

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2007-118**

**Contract for Sounder Commuter Rail Station Agents**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	11/15/07	Discussion/Possible Action	Bonnie Todd, Director, Transportation Services <b>Martin Young, Sounder Commuter Rail Program Manager</b>	(206) 398-5367  (206) 398-5115

<b>Contract/Agreement Type:</b>	<input checked="" type="checkbox"/>	<b>Requested Action:</b>	<input checked="" type="checkbox"/>
Competitive Procurement	<input checked="" type="checkbox"/>	Execute New Contract/Agreement	<input checked="" type="checkbox"/>
Sole Source	<input type="checkbox"/>	Amend Existing Contract/Agreement	<input type="checkbox"/>
Agreement with Other Jurisdiction(s)	<input type="checkbox"/>	Budget Amendment	<input type="checkbox"/>
Real Estate	<input type="checkbox"/>	Property Acquisition	<input type="checkbox"/>

**PROJECT NAME**

Sounder Commuter Rail - Station Agent Program

**PROPOSED ACTION**

Authorizes the chief executive officer to execute a three-year contract with two one-year options to extend with Hallcon Corporation to provide station agent services in the amount of \$2,660,000, with a 10% contingency of \$266,000, for a total authorized contract amount not to exceed \$2,926,000.

**KEY FEATURES of PROPOSED ACTION**

- This action will provide station agent services at Sounder commuter rail stations. The primary responsibility of station agents will be to provide customer service such as transit schedule information and assistance with fare transactions, as well as perform minor station maintenance tasks. Station agents will also augment security by providing an additional presence to report on security matters.
- The contract allows for expansion of the scope of work to include additional Sounder stations, Central Link stations or increased Sounder service, at an additional cost.
- The contract includes a three-year initial term, plus two one-year options to extend. The requested funding amount covers the initial three years.
- In 2007, modifications to the Sound Transit security plan were developed to enable the Agency's Security Office and contracted security staff to focus primarily on agency security needs, and to respond to Sounder commuter rail customer service needs through the station attendant approach commonly used throughout the rail transit industry.

## **BUDGET IMPACT SUMMARY**

There is no action outside of the Board-adopted budget. There are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

## **BUDGET and FINANCIAL PLAN DISCUSSION**

The proposed action would exercise a three-year contract with two one-year options to extend with Hallcon Corporation to provide station agent customer service at Sounder commuter rail stations.

The first year total expenditures under this contract are projected to be \$674,000 and are included in the Proposed 2008 Budget. Budget authority for the future years covered within the term of this contract will be included within future years' transit operations budgets.

### **Analysis of Contracting Out versus In-House**

Staff has analyzed the costs and benefits of contracting out the station agent scope of work versus hiring the FTEs as regular Sound Transit employees. There are a number of factors that led staff to recommend contracting out these services:

1. Using this contract, the cost for Sound Transit to staff one station for a split shift would be approximately \$79,000. This compares favorably to the internal rate that it would cost to hire an employee, provide benefits for that employee, as well as provide the infrastructure—office space, computer and phone equipment, etc—that would be necessary to support the employee.
2. Using contracted services will provide the maximum flexibility for resources to be moved around from location to location as needed, rather than to go through a hiring process for each new need that is identified.
3. Since this is a new program, using contracted services will provide an opportunity to fine-tune the program; as institutional knowledge is gained regarding the scope of work, appropriate work can be brought in-house as the business needs change. Staff will continue to evaluate the costs and benefits of bringing this work into the agency.
4. Finally, there are a number of locations that are not regularly used at Sound Transit where staffing will be provided through split shifts or part-time work arrangements.

## **BUDGET TABLE**

The contract would be funded through the Sounder transit operations budget, under the Miscellaneous Services category on page 55 of the Proposed 2008 Budget book. The impacts of this action on the 2008 budget and future transit operations budgets are illustrated below:

### Summary for Board Action (Year of Expenditure \$000)

**Action Item: Execute a contract with Hallcon Corporation to provide station agent services**

Contract Budget	Current Approved Contract (A)	Committed to Date (B)	Proposed Action (C)	Proposed Total Contract Value (D)
1 Hallcon Corporation	\$ -	\$ -	\$ 2,660	\$ 2,660
2 Contingency	-	-	266	266
3 Total	-	-	2,926	2,926
4 Percent Contingency	0%	0%	10%	10%

Contract to be Charged: Sounder Transit Operations	Proposed 2008 Budget <sup>1</sup>	Committed to Date <sup>2</sup>	2008 Portion Proposed Action <sup>3</sup>	Future Operating Budgets <sup>4</sup>	Proposed Contract Value
5 Station Agents	\$ 675	\$ -	\$ 675	\$ 2,251	\$ 2,926
6 Other Miscellaneous Services	190	-	N/A	-	-
7 Total	\$ 865	\$ -	\$ 675	\$ 2,251	\$ 2,926

#### **Notes**

<sup>1</sup> Contract would begin on January 1, 2008. Based on the scope of services provided, the contract would be charged to the Sounder transit operations budget.

<sup>2</sup> Committed to date per expenditures incurred through October 2007.

<sup>3</sup> Of the amount authorized in this action, approximately \$675k would be spent in 2008 with the balance coming in 2009 and 2010.

<sup>4</sup> Represents the amount expected to be included in future operations budgets for expenditures under this contract. This amount would be budgeted in future years to fund the remaining balance of the proposed contract.

## **SMALL BUSINESS PARTICIPATION**

Proposers were not asked to prepare a plan for the participation of M/W/DBE or other small businesses as subcontractors. It was determined that subcontracting was not feasible as it was not in the best interest of Sound Transit to have more than one contractor provide the services under the station agent contract.

### Prime Consultant/Contractor

Hallcon Corporation is the prime consultant and will perform 100% of the work for this contract.

### EEO Commitment

The workforce for Hallcon Corporation is comprised of 60% minorities and 40% women.

## **PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION**

Since service began in 2000, Sound Transit has contracted for a security presence at stations during peak commuting periods to provide surveillance, ensure the safety and security of customers, and provide limited customer service-related duties. Sound Transit has learned over the past seven years that a stronger customer service focus is needed to promote ridership and succeed in helping customers have a positive experience when they use public transportation.

The station agent model would provide the most effective customer service approach. Station agents will also be trained in basic safety and security practices in order to augment Sound Transit's contracted security force. Major duties include:

- Provide information on transportation services
- Assist customers with using ticket vending machines
- Monitor stations and platforms for security and safety related issues
- Assist with implementing significant service interruption activities
- Assist with preparing for and implementing adverse weather activities
- Perform miscellaneous maintenance and janitorial duties
- Report needed repairs and monitor completion

In late summer of 2007, Sound Transit began a competitive procurement process to select a firm to provide station agents. Hallcon Corporation was selected as the successful proposer. The contract is for an initial three-year term with two one-year options. The scope of work provides for four-hour shifts for both the morning and evening commute at most stations and includes a budget for station agents to staff approximately 30 annual Sounder special service events. The contract also allows for expansion of station agent services at an additional cost.

### **Prior Board/Committee Actions**

None.

### **CONSEQUENCES of DELAY**

A delay in Board action beyond December would likely impact the implementation date of the station agent program and realizing of associated benefits.

### **PUBLIC INVOLVEMENT**

Not applicable to this action.

### **ENVIRONMENTAL COMPLIANCE**

SSK 10/26/07

### **LEGAL REVIEW**

JW 11/8/07

## **SOUND TRANSIT**

### **MOTION NO. M2007-118**

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a three-year contract with two one-year options to extend with Hallcon Corporation to provide station agent services in the amount of \$2,660,000, with a 10% contingency of \$266,000, for a total authorized contract amount not to exceed \$2,926,000.

#### **Background:**

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#### **Motion:**

It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a three-year contract with two one-year options to extend with Hallcon Corporation to provide station agent services in the amount of \$2,660,000, with a 10% contingency of \$266,000, for a total authorized contract amount not to exceed \$2,926,000.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on November 15, 2007.

  
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Fred Butler  
Finance Committee Chair

ATTEST:

  
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Marcia Walker  
Board Administrator