



ITEM ID: 2023-161-0

TRANSMITTAL DATE: April 21, 2023

MEETING DATE: April 28, 2023

TO: Board of Directors

FROM: Donald Filippi, Chief Operating Officer

SUBJECT: Contract No. OP154-22 - Arrow Train Operator Services - TransitAmerica Services, Inc. - Exercise Option and Extend Contract Term

Issue

To continue operating the Arrow service, the Authority needs to exercise the extension option for Contract No. OP154-22 with TransitAmerica Services, Inc. (TASI) for Train Operator Services. The contract's base term expires on June 30, 2023, with an existing available option extending the term to June 30, 2024.

An additional one-year contract option is needed to align this contract term with that of the existing contracts for Metrolink Train Operator Services (currently provided by Amtrak under Contract No. OP151-21) and Maintenance of Equipment Services (currently provided by Alstom under Contract No. OP137-17) to accommodate a future bundled contract for train operations and maintenance of equipment.

Recommendation

CONTRACTS, OPERATIONS, MAINTENANCE, AND SAFETY COMMITTEE RECOMMENDED (5-0) the Board authorize the Chief Executive Officer to:

1. Exercise the existing one-year option of Contract No. OP154-22 with TransitAmerica Services, Inc. (TASI) for Arrow Diesel Multiple Unit Train Operator Services from July 1, 2023 through June 30, 2024 at a cost of \$4,356,020.57; and
2. Amend the Contract to include an additional option year, from July 1, 2024 through June 30, 2025.

Strategic Commitment

This report aligns with the Strategic Business Plan commitment of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees. In-depth reports such as this one provide the SCRRA Board with a transparent picture of the operational environment. This report discusses the initiatives underway to increase operational efficiency.

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 contracting with and managing all operational, mechanical, and maintenance services to operate the Diesel Multiple Units (DMU) and the Arrow Maintenance Facility (AMF) was transferred to the Authority. The Authority was not involved in the selection of the DMUs or the design of AMF.

In late 2021, Authority Operations staff became aware that, due to limited personnel resources, the Metrolink train operator services contractor did not have sufficient resources to accommodate train crew requirements for the Arrow service, which, at the time was scheduled to begin operation around September 2022. It was known at that time that TASI was the only train operator services provider in the country with crews already qualified to operate DMUs similar to those on the Arrow service. TASI was already contracted with TEXRail, at the time the only railroad in the nation operating these vehicles.

On January 28, 2022, the Board authorized the Chief Executive Officer to negotiate and execute a Single-Source Contract for Arrow Operating Services with TASI, a wholly-owned subsidiary of Herzog Transit Services, Inc. (Herzog) for a base period of approximately 16 months (ending June 2023), with a single one-year option, and for a not-to-exceed contract authority of \$5,000,000 plus 10% contingency.

TASI began mobilization and testing activities in February 2022; revenue operations began in October 2022, providing service between Downtown San Bernardino and Redlands University.

Discussion

For TASI to continue providing train operator services from July 1, 2023 through June 30, 2024, the contract option already authorized by the Board must be exercised. The Authority's Operations Department is satisfied with the services provided throughout the term of the contract as TASI has been professional and responsive.

Upon exercise of the existing option, the Contract term will end in June 2024. Currently, contracts OP137-17 with Alstom and OP151-21 with Amtrak expire on June 30, 2025. In order to leave open the possibility of bundling train operator services, maintenance of equipment, and some facilities functions in the future, the Authority wishes to strategically align the expiration date of the TASI contract with the above contracts.

Budget Impact

Funding of \$4,356,020.57 for the existing one-year option is included in the FY24 Proposed Budget and any amounts under this executed agreement will be contingent upon the FY24 Budget being approved by the SCRRA Board of Directors. Funding for the additional option year would be requested through the FY25 annual budget process.

Next Steps

Upon Board approval, Authority staff will incorporate the new terms into Contract No. OP154-22 via amendment.

Prepared by: Laura Lamarque, Operations Administrator
 Toni Moore, Operations Administrator
 Rod Bailey, Deputy Chief Operating Officer
 Angelos Kastrisianakis, Principal Contract & Compliance
 Administrator

Approved by: Don Filippi, Chief Operating Officer