



**Massachusetts Bay  
Transportation Authority**

# Commuter Rail Contract Update

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Fiscal and Management Control Board

May 11, 2020

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# Potential Paths Forward

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## Goal:

- Long term transformational contract to improve service and deliver Rail Transformation while driving immediate term performance improvement

## Potential Strategies:

- Short term extension with Keolis per contract to develop/procure transformational contract
- Procure shorter-term new operating contract that would be structured to begin transformation process while developing/procuring transformational contract



# Potential Paths Forward - Update

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## Potential Strategies:

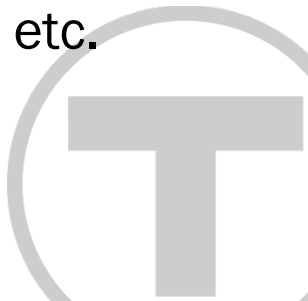
- Short term extension with Keolis per contract to develop/procure transformational contract
  - *Update: Regular, Senior Level Negotiating sessions with Keolis*
- Procure shorter-term new operating contract that would be structured to begin transformation process while developing/procuring transformational contract
  - *Update:*
    - *Have identified senior staff steering committee to direct procurement*
    - *Have identified internal resources needed to manage procurement*
    - *Have identified outside resources needed to support procurement*
    - *Have developed procurement schedule*



# Future Contract Goals

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- **Incentivize Excellent Service:** Penalties and incentives designed to achieve service outcomes and promote continuous improvement
- **Capital Investment:** Provisions or mechanisms that require or incentivize operator investment in infrastructure and capital projects (*This is critical to implementation of any Rail Transformation scenario.*)
- **Transfer Revenue Risk:** Revenue sharing provisions that incentivize good service outcomes, fare collection, capital investment, etc.
- **Rail Transformation Partner:** Flexible provisions giving MBTA the ability to engage the operator for Rail Transformation, including infrastructure investment, vehicle procurement, new services, etc.
- **Transportation Expertise:** A team that brings expertise across the full range of transportation provision, including multiple modes, construction of infrastructure, vehicle procurement, etc.



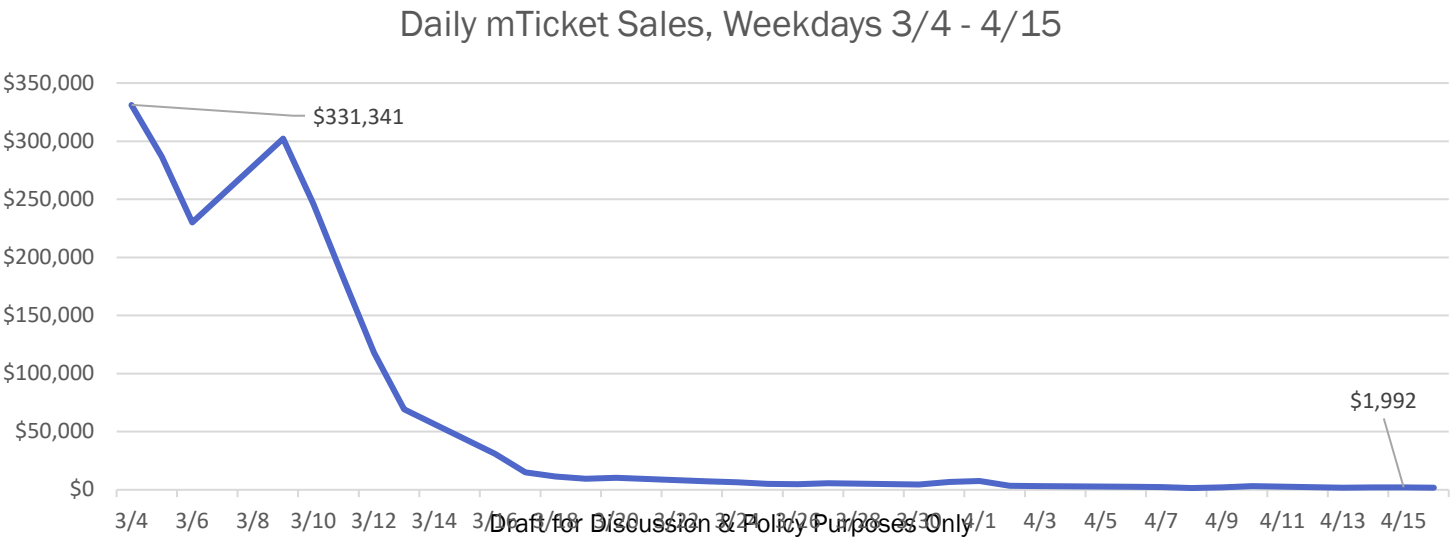
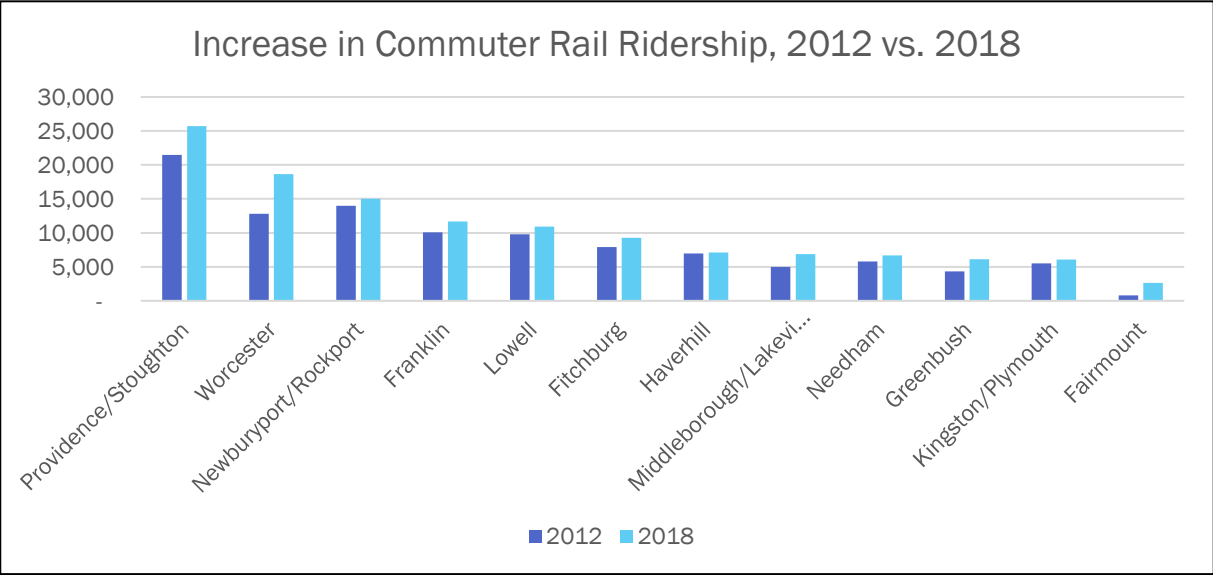
# Scenario Planning

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- Commuter rail ridership has dropped substantially since the beginning of the corona pandemic
- The bounce-back of commuter rail ridership is unclear given the new realities of:
  - Telework options,
  - Less expensive fuel,
  - Employment challenges, and
  - Ability to drive to/park at destinations
- To what extent do these uncertainties warrant revised Rail Transformation scenario planning?



# Ridership Uncertainty



# Rail Transformation Next Steps

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## Rail Transformation - Parallel Paths Moving Forward:

- Project Development/Needs Assessment and Evaluation
- Contract Development



# Rail Transformation Next Steps

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## Parallel Paths:

- Project Development/Needs Assessment and Evaluation:
  - Continue design and construction of “no-regrets” investments in the current pipeline
  - Develop new pipeline of “no-regrets” investments
  - Develop comprehensive fleet and facilities strategy
  - Develop path to electrification of key elements of the rail network (Providence, Fairmount, Environmental Justice Corridor)
    - Also – review viability of emerging/alternative technologies





# Rail Transformation Next Steps

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## Parallel Paths:

- Contract Development:
  - Extensive Market Sounding – what can the industry bring to deliver the desired results?
  - Extensive Peer Review - Work with partner agencies engaged in similar initiatives
    - Lessons Learned
- Funding/Finance Strategy
- Project Delivery Strategy – which elements of project delivery, fleet delivery should be part of transformation contract? Which should be addressed via traditional methods?
- Procurement Strategy



# Rail Transformation Next Steps

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## Potential Procurement Schedule:

- Conduct formal market sounding in Fall 2020 based on outputs of contract study
- Develop CR capital plan based on desired future service objectives
- Continue making critical investments in infrastructure and rolling stock to better position Authority for a more competitive procurement
- Identify new contract model based on info gained from contract study, market sounding, and CR capital plan by Winter 2021
- Continue engaging with market to generate interest and competition beginning in late 2020



# Rail Transformation Next Steps

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## Potential Procurement Schedule (cont'd):

- Anticipate RFI with bidding community in Fall 2021
- Begin public procurement of new contract(s) in Winter 2022
- Award new contract(s) in January 2024, allowing 6 months of transition between contractors.

