



## **Competitive Contracting of SMART Operations**

*White Paper No. 14*

When SMART begins passenger rail service in Marin and Sonoma counties in the next few years, riders will board SMART's trains that will run on SMART's tracks along SMART's right of way between Cloverdale and Larkspur.

But they won't be riding on trains operated by SMART's employees.

Like many new passenger railroads in California and around the country, SMART will seek competitive bids from contractors to provide the day-to-day work of operating the railroad, including dispatching and operating the trains and maintaining the rail vehicles, track, stations and SMART's parallel bicycle-pedestrian path. While SMART will maintain a core group of management personnel who will be employed by the public agency and overseen by SMART's Board of Directors, it will turn over much of the railroad's daily operations and maintenance to independent contractors with extensive experience in such work.

Contracting for operations and maintenance has a number of advantages. For starters, it saves money. The savings don't come from a reduction in employee wages; in fact all of SMART's operators will have union representation. Rather, the efficiency comes from drawing upon existing expertise and personnel that other organizations already have available. It limits the creation of a large bureaucracy and corresponding overhead by keeping SMART small and focused on its core competency of management. Contracting also provides an incentive for operators to provide high-quality service, since they could lose their contract if service is not up to par.

There are four essential areas of operations that can typically be addressed through contracted services: train operations, equipment maintenance, maintenance of way and dispatching. These functions may be contracted to one or to several different providers, depending upon an assessment of the most appropriate course of action as the project develops.

"Train operations" covers the railroad personnel who will be required to actually move SMART's trains over the tracks between Larkspur and Cloverdale. Gone are the days when brakemen, firemen and other rail workers had to be present to make the trains go. The automation and simplification of many aspects of the work of moving trains have

made it possible to operate with crews as small as two: an engineer and a fare inspector. Several firms are in the business of providing this kind of contracted service.

“Equipment maintenance” includes the many daily activities required to maintain, service, repair and clean rolling stock, and perform the specific inspections and procedures required by the Federal Railroad Administration. This crucial function may be contracted as part of a package with train operations, or it may be bid out separately. In addition, as the procurement of the train fleet proceeds, SMART will consider whether to request that the car manufacturers who make proposals include an option for vehicle maintenance; in other words, the purchase of SMART’s initial fleet of 14 rail cars from Builder X might also include the maintenance of those cars.

“Maintenance of way” contracts cover the maintenance and repair of track, signals, communications systems, fare vending equipment and, possibly, stations, buildings, structures and other fixed facilities. These functions are quite distinct from equipment maintenance, and SMART has a variety of options for handling them. The contract may cover only those highly technical responsibilities that are electronically based, such as signals, communications and fare vending equipment, while work requiring less skilled staff, such as station cleaning or landscape maintenance, may be consigned to other contractors in Sonoma and Marin Counties who already do that kind of work.

“Dispatching” is another area for which an operations contract is being considered by SMART. On a railroad, the dispatcher oversees and is responsible for authorizing train crews to move trains. The dispatcher issues orders to train and maintenance crews, monitors operations and status alarms of various kinds, maintains communications with fire-life-safety agencies in the service area, keeps records and performs related functions. Dispatching on SMART rails is exceptionally important because of the two-way, single-track operation of the railroad and also because of plans to operate SMART passenger trains with freight trains during the day. Freight trains will have to be closely monitored, with freight access to the passenger service area rigorously controlled to prevent even the slightest impact on passenger schedules. SMART will evaluate whether the dispatch function should be bundled into the train operations contract, or whether the critical nature of this function in the SMART context suggests the desirability of employing a small and dedicated group of permanent employees who remain with the management team, even when changes occur in other contracted services.

Unlike many passenger rail systems around the country, SMART has the advantage of operating on its own tracks, and as a result has many operational options open to it. SMART will evaluate the optimum combination and structure of its contracted services as it moves forward through project construction to inauguration of service.

*For more information about the SMART rail and trail project, go to [www.sonomamarintrain.org](http://www.sonomamarintrain.org) or call SMART’s information lines in Marin, 415-419-3510, or Sonoma, 707-583-2323.*