



Minnesota Regional Transit  
Board: Records.

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REGIONAL TRANSIT BOARD

270 Metro Square Building  
St. Paul, Minnesota 55101  
612/292-8789

MEETING OF THE REGIONAL TRANSIT BOARD  
Monday, June 15, 1987  
Metropolitan Council Chambers  
4:00 p.m.

AGENDA

1. Call to Order and Roll Call
2. Approval of Agenda
3. Approval of Minutes of June 1 and May 18, 1987 Meetings
4. *Rideshare OK*  
CONSENT LIST
5. REPORT OF THE POLICY COMMITTEE Doris Caranicas,  
Chair
  - A. Accept Draft of Standards, Procedures and Guidelines for Competitive Procurement of Public Transit Services report for Public Hearing } *amended to include committee list.*
  - B. Request for Proposal for Evaluation of the Delivery of Ridesharing Services
6. *C Capital Plan*  
REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE Ruth Franklin,  
Chair
7. OTHER BUSINESS
  - A. Chairman's Report
  - B. Members' Reports
  - C. Advisory Committee Reports
  - D. Staff Reports
  - E. Public Comment

Elliott Perovich  
Chairman

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: June 12, 1987  
TO: Regional Transit Board  
FROM: Doris Caranicas, Policy Committee Chair  
SUBJECT: Report of the Policy Committee

At its meeting on June 10, 1987, the Policy Committee discussed and approved the following recommendations:

Draft Standards, Procedures and Guidelines for Competitive Procurement of Public Transit Services Report

Recommendation:

That the Regional Transit Board accept the Draft Standards, Procedures and Guidelines for Competitive Procurement of Public Transit Services for presentation to a duly appointed competitive transit advisory team to assist and advise the Regional Transit Board, by August 15, 1987, in developing and implementing standards for competitive bidding.

Capital Planning Consultant Contract

Recommendation:

That the Regional Transit Board reaffirm its action of March 17, 1986, authorizing the executive director to enter into a contract with a consultant to assist with the development of a capital plan for an amount not to exceed \$10,000.

Request for Proposal for Evaluation of the Delivery of Ridesharing Services

Recommendation:

That the Regional Transit Board solicit proposals from consultants to evaluate the delivery of ridesharing services in the Twin Cities metropolitan area based on the scope of services contained in the request for proposal.

jmo  
PC/BD/TX2

Bertrand  
Faulstich  
de Vries

REGIONAL TRANSIT BOARD  
ROLL CALL AND ATTENDANCE SHEET

DATE: June 15, 1987

BOARD MEETING

MEMBER NAME      PRESENT      VOTE      VOTE      VOTE      VOTE

Chairman              not  
                                 present

Doris Caranicas      ✓      no

Ruth Franklin        ✓      no

Carole Faricy        ✓      yes

Alison Fuhr        out of town

Rochelle Graves     ✓

George Isaacs        ✓      no

Paul Joyce            ✓      no

Edward Kranz        ✓      yes

*Completed by Chairman*

T0:  
Andrews              ✓  
Brechlin              ✓  
Christopherson      ✓  
Dietrick *Bena*  
Ecker                *Blink*  
Fish  
Fitzgerald  
Hennings             ✓  
Hinze  
Hollander  
Kuehn  
Kouneski  
Mayer  
Olson  
Opsahl                ✓  
~~Perovich~~  
Rosvold              ✓  
Ryan                  ✓  
Smothers  
Turnbull             X  
Zuniga  
*Fedorowski*

REGIONAL TRANSIT BOARD

270 Metro Square Building, St. Paul, Minnesota 55101

Minutes of the Meeting of the  
REGIONAL TRANSIT BOARD  
Metropolitan Council Chambers  
June 1, 1987

BOARD MEMBERS PRESENT: Elliott Perovich, Chairman; Doris Caranicas; Alison Fuhr; Rochelle Graves; George Isaacs; Paul Joyce and Edward Kranz

MEMBERS ABSENT: Carole Faricy and Ruth Franklin

OTHERS PRESENT: Gregory Andrews, Tom Beaver, Howard Blin, Mary Fitzgerald, Ed Kouneski, Mark Ryan, Katie Turnbull, Regional Transit Board Staff; Charles Weaver, legal counsel; Greg Failor, Metropolitan Transit Commission; Bob Rossman, Amalgamated Transit Union; Natalio Diaz and Karen Lyons, Metropolitan Council; Steve Bertrand, Minnesota State Council for the Handicapped; Dick Houck

A public meeting on the Draft Fare Policies and Procedures for the Twin Cities Metropolitan Area was called to order. Turnbull described the public review and comment process. The document outlines policies and procedures used to set fares, but does not make specific recommendations for fare levels. The chairman explained the order of taking testimony. The record will remain open for written comment until the last meeting on June 9. Staff will review the comments and bring responses and recommended changes back to the board for further discussion. No one testified so the meeting was closed.

The regular meeting of the board was called to order and roll called.

Caranicas moved and Joyce seconded approval of the amended agenda; the motion carried unanimously.

Turnbull introduced summer interns: Mike Conlon, Shiela Speltz and Greg Nybeck.

LIGHT RAIL TRANSIT POSITION STATEMENT

The members received the draft statement, dated May 12, 1987, at an earlier board meeting and action was delayed until the end of the legislative session. Joyce said it is important that the board be in step with the Metropolitan Council. Fuhr moved:

That the Regional Transit Board adopt the Regional Transit Board Position Statement on Light Rail Transit and transmit it to the Metropolitan Council.

Joyce seconded the motion. Turnbull said that while the level of funding approved by the Legislature was lower than requested, the general approach is the same. Isaacs said it appears to be overreaching the goal of preliminary engineering in discussing economic development. The chairman said the board had decided earlier to include both as one package because of the council's concern about studying economic impact. The two studies would not be meshed.

Bertrand asked if handicapped accessibility would be considered in the LRT planning. Board and staff indicated handicapped accessibility of both the LRT system and the feeder system would be examined as part of the analysis. All recently developed LRT systems are handicapped accessible and it is anticipated that any system developed here would also be accessible. Turnbull said those issues are a major concern and will be dealt with in all phases of the study. Vote was taken; the motion carried unanimously.

**RESOLUTION AUTHORIZING NEGOTIATION AND EXECUTION OF EXTENSION OF LEASE TERMINATION RIGHTS, RESOLUTION NO. 87-12**

The resolution and a copy of the Extension, Waiver and Consent, signed by the landlord, was distributed to the members before the meeting. Andrews said the board entered into an agreement on March 18 for space in the Park Centre Building. The board is asked to authorize extending our termination rights to no later than August 1, 1987. Kranz moved that Resolution No. 87-12 be approved. Roll call vote was taken; the motion carried unanimously.

**NEW SCHEDULE FOR REGIONAL TRANSIT BOARD AND COMMITTEE MEETINGS**

The chairman reviewed his June 1 memorandum. Fuhr said there are many issues to be discussed and the schedule may not allow enough time to be creative and do some "blue sky" thinking. Caranicas said extra meetings can be scheduled if an issue merits more discussion. Caranicas moved approval of the schedule; Joyce seconded the motion; the motion carried unanimously.

**REPORT OF THE NOMINATIONS COMMITTEE**

Committee Chair Joyce reviewed the committee report dated May 22, 1987, and moved:

That the Regional Transit Board approve the appointment of Rochelle Graves to the office of Vice Chair of the board, effective immediately.

**REPORT OF THE POLICY COMMITTEE**

**REVIEW OF THE NORMANDY BLOCK PROJECT DRAFT ENVIRONMENTAL IMPACT STATEMENT**

Committee Chair Caranicas reviewed the action taken by the committee at its meeting of May 27, 1987, and moved:

That the Regional Transit Board notify the City of Minneapolis that it has completed its review of the Draft Environmental Impact Statement for the Normandy Block Project. The RTB's review supports the need to further examine and resolve the transit concerns raised in this memorandum through the use of an interagency staff committee. Further, the RTB encourages the city to consider the use of a higher occupancy transit mode that is less polluting, such as light rail transit.

Fuhr seconded the motion; the motion carried unanimously. Caranicas said the committee discussed the Competitive Transit Report. On June 10 the committee is expected to accept the draft statement for the purpose of public hearings.

REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

Committee Vice Chair Joyce reviewed the committee report dated May 26, 1987.

REQUEST TO AMEND THE IMPLEMENTATION AND FINANCIAL PLAN TO INCLUDE TWO CAPITAL BUDGET AMENDMENTS

Joyce moved:

That the Regional Transit Board amend the Implementation and Financial Plan to include the projects included in the capital budget amendments approved by the Board on March 2, 1987, and May 18, 1987. Further, that the RTB transmit this action to the Metropolitan Council.

Caranicas seconded the motion; the motion carried unanimously. Andrews noted that Turnbull's memorandum, dated June 1, was distributed before the meeting. During its review, the Council commented that the comparison of board and council goals was very useful.

AGREEMENT--UNIVERSITY OF MINNESOTA'S CENTER FOR TRANSPORTATION STUDIES JOINT RESEARCH PROGRAM

Joyce moved and Caranicas seconded:

That the Regional Transit Board authorize the executive director to negotiate and enter into an agreement not to exceed \$315,000 with the University of Minnesota's Center for Transportation Studies for the purpose of conducting a Joint Research Program between the two organizations.

In response to Isaacs' questions about how the work would be funded and who would direct it, Joyce said the center is funded by EXXON funds. The Legislature established the center but did not allocate funds to run it. The agreement will allow RTB to get the necessary research done and be reimbursed for the money it invests. The chairman said the money is budgeted and staff will continue to have complete control over the projects. The agreement will make EXXON energy funds available and allow for flexibility in expenditures. Caranicas said the recommendation allows the executive director to negotiate and return to the board with the proposed final agreement. Andrews said the center's director, Richard Braun, has created a committee to advise the center on what types of studies the center will initiate. Perovich and Hollander are on the advisory committee, along with people from the private sector and the Minnesota Department of Transportation. Director Braun will ensure the center meets the needs of RTB. Joyce said it is important that the RTB take part in the activities of the center. Vote was taken; the motion carried unanimously (Isaacs abstained.)

FINANCIAL STATEMENTS - MARCH 1987

Joyce moved and Caranicas seconded:

That the Regional Transit Board receive the March 1987 financial statements and direct that they be placed on file.

Vote was taken; the motion carried unanimously.

## OTHER BUSINESS

### CHAIRMAN'S REPORT

Perovich said he enjoyed the May 26 retreat and asked the members to check their schedules for time to meet in September. Ed Kranz has been designated liaison to the Rideshare Advisory Committee.

### MEMBERS REPORTS

Caranicas said that during session her legislator received only one call on transit: Caranicas' call. It is likely that happened with other legislators as well.

Isaacs said he met with the Senior Federation Transit Committee; they are looking for leadership on what they should lobby for besides the ten-cent fare. They would be very happy to talk with members about the full scope of transit.

### STAFF REPORTS

Andrews briefly discussed upcoming meetings. In response to language in the new legislation, he asked members to keep track of all contacts they have with government officials.

## PUBLIC COMMENT

Dick Houck expressed his disapproval of the Southwest Metropolitan Transit Commission bidding procedure and said the service should be rebid immediately. The government should not use its tax advantage to bid against private businesses. The chairman said regulations were not yet in place during the bid process. There are legal restrictions against rebidding until rules and regulations are developed. In response to Kranz' questions about a timetable and process, Andrews said RTB's contract with Southwest Metropolitan Transit Commission runs through December 1987. Their contract with MTC is for 36 months, with a provision that it can be terminated early on the annual anniversary. The chairman said a 1984 Urban Mass Transportation Administration (UMTA) bulletin mandates guidelines for the process. Kranz said if communities opt-out and select a provider to reorganize the service, it is unclear whether it must be bid out. The chairman said the board will decide what level of service should be funded. Joyce said it would not help the situation to do the same thing again without guidelines in place. There is some question on whether UMTA has authority in these situation.

There being no further business, Joyce moved that the meeting be adjourned. Caranicas seconded the motion. The motion carried unanimously and the meeting was adjourned at 5:20 p.m.

Respectfully submitted,

Mary Fitzgerald  
Secretary

REGIONAL TRANSIT BOARD

270 Metro Square Building, St. Paul, Minnesota 55101

Minutes of the Meeting of the  
REGIONAL TRANSIT BOARD  
Metropolitan Council Chambers  
May 18, 1987

BOARD MEMBERS PRESENT: Elliott Perovich, Chairman; Doris Caranicas; Carole Faricy; Ruth Franklin; Alison Fuhr; Rochelle Graves; George Isaacs; Paul Joyce and Edward Kranz

OTHERS PRESENT: Gregory Andrews, Tom Beaver, Howard Blin, Kathy Christopherson, Bob Dietrick, Mary Fitzgerald, Jan Hennings, Judy Hollander, Ed Kouneski, Mike Kuehn, Cindy Mayer, Randy Rosvold, Mark Ryan, Katie Turnbull, Regional Transit Board Staff; Charles Weaver, legal counsel; John Farrell and Aaron Isaacs, Metropolitan Transit Commission; Arnie Entzel, Amalgamated Transit Union; Natalio Diaz, Emil Brandt, Metropolitan Council; Steve Bertrand, Minnesota State Council for the Handicapped; Bill Hopkins, Chair of the Transportation Handicapped Advisory Committee

The meeting was called to order at 4:00 p.m. and roll taken. The chairman suggested that the agenda be amended to allow him to make his report on legislative activity because he had to return to the Capitol. Joyce noted the Report of the Nominations Committee should be deleted from the agenda. Isaacs moved approval of the amended agenda. Caranicas seconded the motion; the motion carried unanimously.

Fuhr moved approval of the minutes of the April 20, 1987, meeting. Joyce seconded the motion; the motion carried unanimously.

The chairman noted that the date shown on the top of the first page of the May 4 minutes should be corrected. Fuhr said the last page, third paragraph, should be amended to state that she was to give a talk on May 9 on metro structure, not UMTA regulations. She moved approval of the minutes as amended; Caranicas seconded the motion. The motion carried (Joyce abstained).

CHAIRMAN'S REPORT

The chairman reviewed the conference committee report passed over the weekend. Kuehn discussed the handout on RTB legislation and funding. Perovich announced that Ralph Stanley and Ken Butler of the Urban Mass Transportation Administration (UMTA) have resigned. Vice Chair Caranicas took the chair.

RECOMMENDED RTB POSITION STATEMENT ON LIGHT RAIL TRANSIT (LRT)

Hollander said staff is asking for comments from the board. Fuhr raised the question of how realistic the language in the fourth paragraph is in light of current legislation. Hollander said it was written to allow the board a variety of roles. RTB is not precluded from planning other corridors. Isaacs said a statement should be included placing the board in a stronger technical role in LRT planning. We need some in-house technical capability. Hollander said staff will develop a work program and staffing plan based on the position adopted by the board.

Franklin asked Diaz for his reaction to the part RTB will play on light rail transit. Diaz said it appears the Metropolitan Council has no definite role in LRT. The Council was directed by the Legislature to develop a process and present such a planning process to the 1988 Legislature. This year's legislative program said the process should include the RTB and Metropolitan Council. It is desirable that the lines be uniform gauge and that equipment be interchangeable.

Hollander said, if we ever want federal funding, we want UMTA to sign off on the Alternatives Analysis/Environmental Impact Statement. Staff is suggesting that roadway engineering should not be done without consideration of light rail transit.

Joyce suggested that the discussion should be held over until copies of the new legislation have been received.

#### REPORT OF THE POLICY COMMITTEE

##### REVIEW OF THE LASALLE DEVELOPMENT FINAL ENVIRONMENTAL IMPACT STATEMENT

Committee Chair Caranicas reviewed the committee report dated May 14, 1987, and moved:

- 1) That the Regional Transit Board notify the City of Minneapolis that it has completed its review of the Final Environmental Impact Statement for the LaSalle Development Project. The RTB's review supports the need to further examine and resolve the transit concerns raised in the review of the DEIS and restated in the May 7, 1987, staff memorandum through the use of an inter-agency staff committee.
- 2) That the Regional Transit Board encourages the city to consider the use of a higher capacity transit mode that is less polluting, such as light rail transit.

Graves seconded the motion; the motion carried unanimously.

##### NICOLLET MALL PROJECT DRAFT ENVIRONMENTAL IMPACT STATEMENT

Caranicas moved:

- 1) That the Regional Transit Board notify the City of Minneapolis that it has completed its review of the Draft Environmental Impact Statement for the Nicollet Mall project. Furthermore, the Regional Transit Board transmits the comments contained in the May 7, 1987, staff memorandum to the City of Minneapolis. The Regional Transit Board's review supports the need to further examine and resolve the transit concerns raised in this memorandum, through the use of an interagency staff committee.
- 2) That the Regional Transit Board encourages the city to consider the use of a higher capacity transit mode that is less polluting, such as light rail transit.

Graves seconded the motion; the motion carried unanimously.

REVIEW OF SECTION 16(b) (2) GRANT APPLICATIONS

Caranicas moved:

That the Regional Transit Board finds the grant applications for Section 16(b) (2) vehicles to be non-duplicative of existing service and consistent with the Regional Transit Board's Implementation and Financial Plan, and the Board transmit these comments to the Minnesota Department of Transportation.

DRAFT 504 PLAN APPROVAL AND RELEASE FOR PUBLIC COMMENT

Caranicas noted that four public hearing dates have been scheduled and moved:

That the Regional Transit Board approve the draft 504 Compliance Plan document for the purpose of receiving public comment.

Fuhr seconded the motion; the motion carried unanimously.

REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

Committee Chair Franklin reviewed the committee report dated May 12, 1987.

FINANCIAL STATEMENTS - FEBRUARY 1987

Franklin moved:

That the Regional Transit Board receive the February 1987 financial statements and direct that they be placed on file.

Joyce seconded the motion; the motion carried unanimously.

METROPOLITAN TRANSIT COMMISSION 1987 CAPITAL BUDGET, RESOLUTION NO. 87-10

Franklin moved and Joyce seconded:

That the Regional Transit Board approve the 1987 Metropolitan Transit Commission amended capital budget and Resolution No. 87-10, subject to the conditions stated in the staff memorandum dated May 1, 1987.

Joyce stated his support of the recommendation. Roll call vote was taken; motion and resolution were unanimously approved.

FEDERAL FUNDS FOR MINNESOTA RIDESHARE, RESOLUTION NO. 87-11

Franklin moved:

That the Regional Transit Board approve Resolution No. 87-11 authorizing the executive director to enter into agreement with the Minnesota Department of Transportation for federal funding participation in its Ridesharing program, in an amount not to exceed \$338,000.

Fuhr seconded the motion. Andrews said these funds are originally assigned to the Minnesota Department of Transportation, they assign them to the RTB and we, in turn, transmit them to Metropolitan Transit Commission.

## OTHER BUSINESS

### MEMBERS REPORTS

Joyce said that on a recent trip to Detroit he realized what a superb transit system we have in this area. In Detroit, the consequences of not having a good transit system are that the rush hour is long and roads are in poor condition. In this area we do not realize how effective our transit system is.

Isaacs said he is making a video tape of his trip to Portland and will have it available soon.

### ADVISORY COMMITTEE REPORTS

Andrews said the Transportation Handicapped Advisory Committee met last week and reviewed compliance with 504. Another meeting is scheduled for May 28, 1987. Hopkins said he is pleased with the way things are going. A THAC subcommittee will review the work plan on May 19. The committee's orientation meeting may help clarify that the committee does not make the final decisions on Metro Mobility issues.

The Rideshare Advisory Committee will meet on May 19, 1987.

### STAFF REPORTS

Andrews said a letter from the Office of the Legislative Auditor was put in the board members' boxes. Staff will meet with them and the Legislative Audit Commission will decide on the work program.

There was discussion of board participation in public hearings. Andrews suggested that members chair hearings held in their districts.

There being no further business, Franklin moved that the meeting be adjourned; Graves seconded the motion. The motion carried unanimously. The meeting adjourned at 5:30 p.m.

Respectfully submitted,

Mary Fitzgerald  
Secretary

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: June 15, 1987  
 TO: Regional Transit Board  
 FROM: Gregory L. Andrews, Executive Director  
 SUBJECT: Rideshare Advisory Committee Appointments

Background

On January 1 the terms of seven Rideshare Advisory Committee appointees expired. In April, the RTB distributed approximately 300 media releases to solicit persons interested in serving on RAC. We received 10 applications from interested persons. The Board members from districts A, B and C have made their choices as to who they would like to serve on RAC. RTB Chair, Elliott Perovich, has also chosen his three at-large appointments. They are as follows:

<u>Board Member</u>	<u>District</u>	<u>Appointment</u>	<u>Represents</u>
Carole Faricy	A	Virginia Carroll (new appointment)	Consultant in Learning Disabilities
George Isaacs	B	Robert Owens (reappointed)	3M Company, Senior Traffic Engineer Specialist
Doris Caranicas	C	Roger Huss (reappointed)	U of M, Transit Coordinator
Rochelle Graves	D	VACANT	
Elliott Perovich	At-Large	Marilyn Martin (reappointed)	General Mills, Manager of Travel Services
"	"	John Doyle (reappointed)	Norwest Corp., Asst. Vice President
"	"	Thomas Baerwald (reappointed)	Science Museum of Mn, Director Geography Dept.

Regional Transit Board  
June 15, 1987  
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No applications were received from district D. Public Information staff are preparing to solicit persons to fill the position for district D.

Recommendation

That the Regional Transit Board approve the above appointees as members of the Rideshare Advisory Committee.

cc: G. Andrews  
J. Hollander  
E. Kouneski  
T. Beaver  
C. Mayer  
J. Hennings  
M. Kuehn

JGrime  
RTBTX1

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: May 26, 1987  
TO: Regional Transit Board  
FROM: Elliott Perovich, Chairman  
SUBJECT: Consent List

The following referral has been reviewed by the staff and chair of the Regional Transit Board. In my opinion, the referral meets the standards of consent referrals adopted by the board in its bylaws.

Final Review of the Shakopee Bypass Controlled Access Highway Project

In 1978 the Final Environmental Impact Statement, prepared by the Minnesota Department of Transportation, was approved by the Metropolitan Council. As part of this review, the Metropolitan Transit Commission (MTC) determined that no significant impact on transit would occur as a result of the Shakopee Bypass project. In 1978 funding for the project was not available. As a result, the Metropolitan Council indicated that the project should be returned to the Council for approval at a time closer to commencement of construction. Funding has now been secured and construction is scheduled to begin in 1989. Thus, the project is again before the Metropolitan Council for approval.

The RTB has been asked to comment on the project by the Metropolitan Council. The RTB has reviewed this project and agrees with the previous MTC review that no significant impact on transit will occur as a result of this project.

EP:RR:jmo

CONSNT/TX2

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: June 11, 1987  
TO: Chairman and Members of the Regional Transit Board  
FROM: Gregory L. Andrews, Executive Director  
SUBJECT: Policy Committee Meeting Recommendation on Standards, Procedures  
and Guidelines for Competitive Procurement of Public Transit  
Services, Public Hearing Draft

Please find attached a copy of the legislation regarding service bidding language, the Policy Committee recommendation, and the membership roster of the Competitive Transit Advisory Team that was appointed to assist in developing the guidelines.

This information should prove helpful in the board's discussion of the committee's recommendation at its meeting on Monday.

GA/mf  
Att.

*Amended*

1 coterminous with that of the governor.

2       Sec. 21. Minnesota Statutes 1986, section 473.604, is  
3 amended by adding a subdivision to read:

4       Subd. 7. [MEMBERS; DUTIES.] Members appointed under  
5 subdivision 1 have the duties imposed by section 2.

6       Sec. 22. [473.391] [ROUTE PLANNING AND SCHEDULING.]

7       The regional transit board shall contract with the  
8 metropolitan transit commission or other operators or local  
9 governments for route planning and scheduling services in any  
10 configuration of new or reconfiguration of existing transit  
11 services and routes, including route planning and scheduling  
12 necessary for the test marketing program, the service bidding  
13 program, and the interstate highway described in section  
14 161.123, clause (2), commonly known as I-394. Route planning  
15 and scheduling is subject to approval by the board for  
16 conformity to the board's transit implementation plans and  
17 route, schedule, and other service standards, objectives, and  
18 policies established by the board.

19       Sec. 23. [473.392] [SERVICE BIDDING.]

20       The regional transit board may competitively bid transit  
21 service only in accordance with standards, procedures, and  
22 guidelines adopted by resolution of the board. The board shall  
23 establish a project management team to assist and advise the  
24 board in developing and implementing standards, procedures, and  
25 guidelines. The project management team must include  
26 representatives of the metropolitan transit commission, the  
27 Amalgamated Transit Union Local 1005, private operators, local  
28 governments, and other persons interested in the subject. At  
29 least 60 days before adopting any standards, procedures, or  
30 guidelines for competitive bidding of transit service, the board  
31 shall hold a public hearing on the subject. The board shall  
32 publish notice of the hearing in newspapers of general  
33 circulation in the metropolitan area not less than 15 days  
34 before the hearing. At the hearing all interested persons must  
35 be afforded an opportunity to present their views orally and in  
36 writing. Following the hearing, and after considering the

1 testimony, the board shall revise and adopt the standards,  
2 procedures, and guidelines.

3       Sec. 24. [473.393] [FEDERAL GRANTS.]

4       The regional transit board may not be a recipient of  
5 federal capital or operating assistance for transit. The board  
6 shall study and report to the legislature by January 1, 1988, on  
7 the effects, advantages, and disadvantages of transferring the  
8 authority to receive these funds from the commission to the  
9 board and on how and for what purpose the board would use the  
10 funds differently than the commission could use the funds.

11       Sec. 25. [RATIFICATION.]

12       Minnesota Statutes, section 473.39, subdivision 1, as  
13 amended by section 17, clarifies legislative intent.  
14 Obligations issued prior to the effective date of section 17 are  
15 not invalid or unenforceable if issued in accordance with  
16 Minnesota Statutes, section 473.39, subdivision 1, as amended by  
17 section 17.

18       Sec. 26. [FARE RESTRICTION REPEALED.]

19       The provisions respecting fares of the metropolitan transit  
20 commission in Laws 1981, chapter 363, section 55, subdivision 1;  
21 Laws 1981, Third Special Session chapter 2, article 1, section  
22 2, subdivision 2; and Laws 1983, chapter 293, section 2,  
23 subdivision 5, are repealed.

24       Laws 1985, First Special Session chapter 10, section 122,  
25 is repealed.

26       Sec. 27. [APPLICATION.]

27       Sections 1 to 28 are effective in the counties of Anoka,  
28 Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

29       Sec. 28. [EFFECTIVE DATE.]

30       This act is effective the day following final enactment.

That the Regional Transit Board accept the Draft Standards, Procedures and Guidelines for Competitive Procurement of Public Transit Services for presentation to a duly appointed competitive transit advisory team to assist and advise the Regional Transit Board, by August 15, 1987, in developing and implementing standards for competitive bidding.

REGIONAL TRANSIT BOARD'S COMPETITIVE TRANSIT ADVISORY TEAM  
June 1987

Donna Allan, Project Manager  
Mn/DOT Office of Transit  
815 Transportation Building  
St. Paul, MN 55155

Bev Auld, Assistant Chief  
Administrator for Administration  
Metropolitan Transit Commission  
560 Sixth Avenue North  
Minneapolis, Mn 55411-4398

J. Arthur Boschee, Alpha Center  
for Public/Private Initiatives  
955 Southgate Office Plaza  
5001 West 80th Street  
Bloomington, MN 55437

Frank Boyles, Asst. City Manager  
City of Plymouth  
3400 Plymouth Boulevard  
Plymouth, MN 55447

Richard Braun, Director  
Center for Transportation Studies  
110 Civil & Mineral Engineering Bldg.  
500 Pillsbury Drive Southeast  
Minneapolis, MN 55455-0220

Natalio Diaz, Manager  
Transportation Planning  
Metropolitan Council  
Metro Square Building  
St. Paul, MN 55101

Steve Dress  
St. Paul Trades and Labor  
411 Main Street, No. 103  
St. Paul, MN 55120

Arnie Entzel, President  
Amalgamated Transit Union  
312 Central Avenue, Room 438  
Minneapolis, MN 55414

Bob Janecek, President  
Transportation Management, Inc.  
P.O. Box 14784  
Minneapolis, MN 55414

Jim Johnson, Vice President  
Medicine Lake Lines  
835 Decatur Avenue North  
Minneapolis, MN 55427

Beverly Miller, Transit Admin.  
Southwest Metro  
7600 Executive Drive  
Eden Prairie, MN 55344

Jim Morgan, Executive Director  
Minneapolis Taxi Owners Assoc.  
2201 Second Street NE  
Minneapolis, MN 55418

Anne Pfankuch, Director  
Advanced Legal Education  
Hamline--School of Law  
1536 Hewitt Avenue  
St. Paul, MN 55104

Wayne Thorkelson, Vice President  
Jefferson Lines  
P.O. Box 978  
Minneapolis, MN 55440

Dick Graham, Executive Director  
DARTS  
201 North Concord Exch., Box 624  
South St. Paul, MN 55075

(~~Exhibit A~~)  
handwritten

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: June 3, 1987  
TO: Policy Committee  
FROM: Mark Ryan, Senior Project Administrator  
SUBJECT: Competitive Transit Public Hearing

ACTION REQUESTED:

That the Policy Committee recommend to the Regional Transit Board that it adopt the attached document for purposes of a public hearing to be held by July 15, 1987.

BACKGROUND:

In November 1986, the Urban Mass Transportation Administration (UMTA) awarded the Regional Transit Board (RTB) a grant to develop and demonstrate a process for competitively contracting for public transit services. The RTB's competitive transit demonstration project formally began in March 1987 and will cover a two-year period.

An important first step in the RTB's demonstration project is to develop standards, procedures, and guidelines for the RTB and recipients of RTB funding to follow when competitively procuring transit services. This will serve as RTB policy direction that will permit the procurement of transit services in a consistent and equitable manner by the RTB or recipients of RTB funding.

Prior to the adoption of standards, procedures and guidelines for service bidding by the RTB, it will be necessary for the RTB to conduct a public hearing and to receive input from the RTB's recently formed competitive transit team. It is anticipated that the board will be asked to adopt a set of standards, procedures and guidelines for service bidding in September, 1987. This timetable permits adequate notice for a public hearing, provides the competitive transit team with an opportunity to thoroughly review and provide input to the document, and fulfills legislative requirements.

DISCUSSION:

The development of RTB standards, procedures and guidelines for competitive transit began in December 1986 with a draft document that was prepared by RTB staff and was based on work underway in other parts of the country. This first draft was discussed at the RTB's Policy Committee on December 17, 1986. After the document was presented to the Policy Committee, input was solicited from transit providers and other interested parties. A summary of this input and a second draft was discussed at the Policy Committee meeting on February 25, 1987.

Since that time, the comments have been reviewed, additional information has been incorporated into the document, and a revised draft has been discussed with both the MTC and private operators. As a result of this process that began in December 1986, staff has prepared a new draft document for purposes of a public hearing so that the board can receive public input before adopting standards, procedures and guidelines for service bidding. This public hearing will be held in accordance with recently enacted legislation that specifies:

At least 60 days before adopting any standards, procedures or guidelines for competitive bidding of transit service, the board shall hold a public hearing on the subject. The board shall publish notice of the hearing in newspapers of general circulation in the metropolitan area not less than 15 days before the hearing. At the hearing all interested persons must be afforded an opportunity to present their views orally and in writing. Following the hearing, and after considering the testimony, the board shall revise and adopt the standards, procedures, and guidelines.

Pending adoption of this draft document by the RTB at its meeting scheduled for June 15, it is anticipated that the public hearing will be held by July 15. With the public hearing completed by July 15, it is anticipated that the board will be asked to adopt standards, procedures and guidelines for service bidding in September, 1987.

In addition to the public hearing, the board will also have a report from the RTB's competitive transit team prior to adopting standards, procedures and guidelines for service bidding. This team has been established to provide input on the RTB's competitive transit demonstration project. This input includes assistance and advice to the board in developing and implementing the standards, procedures and guidelines. This team was recently formed and includes representatives of the MTC, labor, private operators, local governments, the taxi industry and representatives from academia. The team began its review of the attached document at their meeting on June 2 and will continue its review during meetings scheduled for July and August. A report from the team will be presented to the board before final action is requested.

The document prepared for the public hearing and under review by the RTB's competitive transit team addresses several topics that provide specific direction on competitive procurement of public transit services. Summarized below are some of the key points in the draft document:

The standards, procedures and guidelines would apply to new, restructured, high cost (under the joint MTC/RTB interim standards and any new standards), and any other transit services administered by the RTB that are identified through program monitoring and evaluation criteria to be adopted by the RTB.

Transit services would be procured through a proposal process rather than a bid process.

The timetable proposed under these guidelines suggest issuance of an RFP at least 29 weeks prior to the start of service.

A bid bond would be required along with some form of a performance bond.

Financial and operational information detailing the proposed cost of the service submitted by the prospective contractors and defined as a trade secret, would be classified as non-public.

Selection of a provider may be based on a provider's experience and qualifications including the company's past experience.

Proposal prices would be required to include all costs associated with providing the service including 100% of the cost of any capital, regardless of the source of funding for the capital.

Capital assets acquired through federal funding will be included in the bid prices as a depreciation expense and based on generally accepted depreciation methods approved by the RTB.

Public sector costs that benefit both public and private operators will not be included in the bid price. The RTB will work with the MTC to identify these regional services and their associated costs.

Bid prices will not be adjusted for the unique characteristics (i.e. MTC is exempt from most taxes, MTC is required to have a pension plan, private operators pay taxes), that are inherent to a public or private operator.

Service awarded under these guidelines will be required to be consistent with TRB regulations, UMTA policy, Minnesota State Law, equal employment, affirmative action and WBE/DBE requirements of the RTB.

#### FINDINGS AND CONCLUSIONS:

- o Prior to the adoption of standards, procedures and guidelines for service bidding by the RTB, it will be necessary for the RTB to conduct a public hearing and to receive input from the RTB's recently formed competitive transit team.
- o It is anticipated that the board will be asked to adopt a set of standards, procedures and guidelines for service bidding in September 1987.
- o As a result of a process that began in December, 1986, staff has prepared a draft document for purposes of a public hearing so that the board can receive public input before adopting standards, procedures and guidelines for service bidding.
- o The board will have a report from the RTB's competitive transit team prior to adopting standards, procedures and guidelines for service bidding.

- o The document prepared for the public hearing and under review by the RTB's competitive transit team addresses several topics that provide specific direction on competitive procurement of public transit services.

RECOMMENDATION:

That the Policy Committee recommend to the Regional Transit Board that it adopt the attached document for purposes of a public hearing to be held by July 15, 1987.

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REGIONAL TRANSIT BOARD  
STANDARDS, PROCEDURES AND GUIDELINES for COMPETITIVE PROCUREMENT  
of  
PUBLIC TRANSIT SERVICES

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PUBLIC HEARING DRAFT - JUNE 3, 1987

Regional Transit Board  
270 Metro Square Building  
St. Paul, Minnesota 55101

(612) 292-8789

REGIONAL TRANSIT BOARD  
STANDARDS, PROCEDURES AND GUIDELINES for COMPETITIVE PROCUREMENT  
of  
PUBLIC TRANSIT SERVICES

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CHAPTER I

INTRODUCTION

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A. BACKGROUND

In November 1986, the Urban Mass Transportation Administration (UMTA) awarded the Regional Transit Board a \$350,000 grant to develop and demonstrate a process to procure public transit services through competitive bidding. The RTB's competitive transit demonstration project formally began in March, 1987 and will cover a two-year period. It is expected that service will be first implemented under this demonstration project beginning in January 1988.

Several U.S. cities have achieved cost savings by contracting with private operators to provide public transit services. As public transit operating costs continue to rise with federal and local funds continuing to diminish, interest has grown in the concept of procuring public transit services through competitive bidding.

Even though introducing competition to the public transit market may improve the cost-effectiveness of service, there are a variety of legal, institutional and operational barriers which must be addressed before the full advantages of competitive transit can be realized. The Regional Transit Board's unique organizational structure presents an opportunity for demonstrating how these barriers can be addressed and how a variety of competitive transit concepts can be employed to reduce the cost of providing public transit services. The savings from competitively bidding transit services can be used to offset reductions in public funding and to provide additional services to meet transit needs not currently being satisfied in the metropolitan area.

An important first step in this demonstration project is to develop guidelines for the RTB and recipients of RTB funding to follow when competitively procuring for transit services. These guidelines will serve as policy direction that will permit the procurement of transit services in a consistent and equitable manner by the RTB or recipients of RTB funding.

B. APPLICATION OF GUIDELINES

The guidelines contained in this document are to be used by the Regional Transit Board and any recipients of RTB funding when competitively procuring transit services. The guidelines will be applied under the following circumstances:

New or Restructured Service

Any new transit service or service that has been restructured by either the RTB or its recipients will be contracted for in accordance with these guidelines. For the purposes of these guidelines, restructured service will be defined as rerouting of over 50 percent of an existing route's mileage, or any freestanding new routes created by separating portions of an existing route.

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High Cost Routes

The RTB and Metropolitan Transit Commission (MTC) have jointly established interim financial and performance standards for MTC regular route service that includes a maximum subsidy per passenger of \$2.45 and a farebox recovery ratio of less than 35%. These interim standards have been used to identify high subsidy routes that could be restructured, offered for competitive proposals or terminated.

In the fall of 1986, two high subsidy MTC routes were offered for competitive proposals and awarded to two separate providers. Any additional MTC routes that are identified as candidates for operation by an alternative provider under these interim standards will be contracted for in compliance with these guidelines.

The development of the interim standard by the RTB and MTC was intended to be a relatively simple standard that would be developed and employed for the present time. The work of the joint MTC/RTB committee is a continuing process as the two agencies move toward refinement of the interim financial and performance standards. As the work of the committee continues, any routes identified as candidates for operation by an alternative provider under the refined performance and financial standards, will be contracted for in accordance with these guidelines.

Other RTB Services

Any other transit services funded directly or indirectly by the Regional Transit Board that are identified as appropriate candidates for competitively procured contracts, through program monitoring and evaluation criteria to be developed and adopted by the RTB, will be contracted for in accordance with these guidelines.

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CHAPTER II

SOLICITATION AND REVIEW OF  
TRANSIT SERVICE CONTRACTORS

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A. FORMAT

The development of a Request for Proposal (RFP) is an important document that begins the formal process of securing a contract to provide the type, quality, and quantity of service that will best meet the needs of the region within the available funding. A properly drawn RFP will minimize any misunderstandings and delay that could occur before and during the contract period.

It is important to note that there is a distinction to be made between a "bid" process and a "proposal" process. If "bids" are requested, the award is given to the lowest responsible and responsive bidder; i.e., if the bidder can supply what has been requested (responsive); has the financial and technical ability to do so (responsible); and has the lowest bid price-- then that bidder must be awarded the contract.

When "proposals" for professional services are requested, the price is not the sole determining factor. Under a proposal process, the contracting agency can base its selection on the proposer's experience and qualifications. These factors should be included when developing the selection criteria used by the RTB or its recipients.

B. GENERAL PROCEDURES FOR REQUEST FOR PROPOSALS

It is important that all prospective contractors understand the proposal procedures so that each has the same opportunity to submit accurate and complete proposals for the service required by the RTB or its recipients.

The RFP process should be administered in a manner that permits each prospective contractor to receive the same information. Elements to be included in the RFP are the following:

- o Announcement of the RFP so that all interested parties are likely to see it. All existing and potential transit service providers should be notified by mail of the RFP. If appropriate, a notice may be published in a major local newspaper and in a trade journal.
- o The date on which the proposals are due and the timetable that will be followed in reviewing and evaluating the proposals.
- o The date the service identified in the request for proposal is to start.
- o Methods of communication permitted during the RFP process including oral and written communications and acceptable areas of discussion.
- o The date of a "pre-bid" conference. The convening of a "pre-bid" conference allows prospective contractors to ask questions about the specifications of the RFP and the competitive bidding process. Any changes made as a result of this conference will be reported to all prospective contractors by written, numbered addenda.
- o A standard format for contractors to use that will include budget category details.

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C. BACKGROUND INFORMATION

An important part of any RFP, is a section that includes relevant background information giving prospective contractors a good understanding of the operating characteristics and parameters of the proposed service. The following information should be included in the background section of the RFP:

- o If vehicles are to be provided to the successful respondent, the RFP should list all such vehicles noting age, model, special features, mileage, and major repair history.
- o If facilities are to be provided to the successful respondent, the RFP should describe the operating facilities including the total space, parking or storage space, vehicle servicing facilities, vehicle maintenance facilities (number of bays and special equipment), and office space. The location of the facility should also be noted by address on a map.
- o A description of the fare structure that will be used for the proposed service, including any special fare categories for elderly and disabled, students, and children. If passes or tokens are used, the rates charged and paid (if discounts are available) should be listed. Also, a description of any transfer policies should be included.
- o Historical ridership data should be summarized on an annual basis noting total passenger boardings by fare category and route, if possible. In addition, expected passenger loads (passengers per vehicle) should be noted.
- o A discussion of the service area is also important. This should include the physical size and population of the service area and its projected future growth, if relevant. Information related to employment centers, housing areas, and special attractors such as hospitals, shopping centers, and schools or universities should also be highlighted.

D. REQUESTED SCOPE OF WORK

A second section to include in the RFP should detail the exact services expected from the transit operators so that they can determine vehicle, personnel and administrative requirements necessary to provide the service. Detailed descriptions of each aspect of service should be made explicit so that the contractors can assess their ability to perform the required service. This section should include the following:

- o A route map, the days or time periods when service operates, and a list of route characteristics such as service type (e.g., commuter express, circulator, crosstown) and normal operating speeds. A set of timetables and schedules should be included if available. An accurate estimate of the annual scheduled vehicle service hours and miles should also be stated.

o Vehicle requirements that concern the safety and comfort of the service and include the following:

- safety inspections of vehicles at specified intervals by qualified personnel;
- a preventive maintenance schedule;
- vehicle cleaning requirements;
- equipment features (e.g., wheelchair lift, air conditioning, seat belts, grab rails, two-way radios) that may be required; and
- adequate standby vehicles and drivers.

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o Personnel requirements designed to assure that trained, competent drivers will provide the service, and include the following:

- driver selection procedures in terms of capabilities, screening, licensing and training requirements;
- performance review requirements.

o Administrative requirements designed to ensure effective operation of a transit operator and include:

- the number of qualified personnel employed to manage and supervise the service and to ensure smooth operations of all aspects of the organization;
- an administrative system in place that allows for secure revenue collection and reporting of ridership and other data required; and
- a process for receiving and handling complaints.

o Facility requirements should include:

- adequate, secure overnight parking for vehicles;
- adequate maintenance equipment and facilities for in-house maintenance programs;
- location of facilities in proximity to the service area; and
- whether inside storage is required.

o A comprehensive driver's training program that includes the following:

- defensive driving
- first aid
- safety procedures
- passenger assistance
- sensitivity training
- on-the-road practice runs of the routes and schedules

#### E. OTHER CONSIDERATIONS

Other factors play an important part in developing successful RFPs. Discussion of some of these factors and the related issues follows:

o Pricing Methods. The cost section of the RFP may call for prices to be quoted on an hourly rate and/or mileage rate basis. Regardless of the pricing method, it is necessary to inform prospective contractors

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about how the total contract price will be adjusted if the quantity of service purchased is increased or decreased. Within narrow limits; i.e., plus-or-minus 10 percent, changes in the quantity of service purchased can often be accommodated at the unit price submitted in the proposal. Greater changes in the quantity of services, however, may have a greater impact on a contractor's unit costs. Mechanisms must be provided at the outset to accommodate service level changes.

- o Payment. Progress payments have been used in contracts for transit services and are typically made monthly. Terms for payment should be clearly explained in the RFP. Lengthy billing recovery cycles are costly since the contractor must finance the operator until payment is made. The cost of financing this "float" will usually be built into the contractor's bid price. Some contractors may offer discounts for early payment of invoices, and this should be treated as a reasonable issue in contract negotiations.
- o Administrative and Reporting Requirements. The RFP should state what information is to be reported, when it is due, to whom it is to be reported, and in what format. The expectations of the contractor related to monitoring and supervision of the transit service should be included in the RFP. Also, it should be clearly stated what authority and limitations the contracting agency will have over the contractor and its employees.
- o Insurance. Minimum insurance requirements should be clearly described in the RFP. If contractors are permitted to propose a self-insurance program, the conditions for accepting such a proposal should be described.
- o Contract Length. The term of the contract, along with any options for extensions, should be clearly described in the RFP.
- o Compliance with Applicable Requirements. The contractor may be required to meet certain federal, state and local requirements. The RFP should clearly state any guidelines or requirements to be met as a contractor with the contracting agency.
- o Standards, Penalties and Incentives. If it is anticipated that the contract will incorporate performance or financial standards, incentives or penalties related to providing the service, then the RFP should include a description of each and describe how monitoring for compliance will occur.

#### F. TIMETABLE

Adequate lead time is necessary for both the contractor's response to the RFP and preparation for the commencement of work. Typically, a contractor does not have personnel or vehicles standing idle waiting for a new contract. To submit a thoughtful proposal, a contractor must have sufficient time to review the details of the services requested; to evaluate personnel needs, vehicle requirements and availability; to obtain insurance quotes; and to accurately estimate operating costs.

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A contractor should have a total of 30 to 45 days for preparation of the response, and proposals should be due no sooner than 30 days from the date of the pre-bid conference. A contractor should have up to 120 days, depending on the facility and equipment requirements, to commence service, from the date that the contract has been awarded or a binding notification to proceed has been given.

Lead time is also necessary for personnel recruitment, hiring, training and for the delivery and preparation of the vehicles. If the contractor is required to supply vehicles, the lead time may need to be long to allow for adequate opportunity to locate the type of vehicles required and to arrange for financing. The successful start of a new service requires that resources be planned, assembled, and scheduled in an orderly manner.

The following is a suggested timetable for competitively contracting for transit services:

<u>Milestone Event:</u>	<u>Number of Weeks to Beginning Date of Service</u>
Announce and Mail RFP.....	29 Weeks
Pre-Bid Conference.....	27 Weeks
Deadline for Proposals.....	22 Weeks
Review and Preliminary Evaluation of Proposals.....	20 Weeks
Interviews with Providers.....	19 Weeks
Contract Award.....	17 Weeks
Resolution of Any Disputes.....	11 Weeks
Contract Signed.....	10 Weeks
Service Begins.....	0 Weeks

G. BONDING REQUIREMENTS

Bonding is a form of contract security intended to assure the contracting agency that it has the contractor's undivided attention on a specific contract and that there is a source of funds to offset part of the cost if there is any default by the contractor.

Bonds are a form of contract security that is obtained by pledging company assets to the bonding company, which then issues the bond security to the contracting agency. Usually these assets are irrevocable letters of credit from the contractor's bank or some other form of liquid assets, such as cash. Because bonds may tie up significant levels of a contractor's available credit, this cost is often built back into the bid price so that the contracting agency is, in fact, paying the cost. The higher the amount of the bond, the greater the cost.

It is also important to note that calling a contractor's bond is not necessarily an immediate solution to a default situation. The bond company has certain remedies available to it before resorting to the disbursement of the bond sum and often these remedies may take time. There are two types

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of bonds that the RTB and its recipients shall utilize and they are discussed below:

- o Bid bonds will be used to ensure that a respondent who submits a proposal will follow through and enter into a contract if selected to perform the work. Bid bonds typically range from 5 to 20 percent of the amount bid.

Bid bonds will be returned to unsuccessful bidders within 15 days after the selection of a contractor. The selected contractor's bid bond will be held as security until a contract has been signed for the work.

- o Performance bonds will be used to ensure that the contractor will perform the work in accordance with the terms of the contract, or consequently, compensate the contracting agency for damages suffered in the event of the contractor's default. Performance bonds range widely, from five to 100 percent of a contract amount, and will be returned after the successful conclusion of a contract or project.

There are alternatives to performance bonds that the RTB and its recipients shall permit. These will include a cashier's check, rights to withhold an agreed upon percentage of contract payments, and contractual language permitting the contracting agency to seek damages from the contractor in the event of default.

#### H. PROPRIETARY INFORMATION

Respondents to the RFP shall provide detailed financial and operational information supporting their proposed cost of the service. This disclosure will be necessary to take advantage of UMTA's capital cost of contracting policy, and also in the event the outcome of the contract competition is legally challenged. This information is also helpful to reassure the RTB and its recipients about the validity of an operator's cost structure, or guard against "low-balling" (bidding low to win the initial contract, with the intention of recovering losses in subsequent negotiations).

This detailed financial and operational information may include trade secrets that permit an operator to gain an advantage over its competitors. If this information were made public, operators would be reluctant to compete for public transit service contracts. This could then result in fewer and less competitive responses to the RFP. Therefore, detailed financial and operational information required by the RFP and defined as trade secret information consistent with Minnesota Statutes, Chapter 13.37, Subdivision 1(a), shall be classified as non-public information.

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CHAPTER III

EVALUATION OF PROPOSALS

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A. SELECTION CRITERIA

The process used to rate and select a contractor should be included in the RFP. Points shall be assigned to areas according to the importance of each category and shall include:

- o experience in providing public transportation services;
- o size or scope of past experience, in relation to that required in the request for proposals;
- o driver training and selection program;
- o management, administrative, financial and technical capabilities;
- o fleet size, vehicle types and maintenance practices; and
- o reporting capabilities.

The evaluation process may include the use of an advisory group composed of people who are not associated with any of the bidders to assist with the evaluation of the proposals. The role of the advisory group may include interviews with the top choice(s) and visits to their proposed facility.

As noted earlier, the RTB or its recipients may base its selection on the proposer's experience and qualifications including the company's reputation and past experience as the expected quality of the professional services to be rendered.

B. DISPUTE RESOLUTION

Whenever a contract is awarded under these guidelines, all unsuccessful respondents will be notified, in writing, of the decision.

There must be established, prior to announcing the RFP, a dispute resolution procedure referenced in the RFP. All disputes must be heard and resolved prior to awarding a contract.

The dispute resolution process for hearing and resolving disputes for contracts awarded under these guidelines shall emphasize a quick and comprehensive review as disputes are filed, shall minimize delay and shall discourage frivolous protests.

The burden of proof in filing a protest is on the protester, who must allege facts which, if proven, show that the RTB or its funding recipient has acted in an arbitrary and capricious manner. In addition:

- o Bid disputes arising prior to bid opening (for example, protests of specifications), may only be lodged prior to the bid opening.
- o Protest issues not initially raised at the local level will not be entertained by the RTB.

Timeframes and other suggested procedures are as follows:

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- o Protesters should file an appeal within seven working days from the date of notification of contractor selection, stating the exact reasons for objecting to the proposed contract award. A copy of the written protest shall be promptly forwarded to the RTB by the funding recipient.
- o A meeting(s) should then be called within five working days from receipt of the protest that will include representatives from the RTB, the protester (and RTB funding recipient if applicable), to discuss the issues related to the protest.
- o A decision on the protest shall be reached within seven working days from the date of the initial meeting and at that time, the protester shall be notified of the decision (if applicable, the RTB funding recipient shall also notify the RTB in writing).
- o The RTB executive director will review all decisions on protests and if the outcome is not consistent with RTB policies or procedures, will take action within seven working days from the date of the decision.

All communications with the parties involved, including RTB staff or board members concerning a protest, whether in writing or oral, must be made part of a docket, open for public inspection. The disposition of each bid protest should also become a part of the docket.

#### C. FULL ALLOCATION OF COST POLICY

In order to promote equal competition among bidders, all direct and indirect, costs associated with providing the service, plus 100 percent of the cost of any publicly funded equipment and facilities used in the provision of the service, shall be included in the bidder's proposed price for the service.

This is consistent with current federal policy. The Urban Mass Transportation Administration (UMTA) published its private enterprise participation policy in the Federal Register (Volume 49, No. 205) dated October 22, 1984, and UMTA guidance for implementation of this policy stipulates that:

When comparing the service proposals made by public and private entities all the fully allocated costs of public and non-profit agencies should be counted. Subsidies provided to public carriers, including operating subsidies, capital grants, and the use of public facilities should be reflected in the cost comparisons.

This policy was reaffirmed in UMTA Circular C7005.1, that was distributed on December 5, 1986. The circular addressed "Documentation of Private Enterprise Participation Required for Sections 3 and 9 Programs." This circular reiterated the UMTA policy calling for full allocation of costs attributed to the provision of transit service.

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This policy has the effect of treating public and non-profit agencies as if they are required to recover the full costs of production, like a private firm. Furthermore, it prohibits operators from submitting a bid price that is lower than the actual cost of providing the service. The principle underlying this policy is that the total costs incurred in delivering a specific service should be attributed to that service.

For example, direct and indirect costs are often used by public agencies to determine the appropriate sharing of fiscal responsibility for deficits. A regional transit authority which receives local subsidies from a central city and several suburban communities often determines the fiscal responsibility of each community on the basis of fully allocating the cost of the service received including (1) the direct cost of service and (2) a portion of the shared (indirect) costs of the management, administration and underlying organizational structure supporting the service received by the communities.

The fully allocated cost policy also will require respondents to include in their bid price the full cost of any publicly funded equipment or facilities associated with providing the service. When publicly funded equipment or facilities are used, the bid price must include a depreciation expense that reflects the full purchase price, age and salvage value of the asset. This depreciation expense shall be based on generally accepted depreciation methods, approved by the RTB, for computing depreciation expense of physical assets.

The full allocation cost policy also accounts for fixed and variable costs that contribute to the delivery of any specific segment of transit service. These are costs that are constant over very large increments of service (fixed) or costs that vary with the level of service provided (variable). A fully allocated cost estimate, therefore, represents a complete accounting of all the labor, capital and material resources used in the delivery of a segment of transit service.

By contrast, a marginal cost analysis recognizes only the variable costs of any specific segment of service. The marginal cost approach understates the cost of service because it does not account for the fixed costs incurred with providing the service.

The fully allocated costing policy, therefore, requires the identification and estimation of:

- o Fixed costs, which are constant over very large increments of service and, therefore, do not vary with small changes in the level of transit services. Examples of fixed costs include most administrative labor costs, facility-related capital costs, and materials and supplies costs other than those costs incurred directly to support revenue service.
- o Variable costs, which normally vary with the level of transit service provided. Variable costs include driver wages and vehicle fuel costs which vary directly with the level of service.

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- o Direct costs of a segment of transit service. These are the costs which can be associated exclusively with the service. For example, at the route level, direct costs generally consist of operator, mechanic and other wages, associated fringe benefits, fuel and lubricants, tires and tubes, and the depreciation costs associated with the vehicles used to operate that service, including spare vehicles.
- o Shared costs of a segment of transit service. These are the costs which cannot be associated exclusively with a specific segment of transit service. The shared costs relevant to an individual route, for example, at a minimum consist of the costs to operate the facility from which the route or vehicle is dispatched. Shared costs must be allocated in a logical manner which reflects the rate at which the cost is incurred to support the specific segment of service.
- o Capital costs of all facilities and equipment, regardless of the source of funding used to acquire the asset.

D. APPLICATION OF THE FULL ALLOCATION OF COST POLICY

The following examples address specific aspects of contract pricing for bidders to follow that will ensure fair cost comparisons and an adequate assessment of long-term versus short-term savings. Most of the information for this section is based on the principles on cost comparisons in competitive bidding adopted by the Competitive Services Board on November 16, 1986 (see Attachment I). Each of these examples is discussed in more detail below.

1. Government Financial Support

The total cost of delivering the transit service, regardless of source of financial support, should be included as part of the prospective contractor's bid price for the service. This permits comparisons to be made that reflect the actual cost to the taxpayer. For example, if vehicles are purchased with 75 percent federal funds, 10 percent state funds, and 15 percent local funds, the full 100 percent cost shall be included in the bidder's price to operate the service. All assets used in the delivery of the service, regardless of ownership, shall be included in the bid price.

2. Contributions from Other Government or Agency Units

Some transit operators may use without charge the services or facilities of a public agency or governmental unit (for example, legal or clerical services, vehicle storage, office space, or parking lots). Because these contributions are actual costs to the taxpayer, they shall be included in a prospective contractor's bid price for the service.

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3. Administrative Costs

The portion of a transit operator's administrative costs that are attributable to the service shall be included in the bid price (for example, the attributable portion of senior management compensation).

4. Non-attributable Public Sector Costs

Public-sector costs that benefit both public and private operators should not be included in the bid price if these costs are not attributable to the service up for bid. For example, some services provided by the Metropolitan Transit Commission (MTC) may serve both the MTC and other public transit operators. Examples of these regional services could include transit marketing, telephone information services, financial reporting for federal grants, and bus shelter maintenance. Prior to awarding transit service contracts under these guidelines, the RTB will work with the MTC to identify these regional services and their associated costs.

5. Capital Assets

Any physical assets acquired through federal funding and related to the provision of the service, shall be itemized as a depreciation expense and included in the prospective contractors bid price. This depreciation expense shall be based on generally accepted depreciation methods, approved by the RTB, for computing depreciation expense of physical assets.

However, if the capital assets (such as vehicles or facilities) will be provided to the successful bidder, those capital costs should not be included in the bidder's price for providing the service.

6. Interest

The cost of capital equipment used to provide transit service will often include interest charges. These charges shall be included in the bidder's price to reflect the cost of capital. A public agency may have access to lower interest rates than private operators. There will be no adjustment to bid prices to compensate for differences in interest rates.

7. Donations

Some transit operator's costs are offset by contributions of services or facilities from private organizations or individuals (for example, volunteer drivers for specialized services) and shall not be included in the bidder's price.

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8. Cost of Contracting

Certain costs will arise to the RTB or recipients of RTB funding when contracting for service. This may include costs such as bid preparation, labor protection, and contract management. These costs should be considered in both the long-term and short-term analysis of costs.

9. Exemptions and Costs Imposed by Federal or State Requirements

There are certain exemptions and costs that are imposed upon both public and private operators through various state and federal requirements. For example, the Metropolitan Transit Commission (MTC) is required to establish a pension plan for its employees; however, the MTC is exempt from paying any state or federal taxes on items such as vehicle licenses, purchases, fuel, property or corporate income. With a few exceptions, businesses operating for a profit are obligated to pay these types of taxes; however, they also have access to tax credits to offset their obligations. These characteristics inherent to the public or private sector will not be adjusted when making cost comparisons.

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CHAPTER IV

TRANSIT SERVICE CONTRACTS

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A. MINIMUM CONTRACT PROVISIONS

The contract that is entered into must be written to prevent misinterpretation of its content, and it must provide for adequate, workable remedies should they become necessary. A sample agreement should be attached to the RFP and reviewed by the RTB recipient's or RTB's legal counsel before public release. (This agreement can be modified to accommodate requirements specific to the selected contractor and any later needs that may be identified.)

Following are criteria for some of the basic elements to include in the contract:

- o clear and accurate identification of the parties;
- o exact and complete statement of the service to be provided including information such as:
  - the level of service, days of operation
  - the routes and schedules to be operated
  - a description of the vehicles to be used for the service
  - vehicle maintenance and servicing standards
  - personnel standards
- o penalties (liquidated damages) for noncompliance;
- o maximum total amount to be paid and the basis upon which payment is to be made;
- o the contract duration or period for completion;
- o insurance and performance bond requirements.

The development of specific contract language should be based upon the management plan developed for the service. Some of these areas are explained in more detail below.

- o Service levels. For effective contract management, the route service levels needs to be clearly stated. This description can include but is not limited to detailed maps of routes, the exact number of vehicle service hours on a given route, the daily schedule, hours of operation, and the fare structure with variations in fares. The use of transfers from other routes and passes should also be described in the contract language. Finally, a methodology should be provided to cost out and implement any adjustments in service levels, that may be required during the contract period.
- o Service Criteria. All applicable safety regulations or operating standards should be referenced. Driver qualifications, skills, courtesy and appearance should be delineated. Some examples of these include:
  - Operating ahead or behind schedule.
  - On-time performance.
  - Proper attire for drivers.

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- o Vehicle Issues. The contract may also specify vehicle markings, with flexibility for changes or additions. Limitations on vehicle usage on charters or in other services may also be imposed.
- o Routine Vehicle Maintenance and Repair. Preventive maintenance intervals and levels of inspections should be specified along with any related state or local regulations. Also, the contract should indicate whether cleaning will be measured on an effort basis (weekly washing) or on a results basis (a specified level of cleanliness). There should also be a requirement to keep maintenance and repair records, detailing the level and timeliness of recordkeeping and the retention and availability of records for inspection. Special records or notification in the event of accident damage or a long-term vehicle outage (perhaps with penalty payments) should also be considered.

In the event that the contracting agency provides the vehicles for the service, additional measures should be included in the contract. This would include responsibility for supplying parts, specifications regarding the quality of parts to be used in repairs, and compliance with the manufacturer's warranty. It is also important to outline the procedure for monitoring compliance with these contract requirements. At the completion of the contract, the condition of the vehicles should be stipulated, along with remedies to cover the cost of any necessary repairs.

- o Supervision and Administrative Roles. Provisions need to be made regarding the extent of service changes the contractor can make without requiring a contract change. The contract should also clearly define the role of the contracting agency and its ability (authority and limitations) to take appropriate actions related to the employees of the contractor. Finally, all contracts should include a requirement to provide regular and specific operating reports, plus other reports as needed.
- o Compensation Methods. Submittal of bills, approval methods, timeliness, and method of payment should be specified in the contract. Periodic cost adjustments, escalator clauses, incentives and penalties also may be a part of the agreement and should be clearly described. If the right to take offsets against payments is desired, it should be stipulated, as should the right to withhold payments or partial payments. Some examples of incentives could include:

- Contractor receiving bonus payment for higher passenger load factors.
- Contractor receiving monthly bonus depending upon the available percentage of vehicles maintained at a certain high standard; e.g., cleanliness.

Some examples of penalties could include:

- Contractor not receiving payment for runs not on schedule.
- Contractor paying damages for runs extremely off schedule.
- Contractor not receiving compensation if vehicle has not been serviced within the specified inspection interval.

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If incentives and/or penalties are to be a part of the service, then a process for monitoring compliance should be clearly described in the contract. Finally, the contract should provide a means for adjusting payments based on audits and for handling any disputes that might arise.

- o Insurance Requirements. Insurance requirements are designed to protect the contracting agency. Therefore, the contract should specify the type and amount of coverage desired. This means that the contracting agency should consider what risks are to be protected against and what limits of liability are deemed appropriate. The nature of the service that is being bid will be a major factor in determining the minimum insurance requirements.

Following is an explanation of the different types of insurance requirements that may be specified in the contract:

- Automotive liability is perhaps the most important insurance to be considered. It protects against claims for personal injury and property damage arising out of the operation of buses, cars, and trucks. In Minnesota, state law suggests that limits of coverage of \$200,000 for a single claim and of \$600,000 for multiple claims arising from a single accident are adequate.

Risk can generally be measured based on the number of passenger miles. In other states and in cities across the country that are contracting for transit services, the minimum coverage for a regular route service is typically \$1 million. Medium to large sized contracts require from \$5 million to \$10 million of coverage, if not more.

- Physical damage insurance protects against damage to property from a variety of causes including fire, theft, flood, hurricane, tornado, collision, and other causes. The coverage can be obtained for the specific risks needed. The amount of insurance will depend on the assessment of the likelihood of a loss occurring.
- General liability insurance protects against claims for personal injury and property damage as a result of the claimant being on or near the property when an accident occurs. The amount of insurance protection needed depends on how accessible the property is and the likelihood of accidents. Some important considerations in determining the premium price are fencing, lighting, facility condition, and special hazards.
- Property insurance includes such coverage as fire, theft, windstorm, flood, hail, and other potential damage to building and contents. The amount of coverage will depend on the value of the facilities and the replacement costs.
- Workers compensation insures against claims for injuries to employees arising from their employment. The state of Minnesota has specific requirements for this kind of insurance.

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- Fidelity bonds insure against theft, fraud, misappropriation, misapplication, carelessness, or other misuse of money, property, or other valuables. The amount of coverage depends on how many employees have access to such property, how much value is accessible at any given time, and security measures in effect.

The contract should indicate whether the contracting agency will procure insurance or if the contractor is required to provide it. The contract should also note whether the contracting agency will pay the insurance premium directly, on a pass-through basis, or as part of the contract price. If the contracting agency does not pay the premium directly, there may be additional costs built into the bid price because of the interest expense to the contractor for paying the premium upfront.

If a contractor proposes a self-insurance program, the contracting agency must require evidence of the contractor's financial capacity to meet the insurance requirements of the contract. In such cases, the self-insurance program must provide the contracting agency, and any others named as an additional insured, at least the same protection from liability and defense of suits as would be afforded by first-dollar insurance.

The RTB (and its recipients) should be named as additional insured and should require periodic certification by the insurer to keep on file verification of all covered vehicles assigned to the contract.

- o Length of Contract. The length of the contract should be related to the level of investment in physical assets that contractors are required to make in order to perform the service. In general, the larger the investment, the longer the contract term must be to attract reasonable bids from prospective contractors.

Below is a table which displays suggested contract terms as a function of investment requirements on the part of a contractor.

#### SUGGESTED LENGTH OF CONTRACT TERMS

	<u>Minimum Term</u>	<u>Maximum Term</u>
Investment Required by Contractor:		
New heavy duty buses	5 years	7 years
Used heavy duty buses	2 years	5 years
New light buses and vans	3 years	5 years
Used light buses and vans	2 years	5 years

The above contract terms can be shortened if the contracting agency provides the capital assets.

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B. COMPLIANCE WITH APPLICABLE LOCAL, STATE AND FEDERAL REQUIREMENTS

Any service entered into contract under these guidelines must be consistent with any applicable local, state and federal requirements. This shall include, but is not limited to regulations of the Transportation Regulatory Board (TRB), state law regarding MTC impact assessment, federal policies regarding UMTA grant recipients, affirmative action requirements, equal employment opportunity requirements and participation of Disadvantaged or Women Business Enterprises requirements of the RTB.

C. DOCUMENTATION (For Recipients of RTB Funding)

At least three weeks prior to commencing service, recipients of RTB funding shall provide written documentation on the RFP and contractor selection process that includes any evaluation forms used, justification for selecting the preferred contractor, a detailed breakdown of all cost elements, a copy of the proposed contract, verification of proper insurance coverage and verification of a performance bond.

D. AWARDING OF THE CONTRACT

For any transit service awarded under these guidelines, the Regional Transit Board shall review and approve the provider and the contract (along with any subcontracts) for public transit service prior to the provision of the service by the provider.



## Competitive Services Board

The Competitive Services Board was established by the Urban Mass Transportation Administration (UMTA), in cooperation with the American Public Transit Association (APTA), as a forum for a broad cross-section of public and private sector interests to consider issues related to the competitive provision of transit services. The Board seeks to develop a thorough understanding of these issues with the objective of reaching a consensus on principles for the guidance of local decisionmakers. For issues on which agreement cannot be reached readily, the Board clarifies and documents the concerns and identifies potential actions to address them.

The Board's membership (listed overleaf) is a diverse group representing a wide variety of interests, including public transit agencies, private operators, state departments of transportation, local governments, regional councils, and rural and specialized transit operators. In addition, the administrator of UMTA, the executive director of APTA, and senior representatives of other national associations serve as ex officio members. They help provide policy direction and are encouraged to attend and participate at all Board meetings.

The Board has been established for a two-year initial period. It is expected to meet at least twice a year, with working groups convening in the interim to consider specific issues in depth. The Board's inaugural meeting was held in Washington in September 1986.

### Membership

Florence Boone	Regional Transit Authority (Chicago)	312 364-7223
Raleigh D'Adamo	Bi-State Development Agency (St. Louis)	314 982-1588
Byron Fanning	Greyhound Lines	602 248-7346
Michael Grovak	New York City Transit Authority	718 330-4123
John Hartz	Wisconsin Department of Transportation	608 266-0658
David King	North Carolina Department of Transportation	919 733-4713
Ted Knappen	Trailways	202 347-3827
Peter Levi	Mid-America Regional Council (Kansas City)	816 474-4240
John McCarthy	Continental Air Transport	312 454-7800
Tom Niskala	Regional Transit Authority (Corpus Christi)	512 883 2287
Elliott Perovich	Regional Transit Board (Minneapolis-St. Paul)	612 292-8818
Tom Phillips	Hartford Transportation Services	203 722-8464
Mark Pisano	Southern California Assn. of Governments	213 385-1000
Jerry Premo	New Jersey Transit	201 648-7418
Phil Ringo	ATE Management and Service Company	513 381-7424
Roger Snoble	San Diego Transit Corporation	619 238-0100
Gene Stalians	Diversified Paratransit	714 622-1316
Terry Van Der Aa	Vancom, Inc.	312 474-6404
Doug Wentworth	Metropolitan Transit Authority (Houston)	713 739-4625
Linda Wilson	JAUNT (Charlottesville, VA)	804 296-3184

### Ex Officio Members

Karen Finkel	National School Transportation Association	703 644-0700
Frank Francois	American Association of State Highway and Transportation Officials	202 624-5810
Jack Gilstrap	American Public Transit Association	202 828-2800
Richard Hartman	National Association of Regional Councils	202 457-0710
Randy Isaacs	Natl. Assn. of Transportation Alternatives	214 414-1949
Al LaGasse	International Taxicab Association	301 946-5700
Ray Mundy	Airport Ground Transportation Association	615 525-1108
David Raphael	Rural America	202 659-2800
Norman Sherlock	American Bus Association	202 293-5890
Wayne Smith	United Bus Owners Association	202 484-5623
Ralph Stanley	Urban Mass Transportation Administration	202 366-4040

### Technical Secretariat

Ronald Kirby	The Urban Institute	202 857-8728
William Gellert	The Urban Institute	202 857-8523

THE COMPETITIVE SERVICES BOARD'S PRINCIPLES  
ON COST COMPARISONS IN COMPETITIVE BIDDING

NOVEMBER 16, 1986

The current interest in encouraging competition for the provision of public transportation services has raised a number of issues regarding the proper way to compare public and private-sector costs. The Competitive Services Board has developed the principles presented here with the intent of helping state and local decisionmakers resolve these issues. These principles are responses to actual concerns raised by state and local decisionmakers and public and private operators with respect to cost comparisons in competitive bidding. The Board recognizes that cost comparison is an important consideration, but not the sole consideration, in evaluating competitive bids. Other considerations include service quality, service continuity, financial and managerial ability to carry out the contract, and relevant experience in the provision of public transportation services.

In developing these principles, the Competitive Services Board recognized the complexities inherent in balancing the demands of public policy, sound economics and service to the public. The Board also recognized that competition which draws upon the skills and resources of both the public and private sectors is extremely valuable. Accordingly, the Board has developed these principles on cost comparisons as a practical, general guide to help in fostering an even-handed competitive environment for public transportation.

The public agency has a responsibility to minimize public-sector costs and to maximize the amount of service that can be provided. Guided by this objective, the Board has adopted the principle that public/private cost comparisons should employ a fully allocated costing procedure. Fully allocated costs include all direct and shared costs of capital, operations, and administration attributable to the services under consideration for competition. Fully allocated cost comparisons in competitive bidding require that all public-sector costs be shown with an explanation of what is attributable and what is not. Such cost comparisons will provide the information necessary for decisionmakers to assess both the short-run and long-run cost implications of public versus private-sector transit operations. In the evaluation of the bids, however, decisionmakers should take into account the fact that upon contracting out existing service, some or all of the shared public-sector costs attributable to such service may not be eliminated, and therefore may not produce cost savings for the public agency, and the fact that public operators bidding on new services under fully allocated costs may not actually incur some of the costs identified.

The following sections deal with the application of the fully allocated costing principle to specific aspects of public/private cost comparisons.

#### Government Financial Support

The total cost, regardless of source of financial support, should be used in cost comparisons to reflect actual costs to the taxpayer. For example, if vehicles are purchased with 75 percent federal funds, 10 percent state funds, and 15 percent local funds, the full 100 percent cost should be used in the cost comparison.

#### Administrative Costs

The portion of a transit agency's administrative costs that are attributable to the service should be included in the cost comparison, including the attributable portion of senior management compensation.

#### Contributions from Other Government or Agency Units

Some public operators use without charge the services or facilities of other government or agency units (for example, legal or clerical services, or parking lots). Because these contributions are real costs to the taxpayer, they should be included in cost comparisons at their actual cost to the relevant government or agency unit.

#### Nonattributable Public-Sector Costs

Public-sector costs that benefit both public and private operators should not be included by the public carrier in a fully allocated cost comparison if they are not attributable to the service up for bid. Fundraising, grants management, and financial reporting, among others, generally fall into this category. Other activities, such as marketing and planning, may be partly attributable and partly nonattributable. For example, to the extent that a private operator is responsible under the contract for planning and marketing a proposed service, the public agency's costs of performing the same functions should be included in the cost comparison.

#### Capital Assets

Public agencies' physical assets should be included in cost comparisons using generally accepted accounting principles for computing appropriate depreciation charges. However, if the public agency provides the capital assets (such as vehicles or facilities) for a private bidder, those capital costs should not be included in the cost comparison.

### Costs Imposed by Federal and State Requirements

Public agencies incur some costs as a result of federal and state requirements for grant fund recipients. Some of these costs are not attributable to the service up for bid (such as financial reporting), and should not be included in a fully allocated cost comparison. Other costs, such as handicapped accessibility, will be attributable, and should be included in both public and private-sector costs.

### Taxes and Fees

Taxes and fees paid by some operators and not others should be recognized by decisionmakers as revenue to the public sector. To some extent, these revenues may be available for local public transportation purposes, and to that extent should be considered as an offset against the bid costs of those operators that pay them. Ideally, efforts should be made to remove these tax and fee differentials through changes in relevant laws and regulations.

### Disclosure of Private-Sector Cost Information

Whether private carriers should be required to disclose the composition of their bids, and if so, to what level of detail, are matters to be decided based on local conditions and preferences. In principle, full disclosure is not necessary for cost-comparison reasons, since the "bottom line" provides sufficient cost information to award a contract.

However, there are other reasons for requiring disclosure. Some limited disclosure is necessary to take advantage of the capital cost of contracting policy, although competitive pressures and UMTA's percentage limits on the capital component of contracts can provide adequate safeguards without requiring detailed information. Disclosure is necessary also when the outcome of the contract competition is legally challenged, and may be preferred in order to ensure fairness in terms of bid preparation costs, reassure the public agency about the validity of the private carrier's cost structure, or guard against "low-balling" (bidding low to win the initial contract, with the intention of recovering losses in subsequent negotiations). Identification of taxes and fees paid by the private operator may also be necessary if they are to be adequately considered in cost comparisons.

On the other hand, strict disclosure requirements may greatly increase paperwork, and may discourage private operators from bidding, especially where the information would be public knowledge under freedom of information laws.

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: June 3, 1987  
TO: Policy Committee  
FROM: Edward Kouneski, Programs Manager *EK*  
Cynthia Mayer, Project Administrator *CM*  
SUBJECT: Evaluation of the Delivery of Ridesharing Services

ACTION REQUESTED:

That the Policy Committee recommend that the Regional Transit Board solicit proposals from consultants to evaluate the delivery of ridesharing services in the Twin Cities metropolitan area based on the attached scope of services.

BACKGROUND:

In accordance with legislative mandate, the RTB assumed the responsibility for ridesharing services in the seven-county metropolitan area on August 1, 1985. The RTB entered into contract with the Metropolitan Transit Commission (MTC) to continue to provide ridesharing services.

Prior to making the decision to contract with the MTC for the provision of ridesharing services, the RTB reviewed services as they currently exist in the metropolitan area, current market conditions, and ridesharing service delivery alternatives. During its review, the RTB concluded that it was premature to recommend a change in the institutional arrangement for the delivery of services without conducting additional research. After discussion it was decided that staff would include an element in the 1987 work program to conduct a service delivery evaluation.

DISCUSSION:

Staff has developed for consideration and approval a scope of services to evaluate the delivery of ridesharing services in the Twin Cities metropolitan area. The consultant evaluation will examine the delivery of ridesharing services and identify what the service delivery program should be. An action plan will be developed and presented so that the best ridesharing strategies can be put to use in the Twin Cities.

The RTB 1987 Work Program and Budget includes \$40,000 for the consultant activities associated with this project. The attached Request for Proposal outlines the purpose of the study and the work tasks and identifies the responsibilities and timeframe for completion of the study.

RECOMMENDATION:

That the Policy Committee recommend that the Regional Transit Board solicit proposals from consultants to evaluate the delivery of ridesharing services in the Twin Cities metropolitan area based on the attached scope of services.

Revised Draft

REQUEST FOR PROPOSAL

To Evaluate the Delivery of Ridesharing Services  
in the Twin Cities Metropolitan Area

Prepared by

Regional Transit Board

June 16, 1987

## INTRODUCTION

The Regional Transit Board (RTB), created by the state Legislature in 1984, is responsible for transit planning and policy making in the the Twin Cities metropolitan area. In this role, the RTB administers funds to some 20 transit programs and is responsible for coordinating, monitoring, and evaluating transit services in the seven county metropolitan area.

The RTB assumed responsibility for ridesharing program administration in August 1985, in accordance with its legislative mandate. At that time, the RTB elected to enter into contract with the Metropolitan Transit Commission (MTC) to operate Minnesota Rideshare, the primary ridesharing program in the Twin Cities. Minnesota Rideshare had been funded by the Minnesota Department of Transportation (Mn/DOT) since 1980.

The RTB also formed a Rideshare Advisory Committee (RAC), which advises the RTB on rideshare policy development and implementation. The RAC's role is to review and comment on plans that affect the provision of ridesharing services, advising the RTB on the future direction and strategies for ridesharing, and advocating and facilitating greater participation of the private sector and local communities in the development of ridesharing strategies.

In the RTB's view, ridesharing is an integral component of the total transit services offered in the metropolitan area. Historically, the delivery of ridesharing services Twin Cities has gone through various stages. Current market conditions have led the RTB to conclude that ridesharing activities should be concentrated in geographical areas where there are high levels of highway congestion, destinations with high parking costs or limited parking, and concentrations of suburban employment.

### Study Purpose

The purpose of this study is to evaluate the delivery of ridesharing services and to determine the most effective strategies to be implemented in the metropolitan area. The RTB's recently completed Transit Service Needs Assessment provides a starting point for this evaluation. The report highlights general findings related to current rideshare service and market characteristics. These include:

- o According to the 1980 census, more than 170,000 persons in the Twin Cities metropolitan area reported using carpools or vanpools for their daily work trips.
- o Ridesharing programs are oriented primarily to work trips and ridesharing can be used successfully for reverse commute trips.
- o There is a large informal carpool market. Survey results from the I-394 corridor study indicate that more than 90 percent of those involved in ridesharing in the Sane Lane formed a pool by themselves and more than half of the poolers are relatives. Surveys conducted by Minnesota Rideshare in 1985 indicate that 77 percent of those on the rideshare database formed a pool by themselves.
- o Formalized programs build on this informal system for people who cannot find matches on their own.

- o Ridesharing becomes more attractive when it receives priority treatments to freeways or parking areas, or other incentives such as low cost parking.
- o Major generators on one end of the trip contribute significantly to a successful ridesharing program.
- o The life of a carpool is relatively short, therefore, ridesharing programs need to be continuously updated and ongoing programs are needed.

The Transit Service Needs Assessment report further presents the following recommendations for rideshare program strategy applications to be pursued in the Twin Cities metropolitan area:

- o Ridesharing should continue to be an integral part of the overall transit services offered in the metropolitan area. Ridesharing is appropriate to all portions of the metropolitan area, however, it should be concentrated in specific areas which have the highest need indicators appropriate to rideshare services. These include areas with high levels of highway congestion and destinations with high parking costs and limited parking.
- o The ridesharing programs should focus on congested corridors by providing carpool and vanpool matching and other marketing services targeted to these areas. Large activity generators and employment concentrations should be targeted in this effort.
- o The ridesharing programs should be enhanced by the development of fixed facilities, such as park-and-ride lots and priority treatments, to support ridesharing throughout the region.
- o Ridesharing programs should focus on identifying and supporting user incentive programs.
- o Expanded use of subsidized vanpool programs, following the models used effectively in other areas, should be examined.
- o Ridesharing should continue to be a coordinated effort between the public and private sector. Private sector participation should continue to be actively supported and encouraged.

The evaluation study outlined in this Request for Proposal (RFP) will build on the Transit Service Needs Assessment recommendations, as well as the experience of ridesharing programs in other parts of the country. In summary, the evaluation is intended to address two basic questions:

- o What specific ridesharing program strategies and actions are the most effective and should be pursued in the Twin Cities metropolitan area?
- o Can these strategies be accomplished under the existing institutional arrangements? If not, what changes are necessary?

The ultimate goal of the evaluation study is to ensure that the optimal strategies and arrangements for delivering ridesharing services are in place in the Twin Cities.

## BACKGROUND

The primary rideshare program in the Twin Cities metropolitan area is Minnesota Rideshare, which is operated by the Metropolitan Transit Commission (MTC) under contract to the RTB. Other rideshare programs are operated by the Eden Prairie Chamber of Commerce and a number of major corporations and private businesses. Most rideshare programs use or coordinate services with Minnesota Rideshare.

### Minnesota Rideshare

The overall mission of Minnesota Rideshare is to increase the level of ride-sharing in the Twin Cities metropolitan area by providing promotion and ride matching services, while working with private and public sector organizations to establish a coordinated network of programs.

Minnesota Rideshare's 1987 mission statement commits to the following:

- o Provide an alternative to the drive-alone commute with specific attention to communities where other transit service are either unavailable or not feasible.
- o Help control peak hour traffic congestion and keep travel time at an acceptable minimum on the commute trip.
- o Help protect land resources in the metropolitan area by containing the need for parking space expansion.
- o Assist in managing traffic disruption due to construction and changes in major traffic corridors, for example, I-394.
- o Identify and help contain the cost of the commute trip for the individual person and the communities.

Minnesota Rideshare's matching service for people interested in carpooling or vanpooling is provided through use of a centralized computer database, which contains information for the entire seven county metropolitan area. The database is updated regularly. On the average, an organized carpool lasts 27 months, according to recent survey findings.

Minnesota Rideshare's vanpool matching service is provided with the use of third party vanpool leasing. Vanpool Services, Inc. (VPSI) provides 12- and 15-passenger vans directly to interested poolers.

Currently, nearly 7,000 persons rideshare as a result of using Minnesota Rideshare's matching services. These poolers were generated from some 12,400 requests for matching in 1986.

Minnesota Rideshare promotes ridesharing through employer outreach, printed communications, and media advertising efforts. Minnesota Rideshare also coordinates free parking incentives to poolers in the downtowns of Minneapolis and St. Paul. The program's promotional efforts are targeted to employees of the two downtowns, commuters in the central cities working in the suburbs, and persons making work trips on roadways experiencing moderate to high congestion levels. Much of Minnesota Rideshare's advertising reaches the entire population of the Twin Cities and creates interest in ridesharing regionwide.

The scope of Minnesota Rideshare's current activities is summarized below:

- o Processing of more than 10,000 new applications annually. On the average, about 17,000 individual files are kept on the database, with 10,000 files available for matching. Every 12 months, the unmatched files are purged, although the files for any persons wishing to remain active are kept intact. Approximately 7,000 persons are active ridesharers who are registered with Minnesota Rideshare.
- o Design and execution of marketing strategies to increase the number of rideshare match applications and to present the concept, or image message, of ridesharing to the metropolitan area.
- o Assistance and resource materials on ridesharing to developers and employer relocation.
- o Coordination with Minnesota Department of Transportation (Mn/DOT), Metropolitan Council, Regional Transit Board (RTB), Metropolitan Transit Commission (MTC), and other agencies to include and promote rideshare services on major highway and planning projects, e.g., I-394/Highway 12.
- o Registration of Minneapolis central business district parking pools.

Minnesota Rideshare is funded currently by Federal Highway Administration funds, local property taxes, and Amoco Energy Grant funds. The 1987 budget for Minnesota Rideshare is \$682,029, of which \$297,270 will be allocated for media printed communications and media advertising efforts. Minnesota Rideshare services are provided free of charge to individuals interested in carpooling or vanpooling, as well as to participating corporations, developers, and providers, such as VPSI.

Organized ridesharing efforts have existed in the Twin Cities since 1973. Appended to this document is a summary outline of the institutional arrangements that have existed for the delivery of ridesharing services in the metropolitan area.

### Other Ridesharing Programs

In 1986, 17 corporations and private businesses operated their own rideshare programs, either using the services of Minnesota Rideshare or employing their own rideshare coordinators and providing vans to employees forming vanpools. An example is the 3M Company, which provides more than 100 vans for employee transportation. 3M was one of the first companies in the country to implement a vanpool program. General Mills, Cargill, and Honeywell are other corporations that have organized ridesharing programs.

The Eden Prairie Chamber of Commerce coordinates ridesharing for major employers within the Eden Prairie community. Rideshare matching services are available to employees of all Eden Prairie-based employment centers. Currently 800 persons are on the match list. Three owner/operator vanpools are operated from Eden Prairie employment centers.

The University of Minnesota had previously offered a computerized carpool matching service to students, staff, and faculty. In 1986, coordination of this program was transferred to Minnesota Rideshare. Of some 40,000 students enrolled in the fall quarter of 1984, more than 500 used the carpool matching service. Two University parking lots are reserved until 10:00 a.m. for vehicles with three or more persons.

VPSI leases about 60 vans to support the ridesharing programs in the metropolitan area.

### Ridesharing Strategies

In addition to maintaining existing rideshare programs in the Twin Cities area, various strategies to increase ridesharing in the region are being pursued, some for the first time. These strategies include priority treatment for high occupancy vehicles and parking management incentives. Other strategies under consideration include transportation management organizations and travel demand management ordinances. Major corridors where opportunities exist to deploy ridesharing strategies include I-394, I-494, and I-35W.

### Regional Travel Data

On metropolitan roads, Twin Cities residents make about 6.7 million trips daily--an average of 3.37 trips per person. Work-related travel amounts to about 30 percent of the total, or just over 2 million person trips daily. Of these, approximately 1.2 million trips are home-based. (Source: Metropolitan Council's Travel Behavior Inventory, 1982.)

The 2 million daily person work trips result in about 1.8 million vehicle trips, of which .26 million are carpool trips and 1.54 million are drive-alone. (Source: Minnesota Department of Transportation Vehicle Occupancy Data, 1986.) The average carpool size is 2.15 persons, and most of the drive-alone vehicle trips, 1.14 million, are home-based.

Auto occupancy rates have been monitored since 1974 at eight downtown locations and since 1979 at eight suburban locations during peak periods and peak hours. The lowest occupancy rate for the region was recorded in 1986, at 1.17.

Between 1974 and 1976, the energy crisis years, downtown peak hour occupancy rates ranged between 1.37 and 1.44. Between 1977 and 1983, the rates stabilized between 1.31 and 1.33. The lowest downtown peak hour occupancy rates have occurred in the last three years: 1.26 in 1984, 1.25 in 1985, and 1.24 in 1986.

Suburban peak hour occupancy rates have declined steadily since 1980, when the occupancy rate was 1.24; in 1986 the rate was 1.14 persons per vehicle.

Near the downtowns about 68 percent of persons are driving alone, and 32 percent are carpooling, while at suburban locations 78.3 percent are driving alone and 21.7 percent are carpooling.

Regionwide, 85.7 percent of all peak vehicles are single-occupant vehicles, 12.8 percent have one driver and one passenger, and 1.5 percent contain one driver and two or more passengers.

While auto occupancies are at the lowest rate recorded in the Twin Cities metropolitan area, a significant number of persons are ridesharing into the downtowns and in suburban areas during peak periods.

#### Available Reports

For further background information, the RTB has available the following documents as reference:

- o Minnesota Rideshare Study Results of 1985 (Phases I and II), a consumer survey report prepared by C.J. Olson.
- o Minnesota Rideshare's 1987 Management and Advertising Plan.
- o Minnesota Rideshare Five-Year Plan.
- o Minnesota Rideshare Vanpool Market Study.
- o Ridesharing in the Twin Cities Metropolitan Area, a draft transportation plan revision prepared by the Metropolitan Council.
- o Transit Service Needs Assessment, final report prepared by the Regional Transit Board.

### SCOPE OF WORK

The purpose of this study is to evaluate the delivery of ridesharing services in the Twin Cities metropolitan area and to determine the most effective strategies and focus for the future. The end product of this study is an action plan that describes the implementation of specific ridesharing strategies, defines the assignment of responsibilities, and recommends the appropriate allocation of resources for the future delivery of ridesharing services in the Twin Cities.

As part of the scope of work, a review of ridesharing strategies implemented in other areas of the country is to be conducted. This review will address the institutional arrangements best suited to carrying out various types of strategies. The consultant will recommend, based on this assessment, actions that will enhance the effectiveness of carrying out the recommended ridesharing strategies in the Twin Cities metropolitan area.

### Study Organization and Responsibilities

The RTB will be responsible for overall management of the consultant contract. A project manager will be assigned as a liaison and contract monitor. The consultant will conduct major elements of the work program at the direction of the project manager and will regularly report to the project manager on progress toward accomplishing the work tasks. RTB staff will be available to assist in data collection efforts. The members of the RTB's Rideshare Advisory Committee shall be kept informed and consulted periodically throughout the course of the project.

### WORK PROGRAM TASKS

- 1.0 The consultant, with input from the RTB, will finalize a detailed work plan and time schedule for conducting the evaluation of ridesharing service delivery in the metropolitan area, based on the written proposal submitted to the RTB.

Product:	Detailed Work Plan.
Responsibility:	The consultant and RTB staff will collectively develop the final work program and time schedule. The detailed work plan will be presented to the Rideshare Advisory Committee (RAC) for review and comment.
Timing:	Completed by August 14, 1987. Presentation to RAC on August 18, 1987.

- 2.0 The consultant will review existing data available for measuring rideshare program effectiveness and will identify data deficiencies and methods for collection. The needed data will then be collected with support from RTB and Minnesota Rideshare staff.

Product: Technical Memorandum: Analysis of Existing Data and Additional Data Requirements.

Responsibility: RTB staff will provide background information documents. The consultant will be responsible for analyzing existing data, identifying data deficiencies, and proposing methods of collection for ongoing reporting and evaluation. If data deficiencies are identified, RTB and Minnesota Rideshare staff will assist with the collection of data considered necessary for a complete evaluation, as agreed upon in the work program finalized in Task 1.

Timing: Completed by August 31, 1987.

- 3.0 The consultant will review ridesharing strategies and institutional arrangements implemented in other parts of the country from information compiled by the RTB, and will evaluate the elements and conditions that influence the effectiveness of these programs. The consultant will assess regional factors that affect the performance of these programs in carrying out specific types of strategies. These factors may include corporate climate, potential for developing public and private sector commitment, level of traffic congestion as well as economic and political considerations, among others.

Product: Technical Memorandum: Comparative Review of Rideshare Program Effectiveness.

Responsibility: This task shall primarily be the responsibility of the consultant. RTB staff will be responsible for compiling information from rideshare programs in other parts of the country; this will provide the basis for the consultant review.

Timing: Completed by September 25, 1987.

- 4.0 In conjunction with Task 3.0, the consultant will propose a set of evaluation criteria to determine the effectiveness of ridesharing strategies and program activities in the Twin Cities metropolitan area. The evaluation criteria should include qualitative measures as well as quantitative measures, which incorporate a cost benefit analysis.

Product: Technical Memorandum: Evaluation Criteria.

Responsibility: This task shall primarily be the responsibility of the consultant. RTB staff will review and approve the evaluation

criteria. The evaluation criteria will be presented to the Rideshare Advisory Committee along with the report from Task 3.0.

Timing:

Completed by October 9, 1987.

Presentation to RAC on October 20, 1987.

- 5.0 The consultant will review and analyze ridesharing plans and strategies now being pursued or considered for application in the Twin Cities. These strategies include priority treatment for high occupancy vehicles, transportation management organizations, travel demand management ordinances, and various parking management incentives. As a follow-up to Task 3.0, which explores various possibilities and examples from other parts of the country, the consultant will determine the most practical strategy applications for the Twin Cities and recommend specific strategies for implementation, employing the evaluation criteria developed in Task 4.0. It is expected that this is the key work task of the study.

Products:

Technical Memorandum: Rideshare Strategy Recommendations.  
Presentation to Rideshare Advisory Committee.

Responsibility:

The consultant will gather and evaluate information on current rideshare strategies under consideration in the Twin Cities metropolitan area. The consultant will be responsible for working closely with the RTB staff and the Rideshare Advisory Committee members to review the effectiveness of these strategies and to suggest alternatives, as appropriate.

Timing:

Completed by November 20, 1987.

- 6.0 The consultant will develop an action plan for implementing the selected strategy recommendations and any associated changes recommended in the current institutional arrangements. This action plan should recommend the assignment of responsibilities, corresponding budget, and time frame for implementation.

Product:

Action Plan.

Responsibility:

The consultant will be responsible for developing the action plan. RTB staff shall be responsible for reviewing and approving the plan. The consultant should be prepared to make presentations at the request of the RTB.

Timing:

Completed by December 11, 1987.

7.0 The consultant will prepare a Draft Final Report, which incorporates information from all of the previous tasks.

Product: Draft Final Report  
Responsibility: The consultant will prepare all written materials. RTB staff shall be responsible for reviewing the report and issuing comments to the consultant for revisions, if necessary. The consultant shall provide 50 copies of the Draft Final Report..  
Timing: Completed by December 18, 1987.

9.0 The consultant will revise the Draft Final Report, based on RTB comments, and will submit a Final Report.

Product: Approved Final Report.  
Responsibility: The consultant will supply 100 copies of the approved final report and the photo-ready copy to the RTB. Upon completion of the study, the consultant should be prepared to turn all working documents supporting the recommendations to the RTB.  
Timing: Completed by January 29, 1988.

#### PROPOSAL GUIDELINES AND SCHEDULE

##### A. Time Schedule

The anticipated starting date for the consulting study to evaluate the delivery of ridesharing services in the Twin Cities metropolitan area is August 4, 1987. The timeline for completion of the various work elements is outlined in the RFP, with the Action Plan to be completed by December 11, 1987, and the Draft Final Report to be completed by December 18, 1987.

##### B. Maintenance of Records and Reports

The selected consultant will be required to maintain records necessary to complete monthly reports on the contract activity which shall include the kind of service delivered, the period of time involved, and the products provided.

##### C. Requested Proposal Content and Format

The consultant proposal should include the following:

- 1) Cover letter. This should include the name and address of the lead consultant and the names of other firms or individuals participating in the proposal.

- 2) Introduction. The consultant should indicate their understanding of the project, its goals and key elements.
- 3) Project Organization. This should include the proposed approach, the identification and roles of the lead consultant and any subconsultants and anticipated interaction with the RTB and proposed committees.
- 4) Work Plan. This should include a detailed outline of the tasks, target dates, responsibilities, hours, hourly rates, professional classifications, expenses, and a description of the products for each task. Consultants are encouraged to suggest innovative or alternative approaches to the work elements outlined in the RFP.
- 5) Project Staffing. This should include identification of the individuals directly responsible for executing the project. A brief summary of their experience and education should be provided. Of key importance will be the qualifications of the project manager.
- 6) Experience and Qualifications. This section should include a brief description of each firm, area of expertise, work on similar projects and location.
- 7) Project Budget. This section should include the proposed budget for the project. Included should be person-hours per task, hourly rates, classification, equipment and expenses.
- 8) Client References. Five client references, from projects of similar scope, should be provided for each of the major firms.
- 9) Project Timeline. The consultant should provide a timeline for completion of each of the work tasks and the total project.
- 10) The proposer must demonstrate utilization of affirmative action employment policies by supplying the current composition of employees by race, ethnic group and gender.

Proposers should also include a plan to utilize disadvantaged and women-owned business enterprises (DBE/WBE). No goal is established for the value of work to be subcontracted to disadvantaged and/or women business enterprises, but the lead consultant shall make every reasonable effort to subcontract work through good faith negotiations in advance of contract award. The RTB's DBE/WBE UMTA Section 8 goal is 10% DBE and 2% WBE.

In reviewing the work tasks, timelines, and budget requirements specified in this RFP, consultants are encouraged to suggest new approaches or alternatives that would enhance the outcome of this study.

D. Proposal Submission and Consultant Selection Process

1. Schedule

Requests for Proposals to Evaluate the Delivery of Ridesharing Services in the Twin Cities Metropolitan Area will be issued by the RTB on June 16, 1987. Proposals must be received by 2:00 p.m. on July 16, 1987. The selection process will be completed by August 3, 1987.

2. Budget

The RTB has budgeted \$40,000 for the consultant to perform this study.

3. Submission of Proposals

All proposals must be sent to:

Cynthia M. Mayer, Project Administrator  
Regional Transit Board  
270 Metro Square Building  
Seventh and Robert Streets  
St. Paul, MN 55101

Proposals must be received no later than 2:00 p.m., Thursday, July 16, 1987. Late proposals will not be accepted. Please provide 10 copies of the proposal. One copy must contain an original signature of an authorized member of the lead firm.

4. Questions and Response

All questions on this RFP should be directed to Cyndie Mayer, ride-share project administrator, at (612) 292-8789. You may submit questions verbally or in writing, but must do so by June 30, 1987. Following this date, all prospective consultants will receive in the mail a copy of the RTB response to each question asked.

5. Selection Process

The RTB will use a Consultant Selection Committee to review the proposals, interview the finalists, if necessary, and select the consultant. The committee will be composed of representatives from the Regional Transit Board, Rideshare Advisory Committee, Minnesota Department of Transportation, and the Metropolitan Council.

6. Evaluation

The consultant will be selected based on the following evaluation criteria:

- a) Expressed understanding of the project objectives, including issues, problems, and approach.

- b) Qualifications of firm and personnel, including relevant firm experience, project team composition, management structure, qualifications and experience of key personnel, and commitment of time to project.
- d) Project work plan, including comprehensive approach to proposed elements, innovative approaches, understanding of the key components and overall structure.
- e) Project cost detail, including person-hour commitment, billing rates, and commitment to complete the project within the proposed budget and timeline.

7. Cancellation of Solicitation

This Request for Proposal does not obligate the RTB to complete this project. The RTB reserves the right to cancel the solicitation if it is considered to be in its best interest and may reject any and all proposals.

## APPENDIX

### History of Ridesharing in the Twin Cities

Since the introduction of ridesharing in the Twin Cities in 1973, several institutional arrangements have existed. The following history taken from the 1982 report of the Metropolitan Council, A Ridesharing Program for the Twin Cities Area, illustrates the changing involvement of the public and private sector in ridesharing:

- 1973 - Minnesota Mining and Manufacturing Co. (3M) inaugurated the first single-employer vanpool program. CENEX and General Mills, Inc., followed soon after with similar programs.
  
- 1974 - The Arab oil embargo precipitated the first "energy crisis."
  - The Minnesota Highway Department implemented an area-wide computer carpool matching program; marketing materials were sent through utility bills. The Minnesota AAA assisted in the effort.
  - The Minnesota Legislature charged the MTC with promoting the use of carpools and vanpools.
  
- 1975 - The Minnesota Energy Agency promoted the single-employer vanpool concept to Minnesota employers.
  - Twelve single employers began vanpool programs between 1975 and 1976 including Honeywell, Control Data Corp., Northern States Power Co., Prudential Insurance Company, Blue Cross/Blue Shield, Farmers Union Grain Terminal Assoc., Richfield State Bank, National Car Rental, Minnesota Mutual Insurance, Cargill, State of Minnesota and Minnesota AAA.
  - Through the Interstate Highway 35W demonstration program, preferential ramp access was provided to buses and, in a few cases, carpools.
  - Public Service Options, Inc. (PSO) published a report, Shared-Ride Services--a Major Opportunity, that led the Metropolitan Transit Commission (MTC) to contract with PSO to research ridesharing issues such as legal obstacles and program design.
  
- 1976 - The Minnesota Legislature passed commuter van legislation which modified regulatory, insurance, liability and tax structures to facilitate vanpool programs.
  - MTC contracted with PSO to market the new ridesharing program, "Share-A-Ride," as part of a national transit demonstration and with Van Pool Services, Inc., (VPSI) to provide van fleet management. MTC was to provide management and matching services.
  - Metropolitan Council adopted a Transportation Policy Plan that called for preferential highway access and treatment for buses, vanpools and carpools.
  
- 1977-78 - MTC's Share-A-Ride program was initiated in South Hennepin County to multi-employer sites.

- 1979 - MTC centralized management, marketing and matching functions, maintaining VPSI as the third-party vanpool operator, but did not renew PSO's marketing contract.
- Gasoline shortages and price increases occurred.
- Employers impressed their commitments to ridesharing.
  
- 1980 - Minnesota Rideshare, a statewide program, was launched late in the year by the Minnesota Department of Transportation (Mn/DOT). In the Metropolitan Area, Mn/DOT contracted with MTC in the eastern half and VPSI in the west to provide marketing and matching services. VPSI also contracted on a statewide basis to continue providing fleet management.
- The Legislature directed Mn/DOT to develop a statewide ridesharing program.
- A Governor's Task Force on Ridesharing was created to identify incentives and barriers to ridesharing and encourage private sector participation.
  
- 1981 - Control Data Corp. developed a comprehensive in-house ridesharing program.
- Many employers reduced commitments and resources to ridesharing.
- Gasoline prices stabilized, then decreased.
- Minnesota Rideshare launched a major advertising and marketing campaign.
- The Legislature limited use of highway funding for ridesharing in the 1982-83 biennium.
- The Metropolitan Council established the Metropolitan Rideshare Management Board.
  
- 1982 - Mn/DOT's contract with VPSI ended June 30, 1982.
- MTC has operated a scaled down version of the rideshare program in the entire Metropolitan Area since July 1, 1982.
  
- 1983 - MTC developed owner/operator financing with local banks.
- Minnesota Rideshare promoted special vanpool license plates.
- Minnesota Rideshare facilitated the development of the Minneapolis Downtown Rideshare Committee to promote public-private partnership.
  
- 1984 - MTC conducted Market Potential Study in the I-394 Corridor resulting in the development of an interim HOV lane.
- Minnesota Rideshare added two positions to improve the marketing efforts.
- Minnesota Rideshare participated in planning and development projects such as Airport South.
- Minnesota Rideshare has participated with Minnesota Pollution Control Agency to incorporate rideshare programs into their future development.
  
- 1985 - MTC added one marketing position to assist with increased marketing efforts in the Highway 12/I-394 corridor.
- Minnesota Statute 473.375, Section 117, subdivision 11, set forth RTB assuming responsibilities for ridesharing in the Twin Cities metropolitan area.

- RTB assumed responsibility for the rideshare program August 1, 1985, and continued to contract with the MTC for provision of ridesharing services.
  - RTB established the Rideshare Advisory Committee to advise the Board on ridesharing policies and future directions of the program.
  - MTC moved the Minnesota Rideshare program out of their special services division and placed the program under the umbrella of MTC's Planning, Development and Communications (PDC) Department which is in the Administrative Division.
- 1987-87
- A new rideshare manager is hired by the MTC; eight staff members are involved with the project.
  - The RTB accepts the management and advertising plans of Minnesota Rideshare and agrees to contract with MTC for ridesharing services through 1986 and again through 1987.

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: June 12, 1987  
TO: Regional Transit Board  
FROM: Doris Caranicas, Policy Committee Chair  
SUBJECT: Report of the Policy Committee

At its meeting on June 10, 1987, the Policy Committee discussed and approved the following recommendations:

Draft Standards, Procedures and Guidelines for Competitive Procurement of Public Transit Services Report

Recommendation:

That the Regional Transit Board accept the Draft Standards, Procedures and Guidelines for Competitive Procurement of Public Transit Services for presentation to a duly appointed competitive transit advisory team to assist and advise the Regional Transit Board, by August 15, 1987, in developing and implementing standards for competitive bidding.

Capital Planning Consultant Contract

Recommendation:

That the Regional Transit Board reaffirm its action of March 17, 1986, authorizing the executive director to enter into a contract with a consultant to assist with the development of a capital plan for an amount not to exceed \$10,000.

Request for Proposal for Evaluation of the Delivery of Ridesharing Services

Recommendation:

That the Regional Transit Board solicit proposals from consultants to evaluate the delivery of ridesharing services in the Twin Cities metropolitan area based on the scope of services contained in the request for proposal.

jmo  
PC/BD/TX2

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: June 1, 1987  
TO: Policy Committee  
FROM: Howard Blin, Planner<sup>HB</sup>  
SUBJECT: Capital Plan Development

ACTION REQUESTED

No action is requested; this item is for informational purposes only.

BACKGROUND

The purpose of the capital planning program is to determine the transit capital needs in the metropolitan area and establish a procedure for allocating capital resources among public, private and private non-profit transit providers. The main components of the plan will be an inventory of existing vehicles and facilities operated by the various providers, an analysis of future needs, and the development of an ongoing process for meeting these capital needs.

DISCUSSION

Attached is a draft work plan which outlines the main elements involved in development of the capital plan. Staff will be present on June 10 to discuss the work plan with the Policy Committee.

Attachment  
ch

CAPITAL PLANNING  
WORK PROGRAM

DRAFT

Introduction

The Implementation and Financial Plan recently adopted by the Regional Transit Board (RTB) provided an initial documentation of the existing capital inventory of transit providers in the metropolitan area. The Implementation and Financial Plan also outlined the steps the RTB would take to develop an ongoing process to identify the capital needs necessary to meet the transit service objectives. This work plan provides a more detailed discussion of the approach and activities the RTB will take to develop an ongoing capital planning program.

Purpose

The purpose of the capital plan is to establish a systematic means of allocating capital resources necessary for continued operation of the metropolitan transit system. This will provide the first comprehensive assessment of the current and future capital needs of public, private and private non-profit transit providers.

The plan will initially identify available capital resources through an inventory of equipment and facilities presently operated by transit providers. This will allow an analysis of whether or not current capital needs are being met. The next step will be a discussion of the issues related to capital funding, leading to the development of policies used to guide capital funding decisions. Finally, the plan will establish an ongoing process for meeting future capital needs of transit providers.

Organization and Responsibilities

The capital plan will be developed by the RTB Planning Section with Howard Blin serving as project leader. Plan development will be coordinated with Programs Section activities, particularly the competitive transit demonstration project.

A private consulting firm will be employed by the RTB to assist in specific elements of the plan. The consultant will have primary responsibility in assessing capital needs and developing capital funding evaluation criteria.

To ensure involvement from transit providers, discussions will be held on the program at providers meetings, in special meetings, and in individual sessions with providers. Comments and reactions from providers will be solicited throughout the process.

DRAFT

Work Programs and Products

The following summarizes the key elements in the capital planning process:

1. Develop Approach to Capital Planning

- Finalize work plan.
- Determine areas requiring involvement of consultant.
- Determine RTB staffing coordination.

Product: Final Work Plan  
Responsibility: Planning staff  
Timing: By June 15, 1987

2. Inventory Existing Capital Equipment and Facilities

- Develop format for categorizing various capital items used by MTC, private and private non-profit providers.
- Update existing inventory of capital equipment and facilities.

Product: Format and complete inventory of capital equipment and facilities  
Responsibility: Planning staff coordinating with Programs staff  
Timing: By June 15, 1987

3. Develop Capital Funding Policies

- Identify which capital items and costs should be eligible for funding.
- Develop policies for funding capital needs.
- Develop policies for shared use of publicly funded capital equipment and facilities.

Product: Memorandum on policy options  
Responsibility: Planning staff coordinated with Programs staff and Competitive Transit Project with input, review and comment by providers and the Metropolitan Council staff  
Timing: Draft by June 30, 1987; final by August 28, 1987

DRAFT

4. Identify Funding Sources

- Determine anticipated levels of capital funding from federal, state and local sources. This will include analysis of available funds for 1988 and projections for years 1989-1992.

Product: Memorandum on capital funding assumptions.

Responsibility: Planning staff coordinated with Comptroller, Programs staff and providers

Timing: By July 31, 1987

5. Assess Capital Needs

- Analysis of existing inventory of the various providers. This will include an assessment of the adequacy of existing vehicles and facilities to meet current service levels.
- Identification of future capital requirements. This will include estimates of the number and types of vehicles and facilities to meet future service levels.

Product: Memorandum addressing capital needs

Responsibility: Planning staff/consultant with review by Programs staff, providers and Metropolitan Council staff

Timing: Draft by August 14, 1987; final by September 15, 1987

6. Develop Evaluation Criteria and Procedures

- Establish specific criteria for evaluating funding requests based on the following: life cycle replacement; consistency with Transit Service Needs Assessment; consistency with Metropolitan Development Guide and Investment Framework; cost; and useful life of purchase.

Product: Draft capital funding evaluation criteria

Responsibility: Consultant/Planning staff coordinated with Programs staff, providers and Metropolitan Council staff

Timing: Draft by August 31, 1987; final by September 30, 1987

DRAFT

7. Develop Request and Review Procedures

- Establish procedures and timeline for providers to submit funding requests.
- Define RTB evaluation and ranking procedures. This will include responsibilities of RTB staff, committees and board.
- Develop procedures and timeline for incorporating capital plan into RTB budget, Implementation and Financial Plan, and Transportation Improvement Program. This will include procedures for Metropolitan Council review and approval of plan.

Product: Draft memorandum outlining review procedures and deadlines

Responsibility: Planning staff with review and input from Programs and Comptroller staff, providers and Metropolitan Council staff

Timing: Draft by August 31, 1987; final by September 30, 1987

8. Develop 1988-1992 Capital Plan

Product: Draft capital plan  
Final capital plan

Responsibility: Planning staff coordinated with Programs staff and comptroller, and input and comment from providers and Metropolitan Council staff

Timing: Draft by October 31, 1987; final by November 30, 1987

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: June 8, 1987  
TO: Regional Transit Board  
FROM: Doris Caranicas, Chair - Policy Committee  
SUBJECT: Report of the Policy Committee

At its June 10, 1987, meeting, the Policy Committee will be discussing and asked to approve recommendations on the following items:

- o Accept Draft of Standards, Procedures and Guidelines for Competitive Procurement of Public Transit Services Report for Public Hearing
- o Request for Proposal for Evaluation of the Delivery of Ridesharing Services

Reports and recommendations will be presented at the June 15, 1987, Board meeting.

jmo  
pc/bd/tx1