

RESOLUTION NO. R2012-19
Budget Amendment for ST Express Transit Operations

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Operations & Administration Committee	8/02/2012	Recommendation to Board	Bonnie Todd, Executive Director of Operations	206-398-5367
Board	8/23/2012	Final Action	David Huffaker, Operations Business Manager	206-398-5035

PROPOSED ACTION

Amends the Adopted 2012 ST Express Transit Operations Budget from \$102,726,265 to \$103,447,261 to fund additional Sound Transit costs due to Community Transit's new contract with First Transit.

KEY FEATURES

- Community Transit contracts with First Transit to provide a portion of its commuter bus service and all of its ST Express service. The scope of the First Transit contract includes operations and maintenance of the fleet, supervision, and insurance.
- Under Sound Transit's agreement with Community Transit, Sound Transit pays for the direct contract costs from First Transit, passed through by Community Transit, as well as the actual cost of the fuel and a proportional share of Community Transit overhead.
- This amendment adds \$750,996 to the 2012 ST Express Transit Operations Budget to cover the increase in costs for Community Transit to operate ST Express service in Snohomish County and East King County.
- Community Transit issued a Request for Proposals earlier this year and First Transit was selected for the new contract effective June 9, 2012. The hourly rate is 8.4% higher than the previous contract.

PROJECT DESCRIPTION

ST Express provides regional bus service on 25 routes along 18 corridors, connecting Snohomish King, and Pierce Counties. Sound Transit contracts its ST Express regional bus service via intergovernmental agreements with three local transit providers – King County, Pierce Transit, and Community Transit.

FISCAL INFORMATION

The proposed action will increase the 2012 Adopted ST Express Budget by \$750,996. The increase will impact two subareas in ST Express: Snohomish County (SNO), and East King County (EKC). The 2012 Adopted ST Express Budget has been increased by \$417,492 from \$102,308,773 to \$102,726,265 through two budget amendments related to adding service between Bonney Lake and Sumner and an increase in Downtown Seattle Transit Tunnel costs.

The long term financial impact of this increase is projected at \$5.3 million for the lifetime of the contract, during the period from 2012 to 2017. The impact to subareas over this period is estimated at \$4.5 million for SNO, and \$800,000 for EKC. This increase will be funded from existing financial capacity within these subareas.

ST Express			
<u>Adopted 2012 Budget Summary</u>			
	Current Adopted 2012 Budget	This Action	Revised 2012 Budget
Purchased Transportation Services budget	88,150,916	750,996	88,901,912
Other Operating budget	14,575,349	-	14,575,349
Total ST Express operating budget	102,726,265	750,996	103,477,261

Note: The 2012 ST Express operating budget can be found on page 53 of 2012 Adopted Budget book.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

APPRENTICE UTILIZATION COMMITMENT

Not applicable to this action.

BACKGROUND

Sound Transit owns 56 buses in support of six ST Express routes operated out of Snohomish County to regional destinations in Seattle and Bellevue. ST has contracted with Community Transit to provide this service, which is provided at Community Transit's Kasch Park Operating Base. Community Transit, in turn, contracts its own commuter service and all of the ST Express service with a private company, First Transit.

Community Transit's current contract with First Transit expired June 8, 2012. Earlier this year Community Transit issued a Request for Proposals and two proposals were received. Sound Transit observed the proposal presentation process. The scope of work includes operations and maintenance of the bus fleet, including all supervision and administration of the service. Insurance is included in the First Transit price. Community Transit retains the responsibility to provide contract oversight, purchase fuel, and provide the bus storage and maintenance facility. Under Sound Transit's agreement with Community Transit authorized by the Board in 2010, Sound Transit pays for the direct contract costs from First Transit, passed through by Community Transit, as well as the actual cost of the fuel and a proportional share of Community Transit overhead.

First Transit costs have increased in the new contract as a result of a greater focus on peak hour service, which requires First Transit to hire more operators than were included in the prior contract price. There is also a higher proportion of 60-foot, articulated buses in the ST fleet compared to the prior contract term; these high capacity buses have a higher maintenance cost than the standard size buses they replaced.

After this new contract is implemented, the hourly rate for Sound Transit service operated through Community Transit will be approximately \$115 per platform hour. Pierce Transit's baseline rate to provide ST Express service is \$127 per platform hour; King County Metro's baseline rate is \$138 per platform hour.

ENVIRONMENTAL COMPLIANCE

SSK 7-26-12

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2012-17: Amended the Adopted 2012 ST Express Transit Operations budget to increase it from \$102,561,773 to \$102,726,265 to fund the ST Express cost increases for operations and maintenance of the Downtown Seattle Transit Tunnel, and (2) amended the Adopted 2012 Central Link Transit Operations budget to increase it from \$54,189,294 to \$54,411,843 to fund the Central Link cost increases for operations and maintenance of the Downtown Seattle Transit Tunnel.

Resolution No. R2012-10: 1) Amended the Adopted 2012 ST Express Transit Operations budget from \$102,308,773 to \$102,561,773 to fund the operation of ST Express Route 596, (2) amended the Adopted 2012 Service Implementation Plan to create ST Express Route 596 to replace Pierce Transit's Route 496 between the Bonney Lake Park-and-Ride lot and Sumner Sounder Station and (3) authorized the chief executive officer to amend the Operations and Maintenance Agreement with Pierce Transit to operate ST Express Route 596.

Resolution No. R2011-18: Adopted an annual budget for the period from January 1 through December 31, 2012.

Motion No. M2010-32: Authorized the chief executive officer to execute an agreement with Community Transit to provide ST Express bus operations and maintenance services for the period of April 1, 2010, through March 31, 2013, with two additional one-year options to extend.

TIME CONSTRAINTS

A delay would not have a significant impact on ST Express operations.

PUBLIC INVOLVEMENT

Not applicable to this action.

LEGAL REVIEW

JW 7/27/12

RESOLUTION NO. R2012-19

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority amending the Adopted 2012 ST Express Transit Operations Budget from \$102,726,265 to \$103,447,261 to fund additional Sound Transit costs due to Community Transit's new contract with First Transit.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under RCW Chapters 81.104 and 81.112 for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Central Puget Sound Regional Transit Authority district on November 5, 1996 and November 4, 2008, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, the Sound Transit Board has adopted financial policies to govern the financing and implementation of the regional transit system and to specify budgetary guidelines for providing subarea equity in accomplishing the same; and

WHEREAS, by Resolution No. R2011-18, the Sound Transit Board adopted the 2012 Budget on December 15, 2011 which included an Adopted 2012 ST Express operating budget of \$102,308,773; and

WHEREAS, by Resolution No. R2012-10, the Sound Transit Board amended the ST Express Operating budget by \$253,000 to \$102,561,773 to cover operating costs to connect the Bonney Lake Park-and-Ride lot with Sumner Sounder Station and maintenance costs for the Bonney Lake Park-and-Ride lot; and

WHEREAS, by Resolution No. R2012-17 the Sound Transit Board amended the ST Express Operating budget by \$164,492 to \$102,726,256 to fund cost increases related to the agreement with King County for the operations and maintenance of the Downtown Seattle Transit Tunnel; and

WHEREAS, Community Transit issued a request for proposals for operations and maintenance of the Community Transit fleet, including buses operated by Community Transit for Sound Transit; and

WHEREAS, First Transit was selected for a new contract with Community Transit effective June 9, 2012 with an hourly rate 8.4% higher than the previous contract; and

WHEREAS, under Sound Transit's agreement with Community Transit, Sound Transit pays for the direct contract costs from First Transit, passed through by Community Transit, as well as the actual cost of the fuel and a proportional share of Community Transit overhead; and

WHEREAS, this Resolution will increase the 2012 Adopted Budget for ST Express by \$750,996 funded from existing financial capacity within the Snohomish County and East King County subareas to cover the increase in First Transit's contract costs; and

WHEREAS, a two-thirds affirmative vote of the entire membership of the Sound Transit Board is required to amend the Adopted 2012 Budget.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that the following action be approved:

The Adopted 2012 ST Express Transit Operations Budget is amended from \$102,726,256 to \$103,447,261 to fund additional Sound Transit costs due to Community Transit's new contract with First Transit.

ADOPTED by no less than a two-thirds affirmative vote of the entire membership of the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on August 23, 2012.


Julia Patterson
Board Vice Chair

ATTEST:


Marcia Walker
Board Administrator