

REVISED 9/24/2025

***Receive Update on
Rail Operator Rebid
Process and
Recommendation
Regarding Extension***

**JPB TOPS Committee
September 24, 2025**



Agenda

1. Purpose
2. Project Background
3. Extension Recommendation
4. Discussion and Next Steps

Purpose

- Staff recommend negotiating a 2-year contract extension with Caltrain's current Rail Operator, contingent on FTA concurrence, to address financial uncertainty and strengthen competition for the agency's future Operations & Maintenance re-procurement.
- Staff are seeking a recommendation from the TOPS Committee to request Board authorization to engage in negotiations with Transit America Services, Inc. on a 2-year contract extension, contingent on FTA concurrence.

Project Background

Contract History

- The JPB assumed responsibility for operating Caltrain service from Caltrans in 1992. Amtrak served as Rail Operator until May 2012.
- In September 2011, the JPB awarded a new operating contract to Transit America Services, Inc. (TASI) for a 5-year base term with 5 additional one-year options.
- In 2017, the JPB exercised all 5 of the option years, extending the contract with TASI to June 2022.
- In January 2021, the JPB further extended TASI's contract through June 2027 to de-risk PCEP completion and start-up of electrified service.
- At the start of 2025, staff began developing a new procurement for O&M services.

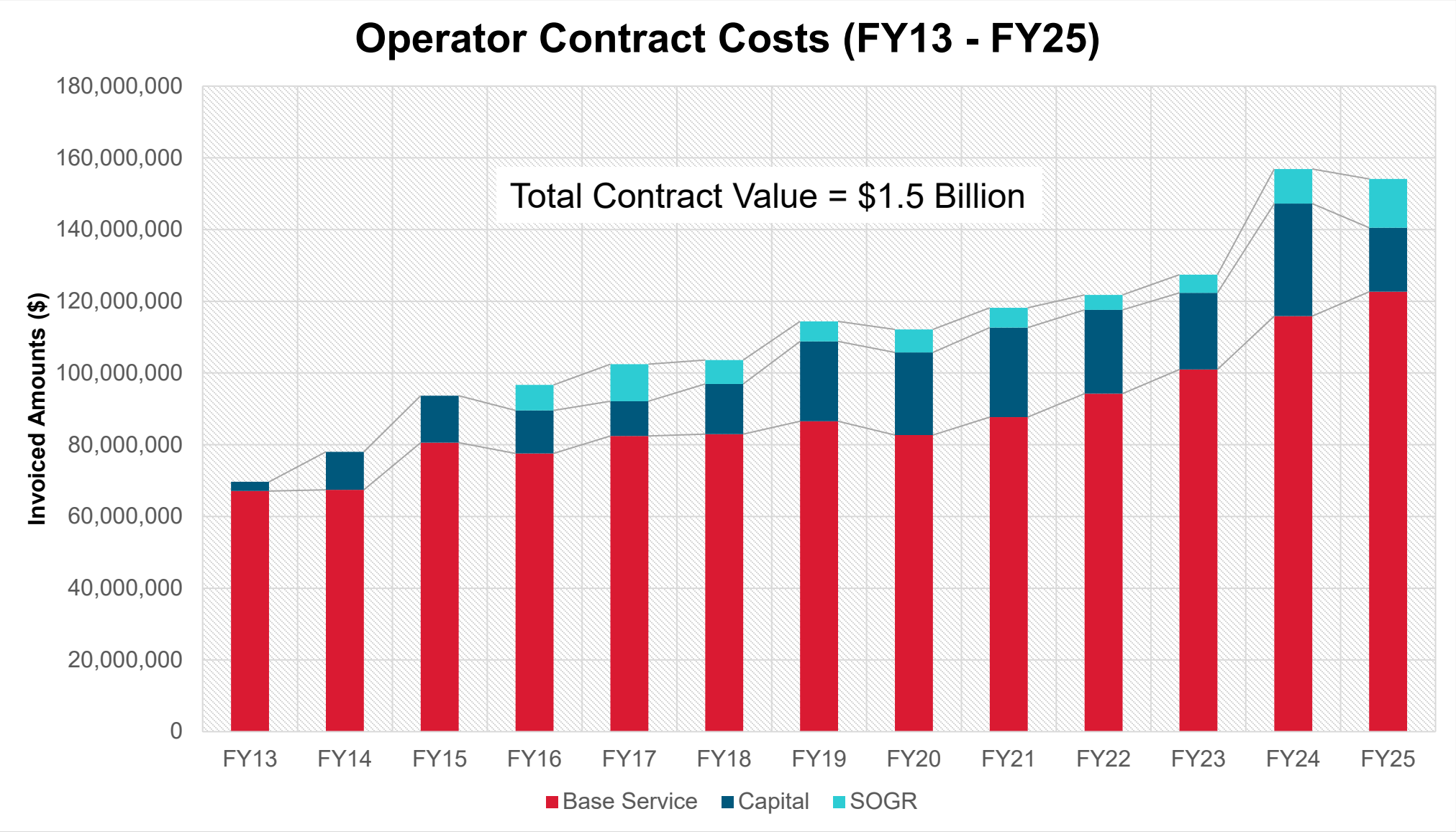
Board-Approved Goals

1. **Maintain the highest standards of safety** by ensuring regulatory compliance over the contract term and continuing to build on a safety culture that emphasizes reporting, recognition, communication, training, and continuous improvement.
2. **Deliver safe, reliable, and excellent service** at a fair cost, including an appropriate balance of performance, price, and risk allocation.
3. **Develop a modern, flexible contract** that reflects Caltrain's core values, maintains the highest standard of service for our customers, and incorporates industry best practices and lessons learned.
4. **Maximize competition for the successor contract** by adopting a future procurement strategy that is marketable and executable.
5. **Ensure that any future handover process is safe, collaborative, and without impact** to employees of Caltrain's current contract operator and Caltrain's customers by establishing realistic mobilization timeframes and providing necessary support.
6. **Prioritize opportunities to achieve cost efficiencies**, including by strengthening fare collection systems, promoting ridership growth, and exploring new technologies.

Board-Approved Guiding Principles

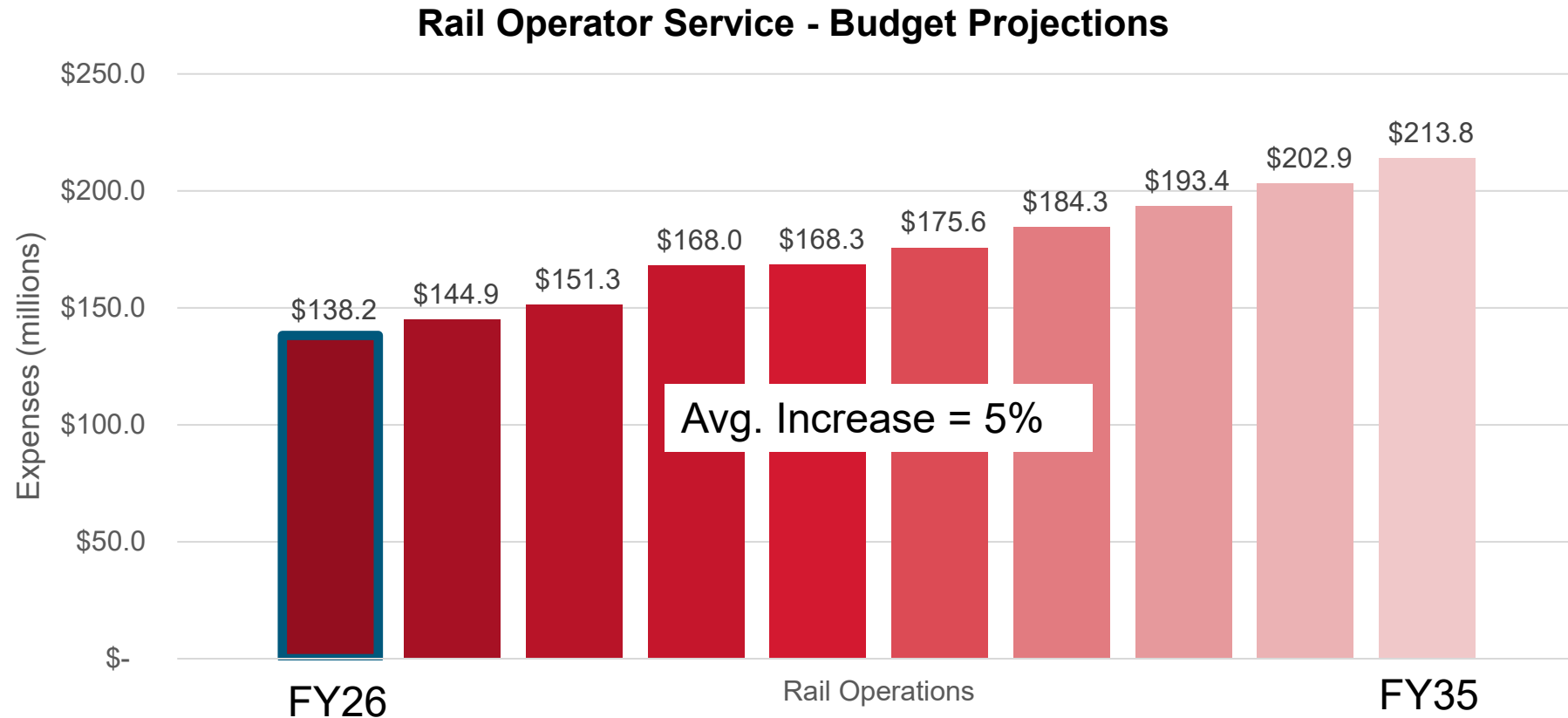
1. **Safety** as a primary core value in all facets of operations and maintenance, including a robust risk-based hazard analysis and decision-making process.
2. **Cost Efficiency, Innovation** and continuous improvement as demonstrated through the proactive implementation of solutions to enhance operational efficiency, increase revenue collection, promote sustainable practices, achieve cost-savings, and ensure appropriate allocation of risk.
3. **Reliability** of Caltrain service as demonstrated by excellence in on-time performance, preventive and corrective maintenance, and customer service.
4. **Capacity** to deliver on special projects as needed.
5. **Stewardship** of the Caltrain system by advancing the agency's mission and vision, with integrity, through impactful leadership including effective succession planning.
6. **Partnership** with a contractor who is proactively solving problems, mindful of controlling costs, and collaborative and communicative with Caltrain in providing the best customer experience possible.

Historical Contract Costs



Future Contract Costs

Caltrain's Operator Contract is the most significant expense driver for the agency, with the annual Rail Services budget projected to exceed \$200M by FY34.



Extension Recommendation

Extension Details

- Staff recommends **extending** the solicitation timeline by ***two years***.
 - *Reminder: Current TASI contract expires June 30, 2027*
- New milestones:
 - Formal procurement starts in early 2027
 - New contract awarded in mid/late 2028
 - Contract transition date of July 1, 2029
- The primary purpose of the extension would be to obtain a clearer financial picture for the agency before issuing a procurement.
 - *Regional measure results expected by December 2026*

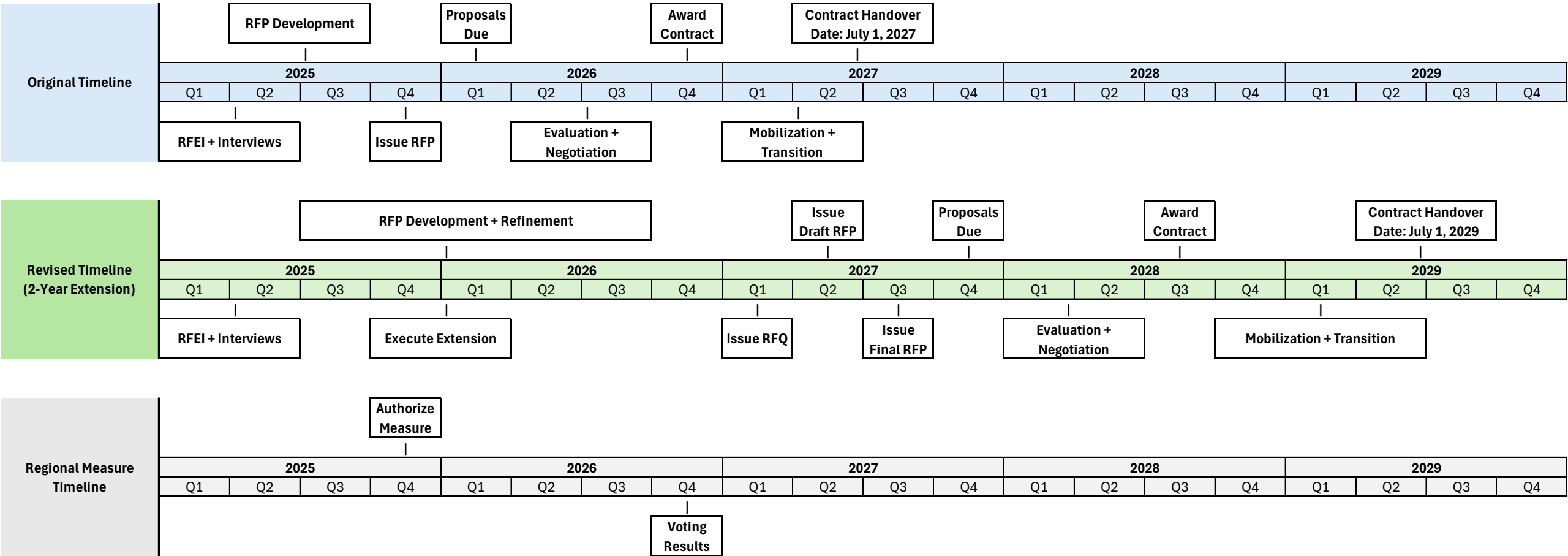
Extension Justification

Adopted Goal for Procurement Process	Benefits of Extension
Deliver safe, reliable, and excellent service at a fair cost by balancing price and risk allocation	<ul style="list-style-type: none">• Ensures financial transparency so bidders have clarity on scope of services and can submit the strongest proposals
Maximize competition for the successor contract by adopting a marketable procurement strategy	<ul style="list-style-type: none">• A stable, well-funded railroad will attract more competition• Bidders will receive more performance data on electrified system• Takes Caltrain's procurement "off-cycle" with MBTA solicitation
Ensure that any future handover process is safe, collaborative, and without impact to employees and customers	<ul style="list-style-type: none">• Reduces risk by preserving up to 12 months for mobilization activities, ensuring a smooth transition between contracts
Prioritize opportunities to achieve cost efficiencies	<ul style="list-style-type: none">• Caltrain can maintain better near-term cost control over the operating budget while navigating interim budget deficits• Caltrain can negotiate new incentives with current Operator

Extension Process

- Notify FTA of the proposed extension and request FTA concurrence
- Receive TOPS concurrence (9/22) and Board authorization (10/9)
- Inform bidding community, unions, and other key stakeholders of updated procurement timeline
- Start extension negotiations with TASI
- Seek Board approval of contract amendment
- Adjust as needed based on outcome of the regional measure
- Prepare Caltrain staff for the transition process

Timeline Comparison



Discussion & Next Steps

Motion for Consideration

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