

SOUND TRANSIT

RESOLUTION NO. R98-31

Approach to Operations of Regional Express Bus Service BACKGROUND AND COMMENTS

| Meeting: | Date: | Type of Action: | Staff Contact: | Phone: |
|--------------------|---------|-------------------|---|--------------|
| Board of Directors | 7/23/98 | Discussion/Action | Agnes Govern, Director, Regional Express | 206-684-1673 |

ACTION:

Policy direction by the Board is required before staff begins to implement Regional Express bus service next year. The policy question in front of the Board today is:

- Shall we contract for services using a competitive process involving private and public operators,
- Shall we contract for services with the existing transit agencies.

BACKGROUND:

Sound Move and the "Implementation Guide" provide for the operation of Regional Express buses, commuter rail trains, and two light rail lines. In February and April of this year, the Board discussed this topic. In April, staff indicated that they would return with an analysis of the two options listed above regarding the operation of the Regional Express bus routes.

RELEVANT BOARD POLICIES AND PREVIOUS ACTIONS TAKEN:

- ◆ *Sound Move*: The Ten-Year Regional Transit System Plan describes the Regional Express bus routes along with some general service parameters. The plan also specifies operations budgets by subarea for each of the services.
- ◆ *Sound Move*: The Ten-Year Regional Transit System Plan states that "The RTA will enter into interlocal agreements with Pierce Transit, King County Metro, Community Transit, and Everett Transit to operate the Regional Express bus routes using a single-ticket policy" (page 27).
- ◆ *Sound Move*: Appendix C describes the operation and maintenance cost assumptions that support the services outlined in the Plan.
- ◆ Board discussion on February 26 and April 9, 1998, on approaches to operations of Sound Transit services.

KEY CONSIDERATIONS:

- Financial analysis of the two options is inconclusive. Without going through an actual competitive bid process, it would be impossible to compare costs of the two alternatives with any degree of certainty.

- Sound Transit does not have the support infrastructure in place that would be required should it choose to contract the service directly. Creating this infrastructure at Sound Transit could result in costs of approximately \$5 million a year.
- Experience in other areas suggests that contracting out services helps to create a competitive environment and improves public cost performance for services that are not contracted.
- Contracting with existing transit agencies will facilitate service integration and the creation of a seamless regional public transportation network.
- If Sound Transit were to directly contract out the services, potential labor issues might arise.
- The region's other transit agencies already have the infrastructure in place for the public and customers to access the system.
- Without existing maintenance facilities, competition will likely be limited.
- It would be possible to contract with the region's other transit agencies but also foster a competitive environment that might lower the costs of Sound Transit services and increase the ability to provide more service.
 - ◆ Require transit agencies to evaluate the potential of providing Sound Transit service using agency personnel with the cost of providing this service using a private operator. This evaluation would include such factors as schedule impacts, cost comparisons, labor issues, and service quality impacts. Contracts would seek the lowest cost service options that would also meet the service quality standards. Existing labor agreements give the transit agencies the ability to contract out service under certain conditions.
 - ◆ Identify routes where two agencies could prepare cost estimates for operating specific Sound Transit routes. Contracts would be awarded through a competitive process.

FUNDING:

The Sound Transit budget includes approximately \$348 million (YOE) until 2006 to fund the operating costs of Regional Express bus routes.

NEXT STEPS:

Contract for Regional Express bus services using a competitive process:

If this were the policy direction chosen by the Board, we would identify the packages of routes to be competitively bid and develop a Request for Proposals. After evaluating the responses, the Board would be asked to award the contract. On a parallel path, staff would be developing a plan to provide the support infrastructure needed to support contracting out the service.

Contract for Regional Express bus services with the existing transit agencies:

If this were the policy direction chosen by the Board, we would establish criteria to allocate the routes among the existing providers. The Board would then be asked to make a decision on service providers, and contracts would be negotiated later this year with the transit agencies.

CONSEQUENCES OF DELAY:

If the Board were to delay this decision, there will also be a delay in getting the necessary contracts in place to operate the service. This decision is also needed to ensure that the Service Implementation Plan uses the correct contracting assumptions.

SOUND TRANSIT

RESOLUTION NO. R98-31

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority authorizing negotiation of governmental agreements with existing transit agencies in the Pierce, King and Snohomish County region for operation and maintenance of Regional Express bus service.

WHEREAS, a regional transit authority ("Sound Transit") has been created for the Pierce, King, and Snohomish County region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, on November 5, 1996, Central Puget Sound area voters approved local funding for *Sound Move*, the ten-year plan for regional high-capacity transit in the Central Puget Sound Region; and

WHEREAS, *Sound Move* provides for implementation of regional express bus for major population centers in the region to include service for Seattle, Tacoma, Bellevue, Redmond and other destinations within the Sound Transit Region; and

WHEREAS, Pierce Transit, King County /Metro, Community Transit and Everett Transit operate bus service in the Sound Transit region; and

WHEREAS, it is in the best interest of Sound Transit to obtain services from these existing transit agencies which have in place the necessary maintenance and operation infrastructures, including operators, personnel and facilities; and

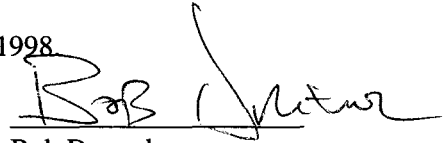
WHEREAS, obtaining services from these existing agencies would also facilitate service integration and the creation of a seamless regional transportation system;

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that: The Executive Director is authorized to negotiate governmental agreements with Pierce

Transit, King County/ Metro, Community Transit, and Everett Transit to operate and maintain the Regional Express bus service.

ADOPTED by the Board of the Central Puget Sound Regional Transit

Authority at a regular meeting thereof held on the 23rd day of July, 1998

A handwritten signature in black ink, appearing to read "Bob Drewel", written over a horizontal line.

Bob Drewel
Board Chair

ATTEST:

A handwritten signature in black ink, appearing to read "Marcia Walker", written over a horizontal line.

Marcia Walker
Board Administrator