BART SILICON VALLEY PHASE II EXTENSION PROJECT

SANTA CLARA VALLEY TRANSPORTATION AUTHORITY

CITIES OF SAN JOSÉ AND SANTA CLARA, CA

FTA Region IX

Status as of June 30, 2025

PROJECT MONITORING REPORT

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A. Project Description

Bay Area Rapid Transit (BART) Silicon Valley Phase II (BSVII) is an approximately 6.0-mile extension of the BART system, from the existing terminus of the BART ten Mile Phase I extension (BSVI), at the Berryessa / North San José BART Station through downtown San José to the proposed Santa Clara Terminal Station in the City of Santa Clara ***(Figure 1)***.

BSVII includes four stations (three located in San José and one in Santa Clara) along with a maintenance facility at Newhall Yard. The project's easternmost station, 28th Street/Little Portugal, will be located underground near Santa Clara Street and U.S. 101. Two stations, also underground, are planned for downtown San José: Downtown San José Station at Santa Clara Street near Market Street; and Diridon Station at the Diridon Intermodal Transit Center. The westernmost station in the City of Santa Clara is planned to be at-grade adjacent to the Santa Clara Caltrain Station. The Newhall Yard and Maintenance Facility is planned to be located at the end of the alignment directly adjacent to Santa Clara Station. Forty-eight vehicles will be paid for with project funds but are included in the procurement for BART Federal Transit Administration (FTA) Core Capacity grant program for fleet upgrades.

VTA's BART Silicon Valley Phase II Extension Project includes the construction of a deep underground mega tunnel that will be approximately five-miles long. Tunnel construction will begin south of the Santa Clara Station within Newhall Yard and run underneath I-880 and the Caltrain tracks. It will be launched from the West Portal. From there, the tunnel will continue southeast and cross under the western side of the Caltrain tracks at Emory Street and then continue under Stockton Avenue and curve east before reaching Diridon Station. From Diridon Station, the tunnel will continue under Santa Clara Street for approximately one mile to the future Downtown San José Station. It will then curve northeast near 27th Street and Santa Clara Street to the future 28th Street/Little Portugal Station. From there, the tunnel will continue northeast under US 101 to McKee Road where it will run parallel to the highway until it surfaces at the East Portal, near Las Plumas Avenue and Marburg Way.

The project is being designed and constructed by consultants of the Santa Clara Valley Transportation Authority (VTA). It will be owned by VTA and operated and maintained by BART. Service is planned to operate in the opening year from 4:00 AM to 1:00 AM on weekdays and from 6:00 AM to 1:00 AM on weekends, with trains every 7.5 minutes during the weekday peak period, every 7.5-15 minutes off-peak during the weekday, and every 20 minutes on evenings and weekends.

B. Project Status

BSVII is in the New Starts Project Development phase.

VTA selected the locally preferred alternative (LPA) in November 2001. The project originally entered the Capital Investment Grants (CIG) program Project Development phase in March 2016. The locally preferred alternative (LPA) was adopted into the Metropolitan Transportation Commission's financially constrained Long-Range Plan July 26, 2017.

VTA began pursuing FTA's Expedited Project Delivery (EPD) Pilot Program in early 2018. In April 2018, FTA agreed to extend CIG Project Development while VTA pursued funding through the EPD Pilot Program and stated the Project would be allowed to return to CIG Project Development without penalty should the EPD Pilot Program be determined to no longer be a good fit. Per the National Environmental Policy Act of 1969 (NEPA), BSVII received a Record of Decision (ROD) from FTA on June 18, 2018. In April 2021, VTA submitted an EPD Pilot Program application to FTA. In October 2021, FTA issued a Letter of Intent (LOI) indicating it would obligate funds under the EPD Pilot Program on the condition that VTA demonstrates local funding commitment and readiness to receive a grant within two years.

In October 2022, VTA submitted a letter to FTA requesting that the BSVII project be allowed to re-enter the New Starts Project Development phase of the Capital Investment Grants (CIG) program and seeking a Letter of No Prejudice (LONP). On December 1, 2022, FTA agreed to move the project from the (EPD) Pilot Program back into the Project Development phase as a New Starts project. FTA also approved a LONP covering expenses VTA incurred when it started in New Starts Project Development in March 2016, through the Project's migration to the EPD Pilot Program, thereby matching the pre-award authority VTA had been given while it was in the EPD Pilot Program for the 2022 New Starts Basis total project cost of $9.318 Billion.

On October 11, 2023, VTA transmitted to FTA/PMOC the BSVII cost and schedule new baselines including a total project cost of $12.237B and Revenue Service Date in October of 2036. FTA/PMOC held a Risk Workshop with VTA on January 16-18, 2024. Risk review results advised an increase in costs to $12.746B and a recommended RSD of February 2039 based on the use of 125% of the remaining critical path Stripped and Adjusted Base Schedule (SABS) duration.

VTA formally requested FTA's approval to enter Engineering Phase in a letter dated March 29, 2024, with a total project cost of $12.746B in year-of-expenditure dollars and a Revenue Service Date (RSD) of February 2039. VTA requested $6.296B (49.4 percent) in CIG program funds. On August 1, 2024, FTA informed VTA of the approval of BSVII to enter the New Starts Engineering phase of the FTA CIG Program. Although VTA requested a 49.4 percent CIG share, FTA notified VTA that $5.1B (40 percent) represents the maximum amount of CIG funds that will be provided by FTA for the Project should a Full Funding Grant Agreement (FFGA) be approved. The FTA approval to enter engineering letter is attached.

Since the FTA approval to enter engineering, BSVII staff have initiated a cost-saving effort to align the project with the funding available along with the pursuit of additional non-local funding sources. *On June 27, 2025, the VTA Board of Directors authorized the VTA General Manager/CEO to initiate the contractual off-ramp with Kiewit Shea Traylor (KST) Joint Venture, for Contract Package 2 (CP2) – Tunnel and Trackwork).*

The project implementation plan had previously been that BSVII would be delivered through four major design-build construction contract packages: Systems Construction Package 1 (CP1); Tunnel and Trackwork Construction Package 2 (CP2); Newhall Yard and Maintenance Facility and Santa Clara Station Construction Package 3 (CP3); and Underground Stations Construction Package 4 (CP4).

CP2 has progressed based on its original procurement. The VTA Board of Directors approved the award of the CP2 Progressive Design Build contract on May 5, 2022, to *Kiewit Shea Traylor (KST) Joint Venture*. A CP2 Limited Notice to Proceed (LNTP) for a 90-day innovations phase was issued on June 9, 2022; NTP1 was issued for Programming Services on September 7, 2022; and NTP1A was issued for Stage 1 Design Professional Services on February 21, 2023. Early Works Packages are progressing through design, pricing, and negotiations to support the launch of the Tunnel Boring Machine (TBM) that was ordered on October 31, 2023. Stage 2 is for all remaining work, including the balance of design services and construction scope.

VTA conducted an extensive all-day Value Engineering brainstorming workshop in partnership with the FTA and the PMOC on December 18, 2024. Many alternatives and cost savings measures were discussed and examined to reduce costs and bring the project in line with the available funding. All modifications are within the evaluated and approved FEIS/FEIR. The environmental revisions that may be required could be accomplished within a four-to-six-month time span. The objective of the value engineering brainstorming workshop was to explore cost savings to eliminate the current shortfall ($700 million to $1.2 billion). A draft Value Engineering brainstorming workshop report is being prepared to document the proceedings of the workshop.

On June 27, 2025, VTA staff presented to the VTA Board a preliminary contract re-packaging approach for delivering BSVII through six construction contract packages: Systems Construction Package 1 (CP1); Early Works Construction Package 2 (CP2); Newhall Yard and Maintenance Facility, Santa Clara Station and Mainline Trackwork Construction Package 3 (CP3); Downtown San Jose and Diridon Underground Stations Construction Package 4 (CP4); Tunneling Construction Package 5 (CP5); and 28th Street / Little Portugal Station and East Portal Construction Package 6 (CP6).

C. Major Issues and/or Concerns

Below are PMOC's issues, concerns, and observations with VTA's updates:

- The PMOC is concerned that the order of magnitude cost saving ideas VTA is considering is not adequate to address the BSVII program funding gap, which could further delay application for the FFGA. *The VTA is including tunnel configuration and Sequential Excavation Method construction ideas for stations from the VE workshop in Level 3 of the cost savings process.*

- The PMOC is concerned with the continuous high level burn rate for Professional Services fees while the construction activities are limited to West Portal, design is paused, and there is limited progress in the cost savings efforts.

- The PMOC is concerned that the VTA is continuing to take more time to refine the cost savings estimates from the identified design options and this extra time may result in losing any savings due to potential inflationary and market condition increases in the overall project costs.

- The PMOC is concerned that the additional cost saving ideas to be evaluated under Level 4 have not been identified and narrowed down to viable options and this extra time may result in losing any savings due to potential inflationary and market condition increases in the overall project costs.
- The PMOC is concerned that with the pending reconfiguration of the project, the VTA is not considering the immediate stoppage of the construction of the TBM shaft that is directly related to the CP2 construction.

*A detailed breakdown of Core Accountability Items including cost, contingency and schedule are shown in **Figure 2**.*

B. PMOC Observations and Findings

A. Summary of Monitoring Activities

The PMOC oversight commenced in July 2020. PMOC has since received documents and coordinated with VTA via email and telephone conversations. *This report covers project status, and documents received through June 30, 2025, including the May 2025 monthly progress report received July 8, 2025. The monthly PMOC oversight call was conducted on July 10, 2025.*

VTA submitted their Expedited Project Delivery (EPD) Pilot Program application on April 7, 2021, and FTA/PMOC Risk Workshops were held on May 10-12, 2021. FTA selected the Bay Area Rapid Transit (BART) Silicon Valley Phase II (BSVII) project to advance in the EPD Pilot Program in September 2021 and on October 25, 2021, FTA issued a Letter of Intent (LOI) to obligate funds for BSVII contingent upon VTA meeting specified conditions by October 25, 2023.

In October 2022, VTA submitted a letter to FTA requesting the BSVII project be allowed to re-enter the New Starts Project Development phase of the Capital Investment Grants (CIG) program and seeking a Letter of No Prejudice (LONP). On December 1, 2022, FTA agreed to move the project from the EPD Pilot Program back into the Project Development phase as a New Starts project. FTA also approved a LONP allowing the extension of pre-award authority to the activities that are not allowed under Project Development phase of the New Starts (NS) CIG program, activities such as long lead procurement and construction.

On October 11, 2023, VTA transmitted to FTA/PMOC the BSVII cost and schedule new baselines including a total project budget of $12.237B and Revenue Service Date (RSD) in October of 2036.

FTA/PMOC held a Risk Workshop with VTA on January 16-18, 2024. Risk review results advised an increase in costs to $12.746B and a recommended RSD of February 2039.VTA adopted the results of January 2024 risk review and formally requested FTA's approval to enter Engineering Phase in a letter dated March 29, 2024, with a total project cost of $12.746B in year-of-expenditure dollars and a Revenue Service Date (RSD) of February 2039. VTA requested $6.296B (49.4 percent) in CIG program funds.

On August 1, 2024, FTA informed VTA of the approval of BSVII to enter the New Starts Engineering phase of the FTA CIG Program. Although VTA requested a 49.4 percent CIG share, FTA notified VTA that $5.1B (40 percent) represents the maximum amount of CIG funds that will be provided by FTA for the Project should a Full Funding Grant Agreement (FFGA) be approved.

On December 18, 2024, BSVII staff, FTA and the PMOC held an all-day informal Value Engineering (VE) brainstorming workshop to review cost saving ideas along with discussion on environmental, technical and stakeholder considerations. The PMOC presented and brainstormed with FTA and VTA cost savings ideas and concepts related to tunnel diameter optimization. The following are the cost savings candidates that VTA reported at the December 18, 2024, VE workshop:

a. Tunnel interior reconfiguration;
b. Concurrent Tunneling from the East;
c. Newhall Yard reconfiguration;
d. Criteria / Requirements variances;
e. Refining station design; and
f. Conversion of station parking structure to surface.

In late 2024, a BSVII Contracting Task Force was established to evaluate various approaches to CP2 contract delivery including partial and full off-ramp, re-packaging of construction contracts to expedite schedule and reduce delays, and industry outreach. A comprehensive risk assessment will be conducted after those options have been evaluated and a path forward determined.

On June 27, 2025, the VTA Board of Directors authorized the VTA General Manager/CEO to initiate the contractual off-ramp with Kiewit Shea Traylor (KST) Joint Venture, for Contract Package 2 (CP2) – Tunnel and Trackwork).

On June 27, 2025, VTA staff presented to the VTA Board a preliminary contract re-packaging approach for delivering BSVII through six construction contract packages: Systems Construction Package 1 (CP1); Early Works Construction Package 2 (CP2); Newhall Yard and Maintenance Facility, Santa Clara Station and Mainline Trackwork Construction Package 3 (CP3); Downtown San Jose and Diridon Underground Stations Construction Package 4 (CP4); Tunneling Construction Package 5 (CP5); and 28th Street / Little Portugal Station and East Portal Construction Package 6 (CP6).

B. Project Management Plan (PMP) and Sub-Plans

The PMOC reviewed ten PMP and Sub-Plan documents shown in ***Figure 3*** for BSVII program EPD readiness:

On December 1, 2022, FTA agreed to allow the BSVII program to re-enter the New Starts Project Development phase of the Capital Investment Grants (CIG) program. Around the same time as the change in federal funding source and the update of the project budget, VTA also re-evaluated the project delivery scheme. Looking ahead to the New Starts Entry to Engineering request, VTA submitted 39 documents on May 26, 2023, including 11 updates to the PMP and sub-Plans to FTA to be reviewed by the PMOC. The updated documents are shown in ***Figure 4***:

PMOC recommendations and comments from the EPD readiness review as related to OP20, OP22, OP23, and OP24 were provided to VTA informally to help VTA prepare for the submissions needed for Entry to Engineering readiness. PMOC reviewed the new submissions in support of the Entry to Engineering risk assessment and readiness review and provided preliminary summary comments about inconsistencies and incomplete elements to VTA on June 27, 2023.

VTA submitted 37 documents in November 2023 and 11 additional documents in December 2023 to FTA. Updatesto the PMP sub-Plans are shown in ***Figure 5***

PMOC reviewed the submissions from November 2023 and December 2023 and provided input to PMOC's risk assessment and Oversight Procedure (OP) 51 Readiness to Enter Engineering review. PMOC's OP51 report will be one input to FTA's determination regarding Santa Clara Valley Transportation Authority's (VTA's) Capital Investment Grants (CIG) Program application. On March 29, 2024, along with the application to enter the New Starts Engineering Phase, VTA submitted revised PMPs and sub-Plans. The PMOC current assessment of the PMP and sub-Plans is based on the PMP and Sub-Plans submissions from November 2023 and December 2023 and only includes significant changes from the revised PMPs and sub-Plans that were submitted on March 29, 2024.

On July 2, 2024, FTA transmitted to VTA the final PMP and sub-Plans PMOC review reports. Over-the-shoulder review sessions with VTA PMOC and FTA were held in July to clarify and review VTA's responses to FTA/PMOC comments on PMP and sub-plans. VTA submitted responses to FTA/PMOC comments on PMP and Sub-plan on July 31, 2024.

At the July 10, 2025, monthly meeting, VTA did not provide an update to the following PMP and sub-plans status, the last update was provided at the September 12, 2024, monthly meeting:

- PMP and sub-plans have been updated to reflect Q3 2024.
- All previous FTA/PMOC comments on PMP and sub-plans comments have been addressed; and
- Additional updates to the PMP and sub-plans will be made prior to FFGA Readiness submittal.

C. Management Capacity and Capability

Refer to Section B above for revision and submittal status of the Management Capacity and Capability Plan (MCCP) and other PMP Subplans to support VTA's New Starts request to enter engineering.

VTA has several professional services contracts awarded by which consultants have been supporting VTA in the project development phase. VTA consultants are managed under the HNTB/WSP joint venture Project Management Team (PMT), the Mott MacDonald / PGH Wong Engineering JV (MMW) joint venture General Engineering Consultant (GEC) and the Bechtel Infrastructure Corporation Construction Management Services (CMS). The PMT, the GEC, and the CMS include professional resources providing program management and multiple specialized engineering and construction management services.

In consultation with the FTA Staff, the PMOC assessed BSVII Management Capacity and Capability by conducting interviews of key BSVII staff on January 9, 2024, August 27 and 29, 2024, and October 17, 2024. The PMOC reviewed resumes of key BSVII staff and prepared interview questionnaires that were tailored specifically for the BSVII project needs and requirements. The experience requirement was divided into three categories: sufficient experience (5-7 years), considerable experience (7-12 years), and significant experience (12-20+ years). It was suggested that to meet the MCC requirements, VTA consider introducing additional resources that would strengthen the capabilities for several positions where the requirements are not fully met.

*At the July 10, 2025, monthly meeting, VTA presented a revised BSVII organizational structure as shown in **Figure 6**.*

- Most notably, the VTA Director of Construction will report directly to the Chief Megaprojects Officer. The VTA Deputy Chief / Program Director dual role under the previous organization structure has been revised to Program Director also reporting to the Chief Megaprojects Officer.
- *Request for Proposal (RFP) for Program Management*
  - *The RFP was issued on 9/24/2024.*
  - *The current Program Management contract was extended until October 31, 2025.*
  - *The pre-proposal conference was held on 10/8/2024.*
  - *Proposals were received by February 19, 2025, due date.*
  - *First round of interviews were held mid-May 2025.*
  - *Expect award in the Fall 2025.*

D. National Environmental Policy Act (NEPA) Process and Environmental Mitigation

Since FTA issued the ROD in 2018, VTA has closely coordinated with FTA to determine when and if additional analysis was needed to maintain compliance with NEPA. FTA determined that a NEPA Re-evaluation was required for project changes at the EPD stage and again for project changes introduced by the Progressive Design Builder Innovations and Value Engineering initiatives adopted for the Entry to Engineering design. Both Re-evaluations confirmed the conclusions in the 2018 ROD are still valid. FTA approved the Re-evaluation associated with the Entry to Engineering preliminary design baseline in March of 2024. BSVII project staff converted the Mitigation Monitoring and Reporting Program (MMRP) from the ROD into a new format for tracking called the Environmental Commitments Record (ECR).

At the July 10, 2025, monthly meeting, VTA did not provide an update to the following NEPA / Environmental Mitigations status update provided at the June 12, 2025, monthly meeting:

- *1st Quarter 2025 ECR has been posted;*
- *Supporting the cost savings measures;*
- *Reviewing submittals for conformance with environmental requirements; and*
- *Efforts for the Archaeological Testing Program are ongoing.*

E. Project Delivery Method and Procurement.

VTA's plan for project delivery has evolved over recent years. VTA developed a Project Delivery and Procurement Plan (Revision 0.F dated April 16, 2021) which referenced the Project Implementation Plan. Those documents reflected the BSVII project baseline contracting plan which consisted of four distinct Design-Build contract packages for Systems (CP1), Tunnel and Trackwork (CP2), Newhall Yard and Santa Clara Station (CP3), and Underground Stations (CP4) *as shown in **Figure** 7.*

In November 2022, VTA held the Contract Packaging and Delivery Peer Review to receive feedback on the delivery approaches to be used for all contract packages other than CP2 (Tunnel and Trackwork). The RFPs for CP1 (Systems) and CP3 (Newhall Yard and Santa Clara Station) were cancelled pending reevaluation of contract packaging and delivery methods.

On March 2, 2023, VTA transmitted to FTA and the PMOC the "Contract Packaging and Project Delivery Draft Report" dated February 28, 2023. Taking the Contract Packaging and Project Delivery Peer Review panel feedback into account, VTA concluded that Design Bid Build will be used to procure the Systems (CP1), Newhall Yard and Santa Clara Station (CP3), and Underground Stations (CP4) ***(Figure 8)***.

Between fall 2020 and 2022, VTA initiated a three-step procurement process for the BSVII contract packages, including Requests for Industry Feedback (RFIF), Requests for Qualifications (RFQ), and Requests for Proposals (RFP). Historic data documenting dates for select procurement activities are reported in ***Figure 9*** for the four contract packages included in the baseline contracting plan.

Requests For Qualifications were issued for all 4 packages. The RFQ of CP4 (Stations) was cancelled on March 1, 2022. The Statements of Qualifications (SOQs) for CP1 (Systems), CP2 (Tunnel and Trackwork), and CP3 (Newhall Yard and Santa Clara Station) were evaluated and resulted in the following:

- CP1 (Systems) – 2 Prime contractors shortlisted.
- CP2 (Tunnel and Trackwork) – 3 Prime contractors shortlisted.
- CP3 (Newhall Yard and Santa Clara Station) – 3 Prime contractors shortlisted.

The Final Tunnel and Trackwork (CP2) RFP was released on September 24, 2021, with the final addendum to this RFP released on November 24, 2021. BART Silicon Valley Phase II Tunnel Partners (B2TP) and Kiewit Shea Traylor (KST) Joint Venture submitted proposals on December 10, 2021. VTA completed negotiations with the highest ranked team and issued a Notice of Recommended Award to KST. The Contract award was approved by the VTA Board of Directors on May 5, 2022. Limited Notice to Proceed (NTP) was issued June 9, 2022, NTP1 was issued for Programming Services on September 7, 2022, and subsequently increased the lump sum not to exceed with Letter #12, dated November 10, 2022, authorizing KST to proceed with Early Works Packages design and estimating. VTA issued KST NTP1A for Stage 1 Design Professional Services on February 21, 2023.

The Construction Management Services (CMS) Request for Proposal (RFP) was released on September 25, 2023. The VTA Board authorized the award of the CMS contract to Bechtel Infrastructure Corporation on April 4, 2024. The CMS contract was executed on April 11, 2024. The scope of the CM Services contract is for the first ten years of the project. *On July 27, 2025, the VTA Board of Directors authorized the General Manager/CEO to initiate the contractual off-ramp with Kiewit Shea Traylor (KST) Joint Venture, for Contract Package 2 (CP2) – Tunnel and Trackwork).*

On July 27, 2025, VTA staff presented to the VTA Board of Directors a preliminary contract re-packaging approach for delivering BSVII through six construction contract packages: Systems Construction Package 1 (CP1); Early Works Construction Package 2 (CP2); Newhall Yard and

Maintenance Facility, Santa Clara Station and Mainline Trackwork Construction Package 3 (CP3); Downtown San Jose and Diridon Underground Stations Construction Package 4 (CP4); Tunneling Construction Package 5 (CP5); and 28th Street / Little Portugal Station and East Portal Construction Package 6 (CP6) ***Figure 10***.

With CP2 off-ramp discussion underway, VTA is conducting a comprehensive review of project delivery. At the July 10, 2025, monthly meeting, VTA staff provided the following Project Delivery Method and Procurement update:

- *CP1 Systems*
  - *60% design complete and comments assembled; Comment Resolution Meetings (CRM) completed; focus on cost savings*
  - *The contract delivery method is being discussed*
- *CP2 Tunnel & Trackwork - Progressive Design-Build, Contract V20221*
  - *Contract executed 5/5/2022 and in Stage 1 (Preconstruction Services)*
    - *VTA Board made decision to off-ramp June 27, 2025*
  - *CRM are still in process, 85% design on hold while tunnel (D10) progressing from 85% to 100% along with advancement of some Advance Partial Design Units (APDU)*
  - *Contract amendments 1 through 8 executed*
- *CP3 Yard and Santa Clara station*
  - *60% design complete and comments assembled; CRM completed; focus on cost savings*
  - *The contract delivery method is being discussed*
- *CP4 Underground stations*
  - *60% design complete and comments assembled; CRM completed; focus on cost savings*
  - *The contract delivery method is being discussed*

At the July 10, 2025, monthly meeting, BART staff provided the following Railcar Procurement Update:

- Procurement of 48 vehicles for BSVII.
- This is in addition to the 60 vehicles for the Silicon Valley Berryessa Extension (SVBX).
- 985 Fleet of The Future (FOTF) railcars delivered to BART.
- Alstom will begin delivering 48 vehicles for BSVII in 2025.

At the July 10, 2025, monthly meeting, VTA staff provided the following BSVII Contracting Task Force status update:

- *Task Force established in November 2024 focusing on Contract Package 2 (CP2) and contract delivery approaches for BSVII.*
- *Includes VTA General Counsel Office, BSVII Project Staff, VTA Procurement Department, and Oversight Committee Subject Matter Expert Gall Zeidler;*
- *Primary efforts included:*
  - *CP2 Off-Ramp Planning;*
  - *Industry and Market Outreach;*
  - *Contract Packaging & Procurement Approach*

F. Design

CP2 Tunnel and Trackwork

At the July 10, 2025, monthly meeting, VTA provided the following Advance Partial Design Units (APDU) Status for CP2 – Tunnel and Trackwork:

- APDU 2 Pre-Cast tunnel liner 100% complete design – *Accepted by VTA*.
- APDU 3C - West Portal U-Wall Support of Excavation (SOE) Rev. 2 –Approved for Construction (AFC) complete – Approved by VTA Board 12/5/2024.
- APDU 3D – West Portal Caterpillar SOE Final Design Rev. 2–AFC complete – Approved by VTA Board 12/5/2024.
- APDU 3E – West Portal Ground Improvement Design Rev. 2 - AFC complete – Approved by VTA Board 12/5/2024.
- APDU 5A – Downtown San Jose Station (DTSJ) Enabling Work (Civil & Maintenance of Traffic (MOT)) – *Progressing 100% Rev. 1 design*.
- APDU 8B – East Portal Enabling Works – *Progressing 100% design*.
- APDU 11B – West portal Temporary Power High Voltage Substation – *Progressing 100% design*.
- APDU 12A – Diridon Station Enabling Works and Utilities – APDU 12A Rev. 1 pending. Design *paused.*
- APDU 14 – 28th Street Station Enabling Works – APDU 14 Rev. 1 pending. Design *paused.*
- APDU 20 – Track and Tunnel Alignment– Comment resolution 100% complete. Design *paused.*

At the July 10, 2025, monthly meeting, VTA did not report any update to the following KST Design statuses presented at the March 13, 2025, monthly meeting:

- D05 – Program-wide Specifications – 85% review complete; resubmittal required, design not paused.
- D10 – Bored Tunnel Design – KST is advancing 100% design. Addressing and responding to VTA 85% comments, design not paused.
- D15 – Tunnel Internal Structures – 85% design review complete; VTA is reviewing KST comment responses; design paused.
- D20 – Track and Tunnel – 85% design review complete; VTA is reviewing KST comment responses; design paused.
- D25 – Diridon Station Design – 85% design paused.
- D30 – Downtown San José Station – 85% design paused.
- D35 – 28th Street / Little Portugal Station – 85% design paused.
- D40 – East Portal Design - 85% design review complete; VTA is reviewing KST comment responses, 85% design paused.
- D45 – West Portal Design – 85% design paused.

Program-wide, Facilities and Systems Engineering

At the July 10, 2025, monthly meeting, VTA did not report any update to the following Program-wide design statuses presented at the June 12, 2025, monthly meeting:

- Conducting technical working group meetings with BART stakeholders relating to the proposed Requests for Variances (RFV)s. Processing DocuSign of RFVs;
- *Developing design concepts and evaluating cost/schedule impacts associated with Level 3 proposals;*
- *Documenting project configurations and Basis of Configuration Memo for Newhall Yard Maintenance Facility; and*
- *Producing cost estimates for the different level 3 proposals*

G. Value Engineering and Constructability Reviews

VTA conducted a Value Engineering (VE) workshop in 2021 based upon the 10% design (submitted December 2019) which consisted of a revised design of a 53-foot diameter single bore tunnel with center platform stations with the addition of station mezzanines for platform access. The VE workshop was facilitated by a third-party consultant, and the resulting report remains in draft status. The workshop was "a shortened version of a formal Value Engineering Study" required by FTA for Capital Investment Grants (CIG) projects. However, several of the recommended VE elements were applicable and incorporated into the EPD configuration. Stage 1 initial innovations vetting, as well as iterative design and cost estimating exercises, will accomplish further value engineering under the CP2 PDB procurement.

The DRAFT Constructability Review Report was written in August 2020 addressing the biddability and buildability of the EPD configuration.

A three-day facilitated Value Engineering (VE) workshop was held the week of June 19, 2023, and the Value Engineering Workshop Report was submitted to FTA/PMOC, documenting VE efforts from June 2023 through September 2023.

Constructability reviews were held on July 20 and 21, 2023. and the Draft Constructability Review Report was submitted to FTA/PMOC in December 2023.

To address the BSVII program funding gap and to allow adequate cost and schedule contingencies, VTA is evaluating cost savings candidates. On December 18, 2024, the FTA/PMOC and the VTA held an all-day informal Value Engineering workshop to review cost saving ideas along with a discussion on environmental, technical, and stakeholder considerations. The participants conducted brainstorming sessions and discussed several cost savings ideas.

*At the July 10, 2025, monthly meeting, VTA provided the cost savings progress update shown in **Figure 11**.*

V*TA staff plan to present the status of the Cost Savings efforts to the BSVII Oversight Committee at the August 14, 2025, meeting.*

VTA is coordinating with FTA and the PMOC to conduct an FTA Peer Review to evaluate the Cost Savings efforts underway.

At the July 10, 2025, monthly meeting, PMOC reiterated their request from the April 10, 2025, monthly meeting for a focus meeting with VTA to go over the ROM cost estimates.

H. Real Estate Acquisition and Relocation

Refer to Section B above for revision and submittal status of the Real Estate Acquisition Management Plan (RAMP) and other PMP Subplans to support VTA's New Starts request to enter Engineering.

VTA's implementation of the acquisition program is in progress. *During the July 10, 2025, monthly meeting, VTA reported the progressshown in **Figure 12** as of January 2025:*

Changes for May 2025:

- *Acquisition requirements for two tunnel easements at Stockton Street were removed (B4252, B4253).*
- *Two parcels were reduced from 77 to 75.*

Progress as end of May 2025:

- *Legals/Plats Approved: 83%*
- *Appraisals completed: 80%*
- *Offers made: 80%*
- *Purchase Agreements Signed: 48%*

I. Public Involvement/Outreach/Communications

At the July 10, 2025, monthly meeting, VTA provided the following Public Involvement / Outreach / Communications updates:

- ***Public and Stakeholder Meetings and Presentations***
    - *6/8/2025 - Viva Callé Pop Up Event*
    - *6/23/2025 West Portal Construction Site Media Briefing and Tour*
    - *6/26/2025 San José Chamber of Commerce Board Presentation*
    - *6/26/2025 Sasta Hanchett Park Neighborhood Association*
    - *7/1/2025 Cristo Rey San Jose Jesuit High School Stakeholder Briefing*
    - *7/26/2025 Newhall Residential Community Open House*
    - *Briefings with Caltrain, Cities of San José and Santa Clara*

- ***Communications and Public Relations***
    - *Monthly Construction eBlast*
    - *Quarterly Project Newsletter*
    - *Blogs, Social Media, Website, Hotline*
    - *West Portal Early Works Fact Sheet*
    - *Permit to Enter engagement for demolition*

J. Third-Party Agreements and Utilities

Refer to Section B above for revision and submittal status of the Third-Party Agreement Management Plan and other PMP Subplans to support VTA's New Starts request to enter Engineering.

The Third-Party agreement tracking matrix is updated and submitted to the FTA/PMOC monthly. The third-party agreement tracking matrix provides detailed information including a listing of all critical and non-critical agreements and permits, and their anticipated or actual execution dates. Per OP39, "critical third-party agreements are required before Construction, or Operations can begin, the absence of which may significantly change the cost, scope, and schedule."

*At the July 10, 2025, monthly meeting, VTA provided the Third-Party Agreement updates shown in **Figure 13**:*

- *Upon resolution of comments with UPRR, the UPRR Mitigation and Reimbursement Agreement for the West Portal Early Works was executed on May 22, 2025.*
- *The total number of Third-Party Agreements is now 43.*
- *Critical Agreements prior to FFGA: 31*
    - *30 Executed, and 1 Open.*
    - *The open critical agreement (UPRR Mitigation and Reimbursement Agreement for West Portal Early Works) is anticipated to be executed in May 2025 upon the resolution of comments with UPRR.*
- *Critical Agreements post FFGA (Construction): 4 (BART IL, UPRR C&M, and SJWC (2))*
- *Critical Agreements post FFGA (Operations): 5 (BART, JPB, CT, CSJ, CSC)*

At the July 10, 2025, monthly meeting, VTA reported the following:

- *West Portal:*
    - *Pacific Gas & Electric (PG&E) 115kV interconnection – PG&E remobilization pending advancement of KST work.*
    - *Cogent/Sprint final design package pending construction agreement & easement acquisition.*
- *Diridon Station and West Vent Shaft:*
    - *AT&T/Comcast construction is in progress.*

- *Upcoming PG&E Electric relocation Construction Notice to Owner (NTO) - pending PG&E estimate letter*
- *Downtown Station:*
  - *Upcoming AT&T relocation construction expected to begin Q4 2025 work. PG&E Electric relocation (DSJS-E-32) - Property Owner's electrician is coordinating with PG&E, work is progressing.*
- *East Portal:*
  - *Comcast designs submitted for final review. AT&T, and San Jose Water Company (SJWC) design at 90% - pending easement acquisition.*
  - *Upcoming Design coordination for temporary Verizon cell tower relocation.*

K. Construction

At the July 10, 2025, monthly meeting, VTA reported the following early works procurement / negotiations activities and status of progress:

- <u>Early Works Projects – Procurement / Negotiations:</u>
  - *EWP 1A – TBM Procurement and Delivery, Factory Acceptance Testing began in June 2025.*
  - EWP 2A – Precast Final lining, Material & Plant Procurement: *Negotiations/Procurement on hold*.
  - EWP 3A – West Portal Initial Sitework: Construction ongoing.
  - *EWP 3B – West Portal Sitework (Phase 2): Construction ongoing.*
  - *EWP 3C.1 – Preparation for West Portal Enabling Works: Complete.*
  - *EWP 3C.2 – Launch Structure: Construction ongoing.*
  - *EWP 7A – West Portal Instrumentation & Monitoring: Ongoing monitoring.*
  - EWP 9A – TBM Tunnel Support Equipment: *Negotiations/Procurement on hold*.
  - *EWP 11A - West Portal TBM and Plant Power: KST completed technical clarifications with vendors for electrical equipment; coordination meetings ongoing.*
  - *EWP 11B - West Portal TBM and Plant Power Phase 2: KST completed technical clarifications with vendors for electrical equipment; coordination meetings ongoing.*
- *The following Tunnel Boring Machine (TBM) activities and status of progress were reported by VTA at the July 10, 2025, monthly meeting:*
  - *Construction – Tunnel Boring Machine:*
    - *Factory Acceptance Test (FAT) commenced on June 2, 2025 and is currently ongoing.*
    - *Attendance at FAT by representatives from VTA, KST, GEC, PMT, & CMS.*
    - *TBM Storage + warranty extension: 18 months*
- *The following Construction – West Portal activities and status of progress were reported by VTA at the July 10, 2025, monthly meeting:*
  - <u>Construction – West Portal Activities for Current Month:</u>

The KST Contractor has mobilized efforts and commenced early activities ahead of the West Portal main construction works including the following:

- *Soil Mixing: Cutter Soil Mixing (CSM) ongoing. 30 panels of 92 completed (32.6%).*
- *Cut and Cover Walls: C&C D-Walls (Slurry Walls) commenced on June 23; 2 panels of 50 completed (4.0%).*
- *U-Wall/D-Walls: U-Wall, D-Walls (Slurry Walls) commencing on July 7; 54 panels total.*
- *Sound Walls: Sound Wall continues towards the north, approximately 80% complete.*

- Construction – West Portal Upcoming Activities:

Launch structure work is in full production. Night shift work began June 9, 2025

- *Completion of the Noise Barrier adjacent to the UPRR right of way*
- *Continuation of Cutter Soil Mixing at the Caterpillar Shaft*
- *Continuation of D-Wall/Slurry Wall construction*
- *Continuation of Depressurization draw down and Instrumentation and Monitoring review*
- *Continuation of rebar fabrication*
- *Installation of sheet piles*
- *Installation of ground improvement for tunnel eye.*

- *Construction – Project-wide (No update was provided at the July 10, 2025, monthly meeting).*

L. Vehicle Technology and Procurement

Expansion of BART's existing fleet to serve the BSVII service to Santa Clara is included in BART's Rail Fleet Management Plan (RFMP). Forty-eight vehicles have been identified in the BSVII budget. However, all vehicles will be procured under BART's vehicle procurement contracts not through separate VTA procurement.

On May 2, 2024, the VTA Board of Directors authorized the General Manager/CEO to enter into an agreement with the San Francisco Bay Area Rapid Transit (BART) for the purchase of 48 revenue vehicles for the BSVII Extension Project through BART's existing contract with Alstom (formerly Bombardier). The costs related to these revenue vehicles are estimated to total $172,600,000.

At the April 10, 2024, monthly meeting, VTA reported that Alstom will begin delivering 48 vehicles for BSVII in 2025.

M. Project Cost

VTA transmitted to FTA/PMOC on October 11, 2023, their new baseline cost estimate included a total project budget of $12.237B. The new baseline cost, with a status date of June 30, 2023, was developed reflecting the CP2 Stage 1 baseline, and the updated design-bid-build (DBB) contract packaging strategy for CP1, CP3, and CP4.

This new baseline cost estimate was reviewed in accordance with FTA's OP33 Project Cost Review in coordination with the January 2024 Entry to Engineering risk assessment. The risk review resulted in P65 Forecast cost of $12.746B that was accepted and adopted by VTA. VTA formally requested FTA's approval to enter Engineering Phase in a letter dated March 29, 2024, with a total project cost of $12.746B and a Revenue Service Date (RSD) of February 2039.

The BSVII project budget of $12.746B supporting VTA's March 29, 2024, request for FTA's approval to enter Engineering and the Cost and Expenditures Update through January 31, 2024, are summarized in ***Figure 14***:

The VTA has reported expenditures through May 31, 2025, including accruals, which total $1,471.6M. Project costs have been expended in SCC 10, SCC 40, SCC 60, SCC 70, and SCC 80. Project commitments include SCC 10, SCC 40, SCC 60, SCC 70, and SCC 80 and total $2,124.9M through May 31, 2025.

At the July 10, 2025, monthly meeting, VTA reported the following Budget/Cost updates for the May 2025 reporting period:

- *During this reporting period, a contingency amount of $2.56M was drawn down to fund the CP2 contract change orders **(Figure 15)**.*
- *As of May 31, 2025, VTA drew down a net $57.3M allocated contingency and $291.4M unallocated contingency to date.*

N. Project Schedule

The VTA provided a May schedule update with a data date of June 1, 2025. A full analysis was completed on this schedule.

The new VTA baseline schedule has a target Revenue Service Date (RSD) of Q2-2037. The preliminary risk assessment by PMOC indicated a projected RSD of February 2039, inclusive of FTA-assessed schedule contingency. VTA is adopting the FTA-recommended schedule contingency that indicates a Q1-2039 RSD while managing to the target RSD of Q2-2037.

The activities for "VTA Target RSD" with a date of May 12, 2037, and "FFGA RSD" with a date of February 28, 2039, have remained the same as Systems Substantial Completion with a date of August 04, 2036.

At the July 10, 2025, monthly meeting, VTA noted that the critical path excluding contingency and reserve remains the same as the previous months and reported the following Project Schedule updates for the May2025 reporting period:

1. West Portal Enabling work and Launch Structure (CP2)
2. TBM Procurement: Assembly and Testing (CP2)
3. Tunnel mining from West Portal to East Portal (CP2)
4. West Portal: Final concrete work and finishes (CP2)
5. West Portal: Train Control Building (CP2)
6. Newhall Yard: Systems installation (CP1)
7. Phase 2 testing by CP1 with BART oversite
8. BART OCC Validation / Testing

The Master Project Schedule (MPS) is comprised of a summary schedule plus the following twelve individual schedules

1. Program Management and Administration
2. Right-of-Way Acquisition
3. Design
4. Advertise, Bid, and Award
5. Utilities
6. Third Party
7. Vehicles & Parking
8. Testing and Commissioning
9. Systems
10. Contract Package 2
11. Yard/SC Station
12. Underground

As of previous reporting periods, a total of 8.5 months of schedule contingency was drawn down to accommodate delays in the award and NTP of West Portal launch early works scope to the CP2 contractor. No additional schedule contingency was drawn down during this reporting period. Since the remaining contingency has dropped below the minimum required level, VTA is taking the following actions to address the shortfall:

- ***Identify opportunities to accelerate EWP 3C construction activities:*** *Following the planned February 2025 NTP for the EWP 3C heavy construction, the project team will collaborate with the contractor to identify opportunities to accelerate construction activities and minimize the actual use of contingency wherever possible. The VTA also included incentive clauses and liquidated damages clauses in Amendment #8.*
- ***Plan for a comprehensive risk assessment following the outcome of VTA Task Force:*** *To mitigate the contingency usage and delays occurred to date for future work, VTA has set up a task force to evaluate CP2 contract options including evaluating other potential contract packaging solutions to expedite schedule and reduce delays. A comprehensive risk assessment will be conducted after those options have been evaluated and a path forward determined.*

The longest path on the schedule has a total float anywhere from 0 to 451 working days. It is starting with three activities, Cons.772680: CP2 PCTL Lining Molds Design Extension, CCS.7280: CP2 Stage 2 - Remaining Lump Sum Cost Proposal – Preparation and ST.8710: CP2 West Portal SOE & Caterpillar Structure. All parts of the CP2 schedule.

The critical path is starting with activity ST.8710: CP2 West Portal SOE & Caterpillar Structure in CP2. This activity has an actual start date of 03MAR25 and indicates 23.36% complete with a finish date of 01APR26.

There is one task activity remaining in the Program Management and Administration that has not started or finished, "FFGA Approvals (FTA/OST, OMB, Congress. There are 3 activities, on the critical/longest path, same as last month.

On the ROW schedule: Two easements have been deleted from the schedule, B4253 and B4252. Easement B4235 had its Construction Need date moved out by 70 working days. The relocation date on easement B3013 has been moved out by 124 working days. There are no activities on the longest path.

On the Design schedule: Contract Wide Review Cycles Revised 60% Design Review based on CSC & Optimizations for Systems has been pushed out by 59 working days. For the Newhall Yard and Maintenance Facility and Santa Clara Station the activity FD.C1305: IDR Review Comment Resolution has been pushed out by 65 working days. The relationship requires correction. Under Station & Support Facilities, Volume Wide Review Cycles, 85% Design Review activity FD.D1335: IDR Comment Incorporation is completing prior to the IDR Review Comment Resolution and this also requires correction. Milestones for Stations 85% Design Submittal to VTA and Stations 100% Design Submittal to VTA under Station and Support Facilities have been pushed out. Five (5) activities are without Finish Relationships. There are no design activities on the longest path.

In the Utility: The actual start date on activity AU.2330: DB Test and Commission of Temporary Power has been removed and a Start On constraint added for January 2, 2026. This has moved the TBM Temporary Power out by 252 working days. The Underground Station 28th Street section has been pushed out by 43 working days with a constraint start date of September 2, 2025. There are 24 activities without finish relationships. Activities that had start constraints of July 01, 2025 have all been adjusted to September 2, 2025. There are no activities on the longest path this month.

The Advertise, Bid & Award, Testing and Commissioning, Systems, Underground and Yard/SC Station schedules had no changes.

Eleven task activities have had their Original Durations changes, and ten of these were increased. The one that was decreased was activity CCS.7310: CP2 Stage 2 - Remaining Lump Sum - Negotiations Cost Proposal and it was decreased from 203 to 140 working days.

Enabling Work at The East Portal North of Las Plumes has moved out 63 working days as has Remaining Lump Sum Cost activities. There are activities without finish relationships. There are forty-two (42) activities on the longest path.
This month there was also a submittal, the April 2025 update (data dated June 1, 2025) of the TBM Launch Structure schedule.
The overall completion date on the update has shifted outwards by 17 working days from last month to April 22, 2032, on the Forecasted Stage 2 Provisional Completion.
There were 3 As-Built activities deleted for Allowances 1, 8 and 12. Forty-five As-Built activities were added, some of which were for Allowances 1, 3, 4, 5, 6, 7 and 10. 16 In-Progress activities and 11 Planned activities were added.

One hundred seventy-one activities have percent completes different from duration estimates in some cases due to physical percent completes not being manually entered.

Sixty-five activities have actual dates added before the Target Data Date 01MAY25. This changes previous update schedules.

Ten activities have modified actual start dates.

Five activities have modified actual finish dates.

One hundred twenty-seven active activities have no progress (0% Complete.) These activities have actual start dates but indicate zero percent of the work has been accomplished. If an activity has an actual start date it shall have a percent greater than zero.

One hundred ninety-two activities have no progress this period.

Six activities have diminished progress this period.

One hundred seventy-two activities could have started but did not based on the current logic in the schedule.

Eighty-six activities could have finished but did not because of the current logic in the schedule.

One hundred eight Milestone Activities showed variance.

Relationships and the longest/critical path were adjusted.

At the July 10, 2025, monthly meeting, VTA reported the following Project Schedule updates for the May 2025 reporting period:

- *Major critical path elements include the TBM Launch Structure, TBM Mining, Tunnel Interior, and completion of the West Portal structure; followed by Systems Construction / Testing.*
- *No major changes to schedule critical path this period **(Figure 16)***

O. Project Risk

Overall Status

The PMOC reviewed various versions of the Risk and Contingency Management Plan (RCMP) leading up to VTA's EPD selection. On May 26, 2023, VTA submitted an updated RCMP (Rev. 0.D dated May 22, 2023) with the above-noted PMP Subplans to support VTA's New Starts request to enter Engineering. On October 11, 2023, VTA submitted another revision of the RCMP (Rev. B dated September 14, 2023) associated with the new baseline cost and schedule.

The VTA reported having continued their risk review meetings with project and discipline teams, updating risk response plans and risk register.

The VTA has indicated that, as per CP2 contract requirements, the KST team is expected to include a risk register after the review of the Configuration Design submittal. The BSVII team will review KST's identified risks with BSVII disciplines, revise the Program Risk Register as appropriate, and establish a joint VTA/KST CP2 Project Risk Register that will be reviewed with the KST team regularly. Since the risk workshop was held in January 2024, this register has not been provided to PMOC.

The project risk profile has changed since the EPD submission and is further impacted as the project has moved back into the New Starts program. *The PMOC has completed a risk assessment based on VTA's updated baseline cost and schedule, which incorporates their planned delivery approach, revised packaging strategy, and approved innovations from the awarded CP2 contractor (KST) The Entry to Engineering risk workshop for the project was conducted in January 2024 with the FTA, the project sponsor, and PMOC. The PMOC has proposed additional new risks related to geotechnical conditions, Buy America requirements, interface requirements associated with changing scope, Real Estate management plan, TBM productivity assumptions, agency capacity, timely decision with BART and external stakeholder impacts including potential delays from Board of Directors. The VTA has incorporated the FTA/PMOC risk assessment results into their new baseline and request to Enter Engineering.*

Based on VTA's monthly report (period ending May 31, 2025), the following capture the key risk updates:

New Risks:

BSV-233 - Unanticipated changes during EWP 3C Construction: *As the construction of West Portal is progressing, there is potential for unanticipated changes to occur during construction. This new risk was identified to account for potential cost increases associated with EWP 3C allowance overruns and other unforeseen site conditions. To manage this risk, BSVII project team has initiated focused meetings to enable early identification of potential cost drivers associated with EWP 3C and implement a response plan to reduce and/or avoid impacts to VTA.*

BSV-234 - EWP 11C Temporary Power Assembly proposed cost higher than 2024 NSEE Budget: *As VTA continues to negotiate with KST on CP2 Stage 2 scope, KST's 2025 cost proposal provided a higher cost for EWP 11C (Temporary Power Assembly early works). This new risk was identified to account for the cost impact associated with a negotiated EWP 11C (temporary power assembly) cost higher than NSEE 2024 budget. To manage this risk, BSVII team continue to progress discrete scope development, open book pricing, ICE comparison, and estimate validation for EWP 11C to support negotiation, as well as reassessing critical-path schedule and evaluating option to include this EWP 11C scope as part of competitive bid if the negotiated cost is significantly above the current budget.*

Increased Risk Score:

BSV-231 - Extended design pause has potential to delay schedule and add cost: *This item originally captured the potential impact of extended design pause to address cost saving measures and optimizations on the BSVII Program's 2024 NSEE Baseline Budget. As the cost saving measures are taking longer than anticipated, it has the potential to delay design and increase cost due to escalation. Although the remaining design packages currently do not impact critical path, the likelihood is increased resulting in an increase in overall risk severity.*

Reduced Risk Score:

BSV-154 – UPRR extended coordination delays EWP construction: *VTA has now executed Mitigation and Cost Reimbursement Agreement with UPRR. With this update, the risk is now reduced. VTA will continue to monitor this risk for other potential UPRR coordination during West Portal construction.*

BSV-205 (mis labeled by VTA, correct risk reference is BSV-204) – Delays in Temporary Power SNH and long-lead transformer procurement and construction: *KST is planning to refurbish a breaker to accelerate schedule, currently on plan or ahead of schedule (anticipated Fall 2026). The need by date for temporary power is now pushed out due to extended duration of the West Portal construction and TBM launch compared to when the risk was initially identified. With sufficient time available to install TBM temporary power, no schedule delay is anticipated. Risk severity is hence lowered.*

Retired Risk:

BSV-009 - Potential for damage to Storm sewer at FMC substation (PG&E) next to Newhall Yard: *There is an existing 48" storm sewer line approximately 22' above the tunnel crown, transverse to the alignment. The relocation of the storm sewer is pending evaluation by KST and determine if relocation is needed. Per VTA, no longer a concern based on sufficient cover between tunnel crown and utility. Risk is now retired.*

Other Risk Updates:

BSV-196 - Failure to secure a lump-sum price with KST resulting in Off-ramp: *This item originally captured the potential for KST's unwillingness to accept reasonable risk strategies/sharing to lead to an off-ramp with CP2 contract scope. As this is a high impact item, VTA has held various meetings with KST to review assumptions related to their TBM mining rates, subcontractor costs, etc. The VTA Task Force is also slated to recommend a Stage 2 path forward in June 2025 with an overview to VTA Oversight Committee on June 12th, 2025, and to the VTA Board on June 27, 2025. The BSVII team will reassess and update the cost and schedule impacts of this risk based on recommended path.*

A summary of the VTA top ten project risks (threats) are presented in ***Figure 17****, with additional detail provided under Attachment E.*

At the July 10, 2025, monthly meeting, VTA provided the following progress updates:

- *Ongoing internal risk review meetings with Program, Project, Discipline Leads and key stakeholders*
- *Continue to work with risk champions to monitor progress of risk response actions for key program risks*
- *Key changes to the Program Risk Register summarized in* ***Figure 18*** *(two new risks added)*

P. Quality Assurance/Quality Control

PMOC reviewed various versions of the Quality Management Plan (QMP) leading up to VTA's EPD selection. On May 26, 2023, VTA submitted an updated QMP (Rev. 2 dated May 1, 2023) with the above-noted PMP Subplans to support VTA's New Starts request to enter Engineering. PMOC reviewed the revised QMP and provided preliminary summary comments to VTA on June 27, 2023. The QMP (Rev. 2 dated November 1, 2023) was submitted to the PMOC on November 22, 2023. On July 2, 2024, FTA transmitted to VTA the final QMP PMOC review report.

At the July 10, 2025, monthly meeting, VTA reported the following:

- Quality Assurance Activities for current month:
  - *General Oversight and Verification*
    - *Completed document review associated with audit of Rail System Organization.*
    - *Drafted new Non-Conformance Report (NCR) workflow procedure in the BSVII Quality Management Plan.*
    - *Review of quality language in Construction Administration Procedure, Construction Management Plan, Management Capacity and Capability Plan, and Project*

Management Plan continues.

- *CP2 Design and Construction Oversight – Kiewit Shea Traylor JV (KST)*
  - *Completed over the shoulder review of KST's NCR workflow associated with SOP-011 – Control of Non-Conforming Work*
  - *Completed over the shoulder review of KST's proposed progressive turnover process for the slurry wall panels*

- *CP1, CP3, CP4 Design Oversight – Mott MacDonald / PGH Wong Engineering JV (MMW)*
  - *Continued GEC Design Quality Program Audit. Document review and evidence gathering in progress.*

- *Planned Quality Assurance Activities for next month*
  - *Initiate Audit of VTA Independent Testing Laboratory*
  - *Draft new workflows for Quality Audits Procedure and Corrective Action Procedure in the BSVII Quality Management Plan*

Q. Safety and Security

The monthly Safety and Security Review Committee SSRC meetings commenced in January 2021. On August 30, 2023, VTA issued the SSRC charter. The SSRC is chaired by VTA Deputy Director, Program Administrator and includes VTA (Security Specialist, Chief of System Safety & Security, System Safety & Security Lead, and project managers), BART (engineering, operations, system safety, and police), BSVII Program Management Team, Federal Transit Administration, and the Project Management Oversight Contractor.

The first FLSSC meeting was conducted on October 7, 2021. FLS (Fire Life Safety) continues to monitor project progress. On August 30, 2023, VTA issued the FLSSC charter. The FLSSC charter is co-chaired by VTA Chief Megaprojects Officer and BART Assistant General Manager of Operations. It includes committee members from the Cities of San José and Santa Clara fire and police departments, Santa Clara Sheriff, California Public Utilities Commission (CPUC), BART (engineering, system safety, and police), and VTA (System Safety & Security, and project managers). The CPUC is the State Safety Oversight Agency (SSOA) as certified by FTA.

At the July 10, 2025, monthly meeting, VTA reported the following System Safety and Security Risk Management / Certification activities:

- *The Safety and Security team continued to support risk and potential changes to certifiable items.*
- Safety and Security Review Committee (SSRC)
  - *Safety and Security status/activity memo provided to the SSRC.*
- *Fire Life Safety and Security (FLSS) Activities*
  - *Reviewed how previous FLSS decisions may be impacted by some of the cost saving measures under consideration.*
- *Activities anticipated in the next month:*
  - *Develop risk assessments for design criteria considerations.*

- *Update process to review any finalized design changes for safety and security impacts.*

R. Americans with Disabilities Act (ADA)

VTA produced an Accessibility Report to meet the EPD application requirements specified in the NOFO (Notice of Funding Opportunity).

S. Buy America

VTA has committed to meeting the Buy America requirements in their PMP documentation. Additional details regarding how they intend to meet the 70-percent content threshold, and their management of contractor requirements have yet to be made available to the PMOC for review.

VTA is including a notification in the RFQ to all prospective bidders that Buy America requirements will be part of each contract. VTA sets the expectation that each supplier and subcontractor must research and present findings for verification. Additional work is needed to coordinate the requirements and compliance at a program level. VTA indicated that their contract technical teams will provide input regarding program coordination.

No update was provided at the July 10, 2025, monthly meeting. PMOC recommends that VTA revisit their plan for Buy America implementation and management regarding Buy America Build America changes and the program's adjusted delivery plan.

T. Start-Up, Commissioning, Testing

VTA and their contractors will be responsible for Phase 1 and 2 system integration testing. Upon successful completion of Phase 2 system integration testing, the system will be turned over to BART to complete Phase 3 system integration and pre-revenue testing. As noted above, VTA has established a Rail Systems Organization (RSO) teaming with BART to manage systems and operations input to project development and address related issues. The RSO is developing the System Integration Testing Program Plan. The testing plan will define BART Phase 3 System Integration Testing (SIT) to be Operations Control Center (OCC) validation of tests previously performed. The intent of Phase 3 SIT is not to introduce new tests to be performed. However, if there are system validation failures during SIT Phase 3, BART will have the right to perform new tests until all testing discrepancies are cleared.

As previously noted, VTA has determined that Communication Based Train Control (CBTC) design will be progressed for implementation on the BSVII extension. To accommodate the technology, BART CBTC implementation from Warm Springs to Berryessa needs to be completed. VTA provided the following milestones related to this phase/segment of BART's project:

- Migration design from Q3 2025 to Q4 2029
- Procurement from Q4 2025 to Q3 2028
- Installation from Q1 2029 to Q4 2029
- Testing and Commissioning from Q3 2029 to Q4 2030
- Revenue service expected at the end of 2030

No update was provided at the July 10, 2025, monthly meeting.

U. Action Items Table

Item		Responsible Party	Date			Status / Action Required
No.	Description		Identified	Due	Complete	
155	Notify PMOC when EWPs are executed	VTA	2/8/2024	*8/14/2025*		***In-Progress*** *7/10/2025 – VTA updated PMOC about latest status of EWPs*
175	*Provide a list of Request for Variances pertaining to system safety and security*	*VTA*	*10/10/2024*	*8/14/2025*		***In-Progress*** *VTA to provide as the RFVs are approved*
180	*Set up a meeting to revisit the risk register in light of the cost savings, contracts re-packaging, etc.*	*VTA*	*2/20/2025*	*8/14/2025*		***Open***
184	*Set up a meeting with FTA and PMOC to review and discuss the Rough Order of Magnitude (ROM) estimates for Levels 1 and 2 cost saving candidates.*	*VTA*	*4/10/2025*	*8/14/2025*		***In-Progress*** *Meeting set up for July 24, 2025*
185	*Set up a meeting with FTA and PMOC to discuss preliminary recommendations of the BSVII Contracting Task Force*	*VTA*	*5/8/2025*	*7/10/2025*	*6/23/2025*	***Closed*** *– Meeting occurred on June 23, 2025*
187	*Set up a meeting with FTA and PMOC to discuss and review VTA's proposed contract packaging*	*VTA*	*5/8/2025*	*7/10/2025*	*6/23/2025*	***Closed*** *– Meeting occurred on June 23, 2025*

Item		Responsible Party	Date			Status / Action Required
No.	Description		Identified	Due	Complete	
190	*Set up a focus meeting to discuss and review the schedule for EWP 3B – West Portal Launch Structure and fabrication / delivery of TBM*	*VTA*	*6/12/2025*	*8/14/2025*		***Open***
191	*Set up a meeting with FTA and PMOC to review and discuss the Rough Order of Magnitude (ROM) estimates for Level 3 cost saving candidates.*	*VTA*	*6/12/2025*	*8/14/2025*		***In-Progress*** *Meeting set up for July 24, 2025*
192	*Set up a meeting with PMOC to discuss Program Management Procurement.*	*VTA*	*6/12/2025*	*8/14/2025*		***Open***
193	*Provide detailed organization charts for BSVII.*	*VTA*	*6/12/2025*	*7/10/2025*		***Open***
194	*Share RFVs with the CPUC*	*VTA*	*6/12/2025*	*7/10/2025*	*7/10/2025*	***Closed –*** *Confirmed at the July 10, 2025 monthly meeting that the CPUC received the RFVs*
195	*Provide Change orders 7 to 10 to the PMOC*	*VTA*	*7/10/2025*	*8/14/2025*	*7/15/2025*	***Closed –*** *Submitted on July 15, 2025*

C. Appendix 1 – Project Monitoring Report Attachments

Attachment A. List of Acronyms

Attachment B. Monthly Meeting Agenda

Attachment C. Monthly Meeting Attendees

Attachment D. List of Documents Received

Attachment E. VTA Top 10 Project Risks

Attachment F. Project Milestones/Key Events Attachment G. Project Map

Attachment H. FTA Grant approval letter dated August 1, 2024.

A. List of Acronyms

ADA	Americans with Disabilities Act
BART	Bay Area Rapid Transit
BSVII	BART Silicon Valley Phase II
CBTC	Communications Based Train Control
CIG	Capital Investment Grants
CMS	Construction Management Services
CPUC	California Public Utilities Commission
CSC	City of Santa Clara
CSJ	City of San José
DCM	Design Criteria Manual
EVS	Emergency Ventilation Structure
EPD	Expedited Project Delivery
FAT	Factory Acceptance Testing
FLSS	Fire, Life, Safety and Security
FTA	Federal Transit Administration
FOTF	Fleet of the Future
GEC	General Engineering Consultant
HK	Herrenknecht
KST	Kiewit Shea Traylor
LS	Lump Sum
MCCP	Management Capacity and Capability Plan
NDA	Non-disclosure Agreement
NEPA	National Environmental Policy Act
NOFO	Notice of Funding Opportunity
OP	Oversight Procedure
PDB	Progressive Design Build
PMOC	Project Management Oversight Contractor
PMP	Project Management Plan
PMT	Program Management Team
QMP	Quality Management Plan
RAMP	Real Estate Acquisition Plan
RCMP	Risk and Contingency Management Plan
RFIF	Request for Industry Feedback
RFMP	Rail Fleet Management Plan
RFP	Request for Proposal
RFQ	Request for Qualifications
ROW	Right of Way
RSO	Rail Systems Organization
RVTM	Requirements Verification Traceability Matrix
SCC	Standard Cost Categories
SOQ	Statement of Qualifications
SSMP	Safety and Security Management Plan
SSOA	State Safety Oversight Agency
SSRC	Safety and Security Review Committee
STOPS	Simplified Trips-On-Project Software

SVBX	Silicon Valley Berryessa Extension
SVTC	Silicon Valley Transit Consultants
TBM	Tunnel Boring Machine
TAP	Tunnel Advisory Panel
UPRR	Union Pacific Railroad
VE	Value Engineering
VTA	Santa Clara Valley Transportation Authority

B. Monthly Meeting Agenda

Monthly Coordination Meeting/Teleconference
VTA BART Silicon Valley Extension Phase II
Thursday, July 10, 2025 – 9:30am (Pacific)
Conference Connection: MS Teams

1. Introductions/Roll Call
2. Key Agency-level updates (organization, financial, legal, safety, etc.)
3. Action Items from latest Monthly Call
4. Issues and Concerns from latest Monthly Meeting
5. Project Status
   a. Project Management Organization Updates
      i. PMP and sub-plans
      ii. Management Capacity and Capability
   b. Project Summary Description
   c. Key Project Issues
      i. Key Personnel staffing update
      ii. Program Management Services Procurement update
      iii. Status of Cost Reduction from the $12.76B Entry to Engineering budget
      iv. Update on Peer Review – Cost Savings
      v. Budget vs. Funding Report
      vi. Contracts:
         - BSVII Off-Ramp
         - BSVII Contract Re-Packaging
         - BSVII Project Delivery
      vii. BSVII Project Progress:
         - TBM Inspection / Delivery Update
         - Schedule critical path
         - Early Works including the following:
           - ✓ TBM Launch structure (EWP- 3C)
           - ✓ TBM procurement
           - ✓ EWPs to be negotiated with KST

   d. NEPA / CEQA - Environmental Mitigations
   e. Project Delivery Method and Procurement Status
      i. Project-Wide
      ii. Systems Delivery Method / Procurement
      iii. CP2 Delivery Method / Procurement
      iv. Facilities Delivery Method / Procurement
      v. Stations Delivery Method / Procurement
      vi. Railcar Procurement
   f. Design Status
      i. Project-Wide
      ii. Systems

        iii. CP2 – Tunnel & Trackwork
        iv. Facilities
        v. Stations
    g. Real Estate Acquisition/Relocation Status
    h. Public Involvement/Outreach
    i. Third-Party Agreements
    j. Utilities
    k. Construction
    l. Project Controls
        i. Schedule Updates
        ii. Cost and Expenditures Updates
        iii. Change Order Status
        iv. Contingency Status
    m. Project Risk Management
    n. Quality Assurance / Quality Control
    o. System Safety and Security
6. New Action Items
7. Upcoming Monthly Coordination Meetings:
    a. August 14, 2025, 9:30am (Pacific)
    b. September 11, 2025, 9:30am (Pacific)

C. Monthly Meeting Attendees

Organization	Name	E mail
FTA	Melissa McGill	melissa.mcgill@dot.gov
VTA	Khair Mohammad Amini	khairmohammad.amini@vta.org
VTA	Monica Born	monica.born@vta.org
VTA	Krishna Davey	krishna.davey@vta.org
VTA	Rosemarrie Gonzalez	rosemarrie.gonzalez@vta.org
VTA	Kevin Kurimoto	kevin.kurimoto@vta.org
VTA	Tom Maguire	tom.maguire@vta.org
VTA	Nellie Moussa	nmoussa@vtabsv.com
VTA	Ronak Naik	ronak.naik@vta.org
VTA	Eric Olson	eolson@hntb.com
VTA	Drew Pearce	dpearce@vtabsv.com
VTA	Brent Pearse	pearse_b@vta.org
VTA	Sarah Wilson	swilson@vtabsv.com
VTA	Laurence Farrell	lfarrell@vtabsv.com
BART	Ni Lee	nlee@bart.gov
CPUC	Daniel Kwok	daniel.kwok@cpuc.ca.gov
CPUC	Rupa Shitole	rupa.shitole@cpuc.ca.gov
PMT	Craig Constant	cconstant@vtabsv.com
CMS	Brian Curran	bcurran@vtabsv.com
PMT	Suresh Kataria	skataria@hntb.com
PMT	Chuck Morganson	cmorganson@hntb.com
PMT	Tony Murphy	tony.murphy@wsp.com
PMT	Chris Ralston	cralston@vtabsv.com
PMT	Lurae Stuart	lurae.stuart@wsp.com
PMOC	Laurel Espenlaub	laurel.espenlaub@atkinsrealis.com
PMOC	Jessica Fulton	jessica.fulton@atkinsrealis.com
PMOC	Emile Jilwan	emile.jilwan@atkinsrealis.com
PMOC	Beth Sprague	beth.sprague@atkinsrealis.com
PMOC	Nadeem Tahir	nadeem.tahir@atkinsrealis.com

D. List of Documents Received

Document	Received
RFV Statuses 250602.pdf	6/5/2025
SCVTA-BSVII-Approved-RFVs-as-of-2025-06-02.zip	6/5/2025
Please_Review_and_Execute_MRS_CA_SAN_JOS.pdf	6/11/2025
BSVII-P0509-PC-RPT-BSVII_Monthly_Progress_Report_April_2025.pdf	6/23/2025
VTA BSVII MPS April Update_06-03-2025.ser	6/23/2025
BSVII-ProjectRiskRegister APR-2025 Clean Draft 05-30-2025.xlsx	6/23/2025
VTA BSVII Detailed Schedule_April 2025.pdf	6/23/2025
third party agreement tracking 04.30.25.xlsx	6/23/2025
BSVII Focused Meeting - Contracts Re-Packaging & Recommended Delivery Methods.pdf	6/23/2025

E. VTA Top 10 Project Risks (Threats)

Risk ID	Risk Title	Risk Description	Risk Score	Action Items Description
BSV-196	Failure to secure a lump-sum price with KST resulting in Off-ramp.	Cause: KST's unwillingness to accept reasonable risk strategies/sharing within VTA budget. Risk: Failure to agree on lump-sum and come to terms with KST. Impact: Off-ramp with CP2 contract scope, increased interface risk, design completion delays, construction escalation costs, etc.	20	1. Implement schedule critical scopes as early construction item during Stage 1 to lessen the impacts/delays of implementing an off-ramp. 6. VTA Task Force to evaluate Stage 2 options (including off-ramp) for KST contract and update VTA Board on current status of CP2 Stage 2 scope and ongoing negotiations.
BSV-231	Extended design pause has potential to delay schedule and add cost	Cause: Various design elements are currently paused to address cost saving measures and optimizations Risk: Extended design pause phase Impact: Design delays and added cost due to escalation	16	1. Ongoing monitoring of design status in line with planned schedule and restart design to avoid/minimize critical path impact. 2. Identify interface critical design elements that may require additional design time and plan to restart design.
BSV-213	Additional CP2 redesign costs and CP2 design time to address optimizations and cost saving measures	Cause: Various cost savings measures required need for optimizations. Risk: Implementing optimizations will be a redo of 85% design and, in some cases, potentially going back to 60% design. Impact: Additional design time and costs to address proposed optimizations.	15	1. Expedite DCM/TR/3rd Party clearance for contract compliance of the design proposed as part of optimizations and cost saving measures. 4. Work with contract and project control teams to develop redesign cost estimate and schedule impact to prepare negotiation with KST for GO items. 6. Once budget is approved as part of future amendment, provide direction to KST to perform optimization scopes.
BSV-215	FFGA execution delays	Cause: FTA's approval of BSVII's NSEE application resulted in significant funding shortfall Risk: Longer time to address funding gap and resulting FFGA execution delay Impact: Delay in execution of near-term critical path schedule milestones and associated increase in overall program cost.	12	1. Identify additional local funding sources to address funding shortfall. 3. Incorporate approved optimizations/cost savings measures in design and update program cost forecast. 4. Update financial plan to support FFGA execution by Fall 2025.
BSV-005	Unanticipated damage to historic buildings & other structures	Cause: Vibration and/or settlement during construction. Risk: Unanticipated or inadvertent damage to buildings (especially historic buildings) and structures. Impact: Added cost to mitigate; along Santa Clara St, but extending to the area encompassed by settlement trough.	12	9. Contractor to prepare mitigation design following findings of PPS.
BSV-029	VTA financial capacity / funding plan to finance potential future project cost increases	Cause: Changes in cost may result from further design development and coordination with stakeholders. Risk: Future cost estimates may exceed current available funding and/or local funds may expire, necessitating the identification of additional funding sources and/or debt financing. Impact: a) delays in progressing the project, b) changes to scope in order to align with identified funding and project cost.	12	3. Identify secondary mitigation and review with BART if additional cost pressures arise as applicable. 4. VTA CFO continues to perform stress tests of the financial plan to address potential cost increases
BSV-036	General construction labor shortage / labor premiums resulting in delays or increased cost	With so many on-going concurrent projects in the state, and the potential for more projects ramping up due to Federal /State stimulus to create jobs, there may be a shortage of skilled labor to support aggressive project milestones. In addition, competition of resources for skilled labor (operators, electricians, tunnel moles, etc.) and equipment may create the need to pay a premium.	12	2. Continue to monitor economic trends. 3. Continue project public outreach efforts.
BSV-096	Testing and Commissioning delays due to various factors	Testing and commissioning delays due to: - Insufficient time allocated to the schedule for testing activities. - Unanticipated systems integration/interface issues. - Inadequate installation verification and QA/QC processes implemented. - Failed testing of equipment and/or testing parts requiring major rework. - Improper handoff from other CPs to systems contractor.	12	2. Develop detailed resources loaded schedule for system's testing, commissioning and training activities. 3. Rigorous implementation of lessons learned including integrating BART's Operations (Maintenance and Engineering) team into the design, construction and testing phases of the program. 4. PMT to work with GEC to ensure a clear definition of the inspection and test conditions to be included in the CP1/3/4 contract documents as they constitute SOW definition. Also, PMT works with the CP 2 Management Team to ensure KST technical deliverables clearly specify equivalent requirements for their contracted SOW. As part of the review process with BART and other stakeholders the intent is to give reviewers the opportunity to comment on the stated installation and test conditions specified.

Risk ID	Risk Title	Risk Description	Risk Score	Action Items Description
				5. Introduce the Rail Acceptance Officer early on during the testing phase. 6. Establish a joint testing and commissioning organization, under an experienced systems integration manager. Ensure Project key personnel include Interface/Integration Manager (Facilities Design), Systems Design Integration and Systems Testing/Start-Up Manager. 7. VTA, BART and other stakeholders jointly develop all technical, operational and maintenance requirements for the rail systems, and fixed facility systems.
BSV-138	Design interfaces between GEC and KST lead to integration issues, errors and disputes.	Interdependence of CP2 PDB design with VTA GEC design with complex analysis/design interfaces has the potential for misalignment of design expectations, confusion over roles/ responsibilities, errors and omissions, poor integration of the various designs at contract interface points, and resultant impacts to construction cost/schedule including increased risk of claims.	12	2. Coordinate with GEC and KST design teams to work within one consolidated model and properly integrating/ managing design and contract interfaces. 5. Conduct additional coordination with CP teams to address changed interfaces and minimize interface issues.
BSV-152	Truck traffic volume for disposal of muck from the tunnel resulting in additional costs	Cause: Muck disposal constrained by number of trucks per day (revised NSEE cost estimate already includes cost of muck disposal via traditional haul/disposal (i.e., at disposal sites with added cost) via trucks at market rate.) Risk: Muck disposal limited by number of trucks per day, impact to public traffic requiring additional work constraints or limitations. Impact: Eventual disposal taking longer than anticipated resulting in additional cost may be higher than currently estimated due to the actual volume of trucks at West Portal.	12	4. Investigate the market capacity of trucks and establish potential overflow location(s) on-site. 5. Continue to progress Salt Ponds as alternative muck disposal option independent of BSVII program. Three options have been looked at to get the material to the ponds (Rail, Truck and Pipeline). All of these have cost impacts and require environmental clearance. 6. Further explore Local Quarries option - at least 2 local quarries have been contacted and are interested in taking all the material for use in reclamation projects. Both options could be handled with trucks. One of the sites has an abandoned rail spur that might be an option but would require additional environmental approval. 7. Further explore Dirt Broker(s) option that focuses on finding a broker who could connect developers/ project site(s) that needs material. 8. Continue to explore muck disposal via UPRR corridor from the project site to locations (near and far). This could eliminate the use of trucks but also requires additional environmental clearance.

Source: BSVII Monthly Progress Report May 2025

F. Project Milestones/Key Events

Milestone	Planned Date
General Key Milestones	
Contract Package 1_Systems Design Bid Ready & Review	9-Mar-28
Contract Package 3_Newhall Yard and Santa Clara Station Design Bid Ready & Review	22-Jan-27
Contract Package 4_Stations and Support Facilities Design Bid Ready & Review	5-Oct-27
VTA Target Start of Revenue Service	12-May-37
FTA Target Start of Revenue Service	28-Feb-39
Construction Contracts Key Milestones	
Contract Package 1_Systems	
Contract Package 1 NTP Systems	18-Apr-29
Track Testing Completion	16-Oct-34
Systems Testing Completion Turn Over to BART	9-Nov-35
Contract Package 2_Tunnel and Trackwork	
Order TBM	**31-Oct-23**
Contract Package 2 NTP2 Tunnel & Trackwork	6-Jan-25
Deliver TBM	21-May-26
Start of Tunneling	6-Nov-26
Start of Trackwork	1-Nov-29
Contract Package 3_Newhall Yard and Santa Clara Station	
Contract Package 3 NTP Newhall Yard and Santa Clara Station and Parking Garage	3-Feb-28
Santa Clara Station Fit-Out Completion	4-Feb-32
Santa Clara Station Parking Garage Construction Completion	18-Dec-31
Newhall Yard Trackwork Completion	22-Jul-33
Contract Package 4_Stations	
Contract Package 4 NTP Stations and Support Facilities	18-Dec-28
Diridon Station Fit-Out Completion	12-Dec-33
DTSJ Station Fit-Out Completion	19-Aug-33
28th Street Station Fit-Out Completion	26-Aug-33
28th Street Station Parking Garage Construction Completion	5-Dec-33

Source: VTA's BART Silicon Valley Phase II Extension Project Basis of Schedule, New Starts Entry to Engineering Revision 0, March 25, 2024

G. Project Map

U.S. Department of Transportation
Federal Transit Administration

Region IX
Arizona, California,
Hawaii, Nevada, Guam
American Samoa,
Northern Mariana Islands

90 7th Street
Suite 15-300
San Francisco, CA 94103-6701
415-734-9490

888 South Figueroa Street
Suite 440
Los Angeles, CA 90017-5467
213-202-3950

Ms. Carolyn Gonot
General Manager and Chief Executive Officer
3331 North First Street
San Jose, CA 94134

Dear Ms. Gonot:

The Federal Transit Administration (FTA) is pleased to inform you that the Santa Clara Valley Transportation Authority's (VTA) request for the Bay Area Rapid Transit (BART) Silicon Valley Phase II Extension Project (the Project) to enter the New Starts Engineering phase of the FTA Capital Investment Grants (CIG) Program is approved. This approval to initiate Engineering is a requirement of Federal transit law [49 U.S.C. 5309(g)] governing the Program.

The FTA is required by law to evaluate proposed projects against a number of criteria and ensure that prospective grant recipients demonstrate the technical, legal, and financial capability to implement the project. As a result of FTA's evaluation of the Project, an overall project rating of Medium-High was assigned.

Please note that the VTA undertakes Engineering work at its own risk, and that the Project must still progress through further steps in the CIG program to be eligible for consideration to receive CIG funding.

FTA approved a Letter of No Prejudice covering expenses VTA incurred when it started in New Starts Project Development in March 2016, through the Project's migration to the Expedited Project Development (EPD) Pilot Program, as well as for all remaining work on the project, thereby matching the pre-award authority VTA had been given while it was in the EPD Pilot Program for the estimated total project cost of $9.318 billion.

With this Engineering approval, the VTA can continue automatic pre-award authority to incur costs for engineering activities, utility relocation, real estate acquisition, construction and other non-construction activities such as the procurement of rails, ties, commodities, and other specialized equipment. The VTA should consult with the FTA Region IX office for a determination of whether any other non-construction activity falls within the automatic pre-award authority granted with the Engineering approval of the Project.

Under this extended pre-awarded authority, FTA reminds VTA that the procurement of vehicles must comply with all Federal requirements including, but not limited to, competitive procurement practices, the Americans with Disabilities Act, and the Buy America Act requirements. The FTA encourages the VTA to discuss the procurement of vehicles with FTA prior to exercising the pre-award authority.

This pre-award authority does not constitute any FTA commitment that future Federal funds will be approved for the Project or for any element of the Project. As with all pre-award authority, all Federal requirements must be met prior to incurring costs in order to retain eligibility for future FTA grant assistance. Additional guidance regarding pre-award authority for the CIG Program is provided in the FTA Fiscal Year 2024 Apportionments, Allocations, and Program Information Notice, that was published in the Federal Register Notice on May 31, 2024.

Local Financial Commitment

The capital cost of the Project is estimated to be $12,745,606,428 in year-of-expenditure dollars. The VTA is seeking $6,296,329,575 (49.4 percent) in CIG program funds. The FTA determined that approximately 84 percent of the non-CIG capital funds are committed or budgeted.

Please be advised that the amount of CIG funding for the Project is fixed at the time of entry into Engineering. The FTA considers multiple factors when deciding on the CIG funding level that can be provided to an individual project. These factors include the size of the project and the CIG dollar amount being requested, the demand for CIG funding from other projects in the program, and the availability of funds from Congress. Although the VTA requested a 49.4 percent CIG share, FTA is notifying VTA that $5,098,242,571 (40 percent) represents the maximum amount of CIG funds that will be provided by FTA for the Project should a Full Funding Grant Agreement (FFGA) be approved. The FTA will work with VTA during Engineering to identify appropriate annual CIG funding amounts to assume.

Prior to the Project's consideration for an FFGA, VTA must submit a revised financial plan. VTA is required by statute to secure and document all commitments of the non-CIG funding for the Project to be able to receive an FFGA. VTA must secure explicit board approval to commit 2000 Measure A and 2016 Measure B in sales tax funds to the Project beyond the timeline of the current biennial budget. In addition, without an extension in the Measure A and Measure B sales taxes, the Project runs the risk of a system-wide deficit in cash reserves shortly after the revenue service date in February 2039, therefore VTA must account for this possibility in its financial plan. Additionally, the Metropolitan Transportation Commission (MTC) needs an administrative action to release $375 million in state TIRCP funding to VTA. The VTA and MTC must also execute an agreement regarding use of the State Transportation funds. FTA wants to bring to your attention the opportunity for Federal loans. The Build America Bureau offers several customizable credit instruments that can reduce project costs and increase flexibility.

Scope, Schedule, Cost, and Technical Capacity

The FTA and its Project Management Oversight Contractor (PMOC) conducted a readiness review of the Project's scope, schedule, cost, and project risks as well as VTA's technical capacity and capability to manage the project. The PMOC provided a final Readiness to Enter Engineering Review Report in May 2024. The report indicated the current cost estimate and project schedule are acceptable for a project at this phase of development. The risk and contingency review indicated the current contingency is within the acceptable range at this phase of the Project. Therefore, FTA and the PMOC found that the current cost estimate is reasonable and acceptable for a project at this phase of development.

The VTA's Project Schedule reflects a Revenue Service Date (RSD) of February 28, 2039. The FTA and PMOC's schedule review found the project schedule is sufficient for entry into Engineering. The FTA has determined that the VTA has the management capacity and capability to effectively manage the Engineering phase of the Project. However, during Engineering, the VTA must address all recommendations noted in the FTA's Readiness to Enter Engineering Review Report, which represent risks to the project cost and schedule, including the key items listed below:

- Update the Project Management Plan to reflect project advancement.
- Update the Risk and Contingency Management Plan, the Management Capacity and Capability Plan, the Real Estate Acquisition and Management Plan, the Quality Assurance/Quality Control Plan, the Operations and Maintenance Plan, the Fleet Management Plan, the Safety and Security Management Plan, and Scope documents to address PMOC comments/ recommendations.
- Execute all critical third-party agreements.

Civil Rights

Pursuant to the Civil Rights Act of 1964 and its implementing regulations, as well as FTA Circular 4702.1 (Title VI Program Guidelines for FTA Recipients, Part II, Section 114), VTA submitted an updated Title VI program on November 15, 2022. The current program remains effective through January 31, 2026.

VTA's Equal Employment Opportunity Plan was submitted on February 24, 2022. The current program remains effective through April 30, 2026.

VTA's Disadvantaged Business Enterprise program was submitted on March 18, 2021, and was approved by FTA on May 3, 2021. VTA's Project goal was submitted on August 1, 2022, and was approved by FTA on October 18, 2022.

The VTA is required to ensure that the vehicles, stations, and facilities are designed and engineered to ensure compliance with current standards for accessibility under U.S. Department of Transportation regulations implementing the transportation provisions of the

Americans with Disabilities Act of 1990 (ADA). VTA is advised to independently verify manufacturers' claims of ADA compliance, and to consult with FTA's Office of Civil Rights concerning ADA requirements as project construction and implementation progresses.

Information Collection and Analysis Plan

Within four months of entry into Engineering, VTA should complete the milestone activities required for the Information Collection and Analysis Plan of the Project, namely the documentation, analysis, and archiving of the predicted physical scope, capital cost, transit service levels, operating and maintenance costs, and ridership. The VTA should coordinate this work, as it is underway, with the FTA Office of Planning and Environment.

The FTA looks forward to working with VTA on the BART Silicon Valley Phase II Extension Project. For any questions, please contact Ms. Jean Mazur, Transportation Program Specialist, at jean.mazur@dot.gov or by phone at (415) 734-9456.

Sincerely,

7/31/2024

X

Ray Tellis

Signed by: RAYMOND SELVIN TELLIS

Regional Administrator

Appendix 2 – Visual Data: Related Pictures, Graphs and Charts

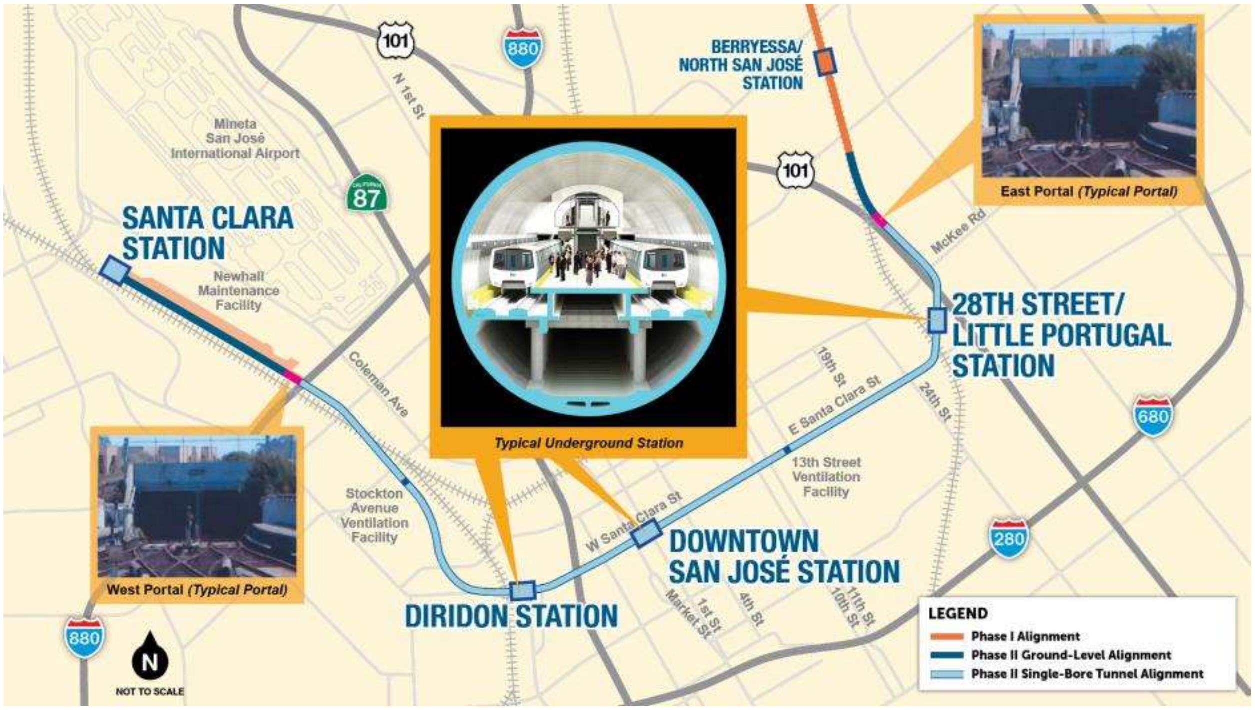

Figure 2 – Proposed Alignment of the BSVII Extension

		FTA P65 Forecast (EPD Letter of Intent) (Oct 2021)	VTA New Starts Basis (Sept 2022)	New Baseline New Starts – Entry to Engineering (Oct 2023)	FTA P65 Forecast - Entry to Engineering (Mar 2024)
Cost	Capital Cost Estimate	$9.148B	$9.318B	$12.237B	$12.746B
Contingency	Allocated and Unallocated Contingency	$2.653B	$1.729B	$2.878B	$3.119B[1]
Schedule	Revenue Service Date	June 21, 2034	March 1, 2033	October 22, 2036	February 28, 2039[2]

Project Progress		Amount ($M)	Percent of Total
Total Expenditures	Actual cost of all eligible expenditures completed to date[3]	$*1,471.6*	*11.57%*
Planned Value to Date	Estimated value of work planned to date	N/A	N/A
Actual Value to Date	Actual value of work completed to date	N/A	N/A

Contract Status		Amount ($M)	Percent
Total Contracts Awarded	Value of all contracts (design, support, construction, equipment) awarded: % of total value to be awarded	$2,124.9	N/A
Construction Contracts Awarded	Value of construction contracts awarded: % of total construction value to be awarded	0	0
Physical Construction Completed	Value of physical construction (infrastructure) completed: % of total construction value completed	0	0

Rolling Stock Vehicle Status	Date Awarded	No. Ordered	No. Delivered
Heavy Rail Vehicles	May 2024	48 (planned)	0

[1] *Includes $1.657B of Unallocated Contingency.*
[2] *Recommended Revenue Service Date of February 28, 2039, based on the use of 125% of the remaining critical path Stripped and Adjusted Base Schedule (SABS) duration.*

[3] *Includes standard cost categories (SCC) 10, 40, 60, 70 and 80 expenditures in Project Development, reported through May 31, 2025, based on accruals.*

Figure 2 – Core Accountability Items

Document Title	Revision	
	No.	**Dated**
Project Management Plan (PMP)	0.C	April 9, 2021
Management Capacity and Capability Plan (MCCP)	0.E	April 16, 2021
Risk and Contingency Management Plan (RCMP)	0.C	April 16, 2021
Quality Management Plan (QMP)	0.D	April 19, 2021
Real Estate Acquisition Management Plan (RAMP)	0.B	September 30, 2020
Safety and Security Management Plan (SSMP)	0.B	April 20, 2021
BART Rail Fleet Management Plan (RFMP) FY2020 to FY2036	D	September 2019
Third Party Agreement Management Plan	0.C	April 18, 2021
Project Delivery and Procurement Plan	0.F	April 16, 2021
Project Implementation Plan	C	September 30, 2020

Figure 3 – BSVII Project Management Plan and Sub-Plan Documents reviewed for program EPD readiness

Document Title	Revision	
	No.	Dated
Project Management Plan (PMP)	1	May 1, 2023
Management Capacity and Capability Plan (MCCP)	1.A	May 1, 2023
Risk and Contingency Management Plan (RCMP)	0.D	May 22, 2023
Quality Management Plan (QMP)	2	May 1, 2023
Real Estate Acquisition Management Plan (RAMP)	0.C	May 1, 2023
Safety and Security Management Plan (SSMP)	0.C	May 1, 2023
BART Rail Fleet Management Plan (RFMP) FY2020 to FY2034	F	February 2023
Third Party Agreement Management Plan	1	May 1, 2023
Project Delivery and Procurement Plan	0.G	May 1, 2023
VTA Bus Fleet Management Plan	1	May 2023
VTA LRT Fleet Management Plan	1	April 2023

Figure 4 – Updated PMP and Sub-Plan submitted to FTA, May 26, 2023

Document Title	Revision	
	No.	Dated
Project Management Plan (PMP)	2	December 15, 2023
Management Capacity and Capability Plan (MCCP)	2	December 15, 2023
Risk and Contingency Management Plan (RCMP)	B	September 14, 2023
Safety and Security Management Plan (SSMP)	0.D	December 8, 2023
Real Estate Acquisition Management Plan (RAMP)	0.C	December 8, 2023
Quality Management Plan (QMP)	2	November 1, 2023
VTA 2023 Bus Fleet Management Plan (BFMP)	1.0	November 2023
VTA 2023 Light Rail Fleet Management Plan (LRFMP)	1.0	April 2023
BART Rail Fleet Management Plan	F	February 2023
Third-Party Agreement Management Plan	1.0	November 1, 2023
Project Delivery and Procurement Plan	0.G	November 1, 2023

Figure 5 – Updates to PMP and Sub-Plans submitted to FTA, November 2023

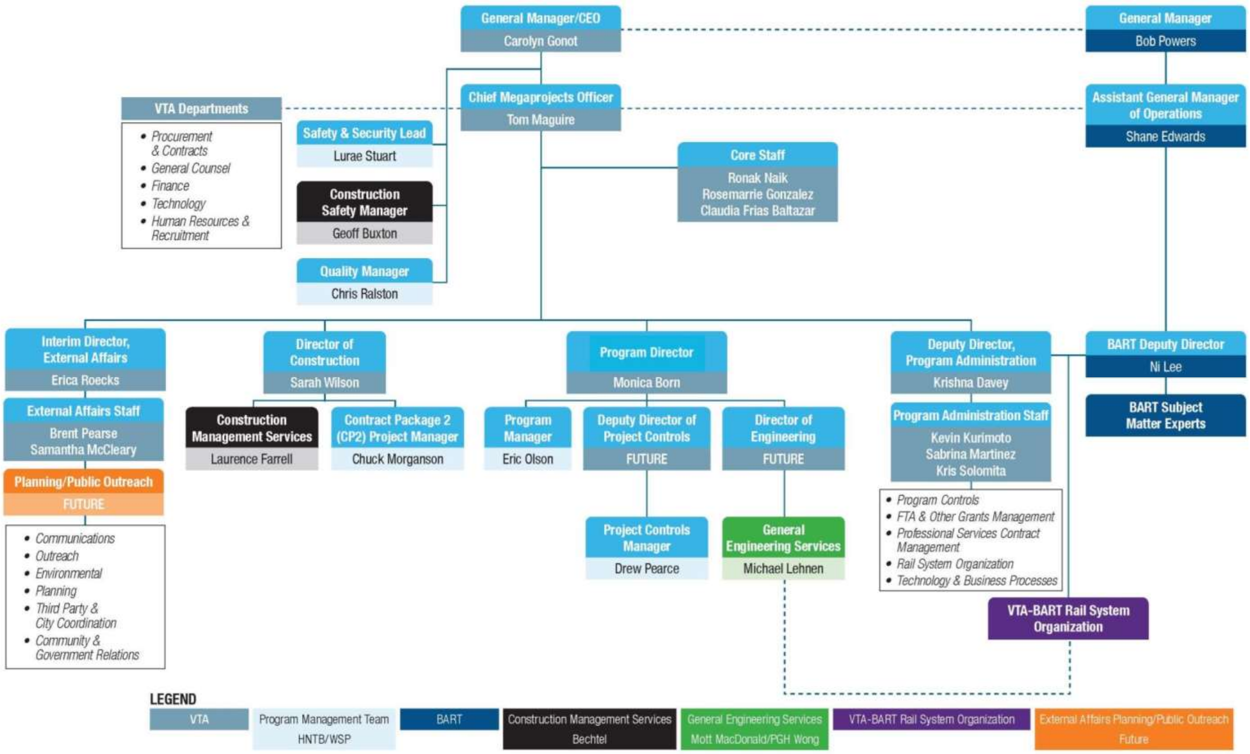

Figure 6– BSVII Organization Chart

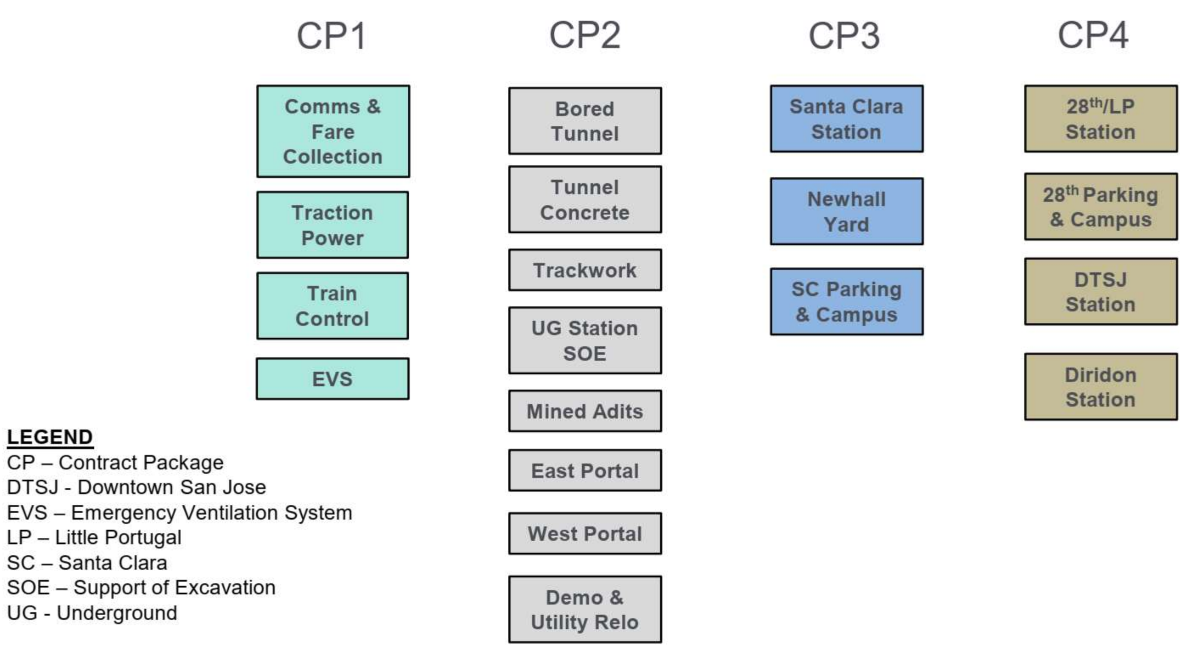

Figure 7 - BSVII Contract Packages

Package Number	Construction Contract Package Name	2022 Delivery Method	2023 Delivery Method
CP1	Systems	Design Build	Design-Bid-Build
CP2	Tunnel and Trackwork	Progressive Design Build	Progressive Design Build
CP3	Newhall Yard, Santa Clara Station, and Parking Garage	Design Build	Design-Bid-Build
CP4	Underground Stations	Design Build	Design-Bid-Build

Figure 8 – Construction Contract Packaging and Delivery Methods

Milestones		Contract Packages			
		CP1	CP2	CP3	CP4
Request for Qualifications	RFQ Release	2/26/2021	12/29/2020	9/13/2021	6/29/2021
	SOQ Response	5/18/2021	3/19/2021	11/30/2021	9/23/2021
	Shortlist	6/30/2021	5/11/2021	2/3/2022	RFQ was cancelled 3/1/2022
Request for Proposals	Pre-Final	4/15/2022	7/19/2021	5/20/2022	
	Final	RFP was cancelled 12/31/2022	9/24/2021	RFP was cancelled 12/31/2022	
	RFP Response		12/10/2021		

Figure 9 – BSVII Procurement Activity Dates

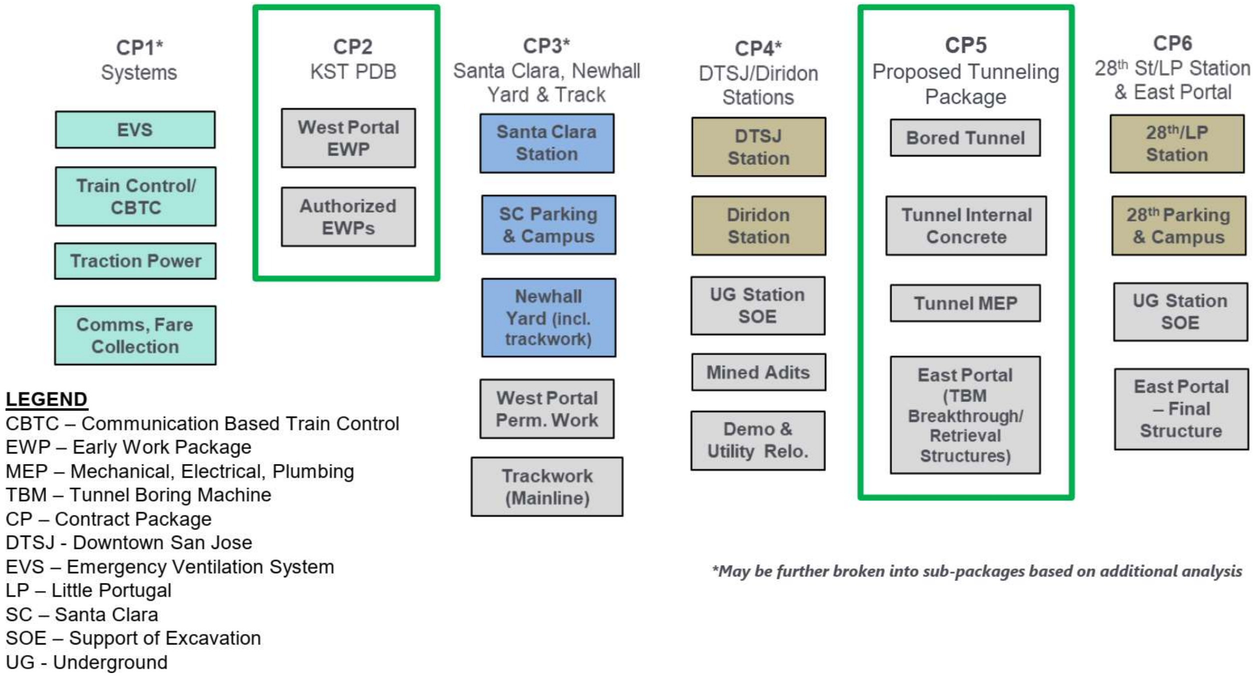

Figure 10 - Preliminary BSVII Re-Packaging Approach

Level	Cost Savings Advancing	Cost Savings (ROM) (as of 2/3/2025) [1,2]
1	Criteria / Requirements variances [3]	$187M
1	Refine Station Design	$68M
1	Conversion of 28th Street station parking structure to surface	$77M
1	Owner Supplied Materials	$20M
2	Newhall Yard Facility / Santa Clara Station	*>$40M*
2	Tunnel Interior Reconfiguration	*TBD*
2	Various Alternative Structural Concepts	*<$5M*
2	Muck off-haul options	<$10M to TBD
Tunnel Construction Means / Methods under consideration (Includes ideas from FTA/PMOC and Gall Zeidler)		
3	Smaller ~40’ OD single-bore with cut and cover stations	
3	Smaller ~40’ OD single-bore with Sequential Excavation Method (SEM) station construction and ground improvements at the Downtown San Jose station (DTSJ)	
3	Smaller ~40’ OD single-bore with cut and cover stations, and sidewalk entrances at DTSJ and Diridon	
3	Smaller ~48’ single-bore with fully stacked tracks and platforms	
3	Concurrent tunneling with ~53’ OD tunnel from West Portal and ~40’ OD from East Portal	

[1] Draft ROM costs in YOE dollars based on conceptual designs and subject to change
[2] ROM estimates are yet to be mapped to the baseline established at entry into NSE phase

Figure 11 – Costs Savings Progress Update presented at July 10, 2025 meeting

PROJECT ACQUISITION STATUS										Report Period: May 2025	
				Status of "Parcels in Acquisition Process"						Relocation ****	
Description	Total	Possession Obtained	In Acquisition Process	Eminent Domain Actions Filed ***	Board Adoption of RON	Offers Made	Appraisal Process Completed	Legals and Plats Approved	Pending Legals and Plats	Required	Completed
SUMMARY OF REQUIRED TAKES											
Total Parcels: *	*75*	*36*	*39*	*16*	*2*	*6*	*0*	*2*	*13*	*37*	*22*
Type of Take: Quantity											
BPE ** & Other Takes:	*4*		*4*	*1*		*2*			*1*	*3*	
Full Fee:	*9*	*7*	*2*	*1*					*1*	*15*	*10*
Other Multiple Takes (Easement/Fee):	*3*	*1*	*2*			*1*			*1*	*15*	*12*
Tunnel Easement:	*45*	*24*	*21*	*14*	*1*	*1*		*2*	*3*		
Roadway Easement:	*3*		*3*						*3*		
Utility Easement:	*4*		*4*						*4*		
Temporary Construction Easement:	*7*	*4*	*3*		*1*	*2*				*4*	

* Six Building Protective Easements were removed due to elimination of DTSJ Secondary HH; pending Property Protection Study report

** BPE: Building Protective Easements – Parcels have additional acquisitions, such as Tieback Easement

*** Total includes two parcels removed from the elimination of DTSJ Secondary HH

**** Represents total tenants not parcels

Figure 12 – Project Acquisition Status as of January 2025

UTILITIES RELOCATION STATUS		Report Period: May 2025
Location	Relocations Design	Relocations In Construction
OWNER LED RELOCATIONS		
West Portal / NHY / SCS	7	4
Diridon Station	8	7
7Downtown San José Station	4	4
28th Street / Little Portugal Station	7	0
East Portal	5	0
Sub Total	**31**	**515**
CONTRACTOR LED RELOCATIONS		
West Portal / NHY / SCS	3	0
Diridon Station	3	0
Downtown San José Station	0	0
28th Street / Little Portugal Station	3	0
East Portal	2	0
Sub Total	**11**	**0**
Total	**42**	**515**

Figure 13 - Summary of Utility Relocation Design and Construction Progress

VTA BART Silicon Valley Program, Phase II					Report Period	May-2025
Cost Report by Standard Cost Category *($ in millions)*					Report Date	17-June-25
Standard Cost Category Description		**Estimate [1] (A)**	**Forecast @ Completion (B)**	**Variance (C)=(B)-(A)**	**Incurred To Date [2] (D)**	**Incurred This Period [3] (E)**
10	Guideway and Track Elements	$ 2,899.8	$ 3,033.9	$ 134.1	$ 146.4	$ 9.8
20	Stations, Stops, Terminals, Inter-modal	$ 2,037.2	$ 2,037.2	$ -	$ -	$ -
30	Support Facilities, Yards, Shops, Admin. Bldgs.	$ 352.2	$ 352.2	$ -	$ -	$ -
40	Sitework and Special Conditions	$ 582.5	$ 711.9	$ 129.4	$ 126.9	$ 7.6
50	Systems	$ 1,409.0	$ 1,409.0	$ -	$ -	$ -
60	ROW, Land and Existing Im-provements	$ 240.5	$ 240.5	$ -	$ 123.8	$ 1.3
70	Vehicles	$ 204.8	$ 173.7	$ (31.1)	$ 13.2	$ 1.1
80	Professional Services	$ 2,972.5	$ 3,000.5	$ 28.0	$ 1,013.7	$ 13.5
90	Unallocated Contingency	$ 1,657.1	$ 1,365.7	$ (291.4)	$ -	$ -
100	Finance charges	$ 390.0	$ 390.0	$ -	$ -	$ -
Total		**$ 12,745.6**	**$ 12,714.5**	**$ (31.1)**	**$ 1,423.9**	**$ 32.2**

Notes:

1 Baseline estimate established at entry into New Starts Engineering

2 Incurred total (D) and (E) may vary from VTA's accounting system due to rounding

3 Incurred this period excludes accruals (invoices under review or in process)

Figure 14 – Costs and Expenditures

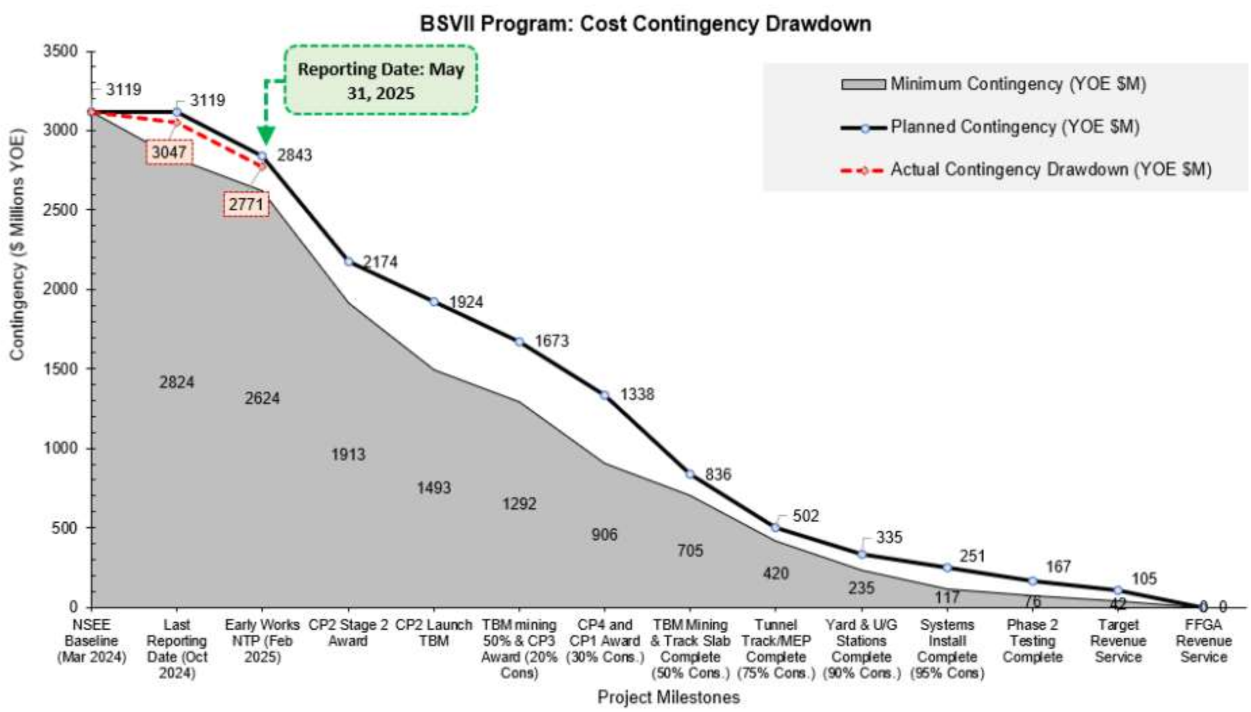

Figure 15 – Cost Contingency Drawdown Curve – During this reporting period, a contingency amount of $2.56M was drawn down to fund the CP2 contract change orders May 2025 period

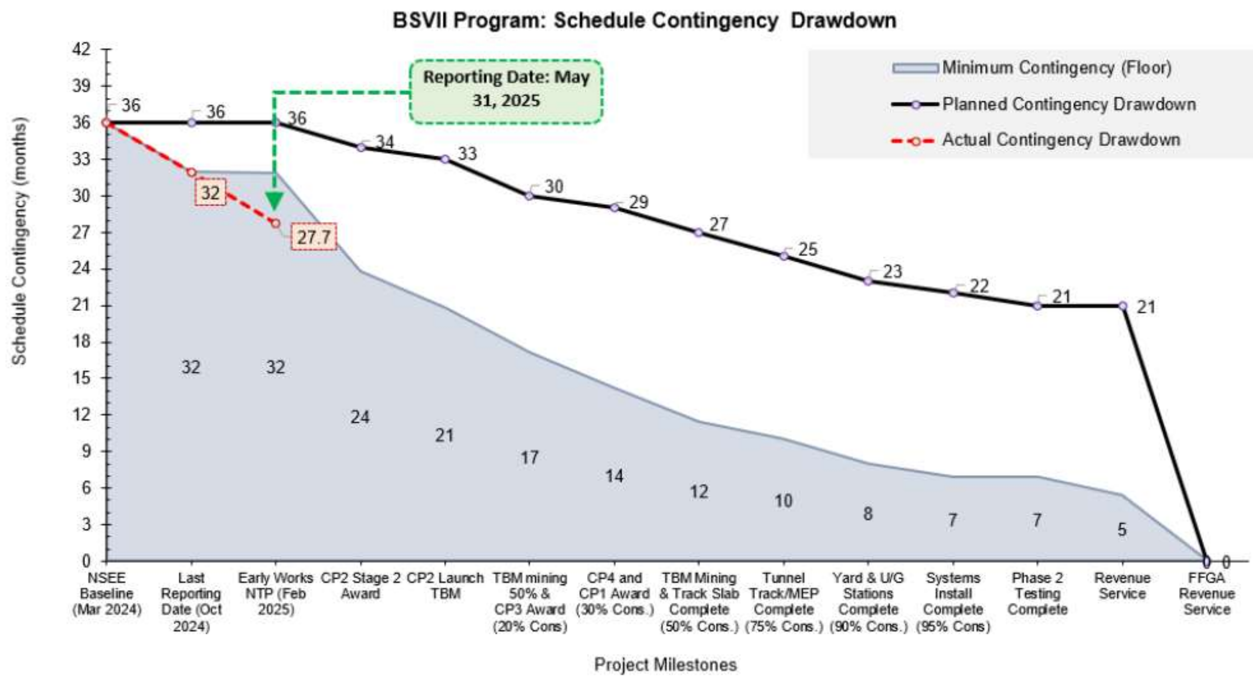

Figure 16 – Schedule Contingency Drawdown Curve

VTA May, 2025 Risk Register (Threats) Top 10		
Risk ID	**Risk Title**	**VTA Risk Score**
BSV-196	Failure to secure a lump-sum price with KST resulting in Off-ramp.	20
BSV-231	Extended design pause has potential to delay schedule and add cost.	16
BSV-213	Additional CP2 redesign costs and CP2 design time to address optimizations and cost saving measures.	15
BSV-215	FFGA execution delays.	12
BSV-005	Unanticipated damage to historic buildings & other structures.	12
BSV-029	VTA financial capacity/funding plan to finance potential future project cost increases.	12
BSV-036	General construction labor shortage/labor premiums resulting in delays or increased cost.	12
BSV-096	Testing and Commissioning delays due to various factors.	12
BSV-138	Design interfaces between GEC and KST leads to integration issues, errors and disputes.	12
BSV-152	Truck traffic volume for disposal of muck from the tunnel resulting in additional costs.	12

Threat | Opportunity

Figure 17 – VTA Top Ten Project Risks

Change	Risk	Notes
New	• BSV-233 - Unanticipated changes during EWP 3C Construction • BSV-234 - EWP 11C Temporary Power Assembly proposed cost higher than 2024 NSEE Budget	• New risk to account for potential cost increases associated with EWP 3C allowance overruns and other unforeseen site conditions. BSVII project team has initiated focused meetings to enable early identification of potential cost drivers associated with EWP 3C and implement response plan to reduce and/or avoid impacts to VTA. • New risk to account for the cost impact associated with a negotiated EWP 11C (temporary power assembly) cost higher than NSEE 2024 budget.
Retired	• None	
Changed	• None	

Figure 18 – Key Changes to Program Risk Register