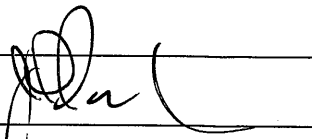


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Alameda Corridor Transportation Authority

March 12, 2020

To:	Governing Board
From:	James P. Preusch, Interim Chief Executive Officer 
Subject:	<i>Approval of the First Amendment to Agreement No. C0885 with RailWorks Track Services, Inc. for Maintenance Services on the Alameda Corridor (APPROVAL)</i>

Recommendation:

Approve the proposed First Amendment to Agreement No. C0885 with RailWorks Track Services, Inc. (RailWorks) for maintenance services on the Alameda Corridor to replace the provision for flat rate charges for certain signal, communications and AEI Reader maintenance services with a provision for charges based upon time and materials incurred; and authorize the Interim Chief Executive Officer to execute said amendment.

Background:

Following a Request For Proposals process, ACTA's Governing Board selected RailWorks to serve as ACTA's maintenance contractor and entered into Agreement No. C0885 with RailWorks effective May 1, 2019 ("Agreement"). Following a transition period with Balfour Beatty Infrastructure, Inc. ("BBII") who served as ACTA's previous maintenance contractor, RailWorks assumed responsibility for corridor maintenance on July 1, 2019. The Agreement specifies that charges for maintenance of signals, communications and AEI Readers should be based on a flat rate charge referred to as an AAR Unit rate.

Several years ago, the former Operating Committee (as structured under the original terms of the Use and Operating Agreement) adopted a plan, based on AAR Units, that was used by the Union Pacific and the Burlington Northern and Santa Fe Railroad to allocate costs and charges for certain repair work. The railroads were able to charge each other a standard AAR rate when it became necessary for one railroad to charge the other railroad for work related to signals, communications and AEI Readers. Because the railroads found the AAR Unit fee to be simple, direct and effective, the Operating Committee anticipated that an AAR Unit rate would work effectively between ACTA and its maintenance contractor.



Under the AAR Unit rate structure, ACTA has routinely paid a flat annual amount to the maintenance contractor for selected work related to signals, communications and AEI Readers. Such payment arrangement functioned reasonably well under Balfour Beatty, Inc. (“BBII”) who served as ACTA’s maintenance contractor since the opening of the Alameda Corridor in 2002. BBII self-performed all work on the Corridor, including all signals, communications and AEI Readers maintenance.

Discussion:

RailWorks chose to subcontract the work related to signals, communications and AEI Readers with a third-party small business provider, in order to fulfill the new contract’s Small Business Enterprise requirement. Their subcontractor is currently being paid the pro rata share each month for services performed as approved in the approved Operations and Maintenance Budget.

The proposed First Amendment to the Alameda Corridor Maintenance Agreement eliminates the AAR Unit flat rate provisions from the Agreement and replaces the structure for charging for all work related to signals, communications and AEI Readers with a time and materials provision. The new arrangement is anticipated to improve the invoice review process and potentially reduce costs.

ACTA’s Interim Chief Executive Officer recommends approval of the First Amendment to the Alameda Corridor Maintenance Agreement.

Budget Impact:

There is no budget impact to either the approved FY20 ACTA Program Budget or the approved 2020 Maintenance of Way and Operations and Maintenance Budgets.

Co-General Counsel Review:

ACTA’s Co-General Counsel has reviewed and approved the proposed Amendment as to form.

Transmittal:

Transmittal 1 - First Amendment to the Alameda Corridor Maintenance Agreement