



ITEM ID: 2024-154-0

TRANSMITTAL DATE: June 21, 2024

MEETING DATE: June 28, 2024

TO: Board of Directors

FROM: Donald Filippi, Chief Operating Officer

SUBJECT: Contract OP154-22 - Arrow Train Operator Services - Exercise of Option Year and Increase Contract Authority - TransitAmerica Services, Inc. (TASI)

Issue

In order to continue to operate the Arrow Service in FY2024-25, it is necessary to exercise the final option year and increase the contract authority.

Recommendation

Contracts, Operations, Maintenance, and Safety Committee recommended (4-0) the Board authorize the Chief Executive Officer to exercise the remaining contract option year and increase the contract authority by \$4,198,142.04 to a new total not-to-exceed amount of \$13,554,162.61.

Strategic Commitment

The report aligns with the Strategic Business Plan Commitment of:

- **Advancing Key Regional Goals:** We will grow the role of regional rail in addressing climate change, air quality, and other pressing sustainability and economic issues by advancing toward zero emissions, making rail a compelling alternative to single-occupant automobiles and advancing equity-focused opportunities for all communities throughout Southern California. The Arrow Service advances key regional goals by addressing population and employment growth, connecting people to transportation choices and destinations, and providing a safe, reliable and cost-effective travel alternative for regional communities. The current Diesel Multiple Units (DMU) operated on the Arrow Line have lower emission diesel engines; the Zero-Emission Multiple Unit

(ZEMU), expected to arrive in June 2024, will offer hybrid hydrogen fuel cell and battery technology for propulsion, the first of its kind in North America.

Background

Based on Cooperative Agreement No. 17-1001587 with SBCTA executed in December 2016, and a subsequent June 2020 Memorandum of Understanding (MOU) No. 20-1002367, responsibility for revenue and non-revenue services on the Arrow Line was transferred to the Authority, including the operation of three Diesel Multiple Units (DMU) and a single Zero Emissions Multiple Unit (ZEMU).

On January 28, 2022, the Board approved the execution of an agreement with TransitAmerica Services, Inc. (TASI) to provide DMU Operator Services on the Arrow Line. Under the OP154-22 contract, mobilization (non-revenue services) began on February 22, 2022, took nine months (February 22, 2022 through October 23, 2022), and included testing of the new DMU equipment, PTC qualification and acceptance, and train and engine crew certification.

On April 28, 2023, the Board authorized the CEO to exercise the one-year option of Contract No. OP154-22 with TASI for Arrow Operator Services from July 1, 2023 through June 30, 2024, and to amend the contract to include an additional option year, from July 1, 2024 through June 30, 2025, to align with a future bundled operations procurement. The Board has already authorized a total amount of \$9,356,020.57 for this contract.

Discussion

Under Base Services, TASI operates DMUs for the Arrow Service in a safe, efficient, customer-focused manner. Base services include providing the day-to-day labor to operate the Arrow service, specifically Engineers and Conductors and management staff, and support services such as crew calling, regulatory compliance and reporting in accordance with Contract No. OP154-22. The contract specifies that TASI shall submit an annual budget proposal based on the service plan provided by the Authority.

The exercise of this option year and request for contract authority are to ensure the implementation of the FY25 Optimized Schedule, including an express train, on the Arrow Line.

Budget Impact

The amount for which contract authority is requested for FY25 (\$4,198,142.04) is included in, and contingent upon, the adoption of the Proposed FY2024-25 Arrow Budget. There is no financial commitment with respect to subsequent years.

Next Steps

Upon approval of this request and the adoption of the FY2024-25 Arrow Budget, staff will issue Notice to Proceed to TASI for the FY2024-25 Service Plan under the provisions of this

contract.

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Approved by: Don Filippi, Chief Operating Officer