

TRANSBAY PROGRAM | The Portal

# Monthly Status Report

February 2026



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**San Francisco  
County Transportation  
Authority**

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## PROJECT STATUS

### Progress Overview

The Portal continues to advance through the Engineering phase of the Federal Transit Administration's (FTA) Capital Investment Grants (CIG) program. The project's Integrated Program Delivery Team (IPDT) continues to focus on expanding program management capability and capacity, refining cost and schedule forecasts, advancing procurement readiness, completing essential durable design, managing project risks through active mitigation planning, and securing funding commitments to address the non-CIG funding gap toward demonstrating full local share.

### Project Governance

The Transbay Joint Powers Authority (TJPA) and its partner agencies—the Metropolitan Transportation Commission, San Francisco County Transportation Authority (SFCTA), Peninsula Corridor Joint Powers Board (Caltrain), California High-Speed Rail Authority (CHSRA), and City and County of San Francisco (City)—executed The Portal Project Implementation Memorandum of Understanding (Implementation MOU) in January 2025, a successor agreement to the original San Francisco Peninsula Rail Program MOU of June 2020 by the same agencies. The Implementation MOU calls for the creation of several new bodies during a later phase of the project. One of those bodies, the IPDT, composed of staff from the TJPA, Caltrain, the TJPA's program management consultant, and the general engineering consultant (GEC), is responsible for day-to-day project delivery and manages all engagement with the FTA and its Project Management Oversight Contractor (PMOC), while working closely with the Integrated Program Management Team—a framework among the six partner agencies under The Implementation MOU that guides shared oversight and decision-making. The TJPA is developing an IPDT organizational chart that defines decision-making roles, escalation ladders, and project accountability. In parallel, a Change Control Board Charter is being developed to formalize the processes, procedures, and delegation of authority for change management, ensuring consistent escalation and review across agencies based on the magnitude and impact of changes.

### Management Plans

Work continues on the development and completion of sixteen key project management plans required by good project management practice and the FTA's CIG program. To date, the following plans have been issued: Before and After Study Management Plan, Digital Delivery Management Plan, Document Control and Records Management Plan, Engagement and Community Outreach Management Plan, Real Estate Acquisition Management Plan, Relocation Plan, Safety and Security Management Plan, and Fleet Management Plan.

Progress continues on the remainder of the plans, with the Risk and Contingency Management Plan, Quality Management Plan, Third-Party Agreement Plan, Cost Management Plan, Configuration Management Plan, and Requirements Management Plan scheduled for review and issuance in the second quarter of calendar year 2026. The TJPA is actively monitoring timelines for completion of these plans to ensure alignment with FTA requirements and The Portal's Master Schedule.

### Project Management Information System (PMIS)

Since going live in January 2026, the PMIS has been actively supporting integrated reporting and oversight for The Portal. The dashboard is now embedded in monthly reporting, with key performance indicators (KPIs) drawn directly from the system to provide consolidated visibility across cost, schedule, risk, and performance management. The system is updated on a monthly basis to ensure data accuracy and consistency.

Efforts are underway to expand user access, including assessing license requirements for the current and upcoming fiscal year to broaden access to the team. In parallel, enhancements are being developed to incorporate additional KPIs and performance management metrics to strengthen change management oversight and support the monitoring of the GEC. Future phases will integrate contract-specific performance tracking as the 40-CT contractor comes on board for preconstruction.

### **Schedule Management**

The Master Schedule update with a data date of January 31, 2026, reflects a target revenue service date (RSD) of May 2, 2036, compared to the RSD of April 10, 2036, reported in January, a 16-working-day delay. This shift is driven by continued slippage in the procurement of the GEC, which remains on the critical path; the critical path identified last month is sustained and continues to run through GEC procurement, followed by the design, procurement, and construction of the 10-UR Utility Relocation package, and subsequent systemwide integrated testing and commissioning. The 40-CT Civil and Tunnel procurement, design, and construction activities remains on a near-critical path, with the near term 40-CT procurement activities having approximately 25 working days of float. Given the identified non-CIG funding gap, the TJPA continues to evaluate alternative schedule scenarios, including potential adjustments to the FFGA execution date and the associated impacts on the target RSD.

### **Cost Management**

The total project control budget remains unchanged at \$8.254 billion, consistent with the Entry-to-Engineering cost estimate and subsequent secondary mitigations. The control budget continues to be fully integrated within the PMIS and is monitored and updated on a monthly basis. Commitments, expenditures, and cost-to-complete forecasts are tracked at the control account level to support detailed cost performance management and reporting. The fiscal year budget is likewise monitored monthly against actual expenditures and updated forecasts. As of this reporting period, there are no changes to the overall budget outlook, and the variance at completion remains zero for both the control budget and the current fiscal year budget. In parallel, the process to develop the FY 2026–27 budget is underway.

### **Risk Management**

The TJPA is updating the Risk and Contingency Management Plan. The TJPA conducts a risk workshop each quarter, statusing the mitigation of identified risks and identifying new risks. This work is managed through a risk register, published quarterly. The risk register is being reorganized with an emphasis on identifying more contract package-specific risks, improving the precision of mitigation planning, and reducing uncertainty in cost and schedule forecasts. Risk mitigation actions continue unabated through the reorganization process.

### **Design Management**

Design progress has been steady across the three enabling works packages (10-UR Utility Relocation, 30-BD Building Demolition, and 20-YA Fourth and King Yard Preparation Package A: Site Clearing) with revised 60% design documents completed for utility relocation and Fourth and King railyard site clearing. Further design advancement for these enabling works packages will be progressed by the new GEC once onboard. The 30% design for at-grade track and systems has been updated and will be integrated into the 50-TS Track and Rail Systems package and developed through the 60%, 90%, and 100% design stages.

### **Procurement Management**

The 40-CT Civil and Tunnel progressive design-build (PDB) contract package was issued in December 2025. Initial requests for clarification have been received, indicating proposer engagement. Procurement of the GEC is anticipated to begin in Q1-2026. Procurement of new construction counsel is underway;

once onboard, construction counsel will support preparation of procurement documents for upcoming construction packages. The TJPA continues to strategically sequence procurement timelines in alignment with anticipated funding availability.

**Right-of-Way**

A boundary survey contract was recently awarded, and fieldwork for the full alignment survey is nearly complete, with final deliverables expected by the end of February 2026. Appraisals for the first tranche of required property interests have begun, and the partial street vacation process is underway to secure tunnel easements and enable utility relocations. These efforts reduce early construction risk and support readiness for enabling works and major civil package procurement.

**Environmental**

A National Environmental Policy Act (NEPA) re-evaluation and California Environmental Quality Act (CEQA) addendum to the 2018 Supplemental Environmental Impact Statement/Environmental Impact Report for the Transbay Program are being prepared to evaluate potential impacts associated with cost containment changes (secondary mitigations) and other minor project modifications to the environmentally cleared design for The Portal.

FTA and TJPA staff continue to coordinate on the preparation of a third amendment to the Section 106 Memorandum of Agreement (MOA) regarding cultural resources. The first draft of the amendment was circulated to MOA participants for a 30-day review that concluded January 20, 2026. The TJPA is consolidating the comments and preparing a comment matrix to circulate first to the FTA.

## PROJECT OVERVIEW

The Portal will connect Caltrain’s 77-mile regional rail system and the California High-Speed Rail Authority’s future statewide system to the multimodal Salesforce Transit Center in downtown San Francisco. The project will be constructed principally underground along Townsend and Second streets and includes cut-and-cover and mined tunnel, at-grade trackwork, build-out of the below-grade train station at the Salesforce Transit Center, and a new underground station at Fourth and Townsend streets. The total project length is 2.2 miles; see Figure 1.

The Portal is the second phase of the Transbay Program and an essential part of the Bay Area’s long-term transportation strategy to create seamless connections among local, regional, and statewide transportation systems and connect rail to important locations throughout the Northern California Megaregion. The first phase of the Program was completed in 2018 with the opening of the multimodal Salesforce Transit Center in downtown San Francisco. When complete, the Program will ultimately connect eight Bay Area counties and the State of California through eleven transit systems, including Caltrain and high-speed rail between San Francisco and Southern California.



Figure 1. The Portal Alignment and Major Components

The project is in the Engineering phase of the FTA CIG’s New Starts program. Table 1 lists the six major construction contracts will be procured for The Portal. Among these are three early works construction packages that will facilitate tunnel construction.

**Table 1. The Portal Contract Packages**

Contract Package	Abbreviation	Delivery
Utility Relocation	10-UR	DBB
4th and King Yard Preparation Package A: Site Clearing	20-YA	DBB
Building Demolition	30-BD	DBB
Civil and Tunnel	40-CT	PDB
Track and Rail Systems	50-TS	CMGC
Station Fit-Out: Salesforce Transit Center	60-SF	CMGC

CMGC= construction manager/general contractor  
 DBB = design, bid, build  
 PDB = progressive design-build

**10-UR:** Temporary and permanent advance utility relocations on Townsend Street between Third and Sixth streets to facilitate construction of the cut-and-cover portions of the tunnel.

**20-YA:** The relocation or removal of structures, utilities, and storage tracks along the northern and western portions of the 4th and King railyards.

**30-BD:** Demolition of seven buildings to facilitate construction of the cut-and-cover portions of the tunnel and a ventilation and emergency egress structure.

**40-CT:** Completion of the design and construction of the cut-and-cover structures, mined tunnel, ventilation structures, and Fourth and Townsend Street Station fit-out, and limited temporary and permanent utility relocations/support-in-place.

**50-TS:** Installation of trackwork through the tunnel, stations, u-wall, and all associated rail systems. Modifications and additions to at-grade trackwork and associated systems in the railyards to facilitate u-wall construction, rail operations, and connection to The Portal’s below-grade trackwork and systems.

**60-SF:** Fit-out of the below-grade structural box at the Salesforce Transit Center with facilities for rail operations, customer service, and ancillary support.

## PROJECT SCHEDULE

### Master Schedule Update

Schedule reporting is based on the February 2026 Master Schedule update, with a data date of January 31 2026. Activities initiated or completed after the data date and prior to report submission are also identified.

The Master Schedule currently includes 1,148 activities, of which 654 are complete, 44 are in progress, 39 are on the critical path, and 33 are near-critical (see Figure 2). A summary view of the Master Schedule is provided in Figure 3. Master Schedule activities include development of programmatic documentation, management plans, and agreements and work related to right-of-way acquisition, environmental clearance, engineering and design, funding, procurement, preconstruction, construction, and rail activation. This reporting period, milestone activities for various stakeholder and board meetings were added to support PMIS reporting, increasing the total number of activities from 1,125 to 1,148.

As preconstruction and construction contracts are awarded and detailed contractor schedules are developed, the overall scheduling framework and number of activities will expand; however, the Master Schedule will continue to function as a program-level control document. Detailed construction schedules submitted by each contractor will be reviewed, accepted, and managed at the contract level, with full performance tracking maintained separately for each package. The Master Schedule will incorporate rolled-up work breakdown structure-level activities and key milestones derived from those detailed schedules, rather than replicating micro-level construction activities. In addition, each major contract will have its own performance management section in the reporting framework, including contract-specific KPIs (e.g., activities, critical/near-critical paths, milestone status, and progress), which will inform and update the program-level Master Schedule while preserving its high-level oversight function.

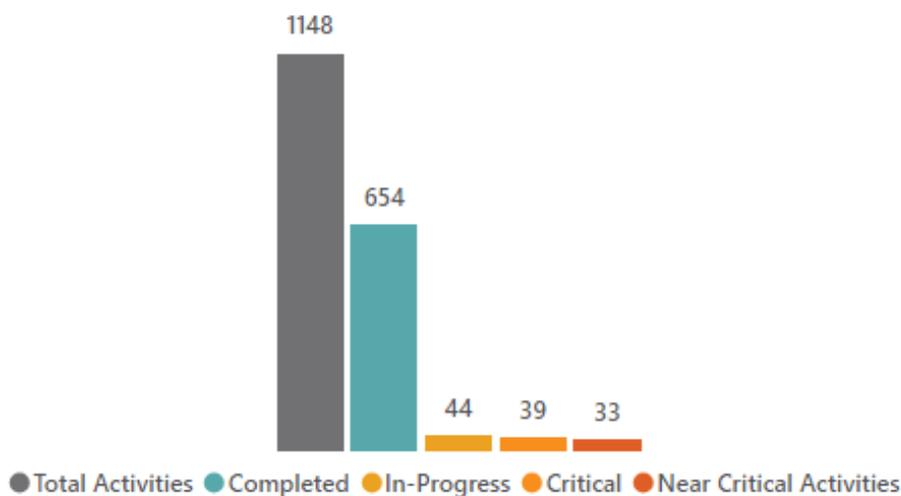


Figure 2. Key Schedule Statistics (Activities)

The TJPA continues to manage and update the Master Schedule on a monthly basis to support ongoing project planning, oversight, and performance reporting. The February schedule update, with a data date of January 31, 2026, reflects a target RSD of May 2, 2036, representing a 16-working-day delay compared to January schedule update. This shift is driven by continued slippage in the procurement of the GEC,

which remains on the critical path. The delay in GEC procurement has correspondingly shifted downstream activities, including the design, procurement, and construction of the 10-UR Utility Relocation package, and has further affected the commencement and progression of the 40-CT Civil and Tunnel package construction, as well as subsequent systemwide integrated testing and commissioning.

The 16-working-day delay flows through related contract packages, including impacts to key milestones for 20-YA ( 4th and King Yard Preparation Package A: Site Clearing), 30-BD (Building Demolition), 50-TS (Track and Systems), and 60-SF (Station Finishes), primarily affecting design and the subsequent procurement and construction phases. The 40-CT procurement and design activities remain on a near-critical path with approximately 25 working days of float and no delay this reporting period. The request-for-proposals (RFP) for 40-CT was issued to the shortlisted proposers in December and active engagement with the proposers is ongoing. The milestone for completion of the NEPA Re-evaluation has improved by approximately 13 working days, moving from May 28, 2026, to May 8, 2026. Apart from these updates, no other material schedule changes were identified during this reporting period.

### Progress Summary

	Status	Change from Last Report	Comment
<b>Target FFGA execution</b>	July 2027	None	None
<b>Target start of revenue service</b>	May 2036	16 WD	Schedule impacts driven by delay to start of GEC procurement.
<b>Design Progress</b>			
10-UR Utility Relocation	90%	16 WD	Start of 90% design package following award of the new GEC contract. Schedule impacts driven by delay to start of GEC procurement.
20-YA 4th and King Yard Preparation Package A: Site Clearing	90%	16 WD	Comment resolution for 60% design complete. Start of 90% design package following award of new GEC contract. Schedule impacts driven by delay to start of GEC procurement.
30-BD Building Demolition	90%	16 WD	Start of 90% design package following award of new GEC contract. Schedule impacts driven by delay to start of GEC procurement.
40-CT Civil and Tunnel	30%	None	30% design validation will continue following award of the 40-CT PDB contract.
50-TS Track and Rail Systems	30%	16 WD	50-TS and 55-YB packages have been combined. Start of 60% design package following completion of the track validation study and award of the new GEC contract. Schedule impacts driven by delay to start of GEC procurement.
55-YB 4th and King Yard Preparation Package B: At-grade Track and Systems	30%	None	Revised 30% design package to be completed within existing GEC contract capacity. Once 30% design is complete, further design will be combined with 50-TS package.
60-SF Station Fit-Out: Salesforce Transit Center	30%	None	Revision of 30% design package following award of new GEC contract. Schedule impacts driven by delay to start of GEC procurement.

WD = working day

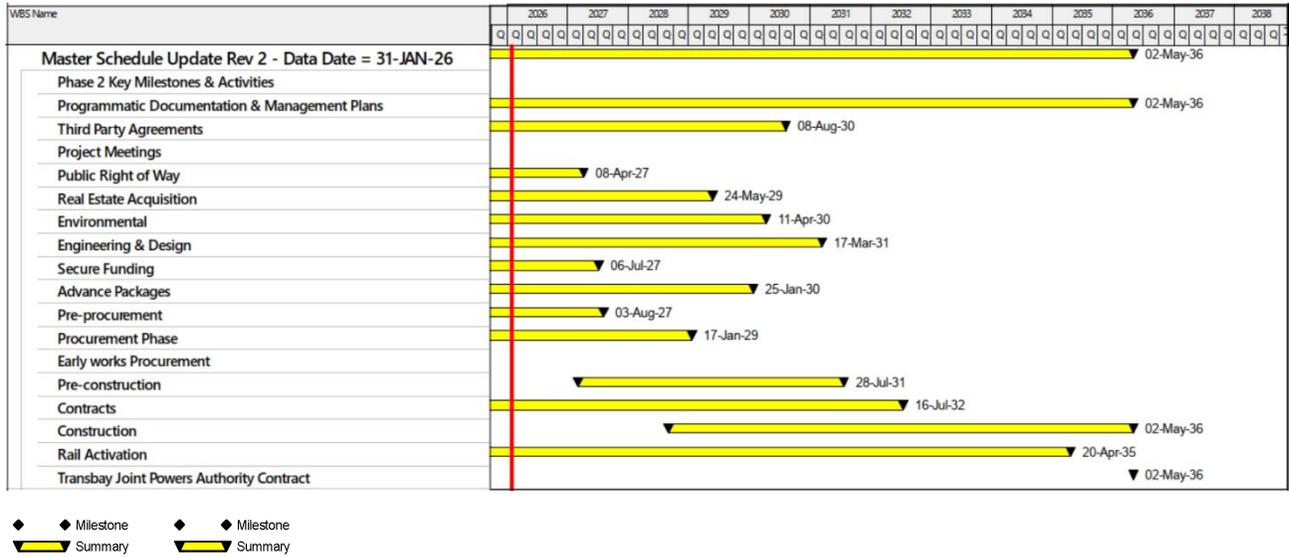


Figure 3. Master Schedule Summary

### Key Milestones Six-month Lookahead

Milestone Date	Feb 2026	Mar 2026	Apr 2026	May 2026	June 2026	July 2026
Complete Record of Survey/Boundary	Feb 13, 2026	IPDT				
Release GEC Request for Proposals	Feb 17, 2026	TJPA				
Award Construction Legal Counsel Services contract	Mar 12, 2026	TJPA				
Adopt CEQA Addendum	Mar 12, 2026	TJPA				
Complete Tranche 1 appraisal process	Apr 2, 2026		IPDT			
Complete NEPA Re-evaluation	May 8, 2026			TJPA		
Execute Third Amendment to Section 106 MOA	June 2026				TJPA	
Issue GEC Notice-to-Proceed and Mobilization	July 21, 2026					TJPA

### Critical and Near Critical Path Analysis

The critical path identified in the previous reporting period remains unchanged this month and continues to originate with the procurement of the GEC, progressing through the development, procurement, and construction of the 10-UR Utility Relocation package. Following relocation of PG&E utilities, shaft two activities under the 40-CT contract can proceed, ultimately tying into the 50-TS Track and Systems path through to project completion.<sup>1</sup> Figure 4 shows the current critical path.

In parallel, a near-critical path with approximately 25 working days of float runs through the procurement, design, and start of construction for the 40-CT contract. These activities are directly influenced by the utility relocation design development and the commencement of relocation work along Townsend Street, which is required to support 40-CT construction. Both the critical and near-critical paths continue to be closely monitored to proactively manage potential schedule risks and preserve available float.

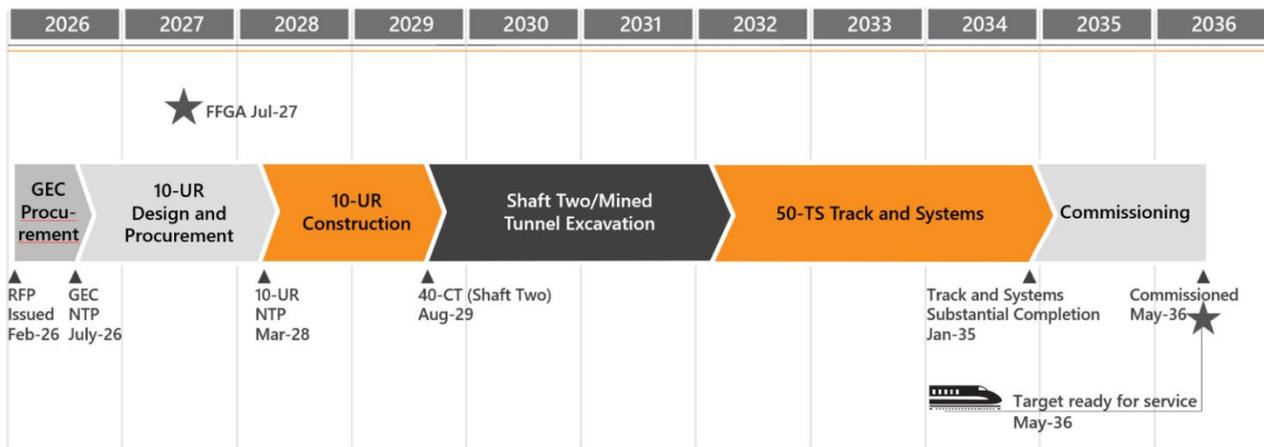


Figure 4. Critical Path Analysis

### Project Control Budget

The control budget continues to be grounded in the 2023 cost estimate totaling \$8.254 billion, inclusive of the constructed train box, contingency, and financing costs, and is organized using the Cost Breakdown Structure (CBS) and Standard Cost Category (SCC) framework. Twenty control accounts have been established across seven primary cost categories—enabling works, construction packages, right-of-way, vehicles, professional services, contingency, and financing—to facilitate disciplined cost allocation, change management, and performance oversight. Budget allocation is assigned at the lowest level of the CBS to allow for incremental refinement as scope definition progresses. Both the control budget and the associated fiscal year budget continue to be updated on a monthly cycle and are fully integrated within the PMIS in coordination with the TJPA Finance staff. Commitments, expenditures, variances, and cost-to-complete

<sup>1</sup> "Shaft two" refers to the shaft at Third and Townsend streets that will be used as access for mining operations and will eventually become one of the ventilation structures for the tunnel.

projections are monitored at the control account level to support ongoing cost control and transparent reporting.

### Project Cost Status and Analysis

Dollars in thousands						
SCC Code	Description	Original Budget	Commitments	Expenditures	Current Forecast	Variance
10	Guideway & Track Elements	2,486,895	0	0	2,195,772	291,123
20	Stations, Stops, Terminals, Intermodal	1,453,760	728,519	728,519	1,355,910	97,850
30	Support Facilities: Yards, Shops, Admin. Bldgs	34,427	0	0	58,238	(23,811)
40	Sitework & Special Conditions	843,698	0	0	837,771	5,927
50	Systems	293,770	0	0	293,723	47
	<b>Construction Subtotal (10-50)</b>	<b>5,112,550</b>	<b>728,519</b>	<b>728,519</b>	<b>4,741,415</b>	<b>371,136</b>
60	Right of Way	351,641	662	247	254,502	97,139
70	Vehicles	59,716	0	0	55,215	4,502
80	Professional Services	1,104,130	118,119	103,664	1,033,476	70,654
	<b>Subtotal (10-80)</b>	<b>1,515,487</b>	<b>118,780</b>	<b>103,911</b>	<b>1,343,193</b>	<b>172,294</b>
90	Unallocated Contingency	1,251,339	0	0	1,794,768	(543,429)
100	Financing	375,410	0	0	375,410	0
	<b>Total</b>	<b>8,254,786</b>	<b>847,299</b>	<b>832,430</b>	<b>8,254,786</b>	<b>0</b>

Figure 5 presents a snapshot of the budget in SCC format, showing the original budget, commitments, expenditures-to-date, current forecast, and variance-at-completion as of January 2026. The information is organized to reflect cost performance at the SCC code level, consistent with FTA reporting standards.

**Original Budget** represents the 2023 cost estimate submitted to FTA at Entry-to-Engineering.

**Commitments.** Total commitments currently stand at approximately \$847 million, inclusive of design and construction of the train box. Commitments are determined based on:

- a. Vendor budgets authorized through NTPs, requests for services, and similar instruments.
- b. Non-contract expenditures, such as TJPA salaries, benefits, and related internal costs.

**Expenditures.** Total expenditures to date amount to approximately \$829 million. Expenditures are based on:

- a. Paid vendor invoices.
- b. Accruals for vendor invoices under review.
- c. Accruals for estimated vendor costs not yet invoiced.
- d. Paid internal expenses, including TJPA salaries, benefits, and related costs.

**Current Forecast.** The current forecast remains unchanged this reporting period at \$8.25 billion, inclusive of contingency and financing, with no overall variance-at-completion at the project level. While cost reductions from secondary mitigation measures have been identified, they have not yet been formally released from the overall budget of \$8.25 billion, as the environmental process is still ongoing. Savings identified from secondary mitigations have been moved to SCC 90 (unallocated contingency) pending completion of the CEQA Addendum process. Upon TJPA Board adoption of the CEQA Addendum, the

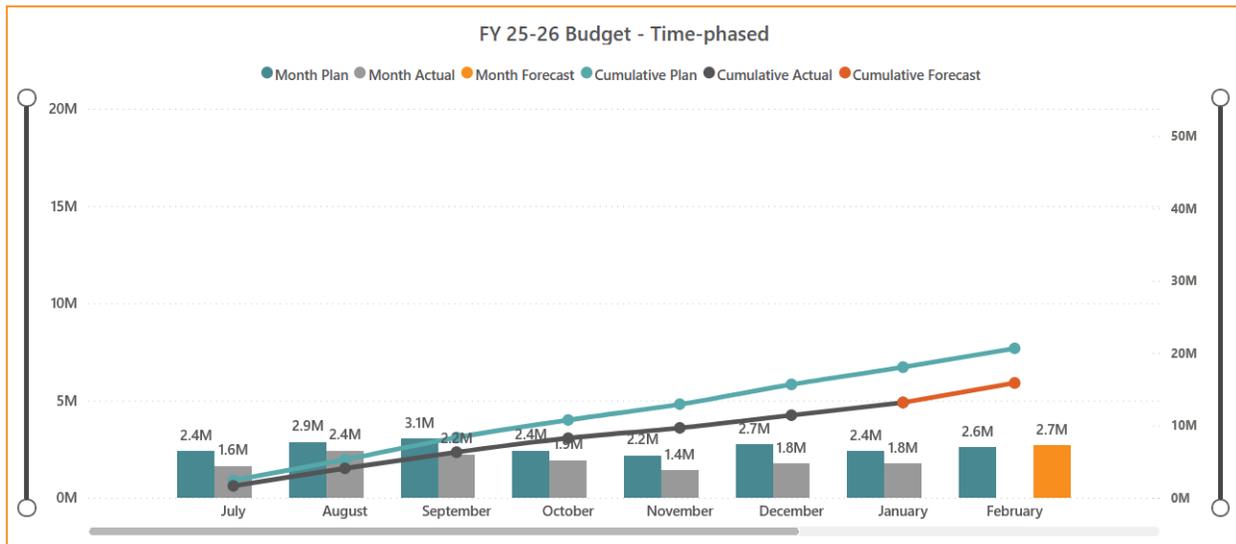
unallocated contingency will be adjusted, and the realized savings will be reflected in an updated project forecast with an indicative value of \$7.57 billion.

Dollars in thousands						
SCC Code	Description	Original Budget	Commitments	Expenditures	Current Forecast	Variance
10	Guideway & Track Elements	2,486,895	0	0	2,195,772	291,123
20	Stations, Stops, Terminals, Intermodal	1,453,760	728,519	728,519	1,355,910	97,850
30	Support Facilities: Yards, Shops, Admin. Bldgs	34,427	0	0	58,238	(23,811)
40	Sitework & Special Conditions	843,698	0	0	837,771	5,927
50	Systems	293,770	0	0	293,723	47
	<b>Construction Subtotal (10-50)</b>	<b>5,112,550</b>	<b>728,519</b>	<b>728,519</b>	<b>4,741,415</b>	<b>371,136</b>
60	Right of Way	351,641	662	247	254,502	97,139
70	Vehicles	59,716	0	0	55,215	4,502
80	Professional Services	1,104,130	118,119	103,664	1,033,476	70,654
	<b>Subtotal (10-80)</b>	<b>1,515,487</b>	<b>118,780</b>	<b>103,911</b>	<b>1,343,193</b>	<b>172,294</b>
90	Unallocated Contingency	1,251,339	0	0	1,794,768	(543,429)
100	Financing	375,410	0	0	375,410	0
	<b>Total</b>	<b>8,254,786</b>	<b>847,299</b>	<b>832,430</b>	<b>8,254,786</b>	<b>0</b>

Figure 5. Cost and Financial Status

### Current Fiscal Year Budget Performance

The FY 2025–26 capital budget remains at the revised level of approximately \$50.9 million and is monitored and updated on a monthly basis. Actual costs reflect paid invoices, invoices under review, estimated invoices pending submission, and TJPA internal costs. Variance-to-date primarily reflects lower-than-planned expenditures for program management/construction management services and Caltrain costs, consistent with current work requirements; however, no variance-at-completion is anticipated at this time. Figure 6 shows the FY 2025-26 capital budget performance. In parallel, the process to develop and compile the FY 2026–27 capital budget is underway.



<b>\$50,935,000</b>
FY Budget
<b>\$18,046,843</b>
Plan To Date
<b>\$13,158,063</b>
Actual To Date
<b>\$37,776,937</b> ⓘ
ETC
<b>\$50,935,000</b>
EAC
<b>\$4,888,780</b>
Variance To Date

Figure 6. FY 2025-26 Capital Budget Performance

## RISK AND CONTINGENCY MANAGEMENT

### Summary of Recent Activity

During the last quarter of 2025, discussion and meetings on constructability and production advance rates were held, which led to the addition of risks on the topics of shoring walls, utilities, and tunnel advance rates. There were also risks added to the risk register regarding potential tariffs and upcoming new procedures regarding permitting in the City and County of San Francisco. The Q4-2025 quarterly risk review workshop was held on January 29, 2026.

### Active Risks and Opportunities by Contract Packages

The updated risk register for Q4-2025 i contains 63 risks and 5 opportunities requiring focused management. The IPDT continues to actively manage risks and opportunities through ongoing monitoring and mitigation planning. Figure 7 summarizes the current distribution of active risks by contract package; the current focus is on the 10-UR and 40-CT contract packages because these will be the first contracts executed with contractors. In the first quarter of 2026 there will also be focus on revisiting and updating the rail systems risks.

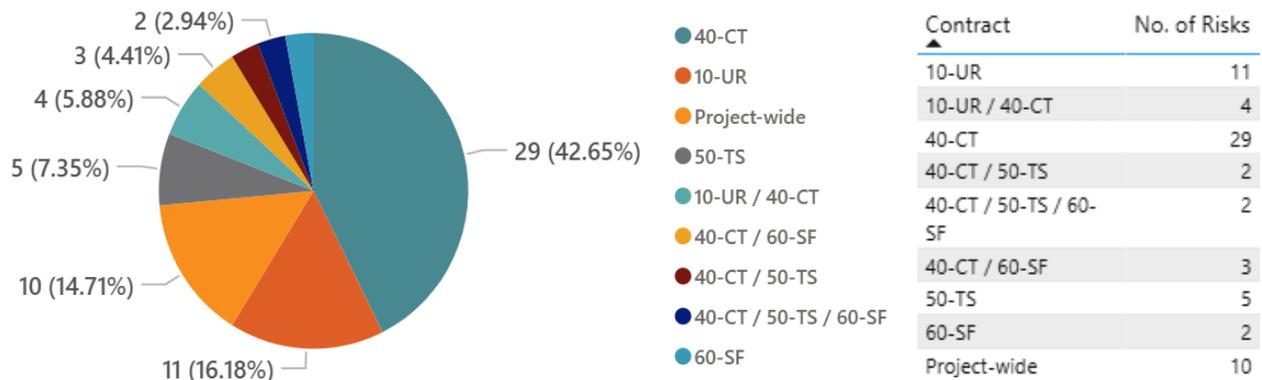


Figure 7. Active Risks and Opportunities by Contract Package (as of January 2026)

### Active Risks– Current vs Post-Mitigated State

Figures 8 and 9 compare risks in their current and post-mitigated state and collectively reflect how the risk response strategies are expected to reduce the number and severity of higher scored risks, moving unacceptable and undesirable risks into lower classifications and improving The Portal’s overall risk profile.

In accordance with the scoring methodology, scores for “acceptable risks” range between 1 and 3, “undesirable risks” range from 4 to 9, and any risk with a score of 10 or above is considered “unacceptable.”

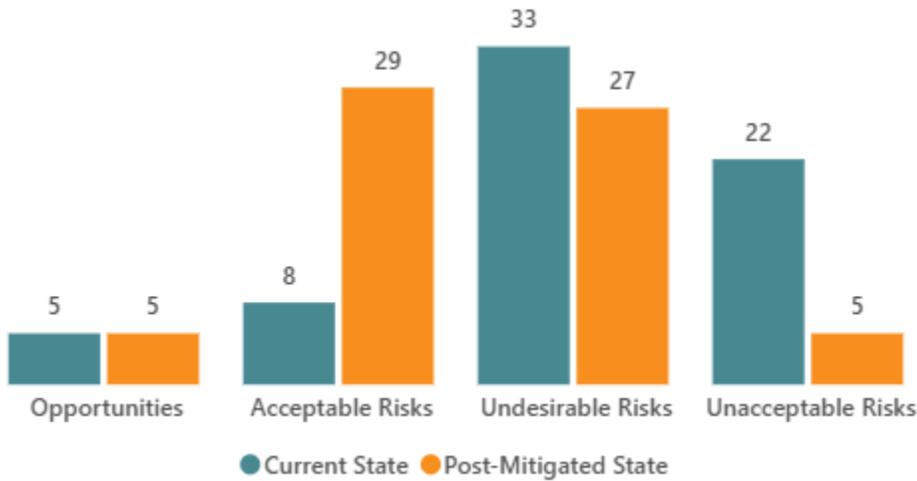


Figure 8. Active Risks and Opportunities by Risk Classification (as of January 2026)

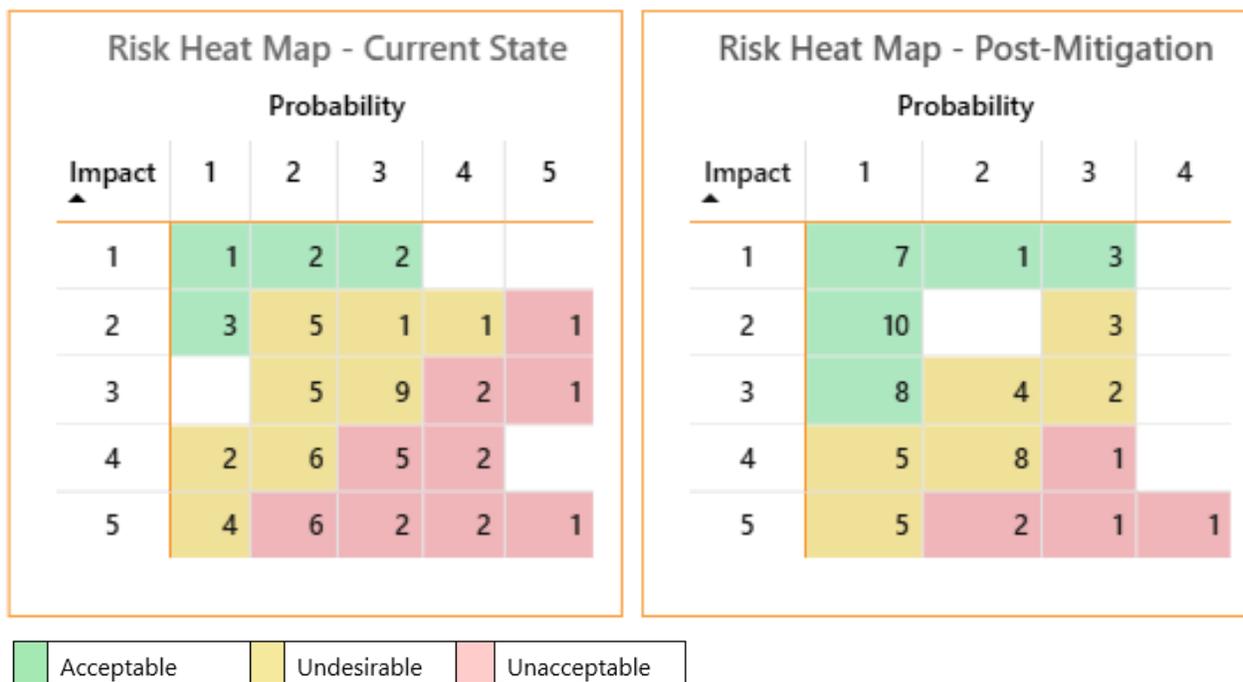


Figure 9. Risk Heat Map – Current State vs Post-Mitigated State excluding opportunities (as of January 2026)

As seen in figures 8 and 9, if mitigations are implemented successfully, the number of unacceptable risks would decrease from 22 to 5 and the undesirable risks decrease from 33 to 27. As for acceptable risks, the number increases from 8 to 29. Based on this update, after planned mitigations, 52 percent of the risks in the risk register will still require further consideration as unacceptable and undesirable risks.

## Top Risks with Mitigation Strategies

The following four top post-mitigated risks are categorized as unacceptable:

### Delays in Property Acquisition

**Risk.** Delays in property acquisition may delay the start of construction activities.

**Mitigation Strategy.** The TJPA will reassess and adjust the timelines for property appraisals and acquisitions, with priority given to parcels located within the critical trench areas that drive construction sequencing. Appraisals for these critical properties will be initiated earlier than originally planned to ensure acquisition is completed before the contractor is ready to mobilize. In parallel, construction sequencing is being reviewed to decouple activities where feasible, further reducing the potential schedule impact of any acquisition delays.

### Delay in Acquisition of Capital Funding

**Risk.** Delays in securing capital funding for local match may delay execution of the FFGA, currently planned for July 2027.

**Mitigation Strategy.** The TJPA will continue advancing funding advocacy efforts and ongoing coordination with federal, state, and regional partners. The project funding plan is being refined to close the remaining funding gap and align funding commitments with the FFGA timeline. Progress on funding commitments will be closely monitored to ensure timely readiness for FFGA execution.

### Increased Cost Escalation

**Risk.** Market demand may outpace supply, resulting in increased materials prices and labor costs that exceed the project's baseline escalation assumptions.

**Mitigation Strategy.** The TJPA will monitor market trends and escalation indices closely, updating cost forecasts as needed to reflect current conditions. Early engagement with industry and contractors during procurement will support more accurate cost estimates. Additionally, value engineering and alternative delivery approaches will be explored to mitigate cost pressures and maintain alignment with the approved budget.

### Contract Off-Ramp Risks

**Risk.** If the contractor selected under the PDB approach is unable to deliver a construction cost estimate, project schedule, contract terms, or risk profile that align with the approved budget or project requirements, the TJPA may need to off-ramp the contractor and procure a replacement. This risk is most significant for the 40-CT Civil and Tunnel package.

**Mitigation Strategy.** The PDB Preconstruction phase includes staged reviews at key design and cost milestones (i.e., 30% and 60%) to provide early visibility into cost trends, schedule alignment, and risk distribution. These checkpoints, along with close engagement throughout the development process, allow the TJPA to evaluate whether the project is on track to reach a satisfactory contract agreement. If needed, an early decision can be made to transition away from the PDB contractor, minimizing time lost. In parallel, the TJPA may initiate preparatory work on alternative procurement documents to support a

competitive procurement in the open market, ensuring continuity and mitigating impacts to the overall project schedule.

## Contingency Management

### Schedule Contingency Drawdown and Analysis

The schedule contingency drawdown curves were developed in accordance with FTA Oversight Procedure 40 (OP40) guidance. The forward-pass and backward-pass curves were generated using the schedule update employed for the quantitative risk analysis, with a data date of December 2024, and reflect how contingency was expected to be consumed as The Portal advances through key milestones, referred to as "hold points"; see Table 2. The actual drawdown curve (Figure 10) shows that the project has fully exhausted the available schedule contingency and has progressed into negative reserve, having consumed approximately 144 workdays beyond the maximum modeled contingency. No additional contingency was drawn down in the most recent schedule update, meaning that the negative position remains unchanged from the prior period. This variance demonstrates that contingency was depleted earlier than forecast in both modeled scenarios, reinforcing the need for continued schedule risk monitoring and mitigation.

**Table 2. Hold Points**

Hold Point	Milestone
HP 0	FTA risk review
HP 1	Progressive design-build Civil and Tunnel contract award
HP 2	Property and right-of-way acquisition complete (possession of properties)
HPF	Completion of 4th and King Yard Preparation Package A: Site Clearing
HP 3	Completion of Utility Relocation
HP 4	PDB Civil and Tunnel construction notice-to-proceed (NTP)
HP 5	Construction manager/general contractor (CMGC) #1 - Track and Rail Systems construction NTP
HP 6	CMCG #2 - Station Fit-out construction NTP
HP 7	Cut-and-cover excavation complete
HP 8	Tunnel excavation complete
HP 9	Station Fit-out complete
HP 10	Testing and commissioning complete



Figure 10. Schedule Contingency Drawdown at Hold Points (see Table 2)

**Cost Contingency Drawdown and Analysis**

The cost contingency drawdown curves were developed in accordance with FTA OP40 guidance and are based on the quantitative risk analysis (QRA) completed in May 2025 plus the variance attributed to secondary mitigation measures; see Project Cost Status and Analysis. The forward-pass and backward-pass curves illustrate how the project’s cost contingency is forecast to be consumed over successive hold points (see Table 2), as The Portal advances (Figure 11). These modeled drawdowns reflect anticipated risk exposure and corresponding contingency utilization over time. The drawdown curves in Figure 11 show that no cost contingency has been used to date, and the full reserve remains intact as of the latest reporting period. This alignment with the modeled maximum reserve indicates that no cost impacts requiring contingency drawdown have yet materialized, underscoring the importance of continued monitoring as major procurement and construction activities progress.

The savings resulting from the secondary mitigation measures referenced in Figure 11 were added to the QRA results, contributing to the most conservative contingency drawdown curve presented in the figure.



Figure 11. Cost Contingency Drawdown at Hold Points

## FINANCE AND GRANTS

The TJPA has been working to update its funding strategy and advocacy to close The Portal's funding gap over the next three years.

This period, TJPA staff:

- ◆ Progressed a draft legislative bill to extend the net tax increment generated by development of the state-transferred parcels by another 25 years from the currently scheduled sunset year of 2050 for submittal before end of month. Staff will continue working with the City and other stakeholders to advance this bill in the state legislative process.
- ◆ Continued to track of available funding for The Portal from the Central South of Market expenditure plan coordinated through the City's Interagency Plan Implementation Commission (IPIC). IPIC is responsible for overseeing the implementation of various area plans across the City, as outlined in the City's Administrative Code.
- ◆ Continued discussions with CHSRA on opportunities to better partner and collaborate on delivery of The Portal as it relates to planning, design, engineering, and funding advocacy.
- ◆ Began preparing an application for Cycle 8 of the Cap-and-Invest Program's Transit and Intercity Rail Capital Program (TIRCP) due in May 2026.
- ◆ Attended the FY 2025-26 allocation of Prop L transportation sales tax funds approved by SFCTA at its first reading on February 10, with final approval anticipated at the February 24 meeting.
- ◆ Continued to develop the Capital Funding Strategy and Advocacy workplan for 2026 and within the next three years. In coordination with SFCTA, joint funding plan partner to close the funding gap. Strategy is to prioritize critical funding pots being developed, including focus on state efforts pertaining to net tax increment extension and TIRCP Cycle 8 along with securing short-term funding to continue momentum on The Portal's critical technical work.

## REAL ESTATE

Real estate acquisition for The Portal includes property acquisition, permanent subsurface easements, temporary construction easements, and interests that would allow the TJPA to permanently install rock dowels in the subsurface of additional properties. Acquisitions are divided into four tranches, as shown in Figure 12.

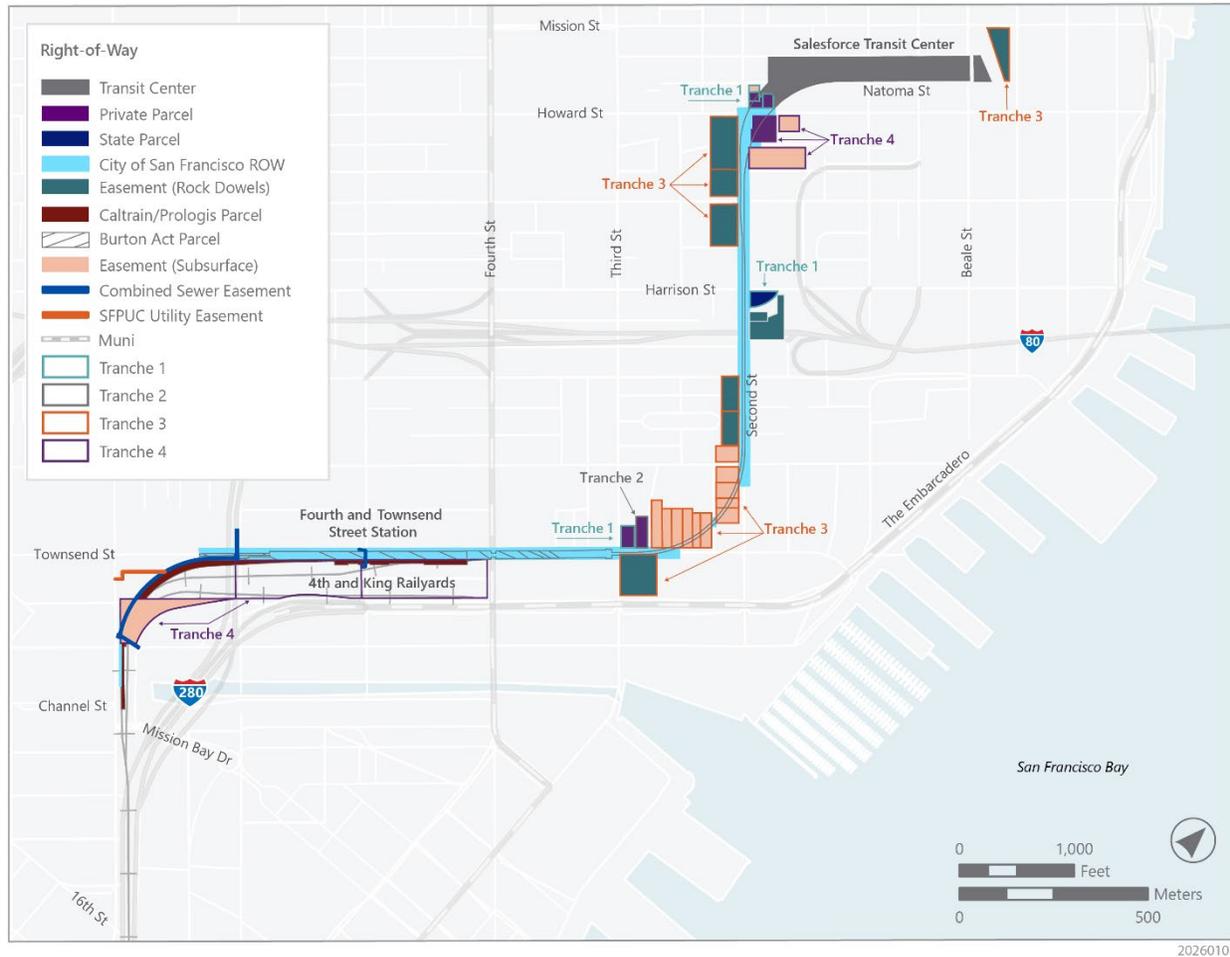


Figure 12. Right-of-Way Acquisition by Tranche

A boundary survey contract has been awarded, and fieldwork for the full alignment survey is nearly complete, with final deliverables expected by end of February 2026. The partial street vacation process is underway to secure tunnel easements and enable utility relocations.

The acquisition process for six parcels (Tranche 1) continues. Appraisals of the required property interests are underway. The FTA's review and concurrence process is expected to complete in Q1-2026; the remaining stages for Tranche 1 are expected to be complete by Q1-2027. See the status graphic in Figure 13.

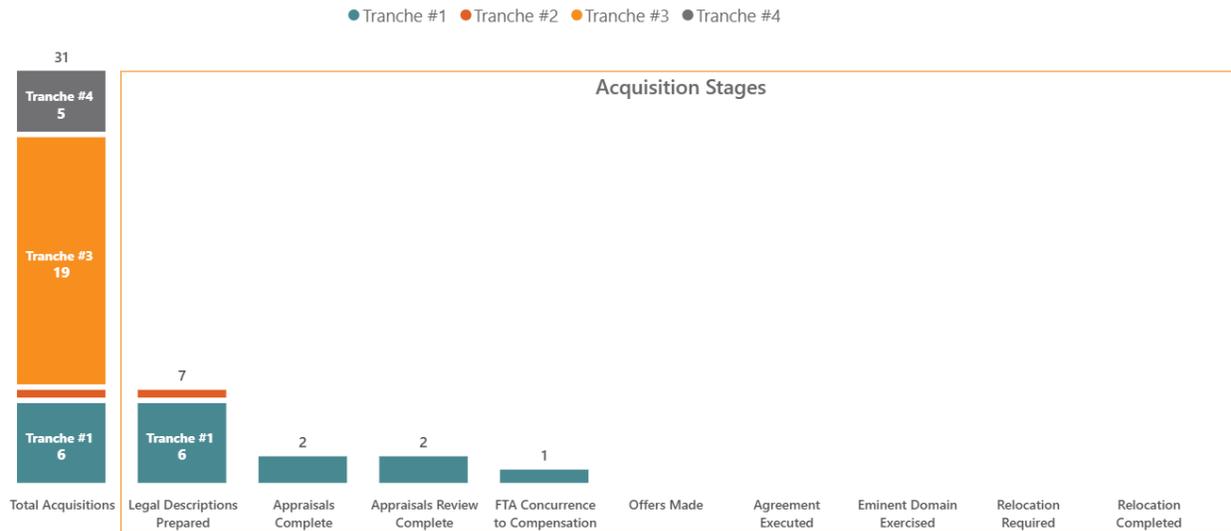
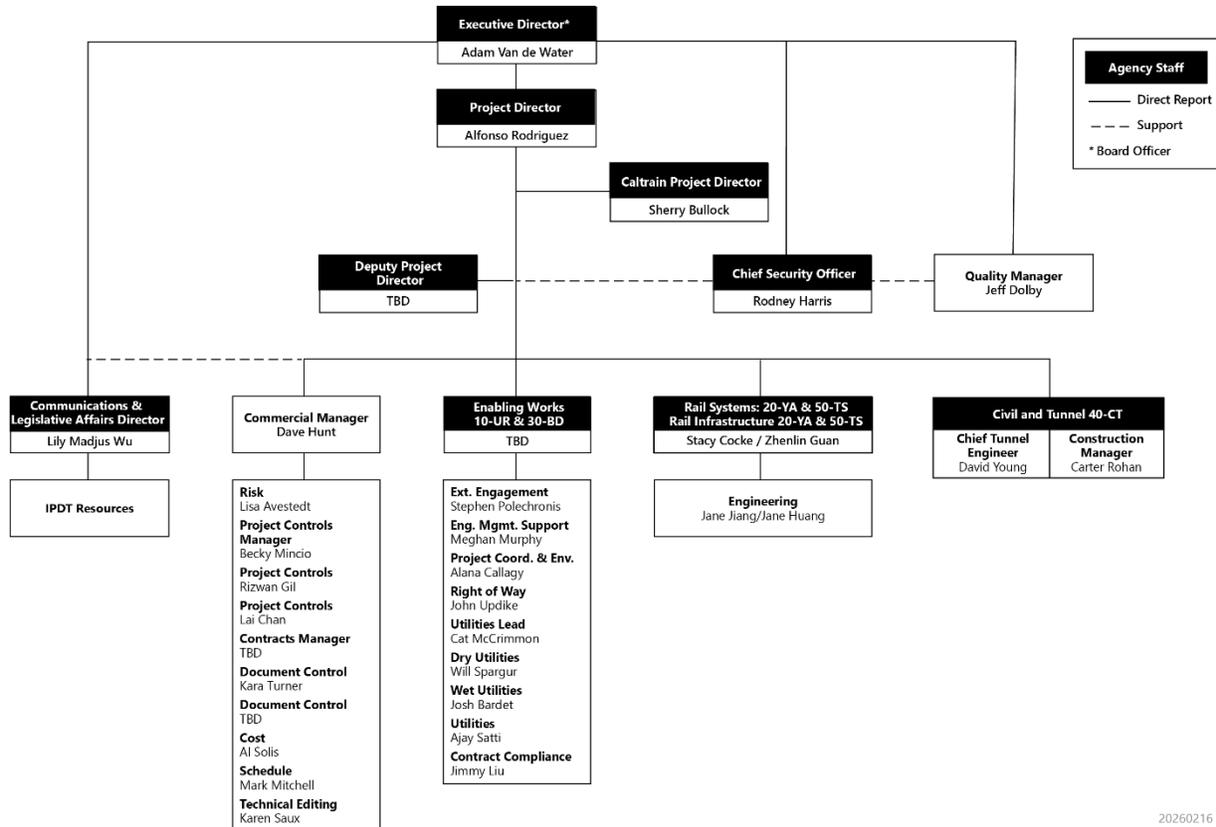


Figure 13. Right-of-Way Acquisition Status (as of February 2026)

## PROJECT STAFFING

The IPDT led by the TJPA oversees the day-to-day decision-making on the infrastructure delivery aspects of The Portal, including design, procurement, and construction. Caltrain, as the primary rail operator, has specific management responsibilities within the IPDT for rail-related systems, infrastructure, and integration. Figure 14 shows a summary organizational structure for the IPDT. Work on a full organizational chart is ongoing. IPDT staffing levels as of January 2026 are shown in Figure 15.



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Figure 14. IPDT Staffing for Delivery of The Portal

Full-Time Equivalent (FTE) - Integrated Program Delivery Team (IPDT)

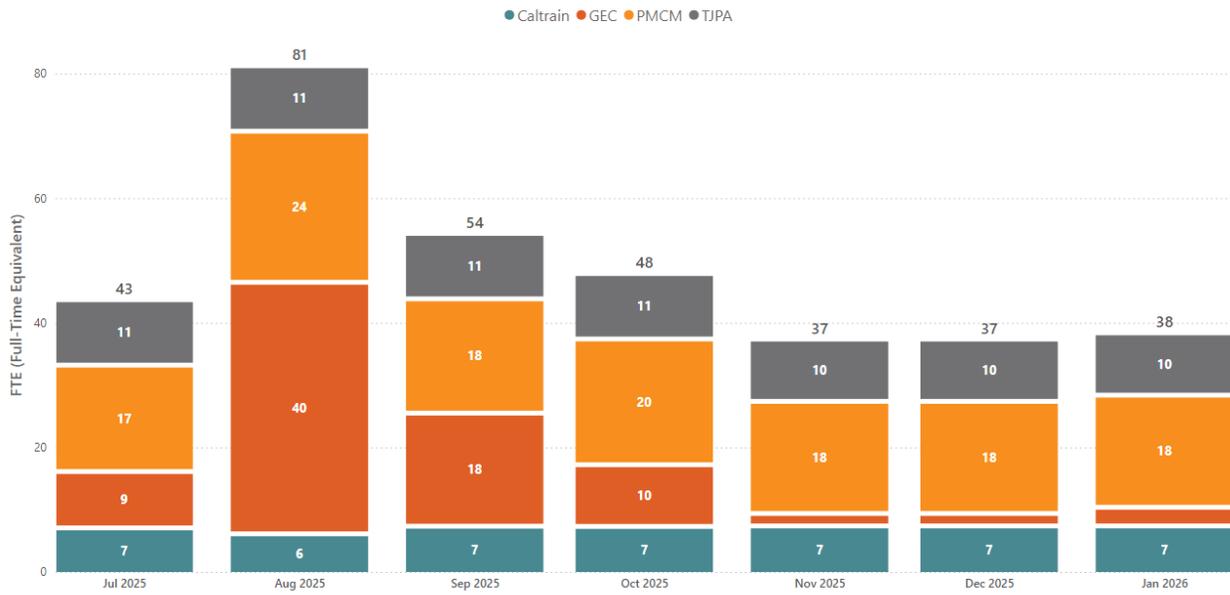


Figure 15. IPDT Staffing Levels

## ENVIRONMENTAL

An addendum to the 2018 Final Supplemental Environmental Impact Report and a re-evaluation of the Final Environmental Impact Statement for the Transbay Program are being prepared to evaluate potential impacts associated with secondary mitigations and other minor design changes to the environmentally cleared design for The Portal, in accordance with the California Environmental Quality Act and National Environmental Policy Act, respectively. Work on the draft NEPA Re-evaluation and CEQA addendum continued. The CEQA Addendum is scheduled to be considered by the TJPA Board for adoption at the March 12 meeting. The draft NEPA Re-evaluation was circulated to the FTA for review in mid-February.

The Mitigation Monitoring and Reporting Program quarterly report for 4Q-2025 was distributed on January 30.

FTA and TJPA staff held meetings in November and December for the preparation of a third amendment to the Section 106 Memorandum of Agreement (MOA) regarding cultural resources. The third amendment would extend the MOA termination date from June 2026 to June 2038 and update the MOA to focus on Phase 2 stipulations. To date, all MOA participants (FTA, TJPA, Federal Railroad Administration (FRA), the State Historic Preservation Officer, Caltrans, Caltrain, and the City), and tribal representatives of the Indian Canyon Mutsun Band of Costanoan and the Costanoan Rumsen Carmel Tribe have participated in coordination. The first draft of the amendment was with MOA participants for a 30-day review that concluded January 20, 2026. Comments were received electronically from the FRA, Caltrans, and the Indian Canyon Band of Costanoan Ohlone People. The City and County of San Francisco confirmed that they have no comments on the draft. Comments made by the Costanoan Rumsen Carmel Tribe during the December meeting were also received during the process. The TJPA is in the process of consolidating the comments and preparing a comment matrix to circulate first to the FTA by the end of February.

## COMMUNITY & GOVERNMENT RELATIONS

TJPA outreach efforts continue to focus on securing required matching funds to begin negotiations of a Full Funding Grant Agreement and to secure necessary approvals to initiate preconstruction or enabling works.

Communications and outreach efforts continue to legislatively extend the term of collection of net tax increment proceeds in the Transbay District and to complete the street vacation process in coordination with the City and County of San Francisco in preparation for utility relocation construction in 2027.

The TJPA communications team is also working to update its general communications plan that includes further awareness and outreach on The Portal to different parts of the San Francisco Bay Area through on-site tours, participation in Transit Month activities and relevant conferences, appearance at partner events, and attendance at select community events.

Coordination continued with member agencies and other stakeholders, including the Bay Area High-Speed Rail Joint Benefit partners, on advocating for The Portal funding opportunities on the state and federal levels, including advocacy on CHSRA bookend funding from the state's Cap-and-Invest program.

## CHRONOLOGY OF EVENTS

TJPA certification of the SEIS/EIR and adoption of CEQA findings	December 2018
FTA Amended Record of Decision (ROD)	July 2019
Entry to Project Development	December 2021
Entry to Engineering	May 2024
TJPA adoption of CEQA Addendum	January 2023
FTA concurrence with NEPA Re-evaluation	June 2023
Release of RFQ for PDB Civil and Tunnel Construction	October 2023
Board Approval of the Governance Blueprint for The Portal	August 2023
Execution of The Portal Project Implementation Memorandum of Understanding	January 2025
Board approval of the delivery approach for The Portal	July 2022
Board approval to combine the 50-TS and 55-YB contract packages	September 2025
Release of RFP for PDB Civil and Tunnel Construction	December 2025

**TJPA** | **THE PORTAL**

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