

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: May 18, 2016

SUBJECT: Transit Service Operating Contract (Apple Country Transit)

PRESENTER: Autumn Radcliff, Senior Planner

ATTACHMENTS:

1. Staff Report Summarizing Proposal Costs
2. Best and Final Offer from WCCA

SUMMARY OF REQUEST:

Federal regulations now require a new transit contract and solicitation process every six years. The County approved the current contract in 2011, which will expire on June 30, 2016. Staff issued a Request for Proposals (RFP) for the Apple Country Transit Service on March 9, 2016 for maintenance and operations of the transit system. The RFP specified a three-year term from July 1, 2016 through June 30, 2019, with an option to renew for three additional years through June 30, 2022.

The County received two proposals from qualified providers. The successful proposer is the existing provider of the service, Western Carolina Community Action (WCCA). Analysis of the proposals is included in the attached staff report. Staff recommends approval of the offer from WCCA in the amount of \$2,176,374 with individual rates summarized in the attached staff report. Henderson County receives funding from FTA, NCDOT, and local municipal contributions to offset yearly operational expenses. The services will cost an average hourly service rate of \$61.84 for paratransit and \$66.57 for fixed route for the first three years. Approval of the WCCA proposal would also authorize staff to renew an option for three additional years in the amount of \$2,444,530 at an average hourly service rate per year of \$66.23 for paratransit and \$70.55 for fixed route. Specific annual hourly rates shall be charged for services as per the rates summarized in the attached Staff Report. Based on anticipated service levels, the proposed average rates of service are within acceptable national service hour rates. The contract reserves the right of the County to terminate the contract with 90 days written notice for any reason.

BOARD ACTION REQUESTED:

Authorize the County Manager to execute a contract with WCCA to operate transit service in Henderson County that establishes not to exceed contract costs with corresponding hourly rates and total costs for a three year period with the option of an additional three year period (beginning July 1, 2016) as outlined above and in the staff report.

Suggested Motion: *I move the Board authorize the County Manager to execute a contract with WCCA for Apple Country Transit System.*

Attachment 1

Henderson County Planning Department Staff Report

APPLE COUNTRY TRANSIT OPERATIONS AND MAINTENANCE CONTRACT AWARD

1. RECOMMENDATIONS

- a. The Apple Country Transit Services contract for operations and maintenance of the bus fleet should be awarded to the successful proposer, Western Carolina Community Action (WCCA) for a three-year period with an option to renew for three additional years commencing July 1, 2016 as detailed in this report.
- b. The County Manager should be authorized to finalize contract details based on approval of the contract award by the Board of Commissioners.

2. PURPOSE

The purpose of this report is to seek approval of the contract award for the operation and maintenance of Apple Country Transit.

3. BACKGROUND

The County has had a contract with WCCA since 2006 to operate transit service pursuant to its eligibility to receive grant funding for transit operations from the Federal Transit Administration (FTA) and the North Carolina Department of Transportation (NCDOT). Before that date, WCCA previously operated public transit services in Henderson County with other federal funds, which the non-profit organization received directly from NCDOT. In 2006 the County became a sub-recipient of the City of Asheville to receive federal funds. It subsequently awarded a five-year contract to WCCA to supply transit service. WCCA was awarded another five-year contract in July of 2011. The current contract is set to expire on June 30, 2016 and the County has implemented a proposal process in accordance with state and federal guidelines.

On, March 9, 2016, staff advertised a Request for Proposals (RFP) for operations and maintenance of the Apple Country bus fleet. The RFP did not specify an increase in bus service due to recent requests by the Board of Commissioners to reduce costs within the upcoming fiscal year of 2017.

The RFP defined contracted bus services for the three existing routes, the Red, White, and Blue routes which operate throughout Hendersonville, Laurel Park, East Flat Rock, and Fletcher. The RFP requested costing by annual year based on a three-year term with an option to renew for three additional years.

A total of six firms requested the document. Two firms attended a pre-bid conference on March 24, 2016. The closing date for responses was April 11, 2016. Two companies, McDonald Transit Associates, Inc. and the existing provider, WCCA, both submitted compliant proposals.

4. ANALYSIS

The proposers were evaluated based on Qualifications and Experience (35%) Project Approach (25%) Cost (25%) and Implementation Plan (15%). WCCA Inc. was the most qualified provider based on experience in the region. Based on existing customer service surveys, accident rates, and federal compliance audits, they were also found to have the best approach to providing the service. Their costs were also 7.7% less than McDonald Transit, as they require no relocation expense related to start up and own most of the current transit fleet.

WCCA possesses over sixteen years of experience operating transit and currently works with locally based providers of maintenance, Four Seasons Ford. In addition to the fixed route services, WCCA also manages the County's ADA compliant paratransit services for elderly and disabled persons. The North Carolina Department of Transportation recently conducted an audit of WCCA's operations and maintenance activities to ensure that all requirements were being met. The audit resulted in a few minor findings which were resolved quickly.

Revenue hour service rates from the initial proposals received from WCCA and McDonald Transit for the requested six-year contract terms are summarized in Table 1. A revenue service hour is the unit of measure which defines the time that each vehicle is available to pick up passengers.

Table 1
Summary of Revenue Hour Service Rates (From original RFP Submittals)

Proposer	3-Year Average Rate	6-Year Average Rate
WCCA (Fixed)	\$66.57	\$72.42
McDonald Transit (Fixed)	\$68.43	\$71.46
Proposer	3-Year Average Rate	6-Year Average Rate
WCCA (Paratransit)	\$49.98	\$56.26
McDonald Transit (Paratransit)	\$70.91	\$74.44

Total six-year costs for McDonald Transit were \$5,413,254 as opposed to \$4,998,606 for WCCA (a cost difference of \$414,648). Upon a complete review of the contract proposals, staff proceeded to negotiate with WCCA. WCCA submitted a Best and Final Offer on May 5, 2016 which lowered the costs in their original contract submittal by \$696,416 over a six-year term. Some of the savings was due to Henderson County's agreement to reduce the number of paratransit service hours to current trending levels and Henderson County's plan for replacement vehicles, which reduced the maintenance expenses proposed by WCCA. Average rates for the current contract are \$61.88 for fixed route services and \$46.43 for paratransit services. The proposed rate increases shown in the tables below are largely a result of rising fuel and maintenance costs.

Table 2

WCCA Proposed Annual Costs and Hourly Rates for Fixed Route Transit
(Best and Final Offer dated May 5, 2016)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>
Not to Exceed Annual Cost	\$580,160	\$613,565	\$639,459	\$661,331	\$683,750	\$707,520
Service Hours	9,180	9,108	9,108	9,108	9,180	9,180
Hourly Rate	\$63.20	\$66.84	\$69.66	\$72.04	\$74.48	\$77.07

Table 3

WCCA Proposed Annual Costs and Hourly Rates for Paratransit Program
(Best and Final Offer dated May 5, 2016)

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>
Not to Exceed Annual Cost	\$107,990	\$115,730	\$119,470	\$124,464	\$130,005	\$137,460
Service Hours	1,850	1,850	1,850	1,850	1,850	1,850
Hourly Rate	\$58.37	\$62.56	\$64.58	\$67.28	\$70.27	\$74.30

Table 4

WCCA Proposed Hourly Service Rates Summary
(Best and Final Offer dated May 5, 2016)

<u>Proposer</u>	<u>3-Year Average Rate</u>	<u>6-Year Average Rate</u>
WCCA (Fixed)	\$66.57	\$70.55
WCCA (Paratransit)	\$61.84	\$66.23

Henderson County is in a special funding formula classification due to population size (less than 200,000) and therefore receives federal funding through the capital cost of contracting classification (as opposed to a higher 50% operating allocation reserved for larger cities). In the event that the County were to operate transit service with its own employees, federal operating funds, which currently subsidize 34.5% of the service cost, would not be available. Previous analysis in 2006 confirmed the appropriateness of fully contracting the bus operation to yield a lower net local cost.

Staff also reviewed national service rates for operating contracts. WCCA's response is in line with national hourly rates for systems of comparable size.

5. RELATIONSHIP TO CURRENT PLANS

Henderson County's Comprehensive Plan has identified the need to have an effective, efficient and environmentally sensitive transportation system to improve transportation opportunities for residents within the region.

6. CONCLUSION

The continuation of a fully contracted bus operations service will maintain the quality, availability, efficiency and effectiveness of the current transit program. The response to the request for proposals for bus operations and maintenance by WCCA meets the requirements of Henderson County's Request for Proposals at an acceptable hourly service rate and is therefore recommended for approval.



May 5, 2016

Henderson County Planning Department
Autumn Radcliff
Senior Planner
100 N. King Street
Hendersonville, NC 28792

Dear Autumn,

We are pleased to submit our best and final offer to provide fixed route bus service and paratransit system service and support for Apple Country Transit pursuant to the Request for Proposal/Apple Country Transit Bus System Service System and Support(RFP).

We have submitted cost proposal 2-K paratransit based on 1,850 hours and a revised fixed route cost proposal 2-J based on the replacement schedule of the existing CNG Transit Vehicles at 150,000 miles. WCCA would like to request that if there a delay in the purchase of replacement equipment at 150,000 mile threshold we would like to reevaluate years 4 through 6 at the appropriate time.

Sincerely,

David White
CEO

**SERVICE CONTRACT REQUEST FOR PROPOSAL
FIXED ROUTE COST PROPOSAL - 2-J**

PROPOSED						
Expenses	Base Year 1: July 1, 2016 to June 30, 2017	Base Year 2: July 1, 2017 to June 30, 2018	Base Year 3: July 1, 2018 to June 30, 2019	Optional Year 1: July 1, 2019 to June 30, 2020	Optional Year 2: July 1, 2020 to June 30, 2021	Optional Year 3: July 1, 2021 to June 30, 2022
Operations Cost						
<i>General Transit Salary & Fringe</i>						
Management/Administration (Ops)	\$ 92,236	\$ 93,739	\$ 95,275	\$ 96,843	\$ 98,445	\$ 100,083
Dispatching	6,317	6,411	6,508	6,605	6,704	6,805
Road Supervision	-	-	-	-	-	-
Operator Training	38	41	44	48	51	55
Vehicle Operation	191,725	194,601	197,520	200,483	203,490	206,543
CNG/GasFuel for Revenue Vehicle	53,169	58,061	63,402	76,928	84,006	91,734
Other Costs (general Ops including office supplies, phone, printing, etc)	3,886	4,178	4,491	4,828	5,190	5,579
Total Operations Cost	347,372	357,032	367,241	385,735	397,887	410,799
Maintenance Costs						
Management/Administration	-	-	-	-	-	-
Supervisor/Foreman	-	-	-	-	-	-
Mechanics	-	-	-	-	-	-
Servicepersons & Cleaners	26,634	27,966	30,762	30,782	32,301	33,916
Other Maintenance Labor	-	-	-	-	-	-
Materials & Supplies	-	-	-	-	-	-
Spare Parts	-	-	-	-	-	-
Revenue Vehicle Tires	8,942	9,389	10,328	10,328	10,845	11,387
Maintenance Support Vehicles	-	-	-	-	-	-
Fare Collection System	-	-	-	-	-	-
Fluids, Lubricants, Oil	-	-	-	-	-	-
Maintenance Parts & Supplies	80,214	84,225	92,647	92,647	97,280	102,144
Maintenance Software	-	-	-	-	-	-
Tools & Minor Equipment	255	268	295	295	310	325
Other Costs (specify)	-	-	-	-	-	-
Total Maintenance Costs	116,045	121,848	134,033	134,033	140,734	147,771
Administration Cost						
Management/Administration	23,200	23,548	23,901	24,259	24,623	24,992
Personnel	10,900	11,063	11,229	11,398	11,569	11,742
Accounting/Finance	19,952	20,251	20,555	20,863	21,176	21,493
Claims/Insurance	12,681	13,949	15,344	16,879	18,567	20,423
Customer Service	-	-	-	-	-	-
Professional Services (audit fees)	1,205	1,265	1,329	1,395	1,465	1,538
Utilities	-	-	-	-	-	-
Leases & Rentals	9,522	23,073	22,529	21,966	21,382	20,778
Uniforms for Drivers	1,330	1,396	1,466	1,539	1,616	1,697
Fee or Profit	-	-	-	-	-	-
Other Costs (Risk contingency/capital reserve)	37,954	40,140	41,834	43,265	44,731	46,286
Total Administration Cost	116,743	134,685	138,186	141,563	145,128	148,951
Total Annual Cost	\$580,160	\$613,565	\$639,459	\$661,331	\$683,750	\$707,520
Total Annual Revenue Hours	9,180	9,180	9,180	9,180	9,180	9,180
Annual Cost per Revenue Hour	\$63.20	\$66.84	\$69.66	\$72.04	\$74.48	\$77.07
NOTES:						
1. Mobilization Costs should NOT be included in annual hourly costs for fixed route and paratransit operations.						
2. For items that indicate "specify", submit separate page(s) listing capital and operating items, with cost of each item.						

5/5/16 Revision - Best and final offer approved by David White.

D. White
5/5/16

SERVICE CONTRACT REQUEST FOR PROPOSAL
COST PROPOSAL - 2-K SCENARIO BASED ON 1,850 HOURS

PROPOSED							
	Base Year 1: July 1, 2016 to June 30, 2017	Base Year 2: July 1, 2017 to June 30, 2018	Base Year 3: July 1, 2018 to June 30, 2019	Optional Year 1: July 1, 2019 to June 30, 2020	Optional Year 2: July 1, 2020 to June 30, 2021	Optional Year 3: July 1, 2021 to June 30, 2022	
Expenses							
Operations Cost							
<i>General Transit Salary & Fringe</i>							
Management/Administration (Ops)	\$ 18,096	\$ 18,387	\$ 18,684	\$ 18,988	\$ 19,298	\$ 19,614	
Dispatching	1,695	1,720	1,746	1,772	1,799	1,826	
Road Supervision	-	-	-	-	-	-	
Operator Training	-	-	-	-	-	-	
Vehicle Operation	42,247	42,881	43,524	44,177	44,839	45,512	
CNG/GasFuel for Revenue Vehicle	7,512	8,203	8,957	9,781	10,681	11,664	
Other Costs (general Ops including office supplies, phone, printing, etc)	265	284	306	329	353	380	
Total Operations Cost	69,813	71,475	73,217	75,047	76,970	78,995	
Maintenance Costs							
Management/Administration	-	-	-	-	-	-	
Supervisor/Foreman	-	-	-	-	-	-	
Mechanics	-	-	-	-	-	-	
Servicepersons & Cleaners	5,422	5,693	6,263	7,202	8,282	9,939	
Other Maintenance Labor	-	-	-	-	-	-	
Materials & Supplies	-	-	-	-	-	-	
Spare Parts	-	-	-	-	-	-	
Revenue Vehicle Tires	901	946	1,041	1,197	1,376	1,651	
Maintenance Support Vehicles	-	-	-	-	-	-	
Fare Collection System	-	-	-	-	-	-	
Fluids, Lubricants, Oil	-	-	-	-	-	-	
Maintenance Parts & Supplies	9,484	9,958	10,954	12,597	14,487	17,384	
Maintenance Software	-	-	-	-	-	-	
Tools & Minor Equipment	-	-	-	-	-	-	
Other Costs (specify)	-	-	-	-	-	-	
Total Maintenance Costs	15,807	16,598	18,257	20,996	24,145	28,975	
Administration Cost							
Management/Administration	4,966	5,040	5,116	5,193	5,270	5,350	
Personnel	2,333	2,368	2,404	2,440	2,476	2,513	
Accounting/Finance	4,271	4,335	4,400	4,466	4,533	4,601	
Claims/Insurance	855	941	1,035	1,138	1,252	1,377	
Customer Service	-	-	-	-	-	-	
Professional Services (audit fees)	86	90	95	99	104	110	
Utilities	-	-	-	-	-	-	
Leases & Rentals	2,794	7,313	7,132	6,944	6,749	6,548	
Uniforms for Drivers	-	-	-	-	-	-	
Fee or Profit	-	-	-	-	-	-	
Other Costs (Risk contingency/capital reserve)	7,065	7,571	7,816	8,143	8,505	8,993	
Total Administration Cost	22,369	27,658	27,996	28,422	28,890	29,491	
Total Annual Cost	\$107,990	\$115,730	\$119,470	\$124,464	\$130,005	\$137,460	
Total Annual Revenue Hours	1,850	1,850	1,850	1,850	1,850	1,850	
Annual Cost per Revenue Hour	58.37	\$62.56	\$64.58	\$67.28	\$70.27	\$74.30	

NOTES:
 1. Mobilization Costs should NOT be included in annual hourly costs for fixed route and paratransit operations.
 2. For items that indicate "specify", submit separate page(s) listing capital and operating items, with cost of each item.
 3. Annual Paratransit Revenue Hours estimated

5/5/16 Revision - Best and final offer approved by David White.

D. White
 5/5/16