



**ITEM ID:** 2024-212-0

**TRANSMITTAL DATE:** June 21, 2024

**MEETING DATE:** June 28, 2024

**TO:** Board of Directors

**FROM:** Donald Filippi, Chief Operating Officer

**SUBJECT:** FY2024-25 Annual Contract Authority for Contract No. OP151-21 - Metrolink Train Operator Services - National Railroad Passenger Corporation (Amtrak)

**Issue**

Annual contract authority is required to provide train operator services to support the Metrolink system.

**Recommendation**

Contracts, Operations, Maintenance, and Safety Committee recommended (4-0) the Board authorize the Chief Executive Officer to approve the FY2024-25 contract authority for Contract No. OP151-21 Metrolink Train Operator Services with National Railroad Passenger Corporation (Amtrak) for a not-to-exceed amount of \$48,163,321.85 as follows:

1. \$47,563,776.56 to fund commuter rail operations consistent with service assumptions for FY2024-25
2. \$599,545.29 to fund Special Trains, to include Angels Baseball Trains

**Strategic Commitment**

This report aligns with the Strategic Business Plan commitments of:

- **Safety is Foundational:** We will stay on the leading edge by deploying new technologies and processes to enhance the safety and security of our riders, our fellow employees, and the communities we serve by providing a safe and efficient commute.

- **Customers Are Our Business:** We respect and value our customers, putting them at the heart of all we do, and work hard to attract and retain new customers by understanding their needs and finding new and innovative ways to bring them on board. With a collaborative relationship with our frontline employees, who are the face of Metrolink and the core of our customer service, will lead to improved performance and customer satisfaction.

## **Background**

Contract No. OP151-21 for Metrolink Train Operator Services was awarded by the Board on August 21, 2020, to the National Railroad Passenger Corporation (Amtrak), for a contract service term of four and a half years to expire on June 30, 2025. The Authority retains the right, at its sole discretion as determined by its Board of Directors, to extend this Agreement on a month-to-month basis for up to an additional 24 months after the base term, at the same terms and conditions contained in the Agreement.

Contract No. OP151-21 specifies a budgeting process that requires Amtrak to submit an annual budget based upon service assumptions provided by the Authority's Operations Department and approval by the Board. As such, annual contract authority will be requested each fiscal year of the Contract term. Amtrak's budget proposal has been reviewed and is consistent with the Authority's operating budget assumptions for the fiscal year. The proposed FY2024-25 operating budget contains \$47,563,776.56 to fund commuter rail operations for FY2024-25. In addition to the budgeted base services, Amtrak will be responsible for other tasks such as the operation of Special Trains, and maintenance-of-way work trains. These services do not impact Amtrak's base operating budget and are estimated to cost \$599,545.29 in FY2024-25.

## **Discussion**

Amtrak, under base services, provides train operator services for the Authority in a safe, high quality, customer-first, efficient, affordable, and cost-effective manner. The majority of the services requires Amtrak to provide the day-to-day labor to operate the services, specifically locomotive and conductor crews and associated management staff and closely related support services such as training, testing, crew calling, crew transportation, crew lodging, regulatory compliance, and reporting in accordance with the requirements of Contract No. OP151-21 and its Scope of Services. Furthermore, the contract specifies that Amtrak will submit an annual budget based on the Authority's proposed Service Plan.

The proposed FY2024-25 operating budget for Contract No. OP151-21 consists of:

<b>Description</b>	<b>Amount</b>
Base Train Operator Services	\$47,563,776.56
Special Trains	\$599,545.29
<b>Total</b>	<b>\$48,163,321.85</b>

## **Budget Impact**

The amounts for which contract authority is requested, are included, and are contingent upon adoption of the proposed FY2024-25 Operating Budget (\$47,563,776.56); third-party re-collectable (\$599,545.29). Funding for subsequent years will be requested through the annual budget or an equivalent process. There is no financial commitment with respect to subsequent years and work will be authorized only if funding is approved.

## **Next Steps**

Upon approval of this request as well as adoption of the FY2024-25 Operating Budget, staff will issue a Notice to Proceed for the FY2024-25 service plan and for the approved annual authority under the provisions of this contract.

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Approved by: Approved by: Don Filippi, Chief Operating Officer