

Contracting Commuter Rail Services – An Industry Overview

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Overview

- Brief History
- Service Delivery Models
- Current Contracting Practices
- Lessons Learned



Brief History Commuter Rail Contracting

- Service of Freight Railroads
- Purchase of Service Agreements
- Influential Legislation:
 - 1970 – Railpax
 - 1973 – Regional Rail Reorganization Act
 - 1981 – Northeast Rail Service Act



Brief History Commuter Rail Contracting

- 1/1/83 – Conrail exit
- 1/9/89 – Tri-Rail
- 6/22/92 – VRE Manassas Line
- 7/20/92 – VRE Fredericksburg Line
- 10/92 – Metrolink
- Today – 27 services in 23 urban areas



Service Delivery Models

Contracted Areas of Service

- Equipment Maintenance
- Maintenance of Way
- Operations
- Other



Service Delivery Models

Providers of Services

- Public Agencies
- Traditional Freight Railroads
- Amtrak (US) and VIA Rail (CA)
- Contractors:
 - Joint Ventures
 - Special Purpose Companies



Service Delivery Models Contracting Packages

- **Bundled Service (B)**
 - All services provided by a single entity
- **Unbundled Services (UB)**
 - Services broken into multiple contracts



Contracting Practices Summary

- 13 Fully Bundled
 - Five agencies do it all in-house
 - MBTA (Boston) is the largest fully bundled service contracted out
- 14 Unbundled
 - Varies from minor to fully unbundled
 - Metrolink is the largest fully unbundled service w/multiple contractors



Contracting Practices Summary - Bundled



Service	Urban Area	Equipment Maintenance	Maintenance of Way	Operations
MBTA	Boston	Contractor	Contractor	Contractor
Metro North Railroad	NYC – North and East	Agency/In-house	Agency/In-house	Agency/In-house
Long Island Rail Road	NYC – Long Island	Agency/In-house	Agency/In-house	Agency/In-house
New Jersey Transit	NYC - NJ	Agency/In-house	Agency/In-house	Agency/In-house
SEPTA	Philadelphia	Agency/In-house	Agency/In-house	Agency/In-house
Music City Star	Nashville	Freight Railroad	Freight Railroad	Freight Railroad
NICTD	Chicago – South Bend IN	Agency/In-house	Agency/In-house	Agency/In-house
Trinity Railway Express	Dallas – Ft. Worth	Contractor	Contractor	Contractor
A-Train	Denton County TX	Contractor	Contractor	Contractor
MetroRail	Austin TX	Contractor	Contractor	Contractor
Rail Runner Express	Albuquerque NM	Contractor	Contractor	Contractor
CalTrain	SF – San Jose	Contractor	Contractor	Contractor
NCTD Coaster	San Diego	Contractor	Contractor	Contractor

Contracting Practices Summary - Unbundled



Service	Urban Area	Equipment Maintenance	Maintenance of Way	Operations
Shoreline East	New Haven – New London	Agency/In-house	Amtrak or VIA	Amtrak or VIA
MARC	DC – Baltimore/Brunswick	Amtrak or VIA	Amtrak or VIA	Amtrak or VIA
VRE	DC – Northern VA	Contractor	Freight Railroad	Contractor
SFRTA (Tri-Rail)	Miami – West Palm Beach	Contractor	Freight Railroad	Contractor
METRA	Chicago	Agency/In-house	Freight Railroad	Agency/In-house
Northstar	Minneapolis	Agency/In-house	Freight Railroad	Agency/In-house
Front Runner	Salt Lake City UT	Agency/In-house	Contractor	Agency/In-house
Souder	Seattle	Amtrak or VIA	Freight Railroad	Freight Railroad
Westside Express	Portland OR	Agency/In-house	Freight Railroad	Freight Railroad
ACE	San Jose – Stockton	Contractor	Contractor	Contractor
Metrolink	Los Angeles	Contractor	Contractor	Contractor
AMT	Montreal	Contractor	Freight Railroad	Freight Railroad
GO Transit	Toronto	Contractor	Contractor	Contractor
West Coast Express	Vancouver	Amtrak or VIA	Freight Railroad	Freight Railroad



Lessons Learned Modern Era Agreements

- Quite lengthy
- Detailed performance standards
- Reporting requirements
- Mandated staffing levels
- Penalty regimes
- Clear expression of goals and objectives



Lessons Learned

Development of Unexpected Trends

- Two Most Difficult Contracting Trends to Predict:
 - Unbundling – creating a service delivery scenario where different functional providers only provide that single element of the service
 - Agency staff involvement at New Starts



Lessons Learned

Development of Unexpected Trends

- These trends have created significant new roles and responsibilities for agencies:
 - Management and coordination of multiple service providers
 - Quick resolution of finger pointing
 - Taking responsibility when an agency employee is the cause of a problem



Lessons Learned

Factors Affecting Scope of Work

- Extent to which the Agency owns/controls the service assets
- Ability of Agency to be involved
- Extent to which the commuter rail service may impact other agency services



Lessons Learned Delivery of Services

- Staff resources dedicated to contract oversight
- Enforcing the performance regime
- Customer service



Lessons Learned

Extra Work Compensation

- Every agreement has a provision for service changes, extra work.
- Some Fixed Price Contracts have Cost Plus extra work provisions



Lessons Learned Oversight

- Degree of oversight varies
- Most agencies have a dedicated group that monitors contract compliance
- Strong agency presence in capital program
- Agency presence on service end more uneven



Lessons Learned Best Practices

- What is agency trying to accomplish through process
- What are the Goals and Objectives
- What type/duration contract best fits
- What functions does the Agency wish to provide
- Effective monitoring/managing
- Role of host railroad



Lessons Learned

Key Performance Indicators

- Safety
- Performance
- Improved Customer Service
- Cost Effectiveness/Improved Asset Utilization
- Responsiveness to Agency



Lessons Learned

30 Years of Contracting Commuter Rail Service

- No “one size fits all” constraints in contracting
- Agency employees may be involved in day-to-day service delivery
- “Unbundle” if it makes sense and you can manage it



Lessons Learned

30 Years of Contracting Commuter Rail Service

- Commit sufficient, experienced resources to contract management and oversight
- Maintain an excellent relationship with the host freight railroad
- The best way to contract out your commuter rail service is the way that works best for you



Contracting Commuter Rail Services – Questions

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