

MOTION NO. M2015-55

ST Express Bus Service Operations and Maintenance Agreement with Pierce 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 Pierce 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 November 20, 2014 the Board approved a six month extension of the ST Express Bus Service agreement with Pierce Transit to allow more time for Pierce Transit and Sound Transit to negotiate a new agreement.
- The new agreement continues Sound Transit’s partnership with Pierce Transit for providing ST Express bus service originating in Pierce and King Counties 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 includes the following significant modifications:
 - The overhead expenses at Pierce Transit were capped at 10.5% for seven of the twelve routes and a direct cost (which excludes overhead) was negotiated for five of the twelve routes.
 - Insurance requirements for Pierce Transit were changed to reflect Pierce Transit joining the Washington Transportation Insurance Pool.

BACKGROUND

Pierce Transit has been providing Pierce County-based ST Express bus service since the start of Sound Transit’s regional express bus system in 1999. Pierce Transit operates 12 ST Express routes using 116 Sound Transit buses. The buses are stored and maintained at Pierce Transit’s Lakewood base.

The new agreement is similar to past agreements with Pierce 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, \$38,417,290 is reserved for Pierce Transit. Estimated costs from this agreement with Pierce 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 Pierce 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. M2014-83 Authorized the chief executive officer to extend the existing interagency service agreement with Pierce Transit through June 30, 2015.

Motion No. M2009-107: Authorized the chief executive officer to execute an agreement with Pierce Transit to provide ST Express operations and maintenance services for the period of January 1, 2010 to December 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.

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 4/20/2015

LEGAL REVIEW

JW 5/26/2015

MOTION NO. M2015-55

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute an agreement with Pierce 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:

Pierce Transit has been providing Pierce County-based ST Express bus service since the start of Sound Transit's regional express bus system in 1999. Pierce Transit operates 12 ST Express routes using 116 Sound Transit buses. The buses are stored and maintained at Pierce Transit's Lakewood base.

The new agreement continues Sound Transit's partnership with Pierce Transit for providing ST Express bus service originating in Pierce and King Counties 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 includes the following significant modifications: (1) the overhead expenses at Pierce Transit were capped at 10.5% for seven of the twelve routes and a direct cost (which excludes overhead) was negotiated for five of the twelve routes, and (2) insurance requirements for Pierce Transit were changed to reflect Pierce Transit joining the Washington Transportation Insurance Pool.

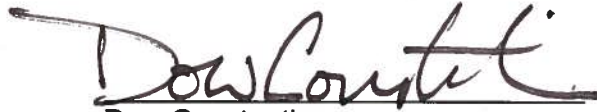
The new agreement is similar to past agreements with Pierce Transit; Sound Transit used the new agreement as an opportunity to negotiate the following additional improvements:

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- 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.
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- 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 Pierce 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