

Motion No. M2025-56

Contracted Service Provider for Stride Bus Rapid Transit

Meeting:	Date:	Type of action:	Staff contact:
Rider Experience and Operations Committee	11/06/2025	Recommend to Board	Terri Mestas, Capital Delivery Deputy CEO
Board	11/20/2025	Final action	Manan Garg, Capital Delivery Executive Director Rick Capka, Bus Rapid Transit Acting Program Executive Lucien Bruno, Bus Rapid Transit Operations Deputy Program Executive

Proposed action

Authorizes the chief executive officer to execute a contract with MV Transportation Inc. to provide Stride Bus Rapid Transit Contracted Service Provider services in the amount of \$431,597,114, with a contingency of \$2,000,000 for a total authorized contract amount not to exceed \$433,597,114.

Key features summary

- This action would select a vendor for:
 - Start-up support services for Stride Bus Rapid Transit (BRT), including battery-electric bus factory inspections, testing, and commissioning, segment testing on the BRT right-of-way, and developing key operational, maintenance, and safety procedures for Bus Base North;
 - Operations and maintenance of Stride Bus Rapid Transit (BRT) service beginning in 2028; and
 - Ongoing operations and maintenance of ST Express routes serving Snohomish County (currently operated by a subcontractor of Community Transit), transitioning in 2029.
- The base term is seven years from beginning of 2026 through end of 2032. There are three one-year options to renew through 2035 upon mutual agreement of the parties.
- A contingency of \$2,000,000 is included to cover unanticipated services during start-up phases, such as follow-up vehicle inspections for potential manufacturing defects in the battery electric fleet and additional vehicle or technology systems testing.
- The contract for the operational phase is on a per platform hourly basis with approximately 164,000 annual platform hours of service once full operations have begun for Stride, 80,500 annual platform hours of ST Express service, with the ability to change service levels by 15 percent without renegotiation of the hourly rate in the Contract. Annual platform hours and miles are determined by Sound Transit through the annually adopted Service Plan.
- Major parts replacement, engine overhauls, electricity, and fuel are considered a “pass-through” to Sound Transit, consistent with existing Sound Transit operations and maintenance procedures.

- The Contractor is required to allow for collective bargaining, and has relationships with existing unions in the region. Costs associated with this contract assume unionized labor consistent with similar agreements in the region.
- The contract includes financial incentives and disincentives to meet performance measures, such as for on-time performance, trip delivery, and vehicle maintenance and cleanliness.
- The contract also includes a temporary storage and maintenance facility option, priced at a not to exceed amount of \$5,791,747. Due to the timeline of Bus Base North completion and the need to fully test new battery electric bus technology, the Contractor will provide temporary storage for pilot buses, scheduled to arrive in Q3 2026, while Bus Base North is under construction. This will permit Sound Transit and the Contractor to test new battery electric buses and other operational technology prior to completion of Bus Base North. The temporary storage and maintenance facility will also be used to support supplemental services during World Cup prior to Bus Base North completion.

Background

Stride will be Sound Transit's first Bus Rapid Transit (BRT) service and will be operated with a fleet of 48 battery electric buses (BEB), with a mix of articulated and double-decker buses, out of the newly constructed Bus Base North. This will be Sound Transit's first entry into using battery electric buses and will use a combination of en-route inductive chargers and depot charging. The first Stride route is expected to launch in 2028.

Sound Transit does not currently operate its own bus service, and contracts operations and maintenance to local transit agency partners for ST Express. Given the complexities of starting up an operation at a new bus base with new battery-electric bus technology and new systems, and the need to ensure further oversight and control over operations, Sound Transit elected to initiate a competitive procurement process for Bus Base North (BBN) operations. This Contracted Service Provider (CSP) operations model allows Sound Transit to ensure stronger oversight and control over operations, performance data, and real-time passenger information, which will ultimately lead to a high-quality service for passengers. The CSP model has been successful with other transit agencies nationwide.

In addition to the three Stride routes, the CSP will also operate Snohomish County ST Express routes currently operated by Community Transit's own CSP, beginning in 2029. The CSP will also perform pre-revenue start-up work to transition these services. Sound Transit has been in coordination with Community Transit on the transition of this service.

The following are the responsibilities and scope of work performed by the CSP, including two key phases during start-up, and a third phase of revenue service:

- **Phase I: Operations Start-up Support Services (Q1 2026-Q4 2026):** The CSP is scoped to perform critical start-up activities prior to the availability of BBN, including onboarding essential personnel, factory inspection of new buses, testing and commissioning of vehicles and central operating systems, and developing operating and training procedures. The CSP also will be providing a temporary storage facility for the pilot buses while BBN is under construction. This will allow Sound Transit to fully test the capabilities of the new technology prior to launching service. This phase will last approximately one year.
- **Phase II: BBN Occupancy and Service Ramp-Up (Q4 2026-Q4 2027):** The CSP will provide operating base and revenue service mobilization services including finalizing vehicle readiness, finalizing staff readiness (including operator and maintenance personnel), and finalizing vehicle and operator assignments for revenue service. This phase will last approximately one year and may overlap with other phases as routes begin operations.

- **Phase III: Revenue Service and Maintenance (2028-2032 + 3 one-year options through 2035):**
The CSP will support the full implementation of Stride and ST Express operations and provide three full years of revenue service operations and maintenance following a phased Stride launch, a total of five years from 2028 to 2032. The contract will also include three one-year options for Sound Transit to extend the agreement based on performance and funding through 2035.

Key responsibilities for the CSP during the Revenue Service Period include bus operations and supervision, control center and dispatching, scheduling and run-cutting, and bus vehicle maintenance. During Phase III revenue service, key performance indicators (KPIs) will be evaluated monthly, and any financial performance incentives or disincentives will be assessed with that month's invoicing.

Further related Board actions include the approval of major service changes through the annually adopted Service Plan to begin service of the Stride routes as well as any complementary route changes on ST Express.

Sound Transit issued a Determination of Nonsignificance (DNS) under the State Environmental Policy Act (SEPA) for the Bus Base North in August 2020 and issued subsequent SEPA addenda to address minor refinements to the facility design. If environmental review is required under SEPA for a temporary storage and maintenance facility, Sound Transit will approve the location and make any SEPA determination as needed prior to the CSP utilizing the site.

Procurement information

In July 2024, a request for proposals (RFP) was issued by Sound Transit, with five proposals being submitted in September 2024. Discussions with all five proposers occurred in November and December to discuss weaknesses in each of the proposals, followed by a second submission of proposals addressing the identified weaknesses in January 2025.

The evaluation panel consisted of representatives from the Stride BRT team, Service Delivery, and Safety, as well as consultant support from experts in bus operations and maintenance. The evaluation panel unanimously rated MV Transportation as the highest scoring proposer.

Evaluation criteria included the proposer's ability to demonstrate specialized experience and technical competence to perform the start-up tasks and operate service according to Sound Transit's requirements, the proposed implementation plan and project management approach, team qualifications and experience with similar services and BEB technology, price, commitment to workers, EEO commitments, and inclusion strategies. The selected Contractor has extensive experience commissioning, operating, and maintaining the same type of BEBs and inductive charging as Stride as well as local experience in starting up a new operation.

The price of the top-ranked Proposer is within the Independent Cost Estimate for the start-up phases.

Fiscal information

The contract amount of \$22,408,787, including contingency, for the start-up Phases 1 and 2 is within the Stride BRT program's baselined budgets, and \$411,188,328 for the revenue service (phase 3) is within the Agency's Finance Plan. Revenue service will come out of Service Delivery's annual operating budgets, split between Stride Operations and ST Express Operations.

The Stride project portion of this contract – totaling \$22,408,787 is distributed across three projects, with the remainder to be funded out of the annual budget:

MV Transportation Inc.

(in thousands)

Contract Detail	Board Approvals to Date	Proposed Action	Proposed Total for Board Approval	Current Contract Spend Status
Bus Base North	\$	\$11,179	\$11,179	\$
I-405 BRT	0	7,944	7,944	0
SR 522/NE 145th Street BRT	0	3,286	3,286	0
Service Delivery	0	411,188	411,188	0
Total Contract Amount	\$	\$433,597	\$433,597	\$

The baseline budget for the **Bus Base North** project is \$499,500,000. Within the \$365,627,100 construction phase, \$11,204,415 has been allocated to the Contracted Service Provider line item. The proposed action would commit \$11,178,867 to this line item and leave a balance of \$25,548.

Bus Base North

(in thousands)

Project Phase	Total Baseline Budget	Board Approvals*	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Agency Administration	\$42,045	\$16,321	\$0	\$16,321	\$25,724
Preliminary Engineering	1,740	1,604	-	1,604	136
Final Design	24,805	22,163	-	22,163	2,642
Third Party	3,390	127	-	127	3,263
Right of Way	39,180	36,596	-	36,596	2,584
Construction**	365,627	297,934	11,179	309,113	56,514
Construction Services	22,713	8,029	-	8,029	14,684
Total Current Budget	\$499,500	\$382,774	\$11,179	\$393,953	\$105,547

Phase Detail - Construction**

Contracted Service Provider	\$11,204	\$0	\$11,179	\$11,179	\$26
Other Construction	354,423	297,934	-	297,934	56,489
Total Phase	\$365,627	\$297,934	\$11,179	\$309,113	\$56,514

Notes:

Amounts are expressed in Year of Expenditure \$000s.

For detailed project information, see page 172 of the 2025 Adopted Budget & Financial Plan.

* Board Approvals = Commitment and PO Contingency Remaining as of 3/31/2025.

** This line combines Construction and Start-Up within the same phase.

The baseline budget for the **I-405 BRT** project is \$1,321,000,000. Within the \$1,025,522,646 construction phase, \$7,961,785 has been allocated to the Contracted Service Provider line item. The proposed action would commit \$7,943,631 to this line item and leave a balance of \$18,154.

I-405 BRT

(in thousands)

Project Phase	Baseline Budget	Board Approvals*	This Action	Total Commitment Plus Action	Uncommitted / (Shortfall)
Agency Administration	\$59,324	\$34,270	\$	\$34,270	\$25,054
Preliminary Engineering	43,013	42,879	-	42,879	135
Final Design	31,322	29,327	-	29,327	1,995
Third Party	5,670	1,702	-	1,702	3,968
Right of Way	42,060	34,384	-	34,384	7,676
Construction**	1,025,523	883,323	7,944	891,266	134,256
Construction Services	27,468	9,551	-	9,551	17,916
Vehicles	86,620	84,385	-	84,385	2,235
Total	\$1,321,000	\$1,119,821	\$7,944	\$1,043,380	\$191,000

Phase Detail - Construction

Contracted Service Provider	\$7,962	\$	\$7,944	\$7,944	\$18
Other Construction	1,017,561	883,323	-	883,323	134,238
Total Phase	\$1,025,523	\$883,323	\$7,944	\$891,266	\$134,256

Notes:

Amounts are expressed in Year of Expenditure \$000s.

For detailed project information, see page 168 of the 2025 Adopted Budget & Financial Plan.

* Board Approvals = Commitment and PO Contingency Remaining as of 8/31/2025.

** This line combines Construction and Start-Up within the same phase.

The baseline budget for the **SR 522/NE 145th BRT** project is \$581,500,000. Within the \$322,404,658 construction phase, \$3,293,800 has been allocated to the Contracted Service Provider line item. The proposed action would commit \$3,286,290 to this line item and leave a balance of \$7,510.

SR 522/NE 145th Street BRT

(in thousands)

Project Phase	Baseline Budget	Board Approvals*	This Action	Total Commitment Plus Action	Uncommitted / (Shortfall)
Agency Administration	\$50,915	\$25,080	\$	\$25,080	\$25,835
Preliminary Engineering	15,420	15,331	-	15,331	89
Final Design	45,655	43,392	-	43,392	2,263
Third Party	6,560	2,032	-	2,032	4,528
Right of Way	79,895	43,158	-	43,158	36,738
Construction**	322,405	76,921	3,286	80,207	242,197
Construction Services	26,920	9,774	-	9,774	17,146
Vehicles	33,730	32,963	-	32,963	767
Total	\$581,500	\$248,652	\$3,286	\$218,975	\$328,795

Phase Detail - Construction

Contracted Service Provider	\$3,294	\$	\$3,286	\$3,286	\$8
Other Construction	319,111	76,921	-	76,921	242,190
Total Phase	\$322,405	\$76,921	\$3,286	\$80,207	\$242,197

Notes:

Amounts are expressed in Year of Expenditure \$000s.

For detailed project information, see page 169 of the 2025 Adopted Budget & Financial Plan.

* Board Approvals = Commitment and PO Contingency Remaining as of 7/31/2025.

** This line combines Construction and Start-Up within the same phase.

The operating portion of this contract is not to exceed \$411,188,328 through 2035 (inclusive of option years). Annual budgets against this contract will be requested and included as part of the Agency's future annual operating budget requests. The operating cost will be funded from the Service Delivery department's purchased transportation category.

Separately, within this action, the supplemental services needed for the World Cup in 2026 prior to BBN completion will be funded from the Service Delivery department's annual operating budget. Pending the approval of the 2026 budget, within the services category, the budget for bus chartering is \$5,000,000, of which \$2,700,000 including estimated sales tax, is estimated to be spent from this action in 2026 and will be within the agency's budget authority. After this action's approval, sufficient budget remains to cover remaining annual expenditures; any additional funding for these supplemental services in 2026 will be from possible savings within the department's annual budget requests and/or agency contingency.

This action does not impact the affordability of the agency's Financial Plan, as the services are already incorporated in the annual operating plan.

Service Delivery Department

(in thousands)

Cost Category	Proposed 2026 Annual Operating Budget	YTD Actuals	Estimated Contract Spend in 2026	Remaining Annual Operating Budget
Salaries and Benefits	\$73,148			\$73,148
Services	191,758		2,700	189,058
Materials and Supplies	22,573			22,573
Utilities	18,742			18,742
Insurance				
Taxes	3,638			3,638
Purchased Transportation Services (PTS)	437,981			437,981
Miscellaneous	3,194			3,194
Leases and Rentals	1,985			1,985
Total Annual Operating Budget	\$753,019	\$	\$2,700	\$750,319
Cost Categories Detail				
Other Services - Bus Chartering	\$5,000	\$	\$2,700	\$2,300
Others	186,758			186,758
Total	\$191,758	\$	\$2,700	\$189,058

Disadvantaged and small business participation

Sound Transit promotes and encourages small business participation, which also includes disadvantaged business enterprises (DBEs). Small business and DBE goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of small businesses/DBEs available to perform such subcontracting work.

Sound Transit set a DBE goal of 5% for this solicitation. MV Transportation submitted Good Faith Effort Documentation with regard to the DBE goal. After Good Faith Effort Review processes, MV Transportation's commitment of 0.34% was accepted.

New regulations issued October 3, 2025, and FTA guidance, require Sound Transit to zero out or remove DBE goals. This Contract will be executed with 0% DBE goal. Sound Transit will continue to collect subcontractor information.

For this contract, the following small business/DBE Participation commitments were made:

Small business/DBE participation commitments	
Sound Transit DBE Goal: 0%	DBE Commitment: 0.34%

Public involvement

Not applicable for this action.

Time constraints

A one-month delay would create significant impact to the project schedule.

Environmental review – KH 10/29/25

Legal review – DLM 11/4/2025

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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 a contract with MV Transportation Inc. to provide Stride Bus Rapid Transit Contracted Service Provider services in the amount of \$431,597,114, with a contingency of \$2,000,000 for a total authorized contract amount not to exceed \$433,597,114.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on November 20, 2025.

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

Dave Somers
Board Chair

Attest:

A handwritten signature in blue ink, appearing to read "Kathryn Flores", written over a horizontal line.

Kathryn Flores
Board Administrator