

MONTHLY MONITORING REPORT

Transbay Downtown Rail Extension Project, Phase 2

Transbay Joint Powers Authority (TJPA)

San Francisco, CA

February 2025

Final

PMOC Contract Number: 69319519D000031

Task Order Numbers: 69319522F30068N; 69319520F300044

OPs Referenced: OP25



75 E. Santa Clara Street
San Jose, CA 95113
408.606.9515

Edwin J. Williamson, PE, 917-715-8651, ejwilliamson@urbanengineers.com

Length of time Assigned: 29 Months (October 2022 through February 2025)

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1.0 EXECUTIVE SUMMARY

1.1 Project Description

Transbay Joint Powers Authority (TJPA), the Project Sponsor, proposes to extend the Caltrain commuter rail line 2.2 miles from the China Basin/South Park neighborhood near the current Caltrain terminus at Fourth and King Streets to the multi-modal Salesforce Transit Center in downtown San Francisco. The proposed Project includes two underground rail stations, one located at Fourth and Townsend Street, the other one at the Salesforce Transit Center rail terminal. The Fourth and Townsend Street station is near Oracle Park, the home of the San Francisco Giants baseball team. The project, known as the Transbay Downtown Rail Extension Project, Phase 2 (Transbay DTX), will improve public access to bus and rail service and accommodate projected growth in travel demand in the San Jose–San Francisco corridor. The proposed Project will connect Caltrain’s regional rail system to the Salesforce Transit Center in downtown San Francisco, along with the future California High-Speed Rail Authority’s statewide rail system.

1.2 Project Status

The Locally Preferred Alternative (LPA) was completed in March 2003, and the National Environmental Policy Act (NEPA) action was completed in February 2005 with a Record of Decision (ROD). The Federal Transit Administration (FTA) amended the ROD in July 2019, and the LPA was adopted into the region’s fiscally constrained long range transportation plan in October 2021.

On February 17, 2023, the TJPA Executive Director formally submitted TJPA’s requests to the FTA for approval to Enter Engineering and to conduct the New Starts Project Rating. On August 14, 2023, TJPA submitted updated documentation and a revised rating package to the FTA. The PMOC completed its comprehensive scope, cost, schedule, and risk review in August 2023, and subsequently submitted its Readiness for Entry to Engineering Review report in October 2023 concluding that TJPA has adequately demonstrated substantial compliance with all the OP51 technical requirements at Entry to Engineering. The FTA notified TJPA on May 3, 2024 that the Transbay DTX Project had been approved to enter the New Starts Engineering phase. Recognizing the challenges to secure the local funding match, during July 2024 TJPA moved the target date for the FFGA out 27 months. *The Project now expects to receive a Full Funding Grant Agreement (FFGA) in 2027 and initiate revenue service in 2035.*

Based on the final PMOC risk assessment results issued in August 2023, the estimated project cost is \$8,255 million Year of Expenditure (YOE) and the proposed FFGA Revenue Service Date (RSD) is June 27, 2035, including both cost and schedule contingency. Both the project cost and RSD will be updated during the risk assessment performed as part of the readiness review to execute the FFGA.

Through February 28, 2025, TJPA continued work advancing progress in the areas of support to the FTA CIG process, risk management, advancing the critical third-party agreements and program funding as well as work on the Right-of-Way property acquisitions, temporary and permanent easements. TJPA actively continued a high level of engagement with the other five

project agency partners, including Caltrain and the California High Speed Rail Authority (CHSRA), to complete the successor San Francisco Peninsula Rail Program (Stakeholder) MOU known as *The Portal Project Implementation Memorandum of Understanding (Implementation MOU)* that was approved by the TJPA Board on January 30, 2025. TJPA continued to advance design work on the Advance (Enabling) Works Program projects for utility relocations that includes the Joint Trench Agreement and site work in the Caltrain railyard (Package 4KYA). TJPA continued working with Caltrain on the Railyard Agreement for the Transbay DTX work in the existing rail yard at 4th and King Streets (Package 4KYB) and has prepared a revised term sheet based on the Amended and Restated Interim Agreement. TJPA will procure and manage Package 4KYA and current plans are to have Caltrain similarly procure and manage Package 4KYB, although alternative contract packaging continues to be evaluated for this scope. The General Engineering Consultant (GEC) continued design work on both packages. *Based on the revised project Master Schedule that incorporates the new FFGA target date of July 2027, TJPA continues to provide monthly updates to the revised schedule. Caltrain, the operator for the Downtown Rail Extension, and TJPA jointly agreed that TJPA should incorporate the environmental review process for state and federal agencies in advance of the rail yard work under Package 4KYB into the NEPA/CEQA updates associated with recently adopted Secondary Mitigations (cost and schedule) for the project.* TJPA continued the procurement process for the Civil and Tunnel Progressive Design-Build (PDB) contract and expects to issue the Request for Proposal (RFP) during late 1Q-2025 or early 2Q-2025.

1.3 Major Issues and/or Concerns

1. TJPA has achieved some funding progress with the award of a \$24.6 million FRA CRISI award to TJPA during October 2024. However, the Transbay DTX Project was not selected for two key funding source awards (Federal/State Partnership Grant, National Infrastructure Project Assistance (Mega) Grant representing a total of \$216 million in federal funding. The FFGA Capital Investment Grant (CIG) award of \$3.38B will be 41.0% instead of the TJPA requested 49.4% of the total project cost and represents a funding shortfall of \$694 million that is part of the larger overall funding gap of \$2.75B+. The PMOC notes that the increase in project duration based on the revised project Master Schedule will create additional cost pressures on the project budget and a resultant need for additional funding. These issues present significant additional challenges to TJPA in their efforts to secure matching funds as required by the FTA CIG Program. TJPA re-applied, with the City and County of San Francisco (CCSF), for the FRA Federal/State Partnership Grant in December 2024. *See Section 2.13, Project Cost, and Section 2.14, Project Schedule, for additional details including the Project Sponsor's mitigation approach.*
2. *The PMOC observes that the schedule contingency had decreased from 204 to 19 workdays very quickly over the past several months. The current schedule update for January 2025 lost 65 workdays of contingency float since the prior schedule update. Significant losses to contingency float cannot be absorbed in the schedule. See Section 2.14, Project Schedule, for additional details including the Project Sponsor's mitigation approach.*

1.4 Status of Key Indicators Dashboard (Post Grant)

The Key Indicators Dashboard will be completed upon award of the Full Funding Grant Agreement and then updated monthly thereafter.

1.5 Core Accountability Items

Core Accountability Items				
		Original (Grant)	Current Forecast* (Million \$)	PMOC Assessment of Current Forecast
Cost	Capital Cost Estimate	(Note 1)	8,255	Acceptable
Contingency	Unallocated Contingency	(Note 1)	1,251	Acceptable
	Allocated Contingency	(Note 1)	867	Acceptable
	Total Contingency	(Note 1)	2,118	Acceptable
Schedule**	Target Revenue Service Date	(Note 1)	Mar. 1, 2035	Acceptable
	FFGA RSD w/contingency		Jun. 27, 2035	
Note 1: FFGA anticipated in 2027.				
Project Progress:		Amount (\$M)	Percent of Total	
Total Expenditures	Actual cost of all eligible expenditures completed to date	(Note 2)	(Note 2)	
Planned Value to Date	Estimated value of all work planned to date	(Note 2)	(Note 2)	
Actual Value to Date	Actual value of all work completed to date	(Note 2)	(Note 2)	
Note 2: Project Sponsor is compiling costs/value to date.				
Contract Status:		Amount (\$)	Percent	
Total Contracts Awarded	Value of all contracts (design, support, construction, equipment) awarded; % of total value to be awarded	(Note 2)	(Note 2)	
Construction Contracts Awarded	Value of construction contracts awarded; % of total construction value to be awarded	(Note 3)	(Note 3)	
Physical Construction Completed	Value of physical construction (infrastructure) completed; % of total construction value completed	(Note 3)	(Note 3)	
Note 3: Construction start anticipated in 3Q-2026 for utility relocation work under the Advance (Enabling) Works Program. No construction contracts have been awarded to date.				

Rolling Stock Vehicle Status	Date Awarded		No. Ordered	No. Delivered
(There are no direct TJPA procurements of revenue service vehicles included in the project scope of work)***	N/A		N/A	N/A
Major Issues	Date Identified	Status	Project Sponsor Action	PMOC Recommendation
N/A	N/A	N/A	N/A	N/A
Date of Next Quarterly Meeting (if known):			<i>Next Monthly Meeting is on March 18, 2025.</i>	

*As of February 28, 2025. Final cost estimates and contingency have been reconciled with the adjusted SCC Workbook based on the final adjustments from the revised FTA Risk Assessment, including the reconciled project schedule, completed in August 2023. Current Cost Forecast includes financing costs.

**The “Target Revenue Service Date” has been updated based on the revised project Master Schedule that reflects the new target date of July 2027 for the FFGA award. With regard to schedule contingency, please refer to Section 2.14, Schedule, for further discussion.

***Project scope includes the cost for Caltrain procurement of five non-revenue Maintenance of Way vehicles, the level-boarding door modifications to the 23 new EMU revenue vehicles from Caltrain under their current procurement (2023) and for the cost of the existing Salesforce Transit Center train box completed under the Transbay DTX Phase 1 Program. Refer to report Section 2.12, Vehicle Technology and Procurement, and to Section 2.13, Project Cost, for details.

2.0 OBSERVATIONS AND FINDINGS

2.1 Summary of Monitoring Activities

This report covers the period from February 1, 2025 through February 28, 2025.

PMOC monitoring included the following activities:

- *Prepared draft PMOC Monthly Monitoring Report for January 2025 and finalized report after FTA’s review and the TJPA “fact check” review.*
- *Continued review of updated Sponsor-provided presentations on Transbay DTX that included details of the overall program status, current funding initiatives and activities, and schedule of major milestones for advancing program funding, design and procurement of the Advance (Enabling) Works Program contracts, the ongoing comprehensive Program Cost Estimate, third-party agreements and property acquisitions along the planned project alignment, along with the current cost, schedule and risk/contingency status and procurement of the Progressive Design-Build (PDB) contract.*
- *Reviewed the January 2025 Master Schedule update and narrative.*
- *Prepared agenda for the FTA/PMOC Monthly Monitoring Meeting with the Project Sponsor on February 12, 2025 and co-directed the meeting with the FTA; focus included current funding status and cash flow plan, status of the Program Cost Estimate updates and the changes to the Right-of-Way Acquisition schedule.*
- *Attended Sponsor program management meetings:*
 - *IPMT semi-monthly meeting (February 11, 2025)*

Based upon PMOC review of the documentation prepared and submitted by TJPA, it is the PMOC’s opinion that TJPA has adequately demonstrated substantial compliance with all of the OP51 technical requirements at Entry to Engineering. On May 3, 2024, the FTA notified TJPA that the Transbay DTX Project had been approved to enter the New Starts Engineering phase.

Going forward, the PMOC will monitor the Sponsor’s progress updating the Program Management Plan, along with other subplans, based on the PMOC’s reviews and recommendations and in accordance with the specific time frames directed by the FTA. All plan updates are to be completed prior to TJPA’s application for the FFGA in accordance with the PMOC review comments provided to TJPA in conjunction with the Entry to Engineering reviews.

2.2 Oversight Triggers

The PMOC will perform monthly oversight of the project and continue through the Engineering Phase to award of the Full Funding Grant Agreement in accordance with direction from the FTA.

2.3 Project Management Plan (PMP) and Sub-Plans

The PMOC consultant that joined the TJPA Project Team in July 2024 will be preparing the draft updates to the PMP and associated Sub-Plans as discussed in this section. TJPA continues working on the FTA/PMOC PMP comment and FFGA requirements tracking spreadsheet that will include all of the PMOC OP review comments from the 2023 Readiness to Enter Engineering reviews.

The PMOC attended TJPA's PMP Update Planning Meeting on December 11, 2024 where TJPA outlined their update process, proposed schedule and the PMP comment and FTA requirements tracking document.

Project Management Plan (PMP)

The PMOC completed the Final OP20 Review Report and submitted the report to the FTA, and the FTA subsequently transmitted the PMOC OP20 Review Report to TJPA on September 22, 2023. The PMOC determined that while the DTX PMP Revision 1 significantly meets the requirements for a project of the size and complexity of DTX at the Entry to Engineering stage of development, there are items that should be addressed in the near future. Accordingly, TJPA was requested to revise and resubmit the PMP within the next six months or prior to the start of construction, including construction under the pre-FFGA Advanced (Enabling) Works scope, whichever occurs first.

Safety and Security Management Plan (SSMP)

The PMOC submitted the Final OP22 Review Report to the FTA on September 8, 2023 and the FTA subsequently transmitted the PMOC OP22 Review Report to TJPA. The PMOC determined that the Final Draft SSMP meets the requirements of OP22 and FTA Circular 5800.1 at Entry to Engineering, except for several elements related to the later phases of project advancement. As a result, TJPA was requested to revise and resubmit the SSMP in the next update of the SSMP, prior to TJPA's request to execute the Full Funding Grant Agreement. The PMOC also expects that in the future as contractors are added to the project implementation team, their safety and security plans will be incorporated under TJPA's program, and their plans will also be reviewed by FTA/PMOC once they are approved by TJPA.

Real Estate Acquisition and Management Plan (RAMP)

The PMOC completed its review of the Transbay DTX Draft RAMP Revision D, dated October 2022 and the TJPA's Relocation Assistance Program Summary in accordance with OP23, Real Estate Acquisition and Management Plan Review, dated September 2015, for a project requesting Entry to Engineering. The review found the RAMP to be in partial compliance with OP23, with comments in the areas of acquisition and relocation processes, real estate team organization, document control, property management, and property disposition. TJPA completed the PMOC recommended revisions for both the RAMP and the Relocation Assistance Program Summary and resubmitted them on September 1, 2023. The PMOC reviewed the revised documents and determined that both meet the OP23 requirements for a project at Entry to Engineering.

Quality Assurance Plan (QAP)

The PMOC completed its review of the TJPA Quality Assurance Program documents in accordance with OP24, Quality Assurance – Quality Control Review, dated September 2015, and completed the final OP24 report in August 2023. The PMOC found the information provided in the TJPA documents for its Quality Assurance/Quality Control Program meets the requirements of OP24 for a project of the size and complexity of the Transbay DTX Project at its current stage of development at Entry to Engineering. However, there are several areas noted in the PMOC OP24 report that require further development as the project advances into later phases. The FTA transmitted the PMOC OP24 Review Report to TJPA on August 17, 2023, and requested that TJPA revise and resubmit the QA/QC Program documents prior to application for the project FFGA. The PMOC also expects that in the future as contractors are added to the project implementation team, their quality plans will be incorporated under TJPA’s program, and their plans will also be reviewed by FTA/PMOC once they are approved by TJPA.

Rail Fleet Management Plan (RFMP)

The PMOC analysis found that the combination of documents submitted by Caltrain and TJPA [Caltrain Fleet Management Plan, Revision 3, dated December 7, 2021; TJPA supplemental memo, “Fleet Management Plan Tech Memo to Validate 4 TPH Service” by DB E.C.O North America, Inc., dated April 2023] meets the technical requirements of OP37 at this stage of project advancement and are acceptable for Entry to Engineering. The PMOC’s review noted several areas within the documents where revisions are highly recommended and requested resubmittal prior to application for the FFGA. Results have been shared with the Sponsor and have been formally documented in the separate OP51 report.

Risk and Contingency Management Plan (RCMP)

The PMOC reviewed the RCMP, Revision 0, dated October 27, 2021 in accordance with FTA OP40, “Risk and Contingency Review,” dated March 2022, and results were provided to TJPA within the draft combined Scope, Cost, Schedule, Risk and Contingency Review report. TJPA and the PMOC collaborated on the comments and recommendations, especially to define the project’s “contingency drawdown curves,” and TJPA commenced a revision to the RCMP for resubmittal. TJPA submitted the revised RCMP on August 1, 2023, incorporating the comments from the draft combined Scope, Cost, Schedule, Risk and Contingency Review report. PMOC confirmed that the resubmittal satisfied all comments with the exception of the contingency draw down curves. TJPA subsequently revised the RCMP and submitted Revision 2, dated September 2023, on September 1, 2023. The PMOC completed a review of the RCMP Revision 2, and found that it meets the requirements of OP40, including addressing the one remaining draw down curve comment.

2.4 Management Capacity and Capability (MCC)

PMOC OP21 Management Capacity and Capability Review

The PMOC OP21 Review Report was completed and submitted to the FTA, finding that TJPA is a well-developed organization for the current stage of the DTX Project. Based upon PMOC review of the documentation prepared and submitted by TJPA, it is the PMOC’s opinion that TJPA has demonstrated technical compliance with all Management Capacity and Capability requirements for this stage of the project to advance into the Engineering Phase. The FTA forwarded the report to TJPA on October 5, 2023 and requested that TJPA revise and resubmit the associated MCC

documents, including the PMP, prior to start of construction, including construction under the pre-FFGA Advanced (Enabling) Works scope, but no later than start of the FFGA application process.

2.5 NEPA / CEQA Process and Environmental Mitigation

National Environmental Policy Act

The project received a Record of Decision (ROD) from the FTA for the Transbay Terminal / Caltrain Downtown Extension / Redevelopment in 2005, a ROD from the Federal Railroad Administration (FRA) for the Transbay Transit Center Train Box in 2010, and an amended ROD from FTA for the Transbay Terminal / Caltrain Downtown Extension / Redevelopment in 2019. Prior to the completion of the Project Development (PD) phase, the project had sought FTA NEPA clearance related to several subsequent modifications of the project's footprint. Final FTA approval of the NEPA re-evaluation was received on June 9, 2023. *There are currently no open NEPA action items as of February 28, 2025.*

The PMOC OP32B Review Report has been completed and submitted to the FTA in 2023. The report found that TJPA's documentation is in general conformance with the FTA requirements for a project of this size and complexity and at its current state of development moving from Planning to the start of Engineering, with several noted exceptions. The reported exceptions were subsequently resolved based on TJPA's revised preliminary engineering documentation and close-out of the PMOC recommendations.

TJPA continues to work on the recordation action to fulfill Section 106, NEPA and CEQA requirements for two commercial buildings designated for acquisition and demolition. The process is in accordance with the Memorandum of Agreement noted above. The level of effort proposed for the recordation is based on Level II and the first draft was completed in September 2024. *The first draft report review by TJPA has been completed and the San Francisco Planning Department's Cultural Resources Team completed their review and returned comments on February 13, 2025.* TJPA is coordinating their activities with FTA Region 9.

TJPA has completed its review of the work scope, budget and schedule of the NEPA/CEQA environmental review process for project elements identified under the four cost reduction initiatives. On November 20, 2024 TJPA had a coordination call with FTA Region 9 staff to review and coordinate the anticipated NEPA/CEQA and Section 106 work for 2025. TJPA continues their coordination with FTA Region 9. On December 5, 2024, TJPA held an initial meeting with the environmental consultant to discuss processes and procedures for performance of the work. Using the 2023 Addendum as the model, the team will draft an integrated technical memo that evaluates the impacts, if any, of the proposed cost reduction initiatives. *During January 2025, TJPA reviewed and commented on the draft project description for the NEPA/CEQA environmental review of the elements associated with the three proposed cost reduction initiatives. For details of the proposed cost reduction initiatives, see Section 2.13, Project Cost. TJPA and Caltrain reached agreement that the 4KY environmental review will now be included with the analysis of the proposed three cost reduction initiatives (Eliminate train box extension at the Salesforce Transit Center; Reduce length of PAX tunnel stub box; Delete High Speed Rail side platforms at Fourth and Townsend St. Station) resulting in a single CEQA Addendum and a single NEPA draft Re-Evaluation. TJPA will*

lead the work with Caltrain serving as the responsible agency. Caltrain has provided the current project description comment matrix and cultural resources reports. The Draft NEPA Re-Evaluation Report for FTA review is being prepared and completion had been anticipated in November 2024, but the effort has been put on hold to add the three identified cost reduction initiatives.

The FTA inquired about the NEPA work related to the recent CRISI grant award and TJPA responded that they are working with the FRA to provide the FRA requested environmental documentation.

California Environmental Quality Act

Caltrain continues the environmental review process in advance of the 4th and King Yard Preparation Package that is part of the Advance (Enabling) Work Program. The first part of the review will result in a California Environmental Quality Act (CEQA) Notice of Determination that will signal completion of Caltrain’s CEQA requirement regarding the future DTX construction work planned within Caltrain’s Right-of-Way (ROW) and constitutes a “Discretionary Action.” The second part of the review is for the Caltrain Peninsula Corridor Electrification Project (PCEP) NEPA compliance, focused primarily on potential impacts to the PCEP infrastructure due to the TJPA DTX work within Caltrain’s ROW and, more specifically, for the 4th and King Yard (4KY) Preparation work scope in Package 4KYB. Caltrain has retained an outside consultant to complete the NEPA/CEQA reviews and to determine the documentation requirements.

- Caltrain had expected to file the CEQA Notice of Determination in December 2024, three months later than reported in May 2024, but this did not occur. TJPA and Caltrain do not foresee any impacts due to the delay. Caltrain anticipates the need for a CEQA Addendum based on the Package 4KYB scope of work. *The draft CEQA Addendum section inputs have been completed, the TJPA/Caltrain review process for the draft CEQA addendum was completed in August 2024 and the final Addendum had been anticipated in November 2024, but the effort has been put on hold to coordinate if one addendum should be prepared including the three identified cost reduction initiatives.* Caltrain provided review comments on the draft addendum on November 11, 2024 and met with TJPA on November 25, 2024 to review comments and discuss next steps.
- Based on the discussions at their October 31, 2024 meeting, TJPA and Caltrain agreed to pause the above efforts to resolve issues of responsibility and actions between both parties and to reach agreement on actions needed to fulfill the CEQA requirements. TJPA and Caltrain met again on December 16, 2024 to plan efforts to advance progress on agreed-upon actions by both agencies and to align the agencies’ expectations with the anticipation of developing a unified approach at a future meeting, to be determined.
- *Caltrain and TJPA jointly agreed that TJPA should incorporate the environmental review process for state and federal agencies in advance of the rail yard work under Package 4KYB into the NEPA/CEQA updates associated with recently adopted Secondary Mitigations for the project involving the three identified cost reduction initiatives.*

2.6 Project Delivery Method and Procurement

The Sponsor plans to construct the project using three project delivery methods.

TJPA Board-approved delivery approach in 2023 consisted of:

- Design-Bid-Build (DBB) for Advanced Packages Program (Early Action contracts) for Utilities Relocation, Railyard Infrastructure Relocation and Building Demolition.
- Progressive Design-Build (PDB) for main civil and tunnel
- Construction Manager-General Contractor (CMGC) for track and rail systems, and for station fit-out.

The PMOC previously noted that the proposed approach using three different project delivery methods will require a high level of both design and construction interface coordination and management. To reduce delay risk, TJPA has completed the division of the Railyard Infrastructure Relocation Work scope into two packages: 4KYA will remain Design/Bid/Build for site clearing; 4KYB will change to CMGC for the actual rail infrastructure and systems relocation. Caltrain has agreed to the creation of the two packages and the procurement/delivery approach: TJPA will procure and deliver 4KYA; Caltrain will procure and deliver 4KYB. The construction contract for the 4KYB Package has been removed from the Advanced (Enabling) Works Program and will be a stand-alone contract. *During February 2025, TJPA and Caltrain continued to evaluate alternative contract packaging options for the 4KYB scope of work, potentially combining the 4KYB surface track and systems work into the 50-TS, Track and Systems CMGC contract package, thus eliminating a significant contract interface.*

Because the Advanced (Enabling) Works Program had previously been forecast to start during Q2-2024, prior to award of the FFGA that had been originally targeted for 2025, TJPA had earlier acknowledged the possible need for development of the basis for a Letter of No Prejudice (LONP) to qualify the costs of the Enabling Works Program for those elements not otherwise covered under pre-award authority in accordance with the FFGA. At this time, however, there is no apparent need for a LONP based on the current project plan and schedule that now forecasts the start of the first contract under the Advance (Enabling) Works Program, Utilities Relocation, during Q3-2026 under the pre-award authority granted with the FTA approval for Entry to Engineering.

Progressive Design-Build Contract

TJPA has selected the Progressive Design-Build (PDB) delivery method for the heavy civil and tunnel scope of work and is currently advancing the procurement of this contract.

Key milestones achieved (A) and planned include the following:

- Informational Session - September 20, 2023 (A)
- Issue Request for Qualifications - October 27, 2023 (A)
- Industry briefing - November 2, 2023 (A)
- Last date for requests for clarification - January 10, 2024 (A)
- Last date for issuance of Addenda - January 17, 2024 (A)
- Four Statements of Qualifications received - January 31, 2024 (A)
- Notification of the three short-listed Respondents - March 2024 (A)
- Informational Meeting with short-listed Respondents – May 30, 2024 (A)

- View Soil Borings by short-listed Respondents – July 17, 2024 start; completed Aug. (A)
- *Issue Balance of Draft Contract sections to short-listed Respondents - Mar. 2025 [3-month delay]*
- Discussions with short-listed Respondents – *Winter 2025 [ongoing]*
- Issue Request for Proposals – *Mar./Apr.2025 [5/6-month delay]*

2.7 Design

As part of the FTA/PMOC-led OP40 Risk Assessment and to support the PMOC’s OP51 review of the project’s readiness to enter the Engineering phase, the PMOC completed its review of the project scope in accordance with OP32C, Project Scope Review, dated September 2015. Based on TJPA’s finalization of the project scope in July 2023, the PMOC updated and finalized its OP32C Scope Review during August 2023. The scope review results are detailed in the Final OP32C, 33, 34, 40 Scope, Cost, Schedule, Risk and Contingency Review Report that was submitted to the FTA on August 31, 2023.

The PMOC had previously noted that the as-built PCEP traction power and signal systems facilities will present conflicts with the planned Transbay DTX work involving or affecting the Caltrain rail yard and rail system infrastructure from the project limits to the existing Caltrain terminal at 4th and King Streets. This will require TJPA to relocate some Overhead Contact System (OCS) support structures as well as some wayside signal/train control equipment and associated cabling. The scope of work for relocation of selected PCEP facilities required to resolve conflicts with planned DTX work scope is included in the 4th and King Yard Preparation Package B for at-grade track and systems work. The 30% Design package was completed in April 2024 but does not include the changes in the 4KYB Revised Concept Design developed by Caltrain during Q1-2024. Package B was removed from the Advance (Enabling) Work packages in January 2024 and will be a stand-alone contract procured by Caltrain using the CMGC project delivery method. The PMOC notes that TJPA and Caltrain continue to evaluate alternative contract packaging options for the 4KYB scope of work.

The 4KYB Revised Concept Design was developed by Caltrain in response to the November 2023 constructability review that concluded the current design at that time (30% Design – September 2023) did not meet Caltrain operational requirements and would have unacceptable impacts to train service during construction. Additionally, the earlier design provided little or no opportunity to replace 2,300 feet of lost railcar storage capacity on the 4KY site.

The 4KYB Revised Concept Design provides the following advantages:

- Protects continuous two-track access into the 4KY and station.
- Provides 2,100 feet of storage tracks.
- Stage 1 will have a duration of 18-24 months and requires only 20-30 nights of work instead of 150+ nights under the current design.
- Stage 1 also has fewer impacts to the new Overhead Contact System (OCS) for traction power and existing OCS foundations remain but with modifications.
- Stage 2 will have a duration of 6-9 months and minimizes need for de-energizing the OCS.
- The overall result is a reduction of construction duration.

In support of the 4KYB Revised Concept Design effort, the PMCM started work in February 2025 on the Concept of Operations Plan based on the work scope developed with Caltrain.

February 2025 Sponsor status and updates included:

- Advance (Enabling) Works Program Status
 - Utility Relocation
 - 90% Design package; the Dec. 31, 2023 forecast completion was not met; package was completed in May 2024 and continues in the comment resolution stage; GEC responses to review comments were under review prior to being issued to the stakeholders. *TJPA held several comment resolution meetings with stakeholders during February 2025.*
 - The 90% Design cost estimate was accepted on September 9, 2024.
 - Working with the GEC, TJPA has completed the schedule update, based on the FFGA+27 revisions, and there will be an approximate 4-month delay to completion and acceptance of the 90% Design. Status is reflected in the August 2024 schedule update (July 31, 2024 data date), along with the Contract UR-10 construction schedule. TJPA reported that the delay has been mitigated by shortening the RFP response duration by 2 months and by shortening the construction mobilization duration by 3 months.
 - Based on the proposed changes to the 4th and Townsend underground station that significantly reduce the facilities size, TJPA continues working with the GEC to optimize the utility relocation designs in Townsend Street to reduce both cost and construction duration. During January 2025, the GEC initiated work on the revised 60% design that incorporates improved utility relocation design solutions based on the significant reduction of the plan footprint for the proposed underground station at 4th and Townsend Streets. *Completion of the 60% Design is anticipated in August 2025.*
 - The revised Basis of Design was submitted on December 9, 2024, review comments were issued on December 20, 2024 and several comment resolution meetings were held during January 2025. *The comment resolution meetings with the stakeholders on the earlier 90% Design Package were closed-out in February 2025.*
 - DTX 4th and King Yard Preparation Packages (4KY)
 - To reduce delay risk, in April 2024 TJPA divided the Yard Preparation Package into Package A (4KYA) for site clearing along the 4th and King Yard north and east project limits and Package B (4KYB) for at-grade track and systems work along the 4th and King Yard south and west project limits. Package B has been removed from the Advance (Enabling) Work Program and will be monitored separately. See 4KYB item below for additional details.
 - The updated Contract 20-YA construction schedule has been included in the revised project Master Schedule issued as the August 2024 schedule update (July 31, 2024 data date).

- Construction sequencing plans have been prepared and a review workshop was held on November 18, 2024.
 - Additional design changes are required to raise the elevation of the re-located PCEP equipment to meet new flood elevation design criteria from SFPUC. *Caltrain comments on the proposed design changes were received in February 2025.*
 - Based on Caltrain’s wayside power requirements, the GEC provided several wayside power design options to Caltrain at the meeting with TJPA on January 16, 2025. *Discussions continued through February 2025 to finalize requirements and the Design Basis document.*
 - Building Demolition Package
 - 60% Design plans and specifications were accepted in August 2024.
 - 60% Design construction cost estimate was accepted in May 2024.
 - San Francisco Department of Building Inspection (SFDBI) will complete its full review at completion and acceptance of the 90% Design.
 - Updated Contract 30-BD construction schedule has been incorporated into the revised project Master Schedule issued as the August 2024 schedule update. Design work is currently on hold at 60% and completion of the 90% Design has been scheduled to align with the new ROW acquisition plan and schedule.
- DTX 4th and King Yard Preparation Package 4KYB (Contract 55-YB)
 - Background
 - Full 4KY work scope was divided into Packages A and B in April 2024.
 - Package 4KYB (Contract 55-YB) will be procured by Caltrain as CMGC contract; Caltrain will administer and manage the CMGC contract.
 - Revised Concept Design Package 4KYB (Contract 55-YB) was developed by Caltrain in Q1-2024 based on the constructability review in Q4-2023.
 - Status
 - GEC given NTP on May 31, 2024 to start 30% Revised Concept Design.
 - Design requirements gathering with Caltrain started in mid-June 2024. Caltrain has completed its review of the draft Requirements Memo, comment resolution has been completed and the Requirement Memo was accepted on November 18, 2024.
 - Track alignments are being adjusted to maintain mainline operating speed at no less than 25 miles per hour.
 - Several alternative configurations for the replacement MOW track are being studied. The selected configuration will be included in the Requirements Memo and the Concept of Operation.
 - Construction staging plan concepts are being evaluated to minimize impacts to major rail operation elements.
 - There will be 3 sets of the Concept of Operations: current, interim and final. Each set will provide input to the associated design sequencing.
 - The 30% Revised Concept Design is anticipated in February 2025.

- The GEC is advancing the design based on the construction staging workshop held in November 2024 and new flood elevation from SFPUC.
 - *Through February 2025, TJPA and Caltrain continued to evaluate alternative contract packaging options for the 4KYB scope of work, potentially combining the Contract 55-YB 4KYB At-Grade Track and Systems work into the 50-TS, Track and Systems CMGC contract to eliminate a significant contract interface.*
 - During January 2025, the PMCM initiated work on the Concept of Operations scope starting with validation of the 4KYB design strategy.
 - *During February 2025, TJPA, Caltrain and the GEC held a Concept of Operations workshop to advance completion of the design validation process.*
- Traction Power Load Flow Analysis (LFA)
 - The revised Draft LFA Report for the base case was submitted on October 14, 2024, has reached comment resolution completion and was accepted on December 11, 2024. The final report was completed in January 2025. *The base case report was issued and accepted in February 2025. The model will now be updated with the 4KYB Revised Concept Design that adds three electrified tracks. Revised model results are expected in April 2025.*
 - *Caltrain and CHSRA have agreed on new approach for the Traction Power System*
 - *Construction of Traction Power facilities will be in two phases:*
 - *2035 Initial Build – under Transbay DTX*
 - *2050 Ultimate Build – future expansion of 2025 Initial Build*
 - *Operational Design Inputs:*
 - *2035 Initial Build: 6 (8-car) Caltrain trains; 4 (8-car) CHSRA trains*
 - *2050 Ultimate Build: 8 (10-car) Caltrain trains; 4 (8-car) CHSRA trains*
 - *Analysis to be done now for 2035 and 2050 parameters*
 - *2035 Analysis has started; draft report anticipated in late April 2025.*
 - *2035 Build will be designed with space/system considerations for future 2050 expansion.*
 - *Caltrain acknowledged that environmental review will be needed but the approach is expected to qualify as a “moderate growth” change.*
 - CHSRA is reviewing the LFA concurrently with Caltrain.
- Progressive Design-Build Contract
 - TJPA has selected the Progressive Design-Build delivery method for the civil and tunnel scope of work.
 - PDB contractor will advance the TJPA 30% design during the pre-construction services period at the start of the contract.
 - Refer to Section 2.6 of this report for details of the PDB contract procurement.

2.8 Value Engineering and Constructability Reviews

The Sponsor has conducted several Value Engineering and Constructability Reviews. The corresponding reports provided to the PMOC were used for the PMOC's OP32C Project Scope Review during 2023.

2.9 Real Estate Acquisition and Relocation

The Sponsor has completed the Draft Real Estate Acquisition and Management Plan (RAMP). Refer to the Project Management Plan section of this report for the status of the RAMP.

February 2025 Sponsor status and updates included:

- Status of property acquisitions and easements
 - TJPA has divided the acquisitions into multiple tranches that will be progressively advanced to levelize the workload and funding requirements. The first tranche includes five total acquisitions, funded through Regional Measure 3 MTC allocation, for FY2024-2025. The five associated Phase 1 Environmental Site Assessments (ESA) have been completed with no significant findings. Appraisals were scheduled to start in November 2024, but this has again been delayed to Q3-2025. TJPA advised that the FTA should expect, by late 2025, five appraisals and independent reviews for FTA review and approval. This represents a delay of 9 months to the five properties in Tranche 1; see discussion and revised schedule below.
 - TJPA advised that the right of way program is currently fully funded through Regional Measure 3 allocations totaling \$100.7 million to date. MTC signed the funding agreement for ROW Acquisition and related services on January 31, 2025.
 - The subsequent Regional Measure 3 MTC allocations will be used for partial acquisitions and two additional full acquisitions.
 - Acquisition of the remaining total acquisitions, 14 subsurface easements, the temporary construction easements and the seven rock-dowel easements will be advanced in tranches at the appropriate time given consideration to project risk, including construction sequencing. Partial acquisitions will be advanced as the project design progresses.
 - Approximately 28 potential displacees have been identified.
 - TJPA reported that the street vacation process between TJPA and the City of San Francisco is advancing to provide the necessary easement rights required for the project. The process includes: completing the resolved boundary survey during 2025; identifying the Burton Act land parcels, mostly along Townsend St., for land exchange to lift development restrictions; develop detailed schedule to complete the street vacation process by mid-2026.
 - *In January 2025, TJPA advised that the project has re-worked the Right-of-Way acquisition schedule and provided the timeline summary shown below. The new acquisition schedule has been incorporated into the January 2025 schedule update with data date of December 31, 2024.*

<u>Right-of-Way Activity</u>	<u>Start Date</u>	<u>Finish Date</u>
Street Vacation of Alignment	Mar. 2022	Jul. 2026
Caltrans Parcel Acquisition	Jan. 2025	Jun. 2025
Prologis Negotiations	Mar. 2025	May 2026
Tranche 1 Appraisals	Aug. 2025	Oct. 2025
Tranche 1 Possession	Mar. 2026	Sep. 2026
Tranche 2 Appraisals	Nov. 2025	Feb. 2026
Tranche 2 Possession	Jul. 2026	Jan. 2027
Tranches 3 & 4 Appraisals	Jan. 2027	Mar. 2027
Tranches 3 & 4 Possession	Sep. 2027	Mar. 2028

- Pre-acquisition work for Caltrans-owned property at 2nd and Harrison Streets (SE corner) required for DTX tunnel ventilation building is ongoing.
 - Multi-agency agreement required for the total acquisition process.
 - Phase I Environmental Site Assessment completed.
 - An ALTA/NSPS Land Title Survey was completed meeting the strict standards developed by the American Land Title Association (ALTA) and the National Society of Professional Surveyors (NSPS).
 - Cooperative Agreement signed approximately 10 years ago; transactional documents in development; closing had been anticipated in January 2024 but was not achieved; current forecast is Q2-2025 and will be consistent with the new revised project Master Schedule.
 - The later date for closing better supports the project’s need for the parcel as the “trigger event,” as required by the agreement, is expected to be the Utility Relocation work planned under the Advance (Enabling) Works Package that is expected to commence by mid-2026.
- DTX Underpinning Work on Three Existing Structures
 - Detailed review of noise and vibration impacts is required prior to work on the critical property at 235 2nd Street.
 - The TJPA Executive is in contact with the property owner.
 - TJPA was granted initial access to the property for the building survey.
 - Background noise and vibration readings were collected earlier in 2024.
 - Remote noise and vibration simulation of the EMU vehicle was completed.
 - Remote simulation results validated by noise and vibration measurements taken under actual operating conditions using EMU vehicles at operating speed on the completed southern part (Mountain View area) of the Peninsula Corridor Electrification Project.

- The GEC is managing the site investigations/studies:
 - Building noise/vibration propagation model is completed.
 - GEC has completed the mitigations plan.
 - GEC is preparing the draft report; final draft report had been anticipated by late January 2024 but was subsequently re-forecast for June 2024, an approximate 5-month delay; additional required testing has caused delay to completion of the final draft report.
 - Noise and vibration model and mitigation plan has been reviewed by project partner agencies – Caltrain and City/County of San Francisco.
 - TJPA completed the initial peer review that resulted in re-performing a portion of the analysis and verification of the modelling software. It was determined that additional noise and vibration testing on the actual structure would be required. The additional testing started on July 26, 2024 and was completed on August 4, 2024. The updated draft report has been completed and includes the additional noise and vibration testing results and analysis. During October 2024, initial legal review of the draft report was completed and the technical peer review was subsequently completed. Peer and stakeholders’ (SFCTA, CHSRA Operations, Caltrain Operations) review comments have been received and comment resolution by TJPA and their consultant was reached on December 16, 2024. The updated draft final report was accepted on January 9, 2025. *At completion of review by TJPA management and counsel, and resolution of review comments, the report will be finalized and transmitted to the property owner.*

PMOC Concerns and Recommendations

The PMOC had previously expressed concerns about the delays reported by TJPA earlier in 2024:

- Continued slippage of the start of the initial five property appraisals.
- Significant delay of 7 months, from April to November 2025, for the “Clear ROW/Start Demolition” activity reported during April 2024.

The PMOC had recommended that TJPA plan a revised approach to avoid further delays and expedite completion of key real estate acquisition processes to recover some of the schedule delay time. Subsequently, the project Master Schedule was revised in August 2024 to reflect the new target date of July 2027 for the FFGA based on approval by the TJPA Board in July 2024. The revised project Master Schedule included restructuring of the ROW acquisition process to accommodate the available resources, including funding, and more precise timing for the parcels in advance of the follow-on construction work. This approach was less constrained and more achievable. *In January 2025, the PMOC noted that the start of appraisals for the initial five properties in Tranche 1 is again delayed approximately 6 months for a total delay of approximately 9 months. In January 2025, TJPA presented a new Right-of-Way acquisition schedule that accommodates the Tranche 1 delays and has been included in the January 2025 Master Schedule update with Data Date of December 31, 2024. See related discussion in Section 2.14, Project Schedule.*

2.10 Third-Party Agreements and Utilities

The project requires multiple third-party agreements and the temporary and permanent relocation of a large number of existing utilities. The PMOC continues to review the updated presentation material provided by the Sponsor and will continue in-depth reviews of specific project documents as they are made available. During May 2024, the PMOC completed its Final Report – Review of Third-Party Agreements for Major Capital Projects in accordance with the FTA’s OP39 requirements. The FTA transmitted the Final Report to TJPA in early June 2024.

February 2025 Sponsor status and updates included:

- Based on the TJPA Board decision during July 2024 to extend the FFGA award date 27 months to July 2027, policymakers agreed that the project’s critical third-party agreements could be similarly extended. Negotiations on all critical third-party agreements will continue. At their meeting on September 6, 2024, the Joint Ad Hoc Committee, consisting of a subset of the TJPA and Caltrain Boards’ members, requested that the Project provide an update of the status of the critical third-party agreements in the Fall of 2025. Specifically, see the following sections regarding the status of the following agreements: Caltrain MCA; California High Speed Rail MCA; 4KY Railyard Agreement and Interim Agreement with Caltrain.
- San Francisco Peninsula Rail Program MOU
 - The MOU was executed on June 5, 2020.
 - Agency Partners include:
 - Transbay Joint Powers Authority (TJPA)
 - Metropolitan Transportation Commission (MTC)
 - San Francisco Municipal Transportation Agency (SFMTA)
 - Peninsula Corridor Joint Powers Board – Caltrain (PCJPB)
 - California High Speed Rail Authority (CHSRA)
 - City and County of San Francisco (CCSF)
 - The MOU partners recognize that the Transbay DTX project is a critical link in the Bay Area, mega-region, and state transportation system. The partners believe that the Transbay DTX can be more efficiently and effectively developed through a multi-agency partnership among local, regional and state stakeholder agencies with expertise in developing, funding and implementing major transportation infrastructure projects.
 - The MOU had a 3-year term to June 5, 2023 and has been extended twice. The first amendment extended the term to December 2023 and the second amendment to May 2024. The agreement was allowed to lapse with TJPA's agreement to operate under the framework of the Successor MOU Blueprint adopted by TJPA in August 2023.

The six agency project partners have completed work on the successor MOU that will effectively and efficiently support the Transbay DTX project as it advances from the Project Development phase to the Engineering phase during 2024. The successor MOU, known as The Portal Project Implementation Memorandum of Understanding (Implementation MOU), was finalized at the IPMT level and supported at the Executive

Working Group level in November 2024 and approved by the TJPA Board on January 30, 2025.

- City and County of San Francisco (CCSF) Agencies (10) – Interagency Cooperation Agreement (ICA).
 - The ICA provides a single agreement between CCSF and TJPA for Phase 2 of the Transbay Program, with a common set of terms negotiated with TJPA counsel and one team from City Attorney’s Office (CAO). The ICA is supplemented by two sets of appendices: Appendix A – Real Estate; Appendix B – Technical Scopes by Agency.
 - ICA Drafting and Approval Timeline:
 - Approved by full Board of Supervisors on June 27, 2023.
 - Resolution signed by Mayor; ICA was executed on February 7, 2024.
 - Appendix B to the Agreement addresses scope and budget for FY2024-2025 for each of the 10 agencies; all 10 budgets have been submitted, approved, and signed.
 - The FY2025-2026 budget process has commenced.

- Joint Trench Agreement
 - TJPA continues to work on a single agreement for 9 parties (Astound, Comcast, CVIN, Cogent, Extenet, Lumen, Verizon, Zayo, and the San Francisco Department of Technology) and will share the cost estimate with the 9 telecom entities upon design completion. TJPA is responsible for the costs associated with relocating San Francisco Department of Technology facilities while the private utilities are responsible for their share of the costs.
 - The invitation to participate (Form A) was distributed in July 2023; all participating entities had responded in September 2023; Form A will be modified to reflect schedule changes in accordance with the TJPA notification letter sent in March 2024 and any upcoming TJPA Board actions regarding the project schedule; deadline for completion of modified Form A will be extended by 6 months to May 1, 2025.
 - Cost Estimate (Form B) will be distributed upon 100% Design completion.
 - Coordination with the 11 telecom companies, including those who will not relocate in the joint trench facility, continues in support of the utility relocation design progression and development.
 - The 9 private telecom entities and the San Francisco Department of Technology have agreed to relocate their facilities in the proposed joint trench structure located in the center of Townsend St. between 3rd and 7th Streets.
 - FTA advised that TJPA needs to check their procurement process regarding technical and legal requirements for executed agreements. FTA requested copies of Forms A and B for their review. Form A was provided; Form B continues in development and will be based on the Final 100% Design. Form A will be updated based on the revised project Master Schedule presented in September 2024. Stakeholders were notified in March 2024 about the anticipated date shift and TJPA is currently developing the revised dates.

- PG&E has made the decision not to participate in the agreement based on the proposed physical location of the joint trench facility.
 - TJPA is making provisions for spare capacity in the trench structure for future use.
 - Vertical alignment is being revised based on updated utility crossing information and to minimize depth of excavation; additional as-built drawings and data from the Central Subway project are being used to inform the Transbay DTX design.
 - TJPA continues development of the shared cost breakdown concept.
 - Utility construction is scheduled to commence in July 2026. Utilities that are not relocating into the Joint Trench facility will be required to abandon all utilities within the Joint Trench excavation area by April 2028.
- California High Speed Rail Authority (CHSRA)
 - The Master Cooperative Agreement (MCA) with CHSRA will provide the respective roles and responsibilities of TJPA and CHSRA and detail the procedures for both to work cooperatively together for the joint operation of the new rail terminal at the Salesforce Transit Center to be constructed by TJPA as part of the Transbay DTX Project.
 - TJPA continues negotiation of the MCA with CHSRA.
 - Completion of the Agreement had previously been targeted for March 2025. Based on the revised project Master Schedule, TJPA announced in September 2024 that the overall deadline for the MCA with CHSRA will track the MCA with Caltrain and will shift to the Fall of 2026.
- Peninsula Corridor Joint Powers Board (PCJPB)
 - The Master Cooperative Agreement (MCA) with Caltrain will provide the respective roles and responsibilities of TJPA and Caltrain and detail the procedures for both to work cooperatively together for the design, construction, commissioning, operation, maintenance, funding, risk allocation and asset disposition of the Transbay DTX Project. TJPA continues working with Caltrain on the new MCA.
 - Workplan timeline and status:
 - Completion of the MCA had earlier been anticipated in September 2024, then subsequently targeted for March 2025. Based on the revised project Master Schedule, TJPA announced in September 2024 that the overall deadline for the MCA with Caltrain will shift to the Fall of 2026.
 - The TJPA/Caltrain Interim Agreement has been completed and was approved by the PCJPB on August 3, 2023 and by the TJPA Board on August 10, 2023. Because of the delay completing the MCA, the Interim Agreement will need to be extended. An amendment extending the Interim Agreement was approved at the December 2024 Board meetings for TJPA and Caltrain and provides for updating the annual scope and budget provisions.
 - Interim Agreement features:
 - Separate, stand-alone Agreement – August 2023 to September 2024; agreement has been extended.

- The Amended and Re-Styled Interim Agreement was approved by the TJPA and Caltrain Boards in December 2024 and subsequently executed by both parties.
 - Defers work in Rail Yard to another separate TJPA/Caltrain agreement.
 - Focus on Reimbursement Mechanics: Work Scope; Caltrain investments; Resource Scheduling.
- Other separate agreements:
 - Sitework MOA for Caltrain reimbursement to oversee yard work.
 - Railyard Agreement draft for the 4KYB work scope continues in review; the final agreement had been anticipated in June 2024, a 3-month delay from the previous forecast; now expected in Q1-2025 based on draft term sheet progress, schedule re-evaluation and the Amended and Re-Styled Interim Agreement. *In February 2025, TJPA reported that discussions with Caltrain continue with a focus on railyard entry and construction management.*
- Pacific Gas and Electric (PG&E)
 - TJPA continues negotiating an agreement with PG&E for providing power to the Transbay DTX project for the new underground rail station located at Fourth and Townsend Streets, the new rail terminal at the Salesforce Transit Center and the tunnel ventilation facilities as well as relocation of existing utilities.
 - Initial Agreement targeted completion date – August 2023; not achieved.
 - Includes both temporary and permanent relocation of multiple gas, electric and telecom lines located along the project ROW. A single agreement is anticipated but there may be a need for separate agreements based on work scoping and timing.
 - Additional DTX power requirements have been identified and inputs revised; corresponding revised Load Flow Analysis (LFA) and model for the Caltrain Traction Power System are in progress; Caltrain engaged in review of early draft analysis and continues their involvement as the analysis finalization progresses; final approved LFA had earlier been anticipated in May 2024 based on further coordination with Caltrain and then during August 2024, but this was not achieved. The final LFA, including the power loads based on the 4KYB Revised Concept, is now expected in April 2025. For further information see Section 2.7, Design. The traction power lead engineer for the recently completed Caltrain Peninsula Corridor Electrification Project is assisting TJPA with PG&E coordination for the Transbay DTX Project.
 - TJPA reported in October 2024 that significant progress has been made in the negotiations with PG&E but noted that existing TJPA agreements with both Caltrain and SFPUC do present additional jurisdictional complexities. *During February 2025, TJPA continued review of their 2013 Electrical Service Agreement with SFPUC.*

- TJPA/Caltrain Railyard Agreement for Transbay DTX 4th and King Railyard Site Work
 - Caltrain (permanent easement holder)
 - Parties developing CMGC procurement plan for 21-4KYB had anticipated release of RFQ in Q1-2024, but this was delayed due to design changes to implement the 4KYB Revised Concept based on the 30% Design scope approved by Caltrain.
 - Draft 4KY Railyard Agreement has been reviewed by Caltrain. The remaining term sheets are being developed as well as the schedule for finalization of the agreement. *The agreement will terminate upon approval of the MCA with Caltrain, now anticipated in the Fall of 2026.*
 - The Sitework MOA expired on September 30, 2024 and TJPA added the scope of the MOA to the Interim Agreement via amendment.
 - Prologis (property fee owner)
 - TJPA previously advised that the agreement timeline development continues to make progress but remains dependent on TJPA’s ongoing work with Caltrain.
 - TJPA and Caltrain continue to engage Prologis frequently, including bi-weekly meetings, on specific topics and technical issues in support of development of the terms of the future agreement.
 - Prologis encroachments on the project site are underground.
 - Project has identified two potential easements needed for an existing manhole and an at-grade billboard. Discussions with Caltrain continue.
 - TJPA has prepared a summary utility exhibit presentation to provide Prologis with an overall understanding of the utility relocation impacts.
 - *During January 2025, TJPA executive leadership was briefed on the Prologis requirements.*
 - *In February 2025, TJPA completed a review of the Prologis requirements, engaged Caltrain and plans to resume discussions with Prologis in March 2025.*

PMOC Concerns and Recommendations

The PMOC previously expressed concerns about the challenges presented to TJPA in negotiating agreements involving three diverse entities: an operating rail transit agency; local city and county government; private sector utilities and property fee owner. Under these circumstances, the negotiation process can require additional time and may require revisions to the project design, including acquisition of additional project Right-of-Way (ROW) property.

The PMOC had previously expressed the opinion that, in general, the critical third-party agreements present a significant risk to the project based on the following observations:

- Many of the agreements involve multiple parties with diverse interests in both the private and public sectors.
- The scope of the agreements is wide and includes various combinations of the following key project elements:
 - Project design coordination

- Modifications to existing infrastructure not owned by TJPA.
- Cost sharing
- Construction coordination and support
- Operation and maintenance of the new rail system extension, station and terminal

There are 12 third-party agreements identified by the Project Sponsor as critical for the project. In the PMOC’s Review Report – Third-Party Agreements for Major Capital Projects, dated May 2024, it is recommended that three additional agreements be considered as critical. The FTA and PMOC met with TJPA on December 16, 2024 to discuss these three additional third-party agreements and will continue these discussions going forward. *The PMOC does note that while six agreements have been executed, some will require additional extensions and amendments.* The PMOC observes that work on advancing and executing the critical third-party agreements remains a top priority of TJPA management. The PMOC recommends that TJPA continue to maintain its focus on this essential FFGA requirement as all critical third-party agreements must be completed before the execution of the FFGA, now targeted for July 2027.

2.11 Construction

Forecast Construction Start

In January 2023, construction had been forecast to commence during 4Q-2023 with the Advance (Enabling) Work Program contracts. The forecast changed during March 2023 with the utility relocation work forecast to start late in 2Q-2024, a delay of approximately 5-6 months. The utility relocation work is currently forecast to start in early 3Q-2026, before schedule mitigations, a total delay of approximately 21-22 months to the earlier start date in late 2Q-2024 for the utility relocation work that had been forecast in March 2023. The PMOC recognizes that the revised project Master Schedule incorporating the new FFGA target date of July 2027 resets the various start dates across all construction contracts. The PMOC also notes that TJPA has identified several mitigations to recover schedule time for the utility relocation work. See also Section 2.13, Project Cost, and Section 2.14, Project Schedule, for additional discussion.

Progressive Design-Build Contract

TJPA has selected the Progressive Design-Build (PDB) delivery method for the civil and tunnel scope of work and is currently advancing the procurement of this contract. See Section 2.6, Project Delivery Method and Procurement, for details.

2.12 Vehicle Technology and Procurement

There are no direct revenue service vehicle procurements by TJPA included in the final DTX Project scope of work. During August 2023, TJPA included in the Transbay DTX Project scope of work the acquisition of five non-revenue Maintenance of Way vehicles and the level-boarding door modifications to the 23 new EMU revenue vehicles from Caltrain under their current procurement (2023).

2.13 Project Cost

The Final Capital Cost Estimate, prior to the FTA/PMOC Risk and Contingency Assessment, was approved at the TJPA Board meeting on February 9, 2023. Based on finalization of the Program scope of work and the results of the FTA/PMOC Risk and Contingency Assessment, the Total Project Cost is \$8,255 million YOE, including financing cost and contingency, as presented in TJPA's revised SCC workbook dated August 25, 2023.

February 2025 Sponsor status and updates included:

1. Program Funding Status

- The Transbay DTX Project received notice on May 3, 2024 of significant Federal Capital Investment Program (CIG) funding which it will receive upon approval of a Full Funding Grant Agreement (FFGA) in a maximum amount of \$3,384,462,235 (\$3.385B). This represents 41% of the YOE of \$8,254,785,938 (\$8.255B). Of the remaining \$4.870B, \$0.729B was previously spent on the Salesforce Transit Center train box and \$1.390B has been funded/budgeted/committed. This leaves \$2.752B (33%) yet to be funded. There is a significant funding gap to be made up by other potential federal, regional and local sources.
- In September 2023, FRA announced CRISI awards. Transbay DTX was not selected for an anticipated \$60 million award. TJPA re-applied for this grant in May 2024 for the amount of \$24.6 million and was notified in October 2024 that the request was successful and TJPA will be awarded this amount by the FRA. Future Notice of Funding Opportunity (NOFO) is anticipated in the Spring of 2025.
- In December 2023, the FRA Federal/State Partnership Grant awards were announced. Transbay DTX was not selected for the anticipated \$194 million award. TJPA submitted its application for the Federal/State Partnership Grant, together with the CCSF, on December 13, 2024 for Final Design of the heavy civil/ tunnel work (\$100.4M federal; \$150.6 local). Future NOFO is anticipated in the Fall of 2025.
- TJPA submitted its application for the USDOT \$227 million National Infrastructure Project Assistance (Mega) Grant on August 21, 2023. In January 2024, TJPA was notified that Transbay DTX was not selected for the award. TJPA re-applied for this grant, jointly with Caltrans, in May 2024 for \$118.6 million. TJPA received notice in October 2024 that it again will not receive funding from this grant.
- For the Community Facilities District Bond Capital Funding Source (CCSF), the September 2023 CCSF forecast has been included in the 20-Year Financial Plan dated September 2023. A subsequent CCSF forecast indicates that the total value has increased by approximately \$125 million, however, the timing of the bond proceeds will be later.
- CTC action on budgeted \$60 million from TIRCP (Cycle 6):
 - In October 2023, CTC programmed \$60 million and allocated \$15.5 million.
 - In August 2024, CTC allocated \$7.1 million.
 - Allocation of \$37.4 million balance expected in early FY25-26.
 - This funding source is for professional services and will be used for engineering/design work.

- Under California TIRCP Cycle 7 for Greenhouse Gas Reduction, TJPA has decided not to apply. Instead, TJPA plans to apply for the Cycle 8 program which is better aligned with the Transbay DTX project scope. Action is anticipated during 2025 with application expected in early to mid-2026.
- On the Bay Area Region level, MTC had allocated \$100.7M in Regional Measure 3 funding in November 2023 for ROW acquisition, relocation, and professional services. *TJPA has requested provision of another \$75M for Contract 40-CT pre-construction services and received MTC's letter of commitment in February 2025.*
- Under the SFCTA 5-Year Prioritization Program, the Transbay DTX Project's cashflow was changed slightly from the 20-Year Financial Plan; instead of \$25 million in FY25 the planned cashflow will be \$10 million in FY25 and \$15 million in FY26. The FY25 allocation of \$9 million in Proposition L and re-purposing of \$920,000 of Proposition K was approved on December 16, 2024. *SFCTA plans to revise its Proposition L 30-Year Strategic Plan based on the updated sales tax revenue forecast.* There are no changes to the anticipated \$300 million total funding for the Transbay DTX project, however, the cash flow is expected to change to a later period.
- *TJPA is still evaluating whether to apply for a loan from the USDOT's Transportation Infrastructure Finance and Innovation Act (TIFIA) program.*
- The Sponsor continues working with local, regional and state agencies as well as other funding sources, including:
 - *Discretionary funding applications*
 - *New Regional Measure (2026 Ballot)*
 - *Re-authorization of California Cap and Trade Program (in development)*
 - *Revisions to local real estate-based funds: net tax increment, community facilities district.*
- TJPA is developing the cash flow forecast to support the project through the Engineering Phase to FFGA. It involves an iterative process with the finance group and the project team. The revised project Master Schedule reflecting the new July 2027 target for FFGA includes considerations for funding availability. The Project Team made a presentation at the January 30, 2025 TJPA Board meeting that showed funding availability for all project work including how the Contract 40-CT Preconstruction work will be funded as well as design of construction packages and other tasks required to be completed prior to execution of the FFGA. *At the February 2025 monthly meeting with FTA/PMOC, TJPA presented key elements of its Funding and Cash Flow Plan.*

2. Program Cost Status

- Reflecting the results of the FTA/PMOC Risk Assessment, TJPA submitted an updated SCC Workbook dated August 25, 2023. This Workbook is inclusive of the train box constructed under DTX Phase 1, the acquisition of five non-revenue Maintenance of Way (MOW) vehicles and the level-boarding door modifications to the 23 new EMU revenue vehicles from Caltrain under their current procurement. The Workbook also includes contingency and finance costs and reflects a total project cost of \$8,255 million YOE. A summary version of the August 2023 SCC Workbook is shown below:

DTX Project SCC Cost Workbook Summary		
SCC Category	Description	YOE \$'s (\$B)
10	Guideway & Track Elements	\$2.5
20	Stations, Stops, Terminals, Intermodal	\$1.5
30	Support Facilities (Yards, Shops, Admin. Buildings)	\$0.03
40	Sitework & Special Conditions (incl Temp Facilities)	\$0.8
50	Systems	\$0.3
Subtotal	Construction	\$5.1
60	ROW, Land, Existing Improvements (incl Purchase or Lease of Real Estate)	\$0.4
70	Vehicles	\$0.06
80	Professional Services (incl Design and CM)	\$1.1
Subtotal (10-80)	Construction, Real Estate, Vehicles & Prof Services	\$6.6
90	Unallocated Contingency	\$1.2
Subtotal (10-90)	All Costs except Finance Charges	\$7.9*
100	Finance Charges	\$0.4
Total (10-100)	Total Project Cost	\$8.25B
* Where costs do not precisely add, this is due to rounding of numbers above.		

- TJPA continues work to update its cash flow forecast by construction package, actualize inflation since 2023 and determine updated escalation projections. This effort was reported to be under way during Q4-2024 and is expected to be completed in March 2025. The PMOC will review the resulting revised cash flow forecast when it is completed as well as the updated construction package cost estimates.
- Current cost estimate updates for Advance (Enabling) Works Program:
 - 90% Utilities Relocation Design Cost Estimate was accepted on September 9, 2024.
 - 30% 4th and King Railyard Site Work Design (Package 4KYA) – Final 30% Design cost estimate completed and submitted in May 2024, accepted in July 2024.
 - 60% Building Demolition Design – completed in April 2024, comments were resolved and the cost estimate was accepted in May 2024.
- Analysis and Reconciliation of the Rail Yard Allowance cost item.
 - Detailed cost breakdown is based on 30% Design for 4th and King Railyard sitework; 30% Design completion for Packages 4KYA and 4KYB was completed in April

2024; the separate cost estimates were submitted in May 2024, reviewed, reconciled and accepted on July 15, 2024.

- Based on the final cost estimates, the fully loaded cost for all of the 4KYA+B work increased \$28.4 million from \$155.7 million to \$184.1 million.
- Contract 55-YB – 4th and King Yard Preparation Package B: At Grade Track and Systems
 - Cost Estimates for the Final 30% Design for the 4KYA and 4KYB Packages, original concept, were submitted in May 2024, have been reviewed, comments resolved and were accepted on July 12, 2024.
 - 30% Revised Concept Design for the 4KYB Package (Contract 55-YB) commenced on May 31, 2024 and the associated cost estimate will follow.
- Bottom-Up Cost Estimate for SCC 80 Elements
 - TJPA has completed the updated Staffing Plan with the remaining additional 3rd-party staffing from Caltrain, CCSF, the five agency project partners and the PMCM that is based on the top-ranked firm’s staffing plan.
 - TJPA has developed a preliminary cash flow for the next 3 fiscal years.
- Reporting Cost Performance Against Budget
 - TJPA is using the “InEight” PMIS platform.
 - *TJPA updated the status of their plan to incrementally update the total cost of the Project. The January 2025 Master Schedule update (Data date December 31, 2024) will be used as the basis for updated cost escalation projections. TJPA continues researching industry sources to provide input for developing the basis for actualizing construction cost inflation.*
 - The current Project Management Information System (PMIS) implementation effort is focused on the Design, Build and Test Phases. *All of the PMIS modules are scheduled to “go live” incrementally through April 2025.*
 - *Overall, TJPA’s cost update effort will capture the February 26/27, 2025 Quantitative Risk Assessment outcomes.*
 - *According to TJPA’s latest monthly update presentation in February, 2025, all updated cost estimates as well as the current schedule and risk assessment data will be loaded into the PMIS by the end of March 2025. The PMOC anticipates its review of the cost estimate and forecast data soon after TJPA’s release of the updated project cost and schedule details.*
- Proposed Cost Reduction Initiatives
 1. Eliminate train box extension at the Salesforce Transit Center - \$130M
 - Delete Intercity Bus Facility that is no longer needed.
 - Move Fan Plant from Train Box Extension to surface facility across Beale Street.
 - Add an enclosed lobby with additional stairs at Beale Street Access.

- Retain existing Train Box and add air plenum to surface fan plant.
 - All train platforms exceed 900 ft. in length; meet Caltrain and CHSRA requirements.
2. Reduce length of PAX tunnel stub box - \$205M
 - SFCTA initially requested that Transbay DTX provide sufficient tunnel stub length to move the future Pennsylvania Avenue Extension (PAX) Project construction out of Townsend Street.
 - Because the PAX project definition continues to be refined, SFCTA and the City of San Francisco agreed to proposed reduction in the tunnel stub length.
 - The tunnel stub length has been reduced by 750 ft. in the proposed cost reduction initiative.
 3. Defer HSR vertical circulation at Salesforce Transit Center - \$15M
 - Due to uncertainty about when High-Speed Rail service will commence into the Salesforce Transit Center, the project is proposing to defer the installation of the one elevator and two escalators to the High-Speed Rail platforms.
 - CHSRA has accepted the change.
 4. Delete HSR side platforms at 4th and Townsend St. Station - \$190M
 - Deletion of side platforms significantly reduces the footprint of the underground station and supports better utility relocation outcomes along Townsend Street with regard to scope, schedule and cost.
 - There is TJPA and CHSRA executive level concurrence with this proposed change as well as agreement from Caltrain.
- The four initiatives listed above remain “proposed” until formally approved by the TJPA Board based on environmental review (NEPA, CEQA); required stakeholder sign-offs are completed. *In February 2025, TJPA reported that the environmental reviews continue to proceed as planned.*
 - Estimated cost saving values are “fully cost loaded.”
 - Potential future cost mitigations are based on savings through such areas as reduced escalation by actualizing earlier projections and ROW costs.
 - Potential future secondary mitigation savings are based on future value engineering, design development and constructability considerations as designs advance from the current 30%.

PMOC Concerns and Recommendations

Program Funding

- Under the FTA’s Capital Investment Grant (CIG) Program, the FFGA award will be 41.0% instead of the TJPA requested 49.4% of the total project cost and represents a funding shortfall of \$694 million that is part of the larger overall funding gap of \$2.75B+. This

presents a very significant additional challenge to TJPA in their efforts to secure matching funds as required by the FTA CIG Program. The PMOC notes that the increase in project duration based on the revised project Master Schedule (FFGA+27) will create additional cost pressures on the project budget and a resultant need for additional funding. The PMOC recommends that TJPA continue to maintain program funding as a critical priority and seek other available funding sources either as a direct recipient or through eligible project stakeholders. The PMOC notes that TJPA continues to work diligently on additional funding sources through available USDOT, FRA and the California state, regional and local programs. TJPA re-applied, together with the CCSF, for the FRA Federal/State Partnership Grant on December 13, 2024. TJPA plans to apply for other federal, state, regional and local grant programs, as available, throughout 2025.

- *Finally, the PMOC notes that the six agency MOU known as The Portal Project Implementation Memorandum of Understanding (Implementation MOU) that succeeds the San Francisco Peninsula Rail Program MOU has been completed and approved by all agencies as of January 30, 2025 when it was approved by the TJPA Board. The Implementation MOU provides for a collaborative, long term effort by the six agencies to address the project funding gap for local share with specific collaborative advocacy priorities at the state, regional and local levels.*

Program Cost

TJPA continues development of a comprehensive integrated system to provide more detailed cost reporting against the established project budget that includes a detailed quantitative monthly update with a narrative that discusses changes, impacts of current and anticipated project issues and use of cost contingency. Since July 2024, TJPA and the PMCM consultant have been actively setting up the cost reporting system using a PMIS specifically tailored for the Transbay DTX project. Working with the FTA, the PMOC will establish the cost reporting details. The PMOC recommends that TJPA continue to prioritize completion of the comprehensive cost reporting system. This will enable TJPA to provide more effective cost monitoring and forecasting as part of the overall risk management process.

2.14 Project Schedule

The Project Master Schedule, prior to the FTA/PMOC Risk and Contingency Assessment, was approved at the TJPA February 9, 2023, Board meeting. Reflecting the result of the FTA/PMOC Risk Assessment completed in August 2023, TJPA accepted the results of the schedule analysis and finalized their updated Master Schedule to align with the analysis outcomes for the Target Start of Revenue Service of September 30, 2032 and the FFGA Revenue Service Date (RSD) of June 27, 2035, with contingency.

February 2025 Sponsor status and updates included:

- *The January 2025 Master Schedule update was provided in early February 2025 and has a data date of December 31, 2024.*
- *The Master Schedule (referred to as the FFGA+27 schedule) has been reviewed and accepted by TJPA as the revised Master Schedule and replaces the previous version of the Master Schedule. All references to schedule are about the current update to the FFGA+27 Master Schedule.*
- *During Q4-2024, the PMOC completed a comprehensive detailed review of the revised Master Schedule and the revised schedule was found to be in general conformance with the basic OP34 guidance.*
- *The current Master Schedule update includes the ongoing anticipated local matching funding efforts.*
- *The current Master Schedule update also details the latest strategy in Real Estate efforts needed to support construction.*
- *To date, the overall effect of adopting the new Master Schedule is about a year and a half change in the anticipated Target Start of Revenue Service from August 2033 to October 2034 and subsequently to May 2035 since implementing the FFGA+27 Master Schedule in August 2024. This is an overall slip of 20 months in the RSD leaving the project with 19 workdays of contingency float.*
- *The Master Schedule critical path (CP) remains a zero total float path to the Target Start of Revenue Service. The previous updates identified a variety of logic paths that were identified as critical (for each update) leading to the RSD. The frequent shift in the critical path on subsequent updates illustrates that the schedule is tight and changes in performance affects the overall schedule critical work. The current schedule update identifies as single logic path with zero float.*
- *The current CP is driven by a logic tie through a very long lag of 1180 workdays to TJPA issuance of the Notice of Decision and Appraisal (NODA) to property owners (A5-3050). The preceding activity is titled Issue RFP & Select Two Real Estate (RE) Appraisers with a duration of 65 workdays. Because this relationship is critical to the overall schedule status the work efforts represented by the lag should be established as activities in the schedule. A clear understanding of the critical work elements and the performance is crucial to sound project management. Because of the lag time the following critical activity titled TJPA Issues NODA to Property Owners (Drafted by Legal Counsel) is scheduled to begin on January 5, 2027 (two years in the future). Although the CP has been calculated as a zero path, another near critical path with 6 days of float exists and may be considered the real driving elements of the current schedule update. As identified in the schedule update the critical elements include the following:*

Path with 6 Days of Float

- *Civil and Tunnel Contract Complete Technical Specifications by March 2025*
- *Issue RFP and Contractors Submit Proposals by June 2025*
- *Evaluate Proposals by September 2025*

- *Negotiate and Award Contract by March 2026*
- *Complete Pre-Construction Design Validation by December 2026*
- *Tie to Zero Path activity A5-3050 TJPA issuance of NODA to property owners*

Zero Float Path

- *Tranche 3 Complete Partial Acquisitions Appraisals by June 2027*
 - *Complete Utility Relocations on Townsend St. by March 2028*
 -
 - *Tranche 3 Complete Partial Acquisitions by June 2028*
 - *NTP Civil and Tunnel Contract by June 2028*
 - *Complete all mined excavation and Track and Systems installation by November 2033.*
 - *Complete Track and Rail Systems by January 2034.*
 - *Complete testing and commissioning by December 2034.*
 - *Complete Pre-Revenue testing by May 2035.*
 - *Target RSD May 31, 2035.*
- *It had been previously reported that the schedule for securing a street vacation had been compressed and accelerated to match the construction need date to start Utility Relocations. The public outreach is slated for early 2025, anticipating that letters of consent will be sent to adjoining property owners in the Spring of 2025. In the schedule update the logic slipped by 17 workdays to allow for additional time for outreach.*
 - *TJPA has revised the Basis of Schedule report to further define contract packaging, Master Schedule structure, and contingency time treatment. The PMOC has reviewed the report and finds that it adequately supports and details the Master Schedule approach and methodology.*
 - *The ROW parcels have been divided into tranches and included in the new Master Schedule. Implementing this allows the TJPA team to move forward with the acquisitions and appraisals process in a staggered manner which is reflective of parcels' need dates. It allows the team to pursue activities that can be advanced to meet project needs. Two historical properties are proposed for acquisition and demolition. The TJPA coordinated with the State Historic Preservation Officer (SHPO) received approval for the approach to recordation of those properties in advance of demolition.*
 - *Securing ROW has been a critical component of the project. The timing of Real Estate activities has been adjusted for several schedule updates and is cause for concern. There can be many unknowns in the acquisitions and when they are part of the critical path it has the potential to create new project risks. TJPA has identified 4 tranches to track based on need. TJPA has analyzed and adjusted the ROW schedule to coincide with the needs for parcels. This is a continuing effort and for the current schedule update the Tranche 1 has been rescheduled by 133 workdays into a later time frame. Because Tranche 1 has been delayed to August 2025, it impacts subsequent appraisal, acquisition, demolition and construction activities. The following table shows the relative status of the tranches as reported in the current Master Schedule update.*

January 2025 Master Schedule Update

	Appraisals		Acquisitions		Float
	Start	Complete	Start	Complete	
Tranche 1	Aug 2025	Feb 2026	Nov 2025	Dec 2026	(+7) 298
Tranche 2	Nov 2025	May 2026	Feb 2026	Feb 2027	(+230) 368
Tranche 3	Jan 2027	July 2027	June 2027	June 2028	(-1) 0
Tranche 4	Jan 2027	July 2027	June 2027	June 2028	(+7) 17

As can be seen from the January 2025 Master Schedule Update table, Tranches 3 and 4 are most critical to the project. TJPA’s analysis of Tranche 3 concluded that the ROW status is crucial to the design verification process for the Civil and Tunnel contract. The 40-CT NTP has thus been delayed by 65 workdays and is scheduled to occur in March 2028. Changes in the schedule float from the previous schedule update are provided in parentheses under the Float column.

- The elimination of the CHSRA platforms at the Fourth and Townsend Street Station resulted in a smaller plan footprint and reduction of the tunnel stub length have increased the area available for the required additional utility relocation design. The team is evaluating an updated schedule for revisions generated by these referenced secondary mitigation measures.
- The Master Schedule has 1004 activities and 25 of the activities have a total float of six days or less. This is just over 2% and causes concern that work has been slipping and may not be recoverable. The Target Revenue Service Date slipped 65 workdays in this update. Fifteen activities are on the critical path, the others are in ROW work.
- The Master Schedule has an additional secondary float path with a total float of 84 work days. It consists of Building demolition leading to Civil Mined Shafts and Tunnel excavation which then restrains the Ventilation building construction.
- Sixty-five (65) workdays of schedule contingency time was used during this update period; the Target Start of Revenue Service date has slipped to May 31, 2035 leaving 19 workdays of contingency remaining.
- February 2025 Master Schedule Update Look-Ahead
 - Continued investigation and effort to secure local funding needed for the project.
 - Continued Industry Review of Civil and Tunnel (PDB short-listed) RFP documents.
 - Continued utility design development and Real Estate activities.

The PMOC notes that in developing the new Master Schedule, TJPA has investigated and produced an approach to accomplish the project objectives in the time frame desired. As a component of that development the schedule contains several long duration activities representing a collective set of work tasks. As construction contractors are selected, they will produce a schedule consistent with the project documents but may have proprietary means and methods that would alter the schedule. The timing and sequence of activities may differ from those set forth in the current Master Schedule. Once the contractors’ schedules are accepted the Master Schedule may require some adjustments.

The PMOC further notes that TJPA, in response to the program funding issue concerns in Section 3.13, Project Cost, has revised the timeline of certain critical path activities, including ROW acquisition. These revised activities have impacted the current Master Schedule, reducing the schedule contingency as observed by the PMOC. TJPA has acknowledged that a full evaluation of the Master Schedule, including review and update of the required schedule contingency, will be conducted as the local funding picture becomes clearer.

PMOC Concerns and Recommendations

As previously noted, the delay reported in the January 2024 schedule update was the recognition of additional time needed to finalize utility relocation plans which has now been incorporated into the schedule. This was a concern because utility relocations are an early work item that controls access to most of the project. The PMOC was concerned that the project was using valuable schedule contingency prior to the actual start of construction when contingency will be most needed. *The revised Master Schedule (FFGA+27) of August 2024 had initially alleviated much of the PMOC's concerns about schedule slippage by shifting the Target Start of Revenue Service. However, subsequent updates have seen a continued slip in the Target Start of Revenue Service leaving the project with little reserve time to the imposed completion date. The slippage of the Target Start of Revenue Service coupled with the shifting critical path presents a serious challenge to managing the project. A changing CP shifts priorities and focus and may consume efforts that can be ineffective in the long run. It is recognized that the schedule is not a final product but the changes implemented have significantly affected the overall performance. The PMOC observes that the schedule contingency had decreased from 204 to 19 workdays very quickly. The current schedule update lost 65 workdays of contingency float since the last schedule update. Significant losses to contingency float cannot be recovered or absorbed in the schedule. It is absolutely essential that the project adheres to the schedule performance objectives going forward. Lastly, the PMOC has not confirmed the adequacy of TJPA's schedule contingency since TJPA extended their schedule for the revised forecast FFGA date of July 2027. It is anticipated that adequate schedule contingency will be determined at the future FTA/PMOC Risk Refresh effort for the revised schedule and updated cost estimates.*

2.15 Project Risk

The PMOC conducts risk assessments in accordance with OP40 at key project milestones when requested by FTA to support FTA's decision regarding project advancement and funding. To date, the PMOC has conducted one risk assessment of the DTX Project, which supported FTA's evaluation of the project's readiness to advance into the Engineering phase. The pre-Entry to Engineering Risk Assessment was completed between May and August 2023 and indicated an estimated project cost of \$8,255 million including finance cost and contingency, and a forecasted FFGA Revenue Service Date of June 27, 2035, including contingency. These values formed the baseline of the project as it advanced into the Engineering phase. However, the PMOC anticipates that a risk update will eventually be required because of TJPA's decision to extend the Engineering phase to enable it to secure the required project funding. In the PMOC's opinion, the extended schedule will significantly change the project cost in addition to the schedule, and as a result their respective contingencies and contingency drawdown curves in the project RCMP.

In accordance with the DTX PMP and RCMP, the Sponsor prepared a risk register early in the project development. After the FTA/PMOC risk assessment, TJPA aligned both the project's risk register and its bottom-up cost model with the FTA's top-down model and used them to update the project's cost and schedule contingency drawdown curves. In compliance with its RCMP, TJPA updates the project risk register and provides a summary report to management on a quarterly basis.

The updated Risk Register and the Quarterly Risk Memorandum resulting from the September 30, 2024, workshop were distributed on January 5, 2025. In the Quarterly Risk Memorandum's qualitative rating of the risks as "acceptable", "undesirable", and "unacceptable", 47% of the 67 risks on the Risk Register fell into the latter two categories and are identified by the project team as those requiring attention. The Memorandum also highlights several key mitigations, as well as additional focused workshops or studies to better define other potential risks. The September 30, 2024, update of the Risk Register included 67 risks and four opportunities, in addition to separately listed Project Issues that are periodically reviewed to evaluate if any should be elevated to the Risk Register.

On January 23, 2025, TJPA conducted and the PMOC participated in the Q4 2024 Risk Register update, which was focused on risks in three areas: those influenced by third parties, those involving right-of-way, and market competition, as well as several top-ranked risks and certain Project Issues that may need to be raised to risk status. In total, 15 existing risks were reviewed; one had scoring decreased, one was retired, another was retired but a new risk will supersede it, two were flagged for separate breakout sessions to further evaluate, and the remaining ten were not changed. Also, five Project Issues were reviewed; one was raised to a risk, and the other four were flagged for separate breakout sessions. *The risk update meeting also discussed that the team had convened a mini-risk analysis on December 10, 2024, focused on risks and opportunities related to the potential combination of contracts 50-TS and 55-YB, which continues under evaluation. A separate focused risk workshop to further explore the risks and opportunities of combining the 50-TS and 55-YB contracts is planned for early March 2025.*

The January 2025 update of the Risk Register has not yet been distributed, but the top project risks did not change from the September 2024 update and are presented in Attachment C of this report.

TJPA conducted an internal Quantitative Risk Assessment (QRA) workshop on February 26-27, 2025, based on the updated cost estimate reflecting current cash flow constraints and the January 2025 Master Schedule update (data date December 31, 2024). During March 2025, TJPA will complete and finalize both the actualized cost inflation and the updated cost escalation projections. The risk models and results will then be finalized and TJPA plans to present the key outcomes to the FTA and PMOC at the April 2025 monthly meeting.

2.16 Quality Assurance/Quality Control

The Sponsor has completed preparing the Project Quality Assurance Plan, and the PMOC has completed its OP24 review. Refer to the Project Management Plan and Subplans discussion in Section 2.3 of this report for the status of the QAP.

2.17 Safety and Security

The Sponsor has completed the Project Safety and Security Management Plan (SSMP) and provided the SSMP to the PMOC on April 17, 2023, and the PMOC completed its review. See Project Management Plan and Subplans discussion in Section 2.3 of this report for the status of the SSMP.

2.18 Americans with Disabilities Act (ADA)

The PMOC has reviewed ADA compliance during the following reviews:

- OP20 – Project Management Plan
- OP22 – Project Safety and Security Management Plan
- OP32C – Project Scope Review

2.19 Buy America

The PMOC has reviewed Buy America compliance during the following reviews:

- OP20 – Project Management Plan
- OP32C – Project Scope Review

2.20 Start-Up, Commissioning, Testing

The project is currently at the Preliminary Engineering/Design Stage, approximately 30%. The PMOC evaluated the adequacy of the system start-up, testing and commissioning provisions in the Design Basis and Design Criteria documents, as well as in the SSMP, that was reviewed for the OP32C Project Scope Review.

2.21 Before-and-After Study Reporting

The PMOC confirmed that the Sponsor has addressed the requirements for the Before-and-After Study Reporting during the following reviews:

- OP21 – Management Capacity and Capability
- OP33 – Capital Cost Estimate
- OP51 – Readiness to Enter Engineering

2.22 Lessons Learned

OP26 – Lessons Learned is currently not included in the PMOC scope of work for either the Regional or Programmatic Task Orders for oversight services on the Transbay Downtown Rail Extension Project, Phase 2.

2.23 Actions Items Table

Item No.	Item	Responsible Party	Date Identified	Date Due	Date Completed	Status / Action Required
25-1.	<i>Provide Report on Project Delivery Alternatives: Risk Analysis for Combining Contracts 50-TS and 55-YB.</i>	<i>TJPA</i>	<i>Jan. 15, 2025 at Monthly Meeting with FTA/PMOC</i>	<i>When available (end of Feb. 2025)</i>		<i>Open</i>

3.0 MONITORING REPORT ATTACHMENTS

- A. List of Acronyms
- B. Safety and Security Checklist – In preparation by the Sponsor.
- C. Top Project Risks
- D. Awarded Contracts
- E. Rolling Stock Vehicle Status Report – (Not Applicable).
- F. Project Milestones/Key Events – Will be included in a subsequent Monthly Report based on the risk-informed Final Draft Master Schedule and current schedule updates.
- G. Roadmap to Revenue Operations – Will provide Roadmap for FFGA based on FTA development details.
- H. Project Map
- I. Monthly FTA/PMOC Meeting Agenda and Attendees

Attachment A: List of Acronyms

ACOR	-	Alternate Contracting Officer Representative
ADA	-	Americans with Disabilities Act
ALTA	-	American Land Title Association
CalSTA	-	California State Transportation Agency
CAO	-	City Attorney’s Office
CCSF	-	City and County of San Francisco
CEQA	-	California Environmental Quality Act
CHSRA	-	California High Speed Rail Authority
CIG	-	Capital Investment Grant
CMGC	-	Construction Manager/General Contractor
CP	-	Critical Path (scheduling term)
CPM	-	Critical Path Method (type of project schedule)
CRISI	-	Consolidated Rail Infrastructure and Safety Improvements Program (FRA)
CTC	-	California Transportation Commission
DTX	-	Downtown Rail Extension (as in “Transbay DTX Project”)
DBB	-	Design/Bid/Build
EMU	-	Electric Multiple-Unit (rail car vehicle)
ESA	-	Environmental Site Assessment
FEIS	-	Final Environmental Impact Statement
FFGA	-	Full Funding Grant Agreement
FMOC	-	Financial Management Oversight Contractor
FRA	-	Federal Railroad Administration
FTA	-	Federal Transit Administration
GEC	-	General Engineering Consultant
HSR	-	High Speed Rail
ICA	-	Interagency Cooperative Agreement
IFB	-	Issue for Bid (construction contract)
IPMT	-	Integrated Program Management Team
LFA	-	Load Flow Analysis (related to Caltrain’s traction power system)
LONP	-	Letter of No Prejudice
LPA	-	Locally Preferred Alternative

MCA	-	Master Cooperative Agreement (TJPA/Caltrain <u>or</u> TJPA/CHSRA)
MCC	-	Management Capacity and Capability
MMR	-	Mitigation Monitoring Report
MMRQ	-	Quarterly Mitigation Monitoring Report
MOA	-	Memorandum of Agreement
MOU	-	Memorandum of Understanding
MOW	-	Maintenance of Way
MTC	-	Metropolitan Transportation Commission
NEPA	-	National Environmental Policy Act
<i>NODA</i>	-	<i>Notice of Decision and Appraisal</i>
NOFO	-	Notice of Funding Opportunity
NSPS	-	National Society of Professional Surveyors
NTP	-	Notice to Proceed
OCS	-	Overhead Contact System
PAX	-	Pennsylvania Avenue Extension
PCEP	-	Peninsula Corridor Electrification Project (Caltrain)
PCJPB	-	Peninsula Corridor Joint Powers Board
PD	-	Project Development
PDB	-	Progressive Design-Build
PG&E	-	Pacific Gas & Electric
PMCM	-	Program Management/Construction Management
PMIS	-	Project Management Information System
PMOC	-	Project Management Oversight Contractor
PMP	-	Project Management Plan
PMPC	-	Program Management/Project Controls
QAP	-	Quality Assurance Plan
QA/QC	-	Quality Assurance/Quality Control
QRA	-	Quantitative Risk Assessment
RAMP	-	Real Estate Acquisition and Management Plan
RCMP	-	Risk and Contingency Management Plan
RFMP	-	Rail Fleet Management Plan
RFP	-	Request for Proposal

RFQ	-	Request for Qualifications
ROD	-	Record of Decision
ROW	-	Right-of-Way
RSD	-	Revenue Service Date
SCC	-	Standard Cost Categories
SFCTA	-	San Francisco County Transportation Authority
SFDBI	-	San Francisco Department of Building Inspection
SFMTA	-	San Francisco Municipal Transportation Agency
SFPUC	-	San Francisco Public Utilities Commission
SFPW	-	San Francisco Public Works
SHPO	-	State Historic Preservation Office (California)
SSMP	-	Safety and Security Management Plan
TIFIA	-	Transportation Infrastructure Finance and Innovation Act
TIRCP	-	Transit and Intercity Rail Capital Program
TJPA	-	Transbay Joint Powers Authority (Project Sponsor for Transbay DTX)
USDOT	-	United States Department of Transportation
WBS/CBS	-	Work Breakdown Structure/Cost Breakdown Structure
WD	-	Work Day
YOE	-	Year of Expenditure
4KY	-	4 th and King (Streets) Yard

Attachment B: Safety and Security Checklist

In preparation by the Project Sponsor, Transbay Joint Powers Authority (TJPA).

Attachment C: Top Project Risks

The following are the top Transbay DTX Project risks, and their associated unmitigated risk scores as recorded in the DTX Risk Register Update meeting in January 2025:

Risk ID	Description	Score
CR13	Failure to secure cut and cover off-street muck-out staging area and having to muck out through ports in decking..	20
CR3	Delay in acquisition of funding – risk that 100% committed funding plan is not identified by time of FFGA approval (2027).	20
45	Addition of floating slab to minimize operating train noise and vibration..	16
3	Premium for work adjacent to operating tracks.	16
77	Permanent sewer configuration in flux; causes redesign of the 4 th and Townsend Station Design.	16

Risk Score/Rank

		Probability/Likelihood				
		1	2	3	4	5
Consequence / Severity	1	1	2	3	4	5
	2	2	4	6	8	10
	3	3	6	9	12	15
	4	4	8	12	16	20
	5	5	10	15	20	25

Key for Risk “Score”: 10-25 High (Red), >3-<10 Medium (Yellow), ≤3 Low (Green)

Attachment D: Awarded Contracts

1. General Engineering Consultant Contract: GEC/Parsons (4/5/25)
2. Program Management Construction Management: AECOM (7/1/29)
3. Construction Counsel: Meyers Nave (8/31/25)
4. Archeological Consultant Services: Stantec (7/12/28)
5. Acquisition/Relocation/Specialty Appraisal Consultant Services: Associated Right of Way Services, Inc (8/4/27); Desmond, Marcello & Amster, LLC (4/13/27); Donna Desmond Associates (4/13/27); Hodges Lacey & Associates, LLC (4/13/27)
6. Appraisal and Appraisal Review Consultant Services: J. Kaeuper & Company (4/13/27); CBRE, Inc. (4/13/27)
7. Survey/ESA Phase 1&2 Consultant Services: Allwest (6/8/27); ACC Environmental Consultants, Inc. (4/13/27); Millennium Consulting Associates (8/4/27)
8. Title and Escrow Services: Chicago Title Company (5/4/27)

Note: Dates in parenthesis indicate the expiration date for each contract.

Attachment E: Rolling Stock Vehicle Status Report

Not applicable - There are no direct TJPA procurements of revenue service vehicles included in the project scope of work.

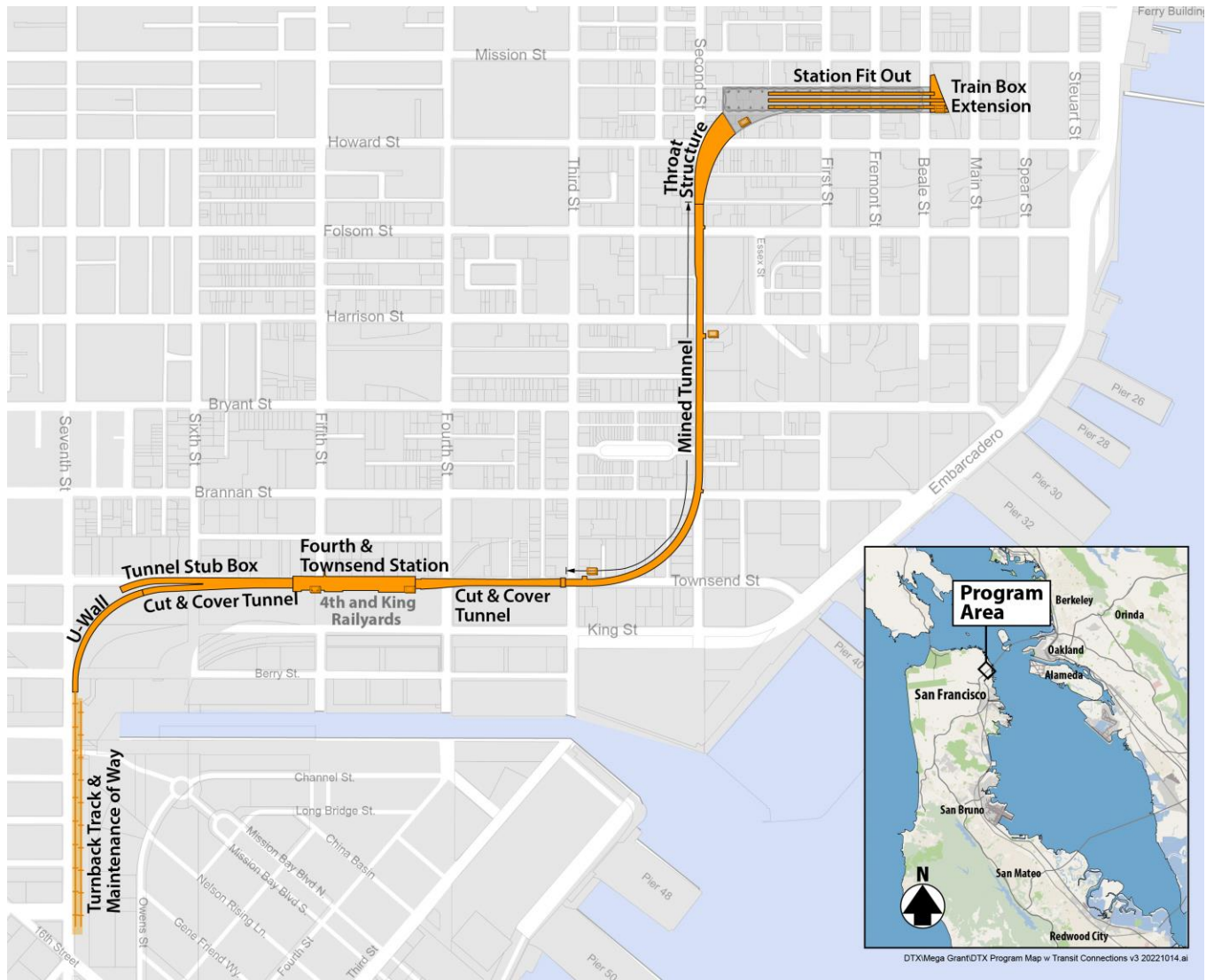
Attachment F: Project Milestones/Key Events

Will be included in a subsequent Monthly Report based on the risk-informed Final Draft Master Schedule and current schedule updates.

Attachment G: Roadmap to Revenue Operations

Will provide Roadmap for FFGA based on FTA development details.

Attachment H: Project Map



Attachment I: Monthly FTA/PMOC Meeting Agenda and Attendees

*Transbay Downtown Rail Extension Project, Phase 2
Grantee/Sponsor: Transbay Joint Powers Authority
FTA/PMOC Monthly Review Meeting – February 12, 2025*

AGENDA

1. *Advance to Full Funding Grant Agreement [5 min.]*
 - *Planning Process*
 - *Key Agency-Level and Project Organizational Updates*
2. *Environmental Process [5 min.]*
 - *National Environmental Policy Act (NEPA)*
 - *Mitigation Monitoring Reports*
 - *Recordation Action – 2 Properties*
 - *California Environmental Quality Act (CEQA)*
 - *Status of Review against PCEP NEPA - Timeline*
 - *Progress on CEQA Addendum for 4KYB Work (currently on hold)*
 - *Notice of Determination Process – Caltrain*
 - *Environmental Review (NEPA/CEQA) for Four Cost Reduction Initiatives*
3. *Engineering/Design – Advance (Enabling) Works and Additional Work [10 min.]*
 - *Utility Relocation Package*
 - *90% Design Package Comment Resolution – Stakeholders’ Review*
 - *Basis of Design Review - Status*
 - *DTX 4th and King Yard Preparation Packages*
 - *Design Requirements – 4KYA 60%*
 - *Concept of Operations – 4KYB 30%*
 - *Building Demolition Package*
 - *On hold @ 60% - Resume Work in Sept. 2025*
 - *Traction Power Load Flow Analysis*
4. *Program Funding [5 min.]*
 - *Funding Applications Plan for CY2025*
 - *FRA Federal-State Partnership Grant*
 - *CTC Action on budgeted \$60M from TIRCP(6)*
 - *California TIRCP Cycle 8 – 2026 Application*
 - *Community Facilities District Bond Capital Funding Source (CCSF)*
 - *Regional Measure 3 Funding - \$75M Allocation Request: 40-CT Pre-con.*
 - *SFCTA 5-Year Prioritizations Program*
 - *Funding Plan Update and Jan. 2025 Presentation to TJPA Board*
 - *Cash Flow through Engineering Phase to FFGA*

5. *Program Scope Status Update [5 min.]*
 - *Scope Definition in Basis Documents*
 - *Design Requirements*
 - *Updated Program Total Cost Estimate*

6. *Program Cost Status Update [5 min.]*
 - *Revised Total Project Cost Estimate – Status of Incremental Updates*
 - *Reporting Cost Performance Against Budget – Evaluation and Set-Up*
 - *Status of PMIS Implementation*

7. *Program Schedule Status Update [10 min.]*
 - *Monthly Schedule Discussion – January 2025 Update [Dec. 31 DD]*
 - *Critical Path and Progress on work to Key Milestones*
 - *Report on any late/delayed activities*
 - *Status of Critical Path activities scheduled for 1Q-2025*
 - *Finalization of 4KYA and 4KYB Staging Details in Master Schedule*

8. *Risk and Contingency Review [5 min.]*
 - *January 2025 Quarterly Risk Workshop (Q4-2024) – Risk Memo*
 - *Project Delivery Alternative: 50-TS + 55-YB > Single Contract*
 - *Upcoming Quantitative Risk Analysis*

9. *Critical Third-Party Agreements – Status [15 min.]*
 - *Master Cooperative Agreement (MCA) with CHSRA*
 - *Status of Negotiations*
 - *San Francisco Peninsula Rail Program MOU*
 - *Successor MOU Approved – Jan. 30, 2025*
 - *ICA with (10) CCSF Agencies*
 - *January 2025 Technical Advisory Meeting Outcomes*
 - *Master Cooperative Agreement (MCA) with Caltrain*
 - *Overall Progress on MCA – Status of Interim Agreement*
 - *Progress on 4KY Railyard Agreement*
 - *Joint Trench Agreement*
 - *Status of 60% Revised Design*
 - *Status of Forms A and B*
 - *Pacific Gas & Electric Agreement*
 - *Status of determination of total power requirements for Transbay DXT*
 - *Status of Negotiations*
 - *Transbay DTX work at Fourth and King Streets*
 - *Caltrain and Prologis*
 - *Status of Required Prologis Easements.*
 - *Progress on term sheet development/finalization*
 - *Status of timeline development for agreement with TJPA/Caltrain*
 - *Tishman Speyer MOU*
 - *Scope/Timing for Construction Coordination Agreement*

10. *Real Estate Acquisitions [5 min.]*
 - *Status of Right-of-Way Jan. 2025 Schedule*
 - *Status of Total Acquisition of Caltrans Property at SEC 2nd & Harrison*
 - *Status of Street Vacation Process*
 - *Status for Additional Study Required for Property at 235 Second Street*
 - *Status of Updated Draft Final Report*
11. *Procurement [5 min.]*
 - *Progressive Design-Build Contract (40-CT)*
 - *Issue Draft Contract – February 2025*
 - *Discussions with Short-Listed Respondents – Ongoing*
 - *Schedule Impacts of Delayed RFP*
12. *Letter of No Prejudice (LONP) [\\]*
 - *No need for LONP at this time*
13. *FTA/PMOC Review of TJPA Third-Party Agreements [5 min.]*
 - *TJPA Review of PMOC OP39 Report*
 - *Dec. 16, 2024 Meeting with FTA/PMOC*
14. *2024 Project Management Plan Update [5 min.]*
 - *TJPA Approach and Schedule*
 - *Dec. 11, 2024 Meeting with PMOC*
15. *Additional Discussion/Action Items [5 min.]*
16. *Next Monthly Meeting*
 - *Date/Time: Wed., March 19, 2025 / Time: 11:00 AM-12:30 PM (PST)*
 - *Location: Virtual MS Teams Meeting.*

Meeting Attendees:

Federal Transit Administration (FTA)

- *S. Ko (TRO-9)*
- *N. Mudimbi (HQ)*
- *D. Burns (HQ)*

Federal Railroad Administration (FRA)

- *(None)*

Project Management Oversight Contractor (PMOC)

- *E. Williamson*
- *D. Boe*
- *B. Kohlman*
- *W. King*

Transbay Joint Powers Authority (TJPA)

- *A. Van de Water*
- *A. Rodriguez*
- *A. Harvey*
- *S. Polechronis*
- *M. Murphy*
- *D. Hunt*
- *R. Mincio*
- *A. Callagy*
- *M. Pryor*
- *J. Updike*
- *A. Acevedo*
- *S. Mirzaei*

Caltrain

- *S. Cocke*
- *S. Bullock*

San Francisco County Transportation Authority (SFCTA)

- *J. Koehler*