVIDE ENVIRONMENTAL MITIGATION FOR DOWNTOWN SAN FRANCISCO FERRY TERMINAL EXPANSION AND RICHMOND FERRY TERMINAL PROJECTS

WHEREAS, WETA intends to construct the Downtown San Francisco Ferry Terminal Expansion and Richmond Ferry Terminal projects (Projects); and

WHEREAS, the National Marine Fisheries Services (NMFS) and Bay Conservation and Development Commission (BCDC) require that WETA remove .74 acres of fill on San Francisco as mitigation for impacts associated with the Projects; and

WHEREAS, WETA is obligated to provide the mitigation required by NMFS and BCDC in order to construct the Projects; and

WHEREAS, the California State Coastal Conservancy has proposed to remove .74 acres of fill on WETA's behalf at a cost of \$1,330,000 in satisfaction of NMFS and BCDC mitigation requirements; and

WHEREAS, WETA staff has recommended the approval of an agreement with the California State Coastal Conservancy to provide .74 acres of fill removal on San Francisco Bay in fulfillment of mitigation requirements for the Projects in an amount not to exceed \$1,330,000; now, therefore, be it

RESOLVED, that the Board of Directors hereby approves entering into an agreement with the California State Coastal Conservancy to provide .74 acres of fill removal on San Francisco Bay in fulfillment of mitigation requirements for the Projects in an amount not to exceed \$1,330,000; and be it further

RESOLVED, that the Board of Directors authorizes the Executive Director to negotiate and execute the agreement and take any other related actions to support this work.

CERTIFICATION

The undersigned, Board Secretary, does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the San Francisco Bay Area Water Emergency Transportation Authority held on September 1, 2016.

YEA:
NAY:
ABSTAIN:
ABSENT:

/s/ Board Secretary
2016-25
END

MEMORANDUM

TO: Board Members

FROM: Nina Rannells, Executive Director
Kevin Connolly, Manager, Planning & Development

SUBJECT: Adoption of the Final 2016 WETA Strategic Plan

Recommendation

Adopt the 2016 WETA Strategic Plan.

Background

The 2016 WETA Strategic Plan presents a vision for the next 20 years of ferry service in the San Francisco Bay Area. The plan comes at a pivotal period in WETA's history. Rising ridership driven by a strong regional economy with focused job growth in San Francisco has made the ferry more popular than ever. Services consolidated under the Water Transit Authority (later WETA) have transitioned smoothly from city-run services to WETA operations. The first new terminal built in the Bay Area in decades – in South San Francisco – is thriving after an initial ramp up period. Funded projects such as the North Bay and Central Bay maintenance facilities as well as expansion of the downtown San Francisco terminal and a new terminal in Richmond are all in the final design or construction phase. And finally, expansion candidate terminals throughout San Francisco Bay are seeking funding to enter project implementation.

Adoption of the 2016 WETA Strategic Plan is the final step in a planning process that began in March 2015 with an introductory Board workshop that provided background and identified strategic areas for discussion. A second workshop in May 2015 provided an opportunity to consider new WETA policies related to service performance and expansion. Taking input from the Board, WETA staff spent the summer of 2015 reaching out to stakeholders, sharing draft strategic plan policies and gaining valuable input for the eventual draft plan. Working with a consultant – Transportation Analytics – staff developed a draft Strategic Plan that was released to the public for comment in January 2016.

In March 2016, Chair Breckenridge created a Working Group made up of Directors Wunderman and Donovan to explore the “art of the possible” and revisit the Mission and Vision statements contained in the plan to ensure that the sentiments of the Board and a wide cross section of stakeholders were reflected in the plan. The input and direction of the Working Group led to revisions in both the Mission and Vision statements that were then adopted by the Board at its June 2016 meeting. With revised Mission and Vision, the Plan went through another round of revisions, summarized in **Attachment A**, to become the final document presented as a part of this report.

Discussion

The WETA Strategic Plan is a summary document, structured and formatted to be read in one sitting but supported by resource documents and plans that serve as a foundation for the Plan. Following an introductory letter from the Executive Director and an introduction to the Plan, there are seven focus areas:

- Expanded Service
- Funding
- Quality
- Partnerships
- Environmental Stewardship
- Emergency Response
- Organizational Capacity and Leadership

Each Focus Area has, in turn, policy statements that define a 20-year vision for ferry service in the San Francisco Bay. The Plan also includes brief evolutionary view of WETA's past and present activities paired with a look forward to the next 20 years. Two important additions to the final plan are appendices that provide detail on WETA's expansion and enhancement program together with an overview of funding programs. The appendices will be updated on a regular basis as projects move forward and new initiatives and funding programs emerge.

Staff envisions that the WETA Strategic Plan will exist online on the WETA website as a resource for WETA staff, board members, community stakeholders and the general public. Hyperlinks to supporting documents and identification of upcoming activities and initiatives can be updated over time to ensure the document remains fresh and relevant. In addition, the Strategic Plan is a companion document to the Short Range Transit Plan, which is revised and updated every two to four years to ensure the organization maintains the ability to plan for short term changes such as economic conditions, ridership trends or funding opportunities.

Ferries historically have played a major role in Bay Area transportation. From the Gold Rush until the completion of the great Bridges in the 1930s, they were the sole means of transportation across the Bay. They fueled San Francisco's development as a major corporate and financial center. Today, ferries are once again a pivotal player in the Bay Area's future. The ability to expand ferry service ultimately will affect the region's economic resiliency, and its ability to attract and retain employers, employees and jobs.

Staff looks forward to working with WETA's many stakeholders—passengers, community leaders, transit partners, and elected officials—to build the next generation of ferry service. WETA is ready to provide the leadership, coordination, and knowledge to ensure that we make the most of this opportunity and responsibility.

Fiscal Impact

There is no fiscal impact associated with this item.

END

ATTACHMENT A

WETA Strategic Plan Revisions

September, 2016

Comments/Concerns	Document Revisions
<ul style="list-style-type: none"> • The Plan lacks a “true” introduction. • A message from the Executive Director will help to set the context and motivation of the plan. • The Plan needs a statement up front relating it to past plans and efforts 	<p>Letter from the Executive Director inside front cover of the Plan.</p>
<ul style="list-style-type: none"> • The Plan was not ambitious enough, did not go far enough. • The Plan lacked vision and did not reflect WETA’s changing role in the Bay Area. 	<p>Revised Mission and Vision statements. The new Vision & Mission statements are the product of a working group and the re-consideration of WETA and its role.</p>
<ul style="list-style-type: none"> • The Plan was not ambitious enough, did not go far enough. • The Plan did not set out a vision for more ferry service. • The Plan lacked detail regarding expansion projects and the funding needed to deliver them. • The Plan was confusing, seeming to place projects in arbitrary years in the distant future 	<p>Revised Expansion Section, relocated to the front of the document. The revised expansion discussion includes a section stating the funding needs titled “Investing in an Expanded and Enhanced WETA System”. The section has been simplified to focus the discussion around projects. Also, a timetable graphic now identifies the “best case” scenario for project completion.</p>
<ul style="list-style-type: none"> • The Plan lacked detail regarding expansion projects and the funding needed to deliver them. 	<p>Inclusion of 2016 cost estimate in Plan plus detail in Appendix A. The cost estimates are the most recent estimates from individual project efforts. As projects change over time, the appendix will be replaced and updated.</p>
<ul style="list-style-type: none"> • The Plan dwelled on funding challenges without offering potential solutions. • The Plan had a negative tone, identifying obstacles instead of opportunities for the WETA vision. 	<p>Revised section: Funding. The revised section includes a focus on opportunities to achieve the WETA vision and a strategy for pursuing future funding opportunities.</p>

Comments/Concerns	Document Revisions
<ul style="list-style-type: none"> • The Plan leaves out today’s riders and focuses only on expansion. • How do we ensure that rapid growth does not impact service quality? • The Plan should inform general public how successful ferries have been in recent years 	<p>New section: Quality. This section discusses the rapid increase in ridership and the role WETA has played in addressing Bay Area transportation system disruptions in recent years. The section places an emphasis on existing routes and WETA’s ability to meet surging demand for ferry services.</p>
<ul style="list-style-type: none"> • WETA plays a valuable role in oversight of ferry service in Bay Area • New private operators have a role to play, where does WETA fit in? • Development is playing a larger role and willing to bring money to table, how does WETA interact with private sector? • How does WETA expand with limited staff resources? 	<p>Revised section: Partnerships. A significant addition to the Plan, this section details recent successful partnership efforts such as Seaplane Lagoon and Treasure Island. It also mentions the need to build successful relationships with funding agencies and partners. The section addresses the coordinating role WETA plays in SF Bay.</p>
<ul style="list-style-type: none"> • The Plan lacks a clear statement regarding clean technologies • The Plan does not include enough regarding alternative vessel technologies and need to have low emission vessels. 	<p>New section: Environmental Stewardship. Another significant enhancement to the Plan, this section describes WETA’s efforts towards greater environmental sustainability. The focus is on the potential and the commitment on the part of the organization to move towards clean technology vessels as the industry evolves. Also, there are discussions of sea level rise, water quality and sustainable construction of facilities.</p>
<ul style="list-style-type: none"> • The Plan lacks an action program. How are we going to achieve these goals? 	<p>New Section: Implementation and Monitoring. This new section proposes a system of checking in on strategic goals during the course of WETA’s normal activity. It also mentions standards and requirements that WETA will have to follow, based on funding and regulatory agency requirements.</p>
<ul style="list-style-type: none"> • Does WETA have the organizational capacity for the growth envisioned? Staff resources? • How does WETA expand with limited staff resources? 	<p>New Section: Organizational Capacity and Leadership. This section discusses the need to grow the organization as its portfolio and scope of services are expanded into the future.</p>

Format Changes	Rationale
Professional look and feel, printing and paper stock	Intended to be user friendly, accessible and impressive.
Revised format: incorporating goals/objectives into body of Plan.	Plan flows better with goals & objectives closely tied to the discussion sections.
Revised format: photos from ferry riders	Provides visual appeal and involves loyal riders.
New Section: Evolution of WETA	Presents a time line showing the start of the organization, present activities and the future vision.
New Section: Acknowledgements	Thanks and acknowledging contributors and visionaries that helped create and strengthen the plan and organization.
New Section: Appendix of Expansion & Enhancement costs	Detail breakdown of funding needs for future advocacy and legislation.
Revised format: Focus areas.	Organizes the plan in an elegant way.

San Francisco Bay Area Water Emergency Transportation Authority
2016 Strategic Plan



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From the Executive Director

It is my pleasure to share with you this important and timely document: The San Francisco Bay Area Water Emergency Transportation Authority's Strategic Plan, setting forth a vision, mission and priorities for the next 20 years of SF Bay Ferry service.

We envision and are planning for a system that seamlessly connects cities in the greater Bay Area with San Francisco, using fast, environmentally responsible vessels. With this increased capacity, and new docking facilities and terminals, we visualize wait times of 15 minutes or less during peak commute hours, along with new operations and maintenance facilities that keep our ferries running at peak performance.

Expansion of the system is critical for emergency response, a role mandated in our agency's state charter. In the event of a natural disaster, or a bridge or highway closure, we must meet our responsibility for coordinating water transit and the movement of emergency responders. Our target is to evacuate all of downtown San Francisco within 48 hours. It is a major responsibility, and one we do not take lightly.

Ferries historically have played a major role in Bay Area transportation. From the Gold Rush until the completion of the great Bridges in the 1930s, they were the sole means of transportation across the Bay. They fueled San Francisco's development as a major corporate and financial center. Today, ferries are once again a pivotal player in the Bay Area's future. The ability to expand ferry service ultimately will affect the region's economic resiliency, and its ability to attract and retain employers, employees and jobs.

I look forward to working with our many stakeholders—passengers, community leaders, transit partners, and elected officials—to build the next generation of ferry service. WETA is ready to provide the leadership, coordination, and knowledge to ensure that we make the most of this opportunity and responsibility.

Sincerely,

A handwritten signature in black ink that reads "Nina Rannells". The signature is written in a cursive, flowing style.

Nina Rannells

Introduction

With funding and environmental approvals, WETA's long-range plan calls for new terminals in Richmond, Treasure Island, Mission Bay, Berkeley, Redwood City, Seaplane Lagoon, the South Bay, and the Carquinez Strait, ultimately creating a robust 16-terminal regional network to meet the Bay Area's demand for a safe, sustainable and environmentally responsible transportation alternative.



Instagram: @sarakit13

The Bay Area transportation landscape is witnessing unprecedented growth and change. As the region experiences phenomenal economic and population growth, aging transportation infrastructure, competing funding priorities, and outdated equipment are stressing intermodal passenger capacity and efficiency as never before. Clearly, the region must look at new and innovative ways to ensure the Bay Area can responsibly meet the public's transportation and commuting needs now and in the future. Ferries are, and must be, part of the long-term solution.

Over the last 10 years, ferries have become an increasingly critical and attractive part of the Bay Area's transportation system, and the San Francisco Bay Area Water Emergency Transportation Authority (WETA) has become a valued partner to local communities in helping to meet the region's overburdened transportation needs. This 2016 WETA

Strategic Plan outlines a vision for the San Francisco Bay Ferry system over the next 20 years that responds to passenger demand, makes critical infrastructure investments, and increases WETA's ability to respond to emergencies and system disruptions.

With funding and environmental approvals, WETA's long-range plan calls for new terminals in Richmond, Treasure Island, Mission Bay, Berkeley, Redwood City, Seaplane Lagoon, the South Bay, and the Carquinez Strait, ultimately creating a robust 16-terminal regional network to meet the Bay Area demand for a safe, sustainable and environmentally responsible transportation alternative. As WETA plans for the future, its vision is that ferries run every 15 minutes in the highest volume locations, and that commuting by ferry is the first-choice travel option for thousands more Bay Area residents every day.

WETA has made significant progress toward this goal. Ferry ridership is at an all-time high. Legacy services in Vallejo, Alameda and Oakland have transitioned smoothly from city-run services to WETA operations. The first new ferry terminal built in the Bay Area in decades—in South San Francisco—is thriving after a ramp-up period. Funded projects such as the North Bay and Central Bay maintenance facilities, as well as expansion of the downtown San Francisco Ferry terminal and a new terminal in Richmond, are in the final design or construction phases. And finally, expansion candidate terminals throughout the Bay are seeking funding to enter project implementation.

Achieving WETA's 20-year vision will require all stakeholders to unite in investing in an expanded, financially efficient and environmentally sound regional ferry system. WETA must think bigger and more creatively to meet soaring consumer demand, while accomplishing its emergency response mission. Bipartisan support and regional collaboration among elected officials, statewide and local referendums, and expanded public-private partnerships will be key to SF Bay Ferry's success in bringing the benefits of water transit to even more communities and passengers.

Mission and Vision

In 2008, the WETA (then WTA) Board of Directors adopted Mission and Vision statements for the newly-created organization. Since then, WETA services have matured, and its role in the region has evolved. In particular, regional leaders have looked to WETA to help fill gaps in the transportation network following major disruptions to the regional system, such as bridge closures and BART service disruptions and breakdowns. In recognition of the increasingly significant role that WETA plays in supporting the regional transportation network and economy, the WETA Board of Directors developed and adopted new Mission and Vision statements in June 2016:

WETA Mission

WETA is a regional agency with a responsibility to develop and operate a comprehensive Bay Area regional public water transportation system. WETA shall also coordinate water transportation services following natural disasters and transportation disruptions.

WETA Vision

WETA develops, operates and manages an expanded and enhanced region-wide ferry system that provides a reliable, state-of-the-art and attractive transportation option for the Bay Area and plays a critical role in coordinating and providing water transportation to serve emergency response and economic recovery needs.

The new Mission and Vision statements express the aspirations and goals developed by the Board throughout the strategic planning process. The statements place an emphasis on WETA's regional scope, and emphasize WETA's commitments to expanding the system beyond today's terminals and to enhancing service offerings. The statements also describe WETA's role as a provider of transportation service after a natural disaster and during a subsequent economic recovery. Taken together, the Mission and Vision statements describe and characterize WETA's multiple functional roles in the regional transportation network.

This Strategic Plan provides additional details on how WETA will perform these roles. It also addresses the key focus areas identified in the strategic planning process, and outlines the goals and objectives that will ensure WETA's future success.

The Strategic Plan

WETA's Strategic Plan addresses seven focus areas that support its strategic priorities over the next 20 years. The following pages detail these focus areas and their respective goals and objectives.

VISION

Develop, operate and manage an expanded and enhanced region-wide ferry system that provides a reliable, state-of-the-art and attractive transportation option for the Bay Area and plays a critical role in coordinating and providing water transportation to serve emergency response and economic recovery needs.

FOCUS AREAS

1. Expanded Service
2. Funding
3. Quality
4. Partnerships
5. Environmental Stewardship
6. Emergency Response
7. Organizational Capacity and Leadership

GOALS

Goals are defined for each of the seven focus areas.

OBJECTIVES

Objectives are outlined in each focus area, identifying specific, desirable outcomes.



Instagram: @tripsandgiggles

Focus Area: Expanded Service

The expansion of ferry service will help to address congestion in the Bay Area while continuing to build WETA’s emergency response network. In addition, cities across the Bay Area are redeveloping waterfront areas and see ferry service as not only an attractive means of transportation, but as a valuable strategy to enhance communities and support economic development goals.

Expanding and Enhancing Ferry Service

In WETA’s vision for the future, passengers will no longer need to consult a schedule. This means 15-minute peak frequency in the highest volume locations, with 30-minute peak frequencies at all other terminals. It expands ferry service to Richmond, Treasure Island, Berkeley, Mission Bay, Seaplane Lagoon, the South Bay and the Carquinez Strait. It changes ferry service, currently a small niche market in the Bay Area’s transportation system, into a first-choice travel option for thousands more people every day. This level of expansion will allow us to quadruple our ridership capacity from current levels, and extend the reach of WETA’s route network to provide a service that is truly regional.

Today, WETA’s system is positioned for this level of expansion with strong leadership, healthy ridership and fully-funded prerequisite system facilities. Investments over the past five years have been made with expansion and system resiliency in mind. New maintenance facilities in Vallejo and Alameda are sized to accommodate a much larger fleet. Expansion of the Downtown San Francisco terminal will support new ferry services from Richmond and Treasure Island, as well as other potential locations that are currently under study. Investment in rehabilitation projects at existing terminals enable the long-term viability of WETA assets and provide for operational flexibility. And finally, prudent use of federal vessel

replacement funds and state funding will increase the size and capacity of the WETA fleet into the future.

WETA’s 20-year expansion and enhancement plan would increase ferry service capacity by more than 80 percent, providing the Bay Area with one of its best options to offer congestion relief in the Bay Bridge corridor. Estimated ridership would grow from approximately 10,000 daily boardings today to more than 40,000 in the future. While there are currently only five peak-hour landings at the Ferry Building, there will be 25 landings in the peak hour once the expansion and enhancement program is realized. Table 1.0 illustrates the significant expansion in ferry service represented by planned enhancement and expansion of the system.

This Strategic Plan sets out an ambitious long-term vision for how ferry service should grow over the next two decades to help meet the region’s transportation needs. This plan includes the full list of projects required to deliver the vision, even where many of the details have yet to be worked out. An appendix to this plan provides a high-level overview of the estimate of the capital and operating costs of the full 20-year plan, based on current assumptions and expectations. Although the exact details reflected in the appendix will likely change over time, the overarching vision will remain that WETA serves all corners of the Bay Area with frequent, reliable service.

TABLE 1.0:
Projected Capacity and
Ridership for Enhanced
and Expanded Ferry
System

	2016	Expanded & Enhanced System
Peak Capacity (Seats)	1,802	13,335
Estimated Daily Riders	8,190	40,760

Investing in an Expanded and Enhanced WETA System

Today, WETA operates 12 vessels on four separate routes, calling on eight terminals. The future vision as presented in Figure 1.0 would expand service throughout the Bay Area, operating 12 services at 16 terminals with a fleet of 44 vessels.

Doubling the number of terminals and more than tripling the size of the fleet is no small undertaking. As detailed in Appendix A and summarized in Table 2.0, the total capital cost for all of the new projects that are part of this strategic vision is estimated at close to \$1 billion (2016 dollars). About 60 percent of this amount would go towards new vessels, and the remaining 40 percent is for terminal facility improvements. At this time, WETA has secured informal commitments for almost \$300 million in capital funding. The remaining unmet capital need for new projects is approximately \$850 million.

At full buildout, the cost to operate the future system would expand WETA’s annual operating budget from just over \$34 million today to approximately \$144 million in the future. Assuming that WETA is able to continue to achieve a farebox recovery ratio – the portion of the operating expenses covered by fare revenue – of 50 percent, so the total operating subsidy needed for steady state operations at this level of service is \$72 million per year. Based on anticipated funding from existing sources and planned partnerships, this would require an additional annual subsidy of \$49 million per year.

Obviously no single funding source can be expected to support the entire vision laid out in this Strategic Plan. WETA will need to work to identify and secure contributions from multiple partners and stakeholders in order to achieve a fully funded expansion program. This topic is discussed further in the next chapter.

TABLE 2.0:
Funding Needs
for Expanded and
Enhanced Ferry
System (in millions)
(2016 dollars)

	Annual Operating		Vessels		Terminals	
	Committed Funding	Needed Funding	Committed Funding	Needed Funding	Committed Funding	Needed Funding
Enhancement	\$17	\$17	\$36	\$113	\$80	\$36
Expansion	\$6	\$18	\$83	\$275	\$99	\$143
Emerging	–	\$14	–	\$188	–	\$90
Total	\$23	\$49	\$119	\$575	\$179	\$269

All figures in 2016 dollars.

Timetable

WETA’s strategic vision is to deliver an enhanced and expanded ferry system to the Bay Area as fast as possible. To do this, WETA must place a significant focus on enhancement and expansion. This means dedicating resources and energy toward project development activities, partnering with local governments and the private sector, and campaigning for a greater share of funding at the regional and state level. New ferry terminals are subject to significant permitting requirements and environmental regulations that, combined with complicated construction and vessel procurement processes, can be anywhere from five to seven years in duration from project inception to opening. WETA continues to explore innovative ways to expedite project delivery, through partnerships with public or private-sector entities and site-selection analysis.

The San Francisco Bay Area’s Ferry System

Full buildout of the WETA system vision will bring ferry service to the Peninsula, the Carquinez Strait and the I-80 corridor, while significantly improving existing services in the Central and North Bay. This will be the realization of ferry service for the entire Bay Area as expressed in WETA’s Mission and Vision statements. Providing frequent services (all day and all week) positions ferry services as a reliable, state-of-the-art transportation option for thousands of Bay Area residents and visitors. It also provides the necessary capacity and redundancy (additional vessels and terminals) to serve the Bay Area after a natural disaster.

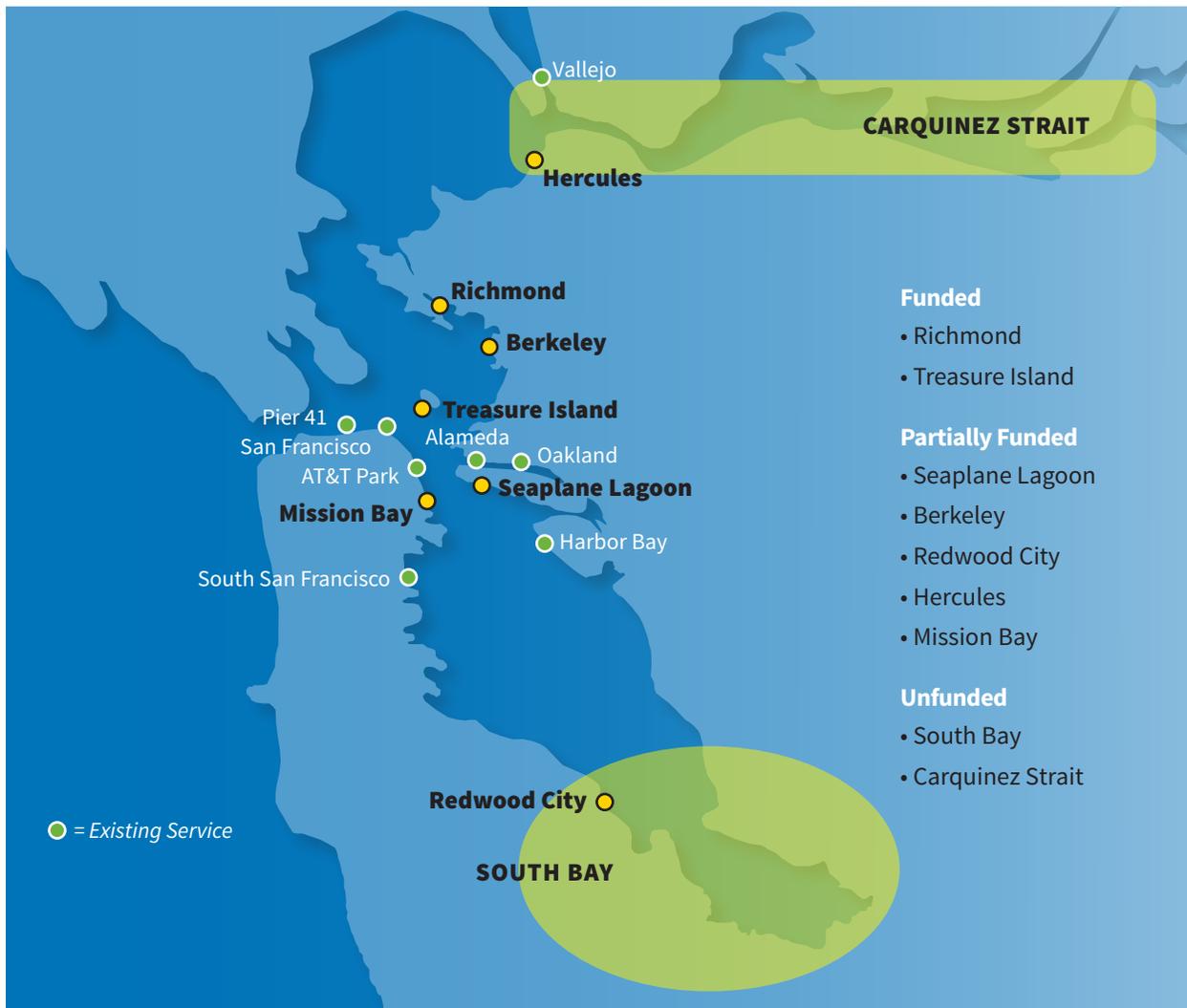
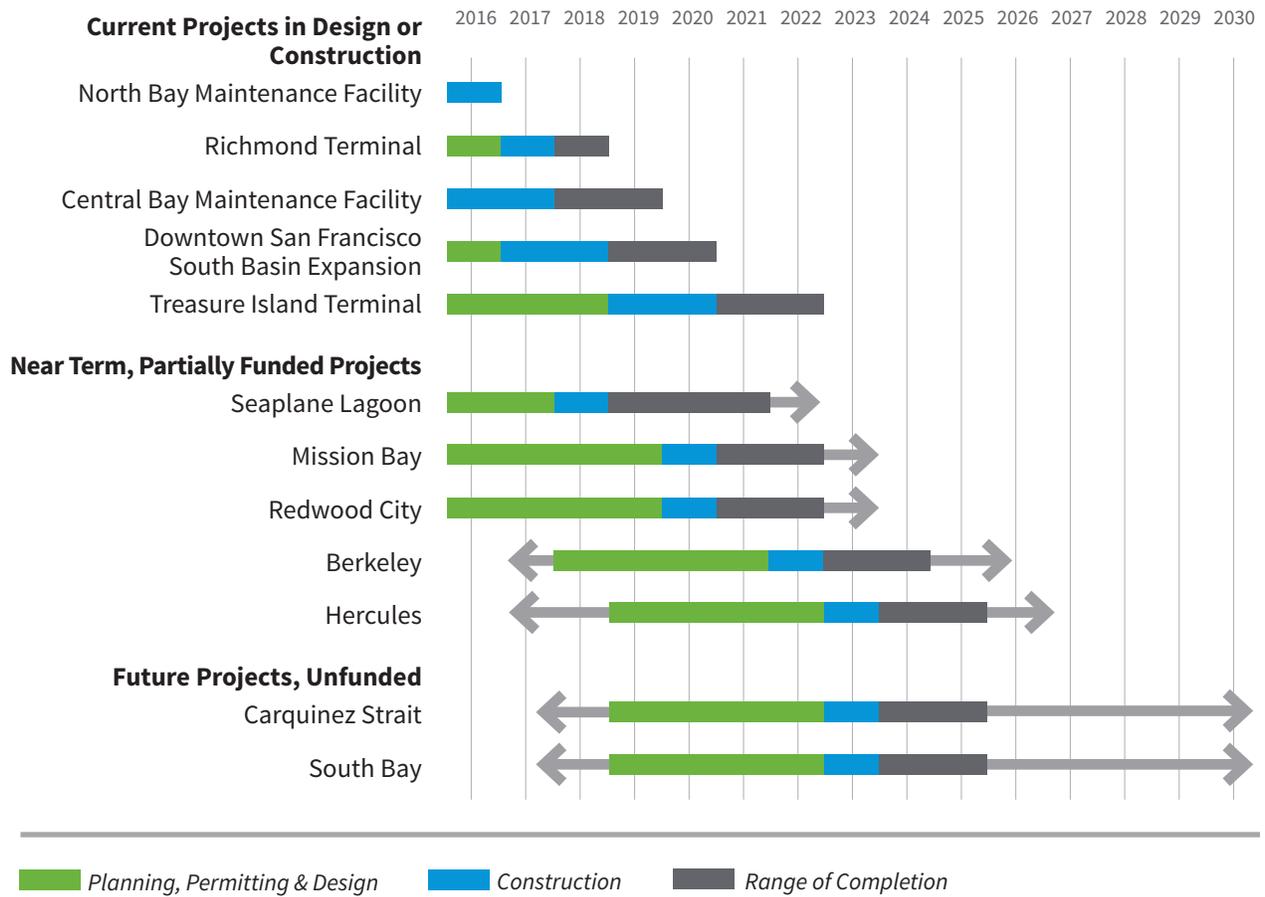


FIGURE 1.0

Emerging Markets: South Bay and Carquinez Strait

With the increased job growth throughout the Bay Area, particularly in the corridor linking San Jose and San Francisco, there is a need to explore ferry service to locations previously not considered viable due to excessive travel time, environmental obstacles or high costs. With few realistic options for adding capacity in the Highway 101/Caltrain corridor, the ferry may be a cost-effective option worth exploring for South Bay communities such as Menlo Park, Palo Alto, Mountain View, Alviso, Milpitas or Fremont. The Carquinez Strait is another region that was the subject of past exploratory studies that concluded ferry service was not cost effective. However, changes in technology and the limited ability to build out other modes may warrant reconsideration of ferry service in the future in communities such as Martinez, Benicia, Rio Vista, Antioch or Discovery Bay. Demand for these services is steadily increasing, and WETA is prepared to work with regional stakeholders to identify and develop cost-effective options for serving travelers in these corridors.

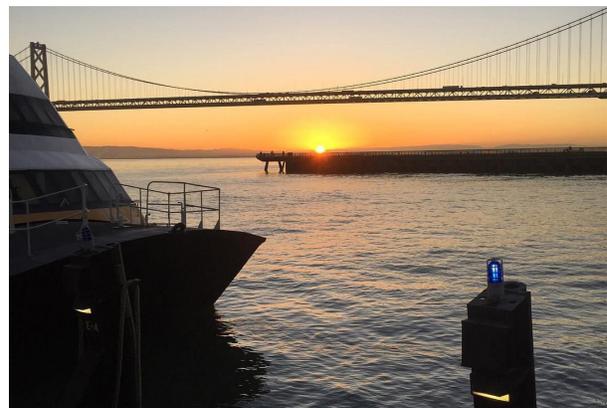
Completion Timetable (Estimated Range)



- Projects generally take 5-7 years from inception to implementation.
- Implementation schedule significantly influenced by regulatory requirements, local support and fund availability for construction and operation.
- New services must meet WETA System Expansion guidelines, and funding/regulatory agency requirements.



Instagram: @pilawpina



@bayferrycommuter

1. EXPANDED SERVICE

GOAL	OBJECTIVES
<p>A. Expand ferry service to meet San Francisco Bay Area transportation and emergency response needs.</p>	<ul style="list-style-type: none"> i. Meet demand for WETA ferry transportation service. ii. Develop competitive ferry transportation services that offer commute choices and congestion relief. iii. Ensure the ferry is integrated into local and regional transportation plans and services. iv. Ensure expansion efforts are consistent with emergency response and recovery needs. v. Evaluate expansion candidates using WETA’s System Expansion Policy. vi. Evaluate existing WETA services for service enhancement using WETA’s Service Enhancement Policy. vii. Leverage ferry grants and funding by working with funding partners in the private sector and at the local, regional, state and federal levels. viii. Continue to serve as a catalyst for economic development and transit-oriented development initiatives. ix. Leverage private investment to support ferry services.
<p>B. Reach out to all populations in developing and operating services in order to reduce barriers to ferry ridership and serve the larger Bay Area community.</p>	<ul style="list-style-type: none"> i. Offer public transit service that does not discriminate due to physical capability, race, color, national origin, income level or language ability. ii. Design facilities, vessels, and services that are guided by Universal Design, accessible to persons with disabilities. iii. Be a responsible business partner, providing opportunities for disadvantaged or minority-owned businesses to contract with WETA. iv. Ensure public participation in decision making through inclusive methods of public outreach. v. Advocate for effective connecting bus service, providing a means of making the ferry accessible to transit-dependent populations.



Instagram: @visitvallejo



Instagram: @bayferrycommuter

Focus Area: Funding

Developing a robust, sustainable regional ferry system will require dedicated new funding sources that are sufficient to support capital and operating needs and create system reserves.

Over the years, WETA has received funding support from a variety of programs, ranging from federal formula and discretionary grants to local transportation funds, to build, maintain and operate its regional system of ferries, terminals, support facilities and services. Of these funds, Regional Measure 2 (RM2) bridge tolls have served as the cornerstone of WETA's ferry transit program, providing seed money for capital expansion projects (\$84 million) and \$18.3 million in ongoing annual operating support. Additionally, State Proposition 1B capital funds will provide \$250 million capital funds to support build-out of WETA vessels, terminals and core facilities necessary to deliver robust, reliable daily and emergency response and recovery services. If it were not for these two significant and dedicated funding sources, around which most other discretionary funds have been secured, WETA's system of vessels, services and facilities would not exist as they do today, serving more than 2 million passengers a year and providing a go-to emergency response transportation alternative. Moving forward, WETA will need a new commitment of similarly dedicated funds to support system services, planned expansion and increased emergency response capabilities.

State of Good Repair

It is mission critical that WETA vessels and facilities are maintained in a "state of good repair" to support WETA's ability to provide reliable, safe daily operations and ensure that the system is immediately available to serve in response to a natural disaster and during the economic recovery period that follows. Historically, approximately 80 percent of the cost of major system rehabilitation and refurbishment projects has been funded with federal formula grants programmed by MTC, and the 20 percent local match has been provided by WETA. This significant financial support from the region has been critical to the long term viability of the legacy routes inherited by WETA and

will be vital to maintaining the system into the future. For purposes of this plan, WETA assumes that federal funds will continue to be available to cover 80 percent of the state of good repair needs at system build-out, resulting in a \$150 million local match requirement.

Future Funding Needs

Meeting the long-term demand for ferry service will require significantly more funding than is currently available to the agency. Securing increased funding will be challenging in a competitive political environment, but is a critical piece of building out the ferry network to meet regional needs. The strategic vision for Bay Area ferry service expansion outlined in the previous chapter will require approximately \$50 million in new annual operating subsidy and \$850 million in new capital funds to support system enhancement and expansion over the next 20 years. In addition, approximately \$150 million in new local match (20 percent) funds will be needed to help maintain vessel, terminal and facility assets in a "state of good repair" to serve WETA's ongoing operation and ensure that vessels and facilities are up and running when needed for emergency response and recovery. This represents a tripling of the initial investment in WETA services made through RM2 and State Proposition 1B funds to support full system build-out. WETA will need the support of its local, regional, state and federal partners and stakeholders in its advocacy efforts for dedicated funding to support its program.

There has historically been strong political support at the state, regional and local level for the inclusion of ferry projects in the Bay Area's regional bridge toll measure programs, which are designed to fund transportation improvements that reduce congestion in Bay Area toll bridge corridors. WETA's regional transbay ferry services provide a strong nexus and logical fit for this program. Regional policy makers have already started discussions around the possibility of a new bridge toll augmentation ("Regional Measure

All figures in 2016 dollars.

3"), and there are likely to be other regional funding opportunities in the decades ahead. WETA should engage in these policy discussions early, to seek support for new funds to implement the program of projects and services included in this strategic plan. Ideally, the next regional bridge toll measure will include a similar level of commitment to WETA's regional ferry system as was made in RM2 for every new toll dollar authorized. With a commitment of new funds from this program, WETA would be positioned to move forward quickly to implement expansion services while continuing to seek complementary funding sources to stretch committed dollars even further. For example, grant augmentations from all levels of government can help support special projects, such as alternative propulsion technology and emergency response, and private sector contributions can help accelerate services that warrant public-private partnerships.

Funding Provisions and Policies

WETA has established a solid foundation upon which to take on the task of further system expansion and development. A well-rounded staff of seasoned maritime transportation, finance, planning and operations professionals are in place and have established a strong track-record of project delivery and responsive and responsible grant stewardship necessary to move WETA's program forward. As a part of efforts to secure increased regional funding consistent with public expectations for its role in the provision of public transit and emergency response services, WETA will want to advocate for key changes to regional funding provisions and policies to guarantee funds authorized for ferries remain dedicated for this purpose and to provide more flexibility in use of funds to meet the various system needs.

Key changes to regional provisions and policies that would support WETA's ability to deliver sustainable services include:

- **Expand fund eligibility to include emergency response and creation of system reserves; allow carry-over of unspent funds from year-to-year.** These provisions will help to recognize and fund WETA's full state mandate to provide ferry transit and emergency response services. It would also ensure

that funds authorized for WETA ferry services would be guaranteed to be made available for this purpose by program administrators. These provisions would improve WETA's ability to responsibly plan for long-term system needs, including establishing essential operating, capital and emergency response reserves that are not allowed per regional policies today.

- **Guarantee annual escalation of operating subsidies to cover a portion of cost inflation over time.**

This will help to ensure that services can be maintained and sustained over time with a balance of increased operating subsidies and reasonable fare increases. Currently, RM2 funds are not escalated on an annual basis, requiring WETA to raise fares annually and customers to shoulder an increasingly disproportionate share of operating costs. Without increased subsidy dollars, fares will eventually need to be priced so high that they will not be competitive with the rest of the regional transit system, and will be out of reach for lower income residents.

- **Establish performance metrics for WETA's regional system that encourage system investment.**

Regional system performance requirements for WETA ferry services were developed a number of years ago before WETA's system of regional ferry services were established. These requirements are outdated and should be revisited to reflect the long-term benefits of building up the ferry network in our region. Revised policies should allow for an adequate ramp-up period for new services (10 years, minimum), view WETA ferry services on a system-wide basis, rather than route-by-route, and provide allowances for program costs and requirements related to emergency response.

Advocating for changes to funding policies and guidelines does not mean that WETA should abandon its current practice of seeking strong, competitive expansion opportunities. Communities throughout the Bay Area have a number of transportation needs and an investment in ferry service has to make sense from a financial perspective. However, these policy changes are necessary to support and maintain the existing system. Pressing for them now will help ensure that both the existing operations and service to new markets are equally sustainable.

Financial support for system growth is needed to ensure that sufficient vessels, terminals, and trained crew will be available in the event of a major disaster.

2. FUNDING

GOAL

OBJECTIVES

A. Achieve financial sustainability.

- i. Identify new sources of stable operating funding for future WETA ferry services.
 - ii. Create an operating reserve, ensuring sufficient operating resources to maintain flexibility.
 - iii. Pursue cost-effective service delivery strategies.
 - iv. Achieve a sustainable balance between existing operating subsidies and farebox revenue.
 - v. Explore revenue-generating opportunities that will contribute to ferry operations.
 - vi. Achieve farebox recovery goals consistent with WETA's Fare and Special Events Policies.
 - vii. Advocate for sustainable provisions in new regional funding that allow for the creation of an operating reserve, escalation of operating funds due to inflation and reasonable performance criteria that will encourage transportation investment.
-

B. Be a responsible steward of public funds.

- i. Manage WETA capital grants and operating funds to ensure balanced budgets.
 - ii. Support regional initiatives offering need-based fare assistance and innovations in fare media-based programs.
 - iii. Expand and enhance ferry service using committed funding, based on partnerships with other agencies whenever possible.
 - iv. Seek cost effective strategies to manage expenses in the provision of ferry service.
 - v. Be consistent with WETA's fare policy and WETA's fare programs when establishing and revising fares.
 - vi. Follow best practices for procurement and fiscal management when using consultants, vendors or contractors.
 - vii. Strive to keep ferry fares affordable and in line with other Bay Area public transit options to ensure equality and access to all income levels.
-

Focus Area: Quality

Ensuring that WETA’s ferry service remains reliable, safe and comfortable is critical to offering passengers the most pleasant means of travel across the Bay. As passenger loads continue to grow, WETA's service quality must remain high.



Instagram: @shakinlikemilk

Today, the WETA system is a small but meaningful component of the Bay Area’s transportation system, carrying close to 10,000 travelers on an average day—more than 2 million riders in a year—from terminals in Oakland, Alameda Main Street, Alameda Harbor Bay, South San Francisco, Vallejo and San Francisco. As the Bay Area economy has surged in recent years, the other primary means of crossing the Bay—the Bay Bridge, BART, and AC Transit—have reached record levels of demand and have experienced capacity shortfalls. Ferries have been the beneficiary of crowded trains, buses and roads, and recent disruptions to those systems have exposed commuters and recreational travelers to ferry travel.

Overall ridership on the WETA system has increased 72 percent between 2012 and 2016 with individual routes ridership increases as follows:

- Alameda/Oakland - 77 percent
- Vallejo - 56 percent
- Harbor Bay - 64 percent
- South San Francisco - 274 percent

The rapid increase in ridership has caused crowding and strained capacity on the most popular trips, causing leave-behinds and disrupting travel for ferry passengers. In June 2015, the WETA Board adopted a Service Quality Policy that states a service averaging 80 percent occupancy or higher during the peak hour would justify a service enhancement. Many of WETA’s services averaged between 90 and 100 percent occupancy during the summer of 2016. It is anticipated that peak-period service increases that exceed the limits of available funding will be needed over the next few years to maintain board-adopted service standards. Projections for continued economic growth in the Bay Area—and for job growth in San Francisco in particular—are robust, while capacity on both BART and the Bay Bridge will continue to be limited, suggesting that barring significant changes in the local economy, recent positive trends in ferry ridership will continue. WETA will continue to strive to meet this demand through existing resources and advocacy for operating funds to support enhanced service into the future.

3. QUALITY

GOAL

OBJECTIVES

A. Provide quality ferry transportation service.

- i. Offer reliable, scheduled ferry service.
- ii. Ensure ferry travel is comfortable and relaxing.
- iii. Meet demand for ferry service.
- iv. Help to reduce congestion by offering attractive, competitive transit choices for Bay Area travelers.
- v. Provide safe, clean and attractive terminal facilities.
- vi. Offer customer support through friendly, well-trained crew and staff.

B. Ensure safe and secure ferry operations.

- i. Ensure captains and crews are properly trained in all safety procedures.
 - ii. Design and construct facilities to Essential Facilities standards.
 - iii. Maintain a constructive partnership with the US Coast Guard to ensure continued safe operations.
 - iv. Ensure vessels and facilities are properly serviced and maintained.
-

Projections for continued economic growth in the Bay Area—and for job growth in San Francisco in particular—are robust, while capacity on both BART and the Bay Bridge will continue to be limited, suggesting that barring significant changes in the local economy, recent positive trends in ferry ridership will continue.



Instagram: @jodeemdreambig



Instagram: @crepessuzzette

Focus Area: Partnerships

Partnerships with local, regional and private sector entities have helped the ferry system develop to what it is today. Moving forward, enhancing existing partnerships and establishing new partnerships will be critical to the success of WETA's expanded network and service.

The ferry system we have today was developed through multiple partnerships with local, regional and private-sector entities. Three of the four WETA routes now in operation were initiated by individual cities that put in significant time, money, and effort to establish and nurture the return of ferry transportation in our region. As these routes were consolidated under WETA, more sophisticated partnerships have emerged to support both day-to-day operations and the expansion and enhancement of ferry services. For example, jurisdictions in Contra Costa County have jointly pledged a dedicated funding stream from a local transportation sales tax to cover the first 10 years of operations on the new Richmond service. In another model, the private partners who are constructing a mixed-use development on Treasure Island have agreed to fully fund multiple vessels, plus the net operating funding required for planned service between the Island and downtown San Francisco.

In some cases, partnerships are primarily focused on the activities that support WETA's routine activities. Given the small size of WETA's staff, the agency currently contracts with private-sector firms for many of its functions, including its contract operator and engineers, consultants and vendors working on various WETA capital construction projects. The continued operation of WETA's ferry services is also the result of partnerships between WETA and the transportation funding agencies that provide capital and operating support, including the Federal Transit Administration, the Metropolitan Transportation Commission, county transportation authorities and even cities. WETA will need both new partners and the continuation of existing relationships to ensure that funding is sufficient to allow the system to grow to meet demand.

Partnerships with cities, ports and waterfront neighbors are another important component of safe and vital ferry operations. Cities play an important role in building ferry ridership through supportive access infrastructure, such as bicycle lanes or parking. These stakeholders also can provide advocacy at the regional or state level to support needed regulatory or financial reforms. City land use policies and decisions play a critical role in supporting ridership for ferry services. Transit agencies providing feeder bus services are also a natural partner for WETA, which seeks to diversify access options beyond parking to include walking, biking and transfers from local bus providers.

Partnerships with the development community have become increasingly important as more cities become interested in new ferry services for their communities. Ferry terminals serve as catalysts to new development, helping to bring transit to underserved or isolated waterfront communities. This has been the case in South San Francisco, where new commercial development is leveraging the ferry terminal to draw employees from the East Bay. On both Treasure Island and Alameda's Seaplane Lagoon, future ferry terminals will provide a focal point for community development and a key connection to San Francisco. These development partnerships often involve one or more parties bringing new financial resources to the table, in order to support the needed capital investments, operating subsidies, and/or ancillary improvements that help to build patronage to sustainable levels. To the extent that government subsidies do not keep up with WETA's financial needs, developers and their tenants may become more essential partners in targeting investment toward the most promising markets for future ferry services.

Another recent trend in the Bay Area is the emergence of new private transportation options, including small private ferry operators seeking to enter the market, as well as employer-based commuter shuttles aiming to develop new transportation solutions for their urban workforce. It will be important for WETA to monitor developments in this area and consider opportunities for coordinating expansion activities with private transportation innovators in order to ultimately improve and expand the network of water-based services available in the Bay Area.

Finally, WETA plays an important coordination role within the emergency response framework of the Bay Area and California. WETA has developed strong partnerships with both private service entities and public agencies at all levels of government for planning, coordinating and operating emergency response services. Ongoing activities such as regular communications and check-ins with various partners, development of joint plans, and active participation in local, regional, state and federal response exercises are necessary to deliver effective responses to natural disasters and transportation disruptions.

It will be important for WETA to monitor developments in this area and consider opportunities for coordinating expansion activities with private transportation innovators in order to ultimately improve and expand the network of water-based services available in the Bay Area.

4. PARTNERSHIPS

GOAL	OBJECTIVES
<p>A. Establish and foster partnerships to ensure quality ferry transportation and expansion of the ferry system throughout the San Francisco Bay Area.</p>	<ul style="list-style-type: none"> i. Reach out to private-sector partners that provide contract and consulting services through fair and transparent procurement processes. ii. Establish positive working relationships with cities and other government agencies through Memoranda of Understanding and Project Agreements. iii. Work with potential development partners in both the public and private sectors when expanding the WETA system to ensure integrated, attractive projects that serve Bay Area communities. iv. Work with regulatory agencies collaboratively to ensure all ferry facilities and services serve the public and provide quality transportation and emergency response services. v. Outreach to private operators of ferry services and other transportation innovators to explore opportunities for collaboration in providing service to underserved or non-competitive markets. vi. Establish partnerships with transportation providers—transit agencies, private ride services, bike share programs—to enhance connectivity to ferry terminals.

Focus Area: Environmental Stewardship

Public transit offers an alternative to the private automobile, reducing congestion and pollution due to single-occupancy vehicles. WETA plays a vital role in the Bay Area by providing high-volume service during peak congestion periods, efficiently moving people across the Bay. As vessels and technology advance, WETA will continue to be a leader in environmental efficiency and responsibility.

Continuous Environmental Improvement

WETA has a multi-faceted role in the Bay Area's efforts to preserve, protect and enhance the local environment. WETA supports alternative transportation choices for local residents and visitors; it seeks greater environmental efficiency when designing new facilities and infrastructure; and it strives to improve the environmental profile of its ferry fleet. Being a water-based transportation service, WETA will be directly impacted by sea-level rise, and climate adaptation strategies are likely to be increasingly important considerations for the organization over the next several decades.

As a provider of public transit, WETA helps to reduce local negative environmental impacts by providing congestion relief in key commute markets and an alternative to trips by single-occupancy vehicles. The vast majority of trips on WETA ferries occur in the heavily traveled I-80 corridor. WETA's daily service offers travelers an alternative to driving on oversubscribed roadways, and ferries are an important backup option in the event of problems with the Bay Bridge or any of the other transit providers in the corridor. In addition to serving the everyday transportation needs of the Bay Area's workers, WETA also provides an attractive option for recreational travel, such as for ballgames and other weekend excursions. This reduces reliance on vehicles, and also alleviates congestion, parking and crowding issues related to parades, festivals and other special events.

As WETA services have gained in popularity, land-side access to terminals has become a greater concern. WETA already partners with the relevant transit operators and nearby employers to establish transit service and shuttles that provide sufficient first/last-mile access to terminals. WETA also coordinates with local jurisdictions to ensure that bicycle and pedestrian infrastructure is sufficiently developed to encourage non-motorized terminal access.

In addition to the functional role that WETA services play in the transportation network, the agency is also a direct factor in environmental improvement when it makes investments in fixed facilities and other regional infrastructure. Under current practices, WETA strives to have all of its buildings meet the highest possible standards for environmental efficiency, via LEED certification and similar efforts. Building for efficiency from the start reduces life-cycle energy consumption, and going forward, WETA will look for opportunities to further improve the portfolio mix of its building energy consumption. For example, the agency could consider participation in emerging local efforts to develop community choice aggregation projects that offer alternative utility purchasing arrangements, or it could explore direct generation, such as installation of solar panels or wind turbines on its fixed facilities.

With all of its facilities and operations located at the edge of the San Francisco Bay, WETA will be directly affected by climate change and any associated sea level rise. As the region continues to explore adaptation strategies and other mitigations, WETA will monitor forecasts and trends, so that the agency can determine appropriate investments that will protect assets and secure its ability to operate for many years to come.

WETA has consistently been an environmental leader in developing new clean diesel technology for use on passenger ferry vessels. Moving forward, WETA will continue its work in developing innovative, environmentally friendly propulsion technologies as part of its long-term approach to future capital investments.

Clean Vessel Technology

WETA has consistently been an environmental leader in developing new clean diesel technology for use on passenger ferry vessels. Beginning with its first vessels, the Gemini Class series constructed in 2007, WETA pushed for the development and implementation of new diesel engine after-treatment technology. This resulted in these vessels exceeding EPA’s then-current Tier 2 emissions standards by 97 percent, proving to the industry that increasingly stringent Federal emissions requirements were achievable. New vessels under construction for WETA in 2016 follow suit, and are on target to achieve EPA’s Tier 4 emissions standards and reduce an estimated 10 tons of NOx, PM and CO emissions annually, utilizing a combination of selective catalytic reduction and diesel oxidation catalyst technologies. These achievements support the ambitious goals set by state and regional leaders for reducing harmful emissions and decreasing the climate impacts of transportation.

Moving forward, WETA will continue its work in developing innovative, environmentally friendly propulsion technologies to utilize as a part of its long-term approach to future capital investments. As a part of this effort, WETA will look for targeted opportunities to experiment with emerging technologies such as all-electric, hybrid-electric or wind-assisted propulsion systems as new vessels and services are designed and developed. New vessel technologies employed will be designed to allow flexibility to operate on multiple routes in order to support interlined service schedules, which maximize operating efficiency by sharing vessels and their crews between services, and to allow vessels to be flexed between services to most effectively respond to surges and changes in customer demand. In addition, because WETA’s assets are a critical piece of the region’s emergency response capability, alternative technologies will ideally be both environmentally sustainable and sufficiently resilient to be able to operate continuously in the event of a local disaster.

5. ENVIRONMENTAL STEWARDSHIP

GOAL	OBJECTIVES
<p>A. Seek continuous environmental improvement.</p>	<ul style="list-style-type: none"> i. Ensure vessels meet or exceed federal, state and regional emissions standards. ii. Utilize proven technologies to improve environmental performance. iii. Reduce automobile travel and congestion by maximizing ferry ridership. iv. Encourage alternate mode access to ferry terminals by accommodating bicycles, transit and pedestrians. v. Build facilities that meet LEED standards for environmental efficiency, as applicable. vi. Monitor sea level rise and plan for impact of climate change.

Focus Area: Emergency Response

During the last several years, WETA has provided critical relief-valve service when BART or the Bay Bridge have been shut down or experienced service disruptions. These situations have illustrated that ferries are an important resource for the Bay Area. When faced with a service disruption or disaster, ferries are capable of moving thousands of people across the Bay. WETA's emergency response capabilities will continue to be a focus of the organization.



Instagram: @meredithrex

Emergency Response

As part of its founding charter, WETA is directed to provide emergency response capabilities that might be needed after events such as natural disasters, emergencies or major network disruptions in the Bay Area. WETA plays an important role in coordinating the ferry transportation response and providing resources for decision-makers at the regional, state and federal level. Should an emergency occur, those decision-makers will direct resource deployment to provide movement of first responders, evacuation from dangerous areas, and delivery of needed supplies. WETA itself can only provide a physical response using the assets and personnel it has on

hand within its own fleet. By coordinating across all maritime partners in the region, WETA can amplify its own capacity to execute the priorities of the California Office of Emergency Services and/or the Federal Emergency Management Agency.

As one example, the existing WETA ferry transit system has the capability of evacuating 62 percent of Downtown San Francisco's daytime population within 48 hours, using its own vessels. With assistance of other operators, WETA could evacuate a more significant share of the daytime population. As the network of WETA vessels, terminals and core facilities expands, the agency will have increased capacity to serve this purpose.

Currently, the WETA ferry transit system has the capability of evacuating 62 percent of Downtown San Francisco’s daytime population within 48 hours, using its own vessels.

Economic Recovery

In the recovery period after an event, WETA may be the only viable Transbay operator for a period of weeks or months. The ability to maintain transportation connectivity on the water could be critical in helping the Bay Area quickly regain its footing while needed infrastructure and services are rebuilt.

In addition to recovery from emergency and disaster situations, WETA can provide support during disruptions to the Bay Area’s transportation network. Closures of BART and the Bay Bridge have increased in recent years and will continue to be a concern as

existing transportation systems age and experience the stress of increased demand. This includes both scheduled facility closures for construction and maintenance activities and unscheduled closures due to equipment failures and unanticipated incidents and events.

As with natural disasters and other emergencies, WETA’s ability to respond when called upon is tied directly to the size and scale of its fleet and facilities. Building increased capacity through system expansion and service enhancement will strengthen WETA’s ability to operate for prolonged periods at increased service levels, helping to sustain the Bay Area both in the short term and in the long run.

6. EMERGENCY RESPONSE

GOAL	OBJECTIVES
<p>A. Effectively manage the waterborne transportation response to natural disasters and disruptions to the Bay Area’s transportation network.</p>	<ul style="list-style-type: none"> i. Actively maintain and update WETA’s Emergency Response Plan. ii. Build emergency response capability in conjunction with WETA’s enhancement and expansion of transit service. iii. Increase the size and capacity of WETA’s fleet to absorb surges in ridership due to emergency response and recovery needs or disruption in Bay Area transportation. iv. Ensure WETA terminals have sufficient capacity for emergency response operations. v. Develop maintenance and fueling facilities that support emergency response activities. vi. Develop emergency preparedness partnerships with public safety officials and transportation operators at the federal, state and regional level. vii. Maintain training programs and participate in regional joint exercises to ensure WETA and contract operator staff are prepared for emergency operations. viii. Communicate WETA’s emergency response capabilities and resource needs to key participants and stakeholders in the emergency response community.

Focus Area: Organizational Capacity and Leadership

WETA’s organizational capacity and leadership will be critical to managing and expanding ferry services in the future.

The legislation that created WETA anticipated the agency playing a leadership role in the areas of emergency response and ferry development throughout the San Francisco Bay Area. Today, the WETA Board is well positioned to prepare the organization for continued growth. The 2016 Strategic

Plan provides the direction needed to realize WETA’s vision, and will be reassessed over time to account for changes in the region and the industry. The WETA Board will continue to play an active role in managing the ferry system and partnering with stakeholders throughout the Bay Area.

7. ORGANIZATIONAL CAPACITY AND LEADERSHIP

GOAL	OBJECTIVES
<p>A. Ensure WETA has the organizational capacity to manage and expand ferry services, according to the strategic direction of the Board of Directors.</p>	<ul style="list-style-type: none"> i. Provide an environment where WETA’s strategic direction can be understood and reassessed on a periodic basis. ii. Prepare the organization for continued growth by ensuring that Board direction is clearly communicated and understood. iii. Maintain and develop WETA staff resources. iv. Utilize contract service providers and consultants to augment the organization’s administrative and service needs.
<p>B. Provide leadership for the continued operation and expansion of ferry service throughout the Bay Area.</p>	<ul style="list-style-type: none"> i. Provide a forum for policy development and regular input through WETA Board meetings. ii. Establish and maintain collaborative partnerships with WETA contractors and vendors. iii. Develop cooperative relationships between WETA and organized labor. iv. Seek the input of ferry riders when considering major changes to the service and the ferry system.

Implementation and Monitoring



Instagram: @susankrlib

Implementation

The Strategic Plan is designed to help guide agency priorities and decision-making. It will be implemented in the management of ongoing ferry operations, the enhancement and expansion of services and facilities, and in planning for the future. The Plan will provide WETA leaders with guidance and direction at critical junctures where resource allocation and stakeholder needs must be addressed; it will also direct WETA's attention to areas of focus as the future unfolds. It does not dictate how these various activities occur, but instead provides a cohesive policy framework for long-term growth and success.

Monitoring

The WETA Board will continually revisit and reassess the direction of the Strategic Plan through planning studies and public forums. Additionally, monitoring of WETA's progress toward the goals and objectives outlined in the Strategic Plan will occur through integration with key regional reporting requirements and Board oversight.

External Standards and Reporting

WETA adheres to standards and reporting requirements set by federal, state and regional agencies. WETA will work to integrate and synchronize these external requirements with its own framework for tracking performance and progress towards

Strategic Plan objectives. Key external reports and standards include:

- **Federal Requirements:** WETA reports performance data to the Federal Transit Administration (FTA) through annual submittals to the National Transit Database; additionally, WETA participates in the FTA Triennial review process.
- **Regional Requirements:** The Metropolitan Transportation Commission (MTC) requires WETA to make annual reports of key service and cost efficiency metrics as part of its Transit Sustainability Project. MTC also requires that transit operators within the Bay Area produce *Short Range Transit Plans* (SRTPs) that describe and quantify their 10-year operating and capital plans. The WETA 2016 *Short Range Transit Plan* (SRTP) provides a fiscally constrained projection for the FY2016–2025 period.
- **Other:** WETA's Emergency Response Plan (March 2016) and related documents describe WETA's plans and strategy for response to a catastrophic incident affecting Bay Area regional transportation operations consistent with the standards of the National Incident Management System (NIMS), the California Standardized Emergency Management System (SEMS) and other federal and state requirements and standards for emergency response.

Our Vision for Ferry Service in 2035

12 Vessels
7 Terminals
4 Routes
Peak Capacity of 1,802
7,583 Daily Riders
5 Peak Hour Landings at SF Ferry Building
\$33 Million Operating Budget



2016

2035



44 Vessels
16 Terminals
12 Routes
740% Increase in Peak Capacity
5x the Daily Riders
25 Peak Hour Landings
\$144 Million Operating Budget

An Evolution of WETA

Milestones, Plans and Opportunities

1989

Loma Prieta Earthquake

The Alameda/Oakland service, coupled with existing Vallejo service initiated in 1986, helped to serve travelers in the Bay Bridge corridor during this critical time.



SFMTA.com

1999

State Legislature Creates Water Transit Authority (WTA)

In 1999, the state Legislature created the San Francisco Bay Area Water Transit Authority (WTA) to plan new and expanded environmentally-friendly ferry service and related ground facilities.

2003

WTA Adopts the Implementation and Operations Plan

In July 2003, WTA delivered an Implementation and Operations Plan (IOP) and companion programmatic Environmental Impact Report, identifying seven new potential ferry routes linking Oakland-South San Francisco, Berkeley-San Francisco, Richmond-San Francisco, Hercules-San Francisco, Antioch-San Francisco, Redwood City-San Francisco and Treasure Island-San Francisco.

2004

Voters Approve RM2

Successful passage of Regional Measure 2 (RM2) in 2004 provided local toll bridge funds for regional ferry system expansion. With the approved funding, WTA moves forward with public ferry expansion plans outlined in the IOP.

2006

WTA Awards Contract to Nichols Brothers Boat Builders for First New Vessels

In April, 2006, the WTA Board approved the first of two contracts with the team of Nichols Brothers Boat Builders and Kvichak Marine Industries, Inc. for the construction of four new ferry vessels to add to the Bay Area fleet. These environmentally-friendly Gemini Class vessels were designed for low-wake/low-wash operation, and exceeded EPA Tier 2 Emission standards by 97 percent by utilizing a state-of-the-art Particulate Matter and NOx emission reduction system built specifically for WETA.

2007

SB 976 Establishes San Francisco Bay Area Water Emergency Transportation Authority (WETA) to Replace WTA

In 2007, with the aftermath of Hurricane Katrina still fresh, the governor signed SB 976, which created the San Francisco Bay Area Water Emergency Transportation Authority (WETA) as successor to WTA. It directed WETA to run a consolidated regional ferry system and prepare the system to respond to a natural or man-made disaster, in particular a major earthquake that disrupts bridge traffic in and out of San Francisco.

2008

CalOES Approves \$25 Million Proposition 1B Funds to Support WETA Build-Out

In June 2008, the California Governor's Office of Emergency Services approved \$25 million in state Proposition 1B bond funds to support the design and construction of planned WETA ferry terminals, facilities and vessels to be made available to support emergency response transportation services in the region. This landmark allocation was the first installment of a promised \$250 million to be made available by the state to support build-out of WETA's planned expansion system.

2009

WETA Delivers Transition Plan

In June 2009, WETA issued a Transition Plan as specified by recent legislation SB 1093. The legislation required that transfer of the boats, terminals and other equipment and facilities to WETA be negotiated between the agency and those cities, subject to public hearings and review, and mandated that the transition plan lay out WETA's plans for operating and financing current and expanded ferry service. The Plan was prepared in collaboration with the cities to ensure continuity of service and respect for local development goals for ferry terminal property and nearby lands.

WETA Breaks Ground on New South San Francisco Terminal

In October 2009, WETA began construction of a new ferry terminal in South San Francisco.

2011

WETA enters into operations and maintenance contract with Blue & Gold Fleet

In 2011, Blue & Gold Fleet was selected to operate WETA's consolidated San Francisco Bay Ferry System.

2012

City of Alameda Services Transitioned to WETA

Consistent with state law, operation of the Alameda-Oakland and Harbor Bay services, previously managed by the City of Alameda, was transitioned to WETA.



Photo by Barrie Rokeach

South San Francisco Service Begins

In June 2012, construction of the new South San Francisco terminal was completed and service was launched. In addition, the ferry service began operating under the new consumer-facing San Francisco Bay Ferry name.



By ROMA Design Group in association with Moffatt & Nichol and Simpson Gumpertz & Heger

SF Bay Ferry Introduces Clipper

SF Bay Ferry introduced Clipper on the Alameda-Oakland and Harbor Bay routes, connecting ferry riders to the extended transit network. Clipper is central to the integration of the ferry system with the long-term vision for Bay Area transit infrastructure.

2013

Ferry Ridership Triples During BART Strike

During BART strikes in 2013, SF Bay Ferry's ridership tripled as many Bay Area residents used the ferry system to commute to and from work. The strikes introduced many commuters to SF Bay Ferry for the first time, and increased ridership continues today.



nbcbayarea.com

City of Vallejo Services Transitioned to WETA

In June 2013, Vallejo ferry service previously managed by the City of Vallejo was transitioned to WETA. This transition included transfer of the system's vessels and terminals, as well as responsibility to carry-out the planned construction of a new maintenance and operations facility on Mare Island. This facility, as constructed, will serve as a core part of WETA's emergency response and North Bay operating infrastructure.

2014

WETA Awards \$32 Million Contract to Kvichak Marine Industries, Inc. for Two New Vessels

In April 2014, the WETA Board of Directors awarded a \$32 million contract to Kvichak Marine Industries, Inc., of Seattle, Washington, for the design and construction of two 400-passenger, 27-knot, passenger-only ferries. The new vessels are expected to enter service by summer 2017.



Rendering courtesy Incat Crowther

WETA Breaks Ground at North Bay Operations and Maintenance Facility

In May 2014, WETA began construction on the North Bay Operations and Maintenance Facility, located along the Mare Island Waterfront in Vallejo. The facility will serve as the center of the Vallejo system operations and vessel maintenance and fueling activities, and will provide a north bay emergency response center for WETA's system. The facility is scheduled to open in fall 2016.

WETA Implements Enhanced Service Schedules to Meet Growing Demand

In summer 2014, WETA initiates the first of what will end up being a series of service increases in response to skyrocketing demand resulting from the booming economy.

2015

Ferry Service to Richmond One Step Closer to Reality

In March 2015, the WETA Board of Directors approved a Cooperative Agreement with the Contra Costa Transportation Authority (CCTA) and the City of Richmond to provide operating subsidy for proposed Richmond ferry service. The 10-year agreement will serve as the basis of future planning efforts among the involved agencies to support and plan for Richmond ferry service.

SF Bay Ferry Ridership Increases 79% Over 5-Day Period During BART Closure

Over the five-day BART closure in the summer of 2015, SF Bay Ferry carried 79 percent more passengers than normal as compared a similar five-day time period.



bartable.bart.gov

2016

WETA Delivers Short-Range Transit Plan

In February 2016, WETA updated its 10-year Short-Range Transit Plan (SRTP) for FY2015-16 to FY2024-25. The Plan provides an overview of WETA's public transit ferry services and recent system performance, as well as a financially constrained 10-year projection of transit operating and capital expenses and revenues for the system.

Ferry Ridership Peaks for Super Bowl 50

In February 2016, SF Bay Ferry enhanced its regular service for Bay Area residents traveling to and from San Francisco for Super Bowl festivities. For the nine-day period of enhanced ferry service, SF Bay Ferry ridership saw an 81 percent increase as compared to a similar timeframe.



@bayferrycommuter

WETA Approves Updated Emergency Response Plan

In March 2016, the WETA Board of Directors adopted an update to its Emergency Response Plan, which outlines WETA's roles, responsibilities and procedures for coordinating the Bay Area water transportation response in the event of a catastrophic event, such as an earthquake.

WETA Awarded \$4 Million Grant for Downtown SF Ferry Terminal Expansion

In April 2016, WETA was awarded a \$4 million competitive grant from the Federal Transit Administration (FTA) for its Downtown San Francisco Ferry Terminal Expansion Project.



WETA Board Approves Blue & Gold Fleet Contract Extension

In May 2016, the WETA Board of Directors approved a five-year extension of its agreement with Blue & Gold Fleet for the operation and maintenance of WETA's San Francisco Bay Ferry. Under the agreement, Blue & Gold Fleet is responsible for the daily operation and management of WETA's ferry transit system, including vessel operations and maintenance, ferry terminal operations, and fare collection.

WETA and the City of Alameda Celebrate Opening of O'Lot

In May 2016, WETA and the City of Alameda hosted a ribbon-cutting ceremony to celebrate the opening of the new O'Club Parking Lot, a paved parking lot with 121 spaces for Alameda Main Street ferry passengers. WETA funded the needed improvements, and City staff led the construction.



WETA Completes Strategic Plan

The WETA Board of Directors approves the 2016 Strategic Plan, which sets forth a vision, mission and priorities for the next 20 years of SF Bay Ferry service.

2018

Richmond Ferry Service (Planned Launch)

Weekday commuter service from Richmond to San Francisco was approved for funding and planning in 2015 and is scheduled to become operational by 2018 at a remodeled Richmond Ferry Terminal, in Richmond's Marina Bay District.



ci.richmond.ca.us

Central Bay Operations and Maintenance Facility (Planned Completion)

Construction of the Central Bay Operations and Maintenance Facility is planned for completion in 2018. The facility will be the future home of WETA's central San Francisco Bay ferry fleet, providing a consolidated base for WETA to maintain vessels operating on its East Bay and South San Francisco ferry routes, as well as Richmond and Treasure Island services. The facility will also include an Operations Control Center for service dispatch and an Emergency Operations Center.



San Francisco Ferry Terminal Expansion Project (Planned Completion)

The Downtown San Francisco Ferry Terminal Expansion Project will expand and improve facilities at the Downtown San Francisco Ferry Terminal. The project includes the construction of two new ferry gates, installation of amenities such as weather-protected areas for queuing, improvements to pedestrian circulation, and covering of the current "lagoon" area south of the Ferry Building for future use as a staging area for evacuees in the event of a major catastrophe.



2020 – 2026

Expansion Services

A series of terminals that have recently entered into the planning and design stages will open during this time period, provided funding gaps can be closed and development activities continue forward progress. A third terminal in Alameda—at Seaplane Lagoon as part of the Alameda Point mixed use development—has a target opening of 2020. **Treasure Island** service is scheduled to open in 2022,



sfcta.org

assuming the current development schedule. A second destination terminal in San Francisco, in the emerging **Mission Bay** neighborhood, will open by the 2021-2022 basketball season. Terminals in Redwood City and **Berkeley** will open between 2022 and 2026, offering ferry service to underserved and congested corridors in the Bay Area



Rendering by Tai-Ran Tseng

By 2035...

Emerging Markets to South Bay and Carquinez Strait

With the increased job growth throughout the Bay Area, there is a need to explore ferry service to locations sites previously not considered viable due to excessive travel time, environmental obstacles or high costs. WETA will work with government and business stakeholders to identify opportunities to work collaboratively to develop cost-effective options for serving travelers in the South Bay and Carquinez Strait with ferries.

Acknowledgments

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Appendix A

2016 Cost Estimate for WETA Expansion and Enhancement Plan

WETA staff has developed a preliminary estimate of the cost to develop the region’s ferry system as described in the Strategic Plan. The following sections lay out the total cost and net funding need in three separate areas: operating expenses, vessels and terminals. The scope, schedule, and budget for each of the projects below will evolve as projects move through the planning and development process. This Appendix will be periodically updated to capture major changes in the information presented here.

Summary

(2016 dollars)

	Annual Operating		Vessels		Terminals	
	Committed Funding	Needed Funding	Committed Funding	Needed Funding	Committed Funding	Needed Funding
Enhancement	\$17	\$17	\$36	\$113	\$80	\$36
Expansion	\$6	\$18	\$83	\$275	\$99	\$143
Emerging	–	\$14	–	\$188	–	\$90
Total	\$23	\$49	\$119	\$575	\$179	\$269

All figures shown in millions of dollars

Operating Expenses

Table A-1 below presents an estimate of annual operating expenses, broken down by service for both existing and anticipated future ferry lines. Destination terminals such as the San Francisco Ferry Building, Pier 41 and Mission Bay are not included in this table, because the cost to serve those facilities is incorporated into the origin terminal expenses. For illustrative purposes, cost estimates are presented in current 2016 dollars, even for routes that are not scheduled to begin until future years.

WETA currently recovers approximately 50 percent of its operating expenses through fare revenue. Assuming that the system is able to sustain the same farebox

recovery ratio for all services going forward, this would mean that the total operating budget of \$144 million would require an operating subsidy of \$72 million.

Two services—Richmond and Treasure Island—have already received commitments for operational funding support. The MOU for Richmond calls for an operating subsidy for the first 10 years. The table below assumes an increase in Richmond service above what is currently planned for the route and extension of the service beyond the current 10-year operating funding commitment. According to the development agreement for Treasure Island, operating expenses for that route will be covered by the Treasure Island Mobility Management Association (TIMMA) on an on-going basis.

TABLE A-1: Estimated Annual Operating Expenses – Future System (2016 dollars)

Operating Expenses	Service Levels		Total Annual Operating Budget	Operating Subsidy Required	Funding	
	Current	Enhanced			Committed Funding	Needed Funding
Alameda/Oakland	30	15	\$20	\$10	\$5	\$5
Vallejo	40	15	\$34	\$17	\$8.5	\$8.5
Harbor Bay	60	30	\$6	\$3	\$1.5	\$1.5
South San Francisco	60	30	\$8	\$4	\$2	\$2
Enhancement Subtotal			\$68	\$34	\$17	\$17
Richmond		30	\$8	\$4	\$2	\$2
Treasure Island		30	\$8	\$4	\$4	\$ -
Berkeley		30	\$8	\$4	\$ -	\$4
Redwood City		30	\$12	\$6	\$ -	\$6
Hercules		30	\$12	\$6	\$ -	\$6
Expansion Subtotal			\$48	\$24	\$6	\$18
Carquinez Strait		30	\$14	\$7	\$ -	\$7
South Bay		30	\$14	\$7	\$ -	\$7
Emerging Subtotal			\$28	\$14	\$ -	\$14
Total			\$144	\$72	\$23	\$49

All figures shown in millions of dollars

Vessels

A fleet of 44 vessels would be needed to deliver the full buildout of the WETA system, as envisioned in the Strategic Plan. This assumes a spare ratio—the proportion of vessels in reserve versus those in daily operations—of 50 percent. Because of the challenges and complexity of maintaining vessels in a marine environment, which requires periodic dry dock inspections and repairs as well as extensive rehabilitation periods, a higher spare ratio is needed for ferries than may be required for other transit modes such as bus or rail. See Table A-2 below for required fleet and capital costs for the future system.

WETA operates two types of vessels today: waterjet propulsion vessels for the Vallejo service and propeller propulsion vessels in the Central Bay (Oakland, Alameda, Harbor Bay, South San Francisco). In addition, a green technology (hybrid, wind assist, electric) vessel is currently being considered for Treasure Island service. Future Richmond and South Bay services would require water jet vessels due to distance and travel time goals. Berkeley vessels may be green technology or propeller propulsion. Given current and projected demand, WETA is pursuing large vessels capable of carrying 400 passengers or more.

TABLE A-2: Required Fleet and Capital Costs – Future System (2016 dollars)

Vessels	Current Fleet	Enhanced Fleet	New Vessels Required	Total Cost	Committed Funding	Needed Funding
Alameda/Oakland (PROP)	3	6	3	\$54	\$36	\$18
Vallejo (JET)	4.5	7	3	\$59	\$ –	\$59
Harbor Bay (PROP)	2	3	1	\$18	\$ –	\$18
South San Francisco (PROP)	2.5	3.5	1	\$18	\$ –	\$18
Enhancement Subtotal	12	19.5	7.5	\$149	\$36	\$113
Richmond (JET)		3	3	\$71	\$47	\$24
Treasure Island (PROP)		3	3	\$54	\$36	\$18
Berkeley (PROP)		2.5	3	\$45	\$ –	\$45
Redwood City (JET)		4	4	\$94	\$ –	\$94
Hercules (JET)		4	4	\$94	\$ –	\$94
Expansion Subtotal	0	16.5	16.5	\$358	\$83	\$275
Carquinez Strait (JET)		4	4	\$94	\$ –	\$94
South Bay (JET)		4	4	\$94	\$ –	\$94
Emerging Subtotal	0	8	8	\$188	\$ –	\$188
Total	12	44	32	\$694	\$119	\$575

All figures shown in millions of dollars

Terminals

As outlined below in Table A-3, terminal expenses consist of both new terminal construction and expansion of existing terminals. Some new terminals already have a full funding plan in place. For example, the Treasure Island terminal is being funded by the team developing Treasure Island. Other new terminals required additional funding in order to move into the construction phase. Planned terminal expansions include the downtown San Francisco facility along with terminals in Alameda and Oakland.

TABLE A-3:
Capital Cost of
Terminal Facilities –
Future System
(2016 dollars)

Terminals	Total Costs	Committed Funding	Needed Funding
Downtown South Basin	\$80	\$80	\$ –
Alameda Main Street	\$18	\$ –	\$18
Oakland	\$18	\$ –	\$18
Vallejo	\$ –	\$ –	\$ –
Harbor Bay	\$ –	\$ –	\$ –
South San Francisco	\$ –	\$ –	\$ –
<i>Enhancement Subtotal</i>	<i>\$116</i>	<i>\$80</i>	<i>\$36</i>
Downtown North Basin	\$30	\$ –	\$30
Richmond	\$18	\$18	\$ –
Seaplane Lagoon	\$18	\$10	\$8
Treasure Island	\$30	\$30	\$ –
Berkeley	\$35	\$ –	\$35
Redwood City	\$30	\$15	\$15
Mission Bay	\$46	\$3	\$43
Hercules	\$35	\$23	\$12
<i>Expansion Subtotal</i>	<i>\$242</i>	<i>\$99</i>	<i>\$143</i>
Carquinez Strait	\$40	\$ –	\$40
South Bay	\$50	\$ –	\$50
<i>Emerging Subtotal</i>	<i>\$90</i>	<i>\$ –</i>	<i>\$90</i>
Total	\$448	\$179	\$269

All figures shown in millions of dollars

Appendix B

Description of Available Funding Sources

This appendix provides a brief overview of the funding sources that are currently or potentially accessible to WETA to fund the enhancement and expansion of the regional ferry system. This appendix will be updated in the event of significant changes to WETA's funding structure. Additional detail about capital and operating funding sources can be found in other WETA documents that are updated on a more frequent basis, such as the Short Range Transit Plan and the Annual Capital and Operating Budget.

Federal

Formula Grants

The Federal Transit Administration provides formula grants to transit operators through its Section 5307 (Urbanized Area) and 5309 (Transit Capital Investment) programs. These funds are restricted to specific types of capital rehabilitation expenditures, programmed annually to WETA by MTC through the regional Transit Capital Priorities process.

The Federal Highway Administration Ferry Boat Program provides a small amount of federal grant funds annually by formula to support existing public ferry operator's capital needs.

Discretionary Grants

Ferry boats and facilities are eligible for FTA Passenger Ferry Grant Program funds administered by the Federal Transit Administration annually through a nationwide competitive call for projects. This program is consistently oversubscribed, so funding levels are uncertain in any given year.

State

Proposition 1B

This voter-approved program sells state bonds and directs the proceeds towards a variety of transportation needs throughout California. WETA received a \$250 million state commitment through the Regional Public Waterborne Transit portion of this program to support efforts to develop and expand regional ferry emergency response capacity in the San Francisco Bay Area.

State Transit Assistance

State Transit Assistance (STA) funds are appropriated by the State Controller's office on a revenue and population formula basis and allocated annually to WETA through grant agreement with MTC to support transit capital and operating needs. STA funds are derived from the sales tax on fuel sold in California, and can vary considerably from year-to-year based on changes in oil prices and the overall economy.

Low Carbon Transit Operations Program

The Low Carbon Transit Operating Program (LCTOP) is a part of the State's Greenhouse Gas Reduction Fund that provides assistance for transit projects that reduce greenhouse gas emissions and improve mobility. Revenues are generated from a specified portion of cap-and-trade auction proceeds, and then allocated to operators based on the State Transit Assistance (STA) Revenue-Based formula. These funds can be used to support new or expanded transit services, or expanded intermodal facilities and equipment, fueling and maintenance for those facilities. WETA will need to identify expenditures that qualify as a GHG reducing projects in order to be eligible for reimbursement from LCTOP. In addition, action by the state legislature may be required to extend this program beyond 2020.

Regional & Local

Regional Measure 1

In 1988, Bay Area voters approved Regional Measure 1 (RM 1), authorizing a \$1.00 toll increase for all seven state-owned Bay Area toll bridges. WETA receives multiple funding allocations from the toll revenues, to support both operating and capital needs. The funding amounts do not escalate over time to keep pace with inflationary increases in costs.

Regional Measure 2

In 2004, voters passed Regional Measure 2 (RM2), raising the toll on the seven state-owned toll bridges in the San Francisco Bay Area by an additional \$1.00. WETA has been allocated fixed amounts to support specific capital projects and operating expenses to maintain, enhance and expend the existing very system. The funding amounts do not escalate over time to keep pace with inflationary increases in costs.

Assembly Bill 664

Assembly Bill 664 funds are also related to Bay Bridge tolling. They are programmed annually by MTC to provide partial local match to Federal Section 5307 and 5337 formula grant funds for capital projects serving the Bay Bridge transbay corridor. WETA has received funding in the past and will continue to pursue this source for upcoming projects which may be eligible.

Transit Performance Initiative (TPI) Incentive Program

The Transit Performance Initiative (TPI) Incentive Program is a relatively new program that provides a financial reward to those Bay Area transit agencies that improve their ridership and productivity. MTC has designated a portion of federal monies from the regional Surface Transportation Program (STP)/ Congestion Mitigation Air Quality Improvement Program (CMAQ) funds to the TPI Incentive Program and developed criteria and formulas for distribution on a periodic basis. WETA must identify capital and operating expenditures that would otherwise be eligible for STIP/CMAQ monies in order to seek reimbursement from MTC under this program.

Alameda County Measure B / Measure BB

In 2000, Alameda County voters approved Measure B, the half-cent transportation sales tax and an accompanying 20 year expenditure plan. Then in 2014, Alameda County voters passed Measure BB, a 30-year Transportation Expenditure Plan which extends the existing 0.5 % Measure B sales tax beyond its original sunset date, and augments the tax by 0.5%. Alameda CTC administers Measure B funds to deliver transportation improvements and services in Alameda County and to address congestion in major commute corridors. WETA receives annual allocations to support a portion of its operating and capital needs. Measure BB will expire in 2045 without voter renewal.

San Francisco Proposition K

San Francisco Proposition K (Prop K) is a half-cent local sales tax for transportation that was approved by San Francisco voters in November 2003. The City and County of San Francisco programs funding to eligible projects identified in its 5 Year Prioritization Programs (5YPPs), which are updated every four years.

Contra Costa Measure J

In 2004, Contra Costa voters approved Measure J, which extended the half-cent local transportation sales tax first established by Measure C in 1988 for another 25 years, in order to provide funding for continued and new transportation projects in the county. WETA has received allocations from these funds for both operating and capital purposes, primarily to support new service in Richmond, per an MOU between WETA and the CCTA.

San Mateo Measure A

In 2004, San Mateo County voters approved an extension of the existing Measure A transportation sales tax measure to provide funding for continued and new transportation projects in the county. The revised expenditure program included capital funds to support development of new ferry services to South San Francisco and Redwood City. A portion of the approved funding has already been used to construct the South San Francisco terminal. WETA will work with the San Mateo County Transportation Authority, South San Francisco and Redwood City to identify any future projects that would be an appropriate use for the remainder of the voter-approved funds.

Local Property Taxes & Assessments

In the past WETA has received minor allocations of funding from various local entities to support a portion of capital and operating costs of ferry service to specific Bay Area communities. Examples include municipal property taxes from the City of Alameda and special district assessments from the Harbor Bay Business Park. Community-level funding support is often critical in accelerating small-scale projects and closing funding gaps so that larger projects can move into implementation.

Future Regional & Local Programs

In the years ahead, WETA anticipates that new funding programs will be crafted to help provide revenues to support the continued improvement of the Bay Area's regional transportation system. Programs that have been suggested in the past include a third bridge toll augmentation, a regional gas tax, and new county-level transportation sales taxes. Where appropriate, WETA will advocate for a portion of these new programs to support enhancement and expansion of ferry transit operations.

