

MOTION NO. M2015-53

ST Express Bus Service Operations and Maintenance Agreement with Community Transit

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Operations and Administration Committee	06/04/2015	Recommend to Board	Bonnie Todd, Executive Director of Operations
Board	06/25/2015	Final Action	Dave Turissini, Bus Operations Manager

PROPOSED ACTION

Authorizes the chief executive officer to execute an agreement with Community Transit to provide ST Express bus operations and maintenance services for the period of July 1, 2015, through December 31, 2017, with two additional one-year options to extend.

KEY FEATURES SUMMARY

- On March 26, 2015 the Board approved a three month extension of the ST Express Bus Service agreement with Community Transit to allow more time for Community Transit and Sound Transit to negotiate a new agreement.
- The new agreement continues Sound Transit’s partnership with Community Transit for providing ST Express bus service originating in Snohomish County with a scope of services that includes bus operations, service supervision, scheduling, vehicle maintenance and storage, fuel, training, safety, security, insurance, and administrative functions.
- The agreement with Community Transit splits baseline costs into three parts: pass-through of subcontractor costs, allocated cost of fuel based on actual miles, and other costs including direct costs where available, negotiated fixed costs for specific costs related to the bus base, and indirect costs allocated through the cost allocation model.
- The agreement includes the following significant modifications:
 - Authorization for Community Transit to operate as fleet manager for full warranty and for fleet defect processes; the previous agreement only referred to warranty claims;
 - Definition of the delineation of Community Transit’s responsibilities within and outside of its public transportation benefit area;
 - A limitation of 61 Sound Transit vehicles operated by Community Transit due to base constraints;
 - Removal of a requirement that Sound Transit pay for more expensive repairs (such as engine replacement); this cost is now absorbed in the Purchased Transportation cost;
 - Provides a more active role for Sound Transit in future negotiations between Community Transit and their contracted provider when their next negotiations come up in 2017. At that time, Community Transit will likely exercise a five-year option to extend their existing agreement with First Transit.

BACKGROUND

Community Transit has been providing Snohomish County-based ST Express bus service since the start of Sound Transit’s regional express bus system in 1999. Community Transit operates six ST Express routes using 61 Sound Transit buses. The buses are stored and maintained at Community Transit’s Kasch Park base.

The Community Transit agreement is different from Sound Transit's other bus partner agreements in that Community Transit subcontracts Sound Transit's service through its subcontractor First Transit. The agreement clearly defines when each agency's policies will take priority.

The new agreement is similar to past agreements with Community Transit; Sound Transit used the new agreement as an opportunity to negotiate the following additional improvements:

- Financial authorization and year end reconciliation has been restructured to more accurately reflect actual procedures and provide clearer documentation.
- Explicit and detailed information regarding federal requirements and the need for third-party contracting clauses are included, which will allow Sound Transit to use federal funds for preventive maintenance under State of Good Repair grants (if Sound Transit chooses).
- Record retention and reporting requirements were clearly documented.
- Oversight of fleet maintenance and audit of fleet records was strengthened in the agreement and access to more current files and live data was gained.
- Signage responsibilities were further refined and delineated in a referenced signage matrix for each agreement.
- The use of Task Orders to support baseline service was clarified.
- New requirements due to technological changes were addressed (i.e. the use annunciators to support Americans with Disabilities services).
- Various schedules were memorialized including financial reconciliation, service planning, and operational reports such as NTD, safety, security, and preventative maintenance reporting.
- Sounder backup service was more clearly delineated and separated from other services.
- Updates to fare collection procedures, records retention and audit procedures, as well as legal changes from the past five years were included.
- Improved documentation of the compensation methodology in accordance with Internal Audit recommendations;
- Inclusion of required Federal Transportation Administration clauses allowing Sound Transit to use State of Good Repair grant funds to subsidize maintenance costs if an opportunity arises.

FISCAL INFORMATION

The funding level for the proposed agreement is presented for approval annually through the Board budget review process. The cost of services provided under this agreement is recognized as part of purchased transportation services within the annual ST Express operating budget. The 2015 purchased transportation service budget total \$96,084,205*, within that amount, \$17,326,453 is reserved for Community Transit. Estimated costs from this agreement with Community Transit are within the board-approved budget authority for 2015.

Funding for future years under this agreement will be included in the annual budget development process based on negotiated estimated costs in conformance with the proposed agreement as provided by Community Transit and the service assumptions provided in the Service Implementation Plan for that year.

**The ST Express purchased transportation service budget can be found on page 54 of 2015 Adopted Budget book.*

SMALL BUSINESS/DBE PARTICIPATION

Small business participation is not applicable to this agreement.

PUBLIC INVOLVEMENT

Not applicable to this action.

TIME CONSTRAINTS

The current agreement expires June 30, 2015.

PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2015-22: Authorized the chief executive officer to extend the existing interagency service agreement with Community Transit through June 30, 2015.

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

Resolution No. R99-12: Authorized the Executive Director execute agreements for operation and maintenance with Community Transit and Pierce Transit related to implementation of regional bus service.

Motion No. M99-04: Allocated the Regional Express bus routes to the local agencies.

Resolution No. R98-31: Authorized 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.

ENVIRONMENTAL REVIEW

JI 4/22/2015

LEGAL REVIEW

JW 6/26/2015

MOTION NO. M2015-53

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute an agreement with Community Transit to provide ST Express bus operations and maintenance services for the period of July 1, 2015, through December 31, 2017, with two additional one-year options to extend.

BACKGROUND:

Community Transit has been providing Snohomish County-based ST Express bus service since the start of Sound Transit's regional express bus system in 1999. Community Transit operates six ST Express routes using 61 Sound Transit buses. The buses are stored and maintained at Community Transit's Kasch Park base.

The new agreement continues Sound Transit's partnership with Community Transit for providing ST Express bus service originating in Snohomish County with a scope of services that includes bus operations, service supervision, scheduling, vehicle maintenance and storage, fuel, training, safety, security, insurance, and administrative functions.

The agreement with Community Transit splits baseline costs into three parts: pass-through of subcontractor costs, allocated cost of fuel based on actual miles, and other costs including direct costs where available, negotiated fixed costs for specific costs related to the bus base, and indirect costs allocated through the cost allocation model. The agreement includes the following significant modifications: (1) authorization for Community Transit to operate as fleet manager for full warranty and for fleet defect processes; (2) definition of the delineation of Community Transit's responsibilities within and outside of its public transportation benefit area; (3) a limitation of 61 Sound Transit vehicles operated by Community Transit due to base constraints; (4) removal of a requirement that Sound Transit pay for more expensive repairs (cost is now absorbed in the Purchased Transportation cost); and (5) provides a more active role for Sound Transit in future negotiations between Community Transit and their contracted provider when their next negotiations come up in 2017.

The Community Transit agreement is different from Sound Transit's other bus partner agreements in that Community Transit subcontracts Sound Transit's service through its subcontractor First Transit. The agreement clearly defines when each agency's policies will take priority. The new agreement is similar to past agreements with Community Transit; Sound Transit used the new agreement as an opportunity to negotiate the following additional improvements:

- Financial authorization and year end reconciliation has been restructured to more accurately reflect actual procedures and provide clearer documentation.
- Explicit and detailed information regarding federal requirements and the need for third-party contracting clauses are included, which will allow Sound Transit to use federal funds for preventive maintenance under State of Good Repair grants (if Sound Transit chooses).
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- New requirements due to technological changes were addressed (i.e. the use annunciators to support Americans with Disabilities services).
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- Sounder backup service was more clearly delineated and separated from other services.
- Updates to fare collection procedures, records retention and audit procedures, as well as legal changes from the past five years were included.
- Improved documentation of the compensation methodology in accordance with Internal Audit recommendations;
- Inclusion of required Federal Transportation Administration clauses allowing Sound Transit to use State of Good Repair grant funds to subsidize maintenance costs if an opportunity arises.

MOTION:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute an agreement with Community Transit to provide ST Express bus operations and maintenance services for the period of July 1, 2015, through December 31, 2017, with two additional one-year options to extend.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on June 25, 2015.


Dow Constantine
Board Chair

ATTEST:


Kathryn Flores
Board Administrator