



BOARD OF DIRECTORS AGENDA

LOSSAN RAIL CORRIDOR AGENCY BOARD OF DIRECTORS MEETING

**Monday, June 17, 2019
11:15 a.m. to 12:45 p.m.**

Orange County Transportation Authority Headquarters
Board Room – Conference Room 07
550 South Main Street
Orange, California

Teleconference Sites:

California Department of Transportation, Lanatt Street Warehouse
3390 Lanatt Street
Conference Room 1B/HQ – 1st Floor
Sacramento, CA

Del Mar City Hall
1050 Camino Del Mar
Lobby Conference Room – 1st Floor
Del Mar, CA

Poway City Hall
13325 Civic Center Drive
City Manager's Office
Conference Room 2118 – 2nd Floor
Poway, CA

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

Ventura County Criminal Justice Training Center
106 Durley Avenue
Instructor of Record Office – 1st Floor
Camarillo, CA



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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.

All documents relative to the items referenced in this agenda are available for public inspection at 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

2019 BOARD OF DIRECTORS

(revision as of -3-18-19)

County	Members	Alternates
San Luis Obispo: 1 vote	Fred Strong Council Member, City of Paso Robles Member, San Luis Obispo Council of Governments	Jeff Lee Mayor, City of Grover Beach Member, San Luis Obispo Council of Governments Andy Pease Vice Mayor, City of San Luis Obispo Member San Luis Obispo Council of Governments
Santa Barbara: 1 vote	Gregg Hart Supervisor, 2nd District Santa Barbara County Board of Supervisors Member, Santa Barbara County Association of Governments	Cathy Murillo Mayor, City of Santa Barbara Member, Santa Barbara County Association of Governments
Ventura: 1 vote	Bryan MacDonald Council Member, City of Oxnard Member, Ventura County Transportation Commission	Jim White Representative, Ventura County Transportation Commission
Los Angeles: 2 votes	(Vacant) John Fasana Mayor, City of Duarte Member, Los Angeles County Metropolitan Transportation Authority	David Perry Representative, Los Angeles County Metropolitan Transportation Authority Mary Lou Echternach Representative, Los Angeles County Metropolitan Transportation Authority
Orange: 2 votes	Al Murray (Chairman) Executive Director, City of Tustin Chamber of Commerce Representing, Orange County Transportation Authority Tim Shaw Council Member, City of La Habra Member, Orange County Transportation Authority	Laurie Davies Mayor Pro Tem, City of Laguna Beach Member, Orange County Transportation Authority Mark A. Murphy Mayor, City of Orange Member, Orange County Transportation Authority



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County	Members	Alternates
Riverside: 1 vote	Dana Reed (Vice Chairman) Council Member, City of Indian Wells Member, Riverside County Transportation Commission	(Vacant)
San Diego: 2 votes	Jewel Edson Deputy Mayor, City of Solana Beach Member, North County Transit District Caylin Frank Council Member, City of Poway Member, San Diego Metropolitan Transit System Ellie Haviland Deputy Mayor, City of Del Mar Member, San Diego Association of Governments	Priya Bhat-Patel Mayor Pro Tem, City of Carlsbad Member, North County Transit District Bill Sandke Mayor Pro Tem, City of Coronado Member, San Diego Metropolitan Transit System Ron Morrison Vice Mayor, City of National City Member, San Diego Association of Governments
Ex-Officio Members:		
Amtrak	Eric Hosey Representative, Amtrak	
California Department of Transportation	Kyle Gradinger Representative, California Department of Transportation	
California High-Speed Rail Authority	(Vacant)	
Southern California Association of Governments	Alan D. Wapner Council Member, City of Ontario Member, Southern California Association of Governments	



BOARD OF DIRECTORS AGENDA

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 7)

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 March 18, 2019.

3. Amendment to Conflict of Interest Code and Statement of Economic Interest Designated Positions

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 Interest - Form 700.

Recommendation

Approve amendment to the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency Conflict of Interest Code and Statement of Economic Interest designated positions.

BOARD OF DIRECTORS AGENDA

4. **Annual Performance Evaluation of the Agency's Managing Director, Jennifer Bergener**
James Donich

Overview

Pursuant to the By-Laws of the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency, the Executive Committee is tasked with annually evaluating the performance of the Agency's Managing Director. The annual performance evaluation is required to be provided to the Board of Directors and the Managing Agency.

Recommendation

Receive and file as an information item and direct staff to forward the annual performance evaluation to the Chief Operating Office of the Managing Agency.

5. **Legislative Update**
Jaymal Patel

Overview

An overview is provided of a bill related to intercity rail feeder bus service, which is being supported consistent with the 2019 Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency Legislative Program. Updates are also provided on the appointment of a new California State Transportation Agency Secretary and a bill related to lactation rooms at transit stations.

Recommendation

Receive and file as an information item.

6. **Los Angeles - San Diego - San Luis Obispo Rail Corridor Trends for the Fourth 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 fourth quarter of federal fiscal year 2017-18, is presented for consideration.

Recommendation

Receive and file as an information item.

BOARD OF DIRECTORS AGENDA

7. **Fiscal Year 2018-19 Third Quarter Budget Status Report**

Jason Jewell

Overview

The Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency's Fiscal Year 2018-19 budget was approved by the Board of Directors on March 29, 2018 and amended on June 18, 2018, in conjunction with the approval of the annual business plan for Fiscal Years 2018-19 and 2019-20. This report provides a summary of financial activities and performance through the third quarter of Fiscal Year 2018-19.

Recommendation

Receive and file as an information item.

Regular Calendar

8. **Amendment to the Federal Fiscal Year 2018-19 Operating Agreement with Amtrak for Pacific Surfliner Intercity Passenger Rail Service**

Jason Jewell

Overview

The Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency has secured the exclusive use of six Amtrak-owned passenger cars on the Pacific Surfliner intercity passenger rail service to help address equipment needs for expanded service including the forthcoming 13th roundtrip between Los Angeles and San Diego. The six cars are typically used on Amtrak long-distance trains and do not include the same passenger amenities provided on the equipment currently in use on the Pacific Surfliner service. In order to upgrade the cars and deliver a consistent quality of service, staff is seeking authorization to amend the current federal fiscal year 2018-19 Amtrak operating agreement, related fiscal year budgets, and funding supplements.

Staff is also seeking authorization to amend the current federal fiscal year 2018-19 Amtrak operating agreement, related fiscal year budgets, and funding supplements to allow for the additional federal fiscal year 2018-19 estimated net Amtrak operating costs and necessary funding to implement enhancements to the business class cars operating on the Pacific Surfliner service.

Recommendations

- A. Authorize the Managing Director to amend the Amtrak operating agreement for federal fiscal year 2018-19 for rail car upgrades, business class enhancements and additional federal fiscal year 2018-19 operating costs in an amount not to exceed \$4,871,316.

BOARD OF DIRECTORS AGENDA

8. (Continued)

- B. Amend the fiscal year 2019-20 operating revenue and expense in the amount of \$5,016,935 for Amtrak rail car upgrades, business class enhancements and additional federal fiscal year 2018-19 net Amtrak operating costs.
- C. Amend the fiscal year 2018-19 operating budget down by \$145,619 in order to decrease Amtrak operating expenses for rail car upgrades.
- D. Authorize the Managing Director to amend and execute Master Fund Transfer Agreement annual supplements necessary for rail car upgrades, business class enhancements and additional federal fiscal year 2018-19 operating costs.

9. **Los Angeles - San Diego - San Luis Obispo Rail Corridor Trends for the First Quarter of Federal Fiscal Year 2018-19**

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 first quarter of federal fiscal year 2018-19, is presented for consideration.

Recommendation

Receive and file as an information item.

10. **Proposed Amendments to the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency Contracting and Procurement Policy**

Jason Jewell

Overview

The Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency bylaws state that the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency shall develop administrative procedures establishing proper procurement practices. The Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency's contracting and procurement policy was adopted by the Board of Directors on April 18, 2016 and amended in May 2017. Staff is proposing updates to the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency's contracting and procurement policy.

BOARD OF DIRECTORS AGENDA

10. (Continued)

Recommendations

- A. Amend the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency contracting and procurement policy to require letter amendments be signed by the Managing Director.
- B. Amend the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency contracting and procurement policy to increase the corporate credit card transaction limit to \$100,000 monthly for digital ad placements with Google.

11. **Fiscal Year 2019-20 Budget Amendment and Fiscal Years 2019-20 and 2020-21 Business Plan Amendment**

Jason Jewell

Overview

The Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency's Fiscal Year 2019-20 budget and the fiscal years 2019-20 and 2020-21 business plan were approved by the Board of Directors on March 18, 2019. The business plan was submitted to the Secretary of the California State Transportation Agency on March 29, 2019, prior to the April 1 deadline. In order to incorporate the federal fiscal year 2019-20 revenue and expense forecast received from Amtrak on April 1, 2019, the California State Transportation Agency has allowed for a revised budget and resubmittal of the business plan by June 30, 2019, for final approval.

Recommendations

- A. Amend the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency's Fiscal Year 2019-20 revenue and expense budget to reflect the revised Amtrak operating revenue and expense forecast and other adjustments.
- B. Amend the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency's business plan for fiscal years 2019-20 and 2020-21 to reflect the revised budget.
- C. Direct staff to submit the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency revised business plan for fiscal years 2019-20 and 2020-21 to the Secretary of the California State Transportation Agency for approval.
- D. Authorize the Managing Director to make amendments to the Master Fund Transfer Agreement annual supplements for fiscal year 2019-20 operating funds, minor capital improvement projects funds, administrative, and marketing funds.
- E. Authorize the Managing Director to approve total advertising expenditures to exceed \$100,000 in Fiscal Year 2018-19 and Fiscal Year 2019-20 each with Facebook and Google for digital ad placements.



BOARD OF DIRECTORS AGENDA

12. Quarterly Marketing Update

Emilia Doerr

Overview

The Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency's fiscal year 2018-19 marketing effort supports key priorities outlined in the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency's Fiscal Years 2018-19 and 2019-20 Business Plan by engaging in marketing strategies and programs designed to help grow awareness, ridership, and revenue on the Pacific Surfliner service. This report provides a summary of marketing activities and performance through April 2019.

Recommendation

Receive and file as an information item.

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:

Monday, July 15, 2019

11:15 a.m. – 12:45 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 March 18, 2019 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 Murray at 11:17 a.m., at the Orange County Transportation Authority (OCTA) Headquarters, Board Room – Conference Room 07, 550 South Main Street, Orange, California.

Chairman Murray 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: Al Murray, Chairman
 Dana Reed, Vice Chairman
 Mary Lou Echternach, Metro
 Jewel Edson, NCTD
 Caylin Frank, SDMTS (teleconference)
 Gregg Hart, SBCAG (teleconference)
 Ellie Haviland, SANDAG (teleconference)
 Bryan MacDonald, VCTC (teleconference)
 Tim Shaw, OCTA
 Fred Strong, SLOCOG
 Michelle Boehm, CHSRA, Ex-Officio
 Kyle Gradinger, Caltrans, Ex-Officio (teleconference)
 Eric Hosey, Amtrak, Ex-Officio

Directors Absent: John Fasana, Metro
 Alan D. Wapner, SCAG, Ex -Officio

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

Pledge of Allegiance

The pledge of allegiance was led by Director Strong.

1. Public Comments

A public comment was heard from:

Janet Rogers (via teleconference from San Diego), Train Coalition (Coalition), Santa Fe Depot, reported that the Coalition is pleased that the study to relocate the Santa Fe Depot layover facility will be underway and that the Coalition will be participating as a stakeholder in the study. Ms. Rogers requested that staff provide the Coalition a copy of the study's scope of work, who in San Diego will oversee the study, and the name of the lead consultant.

Ms. Rogers added that the Coalition feels strongly that a suitable alternative location be found for the Santa Fe Depot layover facility. She stated that the Coalition would like to know how many SC-44 engines are now in service and requested that one of those engines always be used on train number 763 to help alleviate the noise caused by the P-42 engine in the evenings.

Ms. Rogers also stated that the Coalition met with the LOSSAN Agency staff a couple of months ago, and highlighted the proposed suggestions discussed at the meeting.

A public comment was received from Eric Reese by email, and a copy was provided at the dais to the Board of Directors (Board).

Special Calendar

There were no Special Calendar Matters.

Consent Calendar (Items 2 through 6)

Chairman Murray announced, as a correction, that Item 6 on today's agenda is to be listed as a Consent Calendar item.

Jennifer L. Bergener, Managing Director, added that Item 6 on today's agenda is the regular Legislative Update and as there are no specific items of concern, staff proposes to include it in the Consent Calendar.

2. Approval of Minutes

A motion was made by Vice Chairman Reed, seconded by Director Strong, and following a roll call vote, declared passed 10-0, to approve the minutes of the LOSSAN Board of Directors meeting of February 20, 2019.

3. Fiscal Year 2018-19 Second Quarter Budget Status Report

A motion was made by Vice Chairman Reed, seconded by Director Strong, and following a roll call vote, declared passed 10-0, to receive and file as an information item.

4. Amendment to Cooperative Agreement No. L-8-0013 for the Rail 2 Rail Program with the North County Transit District and National Railroad Passenger Corporation

Director Strong pulled this item and noted that Item 5 on today's agenda lists the contract's dollar value; however, Item 4 only shows a \$0.02 increase and it was unclear how many trips that involves and what the total value of the cooperative agreement is expected to be.

Jennifer L. Bergener, Managing Director, responded that she would address both Items 4 and 5 together. Ms. Bergener noted that in previous years, the LOSSAN Agency has struggled moving Rail 2 Rail (R2R) program agreements forward, and this year, verbal consensus was received from both agencies to continue the R2R program.

Ms. Bergener noted that the agreement with North County Transit District (NCTD) for the \$0.02 adjustment is consistent with NCTD's most recently adopted Comprehensive Annual Financial Report, and there is no cap on this agreement as it is based on actual ridership.

Ms. Bergener noted that Metrolink's agreement (Item 5 on the agenda) is capped as Metrolink relies on its member agencies to fund the program at a specific rate.

Director Strong inquired if there is historical data of how many passengers are carried through NCTD's program. Ms. Bergener responded that the data is provided in the quarterly trends report and the next report will be provided at the May 2019 Board meeting.

Director Edson reported that NCTD supports the proposed amendment as the R2R program provides improved passenger service along the LOSSAN corridor and makes rail transit a more viable travel alternative.

4. (Continued)

A motion was made by Vice Chairman Reed, seconded by Director Strong, and following a roll call vote, declared passed 10-0, to authorize the Managing Director to negotiate and execute Amendment No. 1 to Cooperative Agreement No. L-8-0013 between the Los Angeles - San Diego – San Luis Obispo Rail Corridor Agency, the North County Transit District, and the National Railroad Passenger Corporation for an additional term of one year through July 31, 2020, and increase the reimbursement rate to \$4.44 per boarding.

5. Cooperative Agreement for Continuance of the Rail 2 Rail Program with the Southern California Regional Rail Authority and the National Railroad Passenger Corporation

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

- A. Authorize the Managing Director to negotiate and execute Agreement No. L-9-0005 between the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency, Southern California Regional Rail Authority, and National Railroad Passenger Corporation to continue the Rail 2 Rail program for a term of one year through June 30, 2020 for a total contract value of \$2,400,000.
- B. Direct the Managing Director to continue to work with the Southern California Regional Rail Authority and National Railroad Passenger Corporation to pursue a step-up fare program to facilitate cost-sharing of the program with Rail 2 Rail passengers.

6. Legislative Update

A motion was made by Vice Chairman Reed, seconded by Director Strong, and following a roll call vote, declared passed 10-0, to receive and file as an information item.

Regular Calendar

7. **Cooperative Agreement with National Railroad Passenger Corporation for Design Services in Support of the Expansion of the Pacific Surfliner Layover Facility in the City of Goleta**

Jennifer L. Bergener, Managing Director, reported that the National Railroad Passenger Corporation (Amtrak) has exclusive rights to the City of Goleta's layover facility property, which has reached its capacity in terms of evening layover capabilities. Ms. Bergener added that this effort seeks to re-design the facility to allow for two to three trains to layover in the evenings and would facilitate the LOSSAN Agency's service expansion goals.

A discussion ensued regarding:

- This is a very important project, particularly to the City of Goleta and County of Santa Barbara, and staff was thanked for their coordination efforts on this project.
- No issues are anticipated for the May 2019 California Transportation Commission (CTC) meeting regarding the allocation request for Transit and Intercity Rail Capital Program (TIRCP) funds, and these types of requests are a standard process for TIRCP funds.
- The \$383,000 budget for the program is a conservative estimate, which includes the appropriate contingencies, no fees for termination or cancellation as it is an actual-cost reimbursement, and is consistent with the agreement that has been reached with Amtrak.
- The footprint that Amtrak currently has lease rights over is sufficient for the work that is being proposed.
- The City of Goleta and the County of Santa Barbara were successful in securing TIRCP funds for a project to revamp the Goleta Station to draw more riders and offer better transit connections.
- Additional property or an easement may be needed to make the two projects work together, however, staff does not anticipate that there would be any right-of-way costs.
- Staff will provide updates to the Board on the project's related efforts.

A public comment was received from Eric Reese by email, and a copy was provided at the dais to the Board.

7. (Continued)

A motion was made by Director Hart, seconded by Chairman Murray, and following a roll call vote, declared passed 10-0, to authorize the Managing Director to negotiate and execute Agreement No. L-9-0001 between the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency and the National Railroad Passenger Corporation, in the amount of \$383,000, for Design Services for the expansion of the Pacific Surfliner Layover Facility in the City of Goleta.

8. **Approval of the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency Business Plan for Fiscal Years 2019-20 and 2020-21**

Roger M. Lopez, Manager of Planning and Analysis, provided background information on the business plan development efforts as follows:

- On February 20, 2019, the draft business plan was presented to the Board for review and comment.
- The LOSSAN Technical Advisory Committee (TAC) provided additional comments, and the feedback has been incorporated into the business plan resulting in no significant material changes.
- The TAC comments included requests for clarifying language, additional detail on various projects or specific work efforts, as well as requests to update the section on high-speed-rail (HSR).
- Two suggestions from the TAC were not specifically addressed in the business plan:
 - Include five- to ten-year Long-Range Strategic Plan information in the document.
 - Include a more comprehensive listing of the capital needs along the corridor, especially those that were short in funding for implementation.

The TAC suggestions will be addressed in next year's business plan.

- This year, the LOSSAN Agency will engage consultant services to update its Long-Range Strategic Plan.
- The LOSSAN Agency is working on its corridor optimization and included in that effort is a comprehensive corridor-wide capital needs assessment which will be brought forward to the Board at a future date.
- Updated budget assumptions are expected to be ready in June, and staff will return to the Board at that time.

8. (Continued)

A lengthy discussion ensued regarding:

- Actions needed to advance the Coast Daylight project including securing legislative authority to administer the service:
 - The 2019 LOSSAN Legislative Program supports the effort to advance the Coast Daylight project and the LOSSAN Agency would actively support this expansion.
 - The LOSSAN Agency does not currently have someone to carry the bill, and the Coast Rail Coordinating Council is leading that effort.
- Decrease in State operating subsidy between fiscal year (FY) 2015 and FY 2016:
 - The Passenger Rail Investment and Improvement Act 2009 took full effect during that period and the LOSSAN Agency went from an estimated-based contract to an actuals-based contract.
 - Cost savings were realized through that process.
 - The operating subsidy rose in FY 2018-19 due in part to the addition of morning peak-period service into Ventura and Santa Barbara counties.
- On-time performance (OTP) has not reached its goal and the key contributing factors were highlighted.
- Suggestion for future business plans for staff to either provide tracked-changes or a document to help see the changes made.
- Near-term focus of service expansions were highlighted:
 - Additional roundtrips to increase frequency of service between Los Angeles and San Diego.
 - Staff is working with Union Pacific Railroad (UPRR) to extend two more trips north of Los Angeles.
 - Long-term goal is to get to hourly service, between 18 to 20 hours a day.

A public comment was received from Eric Reese by email, and a copy was provided at the dais to the Board.

8. (Continued)

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

- A. Adopt the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency business plan for fiscal years 2019-20 and 2020-21.
- B. Direct staff to submit the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency business plan for fiscal years 2019-20 and 2020-21 to the Secretary of the California State Transportation Agency by April 1, 2019.
- C. Direct staff to return to the Board of Directors in June 2019 with an updated business plan that includes revised budget assumptions consistent with the revenue and expense estimates provided by Amtrak for federal fiscal year 2019-20.

Discussion Items

9. 2019 Board of Directors Initiatives

Chairman Murray provided opening remarks, and Jennifer L. Bergener, Managing Director, reported that the goals/initiatives for the Board's review are reasonably attainable, are consistent with the LOSSAN Agency business plan, and this item will be agendaized for the May 2019 Board meeting.

Ms. Bergener added that through the interagency transfer agreement, the LOSSAN Agency is required to annually submit its accomplishments and report on how the agency is performing, and the initiatives help highlight some of those key efforts.

Director Shaw asked that an initiative be added to continue marketing the LOSSAN Agency's service through promotional ideas such as advertising ads at sports events.

Director Hart echoed Director Shaw's comments that a marketing initiative would be a great addition. Director Hart also thanked Chairman Murray for taking the initiative efforts in multi-steps, as well as thanked staff for tracking the progress deliverables and for providing future updates to the Board.

Director MacDonald stated he concurred with Director Hart's comments and that marketing is extremely important.

After the discussion, no action was taken on this item.

10. Managing Director's Report

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

- Ten Siemens Charger locomotives are utilized on a daily basis to operate Pacific Surfliner service, with 12 of the locomotives currently in Los Angeles. Five of the locomotives are currently out of service due to various reasons, so there is not a Charger locomotive available for every train. There is a commitment from the Amtrak mechanical team and others to try to place the Siemens Charger locomotives on every train possible, and staff will continue to provide updates to the Board.
- The layover facility study efforts in San Luis Obispo and San Diego continue to advance.
- The R2R agreement, approved today, represents a key component of the LOSSAN Agency's interregional connectivity and speaks highly of the expanded and improving partnerships with both Metrolink and NCTD.
- The recently received State Rail Assistance grant award includes a robust station signage effort to be led by the LOSSAN Agency in coordination with the host railroads and station owners.
- The Riverside County Transportation Commission was awarded funding to advance the platform design and construction to serve special Coachella event trains. Staff will meet to discuss plans for implementing the service and advancing the effort.

Chairman Murray inquired about the locomotives striking trees and if there was regularly scheduled maintenance along the corridor for these types of issues.

Ms. Bergener responded that there are differences along the corridor and it depends on who the owner happens to be. She stated that the two recent tree strikes happened on the north end of the corridor which is UPRR-owned and controlled territory. Amtrak and the LOSSAN Agency have discussed routine maintenance with UPRR.

11. Board Members' Report

Director Boehm provided a lengthy update on HSR as follows:

- The core of the HSR program remains the same and is unchanged.
- The HSR project is an 800-mile electric railroad for the State of California and it is fundamental to the shifts that the State would like to make with regards to its reliance on fossil fuels.
- The California HSR Authority (CHSRA) has looked at several locations where it can open initial service.
- The Governor's speech, several weeks ago, was intended to identify an operating segment that is accessible and can be completed to initiate service.
- The CHSRA will continue to finish the environmental clearance for the entire 500-mile Phase 1 system (San Francisco to Anaheim) and ensure to invest the "book-end" funds that have already been appropriated and identified.
- Over the course of the next ten years, everything the CHSRA does will be a direct benefit to LOSSAN corridor and Metrolink service in terms of improving the operations.
- In May 2019, the CHSRA will be releasing a project update report to the Legislature which will provide additional details.

Director Haviland reported that the San Diego Association of Governments and NCTD submitted a federal grant application to fund the fifth phase of the stabilization projects on the Del Mar bluffs and thanked the LOSSAN Agency for the letter of support.

Director Echternach reported that the Metro Board was made aware that Mo Hayes, a resident from Southern California, was nominated by Assemblymember Jim Frazier to become Secretary of Transportation.

Director Echternach provided background information on Ms. Hayes and stated she would be happy to provide additional information to any Board Member on an individual basis.

Director Strong added that in recent conversations with CTC staff, the CTC is very excited by the nomination of Ms. Hayes.

Chairman Murray reported that some of the elected officials in Orange County brought to his attention that there seems to be issues with the homeless along the LOSSAN corridor and, if appropriate, suggested that staff send a letter to the rail partners regarding the issue.



MINUTES

Board of Directors' Meeting

11. (Continued)

Jennifer L. Bergener, Managing Director, stated that the issue is along the UPRR-owned property in Orange County and they have been made them aware. She added that UPRR moved the homeless but, unfortunately, they returned the next day, and staff will continue to work with UPRR.

Director Strong added that Paso Robles had a similar problem with residents crossing the tracks to get to a nearby shopping center. He stated in that instance UPRR installed an 8-foot chain link fence made with a special material that cannot be cut with anything other than a settling torch, and that stopped access to the tracks. Director Strong suggested that staff perhaps negotiate with UPRR on a similar solution.

12. Closed Session

There was no Closed Session scheduled.

13. Adjournment

The meeting of the LOSSAN Agency's Board adjourned at 12:09 p.m. The next regularly scheduled meeting of this Board will be held:

Monday, May 20, 2019

11:15 a.m. – 12:45 p.m.

Orange County Transportation Authority Headquarters

Board Room – Conference Room 07

550 South Main Street

Orange, California

ATTEST:


Al Murray
LOSSAN Chairman

Olga Prado
LOSSAN Clerk of the Board



June 17, 2019

To: Members of the Board of Directors

From: Jennifer L. Bergener, Managing Director 

Subject: Amendment to Conflict of Interest Code and Statement of Economic Interest Designated Positions

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 Interest – Form 700.

Recommendation

Approve amendment to the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Conflict of Interest Code and Statement of Economic Interest designated positions.

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

The Human Resources and Organizational Development Division of the managing agency (Orange County Transportation Authority) and Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency's (Agency) General Counsel reviewed the list of designated positions required to file a Statement of Economic Interest – Form 700. The designated position title of Deputy Managing Director was erroneously deleted with the approval of the Conflict of Interest Code and 2018 Annual Statement of Economics Interest Filing staff report at the November 28, 2018 LOSSAN Agency Board of Directors meeting. LOSSAN Agency staff recommend adding the Deputy Managing Director position back to the list. In addition, the disclosure category for the position of

Accounting Analyst Senior was changed to Category 02 to better align the position's work responsibilities with similar roles at other entities.

An amendment to the LOSSAN Agency's Conflict of Interest Code list of designated positions (Attachment B) is required to reflect the current information. Once approved by the LOSSAN Agency Board of Directors, the Clerk of the Board Department shall forward the amended Conflict of Interest Code and list of designated positions to the California Fair Political Practices Commission (FPPC) to ensure the LOSSAN Agency is in compliance with FPPC regulations.

Summary

Board of Directors approval is requested to amend the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's Conflict of Interest Code and Statement of Economic Interest designated positions.

Attachments

- A. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Conflict of Interest Code (June 17, 2019)
- B. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, List of Designated Positions, Conflict of Interest Code (June 17, 2019)
- C. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, Disclosure Categories (June 17, 2019)

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

(June 17, 2019)

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**

(June 17, 2019)

LOS ANGELES – SAN DIEGO – SAN LUIS OBISPO RAIL CORRIDOR AGENCY**LIST OF DESIGNATED POSITIONS
CONFLICT OF INTEREST CODE**

<u>Designated Positions</u>	<u>Disclosure Category</u>
CLERK OF THE BOARD	01
<u>DEPUTY MANAGING DIRECTOR</u>	<u>01</u>
MANAGING DIRECTOR	01
FINANCE & ADMINISTRATION MANAGER	01
GENERAL COUNSEL/STAFF	01
PLANNING & ANALYSIS MANAGER	01
STRATEGIC PLANNING & CUSTOMER EXPERIENCE MANAGER	01
ACCOUNTING ANALYST SENIOR	01 <u>02</u>
MARKETING & COMMUNICATIONS OFFICER	02
EQUIPMENT MECHANICAL MANAGER	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).

Public Officials Who Manage Public Investments **Disclosure Category**

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

(June 17, 2019)

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.



June 17, 2019

To: Members of the Board of Directors

From: James Donich, General Counsel 

Subject: Annual Performance Evaluation of the Agency's Managing Director, Jennifer Bergener

Overview

Pursuant to the By-Laws of the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, the Executive Committee is tasked with annually evaluating the performance of the Agency's Managing Director. The annual performance evaluation is required to be provided to the Board of Directors and the Managing Agency.

Recommendation

Receive and file as an information item and direct staff to forward the annual performance evaluation to the Chief Operating Office of the Managing Agency.

Discussion

The Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) Executive Committee met in closed session on June 8, 2019 for the purpose of conducting an annual performance evaluation of the LOSSAN Agency's Managing Director, Ms. Jennifer Bergener. After consulting with the LOSSAN Agency's General Counsel and interviewing Ms. Bergener, the Executive Committee unanimously found that over the past year Ms. Bergener has not only met, but has exceeded all required expectations.

Summary

The Executive Committee conducted the required annual performance evaluation of the Managing Director and found that she has met and exceed all required expectations.

Attachment

None.



June 17, 2019

To: Members of the Board of Directors
From: Jennifer L. Bergener, Managing Director
Subject: Legislative Update

Overview

An overview is provided of a bill related to intercity rail feeder bus service, which is being supported consistent with the 2019 Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Legislative Program. Updates are also provided on the appointment of a new California State Transportation Agency Secretary and a bill related to lactation rooms at transit stations

Recommendation

Receive and file as an information item.

Discussion

SB 742 (Allen, D-Santa Monica): Intercity Passenger Rail Services: Motor Carrier Transportation of Passengers

SB 742 would allow the California Department of Transportation (Caltrans) to provide funding to Amtrak, a joint powers authority (JPA), or any public or private transit operator to enter into a contract with intercity Thruway bus service providers. The bill would also enable JPAs responsible for managing and operating intercity rail service to pick up and drop passengers on contracted intercity Thruway bus routes without requiring customers to purchase a train ticket as part of their trip.

California's Amtrak Thruway bus network is one of the largest intercity bus networks in the United States, connecting more than 250 communities throughout California and major cities in Nevada. This network is underutilized because current law restricts the traveling public from using these buses unless they also travel by Amtrak train on a segment of their trip. By eliminating this restriction, the State could provide more cost-effective transportation services to a greater number of people while reducing energy consumption, greenhouse gas emissions, and traffic congestion. SB 742 would improve access to priority,

underserved, and disadvantaged communities across the State and, thus, provide greater intermodal connectivity.

Currently, two of the state-funded intercity passenger rail providers, Capitol Corridor JPA and San Joaquin JPA, are already in support of SB 742. Furthermore, the California Intercity Passenger Rail Leadership Group, which includes the chairs and vice-chairs of the aforementioned JPAs, the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency), and the emerging rail corridors, have signed on to a joint support letter. That letter has been included under Attachment A.

As SB 742 moves forward, the LOSSAN Agency would like to ensure that the bill provides additional clarity with respect to eligible JPAs. Specifically, SB 742 should allow Caltrans to provide funding to only the three JPAs responsible for managing state-funded intercity passenger rail service, including the LOSSAN Agency, San Joaquin JPA, and Capitol Corridor JPA. This will help to advance the State's goal of continuing to provide cost-effective and efficiently administered intercity passenger rail and Thruway bus services. It is worth noting that the author has shared that he is receptive to the proposed amendments. The bill also has received opposition from the California Bus Association and private bus operators, such as Greyhound, citing concerns about unfair competition and the impacts to existing routes. As such, the author has also expressed a willingness to look at other amendments that may help alleviate the concerns of private operators.

Consistent with the principle outlined in the LOSSAN Agency's 2019 Legislative Program to, "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," a SUPPORT position has been taken on SB 742. A copy of SB 742 has also been included under Attachment A.

AB 752 (Gabriel, D-San Fernando Valley): Public Transit: Transit Stations: Lactation Rooms

AB 752 would require a multi-modal transit station, or a transit station that is proposed to serve the California High-Speed Rail system, to include a lactation room if it commences operations or a renovation on or after January 1, 2021. The bill defines a multi-modal transit station to mean a rail station that meets all the following conditions: supports the operation of intercity rail service; serves as a stop or transfer point for a bus, light-rail, or commuter rail service; and has an enclosed waiting room of no less than 4,000 square feet that includes a public restroom. The bill defines a renovation to mean the repurposing of more than 25 percent of the space in the transit station. Additionally, the lactation room

would be required to include a chair and an electrical outlet, as well as be outside of a public restroom.

AB 752, in its current form, could impact several rail stations along the LOSSAN rail corridor. Given the possible impacts, discussions between the author, the appropriate policy committees, and relevant stakeholders have ensued to better define the parameters of the bill. Specifically, there have been efforts to limit the bill to the largest or busiest stations within the State, while future high-speed rail stations would still be subject to the requirement. Other suggestions that have been conferred upon include, but are not limited to, incorporating a requirement for the number of boardings at a station and exempting operational work from the definition of a renovation. These suggestions would potentially help limit the lactation room requirement to the stations that can better ensure successful implementation and ongoing maintenance. Staff will continue to monitor these discussions and provide updates as necessary. The text of AB 752 is included as Attachment B.

California State Transportation Agency Appointment

On April 24, 2019, Governor Gavin Newsom announced the appointment of David S. Kim as Secretary of the California State Transportation Agency. David S. Kim has served as Vice President of Governmental Affairs at the Hyundai Motor Company, Deputy Administrator of the Federal Highway Administration, and Deputy Executive Officer of Federal Advocacy and Governmental Relations for the Los Angeles County Metropolitan Transportation Authority, among other positions. The appointment is currently pending confirmation by the California State Senate. If confirmed, David S. Kim would replace Brian C. Annis, who was appointed as chief financial officer of the California High-Speed Rail Authority.

Summary

An overview of a bill related to Thruway bus service is provided, which is being supported consistent with the 2019 Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Legislative Program. Updates are also provided on the appointment of a new transportation secretary and legislation related to lactation rooms.

Attachments

- A. SB 742 (Allen, D-Santa Monica) Support Letter with Bill Language
- B. AB 752 (Gabriel, D-San Fernando Valley) Bill Language
- C. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Legislative Matrix

Prepared by:



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



Senator Allen
State Capitol, 10th & L Streets, Room 4076
Sacramento CA 95814
Attention: Zak Castillo-Krings

RE: Intercity Passenger Rail Leadership Group Support for Senate Bill 742

Dear Senator Allen:

The California Intercity Passenger Rail Leadership (CIPR) Group, comprised of the chairs and vice-chairs of the three state-supported intercity rail services (San Joaquin, Capitol Corridor, and Pacific Surfliner) and the emerging corridors (Salinas Extension, Coast Route, Coachella Valley), is pleased to offer our strong support of Senate Bill 742, which would amend Section 14035.55 provisions to enable Joint Power Authorities (JPA) responsible for managing and operating intercity rail service to pick up and drop off passengers on Amtrak intercity thruway bus routes without requiring customers to purchase a train ticket.

We appreciate that Senate Bill 742 provisions would:

- Increase state rail revenue at no additional cost
- Provide improved access to priority, underserved, and disadvantaged communities
- Reduce the amount of greenhouse gas emissions and air pollution contaminants by eliminating automobile trips
- Provide better utilization of current infrastructure and reduce congestion on some of the state's most congested freeways

California's Thruway Bus Network is one of the largest bus networks in the country, connecting over 250 communities throughout California and major cities in Nevada. This network is currently significantly underutilized because Section 14035.55 prohibits anyone from using this bus system unless they also travel by train on a segment of their trip. By eliminating this restriction, which particularly affects the emerging corridors, the State can provide transportation options to substantially more people while reducing energy consumption, emissions, and the subsidy required to operate these buses.

The CIPR Group looks forward to working with your office to ensure that the final bill language accurately reflects the applicability of this amendment only to the LOSSAN Agency, San Joaquin JPA, and the Capitol Corridor JPA, which are the three JPAs responsible for managing state-funded intercity passenger rail service in California.

Amending Section 14035.55 would have a very positive effect on California's underserved priority and rural communities by providing convenient and inexpensive alternatives to the rising costs of automobile and airline travel. Connecting these communities to one another and to California's large economic centers would increase safe and affordable transportation options for nearly everyone in the state.

California's intercity passenger rail service and its associated Thruway Bus Network is environmentally friendly, and the state has a continuing interest in providing cost-effective and efficiently administered transportation options for the state's visitors and residents.

We are pleased to our support of Senate Bill 742 to help move California forward.

Sincerely,



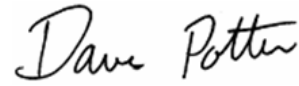
Rebecca Saltzman
Chair
Capitol Corridor JPA



Vito Chiesa
Chair
San Joaquin JPA



Al Murray
Chair
LOSSAN JPA



Dave Potter
Chair
Coast Rail Coordinating
Council

AMENDED IN SENATE MARCH 27, 2019

SENATE BILL

No. 742

Introduced by Senator Allen

February 22, 2019

~~An act to amend Section 1501 of the Health and Safety Code, relating to health and care facilities. An act to amend Section 14035.55 of the Government Code, relating to transportation.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 742, as amended, Allen. ~~Community care facilities. Intercity passenger rail services: motor carrier transportation of passengers.~~

Existing law authorizes the Department of Transportation to contract with Amtrak to provide commuter and intercity rail passenger services. Existing law also authorizes the department to provide funding to Amtrak to contract for rail feeder bus services operated in conjunction with the intercity trains, but subject to the restriction, among others, that the bus services be used only by passengers who are connecting to or from a train, subject to specified exceptions, including exceptions for passengers on certain routes where no private intercity bus company provides scheduled bus services.

This bill would instead authorize the department to provide funding to Amtrak, a joint powers authority, or any other public or private transit operator for the purpose of entering into a contract with a motor carrier of passengers for the intercity transportation of passengers by motor carrier over regular routes. The bill would authorize a state or local government to enter into an agreement with Amtrak to provide for the intercity transportation of passengers by motor carrier over regular routes that are open to all riders, including passengers who are not connecting to a passenger rail service. The bill would also

authorize a public or private transit operator to enter into a ticket-selling agreement with Amtrak, a joint powers authority, or any other public or private transit operator that provides intercity transportation of passengers by motor carrier over regular routes.

~~The California Community Care Facilities Act provides for the licensure and regulation of community care facilities by the State Department of Social Services. The act includes legislative findings and declarations that there is an urgent need to establish a coordinated and comprehensive statewide service of quality community care for the mentally ill, the developmentally and physically disabled, and children and adults who require care or services.~~

~~This bill would make technical, nonsubstantive changes to those legislative findings and declarations.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. The Legislature finds and declares both of the*
2 *following:*

3 *(a) The coordination of public and private intercity*
4 *transportation to and from transit stations and other passenger*
5 *rail services is essential to providing connecting points for*
6 *passenger rail service.*

7 *(b) The availability of intercity bus transportation to all riders*
8 *on regular routes designated for passenger rail service is necessary*
9 *to ensure the optimal use of intercity and commuter rail passenger*
10 *transportation.*

11 *SEC. 2. Section 14035.55 of the Government Code is amended*
12 *to read:*

13 ~~14035.55. (a) The Legislature finds and declares all of the~~
14 ~~following:~~

15 ~~(1) Intercity passenger bus service provided by intercity bus~~
16 ~~companies on a regular-route basis is the only public mass~~
17 ~~transportation service in the state to provide surface transportation~~
18 ~~without public subsidy.~~

19 ~~(2) The long-term maintenance of private sector intercity~~
20 ~~passenger service is of vital importance to the state.~~

1 ~~(3) Intercity bus companies serve many communities throughout~~
2 ~~California, providing a network of connection points without equal~~
3 ~~by any other mode of public or private transportation.~~

4 ~~(b)~~

5 14035.55. (a) To the extent permitted by federal law, the
6 department shall encourage Amtrak and motor carriers of
7 passengers to do both of the following:

8 (1) Combine or package their respective services and facilities
9 to the public as a means of improving *intercity passenger rail*
10 *services to the public.*

11 (2) Coordinate schedules, routes, rates, reservations, and
12 ticketing to provide for enhanced intermodal surface ~~transportation.~~
13 *transportation to and from connecting points of passenger rail*
14 *service.*

15 ~~(e) Except as authorized under subdivisions (e) and (f), the~~

16 (b) ~~The~~ department may provide funding to ~~Amtrak~~ *Amtrak, a*
17 *joint powers authority formed pursuant to Chapter 5 (commencing*
18 *with Section 6500) of Division 7 of Title 1, or any other public or*
19 *private transit operator* for the purpose of entering into a contract
20 with a motor carrier of passengers for the intercity transportation
21 of passengers by motor carrier over regular routes ~~only if all of~~
22 ~~the following conditions are met: routes.~~

23 ~~(1) The motor carrier is not a public recipient of governmental~~
24 ~~assistance, as defined in Section 13902(b)(8)(A) of Title 49 of the~~
25 ~~United States Code, other than a recipient of funds under Section~~
26 ~~5311(f) of that title and code. This paragraph does not apply if a~~
27 ~~local public motor carrier proposes to serve passengers only within~~
28 ~~its service area.~~

29 ~~(2) Service is provided only for passengers on trips where the~~
30 ~~passengers have had prior movement by rail or will have~~
31 ~~subsequent movement by rail, evidenced by a combination rail~~
32 ~~and bus one-way or roundtrip ticket, or service is also provided~~
33 ~~on State Highway Route 50 between the City of Sacramento and~~
34 ~~the City of South Lake Tahoe and intermediate points or on State~~
35 ~~Highway Route 5 between the community of Lebec in Kern County~~
36 ~~and the City of Santa Clarita for passengers solely by bus if no~~
37 ~~other bus service is provided by a private intercity bus company.~~

38 ~~(3) Vehicles of the motor carrier, when used to transport~~
39 ~~passengers pursuant to paragraph (2), are used exclusively for that~~
40 ~~purpose.~~

~~(4) The motor carrier is registered with the United States Department of Transportation (DOT) and operates in compliance with the federal motor carrier safety regulations, and provides service that is accessible to persons with disabilities in compliance with applicable DOT regulations pertaining to Amtrak services, in accordance with the federal Americans with Disabilities Act of 1990 (Public Law 101-336).~~

~~(d) The department shall incorporate the conditions specified in subdivision (c) into state-supported passenger rail feeder bus service agreements between Amtrak and motor carriers of passengers. The bus service agreements shall also provide that a breach of those conditions shall be grounds for termination of the agreements.~~

~~(e) Notwithstanding subdivisions (c) and (d), the department may provide funding to Amtrak for the purpose of entering into a contract with a motor carrier of passengers to transport Amtrak passengers on buses operated on a route, if the buses are operated by the motor carrier as part of a regularly scheduled, daily bus service that has been operating consecutively without an Amtrak contract for 12 months immediately prior to contracting with Amtrak.~~

~~(f) Notwithstanding subdivisions (c) and (d), or any other provision of law, the department may enter into a contract, either directly with a public motor carrier in the County of Monterey, or indirectly with that carrier through a contract with Amtrak, to provide mixed-mode feeder bus service on the San Jose-Gilroy-Monterey route. The contract with a public motor carrier may only be entered into if the department determines that there is no private motor carrier providing scheduled bus service on the San Jose-Gilroy-Monterey route. However, the contract shall be terminated, within 120 days' notice to the public motor carrier, if a private motor carrier again operates a scheduled service on the San Jose-Gilroy-Monterey route.~~

~~(g) Pursuant to paragraph (2) of subdivision (c), the department may amend its contract with Amtrak to add a term to provide bus service to passengers traveling solely by bus on the Sacramento-South Lake Tahoe route and between Lebec and Santa Clarita on the Bakersfield-Santa Clarita route. A contract amendment with Amtrak may only be entered into if the department determines that there is no private motor carrier providing~~

1 scheduled bus service on the route that is the subject of the contract
2 amendment. However, the applicable contract amendment shall
3 be terminated, within 120 days' notice to Amtrak, if a private
4 carrier again operates a scheduled bus service on the
5 Sacramento-South Lake Tahoe route, or within 60 days' notice to
6 Amtrak, if a private carrier again operates a scheduled bus service
7 between Lebec and Santa Clarita on the Bakersfield-Santa Clarita
8 route.

9 (h) The department shall undertake a two-year study of
10 patronage on the bus service operated between the City of
11 Sacramento and the City of South Lake Tahoe and intermediate
12 points pursuant to subdivision (g), identifying the number of
13 passengers who are transferring to an Amtrak rail service and those
14 who are traveling solely on the bus service. The study shall identify
15 the revenue from each category of passengers and include other
16 pertinent ridership information. The report shall be submitted to
17 the transportation policy committees of the Legislature no later
18 than March 1, 2010.

19 (c) A state or local government may enter into an agreement
20 with Amtrak to provide for the intercity transportation of
21 passengers by motor carrier over regular routes that are open to
22 all riders, including passengers who are not connecting to a
23 passenger rail service.

24 (d) A public or private transit operator may enter into a
25 ticket-selling agreement with Amtrak, a joint powers authority
26 formed pursuant to Chapter 5 (commencing with Section 6500) of
27 Division 7 of Title 1, or any other public or private transit operator
28 that provides intercity transportation of passengers by motor
29 carrier over regular routes.

30 (i)

31 (e) For purposes of this section, the following terms have the
32 following meanings:

33 (1) "Amtrak" means the National Railroad Passenger
34 Corporation.

35 (2) "Department" means the Department of Transportation or
36 the department's successor with respect to providing funds to
37 subsidize Amtrak service.

38 (3) "Motor carrier of passengers" means a person or entity
39 providing motor vehicle transportation of passengers for
40 compensation.

1 ~~(4) “Mixed-mode feeder bus service” means bus service carrying~~
2 ~~both passengers connecting to or from a rail service and passengers~~
3 ~~only using the bus service.~~

4 ~~SECTION 1. Section 1501 of the Health and Safety Code is~~
5 ~~amended to read:~~

6 ~~1501. (a) The Legislature finds and declares that there is an~~
7 ~~urgent need to establish a coordinated and comprehensive statewide~~
8 ~~service system of quality community care for mentally ill,~~
9 ~~developmentally and physically disabled, and children and adults~~
10 ~~who require care or services by a facility or organization issued a~~
11 ~~license or special permit pursuant to this chapter.~~

12 ~~(b) Therefore, the Legislature declares it is the intent of the~~
13 ~~state to develop policies and programs designed to: (1) ensure a~~
14 ~~level of care and services in the community that is equal to or better~~
15 ~~than that provided by the state hospitals; (2) ensure that all people~~
16 ~~who require them are provided with the appropriate range of social~~
17 ~~rehabilitative, habilitative and treatment services, including~~
18 ~~residential and nonresidential programs tailored to their needs; (3)~~
19 ~~protect the legal and human rights of a person in or receiving~~
20 ~~services from a community care facility; (4) ensure continuity of~~
21 ~~care between the medical health elements and the supportive~~
22 ~~care-rehabilitation elements of California’s health systems; (5)~~
23 ~~ensure that facilities providing community care are adequate, safe,~~
24 ~~and sanitary; (6) ensure that rehabilitative and treatment services~~
25 ~~are provided at a reasonable cost; (7) ensure that state payments~~
26 ~~for community care services are based on a flexible rate schedule~~
27 ~~varying according to type and cost of care and services provided;~~
28 ~~(8) encourage the utilization of personnel from state hospitals and~~
29 ~~the development of training programs to improve the quality of~~
30 ~~staff in community care facilities; and (9) ensure the quality of~~
31 ~~community care facilities by evaluating the care and services~~
32 ~~provided and furnishing incentives to upgrade their quality.~~

AMENDED IN ASSEMBLY MAY 17, 2019

AMENDED IN ASSEMBLY APRIL 11, 2019

AMENDED IN ASSEMBLY MARCH 21, 2019

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL

No. 752

**Introduced by Assembly Member Members Gabriel and
Boerner Horvath
(Coauthors: Assembly Members Bauer-Kahan, Blanca Rubio, and
Wicks)**

February 19, 2019

An act to add Section 99174 to the Public Utilities Code, relating to public transit.

LEGISLATIVE COUNSEL'S DIGEST

AB 752, as amended, Gabriel. Public transit: transit stations: lactation rooms.

Existing law requires the airport manager of an airport operated by a city, county, city and county, or airport district that conducts commercial operations and that has more than one million enplanements a year, or upon new terminal construction or the replacement, expansion, or renovation of an existing terminal, to provide a room or other location at each airport terminal behind the airport security screening area for members of the public to express breast milk in private.

Existing law imposes various requirements on transit operators and on buildings open to the public.

This bill would require a multimodal transit station that meets certain criteria, including that it has an enclosed waiting room of ~~an unspecified size~~, *no less than 4,000 square feet*, or a transit station that is proposed

to serve California’s high-speed rail system, that commences operations or a renovation on or after January 1, 2021, to include a lactation room. To the extent the bill imposes additional duties on a local agency, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 99174 is added to the Public Utilities
2 Code, to read:
3 99174. (a) For purposes of this section, the following
4 definitions apply:
5 (1) “Lactation room” means a room or other location open to
6 members of the public to express breast milk in private and that
7 meets both of the following conditions:
8 (A) Includes, at a minimum, a chair and an electrical outlet.
9 (B) Is located outside of the confines of a public restroom.
10 (2) “Renovation” means the repurposing of more than 25 percent
11 of the space in the transit station.
12 (3) “Multimodal transit station” means a rail station that meets
13 all of the following criteria:
14 (A) The rail station supports the operation of an intercity rail
15 service established pursuant to Article 5 (commencing with Section
16 14070) of Chapter 1 of Part 5 of Division 3 of Title 2 of the
17 Government Code.
18 (B) The rail station serves as a stop or transfer point for a bus,
19 light rail, or commuter rail service.
20 (C) The rail station has an enclosed waiting room of no less
21 than _____ 4,000 square feet and includes a public restroom.
22 (b) A multimodal transit station, or a transit station that is
23 proposed to serve California’s high-speed rail system pursuant to
24 the Safe, Reliable High-Speed Passenger Train Bond Act for the

1 21st Century (Chapter 20 (commencing with Section 2704) of the
2 Streets and Highways Code), that commences operations or a
3 renovation on or after January 1, 2021, shall include a lactation
4 room.

5 SEC. 2. If the Commission on State Mandates determines that
6 this act contains costs mandated by the state, reimbursement to
7 local agencies and school districts for those costs shall be made
8 pursuant to Part 7 (commencing with Section 17500) of Division
9 4 of Title 2 of the Government Code.

O



Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Legislative Matrix

**2019 State Legislation Session
June 17, 2019**

BILL NO. / AUTHOR	COMMENTARY	STATUS	LOSSAN POSITION / OTHER AGENCY POSITIONS
BILLS WITH POSITIONS			
► SB 742 (Allen -- D) <i>Intercity Passenger Rail Services: Motor Carrier Transportation of Passenger</i>	<i>Authorizes the California Department of Transportation to provide funding to Amtrak, a joint powers authority, or any other public or private transit operator for the purpose of entering into a contract with a motor carrier of passengers for the intercity transportation of passengers by motor carrier over regular routes.</i>	INTRODUCED: 2/22/2019 LAST AMEND: 3/29/2019 LOCATION: ASSEMBLY STATUS: 05/20/2019 <i>In SENATE. Read third time. Passed SENATE. To ASSEMBLY. (37-0)</i>	SUPPORT

BILLS BEING MONITORED

CA AB 145 (Frazier), which pertained to high speed rail authority appointments, failed to meet policy committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.

CA AB 147	<p>AUTHOR: Burke [D] TITLE: Use Taxes: Collection: Marketplace Facilitators INTRODUCED: 12/14/2018 ENACTED: 04/25/2019 LOCATION: Enacted SUMMARY: Specifies that a retailer engaged in business in this state includes any retailer that, in the preceding calendar year or the current calendar year, has a cumulative sales price from the sale of tangible personal property for delivery in this state that exceeds a specified amount. Allows the Department to grant relief to certain retailers engaged in business in this state for specified interest or penalties imposed on use tax liabilities due and payable for specified tax reporting periods. STATUS: 04/25/2019 Signed by the GOVERNOR. CATEGORY: Funding</p>
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► CA AB 185	<p>AUTHOR: Grayson [D] TITLE: Transportation Commission: Transportation Policies INTRODUCED: 01/10/2019 LOCATION: <i>Senate Transportation Committee</i> SUMMARY: Requires the Department of Housing and Community Development to participate in joint meetings held by the Transportation Commission and the State Air Resources Board to coordinate implementation of transportation policies. STATUS: 05/22/2019 <i>To SENATE Committee on TRANSPORTATION.</i> CATEGORY: Miscellaneous</p>
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► CA AB 285	<p>AUTHOR: Friedman [D] TITLE: California Transportation Plan INTRODUCED: 01/28/2019 LAST AMEND: 03/06/2019 LOCATION: <i>SENATE</i> SUMMARY: Requires the Department of Transportation to address in the California Transportation Plan how the state will achieve maximum feasible emissions reductions in order to attain a certain statewide reduction of greenhouse gas emissions below 1990 levels by the end of 2030 and carbon neutrality by 2045. STATUS: 05/22/2019 <i>In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE. (59-18)</i> CATEGORY: Environment</p>
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► CA AB 313	AUTHOR:	Frazier [D]
	TITLE:	Road Maintenance and Rehabilitation Account: Reports
	INTRODUCED:	01/30/2019
	LAST AMEND:	03/05/2019
	LOCATION:	SENATE
	SUMMARY:	Requires the University of California and the California State University, on or before a specified date of each year, to each submit a report to the Transportation Agency and specified legislative committees detailing its expenditures of those moneys for that fiscal year, including, but not limited to, research activities and administration.
	STATUS:	05/22/2019 In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE. (78-0)
	CATEGORY:	Funding

► CA AB 352	AUTHOR:	Garcia E [D]
	TITLE:	Greenhouse Gas Reduction Fund: Investment Plan
	INTRODUCED:	02/04/2019
	LAST AMEND:	05/20/2019
	LOCATION:	Assembly Third Reading File
	SUMMARY:	Requires state agencies administering competitive grant programs that allocate moneys from the Greenhouse Gas Reduction Fund to give specified communities preferential points during grant application scoring for programs intended to improve air quality, to include a specified application timeline.
	STATUS:	05/21/2019 In ASSEMBLY. Read second time. To third reading.
	CATEGORY:	Environment

CA AB 380 (Frazier), which pertained to the creation of a Transportation Inspector General, failed to meet fiscal committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.

► CA AB 422	AUTHOR:	Frazier [D]
	TITLE:	High-Speed Rail: Performance Measurement Dashboards
	INTRODUCED:	02/07/2019
	LOCATION:	Senate Transportation Committee
	SUMMARY:	Requires the High-speed Rail Authority, in consultation with the independent peer review group, to develop and update quarterly a set of summary performance measurement dashboards that show ongoing performance of the project and post on its internet website full sets of the summary performance measurement dashboards.
	STATUS:	05/08/2019 To SENATE Committee on TRANSPORTATION.
	CATEGORY:	High-Speed Rail

CA AB 553 (Melendez) which pertained to high speed rail bonds, failed to meet policy committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.

CA AB 659 (Mullin), which pertained to an emerging technologies grant program, failed to meet fiscal committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.

CA AB 676 (Frazier), which pertained to CTC annual reports, failed to meet fiscal committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.

► CA AB 752	AUTHOR: Gabriel [D] TITLE: Public Transit: Transit Stations: Lactation Rooms INTRODUCED: 02/19/2019 LAST AMEND: 05/16/2019 LOCATION: SENATE SUMMARY: <i>Requires a multimodal transit station that meets certain criteria, including that it has an enclosed waiting room of no less than 4,000 square feet, or a transit station that is proposed to serve California's high-speed rail system that commences operations or a renovation, on or after a specified date, to include a lactation room.</i> STATUS: 05/23/2019 In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE. (73-0) CATEGORY: Miscellaneous
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CA AB 821 (O'Donnell), which pertained to the trade corridor enhancement account, failed to meet policy committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.

CA AB 847 (Grayson), which pertained to transportation related impact fee grants, failed to meet policy committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.

► CA AB 923	AUTHOR: Wicks [D] TITLE: Bay Area Rapid Transit District: Electricity INTRODUCED: 02/20/2019 LOCATION: Senate Energy, Utilities and Communications Committee SUMMARY: Authorizes BART to elect to obtain electricity purchased from an electrical corporation or marketer, as defined, and electricity purchases through a market operated by the Independent System Operator or any other electricity market. STATUS: 05/16/2019 To SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS. CATEGORY: Rail
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► CA AB 931	AUTHOR:	Boerner Horvath [D]
	TITLE:	<i>Local Boards and Commissions</i>
	INTRODUCED:	02/20/2019
	LAST AMEND:	05/17/2019
	LOCATION:	<i>Assembly Third Reading File</i>
	SUMMARY:	Requires the composition of a local board and commission of a city with a population of 50,000 or greater with appointed members to have a specified minimum number of women board members or commissioners based on the total number of board members or commissioners on that board.
	STATUS:	05/24/2019 <i>In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.</i>
	CATEGORY:	Miscellaneous

► CA AB 1017	AUTHOR:	Boerner Horvath [D]
	TITLE:	New or Modified Railroad Crossings: Approval
	INTRODUCED:	02/21/2019
	LAST AMEND:	04/23/2019
	LOCATION:	<i>Senate Energy, Utilities and Communications Committee</i>
	SUMMARY:	Requires the Public Utilities, if a city or county develops and adopts, by resolution upon a majority vote of the city council or the board of supervisors, a plan to improve mobility for multimodal access that calls for new or modified railroad crossings, to make an engineer available from the Rail Crossings and Engineering Branch to assist and advise that city or county on the safety of the planned railroad crossings prior to the filing of an application to the commission.
	STATUS:	05/22/2019 <i>To SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS.</i>
	CATEGORY:	Rail

CA AB 1056 (Garcia E.), which pertained to speed laws for residence districts, failed to meet policy committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.

► CA AB 1142	AUTHOR:	Friedman [D]
	TITLE:	<i>Regional Transportation Plans</i>
	INTRODUCED:	02/21/2019
	LAST AMEND:	04/01/2019
	LOCATION:	<i>Senate Transportation Committee</i>
	SUMMARY:	<i>Authorizes the inclusion of an indicator regarding measures of policies to increase use of existing transit in regional transportation plans.</i>
	STATUS:	05/01/2019 <i>To SENATE Committee on TRANSPORTATION.</i>
	CATEGORY:	Funding

CA AB 1148 (Patterson), which pertained to the high-speed rail peer review group, failed to meet policy committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.

► CA AB 1237	AUTHOR:	Aguar-Curry [D]
	TITLE:	Greenhouse Gas Reduction Fund: Guidelines
	INTRODUCED:	02/21/2019
	LOCATION:	Senate Environmental Quality Committee
	HEARING:	06/05/2019 9:30 am
	SUMMARY:	Requires an agency that receives an appropriation from the Greenhouse Gas Reduction Fund to post on its internet website the agency's guidelines, as specified, for how moneys from the fund are allocated.
	STATUS:	
	05/16/2019	To SENATE Committee on ENVIRONMENTAL QUALITY.
CATEGORY:	Environment	

CA AB 1277 (Oberholte), which pertained to the oversight of transportation projects, failed to meet policy committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.

CA AB 1397 (Burke), which pertained to railroad tax credits, failed to meet policy committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.

CA AB 1411 (Reyes), which pertained to an integrated action plan for sustainable freight, failed to meet policy committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.

► CA AB 1413	AUTHOR:	Gloria [D]
	TITLE:	Transportation: Local Transportation Authorities
	INTRODUCED:	02/22/2019
	LOCATION:	Senate Public Safety Committee
	SUMMARY:	Authorizes a local transportation authority to impose a tax applicable to only a portion of its county if two thirds of the voters voting on the measure within the portion of the county to which the tax would apply vote to approve the tax, as specified, and other requirements are met, including that the revenues derived from the tax be spent within, for the benefit of, the portion of the county to which the tax would apply.
	STATUS:	
	05/22/2019	In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE. (47-26)
	05/22/2019	To SENATE Committee on PUBLIC SAFETY.
CATEGORY:	Funding	

CA AB 1430 (Garcia), which pertained to public investment opportunities, failed to meet fiscal committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.

CA AB 1442 (Rivas), which pertained to the California Transportation Commission, was gut-and-amended to pertain to tax credits. Therefore, the bill has been removed from the matrix

► CA AB 1560 **AUTHOR:** Friedman [D]
 TITLE: California Environmental Quality Act
 INTRODUCED: 02/22/2019
 LAST AMEND: 04/11/2019
 LOCATION: ASSEMBLY
 SUMMARY:
Revises the definition of major transit stop to include a bus rapid transit station with a frequency of service interval of 20 minutes or less during the morning and afternoon peak commute periods. Increases the frequency of service interval to 20 minutes with respect to the intersection of 2 or more major bus routes.
 STATUS:
05/22/2019 *In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE. (77-0)*
 CATEGORY: Transit

CA AB 1785 (Horvath), which pertained to damages in a railroad right-of-way, failed to meet policy committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.

► CA ACA 1 **AUTHOR:** Aguiar-Curry [D]
 TITLE: Local Government Financing: Affordable Housing
 INTRODUCED: 12/03/2018
 LAST AMEND: 03/18/2019
 LOCATION: Assembly Third Reading File
 SUMMARY:
Creates an exception to the 1% limit on the ad valorem property tax rate on real property that would authorize a city or county to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure or affordable housing, if the proposition proposing that tax is approved by 55% of the voters of the city or county.
 STATUS:
05/20/2019 *In ASSEMBLY. Read second time. To third reading.*
 CATEGORY: Funding

► CA SB 1 **AUTHOR:** Atkins [D]
 TITLE: Environmental, Public Health, and Workers Defense Act
 INTRODUCED: 12/03/2018
 LAST AMEND: 05/21/2019
 LOCATION: Senate Third Reading File
 SUMMARY:
Enacts the California Environmental, Public Health, and Workers Defense Act, which prohibits a state or local agency from amending or revising its rules to be less stringent than the federal baseline standards pertaining to environmental protection.
 STATUS:
05/21/2019 *In SENATE. Read second time and amended. To third reading.*
 CATEGORY: Environment

► CA SB 5	<p>AUTHOR: Beall [D] TITLE: <i>Affordable Housing and Community Development Investment</i> INTRODUCED: 12/03/2018 LAST AMEND: 05/21/2019 LOCATION: <i>Senate Third Reading File</i> SUMMARY: Establishes the Affordable Housing and Community Development Investment Program. Authorizes various agencies and special districts to apply for participation in the program. Provides that eligible projects shall include the predevelopment, development, acquisition, rehabilitation, and preservation of workforce and affordable housing, certain transit-oriented development, and projects promoting strong neighborhoods. Provides for property tax revenue. STATUS: 05/21/2019 <i>In SENATE. Read second time and amended. To third reading.</i> CATEGORY: Funding</p>
► CA SB 25	<p>AUTHOR: Caballero [D] TITLE: <i>CEQA: Projects Funded by Qualified Opportunity Zones</i> INTRODUCED: 12/03/2018 LAST AMEND: 04/30/2019 LOCATION: ASSEMBLY SUMMARY: <i>Requires the Judicial Council to adopt rules of court applicable to an action or proceeding brought to attack, review, set aside, void, or annul the certification or adoption of an environmental review document.</i> STATUS: 05/23/2019 <i>In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY. (28-6)</i> CATEGORY: Environment</p>
► CA SB 43	<p>AUTHOR: Allen [D] TITLE: Carbon Taxes INTRODUCED: 12/03/2018 LAST AMEND: 05/21/2019 LOCATION: <i>Senate Second Reading File</i> SUMMARY: Requires the State Air Resources Board, <i>no later than January 1, 2022</i>, to submit a report to the Legislature on <i>the findings from a study, as specified, to determine the feasibility and practicality of assessing the carbon intensity of all retail products subject to the tax imposed pursuant to the Sales and Use Tax Law.</i> STATUS: 05/21/2019 <i>In SENATE. Read second time and amended. To third reading.</i> CATEGORY: Environment</p>
<p>CA SB 50 (Wiener), which pertained to housing in transit-rich and job-rich areas, failed to meet fiscal committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.</p>	

► CA SB 127	<p>AUTHOR: Wiener [D] TITLE: Transportation Funding: Active Transportation: Streets INTRODUCED: 01/10/2019 LAST AMEND: 05/17/2019 LOCATION: ASSEMBLY SUMMARY: Establishes an Active Transportation Asset Branch within the Transportation Asset Management Office of the Department of Transportation. Requires asset management plans to prescribe processes for community input and adopt performance measures to prioritize safety and accessibility for pedestrians, bicyclists, and transit users in certain projects. STATUS: 05/23/2019 In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY. (29-9) CATEGORY: Active Transportation</p>
► CA SB 128	<p>AUTHOR: Beall [D] TITLE: Enhanced Infrastructure Financing Districts: Bonds INTRODUCED: 01/10/2019 LAST AMEND: 03/21/2019 LOCATION: Assembly Local Government Committee SUMMARY: Authorizes the public financing authority to issue bonds for purposes of enhanced infrastructure financing districts without submitting a proposal to the voters. Requires specified information related to the issuance of the bonds to be contained in the resolution. Requires the Authority to hold three public hearings on an enhanced infrastructure financing plan. STATUS: 05/02/2019 To ASSEMBLY Committee on LOCAL GOVERNMENT. CATEGORY: Funding</p>
► CA SB 137	<p>AUTHOR: Dodd [D] TITLE: Federal Transportation Funds: State Exchange Programs INTRODUCED: 01/15/2019 LOCATION: ASSEMBLY SUMMARY: Authorizes the Department of Transportation to allow federal transportation funds that are allocated as local assistance to be exchanged for Road Maintenance and Rehabilitation Program funds appropriated by the department. STATUS: 05/23/2019 In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY. (38-0) CATEGORY: Funding</p>
► CA SB 146	<p>AUTHOR: Beall [D] TITLE: Peninsula Rail Transit District INTRODUCED: 01/18/2019 LOCATION: Assembly Transportation Committee SUMMARY: Repeals provisions relating to the Peninsula Rail Transit District. STATUS: 05/02/2019 To ASSEMBLY Committee on TRANSPORTATION. CATEGORY: Rail</p>

► CA SB 147	AUTHOR:	Beall [D]
	TITLE:	High-Speed Rail Authority
	INTRODUCED:	01/18/2019
	LOCATION:	Assembly Transportation Committee
	SUMMARY:	
		Authorizes the High-Speed Rail Authority to keep the public informed through activities, including, but not limited to, community outreach events, public information workshops, and newsletters posted on the authority's internet website.
	STATUS:	
	05/02/2019	To ASSEMBLY Committee on TRANSPORTATION.
	CATEGORY:	High-Speed Rail

CA SB 279 (Galgiani), which pertained to a supplemental business plan for the California High-Speed Rail Authority, failed to meet policy committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.

CA SB 340 (Stone), which pertained to high-speed rail bonds, failed to meet policy committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.

► CA SB 355	AUTHOR:	Portantino [D]
	TITLE:	Joint Powers Agencies: Meetings
	INTRODUCED:	02/19/2019
	LAST AMEND:	05/02/2019
	LOCATION:	Assembly Local Government Committee
	SUMMARY:	
		Relates to The Joint Exercise of Powers Act. Relates to The Ralph M. Brown Act. Authorizes any joint powers authority that is entirely within either the County of Los Angeles or the County of Ventura to designate alternate members of the legislative body of a joint powers agency who are not also members of the legislative body of a local agency member to attend closed sessions of the joint powers agency.
	STATUS:	
	05/24/2019	To ASSEMBLY Committee on LOCAL GOVERNMENT.
	CATEGORY:	Miscellaneous

► CA SB 356	AUTHOR:	McGuire [D]
	TITLE:	North Coast Railroad Authority: Rail Right-Of-Way
	INTRODUCED:	02/19/2019
	LAST AMEND:	05/17/2019
	LOCATION:	ASSEMBLY
	SUMMARY:	
		Requires the North Coast Railroad Authority, within 90 days of removing all of its debts, liabilities, and contractual obligations, to convey and transfer its rights, interests, privileges, and title, lien free, relating to a specified rail right-of-way, its licenses and certificates of public convenience and necessity, any common carrier obligations held by the authority or an associated freight operator, and the railroad assets the authority owns to the district.
	STATUS:	
	05/23/2019	In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY. (38-0)
	CATEGORY:	Rail

CA SB 526 (Allen), which pertained to regional transportation plans, failed to meet fiscal committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.

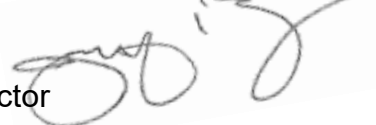
CA SB 732 (Allen), which pertained to a transactions and use tax within the South Coast Air Quality Management District, failed to meet fiscal committee deadlines and is now dead. Therefore, the bill has been removed from the matrix.

► CA SJR 5	AUTHOR:	<i>Beall [D]</i>
	TITLE:	California Transportation Infrastructure
	INTRODUCED:	03/07/2019
	LAST AMEND:	03/13/2019
	LOCATION:	<i>Assembly Transportation Committee</i>
	SUMMARY:	Urges the Congress and the President of the United States to provide all federal resources promised to California and other states expeditiously and without delay, and work together to enact the robust bipartisan federal infrastructure legislation necessary to restore California's and other states' crumbling road and freight infrastructure, respond to growing traffic congestion, and increase investment in public transportation.
	STATUS:	
	<i>05/16/2019</i>	<i>To ASSEMBLY Committee on TRANSPORTATION.</i>
	CATEGORY:	Miscellaneous



June 17, 2019

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 Fourth 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 fourth 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 fourth quarter of federal fiscal year (FFY) 2017-18, covering the months

of July, August, and September 2018. This report has been delayed due to extensive delays in the Amtrak reporting process.

Usage

For the fourth quarter of FFY 2017-18, total LOSSAN rail corridor ridership on the three services was 2,219,948, a 0.1 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.

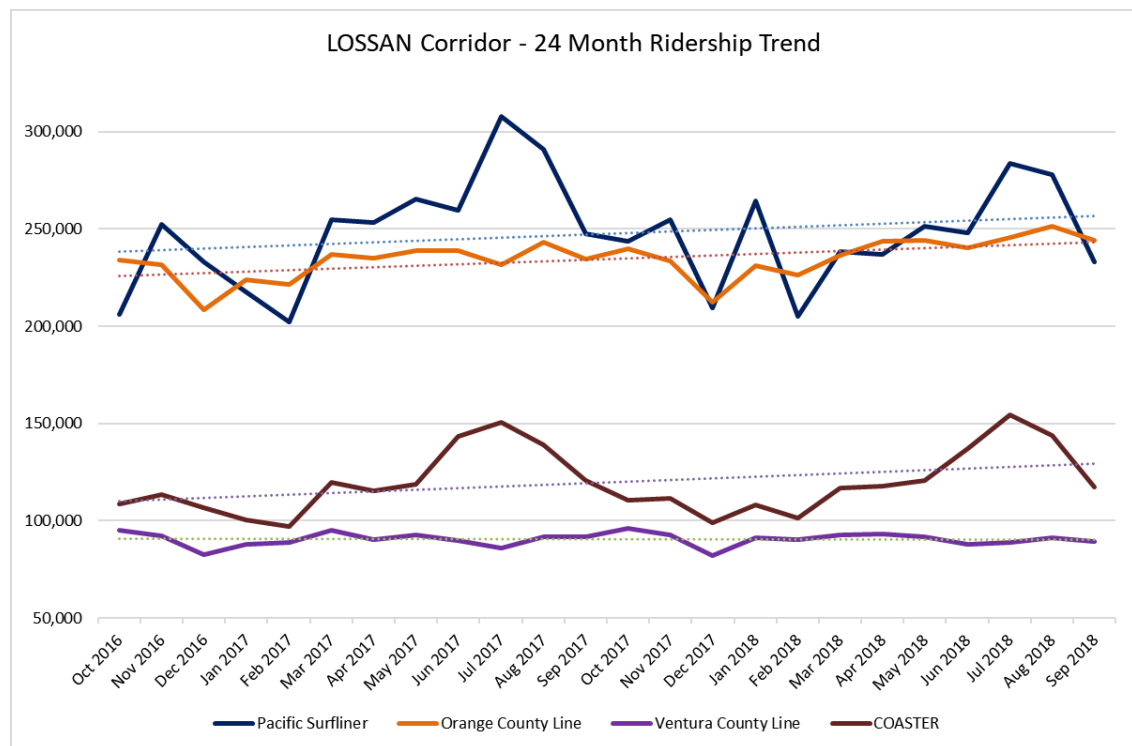


Figure 1.1

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 fourth quarter of FFY 2017-18 by 6.2 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. As prior analysis has demonstrated, the impact of lower R2R ridership as well as the ridership decreases associated with the peak-period service have continued through this period. In FFY 2017-18, total ridership on the Pacific Surfliner decreased by 1.5 percent.

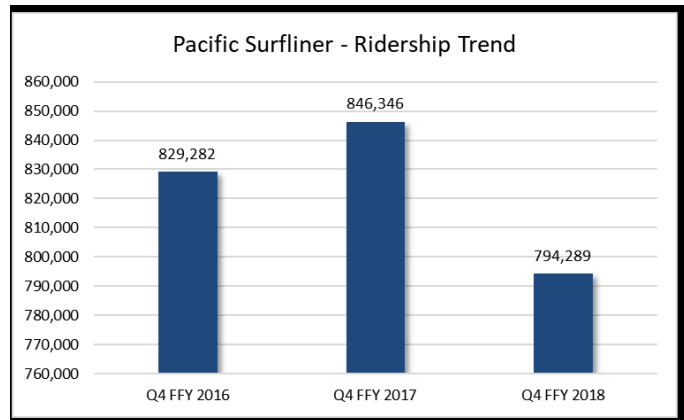


Figure 1.2

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. On the VCL, which serves East Ventura to Los Angeles, ridership remained static when compared to the fourth quarter of last year. The OCL, which serves Los Angeles to Oceanside, saw a 4.4 percent increase in ridership over the same report period in the prior year.

Metrolink system ridership increased by 4.2 percent in the fourth quarter of FFY 2017-18 when compared to the same period in FFY 2016-17.

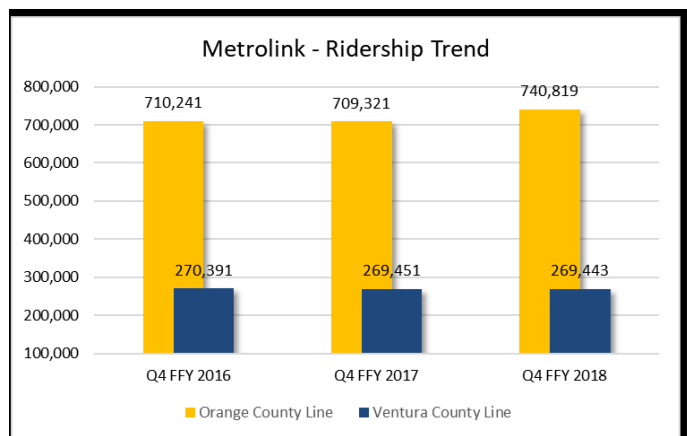


Figure 1.3

As noted previously, Metrolink's official ridership has historically 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 1,063 per weekday for the fourth quarter of FFY 2017-18, which is a decrease of 4.6 percent compared to the same period last year.

COASTER

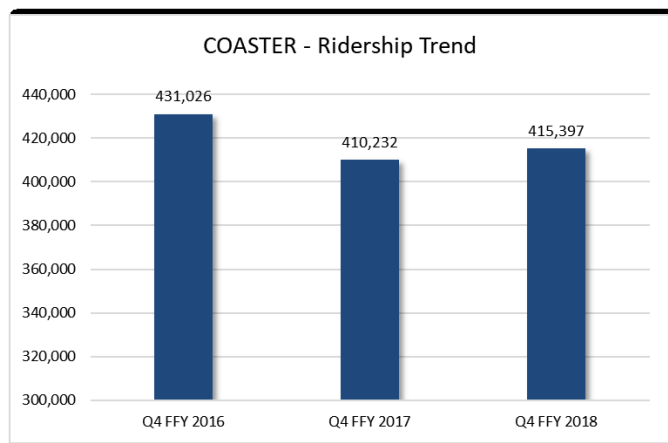


Figure 1.4

COASTER (serving Oceanside to San Diego) ridership saw an increase of 1.3 percent during the fourth quarter of FFY 2017-18, when compared to the same period the prior year as shown in Figure 1.4.

The fourth quarter of FFY 2017-18, saw an average of 141 total COASTER pass holders per day on Pacific Surfliner trains, utilizing the R2R program. This was a

decrease of 59.8 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

Amtrak service nationwide had a cumulative ridership increase of 0.7 percent for the fourth 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) saw ridership decrease by 8.5 percent in the fourth 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 8 percent

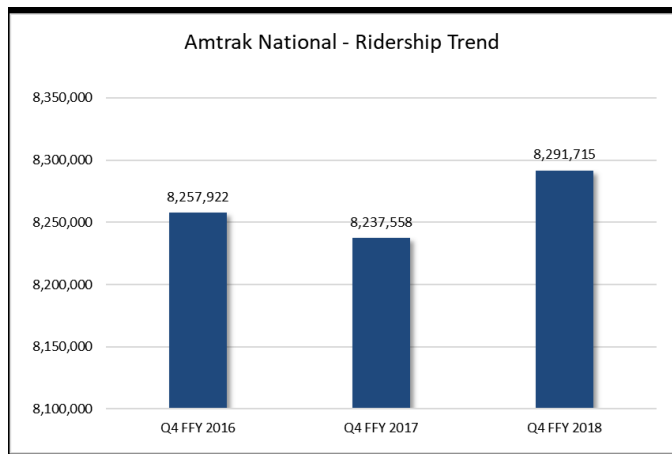


Figure 1.5

and San Joaquins ridership decreased by 4.1 percent in the fourth 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 70.9 million passenger miles during the fourth quarter of FFY 2017-18, which is a 5.8 percent decrease compared to the same period in the prior year. Total passenger miles for FFY 2017-18 on the Pacific Surfliner were 253.5 million, a 2.2 percent decrease from the prior year. The decrease in passenger miles is on par with what was experienced in overall ridership. Factoring in the average pounds of carbon dioxide emissions per passenger mile in a private automobile versus riding on passenger rail, those 253.5 million passenger miles resulted in a reduction of over 91,200 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 211,000 barrels of oil.

Efficiency

Revenue

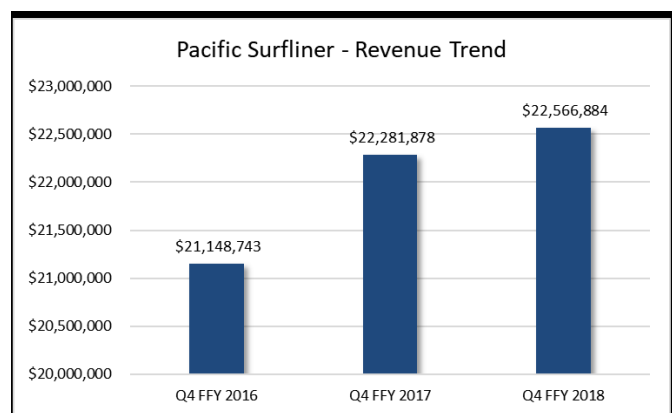


Figure 1.6

Despite the overall loss in ridership, the Pacific Surfliner's ticket revenue growth trend continued with a modest increase of 1.3 percent for the fourth 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 9.5 percent for the fourth quarter, whereas the San Joaquin corridor saw a decrease of 11.3 percent, and the Coast Starlight decreased by 4.6 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*. This report has been revised to now focus on a rolling 12-month report period. On January 30, 2019, Caltrans DRMT reported to the CTC on the 12 months ending September 2018 and indicated that for FFY 2017-18, the Pacific Surfliner realized a 77.1 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 fourth quarter of FFY 2017-18, average endpoint Pacific Surfliner OTP was 73.8 percent, which was a 15.1 percent increase over the prior year. All-station OTP, which is calculated by combining and averaging OTP at each station, averaged 76.5 percent. By comparison, the endpoint OTP on the Capitol Corridor averaged 93.6 percent, and the San Joaquins averaged 66.2 percent during the report period. Amtrak system wide endpoint OTP averaged 71.2 percent for the fourth quarter.

A monthly OTP trend for the Pacific Surfliner can be seen in Figure 1.7. The LOSSAN Rail Corridor Agency (Agency) continues to work collaboratively with the host railroads to identify operational improvements that can favorably impact OTP, and some favorable results are being seen from these efforts.

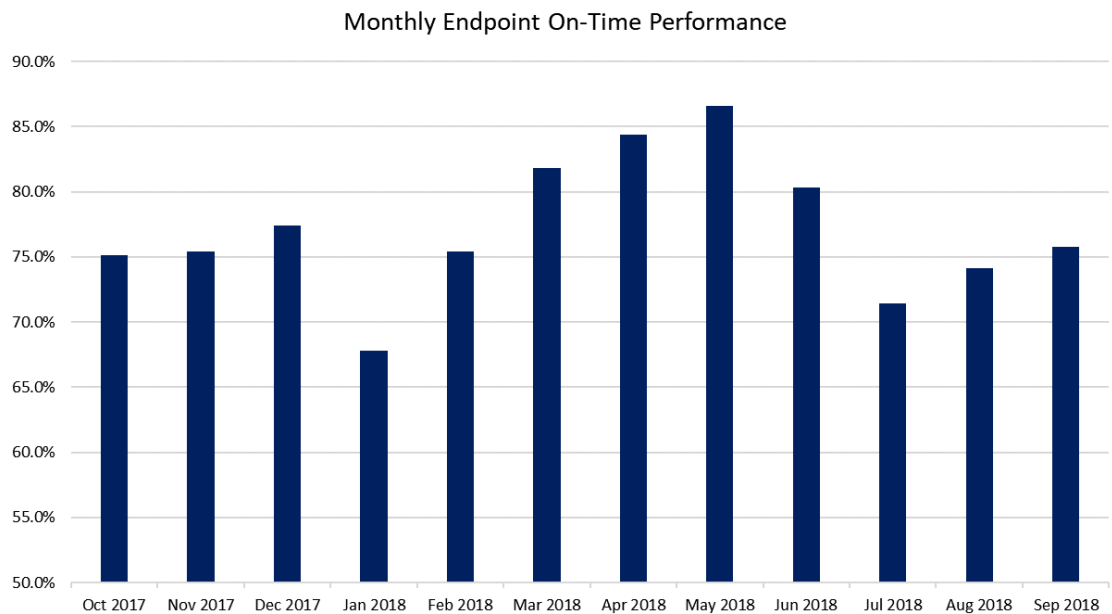


Figure 1.7

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 fourth quarter of FFY 2017-18, the Pacific Surfliner scored an average eCSI of 82 percent, with the FFY 2017-18 average being 83.9 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

<i>Sales Category</i>	<i>Quarter 4 FFY 2016-17</i>	<i>Quarter 4 FFY 2017-18</i>	<i>Increase</i>
Baked Goods	\$131,215	\$135,325	3.1%
Beer	\$383,807	\$360,127	-6.2%
Beverages	\$368,055	\$424,716	15.4%
Dairy Products	\$4,578	\$9,304	103.2%
Packaged Snack Foods	\$956,145	\$1,115,306	16.6%
Fresh Prepared Foods	\$254,556	\$199,908	-21.5%
Liquor	\$174,601	\$191,259	9.5%
Miscellaneous Merchandise	\$6,780	\$6,665	-1.7%
Salads	\$2,380	\$20,845	775.8%
Wine	\$475,402	\$548,400	15.4%
	\$2,757,518	\$3,011,854	9.2%

Figure 1.8

passengers. As part of that effort, LOSSAN Agency staff closely monitors food 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 fourth quarter of FFY 2017-18, food and beverage sales increased by 9.2 percent over the same quarter in the prior year. The significant variations in the sale of salads is due to ongoing changes in the way that Amtrak categorizes some food items. For FFY 2017-18, food and beverage sales totaled \$9.5 million, which was an 11 percent increase over the prior year's total. 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 fourth quarter of FFY 2017-18, ridership on these three routes totaled just over 25,900 riders, which was a decrease of 16 percent when compared to the same period in the prior year. Total ridership for FFY 2017-18 on these three routes totaled 105,241, which was a 13.8 percent decrease over FFY 2016-17.

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 significant delays and inconsistencies 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 fourth quarter of federal fiscal year 2017-18. During the fourth quarter, total Los Angeles – San Diego – San Luis Obispo rail corridor ridership decreased

by 0.1 percent compared to the same period last year. Ridership on the Pacific Surfliner decreased by 6.2 percent, while revenue growth continued, with a 1.3 percent increase when compared to the same period last year.

Attachment

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

Prepared by:

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

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

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


<u>Service</u>	<u>Ridership (total)</u>	<u>Ridership - Growth Over Same Quarter Previous Year</u>	<u>Revenue (total)</u>	<u>Revenue - Growth Over Same Quarter Previous Year</u>	<u>Endpoint OTP (3 mo. avg)</u>
Pacific Surfliner	794,289	-6.2%	\$ 22,566,884	1.3%	73.8%
Metrolink Ventura County Line	269,443	0.0%	---	---	94.9%
Metrolink Orange County Line	740,819	4.4%	---	---	89.8%
COASTER	415,397	1.3%	---	---	90.2%
LOSSAN Total/Average	2,219,948	-0.1%			87.2%

Amtrak Nationwide	8,291,715	0.7%	\$ 579,272,793	1.2%	71.2%
Capitol Corridor	438,468	8.0%	\$ 8,708,342	9.5%	93.6%
San Joaquin	273,754	-4.1%	\$ 8,070,520	-11.3%	66.2%
Coast Starlight	121,147	-8.5%	\$ 12,652,288	-4.6%	53.3%



June 17, 2019

To: Members of the Board of Directors

From: Jennifer L. Bergener, Managing Director 

Subject: Fiscal Year 2018-19 Third Quarter Budget Status Report

Overview

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's Fiscal Year 2018-19 budget was approved by the Board of Directors on March 29, 2018 and amended on June 18, 2018, in conjunction with the approval of the annual business plan for Fiscal Years 2018-19 and 2019-20. This report provides a summary of financial activities and performance through the third quarter of Fiscal Year 2018-19.

Recommendation

Receive and file as an information item.

Background

On March 29, 2018, 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) 2018-19 and FY 2019-20 (Business Plan), as well as the FY 2018-19 budget. Included in both the adopted budget and the Business Plan is funding for FY 2018-19 administrative and marketing services in the amount of \$6,174,329, as well as \$36,493,957 for net train operations (including \$500,000 for minor projects and \$1,177,275 for reimbursement from other agencies), and \$8,900,000 for grant programs, bringing the total adopted budget to \$51,568,286. 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) 2018-19 operating revenue and expense forecast on March 30, 2018. The California State Transportation Agency (CalSTA) allowed for the LOSSAN Agency to submit a revised budget and resubmittal of the Business Plan by June 30, 2018, in order to incorporate Amtrak's FFY 2018-19 forecast. A budget amendment was

approved by the Board on June 18, 2018, which adjusted the net train operations budget to \$44,489,186 (including \$500,000 for minor capital projects), to align the budget with the Amtrak forecast. The budget includes estimates to implement an additional round trip, one-time positive train control host railroad costs, emergency bus bridge services, design for Coachella special train service, minor capital projects, and a reimbursement from other agencies of \$1,177,275. The gross train operations budget including minor capital is \$45,666,461. The budget amendment also increased grant revenues and expenses by \$1,500,000 and increased administration revenues and expenses by \$258,775, bringing the total budget to \$62,499,565.

Amtrak operates on a FFY of October 1 – September 30; 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 third quarter (January 1, 2019 through March 31, 2019) of FY 2018-19. A summary of these activities is provided below.

Budgeted revenues through the third quarter of FY 2018-19 totaled \$45,188,719, which is comprised of \$33,056,665 in state advance operating funds, \$5,450,000 in grant funds (other state funding), \$4,428,904 in State Administrative Funding, \$2,000,000 in State Marketing Funding, \$250,000 in State Capital Funding, and \$3,150 for interest revenue.

Actual revenues through the third quarter totaled \$36,968,902, versus a budgeted amount of \$45,188,719. The actuals are comprised of operating funds from the state of \$31,939,081, grant funds of \$697,863, administrative funds of \$2,214,452, marketing funds of \$2,000,000, interest revenue of \$116,790 and other revenue of \$715. The majority of the variance is due to lower than anticipated revenues recognized for grant funded projects due to lower than anticipated project expenses. The budget versus actual variances are further detailed in Attachment A.

Budgeted expenses through the third quarter of FY 2018-19 total \$43,617,124, which is comprised of \$33,202,284 for Amtrak operations, \$5,450,000 for grant programs, \$4,714,839 for administrative and marketing services, and \$250,000 for minor capital projects. Actual expenses through the third quarter totaled \$27,457,301, versus a budgeted amount of \$43,617,124. The major areas

experiencing budget variances are within net train operating expenses, grant programs, administrative staffing, minor capital projects, and marketing services. 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 third quarter of Fiscal Year 2018-19, the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's actual revenues and expenses are below budget. The majority of the revenue variance is due to lower than anticipated revenues recognized for grant-funded projects due to lower than anticipated project expenses. The expense variances are due to the net train operating budget including estimates for an additional round trip and services that haven't incurred expenses, as well as the net Amtrak train expenses coming in higher than forecast. Additional expense variances are due to vacant administrative positions, and lower than expected activity within grant programs and marketing.

Attachments

- A. Quarterly Budget Status Report, Third Quarter of Fiscal Year 2018-19
- B. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, Third Quarter Financial Activity Report, Fiscal Year 2018-19
- C. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency, Open Agreements Listing as of March 31, 2019

Prepared by:



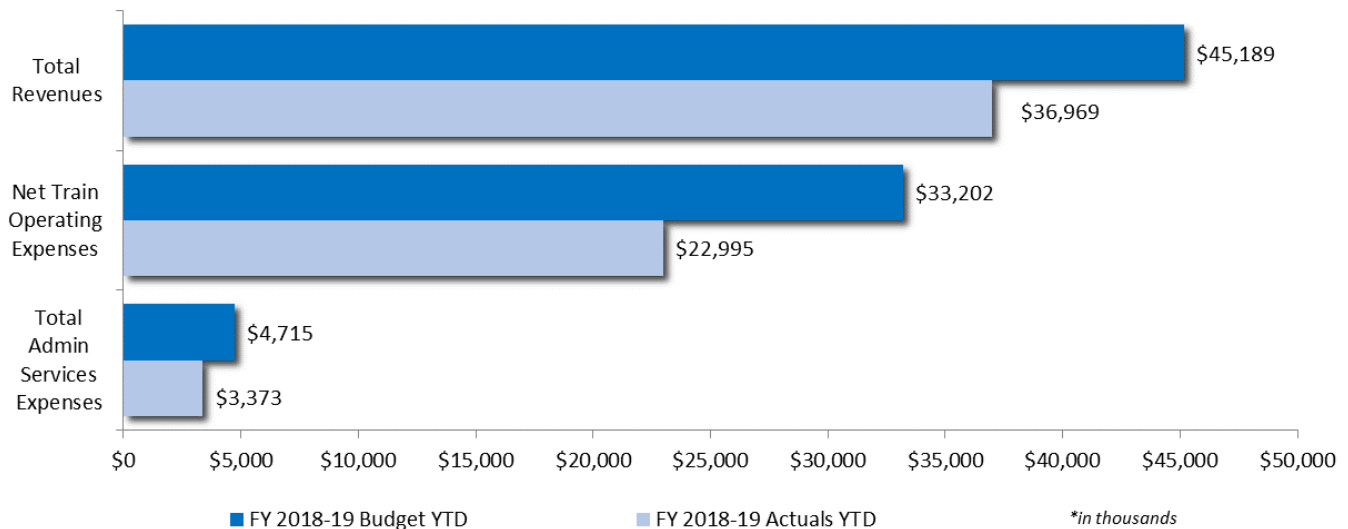
Jason Jewell
Finance and Administration Manager
(714) 560-5086



Quarterly Budget Status Report

Third Quarter of Fiscal Year 2018-19

FY 2018-19 Budget to Actuals Year-To-Date



OVERVIEW

On March 29, 2018, 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) 2018-19 and FY 2019-20 (Business Plan) as well as the FY 2018-19 budget. Included in the Business Plan and budget is funding for FY 2018-19 administrative and marketing services in the amount of \$6,174,329, as well as \$36,493,957 for net train operations (including \$500,000 for minor capital projects and \$1,177,275 reimbursement from other agencies), and \$8,900,000 for grant programs, bringing the total adopted budget to \$51,568,286. The adopted budget for operations was based on preliminary cost estimates available at the time of adoption.

The LOSSAN Agency received Amtrak's federal fiscal year (FFY) 2018-19 operating revenue and expense forecast on March 30, 2018. The California State Transportation Agency (CalSTA) allowed for a revised budget and resubmittal of the business plan by June 30, 2018, in order to incorporate Amtrak's FFY 2018-19 forecast. A budget amendment was approved by the Board on June 18, 2018, which adjusted the net train operations budget to \$44,489,186 (including \$500,000 for minor capital projects) to align the budget with the Amtrak forecast. The budget includes estimates to

implement an additional round trip, one-time positive train control host railroad costs, emergency bus bridge services, design for Coachella special train service, minor capital projects, and a reimbursement from other agencies of \$1,177,275. The gross train operations budget including minor capital is \$45,666,461. The budget amendment also increased grant revenues and expenses by \$1,500,000, and increased administration revenues and expenses by \$258,775, bringing the total budget to \$62,499,565.

The LOSSAN Agency submitted a revised FY 2018-19 and FY 2019-20 Business Plan to CalSTA on June 18, 2018 for approval, which was subsequently approved by CalSTA on September 11, 2018. The net train operating funding level approved by CalSTA includes the FFY 2018-19 Amtrak forecast amount for train operations at \$26,442,664, less \$1,177,275 revenue cost share for re-timed trains from the Santa Barbara County Association of Governments. The approved funding also includes \$8,065,754 to implement additional round trips from San Diego to San Luis Obispo, as well as funding for emergency bus bridge services (\$120,000) and design for Coachella special train service (\$300,768). The FFY 2018-19 Amtrak forecast amount for train operations of \$26,442,664, was based on the current service levels at the time of execution, and does not include additional round trips,

bus bridge service or Coachella special train service. As these services are implemented, amendments will be brought to the Board to amend the Amtrak agreement and adjust the state funding supplements as necessary. Included in the FY 2018-19 LOSSAN Agency working budget is \$9,000,000 for one-time positive train control host railroad costs. The state has funded this from FY 2017-18 funds.

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

The FY 2018-19 adopted budget assumes the California Department of Transportation Division of Rail and Mass Transportation 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 third quarter of FY 2018-19.

REVENUES

Budgeted revenues through the third quarter of FY 2018-19 are \$45,188,719 which is comprised of \$33,056,665 in state advance operating funds, \$5,450,000 in other state funding, \$4,428,904 in state administrative funding, \$2,000,000 in state marketing funding, \$250,000 in state capital funding, and \$3,150 for interest revenue. Actual revenues through the third quarter totaled \$36,968,902 versus the budgeted amount of \$45,188,719. The actuals are comprised of state operating

funds of \$31,939,081, state administrative funding of \$2,214,452, state marketing funding of \$2,000,000, other state funding of \$697,863, interest revenue of \$116,790 and other revenue of \$715.

The majority of the variance in revenues through the third quarter is in other state funding. This variance includes lower than anticipated revenues recognized for both State Rail Assistance (SRA) funds (of approximately \$1.8 million) and for California Office of Emergency Services (CalOES) funds (of approximately \$1.1 million) for various corridor wide projects, due to lower than anticipated project expenses. Revenues will be recognized to offset expenses as more project expenses are anticipated during the fourth quarter and into FY 2019-20. The variance also includes approximately \$1.8 million in lower than expected reimbursements in Transit and Intercity Rail Capital Program (TIRCP) grant funds (for the transit transfer program and corridor optimization study) due to lower than anticipated expenses.

State administrative funding is underrunning the budget by \$2,214,452 due to timing. The second half of administrative funds was budgeted to be received in the third quarter. However due to updates to the FY18 close out reports and coordination with Caltrans on the balance of funds due to the LOSSAN Agency, the second half of administrative funds are anticipated to be received in the fourth quarter.

The variance in revenues for state capital funding is due to no minor capital project expenses through third quarter. Expenses for minor capital projects are anticipated in the fourth quarter.

Interest revenue is also tracking higher than budgeted. The LOSSAN Agency executed a new banking agreement in

REVENUES							
	FY 2018-19 Adopted Budget	FY 2018-19 Working Budget	FY 2018-19 Working Budget Year To Date	FY 2018-19 Actual Year To Date	\$ Variance Year To Date	% Variance Year To Date	Percent of Budget Used to Date
State Administrative Funding	\$ 4,170,129	\$ 4,428,904	\$ 4,428,904	\$ 2,214,452	\$ (2,214,452)	N/A	50.0%
State Marketing Funding	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	N/A	100.0%
State Operating Funding	\$ 34,816,682	\$ 43,989,186	\$ 33,056,665	\$ 31,939,081	\$ (1,117,584)	-3%	72.6%
Other State Funding ¹	\$ 8,900,000	\$ 10,400,000	\$ 5,450,000	\$ 697,863	\$ (4,752,137)	-87%	6.7%
Reimbursements from other Agencies	\$ 1,177,275	\$ 1,177,275	\$ -	\$ -	\$ -	N/A	0.0%
State Capital Funding ²	\$ 500,000	\$ 500,000	\$ 250,000	\$ -	\$ (250,000)	N/A	0.0%
Net State/Other Agency Funded	\$ 51,564,086	\$ 62,495,365	\$ 45,185,569	\$ 36,851,397	\$ (8,334,173)	-18%	59.0%
Interest Revenue	\$ 4,200	\$ 4,200	\$ 3,150	\$ 116,790	\$ 113,640	3608%	2780.7%
Other Revenue	\$ -	\$ -	\$ -	\$ 715	\$ 715	N/A	
Total Revenues	\$ 51,568,286	\$ 62,499,565	\$ 45,188,719	\$ 36,968,902	\$ (8,219,817)	-18%	59.2%

¹ Includes Transit & Intercity Rail Capital Program, California Transit Security Grant Program, State Rail Assistance and State Transportation Improvement Program Funds

² Includes State Minor projects funding

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

November 2018, in which a higher interest rate on a repurchase agreement was negotiated. The LOSSAN Agency intends to use these funds next FY for administrative and support functions.

OPERATING EXPENSES

Budgeted expenses through the third quarter of FY 2018-19 total \$43,617,124, which is comprised of \$33,202,284 for net Amtrak operations, \$4,714,839 for administrative and marketing services, \$5,450,000 for grant programs and \$250,000 for minor capital projects. Actual expenses through the third quarter totaled \$27,457,301 versus a budgeted amount of \$43,617,124. The major areas experiencing budget variances are within net train operating expenses, grant programs, administrative staffing, minor capital projects and marketing.

The actuals are comprised of net train operating expenses of \$22,995,304, total administrative services (including marketing) of \$3,372,867 and grant program expenses of \$1,089,130. The majority of the variance in net train operating expenses is due to operating funds being provided by the state at the executed FFY 2018-19 Amtrak agreement amount of \$26,442,664 (less \$1,177,275 in SBCAG revenue) vs. the LOSSAN Agency budget amount, which includes an additional \$8.5 million (for funding capacity for additional round trips, emergency bus bridge service and Coachella special train service). This creates approximately a \$6.4 million budget variance through the third quarter. In addition, the net train operating expense budget includes \$9 million for one-time Union Pacific positive train control costs, which has not been paid yet, and is now anticipated to be paid during the fourth quarter. This contributes to another \$6.7 million in variance through the third quarter. This is offset by actual net Amtrak expenses coming in higher than forecast by approximately \$2.5 million through the third quarter. The third quarter experienced both ridership and revenue declines, averaging approximately 13.5% less in ridership and 6.7% less in revenue over the same time period in the previous fiscal year. Amtrak route costs were also averaging slightly higher than forecast in on board services crew and stations costs. This will continue to be monitored closely through the fourth quarter.

The grant programs expenses are lower than budgeted by \$4,360,870. The variance is due to lower than anticipated expenses for corridor wide SRA-funded projects (\$2.5 million) and CalOES funded station improvements, (\$1 million) through

the third quarter. The variance is also due to lower than anticipated expenses for the transit transfer program of \$1.1 million through the third quarter. This is offset by an encumbrance for corridor optimization services came in at \$990,000 vs. the budgeted amount of \$750,000 through the third quarter. This is a timing difference, as the remaining budget of \$250,000 is cash flowed in the fourth quarter.

The administrative staffing line item budget variance is driven by five administrative positions which remained vacant throughout the first quarter of the fiscal year. Three of the five vacant positions were filled during the second quarter. The LOSSAN Planning & Analysis Manager position was filled internally by LOSSAN staff during the third quarter, creating a vacancy for a LOSSAN Transportation Analyst, Principal. The vacant positions remaining at the end of the third quarter include the LOSSAN Mechanical and Equipment Manager, LOSSAN Marketing Specialist, Principal, and the LOSSAN Transportation Analyst, Principal, in which active recruitments are underway.

Marketing expenses came in lower than budgeted by \$228,222. Marketing expenses are anticipated to increase through the fourth quarter, as a major media marketing campaign and major league baseball partnership commitments are underway. It is anticipated that prior year marketing surplus funds may be utilized to cover any additional marketing program expenses, as previously approved by CalSTA and included within the FY 2018-19 LOSSAN Board adopted budget assumptions.

Minor capital project expenses came in lower than budgeted by \$250,000 due to no expenses through the third quarter. Minor capital project expenses are anticipated during the fourth quarter.

EXPENSES

	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19			FY 2018-19
Administrative Budget Line Items	Adopted Budget	Working Budget	Working Budget	Actuals	\$ Variance	% Variance	Percent of Budget
			Year To Date	Year To Date	Year To Date	Year To Date	Used to Date
Administration - Staffing	\$ 3,831,179	\$ 4,089,954	\$ 3,067,466	\$ 1,971,283	\$ 1,096,183	36%	48.2%
Legal Services	\$ 50,000	\$ 50,000	\$ 37,500	\$ 14,457	\$ 23,043	61%	28.9%
Travel	\$ 26,950	\$ 26,950	\$ 19,724	\$ 12,928	\$ 6,796	34%	48.0%
Marketing	\$ 2,000,000	\$ 2,000,000	\$ 1,500,000	\$ 1,271,778	\$ 228,222	15%	63.6%
Insurance	\$ 57,000	\$ 57,000	\$ 57,000	\$ 67,349	\$ (10,349)	N/A	118.2%
Contracted services (Audit, Planning)	\$ 200,000	\$ 200,000	\$ 25,000	\$ 25,459	\$ (459)	-2%	12.7%
Dues & Memberships	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	N/A	100.0%
Net State Funded Services	\$ 6,170,129	\$ 6,428,904	\$ 4,711,689	\$ 3,368,253	\$ 1,343,436	29%	52.4%
Banking Services	\$ 4,200	\$ 4,200	\$ 3,150	\$ 1,404	\$ 1,746	55%	33.4%
Total Admin Services	\$ 6,174,329	\$ 6,433,104	\$ 4,714,839	\$ 3,369,657	\$ 1,345,182	29%	52.4%
Non Budgeted Expenses							
Other Business Expenses	\$ -	\$ -	\$ -	\$ 3,210	\$ (3,210)	N/A	N/A
Non Budgeted Admin Services	\$ -	\$ -	\$ -	\$ 3,210	\$ (3,210)	N/A	N/A
Total Administrative Services	\$ 6,174,329	\$ 6,433,104	\$ 4,714,839	\$ 3,372,867	\$ 1,341,973	28%	52%
	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19			FY 2018-19
Operating/Capital Budget Line Items	Adopted Budget	Working Budget	Working Budget	Actuals	\$ Variance	% Variance	Percent of Budget
			Year To Date	Year To Date	Year To Date	Year To Date	Spent to Date
Net Train Operating Expenses	\$ 35,993,957	\$ 45,166,461	\$ 33,202,284	\$ 22,995,304	\$ 10,206,980	31%	50.9%
Minor Projects	\$ 500,000	\$ 500,000	\$ 250,000	\$ -	\$ 250,000	N/A	0.0%
Grant Programs ¹	\$ 8,900,000	\$ 10,400,000	\$ 5,450,000	\$ 1,089,130	\$ 4,360,870	80%	10.5%
Total Operating/Capital Budget	\$ 45,393,957	\$ 56,066,461	\$ 38,902,284	\$ 24,084,435	\$ 14,817,849	38%	43.0%
Total Budget	\$ 51,568,286	\$ 62,499,565	\$ 43,617,124	\$ 27,457,301	\$ 16,159,822	37%	43.9%

¹ Includes Transit & Intercity Rail Capital Program, California Transit Security Grant Program, State Rail Assistance and State Transportation Improvement Program Funds

Working budget is the adopted budget plus any amendments approved during the year. Actuals year to date include encumbrances.



Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Third Quarter Financial Activity Report
Fiscal Year 2018-19

Date	Payee	Debit	Credit	Balance
January				
1/1/2019	Bank Account Balance Forward			30,785,194.74
1/2/2019	Joanna Capelle - Professional services	325.00		30,784,869.74
1/9/2019	Bank of the West - Credit Card Charges Various	2,785.14		30,782,084.60
1/10/2019	Deposit - State Rail Assistance Grant Funds		400,000.00	31,182,084.60
1/15/2019	Marketing Manager - Travel	168.65		31,181,915.95
1/15/2019	Facebook - Advertising	9,245.51		31,172,670.44
1/15/2019	Strategic Planning & Customer Experience Manager - Travel	175.10		31,172,495.34
1/15/2019	Monarch Sport LLC - Pacific Surfliner Marketing	14,055.50		31,158,439.84
1/15/2019	Amtrak - Station Upgrades	16,458.15		31,141,981.69
1/15/2019	Orange County Transportation Authority (OCTA) - Transit Transfer Program	3,881.73		31,138,099.96
1/17/2019	Deposit - Transit and Intercity Rail Capital Program		26,436.36	31,164,536.32
1/29/2019	Finance and Administration Officer - Travel	69.60		31,164,466.72
1/29/2019	Vavrinek Trine and Day - Audit Services	7,192.50		31,157,274.22
1/29/2019	Senior Accounting Analyst - Travel	31.20		31,157,243.02
1/30/2019	Amtrak Train Service - November, December, and January Advance	5,311,263.02		25,845,980.00
1/31/2019	Bank of the West - Interest		26,607.57	25,872,587.57

Date	Payee	Debit	Credit	Balance
February				
2/1/2019	Bank Account Balance Forward			25,872,587.57
2/5/2019	Operations, Compliance & Safety Manager - Travel	111.53		25,872,476.04
2/5/2019	Making Waves - Web Marketing Services	158,132.50		25,714,343.54
2/5/2019	Monarch Sport - Pacific Surfliner Marketing	3,717.50		25,710,626.04
2/5/2019	Amtrak - Station Upgrades	567.77		25,710,058.27
2/5/2019	Woodruff, Spradlin & Smart - December - Legal Services	200.90		25,709,857.37
2/5/2019	Amtrak Train Service - February Advance	1,763,321.91		23,946,535.46
2/11/2019	Bank of the West - Credit Card Charges Various	954.64		23,945,580.82
2/12/2019	Anaheim Ducks - Advertising	32,500.00		23,913,080.82
2/12/2019	College Basketball - Big West Conference - Advertising	35,000.00		23,878,080.82
2/12/2019	Deputy Managing Director Travel	275.96		23,877,804.86
2/12/2019	Gold Coast Transit District - Transit Transfer Program	485.03		23,877,319.83
2/12/2019	San Luis Obispo Regional Transit Authority - Transit Transfer Program	6.64		23,877,313.19
2/12/2019	Santa Barbara Metropolitan Transit District - Transit Transfer Program	8,313.00		23,869,000.19
2/12/2019	San Luis Obispo South County Transit	4.20		23,868,995.99
2/14/2019	Deposit - OCTA Reimbursement - Business Meeting Meal		143.74	23,869,139.73
2/18/2019	Google - Advertising	32,570.58		23,836,569.15
2/19/2019	Amtrak Train Service - March	2,112,809.00		21,723,760.15
2/19/2019	Managing Director Travel	516.73		21,723,243.42
2/19/2019	OCTA Administrative Services November - December	208,046.21		21,515,197.21
2/26/2019	Managing Director Travel	106.50		21,515,090.71
2/26/2019	College Basketball - Big West Conference - Advertising	30,000.00		21,485,090.71
2/26/2019	Facebook - Advertising	11,400.48		21,473,690.23
2/26/2019	Google - Advertising	33,973.87		21,439,716.36
2/26/2019	Making Waves - Web Marketing Services	154,700.00		21,285,016.36
2/26/2019	Amtrak - Station Upgrades	3,849.76		21,281,166.60
2/26/2019	Pastilla Inc. - Creative Design & Strategic Communication	855.30		21,280,311.30
2/28/2019	Deposit - Managing Director Reimbursement		416.96	21,280,728.26
2/28/2019	Deposit - Caltrans One Time Positive Train Control		8,943,777.00	30,224,505.26
2/28/2019	Deposit - American Association of State Highway and Transportation Officials Travel Reimbursement		1,535.60	30,226,040.86
2/28/2019	Bank of the West - Interest		18,445.06	30,244,485.92

Date	Payee	Debit	Credit	Balance
March				
3/1/2019	Bank Account Balance Forward			30,244,485.92
3/5/2019	Managing Director Business Expense	86.09		30,244,399.83
3/5/2019	OCTA Administrative Services December - January	241,658.61		30,002,741.22
3/5/2019	States for Passenger Rail Coalition membership	5,000.00		29,997,741.22
3/5/2019	Senior Marketing Specialist Travel	90.80		29,997,650.42
3/5/2019	Vavrinek Trine and Day - Audit Services	1,376.25		29,996,274.17
3/5/2019	Woodruff, Spradlin & Smart - January - Legal Services	2,632.80		29,993,641.37
3/12/2019	Bank of the West - Credit Card Charges Various	692.80		29,992,948.57
3/12/2019	Goal Productions - Videography	14,830.12		29,978,118.45
3/12/2019	Strategic Planning & Customer Experience Manager - Travel	176.19		29,977,942.26
3/12/2019	Monarch Sport - Pacific Surfliner Marketing	12,240.00		29,965,702.26
3/14/2019	Deposit - Managing Director Business Expense Reimbursement		19.78	29,965,722.04
3/14/2019	Deposit - State Marketing and Administration Funding		4,214,452.00	34,180,174.04
3/20/2019	Deputy Managing Director Conference Registration	500.00		34,179,674.04
3/20/2019	Joanna Capelle - Professional services	130.00		34,179,544.04
3/20/2019	Gold Coast Transit District - Transit Transfer Program	466.83		34,179,077.21
3/20/2019	Amtrak - Station Upgrades	2,412.36		34,176,664.85
3/20/2019	North County Transit District - Transit Transfer Program	1,390.31		34,175,274.54
3/20/2019	Orange County Transportation Authority - Transit Transfer Program	4,867.44		34,170,407.10
3/26/2019	Facebook - Advertising	11,025.48		34,159,381.62
3/26/2019	Google - Advertising	32,152.04		34,127,229.58
3/26/2019	Pastilla Inc. - Creative Design & Strategic Communication	9,581.60		34,117,647.98
3/26/2019	Amtrak Train Service - January Advance	2,294,284.60		31,823,363.38
3/26/2019	Amtrak Train Service - April Advance	2,005,353.00		29,818,010.38
3/29/2019	Bank of the West - Interest		25,279.43	29,843,289.81

**Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Open Agreements Listing as of March 31, 2019**

AGREEMENT NUMBER	VENDOR	DESCRIPTION	EXECUTED	TERMINATES	CONTRACT AMOUNT	AMOUNT PAID TO DATE	CONTRACT BALANCE	CONTRACT STATUS
C-4-1816	Woodruff Spradlin & Smart	Professional legal services. Piggyback off of Orange County Transportation Authority's (OCTA) contract.	7/1/15	12/31/19	\$160,000	\$127,344	\$32,656	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	9/30/19	\$44,550	\$13,195	\$31,355	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 (Amended into L-8-0009)	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-5-0006	Goal Productions	Consultant Services for Professional Video services for the LOSSAN Agency - Pacific Surfliner.	5/16/16	12/31/19	\$200,000	\$197,592	\$2,408	OPEN
L-5-0012	Vavrinek, Trine, Day & Company, LLP	Independent Auditing Services for the LOSSAN Agency	4/1/16	3/31/19	\$75,000	\$57,867	\$17,133	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	\$184,000	\$40,000	\$144,000	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	\$28	\$4,972	OPEN
L-6-0009	OCTA	Cooperative Agreement with OCTA for Pacific Surfliner Transit Transfer Agreement.	6/6/16	6/30/21	\$95,000	\$40,258	\$54,742	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	\$124,000	\$35,274	\$88,726	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	\$7,196	\$7,804	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	\$2,109	\$17,891	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	\$28	\$17,972	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	\$4,540	\$2,960	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	\$5,022	\$89,978	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

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Open Agreements Listing as of March 31, 2019

AGREEMENT NUMBER	VENDOR	DESCRIPTION	EXECUTED	TERMINATES	CONTRACT AMOUNT	AMOUNT PAID TO DATE	CONTRACT BALANCE	CONTRACT STATUS
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	\$53,623,426	\$38,044,611	\$15,578,815	OPEN
L-7-0011	Marsh Risk and Insurance Services	Consultant services to provide Insurance brokerage services	7/1/17	6/30/22	\$50,000	\$20,000	\$30,000	OPEN
L-7-0013	Amtrak	Security Projects for LOSSAN Corridor with AMTRAK	3/12/18	Project Completion	\$1,887,000	\$273,912	\$1,613,089	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-7-1917	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	\$451,893	\$198,107	OPEN
L-8-0001	Bank of the West	Commercial Banking Services	9/6/18	8/31/23	\$25,000	\$120	\$24,880	OPEN
L-8-0003	Monarch Sport LLC	Pacific Surfliner Field Marketing	7/16/18	6/1/20	\$50,000	\$42,510	\$7,490	OPEN
L-8-0005	Ace Agency	Pacific Surfliner Public Relations	8/8/18	6/30/20	\$50,000	\$23,528	\$26,472	OPEN
L-8-0006	Pacific Graphics	Specialty Printing Services for the Pacific Surfliner	6/26/18	6/30/20	\$50,000	\$34,977	\$15,023	OPEN
L-8-0007	Meringcarson	Email Marketing and Passenger Communications Program	1/7/19	12/31/19	\$49,800	\$0	\$49,800	OPEN
L-8-0008	Pastilla	Creative Design and Strategic Communications Program	10/9/18	8/31/19	\$50,000	\$10,437	\$39,563	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	7/1/18	6/30/21	N/A	N/A	N/A	OPEN
L-8-0010	OCTA	Managing Agency Agreement for OCTA to provide administrative services to LOSSAN	7/1/18	6/30/21	Reimbursable Agreement	\$1,444,322	N/A	OPEN
L-8-0011	Civilian, Inc.	Creative Services and Advertising Marketing for Pacific Surfliner	1/9/19	12/31/19	\$1,000,000	\$0	\$1,000,000	OPEN
L-8-0012	Monarch Sport LLC	Field Marketing and Community Outreach Services for Pacific Surfliner	2/21/19	12/31/19	\$600,000	\$0	\$600,000	OPEN
L-8-0013	North County Transit District, Amtrak	Rail to Rail Cooperative Agreement with LOSSAN, NCTD & Amtrak	8/1/18	7/31/19	No Funds Flow Through LOSSAN	N/A	N/A	OPEN
L-8-0014	Sparkloft Media	Pacific Surfliner Social Media Marketing	11/2/18	3/31/19	\$50,000	\$0	\$50,000	OPEN
L-8-0015	PR Newswire Assn LLC	PR Newswire Services	10/3/18	9/4/21	\$63,080	\$19,802	\$43,278	OPEN
L-8-0017	Deutsche Bahn Engineering & Consulting	Corridor Optimization consultant services	1/14/19	12/31/21	\$990,238	\$0	\$990,238	OPEN

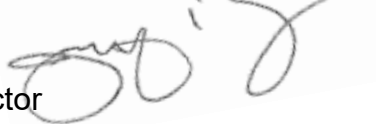
**Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency
Open Agreements Listing as of March 31, 2019**

AGREEMENT NUMBER	VENDOR	DESCRIPTION	EXECUTED	TERMINATES	CONTRACT AMOUNT	AMOUNT PAID TO DATE	CONTRACT BALANCE	CONTRACT STATUS
L-8-0019	Civilian, Inc.	Media planning and buying services	9/24/18	9/23/19	\$50,000	\$0	\$50,000	OPEN
L-8-0020	IT Works Inc DBA Volanno	WiFi Landing Page Services	10/19/2018	6/30/2019	\$10,503	\$10,503	\$0	OPEN
L-8-0024	Marsh Risk Insurance	Purchase order for general liability, crime, errors and omissions insurance	12/1/2018	12/1/2019	\$57,349	\$57,349	\$0	OPEN
L-8-0025	Siemens Mobility	Sole source change order to update paint scheme and exterior decals on twelve charger locomotives.	1/3/2019	Project Completion	\$436,841	\$0	\$436,841	OPEN
L-9-0003	WSP USA Inc.	Consultant services for San Diego Layover Facility	3/21/2019	3/31/2020	\$299,600	\$0	\$299,600	OPEN



June 17, 2019

To: Members of the Board of Directors

From: Jennifer L. Bergener, Managing Director 

Subject: Amendment to the Federal Fiscal Year 2018-19 Operating Agreement with Amtrak for Pacific Surfliner Intercity Passenger Rail Service

Overview

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency has secured the exclusive use of six Amtrak-owned passenger cars on the Pacific Surfliner intercity passenger rail service to help address equipment needs for expanded service including the forthcoming 13th roundtrip between Los Angeles and San Diego. The six cars are typically used on Amtrak long-distance trains and do not include the same passenger amenities provided on the equipment currently in use on the Pacific Surfliner service. In order to upgrade the cars and deliver a consistent quality of service, staff is seeking authorization to amend the current federal fiscal year 2018-19 Amtrak operating agreement, related fiscal year budgets, and funding supplements.

Staff is also seeking authorization to amend the current federal fiscal year 2018-19 Amtrak operating agreement, related fiscal year budgets, and funding supplements to allow for the additional federal fiscal year 2018-19 estimated net Amtrak operating costs and necessary funding to implement enhancements to the business class cars operating on the Pacific Surfliner service.

Recommendations

- A. Authorize the Managing Director to amend the Amtrak operating agreement for federal fiscal year 2018-19 for rail car upgrades, business class enhancements and additional federal fiscal year 2018-19 operating costs in an amount not to exceed \$4,871,316.
- B. Amend the fiscal year 2019-20 operating revenue and expense in the amount of \$5,016,935 for Amtrak rail car upgrades, business class enhancements and additional federal fiscal year 2018-19 net Amtrak operating costs.

- C. Amend the fiscal year 2018-19 operating budget down by \$145,619 in order to decrease Amtrak operating expenses for rail car upgrades.
- D. Authorize the Managing Director to amend and execute Master Fund Transfer Agreement annual supplements necessary for rail car upgrades, business class enhancements and additional federal fiscal year 2018-19 operating costs.

Background

On August 21, 2017, the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) Board of Directors (Board) authorized the Managing Director to negotiate and execute an agreement with Amtrak to provide for the continued operation of the Pacific Surfliner intercity passenger rail service for a term of two years, in an amount not to exceed \$33,006,040 for federal fiscal year (FFY) 2017-18, and in an amount not to exceed \$32,325,567 for FFY 2018-19, subject to updated forecasts provided by Amtrak and future funding approvals by the State of California and the LOSSAN Agency Board. The agreement was executed and effective as of October 1, 2017, and is valid through September 30, 2019.

On September 17, 2018, the LOSSAN Agency Board authorized the Managing Director to amend the Amtrak operating agreement for FFY 2018-19 in an amount not to exceed \$33,596,762. This amendment incorporated a revised funding amount for FFY 2018-19 consistent with Amtrak's FFY 2018-19 operating forecast and the LOSSAN Board-adopted fiscal year 2018-19 budget. The amended operating agreement not to exceed amount of \$33,596,762 included an estimate of \$145,619 for upgrades to the six rail cars. The cost for the rail car upgrades was a preliminary estimate at the time, and only included estimates for the cleaning and rehabilitation of the six Amtrak-owned cars. The LOSSAN Agency Board amended the LOSSAN Agency's fiscal year 2018-19 budget for \$145,619 for the estimated cost of the rail car upgrades. Amtrak has provided an updated cost estimate for the refresh, including installing WiFi on the six cars in the amount of \$516,935.

The LOSSAN Agency also seeks to further enhance the Pacific Surfliner business class service by providing a consistent and upgraded passenger experience including refreshed seating, improved onboard passenger information, and other minor improvements in the amount of \$1.5 million.

Finally, the LOSSAN Agency has requested additional FY 2018-19 operating funding from the state due to overall higher net operating costs over the original Amtrak forecast in the amount of \$3 million.

Discussion

Six Superliner Rail Car Upgrades

The LOSSAN Agency, working in partnership with Amtrak, was able to secure six additional Amtrak-owned Superliner bilevel passenger cars for exclusive use on the Pacific Surfliner service. These cars will help address equipment needs for expanded train service including the forthcoming 13th roundtrip between Los Angeles and San Diego. In addition, the exclusive use of the equipment will help address overcrowding on key Pacific Surfliner trains.

The six Superliner cars are typically used on Amtrak long-distance trains and do not include the same passenger amenities provided on the equipment currently in use on the Pacific Surfliner service, creating a disparity in the rider experience. There are two elements that need to be immediately addressed with these cars in order to deliver a consistent quality of service. The first is installation of onboard WiFi, and the second is a general refresh on the cars to address aesthetic issues and provide consistency with other train cars in the Pacific Surfliner fleet. Over the last several months, the service has seen a degradation of the electronic customer satisfaction index scores and an increase in the number of customer complaints that can be directly attributed to these cars and the lack of WiFi and the need for the refresh.

The current cost estimate from Amtrak to install WiFi on the six cars is \$448,876. This includes a contingency of \$20,000 to cover the cost of asbestos abatement and removal as needed. The previous cost estimate from Amtrak for the refresh of the cars was \$145,619. The current cost estimate is \$68,059 which includes thorough cleaning, replacing floors in bathrooms, and installing decals for business class service. The previous estimate included repairing bathroom sinks and damaged wainscoting, which now will be handled through Amtrak's ongoing maintenance efforts. The total cost estimate for the WiFi and refresh effort is \$516,935 (including \$20,000 contingency).

The net increase requested for the operating agreement amendment is \$371,316, (\$516,935 less \$145,619 previously amended in the agreement). Since the work is anticipated to commence during the first quarter of the LOSSAN Agency's FY 2019-20, a budget amendment for \$516,935 is necessary to increase the revenues and expenses associated with this effort. The California State Transportation Agency (CalSTA) has committed operating funding necessary for this project. In addition, staff is recommending amending the FY 2018-19 budget to reduce the previous budget amendment of \$145,619, which will not be utilized.

Business Class Enhancements

The Pacific Surfliner business class service is a valued and successful amenity offered to passengers. Over the last three years, the LOSSAN Agency has successfully implemented an expanded business class service by increasing the number of available seats and improving the food and beverage offerings. The LOSSAN Agency also worked to enhance marketing efforts to highlight the business class enhancements. This has resulted in an increase in revenue that has averaged over 16.8 percent per year since the program inception.

The LOSSAN Agency proposes to further enhance the business class service by providing a consistent and upgraded passenger experience by including refreshed seating, improved onboard passenger information, and other minor improvements. This work will be performed by Amtrak in coordination with the LOSSAN Agency.

This enhancement effort will include: replacing all seat cushions with leatherette in 10 Pacific Surfliner business class cars; and replacing seat frames in the two California Department of Transportation (Caltrans)-owned business class cars to be consistent with the rest of the fleet; replacing all seat cushions with leatherette, adding three additional rows of seating (total of 80 seats), and adding five tables to 10 Amtrak-owned Superliner cars (dedicated for business class service on the Pacific Surfliner). This work is estimated by Amtrak to cost \$1.5 million and anticipated to be completed by December 2020. The LOSSAN Agency has requested FY 2018-19 operating funds from Caltrans and CalSTA for this project.

Federal Fiscal Year 2018-19 Operating Cost

The LOSSAN Agency, through the established budget development process worked with Amtrak to develop the FFY 2018-19 operation budget for the Pacific Surfliner. While the forecast was provided by Amtrak in March of 2018, the figures were based off FFY 2016 actuals, and deemed reasonable at the time of development. Due to unforeseen circumstances at the time the budget was developed, the route costs are now higher and the revenues lower than anticipated.

The major route costs experiencing higher expenses than forecasted include stations route and stations shared (\$1.4 million combined), train and engine crew labor (\$800,000), car and locomotive maintenance (\$780,000), reservations and call centers (\$565,000), on board service crew (\$500,000), commissary (\$357,000), fuel and power (\$350,000). While some of these route costs may be experiencing a timing issue due to cyclicalities, other areas such as fuel variance are attributed to higher fuel costs than originally forecasted. In addition,

total revenue is short of forecast by \$686,000. Ticket revenue is under forecast by approximately \$1 million through March 2019, and food and beverage positive revenue growth is offsetting ticket revenue shortfalls.

Although there are six months left in the FFY and the current funding deficit could be reduced, the LOSSAN Agency's intent is to be proactive and request additional operating funding from the state if current trends continue through the remainder of the FFY. The LOSSAN Agency has requested \$3,000,000 in additional operating funds from the state, which assumes the depletion of the LOSSAN Agency's operating reserve fund.

The LOSSAN Agency has requested the additional operating funding necessary for the rail car upgrades, business class seat enhancements, and additional federal fiscal year 2018-19 operating costs. Caltrans has indicated that additional FY 2018-19 operating funds will be available to support these efforts. If any of the projects need additional funding, or if the work extends into FFY 2019-20, staff will return to the Board for any budget or agreement amendments as necessary.

Summary

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency has secured the exclusive use of six Amtrak-owned passenger cars on the Pacific Surfliner intercity passenger rail service. These cars are currently not consistent with the passenger amenities provided on the equipment currently in use on the Pacific Surfliner service and require WiFi and an interior refresh in order to deliver quality service. Staff seeks to further enhance business class service by refreshing the seating and onboard passenger information. Finally, additional operating funding is needed if current net Amtrak operating cost trends continue to be over forecast. An amendment to the federal fiscal year 2018-19 Amtrak operating agreement is necessary in an amount not to exceed \$4,871,316, which includes \$371,316 for the rail car upgrades (\$516,935 less \$145,619 previously amended in the agreement), \$1.5 million for business class enhancements, and \$3 million for additional federal fiscal year 2018-19 net Amtrak operating costs.

A fiscal year 2019-20 budget amendment in the amount of \$5,016,935 is necessary due to this work commencing in fiscal year 2019-20.

In addition, staff is recommending a fiscal year 2018-19 budget amendment to reduce the previously amended budget in the amount of \$145,619, since this budget capacity is no longer needed in fiscal year 2018-19.

Attachment

None.

Prepared by:




Jason Jewell
Finance and Administration Manager
(714) 560-5086



June 17, 2019

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 First Quarter of Federal Fiscal Year 2018-19

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 first quarter of federal fiscal year 2018-19, 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 first quarter of federal fiscal year (FFY) 2018-19, covering the months

of October, November, and December 2018. This report has been delayed due to extensive delays in the Amtrak reporting process.

Usage

For the first quarter of FFY 2018-19, total LOSSAN rail corridor ridership on the three services was 1,966,884, a 0.6 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.

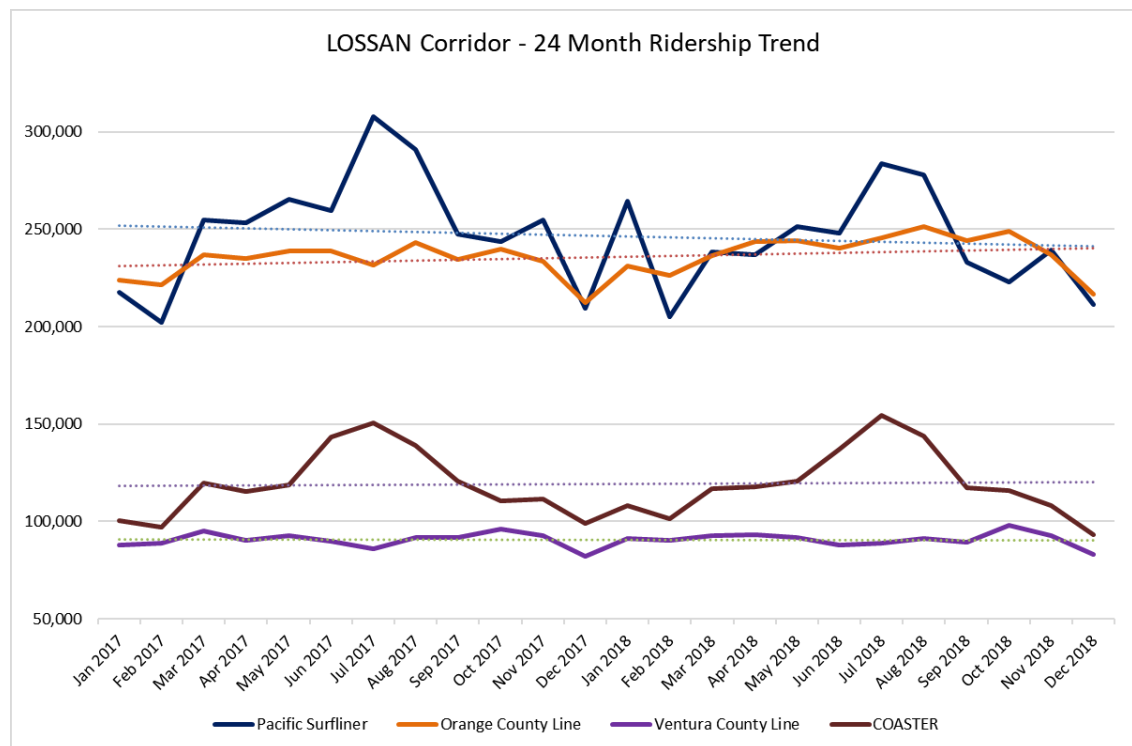


Figure 1.1

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

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 first quarter of FFY 2018-19 by 4.9 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. As prior analysis has demonstrated, the impact of lower R2R ridership as well as the ridership decreases associated with the expanded peak-period service between Ventura and Santa Barbara counties, have continued through this reporting period.

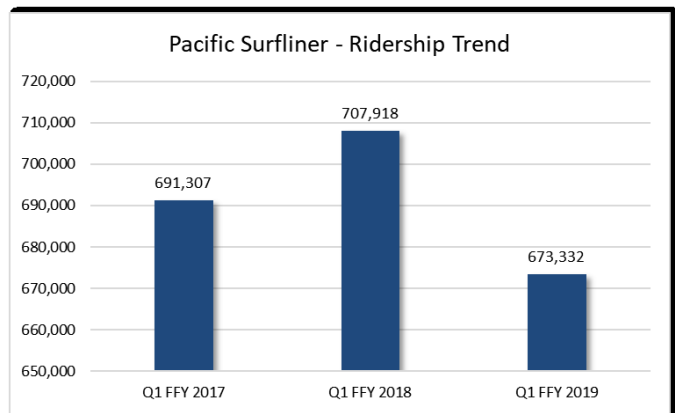


Figure 1.2

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, ridership increased by 1.1 percent when compared to the first quarter last year. The OCL, which serves Los Angeles to Oceanside, saw a 2.5 percent increase in ridership over the same report period in the prior year.

Metrolink system ridership increased by 1.6 percent in the first quarter of FFY 2018-19 when compared to the same period in FFY 2017-18. As noted previously, Metrolink's official ridership has historically been based on conductor

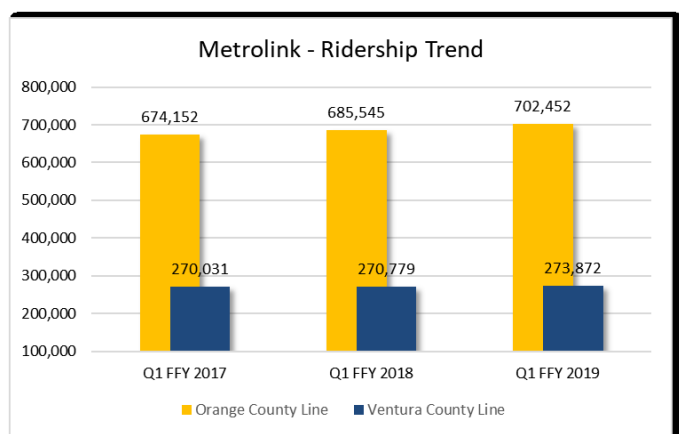


Figure 1.3

counts. 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 937 per weekday for the first quarter of FFY 2018-19, which is a decrease of 23.9 percent compared to the same period last year. As noted previously, the elimination of train 761 as part of the peak-period retiming effort between Ventura and Santa Barbara counties has negatively impacted overall R2R ridership.

COASTER

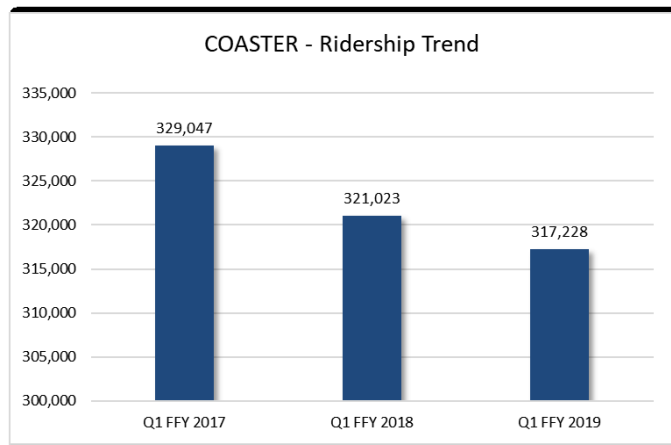


Figure 1.4

COASTER (serving Oceanside to San Diego) ridership decreased by 1.2 percent during the first quarter of FFY 2018-19, when compared to the same period the prior year as shown in Figure 1.4.

During the first quarter of FFY 2018-19, there was an average of 16 total COASTER pass holders per day on Pacific Surfliner trains, utilizing the R2R program. This was a

decrease of 88.6 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

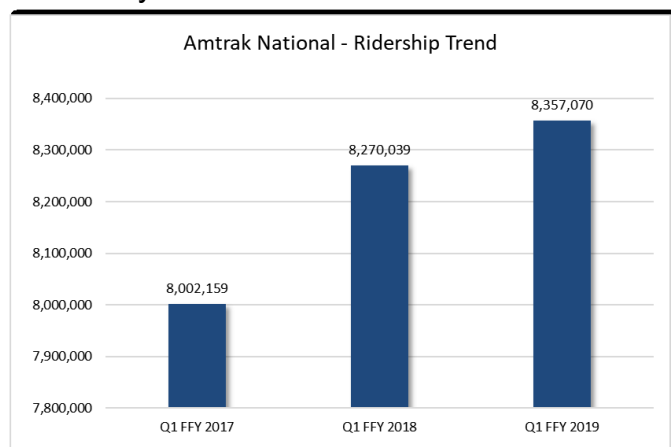


Figure 1.5

Amtrak service nationwide had a cumulative ridership increase of 1.1 percent for the first quarter of FFY 2018-19 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 increase by 1.5 percent in the first 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 4.6 percent and San Joaquins ridership decreased by 4.1 percent in the first 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 61.2 million passenger miles during the first quarter of FFY 2018-19, which is a 0.6 percent decrease compared to the same period in the prior year. The decrease in passenger miles is on par with what was experienced in overall ridership. Factoring in the average pounds of carbon dioxide emissions per passenger mile in a private automobile versus riding on passenger rail, those 61.2 million passenger miles resulted in a reduction of over 22,000 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 292 tanker trucks worth of gasoline.

Efficiency

Revenue

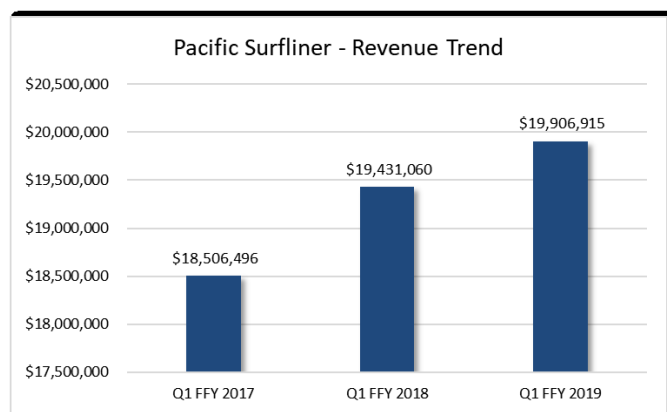


Figure 1.6

Despite the overall loss in ridership, the Pacific Surfliner's ticket revenue growth trend continued with an increase of 2.4 percent for the first quarter of FFY 2018-19 when compared with the same period in the prior year as shown in Figure 1.6. This continues to 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 5.6 percent for the first quarter, whereas the San Joaquin corridor saw a decrease of 8.7 percent, and the Coast Starlight increased by 2.3 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*. This report has been revised to now focus on a rolling 12-month report period instead of the quarter. On March 13, 2019, Caltrans DRMT reported to the CTC on the 12 months ending December 2018 and indicated that the Pacific Surfliner realized a 76.7 percent farebox recovery ratio for that time period.

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 first quarter of FFY 2018-19, average endpoint Pacific Surfliner OTP was 66.1 percent, which was a 12.9 percent decrease over the prior year. All-station OTP, which is calculated by combining and averaging OTP at each station, averaged 68.2 percent. By comparison, the endpoint OTP on the Capitol Corridor averaged 87 percent, and the San Joaquins averaged 60.1 percent during the report period. Amtrak system wide endpoint OTP averaged 74 percent for the first quarter. A monthly OTP trend for the Pacific Surfliner can be seen in Figure 1.7.

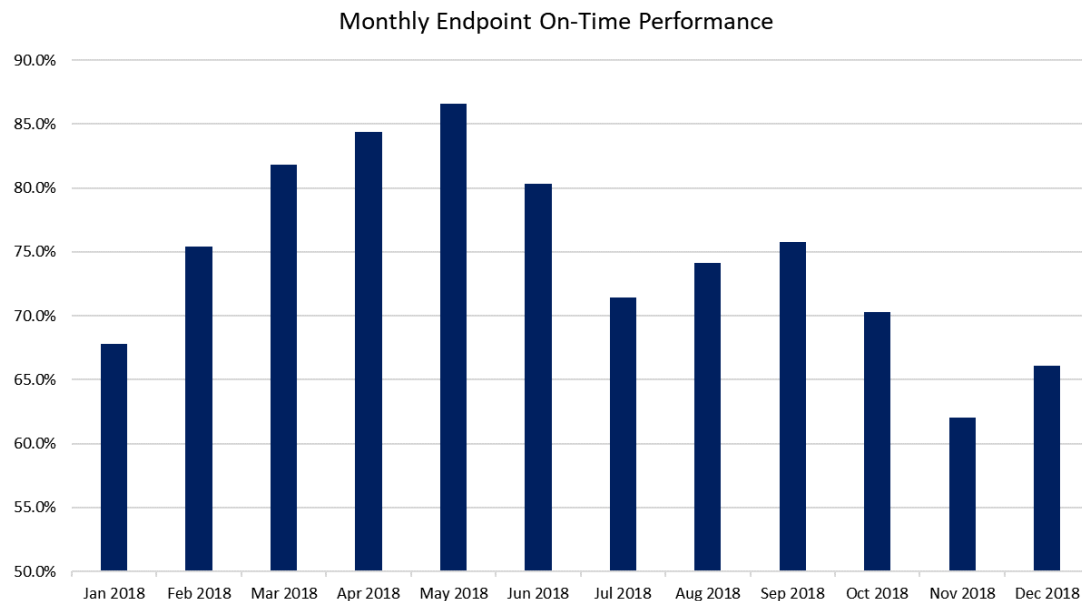


Figure 1.7

The LOSSAN Agency continues to work collaboratively with the host railroads to identify operational improvements that can favorably impact OTP. Primarily this is accomplished via the quarterly Corridor Improvement Team (CIT) meetings. Some of the analysis performed in preparation for that discussion can be found in Attachment A. The decline of OTP in recent months has largely been attributed to mechanical challenges associated with the implementation of positive train control and the introduction of new Charger locomotives, commuter and passenger train interference on the south end of the corridor, combined with signal issues on the north end. The LOSSAN Agency continues to work with the host railroads to address these issues.

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 first quarter of FFY 2018-19, the Pacific Surfliner scored an average eCSI of 79.6 percent, which is a decrease of 5.9 percent over the same period the prior year.

The average eCSI score for the first quarter was the lowest quarterly average since the eCSI metric began. A direct correlation can be drawn between on-time performance and customer satisfaction. The lowest eCSI score was November 2018, which was also the lowest month for OTP. Detailed analysis continues to show that the biggest drivers for customer dissatisfaction are issues with reliability or on-time performance, a lack of information given about problems or delays on the train, and the friendliness of crew.

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

<i>Sales Category</i>	<i>Quarter 1 FFY 2017-18</i>	<i>Quarter 1 FFY 2018-19</i>	<i>Increase</i>
Baked Goods	\$111,775	\$126,061	12.8%
Beer	\$267,830	\$267,417	-0.2%
Beverages	\$301,176	\$356,944	18.5%
Dairy Products	\$2,813	\$7,943	182.4%
Packaged Snack Foods	\$786,978	\$959,404	21.9%
Fresh Prepared Foods	\$190,913	\$144,805	-24.2%
Liquor	\$114,342	\$118,644	3.8%
Miscellaneous Merchandise	\$5,310	\$7,498	41.2%
Salads	\$10,389	\$21,086	103.0%
Wine	\$386,280	\$447,343	15.8%
	\$2,177,803	\$2,457,145	12.8%

Figure 1.8

For the first quarter of FFY 2018-19, food and beverage sales increased by an amazing 12.8 percent over the same quarter in the prior year. The significant variations in the sale of salads and fresh prepared foods continues to be as a result of ongoing changes in the way that Amtrak categorizes some food items in their point of sale system, with the categories occasionally changing from report period to report period. 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 first quarter of FFY 2018-19, ridership on these three routes totaled 26,659 riders, which was a decrease of 6.6 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 B. 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 significant delays and inconsistencies 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 first quarter of federal fiscal year 2018-19. During the first quarter, total Los Angeles – San Diego – San Luis Obispo rail corridor ridership decreased by 0.6 percent compared to the same period last year. Ridership on the Pacific Surfliner decreased by 4.9 percent, while revenue growth continued, with a 2.4 percent increase when compared to the same period last year.

Attachments

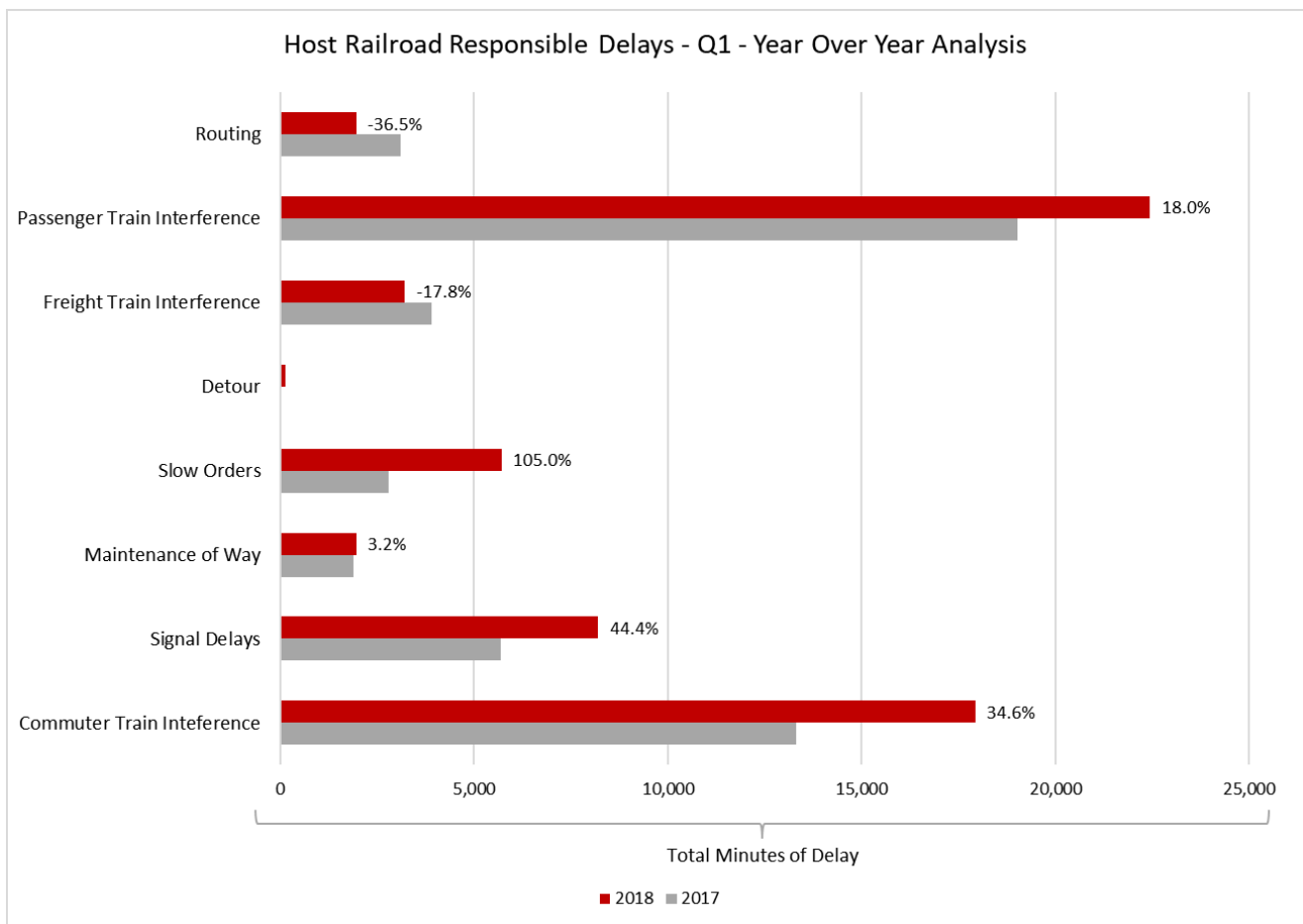
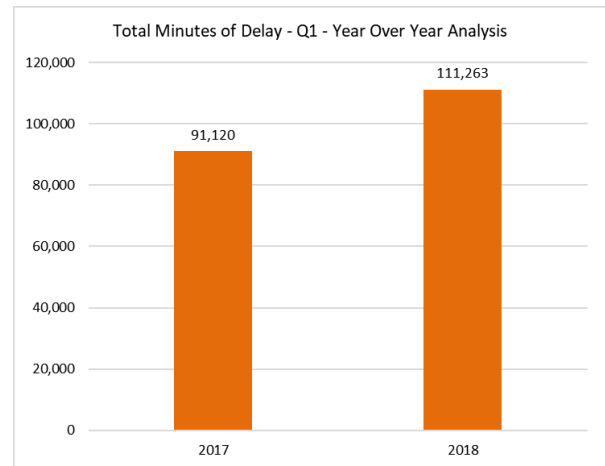
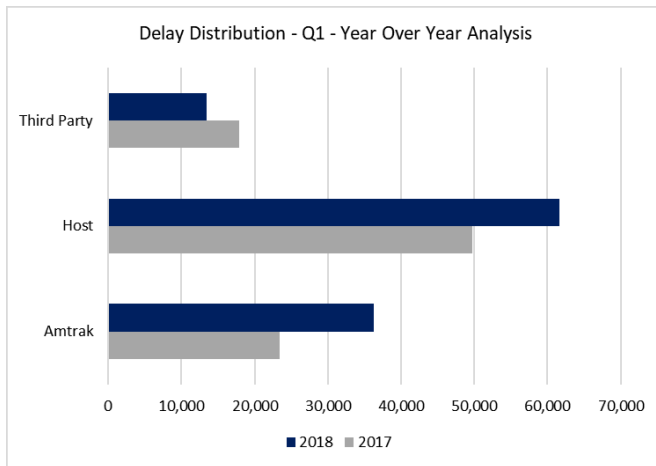
- A. First Quarter Federal Fiscal Year 2018-19 – Delay Details
- B. Los Angeles – San Diego – San Luis Obispo Rail Corridor Performance Summary, First Quarter Federal Fiscal Year 2018-19

Prepared by:

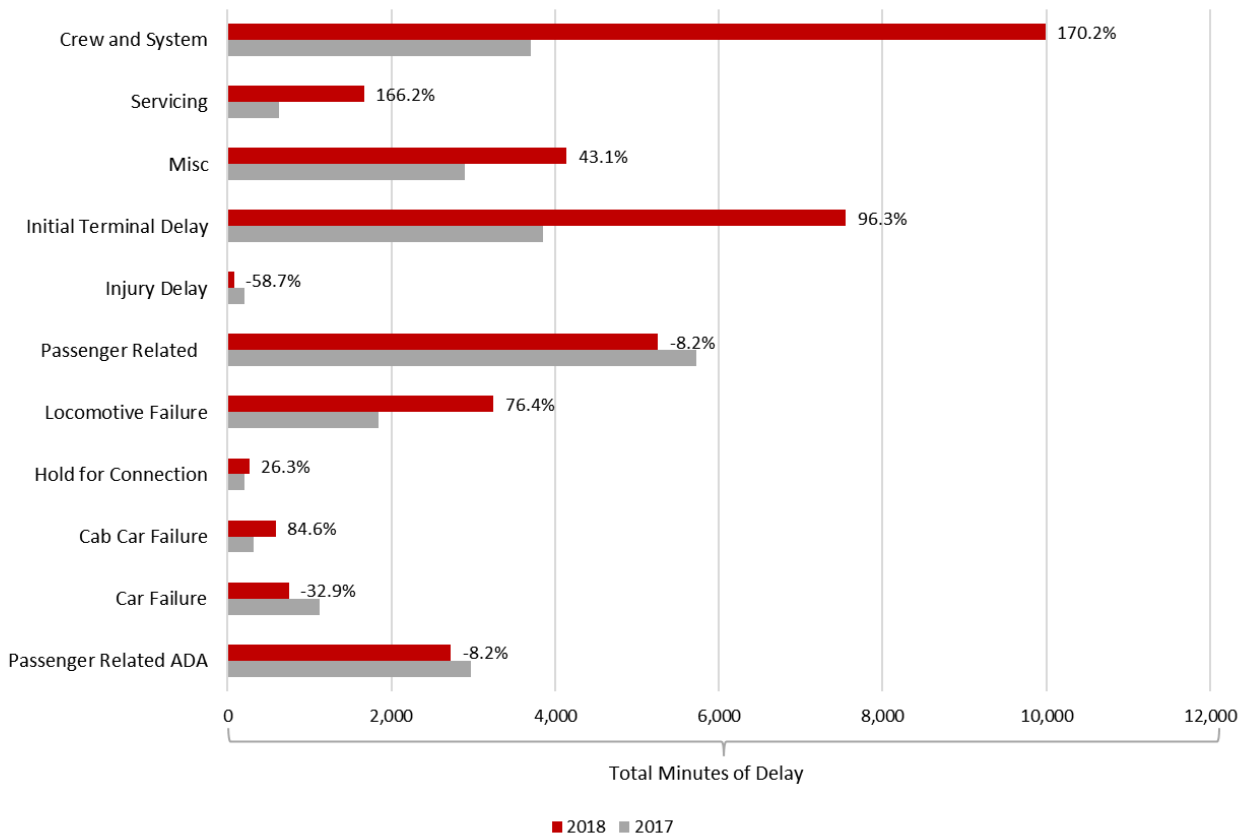


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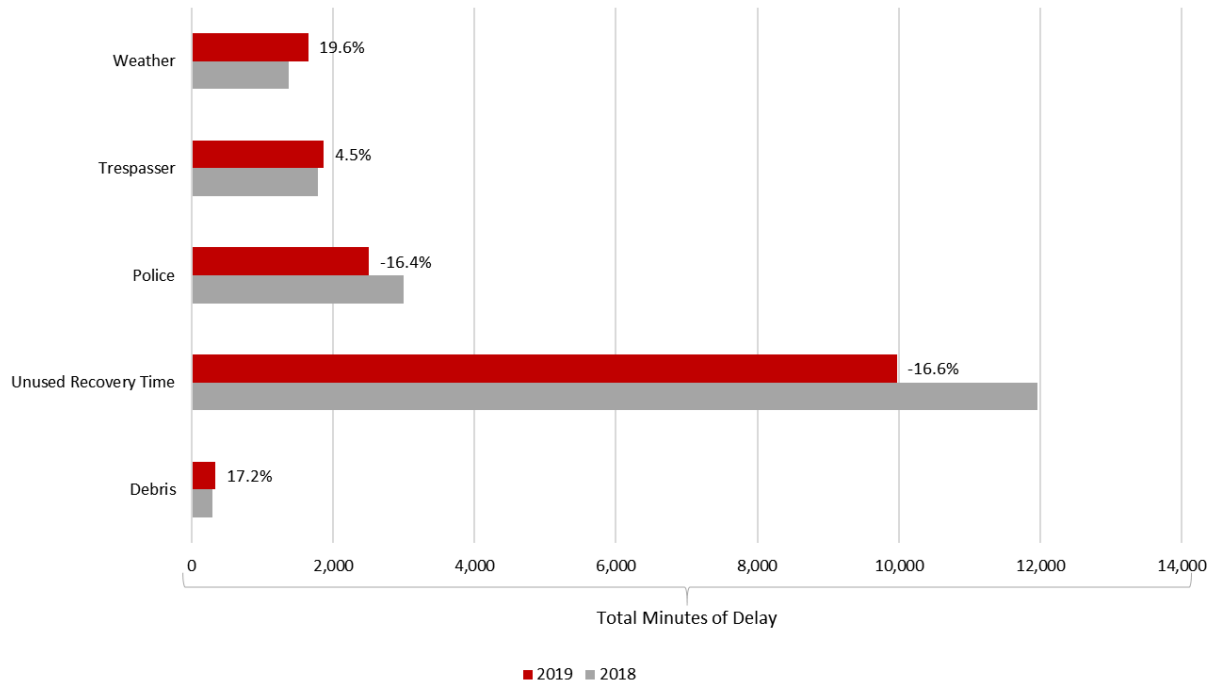
First Quarter Federal Fiscal Year 2018-19 – Delay Details



Amtrak Responsible Delays - Q1 - Year Over Year Analysis



Host Railroad Responsible Delays - Q2 Year Over Year Analysis



**Los Angeles – San Diego – San Luis Obispo Rail Corridor Performance Summary
First Quarter Federal Fiscal Year 2018-19**


<u>Service</u>	<u>Ridership (total)</u>	<u>Ridership - Growth Over Same Quarter Previous Year</u>	<u>Revenue (total)</u>	<u>Revenue - Growth Over Same Quarter Previous Year</u>	<u>Endpoint OTP (3 mo. avg)</u>
Pacific Surfliner	673,332	-4.9%	\$ 19,906,915	2.4%	66.1%
Metrolink Ventura County Line	273,872	1.1%	---	---	93.7%
Metrolink Orange County Line	702,452	2.5%	---	---	89.5%
COASTER	317,228	-1.2%	---	---	90.4%
LOSSAN Total/Average	1,966,884	-0.6%			84.9%

Amtrak Nationwide	8,357,070	1.1%	\$ 616,588,661	0.8%	74.0%
Capitol Corridor	441,830	4.6%	\$ 9,034,970	5.6%	87.0%
San Joaquin	279,052	-2.2%	\$ 8,683,700	-8.7%	60.1%
Coast Starlight	111,306	1.5%	\$ 11,107,795	2.3%	64.0%



June 17, 2019

To: Members of the Board of Directors

From: Jennifer L. Bergener, Managing Director 

Subject: Proposed Amendments to the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Contracting and Procurement Policy

Overview

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency bylaws state that the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency shall develop administrative procedures establishing proper procurement practices. The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's contracting and procurement policy was adopted by the Board of Directors on April 18, 2016 and amended in May 2017. Staff is proposing updates to the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's contracting and procurement policy.

Recommendations

- A. Amend the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency contracting and procurement policy to require letter amendments be signed by the Managing Director.
- B. Amend the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency contracting and procurement policy to increase the corporate credit card transaction limit to \$100,000 monthly for digital ad placements with Google.

Background

The Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) contracting and procurement policy was presented to the LOSSAN Agency Executive Committee on April 7, 2016, and subsequently presented to and adopted by the Board of Directors (Board) on April 18, 2016. The policy was amended internally in May 2017 to add language on sole source guidelines for advertising. As the managing agency of the

LOSSAN Agency, the Orange County Transportation Authority (OCTA) is responsible for facilitating and assisting in the procurement of all LOSSAN Agency's goods and services. One of the goals in developing the LOSSAN Agency contracting and procurement policy was to streamline procurement processes that are already in place with OCTA. Another goal was to ensure that the policies are consistent with the LOSSAN Agency bylaws and the Interagency Transfer Agreement.

Discussion

LOSSAN Agency staff are proposing two amendments to the current contracting and procurement policy. The first relates to the person authorized to sign letter amendments. A letter amendment is a method used to make administrative changes to an existing contract. A letter is written and sent to the contracting firm notifying them of the change to their agreement with the LOSSAN Agency. Letter amendments may only be used to make on-going staff changes (other than key personnel), time extensions, and to exercise an option term if no Board approval is required or there is no increase to the contract's maximum payment obligation.

The current policy in Section VII, G states that letter amendments are signed by an authorized person in OCTA's Contracts and Materials Management (CMM) department. The proposed amendment would change the language to state that letter amendments are to be signed by the LOSSAN Agency's Managing Director. This change is consistent with the process of the LOSSAN Agency's Managing Director signing all LOSSAN Agency contract amendments and agreements.

The second proposed amendment to the contracting and procurement policy seeks to increase the maximum amount allowed to be spent on a corporate credit card transaction for digital advertisements placed specifically from Google. The LOSSAN Agency has been purchasing digital advertising with Google and Facebook under OCTA's established accounts. In order to establish separate accounts for the LOSSAN Agency, both Google and Facebook require minimum levels of credit be established. The LOSSAN Agency has met the minimum requirements from Facebook (minimum spend of \$10,000 per month for at least three months) and has recently established a separate account. Under the Facebook account, advertisements will be invoiced to the LOSSAN Agency on a monthly basis.

Google's requirement is for vendors to pay invoices by credit card payments for a minimum of twelve months. The LOSSAN Agency seeks to meet these requirements by paying Google through the corporate credit card until the minimum spending requirement has been met. The current contracting and procurement policy states under Section V. 4. a) The corporate credit card has

a single transaction limit of \$2,500 with a monthly limit of \$5,000. The proposed amendment would add language to state; “with the exception of advertisements placed with Google, which has a monthly limit of \$100,000.”

Once the requirement to establish a separate account with Google has been met, the LOSSAN Agency intends to change from corporate credit card payments to paying by check through monthly invoicing.

Summary

Staff proposes to amend the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency’s contracting and procurement policy to change the person authorized to sign letter amendments to be the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency’s Managing Director, as well as to increase the maximum amount allowed to be spent on corporate credit card transactions specifically for Google advertising.

Attachment

- A. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Contracting and Procurement Policy, May 2019

Prepared by:



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

Contracting and Procurement Policy

May 2019

LOSSAN Agency Procurement Policy Manual

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I. Introduction

The Policy Manual of the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency (LOSSAN Agency) sets forth the general procurement policy and standards that will govern the conduct of the LOSSAN Agency procurement activities and of personnel engaged in these activities.

These policies are in place to ensure that goods and services are obtained timely, efficiently and economically, while adhering to principles of good public policy and practices and sound business judgment. The policies outlined in the Policy Manual have been established to foster free and open competition among vendors, consultants and contractors and incorporate the ethical standards set forth in the Agency's Code of Conduct. The Policy Manual is organized to provide for a common understanding of the methods for initiating, developing, executing and administering third-party contracts within the parameters of Federal, State, Local and LOSSAN Agency requirements.

The Orange County Transportation Authority (OCTA), as the managing agency of the LOSSAN Agency, is responsible for facilitating and assisting in the process for the purchase and sale of all goods, equipment and services. All activities of a contractual nature with vendors, suppliers and contractors are coordinated through and conducted by the LOSSAN Agency and the OCTA procurement department.

The LOSSAN Agency currently does not own any assets, and therefore this policy does not include or address the disposal, surplus, or scrap of assets.

II. General Policies

A. Purchasing Policy

1. The LOSSAN Agency and its officers are responsible for the purchase and sale of all goods and services. As the managing agency of the LOSSAN Agency, OCTA's Contracts Administration and Materials Management (CAMP) is responsible for facilitating the purchase and sale of all goods and services for the LOSSAN Agency.
 - a) The Managing Director can delegate purchasing authority to other staff members of the Agency, but only for an emergency situation with a limited period and purpose.
2. Purchase Requisition Processing
The budget process shall be the first step in the procurement process. As the LOSSAN Agency develops its annual budget, it shall be required to specifically identify all scheduled procurements on a line item basis.
3. Requirements for the procurement of materials, supplies, equipment, services and construction are to be submitted to CAMP on a properly completed and approved requisition before CAMP may proceed with procuring the requirement.
 - a) Purchase requisitions shall be submitted as soon as possible.
 - b) The requisition shall contain a description of the requirement and all pertinent information known to the user, including accounting codes and funding sources.
 - c) Requisitions for purchases other than those of a routine nature, including noncompetitive procurements, shall be accompanied by additional information explaining the procurement in more detail or justifying the requested noncompetitive procurement.
 - d) Requisitions shall be assigned to the appropriate Contract Administrator (CA) as determined by the CAMP Management.
 - a) CA shall contact requesting departments to discuss Invitation for Bid (IFB) and/or Request for Proposals (RFP) procurements.
4. All requirements will be processed in an expeditious manner and the CA shall make every effort to meet the completion dates requested by the LOSSAN Agency.
 - a) Should extenuating circumstances prevent compliance with the dates requested by the LOSSAN Agency, the CA responsible for the requirement shall advise the LOSSAN Agency of the situation and seek an alternate acceptable resolution to satisfy the requirement.
 - b) Critical or emergency requirements will be handled immediately and expedited in accordance with the LOSSAN Agency bylaws.
 - c) The LOSSAN Agency Executive Committee is authorized to act in emergency situations but all actions must be reported to the Governing Board.

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B. Independent Cost Estimate Policy

1. LOSSAN Agency staff shall provide an Independent Cost Estimate (ICE) with the procurement requisition, to assure that the scope of work is sufficiently funded to accomplish the tasks being requested or level of effort.
2. The LOSSAN Agency shall obtain such estimates from sources, including but not limited to, published competitive prices, results of competitive procurements or estimates by Project Managers.

C. General Rules for Scopes of Work and Specifications Policy

1. The following general rules shall apply to scopes of work and specifications:
 - a) Provide a clear and concise Scope of Work and not impose unreasonable requirements.
 - b) Specifications and Scopes of Work shall identify all characteristics and specific tasks and functions of the items or services to be procured, and meet the LOSSAN Agency's requirements.
 - c) Whenever possible, the expected quality of services to be provided or the performance characteristics of the item shall be specified.
 - d) The requestor shall identify all optional items, and the solicitation documents shall set forth the expected needs and the manner in which the related bid prices will be considered.
 - e) Brand name specifications must be accompanied by an explanation that clearly indicates that the specification is not intended to be restrictive.
 - f) The salient characteristics represented by the brand names shall be identified to allow for evaluation of possible "or equal" material.
 - g) Because standard specifications and requirements allow for more efficient operations and result in lower prices, they shall be used wherever suitable.
 - h) Industry, federal, state and local government specifications and requirements can be used.
2. Consultants are prohibited from writing the Scope of Work or assisting in the development or writing the Scope of Work in which they may bid.

D. Bonding Requirements Policy

1. It shall be the responsibility of the LOSSAN Agency Management to ensure that bonding requirements are followed and applied impartially, to comply with state and federal requirements, and to protect the interests of the LOSSAN Agency.
2. The following are required by the State of California for all Public Works projects in excess of \$25,000:
 - a) Bid guarantees or securities

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- b) Performance bonds
- c) Payment bonds

3. The following are recommendations for Equipment and Technical Services on a discretionary basis:

<i>Category</i>	<i>Bond Type</i>		
	<i>Bid</i>	<i>Performance</i>	<i>Payment</i>
<i>Equipment (Discretionary)</i>	<i>Up to 10%</i>	<i>Up to 20%</i>	<i>Contracts between \$5M & \$10M may require a 25% bond</i>
<i>Technical Services (Discretionary)</i>	<i>Up to 5%</i>	<i>Up to 100%</i>	<i>Contracts up to \$10M may require a 25% bond</i>

4. Bid Guarantee or Security
- a) A bid guarantee or security shall be in the form of:
 - a) Cash
 - b) Cashier's Check
 - c) Certified Check
 - b) The LOSSAN Agency shall require a bid bond or other security with each public works bid and for equipment and services when necessary as determined by the Board of Directors.
 - a) All bidders shall be so notified and the amount thereof stated in the solicitation documents.
 - b) Public works bids for construction requirements shall require bid security equal to at least ten (10) percent of the amount bid or the amount set forth by the State of California.
5. Performance Bonds
- a) The LOSSAN Agency shall require a performance bond for all applicable public works contracts in the amount of one hundred (100) percent of the contract value, in accordance with regulations set forth by the State of California.
 - a) The LOSSAN Agency may require performance bonds from vendors of services, supplies or equipment when deemed necessary by the Board of Directors.
6. Payment Bonds
- a) The LOSSAN Agency shall require a payment bond for public works contract from construction contractors, to assure contractor's full discharge of obligations to the material-men and employees and labor used on the project for public works contracts.

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- a) The percentage required is stipulated in Section 9550 et seq., of the Civil Code of the State of California.
 - b) A payment bond shall be written by a corporate surety registered in the County of Orange in the State of California.
- 7. The LOSSAN Agency may use liquidated damages if it can reasonably expect to suffer damages from late completion or delivery, and the extent or amount of such damages would be difficult or impossible to determine. The assessment for damages shall be at a specific rate per day for each day of overrun in contract time. A memo detailing how the liquidating damages were determined must be included in the contract file. The rate must be specified in the procurement solicitation as well as in the contractor's agreement.

E. Insurance Requirements Policy

The LOSSAN Agency is responsible for ensuring that all insurance requirements for procurements are reviewed and approved by Risk Management, based on the following criteria.

- 1. All procurements for new vendors to the LOSSAN Agency, regardless of procurement type or amount must be approved by Risk Management.
- 2. All amendments to contracts that change the scope of work on an agreement must be approved by Risk Management.
- 3. The LOSSAN Agency will name or cause to be named the State, Department and the Secretary as named insureds, and loss payees (pertaining to State-owned Equipment) to any policy of insurance purchased by the LOSSAN Agency and in any indemnity provision in any agreement between the LOSSAN Agency and any other party the LOSSAN Agency has an agreement with that involves or related in any way to the administration, operation or maintenance of the service by the LOSSAN Agency.

F. Term of Agreements Policy

- 1. Multi-year contracts shall be utilized when appropriate.
- 2. Contract terms can exceed a total of five (5) years when:
 - a) The LOSSAN Agency documents rationale for contracts longer than five (5) years; and
 - b) Board of Directors' prior concurrence is required before a contract can extend beyond five (5) years. The Recommendation section of the staff reports must specifically state the total number of years that the contract will be in effect.

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G. Bid or Proposal Rejections Policy

1. The LOSSAN Agency reserves the right to reject any and all bids or proposals, or to waive any informality or non-substantive defects in bids or proposals as the business interest of the LOSSAN Agency may require. The LOSSAN Agency shall document in the contract file the business reason for rejecting bids or proposals.
2. Only those bids or proposals shall be considered which are deemed responsive to the Invitation for Bids (IFB) or R
3. Bids and proposals submitted after the date and time specified in the solicitation shall be rejected by the LOSSAN Agency as non-responsive and will be returned to the bidder unopened. Any exception to this policy must be approved by the LOSSAN Agency and CAMM Management.

H. Cost and Price Analysis Policy

The LOSSAN Agency will work in coordination with CAMM to perform a cost or price analysis on procurements as deemed necessary. This analysis shall be used to determine the reasonableness of contract prices.

I. Final Contract Approval and Distribution Policy

If the LOSSAN Agency Board of Directors approval is required, the LOSSAN Agency shall draft their staff report in such a manner as to authorize the Managing Director to negotiate and execute the final contract based on standard contract terms.

1. The process for final contract approval shall be as follows:
 - a) Board of Directors selection and authorization (if required) is received
 - b) Final contract is developed
 - c) Final contract is signed by:
 - a) LOSSAN Agency General Counsel
 - b) Consultant, and
 - c) LOSSAN Agency Managing Director
 - d) CAMM shall have responsibility for issuance of Notice to Proceed after contract execution.
2. The Board of Directors shall be required to approve a final contract if:
 - a) Final contract amount changed from the amount approved by the Board of Directors
 - b) The LOSSAN Agency cannot reach agreement with the Board of Directors selected firm and there is a need to begin negotiating with a new firm
 - c) Final contract is successfully negotiated with the second or third ranked firm for architectural or engineering services
 - d) Specifically requested by the Board of Directors

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J. Contract Encumbrances Policy

The LOSSAN Agency shall be responsible for making the determination for encumbrances for purchase orders and contracts.

K. Contract Administration Policy

CAMM shall act as liaison between the LOSSAN Agency staff and vendors, and shall be responsible for pre-award activities and post contract administration as defined in the LOSSAN Agency Policy Manual.

L. Federal Procurement Policy

Federal procurement requirements apply to all federally funded procurements undertaken in support of the LOSSAN Agency's operations, as well as defined good business practices which shall be followed by the LOSSAN Agency during procurement activities.

M. Cooperative Intergovernmental Agreements Policy

Intergovernmental agreements are contracts between the LOSSAN Agency, a city, county, state or federal agency or other public agency. These agreements are sometimes referred to as Cooperative Agreements. There are contractual documents that record cost-sharing arrangements, receipts of revenue or establish the roles and responsibilities of the LOSSAN Agency and other public entity or entities.

These contracts are not competitively bid because they involve another government agency. They are not subject to audit by the Internal Audit Department, unless a specific audit is requested by the LOSSAN Agency. These agreements and any amendments are subject to the same approval limits, signature authority and process as all other contracts.

N. Emergency Procurement Policy

1. Emergency requirements will be handled immediately by the LOSSAN Agency and expedited by CAMM as required.
2. Emergency
 - a) The LOSSAN Agency Executive Committee is authorized to act in emergency situations, but all actions must be reported to the Board of Directors.
 - b) An emergency procurement shall be defined as a purchase immediately necessary for the preservation of life or property, or, to prevent an immediate termination of a critical LOSSAN Agency function or activity.
 - c) Anyone of the following (in descending order of preference) can act as an alternate for the necessary authorization:
 - a) Executive Committee
 - b) Managing Director
 - c) Deputy Managing Director

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- d) Finance and Administration Manager
- d) The LOSSAN Agency employee making or placing the emergency procurement order personally assumes the responsibility of immediately following up the procurement order with a proper requisition for approval to CAMM.
- e) An emergency is not a situation that develops due to poor planning on the part of the requesting department.

III. Signature Authority Levels

A. Procurement Delegation Policy

1. The Managing Director, through the CAMM department shall issue:
 - a) Request for Proposals or Invitation for Bids up to \$100,000
 - b) Agreements and/or purchase orders for all services including:
 - a) Architectural and engineering for an amount up to \$100,000
 - b) Professional services for an amount up to \$100,000
 - c) US Postal Service and services by utilities controlled and regulated by law regardless of type or amount
 - d) Public Works Projects in accordance with existing legal limitations not to exceed \$50,000
 - e) Sole Source procurements up to \$100,000 for materials, equipment or supplies, and services
 - f) Fixed Assets acquisitions up to \$100,000
 - g) Inventory materials, equipment and supplies up to \$100,000
2. Amendments
 - a) The Managing Director shall have the authority to amend contract values as follows:
 - a) Fifteen (15) percent of the original contract amount or \$100,000 whichever is less
3. The Managing Director shall have the authority to issue construction change orders in accordance with the State of California Public Contracting Code Section 20142 as follows:
 - a) The Managing Director shall have the authority to approve change orders up to \$5,000 when the total amount of the original contract does not exceed \$50,000
 - b) The Managing Director shall have the authority to approve change orders up to ten (10) percent of the original contract amount for contracts with a value between \$50,000 and \$250,000
 - c) The Managing Director shall have the authority to approve change orders up to \$25,000 plus five (5) percent of the original contract amount in excess of \$250,000
 - d) In no event shall any such change or alteration exceed \$210,000

B. Board Approval Policy

1. The Board of Directors shall approve the issuance of all RFPs and IFBs in excess of \$100,000 including the weighted criteria.
2. The Board of Directors shall approve all procurements for values that exceed the Managing Director's authorization.

C. Managing Director Approval Policy

The Managing Director is responsible for updating the procurement policies, as

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necessary. The Board of Directors must approve major policy matters, such as determining what contract actions are significant enough for Board of Directors' review or approving procurement methods for general categories or procurements.

D. Approval Limits and Hierarchy Table

Procurement Process	Dollar Amount	Board Approvals Required
Micro Purchase	≤ \$2,500	None
Informal	> \$2,500 and < \$50,000	None
Fixed Asset Purchases	≤ \$100,000	None
	> \$100,000	Award
Public Works and Construction Projects	≤ \$50,000	None
	> \$50,000	Award
Architectural and Engineering Service	≤ \$100,000	None
	> \$100,000	Selection of Top Ranking Firms
Professional and Technical Services	≤ \$100,000	None
	> \$100,000	Selection of Consultant
Amendments/ Formal Procurements	Lesser of 15% of Original Contract Amount or \$100,000	None
	Over 15% or over \$100,000	Board Approval
Public Works Change Orders	Pursuant to State of California Contract Code, Section 20142 and less than \$210,000 per change	None
Cooperative Agreements and Revenue Agreements	< \$100,000	None
	> \$100,000	Award

IV. Standards of Conduct for Procurement

A. LOSSAN Agency Conflict of Interest Code Policy

1. The LOSSAN Agency Board of Directors has adopted a Code of Conduct which adheres to a strict code that governs accepting gifts, relationships with contractors, maintaining confidentiality and avoidance of conflicts of interest.

B. Procurement Standards of Conduct Policy

1. There shall be uniform and equitable application of the LOSSAN Agency's Standards of Conduct involving all activities associated with the procurement of goods and services.
 - a) LOSSAN Agency personnel shall not be involved in any procurement decisions in which he or she or persons related to same have a financial interest.
 - a) In cases where there may be a benefit, either direct or indirect, LOSSAN Agency personnel shall be responsible to report in writing to the Director of CAMM.
 - (a) If LOSSAN Agency personnel fail to report such benefit, he or she shall be subject to any disciplinary proceeding deemed appropriate by the LOSSAN Agency, including possible dismissal.
 - b) No employee shall participate in the selection, award or administration of a contract or purchase order, if a conflict of interest real or implied would be involved.
 - c) Such a conflict would arise when any one of the following has a financial or other interest in the firm selected for award:
 - (a) The employee
 - (b) Any member or his or her household or immediate family
 - (c) An organization that employs or is about to employ any of the above
 - b) No LOSSAN Agency employee shall solicit, demand or accept from contractors, subcontractors or parties to sub-agreements, anything of a financial value, favors or gratuities for or because of any action taken, or not to be taken, in the performance of their duties.
 - a) Employees may accept unsolicited gifts of nominal intrinsic value.
 - b) Employees are not to accept paid meals from vendors or consultants that are then billed back to the LOSSAN Agency.
 - c) An employee failing to adhere to the above will be subject to any disciplinary proceeding deemed appropriate by the Agency, including possible dismissal.
 - c) No LOSSAN Agency employee shall use confidential information

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for his or her actual or anticipated personal gain, or the actual or anticipated personal gain of any other person related to such LOSSAN Agency employee by blood, marriage, or by common commercial or financial interest.

- a) An employee failing to adhere to the above will be subject to any disciplinary proceeding deemed appropriate by the LOSSAN Agency, including possible dismissal.

C. State and Federal Conflict of Interest Code Policy

1. Employees of the LOSSAN Agency shall also be subject to the conflict of interest laws of the State of California and the U.S. Department of Transportation; Federal Transportation Administration.
 - a) Employees who violate the laws shall be subject to the penalties, sanctions or other disciplinary actions provided for therein.

D. Vendor Relations Policy

1. LOSSAN Agency personnel:
 - a) Shall solicit only general information from vendors, consultants, and contractors.
 - b) Shall obtain price-range estimates for budgeting purposes only.
 - c) Shall not act in a manner that implies a conflict of interest or preferential treatment of one vendor, consultant, or contractor over another.
 - d) Shall not make contractual obligations to vendors.
 - a) Only the Board of Directors or Managing Director can contractually bind the LOSSAN Agency.
 - e) Shall not divulge confidential information to any vendor unless such information is a specific part of a project under discussion.
 - f) Must stop all discussions with vendors, consultants, or suppliers once a requisition has been sent to CAMM, and all discussion by staff must go through CAMM.
 - g) If a member of the Proposal Evaluation Committee has a need to meet with individuals from one of the proposing firms on an unrelated matter, the evaluator must document the meeting notice on their Outlook calendar with a notice to the evaluators' supervisor and the Director of CAMM and must prepare a brief synopsis of what occurred after the meeting.
 - h) The proposal evaluation period shall be defined as the period beginning on the date that the solicitation is released through the date that the contract is fully executed. Proposing firms, subcontractors and advocates will be prohibited from making contact with members of the proposal evaluation committee during this period.
2. Visits or other communication by requesting departments with vendors concerning details of their products or services shall be coordinated

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through CAMM.

3. All contacts with vendor, suppliers, or consultants that relate to a particular procurement that is in the solicitation, evaluation, negotiations, or award phase must be conducted by CAMM staff.
 - a) Only CAMM personnel shall discuss prices and quantities with supplier's representatives.
 - b) All correspondence with suppliers of a contractual nature or that modify the scope of work shall be handled through CAMM.
4. Conflict of Interest
 - a) All Offerors responding to the Request for Proposals must avoid organizational conflicts of interest which would restrict full and open competition in this procurement. An organizational conflict of interest means that due to other activities, relationships or contracts, an Offeror is unable, or potentially unable to render impartial assistance or advice to the LOSSAN Agency; an Offeror's objectivity in performing the work identified in the Scope of Work is or might be otherwise impaired; or an Offeror has an unfair competitive advantage. Conflict of Interest issues must be fully disclosed in the Offeror's proposal.
 - b) Firms that are hired to perform services for the LOSSAN Agency are prohibited from concurrently acting as an advocate for another firm who is competing for a contract with the LOSSAN Agency, either as a prime or subcontractor.

E. Vendor Protest Policy

1. The LOSSAN Agency shall ensure to the greatest extent possible uniform, timely, and equitable consideration of all complaints received by the LOSSAN Agency concerning procurement activities.
2. As the managing agency for the LOSSAN Agency, the OCTA CAMM department is responsible for facilitating all vendor protests on behalf of the LOSSAN Agency. For Board of Directors approved procurements, the initial responsibility for granting a fair review and disposition of any protest shall be that of the Managing Director.
 - a) If the protest is not resolved at that level, the protester may pursue a resolution by the Board of Directors.
 - b) It shall be the responsibility of the CAMM Management to see that all information regarding any protest is made available to the Managing Director and/or Board of Directors upon their request.
3. For staff approval procurements, the responsibility of protest resolution shall rest solely with the Managing Director.
4. Protest Term Definitions
 - a) Protest shall mean a written objection by an interested party to a solicitation for offers for a proposed contract for the acquisition of supplies or services or a written objection by an interested party to

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- a proposed selection or the award of such a contract.
 - b) "Days" shall mean calendar days.
 - c) "File" or "Submit" shall mean the date of receipt by the LOSSAN Agency.
 - d) "Interested Party" shall mean all bidders/candidates on a procurement, whose direct economic interest would be affected by the award of a contract or by the failure to award a contract.
 - e) "Bid" shall mean and include the term "offer" or "proposal" as used in the context of small purchase procedures:
 - a) Competitive sealed bids [Invitation for Bids (IFB)]
 - b) Competitive negotiations [Request for Proposals (RFP)]
5. Basis for Protest
- a) It is in the policy of the LOSSAN Agency to ensure that free and open competition takes place in all procurement activities and that no restrictive specifications are issued.
 - b) If, in the course of a procurement action, an interested party has reason to believe that these conditions do not exist, the interested party may file a protest in accordance with the provisions of these Protest Procedures with the CAMM Management requesting a review of the claim and a timely resolution of the issue as defined in Protest Deadline section of document.
6. Submission of Protest
- a) The protest shall be submitted in writing to the attention of the CAMM Management, and shall include:
 - a) The name and address of the protester
 - b) The solicitation number and the project description
 - c) A statement of the grounds for protest and all supporting documentation
 - d) The resolution to the protest desired from the LOSSAN Agency
7. Types of Protests
- a) A "pre-bid" or "solicitation phase protest" is received prior to the bid opening or proposal due date.
 - b) A "pre-award protest" applies only when:
 - a) A bidder/proposing firm protest the recommendation to a particular contractor
 - b) It is received after receipt of bids/proposals, but before award of a contract
 - c) A "post-award protest" is a protest received after selection of a Consultant/Bidder by staff or Board of Directors.
8. Protest Deadline
- a) "Pre-bid or solicitation phase protests" shall be filed no less than fifteen (15) days prior to the bid opening or proposal due date.
 - b) "Pre-award protests" shall be filed within five (5) days after

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- Bid/Proposal due date.
 - c) "Post-award protests" shall be filed within seven (7) days after the selection/award has been made.
- 9. Where to File
 - a) All protests shall be directed to the CAMM Management.
 - b) Protests delivered using the US Postal Service shall be addressed as follows:

LOSSAN Rail Corridor Agency
CAMM Management
550 South Main Street, PO Box 14184
Orange, California 92683-1584
Attention: BID PROTEST

- c) Protests delivered in person or by means other than the US Postal service shall be submitted to the following address:

LOSSAN Rail Corridor Agency
CAMM Management
600 South Main Street, 4th Floor
Orange, California 92868
Attention: BID PROTEST

- 10. Review Levels
 - a) Upon receipt the CAMM Management shall promptly consider the protest and may give notice of the protest and its basis to other persons including bidders/candidates involved in or affected by the protest.
 - b) The CAMM Management shall notify the protester in writing within five days that the protest has been received and is undergoing review.
 - c) If the procurement is federally funded, the LOSSAN Agency shall notify the Federal Transportation Agency (FTA) in writing of the receipt of the protest and keep FTA informed about the status of the protest.
 - a) This written notification shall be sent within ten (10) days from receipt of the protest.
 - d) The CAMM Management in coordination with the LOSSAN Agency Finance and Administration Manager, shall review all material submitted with the initial protest.
 - e) No additional material shall be accepted for consideration during the protest review unless specifically requested by the CAMM Management.
 - f) If additional material is requested, it shall be submitted by the requested date.

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- g) The CAMM Management, in coordination with the LOSSAN Agency Finance and Administration Manager, shall provide a recommendation to the Managing Director within fifteen (15) days to assist the Managing Director in rendering a decision. The Managing Director will respond with a decision in writing to the protester within thirty (30) days after receipt of the protest.
- 11. Managing Director Review
 - a) In the event of an adverse decision by the Managing Director for Board of Directors approved procurements, the protester may request in writing a review by the LOSSAN Agency's Board of Directors.
 - a) This shall be subject to the requirement that the protest is based on information not previously presented to the Board of Directors.
- 12. Board of Directors Review
 - a) To request a review, the protester shall submit only the documentation previously submitted to the CAMM Management and the Managing Director, as well as the decisions previously rendered, to the Clerk of the Board within five (5) days of the Managing Director's decision.
 - b) The Board of Directors shall not consider any data not submitted to the CAMM Management and the Managing Director.
 - c) Upon receipt of request for review by the Board of Directors of the protest, the Clerk of the Board shall agenda a review for a regularly scheduled Board of Directors meeting.
 - d) The CAMM Management shall notify the protester in writing of the scheduled date of review of the Board of Directors.
 - e) At the Board of Directors meeting, the protester may give an oral presentation of the information previously provided in writing.
 - a) At the conclusion of the presentation, the Board of Directors shall make a determination.
 - b) The decision of the Board of Directors shall be final and there shall be no further administrative recourse.
 - c) The CAMM Management shall notify the protester in writing of the Board of Directors' action.
 - f) If the procurement is federally funded, the protester may pursue a remedy through the FTA once all administrative remedies have been exhausted.
 - g) Execution of any proposed agreement shall be delayed pending the resolution of the protest, unless one or more of the following conditions is present:
 - a) The items or services being procured are urgently required.
 - b) Delivery or performance will be unduly delayed by failure

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- to make award promptly.
 - c) Failure to make prompt award will otherwise cause undue harm to the LOSSAN Agency.
- 13. Protest Remedies
 - a) There shall be no Limitation on Remedies selected by the LOSSAN Agency
 - a) Nothing contained herein shall be construed to neither act as a limitation on the LOSSAN Agency's choice of remedies nor confer any right upon any interested party to a remedy.
 - b) In determining the appropriate remedy, the LOSSAN Agency shall consider all the circumstances surrounding solicitation or contract selection and/or award, which shall include:
 - (a) The seriousness of any deficiency found to exist in the contracting process.
 - (b) The effect of the action of the competitive process.
 - (c) Any urgency surrounding the contract requirement.
 - (d) The effect that implementing the remedy will have on the LOSSAN Agency's overall ability to accomplish its mission.
 - c) If the LOSSAN Agency determines that the award or proposed award was not made in accordance with the applicable LOSSAN Agency statutes, regulations, policies, and procedures, the LOSSAN Agency shall, in its sole discretion, grant any remedy it deems appropriate.
- 14. Vendors Involved in the Protest Process

Vendors involved in the protest process with the LOSSAN Agency are not prohibited from submitting proposals on new work. The vendor's proposal for new work will be evaluated as part of the proposal evaluation process. At the time of Board action for the new work, the Board of Directors will be made aware that a selected vendor is currently protesting the LOSSAN Agency under a different procurement. If the vendor in dispute is being recommended for consideration, the Board of Directors will make a decision to approve or not approve the vendor selection on a case by case basis.

Types of Procurements

V. Informal Competitive Procurements

A. Corporate Credit Card Policy

1. The Corporate Credit Card (CCC) may replace some purchase orders, invoices and small dollar payment requests as well as petty cash, to simplify the procurement process for low dollar purchases in order to meet procurement needs in a timely manner.
2. Corporate Card Administrator
 - a) The LOSSAN Agency's CCC Program Administrator shall be the LOSSAN Agency Finance & Administration Manager.
3. Cardholder
 - a) Employee must pass employment probationary period unless otherwise directed by the Managing Director.
 - b) Before a CCC is given to any employee, their department manager(s)/director(s) must give their approval for the employee to have the ability to purchase small dollar items.
 - c) The Cardholder shall be responsible for:
 - a) Security of the card
 - b) Use of the card
 - c) Compliance with the LOSSAN Agency's CCC Policies and Procedures
 - d) Reconciliation of the monthly bank statement
 - e) Compliance with the LOSSAN Agency's Business Policies and Procedures
4. Transaction Limits
 - a) The CCC has a single transaction limit of \$2,500 with a monthly limit of \$5,000, with the exception of advertisements placed with Google, which has a monthly limit of \$100,000.
 - b) A transaction shall include the purchase price, sales tax, freight, handling fees and any other costs associated with buying the item.
 - c) Transaction will not exceed the approved amount.
5. Restricted Uses
 - a) Certain items shall be restricted from purchase.
 - b) The lending of purchasing card or giving the card number to other employees shall be considered a misuse.
 - c) Misuse of the card shall result in the revocation of the purchasing card and may result in disciplinary action, up to and including termination.
6. Ordering Process
 - a) The Cardholder is responsible for determining that the transaction total does not exceed the single purchase limits, which shall

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include tax, freight and handling. All transactions shall be approved or denied based on whether the single purchase limit has been exceeded or the monthly spending limit has been exceeded.

- b) The Cardholder shall be responsible for inspecting any shipment of goods ordered.
- c) In case of returns, the Cardholder shall coordinate first with the supplier.

7. Corporate Card Transaction Log

- a) It is required that a Purchasing Transaction Log be maintained by the Cardholder.
- b) Cardholders must always obtain a detailed receipt for each purchase when using the Purchase Card.
- c) All packing slips must be retained by the Cardholder as part of the Corporate Card documentation.
- d) The log and receipts shall be retained as backup to the monthly bank statement.
- e) It is mandatory to retain all vendor receipts/documentation to simplify reconciliation for purchases made with the Corporate Card.
- f) Cardholders shall ask the vendors to send the invoices and/or receipts directly to the Cardholder.
 - a) It is the Cardholder's responsibility to ensure that there is a receipt for each purchase.

8. Reconciliation

- a) Each cardholder will receive from the bank a monthly statement. This statement along with the transaction log and copies of all receipts must be sent to the LOSSAN Agency Finance & Administration Manager by the deadline set each month
- a) The Cardholder shall, to the greatest extent possible, reconcile the monthly bank statement the same day it is received from the bank, to verify its accuracy.

B. Micro-Purchase Policy

- 1. A Micro-Purchase is an informal method of procuring goods and services with a value of \$2,500 or under. A micro-purchase may require obtaining competitive quotations. If a quote is obtained, the CA shall award to lowest responsive and responsible bidder. The following procurement methods may be used for Micro-Purchases:
 - a) The purchasing credit card may be used.
 - b) For those vendors who do not accept purchasing credit cards, payment requests shall be submitted to Accounting.
 - c) Procurements shall not be divided or reduced in size merely to fall within the micro-purchase limit.

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2. The CA shall document in the file that a determination was made that the price is fair and reasonable, and the method used to make that determination.

C. Informal Purchase Policy

1. Informal purchases for services:
 - a) For those purchases of \$2,501 to \$50,000 the Request for Quote (RFQ) process may be used.
 - a) An Evaluation Committee consisting of the CA and Project Manager shall use factors such as cost/price analysis and proposal content to determine award.
 - b) The CA shall document results of all such informal procurement actions, including that the price was fair and reasonable and the method used to make that determination.
2. Informal purchases for goods:
 - a) For those purchases of \$2,501 to \$50,000 the RFQ process may be used.
 - a) Award is made to the lowest bidder.
 - b) The CA shall document results of all such informal procurement actions, including that the price was fair and reasonable and the method used to make that determination.

D. Sole Source Procurement Policy

This section applies to all sole source procurements as defined below, with the exception of direct advertising procurements. See Section E. for specific policy regarding direct advertising procurements.

1. Sole Source procurements may be used only when:
 - a) The item is available only from a single source.
 - b) The public exigency or emergency for the requirement exists which will not permit a delay resulting from competitive solicitation.
 - a) Failure to submit requirements in a timely manner to meet project deadlines is not an emergency situation.
 - c) After solicitation of a number of sources, competition is determined inadequate.
 - d) The item is an associated capital maintenance item as defined in 49 USC and 5307(a)(1) that is procured directly from the original manufacturer or supplier of the item to be replaced.
 - a) The staff must first certify in writing (i) that such manufacturer or supplier is the only source for such item; and (ii) that the price of such item is no higher than the price paid for such item by like customers.
 - e) When FTA awards a grant agreement or enters into a cooperative agreement with a team, consortium, joint venture or partnership, or provides FTA assistance for a research project in which FTA has approved the participation of a particular firm or combination of

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firms in the project work, the grant agreement or cooperative agreement constitutes approval of those arrangements.

2. Sole Source procurements shall be avoided whenever possible.
3. A contract amendment or change order that is not within the scope of the original contract shall be considered a Sole Source procurement and must comply with the same requirements identified in this section.
4. Requests for Sole Source procurement must first be approved by the Managing Director.
 - a) A written memo explaining why a sole source is needed, including a detailed explanation of how the cost was determined to be reasonable shall be provided to the Managing Director along with a completed Sole Source Authorization Form.
 - b) If professional services are being provided, an analysis of the level of effort that will be extended by the sole source firm.
5. Sole Source procurements up to \$100,000 shall be approved by the Managing Director.
6. Sole Source contracts or purchase orders over \$100,000 shall be approved by the Board of Directors.

E. Direct Advertising Sole Source Procurement Policy

1. The purchase of advertisements is considered a sole source when it can only be procured directly through a vendor who owns the assets (such as billboard, radio, TV, newspaper), or is the only vendor available to place an advertisement on a specific asset.
2. Requests for direct advertising sole source procurements must first be approved by the Managing Director.
 - a) A written memo explaining why a sole source is needed, including a detailed explanation of how the cost was determined to be reasonable shall be provided to the Managing Director along with a completed Sole Source Authorization Form.
3. Direct advertising sole source procurements up to \$100,000 shall be approved by the Managing Director.
4. Sole Source contracts or purchase orders over \$100,000 shall be approved by the Board of Directors. Some advertising costs are unique and may require pay for use rather than a contract. In some instances, the cumulative payments made in a given fiscal year may exceed the \$100,000 approval threshold of the Managing Director. In these instances, all expenditures will be reports to the Board of Directors in advance of exceeding the threshold.
5. When multiple advertisements are being placed with a single vendor, a

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purchase order may requested to be issued through CAMM.

VI. Formal Competitive Procurements

A. Competitive Sealed Bids (Invitation for Bids – IFB) Policy

1. The following conditions must be present for an IFB to be used:
 - a) A complete, adequate and realistic specification or purchase description is available.
 - b) Two or more responsive and responsible bidders are willing and able to compete effectively for the business.
 - c) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
 - d) No discussion is needed with bidders.
2. Invitation for Bid (IFB) is used for:
 - a) Public works/construction projects \$50,000 or greater. Contractors may be hired on an On-Call basis for \$50,000 or under.
 - b) The LOSSAN Agency shall utilize the definition found in California Public Contracts Code Section 1101 to determine if procurement is a public works project.
 - c) These projects must be awarded to the lowest, responsive, responsible bidder.
 - d) If a single bid is received greater than \$50,000, an internal audit report shall be issued.
 - a) The CA shall provide recommendation, data, copy of current Dunn & Bradstreet report, and request for audit report.
 - b) Internal Auditor shall contact contractor, solicit financial data and review to ensure the following:
 - (a) Fair and competitive procurement process.
 - (b) Financial stability of the contractor.
 - e) Fixed Asset Purchases
 - a) Fixed assets are those with unit costs greater than \$5,000 and a useful life of at least three (3) years.
 - b) Award is made to the lowest responsive and responsible bidder.
 - c) Board approval of contract award is required for procurements greater than \$100,000.
3. The LOSSAN Agency shall initiate the process by submitting a requisition, Specification or Statement of Work and an ICE.
4. The IFB packet shall include:
 - a) General instructions to the bidders concerning the bid format, pre-contractual expenses, contract conditions, pre-bid conferences, and other information.
 - b) A blank bid form used by the bidder to summarize the bid and that binds the bidder to a legal offer.

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- c) Required forms to be completed by the bidder and submitted with the IFB.
 - d) Documents which display key facts, specifications, maps, report formats, and other important information to clearly define the goods or services needed in order for the bidder to properly respond to the IFB. Imposing unreasonable requirements on bidders shall be prohibited.
- 5. A CAMM Manager will review the IFB package prior to its release to the public.
- 6. If the procurement has a value greater than \$100,000 Board of Directors approval is required prior to releasing the IFB. The LOSSAN Agency and the CA will prepare a staff report.
 - a) Draft IFBs shall be sent to the Clerk of the Board's office which will be available for review by Board of Directors members or the public.
- 7. After the Board of Directors approves the release of the IFB, a public notice must be published in a newspaper of general circulation for two (2) consecutive weeks prior to the bid closing date.
 - a) The public notice shall include:
 - a) General description of the service or goods to be purchased.
 - b) Directions on how to obtain the IFB.
 - c) Bid submittal date and time.
 - d) Location in which bids will be publicly opened.
 - e) Applicable FTA clauses per FTA Circular 4220.1.F.
 - f) DBE goal percentage if federally funded.
- 8. CAMM shall post the IFB on CAMMNET
- 9. Addenda to the IFB package may be issued only by CA.
 - a) Addenda must be issued in writing.
 - b) All addenda will be posted on CAMMNET.
 - a) Those firms who are currently registered on CAMMNET and have identified the appropriate commodity codes shall be notified electronically of the Addenda release.
 - b) If the solicitation was not posted on CAMMNET, the addenda shall be mailed to those firms who received the original solicitation.
- 10. Sealed bids shall remain unopened and stored in a secure location until the public opening.
 - a) The CA shall open the bids publicly at the time and place specified in the IFB package. The CA shall record the following information for each bid:
 - a) Time and date the bid was submitted.
 - b) Time and date the bid was opened.
 - c) Signature of the person opening the bid.
 - d) Signature of the person witnessing the opening.

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- b) The public may review bids at the time of opening, and during the evaluation period up to the award of the bid.
- 11. Each bid shall be recorded, reviewed and evaluated by the CA and the Project Manager.
 - a) Payment discounts may not be used to determine low bid.
 - b) Upon conclusion of evaluation, the contract award shall be made by written notice to the responsive and responsible bidder whose bid, conforming to all the material terms and conditions of the IFB, is lowest in price.
 - c) The CA shall prepare a report summarizing the bids and the report shall be made available to the LOSSAN Agency.
 - d) The award shall be made by the Board of Directors or Managing Director depending on value of the order and other factors.
 - e) All bids shall be open to public review after an award has been made.
 - f) If a single bid is received, an analysis must be made to determine if there were any elements in the procurement documents that may have restricted competition. The analysis must be documented and placed in the contract file.
- 12. CAMM will request an analysis to be conducted by the Internal Audit Department, for any construction, equipment or service procurements over \$50,000 if only a single bid is received.
- 13. If Board of Directors' approval is required for the award of the contract, the requesting department and the CA shall prepare a staff report authorizing the Managing Director to execute the final purchase order or contract, and the report shall include:
 - a) Objectives of the project.
 - b) Identification of all bidders responding to the IFB.
 - c) Description of the procurement and evaluation process.
- 14. In the event a tie situation exists for an IFB, award may be made to one of the bidders by drawing lots or all bids may be rejected.

B. Competitive Negotiated Procurements – Request for Proposal (RFP) Policy

- 1. The RFP process is a competitive proposal method used when proposals can be solicited from an adequate number of qualified vendors. Proposals are evaluated on a number of factors including price, which are identified in the solicitation along with their relative importance. Award is made to the responsible firm whose proposal is most advantageous to the LOSSAN Agency with price and other factors considered. The Managing Director has the authority to cancel a solicitation. A cancellation notice will be provided.
- 2. The LOSSAN Agency must always initiate a requisition for services, scope of work, and an independent cost estimate prior to the start of the RFP

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process. Imposing unreasonable requirements on proposers shall be prohibited.

3. The following conditions must exist in order to use a competitive negotiated procurement method:
 - a) There must be a complete and adequate scope of work which would allow for competition.
 - b) The competitive negotiated procurement process does not require award to the lowest bidder.
 - c) The contract award amount, whether a firm fixed price or cost reimbursement, is determined based on the original vendor proposal, which may be changed using a Best and Final Offer (BAFO) and/or through negotiation between the two parties.
 - a) Discussions or negotiations may also be used to address technical requirements.
 - d) If time and material contract is to be used, a determination must be made in writing that no other type of contract is suitable. The determination must demonstrate that it is not possible at the time of contract execution to estimate accurately the extent or duration of the work or to anticipate costs with any reasonable degree of confidence. Each Time and Expense Agreement shall include a clause that specifies a ceiling price that shall not be exceeded by the contractor, except at its own risk.
 - e) Cost plus a percentage of cost type contract shall be prohibited nor shall a cost plus percentage of construction cost type contract be used in pricing Architectural/Engineering contracts.
4. If the requirement is for an Architectural/Engineering and/or Professional service, the following shall apply:
 - a) Architectural and Engineering services must be competitively solicited and evaluated based solely on technical merit. Cost is not an evaluated factor.
 - b) Board approval of selection of the top ranked firms shall be required for budgeted procurements greater than \$100,000.
5. An RFP generally includes the sections below. A CAMM manager will review the RFP package prior to its release to the public:
 - a) Purpose of the procurement
 - b) Procurement schedule
 - c) Proposal submittal requirements
 - d) Scope of work
 - e) Project schedule
 - f) Selection criteria
 - g) The evaluation process that will be used
 - h) Proposed Agreements
 - i) Cost and Price forms
 - j) Applicable federal requirements
 - k) Other forms as applicable (See Forms)

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6. The Board of Directors must approve the release of the RFP and evaluation criteria and weights for all procurements where the budget for the initial term is over \$100,000. If Board of Directors' approval is required, LOSSAN Agency staff and the CA will prepare their respective sections of the staff report for review by CAMM Management and the Managing Director.
7. Preparation of the RFP
 - a) When the procurement is over \$100,000, the RFP shall clearly state that the selection of a consultant and award of a contract is the decision of the Board of Directors.
 - b) CAMM shall post the RFP on CAMMNET and advertise in a newspaper of general circulation for two (2) consecutive weeks prior to the RFP closing date.
 - a) The advertisement shall include:
 - (a) General description of the service or goods to be purchased
 - (b) Directions on how to obtain the RFP
 - (c) RFP submittal date and time
 - (d) Applicable FTA clauses per FTA Circular 4220.1.F
 - (e) DBE goal percentage if federally funded
 - c) Each criterion shall demonstrate a norm of twenty-five (25) percent weighting. (With the exception of A&E RFPs)
 - a) Variations are allowed in the weighting with a written justification by the CA and shall be identified in the Board Report, if applicable.
 - b) In evaluating the qualifications of the firm criteria, any information obtained from the Past and Present Contracts form, regarding any of the candidate's contracts have been terminated due to a dispute or legal proceeding, will be taken into consideration.
8. Pre-Proposal Conference
 - a) It may be necessary to hold a Pre-Proposal Conference, prior to proposal submission, to provide firms with a clarification of the RFP requirements.
 - a) The CA, prior to the release of the RFP, shall, along with the Project Manager, make the determination as to whether or not a Pre-Proposal Conference will be required. This decision will be based on the complexity of the project, and need to inform prospective offerors of the requirements.
 - b) Information regarding the Pre-Proposal Conference shall be clearly identified in the RFP, and if applicable, the public notice.
9. Addenda
 - a) The CA shall prepare and issue all Addenda to the solicitation, when necessary to make changes to the RFP or respond to questions

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- submitted by firms.
 - b) All changes to the RFP shall be addressed by a written addendum to the RFP and signed by the CA.
- 10. Proposal Receipt and Disposition
 - a) CAMM shall be responsible to assure all proposals are received in accordance with the terms identified in the RFP.
 - b) Consultants may withdraw a proposal by written notice to the CA.
 - a) A request for withdrawal must be in writing and received by the CA prior to the proposal due date.
 - c) Proposals shall be considered late if received after the date and time established in the RFP.
 - a) When a proposal is late, CAMM staff shall return the unopened proposal promptly to the Consultant.
 - d) If a single proposal is received, an analysis must be made to determine if there were any elements in the procurement documents that may have restricted competition. The analysis must be documented and placed in the contract file.
- 11. Evaluation Committee
 - a) As part of preparing the procurement, the CA with input from the Project Manager shall select the proposal evaluation committee. The committee should represent diverse backgrounds who are subject matter experts in their particular field.
 - a) An outside representative may be included on the evaluation committee if the project is one that has outside stakeholders or if the Project Manager and the CA decide it is in the best interest of the procurement.
 - b) Negotiated procurements with a total dollar value greater than \$100,000 require three (3) evaluation committee members in addition to the CA.
 - c) The CA and the Project Manager shall ensure that the Evaluation Committee is sufficiently large enough to ensure that the LOSSAN Agency has adequate representation on the evaluation committee.
 - d) Evaluation Committee members shall be selected based on the expertise needed to thoroughly evaluate the proposals.
 - e) In select instances members of the Board of Directors may participate as members of evaluation committee; such as procurements for state and federal advocacy services; legal services and external financial auditing services.
 - b) The CA shall chair the evaluation committee and is a voting member.
 - c) Each Evaluation Committee member shall have one vote.
 - d) Evaluation Committee members and others who may on a need to know basis, will be required to complete a Declaration of Impartiality and Confidentiality Form to safe guard against unauthorized disclosure of information as well as identify any

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potential conflict of interest. If a conflict of interest has been identified, the Director of CAMM will make a recommendation to the Managing Director to authorize their removal.

- e) The Committee shall read and score each proposal as well as provide narrative statements to explain the rationale for the scoring.
- f) The Committee shall come together as a whole to reveal their scores and discuss the rationale for their decision.
- g) A short list of firms, whose technical scores fall into a competitive range, shall be invited to participate in an interview.
- h) Evaluation Policy

- a) If a member of the Proposal Evaluation Committee has a need to meet with individuals from one of the proposing firms on an unrelated matter, the evaluator must document the meeting notice on their Outlook calendar with a notice to the evaluators' supervisor and the Director of CAMM and must prepare a brief synopsis of what occurred after the meeting.

- b) If, during the evaluation process, Evaluation Committee member(s) requires clarification of a proposal, the CA may request such clarification in writing from the proposing firm.

- (a) If the proposing firm provides information that changes its proposal beyond the clarification, the evaluation committee members shall not evaluate the information.

- c) For Architectural and Engineering services only, the proposing firm's qualifications shall be evaluated and the most qualified proposing firm shall be selected subject to negotiation of fair and reasonable compensation.

- (a) Price shall not be considered as an evaluation factor in determining the most qualified firm.

- d) For Contract Task Order (CTO) based procurements, all firms must meet all the requirements identified in the Statement of Work.

- e) If in reviewing the evaluation documents, there is a score or scores that differ significantly from the other Evaluation Committee members, the Managing Director may instruct the CA to reconvene the Proposal Evaluation Committee to discuss the scoring.

- (a) If the Committee member(s) cannot provide an adequate justification for the score(s), then the Managing Director shall have the authority to eliminate that member(s) score(s) from the overall evaluation process.

- i) Discussions / Negotiations Policy

- a) The Evaluation Committee may conduct discussions and/or negotiations with all of the short-listed firms prior to final selection.

- b) The CA shall have the authority to negotiate and speak for

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the LOSSAN Agency' negotiating team.

- (a) Negotiations shall be a team effort lead by the CA.
- (b) The CA shall request and receive all data required from the Consultant to enter into negotiations.
- (c) The CA shall confer with appropriate departments, such as Internal Audit or Legal, when data received requires their special expertise.
- c) Negotiations may be concluded prior to final selection of the consultant or conclude after a final selection has been made.
 - (a) Once the CA declares negotiations to be concluded, he or she shall write a memo of negotiations to be signed by both the CA and the Project Manager.
- d) Once the final recommendation has been made by the Evaluation Committee, the CA will notify all firms that submitted proposals in writing indicating who the recommended firm is and provide a statement indicating when the proposal evaluation data will be available (same date that the staff report for the procurement becomes a public document).
- e) Board members and their staff will not distribute any evaluation documents other than information provided in the staff report to other proposing firms or their advocates until after the Board of Directors takes final action on the procurement.
- f) Once the final selection of a consultant has been made, the CA shall draft the contract and obtain signatures. The contract shall reflect the formal negotiation results.
- j) Award of Contract

Contract awards will be made to the responsible firm whose proposal is most advantageous to the LOSSAN Agency with price and other factors considered. In determining which proposal is most advantageous, the LOSSAN Agency may award to the proposer whose proposal offers the greatest business value to the LOSSAN Agency based upon an analysis of a tradeoff of technical factors and price to arrive at the proposal that represents the "best value" to the LOSSAN Agency.

 - a) For procurements greater than \$100,000, the award of the contract shall occur when the Board of Directors approves the selection of Consultant and authorizes the Managing Director to execute a contract.
 - b) For procurements \$100,000 or less, the award of the contract shall occur when the evaluation process has been completed and the Managing Director concurs with the Evaluation Committee.

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12. Debriefings
The Consultant may request, in writing, a debriefing within three (3) business days of receipt of the on-line notification of contract award.
13. Contract Administration
The CA and the Project Manager shall be responsible for monitoring and reviewing the contract to determine whether the terms and conditions are being met.
14. Formal Contract Amendments Policy
 - a) Amendments for contracts or purchase orders which amount to fifteen (15) percent or less of the total original contract amount or \$100,000, whichever is less, do not require Board of Directors' approval.
 - b) The Managing Director may authorize changes or additions in the work being performed under construction public works contracts in accordance with the State of California Public Contracting Code section 20142 as follows:
 - a) Any increase to the contract's maximum obligation for any change or addition to the work ordered shall:
 - (a) Not to exceed \$5,000 when the total amount of the original contract does not exceed \$50,000.
 - (b) Not to exceed ten percent of the amount of the original contract that is greater than \$50,000, but does not exceed \$250,000.
 - (c) Not to exceed \$25,000, plus five (5) percent of the original contract that exceeds \$250,000.
 - (d) In no event shall any such change or alteration exceed \$210,000.
 - c) The Board of Directors must approve all contracts with option terms that if the option term is exercised would result in a contract amount greater than \$100,000. When this occurs, the Board of Directors shall approve the initial term plus all individual options.
 - d) A significant change to the scope of work that deviates from the original purpose of the scope of work that is so extensive that, in effect, the contractor is performing different work from that described in the original contract is considered a cardinal change and will be viewed as a sole source.
 - e) Request for changes to contract terms and conditions that alter or eliminate the requirement must be submitted in writing detailing the justification for the change and signed by a supervisor.

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C. Contract Task Order Policy

1. Contract Task Order (CTO) is used to provide an opportunity under master agreements to contract on an on-call basis (sharing one pool of funds).
2. CTOs shall require review by the CAMM Section Manager and Project Manager and review and signature from the Managing Director and the Finance & Administration Manager.
3. Master CTO agreements shall be issued to the on-call firms, and as the need for the particular service arises during the term of the agreements, CTOs shall be issued.
4. Master CTO agreements for a particular service may only be issued for the services as defined in the master agreement. Example: If the Master CTO agreement is for financial services, the CTOs may only be issued for financial services. All firms awarded a CTO Agreement must be able to perform all the services identified in the Statement of Work.
5. There are two (2) awarding CTO procedure types available, Competitive Pricing Awards and Sequential Awards. CAMM and the requesting department shall decide which procedural type will be used. The decision to use competitive pricing or sequential awards must be documented in the file as to the rationale for the decision.
 - a) The awarding procedure type shall be clearly discussed in the RFP, and consistently applied during the term of the agreements.
 - b) The CTO amount must be supported by a written cost proposal from the consultant.
 - c) The CTO amount cannot exceed the cost proposal.
6. Competitive Pricing Awards
 - a) The CTO process shall start with the Requisition, ICE and a Scope of Work which shall be forwarded to CAMM for review and processing.
 - b) All CTO firms must receive the Scope of Work with a request to provide pricing quotes based on the Scope of Work, and the rates included in the master agreements.

D. Cooperative Procurement Policy

1. The Managing Director will make the determination to purchase goods and services from other public agencies when it is in the best interest of the LOSSAN Agency to do so. Cooperative Agreements may be initiated with the State of California, using the California Multiple Awards Schedule (CMAS), the County of Orange, or with other appropriate public agencies.
2. The CA will evaluate all cooperative procurement terms and conditions for the purchase of goods and services and advise the Project Manager of notable issues, and with legal assistance if necessary. The CA will review and ensure there is sufficient justification for the cooperative purchase

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(price and/or schedule) and document such in the contract file.

E. Status of Past and Present Contracts Policy

The LOSSAN Agency requires Offerors to submit with their proposal, the Status of Past and Present Contracts form where the Offeror's firm has either provided services as a prime contractor or a subcontractor during the past five (5) years in which the contract has ended or will end in a termination, settlement or in legal action.

VII. Other Procurement Types

A. Fixed Asset Purchases Policy

1. Fixed Assets are those with unit costs greater than \$5,000 and a useful life of at least three years.
2. If the procurement is less than \$50,000 the Informal Procurement Process shall be used.
3. If the procurement is \$50,000 or greater, a formal Invitation for Bid (IFB) shall be used.
4. In either case, the award is made to the lowest responsive and responsible bidder.
5. Board of Directors' approval of vendor selection is required for procurements greater than \$100,000.

B. Public Works/Construction Services Policy

1. The LOSSAN Agency is required to follow California Public Contract code as related to public works contracting.
2. A Public Works contract is an agreement for erection, construction, alteration, repair or improvement of any public structure, building, road, or other public improvement of any kind.
3. Public works and construction projects shall be awarded through a competitive IFB process and must be awarded to the lowest responsive and responsible bidder.

C. Architectural and Engineering Services Policy

1. Architectural and Engineering (A&E) applies to procurements of professional consultants for engineering, architectural, land surveying or other support services.
2. A&E services must be competitively solicited and evaluated based solely on technical merit, pursuant to the state and/or federal Brooks Act.
3. A&E services are procured through the RFP procedure.
4. Only the highest ranked firms' cost proposal will be reviewed for fair and

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reasonableness and included in the final negotiated and approved contract.

D. Payment Policy

1. Contract funds should not be expended prior to completion of contract.
 - a) Payment for additional work is not allowed by check or payment request.
 - b) A contract amendment must be created prior to all additional work that requires any type of fee or payment.
2. The LOSSAN Agency may pay advanced costs if there is a sound business reason justifying the advanced payment and adequate security of the payment. If the contract is funded by the FTA, prior written concurrence from the FTA must be received before an advanced payment can be made.
3. Progress Payments – Progress payments are payments for contract work that has not yet been completed. For a fixed price contract, tasks or deliverables will be included in the contract. Progress payments may be made based on the percentage of work completed for each deliverable or task that has not been previously included in a previous invoice.

In order to make progress payments, the contract must include adequate security sufficient enough to protect the LOSSAN Agency's financial interest in the progress payment. Such security may be in the form of withholding a certain percentage from each invoice (i.e. retention amount), performance bonds, use of escrow accounts or letter of credit.

The contractor must submit documentation that justifies the amount of the progress payment and the PM must verify that the documentation submitted is sufficient to approve the payment. The PM may not make progress payments or increase the contract price beyond the funds obligated under the contract.

E. Construction Change Orders Policy

1. The LOSSAN Agency shall comply with the California Public Contract Code, Section 20142. Amendments to construction contracts may be authorized by the Managing Director as follows:
 - a) \$5,000 per change when the total amount of the original contract does not exceed \$50,000, or
 - b) Ten (10) percent of the amount of any original contract that exceeds \$50,000 but does not exceed \$250,000, or
 - c) For contracts greater than \$250,000, the change shall not exceed \$25,000, plus five (5) percent of the amount of the original contract amount in excess of \$250,000.
 - d) In no event shall any such change or alteration exceed \$210,000.
2. Changes in excess of the above amounts require Board approval.

F. Revenue Contracts Policy

1. A revenue contract is any third party contract whose primary purpose is to either generate revenues in connection with a transit related activity or to create business opportunities utilizing locally funded or FTA funded assets.
2. The requirements for competitive negotiated procurements apply to all revenue generating contracts. If the revenue contract uses FTA funds, all FTA requirements as specified in Circular 4220.IF apply.

G. Letter Amendments

1. A letter amendment is a method used to make changes to an existing contract. A letter is written, sent to the contracting firm notifying them of the change to their Agreement with the LOSSAN Agency. The letter amendment is signed by LOSSAN's Managing Director, but the contracting firm is not required to sign the letter and return it to the LOSSAN Agency.
2. Letter amendments may only be used to make on-going staff changes (other than key personnel); time extensions, and to exercise an option term if no Board approval is required or there is no increase to the contract's maximum payment obligation.

H. Services Marketed by Brokers

The LOSSAN Agency may contract for services that are marketed by brokers, including but not limited to, property insurance policies and health insurance related policies. For these services, the broker firm is responsible to market, procure, evaluate, negotiate, and contract for the services on behalf of the LOSSAN Agency. The broker firm will obtain a minimum of two quotes for the services they broker, and provide copies to the LOSSAN Agency for review. If two quotes can't be obtained in the marketplace, the broker must document why two quotes could not be obtained. The services procured by brokers will adhere to the same signature authority levels defined in this policy.

VIII. Disadvantaged Business Enterprise (DBE) Program Policy

A. Policy Statement

OCTA, serving as the managing agency for the LOSSAN Agency, has established a Disadvantaged Business Enterprise (DBE) Program in accordance with Title 49 Code of Federal Regulations (CFR), Part 26: *Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs* and subsequently issued U.S. Department of Transportation (U.S. DOT) Guidance (Race-Neutral Policy Implementation Directives).

B. Program Objectives

It is the policy of the LOSSAN Agency to ensure that DBEs, as defined in Title 49 CFR, Part 26, have an equitable opportunity to compete for and participate in the LOSSAN Agency's U.S. DOT-assisted contracts and subcontracts. The DBE Program objectives are designed to:

1. Ensure non-discrimination in the award and administration of the Authority's U.S. DOT-assisted contracts.
2. Create a level playing field by which DBEs can fairly compete for the Authority's U.S. DOT-assisted contracts.
3. Ensure that the Authority's DBE Program and overall annual goals are narrowly tailored in accordance with applicable law.
4. Ensure that only firms that fully meet Title 49 CFR, Part 26 eligibility standards are permitted to participate as DBEs in the Authority's DBE Program.
5. Help remove barriers which impede the participation of DBEs in the Authority's U.S. DOT-assisted contracts.
6. Assist in the development of DBE firms that can compete successfully in the marketplace outside of the DBE Program.
7. Provide appropriate flexibility to recipients of federal financial assistance in establishing and providing opportunities for DBEs.

The LOSSAN Agency further ensures that implementation of its DBE Program is afforded the same priority as compliance with all other legal obligations incurred by the LOSSAN Agency in its financial assistance agreements with the U.S. DOT. It is the expectation of the Managing Director that all LOSSAN Agency personnel shall adhere to the full spirit and intent of the DBE program and carry out all DBE requirements and procedures accordingly.

C. Non-Discrimination

The LOSSAN Agency will not exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract governed by Title 49 CFR, Part 26 on the basis of race, color, sex or national origin.


In administering a DBE Program, the LOSSAN Agency will not, directly or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishments of the objectives of the DBE Program with respect to individuals of a particular race, color, sex or national origin, and will further require such contract assurance in every U.S. DOT-assisted contract and subcontract.

Through such efforts, the LOSSAN Agency will ensure that its contracting and procurement-related processes promote equity in access, consideration and opportunity for DBEs in response to the requirements set forth under Title 49 CFR, Part 26: *Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs*.



June 17, 2019

To: Members of the Board of Directors

From: Jennifer L. Bergener, Managing Director 

Subject: Fiscal Year 2019-20 Budget Amendment and Fiscal Years 2019-20 and 2020-21 Business Plan Amendment

Overview

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's Fiscal Year 2019-20 budget and the fiscal years 2019-20 and 2020-21 business plan were approved by the Board of Directors on March 18, 2019. The business plan was submitted to the Secretary of the California State Transportation Agency on March 29, 2019, prior to the April 1 deadline. In order to incorporate the federal fiscal year 2019-20 revenue and expense forecast received from Amtrak on April 1, 2019, the California State Transportation Agency has allowed for a revised budget and resubmittal of the business plan by June 30, 2019, for final approval.

Recommendations

- A. Amend the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's Fiscal Year 2019-20 revenue and expense budget to reflect the revised Amtrak operating revenue and expense forecast and other adjustments.
- B. Amend the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's business plan for fiscal years 2019-20 and 2020-21 to reflect the revised budget.
- C. Direct staff to submit the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency revised business plan for fiscal years 2019-20 and 2020-21 to the Secretary of the California State Transportation Agency for approval.
- D. Authorize the Managing Director to make amendments to the Master Fund Transfer Agreement annual supplements for fiscal year 2019-20 operating funds, minor capital improvement projects funds, administrative, and marketing funds.
- E. Authorize the Managing Director to approve total advertising expenditures to exceed \$100,000 in Fiscal Year 2018-19 and Fiscal Year 2019-20 each with Facebook and Google for digital ad placements.

Background

On March 18, 2019, the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) Board of Directors (Board) approved the LOSSAN Agency's annual business plan for fiscal year (FY) 2019-20 and FY 2020-21 (Business Plan) including the LOSSAN Agency FY 2019-20 budget. Included in both the adopted budget and the Business Plan is funding for administrative and marketing services in the amount of \$6,878,548, as well as \$36,220,600 for net train operations (including estimate for additional round trips, cost sharing revenue for retimed trains and transit connectivity programs), and \$500,000 for minor projects. The adopted budget also includes revenues and expenses related to grant programs in the amount of \$12,000,000. The adopted budget included in the business plan for Amtrak operations was based on preliminary cost estimates available at the time of adoption and consistent with Board approved budget assumptions.

The LOSSAN Agency received Amtrak's Federal FY (FFY) 2019-20 operating revenue and expense forecast on April 1, 2019. Based on updated information provided in the forecast, as well a separate estimate Amtrak developed for an additional round trip between San Diego and Los Angeles, the LOSSAN Agency seeks to amend its FY 2019-20 budget and the FY 2019-20 and FY 2020-21 Business Plan for final submittal to the California State Transportation Agency (CalSTA).

Discussion

The LOSSAN Agency's FY 2019-20 adopted operating budget includes \$28,829,491 for net Amtrak operating costs. This amount reflects \$119,652,691 in total Amtrak operating expenses, less \$90,823,200 in total revenue. In addition, the operating budget includes an estimate of \$8,388,384 for additional roundtrips (13th roundtrip between San Diego and Los Angeles, 6th roundtrip between San Diego and Goleta, and a 3rd roundtrip between San Diego and San Luis Obispo), and \$180,000 for emergency bus bridge services and the continuation of the transit transfer program. The budget also includes a revenue contribution of \$1,177,275 from the Santa Barbara County Association of Governments for the estimated cost of re-timed trains to facilitate the morning peak-period service. Additional expenses and revenues for \$500,000 are included for minor capital projects, consistent with prior year approved amounts.

The FY 2019-20 adopted budget includes \$4,878,548 for administrative services and \$2,000,000 for marketing services. Additionally, the budget includes \$12,000,000 for various grant programs.

Proposed Budget Amendment

A budget amendment for FY 2019-20 is proposed in order to incorporate the FFY 2019-20 Amtrak operating forecast. The total proposed amendment reflects a reduction in net Amtrak operating expenses and State funding for net Amtrak operating expenses of \$5,699,592. This includes an increase to net operating costs of \$1,573,972 by incorporating Amtrak's forecast. It also includes a decrease to the original 13th round trip estimate (which included a full round trip to San Luis Obispo) at \$8,388,384 down to \$1,114,820. Amtrak provided a separate estimate for the 13th round trip between San Diego and Los Angeles, with a net cost of \$1,114,820. While it is the intent of the LOSSAN Agency to implement the additional round trip service north of Los Angeles to San Luis Obispo, staff will come back to the Board for additional budget authorization once host rail road approval is granted and necessary equipment is identified to extend the service. The FFY 2019-20 operating forecast was created by Amtrak using FFY 2018 actuals, which includes a 0.7 percent revenue increase and overall route cost increase of 4.2 percent from FFY 2018.

Additional proposed changes in operating expenses for FY 2019-20 include a reduction of \$20,000 for the continuation of the transit transfer program. The LOSSAN Agency has been given approval to use remaining 2016 Transit and Intercity Rail Capital Program (TIRCP) grant funds for the continuance of the program through December 2019. State funds will be needed to continue the program through the end of the fiscal year, which is estimated to be \$40,000 and included in the transit connectivity and integration budget (the adopted budget included \$60,000).

Proposed changes to the FY 2020-21 budget are estimated based off the FY 2019-20 adopted budget and proposed changes. The FY 2020-21 budget will be brought to the Board for annual approval as part of the FY 2020-21 and FY 2021-22 Annual Business Plan.

Administrative Funds

The proposed FY 2019-20 budget amendment for administrative expenses is an increase of \$360,000 which includes \$210,000 in professional services to be re-budgeted for the San Diego County layover and maintenance facility study. The increase also includes \$127,000 to allow for the ability to hire the remaining three vacant positions at a salary between midpoint and top of range, as well as insurance (\$15,000) and travel (\$8,000) increases. This will give maximum flexibility to attract the most qualified staff in today's competitive market. The increase in insurance and travel line items are due to the increase in the level of staff over previous fiscal years. Funding from the State will be requested for the \$210,000 needed to roll over or re-budget the funds already approved by the State for the San Diego County layover and maintenance facility study. The remaining

proposed increase in administrative services of \$150,000 will be fully funded by interest earnings.

The proposed FY 2019-20 budget amendment for marketing revenues and expenses is an increase of \$1,450,000, for the use of prior year marketing roll over funds. The use of these funds will include a broad range of activities from communicating critical rider information and engaging with audiences through various channels to launching new service promotions and working to increase revenue related to key business objectives. Additional marketing staff focuses will be on promoting Pacific Surfliner ridership by implementing programs designed to strengthen the Pacific Surfliner brand, build a strong online presence, improve the customer experience, add value for passengers, and leverage strategic partnerships. The use of marketing prior year roll over funds have been previously approved by the State and included as part of the FY 2019-20 budget assumptions.

Grant Programs

The proposed FY 2019-20 budget amendment for grant programs revenues and expenses includes an increase of \$1,567,000 associated with TIRCP grant programs. The estimated increase is for host railroad incentive and maintenance agreements, which will be funded by TIRCP grant revenue. The budget amendment also includes a reduction of \$1,500,000 in both revenues and expenses associated with the central coast layover facility expansion project for FY 2019-20, which is re-budgeted in FY 2020-21 due to the project schedule.

A summary of the proposed FY 2019-20 budget amendment is presented in Attachment A, and a summary of the overall proposed FY 2019-20 and FY 2020-21 Business Plan amendment is presented in Attachment B. The proposed amendment to the Business Plan for FY 2020-21 reflects increases in operating expenses, revenues, and administration funding consistent with FY 2019-20 budget assumptions. The FY 2020-21 annual budget will be brought to the Board for annual approval as part of the FY 2020-21 and FY 2021-22 Annual Business Plan.

The LOSSAN Agency bylaws authorize the Managing Director to make disbursements of funds up to \$100,000 each, or as otherwise directed by Governing Board resolution. The LOSSAN Agency places digital advertisements with Google and Facebook on a monthly basis, and while individual monthly payments are under \$100,000 each, the cumulative payments made in a given fiscal year will likely exceed \$100,000. Moving forward, the LOSSAN Agency will include authorization for the Managing Director to approve total advertising expenditures to exceed \$100,000 for Google and Facebook on an annual basis with the approval of the annual fiscal year budget.

Summary

The proposed Fiscal Year 2019-20 proposed budget amendment decreases the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Fiscal Year 2019-20 net operating revenue and expense budget by \$5,719,592 (which includes \$5,699,592 in net Amtrak operating expenses and State funding for net Amtrak operating expenses, as well as \$20,000 for transit connectivity and integration). The proposed amendment increases administration revenues and expenses by \$360,000 (which includes State provided funding increase of \$210,000 plus interest revenue increase of \$150,000), as well as increases marketing revenue and expenses by \$1,450,000 due to the use of prior year surplus. The proposed amendment also increases net grant revenues and expenses by \$67,000. Upon Board approval, an updated Fiscal Year 2019-20 and Fiscal Year 2020-21 Business Plan will be submitted to the California State Transportation Agency.

Attachments

- A. Fiscal Year 2019-20 Proposed Budget Amendment, Revenues and Expense Detail
- B. Fiscal Year 2019-20 and Fiscal Year 2020-21 Proposed Business Plan Amendment

Prepared by:



Jason Jewell
Finance and Administration Manager
(714) 560-5688

**Fiscal Year 2019-20 Proposed Budget Amendment
Revenues and Expense Detail**

Revenues	Fiscal Year (FY) 2019-20 Adopted Budget¹	FY 2019-20 Proposed Amendment	FY 2019-20 Final Budget
State Funding for Net Amtrak Operating Expenses	\$ 36,040,600	\$ (5,699,592)	\$ 30,341,008
Transit Connectivity and Integration	\$ 180,000	\$ (20,000)	\$ 160,000
Net State Operating Subsidy Revenues	\$ 36,220,600	\$ (5,719,592)	\$ 30,501,008
Reimbursement From Other Agencies (cost sharing for retimed trains)	\$ 1,177,275	\$ -	\$ 1,177,275
Total Operating Revenues	\$ 37,397,875	\$ (5,719,592)	\$ 31,678,283
State Funding for Minor Projects	\$ 500,000	\$ -	\$ 500,000
Total State Minor Projects Revenues	\$ 500,000	\$ -	\$ 500,000
State Administrative Funding	\$ 4,878,548	\$ 210,000	\$ 5,088,548
State Marketing Funding	\$ 2,000,000	\$ 1,450,000	\$ 3,450,000
Interest Revenue	\$ 84,000	\$ 150,000	\$ 234,000
Total State Administration and Marketing Funding and Interest Revenues	\$ 6,962,548	\$ 1,810,000	\$ 8,772,548
State Other - Transit & Intercity Rail Capital Program Grants ²	\$ 4,200,000	\$ 1,567,000	\$ 5,767,000
State Other - California Transit Security Grant Program	\$ 1,200,000	\$ -	\$ 1,200,000
State Rail Assistance	\$ 5,100,000	\$ -	\$ 5,100,000
State Transportation Improvement Program Revenue	\$ 1,500,000	\$ (1,500,000)	\$ -
Total Grant Programs Revenues	\$ 12,000,000	\$ 67,000	\$ 12,067,000
Total Revenue Budget	\$ 56,860,423	\$ (3,842,592)	\$ 53,017,831

Expenses	Fiscal Year (FY) 2019-20 Adopted Budget¹	FY 2019-20 Proposed Amendment	FY 2019-20 Final Budget
Net Amtrak Operating Expenses	\$ 37,217,875	\$ (5,699,592)	\$ 31,518,283
Transit Connectivity and Integration	\$ 180,000	\$ (20,000)	\$ 160,000
Net Amtrak Operating Expenses	\$ 37,397,875	\$ (5,719,592)	\$ 31,678,283
Minor Projects Expense	\$ 500,000	\$ -	\$ 500,000
Total Minor Projects Expenses	\$ 500,000	\$ -	\$ 500,000
Administrative Expenses	\$ 4,962,548	\$ 360,000	\$ 5,322,548
Marketing Expense	\$ 2,000,000	\$ 1,450,000	\$ 3,450,000
Total State Administration and Marketing Expenses	\$ 6,962,548	\$ 1,810,000	\$ 8,772,548
Grant Programs - Transit & Intercity Rail Capital Program ²	\$ 4,200,000	\$ 1,567,000	\$ 5,767,000
Grant Programs - California Transit Security Grant Program	\$ 1,200,000	\$ -	\$ 1,200,000
Grant Programs - State Rail Assistance Projects - Services	\$ 5,100,000	\$ (279,480)	\$ 4,820,520
Grant Programs - State Rail Assistance Projects Services - Capital	\$ -	\$ 279,480	\$ 279,480
Grant Programs - State Transportation Improvement Program Projects	\$ 1,500,000	\$ (1,500,000)	\$ -
Total Grant Programs Expenses	\$ 12,000,000	\$ 67,000	\$ 12,067,000
Total Expense Budget	\$ 56,860,423	\$ (3,842,592)	\$ 53,017,831

¹ Fiscal Year 2018-19 covers July 1, 2019 through June 30, 2020.

² Includes both the Transit Transfer Program (\$1,400,000) and Host capital maintenance and incentive programs (\$4,367,000).

**Fiscal Year 2019-20 and Fiscal Year 2020-21 Proposed Business Plan Amendment
State Funding Request**

	Fiscal Year (FY) 2019-20 ¹				FY 2019-20		
	FY 2019-20 Adopted Budget (3/18/19)	FY 2019-20 Proposed Amendment	FY 2019-20 Final Budget		FY 2020-21 Adopted Budget (3/18/19)	FY 2020-21 Proposed Amendment	FY 2020-21 Final Budget
Amtrak Operating							
Total Amtrak Operating Costs	\$ 119,652,691	\$ 3,254,363	\$ 122,907,054		\$ 124,438,798	\$ -	\$ 124,438,798
Total Amtrak Operating Revenue	\$ (90,823,200)	\$ (1,680,391)	\$ (92,503,591)		\$ (93,093,780)	\$ -	\$ (93,093,780)
Net Amtrak Operating Costs (Expenses less Revenues)	\$ 28,829,491	\$ 1,573,972	\$ 30,403,463		\$ 31,345,018	\$ -	\$ 31,345,018
LOSSAN Funding Requirement							
Net Amtrak Operating Costs	\$ 28,829,491	\$ 1,573,972	\$ 30,403,463		\$ 31,345,018	\$ -	\$ 31,345,018
Net Cost Estimate For Additional Round Trips	\$ 8,388,384	\$ (7,273,564)	\$ 1,114,820		\$ 8,723,920	\$ (7,609,100)	\$ 1,159,413
Less Cost Sharing Revenue Retimed Trains	\$ (1,177,275)	\$ -	\$ (1,177,275)		\$ (1,177,275)	\$ -	\$ (1,177,275)
Transit Connectivity and Integration	\$ 180,000	\$ (20,000)	\$ 160,000		\$ 180,000	\$ -	\$ 180,000
LOSSAN Net Operating Funding Request	\$ 36,220,600	\$ (5,719,592)	\$ 30,501,008		\$ 39,071,663	\$ (7,609,100)	\$ 31,507,156
Administrative and Marketing							
Administrative Funding Request	\$ 4,878,548	\$ 210,000	\$ 5,088,548		\$ 5,073,690	\$ -	\$ 5,073,690
Marketing Funding Request	\$ 2,000,000	\$ 1,450,000	\$ 3,450,000		\$ 2,000,000	\$ -	\$ 2,000,000
LOSSAN Net Administrative and Marketing Funding Request	\$ 6,878,548	\$ 1,660,000	\$ 8,538,548		\$ 7,073,690	\$ -	\$ 7,073,690
Supplemental State Funding							
Minor Projects	\$ 500,000	\$ -	\$ 500,000		\$ 500,000	\$ -	\$ 500,000
Total LOSSAN State Funding Request	\$ 43,599,148	\$ (4,059,592)	\$ 39,539,556		\$ 46,645,353	\$ (7,609,100)	\$ 39,080,846
Grant Programs							
Transit & Intercity Rail Capital Grant Revenue ²	\$ (4,200,000)	\$ (1,567,000)	\$ (5,767,000)		\$ (8,100,000)	\$ -	\$ (8,100,000)
Transit & Intercity Rail Capital Grant Expenses ²	\$ 4,200,000	\$ 1,567,000	\$ 5,767,000		\$ 8,100,000	\$ -	\$ 8,100,000
California Transit Security Grant Revenue	\$ (1,200,000)	\$ -	\$ (1,200,000)		\$ -	\$ -	\$ -
California Transit Security Project Expenses	\$ 1,200,000	\$ -	\$ 1,200,000		\$ -	\$ -	\$ -
State Rail Assistance Revenue	\$ (5,100,000)	\$ -	\$ (5,100,000)		\$ -	\$ -	\$ -
State Rail Assistance Expenses - Services and Supplies	\$ 5,100,000	\$ (279,480)	\$ 4,820,520		\$ -	\$ -	\$ -
State Rail Assistance Expenses - Capital	\$ -	\$ 279,480	\$ 279,480		\$ -	\$ -	\$ -
State Transportation Improvement Program Revenue	\$ (1,500,000)	\$ 1,500,000	\$ -		\$ (9,800,000)	\$ 8,300,000	\$ (1,500,000)
State Transportation Improvement Program Expenses	\$ 1,500,000	\$ (1,500,000)	\$ -		\$ 9,800,000	\$ (8,300,000)	\$ 1,500,000
Net Grant Programs Cost	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -

¹Fiscal Year 2019-20 covers July 1, 2019 through June 30, 2020.

² Includes both the Transit Transfer Program (\$1,400,000) and Host capital maintenance and incentive programs (\$4,367,000).



June 17, 2019

To: Members of the Board of Directors
From: Jennifer L. Bergener, Managing Director
Subject: Quarterly Marketing Update

Overview

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's fiscal year 2018-19 marketing effort supports key priorities outlined in the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's Fiscal Years 2018-19 and 2019-20 Business Plan by engaging in marketing strategies and programs designed to help grow awareness, ridership, and revenue on the Pacific Surfliner service. This report provides a summary of marketing activities and performance through April 2019.

Recommendation

Receive and file as an information item.

Discussion

The Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency's (Agency) efforts to create awareness and generate interest in the Pacific Surfliner service include a broad range of marketing activities from communicating critical rider information and engaging with audiences through various channels to launching new service promotions and working to increase revenue related to key business objectives.

Marketing staff focuses on promoting ridership along the corridor by developing and implementing an array of marketing programs designed to strengthen the Pacific Surfliner brand, build a strong online presence, improve customer experience, add value for passengers, and leverage strategic partnerships.

Performance Summary

The Pacific Surfliner website captures traffic and drives users to Amtrak points of sale for ticketing. One of the key metrics that LOSSAN Agency staff reviews to help align marketing activities with ridership and revenue is Amtrak referral

sales reports, which includes bookings generated by PacificSurfliner.com and resulting sales and revenue on Amtrak.com.

For the period from March 2019 to April 2019, Amtrak reported an increase in sales over the previous year from leads generated by the Pacific Surfliner website – a positive indicator of people booking tickets as a direct result of engaging with the LOSSAN Agency's marketing efforts and visiting PacificSurfliner.com. Amtrak reports that the Pacific Surfliner website drove 228,041 qualified sales leads to Amtrak.com in the 2019 calendar year to date, resulting in 37,492 bookings and \$1,306,103 in revenue. Referral sales tracking data is not available between January 2018 and February 2018 from Amtrak.com due to data processing issue, so a year-over-year comparison cannot be made for those months.

While there have been fluctuations in overall ridership and revenue year-over-year, lead volume delivered to Amtrak.com continues to consistently increase, demonstrating that people are buying tickets as a direct result of visitation to the Pacific Surfliner website.

Sales referrals from PacificSurfliner.com represents only a portion of overall sales, as passengers are encouraged to use a variety of channels to purchase tickets including going direct to the Amtrak website and mobile app. Currently, sales reporting is not available for direct bookings on Amtrak.com, the Amtrak app, or via phone and in station. LOSSAN staff continues to work with Amtrak to refine reporting and insights.

			
Unique visits to PacificSurfliner.com	Referral traffic to Amtrak.com	Bookings on Amtrak.com	Revenue
2019 TOTAL (Jan-Apr)	876,333	228,041	37,492
	\$1,306,103		

Marketing Highlights

A summary of ongoing marketing programs and initiatives is provided below.

2019 Ridership Campaign

The Hug the Coast 2019 campaign was launched in February 2019 to create demand for travel on the Pacific Surfliner during the winter and spring when there is more seating capacity on trains. This was accomplished by building on the

existing Hug the Coast theme and evolving the messaging to celebrate both the unique Pacific Surfliner experience and the inner journey that moves our passengers to embrace traveling to both familiar and new destinations.

The campaign included a mix of advertising strategies that provide broad reach and frequency along the Pacific Surfliner route as well as more targeted digital strategies that promote engagement through actionable and measurable means, such as clicking through to PacificSurfliner.com. The media campaign consisted of advertising on broad-reach channels, such as billboards, ads in print publications, and digital radio to deliver the campaign message to large audiences. These tactics were critical to generating a high volume of impressions, driving visibility and general awareness across the corridor. The campaign also utilized tactics to drive customers to PacificSurfliner.com through cost-effective digital advertising; targeted placements to improve online visibility on search engines, partner websites, and social media; and partnerships that helped extend the overall reach of the campaign to relevant audiences.

Mid-week Companion Fare

In February 2019, the LOSSAN Agency launched a special fare offer to promote mid-week travel on the Pacific Surfliner. The offer included a 50 percent discount on a companion fare, which gave audiences a compelling incentive to travel between Mondays and Thursdays through June 2019 when the train has typically more seating capacity. The integrated media campaign builds off of the Hug the Coast theme from 2018, which had a very positive reception by partners, media, and consumer response measured through online activity and engagement.

Kids 'n' Trains

Kids 'n' Trains is a seasonal travel program for school and youth groups. It is designed to fill seats on select Pacific Surfliner trains mid-week by offering special pricing to school groups for travel between Mondays and Thursdays. The program encourages schools to travel by train when planning field trips, giving kids in grades K-12 and their adult chaperones the opportunity to experience rail travel. This program introduces thousands of kids and adults to the pleasure and ease of travel on the Pacific Surfliner. Their positive experience helps develop a new customer base for the route in the future. To promote the Kids 'n' Train program in the 2018-19 school year, an email outreach campaign to over 150 public and private schools was completed and it is anticipated that more than 110 field trip groups will have traveled on the Pacific Surfliner Kids 'n' Trains program in the 2018-19 school year.

Partnerships

To encourage consumers to travel on the Pacific Surfliner, offers were promoted to popular destinations such as Disneyland, resulting in even more online visibility, earned media, and referral traffic for Pacific Surfliner bookings.

The LOSSAN Agency continues to build and cultivate partnerships along the corridor to increase market share and brand awareness in target markets, driving key southern California audiences to take the train. Participating in cross-promotional opportunities with strategic partners helps to decrease advertising costs and provide added value for Pacific Surfliner customers.

Disneyland Resort Partnership

In February 2019, the LOSSAN Agency and *Disneyland*® Resort brought back the popular “take the train and save” promotion with special savings on both train travel and theme park admission through May 20, 2019. For a limited time, kids ages 2-12 could ride free on the Pacific Surfliner to and from Anaheim with a full-fare, paid adult. Additionally, Pacific Surfliner passengers could unlock an additional 5 percent savings on the SoCal Resident Ticket offer for *Disneyland*® Resort theme parks. The partnership continues to promote ridership in key southern California markets as well as offer added value to Pacific Surfliner customers. There continued to be positive reception to this promotion by partners, news media, and consumers as measured through online activity and engagement.

Anaheim Ducks Sponsorship

The LOSSAN Agency partnered with the Anaheim Ducks to promote taking the Pacific Surfliner to the Honda Center for 2018-19 season home games, and to build general awareness of the Pacific Surfliner service. The Anaheim Ducks are housed at the Honda Center, which is located across the street from the Anaheim Regional Transportation Intermodal Center, providing easy access to Pacific Surfliner service. The sponsorship was designed to embed the Pacific Surfliner brand into the Anaheim Ducks’ market, and integrate with their loyal fan base through co-branded activities including advertising elements at the Honda Center and digital placements on AnaheimDucks.com, email blasts, and social media posts across various Anaheim Ducks social media channels. Additional exposure was also achieved via radio advertising throughout the season on KLAA 830AM.

The LOSSAN Agency further expanded the Anaheim Ducks’ sponsorship to create activation campaigns that allowed consumers to take part and interact with the Pacific Surfliner brand, further increasing the consumer connection.

A high-profile sweepstakes encouraged fans to take the train to the Honda Center for a chance to win four game tickets and a VIP Penalty Box Experience on March 12, 2019.

New Pacific Surfliner Website

A new PacificSurfliner.com digital platform is scheduled to launch in summer 2019. In addition to redesigning the look and feel of the website, the launch will include implementing a new content management system, which will help the LOSSAN Agency effectively manage future growth of its marketing program and related digital activities. The LOSSAN Agency's investment in a new digital platform will allow future marketing efforts to effectively, keep pace with evolving technology and customer expectations.

Since its launch in late 2015, PacificSurfliner.com has continued to gain traction as an online destination for current and prospective riders, with 4.5 million page views in FY 2017-18 along with consistent year-over-year increases in unique site visitors. The website acts as the hub of all marketing activities, highlighting the unique onboard experience while also providing relevant schedule, station, and trip planning information before ultimately directing users to Amtrak points of sale to complete the ticketing process.

Many of the bookings on PacificSurfliner.com are assumed to be from new or latent riders, as frequent passengers tend to book directly through Amtrak.com or the Amtrak mobile app. This illustrates that the LOSSAN Agency's digital marketing efforts are crucial to not only maintain current customers, but also to reach new and distinct markets that present opportunities to grow ridership and revenue.

The LOSSAN Agency consistently drives valuable traffic to the Pacific Surfliner website throughout the year with marketing strategies focused on keeping the Pacific Surfliner top of mind. The new website is designed to continue to increase customer engagement and booking transactions on PacificSurfliner.com.

LOSSAN Agency staff has been working with a contracted web development vendor to develop the new Pacific Surfliner website with the following objectives:

- Create a highly engaging, personally relevant online experience
- Implement Episerver as a content management system (CMS) and migrate content from existing production site
- Grow sales via online bookings by leveraging customer data in various forms for actionable personalization strategies
- Improve customer service by delivering timely, accurate, and relevant information

- Ensure a seamless digital experience for Pacific Surfliner audiences including integration between PacificSurfliner.com and other digital marketing channels such as social media, Amtrak.com, and online advertising

Immediate enhancements to the new site will provide better audience insight, improved site management, and improved customer experience. Highlights include the following:

- Ability to collect user data - The site booking widget will be able to collect user data before directing them to Amtrak.com to complete their purchase. New functionality will be implemented to solve pain points such as limiting options to Pacific Surfliner destinations, controlling promo codes, and allowing the editor to easily control content and links.
- Episerver Digital Experience Cloud - Implementation of the fully managed cloud solution is secure and scalable, which helps to reduce information technology costs and minimize downtime.
- Website management efficiencies - The Episerver platform provides a user-friendly CMS with an intuitive interface. It enables website editors to drag-and-drop content to quickly create new digital experiences that are automatically responsive to different devices, without the need for developers.
- Timely, accurate, relevant website experience - In addition to making website updates more efficient, marketing staff will be able to deliver alerts in real time and can personalize the content users see based on their location, interests, and behavior.

Summary

A summary of marketing activities and performance through April 2019 is provided. Recent marketing efforts included an integrated media campaign and various promotions designed to strengthen the Pacific Surfliner brand, build a strong online presence, improve customer experience, and offer added value for passengers. Amtrak continues to report a consistent increase in sales from bookings generated by the PacificSurfliner.com website – a positive indicator that passengers are booking tickets as a direct result of engaging with the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's marketing efforts.

A new PacificSurfliner.com digital platform is scheduled to launch in summer 2019. The new website is designed to improve website management, enhance the customer experience, and increase engagement and booking transactions.

Attachment

None.

Prepared by:



Emilia Doerr
Marketing & Communications Officer
714-560-5370



Quarterly Marketing Update

Board of Directors
June 17, 2019

Performance Summary

Amtrak reported an increase in sales generated by PacificSurfliner.com in March and April 2019 compared to the previous year*.

This is a positive indicator people are engaging with our marketing efforts and booking tickets through Pacific Surfliner website



Unique visits to
PacificSurfliner.com



Referral traffic to
Amtrak.com



Bookings on
Amtrak.com



Revenue

2019 TOTAL (Jan-Apr)	876,333	228,041	37,492	\$1,306,103
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Note: Currently, sales reporting is not available for direct bookings on Amtrak.com, the Amtrak app, via phone, or in the stations.

**Referral sales tracking data is not available between January 2018 and February 2018 from Amtrak.com due to data processing issue*

Hug the Coast 2019 Campaign


Integrated media campaign was launched in early 2019 to create demand for travel on the Pacific Surfliner during the winter and spring when there is more capacity on trains.



 **Pacific Surfliner**
Sponsored · 🌐

No one ever experienced the breathtaking beauty of Southern California by sitting in traffic. Hug the coast and enjoy 351 miles of golden beaches, natural preserves, and vibrant downtowns.

Road trips are better without the road.



PACIFICSURFLINER.COM
Go Off Road
Embrace the journey of getting there.

[Book Now](#)

👍 Like 💬 Comment ➦ Share

Campaign Theme

Celebration of both the unique Pacific Surfliner experience and the inner journey that moves our passengers to embrace traveling to familiar and new destinations.



[Video] New video showcases year-round beauty of Pacific Surfliner route.

History of PacificSurfliner.com

PacificSurfliner.com

- In late 2015, the PacificSurfliner.com website was launched to provide both current and prospective riders with a more relevant online experience, to better engage audiences along the corridor, and attract new riders.
- While information about Pacific Surfliner service is available on Amtrak.com, this content is general and static. Relevant information may be difficult to find as Amtrak.com serves a broader, national audience.

Marketing Efforts

- LOSSAN Agency staff has worked to optimize and build out the Pacific Surfliner website, including launching a blog and online newsroom.
- Efforts include developing videos, articles, and other content to boost search engine visibility, awareness, and referring traffic.

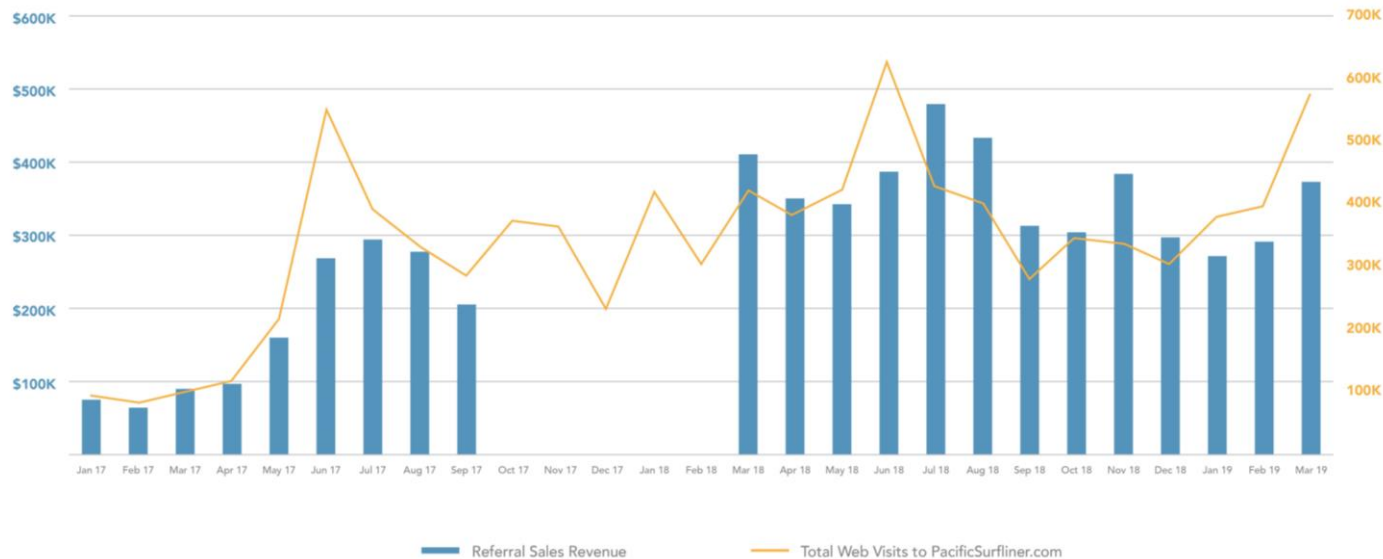
Results

- Amtrak reports a consistent increase in sales and revenue generated by Amtrak.com.
- Approximately 530,000 qualified sales leads were delivered to Amtrak.com in 2018*, resulting in \$3.7 million in revenue from PacificSurfliner.com sales referrals.

*Referral sales tracking data is not available between January 2018 and February 2018 from Amtrak.com due to data processing issue

Sales from PacificSurfliner.com

GOAL: Drive more traffic to PacificSurfliner.com and deliver more sales referrals to Amtrak.com



Amtrak reported a **95 percent** increase in referral sales revenue from PacificSurfliner.com in 2018, compared to the same period the previous year.

On average, 1 in every 10 customers completed a booking on Amtrak.com after visiting the Pacific Surfliner site.

*Referral sales tracking data is not available between October 2017 and February 2018 from Amtrak.com due to data processing issue.

Immediate Site Enhancements

Audience Insight

Booking Widget:

Currently, the LOSSAN Agency is unable to gather user data via the Booking widget which inhibits us from providing customers with targeted, personalized experiences.

New site booking widget can collect user data before directing them to Amtrak to complete their purchase.

Operations

Editor flexibility:

The Episerver platform provides a user-friendly content management system with an intuitive interface. It enables editors to drag-and-drop content to quickly create new digital experiences that are automatically responsive to different devices, without the need for developers.

Episerver Digital Experience Cloud:

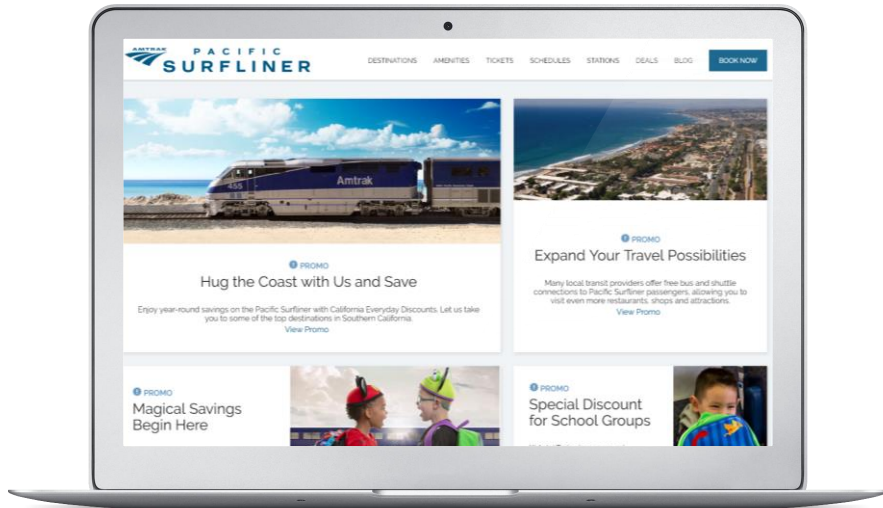
The fully managed cloud solution is secure and scalable, which helps to reduce information technology costs and minimize downtime.

Customer Experience

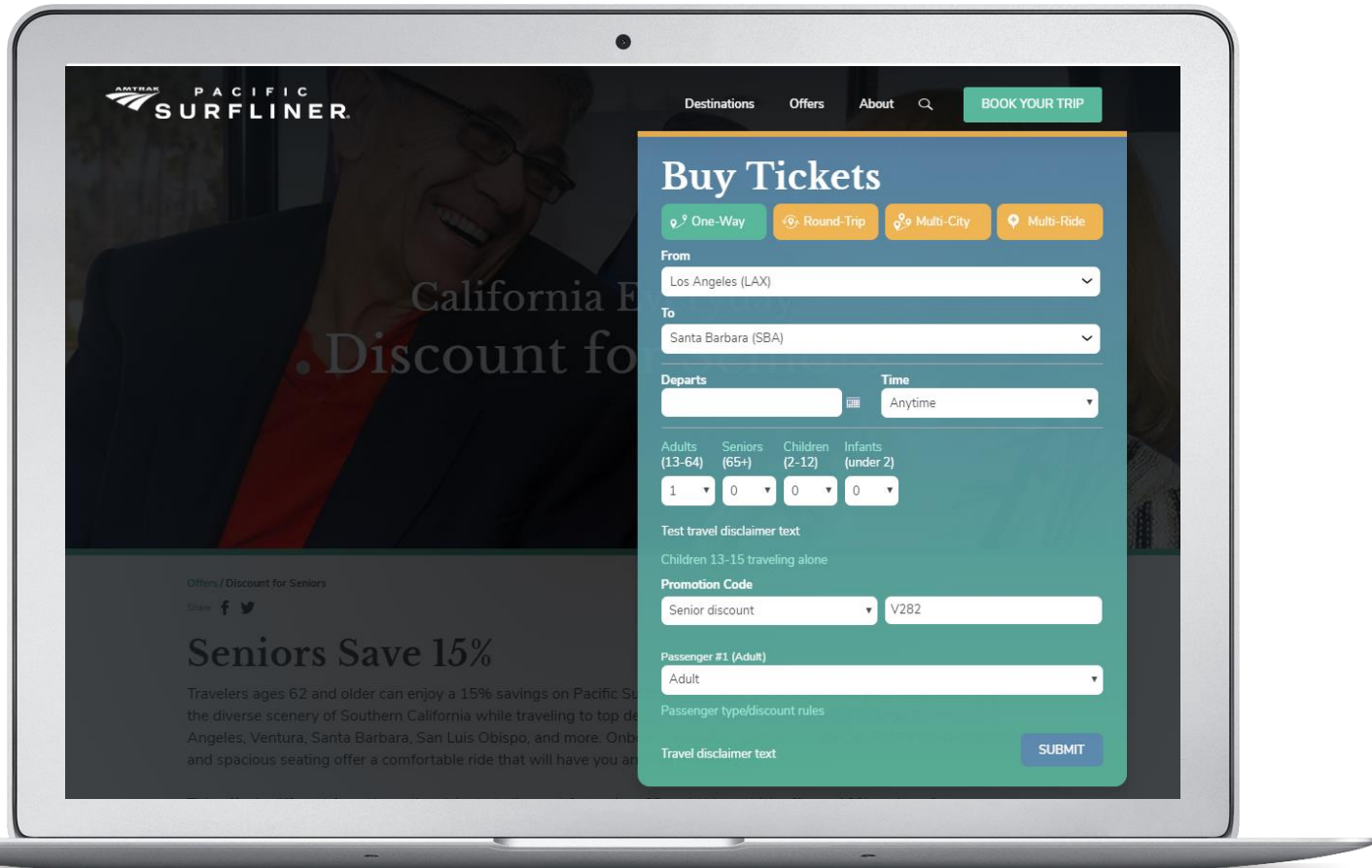
Timely, accurate, relevant:

In addition to making website updates more efficiently, marketing staff will be able to deliver alerts in real time and can personalize the content users see based on their location, interests, and behavior.

Before and After

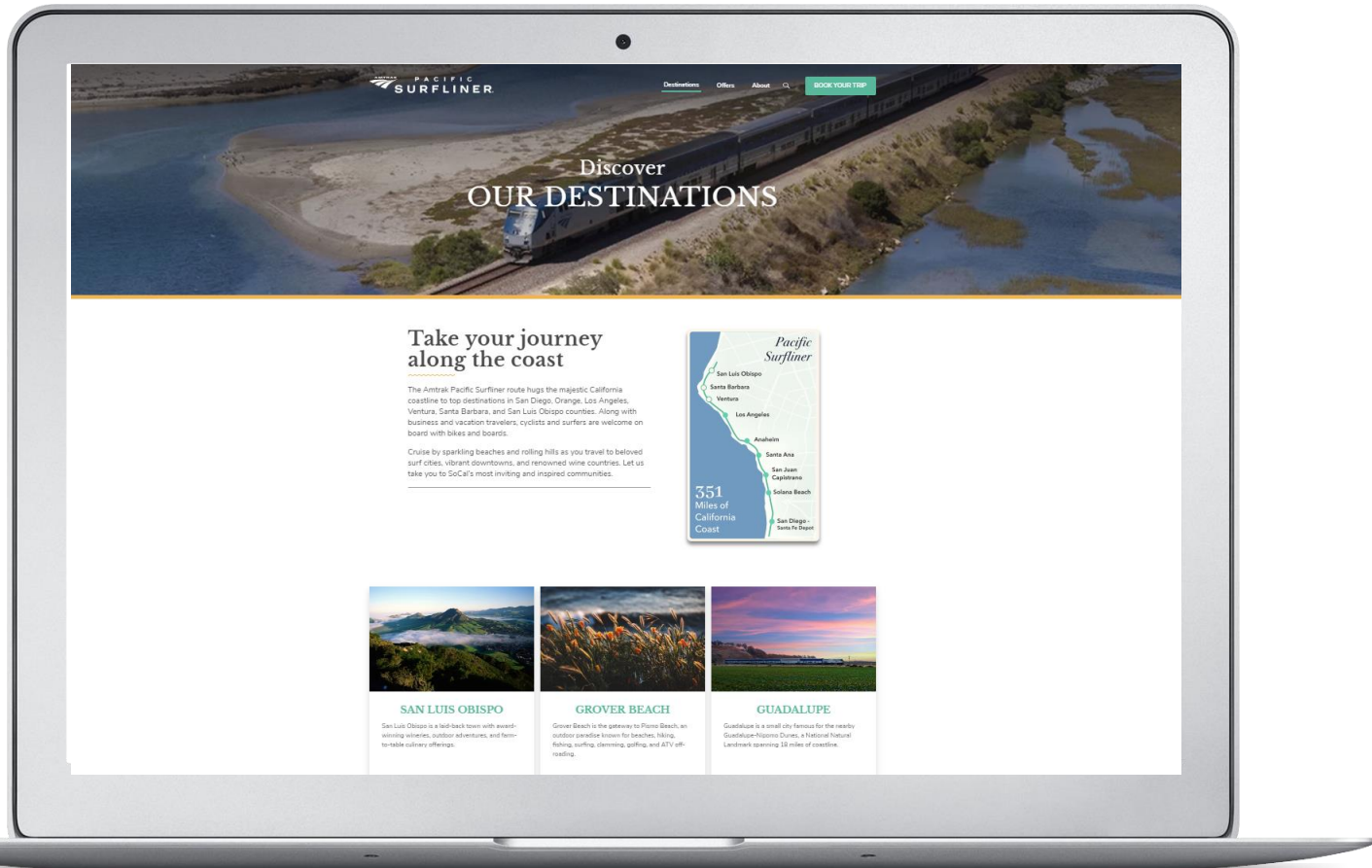


Optimized Booking Widget



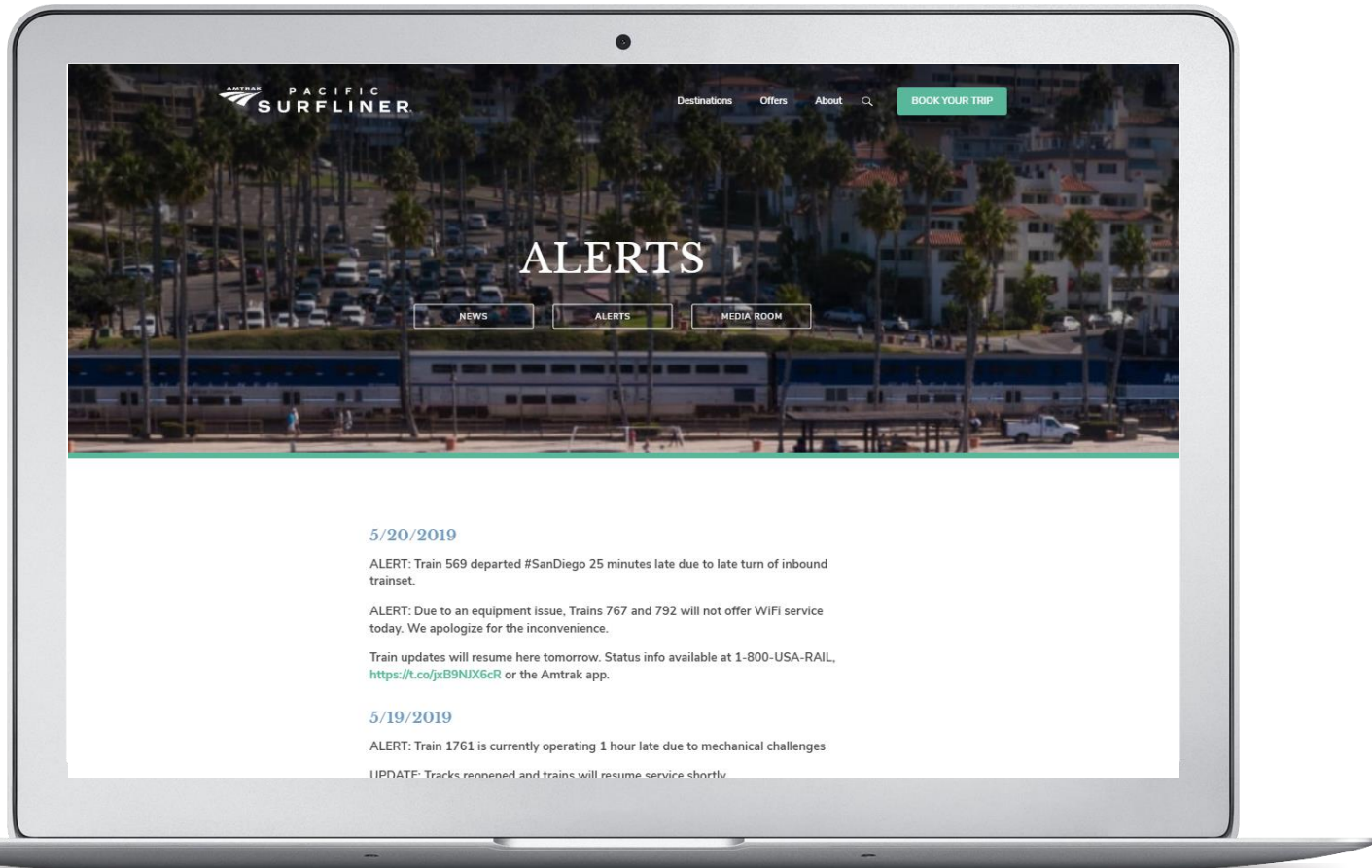
Demo

Enhanced Destination Pages



Demonstration

Service Updates and Alerts



Demonstration

Looking Ahead

- New PacificSurfliner.com Site Launch
- July Schedule Update for Del Mar Racing Season and San Diego Comic-Con
- Rail Safety Week
- Angels and Padres Sponsorships
- KDOC Summer of Fun
- Summer Travel Communications