



June 3, 2021

To: Members of the Executive Committee
From: Donna DeMartino, Managing Director *Donna DeMartino*
Subject: Authorization to Execute Administrative Support Agreement with the Orange County Transportation Authority

Overview

The Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency entered into an administrative support agreement with the Orange County Transportation Authority in November 2013 to provide administrative services and daily management of the state-supported Pacific Surfliner intercity passenger rail service operating in the Los Angeles – San Diego – San Luis Obispo rail corridor. The initial agreement expired on June 30, 2018, and was renegotiated for a new three-year term beginning July 1, 2018 through June 30, 2021, with two, three-year option terms. Staff is seeking authorization from the Board of Directors for the Managing Director to amend the administrative support agreement and to exercise the first three-year option term through June 30, 2024.

Recommendation

Authorize the Managing Director to negotiate, amend, and execute the administrative support agreement to exercise the first three-year option term with the Orange County Transportation Authority, from July 1, 2021 through June 30, 2024.

Background

Senate Bill (SB) 1225, signed into law in September 2012, authorized the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) to assume administrative responsibility for the state-supported Pacific Surfliner intercity passenger rail service. After a competitive process, the Orange County Transportation Authority (OCTA) was selected to serve as the Managing Agency. On November 21, 2013, the LOSSAN Agency entered into an administrative support agreement (ASA) with OCTA to provide administrative services and daily management of the state-supported Pacific Surfliner intercity passenger rail service. The ASA spanned the Start-Up and Initial terms and expired on June 30, 2018. On June 18, 2018, the LOSSAN Board of Directors (Board) authorized the Managing Director to execute an updated administrative

support agreement with the Orange County Transportation Authority for a term of three years with two, three-year option terms. An amendment is necessary to exercise the first option term to allow OCTA to continue to provide administrative support as the LOSSAN Managing Agency.

Discussion

OCTA has served as the LOSSAN Managing Agency since November 2013, providing dedicated staff to the LOSSAN Agency as well as administrative support services. During that time, the LOSSAN Agency has achieved or advanced a number of key goals and initiatives, including:

- Successfully negotiating and executing the first interagency transfer agreement (ITA) with the California Department of Transportation and the first amended ITA
- Ensuring year over year increases in Pacific Surfliner ridership, revenue and farebox recovery, prior to the Coronavirus (COVID-19) pandemic
- Negotiating favorable operating agreements with Amtrak for the provision of the Pacific Surfliner intercity passenger rail service and connecting Thruway bus service
- Developing and managing a balanced annual administrative and operating budget
- Developing and obtaining approval for annual business plans
- Increasing service with the implementation of the 12th roundtrip between Los Angeles and San Diego
- Implementing key improvements to the passenger experience and marketing programs
- Establishing the Southern California Leadership Group, which includes executive leadership from the various host railroads and operators along the LOSSAN rail corridor to improve service coordination and planning
- Developing first- and last-mile connectivity options
- Successfully navigating and managing the service through the COVID-19 pandemic
- Successfully pursuing over \$379 million in grant funds

In coordination and agreement with OCTA, LOSSAN Agency staff has refined language in the scope of work to better define the services being provided by OCTA and to allow for the continuance of managing agency services. The scope of work was updated to better reflect the actual duties that have been performed on a day-to-day basis to support the LOSSAN Agency. The ASA assumes that the LOSSAN Agency's administrative, marketing, and operating budgets will continue to be fully funded by the State of California with no financial commitment from the LOSSAN member agencies. Insurance and indemnification assumptions for the ASA will remain unchanged.

Summary

The current administrative support agreement between the Orange County Transportation Authority and the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency expires on June 30, 2021. LOSSAN Agency staff is seeking authorization from the Board of Directors for the Managing Director to amend and exercise the first three-year option term of the administrative support agreement with the Orange County Transportation Authority to allow for the continuance of managing agency services.

Prepared by:

A handwritten signature in black ink, appearing to read 'J. Jewell', with a long horizontal flourish extending to the right.

Jason Jewell
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