

**SOUND TRANSIT  
TRANSIT OPERATIONS TASK FORCE  
Meeting Summary  
June 26, 2008**

**Call to Order**

The meeting was called to order at 11:10 a.m. by Chair Dow Constantine in the Ruth Fisher Boardroom, 401 South Jackson Street, Seattle, Washington.

**Roll Call**

*Chair*

*(P) Dow Constantine, King County Council Vice Chair*

*(P) Fred Butler, Issaquah Deputy Council President*

*(P) Deanna Dawson, Edmonds Councilmember*

*(P) Dave Enslow, Sumner Mayor*

*(P) John Marchione, Redmond Mayor*

*(P) Julia Patterson, King County Council Chair*

**Report of the Chair**

Chair Constantine announced that today's agenda will be a presentation on Express Bus Operations and Maintenance instead of the presentation on Light Rail and Commuter Rail Operations and Maintenance that was originally scheduled for June. He noted that the presentation on Light Rail and Commuter Rail Operations and Maintenance would take place next month because a report being prepared by Raul Bravo and Associates for that presentation is not ready at this time.

**Minutes of the April 24 and May 22, 2008 Meetings**

**It was moved by Boardmember Marchione, seconded by Boardmember Enslow, and carried by the unanimous vote of all members present that the April 24 and May 22, 2008 minutes be approved as presented.**

**Follow-up Items**

In response to a request from Boardmember Enslow at the May meeting, Mike Bergman, Service Planning and Development Program Manager, presented information on current Express Bus schedule implementation. Mr. Bergman presented slides showing the Sound Move mandates for Sound Transit Express Bus service and showed numbers on the average trip length and speed.

**Understanding Express Bus Operations and Maintenance**

Bonnie Todd, Transportation Services Director gave a presentation on Express Bus Operations and Maintenance. She gave an overview of issues surrounding maintenance base capacity and operations costs.

Ms. Todd showed platform hour cost numbers that compared Sound Transit to other transit agencies. She noted that currently Sound Transit is approximately 11% above average. She also showed charts with the historical rates Sound Transit paid to partners.

Ms. Todd presented an operations diagram showing what internal operations would look like under an in-house operations service model; she noted that the biggest change would be an increase in support costs. She then showed a table estimating in-house costs as compared to current costs and listed the assumptions used for the comparison, including Sound Transit building a maintenance base. The overall savings through 2040 would amount to \$125 million in YOE, or \$25 million in net present value. She also listed the pros and cons of an in-house model.

Ms. Todd then presented an operations diagram showing internal operations under a competitive procurement model. Under this model, capital investment would be done in the beginning and service would be provided by a contractor. She explained that savings could be realized in a competitive environment; a 10% cost advantage was common in the industry for competitively procured service. Mr. Bergman listed some national agencies that are currently using this model. He noted that Sound Transit recently gained some experience in contracting for service in the Lakewood to Tacoma shuttle route and the recent contract bid for Everett to Bellevue service.

Ms. Todd also showed a cost comparison for the competitive procurement model and listed the pros and cons of the model. The overall savings through 2040 would amount to \$450 million in YOE, a net savings over current costs of \$100 million, just below a 10% cost improvement. Some of the pros Ms. Todd listed were savings of around 10%, greater Sound Transit oversight, and the ability to switch or use multiple operators. Cons include a possible increase in oversight costs and a possible decline in service quality.

Ms. Todd then presented an operations diagram, cost comparison, and pros and cons for a modified agreement model. She explained that this model assumes Sound Transit will pay for a maintenance base or invest in a partner's maintenance base. She noted that this model looks very similar to the competitive procurement diagram. The main difference between this model and the competitive procurement model is that the modified agreement model has limited choices for service providers. She explained that if the Board chose this direction, Sound Transit would work on an agreement with the partners to pay the marginal cost instead of the fully allocated cost. The overall savings through 2040 would amount to \$130 million in YOE. Chair Constantine noted that the modified agreement model was nearly identical in cost to the in-house operations model.

Boardmember Marchione asked about the factors that contribute to lower overhead in a competitive procurement model. Ms. Todd responded that part of those differences may be attributed to efficiencies in the private sector and reduced overhead costs. Mr. Marchione expressed surprise that the in-house model didn't perform better. Ms. Todd explained that the analysis for the in-house model was done conservatively. She then discussed the pros and cons of the modified agreement model.

Ms. Todd presented an overall cost comparison between current costs and the other options presented; in-house, competitive procurement and modified approach models. She noted that the current model would be the highest if the cost of a maintenance base was added. She also pointed out that a hybrid approach could take parts of any of these models.

Current regional maintenance base capacity for the three partners was shown; Ms. Todd noted that while King County Metro has not yet reached capacity, the upper limit would be reached in around 2012. Development of any new base would take a minimum of 6 years and in the interim Sound Transit will depend on the available base capacity of partners. New service agreements with partners will be in place in the beginning 2010. Sound Move maintenance base funding capacity will likely be exhausted in supporting Sound Transit's continued use of partners' bases.

Ms. Todd then reviewed the next steps for moving towards a possible policy decision in August. She restated that an operations and maintenance base solution is necessary regardless of the service model chosen. She also noted that in 2005 the Board made a decision to allow the use of different business models for operating service. She noted that savings could be realized by moving to a competitive procurement model or a modified agreement model.

Chair Constantine noted that the Task Force has two months to come up with a recommendation to the Board for how Sound Transit should operate the ST Express bus fleet and handle bus operations and maintenance base capacity.

Chair Constantine asked if a hybrid model could include a centralized base as a stand-alone base, and a combined partnership base in the farther areas. Ms. Todd confirmed that planning done to date has included a large central base and a satellite base. Chair Constantine also asked whether all the capacity needs of the agency need to fall under one model. Ms. Todd explained that the \$165 million cost assumption assumes a Sound Transit owned centralized base and satellite base, but that any of the service delivery models could be used.

Chair Constantine said the Task Force members would review the models and may have additional questions for staff at a future time.

### **Other Business**

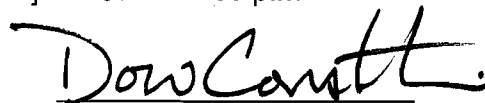
None.

### **Next Meeting:**

Thursday, July 24, 2008, 11:00 a.m. to 12:45 p.m., Ruth Fisher Boardroom, 401 South Jackson Street, Seattle WA.

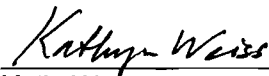
### **Adjourn**

There was no other business; the meeting was adjourned at 12:05 p.m.



Dow Constantine  
Transit Operations Task Force Chair

ATTEST:



Katie Weiss  
Board Coordinator