

Spokane Transit Authority
1230 West Boone Avenue
Spokane, Washington 99201-2686
(509) 325-6000

OPERATIONS AND CUSTOMER SERVICE COMMITTEE

Draft Minutes of the June 4, 2008, Meeting
Southside Conference Room

MEMBERS PRESENT

Richard Munson, City of Spokane Valley*
Allan Gainer, City of Cheney
Nancy McLaughlin, City of Spokane
Mike Brewer, Citizen
Nan Kelly, Citizen
Rick Jacks, Citizen
David Driscoll, Citizen
Andrew Rolwes, Citizen
Dennis Antonellis, ATU 1015
Steve Pinkerton, AFSCME 3939

MEMBERS ABSENT

Ann Campeau, Citizen
Guy Smith, ATU 1598

* Chair

STAFF PRESENT

E. Susan Meyer, Chief Executive Officer
Steve Blaska, Director of Operations
Jacque Tjards, Manager, Purchasing
Mark Curtis, Manager, Customer Service
George Hanrahan, Manager, Information Systems
Teresa Overhauser, Manager, Technology Projects
Molly Myers, Manager, Communications
Mike Volz, Assistant Director of Finance & Administration
Ryan Stewart, Transit Planner
Charlie Phillips, Maintenance Analyst

GUESTS

None

1. **CALL TO ORDER**

Chairman Munson called the meeting to order at 1:31 p.m.

2. **INTRODUCTIONS AND CORRESPONDENCE**

Introductions were made. There was no correspondence requiring the Committee's attention.

3. **MINUTES OF THE MAY 7, 2008, COMMITTEE MEETING – CORRECTIONS OR APPROVAL**

Mr. Brewer moved to approve the minutes. The motion was seconded and passed unanimously.

4. **PUBLIC EXPRESSIONS**

None.

5. **AWARD OF CONTRACT FOR AN ADVANCED PUBLIC TRANSPORTATION SYSTEMS (APTS – SMART BUS) PROJECT CONSULTANT – DISCUSSION**

Ms. Overhauser explained that staff requires assistance with tasks regarding the "Smart Bus" project. A traffic signal prioritization study is planned to determine if it is viable for transit vehicles to have equipment which would preempt traffic signals at certain times of the day on certain arterials. Discussions would take place with representatives from the various jurisdictions to see if they would be willing to grant permission for STA to use this technology and also assist in identifying corridors where this technology would be feasible. The goal is to make transit more competitive with private automobiles by keeping buses on schedule.

Ms. Overhauser identified and thanked those members of the group who served on the proposal evaluation committee. She noted that the overall project budget was approximately \$9M for both smart bus technology enhancements (i.e., system mapping software, visual and audio stop announcements, passenger counters on buses, computer aided dispatch, on-board and exterior cameras, etc.) and the traffic signal prioritization study. For 2008, \$3,150,000 was budgeted for this project.

Five proposals were received, three vendors were interviewed, and a request for best and final proposals was made to two of the vendors. IBI Group, while slightly more expensive, was determined to be the preferred vendor because they better understood the depth and quality of analysis needed for this project.

Ms. McLaughlin asked if the traffic congestion levels in Spokane warranted a traffic signal prioritization study and if STA staff has checked with the City of Spokane and other jurisdictions to determine if they are willing to allow buses to have priority over other vehicles at traffic lights. Ms. Overhauser said that doing the study now is important to answer that question and to determine the level of technology that would be needed for the buses. She added that signal prioritization could assist buses with staying on time during construction season when delays are common. Mr. Blaska commented that this is part of the development of a regional plan and it is important that the technology interface be consistent with that plan.

Mr. Munson said that no discussions have taken place within the Spokane Valley council regarding this issue. He also said that this is a sensitive issue because you would be giving priority right of way to about four percent of the people while the other 96% have to sit in traffic. Ms. Overhauser said that the reason the Spokane Valley council hasn't heard more about this issue is because until it's been studied in depth, no real plan can be brought forward for discussion.

Mr. Driscoll asked if the \$9M was just for this study. Ms. Overhauser said no, the cost for the study was only about 4% of the cost of the entire project, but until you go through the study, that \$9M figure was just an estimate and dependent upon a decision in the future regarding what elements of the new technology would be needed for Spokane. If decisions are made that some of the technology is not needed, the \$9M figure would drop.

Mr. Antonellis expressed concerns that there would be negative aspects of this technology for union members and said that he was opposed to the study and also to implementation of the new technology. He said more information would be needed before the union could bargain the effects of the proposed enhancements.

Ms. Overhauser said that for the first part of the study, there are eight steps to go through, and the first steps include the items needed and how they would be organized on a bus. She said staff is aware that there will be bargaining issues surrounding this project, and the Human Resources manager will address those concerns when that time comes, but for now this study would identify the basic infrastructure, how it would work, and what those items are.

Mr. Jacks commented that he felt that supporting the study was important as a means to get more information to be able to address union concerns. Ms. Overhauser said that this discussion was not about cameras on buses; this was a request to allow STA to look at what needs to be done and return at a later date with a plan.

Ms. McLaughlin moved to recommend the Board of Directors authorize the CEO to enter into a contract with IBI Group in the amount of \$346,720 (including taxes) for Advanced Public Transportation Systems (Smart Bus) Project Consultant services, and authorize a 15% contingency contract authority of \$52,000 (a combined total of approximately 4.3% of the overall project budget) for a total authorized contract authority not to exceed \$398,720. The motion was seconded and passed 9:1.

6. AWARD OF CONTRACT FOR JANITORIAL SERVICES AT THE STA PLAZA – DISCUSSION

Mr. Curtis explained that the current contract for janitorial services at the STA Plaza will expire on June 30th. Five prospective contractors attended a pre-proposal meeting on April 6th, and an amendment to clarify job assignments, parking, cleaning schedules and products was issued on April 22nd. As a result, five responsive proposals were received from responsible vendors. Criteria for evaluation included total cost, experience and stability, proposed work plan, references, qualifications of personnel, and RFP compliance. Mr. Curtis reviewed the estimated 3-year costs submitted by proposers and said that the evaluation committee determined Argus Janitorial, who submitted the lowest bid and specified the use of "green" products, was the preferred vendor.

Mr. Brewer moved to recommend the Board award a three (3) year contract with two (2) one-year renewal options to Argus Janitorial for Plaza janitorial services for an estimated cost of \$692,044 for the first three years of the contract. The motion was seconded and passed unanimously.

7. ACQUISITION STRATEGY FOR FIXED ROUTE COACHES – DISCUSSION

Mr. Blaska explained that the replacement strategy for the fixed route fleet needed to be updated to accommodate higher than predicted ridership growth. He said that there were so many differing factors between the previous acquisition strategy and the current one that it was important to explain the logic that led to the current recommendation. Objectives of the procurement strategy include: 1) most effective customer service; 2) maximize use of smaller vehicles; and 3) allow flexibility for changing service requirements beyond 2010. Methodology included a coach life cycle of fifteen years, cost analysis, risk analysis, and ridership analysis.

Mr. Blaska said that while a 15 year life cycle exceeds the 12 years/500,000 miles standard set by the FTA, there is a point in time where maintenance on the vehicles exceeds replacement costs. Over the fifteen year life cycle, most coaches have the transmissions rebuilt twice and have the engines rebuilt once. If you rebuild the engine at approximately 7½ years, by the time you expect to have to rebuild it again, that's when you replace it. The same is true for the transmissions; you want to get maximum use out of the rebuilt major components before you turn a coach in. From a customer service perspective, also programmed into the fifteen year life cycle is the time when the vehicle is repainted, reupholstered, and any major interior cleaning is addressed.

Mr. Blaska reviewed acquisition costs, annualized costs, and lifetime capital costs per seat using 2005 and 2006 figures, noting that relationships were the same on more recent purchases. He commented that capacity issues and right-sizing the buses are of high importance when looking at costs, and noted that 40-foot coaches, on an annualized basis, are the best and least expensive investment when maximizing seating capacity.

Ms. McLaughlin asked if that was true when the bus seats are not filled to capacity. Mr. Blaska responded that this is why it is important to consider both unit cost and capacity. Mr. Blaska reviewed 2007 unit costs, which included operator cost, miles-related cost (insurance, tires, lubricants, fuel) and maintenance costs (wages and parts), noting that only approximately 21% of the full cost of a vehicle's operation is related to the size of the bus. He pointed out that insurance, tire, lubricant, and labor costs are pretty much the same regardless of coach size; only fuel and parts are differential factors because they cost more for the larger coaches. Mr. Blaska reviewed the unit costs applied to risk analysis in detail, explaining the relationship between vehicle size/capacity and fuel costs. He also reviewed in detail the current coach replacement strategy, a model of the future fleet make-up, and an overview of the planned actual fleet.

Mr. Blaska commented that this type of analysis had been done for the past several years, but what has changed is the difference between the 35-foot coach and the 40-foot coach. On first analysis, more 35' coaches appeared to be needed, but with current ridership trends these smaller coaches need to be 40-foot coaches. The cost of procuring and maintaining a 35-foot coach compared to a 40-foot coach is minimal, so it's important to go with the larger coach. Ms. Meyer said that estimating ridership between now and fifteen years from now is both an art and a science, so trying to keep the fleet short is difficult under the current environment because staff does not see ridership growth slowing down.

Mr. Blaska explained that the net change [from the last Transit Development Plan (TDP)] is from a total of 160 coaches to 163 coaches. There were two more 60-foot coaches in the last TDP which would be purchased in 2010. Staff feels those coaches are needed by late 2009 (one reason is to assist with service requirements for the US Figure Skating Championships scheduled for January 2010). Also, two of the 40-foot coach requirements will switch to 60-foot requirements, for a total of four 60-foot coaches. The total difference in acquisition costs, depending on bids, would be determined at a later date, but the difference between a 35-foot coach and a 40-foot coach is between \$5K and \$7K.

Mr. Blaska concluded by saying that all this plan actually postulates is sustaining the same level of service while replacing the fleet we currently have. Mr. Gainer commented that more coaches may be needed by 2013 because of ridership growth trends. Mr. Blaska explained that the TDP is updated annually and service requirements would be addressed when necessary.

Ms. McLaughlin moved to approve the recommended coach acquisition strategy that results in a fleet of 156 vehicles (10 x 60', 100 x 40', 26 x 35', 13 x 29'/30'/shuttle vehicles, and 7 vans) by 2010. This will increase to a fleet of 163 vehicles (10 x 60', 107 x 40', 26 x 35', 13 x 29'/30'/shuttle vehicles, and 7 vans) by 2011. The motion was seconded and passed unanimously.

8. AWARD OF CONTRACT FOR THE PURCHASE OF FOUR (4) 60-FOOT FIXED ROUTE COACHES – DISCUSSION

Mr. Blaska explained that pricing was not yet forthcoming from the vendor, so this item would be moved to the July Committee/Board cycle.

9. CEO REPORT – INFORMATION

- a. Ms. Meyer admitted that a collective sigh of relief was heard at Spokane Transit following voter approval of the 3/10 of one percent sales tax for transit. She said it is STA's objective to operate exactly as we have been so we can continue to make the right decisions.
- b. Ms. Meyer said the Triennial Review conducted by the Federal Transit Administration is concluding. Results are expected to be favorable and a report will be presented next month to the Board regarding their findings.
- c. Ms. Meyer called the group's attention to a hand-out of a news release dated June 2nd by the American Public Transportation Association. The release noted that in first quarter 2008, over 85M more trips were taken on public transportation compared to first quarter 2007. Increases were seen on light rail (10.3%), commuter rail (5.7%), heavy rail (subways and elevated trains – 4.4%), and bus ridership (2%) nationwide. Ms. Meyer explained that the article referenced ridership increases in specific cities such as San Antonio (10.6%), Denver (9.4%), San Diego (6.8%), Minneapolis (6.7%), Seattle (6.2%) and Phoenix (5.4%), and noted that Spokane Transit ridership eclipsed all the others with an increase of over 15% for the first quarter of the year.
- d. Ms. Meyer wished Ms. McLaughlin a very happy birthday.
- e. Ms. Meyer said STA experienced a 16.8% increase in ridership for service to Art Fest the previous weekend.
- f. Ms. Meyer asked if anyone had seen the article in the *Slice* section of the Spokesman-Review which referenced the excellent skills of a coach operator by the name of Ira. Ms. Meyer noted that Ira frequently receives compliments and added that it was nice that he was singled out for this article in the paper.

10. COMMITTEE INFORMATION

- a. First Quarter 2008 Financial Results Summary – as presented.
 1. First Quarter 2008 Capital Budget Status Report – as presented.
 2. First Quarter 2008 Statement of Net Assets and Federal Grant Reports – as presented.
- b. April 2008 Operating Indicators (*Steve Blaska*) – as presented.
- c. Community Outreach and Involvement (*Molly Myers*) – as presented. (*A revised version of this report was distributed at the beginning of the meeting.*)

9. OLD OR NEW BUSINESS

None.

10. COMMITTEE MEMBERS' EXPRESSIONS

Mr. Pinkerton said he represented STA as a participant in the Community Transportation Association of America (CTAA) Roadeo held in New Orleans, LA, the previous weekend. While he did not win the first place trophy, he had an opportunity to ride the trolley and buses to tour the city. He commented that the equipment used by Spokane Transit is far superior to that used in New Orleans. Ms. Meyer said that Mr. Pinkerton did better than half of the competitors there. Mr. Pinkerton said some other transit properties are very serious about this competition, and it was a fun experience.

Mr. Brewer asked about the status of the bus shelter at the corner of Wellesley and Haven. Mr. Blaska said he would look into it further and get back to Mr. Brewer.

Ms. Kelly thanked STA for exercising flexibility regarding the standard for customers to be ready to access the van on scheduled pick-ups.

11) NEXT MEETING – WEDNESDAY, JULY 2 2008, 1:30 P.M., SOUTHSIDE CONFERENCE ROOM, 1230 WEST BOONE AVENUE

12) ADJOURN

There being no further business to come before the Committee, Chairman Munson adjourned the meeting at 2:48 p.m.

Respectfully submitted,

Jeanette Van Dort, Executive Assistant