Contracting Commuter Rail Services

Tuesday, February 12, 2019
2:00-3:30 PM ET
Purpose

Discuss research from the Transit Cooperative Research Program (TCRP)’s Research Report 200: Contracting Commuter Rail Services, Volume 1: Guidebook and Volume 2: Commuter Rail System Profiles.

Learning Objectives

At the end of this webinar, you will be able to:

• Identify different approaches for providing commuter rail in North America
• Describe the factors that influence the different approaches
• Discuss how to use decision tree analysis to decide when to apply different approaches or evaluate changes to existing services
Sponsored by the Federal Transit Administration
Conducted in the Transit Cooperative Research Program

TCRP Research Report 200

Contracting Commuter Rail Services

The National Academies of
SCiences • Engineering • Medicine

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Research Purpose

To develop a guidebook to help public agencies understand and consider how and when to apply different approaches to implement new commuter rail services or evaluate changes for existing services.
Webinar Topics

• Overview of Commuter Rail in North America
• Approaches to Providing Commuter Rail
• Assessment and Guidance
• Decision Tree Analysis
Overview of Commuter Rail in North America
What Is Commuter Rail?

Commuter rail service commonly refers to passenger trains operated to carry riders living in suburban areas to and from work in city centers. Commuter rail often uses track shared with freight rail operations.
Commuter Rail History

1834
- First private commuter rail
- Long Island Rail Road (LIRR)

1950s
- Commuter rail owned by private freight railroads

1960s
- Lower passenger numbers ↔ service reductions
- Public-sector investments by direct operating grants

1980s
- 12 legacy commuter rail systems become public service
- 19 new start systems 1989–2017
- 1 new start 2019
Legacy Commuter Rail Systems (12)

- PATH*, New York and New Jersey
- MBTA, Boston
- LIRR, New York
- Go Transit, Toronto, Ontario
- RTM, Montreal, Quebec
- Metro-North, New York City
- NJ TRANSIT, New Jersey
- SEPTA, Philadelphia
- MARC, Maryland–D.C.
- Metra, Chicago
- South Shore Line, South Bend–Chicago
- Caltrain, San Francisco–San Jose/Gilroy

* PATH is unique because the heavy rail system was once a part of the general railroad system. Included as commuter rail because PATH is subject to oversight by the Federal Railroad Administration (FRA) for safety of rail operations.
Commuter Rail New Starts (19)

- Tri-Rail, South Florida
- SLE, New Haven, Connecticut
- Metrolink, Southern California
- VRE, Northern Virginia–D.C.
- COASTER, San Diego County
- WCE, Vancouver, British Columbia
- TRE, Dallas–Fort Worth
- ACE, Stockton–San Jose
- Sounder, Tacoma–Seattle–Everett
- Rail Runner Express, Santa Fe–Albuquerque
- Music City Star, Nashville
- FrontRunner, Salt Lake City
- WES, Tri-County, Oregon
- Northstar, Minneapolis
- MetroRail, Austin
- A-train, Denton County, Texas
- SunRail, Orlando
- RTD, Denver
- SMART, Sonoma/Marin Counties, California
Commuter Rail in North America
Approaches to Providing Commuter Rail
Primary Functions for Commuter Rail

- Train operations
- Train dispatching
- Maintenance of way
- Maintenance of equipment

- Other support functions, for example:
  - Customer service
  - Ticketing/sales
  - Station operations and maintenance
  - Risk management
  - Security services
Approaches to Service Delivery

- Agency-operated commuter rail
- Contracted commuter rail
  - Bundled
  - Unbundled
- Mixed agency-operated and contracted commuter rail
Agency Operated

- PATH
- LIRR
- Metro-North
- NJ TRANSIT

- SEPTA
- South Shore Line
- FrontRunner
- SMART
Agency Operated

Opportunities
- Direct accountability
- Central service costs shared across all modes
- Seamless customer experience

Challenges
- Risk that new or additional mode for commuter rail could affect other modes negatively
- Challenges introducing FRA-regulated commuter rail
Contracted—Bundled

- MBTA
- MARC
- SLE
- Caltrain
- COASTER
- TRE
- ACE
- Rail Runner
- Music City Star
- MetroRail
- A-train
- Denver RTD
Contracted—Bundled

Opportunities

• Contractor accountable for all contracted functions
• Contract administration more efficient
• Opportunity to establish partnership between agency and contractor

Challenges

• Risk that scope may be too large
• Greater risk if contractor fails to perform
• Transition when contractor changes can be difficult
• May limit competition
Contracted—Unbundled

- Go Transit
- RTM
- Tri-Rail
- Metrolink
- VRE
- WCE
- Sounder
- SunRail
Contracted—Unbundled

Opportunities

• Contractor skills are specific to the function
• Contractors focus on performance with greatest opportunity to succeed
• Encourages additional vendor opportunities

Challenges

• Contractors may defer responsibility (finger pointing)
• Contract administration is more complex, less efficient
• Partnerships require more effort for success
Mixed Agency Operated and Contracted

- Metra
- Northstar
- WES
Mixed Agency Operated and Contracted

Opportunities

• Direct accountability
• Central service costs shared across all modes
• Commuter rail agency adds contractor expertise to mitigate risk

Challenges

• Risk that new or additional mode for commuter rail could affect other modes negatively
• Challenges introducing FRA-regulated commuter rail
Assessment and Guidance
Factors That Influence Approaches to Service Delivery

Every decision is made in the context of the local circumstances.

- Ownership for control of the railroad
- Commuter rail agency governance
- Agency capability to perform the primary functions for commuter rail
- Railroad employee considerations
Factors That Influence Decision to Bundle or Unbundle Contracted Services

- Functions provided by the railroad owner or operator
- Competitive marketplace for procurement
- Operating environment
- Government and policy considerations
General Contracting Trends

- Agency-operated new starts
- Public-private partnerships
- More bundled contracts
Procurement Practice Trends

- Longer contract terms
- Unit pricing
- Improved performance metrics
- Competition
Additional Research Recommended

• Effectiveness of attaching financial benefit or risk to specific performance metrics in contracts
• Documentation of successes and lessons learned for public-private partnerships
• Assessment of how capital investment can be funded through a contract for operation and maintenance
• Comparison of various elements of costs of commuter rail by contract vs. agency operated
Decision Tree Analysis
Decision Tree Analysis in the Guidebook

• Guidance for assessing different approaches to commuter rail service using decision trees
• Decision trees cover each primary function
• Step-by-step process for assessing a specific situation and evaluating options
• Decision-making processes contribute to consistency, transparency, and efficiency
Example Decision Tree: Train Operations

Is there an existing rail operator?

Yes

Does the existing operator have the capacity and an interest in CR train operations?

Yes

Does the CR agency benefit from working with the existing rail operator?

Yes

Train operations agreement

No

Does the CR agency have the capacity to provide train operations?

Yes

Contract train operations

No

Does the CR agency benefit from providing train operations?

Yes

Agency provides train operations

No
Example Decision Tree: Train Operations

Is there an existing rail operator? [No → Contract train operations]

Yes → Does the existing operator have the capacity and an interest in CR train operations? [Yes → Does the CR agency benefit from working with the existing rail operator? [Yes → Train operations agreement] [No → Does the CR agency have the capacity to provide train operations? [Yes → Agency provides train operations] [No → No → No → Contract train operations]

No
Volume 1
Guidebook

- History
- Regulatory Environment
- Key characteristics
- Approaches to Service Delivery
- Assessment/Guidance
- Decision Tree Analysis
- Case Studies (10)

TCRP Research Report 200
Contracting Commuter Rail Services
Volume 2
Commuter Rail System Profiles (31)

- Chronology for key events
- Governance
- Contracted services
  - Oversight and responsibilities
  - Contracted service matrix
- Operations service data
- Performance metrics based on National Transit Database service and financial data
TCRP Research Report 200

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Volume 1 Guidebook
http://www.trb.org/Main/Blurbs/178089.aspx

Volume 2 Profiles
http://www.trb.org/Main/Blurbs/178090.aspx
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Panelists Presentations


After the webinar, you will receive a follow-up email containing a link to the recording
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