June 4, 2026

To: Members of the Executive Committee

From: Jason Jewell, Managing Director

Subject: Authorization to Negotiate and Execute an 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 on November 21, 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. The first three-year option term was executed on September 1, 2021, which extended the agreement for an additional thirty-six months, from July 1, 2021, through June 30, 2024, while the second and final three-year option term was executed on June 11, 2024, which extended the agreement through June 30, 2027. In order to provide continued administrative services, staff is seeking authorization from the Board of Directors to negotiate and execute an administrative agreement with the Orange County Transportation Authority.

Recommendation

Authorize the Managing Director to negotiate and execute an administrative support agreement with the Orange County Transportation Authority.

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. Both option terms have been exercised, with the final term valid through June 30, 2027. A new agreement is necessary 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. In this capacity, the LOSSAN Agency has fulfilled the foundational goals established under SB 1225, but also advanced intercity passenger rail service through a number of key goals and initiatives, including:

- Successfully negotiated and executed the first interagency transfer agreement (ITA) with the California Department of Transportation, including the first, second, and third amended ITA through September 2029
- Ensured year-over-year increases in Pacific Surfliner ridership, revenue, and farebox recovery prior to the Coronavirus (COVID-19) pandemic
- Successfully navigated and managed the service through the COVID-19 pandemic
- Negotiated favorable operating agreements with Amtrak for the provision of the Pacific Surfliner intercity passenger rail service and connecting Thruway bus service
- Developed and managed a balanced annual administrative, marketing, and operating budget
- Developed and obtained approval for annual business plans
- Implemented key improvements to the passenger experience and marketing programs
- Developed first- and last-mile connectivity options
- Successfully secured approximately $529.5 million in State grant funds
- Successfully secured the first-ever Federal Grant Award for over $27 million to support Pacific Surfliner service restoration
- Successfully navigated and managed service through rail closures
- Successfully obtained approval of the first Environmental Impact Report for the Central Coast Layover Facility, one of several key infrastructure improvement projects LOSSAN is leading to increase future capacity
- Coordinated and participated in corridor-wide stakeholder meetings to address resiliency and corridor-wide challenges
- Successfully restored pre-COVID service levels, including expanded service in coordination with member agency partnerships

OCTA has consistently supplied the technical expertise, operational capacity, and institutional resources necessary to support the LOSSAN Agency's evolving responsibilities. Under the administrative services agreement, OCTA has provided a host of administrative support services, including but not limited to:

- Daily administration, including all necessary staff to serve and support the Agency, including the Managing Director, as appointed by the LOSSAN Board
- Financial services resources, including accounts payable, accounts receivable, payroll, financial systems and processes, budgeting, and treasury
- Information technology and cybersecurity services
- Contract administration and legal services
- Human resources and organizational development
- Risk management and insurance support
- Marketing, communications, and public information support
- Government relations
- Planning and programming support
- General services, including required office space

This scope of services to be negotiated under a new agreement is anticipated to be consistent with the level of resources OCTA has consistently provided. 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. The LOSSAN Agency is charged based on the actual direct salaries and benefits of employees, along with indirect costs for support services. The indirect costs are determined using OCTA's annual cost allocation plan. The cost allocation plan is trued-up on an annual basis at the end of each fiscal year, and any variances are either refunded to or billed to LOSSAN. The cost details are reviewed by LOSSAN staff and discussed with OCTA as appropriate.

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, 2027. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency staff is seeking authorization from the Board of Directors for the Managing Director to negotiate and execute an administrative support agreement with the Orange County Transportation Authority to allow for the continuation of managing agency services.

Attachment

None.