



**Massachusetts Bay
Transportation Authority**

Future Commuter Rail Consultant Contract: Study and Successor Procurement

December 10, 2018



Background: Current Commuter Rail Operating Contract

- **Commuter Rail Operator:** Keolis Commuter Services
- **Base Contract Term:** 8 years
- **Contract Start Date:** July 1, 2014
- **Base Contract End Date:** June 30, 2022
- **Extension Options:** 2 two-year extensions through 2024 and 2026
- **Continuation Notice Period:** Not less than 12 months prior to end date



Overview: Planning for a Successor Contract

- **In preparation for a future contract procurement, the MBTA will conduct a comprehensive study**
 - Analyzing various potential management and contract scenarios,
 - Focusing on incentivizing operator investment in the system, performance, and high levels of customer service.
- **The results of this contract study, and the Rail Vision study currently underway, will inform the design and procurement of the next commuter rail operating contract.**



Commuter Rail Future Contract Study

The scope of the study will include:

- Analysis and comparison of potential management and contract scenarios for the MBTA's commuter rail service, including for example:
 - Longer contract duration (20+ years) with the operator assuming certain risks, responsibilities, and investments commensurate with the long-term agreement
 - Multiple operators
 - Separate contractors for vehicle and infrastructure maintenance
 - Revenue sharing and performance incentives
- Market survey and analysis of factors that will maximize responsiveness and broad competition among potential bidders
- Financial model that estimates the total cost to the MBTA of running commuter rail service, including operating and capital costs



Analysis of Scenarios – Key Questions

- 1. What is needed to change/adapt service in response to Rail Vision?**
 - 2. What are the costs and benefits to the MBTA and other key stakeholders?**
 - 3. What are the logistical requirements and ramifications, i.e., what actions would need to be taken and by whom?**
 - 4. What are the implications for labor relations and employee pensions?**
 - 5. What are the opportunities for process efficiencies or productivity improvement in the maintenance of vehicles and infrastructure?**
 - 6. What are the legal and regulatory implications?**
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Analysis of Scenarios – Contract Elements

- **Payment Structure** – Fixed fee or service/revenue-based?
- **Term** – Short (5-7 years), mid-term (8-16 years), or long term (17-20+ years)?
- **Performance Regimes** – Penalties/incentives for service, performance, etc.
- **Rolling Stock Ownership** – MBTA- vs. Operator-owned (or leased)
- **Capital Investment** – How to incentivize Operator investment
- **Flexibility/Evolution** – Provisions for Rail Vision implementation during the life of the contract

The study will analyze and compare the **costs, benefits, ramifications, and logistics** of these contract elements as they relate **specifically to the MBTA.**



Future Contract Procurement – Target Dates

- Immediately begin procurement of consulting services, and have a firm under contract by **early 2019**
- Begin development of commuter rail operating contract by **summer of 2019**
- Contract study concluded by **fall of 2019**
- Rail Vision concluded by **end of 2019**
- Operating contract ready for advertisement by **mid 2020**
- RFP for commuter rail operating contract released by **summer of 2020**