



# BOARD OF DIRECTORS AGENDA

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## **LOSSAN RAIL CORRIDOR AGENCY BOARD OF DIRECTORS MEETING**

**Wednesday, November 28, 2018**  
**12:30 p.m. to 2:30 p.m.**

Los Angeles County Metropolitan Transportation Authority  
Board Room - Third Floor  
One Gateway Plaza  
Los Angeles, California

### **Teleconference Sites**

City of Escondido  
201 North Broadway  
City Manager's Conference Room – 2nd Floor  
Escondido, CA 92025

Orange County Transportation Authority  
600 South Main Street  
Conference Room 1234 – 12th Floor  
Orange, CA 92863

San Diego Metropolitan Transit System  
Executive Committee Room – 10th Floor  
1255 Imperial Avenue  
San Diego, CA 92101



# BOARD OF DIRECTORS AGENDA

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Any person with a disability who requires a modification, accommodation or agenda materials in an alternative format in order to participate in the meeting should contact the LOSSAN Clerk of the Board, telephone 714-560-5676, no less than two (2) business days prior to this meeting to enable LOSSAN to make reasonable arrangements to assure accessibility to this meeting.

## **Agenda Descriptions**

The agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Board of Directors may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

## **Public Comments on Agenda Items**

Members of the public may address the Board of Directors regarding any item. Please complete a speaker's card and submit it to the Clerk of the Board or notify the Clerk of the Board the item number on which you wish to speak. Speakers will be recognized by the Chairman at the time the agenda item is to be considered. A speaker's comments shall be limited to three (3) minutes.

## **Public Availability of Agenda Materials**

All documents relative to the items referenced in this agenda are available for public inspection at [www.lossan.org](http://www.lossan.org) or through the LOSSAN Clerk of the Board's office at the OCTA Headquarters, 600 South Main Street, Orange, California.



# BOARD OF DIRECTORS AGENDA

## 2018 BOARD OF DIRECTORS

(revision as of -04-25-18)

| County                            | Members   | Alternates   |
|-----------------------------------|---|--|
| <b>San Luis Obispo:</b><br>1 vote | Fred Strong<br>Council Member,<br>City of Paso Robles<br>San Luis Obispo Council of Governments   | John Shoals<br>Mayor,<br>City of Grover Beach<br>San Luis Obispo Council of Governments  |
| <b>Santa Barbara:</b><br>1 vote   | Michael T. Bennett<br>Council Member,<br>City of Goleta<br>Member,<br>Santa Barbara County Association of Governments   | Cathy Murillo<br>Mayor,<br>City of Santa Barbara<br>Member,<br>Santa Barbara County Association of Governments   |
| <b>Ventura:</b><br>1 vote         | Bryan MacDonald (Chairman)<br>Council Member,<br>City of Oxnard<br>Member,<br>Ventura County Transportation Commission  | Jim White<br>Representative,<br>Ventura County Transportation Commission   |
| <b>Los Angeles:</b><br>2 votes    | (Vacant)<br><br>John Fasana<br>Mayor,<br>City of Duarte<br>Member,<br>Los Angeles County Metropolitan Transportation Authority  | David Perry<br>Representative,<br>Los Angeles County Metropolitan Transportation Authority<br><br>Mary Lou Echternach<br>Representative,<br>Los Angeles County Metropolitan Transportation Authority   |
| <b>Orange:</b><br>2 votes         | Al Murray (Vice Chairman)<br>Mayor,<br>City of Tustin<br>Member,<br>Orange County Transportation Authority<br><br>Tim Shaw<br>Mayor,<br>City of La Habra<br>Member,<br>Orange County Transportation Authority | Lisa A. Bartlett<br>Supervisor, 5 <sup>th</sup> District<br>Orange County Board of Supervisors<br>Member,<br>Orange County Transportation Authority<br><br>Mark A. Murphy<br>Mayor Pro Tem,<br>City of Orange<br>Member,<br>Orange County Transportation Authority |



## BOARD OF DIRECTORS AGENDA

| County  | Members   | Alternates  |
|---|---|---|
| <b>Riverside:</b><br>1 vote                           | Greg Pettis<br>Mayor Pro Tem,<br>City of Cathedral City<br>Member,<br>Riverside County Transportation Commission  | Dana Reed<br>Council Member,<br>City of Indian Wells<br>Member,<br>Riverside County Transportation Commission   |
| <b>San Diego:</b><br>2 votes                          | Tony Kranz<br>Council Member,<br>City of Encinitas<br>Member,<br>North County Transit District<br><br>Lorie Bragg<br>Council Member,<br>City of Imperial Beach<br>Member,<br>San Diego Metropolitan Transit System<br><br>Ellie Haviland<br>Council Member,<br>City of Del Mar<br>Member,<br>San Diego Association of Governments | Ed Gallo<br>Council Member,<br>City of Escondido<br>Member,<br>North County Transit District<br><br>Guy McWhirter<br>Council Member,<br>City of La Mesa<br>Member,<br>San Diego Metropolitan Transit System<br><br>Ron Morrison<br>Mayor,<br>City of National City<br>Member,<br>San Diego Association of Governments |
| <b>Ex-Officio Members:</b><br><b>Amtrak</b>           | Eric Hosey<br>Representative,<br>Amtrak   |   |
| <b>Caltrans</b>                                       | Kyle Gradinger<br>Representative,<br>California Department of Transportation  |   |
| <b>California High-Speed Rail Authority</b>           | Michelle Boehm<br>California High-Speed Rail Authority  |   |
| <b>Southern California Association of Governments</b> | Art Brown<br>Council Member,<br>City of Buena Park<br>Member,<br>Southern California Association of Governments   |   |





# BOARD OF DIRECTORS AGENDA

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## Call to Order

## Pledge of Allegiance

### 1. Public Comments

At this time, members of the public may address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, but no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three (3) minutes per speaker, unless different time limits are set by the Chairman subject to the approval of the Board of Directors.

## Special Calendar

There are no Special Calendar Matters.

## Consent Calendar (Items 2 through 10)

All items on the Consent Calendar are to be approved in one motion unless a Board Member or a member of the public requests separate action or discussion on a specific item.

### 2. Approval of Minutes

Approval of the minutes of the LOSSAN Board of Directors meeting of September 17, 2018.

### 3. Agreement with Siemens for Charger Locomotive Branding

Michael Litschi

#### Overview

In order to further increase visibility and awareness of the Pacific Surfliner brand, the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency worked with the California Department of Transportation and Siemens to create a route-specific paint scheme that was applied to Siemens Charger locomotives that will be placed into service on the Pacific Surfliner. Board of Directors' authorization is requested to allow the Managing Director to enter into a sole-source agreement with Siemens to fund the costs related to the updated paint scheme and decals on 12 of the 14 Charger locomotives, with all necessary funding being provided by the State.

3. (Continued)

**Recommendations**

- A. Authorize the Managing Director to enter into a sole source agreement with Siemens to fund updates to the paint scheme and exterior decals on 12 Charger locomotives that will be used on the Pacific Surfliner service, in an amount not to exceed \$436,840.70.
- B. Approve an amendment to the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Fiscal Year 2018-19 operating budget of \$437,000 to reflect expected project expenditures and associated revenues from the California Department of Transportation.

4. **Conflict of Interest Code and 2018 Annual Statement of Economic Interests Filing**  
Olga Prado

**Overview**

Pursuant to the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency's Conflict of Interest Code, Members of the Board of Directors and designated positions are required to file a Statement of Economic Interests - Form 700.

**Recommendation**

Direct the Clerk of the Board to distribute and monitor the 2018 annual Statement of Economic Interests - Form 700 to Members of the Board of Directors and designated positions, to be filed by April 1, 2019.

5. **Draft 2019 Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency Legislative Program**  
Dustin Sifford

**Overview**

Each calendar year, the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency adopts a Legislative Program of strategic goals to guide its legislative activities for the upcoming session. An initial draft of the 2019 Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency Legislative Program has been prepared for consideration by the Board of Directors. The draft will be further refined through input from the Board of Directors and the Technical Advisory Committee and brought back to the Board of Directors for final adoption.

**Recommendation**

Direct staff to incorporate requested changes to the initial draft of the 2019 Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency Legislative Program and return to the Board of Directors for final approval.

### 6. **Agreements for Pacific Surfliner Marketing Services**

Emilia Doerr

#### **Overview**

On September 17, 2018, the Board of Directors approved the release of a request for proposals for consultant support to provide marketing services for the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency. Proposals have been received and evaluated in accordance with the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's procurement procedures for professional and technical services. Board of Directors' approval is requested to execute agreements for these services.

#### **Recommendations**

- A. Approve the selection of Civilian, Inc. and Monarch Sports, LLC as the firms to provide consultant services for the Pacific Surfliner marketing program.
- B. Authorize the Managing Director to negotiate and execute Agreement No. L-8-0011 between the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency and Civilian, Inc. in the amount of \$1,000,000, to provide strategic creative and advertising services for the Pacific Surfliner marketing program for a one-year initial term through December 31, 2019, with two, two-year option terms.
- C. Authorize the Managing Director to negotiate and execute Agreement No. L-8-0012 between the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency and Monarch Sport, LLC in the amount of \$600,000, to provide outreach and field marketing services for the Pacific Surfliner marketing program for a one-year initial term through December 31, 2019, with two, two-year option terms.

### 7. **Status Report of State Legislation Enacted in 2018**

Jaymal Patel

#### **Overview**

At the conclusion of the 2018 State legislative session, 1,016 bills were signed and chaptered by Governor Jerry Brown, while 201 bills were vetoed. A report containing a brief analysis of legislation relevant to the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency is provided.

#### **Recommendation**

Receive and file as an information item.

**8. Fiscal Year 2017-18 Fourth Quarter Budget Status Report**  
Jason Jewell

**Overview**

The Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency's fiscal year 2017-18 budget was approved by the Board of Directors on March 20, 2017, in conjunction with the approval of the annual business plan for fiscal years 2017-18 and 2018-19. This report provides a summary of financial activities and performance through the fourth quarter of fiscal year 2017-18.

**Recommendation**

Receive and file as an information item.

**9. Agreement for Corridor Optimization Consultant Services**  
Roger M. Lopez

**Overview**

On December 6, 2017, the Board of Directors approved the release of a request for proposals for consultant services to provide corridor optimization support services for the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency. Proposals have been received and evaluated in accordance with the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's procurement policies and procedures for professional and technical services. The Board of Directors is requested to authorize the Managing Director to negotiate and execute an agreement for these services.

**Recommendations**

- A. Approve the selection of Deutsche Bahn Engineering & Consulting USA, Inc. to provide corridor optimization support services for the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency.
- B. Authorize the Managing Director to negotiate and execute Agreement No. L-8-0017 between the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency and Deutsche Bahn Engineering & Consulting USA, Inc., in the amount of \$990,238, for corridor optimization support services for a three-year term.

**10. Los Angeles - San Diego - San Luis Obispo Rail Corridor Trends for the Third Quarter of Federal Fiscal Year 2017-18**

Roger M. Lopez

**Overview**

A report on ridership, revenue, and on-time performance trends for passenger rail services on the Los Angeles – San Diego – San Luis Obispo rail corridor, including the Pacific Surfliner, Metrolink, and COASTER, covering the third quarter of federal fiscal year 2017-18, is presented for consideration.

**Recommendation**

Receive and file as an information item.

### Regular Calendar

**11. Pacific Surfliner April 2018 Schedule Change Performance Update**

Roger M. Lopez

**Overview**

On April 1, 2018, the regularly-planned biannual schedule change for the Pacific Surfliner passenger rail service was implemented. The schedule change included operational adjustments that were necessary to facilitate the implementation of peak-period service between Los Angeles and Ventura - Santa Barbara counties. A detailed evaluation of the available ridership data since the April 1, 2018 schedule change has been performed as requested by the Board of Directors. The results of this analysis are presented for consideration.

**Recommendation**

Receive and file as an information item.

**12. Proposed 2019 Board of Directors and Committee Meeting Schedule**

Olga Prado

**Overview**

The Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency staff has developed a proposed Board of Directors and Committee meeting schedule for calendar year 2019 that reflects prior informal direction from the Board of Directors and is consistent with the development of key deliverables and actions for calendar year 2019.



## BOARD OF DIRECTORS AGENDA

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### 12. (Continued)

#### **Recommendation**

Approve the 2019 Board of Directors and Committee meeting schedule for the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency.

### **Discussion Items**

#### 13. **Managing Director's Report**

#### 14. **Board Members' Report**

#### 15. **Closed Session**

There is no Closed Session scheduled.

#### 16. **Adjournment**

The next regularly scheduled meeting of this Board will be held:

**Wednesday, January 30, 2019**

**12:30 p.m. to 2:30 p.m.**

Orange County Transportation Authority Headquarters

Board Room – Conference Room 07

550 South Main Street

Orange, California



# MINUTES

## Board of Directors' Meeting

### Call to Order

The September 17, 2018 Board of Directors (Board) meeting of the Los Angeles - San Diego - San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) was called to order by Chairman MacDonald at 12:30 p.m., at the Orange County Transportation Authority Headquarters, Board Room – Conference Room 07, 550 South Main Street, Orange, California

Chairman MacDonald announced that several of the Directors would participate in today's meeting via teleconferencing, and all votes would be taken by roll call.

Directors Present: Bryan MacDonald, Chairman  
 Al Murray, Vice Chairman  
 Michael T. Bennett, SBCAG  
 Lorie Bragg, SDMTS (teleconference)  
 John Fasana, Metro  
 Tony Kranz, NCTD  
 Ron Morrison, SANDAG (teleconference)  
 Dana Reed (RCTC)  
 Tim Shaw, OCTA  
 Fred Strong, SLOCOG  
 Art Brown, SCAG, Ex -Officio  
 Eric Hosey, Amtrak, Ex-Officio

Directors Absent: David Perry, Metro  
 Greg Pettis, RCTC  
 Kyle Gradinger, Caltrans, Ex-Officio  
 Michelle Boehm, CHSRA, Ex-Officio  
 Ellie Haviland, SANDAG

Staff Present: Jennifer L. Bergener, Managing Director  
 Olga Prado, LOSSAN Agency Clerk of the Board  
 James Donich, General Counsel

## **Pledge of Allegiance**

The pledge of allegiance was led by Vice Chairman Murray.

### **1. Public Comments**

A public comment was heard from:

Janet Rogers (via teleconference from San Diego), Train Coalition, Santa Fe Depot, reported that the Train Coalition asked LOSSAN Agency staff to help with the mitigation of train noise experienced during the evening at the station, and to develop and implement a standard operating procedure to shut trains down at approximately 11:00 p.m. She urged the LOSSAN Agency not to park engines alongside residential buildings, to eliminate diesel fumes going into residences, reduce noise, and to not start engines until necessary.

## **Special Calendar**

There were no Special Calendar matters.

## **Consent Calendar (Items 2 through 8)**

### **2. Approval of Minutes**

A motion was made by Vice Chairman Murray, seconded by Director Strong, and following a roll call vote, declared passed 9-0, to approve the minutes of the LOSSAN Agency's Board of Directors meeting of July 16, 2018.

Director Kranz was not present to vote on this item.

### **3. Informal Procurements for Marketing Services**

A motion was made by Vice Chairman Murray, seconded by Director Strong, and following a roll call vote, declared passed 9-0, to receive and file as an information item.

Director Kranz was not present to vote on this item.



#### **4. Approval to Release Request for Proposals for Pacific Surfliner Marketing Services**

A motion was made by Vice Chairman Murray, seconded by Director Strong, and following a roll call vote, declared passed 9-0, to:

- A. Approve the proposed evaluation criteria and weightings for Request for Proposals 8-1795 for selection of a consultant to provide marketing services for the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency.
- B. Approve the release of Request for Proposals 8-1795 for marketing services for the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency for a one-year initial term with two, two-year option terms.

Director Kranz was not present to vote on this item.

#### **5. Approval to Release Request for Proposals for San Diego Maintenance and Layover Facility Study**

This item was pulled by Chairman MacDonald who asked for an overview on both Items 5 and 6 on the agenda. James D. Campbell, Deputy Managing Director, provided a brief update as follows:

- The Pacific Surfliner service utilizes three outlying layover facilities to support daily operations of the service, all of which are operating at capacity.
- To implement service improvements, layover and maintenance capacity in San Diego, San Luis Obispo, and Goleta must be evaluated.
- Staff has developed a scope of work (SOW) to initiate the competitive procurement process to retain professional services to identify and evaluate potential maintenance and layover facility locations related to Item 5 on the agenda.
- Staff has also developed a SOW to initiate the competitive procurement process for project approval and environmental documentation related to Item 6 on the agenda.
- Both Items 5 and 6 on the agenda will take up to 18 months to complete before moving on to other phases, and during this time, staff will return to the Board of Directors (Board) to provide updates.

**5. (Continued)**

A public comment was heard from:

Janet Rogers (via teleconference from San Diego), Train Coalition, Santa Fe Depot, reported that the coalition is excited to see the layover facility study is being considered and looks forward to the coalition being included as a stakeholder. She added that the Train Coalition continues to advocate to get funding for the study and expressed her concerns with the timeline for the study.

A motion was made by Director Strong, seconded by Vice Chairman Murray, and following a roll call vote, declared passed 10-0, to:

- A. Approve the proposed evaluation criteria and weightings for Request for Proposals 8-1933 for selection of consultant to conduct the San Diego Maintenance and Layover Facility Study.
- B. Approve the release of Request for Proposals 8-1933 for the San Diego Maintenance and Layover Facility Study.

**6. Approval to Release Request for Proposals for Project Approval and Environmental Documentation Services for the Central Coast Layover Facility Expansion Project**

This item was pulled by Chairman MacDonald and was discussed as part of Item 5 on the agenda.

A motion was made by Director Strong, seconded by Vice Chairman Murray, and following a roll call vote, declared passed 10-0, to:

- A. Approve the proposed evaluation criteria and weightings for Request for Proposals 8-1897 for Project Approval and Environmental Documentation Services for the Central Coast Layover Facility Expansion Project.
- B. Approve the release of Request for Proposals 8-1897 for Project Approval and Environmental Documentation Services for the Central Coast Layover Facility Expansion Project.

**7. Fiscal Year 2017-18 Third Quarter Budget Status Report**

A motion was made by Vice Chairman Murray, seconded by Director Strong, and following a roll call vote, declared passed 9-0, to receive and file as an information item.

Director Kranz was not present to vote on this item.

**8. Los Angeles - San Diego - San Luis Obispo Rail Corridor Trends for the Second Quarter of Federal Fiscal Year 2017-18**

A motion was made by Vice Chairman Murray, seconded by Director Strong, and following a roll call vote, declared passed 9-0, to receive and file as an information item.

Director Kranz was not present to vote on this item.

## **Regular Calendar**

**9. Federal Fiscal Year 2018-19 Operating Agreement with Amtrak for Pacific Surfliner Intercity Rail Service**

Jason Jewell, LOSSAN Agency Chief Financial Officer, provided background information on the federal fiscal year (FFY) 2018-19 Pacific Surfliner intercity passenger rail service and reported on the need to amend the current Amtrak operating agreement to include the revised mutually-agreed-upon budget.

Mr. Jewell added that staff is in the process of negotiating with Amtrak to amend the budget for the second year of the operating agreement and incorporate a revised funding amount for FFY 2018-19 to include Amtrak operating expenses and rail car upgrades for the newly secured Superliner cars. He stated it is anticipated that the California Department of Transportation Division of Rail and Mass Transportation and the California State Transportation Agency will make additional funds available for this amendment.

A motion was made by Vice Chairman Murray, seconded by Director Strong, and following a roll call vote, declared passed 10-0, to:

- A. Authorize the Managing Director to amend the Amtrak operating agreement for federal fiscal year 2018-19 for the continued operation of the Pacific Surfliner intercity passenger rail service in an amount not to exceed \$33,596,762.
- B. Amend the fiscal year 2018-19 operating budget by \$145,619 for additional Amtrak operating expenses for rail car upgrades.

### 10. Pacific Surfliner Marketing Update

Emilia Doerr, Marketing & Communications Officer, provided an overview and a PowerPoint presentation on this item as follows:

- Performance Summary;
- Year-Over-Year Performance;
- “Hug the Coast” Campaign;
- Campaign Theme (a short video clip was shown); and
- Campaign Response.

Ms. Doerr introduced Kriss Garbowski, Senior Marketing Specialist, who continued the PowerPoint presentation as follows:

- Disneyland® Resort Partnership;
- Surfliner Series;
- Surfliner Series Highlights (radio segment audio clip was heard);
- Service Updates and Passenger Communications;
- Summer Events Along the LOSSAN Rail Corridor;
- Passenger Communication: Summer Travel (a short video clip was shown); and
- Looking Ahead.

A discussion ensued regarding the decision for restructuring of marketing contracts, partnering with vendors.

Director Shaw reported that he recently attended a Los Angeles Angels baseball game and Pacific Surfliner service information was very present.

Vice Chairman Murray thanked staff for their outreach efforts and asked staff to provide the marketing information to the 34 cities in Orange County to encourage them to share the information on social media.

Director Bragg echoed the various Board Member comments and added that she is a frequent train rider and during a recent trip, the train conductor announced the connectivity information from the San Diego Metropolitan Transit System (MTS) from the Pacific Surfliner to both trolleys and buses. Director Bragg suggested that connectivity information be provided to passengers more frequently.

No action was taken on this receive and file information item.

## **Discussion Items**

### **11. Managing Director's Report**

Jennifer L. Bergener, Managing Director, reported on the following:

- Kriss Garbowski, Senior Marketing Specialist, was named as the OCTA August 2018 Employee of the Month, noting that Ms. Garbowski is the first LOSSAN Agency staff to be recognized by OCTA.
- On October 1, 2018, in coordination with the State, Amtrak, and Siemens, the LOSSAN Agency will be hosting an unveiling event for the new Charger Locomotives in Los Angeles. The event will take place from 10:30 a.m. to 12:00 p.m., and Director Kranz will be speaking at the event.
- There will be a planned schedule change implemented on October 8, 2018. The changes will include adjustments to improve equipment turn times and to accommodate the implementation of positive train control.
- The American Public Transportation Association will be hosting its annual conference beginning this weekend in Nashville, Tennessee, and as the Managing Director, she will be attending the conference on behalf of both the LOSSAN Agency and OCTA.
- The LOSSAN Annual Business Plan was approved last week by the California State Transportation Agency, and the LOSSAN Agency received approval for the funding necessary to implement the 13<sup>th</sup> roundtrip, as well as administrative and marketing approvals for budgets.
- September is Rail Safety Month, and there are several events taking place along the LOSSAN corridor, organized by numerous agencies including the LOSSAN Agency. Additional information can be provided to the Board Members as requested.

### **12. Board Members' Report**

Director Bragg reported that October 2<sup>nd</sup> is "Free Ride Day" in San Diego (for bus, COASTER, and trolleys) and encouraged all to ride the various systems free of charge.

Director Strong reported that during the first week of October, he will be attending the National Association of Regional Councils Board Members Retreat and will share LOSSAN Agency's rail concerns. He added that from November 7<sup>th</sup> - 11<sup>th</sup>, the National League of Cities meetings will be held in Los Angeles and Ms. Jennifer L. Bergener will be a featured speaker.

**12. (Continued)**

Director Reed reported that he has received several inquiries from constituents regarding changes in the national Amtrak network on how these changes might affect the LOSSAN Agency's operations, specifically related to loss of connecting revenue or increased costs due to modifications to, or elimination of, certain long distance trains such as the California Zephyr that connects to the Capitol Corridor and San Joaquin Oakland, or the Southwest Chief Los Angeles/Riverside counties.

Director Reed also reported that he has received inquiries whether a reduction in Amtrak long-distance train service would make it more challenging for the proposed Coachella Valley service to be implemented. Director Reed asked for an update, at a future LOSSAN Board meeting, on what Amtrak is proposing and how that will affect the LOSSAN Agency's revenues and expenses.

Director Strong provided remarks related to Amtrak and believes that any changes made should not affect LOSSAN Agency's services.

Vice Chairman Murray announced that Jennifer L. Bergener, was the OCTA Bus Rodeo Executive Competition Champion this past weekend.

**13. Closed Session**

There was no Closed Session scheduled.

**14. Adjournment**

The meeting of the LOSSAN Agency's Board adjourned at 1:09 p.m. The next regularly scheduled meeting of this Board will be held:

**Wednesday, November 28, 2018**

**12:30 p.m. – 2:30 p.m.**

Los Angeles County Metropolitan Transportation Authority  
Board Room - Third Floor  
One Gateway Plaza  
Los Angeles, California

ATTEST:

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Olga Prado  
Clerk of the Board

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Bryan MacDonald  
LOSSAN Chairman





**November 28, 2018**

**To:** Members of the Board of Directors  
**From:** Jennifer L. Bergener, Managing Director  
**Subject:** Agreement with Siemens for Charger Locomotive Branding

**Overview**

In order to further increase visibility and awareness of the Pacific Surfliner brand, the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency worked with the California Department of Transportation and Siemens to create a route-specific paint scheme that was applied to Siemens Charger locomotives that will be placed into service on the Pacific Surfliner. Board of Directors' authorization is requested to allow the Managing Director to enter into a sole-source agreement with Siemens to fund the costs related to the updated paint scheme and decals on 12 of the 14 Charger locomotives, with all necessary funding being provided by the State.

**Recommendations**

- A. Authorize the Managing Director to enter into a sole source agreement with Siemens to fund updates to the paint scheme and exterior decals on 12 Charger locomotives that will be used on the Pacific Surfliner service, in an amount not to exceed \$437,000.
- B. Approve an amendment to the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Fiscal Year 2018-19 operating budget of \$437,000 to reflect expected project expenditures and associated revenues from the California Department of Transportation.

**Background**

The California Department of Transportation (Caltrans) recently purchased 14 new Siemens Charger locomotives which are currently being placed into service on the Pacific Surfliner route. The 14 locomotives were funded by Caltrans with approximately \$100 million in state, federal, and local funds, and will replace Amtrak-owned locomotives which are nearly 20 years old.

To increase visibility and awareness of the Pacific Surfliner brand, the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) worked

with Caltrans and Siemens to create a route-specific paint scheme for the 14 Siemens Charger locomotives that will be used on the Pacific Surfliner service. The new locomotives feature large Amtrak Pacific Surfliner logos on the sides and front of the locomotive to maintain brand consistency and enhance passenger awareness. The locomotive's blue and silver paint scheme was designed to evoke the train's coastal route while also blending seamlessly with the existing fleet of bilevel Pacific Surfliner passenger cars. In addition, the prominent branding will help reduce customer confusion with other passenger rail services operating on the LOSSAN rail corridor.

### ***Discussion***

The original contract between Caltrans and Siemens for the 14 Charger locomotives assigned to the Pacific Surfliner route did not include funding for a route-specific paint scheme and decals. As a result, a change order was necessary to allow Siemens to prepare updated technical drawings, purchase and apply additional paint, and produce and install new decals. Because the locomotives were already under production at the time the updated paint scheme was approved, only 12 Charger locomotives (No. 2111 to No. 2122) received the full paint scheme, with the remaining two (No. 2009 and No. 2010) receiving only updated decals.

On August 23, 2018, Caltrans submitted a letter of commitment to the LOSSAN Agency reflecting its intent to transfer \$437,000 to the LOSSAN Agency in order to fully fund the costs associated with the updated paint scheme and exterior decals on the 12 Charger locomotives. Caltrans separately funded the new decals on the remaining two locomotives. On September 11, 2018, the California State Transportation Agency approved \$437,000 in one-time funding as part of the approval of the LOSSAN Agency's fiscal year (FY) 2018-19 and FY 2019-20 annual business plan.

In order to finalize the change order with Siemens and ensure that the Charger locomotives remain under warranty, a sole-source agreement is necessary between the LOSSAN Agency and Siemens to fund the updated paint and decals on the 12 Charger locomotives. In addition, an amendment to the LOSSAN Agency's fiscal year 2018-19 budget is required to reflect the additional expenditures related to the project, as well as the associated revenues that will be received from Caltrans.



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***Summary***

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency worked with the California Department of Transportation and Siemens to create a route-specific paint scheme for the Charger locomotives that will be assigned to the Pacific Surfliner Service. Board of Directors' authorization is required to enter into a sole-source agreement with Siemens to fund the updated branding, and to amend the fiscal year 2018-19 budget to accommodate the additional expenses and associated State revenues.

***Attachment***

None.

**Prepared by:**

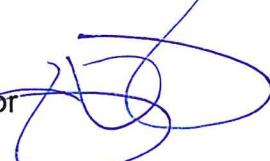
A handwritten signature in blue ink that reads "Michael Litschi". The signature is written in a cursive, flowing style.

Michael Litschi  
Communications and Customer Experience Manager  
(714) 560-5581



**November 28, 2018**

**To:** Members of the Board of Directors

**From:** Jennifer L. Bergener, Managing Director 

**Subject:** Conflict of Interest Code and 2018 Annual Statement of Economic Interests Filing

**Overview**

Pursuant to the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's Conflict of Interest Code, Members of the Board of Directors and designated positions are required to file a Statement of Economic Interests - Form 700.

**Recommendation**

Direct the Clerk of the Board to distribute and monitor the 2018 annual Statement of Economic Interests - Form 700 to Members of the Board of Directors and designated positions, to be filed by April 1, 2019.

**Background**

The Political Reform Act, Government Code Sections 81000, et seq., requires state and local government agencies to review designated positions and disclosure categories to determine accuracy to date.

**Discussion**

Members of the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) Board of Directors and designated positions are required to file an annual Statement of Economic Interests - Form 700 (Form 700) with the LOSSAN Agency's Clerk of the Board (Attachments A and B).

The Human Resources and Organizational Development Division of the managing agency (Orange County Transportation Authority) and LOSSAN Agency's General Counsel reviewed the disclosure categories (Attachment C) and list of designated positions required to file a Form 700 and made required changes to the disclosure categories and the corresponding positions.

The LOSSAN Agency's Clerk of the Board shall retain the electronic or original Form 700s submitted by the designated positions. The California Fair Political Practices Commission's filing deadline for the 2018 annual Form 700 statement is April 1, 2019.


***Summary***

The Board of Directors annually reviews and approves the list of designated positions and disclosure categories subject to the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's Conflict of Interest Code.

***Attachments***

- A. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Conflict of Interest Code
- B. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, List of Designated Positions, Conflict of Interest Code
- C. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, Disclosure Categories

**Prepared by:**



Olga Prado  
LOSSAN Clerk of the Board  
(714) 560-5439

**LOS ANGELES – SAN DIEGO – SAN LUIS OBISPO  
RAIL CORRIDOR AGENCY**

**CONFLICT OF INTEREST CODE**

## LOS ANGELES-SAN DIEGO-SAN LUIS OBISPO RAIL CORRIDOR AGENCY

### CONFLICT-OF-INTEREST CODE

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict-of-interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict-of-interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating positions and establishing disclosure categories, shall constitute the conflict-of-interest code of the Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency (LOSSAN).

Individuals holding designated positions shall file their statements of economic interests with LOSSAN, which will make the statements available for public inspection and reproduction. (Gov. Code Sec. 81008.) All statements will be retained by LOSSAN.

**LOS ANGELES – SAN DIEGO – SAN LUIS OBISPO  
RAIL CORRIDOR AGENCY**

**LIST OF DESIGNATED POSITIONS  
CONFLICT OF INTEREST CODE**

**LOS ANGELES – SAN DIEGO – SAN LUIS OBISPO RAIL CORRIDOR AGENCY**

**LIST OF DESIGNATED POSITIONS  
CONFLICT OF INTEREST CODE**

| <b><u>Designated Positions</u></b>                                       | <b><u>Disclosure Category</u></b> |
|--|-----------------------------------|
| CLERK OF THE BOARD   | 01                                |
| <del>DEPUTY MANAGING DIRECTOR</del>                                      | <del>04</del>                     |
| MANAGING DIRECTOR  | 01                                |
| FINANCE & ADMINISTRATION MANAGER   | 01                                |
| GENERAL COUNSEL/STAFF  | 01                                |
| <u>PLANNING &amp; ANALYSIS MANAGER</u>                                   | <u>01</u>                         |
| <u>STRATEGIC PLANNING &amp; CUSTOMER EXPERIENCE MANAGER</u>              | <u>01</u>                         |
| <u>ACCOUNTING ANALYST SENIOR</u>   | <u>01</u>                         |
| MARKETING & COMMUNICATIONS OFFICER                                       | 02                                |
| <u>EQUIPMENT</u> MECHANICAL <del>COMPLIANCE OFFICER</del> <u>MANAGER</u> | 02                                |
| OPERATIONS COMPLIANCE & SAFETY MANAGER                                   | 02                                |
| TRANSPORTATION ANALYST PRINCIPAL   | 02                                |
| CONSULTANTS/NEW POSITIONS  | *                                 |

Note: All positions are filled by employees of a member agency, but act in a staff capacity for LOSSAN.

Consultants/New Positions are included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitation:

The Managing Director may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Managing Director's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code. (Government Code Section 81008).

| <b><u>Public Officials Who Manage Public Investments</u></b> | <b><u>Disclosure Category</u></b> |
|--|-----------------------------------|
|--|-----------------------------------|

The following positions are not covered by the conflict-of-interest code because they must file a statement of economic interests pursuant to Government Code Section 87200 and, therefore, are listed for information purposes only:

MEMBERS AND ALTERNATE MEMBERS OF THE BOARD OF DIRECTORS  
TREASURER

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe

their position has been categorized incorrectly. The Fair Political Practices Commission will make the determination whether a position is covered by Government Code Section 87200.



**LOS ANGELES – SAN DIEGO – SAN LUIS OBISPO  
RAIL CORRIDOR AGENCY**

**DISCLOSURE CATEGORIES**

**LOS ANGELES – SAN DIEGO – SAN LUIS OBISPO RAIL CORRIDOR AGENCY**

**DISCLOSURE CATEGORIES**

Category 1: All investments, business positions in business entities, and sources of income, including gifts, loans, travel payments, from entities that provide services or supplies of the type utilized by LOSSAN. Also, all interests in real property within the jurisdiction of LOSSAN or within two miles of the boundaries of the jurisdiction.

Category 2: All investments, business positions in business entities, and sources of income, including gifts, loans, travel payments, from entities that provide services or supplies of the type utilized by LOSSAN.



**November 28, 2018**

**To:** Members of the Board of Directors

**From:** Jennifer L. Bergener, Managing Director 

**Subject:** Draft 2019 Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Legislative Program

### **Overview**

Each calendar year, the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency adopts a Legislative Program of strategic goals to guide its legislative activities for the upcoming session. An initial draft of the 2019 Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Legislative Program has been prepared for consideration by the Board of Directors. The draft will be further refined through input from the Board of Directors and the Technical Advisory Committee and brought back to the Board of Directors for final adoption.

### **Recommendation**

Direct staff to incorporate requested changes to the initial draft of the 2019 Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Legislative Program and return to the Board of Directors for final approval.

### **Discussion**

The Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) Board of Directors (Board) annually adopts a Legislative Program (Program) to provide direction to staff when individual legislative efforts are reviewed. The Program outlines broad policy positions to guide staff when developing legislative activities and making recommendations to the Board. Official LOSSAN Agency positions not directly addressed by the Program will be brought to the Board for separate action during the legislative sessions of the United States Congress and the California State Legislature. The Board last updated the Program on December 6, 2017.

The Program provides a focused set of principles aligned with the LOSSAN Agency's role, while advancing the goals outlined in the LOSSAN Agency's annual Business Plan. The Program is organized into three major categories:

1. Secure Sustainable Funding
2. Connectivity and Integration
3. Infrastructure, Service, and Safety Improvements

The initial draft of the 2019 Program retains key provisions from the 2018 Program, while also updating the language where necessary. Grammatical edits were made to ensure the Program's readability. An explanation of the proposed revisions follows:

- The existing principle on the implementation of the Fixing America's Surface Transportation Act was edited slightly to reflect that surface transportation reauthorization discussions will begin next year.
- Section III, subsection (c) was revised to reflect the need for funding to operate and maintain Positive Train Control safety technology.

In the midterm elections held on November 6, 2018, voters across California rejected Proposition 6, which would have repealed the transportation funding provided in Senate Bill (SB) 1 (Chapter 5, Statutes of 2017). As a result, SB 1 funding and programs will move forward, although legislation may be proposed to alter the administration or allocation. The 2019 Program contains language added after the passage of SB 1 that will allow the LOSSAN Agency to advocate for its interests during the continued implementation of this funding, both protecting existing formula-based programs while seeking expanded funding opportunities.

After the Board reviews the initial draft, staff will continue to further refine the draft 2019 Program, and staff will return to the Board with a final draft in January. Looking ahead, to ensure the maximum applicability of the Program, the Board may review and amend the Program as it deems appropriate when new legislation or legislative issues arise. In addition, to most effectively advocate for the Program's goals and principles, LOSSAN Agency staff will continue to explore and identify opportunities to leverage the legislative resources and expertise of LOSSAN Agency's member agencies in order to advance the positions and goals outlined in the Program.

***Summary***

The draft 2019 Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Legislative Program is presented for the Board of Directors' consideration. 2019 Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency staff will return to the Board of Directors with a final draft of the Legislative Program in January 2019 for final adoption.

***Attachments***

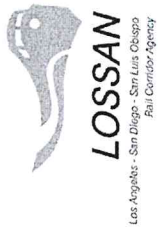
- A. Draft 2019 Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Legislative Program (Strikethrough Version)
- B. Draft 2019 Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Legislative Program (Clean Copy)

**Prepared by:**



Dustin J. Sifford  
Senior Government Relations Representative  
(714) 560-5389





## Draft 20189 Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Legislative Program

### TOP PRIORITIES FOR 20189:

- Maximize the share of long-term, sustainable funding sources to support passenger rail operations and capital projects in the Los Angeles – San Diego – San Luis Obispo (LOSSAN) rail corridor, including funds made available by the federal rail title and ensuring the continued eligibility for the LOSSAN Rail Corridor Agency (Agency) to compete for state funding, such as funding provided by SB 1 (Chapter 5, Statutes of 2017) and the cap-and-trade program.
- Support efforts to further enhance connectivity of regional and intercity rail and local transit services within the LOSSAN rail corridor.
- Continue to study and advance infrastructure and service improvement projects and programs.

### I. SECURE SUSTAINABLE FUNDING

- a) Support efforts to pursue and maximize the LOSSAN Agency's share of stable, recurring sources of operating and capital funding to support intercity rail operations, equipment and safety needs, and LOSSAN Agency Priority Projects.
- b) Support member agency grant funding requests consistent with the LOSSAN Agency's Legislative Program and annual Business Plan and permit the LOSSAN Chairman or the Managing Director to sign letters of support.
- c) Support the protection of existing revenues and the generation of new revenue sources; maximize flexibility in use of federal and state funds, including emerging funding programs. Advocate for intercity rail as an eligible recipient of any new revenue sources.
- d) Support efforts to lower the current two-thirds voter requirement for special purpose taxes that provide for transportation and quality of life improvements.
- e) Support efforts to apply for the use of SB 1 and cap-and-trade funding for LOSSAN Agency priority projects, advocating for intercity rail as an eligible recipient, flexibility in revenue use and a streamlined allocation process.
- f) Secure emergency preparedness funds through any grant program that funds safety and security activities in order to complete more rail system and passenger protection projects.
- g) Support efforts to *finalize* implementation of the Fixing America's Surface Transportation Act *and participate in reauthorization discussions to advocate for in terms of* appropriate funding levels, transit and rail investments, and expedited federal actions.
- h) Support the implementation of the federal rail title, and seek opportunities for funding to enhance the safety and operation of passenger rail services along the LOSSAN rail corridor.
- i) Support the development of future federal rail capital investment programs.
- j) Support efforts to apply for federal rail capital matching program funds, including Passenger Rail Investment and Improvement Act annual appropriations, and Infrastructure For Rebuilding America (INFRA) grants for LOSSAN Agency priority projects.
- k) Support mechanisms and funding providing for the implementation of the LOSSAN Corridor wide Strategic Implementation Plan, California State Rail Plan, and other rail improvement plans.
- l) Oppose efforts to minimize or reduce the funding commitments that support passenger rail services along the LOSSAN rail corridor.



**LOSSAN**

Los Angeles - San Diego - San Luis Obispo  
Rail Corridor Agency

## Draft 20189 Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Legislative Program


### II. CONNECTIVITY AND INTEGRATION

- a) Continue working with California Intercity Rail Program partners on the planning, advocacy, and promotion of existing and future passenger rail service at the federal, state, and local level.
- b) Seek opportunities to support and advocate for the LOSSAN rail corridor, as well as emerging rail corridors, services, and high-speed rail.
- c) Support efforts to streamline and enhance transit services that provide for first-and-last mile connections to intercity, commuter, and high-speed rail passenger rail services and stations.
- d) Support state, federal, and local policies and programs that facilitate intermodal connectivity between passenger rail services on the LOSSAN rail corridor and other public transportation systems, including train to plane connections at local airports.
- e) Support *planning* efforts that would allow for the future extension of service to connect to areas outside of the existing LOSSAN rail corridor.

### III. INFRASTRUCTURE, SERVICE, AND SAFETY IMPROVEMENTS

- a) Support legislation that encourages smart growth and transit-oriented development, mixed-use development, and joint development opportunities, including improved connectivity to and from rail stations.
- b) Support goods movement initiatives that provide infrastructure and throughput improvements for passenger rail systems.
- c) Support legislation promoting rail safety and rail security, including efforts to fund and responsibly ~~implement~~ *operate and maintain* Positive Train Control (PTC), and request federal assistance in considering the fiscal, technological, and logistical challenges faced by ~~PTC-implementing~~ entities *operating PTC safety technology*.
- d) Monitor any administrative reform efforts that may impact rail safety regulatory agencies such as the California Public Utilities Commission.
- e) Monitor the development of federal notices of proposed rulemakings (NPRM), and identify any impacts such proposals may have on passenger rail services. Seek opportunities to engage with, and submit comments to, NPRM-sponsoring agencies to communicate LOSSAN Agency concerns or support related to NPRMs.



|  |   |
|--|---|
| <div><div><b>LOSSAN</b><br/><small>Los Angeles - San Diego - San Luis Obispo<br/>Rail Corridor Agency</small></div></div> <div><div>Draft 2019 Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency<br/>Legislative Program</div></div> | <div><div>TOP PRIORITIES FOR 2019:</div><div><div>➤ Maximize the share of long-term, sustainable funding sources to support passenger rail operations and capital projects in the Los Angeles – San Diego – San Luis Obispo (LOSSAN) rail corridor, including funds made available by the federal rail title and ensuring the continued eligibility for the LOSSAN Rail Corridor Agency (Agency) to compete for state funding, such as funding provided by SB 1 (Chapter 5, Statutes of 2017) and the cap-and-trade program.</div><div><div>➤ Support efforts to further enhance connectivity of regional and intercity rail and local transit services within the LOSSAN rail corridor.</div><div>➤ Continue to study and advance infrastructure and service improvement projects and programs.</div></div></div></div> <div><div>I. SECURE SUSTAINABLE FUNDING</div><div><div>a) Support efforts to pursue and maximize the LOSSAN Agency’s share of stable, recurring sources of operating and capital funding to support intercity rail operations, equipment and safety needs, and LOSSAN Agency Priority Projects.</div><div>b) Support member agency grant funding requests consistent with the LOSSAN Agency’s Legislative Program and annual Business Plan and permit the LOSSAN Chairman or the Managing Director to sign letters of support.</div><div>c) Support the protection of existing revenues and the generation of new revenue sources; maximize flexibility in use of federal and state funds, including emerging funding programs. Advocate for intercity rail as an eligible recipient of any new revenue sources.</div><div>d) Support efforts to lower the current two-thirds voter requirement for special purpose taxes that provide for transportation and quality of life improvements.</div><div>e) Support efforts to apply for the use of SB 1 and cap-and-trade funding for LOSSAN Agency priority projects, advocating for intercity rail as an eligible recipient, flexibility in revenue use and a streamlined allocation process.</div><div>f) Secure emergency preparedness funds through any grant program that funds safety and security activities in order to complete more rail system and passenger protection projects.</div><div>g) Support efforts to finalize implementation of the Fixing America’s Surface Transportation Act and participate in reauthorization discussions to advocate for appropriate funding levels, transit and rail investments, and expedited federal actions.</div><div>h) Support the implementation of the federal rail title and seek opportunities for funding to enhance the safety and operation of passenger rail services along the LOSSAN rail corridor.</div><div>i) Support the development of future federal rail capital investment programs.</div><div>j) Support efforts to apply for federal rail capital matching program funds, including Passenger Rail Investment and Improvement Act annual appropriations, and Infrastructure For Rebuilding America grants for LOSSAN Agency priority projects.</div><div>k) Support mechanisms and funding providing for the implementation of the LOSSAN Corridor wide Strategic Implementation Plan, California State Rail Plan, and other rail improvement plans.</div><div>l) Oppose efforts to minimize or reduce the funding commitments that support passenger rail services along the LOSSAN rail corridor.</div></div></div> |
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**LOSSAN**

*Los Angeles - San Diego - San Luis Obispo  
Rail Corridor Agency*

## **Draft 2019 Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Legislative Program**

### **II. CONNECTIVITY AND INTEGRATION**

- a) Continue working with California Intercity Rail Program partners on the planning, advocacy, and promotion of existing and future passenger rail service at the federal, state, and local level.
- b) Seek opportunities to support and advocate for the LOSSAN rail corridor, as well as emerging rail corridors, services, and high-speed rail.
- c) Support efforts to streamline and enhance transit services that provide for first-and-last mile connections to intercity, commuter, and high-speed rail passenger rail services and stations.
- d) Support state, federal, and local policies and programs that facilitate intermodal connectivity between passenger rail services on the LOSSAN rail corridor and other public transportation systems, including train to plane connections at local airports.
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### **III. INFRASTRUCTURE, SERVICE, AND SAFETY IMPROVEMENTS**

- a) Support legislation that encourages smart growth and transit-oriented development, mixed-use development, and joint development opportunities, including improved connectivity to and from rail stations.
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- d) Monitor any administrative reform efforts that may impact rail safety regulatory agencies such as the California Public Utilities Commission.
- e) Monitor the development of federal notices of proposed rulemakings (NPRM) and identify any impacts such proposals may have on passenger rail services. Seek opportunities to engage with, and submit comments to, NPRM-sponsoring agencies to communicate LOSSAN Agency concerns or support related to NPRMs.



**November 28, 2018**

A handwritten signature in blue ink, likely belonging to Jennifer L. Bergener, the Managing Director.

**To:** Members of the Board of Directors

**From:** Jennifer L. Bergener, Managing Director

**Subject:** Agreements for Pacific Surfliner Marketing Services

**Overview**

On September 17, 2018, the Board of Directors approved the release of a request for proposals for consultant support to provide marketing services for the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency. Proposals have been received and evaluated in accordance with the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's procurement procedures for professional and technical services. Board of Directors' approval is requested to execute agreements for these services.

**Recommendations**

- A. Approve the selection of Civilian, Inc. and Monarch Sports, LLC as the firms to provide consultant services for the Pacific Surfliner marketing program.
- B. Authorize the Managing Director to negotiate and execute Agreement No. L-8-0011 between the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency and Civilian, Inc. in the amount of \$1,000,000, to provide strategic creative and advertising services for the Pacific Surfliner marketing program for a one-year initial term through December 31, 2019, with two, two-year option terms.
- C. Authorize the Managing Director to negotiate and execute Agreement No. L-8-0012 between the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency and Monarch Sport, LLC in the amount of \$600,000, to provide outreach and field marketing services for the Pacific Surfliner marketing program for a one-year initial term through December 31, 2019, with two, two-year option terms.

**Discussion**

The Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) is responsible for marketing the Pacific Surfliner service to enhance public awareness of the service and increase ridership and revenue.

In mid-2017, the LOSSAN Agency initiated a competitive procurement process for two independent agreements to assist staff in strategic, creative, and technical aspects of marketing the Pacific Surfliner service. On August 21, 2017, the LOSSAN Agency Board of Directors (Board) awarded two contracts for marketing services, each with a one-year initial term and two, one-year option terms. The one-year initial term of the agreements expired August 31, 2018. It was determined that it was not in the best interest of the LOSSAN Agency to execute the option years in the current contracts. Re-procuring for marketing services allowed staff to better structure the contracts moving forward and update the scopes of work to reflect the strategic marketing goals and anticipated efforts in the coming year. Therefore, the LOSSAN Agency initiated the procurement process for two new contracts that include updated scopes of work, including a combined budget consistent with the marketing services contracts previously approved by the Board.

To streamline the procurement process, Request for Proposals (RFP) 8-1795 included two separate scopes of work related to marketing services, which allowed firms to propose on one or both scopes of work. The two scopes of work are outlined below:

#### Creative Services and Advertising (Project A)

Provide media buying and creative services, as well as strategic consultation as needed for:

- Implementing data-driven, multi-channel media campaigns that target specific audience segments and optimize direct response rates
- Supporting ongoing efforts including print and digital advertising, email marketing, collateral development, onboard communications, and social media
- Implementing campaigns and creating marketing materials that resonate with target audiences and meet both brand standards and business objectives to increase awareness, revenue, and ridership
- Utilizing existing data to create actionable insight and deliver pre- and post-campaign analysis for driving measurable marketing outcomes that advance business objectives to increase awareness, revenue, and ridership
- Developing new systems and approaches to capturing and leveraging audience insight that personalizes the Pacific Surfliner user experience and builds long-term customer relationships
- Expanding destination-based marketing efforts through advertising campaigns that leverage the engaging experiences, unique rider perspectives, and memorable events surrounding the Pacific Surfliner service



- Ensuring effective design, layout, editorial, and art direction from concept development, execution, and production for fulfillment of media campaigns

#### Field Marketing Services (Project B)

Provide field marketing and community outreach services as needed for:

- Driving awareness of the Pacific Surfliner in specific markets
- Leveraging key collegiate and professional sports sponsorships to connect with the regional target audience for the Pacific Surfliner service
- Influencing consumer purchase decisions within communities served
- Increasing ridership, positive brand associations, and visibility of the Pacific Surfliner
- Uncovering opportunities to expand reach and influence in college markets to build awareness in that key demographic
- Promoting brand goodwill and partnerships with key convention and visitor's bureau partners
- Identifying and completing valuation of existing assets that can be offered to partners as part of a sponsorship package

#### ***Procurement Approach***

The procurement was handled in accordance with the LOSSAN Agency's Board-approved procedures for professional and technical services. Various factors were considered in the award for professional and technical services. Award is recommended to the firm offering the most comprehensive overall proposal considering such factors as prior experience with similar projects, staffing and project organization, work plan, as well as cost and price.

On September 17, 2018, the LOSSAN Agency Board authorized the release of Request for Proposals (RFP) 8-1795, which was issued electronically on CAMM NET. The project was advertised in a newspaper of general circulation on September 17 and 24, 2018. A pre-proposal conference took place on September 24, 2018, with five attendees representing five firms. Two addenda were issued to make available the pre-proposal conference registration sheets and presentation, as well as respond to questions related to the RFP.

On October 8, 2018, proposals were received by eight firms. Seven of the eight firms proposed on Project A and five of the eight firms proposed on Project B. An evaluation committee consisting of OCTA staff from Contracts Administration and Materials Management and Rail Operations, as well as LOSSAN Agency staff, met to review all proposals received. The proposals were based on the following LOSSAN Agency Board-approved evaluation criteria and weights:

- |   |                                   |            |
|---|-----------------------------------|------------|
| • | Work Plan                         | 30 percent |
| • | Qualifications of the Firm        | 25 percent |
| • | Staffing and Project Organization | 25 percent |
| • | Cost and Price                    | 20 percent |

Several factors were considered in developing these weights. Work plan was weighted at 30 percent to emphasize the importance of the firm demonstrating its ability to provide solutions specific to the LOSSAN Agency's marketing needs and opportunities. Qualifications of the firm was weighted at 25 percent because, due to the breadth and depth of the requested services, the successful firm must have a proven track record for meeting similar requirements in previous projects. Staffing and project organization was also weighted at 25 percent as the firm's proposed project team had to demonstrate familiarity with required marketing specializations in terms of knowledge, skills, and experience. Cost was weighted at 20 percent to ensure the LOSSAN Agency receives the best value for the requested services.

On October 18, 2018, the evaluation committee reviewed the proposals based on the evaluation criteria for both Project A and Project B. Based on the overall scores and the point spread between the top-ranked firm, Monarch Sport, LLC (Monarch), and second-ranked firm, there were no interviews for Project B. For Project A, the evaluation committee short-listed the two most qualified firms listed below in alphabetical order:

Civilian, Inc. (Civilian)  
San Diego, California

Sensis, Inc. (Sensis)  
Los Angeles, California

On October 29, 2018, the evaluation committee conducted interviews with the two short-listed firms. The interviews consisted of a presentation to demonstrate the firms' understanding of the LOSSAN Agency's requirements. The firms' project managers and key team members had an opportunity to present each team's qualifications and respond to the evaluation committee's questions. Questions were asked relative to the firm's core competencies, creative experience and process, strategic campaign planning, and current assignments. In addition, each team was asked specific clarifying questions related to their proposal.

After considering the responses to the questions asked during the interviews, the evaluation committee reviewed the preliminary ranking and made adjustments to individual scores. As a result, the ranking of the firms changed.

Based on the evaluation of the written proposals and information obtained from the interviews, the evaluation committee is recommending Civilian for consideration of



award for Project A. In addition, the evaluation committee is recommending Monarch for consideration of award for Project B. The following is a brief summary of the proposal evaluation results.

### Project A

#### Qualifications of the Firm

Civilian is a marketing communications agency and has been in business since 1999. The firm has 30 employees and three offices in San Diego, Los Angeles, and Sacramento. Civilian has provided marketing services, such as strategic planning, creative development, and media planning, to public agencies, which include North County Transit District, Los Angeles County Metropolitan Transportation Authority, and San Jose International Airport. The firm is currently providing media planning and buying services for the LOSSAN Agency. Civilian proposed to utilize two subcontractors to provide additional expertise in areas related to destination marketing and travel and tourism content marketing.

Sensis has been providing marketing services since 1998 and has 70 employees across five offices around the country. The firm demonstrated experience related to increasing ridership and destination marketing through its work with Metrolink, the Orange County Fair and Event Center, and Auto Club Speedway. Sensis proposed to utilize subcontracts for direct mail, video production, radio production, photography, and print and mail house services.

#### Staffing and Project Organization

Civilian proposed a project team with experience in strategic planning, creative development, and media planning. The proposed project manager has ten years of account management experience and has been with the firm for two years. The project team members, which include senior-level staff, are currently working together on other projects and proposed sufficient availability for this effort. During the interview, the project team discussed their roles and process for meeting the LOSSAN Agency's marketing needs, as well as responded to the evaluation committee's questions.

Sensis' proposed project team included senior-level staff with over 20 years of marketing experience. The proposed project manager was been with the firm for three months. Sensis proposed low availability and indicated that it would bring on additional staff as-needed. Sensis was unable to provide clarification about its proposed staff and their experience when asked during the interview. The project team discussed its creative and marketing approach and responded to the evaluation committee's questions during the interview.

## Work Plan

Civilian presented a work plan that addressed all elements of the scope of work. The firm demonstrated an understanding of the project requirements and detailed its approach for developing an integrated marketing campaign plan, digital advertising, traditional media planning, analytics monitoring and reporting, creative services, and digital storytelling. Civilian offered potential campaign ideas, which demonstrated the firm's familiarity with the Pacific Surfliner service. In addition, the firm's campaign concepts presented during the interview confirmed Civilian's understanding of the project goals and application of its strategic approach. The firm went through its approach step-by-step and discussed its thought process in developing the campaign concepts to encourage travel and drive online traffic to the Pacific Surfliner website.

Sensis presented its approach in its work plan. The firm discussed its marketing strategy, creative approach, media strategy, and reporting metrics. Sensis demonstrated an understanding of the Pacific Surfliner by including potential campaign ideas and creative designs. During the interview, the firm elaborated on the campaign concepts presented in its proposal and discussed its strategy to increase interest and travel on the Pacific Surfliner.

## Cost and Price

Pricing scores were based on a formula which assigned the highest score to the firm with the lowest weighted average hourly rate and scored the other proposals' weighted average hourly rates based on their relation to the lowest weighted average hourly rate. Although Civilian did not propose the lowest weighted average hourly rate, pricing was competitive with Sensis' proposed pricing and comparable to the independent cost estimate from the LOSSAN Agency project manager.

## Project B

### Qualifications of the Firm

Monarch is a boutique marketing agency that specializes in field marketing services. Located in the City of El Segundo, the firm began in 2001 and has five employees. Monarch has provided brand consulting, media services, sports sponsorships, and consumer promotions for its clients, such as iHeart Media, Amtrak West/Amtrak California, Hertz, and New Orleans Bowl. The firm is currently providing field marketing and community outreach services for the LOSSAN Agency.

While the other proposing firms have marketing experience, they did not demonstrate specific field marketing and outreach experience.



### Staffing and Project Organization

Monarch proposed the same project team that is on the LOSSAN Agency's current field marketing contract. The proposed project manager founded Monarch and has 20 years of experience. The proposed account directors previously worked for Amtrak and have experience in supporting revenue and ridership goals, managing travel industry sales, and negotiating and implementing advertisements to increase brand awareness, ridership, and revenue. The project team demonstrated experience building relationships and partnerships with sports organizations, tourism centers, and local events.

The other firms' proposed project teams did not demonstrate related outreach or partnership experience.

### Work Plan

Monarch demonstrated an understanding of the project requirements by addressing all the elements of the scope of work. The firm detailed its approach for maintaining and gaining partnerships, building community awareness, and increasing regional visibility. The firm listed tourism organizations to partner with, such as San Diego Tourism Authority, Visit Anaheim, and the San Luis Obispo Chamber of Commerce. To build awareness and ridership growth, the firm identified events for sponsorships or participation, such as the California Strawberry Festival, San Diego County Fair, and the Central Coast Railroad Festival. In addition, Monarch recommended sports sponsorships with teams, events, and media, such as the Anaheim Ducks, sports radio updates on ESPN, KLAC radio, and Mighty1090, and Big West 2019 basketball tournaments, to target key audiences.

The other proposing firms discussed marketing tactics but did not elaborate on strategic approaches to drive awareness of the Pacific Surfliner in specific markets.

### Cost and Price

Pricing scores were based on a formula which assigned the highest score to the firm with the lowest weighted average hourly rate and scored the other proposals' weighted average hourly rates based on their relation to the lowest weighted average hourly rate. Monarch proposed the lowest weighted average hourly rate.

### Procurement Summary

Based on the evaluation of the written proposals, the firms' qualifications, as well as the information obtained from the interviews, the evaluation recommends the selection of Civilian for Project A and Monarch for Project B to provide consultant services for the Pacific Surfliner marketing program.



**Fiscal Impact**

Marketing services were included in the LOSSAN Agency's Fiscal Year (FY) 2018-19 and 2019-20 annual business plan and Board-adopted budget. The LOSSAN Agency has requested \$2 million in state-provided marketing funds for FY 2018-19. This amount is consistent with the three prior FY marketing budgets approved by the California State Transportation Agency.

**Summary**

Based on the information provided, Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency staff recommends the Board of Directors authorize the Managing Director to negotiate and executive Agreement No. L-8-0011 with Civilian, Inc., and Agreement No. L-8-0012 with Monarch Sport, LLC, to provide consultant services for the Pacific Surfliner marketing program.

**Attachments**

- A. Review of Proposals, RFP 8-1795 Pacific Surfliner Marketing Services (Project A)
- B. Review of Proposals, RFP 8-1795 Pacific Surfliner Marketing Services (Project B)
- C. Proposal Evaluation Criteria Matrix, RFP 8-1795 Pacific Surfliner Marketing Services (Project A)
- D. Proposal Evaluation Criteria Matrix, RFP 8-1795 Pacific Surfliner Marketing Services (Project B)
- E. Contract History for the Past Two Years, RFP 8-1795 Pacific Surfliner Marketing Services

**Prepared by:**

Emilia Doerr  
Marketing & Communications Officer  
(714) 560-5370

**Review of Proposals**  
**RFP 8-1795 Pacific Surfliner Marketing Services (Project A)**  
Presented to Board of Directors - November 28, 2018  
**Seven firms proposed, two firms interviewed, one firm is being recommended.**

| Overall Ranking | Proposal Score | Firm & Location                                | Sub-Contractors  | Evaluation Committee Comments   | Weighted Average Hourly Rate |
|-----------------|----------------|--|--|---|------------------------------|
| 1               | 78             | <b>Civilian, Inc.</b><br>San Diego, California | SLH Communications, Inc.<br>A&R Ventures, Inc.   | Highest-ranked firm overall.<br>Provides marketing-related services, including strategic planning, creative development, and media planning.<br>Currently providing media planning and buying services for the LOSSAN Agency.<br>Proposed to utilize subcontractors for additional marketing support.<br>Proposed project manager has ten years of transportation-related marketing experience.<br>Proposed project team members are senior level.<br>Proposed sufficient availability for this effort.<br>Demonstrated an understanding of the project requirements.<br>Discussed approach for developing an integrated marketing campaign plan.<br>Demonstrated an understanding of the Pacific Surfliner and offered potential campaign ideas.<br>Presented approach and answered questions during the interview.<br>Received positive responses from references.<br>Proposed competitive pricing. | \$164                        |
| 2               | 72             | <b>Sensis, Inc.</b><br>Los Angeles, California | SSI/Research Now<br>Power Direct Marekting<br>Premier Mail Marketing, LLC<br>Altered LA<br>MWPost<br>Tono Studios<br>Lyon Studios<br>Radstone Photography<br>ColorGraphics a Cenveo Co.<br>CR&A Custom, Inc. | Provides marketing services with experience in increasing ridership and destination marketing.<br>Proposed to utilize subcontractors for additional marketing support.<br>Proposed project manager has been with the firm for three months.<br>Proposed project team has over 20 years of marketing experience.<br>Proposed low availability for this effort.<br>Discussed marketing strategy, creative approach, media strategy, and reporting metrics.<br>Demonstrated an understanding of the Pacific Surfliner and offered potential campaign ideas.<br>Presented approach and answered questions during the interview.<br>Received positive responses from references.<br>Proposed lower pricing   | \$147                        |

**Evaluation Panel:**

Internal:  
OCTA Contracts Administration and Materials Management (1)  
Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency (2)  
OCTA Rail Operations (1)

**Proposal Criteria**

Qualifications of the Firm  
Staffing and Project Organization  
Work Plan  
Cost and Price

**Weight Factors**

25%  
25%  
30%  
20%

**Review of Proposals**  
**RFP 8-1795 Pacific Surfliner Marketing Services (Project B)**  
 Presented to Board of Directors - November 28, 2018  
**Five firms proposed, one firm is being recommended.**

| Overall Ranking | Proposal Score | Firm & Location                              | Sub-Contractors | Evaluation Committee Comments  | Weighted Average Hourly Rate |
|-----------------|----------------|--|-----------------|--|------------------------------|
| 1               | 82             | Monarch Sport, LLC<br>El Segundo, California | None            | Highest-ranked firm overall.<br>Provides field marketing services.<br>Currently providing field marketing and community outreach services for the LOSSAN Agency.<br>Proposed to utilize subcontractors for additional marketing support.<br>Proposed the same project team that is on the current field marketing contract.<br>Proposed project manager has 20 years of experience.<br>Proposed project team members previousl worked for Amtrak and are familiar with its ridership goals and target audiences.<br>Demonstrated an understanding of the Pacific Surfliner.<br>Discussed approach for creating partnerships, increasing awareness, and gaining visibility.<br>Identified potential partnerships.<br>Presented approach and answered questions during the interview.<br>Proposed lowest weighted average hourly rate. | \$95                         |

**Evaluation Panel:**

Internal:

OCTA Contracts Administration and Materials Management (1)  
 Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency (2)  
 OCTA Rail Operations (1)

**Proposal Criteria**

Qualifications of the Firm  
 Staffing and Project Organization  
 Work Plan  
 Cost and Price

**Weight Factors**

25%  
 25%  
 30%  
 20%

**PROPOSAL EVALUATION CRITERIA MATRIX**  
**RFP 8-1795 Pacific Surfliner Marketing Services (Project A)**

| <b>Civilian, Inc.</b>         |             |             |             |             | <b>Weights</b> | <b>Overall Score</b> |
|-------------------------------|-------------|-------------|-------------|-------------|----------------|----------------------|
| <b>Evaluator Number</b>       | <b>1</b>    | <b>2</b>    | <b>3</b>    | <b>4</b>    |                |                      |
| Qualifications of Firm        | 4.0         | 4.0         | 4.0         | 4.0         | 5              | 20.0                 |
| Staffing/Project Organization | 4.0         | 4.0         | 4.0         | 4.0         | 5              | 20.0                 |
| Work Plan                     | 4.0         | 4.0         | 4.0         | 4.0         | 6              | 24.0                 |
| Cost and Price                | 3.6         | 3.6         | 3.6         | 3.6         | 4              | 14.4                 |
| <b>Overall Score</b>          | <b>78.4</b> | <b>78.4</b> | <b>78.4</b> | <b>78.4</b> |                | <b>78</b>            |

| <b>Sensis, Inc.</b>           |             |             |             |             | <b>Weights</b> | <b>Overall Score</b> |
|-------------------------------|-------------|-------------|-------------|-------------|----------------|----------------------|
| <b>Evaluator Number</b>       | <b>1</b>    | <b>2</b>    | <b>3</b>    | <b>4</b>    |                |                      |
| Qualifications of Firm        | 4.0         | 4.0         | 3.0         | 4.0         | 5              | 18.8                 |
| Staffing/Project Organization | 3.0         | 3.5         | 3.0         | 3.5         | 5              | 16.3                 |
| Work Plan                     | 3.5         | 3.5         | 3.5         | 3.5         | 6              | 21.0                 |
| Cost and Price                | 4.0         | 4.0         | 4.0         | 4.0         | 4              | 16.0                 |
| <b>Overall Score</b>          | <b>72.0</b> | <b>74.5</b> | <b>67.0</b> | <b>74.5</b> |                | <b>72</b>            |

Range of scores for non-short-listed firms was 24 to 61.

**PROPOSAL EVALUATION CRITERIA MATRIX  
RFP 8-1795 Pacific Surfliner Marketing Services (Project B)**

| <b>Monarch Sport, LLC</b>     |             |             |             |             | <b>Weights</b> | <b>Overall Score</b> |
|-------------------------------|-------------|-------------|-------------|-------------|----------------|----------------------|
| <b>Evaluator Number</b>       | <b>1</b>    | <b>2</b>    | <b>3</b>    | <b>4</b>    |                |                      |
| Qualifications of Firm        | 3.5         | 4.0         | 3.5         | 4.0         | 5              | 18.8                 |
| Staffing/Project Organization | 3.5         | 4.0         | 3.5         | 4.0         | 5              | 18.8                 |
| Work Plan                     | 4.0         | 4.0         | 4.0         | 4.0         | 6              | 24.0                 |
| Cost and Price                | 5.0         | 5.0         | 5.0         | 5.0         | 4              | 20.0                 |
| <b>Overall Score</b>          | <b>79.0</b> | <b>84.0</b> | <b>79.0</b> | <b>84.0</b> |                | <b>82</b>            |

Range of scores for other firms was 41 to 57.

**CONTRACT HISTORY FOR THE PAST TWO YEARS**  
**RFP 8-1795 Pacific Surfliner Marketing Services**

| Prime and Subconsultants        | Contract No. | Description                             | Contract Start Date | Contract End Date  | Subconsultant Amount | Total Contract Amount |
|---------------------------------|--------------|---|---------------------|--------------------|----------------------|-----------------------|
| <b>Civilian, Inc.</b>           |              |   |                     |                    |                      |                       |
| Contract Type: Time-and-Expense | L-8-0019     | LOSSAN Media Planning & Buying Services | September 24, 2018  | September 23, 2019 | N/A                  | \$ 50,000             |
| Subconsultants: None            |              |   |                     |                    |                      |                       |
|                                 |              |   |                     |                    |                      |                       |
|                                 |              |   |                     |                    |                      |                       |
| <b>Sub Total</b>                |              |   |                     |                    |                      | <b>\$ 50,000</b>      |
| <b>Monarch Sport, LLC</b>       |              |   |                     |                    |                      |                       |
| Contract Type: Time-and-Expense | L-8-0003     | Pacific Surfliner Field Marketing       | July 27, 2018       | June 30, 2019      | N/A                  | \$ 50,000             |
| Subconsultants: None            |              |   |                     |                    |                      |                       |
|                                 |              |   |                     |                    |                      |                       |
|                                 |              |   |                     |                    |                      |                       |
| <b>Sub Total</b>                |              |   |                     |                    |                      | <b>\$ 50,000</b>      |
| <b>Sensis, Inc.</b>             |              |   |                     |                    |                      |                       |
| Contract Type: N/A              | None         | N/A                                     | N/A                 | N/A                | N/A                  | \$ -                  |
| Subconsultants: N/A             |              |   |                     |                    |                      |                       |
|                                 |              |   |                     |                    |                      |                       |
|                                 |              |   |                     |                    |                      |                       |
| <b>Sub Total</b>                |              |   |                     |                    |                      | <b>\$ -</b>           |



**November 28, 2018**

**To:** Members of the Board of Directors  
**From:** Jennifer L. Bergener, Managing Director  
**Subject:** Status Report of State Legislation Enacted in 2018

### **Overview**

At the conclusion of the 2018 State legislative session, 1,016 bills were signed and chaptered by Governor Jerry Brown, while 201 bills were vetoed. A report containing a brief analysis of legislation relevant to the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency is provided.

### **Recommendation**

Receive and file as an information item.

### **Discussion**

#### **2018 Legislative Session Adjourns**

Following the State Legislature's adjournment, Governor Jerry Brown had until September 30, 2018, to either sign or veto all legislation submitted to his office. Of the 1,217 bills sent to the Governor in 2018, 201 bills were vetoed; about 16.5 percent of the total number of bills presented to his office. This was the highest number of bills he has had to consider as Governor since 2011.

A detailed summary of the legislation relevant to the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) is included as Attachment A. Among the bills considered this session were the following transportation proposals:

#### **Significant Bills of Interest in 2018 - Bills Signed**

Assembly Bill (AB) 1912 (Chapter 909, Statutes of 2018): Public Employees' Retirement: Joint Powers Agreements: Liability  
 LOSSAN Agency Position: Monitor

AB 1912 (Chapter 909, Statutes of 2018) was introduced to ensure that all joint power authority (JPA) entities can cover their retirement obligations, even if



these liabilities were not considered at the time the JPA was formed. The bill in its original form would have held current and former JPA member agencies jointly-and-severally liable for pension obligations. However, given that that bill would have adversely affected the financial structure of member agencies and deterred against the future use of JPAs, AB 1912 was amended in an attempt to give more discretion to these agencies. While some stakeholders viewed the amendments as a compromise, others, such as the Orange County Transportation Authority (OCTA), remained opposed as the previously mentioned concerns were not adequately addressed.

The final version signed into law by the Governor does not allow a JPA to dissolve without a plan to apportion outstanding pension liabilities between current and former member agencies. Absent an apportionment agreement by member agencies, either the California Public Employees' Retirement System or the appropriate retirement plan, depending on the legal structure of the JPA, has discretion to apportion liability, with any challenges subject to arbitration. Member agencies could still be subject to more financial liability than was anticipated and could face barriers on the formation of future JPAs. It is worth noting, though, that LOSSAN Agency staff are employees of OCTA and not the JPA. As such, the provisions of the AB 1912 are not expected to affect OCTA's retirement liabilities for these employees.

AB 2034 (Chapter 812, Statutes of 2018): Human Trafficking: Notice  
LOSSAN Agency Position: Monitor

AB 2034 (Chapter 812, Statutes of 2018) requires agencies that operate intercity rail, light rail, or bus stations to provide at least 20 minutes of training by January 1, 2021, to employees who may interact with a victim of human trafficking or are likely to receive a report about suspected human trafficking. The bill also provides that agencies may use the California Department of Justice, the Santa Clara Valley Transit Authority, and private nonprofit organizations that represent the interests of human trafficking victims, as a resource in developing guidelines. Amtrak, who operates intercity rail stations on the LOSSAN Rail Corridor, will have to review and amend their existing training program to comply with the provisions set forth in AB 2034.

Senate Bill (SB) 502 (Chapter 602, Statutes of 2018): Commuter Rail Systems: Availability of Automated External Defibrillators: Construction Manager/General Contractor Project Delivery Method: Metrolink Commuter Rail Projects  
LOSSAN Agency Position: Monitor

SB 502 (Chapter 602, Statutes of 2018) requires public entities that operate a commuter rail system to ensure that each train is equipped with an automated external defibrillator (AED) by July 1, 2020. The LOSSAN Agency, though not required to comply as an intercity passenger rail service, has worked with Amtrak to install AEDs on all Pacific Surfliner trains. In addition, SB 502 provides



Construction Manager/General Contractor (CM/GC) authority to the Southern California Regional Rail Authority (Metrolink) for capital projects upon approval from county transportation commissions that have jurisdiction over the project. The CM/GC project delivery tool could serve to expedite the delivery of capital improvement projects in the region that may also have the potential to benefit operations on the LOSSAN rail corridor.

**Additional Bills of Interest in 2018 – Failed Passage**

SB 477 (Canella, R-Ceres): Intercity Rail Corridors: Extensions  
LOSSAN Agency Position: Support in Concept

Sponsored by the Transportation Agency for Monterey County, SB 477 (Canella, R-Ceres) would have provided flexibility to intercity rail corridors to allow for future expansion beyond the existing statutory defined corridors. Specifically, SB 477 would have provided the LOSSAN Agency the opportunity to consider future expansion further north or eastward if an expansion was recommended and justified in the business plan adopted by the LOSSAN Agency, signed by the Secretary of the California State Transportation Agency, and determined by the LOSSAN Agency that the extension would not have jeopardized or come at the expense of other existing intercity rail services. However, if SB 477 was chaptered, additional legislation would have been needed to appropriately redefine the boundaries of the LOSSAN rail corridor under statute and its associated JPA before service could have been assumed in those areas. The bill was ultimately held in the Assembly Appropriations Committee and thus failed passage. The Assembly Appropriations Committee analysis expressed concerns over the lack of a revenue stream to support an expansion of intercity rail services and the unknown cost pressures associated with one-time capital improvements and increased operating subsidies.

AB 1421 (Dababneh, D-Woodland Hills): Railroads: Noise and Vibration Levels  
LOSSAN Agency Position: Monitor

AB 1421 (Dababneh, D-Woodland Hills) would have required the California Department of Public Health to conduct a study to determine the noise and vibration levels associated with all railroad lines in the vicinity of residential areas or schools that have an average day-night sound level in excess of 60 decibels. However, given concerns over potential costs and the lack of a current funding source for mitigating the excessive noise and vibration of existing rail lines, the bill failed to make it out of the Senate Rules Committee.

***Summary***

A summary report on all state legislation enacted in 2018 affecting the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency is provided for review by the Board of Directors.

***Attachment***

A. LOSSAN Rail Corridor Agency 2018 End of Year Legislative Report

**Prepared by:**



Jaymal Patel  
Associate Government Relations  
Representative  
(714) 560-5475



## **LOSSAN RAIL CORRIDOR AGENCY 2018 END OF YEAR LEGISLATIVE REPORT**

### **LEGISLATION ENACTED**

#### **I. Audits, Records, Reports, and Litigation**

**Assembly Bill (AB) 2822 (Obernolte, R-Hesperia): California State Auditor: High Risk Local Agency Audit  
(Chapter 498, Statutes of 2018)**

AB 2822 authorizes the State Auditor to use publicly available information to determine which local government agencies are high-risk for the potential of waste, fraud, abuse, or mismanagement, or major challenges associated with its economy, efficiency, or effectiveness. Requires the Auditor to report this information to the Joint Legislative Audit Committee in a public hearing annually. The State Auditor may also consult with the Controller, Attorney General, or other state agencies that have oversight responsibilities over a local agency to make these determinations. Any local agencies identified may be subject to the state auditor's high-risk local government agency audit program.

**Senate Bill (SB) 1293 (Lara, D-Long Beach): State Auditor: High Risk Local Government Agency Audits  
(Chapter 515, Statutes of 2018)**

SB 1293 relates to the State Auditor's high-risk local government agency audit program. This bill, separate from AB 2822, authorizes the State Auditor to conduct initial assessments at local agencies prior to an audit and requires notification be sent to the Joint Legislative Audit Committee before any such assessment takes place. It also requires the State Auditor to issue reports once every three years on the status of local agencies determined to be high-risk.

#### **II. Employment Terms and Conditions**

**AB 1912 (Rodriguez, D-Pomona) Public Employees' Retirement: Joint Powers Agreements: Liability  
(Chapter 909, Statutes of 2018)**

AB 1912 requires that a Joint Powers Authority (JPA) apportion the retirement liabilities of the employees covered by the JPA agreement by mutual agreement prior to filing a notice of termination. Absent an apportionment agreement between the JPA member agencies, the retirement plan administrator has discretion to apportion liability upon the dissolution of the JPA, with any challenges to the apportionment subject to arbitration. AB 1912 will hold current and former JPA member agencies liable for the retirement obligations of the JPA even if the member agencies did not intend to apportion responsibility for the retirement obligations when the JPA was originally formed. Under AB 1912, JPAs with inadequately funded retirement liabilities would subject more member agencies to financial liability and, in addition, the bill also authorizes a lien against the assets of a member agency in order to pay the JPA's retirement benefits.

**AB 2034 (Kalra, D-San Jose): Human Trafficking: Notice  
(Chapter 812, Statutes of 2018)**

AB 2034 requires, on or before January 1, 2021, public agencies and other businesses that operate intercity rail and bus stations to train their new and existing employees, who may come in contact with victims or a report about victims from another employee, in human trafficking awareness and response. The bill requires an agency to provide at least 20 minutes of training that includes, but is not limited to: definition of human trafficking, including sex and labor trafficking; myths and misconceptions about such; physical and mental signs to be aware of that may indicate such; guidance on how to report, including, but not limited to, national hotlines for confidential reporting. The training may include information and material used by the Santa Clara County Valley Transit Authority, private nonprofit organizations that represent the interests of human trafficking victims, and the California Department of Justice.

**III. Environment**

**AB 2782 (Friedman D-Glendale): California Environmental Quality Act  
(Chapter 193, Statutes of 2018)**

AB 2782 would authorize a lead agency on a project in the environmental review stage and subject to the California Environmental Quality Act, to describe specific economic, legal, social, and technological benefits when evaluating said project. The bill also authorizes the inclusion of negative impacts of denying the project.

**IV. Funding**

**AB 1184 (Ting, D-San Francisco) City and County of San Francisco: Local Tax: Transportation Network Companies: Autonomous Vehicles  
(Chapter 644, Statutes of 2018)**

AB 1184 allows the City and County of San Francisco to impose a tax on each ride originating in the City and County of San Francisco provided by a participating transportation network company driver or an autonomous vehicle in an amount not to exceed 1.5 percent of net rider fares for a shared ride, and 3.25 percent of net rider fares for a ride other than a shared ride. Authorizes the City and County of San Francisco to set a lower tax rate for net rider fares for rides provided by a zero-emission vehicle (ZEV) to incentivize the use of these ZEVs. Requires revenue generated by the tax to be dedicated to fund transportation operations and infrastructure within the City and County of San Francisco. In addition, provides that the tax shall be subject to voter approval and shall expire no later than November 5, 2045.

**AB 2252 (Limon, D-Santa Barbara): State Grants: State Grant Administrator  
(Chapter 318, Statutes of 2018)**

Requires the California State Library to create a centralized location, in the form of an internet portal, for state grant opportunities by July 1, 2020. Requires each state agency to post a link to the page on their websites. Also requires the State Library to provide the Legislature with an annual report on the effectiveness of the website.

**AB 2543 (Eggman, D-Stockton): State Agencies: Infrastructure Project Budget  
(Chapter 918, Statutes of 2018)**

AB 2543 requires any state agency or department undertaking a project that costs \$100 million or more to publicly post on its website any change in the cost or schedule of the project that would increase the budget by more than ten percent or delay the project by more than 12 months. The posted information must describe by how much or how long the project will be exceeded.

**SB 961 (Allen, D-Santa Monica) Enhanced Infrastructure Financing Districts  
(Chapter 559, Statutes of 2018)**

SB 961 authorizes localities to adopt a resolution to allocate tax revenues, including those imposed by the Bradley-Burns Uniform Local Sale and Use Tax Law, to an enhanced infrastructure financing district (EIFD) for the purposes of infill development. SB 961 specifically authorizes EIFDs to allocate 40 percent of the tax revenue toward infill development, with a preference for income-qualified housing within one-half mile of a major transit stop, which is defined by current law as existing transit stops and the intersection of two or more major bus routes, with a frequency of service interval of 15 minutes or less during peak commute times. For infrastructure financing plans proposing to allocate Bradley-Burns revenues, the bill requires that the locality receive the consent of any impacted transportation agency that receives tax revenues derived from any tax adopted pursuant to that law. The bill also requires that the locality ensure that existing or planned transportation operations and capital projects will not be negatively impacted by the proposed revenue allocation. SB 961 also includes additional language specifically prohibiting the diversion of voter-approved taxes meant for a specific purpose. Finally, SB 961 requires that the Office of Planning and Research complete a study, before January 1, 2021, on the effectiveness of tax increment financing tools for increasing housing production, including a comparison of the relative advantages and disadvantages of infrastructure financing districts, EIFDs, affordable housing authorities, use of the Neighborhood Infill Finance and Transit Improvements Act, and use of the Second Neighborhood Infill Finance and Transit Improvements Act.

**SB 1145 (Leyva, D-Fontana): Enhanced Infrastructure Financing Districts:  
Maintenance  
(Chapter 563, Statutes of 2018)**

SB 1145 authorizes an EIFD to finance the ongoing or capitalized costs to maintain public capital facilities financed in whole or in part by the district. Prohibits the use of bonds to finance maintenance of any kind.

**SB 1328 (Beall, D-San Jose): Mileage-Based Road Usage Fee  
(Chapter 698, Statutes of 2018)**

SB 1328 extends the life of the Road Usage Charge Technical Advisory Committee for four years, to January 1, 2023. Requires the committee to continue to assess potential funding mechanisms that can replace the gas tax, including, but not limited to, a mileage-based user fee to maintain and operate the state's transportation system. Also

requires the committee to gather public input related to the assessment of those mechanisms.

## **V. Planning**

### **AB 2923 (Chiu, D-San Francisco) San Francisco Bay Area Rapid Transit District: Transit-oriented Development (Chapter 17, Statutes of 2018)**

AB 2923 requires that the Bay Area Rapid Transit District (BART) adopt by ordinance new transit-oriented development zoning standards. Specifically, the bill requires minimum local zoning requirements for the height, density, parking, and floor area ratio of transit-oriented development projects near BART stations. The bill also requires that affected local jurisdictions adopt a zoning ordinance to conform to the standards laid out in the bill. For local standards that remain inconsistent, the bill would mandate that, starting on July 1, 2022, the BART-adopted zoning standards become the local zoning standards for BART-owned parcels that are at least 75 percent within one-half mile of a BART station.

## **VI. Public Works**

### **AB 2249 (Cooley, D-Rancho Cordova) Public Contracts: Local Agencies: Alternative Procedure (Chapter 169, Statutes of 2018)**

AB 2249 increases bid limits for public agencies subject to uniform construction cost accounting procedures. Public projects of \$60,000 or less may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order. Public projects of \$200,000 or less may be contracted by informal bidding procedures, and public projects of \$200,000 or more shall be contracted by formal bidding procedures. AB 2249 also allows the governing body of the public agency, by adoption of a four-fifths vote, to award the contract at \$212,500 or less to the lowest responsible bidder if all informal bids received are in excess of \$200,000.

### **AB 3177 (Chavez, R-Oceanside) North County Transit District: Contracting (Chapter 554, Statutes of 2018)**

AB 3177 sets specific thresholds at which the North County Transit District (NCTD) must award contracts to the lowest bidder. Whereas current law requires that contracts in excess of \$10,000 be awarded to the lowest bidder, AB 3177 sets the threshold for contracts to acquire or lease equipment at \$100,000. In addition, the bill authorizes certain expenditures to alleviate damage and ensure that operations are consistent with state and federal regulations regarding public transportation services.

## **VII. Rail**

### **SB 502 (Portantino, D-La Cañada Flintridge) Commuter Rail Systems: Availability of Automated External Defibrillators: Construction Manager/General Contractor Project Delivery Method: Metrolink commuter rail projects (Chapter 602, Statutes of 2018)**

SB 502 has two components. First, it requires that commuter rail systems ensure that each train has an automated external defibrillator (AED) as part of its safety requirements, including a requirement that such equipment be installed on each train by July 1, 2020. SB 502 also exempts from liability commuter rail systems that comply with the bill's AED requirements. Second, SB 502 allows Metrolink to use the Construction Manager/General Contractor (CM/GC) project delivery method on Metrolink commuter rail projects upon the approval of the county transportation commission in whose jurisdiction the project is being constructed. The bill also provides for county transportation commissions to use the CM/GC for Metrolink projects.

### **SB 1029 (McGuire, D-Eureka) North Coast Railroad Authority (Chapter 934, Statutes of 2018)**

SB 1029 requires the California State Transportation Agency (CalSTA), in consultation with the Natural Resources Agency, to conduct an assessment of the North Coast Railroad Authority (NCRA) in order to provide the findings necessary to determine the most appropriate way to dissolve the NCRA and dispense with its assets and liabilities. Requires CalSTA to report to the Legislature before July 1, 2020, on its findings and recommendations from the assessment. Provides that it is in the public interest to transfer NCRA's right-of-way to other entities for the purpose of potentially developing a trail that could include railbanking and continuing freight. Appropriates \$4 million from the Public Transportation Account for rail improvements on the corridor owned by the Sonoma-Marín Area Rail Transit District and NCRA for the acquisition of freight rights and equipment from the Northwestern Pacific Railroad Company.

### **SB 1172 (Beall, D-San Jose): High-speed Rail Authority: Property Acquisition (Chapter 790, Statutes of 2018)**

SB 1172 exempts the California High-speed Rail Authority (CHSRA) from the California Department of General Services' (DGS) approval of contracts for sales or leases of real and state property if used for the CHSRA. Also exempts the CHSRA from the Property Acquisition Law for any funds appropriated for capital outlays. Authorizes the CHSRA to acquire land directly without the State Public Works Board (SPWB). Replaces the SPWB with the CHSRA for all eminent domain proceedings commenced by SPWB prior to and pending after January 1, 2019. Adds CHSRA to the definition of "department" under the State Contract Act, exempting the CHSRA from DGS control. Allows a County Assessor to disclose property information, furnish abstracts, or permit access to records upon request from the CHSRA and requires the CHSRA to reimburse any costs. Also requires the CHSRA to submit a report on the results of this statute and the effect on property acquisition, if any, by January 1, 2020.



## **VIII. State Budget**

### **AB 1830 (Assembly Budget Committee) Budget Deficit Savings Account: Safety Net Reserve Fund**

#### **(Chapter 42, Statutes of 2018)**

AB 1830 requires that deposits into the Budget Stabilization Account for the fiscal year (FY) 2018-19 above the constitutional requirement be transferred to the Budget Deficit Savings Account established by Proposition 2 (2014). AB 1830 also requires a reconciliation between these two accounts based on latest revenue projections after May 31, 2019. The bill specifies that half of the balance of the Budget Deficit Savings Account will be transferred to the Safety Net Reserve Fund, in which this bill creates two new subaccounts dedicated to Medi-Cal and the California Work Opportunity and Responsibility to Kids (CalWORKs) program. AB 1830 also requires that, upon the enactment of the budget, \$200 million be deposited into the CalWORKs subaccount.

### **AB 1831 (Assembly Budget Committee) State Government Appointments: Infrastructure**

#### **(Chapter 43, Statutes of 2018)**

AB 1831 creates the Infrastructure Stabilization Fund to allocate funding dedicated for infrastructure pursuant to Proposition 2. Under Proposition 2, any revenues generated beyond the requirements for Rainy Day Fund purposes are to go to infrastructure. AB 1831 allocates this excess revenue as follows: the first \$415 million to the State Infrastructure Maintenance Fund, with any excess funds over \$415 million split evenly between the Housing Rehabilitation Loan Fund and the Rail Modernization Improvement Program. Funding from the Rail Modernization Improvement Program is to be administered at the discretion of CalSTA, with a focus on shared-use corridors and increased connectivity between state-run or state-administered passenger rail services and locally or regionally operated services.

### **SB 840 (Mitchell, D-Los Angeles) Budget Act of 2018**

#### **(Chapter 29, Statutes of 2018)**

SB 840 makes \$138.6 billion worth of appropriations to support the state government for FY 2018-19, which is \$1 billion higher than the May Revise. The bill also includes funding to bring the state's Budget Stabilization Account/Rainy Day Fund for FY 2018-19 to \$13.8 billion, meeting the constitutional target. For transportation purposes, the bill includes the first full year of revenues provided under SB 1, which will bring funding certainty for the following transportation infrastructure priorities:

- \$1.2 billion for local streets and roads (LSR) projects;
- \$330 million to the Transit and Intercity Rail Capital Program;
- \$200 million for the Local Partnership Program;
- \$100 million to the Active Transportation Program;
- \$1.2 billion for the State Highway Operation Protection Program;
- \$400 million for the state's bridge and culvert infrastructure;
- \$250 million for Solutions for Congested Corridors Program;
- \$306 million to the Trade Corridor Enhancement Program;



- \$25 million to the Freeway Service Patrol;
- \$663 million in State Transit Assistance funding;
- \$105 million for the SB 1 State of Good Repair Program;
- \$179.4 million for the cap-and-trade Low Carbon Transit Operations Program (LCTOP); and
- \$212.8 million for intercity and commuter rail.

### **SB 848 (Senate Budget and Fiscal Review Committee) Transportation (Chapter 46, Statutes of 2018)**

SB 848 serves as the primary budget trailer bill for transportation. SB 848 limits to ten percent, the administrative indirect cost recovery that Caltrans charges for work it does on behalf of counties that have passed a countywide sales tax measure dedicated for transportation projects. These counties would continue to pay costs of functional overhead. This provision will sunset in three years. Makes decals issued for low-emission and energy-efficient vehicles to use lanes designated for high-occupancy vehicles between January 1, 2017 and March 1, 2018, valid until January 1, 2019. Makes decals issued between March 1, 2018, and January 1, 2019, valid until January 1, 2022, and makes those issued on or after March 1, 2018, for a vehicle that had previously been issued an identifier, valid until January 1, 2022. Allows cities and counties to expend from internal city and county funds and reimburse themselves with future year apportionments from SB 1's LSR program. Allows the Golden Gate Bridge, Highway, and Transportation District to use CM/GC authority for the construction, alteration, repair, rehabilitation, or improvement of the Golden Gate Bridge. Allows the Ventura County Transportation Commission to allocate local transportation fund revenues apportioned to the City of Thousand Oaks for local streets and roads and other specified purposes, and not just transit projects, which is required under current law. Provides an appropriation of \$8 million to CalSTA from the General Fund for allocation to Los Angeles County Metropolitan Transportation Authority (LA Metro) for the River to Rail Project.

## **IX. Transit**

### **AB 2548 (Friedman, D-Glendale) Commute Benefit Policies: Los Angeles County Metropolitan Transportation Authority (Chapter 173, Statutes of 2018)**

AB 2548 authorizes LA Metro to institute a commuter benefit ordinance in its service area that requires employers with over 50 employees to offer a commute benefit. The legislation prohibits the ordinance from contradicting the South Coast Air Quality Management District's rules and regulations incentivizing employers, through its current voluntary program, to offer commuter benefits to their employees.

### **SB 1119 (Beall, D-San Jose) Low Carbon Transit Operations Program (Chapter 606, Statutes of 2018)**

SB 1119 allows flexibility in the use of the Low Carbon Transit Operations Program (LCTOP) funding for transit connectivity options for residents of disadvantaged communities (DAC). SB 1119 allows transit agencies to meet the DAC requirements under LCTOP through investments in new transit pass programs; new or expanded transit

service serving DACs; and the purchase of zero-emission transit buses and supporting infrastructure.

## **X. Other Legislation**

### **AB 1561 (Quirk-Silva, D-Fullerton) Economic Development: Infrastructure: Logistic Hubs**

#### **(Chapter 313, Statutes of 2018)**

AB 1561 has two components. First, the bill makes various changes to the report by the Governor's Office of Business and Economic Development to the Legislature on a strategy for international trade and investment. Specifically, the bill requires that the strategy proposed in this report evaluate logistic hubs in addition to rail and highway projects. AB 1561 also extends the statutory deadline for this report from February 1, 2019, to July 1, 2019, and requires that it be sent directly to the Chief Clerk of the Assembly and the Secretary of the Senate. The second element of AB 1561 changes the definition of "port facilities" for purposes of the California Infrastructure and Economic Development Bank to explicitly include a reference to "inland ports."

### **AB 2982 (Gloria, D-San Diego) North County Transit District: City of San Diego**

#### **(Chapter 222, Statutes of 2018)**

AB 2982 adds the City of San Diego as a non-voting member to the NCTD Board of Directors and requires the non-voting member to be a member of the City Council from the City of San Diego.

### **SCR 136 (Newman, D-Fullerton): Infrastructure Week**


#### **(Chapter 87, Statutes of 2018)**

SCR 136 designates the week of May 14 to 20, 2018, as Infrastructure Week. It urges the citizens of the State of California to observe and participate in Infrastructure Week through the planning of events and commemorations.



**November 28, 2018**

**To:** Members of the Board of Directors

**From:** Jennifer L. Bergener, Managing Director 

**Subject:** Fiscal Year 2017-18 Fourth Quarter Budget Status Report

### **Overview**

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's fiscal year 2017-18 budget was approved by the Board of Directors on March 20, 2017, in conjunction with the approval of the annual business plan for fiscal years 2017-18 and 2018-19. This report provides a summary of financial activities and performance through the fourth quarter of fiscal year 2017-18.

### **Recommendation**

Receive and file as an information item.

### **Background**

On March 20, 2017, the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) Board of Directors (Board) approved the LOSSAN Agency Annual Business Plan for fiscal year (FY) 2017-18 and FY 2018-19 (Business Plan), as well as the FY 2017-18 budget. Included in both the adopted budget and Business Plan is funding for FY 2017-18 administrative and marketing services in the amount of \$5,009,474, as well as \$33,388,641 for operations (including \$500,000 for minor projects), and \$3,900,000 for grant programs, bringing the total adopted budget to \$42,298,115. The adopted budget for operations was based on preliminary cost estimates available at the time of adoption.

The LOSSAN Agency received Amtrak's federal FY (FFY) 2017-18 operating revenue and expense forecast on March 30, 2017. In order to incorporate Amtrak's FFY 2017-18 forecast, the California State Transportation Agency allowed the LOSSAN Agency to submit a revised budget and resubmittal of the Business Plan by June 20, 2017. A budget amendment was approved by the Board on June 19, 2017, which adjusted the net train operations budget to \$33,039,762 (including minor projects) to align the budget with the Amtrak

forecast. The budget amendment did not change the FY 2017-18 administrative or marketing amounts.

Amtrak operates on an FFY of October – September; thus, the operating contract has historically been executed on a FFY basis.

### ***Discussion***

The LOSSAN Agency bylaws state that a quarterly written report shall be filed with the Board reporting the amount of money held, the amount and source of receipts since the last report, and the amount and recipient of the amounts paid out since the last report. The Quarterly Budget Status Report (Attachment A) provides a detail-level overview of financial activity, including a comparison of budget to actuals and explanations for any budget-to-actual variances through the fourth quarter of FY 2017-18 (April 2018 through June 2018). A summary of these activities is provided below.

Budgeted revenues through the fourth quarter of FY 2017-18 totaled \$41,949,236, which is comprised of \$3,004,674 in state advance administrative funds, \$2,000,000 in state advance marketing funds, \$32,539,762 in state advance operating funds, \$3,900,000 for the California Transit Security Grant and Transit and Intercity Rail Capital Grant programs, \$500,000 for State minor projects funds, and \$4,800 for interest revenue. Interest revenue of \$4,800 plus the state advance administrative funds of \$3,004,674, plus state advance marketing funds of \$2,000,000, equals the total budgeted administrative and marketing services expense amount of \$5,009,474.

Actual revenues through the fourth quarter totaled \$28,302,638, versus a budgeted amount of \$41,949,236. The actuals are comprised of operating funds from the state of \$23,416,027, administrative funds from the state of \$2,726,845, marketing funds from the state of \$2,022,670, other state funding for grant programs of \$121,794, state minor capital funds of \$11, other revenue of \$3,500 and interest revenue of \$11,791. The variances are primarily due to operating funds provided by the state at the executed FFY 2017-18 Amtrak operating agreement amount of \$26,891,144 compared to the LOSSAN Agency budget of \$32,539,762, which included funding capacity to implement an additional round trip and peak period service. The variance is also due to the deferral of revenues that are not used in the current period to offset expenses. The budget versus actual variances are further detailed in Attachment A.

Budgeted expenses through the fourth quarter of FY 2017-18 total \$41,949,236, which is comprised of \$ 32,539,762 for Amtrak operations, \$5,009,474 for administrative and marketing services, \$3,900,000 for grant programs, and \$500,000 for minor projects. Actual expenses through the fourth quarter totaled \$28,294,979 versus a budgeted amount of \$41,949,236. The major areas

experiencing budget variances are within net train operating expenses, administrative staffing, grant programs, and minor projects. These variances are further detailed in Attachment A.

The LOSSAN Agency bylaws also call for a report of all expenditures under \$100,000 to be provided on a quarterly basis. This report is included as Attachment B.

The LOSSAN Agency Board has also directed staff to provide a listing of all open agreements, including vendor, description of purchase, contract number, contract amount, amount spent, remaining balance, and expiration date on a quarterly basis. This report is provided in Attachment C.



***Summary***

Through the fourth quarter of fiscal year 2017-18, the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's actual revenues and expenses are below budget. The majority of the variance in both net train operating revenues and expense are due to operating funds provided by the state at the executed federal fiscal year 2017-18 Amtrak agreement level of \$26,891,144 versus the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency amended budget and California State Transportation Agency approved funding amount of \$32,539,762 (excluding \$500,000 for minor projects). Other revenue variance is due to the deferral of revenues that are not used to offset actual expenses. The remainder of the net train operating expense variance is due to lower than anticipated expenses in route costs. Other areas experiencing budget variances are lower than anticipated expenses in administrative staffing, grant programs and minor projects.

***Attachments***

- A. Quarterly Budget Status Report, Fourth Quarter of Fiscal Year 2017-18
- B. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, Fourth Quarter Financial Activity Report, Fiscal Year 2017-18
- C. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, Open Agreements Listing as of June 30, 2018

**Prepared by:**

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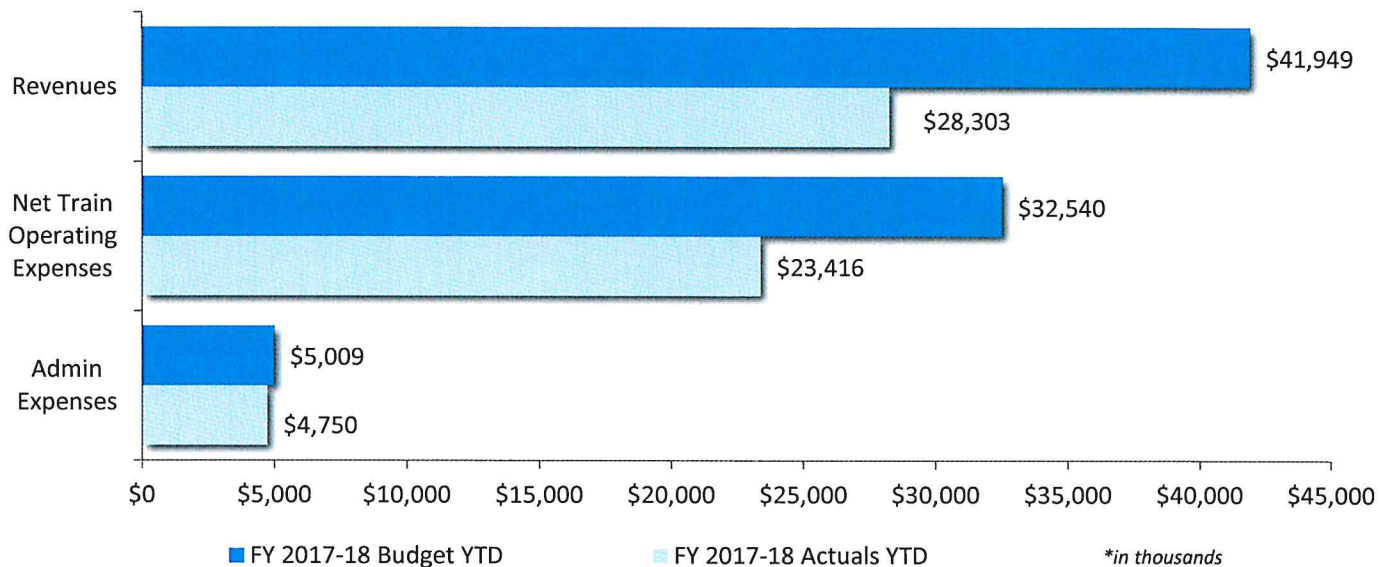




# Quarterly Budget Status Report

## Fourth Quarter of Fiscal Year 2017-18

### FY 2017-18 Budget to Actuals Year-To-Date



## OVERVIEW

On March 20, 2017, the Board of Directors (Board) approved the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) Business Plan for Fiscal Year (FY) 2017-18 and FY 2018-19 (Business Plan) as well as the FY 2017-18 budget. Included in the Business Plan and budget is funding for FY 2017-18 administrative and marketing services in the amount of \$5,004,674, as well as \$33,388,641 for net train operations (including minor projects). The budgeted amounts were based on preliminary cost estimates available at the time of adoption.

The LOSSAN Agency received Amtrak's federal FY (FFY) 2017-18 operating revenue and expense forecast on March 30, 2017. The California Transportation Agency (CalSTA) allowed for a revised budget and resubmittal of the business plan by June 20, 2017, in order to incorporate Amtrak's FFY 2017-18 forecast. A budget amendment was approved by the Board on June 19, 2017, which adjusted the net train operations budget to \$33,039,762 (including minor projects) to align the budget with the Amtrak forecast. The budget amendment did not change the FY 2017-18 administrative or marketing amounts.

The LOSSAN Agency submitted a revised FY 2017-18 and FY 2018-19 Business Plan to CalSTA on June 20, 2017, for approval, which was subsequently approved by CalSTA on November 28, 2017 at the funding levels requested by the LOSSAN Agency.

The net train operating funding level approved by CalSTA is \$32,539,762, which provides funding capacity to implement additional round trips from San Diego to San Luis Obispo during the fourth quarter of FY 2017-18, as well as peak period service into Santa Barbara beginning in April 2018. The FFY 2017-18 Amtrak agreement amount for train operations is \$26,891,144, which was based on the current service levels at the time of execution, and does not include additional round trips or peak period service into Santa Barbara. As these services are implemented, amendments will be brought to the Board to modify the Amtrak agreement and adjust the state funding supplements as necessary.

Amtrak operates on an FFY of October through September, thus the operating contract has historically been executed on an FFY basis. The LOSSAN Agency operates on a FY between July through June.



The FY 2017-18 adopted budget assumes the California Department of Transportation (Caltrans) Division of Rail and Mass Transportation (DRMT) will directly fund equipment capital charges for the Amtrak-owned railcars and locomotives used on the three state-supported corridors. As a result, equipment capital charges are not included in the operating agreement between Amtrak and the LOSSAN Agency.

This report highlights the major variances between the budget and actual revenues and expenses through the fourth quarter of FY 2017-18.

## REVENUES

Budgeted revenues through the fourth quarter of FY 2017-18 is \$41,949,236 which is comprised of \$3,004,674 in state advance administrative funds, \$2,000,000 in state advance marketing funds, \$32,539,762 for state advance operating funds, \$3,900,000 for the California Transit Security Grant and Transit and Intercity Rail Capital Grant (TIRCP) programs, \$500,000 for State minor projects funds and \$4,800 for interest revenue. The budgeted interest revenue of \$4,800 plus the state advance administrative funds of \$3,004,674 plus the state advance marketing funds of \$2,000,000 equals the budgeted expense amount for administrative and marketing services in the amount of \$5,009,474. Actual revenues through the fourth quarter totaled \$28,302,638 versus the budgeted amount of \$41,949,236. The actuals are comprised of state administrative funds of \$2,726,845, state marketing

funds of \$2,022,670, state operating funds of \$23,416,027, other state funding for grant programs of \$121,794, state minor capital funds of \$11, interest revenue of \$11,791 and other revenue of \$3,500.

The majority of the variance in revenues through the fourth quarter are due to operating funds being provided by the state at the executed FFY 2017-18 Amtrak agreement amount of \$26,891,144 vs. the LOSSAN Agency amended budget of \$32,539,762. This creates approximately a \$5.6 million budget variance in both revenues and operating expenses through the fourth quarter. As explained earlier in this report, CalSTA approved the LOSSAN Agency budget at \$32,539,762, in order to provide funding capacity for additional round trips and the implementation of peak period service into Santa Barbara.

The remainder of the majority of variance in revenues through the fourth quarter is due to the deferral of revenues that are not used in the current period to offset expenses. Generally accepted accounting principles set forth the rule that revenues are recognized and recorded when an expense is incurred. Actual revenue is only recognized up to the amount of actual expenses. The remainder of revenue that is not used to offset actual expenses is deferred to the following FY. Once the FY 2017-18 audit is complete, a final reconciliation of expenses and revenues will be completed in cooperation with the State. Any surplus or deficit of funds will be handled in accordance with the provisions specified in the interagency transfer

## REVENUES

|                                    | FY 2017-18<br>Adopted<br>Budget | FY 2017-18<br>Working Budget<br>Year To Date | FY 2017-18<br>Actual<br>Year To Date | \$ Variance<br>Year To Date | % Variance<br>Year To Date |
|------------------------------------|---------------------------------|--|--------------------------------------|-----------------------------|----------------------------|
| State Administrative Funding       | \$ 3,004,674                    | \$ 3,004,674                                 | \$ 2,726,845                         | \$ (277,829)                | -9%                        |
| State Marketing Funding            | \$ 2,000,000                    | \$ 2,000,000                                 | \$ 2,022,670                         | \$ 22,670                   | 1%                         |
| State Operating Funding            | \$ 32,888,641                   | \$ 32,539,762                                | \$ 23,416,027                        | \$ (9,123,735)              | -28%                       |
| Other State Funding <sup>1</sup>   | \$ 3,900,000                    | \$ 3,900,000                                 | \$ 121,794                           | \$ (3,778,206)              | -97%                       |
| State Capital Funding <sup>2</sup> | \$ 500,000                      | \$ 500,000                                   | \$ 11                                | \$ (499,989)                | -100%                      |
| Interest Revenue                   | \$ 4,800                        | \$ 4,800                                     | \$ 11,791                            | \$ 6,991                    | 146%                       |
| Other Revenue                      | \$ -                            | \$ -   | \$ 3,500                             | \$ 3,500                    | N/A                        |
| <b>Total Revenues</b>              | <b>\$ 42,298,115</b>            | <b>\$ 41,949,236</b>                         | <b>\$ 28,302,638</b>                 | <b>\$ (13,646,598)</b>      | <b>-33%</b>                |

<sup>1</sup> Includes Transit & Intercity Rail Capital grant funds & California Transit Security grant funds

<sup>2</sup> Includes State Minor projects funding

Working budget is the adopted budget plus any amendments approved during the year.



## REVENUES (CONTINUED)

agreement and the master fund transfer agreement.

The reasons for the expense variance are explained in more detail in the expense section. The variance in revenues for state capital funding is due to lower than anticipated activity for minor projects during the FY. Although approximately \$142,000 in minor projects funding were received during the FY, it was used to offset project expenses that were incurred and accrued in the previous FY. These revenues were also accrued in the prior FY.

The variance in grant programs is also due to lower reimbursements in TIRCP funds for the transit transfer program and corridor optimization study due to lower than anticipated expenses.

Prior year marketing funds in the amount of \$22,670 were recorded to offset marketing expenses which came in slightly over budget.

## OPERATING EXPENSES

Budgeted expenses through the fourth quarter of FY 2017-18 total \$41,949,236, which is comprised of \$32,539,762 for Amtrak operations, \$5,009,474 for administrative and marketing services, \$3,900,000 for grant programs, and \$500,000 for minor projects. Actual expenses through the fourth quarter totaled \$28,294,979 versus a budgeted amount of \$41,949,236.

The major areas experiencing budget variances are within net train operating expenses, grant programs, minor projects and administrative staffing expenses. The actuals in these categories are comprised of net train operating expenses of \$23,416,026, grant programs expenses of \$129,427, minor projects of \$11, and administrative staffing expenses of \$2,557,355.

As explained in the revenue section, a major component of the train operating expense variance is due to the fact that the net operating funding paid to Amtrak is based on the executed FFY 2017-18 Amtrak agreement amount of \$26,891,144 vs. the LOSSAN Agency amended budget of \$32,539,762. This creates approximately a \$5.6 million budget variance through the fourth quarter

The additional budget variance within net train operations is due to a combination of items. The majority of the variance is due to revenues coming in higher than forecast, application of an Amtrak wage credit, and lower than anticipated expenses in route costs, host railroad fees and additives. This is offset by fuel costs being higher than forecast. Train fuel costs are approximately \$1.6 million higher than the Amtrak forecast due to the budget assumption of \$2.06 cost per diesel gallon of fuel compared to the average actual price of \$2.58 per gallon during the fourth quarter. The average cost per gallon during the FY is \$2.32. This expense is offset by actual revenues coming in approximately \$2.2 million over budget (\$2.0 million in ticket revenue, \$248,000 in food and beverage). Amtrak provided a \$1.2 million credit due to negotiating new labor agreements with its unions. The amount of back pay to employees was lower than the amount accrued for and charged to LOSSAN, resulting in the credit. In addition, expenses were lower in overall route costs by approximately \$980,000. Additives and host railroad fees combined came in lower than anticipated by \$570,000. All of these factors drive the net train operating expense coming in lower than anticipated through the fourth quarter.

The administrative staffing line item budget variance is driven by a vacant administrative position. One position (LOSSAN Mechanical Compliance Officer) remained vacant through the fourth quarter.

The majority of the grant programs budget variance is due to lower than anticipated activity related to both transit facility safety and security upgrades, the transit transfer program and corridor optimization study. The variance in minor projects is due to lower than anticipated activity. Approximately \$142,000 in expense was paid during the FY for minor projects, however these expenses were accrued the prior FY when the expense was incurred.



**EXPENSES**

|  | FY 2017-18<br>Adopted<br>Budget | FY 2017-18<br>Working Budget<br>Year To Date | FY 2017-18 Actual<br>Year To Date | \$ Variance<br>Year To Date | % Variance<br>Year To Date |
|--|---------------------------------|--|-----------------------------------|-----------------------------|----------------------------|
| <b>Administrative Budget Line Items</b>    |                                 |  |                                   |                             |                            |
| Administration - Staffing                  | \$ 2,766,324                    | \$ 2,766,324                                 | \$ 2,557,355                      | \$ 208,969                  | 8%                         |
| Legal Services                             | \$ 50,000                       | \$ 50,000                                    | \$ 36,046                         | \$ 13,954                   | 28%                        |
| Travel                                     | \$ 26,950                       | \$ 26,950                                    | \$ 23,810                         | \$ 3,140                    | 12%                        |
| Marketing                                  | \$ 2,000,000                    | \$ 2,000,000                                 | \$ 2,022,670                      | \$ (22,670)                 | -1%                        |
| Insurance Premiums                         | \$ 57,000                       | \$ 57,000                                    | \$ 44,224                         | \$ 12,776                   | N/A                        |
| Contracted services (Audit, Planning)      | \$ 100,000                      | \$ 100,000                                   | \$ 54,248                         | \$ 45,752                   | 46%                        |
| Banking Services                           | \$ 4,200                        | \$ 4,200                                     | \$ 4,205                          | \$ (5)                      | 0%                         |
| Dues & Memberships                         | \$ 5,000                        | \$ 5,000                                     | \$ 5,000                          | \$ -                        | N/A                        |
| <b>Budgeted Admin Services</b>             | <b>\$ 5,009,474</b>             | <b>\$ 5,009,474</b>                          | <b>\$ 4,747,558</b>               | <b>\$ 261,916</b>           | <b>5%</b>                  |
| Non Budgeted Expenses                      |                                 |  |                                   |                             |                            |
| Other Business Expenses                    | \$ -                            | \$ -   | \$ 1,957                          | \$ (1,957)                  | N/A                        |
| <b>Non Budgeted Admin Services</b>         | <b>\$ -</b>                     | <b>\$ -</b>                                  | <b>\$ 1,957</b>                   | <b>\$ (1,957)</b>           | <b>N/A</b>                 |
| <b>Total Administrative Services</b>       | <b>\$ 5,009,474</b>             | <b>\$ 5,009,474</b>                          | <b>\$ 4,749,515</b>               | <b>\$ 259,959</b>           | <b>5%</b>                  |
|  |                                 |  |                                   |                             |                            |
|  | FY 2017-18<br>Adopted<br>Budget | FY 2017-18<br>Working Budget<br>Year To Date | FY 2017-18 Actual<br>Year To Date | \$ Variance<br>Year To Date | % Variance<br>Year To Date |
| <b>Operating/Capital Budget Line Items</b> |                                 |  |                                   |                             |                            |
| Train Operating Expenses                   | \$ 32,888,641                   | \$ 32,539,762                                | \$ 23,416,026                     | \$ 9,123,736                | 28%                        |
| Minor Projects                             | \$ 500,000                      | \$ 500,000                                   | \$ 11                             | \$ 499,989                  | N/A                        |
| Grant Programs <sup>1</sup>                | \$ 3,900,000                    | \$ 3,900,000                                 | \$ 129,427                        | \$ 3,770,573                | 97%                        |
| <b>Total Operating/Capital Budget</b>      | <b>\$ 37,288,641</b>            | <b>\$ 36,939,762</b>                         | <b>\$ 23,545,464</b>              | <b>\$13,394,298</b>         | <b>36%</b>                 |
| <b>Total Budget</b>                        | <b>\$ 42,298,115</b>            | <b>\$ 41,949,236</b>                         | <b>\$ 28,294,979</b>              | <b>\$13,654,257</b>         | <b>33%</b>                 |

<sup>1</sup> Includes Transit & Intercity Rail Capital grant funds & California Transit Security grant funds

Working budget is the adopted budget plus any amendments approved during the year.



**Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency**  
**Fourth Quarter Financial Activity Report**  
**Fiscal Year 2017-18**

| Date         | Payee   | Debit        | Credit        | Balance       |
|--------------|---|--------------|---------------|---------------|
| <b>April</b> |   |              |               |               |
| 4/1/2018     | Bank account balance forward  |              |               | 16,786,969.31 |
| 4/4/2018     | Managing Director - Travel  | 222.76       |               | 16,786,746.55 |
| 4/4/2018     | Destination Creative Group - Advertising  | 3,600.00     |               | 16,783,146.55 |
| 4/4/2018     | Goal Productions - Videography  | 2,800.00     |               | 16,780,346.55 |
| 4/4/2018     | Gold Coast Transit - Transit Transfer Program   | 249.34       |               | 16,780,097.21 |
| 4/4/2018     | Deputy Director - Travel  | 519.17       |               | 16,779,578.04 |
| 4/4/2018     | Truth and Advertising - Marketing professional services   | 34,603.52    |               | 16,744,974.52 |
| 4/4/2018     | Web Advanced - Web marketing services   | 2,021.00     |               | 16,742,953.52 |
| 4/10/2018    | Bank of the West - Credit Card Charges Various  | 9,119.67     |               | 16,733,833.85 |
| 4/11/2018    | Anaheim Transportation Network - Transit Transfer Program                                       | 5,962.00     |               | 16,727,871.85 |
| 4/11/2018    | Managing Director - Travel  | 48.00        |               | 16,727,823.85 |
| 4/11/2018    | Marketing Specialist Senior - Travel  | 252.00       |               | 16,727,571.85 |
| 4/11/2018    | Finance and Administration Officer - Travel   | 147.20       |               | 16,727,424.65 |
| 4/12/2018    | Amtrak - Monthly Advance  | 2,037,512.00 |               | 14,689,912.65 |
| 4/18/2018    | Deputy Director - Travel  | 185.00       |               | 14,689,727.65 |
| 4/18/2018    | Facebook - Advertising  | 6,773.65     |               | 14,682,954.00 |
| 4/18/2018    | Google - Advertising  | 56,547.82    |               | 14,626,406.18 |
| 4/30/2018    | Orange County Transportation Authority (OCTA) - Reimbursement for staff professional membership | 150.00       |               | 14,626,256.18 |
| 4/19/2018    | Amtrak - Monthly Advance  | 2,356,690.00 |               | 12,269,566.18 |
| 4/20/2018    | Bank of the West - Bank Fees  | 339.10       |               | 12,269,227.08 |
| 4/25/2018    | Joanna Capelle - Professional services  | 260.00       |               | 12,268,967.08 |
| 4/25/2018    | City of Glendale - Transit Transfer Program   | 1,465.68     |               | 12,267,501.40 |
| 4/25/2018    | OCTA - Administrative Services February/March   | 184,939.62   |               | 12,082,561.78 |
| 4/25/2018    | Regional Transit Authority - Transit Transfer Program   | 8.30         |               | 12,082,553.48 |
| 4/25/2018    | South County Transit - Transit Transfer Program   | 5.60         |               | 12,082,547.88 |
| 4/25/2018    | Woodruff, Spradlin & Smart - March Legal Services   | 2,148.50     |               | 12,080,399.38 |
| 4/30/2018    | Deposit - State Advance October through April   |              | 14,217,438.39 | 26,297,837.77 |
| 4/30/2018    | Bank of the West - Interest   |              | 830.27        | 26,298,668.04 |



# Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency Fourth Quarter Financial Activity Report Fiscal Year 2017-18

| May       |   |              |               |
|-----------|---|--------------|---------------|
| 5/1/2018  | Amtrak - Station Safety & Security Projects   | 195,604.21   | 26,103,063.83 |
| 5/1/2018  | Santa Barbara Metropolitan Transit District - Transit Transfer Program                      | 1,733.50     | 26,101,330.33 |
| 5/4/2018  | Deposit - State Rail Assistance Grant Funds   |              | 27,307,330.33 |
| 5/4/2018  | Deposit - State Office of Emergency Services Grant Funds                                    |              | 1,206,000.00  |
| 5/7/2018  | Deposit - Amtrak Transit Passes   |              | 1,887,000.00  |
| 5/8/2018  | Truth and Advertising - Marketing professional services                                     | 87,494.34    | 29,194,330.33 |
| 5/8/2018  | Ventura County Transportation Commission - Transit Transfer Program                         | 30.01        | 29,197,830.33 |
| 5/10/2018 | Bank of the West - Credit Card Charges Various  | 1,448.00     | 29,110,335.99 |
| 5/15/2018 | Facebook - Advertising  | 4,327.20     | 29,110,305.98 |
| 5/15/2018 | Goal Productions - Videography  | 12,495.00    | 29,108,857.98 |
| 5/15/2018 | Google - Advertising  | 53,874.98    | 29,104,530.78 |
| 5/15/2018 | ICF Olson - Advertising   | 2,500.00     | 29,092,035.78 |
| 5/16/2018 | Amtrak - Monthly Advance  | 2,278,844.00 | 29,038,160.80 |
| 5/21/2018 | Bank of the West - Bank Fees  | 403.64       | 29,035,660.80 |
| 5/22/2018 | Goal Productions - Videography  | 16,823.69    | 26,756,816.80 |
| 5/22/2018 | Finance and Administration Officer - Travel   | 834.53       | 26,756,413.16 |
| 5/22/2018 | Truth and Advertising - Marketing professional services                                     | 126,156.55   | 26,739,589.47 |
| 5/22/2018 | Web Advanced - Web marketing services   | 5,808.00     | 26,738,754.94 |
| 5/22/2018 | Woodruff, Spradlin & Smart - April Legal Services   | 2,355.70     | 26,612,598.39 |
| 5/24/2018 | Deposit - State Office of Emergency Services Grant Funds                                    |              | 26,606,790.39 |
| 5/24/2018 | Deposit - State Transit Transfer Grant Funds  |              | 26,604,434.69 |
| 5/30/2018 | Managing Director - Travel  |              | 28,114,514.69 |
| 5/30/2018 | Goal Productions - Videography  | 96.00        | 28,124,622.74 |
| 5/30/2018 | Gold Coast Transit - Transit Transfer Program   | 3,745.00     | 28,124,526.74 |
| 5/30/2018 | Deputy Director - Travel  | 209.30       | 28,120,781.74 |
| 5/30/2018 | OCTA - Administrative Services March/April, Transit Transfer Program, Expense Reimbursement | 264.91       | 28,120,572.44 |
| 5/30/2018 | Truth and Advertising - Marketing professional services                                     | 198,415.25   | 28,120,307.53 |
| 5/31/2018 | Bank of the West - Interest   | 92,869.98    | 27,921,892.28 |
|           |   | 1,204.19     | 27,829,022.30 |
|           |   |              | 27,830,226.49 |





**Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency**  
**Fourth Quarter Financial Activity Report**  
**Fiscal Year 2017-18**

| <b>June</b> |   |            |               |
|-------------|---|------------|---------------|
| 6/1/2017    | Truth and Advertising - Marketing professional services | 23,026.87  | 27,807,199.62 |
| 6/1/2017    | Operations, Compliance & Safety Manager - Travel        | 291.81     | 27,806,907.81 |
| 6/1/2017    | Facebook - Advertising                                  | 3,737.53   | 27,803,170.28 |
| 6/1/2017    | Goal Productions - Videography                          | 14,542.90  | 27,788,627.38 |
| 6/2/2017    | Google - Advertising                                    | 70,798.29  | 27,717,829.09 |
| 6/6/2017    | Making Waves - Web Marketing Services                   | 77,975.00  | 27,639,854.09 |
| 6/7/2018    | Deposit - State Minor Projects Funds                    |            | 144,500.00    |
| 6/11/2018   | Bank of the West - Credit Card Charges Various          | 1,388.58   | 27,784,354.09 |
| 6/12/2017   | Truth and Advertising - Marketing professional services | 260,488.08 | 27,782,965.51 |
| 6/12/2017   | Woodruff, Spradlin & Smart - May Legal Services         | 2,093.79   | 27,522,477.43 |
| 6/14/2007   | Joanna Capelle - Professional services                  | 65.00      | 27,520,383.64 |
| 6/20/2017   | Marketing Manager - Travel                              | 438.47     | 27,520,318.64 |
| 6/20/2018   | Bank of the West - Bank Fees                            | 385.95     | 27,519,880.17 |
| 6/30/2018   | Bank of the West - Interest                             |            | 27,519,494.22 |
|             |   |            | 1,121.92      |
|             |   |            | 27,520,616.14 |

**Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency  
Open Agreements Listing as of June 30, 2018**

| AGREEMENT<br>NUMBER | VENDOR  | DESCRIPTION   | EXECUTED | TERMINATES | CONTRACT<br>AMOUNT           | AMOUNT PAID<br>TO DATE | CONTRACT<br>BALANCE | CONTRACT<br>STATUS |
|---------------------|---|---|----------|------------|------------------------------|------------------------|---------------------|--------------------|
| C-4-1816            | Woodruff Spradlin & Smart                                   | Professional legal services. Piggyback off of Orange County Transportation Authority's (OCTA) contract.                                       | 7/1/15   | 6/30/29    | \$160,000                    | \$107,711              | \$52,289            | OPEN               |
| C-5-3490            | Joanna Capelle  | Professional services for financial programming, coordination and reporting services relating to grants. Piggyback off of OCTA's contract.    | 9/4/15   | 9/30/18    | \$44,550                     | \$9,815                | \$34,735            | OPEN               |
| L-5-0001            | California Department of Transportation                     | Interagency Transfer Agreement Between California Department of Transportation and Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency | 7/1/15   | 6/30/18    | N/A                          | N/A                    | N/A                 | OPEN               |
| L-5-0002            | N/A   | Joint Powers Agreement Concerning the LOSSAN Agency   | N/A      | N/A        | N/A                          | N/A                    | N/A                 | OPEN               |
| L-5-0004            | Orange County Transportation Authority                      | Agreement between the LOSSAN Agency and OCTA for Managing Services in the Oversight of Pacific Surfliner Intercity Rail Service.              | 7/1/15   | 6/30/18    | Reimbursable Agreement       | \$5,478,959            | N/A                 | OPEN               |
| L-5-0005            | Web Advanced Corporation                                    | Consultant Services for Website Development and Implementation for the LOSSAN Agency - Pacific Surfliner.                                     | 4/6/16   | 12/31/18   | \$250,000                    | \$106,311              | \$143,689           | OPEN               |
| L-5-0006            | Goal Productions  | Consultant Services for Professional Video services for the LOSSAN Agency - Pacific Surfliner.  | 5/16/16  | 12/31/18   | \$200,000                    | \$153,170              | \$46,830            | OPEN               |
| L-5-0012            | Vavrinek, Trine, Day & Company, LLP                         | Independent Auditing Services for the LOSSAN Agency   | 4/1/16   | 3/31/19    | \$75,000                     | \$35,788               | \$39,212            | OPEN               |
| L-6-0003            | Southern California Regional Rail Authority (SCRRA), Amtrak | Cooperative Agreement with SCRRA, Amtrak for Rail 2 Rail Program.   | 7/1/15   | 6/30/19    | No Funds Flow Through LOSSAN | N/A                    | N/A                 | OPEN               |
| L-6-0005            | Santa Barbara Metropolitan Transit District                 | Cooperative Agreement with Santa Barbara Metropolitan Transit District for Pacific Surfliner Transit Transfer Agreement                       | 6/6/16   | 6/30/21    | \$40,000                     | \$11,191               | \$28,809            | OPEN               |
| L-6-0006            | San Luis Obispo Transit                                     | Cooperative Agreement with San Luis Obispo Transit for Pacific Surfliner Transit Transfer Agreement.  | 7/1/16   | 6/30/21    | \$10,000                     | \$20                   | \$9,980             | OPEN               |
| L-6-0007            | South County Transit  | Cooperative Agreement with South County Transit for Pacific Surfliner Transit Transfer Agreement.   | 6/1/16   | 6/30/21    | \$5,000                      | \$24                   | \$4,976             | OPEN               |
| L-6-0009            | OCTA  | Cooperative Agreement with OCTA for Pacific Surfliner Transit Transfer Agreement.   | 6/6/16   | 6/30/21    | \$95,000                     | \$27,875               | \$67,125            | OPEN               |
| L-6-0010            | Anaheim Resort Transit                                      | Cooperative Agreement with Anaheim Resort Transit for Pacific Surfliner Transit Transfer Agreement.   | 6/2/16   | 6/30/21    | \$40,000                     | \$25,018               | \$14,982            | OPEN               |
| L-6-0012            | Ventura County Transportation Commission                    | Cooperative Agreement with Ventura County Transportation Commission for Pacific Surfliner Transit Transfer Agreement                          | 6/1/16   | 6/30/21    | \$15,000                     | \$72                   | \$14,928            | OPEN               |
| L-6-0013            | Gold Coast Transit  | Cooperative Agreement with Gold Coast Transit for Pacific Surfliner Transit Transfer Agreement.   | 7/1/16   | 6/30/21    | \$20,000                     | \$1,158                | \$18,842            | OPEN               |
| L-6-0015            | San Luis Obispo Regional Transportation Authority           | Cooperative Agreement with San Luis Obispo Regional Transportation Authority for Pacific Surfliner Transit Transfer Agreement.                | 6/1/16   | 6/30/21    | \$18,000                     | \$12                   | \$17,988            | OPEN               |
| L-6-0016            | Glendale Beeline  | Cooperative Agreement with Glendale Beeline for Pacific Surfliner Transit Transfer Agreement.   | 6/22/16  | 6/30/21    | \$7,500                      | \$2,967                | \$4,533             | OPEN               |
| L-6-0017            | North County Transit District                               | Cooperative Agreement with North County Transit District for Transit Transfer Agreement   | 6/6/16   | 6/30/21    | \$95,000                     | \$111                  | \$94,889            | OPEN               |
| L-6-0023            | Amtrak and OCTA   | Cooperative Agreement with OCTA and Amtrak for Emergency bus bridge agreement. Funds flow between Amtrak and OCTA.                            | 7/10/17  | 5/31/19    | \$50,000                     | N/A                    | N/A                 | OPEN               |
| L-7-0003            | Truth and Advertising                                       | Consultant services for professional marketing, branding, public outreach services for the LOSSAN Agency - Pacific Surfliner                  | 10/2/17  | 8/31/18    | \$300,000                    | \$284,435              | \$15,565            | OPEN               |

**Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency  
Open Agreements Listing as of June 30, 2018**

| AGREEMENT<br>NUMBER | VENDOR                                  | DESCRIPTION  | EXECUTED | TERMINATES         | CONTRACT<br>AMOUNT | AMOUNT PAID<br>TO DATE | CONTRACT<br>BALANCE | CONTRACT<br>STATUS |
|---------------------|---|--|----------|--------------------|--------------------|------------------------|---------------------|--------------------|
| L-7-0004            | Truth and Advertising                   | Consultant services for integrated advertising and direct response marketing for the LOSSAN Agency - Pacific Surfliner                                 | 10/2/17  | 8/31/18            | \$1,150,000        | \$511,240              | \$638,760           | OPEN               |
| L-7-0008            | Amtrak                                  | Operating Agreement with Amtrak for the provision of passenger rail service for Fiscal Years 2017-18 and 2018-19                                       | 10/1/17  | 9/30/19            | \$26,891,144       | \$16,514,871           | \$10,376,273        | OPEN               |
| L-7-0011            | Marsh Risk and Insurance Services       | Consultant services to provide Insurance brokerage services  | 7/1/17   | 6/30/22            | \$50,000           | \$10,000               | \$40,000            | OPEN               |
| L-7-0013            | Amtrak                                  | Security Projects for LOSSAN Corridor with AMTRAK  | 3/12/18  | Project Completion | \$1,887,000        | \$0                    | \$1,887,000         | OPEN               |
| L-7-0014            | Union Pacific Rail Road Corporation     | Corridor analyst reimbursement agreement for proposed additional Pacific Surfliner intercity passenger rail service (Capacity analysis)                | 12/8/17  | At Completion      | \$35,000           | \$17,500               | \$17,500            | OPEN               |
| L-7-0016            | Marsh Risk and Insurance                | Purchase Order: General liability, crime, and errors & omissions insurance policy  | 1/1/18   | 12/31/18           | \$44,224           | \$44,224               | \$0                 | OPEN               |
| L-7-1917            | Making Waves USA, Inc.                  | Consultant services for website design and development services for the LOSSAN Agency - Pacific Surfliner  | 3/28/18  | 3/15/20            | \$650,000          | \$77,975               | \$572,025           | OPEN               |
| L-8-0004            | Outdoor Media                           | Sole Source PO for Outdoor Advertising for Summer Campaign   | 6/4/18   | 9/30/18            | \$99,561           | \$0                    | \$99,561            | OPEN               |
| L-8-0006            | Pacific Graphics                        | Piggyback Contract for Specialty Printing Services for the Pacific Surfliner   | 6/26/18  | 6/30/19            | \$50,000           | \$0                    | \$50,000            | OPEN               |
| L-8-0009            | California Department of Transportation | Interagency Transfer Agreement Between State of California Department of Transportation and Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency | 6/30/18  | 6/30/21            | N/A                | N/A                    | N/A                 | OPEN               |
|                     |   |  |          |                    |                    |                        |                     |                    |



**November 28, 2018**

**To:** Members of the Board of Directors

**From:** Jennifer L. Bergener, Managing Director

**Subject:** Agreement for Corridor Optimization Consultant Services

### **Overview**

On December 6, 2017, the Board of Directors approved the release of a request for proposals for consultant services to provide corridor optimization support services for the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency. Proposals have been received and evaluated in accordance with the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's procurement policies and procedures for professional and technical services. The Board of Directors is requested to authorize the Managing Director to negotiate and execute an agreement for these services.

### **Recommendations**

- A. Approve the selection of Deutsche Bahn Engineering & Consulting USA, Inc. to provide corridor optimization support services for the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency.
- B. Authorize the Managing Director to negotiate and execute Agreement No. L-8-0017 between the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency and Deutsche Bahn Engineering & Consulting USA, Inc., in the amount of \$990,238, for corridor optimization support services for a three-year term.

### **Discussion**

On August 16, 2016, the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) was awarded \$82 million in grant funds as part of the 2016 Transit and Intercity Rail Capital Program (TIRCP) for a package of projects that will help expand and improve passenger rail service along the LOSSAN rail corridor. Included in this award was \$1 million for planning studies to improve coordination between all trains operating throughout the LOSSAN rail corridor, including Metrolink and COASTER commuter rail service, Pacific Surfliner



intercity rail service, and freight service operated by BNSF Railway and Union Pacific Railroad.

### ***Procurement Approach***

The procurement was handled in accordance with the LOSSAN Agency's Board of Directors (Board)-approved procedures for professional and technical services. Various factors were considered in the award for professional and technical services. Award is recommended to the firm offering the most comprehensive overall proposal considering such factors as prior experience with similar projects, staffing and project organization, work plan, as well as cost and price.

On December 6, 2017, the LOSSAN Agency's Board authorized the release of Request for Proposals (RFP) 8-1889, which was originally released on February 26, 2018. The RFP was subsequently withdrawn to allow for the completion of the California State Rail Plan, which prompted minor refinements to the scope, and also in response to request from industry for additional time to prepare proposals. The RFP was reissued electronically on CAMM NET on August 27, 2018. The project was advertised in a newspaper of general circulation on August 27 and September 4, 2018. One addendum was issued to respond to questions related to the RFP.

On September 19, 2018, two proposals were received. An evaluation committee consisting of LOSSAN Agency staff, Orange County Transportation Authority (OCTA) staff from the Contracts Administration and Materials Management Department, as well as external representatives from Amtrak and the North County Transit District met to review all proposals received. The proposals were evaluated based on the following Board-approved evaluation criteria and weights:

- |                                     |            |
|-------------------------------------|------------|
| • Work Plan                         | 30 percent |
| • Qualifications of the Firm        | 25 percent |
| • Staffing and Project Organization | 25 percent |
| • Cost and Price                    | 20 percent |

Several factors were considered in developing the evaluation criteria weights. Work plan was weighted at 30 percent to emphasize the importance of the firm demonstrating its ability to provide solutions specific to the complex nature of the LOSSAN rail corridor and the LOSSAN Agency's needs. Qualifications of the firm was weighted at 25 percent due to the breadth and depth of the requested services, the successful firm had to demonstrate a proven track record for meeting the requirements outlined in the scope of work. Staffing and project organization was also weighted at 25 percent as the firm's proposed project team had to demonstrate familiarity with the required specializations in terms of knowledge,

skills, and experience. Cost was weighted at 20 percent to ensure the LOSSAN Agency receives value for the services provided.

On October 3, 2018, the evaluation committee reviewed the proposals received from the two firms listed below in alphabetical order:

Firm and Location

Deutsche Bahn Engineering & Consulting USA, Inc. (Deutsche Bahn)  
Sacramento, California

LTK Engineering Services (LTK)  
Ambler, Pennsylvania

On October 10, 2018, the evaluation committee conducted interviews with the two firms. The interviews consisted of a presentation to demonstrate the firms' understanding of the LOSSAN Agency's requirements. The firms' project managers and key team members had an opportunity to present qualifications and respond to the evaluation committee's questions. Questions were asked relative to the firms' understanding of the scope of work, experience coordinating efforts on similar complex corridors, stakeholder outreach and engagement, as well as specific clarification questions related to each firm's proposal.

**Qualifications of the Firm**

The two firms are qualified and demonstrated experience in providing rail coordination and optimization services.

Deutsche Bahn (DB) has been providing engineering and consulting services since 2017. The firm is part of the DB Group, which is a European railroad enterprise, and has over 180 years of rail experience. In addition, the DB Group owns, operates, and maintains the German national rail system. DB has 18 employees and three offices in the cities of Sacramento and Santa Ana, California and Jersey City, New Jersey. DB is currently providing consulting services as the early train operator for the California High-Speed Rail Authority. The firm is also working with the San Joaquin Joint Powers Authority in the optimization of San Joaquins' rail and thruway bus services. DB proposed to utilize two subcontractors with rail experience related to planning, operations, and corridor studies.

LTK has been in business since 1921 and has 430 employees. The firm highlighted its experience in providing rail vehicle and systems planning, engineering, and economic analysis to various clients, including Amtrak, CalTrain, and the Southern California Regional Rail Authority. Overall, the firm's experience is more related to capital rail projects than service planning and operations. The firm proposed to utilize a subcontractor that specializes in communications and environmental services to manage outreach to all LOSSAN stakeholders.



### Staffing and Project Organization

DB proposed a project team with relevant experience, such as transportation planning, service planning, railway consulting, and engaging stakeholders. While some of the proposed team members have only been with the firm less than one year, they have previously worked together on past projects. In addition, the firm demonstrated sufficient availability of resources to meet the LOSSAN Agency's needs and the project team members are located along the LOSSAN rail corridor. The proposed project manager has nine years of experience managing transportation efforts on large regional projects, working on service planning projects for existing and proposed rail corridors in California, and building relationships with stakeholder agencies in California. During the interview, the project team members discussed their roles and approach for this effort, as well as responded to the evaluation committee's questions.

LTK proposed a project team with experience in passenger rail, railroad operations, transportation planning, capacity analysis, and public outreach. The proposed project manager has 24 years of technical project management experience in the rail industry. Although LTK proposed sufficient resources, the project team's current assignments result in low availability for the level of effort proposed. In addition, some team members are located outside of the project area and did not demonstrate familiarity with the stakeholder agencies. The project team discussed how they would complete the project requirements and responded to the evaluation committee's questions during the interview.

### Work Plan

DB presented a work plan that addressed all of the tasks in the scope of work and demonstrated an understanding of the LOSSAN rail corridor. The firm discussed its approach to providing planning and optimization services for the LOSSAN rail corridor, including producing the deliverables required under each task. Deutsche also discussed in its work plan the specific challenges of each task and provided recommended solutions, such as working with all stakeholders early on to document their needs and objectives for service growth to ensure consensus with the integrated service plans and operating scenarios that are developed. In addition, the firm's proposed project schedule maximizes the three-year time frame for this project by simultaneously performing all the project tasks within the first year.

LTK's work plan discussed its approach to completing the project tasks, such as identifying agencies to form a technical advisory committee and developing cost and revenue options. However, the firm did not demonstrate an understanding of the LOSSAN rail corridor or the stakeholders. Furthermore, LTK's proposed project schedule does not gain momentum and involve the other project tasks until year two of the term of the project. The first year focuses on updating the rail traffic controller

model to document current conditions and engaging stakeholders before the other project tasks are started.

#### **Cost and Price**

Pricing scores are based on a formula which assigned the highest score to the firm with the lowest total firm-fixed price and scored the other proposal's total firm-fixed price based on its relation to the lowest total firm-fixed price. DB 's proposed total firm-fixed price is deemed fair and reasonable as it is lower than the independent cost estimate, as well as competitive to LTK's proposed total firm-fixed price.

#### **Procurement Summary**

Based on the evaluation of the written proposals, the firms' qualifications, and the information obtained from the interviews, the evaluation committee recommends the selection of DB as the top-ranked firm to provide corridor optimization consultant services for the LOSSAN Agency.

#### **Fiscal Impact**

Funding for this project was approved in the LOSSAN Agency's Fiscal Year 2018-19 Business Plan and is funded with State Rail Assistance and 2016 TIRCP funds provided by the State of California.

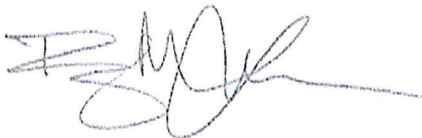
***Summary***

Based on the information provided, Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency staff recommends the Board of Directors authorize the Managing Director to negotiate and execute Agreement No. L-8-0017 with Deutsche Bahn Engineering & Consulting USA, Inc., to provide corridor optimization consultant services, in the amount of \$990,238, for a three-year term.

***Attachments***

- A. Review of Proposals, RFP 8-1889 LOSSAN Corridor Optimization Consultant Services
- B. Proposal Evaluation Criteria Matrix, RFP 8-1889 LOSSAN Corridor Optimization Consultant Services
- C. Contract History for the Past Two Years, RFP 8-1889 LOSSAN Corridor Optimization Consultant Services

**Prepared by:**



Roger M. Lopez  
Principal Transportation Analyst  
(714) 560-5438

**Review of Proposals**  
**RFP 8-1889 LOSSAN Corridor Optimization Consultant Services**

Presented to Board of Directors - November 28, 2018

Two firms proposed, two firms interviewed, one firm is being recommended.

| Overall Ranking | Proposal Score | Firm & Location   | Sub-Contractors                       | Evaluation Committee Comments  | Total Firm-Fixed Price |
|-----------------|----------------|---|---------------------------------------|--|------------------------|
| 1               | 78             | Deutsche Bahn Engineering & Consulting USA Inc.<br>Sacramento, California | WSP USA Inc.<br>HDR Engineering, Inc. | Highest-ranked firm overall.<br>Provides engineering and consulting services.<br>Part of Deutsche Bahn Group, a European railroad enterprise.<br>Proposed project manager has nine years of transportation and rail experience.<br>Proposed project team has experience in transportation planning, service planning, railway consulting, and engaging stakeholders.<br>Proposed to utilize subcontractors to provide additional support.<br>Detailed its approach for completing each task and producing deliverables.<br>Demonstrated an understanding of the LOSSAN rail corridor.<br>Discussed specific challenges and provided recommended solutions.<br>Proposed project schedule is efficient and maximizes three-year time frame.<br>Presented approach and answered questions during the interview.<br>Received positive responses from references.<br>Proposed a competitive total firm-fixed price. | \$990,238              |
| 2               | 67             | LTK Engineering Servies<br>Ambler, Pennsylvania                           | Circlepoint                           | Experience in providing rail vehicle and systems planning, engineering, and economic analysis.<br>Proposed to utilize subcontractors to provide additional support.<br>Proposed project manager has 24 years of technical project management experience in the rail industry.<br>Proposed project team has experience in passenger rail, railroad operations, transportation planning, capacity analysis, and public outreach.<br>Discussed approach for completing the project tasks.<br>Did not got into detail about its understanding of the LOSSAN rail corridor or the stakeholders.<br>Proposed project schedule shows delay in delivery of project tasks.<br>Presented approach and answered questions during the interview.<br>Received positive responses from references.<br>Proposed lower total firm-fixed price.   | \$914,241              |

**Evaluation Panel:**

Internal:  
OCTA Contracts Administration and Materials Management (1)  
Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency (2)  
External:  
North County Transit District (1)  
Amtrak (1)

**Proposal Criteria**

Qualifications of the Firm  
Staffing and Project Organization  
Work Plan  
Cost and Price

**Weight Factors**

25%  
25%  
30%  
20%

**PROPOSAL EVALUATION CRITERIA MATRIX**  
**RFP 8-1889 LOSSAN Corridor Optimization Consultant Services**

| <b>Deutsche Bahn Engineering &amp; Consulting USA Inc.</b> |             |             |             |             |             | <b>Weights</b> | <b>Overall Score</b> |
|--|-------------|-------------|-------------|-------------|-------------|----------------|----------------------|
| <b>Evaluator Number</b>                                    | <b>1</b>    | <b>2</b>    | <b>3</b>    | <b>4</b>    | <b>5</b>    |                |                      |
| Qualifications of Firm                                     | 3.5         | 4.0         | 4.0         | 4.0         | 3.5         | 5              | 19.0                 |
| Staffing/Project Organization                              | 4.0         | 4.0         | 4.0         | 3.0         | 3.5         | 5              | 18.5                 |
| Work Plan  | 4.0         | 4.0         | 3.5         | 3.0         | 3.5         | 6              | 21.6                 |
| Cost and Price   | 4.6         | 4.6         | 4.6         | 4.6         | 4.6         | 4              | 18.4                 |
|  |             |             |             |             |             |                |                      |
| <b>Overall Score</b>                                       | <b>79.9</b> | <b>82.4</b> | <b>79.4</b> | <b>71.4</b> | <b>74.4</b> |                | <b>78</b>            |

| <b>LTK Engineering Services</b> |             |             |             |             |             | <b>Weights</b> | <b>Overall Score</b> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|----------------|----------------------|
| <b>Evaluator Number</b>         | <b>1</b>    | <b>2</b>    | <b>3</b>    | <b>4</b>    | <b>5</b>    |                |                      |
| Qualifications of Firm          | 3.5         | 3.5         | 3.0         | 3.5         | 3.0         | 5              | 16.5                 |
| Staffing/Project Organization   | 3.0         | 3.0         | 2.5         | 3.0         | 3.0         | 5              | 14.5                 |
| Work Plan                       | 3.0         | 2.5         | 2.5         | 3.0         | 2.5         | 6              | 16.2                 |
| Cost and Price                  | 5.0         | 5.0         | 5.0         | 5.0         | 5.0         | 4              | 20.0                 |
|                                 |             |             |             |             |             |                |                      |
| <b>Overall Score</b>            | <b>70.5</b> | <b>67.5</b> | <b>62.5</b> | <b>70.5</b> | <b>65.0</b> |                | <b>67</b>            |




**CONTRACT HISTORY FOR THE PAST TWO YEARS**  
**RFP 8-1889 LOSSAN Corridor Optimization Consultant Services**

| Prime and Subconsultants                                   | Contract No. | Description | Contract Start Date | Contract End Date | Subconsultant Amount | Total Contract Amount |
|--|--------------|-------------|---------------------|-------------------|----------------------|-----------------------|
| <b>Deutsche Bahn Engineering &amp; Consulting USA Inc.</b> |              |             |                     |                   |                      |                       |
| Contract Type: N/A   | None         | N/A         | N/A                 | N/A               | N/A                  | \$ -                  |
| Subconsultants: N/A  |              |             |                     |                   |                      |                       |
|  |              |             |                     |                   |                      |                       |
|  |              |             |                     |                   |                      |                       |
| <b>Sub Total</b>   |              |             |                     |                   |                      | <b>\$ -</b>           |
| <b>LTK Engineering Services</b>                            |              |             |                     |                   |                      |                       |
| Contract Type: N/A   | None         | N/A         | N/A                 | N/A               | N/A                  | \$ -                  |
| Subconsultants: N/A  |              |             |                     |                   |                      |                       |
|  |              |             |                     |                   |                      |                       |
|  |              |             |                     |                   |                      |                       |
| <b>Sub Total</b>   |              |             |                     |                   |                      | <b>\$ -</b>           |



**November 28, 2018**

**To:** Members of the Board of Directors

**From:** Jennifer L. Bergener, Managing Director 

**Subject:** Los Angeles – San Diego – San Luis Obispo Rail Corridor Trends for the Third Quarter of Federal Fiscal Year 2017-18

### **Overview**

A report on ridership, revenue, and on-time performance trends for passenger rail services on the Los Angeles – San Diego – San Luis Obispo rail corridor, including the Pacific Surfliner, Metrolink, and COASTER, covering the third quarter of federal fiscal year 2017-18, is presented for consideration.

### **Recommendation**

Receive and file as an information item.

### **Background**

The 351-mile Los Angeles – San Diego – San Luis Obispo (LOSSAN) rail corridor travels through a six-county coastal region in Southern California and is the busiest state-supported intercity passenger rail corridor in the United States. The LOSSAN rail corridor includes 41 stations and more than 150 daily passenger trains, with an annual ridership of more than 2.9 million on Pacific Surfliner intercity trains and 4.5 million on Metrolink and COASTER commuter trains.

### **Discussion**

This report provides an update on the performance of the passenger rail services on the LOSSAN rail corridor by presenting the current trends of the service in three specific areas: usage (ridership and passenger miles), efficiency (revenue and farebox recovery), and quality (on-time performance and customer satisfaction). The report includes the Pacific Surfliner intercity passenger rail service, as well as commuter rail service on Metrolink's Ventura County Line (VCL) and Orange County Line (OCL), and the North County Transit District's COASTER system. Amtrak national data is included for comparative purposes. The reporting period is the third quarter of federal fiscal year (FFY) 2017-18, covering the months

of April, May, and June 2018. This report has been delayed due to extensive delays in the Amtrak reporting process.

### Usage

For the third quarter of FFY 2017-18, total LOSSAN rail corridor ridership on the three services was 2,112,379, a 1.0 percent decrease when compared to the same period the previous year. A 24-month ridership chart for the LOSSAN rail corridor, with the specific performance of each service, can be found in Figure 1.1.

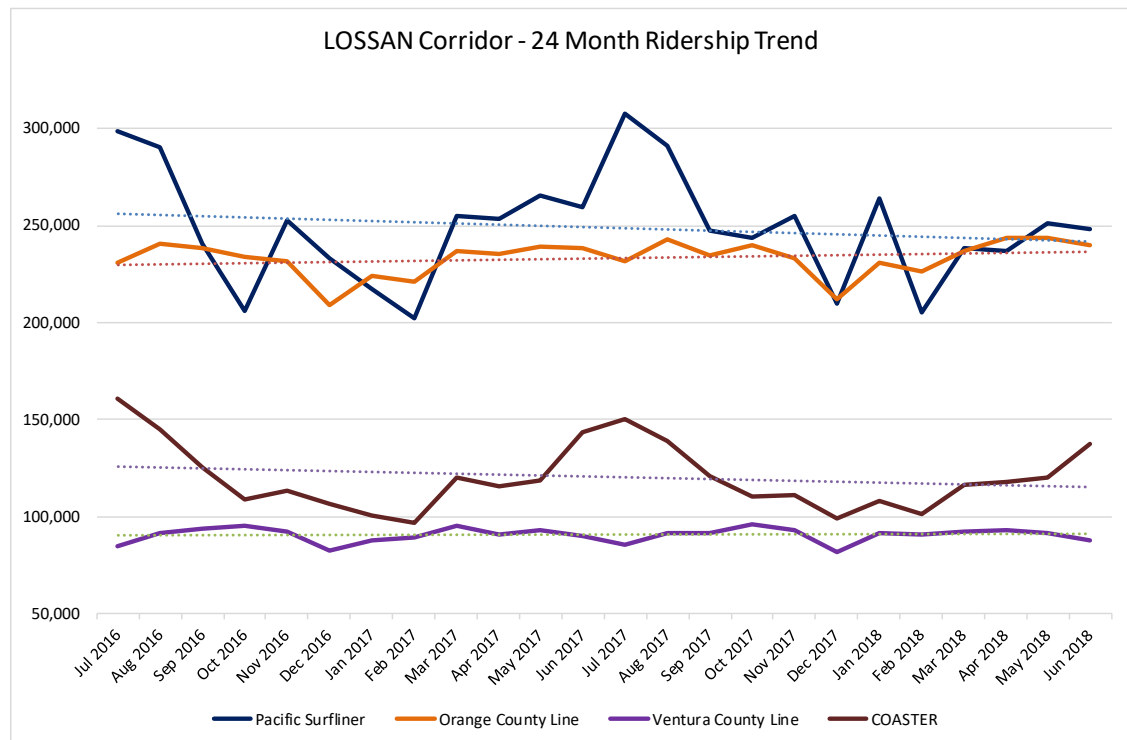


Figure 1.1

The 24 months of ridership data included in Figure 1.1 provides a more accurate indicator of the overall growth along the corridor. Due to seasonal variances, a complete ridership trend is difficult to discern from a single 12-month period. Including 24 months of data accounts for the seasonal variation and provides sufficient information to allow for the development of a linear trendline for each service. In addition to this overall corridor data, details on the performance of each service are provided below.

## Pacific Surfliner

A large part of the overall decline of LOSSAN rail corridor ridership can be attributed to the Pacific Surfliner (San Luis Obispo to San Diego) intercity passenger rail service ridership, which decreased during the third quarter of FFY 2017-18 by 5.4 percent when compared to the same period last year. This decline reverses the previous year's ridership increase and puts ridership at pre-2016 levels as is demonstrated in Figure 1.2. Pacific Surfliner ridership in this report includes Metrolink and COASTER pass holders utilizing the Rail 2 Rail (R2R) Program, which allows Metrolink monthly pass holders and COASTER passengers to ride Pacific Surfliner trains within the stations identified on their valid fare media, subject to certain restrictions. This is the first full quarter that includes peak-period service between Los Angeles and Ventura – Santa Barbara counties which was implemented in April 2018. A separate staff report was prepared with a detailed analysis on the impact of the peak-period service as well as the ridership decreases experienced.

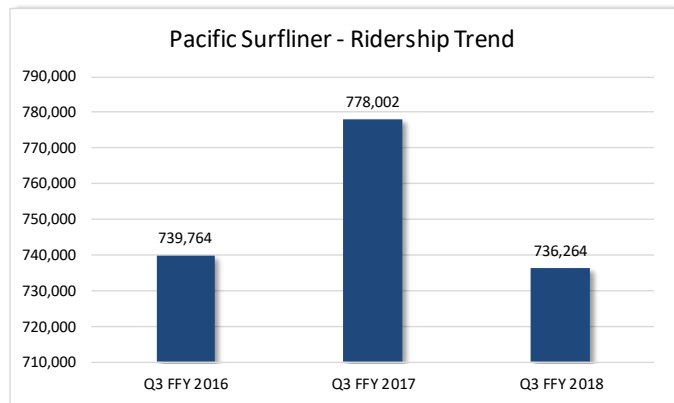


Figure 1.2

## Metrolink

Overall LOSSAN rail corridor ridership was positively impacted by the minor ridership increases experienced by Metrolink's OCL as demonstrated in Figure 1.3. The VCL, which serves East Ventura to Los Angeles, experienced a 0.1 percent ridership decrease in the third quarter compared to the same period last year. The OCL, which serves Los Angeles to Oceanside, saw a 2.1 percent increase in ridership over the same report period in the prior year.

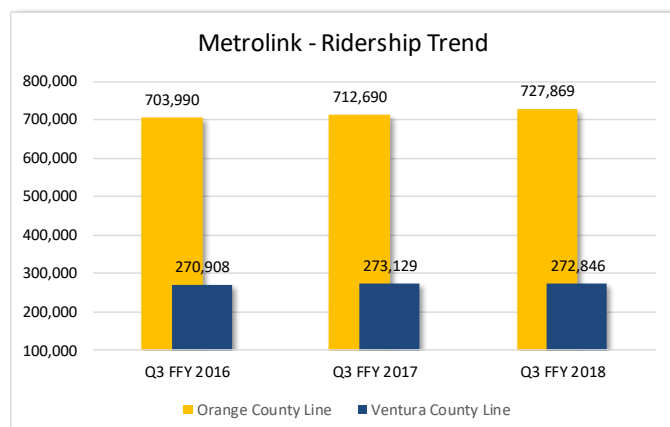


Figure 1.3

Metrolink system ridership increased by 1.6 percent in the third quarter of FFY 2017-18 when compared to the same period in FFY 2016-17.

Historically, Metrolink's official ridership has been based on conductor counts. Beginning in FY 2016-17, Metrolink began transitioning from conductor counts to ticket sales as the primary ridership metric. Beginning with the second quarter report of FFY 2017-18, Metrolink ridership has been reported based on the ticket sales metric. Historical performance has also been updated to reflect ticket sales. Past corridor trends reports will differ from the currently reported ridership values, since those values were based on conductor counts. Metrolink pass holders riding Pacific Surfliner trains, utilizing the R2R Program, averaged 1,181 per weekday for the third quarter of FFY 2017-18, which is a decrease of 11.0 percent compared to the same period last year.

## COASTER

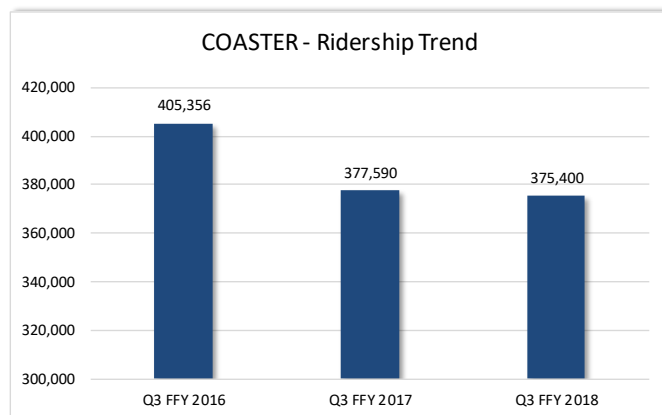


Figure 1.4

COASTER (serving Oceanside to San Diego) ridership saw a decrease of 0.6 percent during the third quarter of FFY 2017-18, when compared to the same period the prior year as shown in Figure 1.4.

The third quarter of FFY 2017-18, saw an average of 167 total COASTER pass holders per day on Pacific Surfliner trains,

utilizing the R2R program. This was a decrease of 46.2 percent when compared to last year. This decrease is consistent with the forecasted loss associated with the elimination of two COASTER stations from the R2R Program in October 2017.

## Amtrak System

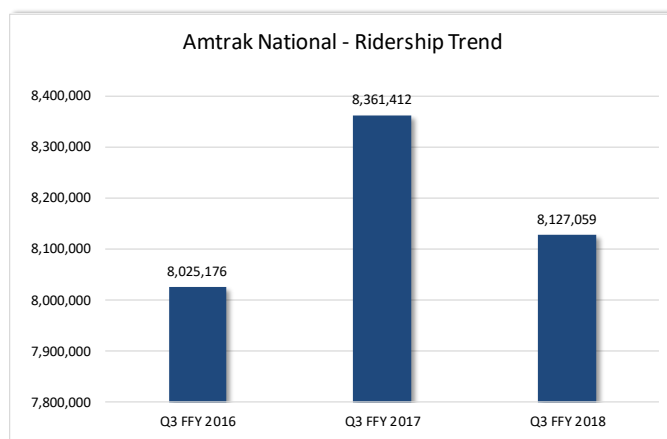


Figure 1.5

Amtrak service nationwide had a cumulative ridership decrease of 2.8 percent for the third quarter of FFY 2017-18 compared with the same period the prior year, as demonstrated in Figure 1.5.

Amtrak's Coast Starlight (Seattle to Los Angeles) likewise saw ridership decrease by 3.9 percent in the



third quarter compared with the same period last year. The Capitol Corridor (Auburn/Sacramento to Oakland and San Jose) and the San Joaquins Corridor (Sacramento/Oakland to Bakersfield) are the other two California State-supported intercity passenger rail services operated by Amtrak, and although serving significantly different markets, do provide a comparison to the Pacific Surfliner service. Ridership on the Capitol Corridor increased by 4.8 percent and San Joaquins ridership decreased by 7.9 percent in the third quarter compared to the same period last year.

### Passenger Miles

A passenger mile is defined as one passenger traveling one mile. As an example, 10 passengers, each traveling 100 miles, would then generate 1,000 passenger miles. This metric depicts the growth in passenger usage and distance traveled.

The Pacific Surfliner generated over 63.8 million passenger miles during the third quarter of FFY 2017-18, which is a 4.6 percent decrease compared to the same period in the prior year. Factoring in the average pounds of carbon dioxide emissions per passenger mile in a private automobile versus riding on passenger rail, those 63.8 million passenger miles resulted in a reduction of over 22,990 metric tons of greenhouse gases. The impact that this has on the environment cannot be understated. The pollution eliminated is the equivalent of burning over 25,000,000 pounds of coal.

### Efficiency

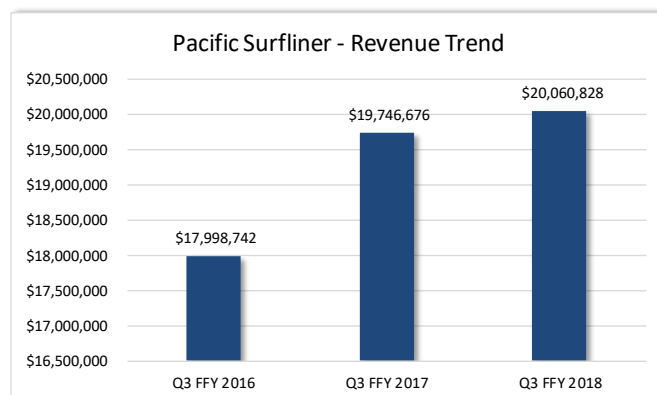


Figure 1.6

### Revenue

Despite the overall loss in ridership, the Pacific Surfliner's ticket revenue growth trend continued with a modest increase of 1.6 percent for the third quarter of FFY 2017-18 when compared with the same period in the prior year as shown in Figure 1.6. This can be attributed to growth in business class ridership

and increased revenue associated with the fare restructuring instituted in March 2018.

For the Capitol Corridor, total revenue increased by 2.4 percent for the third quarter, whereas the San Joaquin corridor saw a decrease of 14.4 percent, and the Coast Starlight decreased by 6.9 percent.

#### **Farebox Recovery**

The Pacific Surfliner is legislatively required to achieve a minimum of 55 percent farebox recovery. As a performance measure, farebox recovery is normally calculated on an annual basis. Expenses throughout the year are not linear and can cause significant fluctuations in the farebox recovery ratio from quarter to quarter.

The California Department of Transportation (Caltrans) Division of Rail and Mass Transportation (DRMT) reports quarterly to the California Transportation Commission (CTC) on all state-supported corridors via the *California Department of Transportation's Intercity Passenger Rail Operations Report*. On October 17, 2018, Caltrans DRMT reported to the CTC on the third quarter of FFY 2017-18 (fourth quarter of state fiscal year 2017-18) and indicated the Pacific Surfliner realized a 72.2 percent farebox recovery ratio.

#### **Quality**

##### **On-Time Performance**

The methodologies for calculating on-time performance (OTP) vary significantly between intercity and commuter rail services. Commuter trains are considered late if trains arrive six or more minutes late to the terminal location. Pacific Surfliner trains are considered late if trains arrive 15 or more minutes after scheduled arrival times.

In the third quarter of FFY 2017-18, average endpoint Pacific Surfliner OTP was 83.8 percent, which was a 29.9 percent increase over the prior year. All-station OTP, which is calculated by combining and averaging OTP at each station, averaged 86.0 percent. By comparison, the endpoint OTP on the Capitol Corridor averaged 87.9 percent, and the San Joaquins averaged 79.9 percent during the report period. Amtrak system wide endpoint OTP averaged 75.1 percent for the third quarter.

A monthly OTP trend for the Pacific Surfliner can be seen in Figure 1.7. The LOSSAN Agency continues to work collaboratively with our partners to identify operational improvements that can favorably impact OTP. A primary goal of the October 2017 schedule change was to improve reliability and OTP, and as is indicated by Figure 1.7, favorable results are being seen from these efforts. January 2018 saw a significant dip in OTP. However, this was as a result of the

weather-related delays that were experienced throughout the corridor during that month.

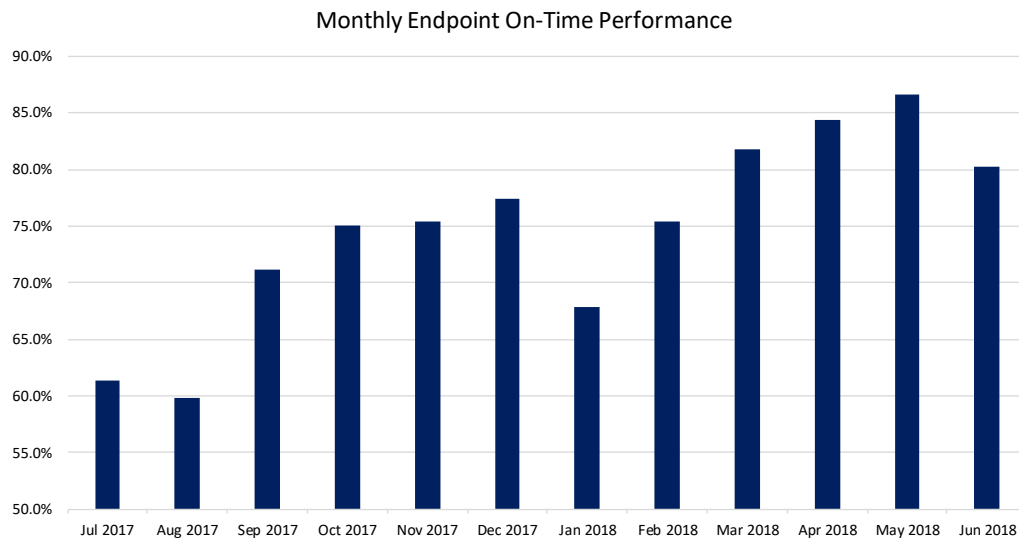


Figure 1.7

## Customer Satisfaction

Amtrak reports an Electronic Customer Satisfaction Index (eCSI) score monthly for all routes, in which a 'very satisfied' percentage is calculated out of 100 passengers via surveying. For the third quarter of FFY 2017-18, the Pacific Surfliner scored an average eCSI of 88 percent. Analysis has shown that the biggest drivers for this continue to be issues with reliability or on-time performance, and a lack of information given about problems or delays on the train.

## Additional Performance Indicators

### Food and Beverage Sales

The LOSSAN Agency's focus on improving service quality and the customer experience has prompted additional attention to the food and beverage selections offered in the Pacific Surfliner Café car. Continual effort is being made to ensure that menu items are meeting the expectations of our passengers. As part of that effort, LOSSAN Agency staff closely monitors food

| <b>Sales Category</b>     | <b>Quarter 3<br/>FFY 2016-17</b> | <b>Quarter 3<br/>FFY 2017-18</b> | <b>Increase</b> |
|---------------------------|----------------------------------|----------------------------------|-----------------|
| Baked Goods               | \$94,451                         | \$118,238                        | 25.2%           |
| Beer                      | \$320,754                        | \$286,827                        | -10.6%          |
| Beverages                 | \$298,937                        | \$341,591                        | 14.3%           |
| Dairy Products            | \$3,985                          | \$7,914                          | 98.6%           |
| Packaged Snack Foods      | \$790,693                        | \$905,850                        | 14.6%           |
| Fresh Prepared Foods      | \$190,571                        | \$167,535                        | -12.1%          |
| Liquor                    | \$111,152                        | \$128,078                        | 15.2%           |
| Miscellaneous Merchandise | \$5,678                          | \$6,197                          | 9.1%            |
| Salads                    | \$19,090                         | \$15,395                         | -19.4%          |
| Wine                      | \$390,768                        | \$428,371                        | 9.6%            |
|                           | <b>\$2,226,079</b>               | <b>\$2,405,995</b>               | <b>8.1%</b>     |

Figure 1.8

and beverage sales in an effort to gauge the success of what is being offered and to highlight items that need to be adjusted.

For the third quarter of FFY 2017-18, food and beverage sales increased by 8.1 percent over the same quarter in the prior year. The significant decrease in the sale of salads is due to a change in the way that Amtrak categorizes some food items as of the previous quarter. Details on the performance of each specific sales category are included in Figure 1.8.

#### **Amtrak Thruway Bus Service**

Pacific Surfliner rail service is supplemented by Amtrak's network of Thruway buses that connect passengers throughout the LOSSAN rail corridor. The bus routes function as part of the Pacific Surfliner service and include:

- Route 4: Los Angeles to Santa Barbara/Goleta. Two daily one-way trips.
- Route 17: Santa Barbara to San Luis Obispo to Oakland (where it connects with Capitol Corridor). Eleven daily one-way trips.
- Route 39: Fullerton to Palm Springs and Coachella Valley. Four daily one-way trips.

For the third quarter of FFY 2017-18, ridership on these three routes decreased by 14.0 percent when compared to the same period in the prior year.

#### **Additional Metrics**

A summary table of the ridership, revenue, and OTP for the LOSSAN rail corridor can be found in Attachment A. There are additional performance indicators that were previously included as attachments to this report, items such as boardings/alightings by station and ridership/revenue by station pair. Due to issues with the data received from Amtrak, these items are not included with this report. They will be included with future reports, once the data issues with Amtrak have been resolved.

***Summary***

This report provides an update of trends for the usage, efficiency, and quality of the passenger rail services on the Los Angeles – San Diego – San Luis Obispo rail corridor, including the Pacific Surfliner, Metrolink, and COASTER for the third quarter of federal fiscal year 2017-18. During the third quarter, total Los Angeles – San Diego – San Luis Obispo rail corridor ridership decreased by 1.0 percent compared to the same period last year. The strong growth trend of ridership and revenue experienced by the Pacific Surfliner over the past few quarters has waned, with ridership decreasing by 5.4 percent, and revenue increasing by 1.6 percent, when compared to the same period last year.

***Attachment***

- A. Los Angeles – San Diego – San Luis Obispo Rail Corridor Performance Summary, Third Quarter Federal Fiscal Year 2017-18

**Prepared by:**



Roger M. Lopez  
Principal Transportation Analyst  
(714) 560-5438



## Los Angeles – San Diego – San Luis Obispo Rail Corridor Performance Summary Third Quarter Federal Fiscal Year 2017-18

| <u>Service</u>                   | <u>Ridership (total)</u> | <u>Ridership -<br/>Growth Over<br/>Same Quarter<br/>Previous Year</u> | <u>Revenue (total)</u> | <u>Revenue -<br/>Growth Over<br/>Same Quarter<br/>Previous Year</u> | <u>Endpoint OTP<br/>(3 mo. avg)</u> |
|----------------------------------|--------------------------|---|------------------------|---|-------------------------------------|
| Pacific Surfliner                | 736,264                  | -5.4%   | \$ 20,060,828          | 1.6%  | 83.8%                               |
| Metrolink Ventura<br>County Line | 272,846                  | -0.1%   | ---                    | ---   | 96.2%                               |
| Metrolink Orange<br>County Line  | 727,869                  | 2.1%  | ---                    | ---   | 93.8%                               |
| COASTER                          | 375,400                  | -0.6%   | ---                    | ---   | 92.0%                               |
| <b>LOSSAN<br/>Total/Average</b>  | <b>2,112,379</b>         | <b>-1.0%</b>  |                        |   | <b>91.4%</b>                        |

|                      |           |       |                |        |       |
|----------------------|-----------|-------|----------------|--------|-------|
| Amtrak<br>Nationwide | 8,127,059 | -2.8% | \$ 592,549,182 | -1.4%  | 75.1% |
| Capitol Corridor     | 440,531   | 4.8%  | \$ 8,192,573   | 2.4%   | 87.9% |
| San Joaquin          | 272,957   | -7.9% | \$ 7,832,340   | -14.4% | 79.9% |
| Coast Starlight      | 100,065   | -3.9% | \$ 8,559,198   | -6.9%  | 75.9% |



**November 28, 2018**

**To:** Members of the Board of Directors  
**From:** Jennifer L. Bergener, Managing Director  
**Subject:** Pacific Surfliner April 2018 Schedule Change Performance Update

### **Overview**

On April 1, 2018, the regularly-planned biannual schedule change for the Pacific Surfliner passenger rail service was implemented. The schedule change included operational adjustments that were necessary to facilitate the implementation of peak-period service between Los Angeles and Ventura – Santa Barbara counties. A detailed evaluation of the available ridership data since the April 1, 2018 schedule change has been performed as requested by the Board of Directors. The results of this analysis are presented for consideration.

### **Recommendation**

Receive and file as an information item.

### **Background**

The Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) worked with the California State Transportation Agency, Amtrak, and in coordination with the Santa Barbara County Association of Governments (SBCAG), to develop an operating plan to provide peak-period service between Los Angeles and Ventura – Santa Barbara counties. On February 21, 2018, the LOSSAN Board of Directors (Board) approved a retimed Pacific Surfliner schedule to facilitate the implementation of peak-period service and directed staff to monitor service performance and report to the Board on that performance.

The retimed Pacific Surfliner schedule required modifications to existing Pacific Surfliner schedules, including a bifurcation of Train 761 on the weekdays and other minor adjustments. The retimed schedule also set the stage for further development and implementation of a 13<sup>th</sup> round trip, which would operate between San Diego and Goleta or San Luis Obispo. The ridership, revenue, and cost projections associated with the retimed schedule reflected a modest

decrease in both ridership and revenue at the onset of the peak-period service. However, the new service is expected to grow over time, helping to recover the decline in ridership and revenue. The LOSSAN Agency has been working with SBCAG to market the new service and raise awareness of the new transportation option.

### **Discussion**

As anticipated, the Pacific Surfliner has experienced an overall decrease in both ridership and revenue following the implementation of the peak-period schedule on April 1, 2018. This marks the first time since the LOSSAN Agency assumed management responsibility for the Pacific Surfliner intercity passenger rail service that the service has experienced consecutive months of ridership decline. Ridership on the new service remains solidly at approximately 120 riders per day

| <i>Month</i> | <i>2017<br/>Ridership</i> | <i>2018<br/>Ridership</i> | <i>% of<br/>Decrease</i> |
|--------------|---------------------------|---------------------------|--------------------------|
| April        | 253,144                   | 236,952                   | -6.4%                    |
| May          | 265,269                   | 251,472                   | -5.2%                    |
| June         | 259,589                   | 247,840                   | -4.5%                    |
| July         | 307,944                   | 283,703                   | -7.9%                    |
| August       | 290,838                   | 277,806                   | -4.5%                    |
| September    | 247,564                   | 232,780                   | -6.0%                    |
| <b>Total</b> | <b>1,624,348</b>          | <b>1,530,553</b>          | <b>-5.8%</b>             |

*Figure 1.1*

and on-time performance (OTP) is in the high ninetieth percentile. The details of the ridership for the months of April through September 2018 are shown in Figure 1.1. This data demonstrates that total ridership on the Pacific Surfliner has decreased by 5.8 percent year-over-year.

The LOSSAN Agency has been continually monitoring the performance of the peak-period service and performing weekly analysis of ridership patterns and OTP. When the overall system ridership decrease was realized, staff undertook a detailed system-wide analysis to evaluate the overall impact of the operational adjustments made to facilitate peak-period service. The details of the significant findings are discussed below.

### **Data Availability**

Some of the analysis detailed below is for April through June 2018, or the third quarter of federal fiscal year (FFY) 2018, as that is the most recent detailed audited data received from Amtrak. Other analysis, such as detailed ridership for Train 759 and OTP statistics are based on unaudited daily ridership reports issued by Amtrak, and may be subject to adjustment when the final audited monthly reports are released. The report period being discussed will be cited with each dataset.

### Metrolink Rail 2 Rail Ridership

| Month        | 2017 R2R Ridership | 2018 R2R Ridership | % of Decrease |
|--------------|--------------------|--------------------|---------------|
| April        | 26,824             | 25,140             | -6.3%         |
| May          | 33,246             | 27,178             | -18.3%        |
| June         | 25,501             | 24,143             | -5.3%         |
| <b>Total</b> | <b>85,571</b>      | <b>76,461</b>      | <b>-10.6%</b> |

Although Pacific Surfliner ridership for the third quarter of FFY 2018 declined by 5.4 percent, the decline in Metrolink Rail 2 Rail (R2R) ridership has been nearly double that for the same period. As Figure 1.2 demonstrates, R2R ridership for the third quarter of FFY 2018 declined by 10.6 percent. Average weekday R2R ridership decreased by 11 percent.

### Train 759

Figure 1.2

One of the major elements of the April 1, 2018 schedule change was the addition of Train 759, which provides morning peak-period service into Santa Barbara County. Train 759 departs Los Angeles at 4:09 a.m., with an arrival into Santa Barbara at 6:47 a.m. and a final stop in Goleta at 7:16 a.m. The peak-period service has seen strong support from within Santa Barbara County. In addition to providing funds to cover a share of the additional operating costs associated with the new service, the SBCAG engaged in a robust marketing campaign to introduce the peak-period service. As part of that effort, SBCAG purchased 10-trip tickets to be provided to local residents to allow them to try the new service. After a vetting process to ensure local residency, approximately 1,500 of these were distributed.

Performance on Train 759 peaked in May 2018, with 138 average daily riders. In the months since, ridership has averaged 121 daily riders. A summary of the ridership, along with the distribution of ticket media used, is shown in Figure 1.3. The ticket distribution has progressively made the transition from the initial majority using the complimentary 10-trip ticket media, to the majority now utilizing monthly passes.

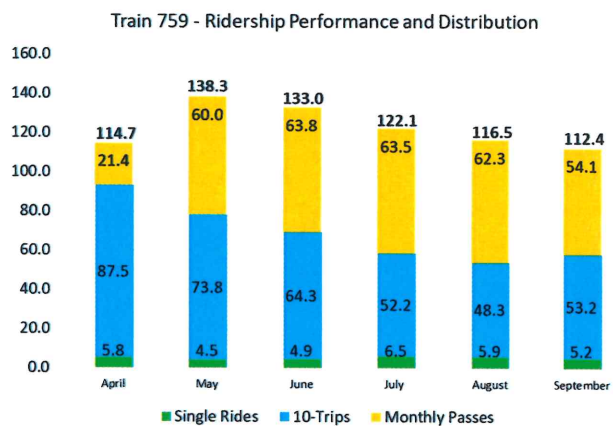


Figure 1.3



As with any newly implemented service, Train 759 experienced some early OTP issues. Amtrak worked in coordination with the LOSSAN Agency and the host railroads to ensure that these issues were addressed. Over the last 60 days, Train 759 has had zero late arrivals performing within tolerance for arrivals and departures.

### Train 761/561

One of the more significant modifications made as part of the April 1, 2018 schedule change was the bifurcation of Train 761, which was necessary to provide Train 759. Previously, Train 761 departed San Diego at 4:00 a.m., with a 7:03 a.m. arrival at Los Angeles Union Station. After a 30 minute dwell, Train 761 continued north with a 10:43 a.m. arrival in Goleta.

Train 761 averaged daily ridership in excess of 420 passengers and was, by percentage, one of the most heavily utilized trains for Metrolink R2R passengers. On average, of the 420 daily passengers, 200 were R2R riders. Ridership and station pair patterns suggest that Train 761 was popular with morning commuters primarily due to the fact that it allowed R2R riders to take a single train from Orange County through Los Angeles and into Ventura County, a one-seat ride.

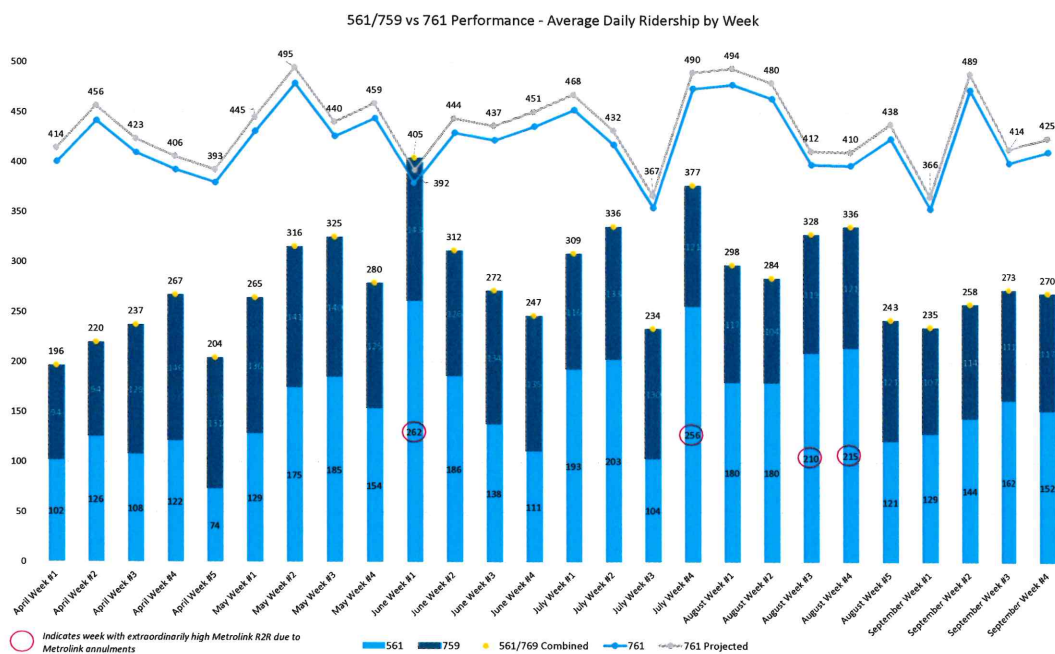


Figure 1.4

Since the April 1, 2018 schedule change, Train 561 (formerly 761) runs the same San Diego departure schedule, but terminates at Los Angeles Union Station, no longer extending into Ventura and Santa Barbara counties. These adjustments



have resulted in a significant ridership decrease. Figure 1.4 provides a summary of this impact and is included in larger format as Attachment A. Train 561 now averages fewer than 200 daily riders. Additionally, daily R2R riders now average 86 per day. The combined ridership of Trains 561 and 759, has not offset the decrease experienced by bifurcating former Train 761.

The data suggests the bifurcation of Train 761 has impacted more than just the Pacific Surfliner ridership. The loss of such a significant portion of the daily R2R riders prompted an examination of Metrolink ridership to determine if these riders shifted back onto equivalent Metrolink service. The data reflects that this did not occur, indicating that the bifurcation of Train 761 has resulted in an overall loss of ridership on the corridor.

Metrolink Trains 601 and 603 on the Orange County Line operate approximately similar service to Pacific Surfliner Train 761/561. For the third quarter of FFY 2018, Train 601 saw ridership decrease by 22.1 percent, while Train 603 experienced a 4.7 percent decrease.

Metrolink Trains 103 and 903 on the Ventura County Line provide roughly equivalent service out of Los Angeles as was provided by Pacific Surfliner Train 761, though neither train extends as far into Ventura County. Trains 103 and 903 saw minor increases over the third quarter, with the increase equivalent to approximately eight passengers daily combined for both trains.

In an effort to recapture ridership, staff is working with Metrolink to improve the connections between northbound trains to ensure a well-timed connection for ease of transfer to points north of Los Angeles.

#### Train 792

Though operationally Train 792 had no adjustments to timing, the average daily ridership for April through June 2018 saw an increase of 13.3 percent (approximately 54 daily riders) over the months prior to the April 2018 schedule change. This increase can be attributed to passengers returning after utilizing the morning peak-period service offered by Train 759 as well as the seasonal increase that historically occurs during spring and summer.

### Other Trains

A year-over-year ridership analysis was conducted for all trains for the months of April through June 2018. Significant shifts in ridership primarily take place in the northbound morning and southbound evening peak commute times. However, as part of the regularly planned and implemented October 2017 schedule change, some of these trains were either bifurcated or extended. These trains would naturally see significant swings in ridership in a year-over-year comparison. Prior year ridership for bifurcated trains would reflect the daily average associated with the longer trip, and thus would show a significant loss when compared to the current ridership based on a shorter trip, with the opposite being true on trains that were extended.

As with the previously discussed findings associated with Train 561/761, a number of factors must be examined to determine whether the gains or losses associated with these trains can be tied to the April 2018 schedule change. Further analysis will be necessary to determine the full impact of these shifts in ridership. Additional months of data will be needed to draw final conclusions on the complete impact of the schedule change specifically to trains that saw operational adjustments in October 2017.

The LOSSAN Agency continues to work in coordination with SBCAG to promote and raise awareness of the new peak-period service. This has included a number of robust marketing and outreach efforts lead by SBCAG, including free 10-trip passes, referral incentives, and other general outreach. It is hoped that these efforts, in addition to those led by the LOSSAN Agency, will recover some of the ridership losses discussed in this report. It is important to note that new service requires time to mature and grow ridership. Additionally, ridership on the Pacific Surfliner is subject to seasonal variances. This update is intended to provide a snapshot of the peak-period service performance as requested by the Board and will be expanded upon for further reporting in Spring 2019.

### **Summary**

On April 1, 2018, a regularly planned schedule change for the Pacific Surfliner intercity passenger rail service was implemented to facilitate peak-period service between Los Angeles and Ventura – Santa Barbara counties. A detailed operational analysis has been performed as requested by the Board of Directors and to consider the initial impacts of the implementation of peak-period service, as well as the impact of the April 2018 schedule change. Initial impacts include a decrease in overall ridership, off-set in part by catchment of new riders for the peak-period service. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency staff will return to the Board of Directors in Spring 2019 with further analysis following a year-long review of the peak-period service.

***Attachment***

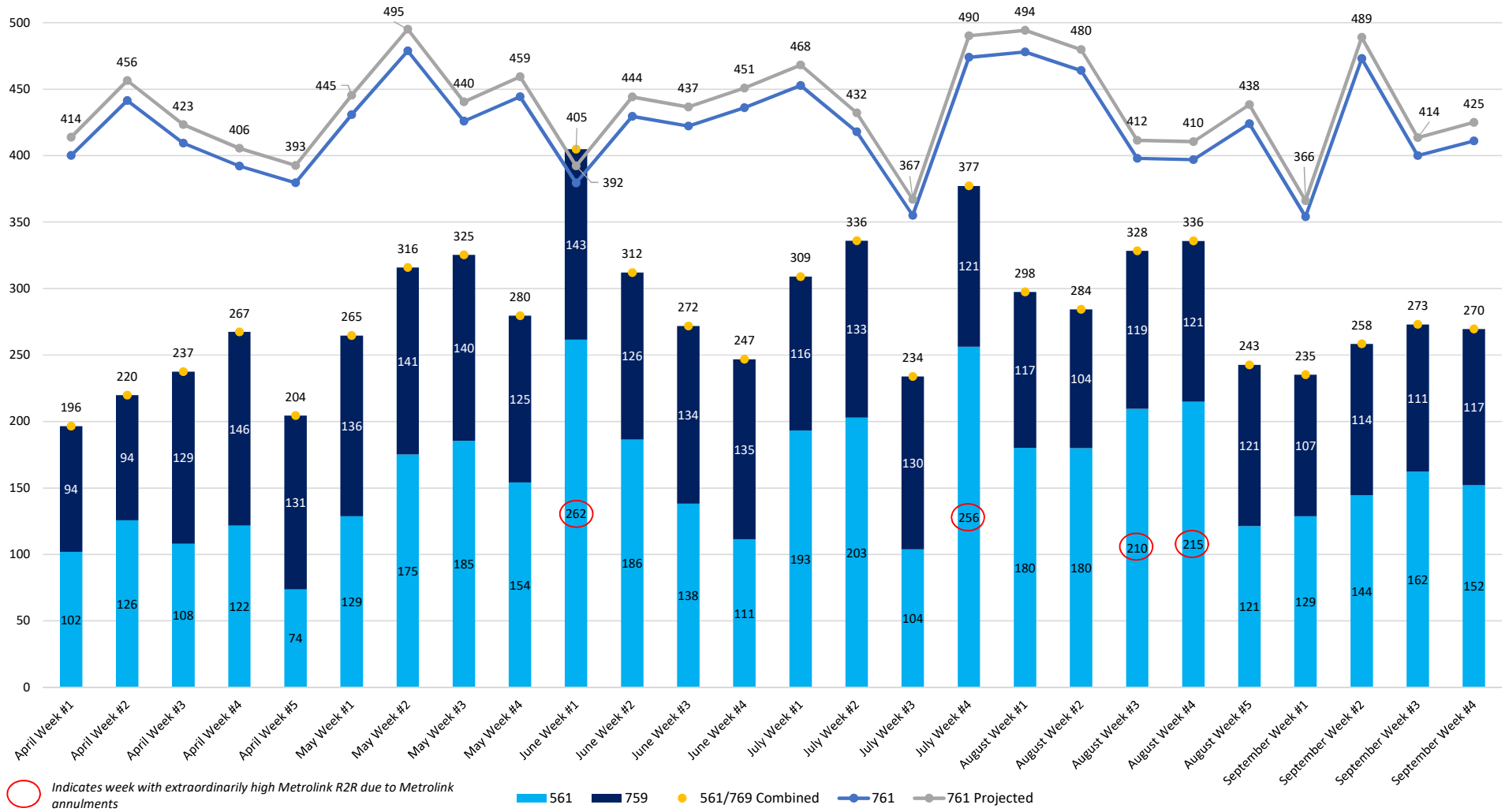
A.      Trains 561/759 vs. 761 Performance – Average Daily Ridership by Week

**Prepared by:**

A handwritten signature in blue ink, appearing to read 'R. Lopez', with a long horizontal flourish extending to the right.

Roger M. Lopez  
Manager, Planning and Analysis  
(714) 560-5438

Trains 561/759 vs.761 Performance - Average Daily Ridership by Week







**November 28, 2018**

A handwritten signature in blue ink, consisting of several loops and a long trailing line.

**To:** Members of the Board of Directors

**From:** Jennifer L. Bergener, Managing Director

**Subject:** Proposed 2019 Board of Directors and Committee Meeting Schedule

***Overview***

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency staff has developed a proposed Board of Directors and Committee meeting schedule for calendar year 2019 that reflects prior informal direction from the Board of Directors and is consistent with the development of key deliverables and actions for calendar year 2019.

***Recommendation***

Approve the 2019 Board of Directors and Committee meeting schedule for the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency.

***Background***

Each year, the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) Board of Directors (Board) reviews and approves a proposed meeting schedule for the Board, Executive Committee, and Technical Advisory Committee (TAC) meetings for the following calendar year. A proposed meeting schedule for calendar year 2019 has been developed based on prior informal discussions with the Board, Executive Committee, and the TAC.

***Discussion***

The proposed schedule for 2019 maintains regular Board meetings, which have historically been held the third Monday of each month.

To avoid conflicts with federal holidays, the January 2019 Board meeting is proposed to be held the fifth Wednesday of the month, and the February meeting on the third Wednesday of the month. No meetings are proposed for the months of April, August, and December.



Board meetings will rotate between the Los Angeles County Metropolitan Transportation Authority headquarters and the Orange County Transportation Authority headquarters, unless otherwise noted.

Prior practice has been to hold three Board meetings in other geographic regions of the LOSSAN rail corridor. Staff will request Board Member feedback in selecting the months and locations for these meetings.

Executive Committee meetings are proposed to be held in the months of March, May, June, and November. Additional meetings may be added to the schedule as needed.

TAC meetings are proposed to be held the months of January, February, March, May, June, September, October, and November, prior to scheduled Board meetings.

The Chairman of the Board retains the right to call a Special meeting at any time should unforeseen circumstances arise which warrant a meeting. The complete proposed 2019 LOSSAN Board and Committee meetings calendar is included as Attachment A.

### ***Summary***

Staff has developed a proposed 2019 Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Board and Committee meeting calendar for the Los Angeles – San Diego – San Luis Obispo Agency Board of Directors' review and approval.

### ***Attachment***

- A. LOSSAN Board of Directors Calendar, 2019 Board and Committee Meetings and Holidays – Draft 11.28.18



# LOSSAN BOARD OF DIRECTORS CALENDAR

## 2019 Board and Committee Meetings and Holidays

DRAFT 11.28.18

| JANUARY |     |     |     |     |     |     |
|---------|-----|-----|-----|-----|-----|-----|
| SUN     | MON | TUE | WED | THU | FRI | SAT |
|         |     | 1   | 2   | 3   | 4   | 5   |
| 6       | 7   | 8   | 9   | 10  | 11  | 12  |
| 13      | 14  | 15  | 16  | 17  | 18  | 19  |
| 20      | 21  | 22  | 23  | 24  | 25  | 26  |
| 27      | 28  | 29  | 30  | 31  |     |     |

| FEBRUARY |     |     |     |     |     |     |
|----------|-----|-----|-----|-----|-----|-----|
| SUN      | MON | TUE | WED | THU | FRI | SAT |
|          |     |     |     |     | 1   | 2   |
| 3        | 4   | 5   | 6   | 7   | 8   | 9   |
| 10       | 11  | 12  | 13  | 14  | 15  | 16  |
| 17       | 18  | 19  | 20  | 21  | 22  | 23  |
| 24       | 25  | 26  | 27  | 28  |     |     |

| MARCH |     |     |     |     |     |     |
|-------|-----|-----|-----|-----|-----|-----|
| SUN   | MON | TUE | WED | THU | FRI | SAT |
|       |     |     |     |     | 1   | 2   |
| 3     | 4   | 5   | 6   | 7   | 8   | 9   |
| 10    | 11  | 12  | 13  | 14  | 15  | 16  |
| 17    | 18  | 19  | 20  | 21  | 22  | 23  |
| 24    | 25  | 26  | 27  | 28  | 29  | 30  |
| 31    |     |     |     |     |     |     |

| APRIL |     |     |     |     |     |     |
|-------|-----|-----|-----|-----|-----|-----|
| SUN   | MON | TUE | WED | THU | FRI | SAT |
|       | 1   | 2   | 3   | 4   | 5   | 6   |
| 7     | 8   | 9   | 10  | 11  | 12  | 13  |
| 14    | 15  | 16  | 17  | 18  | 19  | 20  |
| 21    | 22  | 23  | 24  | 25  | 26  | 27  |
| 28    | 29  | 30  |     |     |     |     |

| MAY |     |     |     |     |     |     |
|-----|-----|-----|-----|-----|-----|-----|
| SUN | MON | TUE | WED | THU | FRI | SAT |
|     |     |     | 1   | 2   | 3   | 4   |
| 5   | 6   | 7   | 8   | 9   | 10  | 11  |
| 12  | 13  | 14  | 15  | 16  | 17  | 18  |
| 19  | 20  | 21  | 22  | 23  | 24  | 25  |
| 26  | 27  | 28  | 29  | 30  | 31  |     |

| JUNE |     |     |     |     |     |     |
|------|-----|-----|-----|-----|-----|-----|
| SUN  | MON | TUE | WED | THU | FRI | SAT |
|      |     |     |     |     |     | 1   |
| 2    | 3   | 4   | 5   | 6   | 7   | 8   |
| 9    | 10  | 11  | 12  | 13  | 14  | 15  |
| 16   | 17  | 18  | 19  | 20  | 21  | 22  |
| 23   | 24  | 25  | 26  | 27  | 28  | 29  |
| 30   |     |     |     |     |     |     |

| JULY |     |     |     |     |     |     |
|------|-----|-----|-----|-----|-----|-----|
| SUN  | MON | TUE | WED | THU | FRI | SAT |
|      | 1   | 2   | 3   | 4   | 5   | 6   |
| 7    | 8   | 9   | 10  | 11  | 12  | 13  |
| 14   | 15  | 16  | 17  | 18  | 19  | 20  |
| 21   | 22  | 23  | 24  | 25  | 26  | 27  |
| 28   | 29  | 30  | 31  |     |     |     |

| AUGUST |     |     |     |     |     |     |
|--------|-----|-----|-----|-----|-----|-----|
| SUN    | MON | TUE | WED | THU | FRI | SAT |
|        |     |     |     | 1   | 2   | 3   |
| 4      | 5   | 6   | 7   | 8   | 9   | 10  |
| 11     | 12  | 13  | 14  | 15  | 16  | 17  |
| 18     | 19  | 20  | 21  | 22  | 23  | 24  |
| 25     | 26  | 27  | 28  | 29  | 30  | 31  |

| SEPTEMBER |     |     |     |     |     |     |
|-----------|-----|-----|-----|-----|-----|-----|
| SUN       | MON | TUE | WED | THU | FRI | SAT |
| 1         | 2   | 3   | 4   | 5   | 6   | 7   |
| 8         | 9   | 10  | 11  | 12  | 13  | 14  |
| 15        | 16  | 17  | 18  | 19  | 20  | 21  |
| 22        | 23  | 24  | 25  | 26  | 27  | 28  |
| 29        | 30  |     |     |     |     |     |

| OCTOBER |     |     |     |     |     |     |
|---------|-----|-----|-----|-----|-----|-----|
| SUN     | MON | TUE | WED | THU | FRI | SAT |
|         |     | 1   | 2   | 3   | 4   | 5   |
| 6       | 7   | 8   | 9   | 10  | 11  | 12  |
| 13      | 14  | 15  | 16  | 17  | 18  | 19  |
| 20      | 21  | 22  | 23  | 24  | 25  | 26  |
| 27      | 28  | 29  | 30  | 31  |     |     |

| NOVEMBER |     |     |     |     |     |     |
|----------|-----|-----|-----|-----|-----|-----|
| SUN      | MON | TUE | WED | THU | FRI | SAT |
|          |     |     |     |     | 1   | 2   |
| 3        | 4   | 5   | 6   | 7   | 8   | 9   |
| 10       | 11  | 12  | 13  | 14  | 15  | 16  |
| 17       | 18  | 19  | 20  | 21  | 22  | 23  |
| 24       | 25  | 26  | 27  | 28  | 29  | 30  |

| DECEMBER |     |     |     |     |     |     |
|----------|-----|-----|-----|-----|-----|-----|
| SUN      | MON | TUE | WED | THU | FRI | SAT |
| 1        | 2   | 3   | 4   | 5   | 6   | 7   |
| 8        | 9   | 10  | 11  | 12  | 13  | 14  |
| 15       | 16  | 17  | 18  | 19  | 20  | 21  |
| 22       | 23  | 24  | 25  | 26  | 27  | 28  |
| 29       | 30  | 31  |     |     |     |     |

LOSSAN Board of Directors regular meeting

12:30 p.m. - 2:30 p.m.

Meeting locations will rotate between L.A. Metro and OCTA unless otherwise noted

Executive Committee

TBD

Technical Advisory Committee

12:30 p.m. - 2:30 p.m.

Observed Holidays