

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
300 Lakeside Drive, P. O. Box 12688, Oakland, CA 94604-2688

BOARD MEETING AGENDA

May 12, 2016

9:00 a.m.

A regular meeting of the Board of Directors will be held at 9:00 a.m. on Thursday, May 12, 2016, in the BART Board Room, Kaiser Center 20th Street Mall – Third Floor, 344 – 20th Street, Oakland, California.

Members of the public may address the Board of Directors regarding any matter on this agenda. Please complete a “Request to Address the Board” form (available at the entrance to the Board Room) and hand it to the Secretary before the item is considered by the Board. If you wish to discuss a matter that is not on the agenda during a regular meeting, you may do so under Public Comment.

Any action requiring more than a majority vote for passage will be so noted.

Items placed under “consent calendar” are considered routine and will be received, enacted, approved, or adopted by one motion unless a request for removal for discussion or explanation is received from a Director or from a member of the audience.

Please refrain from wearing scented products (perfume, cologne, after-shave, etc.) to these meetings, as there may be people in attendance susceptible to environmental illnesses.

BART provides service/accommodations upon request to persons with disabilities and individuals who are limited English proficient who wish to address BART Board matters. A request must be made within one and five days in advance of Board meetings, depending on the service requested. Please contact the Office of the District Secretary at 510-464-6083 for information.

Rules governing the participation of the public at meetings of the Board of Directors and Standing Committees are available for review on the District's website (<http://www.bart.gov/about/bod>), in the BART Board Room, and upon request, in person or via mail.

Meeting notices and agendas are available for review on the District's website (<http://www.bart.gov/about/bod/meetings.aspx>), and via email (https://public.govdelivery.com/accounts/CATRANBART/subscriber/new?topic_id=CATRANBART_1904) or via regular mail upon request submitted to the District Secretary. Complete agenda packets (in PDF format) are available for review on the District's website no later than 48 hours in advance of the meeting.

Please submit your requests to the District Secretary via email to BoardofDirectors@bart.gov; in person or U.S. mail at 300 Lakeside Drive, 23rd Floor, Oakland, CA 94612; fax 510-464-6011; or telephone 510-464-6083.

Kenneth A. Duron
District Secretary

Regular Meeting of the
BOARD OF DIRECTORS

The purpose of the Board Meeting is to consider and take such action as the Board may desire in connection with:

1. CALL TO ORDER

- A. Roll Call.
- B. Pledge of Allegiance.
- C. Introduction of Special Guests.

2. CONSENT CALENDAR

- A. Approval of Minutes of the Meeting of April 28, 2016 (Regular).* Board requested to authorize.
- B. Use of PayPal Holdings Inc. as Payment Service Provider for BART Perks Pilot Program.* Board requested to authorize.
- C. Award of Invitation for Bid No. 9003, Scissor Lift.* Board requested to authorize.
- D. FY16 Third Quarter Financial Report.* For information.

3. PUBLIC COMMENT – 15 Minutes

(An opportunity for members of the public to address the Board of Directors on matters under their jurisdiction and not on the agenda. An additional period for Public Comment is provided at the end of the Meeting.)

4. CLOSED SESSION (Room 303, Board Conference Room)

A. CONFERENCE WITH LABOR NEGOTIATORS

Designated representatives: Grace Crunican, General Manager; Paul Oversier, Assistant General Manager, Operations; Carter Mau, Assistant General Manager, Administration and Budget; and Carol Isen, Chief Employee Relations Officer

Employee Organizations: (1) Amalgamated Transit Union, Local 1555;
(2) American Federation of State, County and Municipal Employees, Local 3993;
(3) BART Police Officers Association;
(4) BART Police Managers Association;
(5) Service Employees International Union, Local 1021; and
(6) Service Employees International Union, Local 1021, BART Professional Chapter
(7) Unrepresented employees (Positions: all)

Government Code Section: 54957.6

5. ADMINISTRATION ITEMS

Director Saltzman, Chairperson

- A. Resolution Ratifying Collective Bargaining Agreement with the Amalgamated Transit Union, Division 1555.* Board requested to adopt.
- B. Resolution Ratifying Collective Bargaining Agreement with the American Federation of State, County and Municipal Employees, Local 3993.* Board requested to adopt.
- C. Resolution Ratifying Collective Bargaining Agreement with the Service Employees International Union, Local 1021, including the BART Professional Chapter.* Board requested to adopt.
- D. FY 17 Preliminary Budget Sources, Uses and Service Plan.* For information.
- E. Independent Auditor's Report on Audit of Federal Awards under the Single Audit Act and OMB Circular A-133 for the Fiscal Year Ended June 20, 2015.* For information

6. ENGINEERING AND OPERATIONS ITEMS

Director McPartland, Chairperson

- A. Sole Source Procurement with Kampa International for Rail Damper Assemblies.* Board requested to authorize. (TWO-THIRDS VOTE REQUIRED)
- B. Agreement with The Allen Group, LLC/Cooper Pugeda Management, Inc. for Districtwide Small Business Supportive Services. (Agreement No. 6M5099).* Board requested to authorize.

7. PLANNING, PUBLIC AFFAIRS, ACCESS, AND LEGISLATION ITEMS

Director Raburn, Chairperson

- A. Transit Oriented Development Policy Update: Program Evaluation and Discussion of Goals.* For information.

8. GENERAL MANAGER'S REPORT

- A. Report of Activities, including Updates of Operational, Administrative, and Roll Call for Introductions Items.

9. BOARD MATTERS

A. Board Member Reports.

(Board member reports as required by Government Code Section 53232.3(d) are available through the Office of the District Secretary. An opportunity for Board members to report on their District activities and observations since last Board Meeting.)

B. Roll Call for Introductions.

(An opportunity for Board members to introduce a matter for consideration at a future Committee or Board Meeting or to request District staff to prepare items or reports.)

C. In Memoriam.

(An opportunity for Board members to introduce individuals to be commemorated.)

10. PUBLIC COMMENT

(An opportunity for members of the public to address the Board of Directors on matters under their jurisdiction and not on the agenda.)

11. CLOSED SESSION (Room 303, Board Conference Room)

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Name of Case: Bay Area Rapid Transit District v. Pacific Gas and Electric Company

Case no. EL 15-30-000

Government Code Section: 54956.9(a)

12. OPEN SESSION

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
300 Lakeside Drive, P.O. Box 12688, Oakland, CA 94604-2688

Board of Directors
Minutes of the 1,762nd Meeting
April 28, 2016

A regular meeting of the Board of Directors was held April 28, 2016, convening at 9:00 a.m. in the Board Room, 344 20th Street, Oakland, California. President Radulovich presided; Kenneth A. Duron, District Secretary.

Directors present: Directors Blalock, Josefowitz, Keller, Mallett, Murray, Raburn, Saltzman, and Radulovich.

Absent: None. Director Mc Partland entered the Meeting later.

Consent Calendar items brought before the Board were:

1. Approval of Minutes of the Meetings of April 14, 2016 (Regular), and April 14, 2016 (Special).
2. Award of Contract No. 09AU-150, Special Track Work Procurement Oakland Shops SPUR.
3. Award of Contract No. 03LM-451, Walnut Creek Station Bicycle Parking Pavilion.
4. Award of Invitation for Bid No. 9002, 48V Batteries and Chargers.

President Radulovich requested that Reject all Bids for Contract No. 15IF-130, Powell Street Station Ceiling Upgrades before the Board be removed from Consent Calendar.

Director Blalock made the following motions as a unit. Director Murray seconded the motions.

Director McPartland entered the meeting.

The motions carried by electronic vote with a verbal vote by Director Mc Partland. Ayes – 9: Directors Blalock, Josefowitz, Keller, Mallett, McPartland, Murray, Raburn, Saltzman, and Radulovich. Noes - 0. Absent – 0.

1. That the Minutes of the Meetings of April; 14, 2016 (Regular), and April 14, 2016 (Special), be approved.
2. That the General Manager be authorized to award Contract No. 09AU-150, Special Trackwork Procurement Oakland Shops Spur to Voestalpine Nortrack Inc., for the Bid amount of \$642,978.00 pursuant to notification to be issued by the General Manager and subject to compliance with the District's protest procedures.

3. That the General Manager be authorized to award Contract No. 03LM-451, Construction of Walnut Creek Bike Pavilion to Empire Engineering and Construction, Inc. of San Francisco, California for the Bid price of \$310,903.00, pursuant to notification to be issued by the General Manager and subject to compliance with the District's protest procedures and the FTA's requirements related to protest procedures.
4. That the General Manager be authorized to award Invitation for Bid No. 9002, for the Procurement of 48V Battery and charger to Storage Battery Systems LLC of Menomonee Falls, WI in the amount of \$568,414.28, including all applicable sales taxes, pursuant to notification to be issued by the General Manager, subject to compliance with the District's protest procedures and the Federal Transit Administration's requirements related to protests procedures.

President Radulovich brought Reject all Bids for Contract No. 15IF-130, Powell Street Station Ceiling upgrades before the Board. The item was discussed.

Director Blalock moved that All Bids for Contract No. 15IF-130, Powell Street Ceiling Upgrades, are rejected and the General Manager is authorized to re-advertise the Contract. Director Murray seconded the motion, which carried by unanimous electronic vote. Ayes – 9: Directors Blalock, Josefowitz, Keller, Mallett, McPartland, Murray, Raburn, Saltzman, and Radulovich. Noes - 0. Absent – 0.

President Radulovich called for Public Comment.

The following individuals addressed the Board.

Clarence Fischer
Angela Wills

Director Saltzman, Chairperson of the Administration Committee, brought the matter of Fiscal Year 2016-17 Preliminary Budget Procedural Actions. Mr. Carter Mau, Assistant General Manager, Administration and Budgets, presented the item. The item was discussed. Director Blalock moved that staff be directed to publish a Budget Pamphlet for Fiscal Year 2017 to be available no later than May 2, 2016 and to the Public Hearing on the Fiscal Year 2017 Preliminary Budget be set for Thursday May 26, 2016 in the Board Room. Director Keller seconded the motion, which carried by unanimous electronic vote. Ayes – 9: Directors Blalock, Josefowitz, Keller, Mallett, McPartland, Murray, Raburn, Saltzman, and Radulovich. Noes - 0. Absent – 0.

Director McPartland, Chairperson of the Engineering and Operations Committee, brought the matter of Change Order to Contract No. 79HM-120, SFTS MB, with Manson Construction Company, Inc., for Revision of Structural Anchorages (C.O. No. 4), before the Board. Mr. Tom Horton, Group Manager, Earthquake Safety Program and Group Manager, Hayward Maintenance Complex, presented the item. The item was discussed. Director Murray moved that the General Manager be authorized to execute Change Order No. 4 for the Revision of Structural Anchorages, in the amount of \$429,350, to Contract No. 79Hm-120, SFTS MB, with Manson Construction Company, Inc. Director Saltzman seconded the motion, which carried by unanimous electronic vote. Ayes – 9: Directors Blalock, Josefowitz, Keller, Mallett, McPartland, Murray, Raburn, Saltzman, and Radulovich. Noes - 0. Absent – 0.

Director McPartland brought the matter of Automated License Plate Reader Technology, before the Board. Mr. Benson Farrow, Deputy Chief of Police, presented the item.

The following individuals addressed the Board.

Mike Katz-Lacabe

JP Massar

Brian Geiser

The item was discussed.

Director Raburn, Chairperson of the Planning, Public Affairs, Access, and Legislation Committee, brought the matter of Draft Station Access Policy before the Board. Mr. Robert Powers, Assistant General Manager, Planning and Development, Mr. Val Menotti, Department Manager, Planning and Ms. Hannah Lindelof, Senior Planner, presented the item.

Clarence Fischer addressed the Board.

The item was discussed.

President Radulovich exited the meeting.

Alan Smith addressed the Board.

Discussion continued.

Mike Chase addressed the Board.

Director Raburn brought the matter of Draft Electric Vehicle Charging Policy before the Board. Mr. Robert Powers, Assistant General Manager, Planning and Development, Mr. Val Menotti, Department Manager, Planning and Ms. Holly Gordon, Group Manager, Sustainability, presented the item. The item was discussed.

Vice President Murray called for the General Manager's Report.

General Manager Grace Crunican reported on steps she had taken and activities and meetings she had participated in

Vice President Murray brought the matter of District Retiree Liability Valuation & Disclosure before the Board. Director Josefowitz presented the item.

Chris Finn addressed the Board.

Item was discussed.

Vice President Murray called for Board Member Reports, Roll Call and In Memoriam.

Director Josefowitz commented on the continuing issues related to the maintenance of escalators.

Director Raburn announced he had attended the Blue Sky Festival and suggested attendance of more BART employees to interact with the customers.

Vice President Murray announced she had attended the Contra Costa County Transportation Authority Redefining Mobility Summit.

Vice President Murray called for Public Comment.

Jerry Grace addressed the Board.

Vice President Murray announced that the Board would enter into closed session under Item 10-A (Conference with Legal Counsel) of the regular Meeting agenda, and that the Board would reconvene in open session at the conclusion of that closed session.

The Board Meeting recessed at 12:49 p.m.

The Board Meeting reconvened in closed session at 1:00 p.m.

Directors present: Directors Blalock, Josefowitz, Keller, Mallett, McPartland, Murray, Raburn, and Saltzman.

Absent: Director Radulovich.

The Board Meeting recessed at 1:46 p.m.

The Board Meeting reconvened in open session at 1:47 p.m.

Directors present: Director Murray.

Absent: Directors Blalock, Josefowitz, Keller, Mallett, McPartland, Raburn, Saltzman, and Radulovich.

Vice President Murray announced there was no announcement to be made on Item 10-A.

The Board Meeting was adjourned at 1:48 p.m. in honor of the victims of the 7.3 Earthquake in Brisbane, Australia.

Kenneth A. Duron
District Secretary



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>[Signature]</i>		GENERAL MANAGER ACTION REQ'D:		
DATE: <i>for GM's office</i>		BOARD INITIATED ITEM: No		
Originator/Prepared by: Abigail Thorne-Lyman Dept: Strategic & Policy Planning <i>[Signature]</i>	General Counsel <i>[Signature]</i>	Controller/Treasurer <i>[Signature]</i>	District Secretary	BARC <i>Powers</i> <i>5 MAY 2016</i>
Signature/Date: <i>5/5/16</i>	<i>5/5/16</i> []	<i>5/5/16</i> []	[]	[]

Approval for Use of PayPal Holdings Inc. as Payment Service Provider for BART Perks Pilot Program

NARRATIVE:

Purpose: To obtain Board approval to enter into an agreement with PayPal Holdings Inc. (PayPal) act as a payment service provider for the BART Perks Pilot Program (payments will be made through electronic payments that will not exceed \$400,000.00, cumulatively).

Discussion: The BART Perks Pilot Program (Program) is designed to encourage a small percentage of BART passengers making weekday peak hour trips through the Transbay Tube to travel outside of the congested peak morning periods. Urban Engines, BART's consultant for this Program, has successfully tested a similar program on the Singapore Metro system, which Urban Engines will utilize as the basis for the BART Perks Program. BART's implementation of this program will be the first large scale domestic pilot of such a program involving a transit agency. This Program is being implemented using various funding sources in partnership with the San Francisco County Transportation Authority (SFCTA).

Participants in the Program earn points for any BART trip and earn extra points when participants shift their weekday morning travel times to the periods immediately before and after the most congested travel times on BART. In addition, participants may also earn points for completing surveys, inviting friends to join, or through other forms of participation consistent with state sweepstakes laws.

Initially, the Program was structured to provide Clipper card value to participants as the incentive for shifting travel outside of congested travel times. Due to the high transaction fees required to load Clipper value incentives onto participants' Clipper cards, Program staff explored alternative methods of payment and considered various payment service providers that would meet the following criteria:

- (1) Cost Effectiveness: Provide a cost-effective solution to deliver tens of thousands of incentives with as small a transaction cost as possible.
- (2) Electronic Transfer: Provide an electronic transfer option that would eliminate the need to issue paper incentives or checks, and enable bulk import and export of participant trip data for as many as 10,000 incentive payment transactions per month.
- (3) Availability without Barriers: Offer a service that is readily available to all BART patrons.

(4) Cash Payments: Provide cash payments rather than goods or services, to ensure that the choice of incentive does not skew the results of the Phase I pilot program based on an individual's preference for a particular item.

Staff evaluated three payment service providers: PayPal, Square, and Tipalti. Staff found that Square did not have the ability to complete the bulk import and export of data for payments, and that Tipalti's transaction fees were financially infeasible given the budget of the Pilot Program. Therefore staff's recommendation is to move forward with PayPal as the payment service provider for the first phase of the BART Perks program.

The evaluation of PayPal against the criteria above is as follows:

- (1) Cost Effectiveness: PayPal typically charges users 1% of the value of their transaction. However, PayPal has agreed to waive its service fees completely for processing Pilot Program transactions through January 31, 2017. Therefore, the PayPal service for the duration of the Phase I Pilot Program will be free for BART.
- (2) Electronic Transfer: PayPal can provide payments to participants using the email address provided when participants register for the Program.
- (3) Availability without Barriers: In a survey of Transbay Tube riders conducted in preparation for the BART Perks Program, 65% of survey respondents stated that they were registered PayPal users. If users do not have a PayPal account, rewards will be available when they register for a free PayPal account using the email address associated with their Program account.
- (4) Cash Payments: PayPal is one of the largest providers of electronic cash payments. Other non-cash options may be available for this program, such as gift cards or gift certificates. However, the use of such cards would be dependent on the preference of participants for the goods or services offered, unlike a cash payment.

BART staff is still evaluating potential changes that may be made to the Program in anticipation of Phase II. One option is to explore the impacts of alternative incentive mechanisms, such as gift certificates or other payment options. The details of the Phase II program will be fully developed several months into Phase I to ensure that Program changes are made based on sufficient feedback from staff's review of Phase I.

Fiscal Impact: None. Although this Agreement would authorize the transfer of up to \$400,000.00 in appropriated incentive payments to PayPal in order to process Pilot Program incentive payments, PayPal has agreed to waive its service fees and will therefore receive no revenue under the BART Perks Program.

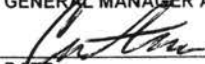
Alternative: To not approve the motion. If it is not approved, staff would then have to consider an alternative form of implementing the Perks Program. Such an alternative might result in additional expenses to the District, such as the potential service fee which PayPal is waiving until January 31, 2017.


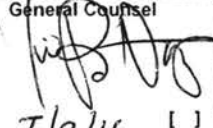


Recommendation: Adoption of the following motion.

Motion: The Board of Directors authorizes the General Manager to enter into an agreement with PayPal Holdings, Inc. to serve as the payment service provider to process award incentive payments to participants under the BART Perks Pilot Program through electronic payments that will not exceed \$400,000.00, cumulatively.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: 	GENERAL MANAGER ACTION REQ'D: Approve and forward to May 12, 2016 E&O Committee meeting.
DATE: <i>for GM's office</i>	BOARD INITIATED ITEM: No

Originator/Prepared by: Luis Leon Dept:  Signature/Date: 5/2/16	General Counsel  5/2/16 []	Controller/Treasure  5/2/16 []	District Secretary []	BARC  for P.O. []
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Status: Routed	Date Created: 04/27/2016
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TITLE:

Award of IFB No. 9003, Scissor Lift

NARRATIVE:

PURPOSE:

To request Board authorization to award Invitation For Bid (IFB) No. 9003 to Golden Gate Truck Center, Oakland, CA, in the amount of \$592,472.63, including all applicable sales tax, for the purchase of two (2) High-Rail Scissor Lift Trucks (Scissor Lift Trucks).

DISCUSSION:

Scissor Lift Trucks are used by the Right of Way Group, Track, Structures and Traction Power Departments, to elevate crews and materials to the proper height when repairing and installing equipment within tunnels and underground structures, and for performing exterior building and station maintenance. This procurement is for two (2) new heavy duty Scissor Lift Trucks that are fourteen (14) feet in length with a four (4) door crew cab that seats five (5) people. The Scissor Lift Truck frames support a six (6) ton capacity flatbed work platform, capable of traveling up to fourteen (14) vertical feet when required for work on overhead utilities and surfaces such as: fans and lighting fixtures, high power lines and switches hung near tunnel ceilings, pipes and conduit, and concrete in need of grouting or sealing to prevent water intrusion and leakage. The extending bed platform increases worker safety and efficiency by reducing potential for injury and shortening job completion times. This equipment is essential for sustaining District infrastructure in a state of good repair.

Amber and blue safety lighting and a tier four (4) final diesel engine that meets all Federal and State of California requirements are included. The only alternative fuel options currently available for this vehicle are: compressed natural gas (CNG), liquefied natural gas (LNG) and renewable natural gas (RNG). The use of any of these alternative fuels within BART's underground tunnels would violate standing tunnel safety orders issued by the Division of Industrial Safety, which prohibit the use of fuel-burning or internal combustion engines for mobile equipment underground except for diesel engines, and then only under conditions specified in accordance with Federal regulations. (See 8 California Code of Regulations Section 8470.)

The District currently owns two (2) high-rail scissor lift trucks in use for the same applications, purchased in 2010 and 1993. The truck purchased in 1993 is being taken out of service because it is: beyond economic repair, at the end of its operating life cycle, and restrictive to work efficiency. This procurement for two (2) trucks is to both replace the older truck and to provide additional capacity to meet project demand, in achieving a Better BART.

A notice requesting bids was published on March 17, 2016 and bid requests were mailed to nine (9) prospective bidders. Bids were opened on April 5, 2016 and one (1) bid was received. Other potential bidders who declined to bid responded they were unable to meet BART's wide gauge and on track clearance requirements for a small quantity order for this vehicle.

<u>Bidder</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Grand Total including 9.5 % Sales Tax</u>
Golden Gate Truck Center Oakland, CA	\$296,236.32	2	\$592,472.63

The independent cost estimate by BART staff is: \$ 640,000.00, including 9.5% sales tax.

Staff has determined that the apparent low bidder, Golden Gate Truck Center, Oakland CA, submitted a responsive bid. Staff has also determined the price to be fair and reasonable based upon a market survey of qualified suppliers and the independent cost estimate by BART staff.

Pursuant to the revised DBE Program, the Office of Civil Rights is utilizing race and gender neutral efforts for Invitation for Bid (IFB) contracts. Therefore, no DBE goal was set for this contract.

FISCAL IMPACT:

Funding for 50% of the contract price (\$296,237) (PR 12005) for the award of IFB#9003 is included in the total project budget for FMS #15TD000 – Procurement of Wayside Equipment. The Office of Controller/Treasurer certifies that funds are currently available to meet this obligation. The following table depicts funding assigned to the referenced project and is included in totality to track funding history against spending authority.

As of April 27, 2016, \$49,075,429 is available for this project from the following sources:

Fund Sources	Funded Amount
Various FTA	37,099,024
Local Area Bridge Tolls including RM2	3,926,218
Various BART	8,050,187
Total	49,075,429

BART has expended \$16,893,553, committed \$25,211,391 and reserved \$6,486,703 to-date for other actions. This action will commit \$296,237 leaving an available fund balance of \$187,545 in this project.

Funding of the remaining \$296,236 for the award of IFB#9003 (PR 12005) is included in the total project budget for FMS #15EJ450 – M-Line 34.5Kv Replace Phase II. The Office of Controller/Treasurer certifies that funds are currently available to meet this obligation. The following table depicts funding assigned to the referenced project and is included in totality to track funding history against spending authority.

As of April 27, 2016, \$1,000,000 is available for this project from the following sources:

Fund Number	Fund Description	Fund Source	Funded Amount
353M	CA-05-0248 FG MOD-FY10 CAPITAL	FTA	\$320,000
3603	CA-54-0023 FY 14 Capital Improvement	FTA	\$480,000
8523	Capital Surcharge - Station to Station	BART	\$80,000
8525	FY 13 Operating Allocation to Capital	BART	\$120,000
Total			\$1,000,000

BART has expended \$0, committed \$0 and reserved \$0 to-date for other actions. This action will commit \$296,236 leaving an available fund balance of \$703,764 in this project.

There is no fiscal impact on available unprogrammed District Reserves.

ALTERNATIVE:

Reject the Bid and re-advertise the Contract. This is not likely to lead to increased competition and would result in the District having to continue to rely on current equipment which is insufficient to meet ongoing maintenance objectives.

RECOMMENDATION:

On the basis of analysis by Staff and certification by the Controller-Treasurer that the funds are available for this purpose, it is recommended that the Board adopt the following motion.

MOTION:

The General Manager is authorized to award Invitation For Bid No. 9003 for the procurement of two (2) Scissor Lift Trucks to Golden Gate Truck Center, Oakland, CA in the amount of \$592,472.63, including all applicable sales tax, pursuant to notification to be issued by the General Manager.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors

DATE: May 6, 2016

FROM: General Manager

SUBJECT: **FY16 Third Quarter Financial Report**

The FY16 Third Quarter Financial Report (January - March 2016) is attached. The net result for the quarter was \$12.6M unfavorable to budget, bringing the year-to-date (YTD) net operating result to \$1.4M unfavorable. Unbudgeted expenses related to the spikes in voltage along the Pittsburg/Bay Point line, as well as timing of other expenses and revenues contributed to the unfavorable results.

Operating Sources

Total Ridership was 1.3% over budget for the second quarter, with over 600,000 additional trips due to Super Bowl 50 activities in San Francisco in late January and early February. The quarter ended with weekday trips 1.8% above budget offset by weekend/holiday trips 1.6% below budget. YTD, weekday ridership has grown 2.9% above FY15. Transbay ridership continues to lead the weekday growth and these higher fare trips helped bring passenger revenue \$4.3M (3.7%) over budget for the third quarter.

Sales Tax revenue fell further behind in the third quarter, up just 2.6% from one year ago. YTD, sales tax revenue is \$1.7M (0.9%) under budget.

Operating Uses

Total Expense for the quarter finished \$13.9M unfavorable to budget. Labor and benefits were \$11.9M or 10.2% unfavorable and non-labor was \$2.0M unfavorable for the quarter due to expenses related to the maintenance needs on the system. YTD, total expense is \$5.9M (1.2%) over budget. Labor and benefits are \$9.8M (2.8%) unfavorable and non-labor is \$3.7M favorable to date.

In summary, the over budget operating expense, combined with the continued slowing growth in ridership and sales tax, point to very tight financial results this year. In addition, recently available information from the Metropolitan Transportation Commission now estimates BART's State Transit Assistance will be \$5.3M below budget at year end, based upon lower diesel prices.


Grace Crunican

cc: Board Appointed Officers
Deputy General Manager
Executive Staff

**Quarterly Financial Report
Third Quarter
Fiscal Year- 2016**

Revenue

- Avg weekday trips for the quarter were 433,585, 1.8% over budget and 3.6% over the same quarter last year. February avg weekday was the highest ever at 446,650 due to Super Bowl 50 festivities. Weekend and holiday trips were under budget 1.6%. Total trips and net passenger revenue were 1.3% and 3.7% over budget, respectively.

- Parking revenue \$0.6M favorable due to over budget Daily Non Reserve program.

- Other operating revenue \$0.4M unfavorable, with the biggest factor timing of the execution of telecom and cell site agreements, which are projected to be about \$2.5M under budget for the year.

Expense

- Labor and benefits were unfavorable for the quarter. Overtime was high (\$11.5M unfavorable) due to system problems and maintenance needs.

- OPEB unfunded liability is shown as an expense and is offset; there is no bottom line impact.

- Electric Power was on budget for the quarter; power market prices continue to be lower than budget.

- Other Non Labor was unfavorable by \$2.2M or (7.6%) for the quarter. Catch up from budget timing earlier in the year was main factor, along with continuing high maintenance levels.

Operating Deficit

- The operating deficit (revenue minus expense) was \$9.3M unfavorable for the quarter because of the unfavorable operating expense variances, in Net Labor and Other Non Labor.

MTC Rail Car Swap

- The MTC rail car fund swap is a funding exchange program between MTC and BART that does not affect the net operating result.

Financial Assistance and Allocations

- Sales Tax for the quarter grew 2.6% over 3QFY15, \$0.8M less than the 4% growth assumed in the budget. Expected to be \$3.6M under budget by year end.

- Property Tax, Other Assistance \$3.6M unfavorable due to timing of LCTOP payments. Property tax is expected to be favorable by year end.

- State Transit Assistance is expected to be about \$5.3M under budget by year end due to lower diesel prices.

Net Operating Result

- The Net Operating Result for the quarter was unfavorable by \$12.6M, due to unfavorable Operating Expense results. YTD result is unfavorable by \$1.4M.

Current Quarter			(\$ Millions)	Year to Date		
Budget	Actual	Var		Budget	Actual	Var
Revenue						
118.7	123.0	3.7%	Net Passenger Revenue	356.6	364.5	2.2%
7.8	8.4	8.3%	Parking Revenue	23.1	24.9	7.5%
6.8	6.4	-6.4%	Other Operating Revenue	20.1	17.7	-12.2%
133.3	137.9	3.4%	Total Net Operating Revenue	399.8	407.1	1.8%
Expense						
116.5	128.4	-10.2%	Net Labor	350.8	360.6	-2.8%
0.6	0.6	10.6%	OPEB Unfunded Liability	1.9	1.7	10.6%
9.7	9.6	1.5%	Electric Power	29.8	28.2	5.2%
6.7	6.7	0.0%	Purchased Transportation	20.0	19.9	0.7%
29.0	31.3	-7.6%	Other Non Labor	87.5	85.4	2.4%
162.5	176.4	-8.5%	Total Operating Expense	489.9	495.8	-1.2%
(29.2)	(38.5)	-31.9%	Operating Surplus (Deficit)	(90.1)	(88.8)	1.5%
(13.2)	(0.0)	100.0%	MTC Rail Fund Car Swap	(39.5)	(50.2)	-27.0%
Taxes and Financial Assistance						
62.3	61.5	-1.3%	Sales Tax	185.0	183.3	-0.9%
9.7	6.1	-37.4%	Property Tax, Other Assistance	31.0	29.4	-5.0%
13.2	0.0	-100.0%	MTC Rail Fund Car Swap	39.5	50.2	27.0%
4.1	6.2	-50.3%	State Transit Assistance	8.3	6.2	-24.8%
(14.1)	(14.4)	-2.0%	Debt Service	(36.2)	(34.3)	5.4%
(23.1)	(22.7)	1.7%	Capital and Other Allocations	(111.9)	(111.1)	0.8%
0.6	0.6	-10.6%	OPEB Unfunded Liability Offset	1.9	1.7	-10.6%
52.8	37.3	-29.4%	Net Financial Assistance	117.5	125.4	6.8%
10.4	(1.2)		Net Operating Result	(12.1)	(13.5)	
82.0%	78.2%	-3.9%	System Operating Ratio	81.6%	82.1%	0.5%
0.33	0.37	-12.2%	Rail Cost / Passenger Mile	0.34	0.34	0.0%

* Totals may not add due to rounding to the nearest million.

- No Problem
- Caution: Potential Problem/Problem Being Addressed
- Significant Problem

**ADMINISTRATION
MATERIAL**

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors **DATE:** May 6, 2016
FROM: General Manager
SUBJECT: Administration Items #5.A, B & C: Ratifying Collective Bargaining Agreement – For Action

The board is being requested to ratify extensions to the 2013-2017 Collective Bargaining Agreements with ATU Division 1555, SEIU Local 1021 and AFSCME Local 3993. The Resolutions seek to extend the contract terms to June 30, 2021 subject to the changes set forth in the tentative agreements attached.



Grace Crunican

Attachment

cc: Board Appointed Officers
Deputy General Manager
Executive Staff

**BEFORE THE BOARD OF DIRECTORS OF
THE SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**

In the Matter of Ratifying an extension of the
2013-2017 Collective Bargaining Agreement
between the District and the Amalgamated
Transit Union Division 1555) Resolution No. _____

BE IT RESOLVED that the Board of Directors of the San Francisco Bay Area Rapid Transit District hereby ratifies an extension of the 2013 - 2017 Collective Bargaining Agreement between the District and the Amalgamated Transit Union, Division 1555, subject to those changes as set forth in the attached Tentative Agreements dated April 7, 2016; and

BE IT FURTHER RESOLVED that the General Manager is authorized to execute the Agreement on behalf of the District.

###

Adopted _____

PREAMBLE

April 7, 2016

The Parties have agreed to an extension of the 2013 – 2017 Collective Bargaining Agreement. All terms and conditions of the 2013 – 2017 Agreement shall be extended through June 30, 2021. All terms and conditions of the 2013-2017 Agreement shall remain in full force and effect, throughout the extended term, except as noted in the attached tentative agreements.

FOR THE DISTRICT

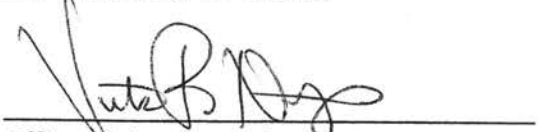


Grace Crunican
General Manager



Carol Isen
Chief Labor Relations Officer

APPROVED AS TO FORM:



Office of the General Counsel
by Victoria R. Nuetzel

FOR SEIU

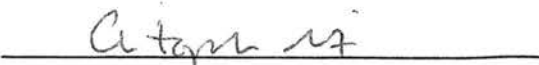


John Arantes
President, BART Chapter



Olivia Rocha
President, BART Professional Chapter

FOR ATU



Chris Finn
President/Business Agent, ATU Local 1555

FOR AFSCME



Sal Cruz
President, AFSCME Local 3993

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
ATU/LOCAL 1555 and SEIU/LOCAL 1021 GENERAL NEGOTIATIONS
TENTATIVE AGREEMENT – TERM OF AGREEMENT

April 7, 2016

The San Francisco Bay Area Rapid Transit District ("BART") and SEIU/Local 1021 ("SEIU"), and ATU/Local 1555 ("ATU") have negotiated and reached a tentative agreement on this provision of the Collective Bargaining Agreement ("CBA"). No tentative agreement shall be a final agreement except as a part of a total package agreement between the parties. All parties agree that final approval of the tentative collective bargaining agreement is subject to ratification by SEIU membership, ATU membership and the BART Board of Directors.

The parties agree to revise Section 1.2 as follows:

1.2 TERM OF AGREEMENT

The term of this Agreement shall be from and including the first day of July 2013 up to and including the 30th day of June ~~2017~~ 2021 or one hundred (100) days following receipt of notice of a desire to modify or terminate this Agreement, whichever occurs later. Each party shall comply with the provisions of California Government Code Section 3611. In the event either party serves notice upon the other party of a desire to modify or terminate the Agreement, the parties shall meet and make all reasonable efforts to reach agreement on the subject matters of such proposed modifications.

The parties shall respond to any requests for information reasonably necessary for intelligent negotiations and the standards and guidelines in accordance with California Government Code Section 3611. Each party shall supply to the other party such reasonable data as are requested by the other party.


To the fullest extent possible the parties shall endeavor to complete their negotiations at least seven (7) days prior to the date any lawful economic action may be taken in connection with any dispute concerning any proposed changes in any Collective Bargaining Agreement.

FOR THE DISTRICT



Grace Crunican
General Manager

FOR SEIU



John Arantes
President, BART Chapter

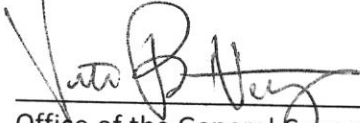


Carol Isen
Chief Labor Relations Officer



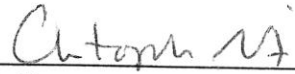
Olivia Rocha
President, BART Professional Chapter

APPROVED AS TO FORM:



Office of the General Counsel
by Victoria R. Nuetzel

FOR ATU



Chris Finn
President/Business Agent, ATU Local 1555

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
ATU/LOCAL 1555 and SEIU/LOCAL 1021 GENERAL NEGOTIATIONS
TENTATIVE AGREEMENT – PERS-MEDICAL & PRESCRIPTION DRUG BENEFITS

April 7, 2016

The San Francisco Bay Area Rapid Transit District ("BART") and SEIU/Local 1021 ("SEIU"), and ATU/Local 1555 ("ATU") have negotiated and reached a tentative agreement on this provision of the Collective Bargaining Agreement ("CBA"). No tentative agreement shall be a final agreement except as a part of a total package agreement between the parties. All parties agree that final approval of the tentative collective bargaining agreement is subject to ratification by SEIU membership, ATU membership and the BART Board of Directors.

The parties agree to revise Section 5.2 as follows:

5.2 PERS-MEDICAL & PRESCRIPTION DRUG BENEFITS *

A. PERS Medical and Prescription Drug Benefits

The District will provide group medical and prescription drug benefits, as provided below, through the Public Employees' Retirement System (PERS). The PERS rules, regulations and plan documents will control on all issues concerning benefits, including the types and levels of benefits offered and eligibility for those benefits.

The Unions acknowledge that they understand these benefits may not equate to benefits previously available to employees and retirees through the various optional medical plans and the prescription drug plan. Because coverage will be provided through PERS, the District and the Unions understand that PERS may terminate or change covered expenses, benefit payments and co-payments on covered benefits, deductibles, lifetime and/or annual maximums and may implement various cost control features.

Except for Survivors Benefits, as provided for in Section 5.8, the Unions waive the right to any group medical or prescription drug benefit granted expressly or impliedly under other sections of this Agreement, or by any other agreement between the parties or by any District guideline, policy or practice if that benefit is not offered through the PERS medical plan.

B. Employee and Retiree Contributions for Health Insurance

All employees eligible for PERS medical benefits who enroll for such benefits shall be responsible for a premium contribution in the amount of twenty-five dollars (\$25.00) per month, except as provided below.

1. The employee's twenty-five dollar (\$25.00) monthly employee contribution toward the medical insurance premium shall increase by fifty dollars (\$50) on January 1, 2006. Each January 1 thereafter, the monthly employee contribution shall increase by an escalator amount of three percent (3%). For example, the total monthly employee contribution on January 1, 2007 will be seventy-seven dollars and twenty-five cents per month. (The calculation that arrives at this number is as follows: $\$25 + \$50 = \$75 \times 1.03 = \77.25 .) The employee contribution amounts provided below shall be in addition to any costs for coverage in excess of the amounts specified in paragraph C below.

<u>DATE</u>	<u>Maximum Employee Monthly Contribution</u>
01 Jan. - 06	\$75.00
01 Jan. - 07	\$77.25
01 Jan. - 08	\$79.57
01 Jan. - 09	\$81.95
01 Jan. - 10	\$84.41
01 Jan. - 11	\$86.95
01 Jan. - 12	\$89.55
01 Jan. - 13	\$92.24
01 Jan. - 14	\$95.01
01 Jan. - 15	\$97.86
01 Jan. - 16	\$100.79
01 Jan. - 17	\$103.82
01 Jan. - 18	\$106.93
01 Jan. - 19	\$110.14
01 Jan. - 20	\$113.44

01 Jan. – 21	\$116.85
01 Jan. – 22	\$120.35
01 Jan. – 23	\$123.96
01 Jan. – 24	\$127.68
01 Jan. – 25	\$131.51
01 Jan. – 26	\$135.46
01 Jan. – 27	\$139.52
01 Jan. – 28	\$143.02
01 Jan. – 29	\$148.02
01 Jan. – 30	\$152.46
01 Jan. – 31	\$157.03
01 Jan. – 32	\$161.74
01 Jan. – 33	\$166.60
01 Jan. – 34	\$171.59

2. During the term of this Agreement, the employees' premium contribution shall be increased by thirty seven dollars (\$37) per month as follows: 2014 - \$132.01; 2015 - \$134.86; 2016 - \$137.79; 2017 - \$140.82; 2018 - \$143.93; 2019 - \$147.14; 2020 - \$150.44; and 2021 - \$153.85. For active employees the additional thirty-seven dollars (\$37) per month shall be deducted from the one and six hundred and twenty seven one thousandth percent (1.627%) money purchase pension plan contribution.

3. Each eligible retiree shall pay the same premium contribution as active employees. Employees' premium contributions will be paid for through tax-exempt payroll deductions. Retiree premium contributions will be deducted from the retirement allowance paid by PERS. If a retiree's retirement allowance is not sufficient to pay the entire contribution, the retiree must pay the balance due on such premium contribution directly to PERS. If such payment is not received by the due date, health care coverage will automatically, immediately and permanently cease. These rules are intended to comply with the premium contribution procedures established by PERS, which may be

modified by PERS. The District, Unions and employees shall comply with the PERS procedures in effect from time to time.

C. Maximum District Contributions for Health Insurance

Beginning on January 1, 2010, the District shall contribute an amount up to the applicable level of plan participation (i.e. one party, two party, or family) and the same Medicare status as elected by the eligible employee or retiree equal to the Bay Area Basic Premium Rates for the PERS HMO Blue Shield Access + or PERS HMO Kaiser Plan, whichever is greater, less the employee and retiree contributions provided for in 5.2B above. This District contribution shall be the District's maximum payment toward employee health insurance premiums. Employees and retirees electing coverage with a cost greater than the District's maximum contribution shall have the difference deducted automatically from the unit member's pay or as set forth in 5.2 B 2. above, in addition to amounts to be deducted in accordance with subsection B above.

D. Retiree Insurance Funding

1. Beginning July 1, 2007, the District shall contribute into its Retiree Health Benefit Trust ("RHBT") amounts that, at minimum, reflect an eight (8) year "ramp up" to District payment of the full Government Accounting Standards Board ("GASB") compliant Annual Required Contribution ("ARC") beginning July 1, 2013 using an open group valuation method with a closed 30 year amortization schedule for unfunded liability ending June 30, 2034. Except as provided in paragraph 3 below, each pay period the District shall contribute to the RHBT an amount equal to the below-listed percentages of straight time bargaining unit base pay paid to bargaining unit members in that pay period into the RHBT. (For example, if base pay in the pay period in FY 07 is one million dollars [\$1,000,000], the District will contribute \$34,900 into the RHBT for that pay period).

Date	Percentage
July 1, 2007 (FY 08)	3.49%
July 1, 2008 (FY 09)	3.64%
July 1, 2009 (FY 10)	3.79%
July 1, 2010 (FY 11)	3.94%

July 1, 2011 (FY 12) 4.10%

July 1, 2012 (FY 13) 4.27%

2. In addition, on or before June 30, 2009 the District shall, at minimum, contribute into the RHBT an amount equal to three and twenty-two one-hundredths percent (3.22%) of straight time bargaining unit base pay paid in FY 06 and three and thirty-six one-hundredths percent (3.36%) of straight time bargaining unit base pay paid in FY 07. These figures represent the "ramp up" percentages for those fiscal years.
3. The District shall perform an actuarial study of the retiree medical insurance plan liabilities and funding needs (including the Annual Required Contribution – "ARC") after the end of each fiscal year. For each fiscal year beginning with FY 2007, the actuaries shall adjust the above ramp up percentages for the fiscal year for which the study was prepared and for each remaining fiscal year in the ramp up period. The last such adjustment will be in the study performed prior to July 1, 2013 for FY 2013. The revised percentages shall be the percentages contributed by the District to the RHBT for those years, except that the District shall pay no less than the percentages specified in subsections 1 and 2 above.
4. Beginning July 1, 2013, the District shall, at minimum, contribute to the RHBT each pay period an amount equal to the full GASB compliant Annual Required Contribution (ARC) percentage of straight time base pay paid to bargaining unit members during that pay period using an open group valuation method with a closed thirty (30) year amortization schedule for unfunded liability ending June 30, 2034. (For example, if the base pay during the pay period is one million dollars [\$1,000,000] and the ARC percentage is fourteen percent [14%], the District will contribute one hundred forty thousand dollars [\$140,000] to the RHBT for that pay period.)
5. During the term of this Agreement, the District shall retain .0888% of the one and six hundred twenty-seven one-thousandths percent (1.627%) of the Money Purchase Plan contribution in addition to the \$37/month to be used as specified in Paragraph B2, above.
6. Effective July 1, 2013, the District shall retain the remainder of the 1.627% MPPP contribution, to the extent necessary to compensate the District for paying the difference between the actual ARC and the baseline ARC described below. The District shall retain this amount through June 30, 2034. In any year in which the actual ARC does not exceed the baseline ARC by an amount equal to the amount of the retained 1.627% MPPP contribution, the District shall pay the appropriate portion of the 1.627% into the employees' MPPP accounts, but only to the extent that the difference between

the actual ARC and the baseline ARC is less than the dollar value of the retained MPPP 1.627%.

EXAMPLE: Assume that the actual ARC is fifteen percent (15%) in the particular year, the baseline ARC is fourteen percent (14%) in the particular year, and that the difference between the two is one million dollars (\$1,000,000). Assume further that the value of the retained 1.627% is one million five hundred thousand dollars (\$1,500,000). The District would then pay a total of five hundred thousand dollars (\$500,000) into the employees' collective MPPP accounts. These payments would be prorated in the same manner as would result from full payment of the 1.627% into the employee accounts.

The baseline ARC is as follows:

FY Year Beginning	Baseline ARC
07/1/13	11.88%
07/1/14	11.94%
07/1/15	12.00%
07/1/16	12.06%
07/1/17	12.12%
07/1/18	12.18%
07/1/19	12.24%
07/1/20	12.30%
07/1/21	12.36%
07/1/22	12.42%
07/1/23	12.48%
07/1/24	12.54%
07/1/25	12.60%
07/1/26	12.66%

07/1/27	12.72%
07/1/28	12.78%
07/1/29/	12.84%
07/1/30	12.90%
07/1/31	12.96%
07/1/32	13.02%
07/1/33	13.08%

7. Effective July 1, 2013 the District shall direct the Trustee of the RHBT to pay retiree health insurance premiums from the RHBT. No premiums will be paid from the RHBT prior to July 1, 2013.

E. In Lieu of Medical Payments

During any open enrollment period after July 1, 2009, an eligible employee who has medical coverage under a spousal or other alternate plan may elect, in accordance with procedures established by the District to opt out of the group medical and prescription drug benefits covered under Section 5.2(A) ("5.2A Coverage").

The District shall make a monthly payment of three hundred and fifty dollars (\$350.00) "in lieu of medical" to each eligible employee who opts out of 5.2A coverage.

Tax treatment of these payments will be subject to applicable Internal Revenue Code ("IRC") and Internal Revenue Service ("IRS") rules. The payments will be made in a manner that will not impact the income tax status of medical premiums under IRC requirements and to allow an employee to receive the amounts as cash monthly payments.

An eligible employee who opts out of 5.2(A) coverage may subsequently enroll in such coverage as permitted under the terms of the plan(s) described in Section 5.2(A).

F. Trust Review Committee

1. The District's five (5) unions shall each appoint one (1) member to serve on a trust review committee ("TRC"). The District Labor Relations Manager and Human Resources Manager shall serve on the TRC for the District. The TRC shall meet quarterly.

Employee members of the TRC will be released from regularly scheduled duty with pay for quarterly TRC meetings.

2. The District will direct the Trustee of the Trust to provide the Unions with quarterly reports of all RHBT operations, including audited and unaudited financial statements and investment performance reports, and other consultant reports in advance of the quarterly TRC meeting. (The parties acknowledge that audited financial statements are performed only once per year.)
3. The Trustee will attend the TRC meeting to answer questions concerning the information provided to the TRC. However, the TRC shall in no way attempt to assist, direct, or otherwise involve itself in matters concerning the investment of Trust assets. However, the TRC may advise the Trustee on other Trust matters to the extent such advisory activity does not affect the legal status of the Trust. It shall be within the sole discretion of the Trustee whether to follow or not follow such advice.
4. The TRC members shall be released from regularly scheduled duty with pay to attend meetings of the Human Resources Manager and Labor Relations Manager with the District's actuaries and other professionals to discuss assumptions to be included in annual GASB valuation studies, the preliminary and final results of such studies, etc. Such studies shall include ARC projections through at least 2035. The District will provide the unions with a copy of the final version of such study on or before February 1 each year or as soon thereafter as is practicable.

G. Retiree Health Benefits Trust

Within one hundred twenty (120) days after the signing of this agreement by the parties hereto, the District shall amend the Trust Agreement to provide that:

1. Trust assets shall be held for the sole and exclusive purpose of providing health benefits to eligible BART retirees and to defray the reasonable expenses of administering the RHBT.
2. The only District benefit plans for which payments may be made from the RHBT shall be those retiree health benefit plans offered to eligible District retirees as a result of its collective bargaining agreements, or District policy which extends such plans to non-represented employees. In addition, for District personnel on a District plan that is no longer generally offered to District employees, payments may be made from the RHBT. However, the District shall ensure sufficient separate funding and the Trustee shall separately account for benefits paid for such personnel.

3. The District may terminate the RHBT, subject to its duty to bargain in good faith to agreement or impasse over such termination with the union. If the District gives the Unions notice of the termination of the RHBT, the Trust shall not terminate until the assets then remaining are exhausted. Such assets shall be used only as provided in paragraph 1 above.

The District reserves the right to terminate or change any part or all of the health benefits program at any time with respect to active or retired employees, however, any such action will be taken only after the District has satisfied its obligations under applicable Collective Bargaining Agreements. The District's contractual obligation to provide health benefits coverage to retired employees shall terminate upon the expiration of this Agreement. By providing benefits to retirees, the parties do not intend to vest retirees with such benefits.

H. Retiree Medical Insurance Eligibility

The parties agree that with respect to District employees first hired after January 1, 2014, the District shall make no contribution for postretirement health benefits on behalf of such individuals with less than ten years of credited service with the District, and that the full District contribution for postretirement health benefits shall be made only on behalf of individuals who have completed a minimum of fifteen (15) years of credited service with the District. Eligibility for this benefit is, in addition to the specified criteria, subject to current provision which require that the employee retire from CalPERS within one hundred and twenty (120) days of separation from the District.

The parties agree that:

1. This provision applies to unrepresented employees, members of the Board of Directors to the extent they are eligible under existing law, and members of any unit of employees whose terms and conditions of employment are determined through collective bargaining and who agree that it should apply to its members.
2. Contributions shall be subject to:
 - a. Credited years of District service
 - b. An Agreement with all represented employees mutually agreed upon through collective bargaining;
3. The District contribution shall be a percentage of the employer contribution for applicable credited years of service as follows:

10 years – 50%; 11 years – 60%; 12 years – 70%; 13 years – 80%;

14 years – 90% and 15 years 100%.

4. The full contribution level shall be available for postretirement health benefits for those employees who are approved for and exercise a disability retirement with at least five years of credited service with the District.
5. This section shall only apply to District employees or Board members who are first hired by the District or newly elected to the Board and first serve on or after January 1, 2014.
6. Any agreement to adopt these provisions by any collective bargaining unit shall apply only if the agreement is expressly incorporated into or made a part of a memorandum of understanding.
7. This provision shall not apply to any employee who retires before the effective date of the memorandum of understanding referenced above. In the event that the memorandum of understanding establishes a retroactive effective dates, this section will govern, limiting its applicability only to prospective retirements.
8. The District shall provide, in the manner prescribed by CalPERS, a notification of each agreement established pursuant to this section and any additional information necessary to implement it.

The Parties recognize that implementation of this agreement requires statutory changes to the California Government Code and agree to jointly seek a sponsor for and support the passage and signing into law of the provisions as set forth herein. If the law is not successfully passed, then the Parties agree to mutually agree on alternative provisions.

*** MINUTE CLARIFICATION**


Members who would like to realize the benefit of the in lieu payment as a pre-tax contribution to their deferred compensation accounts can accomplish this result by increasing their deferral amount for the deferred compensation plan by the amount of the in lieu payment, subject to Internal Revenue Code limitations on maximum annual contributions.

*** MINUTE CLARIFICATION**

The parties mutually understand that the only obligation to continue the health benefits of active employees after the expiration of the Agreement is that which may arise from the general legal duty to bargain in good faith.

***See Letter of Understanding Dated 10/23/13 and Side Letter 10-1**

FOR THE DISTRICT

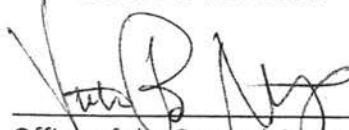


Grace Crunican
General Manager



Carol Isen
Chief Labor Relations Officer

APPROVED AS TO FORM:



Office of the General Counsel
by Victoria R. Nuetzel

FOR SEIU



John Arantes
President, BART Chapter



Olivia Rocha
President, BART Professional Chapter

FOR ATU



Chris Finn
President/Business Agent, ATU Local 1555

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
ATU/LOCAL 1555 and SEIU/LOCAL 1021 GENERAL NEGOTIATIONS

TENTATIVE AGREEMENT – RETIREMENT BENEFITS

April 7, 2016

The San Francisco Bay Area Rapid Transit District ("BART") and SEIU/Local 1021 ("SEIU"), and ATU/Local 1555 ("ATU") have negotiated and reached a tentative agreement on this provision of the Collective Bargaining Agreement ("CBA"). No tentative agreement shall be a final agreement except as a part of a total package agreement between the parties. All parties agree that final approval of the tentative collective bargaining agreement is subject to ratification by SEIU membership, ATU membership and the BART Board of Directors.

The parties agree to revise Section 6.0 as follows:

6.0 RETIREMENT BENEFITS

~~In the event that during the term of the Agreement represented employees at BART are subject to PEPPRA, the Parties shall bargain over PEPPRA's effects and implementation.~~

The Parties agree that no later than thirty (30) days following a final ruling in *State of California v DOL*, the Parties shall commence bargaining regarding the provisions of sections 6.1 and 6.2 of the SEIU/ATU Labor Agreement and any other applicable contract provision related to pension contributions.

After January 1, 2018 and upon request of any party, the parties agree to bifurcate the issues reflected in pending pension-related grievances and endeavor to reach agreement related to employee pension contributions.

The Parties agree that any resolution shall be cost neutral to all parties. The negotiations shall not result in an increase in the employer paid member contribution as described in section 6.2. Any agreement described above shall immediately toll the District's prospective liability with respect to the dispute over employee contributions reflected in the grievances. All bargaining shall be conducted based upon the District's obligations under State and Federal law.

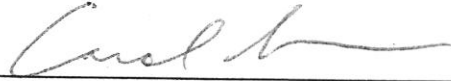
In the event that the Parties are unable to reach agreement within six (6) months of the commencement of bargaining, unresolved issues shall be put to interest arbitration for a final and binding decision.

Nothing in this Agreement is intended to modify or compromise the position of any party to this Agreement in relation to the pending litigation referenced above.

FOR THE DISTRICT

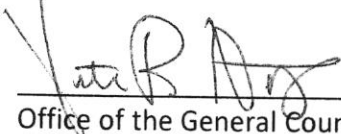


Grace Crunican
General Manager



Carol Isen
Chief Labor Relations Officer

APPROVED AS TO FORM:



Office of the General Counsel
by Victoria R. Nuetzel

FOR SEIU

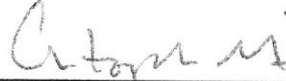


John Arantes
President, BART Chapter



Olivia Rocha
President, BART Professional Chapter

FOR ATU



Chris Finn
President/Business Agent, ATU Local 1555

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
ATU/LOCAL 1555 and SEIU/LOCAL 1021 GENERAL NEGOTIATIONS
TENTATIVE AGREEMENT – COST OF LIVING/WAGE ADJUSTMENT

April 7, 2016

The San Francisco Bay Area Rapid Transit District ("BART") and SEIU/Local 1021 ("SEIU"), and ATU/Local 1555 ("ATU") have negotiated and reached a tentative agreement on this provision of the Collective Bargaining Agreement ("CBA"). No tentative agreement shall be a final agreement except as a part of a total package agreement between the parties. All parties agree that final approval of the tentative collective bargaining agreement is subject to ratification by SEIU membership, ATU membership and the BART Board of Directors.

The parties agree to revise Section 8.2 as follows:

8.2 COST OF LIVING / WAGE ADJUSTMENT


All employees covered by this Agreement shall be covered by the provisions for a cost of living increase as set forth in this Section.

The wage rates as contained in this Agreement shall not be reduced by application of this Cost of Living Provision. In addition to the wage rates contained in this Agreement, all employees shall be paid cost of living adjustments to be determined on the basis of the "Urban Wage Earners and Clerical Workers" Consumer Price Index (United States Average, revised base 1967 = 100), published by the Bureau of Labor Statistics, United States Department of Labor, in the manner described in this Section (hereafter referred to as the "Index").

- A. Effective on June 30, 2017 and on June 30, 2021, a Cost of Living Adjustment shall be granted to the wages/salaries of all employees subject to this Agreement equal to one-cent (1¢) per hour for each full point four (.4) of a point change in the Consumer Price Index as measured on the basis of movement of the Index published for the month of May, 2017 for the June 30, 2017, adjustment and May 2021 for the June 30, 2021, adjustment, over the Index published for the month of February, 2017 and February, 2021 respectively.
- B. All Cost of Living Adjustments specified in Paragraph A of this Section for salaried employees shall be at the monthly equivalent of the hourly adjustment (the cost of living cent adjustment times two thousand eighty hours [2,080] hours divided by twelve [12] months = monthly equivalent of the hourly adjustment.)
- C. The resulting Cost of Living Allowance shall be used in the computation of pensions, straight time and overtime pay exactly as though the wage rates had been changed by the allowance. However, the allowance shall not be added to the base wage rates.

D. The District, during the negotiations for a succeeding term after June 30, ~~2017~~ 2021, shall not assert that the Cost of Living Allowance increase effective on June 30, ~~2017~~ 2021 is included as part of any increased wage offer made by the District for the succeeding contract.

FOR THE DISTRICT



Grace Crunican
General Manager




Carol Isen
Chief Labor Relations Officer

APPROVED AS TO FORM:



Office of the General Counsel
by Victoria R. Nuetzel

FOR SEIU

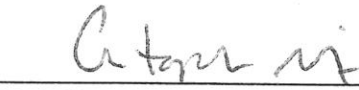


John Arantes
President, BART Chapter



Olivia Rocha
President, BART Professional Chapter

FOR ATU



Chris Finn
President/Business Agent, ATU Local 1555

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
ATU/LOCAL 1555 and SEIU/LOCAL 1021 GENERAL NEGOTIATIONS

TENTATIVE AGREEMENT – SICK LEAVE

April 7, 2016

The San Francisco Bay Area Rapid Transit District ("BART") and SEIU/Local 1021 ("SEIU"), and ATU/Local 1555 ("ATU") have negotiated and reached a tentative agreement on this provision of the Collective Bargaining Agreement ("CBA"). No tentative agreement shall be a final agreement except as a part of a total package agreement between the parties. All parties agree that final approval of the tentative collective bargaining agreement is subject to ratification by SEIU membership, ATU membership and the BART Board of Directors.

The parties agree to revise Section 9.1 as follows:

9.1 SICK LEAVE

A. Accrual: Covered employees shall accrue one (1) day of sick leave for each full month of employment. Sick leave credits may be accumulated to a total of two hundred fifty (250) working days.

B. Incentives For Sick Leave Accrued And Unused On Or After October 19, 2009

To encourage employees to maintain maximum attendance and to improve performance, the District offers employees the following two (2) incentives beginning October 19, 2009:

1. **PERS Retirement Service Credit For Sick Leave:** The District will amend its contract with CalPERS to provide the California Government Code Section 20965 option for service credit for unused sick leave for eligible CalPERS members in the bargaining unit, with an effective date of October 19, 2009. The Public Employees Retirement Law (PERL) and CalPERS rules will govern the eligibility of unused sick leave earned on or after October 19, 2009 for service credit. Those rules presently grant 0.004 years of service credit for each certified unused day of sick leave accrued by the member during the normal course of his/her employment. For employees whose effective date of retirement is within four months of separation from employment with the District, the District shall certify to CalPERS all such unused days of sick leave that were accrued by the employee on or after October 19, 2009. For purposes of Government Code Section 20965, leave accrued prior to October 19, 2009 shall not be considered "unused" sick leave and the District will not certify such sick leave to CalPERS, unless the employee has made the one-time election to convert such pre-October 19, 2009 sick leave to PERS credit eligible sick leave pursuant to Paragraph C below.

2. **Annual Buy-Back Or MPPP Incentive:** The District shall give employees the option each year to make an irrevocable election on the schedule indicated below to buy-back or to deposit into their Money Purchase Pension Plan (MPPP) accounts, the dollar value of the sick leave earned within the annual accrual period indicated in paragraph B(2)(a) below, less sick leave taken during that same period, on an after tax basis.

a. **Sick Leave Accrual/Election Periods:** The maximum sick leave which may be earned for each accrual period is ninety-six (96) hours for employees on a 5-8 or 9/80 Work Plan and one hundred twenty (120) hours for employees on a 4-10 Work Plan. Sick leave for which such an election has been made shall not be included by the District in the certification to CalPERS under the retirement service credit plan described above.

Election Period	Accrual Period
9/2/13 – 9/16/13	9/30/13– 9/28/14
9/1/14 – 9/15/14	9/29/14 – 9/27/15
9/7/15 – 9/21/15	9/28/15 – 9/25/16
9/5/16 – 9/19/16	9/26/16 – 9/24/17
<u>9/4/17 – 9/18/17</u>	<u>9/25/17– 9/23/18</u>
<u>9/3/18 – 9/17/18</u>	<u>9/24/18 – 9/22/19</u>
<u>9/2/19 – 9/16/19</u>	<u>9/23/19 – 9/20/20</u>
<u>9/7/20 – 9/21/20</u>	<u>9/21/20 – 9/19/21</u>

b. **Buy-Back/MPPP Deposit Amounts:** An election to “buy-back” or to deposit into the MPPP must also include an election as to the percentage amount of the ‘buy-back”, based on the percentage increments and maximums provided below. The maximum Buy-Back percentage that will be allowed is based on the employee’s attendance record during the accrual period.

Days	Eligible Percentage of Unused Earned Sick Leave
0	5% up to 50% (in 5% increments)
1-3	5% up to 40% (in 5% increments)

Buy-Back and MPPP amounts shall be calculated at the employee’s base rate of pay at the end of the accrual period, less applicable tax withholding.

c. **Impact Of Buy-Back/MPPP Election:** Employees may select only one option (Buy-Back or MPPP) for each accrual period.

Once the buy-back or MPPP Incentive election is made for any accrual period it may not be changed. Employees will receive the buy-back checks or MPPP credit no later than December 1 following the end of the accrual period.

Unused sick leave hours for which an election to buy-back or transfer into the MPPP is not made shall be carried over to the next year, subject to maximum accumulation limits, and will no longer be available for any future Annual Buy-Back/MPPP incentive election.

C. One Time Election To Convert Sick Leave Accrued Prior To October 19, 2009 To PERS Creditable Sick Leave

During the month of October 2009, employees will be given a one-time opportunity to convert unused sick leave that has been accrued prior to October 19, 2009 to pers-credit-eligible sick leave (described in paragraph B(1) above). This election shall be irrevocable, and will include all of the employee's unused sick leave, including banked sick leave pursuant to D(1), and/or unbanked sick leave pursuant to D(3) below. If an employee makes this election, such accrued leave will no longer be eligible for pay-out at termination/retirement (previously banked leave) or at retirement (unbanked leave). All leave converted pursuant to this paragraph C will be subject to calPERS rules for service credit eligibility. Leave converted under this paragraph will thereafter be considered, for purposes of disposition at the end of employment only, to have been accrued on or after October 19, 2009.

D. Sick Leave Accrued Prior To October 19, 2009

Sick leave accrued prior to October 19, 2009, which is not converted to pers creditable sick leave pursuant to paragraph c above, shall be preserved in accounts separate from sick leave accrued on or after October 19, 2009, and shall be used pursuant to the terms of this paragraph D, including subsections (1) – (3).

1. Banked Sick Leave (Under Previously Exercised Option)

This section refers to sick leave which has been 'banked' in accordance with Labor Agreement Section 9.1B(2) as it was in effect on June 30, 2009, or banked pursuant to Agreements previously in effect. It excludes sick leave electively converted to PERS-creditable sick leave pursuant to paragraph C above. It includes sick leave for which a banking election was made during the 2008 or earlier option periods.

Banked sick leave, as defined above, will be preserved in a separate account for use by the employee in accordance with the provisions of former Section 9.1B(2), including the following:

- a. Such bank shall be set aside for payment upon death/retirement/termination and shall not be included in the calculation of unused sick leave pursuant to paragraph B(1) above or Government Code Section 20965.

- b. Sick leave hours banked will be paid at the employee's base rate of pay, effective on the employee's date of death or retirement/termination from District's employment.
- c. Employees who experience an illness/injury and exhaust their existing sick leave that is available, may utilize sick leave that has been banked under prior Section 9.1B(2) provided they make a written request to do so through their Department Manager at the time of the illness/injury and the circumstances qualify for sick leave under section F ("sick leave payment") below.

2. Sick Leave Buy-Back (Under Previously Exercised Option)

Employees who exercised the option during the September 2008 option period specified in Labor Agreement Section 9.1B(2) in effect on June 30, 2009 to make an irrevocable election to buy-back or deposit into the MPPP the value of sick leave earned during the annual accrual period, less sick leave taken during the annual accrual period shall receive the buy-back payments and the MPPP deposits required by the prior Labor Agreement.

Buy back checks for the 2009 accrual period under former Labor Agreement Section 9.1B will be distributed to employees no later than December 1 following the end of the accrual period, and MPPP elections for that period will be deposited by that same date.

3. Retirement Buy-Back

Sick leave accrued prior to October 19, 2009, and not (1) banked pursuant to paragraph 1 above; (2) bought back or deposited in the MPPP pursuant to paragraph 2 above; (3) converted to PERS creditable sick leave pursuant to paragraph C above; or (4) used pursuant to E and F below, shall be available for use as a Retirement Buy Back incentive. Employees leaving District service on a service retirement shall be paid fifty percent (50%) of this accrued sick leave balance upon the effective date of service retirement. This accrued sick leave shall not be included in the calculation of unused sick leave pursuant to paragraph B above or Government Code Section 20965.

E. Order Of Use Of Sick Leave From Separate Accounts

When using sick leave with pay pursuant to Section F below, employees' sick leave balances will be deducted in the following order:

1. Sick leave accrued on or after October 19, 2009, if any, including any sick leave accrued before October 19, 2009 which an employee has elected to convert to PERS creditable sick leave pursuant to paragraph C above, if any.
2. If the accruals described in paragraph E(1) are exhausted, unbanked sick leave accrued prior to October 19, 2009, if any.

3. If the accruals described in paragraphs E(1) and E(2) above are exhausted, banked sick leave, if any, may be used subject to the terms of paragraph D(1)(c) above.

F. Sick Leave Payment:

FMLA/CFRA

An Employee on FMLA/CFRA qualifying leave may elect to use any accumulated leave as may be permitted by Federal and State law and regulations (i.e. sick leave, vacation, floating holidays or compensatory leave) or elect to take the leave unpaid in any order and at the employee's discretion. Employees who would otherwise qualify for short term disability while on FMLA/CFRA leave will not qualify for that disability until all of the employee's sick leave is exhausted.

Employees shall receive sick leave with pay up to the amount of sick leave accrued at the time of illness, provided the requirements of this section are met. Employees shall accrue sick leave credits during the probationary period, however, they shall not be eligible for sick leave pay until after completion of the probation period.

An employee who is absent from work for reasons that qualify for use of sick leave under Section 9.1 who has no accumulated sick leave to cover such absence must use accumulated vacation, personal holiday, and compensatory time off before unpaid leave may be granted. Even though such charges are made, the employee's absence remains subject to the contract provisions governing the use of sick leave. The employee must advise the employee's appropriate absence report recipient, as designated by the District, of the category of paid leave that shall be charged for such absence. If the employee does not do so, the absence shall be charged by default against the employee's accumulated vacation, holiday and compensatory time off in that order. Sick leave preserved under section 9.1.F last paragraph (below) will not be available for such charges. Holidays may not be charged if such charge would reduce the number of holidays in the employee's account below the number of designated contractual holidays remaining in the fiscal year.

Employees shall be eligible for paid sick leave as follows: without limitation on their rights under state and federal law.

1. Illness, including the appropriate use of required prescribed medication which would impair the employee's work performance, injury, quarantine, or similar exposure to contagious disease;
2. Verifiable medical and/or dental appointments which cannot be scheduled outside the normal working hours, provided that a minimum of forty-eight (48) hours advance notice is given and provided subsequent confirmation that the appointment was kept is given if requested by Management.
3. Doctor's visits associated with pregnancy, subject to the provisions in "2." above;
4. Hospitalization or serious illness/accident and resulting subsequent related

scheduled doctor's visits, subject to the provisions in "2." above;

5. Required attendance upon a seriously ill spouse, eligible domestic partner, or child. The District may require a written statement from the attending physician that the employee's attendance was required.
6. Required transportation to doctor for employee's spouse, eligible domestic partner, or child if spouse, eligible domestic partner, or child has serious accident or serious illness (subsequent verified and scheduled doctor's visits resulting from initial visit are also included).
7. Industrial injury and resulting subsequent related scheduled doctor's visits.

Sick leave with pay shall apply to each separate sick leave incident. For purposes of this section, "sick leave with pay" means pay calculated at the straight time day shift rate for the number of hours the employee was regularly scheduled to work each day, had the illness or injury not occurred.

If an employee's absence which qualifies for paid sick leave also qualifies as statutory family and medical leave (i.e. FMLA/CFRA), the employee may elect to preserve eligibility for participation in the annual buy-back or transfer into the MPPP of eligible accruals, if elected during the election period, by requesting to substitute vacation, floating holidays (for increments of a full day only), or compensatory leave pay, if applicable, or, if he/she has no accrued vacation, floating holidays or compensatory leave, requesting to take the leave unpaid. The request must be made before receipt of sick pay.

- G. Sick Leave Verification: The District may take reasonable means to verify the employee's eligibility for sick leave. Upon prior written notice, an employee, at his or her expense may be required to provide a doctor's statement which demonstrates to the satisfaction of the District, eligibility for sick leave as defined above, for any sick leave incident.

Employees shall furnish a doctor's statement for each sick leave incident involving absences of more than three (3) working days.

In instances where the District requires a doctor's statement, either to verify sick leave or determine an employee's fitness to return to work, that statement must include the following:

1. date and time of treatment;
2. duration of illness;
3. date cleared to return to work.


Otherwise, an employee returning to work from a sick leave incident must submit a required doctor's statement and other documentation within seven (7) calendar days of his/ her return to work. Failure to submit required documentation within the time provided shall result in denial of sick leave pay, and may result in disciplinary action.

The District may require any employee to submit to a medical examination by a doctor designated by the District, at the District's expense, as a condition of return to work from a sick leave incident or to verify the continuing need for sick leave.

Pattern use, misuse or abuse of sick leave will be governed by the District's disciplinary procedures and handled on a case-by-case basis.

- H. Sick Leave Reporting: It is the responsibility of every employee absent from work because of illness or injury to report such absences to his/her immediate supervisor or the supervisor's designated representative. This report must include information as to the expected date of return to work and where the employee can be reached during his/her normal work hours. The employee will promptly notify his/her supervisor or supervisor's designee of any change which affects his/her ability to return to work.

FOR THE DISTRICT



Grace Crunican
General Manager



Carol Isen
Chief Labor Relations Officer

APPROVED AS TO FORM:



Office of the General Counsel
by Victoria R. Nuetzel

FOR SEIU

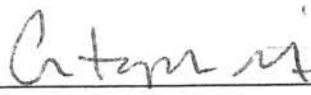


John Arantes
President, BART Chapter



Olivia Rocha
President, BART Professional Chapter

FOR ATU



Chris Finn
President/Business Agent, ATU Local 1555

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

ATU DIVISION 1555 NEGOTIATIONS

TENTATIVE AGREEMENT – BASE WAGE SCHEDULE

April 7, 2016

The San Francisco Bay Area Rapid Transit District ("BART") and ATU Division 1555 ("ATU") have negotiated and reached a tentative agreement on this provision of the Collective Bargaining Agreement ("CBA"). No tentative agreement shall be a final agreement except as a part of a total package agreement between the parties. All parties agree that final approval of the tentative collective bargaining agreement is subject to ratification by SEIU membership, ATU membership and the BART Board of Directors.

The parties agree to revise Section 47.0 as follows:

47.0 BASE WAGE SCHEDULE

- A. Employees will suffer no loss of pay as a result of the pay progression.
- B. Entry and training rates are eliminated.
- C. The pay progression of 85%, 87.5%, 90%, and 100% (top rate) is based on one year intervals, on the date of hire/anniversary date. All percentages are based on the top rate. The pay steps are applicable to employees hired on or after January 1, 1995. The pay progression will apply only one time to each such employee.
- D. The new pay progression is effective July 1, 1997, the effective date of the labor agreement.
- E. Employees hired before January 1, 1995 and who are not at top step will be placed at the 100% rate of pay of their classification effective July 1, 1997.
- F. Employees hired on or after January 1, 1995 and before July 1, 1997 will have their rate of pay slotted into the next immediate higher pay rate in the new pay progression. Employees will move to the higher pay rate based only on their date of hire/ anniversary date.
- G. New employees that are hired will be placed at the first year pay progression rate (85%) of their classification pursuant to Section S47.0 Base Wage Schedule. New employees will progress through each successive step based on their date of hire/anniversary date with the District.
- H. Fiscal Year 2014

The prior base rate of pay includes the one percent (1%) conditional wage increase provided for in the 2009-2013 Agreement, effective July 1, 2013 and the Section 8.2 COLA wage schedule provided for in the 2009-2013 Agreement effective July 1, 2013. Effective July 5, 2013, the base salary/wage schedule for bargaining unit members shall be increased by one and eighty six zero seven one hundredths percent (1.8607%) over the prior base rate of pay. Effective January 1, 2014, the base salary/wage schedule shall be increased by an additional one and eighty six zero seven one hundredths percent (1.8607%).

I. Fiscal Year 2015

Effective January 1, 2015, the base salary/wage schedule for bargaining unit members shall be increased by three seventy two fourteen one hundredths percent (3.7214%).

J. Fiscal Year 2016

Effective January 1, 2016 the base salary /wage schedule for bargaining unit members shall be increased by three seventy two fourteen one hundredths percent (3.7214%).

K. Fiscal Year 2017

Effective January 1, 2017 the base salary/wage schedule for bargaining unit members shall be increased by four and twenty two fourteen one hundredths percent (4.2214%).

L. Fiscal Years 2018, 2019

Effective July 01, 2017 and July 01, 2018 the base salary/wage schedule for bargaining unit members shall be increased by two and one half percent (2.50%).

M. Fiscal Years 2020, 2021

Effective July 01, 2019 and July 01, 2020 the base salary/wage schedule for bargaining unit members shall be increased by two and seventy-five hundredths percent (2.75%).

All wage increases specified herein are inclusive of the amounts designated in Section 6.2 paid in exchange for the agreement to pay a portion of the employee's pension contribution.

N. Conditional Lump Sum Payments*

If all criteria set forth herein are met and no extraordinary unplanned expenses as set forth herein have occurred then during each fiscal year of the term of the Agreement, the District shall pay each bargaining unit member on active and paid status at the time of the payment a lump sum payment which shall be calculated as set forth below but which shall not exceed one thousand dollars (\$1,000) in any fiscal year. These calculations shall be made at the conclusion of each fiscal year and will be based on the data available on that date. Payment shall be made within sixty (60) days of the date of the calculation.

1. Criteria for Lump Sum Payment:

Each one (1) percent increase in actual core system annual average weekday ridership growth over the Districts' Short Range Transit Plan (SRTP) projected growth as specified in the May 2013 SRTP for Fiscal Years 2013 – 2017 and the Adopted SRTP Oct. 2014 for Fiscal Years 2018-2021 shall result in a lump sum payment of five hundred dollar (\$500) up to a maximum of one thousand dollars (\$1,000) subject to the following limitations:

a. Specific Increased Expenses

Determine whether the following specific District expenses have increased greater than stated:

- District's Employer PERS miscellaneous pension contribution rates increased by more than 16%;
- Health insurance premiums, as reported by CalPERS and measured by the simple average of the annual percent change in Blue Shield Access+ and Kaiser Premiums, required by Section 5.2B of this Agreement increased by more than 10%.

If either of the increases listed above are exceeded then no lump sum payment will be made

b. Extraordinary, Unplanned Expenses

The District shall determine whether an extraordinary, unbudgeted, and unanticipated expense exceeding 2.5% of the District's adopted operating expense budget occurred. In the event that such an extraordinary, unbudgeted and unanticipated expense outside the control of the District has occurred the District shall have no obligation to make a lump sum payment.

***Minute Clarification**

*The Parties understand that the Core System excludes various extension projects. Under the terms of the operating agreements governing the San Francisco Airport Extension, the Oakland Airport Connector and the VTA/BART Silicon Valley Berryessa Extension, BART fare revenue generated by riders using those extensions is dedicated to those extension projects.

*The conditional lump sum payment provision above is based on the following ridership projections. BART's Short Range Transit Plan ("SRTP") Financial Model: Ridership Estimates projects the following ridership and related revenues:

Short Range Transit Plan

Average Weekday –

Core System

	FY13	FY14	FY15	FY16	FY17
Average Weekday Ridership Core System	346,869	356,443	357,615	365,498	368,960
% Growth over Prior Year		2.760%	0.329%	2.204%	0.947%

SRTP Adopted Oct. 2014

Average Weekday –

Core System


	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	
<u>Average Weekday Ridership Core System</u>	<u>378,380</u>	<u>387,990</u>	<u>395,940</u>	<u>402,314</u>	
<u>% Growth over Prior Year</u>	<u>2.6%</u>	<u>2.5%</u>	<u>2.0%</u>	<u>1.6%</u>	

The Parties understand that eligibility for the conditional lump sum is limited to those “bargaining unit members on active and paid status,” which includes employees on District authorized leave and those on disability or workers compensation at the time of payment provided that the leave commenced during the applicable fiscal year or between the end of that fiscal year and the payment date. Employees who have retired or left District employment on a permanent basis as of the end of the applicable fiscal year or who commenced employment after the end of the applicable fiscal year shall not be eligible to receive the lump sum.

***Minute Clarification**

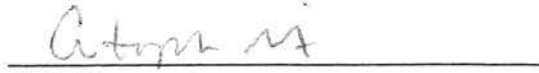
For FY14 only, the District shall determine employees’ eligibility for conditional lump sum payments based on the extent to which the actual average weekday core system ridership exceeds the SRTP forecast on each half of the fiscal year, without regard to the other half of the fiscal year. For example, for each one (1) percent that the actual growth exceeds projected growth in the first half of the fiscal year, employees shall receive \$250, up to a maximum of \$500; and for each one (1) percent that the actual growth exceeds projected growth in the second half of the fiscal year, employees shall receive \$250, up to a maximum of \$500. The first half of FY 2014 is July 1, 2013 to December 31, 2013; the second half of FY 2014 is January 1, 2014 to June 30, 2014.

FOR THE DISTRICT



Grace Crunican
General Manager

FOR ATU



Chris Finn
President/ Business Agent



Carol Isen
Chief Labor Relations Officer

APPROVED AS TO FORM:



Office of the General Counsel
by Victoria R. Nuetzel

**BEFORE THE BOARD OF DIRECTORS OF
THE SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**

In the Matter of Ratifying an extension to the
2013-2017 Collective Bargaining Agreement
between the District and the American
Federation of State, County and Municipal
Employees, Local 3993)

Resolution No. _____

BE IT RESOLVED that the Board of Directors of the San Francisco Bay Area Rapid Transit District hereby ratifies an extension of the 2013 - 2017 Collective Bargaining Agreement between the District and the American Federation of State, County and Municipal Employees, Local 3993, subject to those changes as set forth in the attached Tentative Agreements dated April 7, 2016; and

BE IT FURTHER RESOLVED that the General Manager is authorized to execute the Agreement on behalf of the District.

###


Adopted _____

PREAMBLE

April 7, 2016

The Parties have agreed to an extension of the 2013 – 2017 Collective Bargaining Agreement. All terms and conditions of the 2013 – 2017 Agreement shall be extended through June 30, 2021. All terms and conditions of the 2013-2017 Agreement shall remain in full force and effect, throughout the extended term, except as noted in the attached tentative agreements.

FOR THE DISTRICT



Grace Crunican
General Manager




Carol Isen
Chief Labor Relations Officer

APPROVED AS TO FORM:



Office of the General Counsel
by Victoria R. Nuetzel

FOR SEIU

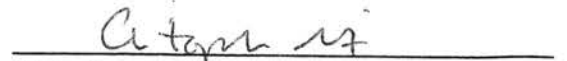


John Arantes
President, BART Chapter



Olivia Rocha
President, BART Professional Chapter

FOR ATU



Chris Finn
President/Business Agent, ATU Local 1555

FOR AFSCME



Sal Cruz
President, AFSCME Local 3993

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

AFSCME TENTATIVE COMPREHENSIVE AGREEMENT

CONTRACT EXTENSION

April 7, 2016

The San Francisco Bay Area Rapid Transit District ("BART") and the American Federation of State, County and Municipal Employees Local 3993 ("AFSCME") have negotiated and reached a tentative agreement for an extension of the current contract, which is currently set to expire on June 30, 2017, to June 30, 2021 as specified herein. The parties agree that final approval of the terms set forth herein is subject to ratification by AFSCME membership and the BART Board of Directors.

BART and AFSCME agree that the terms and conditions of the labor agreement between them which is currently set to expire effective June 30, 2017, shall be extended to June 30, 2021.

All terms and conditions of the Agreement shall remain unchanged during the extended term with the following exceptions:

Section 1 – Shall be revised to reflect the new termination date, June 30, 2021;

Section 33 - Shall be revised to reflect the \$37 premium increase for an additional four (4) years;

Sections 25 and 39 - The Parties agree, under certain terms and conditions, to negotiate modifications to these provisions;

Section 35- Section 2a shall be revised to reflect the applicable accrual and election periods from 2018 – 2021;

Section 47.3 – Shall be revised to reflect that all annual pay progression increases shall be delayed for six (six) months, from June to January;

Section 47.8 - Shall be revised to reflect a 2.5% salary increase effective 7/1/17, a 2.5% salary increase effective 7/1/18, a 2.75% salary increase effective 7/1/19 and a 2.75% salary increase effective 7/1/20;

Section 47.9 - Minute Clarification, shall be revised to reflect the Average Weekday Ridership and Core System % Growth over prior year as reflected in the Adopted SRTP, October 2014 for FYs 18, 19, 20 and 21.

In addition to the above, the Parties further agree to the following:

Any and all provisions including the provisions of section 47.1(C), which require BART to perform salary surveys, shall be suspended upon ratification of this extension; however, upon request by the Union, BART may agree to perform a salary survey. Nothing herein shall preclude BART from reviewing pay rates and the salary structure for any BART position including those represented by AFSCME.

Upon ratification of this extension, the Contract shall be amended, as required, to reflect that all Pay Bands (including but not limited to all quartiles and all minimum and maximum salary ranges) for AFSCME members are increased and shall in the future be increased by the amount of all contractual raises, including those specified in Sections 47.8 and 47.3. It is further agreed that the adjustment of those pay bands as set forth herein shall, and is expressly intended to, eliminate redlining and that all redlining language throughout the Agreement shall be deleted.

Within sixty (60) days following the adoption of a new Classification and Compensation Plan with respect to BART's non-represented employees, the Parties shall negotiate regarding options to convert AFSCME's pay progression plan to a step based pay plan.

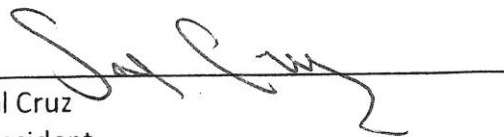
All other terms and conditions shall remain unchanged except to the extent that such terms and conditions may be modified by operation of state or federal law.

FOR THE DISTRICT



Grace Crunican
General Manager

FOR AFSCME

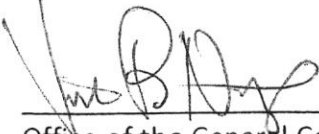


Sal Cruz
President



Carol Isen
Chief Labor Relations Officer

APPROVED AS TO FORM:

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Office of the General Counsel
by Victoria R. Nuetzel

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

AFSCME TENTATIVE AGREEMENT

DURATION OF AGREEMENT

April 7, 2016


The San Francisco Bay Area Rapid Transit District ("BART") and the American Federation of State, County and Municipal Employees Local 3993 ("AFSCME") have negotiated and reached a tentative agreement on this provision of the Collective Bargaining Agreement ("CBA"). No tentative agreement shall be a final agreement except as a part of a total package agreement between the parties. All parties agree that final approval of the tentative collective bargaining agreement is subject to ratification by AFSCME membership and the BART Board of Directors.

The parties agree to revise Section 1 as follows:


1 DURATION OF AGREEMENT

This Agreement shall become effective as of July 1, 2013 and shall remain in full force and effect up to and including June 30, ~~2017~~ 2021.

FOR THE DISTRICT

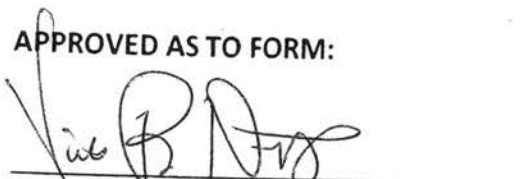

Grace Crunican
General Manager

FOR AFSCME


Sal Cruz
President


Carol Isen
Chief Labor Relations Officer

APPROVED AS TO FORM:


Office of the General Counsel
by Victoria R. Nuetzel

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

AFSCME TENTATIVE AGREEMENT

PERS MEDICAL & PRESCRIPTION DRUG BENEFITS

April 7, 2016

The San Francisco Bay Area Rapid Transit District ("BART") and the American Federation of State, County and Municipal Employees Local 3993 ("AFSCME") have negotiated and reached a tentative agreement on this provision of the Collective Bargaining Agreement ("CBA"). No tentative agreement shall be a final agreement except as a part of a total package agreement between the parties. All parties agree that final approval of the tentative collective bargaining agreement is subject to ratification by AFSCME membership and the BART Board of Directors.

The parties agree to revise Section 33 as follows:

33. **PERS MEDICAL & PRESCRIPTION DRUG BENEFITS**

The District will provide group medical and prescription drug benefits, as provided below, through the Public Employees' Retirement System (PERS). The PERS rules, regulations and plan documents will control on all issues concerning benefits, including the types and levels of benefits offered and eligibility for those benefits.

The Union acknowledges that it understands these benefits may not equate to benefits previously available to employees and retirees through the various optional medical plans and the Prescription Drug Plan. Because coverage will be provided through PERS, the District and the Union understand that PERS may terminate or change covered expenses, benefit payments and co-payments on covered benefits, deductibles, lifetime and/or annual maximums and may implement various cost control features.

Except for Survivors Benefits, as provided for in Section 41, the Union waives the right to any group medical or prescription drug benefit granted expressly or implied under other sections of this Agreement, or by any other agreement between the parties or by any District guideline, policy or practice if that benefit is not offered through the PERS medical plan.

A. Employee and Retiree Contributions for Health Insurance

All employees eligible for PERS medical benefits who enroll for such benefits shall be responsible for a premium contribution in the amount of twenty-four dollars and fifty eight cents (\$24.58) per month, except as provided below.

1. The employee's twenty-four dollars and fifty eight cents (\$24.58) monthly employee contribution toward the medical insurance premium shall increase by fifty dollars and forty two cents (\$50.42) on January 1, 2006. Each January 1 thereafter, the monthly employee contribution shall increase by an escalator amount of three percent (3%). For example, the total monthly employee contribution on January 1, 2007 will be seventy-seven dollars and twenty-five cents per month. (The calculation that arrives at this number is as follows: $\$24.58 + \$50.42 = \$75 \times 1.03 = \77.25 .) The employee contribution amounts provided by this subsection shall be the maximum employee premium contribution through June 30, 2034. The employee contribution amounts provided below shall be in addition to any costs for coverage excess of the amounts specified in paragraph C below.

Maximum Employee

<u>DATE</u>	Monthly Contribution
01 Jan. - 06	\$75.00
01 Jan. - 07	\$77.25
01 Jan. - 08	\$79.57
01 Jan. - 09	\$81.95
01 Jan. - 10	\$84.41
01 Jan. - 11	\$86.95
01 Jan. - 12	\$89.55
01 Jan. - 13	\$92.24
01 Jan. - 14	\$95.01
01 Jan. - 15	\$97.86
01 Jan. - 16	\$100.79
01 Jan. - 17	\$103.82
01 Jan. - 18	\$106.93
01 Jan. - 19	\$110.14

01 Jan. - 20	\$113.44
01 Jan. - 21	\$116.85
01 Jan. - 22	\$120.35
01 Jan. - 23	\$123.96
01 Jan. - 24	\$127.68
01 Jan. - 25	\$131.51
01 Jan. - 26	\$135.46
01 Jan. - 27	\$139.52
01 Jan. - 28	\$143.02
01 Jan. - 29	\$148.02
01 Jan. - 30	\$152.46
01 Jan. - 31	\$157.03
01 Jan. - 32	\$161.74
01 Jan. - 33	\$166.60
01 Jan. - 34	\$171.59

2. During the term of this Agreement, the employees' premium contribution shall be increased by thirty-seven dollars (\$37) per month as follows: 2014 - \$132.01; 2015 - \$134.86; 2016 - \$137.79; and 2017 - \$140.82; 2018 - \$143.93; 2019 - \$147.14; 2020 - \$150.44; and 2021 - \$153.85 For active employees the additional thirty-seven dollars (\$37) per month shall be deducted from the one and six hundred twenty-seven thousandths percent (1.627%) money purchase pension plan contribution.
3. Each eligible retiree shall pay the same premium contribution as active employees. Employees' premium contributions will be paid for through tax-exempt payroll deductions. Retiree premium contributions will be deducted from the retirement allowance paid by PERS. If a retiree's retirement allowance is not sufficient to pay the entire contribution, the retiree must pay the balance due on such premium contribution directly to PERS. If such payment is not received by the due date, health care coverage will

automatically, immediately and permanently cease. These rules are intended to comply with the premium contribution procedures established by PERS, which may be modified by PERS. The District, Unions and employees shall comply with the PERS procedures in effect from time to time.

B. Maximum District Contributions for Health Insurance

Beginning January 1, 2010, the District shall contribute an amount up to the applicable level of plan participation (i.e. one party, two party, or family) and the same Medicare status as elected by the eligible employee or retiree equal to the Bay Area Basic Premium Rates for the PERS HMO Blue Shield Access+ or PERS HMO Kaiser Plan, whichever is greater, less the employee and retiree contributions provided for in 33 B above. This District contribution shall be the District's maximum payment toward employee health insurance premiums. Employees and retirees electing coverage with a cost greater than the District's maximum contribution shall have the difference deducted automatically from the unit member's pay, in addition to amounts to be deducted in accordance with subsection B above.

C. Retiree Insurance Funding

1. Beginning July 1, 2007, the District shall contribute into its Retiree Health Benefit Trust (RHBT) amounts that, at minimum, reflect an eight (8) year "ramp up" to District payment of the full Government Accounting Standards Board (GASB) compliant Annual Required Contribution (ARC) beginning July 1, 2013 using an open group valuation method with a closed thirty (30) year amortization schedule for unfunded liability ending June 30, 2034. Except as provided in paragraph 3 below, each pay period the District shall contribute to the RHBT an amount equal to the below-listed percentages of straight time bargaining unit base pay paid to bargaining unit members in that pay period into the RHBT. (For example, if base pay in the pay period in FY '07 is one million dollars (\$1,000,000), the District will contribute \$34,900 into the RHBT for that pay period).

<u>DATE</u>		<u>PERCENTAGE</u>
July 1, 2007	(FY 08)	3.49%
July 1, 2008	(FY 09)	3.64%
July 1, 2009	(FY 10)	3.79%
July 1, 2010	(FY 11)	3.94%
July 1, 2011	(FY 12)	4.10%
July 1, 2012	(FY 13)	4.27%

2. In addition, on or before June 30, 2009 the District shall, at minimum, contribute into the RHBT an amount equal to three and twenty-two one-

hundredths percent (3.22%) of straight time bargaining unit base pay paid in FY '06 and three and thirty-six one-hundredths percent (3.36%) of straight time bargaining unit base pay paid in FY '07. These figures represent the "ramp up" percentages for those fiscal years.

3. The District shall perform an actuarial study of the retiree medical insurance plan liabilities and funding needs (including the Annual Required Contribution – "ARC") after the end of each calendar year but before the beginning of the next fiscal year for which the results provide guidance. For each fiscal year beginning with FY 2007, the actuaries shall adjust the above "ramp up" percentages for the fiscal year for which the study was prepared and for each remaining fiscal year in the "ramp up" period. The last such adjustment will be in the study performed prior to July 1, 2013 for FY 2013. The revised percentages shall be the percentages contributed by the District to the RHBT for those years, except that the District shall pay no less than the percentages specified in subsections 1 and 2 above.
4. Beginning July 1, 2013, the District shall, at minimum, contribute to the RHBT each pay period an amount equal to the full GASB compliant Annual Required Contribution (ARC) percentage of straight time base pay paid to bargaining unit members during that pay period using an open group valuation method with a closed thirty (30) year amortization schedule for unfunded liability ending June 30, 2034. (For example, if the base pay during the pay period is one million dollars (\$1,000,000) and the ARC percentage is fourteen percent (14%), the District will contribute one hundred forty thousand dollars (\$140,000) to the RHBT for that pay period.)
5. During the term of this Agreement, the District shall retain .0888% of the 1.627% of the Money Purchase Pension Plan contribution in addition to the \$37/month to be used as specified in Paragraph B2 above.
6. Effective July 1, 2013, the District shall retain the remainder of the 1.627% MPPP contribution referred to in subsection D.5 above to the extent necessary to compensate the District for paying the difference between the actual ARC and the baseline ARC described below. The District shall retain this amount through June 30, 2034. In any year in which the actual ARC does not exceed the baseline ARC by an amount equal to the amount of the retained 1.627% MPPP contribution, the District shall pay the appropriate portion of the 1.627% into the employees' MPPP accounts, but only to the extent that the difference between the actual ARC and the baseline ARC is less than the dollar value of the retained MPPP 1.627%.

EXAMPLE: Assume that the actual ARC is fifteen percent (15%) in the particular year, the baseline ARC is fourteen percent (14%) in the particular year, and that the difference between the two is one million dollars

(\$1,000,000). Assume further that the value of the retained 1.627% is one million five hundred thousand dollars (\$1,500,000). The District would then pay a total of five hundred thousand dollars (\$500,000) into the employees' collective MPPP accounts. These payments would be prorated in the same manner as would result from full payment of the 1.627% into the employee accounts.

The baseline ARC is as follows:

<u>FY YEAR BEGINNING</u>	<u>BASELINE ARC</u>
7/1/13	11.88%
7/1/14	11.94%
7/1/15	12.00%
7/1/16	12.06%
7/1/17	12.12%
7/1/18	12.18%
7/1/19	12.24%
7/1/20	12.30%
7/1/21	12.36%
7/1/22	12.42%
7/1/23	12.48%
7/1/24	12.54%
7/1/25	12.60%
7/1/26	12.66%
7/1/27	12.72%
7/1/28	12.78%
7/1/29	12.84%
7/1/30	12.90%
7/1/31	12.96%
7/1/32	13.02%
7/1/33	13.08%

- Effective July 1, 2013 the District shall direct the Trustee of the RHBT to pay retiree health insurance premiums from the RHBT. No premiums will be paid from the RHBT prior to July 1, 2013.

D. In Lieu of Medical Payments

During any open enrollment period after July 1, 2009, an eligible employee who has medical coverage under a spousal or other alternate plan may elect, in accordance with procedures established by the District to opt out of the group medical and prescription drug benefits covered under Section 33 A.

The District shall make a monthly payment of three hundred and fifty dollars (\$350.00) "in lieu of medical" to each eligible employee who opts out of 33.A. coverage.

Tax treatment of these payments will be subject to applicable Internal Revenue Code (IRC) and Internal Revenue Service (IRS) rules. The payments will be made in a manner that will not impact the income tax status of medical premiums under IRC requirements and to allow an employee to receive the amounts as cash monthly payments.

An eligible employee who opts out of Section 33.A. coverage may subsequently enroll in such coverage as permitted under the terms of the plan(s) described in 33.A.

E. Trust Review Committee

1. The District's five (5) unions shall each appoint one (1) member to serve on a Trust Review Committee (TRC). The District Labor Relations Manager and Human Resources Manager shall serve on the TRC for the District. The TRC shall meet quarterly. Employee members of the TRC will be released from regularly scheduled duty with pay for quarterly TRC meetings.
2. The District will direct the Trustee of the Trust to provide the Unions with quarterly reports of all RHBT operations, including audited and unaudited financial statements and investment performance reports, and other consultant reports in advance of the quarterly TRC meeting. (The parties acknowledge that audited financial statements are performed only once per year.)
3. The Trustee will attend the TRC meeting to answer questions concerning the information provided to the TRC. However, the TRC shall in no way attempt to assist, direct, or otherwise involve itself in matters concerning the investment of Trust assets. However, the TRC may advise the Trustee on other Trust matters to the extent such advisory activity does not affect the legal status of the Trust. It shall be within the sole discretion of the Trustee whether to follow or not follow such advice.
4. The TRC members shall be released from regularly scheduled duty with pay to attend meetings of the Human Resources Manager and Labor Relations Manager with the District's actuaries and other professionals to discuss assumptions to be included in annual GASB valuation studies, the preliminary and final results of such studies, etc. Such studies shall include ARC projections through at least the year 2035. The District will provide the unions with a copy of the final version of such study on or before February 1st each year or as soon thereafter as is practicable.

F. Retiree Health Benefits Trust

Within one hundred twenty (120) days after the signing of this agreement by the parties hereto, the District shall amend the Trust Agreement to provide that:

1. Trust assets shall be held for the sole and exclusive purpose of providing health benefits to eligible BART retirees and to defray the reasonable expenses of administering the RHBT.
2. The only District benefit plans for which payments may be made from the RHBT shall be those retiree health benefit plans offered to eligible District retirees as a result of its collective bargaining agreements, or District policy which extends such plans to non-represented employees. In addition, for District personnel on a District plan that is no longer generally offered to District employees, payments may be made from the RHBT. However, the District shall ensure sufficient separate funding and the Trustee shall separately account for benefits paid for such personnel.
3. The District may terminate the RHBT, subject to its duty to bargain in good faith to agreement or impasse over such termination with the Union. If the District gives the Union notice of the termination of the RHBT, the Trust shall not terminate until the assets then remaining are exhausted. Such assets shall be used only as provided in paragraph 1 above.
4. The District reserves the right to terminate or change any part or all of the health benefits program at any time with respect to active or retired employees; however, any such action will be taken only after the District has satisfied its obligations under applicable Collective Bargaining Agreements. The District's obligation to provide health benefits coverage to retired employees shall terminate upon the expiration of this Agreement. By providing benefits to retirees, the parties do not intend to vest retirees with such benefits.

G. Retiree Medical Insurance Eligibility

The parties agree that with respect to District employees first hired after July 1, 2014, the District shall make no contribution for postretirement health benefits on behalf of such individuals with less than ten years of credited service with the District, and that the full District contribution for postretirement health benefits shall be made only on behalf of individuals who have completed a minimum of fifteen (15) years of credited service with the District. Eligibility for this benefit is, in addition to the specified criteria, subject to current provisions which require that the employee retire from CalPERS within one hundred and twenty (120) days of separation from the District.


The parties agree that:

1. This provision applies to unrepresented employees, members of the Board of Directors to the extent they are eligible under existing law, and members of

any unit of employees whose terms and conditions of employment are determined through collective bargaining and who agree that it should apply to its members.

2. Contributions shall be subject to:
 - a. Credited years of District service
 - b. An agreement with all represented employees mutually agreed upon through collective bargaining;

FOR THE DISTRICT



Grace Crunican
General Manager

FOR AFSCME




Sal Cruz
President



Carol Isen
Chief Labor Relations Officer

APPROVED AS TO FORM:



Office of the General Counsel
by Victoria R. Nuetzel

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

AFSCME TENTATIVE AGREEMENT

SICK LEAVE

April 7, 2016

The San Francisco Bay Area Rapid Transit District ("BART") and the American Federation of State, County and Municipal Employees Local 3993 ("AFSCME") have negotiated and reached a tentative agreement on this provision of the Collective Bargaining Agreement ("CBA"). No tentative agreement shall be a final agreement except as a part of a total package agreement between the parties. All parties agree that final approval of the tentative collective bargaining agreement is subject to ratification by AFSCME membership and the BART Board of Directors.

The parties agree to revise Section 35 as follows:

35 Sick Leave

- A. Employees will accrue one (1) day of Sick Leave for each full month of employment. Sick Leave credits may be accumulated to a total of two thousand five hundred (2500) hours. Sick Leave will be paid without limitation on their rights under state and federal law when an employee is required to be absent because of:
 - 1. Illness (including alcoholism), including the appropriate use of required prescribed medication which would impair the employee's work performance, injury, quarantine or similar exposure to contagious disease;
 - 2. Required attendance upon a seriously ill spouse, domestic partner (as per Board Resolutions 4455 and 4757), parent or child as required in writing by a doctor, to include the length of the anticipated leave. Said documentation shall be subject to verification;
 - 3. Verifiable medical and/or dental appointments which cannot be scheduled outside the normal working hours of the employee, provided that a minimum of forty-eight (48) hours advance notice is given and provided that subsequent confirmation that the appointment was kept is given, if requested by management.
- B. An employee experiencing a verified industrial injury or illness will be entitled to receive for each separate injury or illness up to five (5) days

industrial accident leave. Sick Leave benefits, to the extent they are available, will be coordinated with Workers' Compensation to maintain the employee's basic straight time earnings.

- C. To be eligible for Sick Leave benefits an employee may be required to provide satisfactory written verification of the necessary and/or compelling reason. If doubt exists as to an illness or injury or that absence from work was required, the decision of a physician selected by District will govern.
- D. The General Manager may grant time off without pay to an employee who has insufficient accumulated Sick Leave.
- E. All unused accumulated Sick Leave shall be cancelled without compensation upon termination of employment.
- F. Incentives For Sick Leave Accrued And Unused On Or After October 19, 2009

To encourage employees to maintain maximum attendance and to improve performance, the District offers employees the following two (2) incentives beginning October 19, 2009:

1. **PERS Retirement Service Credit for Sick Leave:** The District will amend its contract with CalPERS to provide the California Government Code Section 20965 option for service credit for unused sick leave for eligible CalPERS members in the bargaining unit, with an effective date of October 19, 2009. The Public Employees Retirement Law (PERL) and CalPERS rules will govern the eligibility of unused sick leave earned on or after October 19, 2009 for service credit. Those rules presently grant 0.004 years of service credit for each certified unused day of sick leave accrued by the member during the normal course of his/her employment. For employees whose effective date of retirement is within four months of separation from employment with the District, the District shall certify to CalPERS all such unused days of sick leave that were accrued by the employee on or after October 19, 2009. For purposes of Government Code Section 20965, leave accrued prior to October 19, 2009 shall not be considered "unused" sick leave and the District will not certify such sick leave to CalPERS, unless the employee has made the one-time election to convert such pre-October 19 sick leave to PERS-credit-eligible sick leave pursuant to Paragraph G below.

2. **Annual Buy-Back or MPPP Incentive:** The District shall give employees the option each year to make an irrevocable election on the schedule indicated below to buy-back or to deposit into their Money Purchase Pension Plan (MPPP) accounts, the dollar value of the sick leave earned within the annual accrual period indicated in F.2.a below, less sick leave taken during that same period, on an after tax basis.

a) **Sick Leave Accrual/Election Periods:** The maximum sick leave which may be earned for each accrual period is ninety-six (96) hours for employees on a 5-8 or 9/80 Work Plan and one hundred twenty (120) hours for employees on a 4-10 Work Plan. Sick leave for which such an election has been made shall not be included by the District in the certification to CalPERS under the retirement service credit plan described above.

<u>ELECTION PERIOD</u>	<u>ACCRUAL PERIOD</u>
09/02/13 – 09/16/13	09/30/13 – 09/28/14
09/01/14 – 09/15/14	09/29/14 – 09/27/15
09/07/15 – 09/21/15	09/28/15 – 09/26/16
09/05/16 – 09/19/16	09/26/16 – 09/24/17
09/04/17 – 09/18/17	09/25/17 – 09/23/18
09/03/18 – 09/17/18	09/24/18 – 09/22/19
09/02/19 – 09/16/19	09/23/19 – 09/20/20
09/07/20 – 09/21/20	09/21/20 – 09/19/21

b) **Buy-Back / MPPP Deposit Accounts:** An election to “buy-back” or to deposit into the MPPP must also include an election as to the percentage amount of the “buy-back”, based on the percentage increments and maximums provided below. The Maximum Buy-Back percentage that will be allowed is based on the employee’s attendance record during the accrual period.

Days	Banking Percentage of Unused Earned Sick Leave
0	5% up to 50% (in 5% increments)
1-3	5% up to 40% (in 5% increments)

Buy-Back and MPPP amounts shall be calculated at the employee's base rate of pay at the end of the accrual period less applicable tax withholding.

- c) **Impact of Buy-Back / MPPP Election:** Employees may select only one option (Buy-Back or MPPP) for each accrual period. Once the Buy-Back or MPPP incentive election is made for any accrual period it may not be changed. Employees will receive the Buy-Back checks or MPPP credit no later than December 1 following the end of the accrual period. Unused sick leave hours for which an election to Buy-Back or transfer into the MPPP is not made shall be carried over to the next year, subject to maximum accumulation limits, and will no longer be available for any future Annual Buy-Back / MPPP incentive election.

- G. One-Time Election To Convert Sick Leave Accrued Prior to October 19, 2009 To PERS Creditable Sick Leave.

During the month of October 2009, employees will be given a one-time opportunity to convert unused sick leave that has been accrued prior to October 19, 2009 to PERS-credit-eligible sick leave (described in paragraph F.1. above). This election shall be irrevocable, and will include all the employee's unused sick leave, including banked sick leave pursuant to H.1 and unbanked sick leave pursuant to F.2.c. above. If an employee makes this election, such accrued leave will no longer be eligible for pay-out at termination/retirement (previously banked leave) or at retirement (unbanked leave). All leave converted pursuant to this paragraph G will be subject to CalPERS rules for service credit eligibility. Leave converted under this paragraph will thereafter be considered, for purposes of disposition at the end of employment only, to have been accrued on or after October 19, 2009.

- H. Sick Leave Accrued Prior to October 19, 2009:

Sick leave accrued prior to October 19, 2009, which is not converted to PERS creditable sick leave pursuant to paragraph G above, shall be preserved in accounts separate from sick leave accrued on or after October 19, 2009, and shall be used pursuant to the terms of this paragraph H, including 1.-3.

1. Banked Sick Leave (under previously exercised option)

This section refers to sick leave which has been "banked" in accordance with Labor Agreement Section 35 as it was in effect on June 30, 2009, or banked pursuant to Agreements previously in effect. It excludes sick leave electively converted to PERS creditable sick leave pursuant to paragraph G above. It includes sick leave for which a banking election was made during the 2008 or earlier options periods.

Banked sick leave, as defined above, will be preserved in a separate account for use by the employee in accordance with the provisions of former Section 35 including the following:

- a. Such bank shall be set aside for payment upon death/retirement/termination and shall not be included in the calculation of unused sick leave pursuant to paragraph G above or Government Code Section 20965.
- b. Sick leave hours banked will be paid at the employee's base rate of pay, effective on the employee's date of death or retirement/termination from District's employment.
- c. Employees who experience an illness/injury and exhaust their existing sick leave that is available, may utilize sick leave that has been banked under prior Section 35 provided they make a written request to do so through their Department Manager at the time of the illness/injury and the circumstances qualify for sick leave under Section A (sick leave payment).

2. Sick Leave Buy-Back (under previously exercised option)

Employees who exercised the option during the September 2008 period specified in Labor Agreement Section 35 in effect on June 30, 2009 to make an irrevocable election to buy-back or deposit into the MPPP the value of sick leave earned during the annual accrual period, less sick leave taken during the annual accrual period shall receive the buy-back payments and the MPPP deposits required by the prior Labor Agreement.

Buy-back checks for the 2009 accrual period under former Labor Agreement Section 35 will be distributed to employees no later than December 1 following the end of the accrual period, and MPPP elections for that period will be deposited by that same date.

3. Retirement Buy-Back

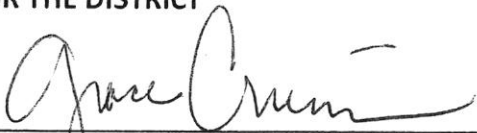
Sick leave accrued prior to October 19, 2009 and not (1) banked pursuant to paragraph 1 above; (2) bought back or deposited in the MPPP pursuant to paragraph 2 above; (3) converted to PERS creditable sick leave pursuant to paragraph G above; or (4) used pursuant to E and A, shall be available for use as Retirement Buy Back incentive. Employees leaving District service on a service retirement (non-disability retirement) shall be paid fifty percent (50%) of this accrued sick leave balance upon the effective date of service retirement. The accrued sick leave shall not be included in the calculation of unused sick leave pursuant to paragraph G above or Government Code Section 20965.

I. Order of Use of Sick Leave from Separate Accounts.

When using sick leave with pay pursuant to Section A above, employees sick leave balances will be deducted in the following order;

1. Sick leave accrued on or after October 19, 2009, if any, including any sick leave accrued before October 19, 2009 which an employee has elected to convert to PERS creditable sick leave pursuant to paragraph G above, if any.
2. If the accruals described in paragraph I.1 are exhausted, unbanked sick leave accrued prior to October 19, 2009, if any.
3. If the accruals described in paragraphs I.1 and I.2 above are exhausted, banked sick leave, if any, may be used subject to the terms of paragraph H.1.c above.

FOR THE DISTRICT



Grace Crunican
General Manager

FOR AFSCME

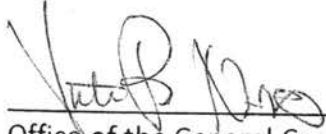


Sal Cruz
President



Carol Isen
Chief Labor Relations Officer

APPROVED AS TO FORM:

A handwritten signature in black ink, appearing to read "Victoria R. Nuetzel", is written over a horizontal line.

Office of the General Counsel
by Victoria R. Nuetzel

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

AFSCME

TENTATIVE AGREEMENT – RETIREMENT BENEFITS

APRIL 7, 2016

The San Francisco Bay Area Rapid Transit District (“BART”) and the American Federation of State, County and Municipal Employees Local 3993 (“AFSCME”) have negotiated and reached a tentative agreement on this provision of the Collective Bargaining Agreement (“CBA”). No tentative agreement shall be a final agreement except as a part of a total package agreement between the parties. All parties agree that final approval of the tentative collective bargaining agreement is subject to ratification by AFSCME membership and the BART Board of Directors.

The parties agree to amend Section 39 A as follows:

39 RETIREMENT BENEFITS

A. The District shall continue its present participation in the Public Employees’ Retirement System (PERS) for miscellaneous members at existing levels. ~~In the event that during the term of the Agreement represented employees at BART are subject to PERA, the Parties shall bargain over PEPRAs effects and implementation.~~

The Parties agree that no later than thirty (30) days following a final ruling in *State of California v DOL*, the Parties shall commence bargaining regarding the provisions of section 25 and any other applicable contract provision related to pension contributions.

After January 1, 2018 and upon request of any party, the parties agree to bifurcate the issues reflected in pending pension-related grievances and endeavor to reach agreement related to employee pension contributions.

The Parties agree that any resolution shall be cost neutral to all parties. The negotiations shall not result in an increase in the employer paid member contribution as described in section 25. Any agreement described above shall immediately toll the District’s prospective liability with respect to the dispute over employee contributions reflected in the grievances. All bargaining shall be conducted based upon the District’s obligations under State and Federal law.

In the event that the Parties are unable to reach agreement within six (6) months of the commencement of bargaining, unresolved issues shall be put to interest arbitration for a final and binding decision.

Nothing in this Agreement is intended to modify or compromise the position of any party to this Agreement in relation to the pending litigation referenced above.

FOR THE DISTRICT



Grace Crunican
General Manager



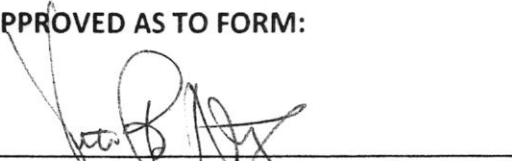
Carol Isen
Chief Labor Relations Officer

FOR AFSCME



Sal Cruz
President

APPROVED AS TO FORM:



Office of the General Counsel
by Victoria R. Nuetzel

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

AFSCME TENTATIVE AGREEMENT

PAY PROGRESSION PROGRAM

April 7, 2016

The San Francisco Bay Area Rapid Transit District ("BART") and the American Federation of State, County and Municipal Employees Local 3993 ("AFSCME") have negotiated and reached a tentative agreement on this provision of the Collective Bargaining Agreement ("CBA"). No tentative agreement shall be a final agreement except as a part of a total package agreement between the parties. All parties agree that final approval of the tentative collective bargaining agreement is subject to ratification by AFSCME membership and the BART Board of Directors.

The parties agree to revise Section 47.3 as follows:

47.3 Pay Progression Program

Effective July 1, 2013, employees moved to the thirty percent (30%) pay band model, with pay bands as provided below. Future adjustments to the pay bands will be in accordance with 47.1.

Employees are brought into a pay band at the time they are assigned to a position within a classification in that pay band – whether from the outside or as a result of a promotion, in accordance with the provisions of Section 47, Compensation, including Sections 47.1(D) and 47.2(A).

Effective January 1, 2013, and after the first general rate increase provided in B, below, existing employees whose pay is less than the minimum for his/her assigned pay band will be moved to the minimum of the assigned pay band and, if the increase to reach the minimum is below one and two-tenths percent (1.2%), such employees will also receive an increase of seventy-five one hundredths of one percent (0.75%).

AY IND	1st Quartile		2nd Quartile		3rd Quartile		4th Quartile	
	Minimum				Midpoint			Maximum
A	\$59,219	\$63,660	\$63,661	\$68,101	\$68,102	\$72,542	\$72,543	\$76,985
B	\$64,444	\$69,277	\$69,278	\$74,110	\$74,111	\$78,943	\$78,944	\$83,778
C	\$70,505	\$75,792	\$75,793	\$81,080	\$81,081	\$86,368	\$86,369	\$91,657
D	\$77,836	\$83,673	\$83,674	\$89,510	\$89,511	\$95,348	\$95,349	\$101,187
E	\$83,721	\$89,999	\$90,000	\$96,278	\$96,279	\$102,557	\$102,558	\$108,837
F	\$88,760	\$95,416	\$95,417	\$102,073	\$102,074	\$108,731	\$108,732	\$115,389
G	\$95,270	\$102,414	\$102,415	\$109,560	\$109,561	\$116,705	\$116,706	\$123,851
H	\$101,167	\$108,753	\$108,754	\$116,341	\$116,342	\$123,928	\$123,929	\$131,517
I	\$107,934	\$116,028	\$116,029	\$124,124	\$124,124	\$132,218	\$132,219	\$140,314

Effective January 1, 2013, and after the first general rate increase provided in B, below, other employees whose base pay is within his/her assigned pay band will receive a percentage increase based upon the quartile in which their base pay (inclusive of the general rate increase in B) falls in their assigned pay band, as provided below.

<u>QUARTILE</u>	<u>PERCENTAGE</u>
First Quartile (minimum of pay band to < 25%)	1.50% of base salary
Second Quartile (25% to < 50%)	1.0% of base salary
Third Quartile (50% to < 75%)	0.5% of base salary
Fourth Quartile (75% to maximum of pay band)	0.3% of base salary


Effective July 1 in each Fiscal Year beginning in FY 2015, and on January 1, of each Fiscal Year beginning in FY 2018, after application of a general wage increase, if any, employees will receive the percentage increases based upon pay band

quartile. Each such increase is subject to the employee's achieving an overall performance rating of "effective" or better on his/her most recent annual performance evaluation, and provided that the employee has no active discipline involving an attendance component.

Eligibility for the percentage increases shall also be subject to the limitations provided in subsections B.2 and C, below.

The parties mutually understand that the continuation of the annual pay progression described herein is subject to collective bargaining between the parties upon expiration of the agreement.

FOR THE DISTRICT



Grace Crunican
General Manager

FOR AFSCME



Sal Cruz
President



Carol Isen
Chief Labor Relations Officer

APPROVED AS TO FORM:



Office of the General Counsel
by Victoria R. Nuetzel

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

AFSCME TENTATIVE AGREEMENT

SALARY FOR FISCAL YEARS 2014-2021

April 7, 2016

The San Francisco Bay Area Rapid Transit District ("BART") and the American Federation of State, County and Municipal Employees Local 3993 ("AFSCME") have negotiated and reached a tentative agreement on this provision of the Collective Bargaining Agreement ("CBA"). No tentative agreement shall be a final agreement except as a part of a total package agreement between the parties. All parties agree that final approval of the tentative collective bargaining agreement is subject to ratification by AFSCME membership and the BART Board of Directors.

The parties agree to revise Section 47.8 as follows:

47.8 SALARY FOR FISCAL YEARS 2014-~~2017~~2021

A. Fiscal Year 2014

Effective July 1, 2013, the base salary, for AFSCME employees shall be increased by one and eight thousand six hundred seven ten thousandths percent (1.8607%) over the prior base rate of pay. The prior base rate of pay includes the one percent (1%) conditional wage increase provided for in the 2009-2013 Agreement effective July 1, 2013. Effective January 1, 2014 the base salary shall be increased by an additional one and eight thousand six hundred seven ten thousandths percent (1.8607%).

B. Fiscal Year 2015

Effective January 1, 2015, the base salary, for AFSCME employees shall be increased by three and seven thousand two hundred fourteen ten thousandths percent (3.7214%).

C. Fiscal Year 2016

Effective January 1, 2016, the base salary, for AFSCME employees shall be increased by three and seven thousand two hundred fourteen ten thousandths percent (3.7214%).

D. Fiscal Year 2017

Effective January 1, 2017, the base salary, for AFSCME employees shall be increased by four and two thousand fourteen ten thousandths percent (4.2214%).

E. Fiscal Years 2018 and 2019

Effective July 1, 2017 and July 1, 2018 the base salary, for AFSCME employees shall be increased by two and one half percent (2.5%).

F. Fiscal Years 2020 and 2021

Effective July 1, 2019 and effective July 1, 2020 the base salary for AFSCME employees shall be increased by two and three quarters percent (2.75%).

FOR THE DISTRICT



Grace Crunican
General Manager

FOR AFSCME

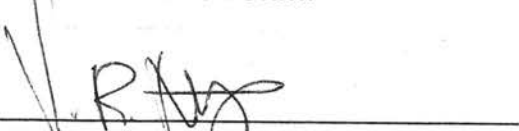


Sal Cruz
President



Carol Isen
Chief Labor Relations Officer

APPROVED AS TO FORM:



Office of the General Counsel
by Victoria R. Nuetzel

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

AFSCME TENTATIVE AGREEMENT

CONDITIONAL LUMP SUM PAYMENTS

April 7, 2016

The San Francisco Bay Area Rapid Transit District ("BART") and the American Federation of State, County and Municipal Employees Local 3993 ("AFSCME") have negotiated and reached a tentative agreement on this provision of the Collective Bargaining Agreement ("CBA"). No tentative agreement shall be a final agreement except as a part of a total package agreement between the parties. All parties agree that final approval of the tentative collective bargaining agreement is subject to ratification by AFSCME membership and the BART Board of Directors.

The parties agree to revise Section 47.9 as follows:

47.9 CONDITIONAL LUMP SUM PAYMENTS

If all criteria set forth herein are met and no extraordinary unplanned expenses as set forth herein have occurred, then during each fiscal year of the term of this Agreement, the District shall pay each AFSCME represented employee on active and paid status at the time of the payment a lump sum payment which shall be calculated as set forth below but which shall not exceed one thousand dollars (\$1,000) in any fiscal year. These calculations shall be made at the conclusion of each fiscal year and will be based on the data available on that date. Payment shall be made within sixty (60) days of the date of the calculation.

1. Criteria for Lump Sum Payment

Each one (1) percent increase in actual Core System annual average weekday ridership growth over the District's Short Range Transit Plan (SRTP) projected growth as specified in May 2013 SRTP for Fiscal Years 2013 – 2017 and the Adopted SRTP Oct. 2014 for Fiscal Years 2018 – 2021 shall result in a lump sum payment of five hundred dollars (\$500) up to a maximum of one thousand dollars (\$1,000) subject to the following limitations:

a. Specific Increased Expenses

Determine whether the following specific District expenses have increased greater than stated:

- District's Employer PERS miscellaneous pension contribution rates increased by more than sixteen percent (16%);

- Health Insurance premiums, as reported by CalPERS and measured by the simple average of the annual percent change in the Blue Shield Access+ and Kaiser premiums, required by Section 33 of this Agreement increased by more than ten percent (10%).

If either of the increases listed above are exceeded then no lump sum payment will be made.

b. Extraordinary, Unplanned Expenses

The District shall determine whether an extraordinary, unbudgeted, and unanticipated expense exceeding two and five tenths percent (2.5%) of the District's adopted operating expense budget occurred. In the event that such an extraordinary, unbudgeted and unanticipated expense outside of the control of the District has occurred the District shall have no obligation to make a lump sum payment.

*** Minute Clarification**

* The Parties understand that the Core System excludes various extension projects. Under the terms of the operating agreement governing the San Francisco Airport Extension, the Oakland Airport Connector and the VTA/BART Silicon Valley Berryessa Extension, BART fare revenue generated by rides using those extensions is dedicated to those extension projects.

* The Parties further understand the eligibility for the conditional lump sum is limited to those "AFSCME represented employees on active and paid status," which includes those employees on leave status at the time of payment, so long as they have worked at least one day during the fiscal year.

* The conditional lump sum payment provision above is based on the following ridership projections. BART's Short Range Transit Plan ("SRTP") Financial Model: Ridership Estimates projects the following ridership and related revenues:

Short Range Transit Plan

Average Weekday –

Core System

	FY13	FY14	FY15	FY16	FY17
Average Weekday Ridership Core System	346,869	356,443	357,615	365,498	368,960
% Growth over Prior Year		2.760%	0.329%	2.204%	0.947%


SRTP Adopted Oct. 2014

Average Weekday –

Core System

	FY18	FY19	FY20	FY21
<u>Average Weekday Ridership Core System</u>	<u>378,380</u>	<u>387,990</u>	<u>395,940</u>	<u>402,314</u>
<u>% Growth over Prior Year</u>	<u>2.6%</u>	<u>2.5%</u>	<u>2.0%</u>	<u>1.6%</u>

For the District



 Grace Crunican
 General Manager

For AFSCME




 Sal Cruz
 President



 Carol Isen
 Chief Labor Relations Officer

APPROVED AS TO FORM:



 Office of the General Counsel
 by Victoria R. Nuetzel

**BEFORE THE BOARD OF DIRECTORS OF
THE SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**

In the Matter of Ratifying an extension of
the 2013-2017 Collective Bargaining Agreement
between the District and the Service Employees'

International Union, Local 1021) Resolution No. _____

BE IT RESOLVED that the Board of Directors of the San Francisco Bay Area Rapid Transit District hereby ratifies an extension of the 2013 - 2017 Collective Bargaining Agreement between the District and the Service Employees' International Union, Local 1021, subject to those changes as set forth in the attached Tentative Agreements dated April 7, 2016; and

BE IT FURTHER RESOLVED that the General Manager is authorized to execute the Agreement on behalf of the District.

###

Adopted _____

PREAMBLE

April 7, 2016

The Parties have agreed to an extension of the 2013 – 2017 Collective Bargaining Agreement. All terms and conditions of the 2013 – 2017 Agreement shall be extended through June 30, 2021. All terms and conditions of the 2013-2017 Agreement shall remain in full force and effect, throughout the extended term, except as noted in the attached tentative agreements.

FOR THE DISTRICT



Grace Crunican
General Manager



Carol Isen
Chief Labor Relations Officer

APPROVED AS TO FORM:



Office of the General Counsel
by Victoria R. Nuetzel

FOR SEIU

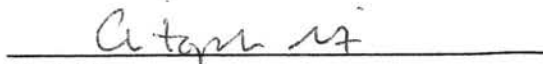


John Arantes
President, BART Chapter



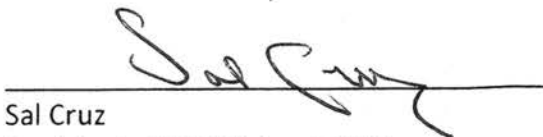
Olivia Rocha
President, BART Professional Chapter

FOR ATU



Chris Finn
President/Business Agent, ATU Local 1555

FOR AFSCME



Sal Cruz
President, AFSCME Local 3993

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
ATU/LOCAL 1555 and SEIU/LOCAL 1021 GENERAL NEGOTIATIONS
TENTATIVE AGREEMENT – TERM OF AGREEMENT

April 7, 2016

The San Francisco Bay Area Rapid Transit District ("BART") and SEIU/Local 1021 ("SEIU"), and ATU/Local 1555 ("ATU") have negotiated and reached a tentative agreement on this provision of the Collective Bargaining Agreement ("CBA"). No tentative agreement shall be a final agreement except as a part of a total package agreement between the parties. All parties agree that final approval of the tentative collective bargaining agreement is subject to ratification by SEIU membership, ATU membership and the BART Board of Directors.

The parties agree to revise Section 1.2 as follows:

1.2 TERM OF AGREEMENT

The term of this Agreement shall be from and including the first day of July 2013 up to and including the 30th day of June ~~2017~~ 2021 or one hundred (100) days following receipt of notice of a desire to modify or terminate this Agreement, whichever occurs later. Each party shall comply with the provisions of California Government Code Section 3611. In the event either party serves notice upon the other party of a desire to modify or terminate the Agreement, the parties shall meet and make all reasonable efforts to reach agreement on the subject matters of such proposed modifications.

The parties shall respond to any requests for information reasonably necessary for intelligent negotiations and the standards and guidelines in accordance with California Government Code Section 3611. Each party shall supply to the other party such reasonable data as are requested by the other party.


To the fullest extent possible the parties shall endeavor to complete their negotiations at least seven (7) days prior to the date any lawful economic action may be taken in connection with any dispute concerning any proposed changes in any Collective Bargaining Agreement.

FOR THE DISTRICT



Grace Crunican
General Manager

FOR SEIU



John Arantes
President, BART Chapter

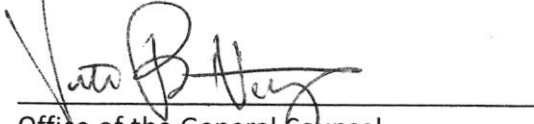


Carol Isen
Chief Labor Relations Officer



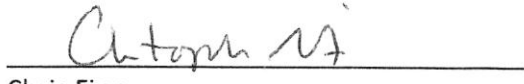
Olivia Rocha
President, BART Professional Chapter

APPROVED AS TO FORM:



Office of the General Counsel
by Victoria R. Nuetzel

FOR ATU



Chris Finn
President/Business Agent, ATU Local 1555

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
ATU/LOCAL 1555 and SEIU/LOCAL 1021 GENERAL NEGOTIATIONS
TENTATIVE AGREEMENT – PERS-MEDICAL & PRESCRIPTION DRUG BENEFITS

April 7, 2016

The San Francisco Bay Area Rapid Transit District ("BART") and SEIU/Local 1021 ("SEIU"), and ATU/Local 1555 ("ATU") have negotiated and reached a tentative agreement on this provision of the Collective Bargaining Agreement ("CBA"). No tentative agreement shall be a final agreement except as a part of a total package agreement between the parties. All parties agree that final approval of the tentative collective bargaining agreement is subject to ratification by SEIU membership, ATU membership and the BART Board of Directors.

The parties agree to revise Section 5.2 as follows:

5.2 PERS-MEDICAL & PRESCRIPTION DRUG BENEFITS *

A. PERS Medical and Prescription Drug Benefits

The District will provide group medical and prescription drug benefits, as provided below, through the Public Employees' Retirement System (PERS). The PERS rules, regulations and plan documents will control on all issues concerning benefits, including the types and levels of benefits offered and eligibility for those benefits.

The Unions acknowledge that they understand these benefits may not equate to benefits previously available to employees and retirees through the various optional medical plans and the prescription drug plan. Because coverage will be provided through PERS, the District and the Unions understand that PERS may terminate or change covered expenses, benefit payments and co-payments on covered benefits, deductibles, lifetime and/or annual maximums and may implement various cost control features.

Except for Survivors Benefits, as provided for in Section 5.8, the Unions waive the right to any group medical or prescription drug benefit granted expressly or impliedly under other sections of this Agreement, or by any other agreement between the parties or by any District guideline, policy or practice if that benefit is not offered through the PERS medical plan.

B. Employee and Retiree Contributions for Health Insurance

All employees eligible for PERS medical benefits who enroll for such benefits shall be responsible for a premium contribution in the amount of twenty-five dollars (\$25.00) per month, except as provided below.

1. The employee's twenty-five dollar (\$25.00) monthly employee contribution toward the medical insurance premium shall increase by fifty dollars (\$50) on January 1, 2006. Each January 1 thereafter, the monthly employee contribution shall increase by an escalator amount of three percent (3%). For example, the total monthly employee contribution on January 1, 2007 will be seventy-seven dollars and twenty-five cents per month. (The calculation that arrives at this number is as follows: $\$25 + \$50 = \$75 \times 1.03 = \77.25 .) The employee contribution amounts provided below shall be in addition to any costs for coverage in excess of the amounts specified in paragraph C below.

<u>DATE</u>	<u>Maximum Employee Monthly Contribution</u>
01 Jan. - 06	\$75.00
01 Jan. - 07	\$77.25
01 Jan. - 08	\$79.57
01 Jan. - 09	\$81.95
01 Jan. - 10	\$84.41
01 Jan. - 11	\$86.95
01 Jan. - 12	\$89.55
01 Jan. - 13	\$92.24
01 Jan. - 14	\$95.01
01 Jan. - 15	\$97.86
01 Jan. - 16	\$100.79
01 Jan. - 17	\$103.82
01 Jan. - 18	\$106.93
01 Jan. - 19	\$110.14
01 Jan. - 20	\$113.44

01 Jan. – 21	\$116.85
01 Jan. – 22	\$120.35
01 Jan. – 23	\$123.96
01 Jan. – 24	\$127.68
01 Jan. – 25	\$131.51
01 Jan. – 26	\$135.46
01 Jan. – 27	\$139.52
01 Jan. – 28	\$143.02
01 Jan. – 29	\$148.02
01 Jan. – 30	\$152.46
01 Jan. – 31	\$157.03
01 Jan. – 32	\$161.74
01 Jan. – 33	\$166.60
01 Jan. – 34	\$171.59

2. During the term of this Agreement, the employees' premium contribution shall be increased by thirty seven dollars (\$37) per month as follows: 2014 - \$132.01; 2015 - \$134.86; 2016 - \$137.79; 2017 - \$140.82; 2018 - \$143.93; 2019 - \$147.14; 2020 - \$150.44; and 2021 - \$153.85. For active employees the additional thirty-seven dollars (\$37) per month shall be deducted from the one and six hundred and twenty seven one thousandth percent (1.627%) money purchase pension plan contribution.
3. Each eligible retiree shall pay the same premium contribution as active employees. Employees' premium contributions will be paid for through tax-exempt payroll deductions. Retiree premium contributions will be deducted from the retirement allowance paid by PERS. If a retiree's retirement allowance is not sufficient to pay the entire contribution, the retiree must pay the balance due on such premium contribution directly to PERS. If such payment is not received by the due date, health care coverage will automatically, immediately and permanently cease. These rules are intended to comply with the premium contribution procedures established by PERS, which may be

modified by PERS. The District, Unions and employees shall comply with the PERS procedures in effect from time to time.

C. Maximum District Contributions for Health Insurance

Beginning on January 1, 2010, the District shall contribute an amount up to the applicable level of plan participation (i.e. one party, two party, or family) and the same Medicare status as elected by the eligible employee or retiree equal to the Bay Area Basic Premium Rates for the PERS HMO Blue Shield Access + or PERS HMO Kaiser Plan, whichever is greater, less the employee and retiree contributions provided for in 5.2B above. This District contribution shall be the District's maximum payment toward employee health insurance premiums. Employees and retirees electing coverage with a cost greater than the District's maximum contribution shall have the difference deducted automatically from the unit member's pay or as set forth in 5.2 B 2. above, in addition to amounts to be deducted in accordance with subsection B above.

D. Retiree Insurance Funding

1. Beginning July 1, 2007, the District shall contribute into its Retiree Health Benefit Trust ("RHBT") amounts that, at minimum, reflect an eight (8) year "ramp up" to District payment of the full Government Accounting Standards Board ("GASB") compliant Annual Required Contribution ("ARC") beginning July 1, 2013 using an open group valuation method with a closed 30 year amortization schedule for unfunded liability ending June 30, 2034. Except as provided in paragraph 3 below, each pay period the District shall contribute to the RHBT an amount equal to the below-listed percentages of straight time bargaining unit base pay paid to bargaining unit members in that pay period into the RHBT. (For example, if base pay in the pay period in FY 07 is one million dollars [\$1,000,000], the District will contribute \$34,900 into the RHBT for that pay period).

Date	Percentage
July 1, 2007 (FY 08)	3.49%
July 1, 2008 (FY 09)	3.64%
July 1, 2009 (FY 10)	3.79%
July 1, 2010 (FY 11)	3.94%

July 1, 2011 (FY 12)	4.10%
July 1, 2012 (FY 13)	4.27%

2. In addition, on or before June 30, 2009 the District shall, at minimum, contribute into the RHBT an amount equal to three and twenty-two one-hundredths percent (3.22%) of straight time bargaining unit base pay paid in FY 06 and three and thirty-six one-hundredths percent (3.36%) of straight time bargaining unit base pay paid in FY 07. These figures represent the "ramp up" percentages for those fiscal years.
3. The District shall perform an actuarial study of the retiree medical insurance plan liabilities and funding needs (including the Annual Required Contribution – "ARC") after the end of each fiscal year. For each fiscal year beginning with FY 2007, the actuaries shall adjust the above ramp up percentages for the fiscal year for which the study was prepared and for each remaining fiscal year in the ramp up period. The last such adjustment will be in the study performed prior to July 1, 2013 for FY 2013. The revised percentages shall be the percentages contributed by the District to the RHBT for those years, except that the District shall pay no less than the percentages specified in subsections 1 and 2 above.
4. Beginning July 1, 2013, the District shall, at minimum, contribute to the RHBT each pay period an amount equal to the full GASB compliant Annual Required Contribution (ARC) percentage of straight time base pay paid to bargaining unit members during that pay period using an open group valuation method with a closed thirty (30) year amortization schedule for unfunded liability ending June 30, 2034. (For example, if the base pay during the pay period is one million dollars [\$1,000,000] and the ARC percentage is fourteen percent [14%], the District will contribute one hundred forty thousand dollars [\$140,000] to the RHBT for that pay period.)
5. During the term of this Agreement, the District shall retain .0888% of the one and six hundred twenty-seven one-thousandths percent (1.627%) of the Money Purchase Plan contribution in addition to the \$37/month to be used as specified in Paragraph B2, above.
6. Effective July 1, 2013, the District shall retain the remainder of the 1.627% MPPP contribution, to the extent necessary to compensate the District for paying the difference between the actual ARC and the baseline ARC described below. The District shall retain this amount through June 30, 2034. In any year in which the actual ARC does not exceed the baseline ARC by an amount equal to the amount of the retained 1.627% MPPP contribution, the District shall pay the appropriate portion of the 1.627% into the employees' MPPP accounts, but only to the extent that the difference between

the actual ARC and the baseline ARC is less than the dollar value of the retained MPPP 1.627%.

EXAMPLE: Assume that the actual ARC is fifteen percent (15%) in the particular year, the baseline ARC is fourteen percent (14%) in the particular year, and that the difference between the two is one million dollars (\$1,000,000). Assume further that the value of the retained 1.627% is one million five hundred thousand dollars (\$1,500,000). The District would then pay a total of five hundred thousand dollars (\$500,000) into the employees' collective MPPP accounts. These payments would be prorated in the same manner as would result from full payment of the 1.627% into the employee accounts.

The baseline ARC is as follows:

FY Year Beginning	Baseline ARC
07/1/13	11.88%
07/1/14	11.94%
07/1/15	12.00%
07/1/16	12.06%
07/1/17	12.12%
07/1/18	12.18%
07/1/19	12.24%
07/1/20	12.30%
07/1/21	12.36%
07/1/22	12.42%
07/1/23	12.48%
07/1/24	12.54%
07/1/25	12.60%
07/1/26	12.66%

07/1/27	12.72%
07/1/28	12.78%
07/1/29/	12.84%
07/1/30	12.90%
07/1/31	12.96%
07/1/32	13.02%
07/1/33	13.08%

7. Effective July 1, 2013 the District shall direct the Trustee of the RHBT to pay retiree health insurance premiums from the RHBT. No premiums will be paid from the RHBT prior to July 1, 2013.

E. In Lieu of Medical Payments

During any open enrollment period after July 1, 2009, an eligible employee who has medical coverage under a spousal or other alternate plan may elect, in accordance with procedures established by the District to opt out of the group medical and prescription drug benefits covered under Section 5.2(A) ("5.2A Coverage").

The District shall make a monthly payment of three hundred and fifty dollars (\$350.00) "in lieu of medical" to each eligible employee who opts out of 5.2A coverage.

Tax treatment of these payments will be subject to applicable Internal Revenue Code ("IRC") and Internal Revenue Service ("IRS") rules. The payments will be made in a manner that will not impact the income tax status of medical premiums under IRC requirements and to allow an employee to receive the amounts as cash monthly payments.

An eligible employee who opts out of 5.2(A) coverage may subsequently enroll in such coverage as permitted under the terms of the plan(s) described in Section 5.2(A).

F. Trust Review Committee

1. The District's five (5) unions shall each appoint one (1) member to serve on a trust review committee ("TRC"). The District Labor Relations Manager and Human Resources Manager shall serve on the TRC for the District. The TRC shall meet quarterly.

Employee members of the TRC will be released from regularly scheduled duty with pay for quarterly TRC meetings.

2. The District will direct the Trustee of the Trust to provide the Unions with quarterly reports of all RHBT operations, including audited and unaudited financial statements and investment performance reports, and other consultant reports in advance of the quarterly TRC meeting. (The parties acknowledge that audited financial statements are performed only once per year.)
3. The Trustee will attend the TRC meeting to answer questions concerning the information provided to the TRC. However, the TRC shall in no way attempt to assist, direct, or otherwise involve itself in matters concerning the investment of Trust assets. However, the TRC may advise the Trustee on other Trust matters to the extent such advisory activity does not affect the legal status of the Trust. It shall be within the sole discretion of the Trustee whether to follow or not follow such advice.
4. The TRC members shall be released from regularly scheduled duty with pay to attend meetings of the Human Resources Manager and Labor Relations Manager with the District's actuaries and other professionals to discuss assumptions to be included in annual GASB valuation studies, the preliminary and final results of such studies, etc. Such studies shall include ARC projections through at least 2035. The District will provide the unions with a copy of the final version of such study on or before February 1 each year or as soon thereafter as is practicable.

G. Retiree Health Benefits Trust

Within one hundred twenty (120) days after the signing of this agreement by the parties hereto, the District shall amend the Trust Agreement to provide that:

1. Trust assets shall be held for the sole and exclusive purpose of providing health benefits to eligible BART retirees and to defray the reasonable expenses of administering the RHBT.
2. The only District benefit plans for which payments may be made from the RHBT shall be those retiree health benefit plans offered to eligible District retirees as a result of its collective bargaining agreements, or District policy which extends such plans to non-represented employees. In addition, for District personnel on a District plan that is no longer generally offered to District employees, payments may be made from the RHBT. However, the District shall ensure sufficient separate funding and the Trustee shall separately account for benefits paid for such personnel.

3. The District may terminate the RHBT, subject to its duty to bargain in good faith to agreement or impasse over such termination with the union. If the District gives the Unions notice of the termination of the RHBT, the Trust shall not terminate until the assets then remaining are exhausted. Such assets shall be used only as provided in paragraph 1 above.

The District reserves the right to terminate or change any part or all of the health benefits program at any time with respect to active or retired employees, however, any such action will be taken only after the District has satisfied its obligations under applicable Collective Bargaining Agreements. The District's contractual obligation to provide health benefits coverage to retired employees shall terminate upon the expiration of this Agreement. By providing benefits to retirees, the parties do not intend to vest retirees with such benefits.

H. Retiree Medical Insurance Eligibility

The parties agree that with respect to District employees first hired after January 1, 2014, the District shall make no contribution for postretirement health benefits on behalf of such individuals with less than ten years of credited service with the District, and that the full District contribution for postretirement health benefits shall be made only on behalf of individuals who have completed a minimum of fifteen (15) years of credited service with the District. Eligibility for this benefit is, in addition to the specified criteria, subject to current provision which require that the employee retire from CalPERS within one hundred and twenty (120) days of separation from the District.

The parties agree that:

1. This provision applies to unrepresented employees, members of the Board of Directors to the extent they are eligible under existing law, and members of any unit of employees whose terms and conditions of employment are determined through collective bargaining and who agree that it should apply to its members.
2. Contributions shall be subject to:
 - a. Credited years of District service
 - b. An Agreement with all represented employees mutually agreed upon through collective bargaining;
3. The District contribution shall be a percentage of the employer contribution for applicable credited years of service as follows:

10 years – 50%; 11 years – 60%; 12 years – 70%; 13 years – 80%;

14 years – 90% and 15 years 100%.

4. The full contribution level shall be available for postretirement health benefits for those employees who are approved for and exercise a disability retirement with at least five years of credited service with the District.
5. This section shall only apply to District employees or Board members who are first hired by the District or newly elected to the Board and first serve on or after January 1, 2014.
6. Any agreement to adopt these provisions by any collective bargaining unit shall apply only if the agreement is expressly incorporated into or made a part of a memorandum of understanding.
7. This provision shall not apply to any employee who retires before the effective date of the memorandum of understanding referenced above. In the event that the memorandum of understanding establishes a retroactive effective dates, this section will govern, limiting its applicability only to prospective retirements.
8. The District shall provide, in the manner prescribed by CalPERS, a notification of each agreement established pursuant to this section and any additional information necessary to implement it.

The Parties recognize that implementation of this agreement requires statutory changes to the California Government Code and agree to jointly seek a sponsor for and support the passage and signing into law of the provisions as set forth herein. If the law is not successfully passed, then the Parties agree to mutually agree on alternative provisions.

*** MINUTE CLARIFICATION**


Members who would like to realize the benefit of the in lieu payment as a pre-tax contribution to their deferred compensation accounts can accomplish this result by increasing their deferral amount for the deferred compensation plan by the amount of the in lieu payment, subject to Internal Revenue Code limitations on maximum annual contributions.

*** MINUTE CLARIFICATION**

The parties mutually understand that the only obligation to continue the health benefits of active employees after the expiration of the Agreement is that which may arise from the general legal duty to bargain in good faith.

***See Letter of Understanding Dated 10/23/13 and Side Letter 10-1**

FOR THE DISTRICT




Grace Crunican
General Manager



Carol Isen
Chief Labor Relations Officer

APPROVED AS TO FORM:



Office of the General Counsel
by Victoria R. Nuetzel

FOR SEIU

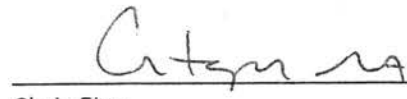


John Arantes
President, BART Chapter



Olivia Rocha
President, BART Professional Chapter

FOR ATU



Chris Finn
President/Business Agent, ATU Local 1555

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
ATU/LOCAL 1555 and SEIU/LOCAL 1021 GENERAL NEGOTIATIONS

TENTATIVE AGREEMENT – RETIREMENT BENEFITS

April 7, 2016

The San Francisco Bay Area Rapid Transit District ("BART") and SEIU/Local 1021 ("SEIU"), and ATU/Local 1555 ("ATU") have negotiated and reached a tentative agreement on this provision of the Collective Bargaining Agreement ("CBA"). No tentative agreement shall be a final agreement except as a part of a total package agreement between the parties. All parties agree that final approval of the tentative collective bargaining agreement is subject to ratification by SEIU membership, ATU membership and the BART Board of Directors.

The parties agree to revise Section 6.0 as follows:

6.0 RETIREMENT BENEFITS

~~In the event that during the term of the Agreement represented employees at BART are subject to PEPPRA, the Parties shall bargain over PEPPRA's effects and implementation.~~

The Parties agree that no later than thirty (30) days following a final ruling in *State of California v DOL*, the Parties shall commence bargaining regarding the provisions of sections 6.1 and 6.2 of the SEIU/ATU Labor Agreement and any other applicable contract provision related to pension contributions.

After January 1, 2018 and upon request of any party, the parties agree to bifurcate the issues reflected in pending pension-related grievances and endeavor to reach agreement related to employee pension contributions.

The Parties agree that any resolution shall be cost neutral to all parties. The negotiations shall not result in an increase in the employer paid member contribution as described in section 6.2. Any agreement described above shall immediately toll the District's prospective liability with respect to the dispute over employee contributions reflected in the grievances. All bargaining shall be conducted based upon the District's obligations under State and Federal law.

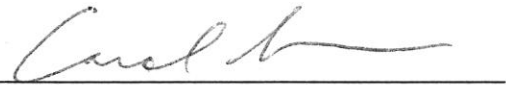
In the event that the Parties are unable to reach agreement within six (6) months of the commencement of bargaining, unresolved issues shall be put to interest arbitration for a final and binding decision.

Nothing in this Agreement is intended to modify or compromise the position of any party to this Agreement in relation to the pending litigation referenced above.

FOR THE DISTRICT

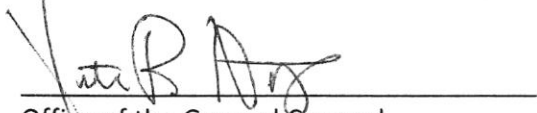


Grace Crunican
General Manager



Carol Isen
Chief Labor Relations Officer

APPROVED AS TO FORM:



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by Victoria R. Nuetzel

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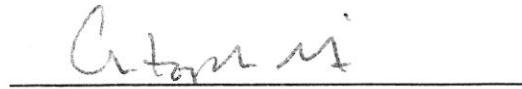


John Arantes
President, BART Chapter



Olivia Rocha
President, BART Professional Chapter

FOR ATU



Chris Finn
President/Business Agent, ATU Local 1555

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
ATU/LOCAL 1555 and SEIU/LOCAL 1021 GENERAL NEGOTIATIONS
TENTATIVE AGREEMENT – COST OF LIVING/WAGE ADJUSTMENT

April 7, 2016

The San Francisco Bay Area Rapid Transit District ("BART") and SEIU/Local 1021 ("SEIU"), and ATU/Local 1555 ("ATU") have negotiated and reached a tentative agreement on this provision of the Collective Bargaining Agreement ("CBA"). No tentative agreement shall be a final agreement except as a part of a total package agreement between the parties. All parties agree that final approval of the tentative collective bargaining agreement is subject to ratification by SEIU membership, ATU membership and the BART Board of Directors.

The parties agree to revise Section 8.2 as follows:

8.2 COST OF LIVING / WAGE ADJUSTMENT

All employees covered by this Agreement shall be covered by the provisions for a cost of living increase as set forth in this Section.

The wage rates as contained in this Agreement shall not be reduced by application of this Cost of Living Provision. In addition to the wage rates contained in this Agreement, all employees shall be paid cost of living adjustments to be determined on the basis of the "Urban Wage Earners and Clerical Workers" Consumer Price Index (United States Average, revised base 1967 = 100), published by the Bureau of Labor Statistics, United States Department of Labor, in the manner described in this Section (hereafter referred to as the "Index").

- A. Effective on June 30, 2017 and on June 30, 2021, a Cost of Living Adjustment shall be granted to the wages/salaries of all employees subject to this Agreement equal to one-cent (1¢) per hour for each full point four (.4) of a point change in the Consumer Price Index as measured on the basis of movement of the Index published for the month of May, 2017 for the June 30, 2017, adjustment and May 2021 for the June 30, 2021, adjustment, over the Index published for the month of February, 2017 and February, 2021 respectively.
- B. All Cost of Living Adjustments specified in Paragraph A of this Section for salaried employees shall be at the monthly equivalent of the hourly adjustment (the cost of living cent adjustment times two thousand eighty hours [2,080] hours divided by twelve [12] months = monthly equivalent of the hourly adjustment.)
- C. The resulting Cost of Living Allowance shall be used in the computation of pensions, straight time and overtime pay exactly as though the wage rates had been changed by the allowance. However, the allowance shall not be added to the base wage rates.

D. The District, during the negotiations for a succeeding term after June 30, ~~2017~~ 2021, shall not assert that the Cost of Living Allowance increase effective on June 30, ~~2017~~ 2021 is included as part of any increased wage offer made by the District for the succeeding contract.

FOR THE DISTRICT

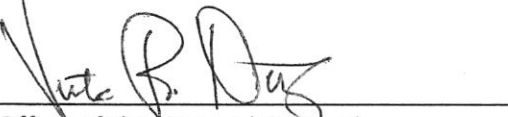


Grace Crunican
General Manager



Carol Isen
Chief Labor Relations Officer

APPROVED AS TO FORM:



Office of the General Counsel
by Victoria R. Nuetzel

FOR SEIU

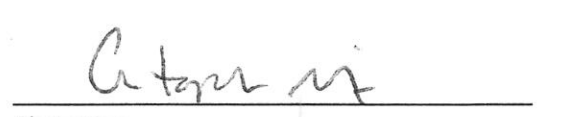


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President, BART Chapter



Olivia Rocha
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FOR ATU



Chris Finn
President/Business Agent, ATU Local 1555

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
ATU/LOCAL 1555 and SEIU/LOCAL 1021 GENERAL NEGOTIATIONS

TENTATIVE AGREEMENT – SICK LEAVE

April 7, 2016

The San Francisco Bay Area Rapid Transit District ("BART") and SEIU/Local 1021 ("SEIU"), and ATU/Local 1555 ("ATU") have negotiated and reached a tentative agreement on this provision of the Collective Bargaining Agreement ("CBA"). No tentative agreement shall be a final agreement except as a part of a total package agreement between the parties. All parties agree that final approval of the tentative collective bargaining agreement is subject to ratification by SEIU membership, ATU membership and the BART Board of Directors.

The parties agree to revise Section 9.1 as follows:

9.1 SICK LEAVE

A. Accrual: Covered employees shall accrue one (1) day of sick leave for each full month of employment. Sick leave credits may be accumulated to a total of two hundred fifty (250) working days.

B. Incentives For Sick Leave Accrued And Unused On Or After October 19, 2009

To encourage employees to maintain maximum attendance and to improve performance, the District offers employees the following two (2) incentives beginning October 19, 2009:

1. **PERS Retirement Service Credit For Sick Leave:** The District will amend its contract with CalPERS to provide the California Government Code Section 20965 option for service credit for unused sick leave for eligible CalPERS members in the bargaining unit, with an effective date of October 19, 2009. The Public Employees Retirement Law (PERL) and CalPERS rules will govern the eligibility of unused sick leave earned on or after October 19, 2009 for service credit. Those rules presently grant 0.004 years of service credit for each certified unused day of sick leave accrued by the member during the normal course of his/her employment. For employees whose effective date of retirement is within four months of separation from employment with the District, the District shall certify to CalPERS all such unused days of sick leave that were accrued by the employee on or after October 19, 2009. For purposes of Government Code Section 20965, leave accrued prior to October 19, 2009 shall not be considered "unused" sick leave and the District will not certify such sick leave to CalPERS, unless the employee has made the one-time election to convert such pre-October 19, 2009 sick leave to PERS credit eligible sick leave pursuant to Paragraph C below.

2. **Annual Buy-Back Or MPPP Incentive:** The District shall give employees the option each year to make an irrevocable election on the schedule indicated below to buy-back or to deposit into their Money Purchase Pension Plan (MPPP) accounts, the dollar value of the sick leave earned within the annual accrual period indicated in paragraph B(2)(a) below, less sick leave taken during that same period, on an after tax basis.

a. **Sick Leave Accrual/Election Periods:** The maximum sick leave which may be earned for each accrual period is ninety-six (96) hours for employees on a 5-8 or 9/80 Work Plan and one hundred twenty (120) hours for employees on a 4-10 Work Plan. Sick leave for which such an election has been made shall not be included by the District in the certification to CalPERS under the retirement service credit plan described above.

Election Period	Accrual Period
9/2/13 – 9/16/13	9/30/13– 9/28/14
9/1/14 – 9/15/14	9/29/14 – 9/27/15
9/7/15 – 9/21/15	9/28/15 – 9/25/16
9/5/16 – 9/19/16	9/26/16 – 9/24/17
<u>9/4/17 – 9/18/17</u>	<u>9/25/17– 9/23/18</u>
<u>9/3/18 – 9/17/18</u>	<u>9/24/18 – 9/22/19</u>
<u>9/2/19 – 9/16/19</u>	<u>9/23/19 – 9/20/20</u>
<u>9/7/20 – 9/21/20</u>	<u>9/21/20 – 9/19/21</u>

b. **Buy-Back/MPPP Deposit Amounts:** An election to “buy-back” or to deposit into the MPPP must also include an election as to the percentage amount of the ‘buy-back”, based on the percentage increments and maximums provided below. The maximum Buy-Back percentage that will be allowed is based on the employee’s attendance record during the accrual period.

Days	Eligible Percentage of Unused Earned Sick Leave
0	5% up to 50% (in 5% increments)
1-3	5% up to 40% (in 5% increments)

Buy-Back and MPPP amounts shall be calculated at the employee’s base rate of pay at the end of the accrual period, less applicable tax withholding.

c. **Impact Of Buy-Back/MPPP Election:** Employees may select only one option (Buy-Back or MPPP) for each accrual period.

Once the buy-back or MPPP Incentive election is made for any accrual period it may not be changed. Employees will receive the buy-back checks or MPPP credit no later than December 1 following the end of the accrual period.

Unused sick leave hours for which an election to buy-back or transfer into the MPPP is not made shall be carried over to the next year, subject to maximum accumulation limits, and will no longer be available for any future Annual Buy-Back/MPPP incentive election.

C. One Time Election To Convert Sick Leave Accrued Prior To October 19, 2009 To PERS Creditable Sick Leave

During the month of October 2009, employees will be given a one-time opportunity to convert unused sick leave that has been accrued prior to October 19, 2009 to pers-credit-eligible sick leave (described in paragraph B(1) above). This election shall be irrevocable, and will include all of the employee's unused sick leave, including banked sick leave pursuant to D(1), and/or unbanked sick leave pursuant to D(3) below. If an employee makes this election, such accrued leave will no longer be eligible for pay-out at termination/retirement (previously banked leave) or at retirement (unbanked leave). All leave converted pursuant to this paragraph C will be subject to calPERS rules for service credit eligibility. Leave converted under this paragraph will thereafter be considered, for purposes of disposition at the end of employment only, to have been accrued on or after October 19, 2009.

D. Sick Leave Accrued Prior To October 19, 2009

Sick leave accrued prior to October 19, 2009, which is not converted to pers creditable sick leave pursuant to paragraph c above, shall be preserved in accounts separate from sick leave accrued on or after October 19, 2009, and shall be used pursuant to the terms of this paragraph D, including subsections (1) – (3).

1. Banked Sick Leave (Under Previously Exercised Option)

This section refers to sick leave which has been 'banked' in accordance with Labor Agreement Section 9.1B(2) as it was in effect on June 30, 2009, or banked pursuant to Agreements previously in effect. It excludes sick leave electively converted to PERS-creditable sick leave pursuant to paragraph C above. It includes sick leave for which a banking election was made during the 2008 or earlier option periods.

Banked sick leave, as defined above, will be preserved in a separate account for use by the employee in accordance with the provisions of former Section 9.1B(2), including the following:

- a. Such bank shall be set aside for payment upon death/retirement/termination and shall not be included in the calculation of unused sick leave pursuant to paragraph B(1) above or Government Code Section 20965.

- b. Sick leave hours banked will be paid at the employee's base rate of pay, effective on the employee's date of death or retirement/termination from District's employment.
 - c. Employees who experience an illness/injury and exhaust their existing sick leave that is available, may utilize sick leave that has been banked under prior Section 9.1B(2) provided they make a written request to do so through their Department Manager at the time of the illness/injury and the circumstances qualify for sick leave under section F ("sick leave payment") below.
2. Sick Leave Buy-Back (Under Previously Exercised Option)

Employees who exercised the option during the September 2008 option period specified in Labor Agreement Section 9.1B(2) in effect on June 30, 2009 to make an irrevocable election to buy-back or deposit into the MPPP the value of sick leave earned during the annual accrual period, less sick leave taken during the annual accrual period shall receive the buy-back payments and the MPPP deposits required by the prior Labor Agreement.

Buy back checks for the 2009 accrual period under former Labor Agreement Section 9.1B will be distributed to employees no later than December 1 following the end of the accrual period, and MPPP elections for that period will be deposited by that same date.

3. Retirement Buy-Back

Sick leave accrued prior to October 19, 2009, and not (1) banked pursuant to paragraph 1 above; (2) bought back or deposited in the MPPP pursuant to paragraph 2 above; (3) converted to PERS creditable sick leave pursuant to paragraph C above; or (4) used pursuant to E and F below, shall be available for use as a Retirement Buy Back incentive. Employees leaving District service on a service retirement shall be paid fifty percent (50%) of this accrued sick leave balance upon the effective date of service retirement. This accrued sick leave shall not be included in the calculation of unused sick leave pursuant to paragraph B above or Government Code Section 20965.

E. Order Of Use Of Sick Leave From Separate Accounts

When using sick leave with pay pursuant to Section F below, employees' sick leave balances will be deducted in the following order:

1. Sick leave accrued on or after October 19, 2009, if any, including any sick leave accrued before October 19, 2009 which an employee has elected to convert to PERS creditable sick leave pursuant to paragraph C above, if any.
2. If the accruals described in paragraph E(1) are exhausted, unbanked sick leave accrued prior to October 19, 2009, if any.

3. If the accruals described in paragraphs E(1) and E(2) above are exhausted, banked sick leave, if any, may be used subject to the terms of paragraph D(1)(c) above.

F. Sick Leave Payment:

FMLA/CFRA

An Employee on FMLA/CFRA qualifying leave may elect to use any accumulated leave as may be permitted by Federal and State law and regulations (i.e. sick leave, vacation, floating holidays or compensatory leave) or elect to take the leave unpaid in any order and at the employee's discretion. Employees who would otherwise qualify for short term disability while on FMLA/CFRA leave will not qualify for that disability until all of the employee's sick leave is exhausted.

Employees shall receive sick leave with pay up to the amount of sick leave accrued at the time of illness, provided the requirements of this section are met. Employees shall accrue sick leave credits during the probationary period, however, they shall not be eligible for sick leave pay until after completion of the probation period.

An employee who is absent from work for reasons that qualify for use of sick leave under Section 9.1 who has no accumulated sick leave to cover such absence must use accumulated vacation, personal holiday, and compensatory time off before unpaid leave may be granted. Even though such charges are made, the employee's absence remains subject to the contract provisions governing the use of sick leave. The employee must advise the employee's appropriate absence report recipient, as designated by the District, of the category of paid leave that shall be charged for such absence. If the employee does not do so, the absence shall be charged by default against the employee's accumulated vacation, holiday and compensatory time off in that order. Sick leave preserved under section 9.1.F last paragraph (below) will not be available for such charges. Holidays may not be charged if such charge would reduce the number of holidays in the employee's account below the number of designated contractual holidays remaining in the fiscal year.

Employees shall be eligible for paid sick leave as follows: without limitation on their rights under state and federal law.

1. Illness, including the appropriate use of required prescribed medication which would impair the employee's work performance, injury, quarantine, or similar exposure to contagious disease;
2. Verifiable medical and/or dental appointments which cannot be scheduled outside the normal working hours, provided that a minimum of forty-eight (48) hours advance notice is given and provided subsequent confirmation that the appointment was kept is given if requested by Management.
3. Doctor's visits associated with pregnancy, subject to the provisions in "2." above;
4. Hospitalization or serious illness/accident and resulting subsequent related

scheduled doctor's visits, subject to the provisions in "2." above;

5. Required attendance upon a seriously ill spouse, eligible domestic partner, or child. The District may require a written statement from the attending physician that the employee's attendance was required.
6. Required transportation to doctor for employee's spouse, eligible domestic partner, or child if spouse, eligible domestic partner, or child has serious accident or serious illness (subsequent verified and scheduled doctor's visits resulting from initial visit are also included).
7. Industrial injury and resulting subsequent related scheduled doctor's visits.

Sick leave with pay shall apply to each separate sick leave incident. For purposes of this section, "sick leave with pay" means pay calculated at the straight time day shift rate for the number of hours the employee was regularly scheduled to work each day, had the illness or injury not occurred.

If an employee's absence which qualifies for paid sick leave also qualifies as statutory family and medical leave (i.e. FMLA/CFRA), the employee may elect to preserve eligibility for participation in the annual buy-back or transfer into the MPPP of eligible accruals, if elected during the election period, by requesting to substitute vacation, floating holidays (for increments of a full day only), or compensatory leave pay, if applicable, or, if he/she has no accrued vacation, floating holidays or compensatory leave, requesting to take the leave unpaid. The request must be made before receipt of sick pay.

- G. Sick Leave Verification: The District may take reasonable means to verify the employee's eligibility for sick leave. Upon prior written notice, an employee, at his or her expense may be required to provide a doctor's statement which demonstrates to the satisfaction of the District, eligibility for sick leave as defined above, for any sick leave incident.

Employees shall furnish a doctor's statement for each sick leave incident involving absences of more than three (3) working days.

In instances where the District requires a doctor's statement, either to verify sick leave or determine an employee's fitness to return to work, that statement must include the following:

1. date and time of treatment;
2. duration of illness;
3. date cleared to return to work.

Otherwise, an employee returning to work from a sick leave incident must submit a required doctor's statement and other documentation within seven (7) calendar days of his/ her return to work. Failure to submit required documentation within the time provided shall result in denial of sick leave pay, and may result in disciplinary action.

The District may require any employee to submit to a medical examination by a doctor designated by the District, at the District's expense, as a condition of return to work from a sick leave incident or to verify the continuing need for sick leave.

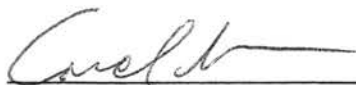
Pattern use, misuse or abuse of sick leave will be governed by the District's disciplinary procedures and handled on a case-by-case basis.

- H. Sick Leave Reporting: It is the responsibility of every employee absent from work because of illness or injury to report such absences to his/her immediate supervisor or the supervisor's designated representative. This report must include information as to the expected date of return to work and where the employee can be reached during his/her normal work hours. The employee will promptly notify his/her supervisor or supervisor's designee of any change which affects his/her ability to return to work.

FOR THE DISTRICT




Grace Crunican
General Manager



Carol Isen
Chief Labor Relations Officer

APPROVED AS TO FORM:



Office of the General Counsel
by Victoria R. Nuetzel

FOR SEIU

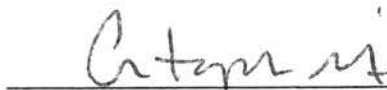


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FOR ATU



Chris Finn
President/Business Agent, ATU Local 1555

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

SEIU LOCAL 1021 NEGOTIATIONS

TENTATIVE AGREEMENT – BASE WAGE SCHEDULE

April 7, 2016

The San Francisco Bay Area Rapid Transit District (“BART”) and SEIU/Local 1021 (“SEIU”) have negotiated and reached a tentative agreement on this provision of the Collective Bargaining Agreement (“CBA”). No tentative agreement shall be a final agreement except as a part of a total package agreement between the parties. All parties agree that final approval of the tentative collective bargaining agreement is subject to ratification by SEIU membership, ATU membership and the BART Board of Directors.

The parties agree to revise Section 28.4 as follows:

28.4 BASE WAGE SCHEDULE

A. The base wage schedule will be implemented and administered as follows:

- 1 Employees will suffer no loss of pay as a result of the pay progression.
- 2 Entry and training rates are eliminated.
- 3 The pay progression of 76.5%, 79.5%, 85%, 90%, and 100% (top rate) apply to all base rates of pay. All percentages are based on the top rate. Movement within the pay steps are based on one year intervals, on the date of hire/anniversary date. The pay progression will apply only one time to each such employee.
- 4 New employees that are hired will be placed at the first year pay progression rate (76.5%) of their classification pursuant to Section 28.4 Base Wage Schedule. New employees will progress through each successive step based on their date of hire/anniversary date with the District.

B. Fiscal Year 2014

Effective July 5, 2013 the base salary/wage schedule for bargaining unit members shall be increased by one and eighty-six zero seven one hundreds percent (1.8607%) over the prior base rate of pay. The prior base rate of pay includes the one percent (1%) conditional wage increase, provided for in the 2009-2013 Agreement, effective July 1, 2013 and the Section 8.2 COLA wage schedule provided for in the 2009-2013 Agreement effective July 1, 2013. Effective January 1, 2014 the base salary/wage schedule shall be increased by an additional one and eighty six zero seven one hundreds percent (1.8607%).

C. Fiscal Years 2015, 2016

Effective January 1, 2015 and January 1, 2016 the base salary/wage schedule for bargaining unit members shall be increased by three seventy two fourteen one hundreds percent (3.7214%).

D. Fiscal Year 2017

Effective January 1, 2017 the base salary/wage schedule for bargaining unit members shall be increased by four and twenty two fourteen one hundreds percent (4.2214%).

E. Fiscal Years 2018, 2019

Effective July 01, 2017 and July 01, 2018 the base salary/wage schedule for bargaining unit members shall be increased by two and one half percent (2.50%).

F. Fiscal Years 2020, 2021

Effective July 01, 2019 and July 01, 2020 the base salary/wage schedule for bargaining unit members shall be increased by two and seventy-five hundreds percent (2.75%).

All wage increases specified herein are inclusive of the amounts designated in Section 6.2 paid in exchange for the agreement to pay a portion of the employee's pension contribution.

E.G. Conditional Lump Sum Payments

If all criteria set forth herein are met and no extraordinary unplanned expenses as set forth herein have occurred then during each fiscal year of the term of this Agreement, the District shall pay each bargaining unit member on active and paid status at the time of the payment a lump sum payment which shall be calculated as set forth below but which shall not exceed one thousand dollars (\$1,000) in any fiscal year. These calculations shall be made at the conclusion of each fiscal year and will be based on the data available on that date. Payment shall be made within sixty (60) days of the date of the calculation.

1. Criteria for Lump Sum Payment:

Each one (1) percent increase in actual core system annual average weekday ridership growth over the Districts' Short Range Transit Plan (SRTP) projected growth

as specified in the May 2013 SRTP for Fiscal Years 2013 – 2017 and the Adopted SRTP Oct. 2014 for Fiscal Years 2018 – 2021, shall result in a lump sum payment of five hundred dollar (\$500) up to a maximum of one thousand dollars (\$1,000) subject to the following limitations:

a. Specific Increased Expenses

Determine whether the following specific District expenses have increased greater than stated:

- District's Employer PERS miscellaneous pension contribution rates increased by more than 16%;
- Health insurance premiums, as reported by CalPERS and measured by the simple average of the annual percent change in Blue Shield Access+ and Kaiser premiums, required by Section 5.2B of this Agreement increased by more than 10%.

If either of the increases listed above are exceeded then no lump sum payment will be made.

b. Extraordinary, Unplanned Expenses

The District shall determine whether an extraordinary, unbudgeted, and unanticipated expense exceeding 2.5% of the District's adopted operating expense budget occurred. In the event that such an extraordinary, unbudgeted and unanticipated expense outside the control of the District has occurred the District shall have no obligation to make a lump sum payment.

***Minute Clarification**

The Parties understand that the Core System excludes various extension projects. Under the terms of the operating agreements governing the San Francisco Airport Extension, the Oakland Airport Connector and the VTA/BART Silicon Valley Berryessa Extension, BART fare revenue generated by riders using those extensions is dedicated to those extension projects.

*The conditional lump sum payment provision above is based on the following ridership projections. BART's Short Range Transit Plan ("SRTP") Financial Model: Ridership Estimates projects the following ridership and related revenues:

Short Range Transit Plan

Average Weekday –

Core System

	FY13	FY14	FY15	FY16	FY17
Average Weekday Ridership Core System	346,869	356,443	357,615	365,498	368,960
% Growth over Prior Year		2.760%	0.329%	2.204%	0.947%

S RTP Adopted Oct. 2014

Average Weekday –

Core System

	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	
<u>Average Weekday Ridership Core System</u>	<u>378,380</u>	<u>387,990</u>	<u>395,940</u>	<u>402,314</u>	
<u>% Growth over Prior Year</u>	<u>2.6%</u>	<u>2.5%</u>	<u>2.0%</u>	<u>1.6%</u>	

*The Parties understand that eligibility for the conditional lump sum is limited to those “bargaining unit members on active and paid status,” which includes employees on District authorized leave and those on disability or workers compensation at the time of payment provided that the leave commenced during the applicable fiscal year or between the end of that fiscal year and the payment date. Employees who have retired or left District employment on a permanent basis as of the end of the applicable fiscal year or who commenced employment after the end of the applicable fiscal year shall not be eligible to receive the lump sum.

*For FY14 only, the District shall determine employees’ eligibility for conditional lump sum payments based on the extent to which the actual average weekday core system ridership exceeds the SRTP forecast in each half of the fiscal year, without regard to the other half of the fiscal year. For example, for each one (1) percent that the actual growth exceeds projected growth in the first half of the fiscal year, employees shall receive \$250, up to a maximum of \$500; and for each one (1) percent that the actual growth exceeds projected growth in the second half of the fiscal year, employees shall receive \$250, up to a maximum of \$500. The first half of FY 2014 is July 1, 2013 to December 31, 2013, the second half of FY 2014 is January 1, 2014 to June 30, 2014.

F.H. ELECTRONIC/ELECTRO-MECHANICAL ASSEMBLER

Separate Electronic/Electro-Mechanical Assembler (EEMA) I and Electronic/Electro-Mechanical Assembler (EEMA) II classifications shall be established. The distinction between the two positions is the requirement for Surface Mount Technique (SMT) certification. Employees in the EEM Assembler II classification must be certified for SMT prior to entry into this classification and must re-certify at the District's expense every two (2) years. The pay for the EEM Assembler I classification is established at the MW-I rate. The hourly rate of pay for the EEM Assembler II classification shall be one dollar (\$1) above MW-I. In the event that an employee in the EEM Assembler II classification is unable to meet the SMT re-certification requirement, they will be reassigned to the EEM Assembler I classification and compensated at the applicable MW-I rate. Other than the rate of pay, such reassignment shall have no other adverse effect on the employee. Any employee may attempt to recertify during the normal District recertification cycle and may, upon successful recertification, return to the Assembler II classification.

All current Electro-Mechanical Assemblers shall, upon the effective date of this Agreement, be classified as Electro-Mechanical Assembler II. The District shall be responsible for recertification of current personnel. Any current employee who is unable to re-certify shall be reassigned to the EEM Assembler I classification and compensated at the applicable MW-I rate of pay. Other than the rate of pay, such reassignment shall have no adverse effect on the employee.

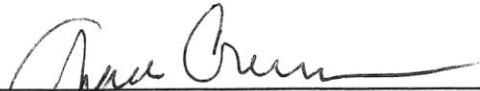
G.I. UTILITY WORKER AND SYSTEM SERVICE CLASSIFICATIONS

Upon ratification of the agreement, Utility Worker (UW) and System Service (SSW) classifications will be upgraded as follows:

- a. Upon ratification of this agreement, and retroactive to July 1, 2013, the UW and SSW base wage schedule will increase by twenty-five cents (25) per hour;
- b. Beginning on July 1, 2014, the UW and SSW base wage schedule will increase by an additional twenty-five (25) cents per hour;
- c. Beginning on July 1, 2015, the UW and SSW base wage schedule will increase by an additional twenty-five (25) cents per hour; and
- d. Beginning on July 1, 2016, the UW and SSW base wage schedule will increase by an additional twenty-five (25) cents per hour.

The compensation of the most senior thirty-two (32) System Service Worker shall continue at the rate of MW1 System Service.

FOR THE DISTRICT



Grace Crunican
General Manager



Carol Isen
Chief Labor Relations Officer

FOR SEIU

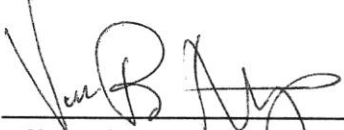


John Arantes
President, BART Chapter



Olivia Rocha
President, BART Professional Chapter

APPROVED AS TO FORM:



Office of the General Counsel
by Victoria R. Nuetzel

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors **Date:** May 6, 2016
FROM: General Manager
SUBJECT: Administration Agenda Item #5-D: FY 17 Preliminary Budget Sources, Uses and Service Plan

At the Board meeting on May 12, 2016 staff will present the attached presentation covering the FY17 Preliminary Budget, which is for information only.

If you have any questions please contact Carter Mau at (510) 464-6194.



Grace Crunican



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>[Signature]</i>		GENERAL MANAGER ACTION REQ'D:		
DATE: <i>for GM's office</i>		BOARD INITIATED ITEM: No		
Originator/Prepared by: Christopher Gan Dept: Assistant Controller <i>Chris Gan</i> Signature/Date: <i>5/3/16</i>	General Counsel <i>[Signature]</i> Signature/Date: <i>5/3/16</i> []	Controller/Treasurer <i>[Signature]</i> Signature/Date: <i>5/3/16</i> []	District Secretary <i>[Signature]</i> Signature/Date: <i>5/3/16</i> []	BARC <i>[Signature]</i> Signature/Date: <i>5-4-16</i> []
Status: Routed		Date Created: 04/26/2016		

TITLE:

Independent Auditor's Report on Audit of Federal Awards under the Single Audit Act and OMB Circular A-133 for the Fiscal Year Ended June 30, 2015

NARRATIVE:

PURPOSE

This Executive Decision Document is for information only, to advise the Board of Directors of the results of the independent audit performed to comply with the Single Audit Act and OMB Circular A-133 for the fiscal year 2015 and of actions staff plans to undertake to address the deficiencies reported.

DISCUSSION

As a non-federal entity that expends \$500,000 or more in federal awards in a year, the District is required to obtain an annual audit in accordance with the Single Audit Act(31 USC Sections 7501, et seq.) and Office of Management and Budget (OMB) Circular A-133. A single audit is intended to provide a cost effective audit since only one audit is conducted in lieu of multiple audits of individual federal programs.

The Single Audit Act requires a report on the following areas: a) internal control over financial reporting based on the audit of financial statements performed in accordance with Government Audit Standards and b) compliance with each major federal program and internal control over compliance. Such audit is required in order to provide reasonable assurance that the awards received are being managed in compliance with laws, regulations, and the provisions of contracts or grant agreements.

The results of the auditor's report dated December 30, 2015 on internal control over financial reporting was unqualified and did not disclosed any instances of noncompliance that are required to be reported under Government Auditing Standards.

The auditor's March 30, 2016 report with regards to compliance with each major federal program and on internal control over compliance indicated a significant deficiency in the implementation of the Labor Wage Requirements (also known as the Davis-Bacon Act - 40 USC Section 3141, et seq.), which requires payment of prevailing wages to all laborers and mechanics employed by a contractor or subcontractor who work on construction contracts in excess of \$2,000 financed by federal funds. Contractors or subcontractors are required to submit to the District weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payroll records). In the event of

non-compliance by a contractor, the District is required to initiate timely corrective actions to ensure compliance, such as sending timely follow-up requests to the contractor and withholding payment until the certified payroll records are received. The audit finding noted that the District failed to consistently verify timely receipt of certified payroll records since there were instances when certified payroll records were received only by the District after payments have already been made to the contractors. This is the same audit finding reported last fiscal year 2014.

Since its release in March 2015, the District has implemented or will implement the following measures to ensure compliance with the Davis Bacon Act

- Amended boilerplate contract specifications language to specify that failure to submit certified payroll records may delay progress payments.
- Inserted Office of Civil Rights in the electronic invoice approval process to ensure that certified payroll records are submitted prior to invoice approval.
- Conducted over 10 training workshops for BART staff and contractors on Davis-Bacon Act and California Labor Code prevailing wage requirements.
- Notify prime and subcontractors when their certified payroll records are overdue beginning July 1, 2016.
- Develop a new process by July 1, 2016, to review certified payroll records to confirm that contractors and subcontractors paid their laborers and mechanics prevailing wages on all federally funded contracts.
- Hired a Labor Compliance Manager in August, 2015. Additional resources will be added in FY17 to implement the corrective steps and to monitor and enforce prevailing wages.

FISCAL IMPACT

If the deficiency related to Labor Wage Requirements is not fully addressed, unallowable costs could result since federal funds may be paid to contractors who do not comply with the provisions of the Davis-Bacon Act.

ACTION

No action by the Board is required. As a recipient of federal awards, the District is required by the federal government to have its books and records audited annually in accordance with the Single Audit Act.

**ENGINEERING
AND
OPERATIONS
MATERIAL**



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>[Signature]</i>		GENERAL MANAGER ACTION REQ'D: Approve and forward to Board on May 12, 2016		
DATE: <i>for GM's office</i>		BOARD INITIATED ITEM: No		
Originator/Prepared by: Tracy Johnson Dept: Maintenance & Engineering <i>[Signature]</i> 05/04/16	General Counsel <i>[Signature]</i> 5/4/16 []	Controller/Treasurer <i>[Signature]</i> 5/4/16 []	District Secretary []	BARC <i>[Signature]</i> for 80. []

Status: Routed	Date Created: 05/03/2016
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TITLE: **Sole Source Procurement of Rail Damper Assemblies
(Two-thirds Vote Required)**

NARRATIVE:

PURPOSE:

To obtain Board authorization, in accordance with Public Contract Code Section 20227, for the General Manager to negotiate and award a sole source contract with Kampa International for the purchase of rail damper assemblies in the amount of \$617,844.00, plus applicable taxes.

DISCUSSION:

Beginning in 2010, Kampa International has worked with BART's Track Maintenance and Engineering (M&E) to develop, test and fabricate rail damper assemblies to effectively mitigate rail corrugation and the resulting noise. Kampa International specializes in custom designs and fabrication of rail damper assemblies for rail systems and worked with BART to develop the damper design best suited for our unique track characteristics. In 2012, BART hired Kampa International to fabricate and oversee the installation of their prototype rail damper assemblies on a curved section of track on the aerial guideway between North Berkeley and El Cerrito Plaza stations. Historically, this section of track has had a high return rate of rail corrugation and a high volume of noise complaints from the public.

Rail damper assemblies are composite steel and rubber components that clamp to the rail and reduce rail corrugation and ambient noise levels. Since 2012, BART Engineering has regularly measured the noise levels and monitored the rail grinding schedule through the section of track fitted with the prototype damper assemblies. The impact of the rail damper installation has proven to be impressive. The need for grinding to reduce rail corrugation went from twice a year to once every four years. In addition, the volume of noise complaints has been nearly eliminated. These results demonstrate how effectively these customized rail dampers have performed in this historically problematic section of track.

M&E has identified two additional curved sections of track which are excellent candidates to benefit from the installation of rail dampers. The curved sections of track near the post office in West Oakland and between Balboa Park and Daly City stations are both historically problem areas for noise complaints. These sections of track require frequent rail grinding to control the rail corrugation and accompanying noise. This high frequency of rail grinding has the significant

secondary effect of reducing the useful life of the rail itself and increasing the frequency of rail replacements. M&E is looking to award a sole source Procurement Contract to Kampa International to fabricate and oversee the installation by BART forces of their rail damper assemblies at these two locations.

FTA Circular 4220.1F, Chapter VI, Subparagraph 3.1(1)(b) provides that the recipient may make a sole source award under certain circumstances, including where not utilizing that sole source would result in either "Unacceptable Delays" or "Substantial Duplication Costs". The purchase of rail damper assemblies from Kampa International falls under both of these provisions justifying a sole source contract.

Development of alternate rail damper assemblies from other manufacturers to satisfy BART's stringent specifications and performance criteria would require a significant amount of time. This in turn, would result in lost opportunities to install the damper assemblies as part of the upcoming scheduled weekend track shutdowns and would cause unacceptable delays in addressing the issues with rail corrugation and excessive noise in other locations on the system.

Furthermore, procurement of alternative rail damper assemblies would entail a significant expenditure of funds which would duplicate costs previously incurred by BART for the design, development and testing of the rail damper assemblies produced by Kampa International.

Pursuant to Public Contract Code Section 20227, the Board may direct the purchase of any supply, equipment or material without observance of competitive bidding upon a finding by two-thirds of all members of the Board that there is only a single source of procurement and that the purchase is for the sole purpose of duplicating or replacing equipment currently in use.

Staff has determined that Kampa International is a responsive supplier, with a fair and reasonable pricing based upon the independent cost estimate by BART staff.

Staff is now seeking to enter into direct negotiations with Kampa International in order to award a sole source contract for the purchase of 4,140 rail damper assemblies at a total cost of \$617,844.00, plus applicable taxes, to provide a sufficient number of damper assemblies to address two section of track that require frequent rail grinding to control the rail corrugation and accompanying noise. The contract would be subject to approval as to form by the Office of the General Counsel.

Pursuant to the DBE Program, the Office of Civil Rights is utilizing race, gender neutral efforts for Procurement contracts. Therefore, no DBE goal was set for this contract.

FISCAL IMPACT:

Funding of \$617,844.00 for this Contract is available in project 15CQ001, Procure and Replace Rails, Ties, Fasteners 2. The Office of the Controller/Treasurer certifies that funds are currently available to meet this obligation.

The following table depicts funding assigned to the referenced project since March 2014, and is

included in totality to track funding history against spending authority. Funds needed to meet this request will be expended from a combination of these sources as listed.

Fund Group	Total Awarded
Various FTA Grant sources	18,538,422.18
State Prop1B & Local Area Grants	1,762,810.44
BART Operating allocation to Capital	6,516,598.54
Grand Total	26,817,831.16

As of May 3, 2016, \$26,817,831.16 is the total budget for this project. BART has expended \$19,663,297.20, has committed \$4,661,740.96 and reserved \$239,000.00 to date for other actions. This action will commit \$679,628.40 including sales tax, thus leaving an available balance of \$1,574,164.60 remaining in fund resources for this project.

There is no fiscal impact on available un-programmed District Reserves.

ALTERNATIVE:

Based on the sole source for purchase of rail damper assemblies for the unique characteristics of the BART track, there is no feasible alternative. Developing rail damper assemblies different from the assemblies currently in use on the BART system would be time consuming and very costly.

RECOMMENDATION:

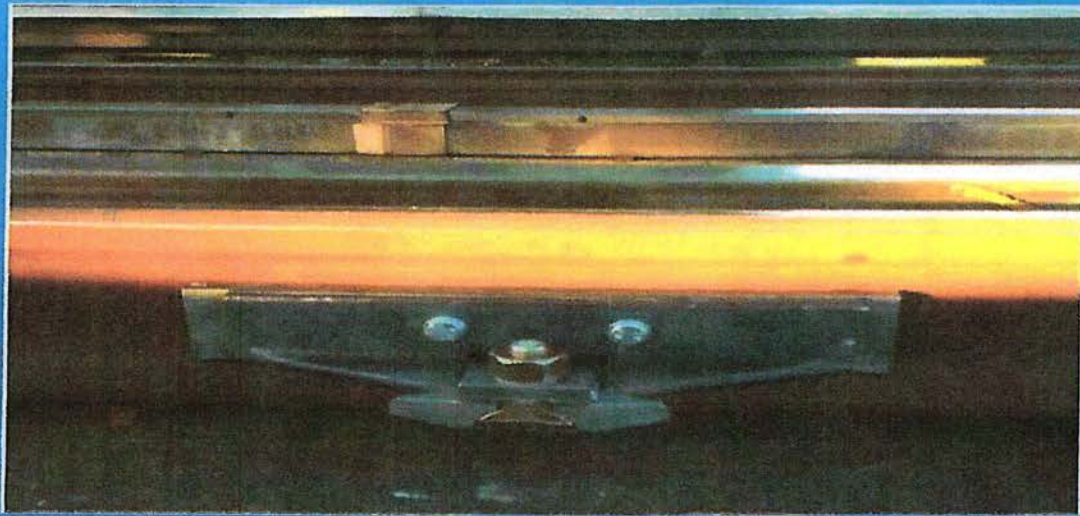
On the basis of analysis by staff and the Controller/Treasurer that the funds are available for this purpose, it is recommended that the Board adopt the following motion.

MOTION:

Pursuant to Public Contract Code Section 20227, the Board finds that Kampa International is the single source for the purchase of rail damper assemblies for the BART system that would duplicate equipment currently in use by the District. The Board authorizes the General Manager to negotiate and award a contract to Kampa International for the purchase of rail damper assemblies for an amount not to exceed \$617,844.00, plus applicable taxes.

Two-thirds vote required.

Facing North



Facing East



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>[Signature]</i>		GENERAL MANAGER ACTION REQ'D:		
DATE: <i>for GM's office</i>		BOARD INITIATED ITEM: No		
Originator/Prepared by: Alma Basurto Dept:	General Counsel <i>[Signature]</i>	Controller/Treasurer <i>[Signature]</i>	District Secretary	BARC <i>[Signature]</i>
Signature/Date: <i>Alma Basurto 5/4/16</i>	<i>5/4/16</i> []	<i>5/4/16</i> []	[]	<i>for P.O.</i> []
Status: Approved		Date Created: 04/28/2016		
TITLE:				

AUTHORITY TO AWARD AGREEMENT NO. 6M5099, DISTRICTWIDE SMALL BUSINESS SUPPORTIVE SERVICES

NARRATIVE:

PURPOSE:

To obtain Board authorization for the General Manager to award Agreement No. 6M5099, to the Allen Group/Cooper Puggeda Management, Inc., a Joint Venture (TAG/CPM JV) to provide Districtwide Small Business Supportive Services (SBSS).

DISCUSSION:

The purpose of the SBSS is to expand the pool of available qualified small businesses and to improve their ability to successfully complete their contracts. The Agreement will provide ongoing support to small businesses through training workshops on topics such as, bid preparation and submittals, bonding, insurance, contractual requirements, scheduling, stop notices, change order preparation, and construction cost accounting. The SBSS will also provide post award technical services such as preparation of submittals, work scheduling, invoicing, payroll, and quality control. The assignments under this Agreement will be made on on-call, defined by Work Plans, and subject to funding availability. Each Work Plan will have its own scope of work, schedule and budget.

The Agreement is for a maximum of \$1.6M over two (2) years with two (2) one year options at \$800,000 per year. However, the actual cost may be less based on the District's actual need for on-call services.

On November 10, 2015, the Advance Notice to Proposers was issued and the Request for Proposal No. 6M5099 "Districtwide Small Business Supportive Services" (the "RFP") was advertised in eleven (11) publications, including minority-targeted newspapers. The RFP was issued to fifty-three (53) firms. A Pre-Proposal Meeting was held on November 17, 2015 and attended by nine (9) prospective proposers.

On February 23, 2016, proposals were received from the following three (3) firms:

<u>Firm</u>	<u>Location</u>	<u>Proposal Price</u>
The Allen Group, LLC/ Cooper Puggeda Management, Inc.	San Francisco, CA	\$3,678,818.00
Butler Enterprise Group, LLC	San Francisco, CA	\$3,054,503.08
Turner Group Construction	Oakland, CA	\$6,594,560.00

A Selection Committee chaired by Contract Administration with representatives from the Office of Civil Rights, Planning, Development and Construction, and Civil/Structural Engineer & Construction ("Committee") reviewed the submittals. The Committee evaluated the proposals retaining for the District the right to award to other than the lowest cost proposal, based on a determination that certain technical advantages available from a proposal will equate to added value for the District. The proposals were reviewed first for responsiveness to the RFP. The Committee subsequently conducted a more detailed review and evaluation and decided to invite the three proposers for oral interviews. Staff's evaluation determined that TAG/CPM JV received the highest technical score of the three proposers. After the oral presentations, the Committee combined the qualifications/technical scores and the oral presentation scores and determined that TAG/CPM JV offered the best overall value to the District.

Pursuant to the revised DBE Program, the Office of Civil Rights is utilizing race and gender neutral efforts for professional services agreements. Therefore, no DBE participation goal was set for this Agreement.

Accordingly, staff recommends award of RFP No. 6M5099 to The Allen Group, LLC/Cooper Pugeda Management, Inc.

The Office of General Counsel will approve the Agreement as to form.

FISCAL IMPACT:

Agreement No. 6M5099 will be for \$1.6M over two (2) years with two (2) one year options at \$800,000 per year. This Agreement will be funded as follows:

- \$300,000 per year will be subject to Work Plans funded by Operations and Planning, Development and Construction.
- \$500,000 per year will be subject to Work Plans funded by federal, state and local grants funds, as well as operating funds, on a contract by contract basis. The Work Plans will be subject to funding availability and have its own scope of work, schedule and budget.

ALTERNATIVES:

The District could reject all proposals and solicit new proposals. However, re-issuing the RFP would delay and adversely affect the implementation of the Districtwide Small Business Supportive Services.

RECOMMENDATION:

It is recommended that the Board adopt the following motion:

MOTION:

The General Manager is authorized to award Agreement No. 6M5099 to The Allen Group/Cooper Pugeda Management, Inc., a Joint Venture, to provide Districtwide Small Business Supportive Services in the amount not to exceed \$3,200,000 subject to the District's protest procedures and the FTA requirements related to protests.

**PLANNING,
PUBLIC AFFAIRS,
ACCESS, AND
LEGISLATION
MATERIAL**

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors

DATE: May 6, 2016

FROM: General Manager

SUBJECT: PPAAL Agenda Item # 7-A: Transit-Oriented Development Policy Update

As follow-up to the February 25, 2016 Board of Directors workshop discussion on the Transit-Oriented Development (TOD) Policy Update, staff will return on May 12 with the attached presentation outlining lessons learned on BART's TOD program performance to-date, and to initiate discussion on preliminary policy goals. This meeting is the first of three successive discussions that will allow the Board to comment and discuss the emerging TOD Policy.

The upcoming schedule is as follows:

- On May 26, staff will present a refined policy consisting of draft Vision, Goals, and Strategies to achieve the desired outcomes.
- On June 9, staff is scheduled to present the TOD Policy for consideration by the Board for adoption.

If you have any questions, please contact Bob Powers, Assistant General Manager, Planning, Development & Construction at (510) 874-7410.



Grace Crunican

cc: Board Appointed Officers
Deputy General Manager
Executive Staff