Shared Services Agreement Terms

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Background

- Samtrans as Managing Agency has provided all administrative support to Caltrain since 1991
- The August 2022 Governance MOU among SamTrans, VTA, CCSF and JPB requires a Shared Services Agreement (SSA) between SamTrans and Caltrain to formalize relationship
- SSA governs/defines the provision of fully and partially shared services from SamTrans to Caltrain:
  - How shared services are provided, adjusted, evaluated and paid for
- Workshop and meetings with affected executive staff members to develop Work Plans
- Meetings among SamTrans GM, Caltrain ED, and both General Counsels to draft the SSA

Roles and responsibilities

- SamTrans GM directs and controls shared and partially shared services employees
- Caltrain ED directs and controls rail employees
  - MOU created 5 new Director positions residing in shared services areas that report directly to Caltrain ED ("MOU JPB Positions")
- Role of SamTrans is to continue support of the JPB through fully and partially shared services
- The SSA does not amend or supersede the terms of the MOU which clarifies the Samtrans Salary Ordinance and employment manual and policies control
- Challenges under MOU:
  - How to integrate shared services functions where there are now designated Director positions reporting to Caltrain ED?
  - How to facilitate and preserve the role of the District's Chiefs in the partially shared services areas?

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Fully Shared Services

Shared Services functions where there are no MOU JPB Positions:

- Human Resources
- Contracts and Procurements
- Information Technology
- Civil Rights
- Accounting/Treasury
- Marketing and Customer Service
- Secretary’s Office
- Sustainability Planning

Partially Shared Services

Partially shared services exist for functions where there are JPB MOU positions:

- Budgets and Finance
- Communications, Government and External Affairs
- Real Estate
- Grants
- Security

Caltrain Work Plans

- Collaborative development of functional Work Plans to:
  - Identify projects and type of activities in each functional area required by Caltrain for the two-year budget cycle and
  - Determine the level of shared services required to deliver services identified in the Work Plans
  - Project the costs of shared services and build them into biennial budget
- Quarterly evaluation to address issues
- Annual updates to reflect changes

Key Performance Indicators (KPIs)

- Joint development of KPIs to measure SamTrans' and Caltrain's performance under SSA
- Development of KPI performance dashboard
- Annual reporting to JPB and SamTrans Boards at public meetings within 3 months of end of each FY

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Conflict Walls

- Where JPB/SamTrans are adverse or potentially adverse, wall between shared services staff dedicated to support each side, e.g.:
    - When SamTrans and Caltrain are on different sides of a transaction
    - When SamTrans and Caltrain compete for same pool of funds
    - When SamTrans and Caltrain have different interests in matters pending before other bodies, e.g., MTC, Caltrans, Legislature, FTA, Congress
- Establish protocols and distribute memorandum to ensure confidential information is not disclosed from one side to the other

Dispute resolution

- Process for addressing disputes under Governance MOU or SSA:
  - Level 1: Directors/Chiefs
  - Level 2: GM and ED
  - Level 3: Board Chairs or Vice Chairs
  - Level 4: Alternative Dispute Resolution

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Cooperation in recruitment and performance evaluation

- Cooperation in recruitment of key personnel in departments providing shared services as well as the JPB MOU positions
- Input on performance and goal setting for key personnel in shared/partially shared services departments and those employees who are primarily dedicated to Caltrain

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Reimbursement for Shared Services

- JPB pays "Service Fees" monthly to reimburse Samtrans pursuant to an FTA approved Independent Cost Allocation Plan (ICAP)
- 12-month timeline to evaluate ICAP and assess potential modifications or other approaches to Service Fees, such as a direct charge methodology
- Any change in reimbursement methodology must be approved by FTA and must work for all agencies for which SamTrans serves as Managing Agency
- Develop an invoicing process with sufficient detail to facilitate verification of charges and a biennial audit of ICAP charges with a true-up mechanism to address any errors in the preceding two-year budget cycle

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Next Steps

- Receipt of SamTrans Board input today and further discussions with the executive staff members during November to finalize language of SSA
- Board to consider approval of Shared Services Agreement at the December meeting
- Develop SOPs and KPIs in tandem
- Continued periodic evaluations and refinements of Work Plans
- Review ICAP and assess potential changes to cost reimbursement methodologies

Questions & Thank You