

T Transportation Committee

Meeting date: December 8, 2008

For Metropolitan Council meeting December 10, 2008

ADVISORY INFORMATION

Date: November 26, 2008

Subject: Contract Amendment for Forest Lake/Columbus Peak Express Transit Service

District(s), Member(s): All

Policy/Legal Reference: Council Policy 3-3 Expenditures - Procurement of Goods and Services Over \$250,000

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Division/Department: Metropolitan Transportation Services (MTS)

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to amend contract number 07P210 for peak express transit service in the Forest Lake/Columbus to Downtown Minneapolis corridor. The amendment will extend the contract through December 31, 2009, and increase the contract by \$865,000 for a new total contract amount not to exceed \$1,571,128.66, contingent upon project partners finalizing funding commitments.

Issue(s)

Route 288 was established in January 2008 in response to the I-35W bridge collapse using federal emergency funds. The service, operating between Forest Lake/Columbus and downtown Minneapolis, is successful but became ineligible for federal emergency funding when the bridge reopened on September 18, 2008. Council members and staff have been working with local funding partners - Washington, Anoka and Chisago counties and the cities of Forest Lake and Columbus - to finance the continuation of Route 288. The partners are addressing the fact that Forest Lake and Columbus are not part of the transit taxing district.

While the plan details and official actions are being finalized, Council staff wants to assure that the service continues without interruption by entering into a sole-source agreement using the same terms and conditions as established through the competitive process in 2007. The only deviations from those terms include:

1. Service dates of January 1, 2009-December 31, 2009.
2. A 3.9% increase to the hourly rate.
3. Increase the number of miles covered under the fuel escalator clause to include garage to garage.

The new hourly contract rate is \$262.67 and includes the bus lease cost.

When the 2009 budget was developed, continuation and funding of Route 288 service after December 31, 2008 had not been determined. Therefore, the cost to deliver the service is not included in the 2009 MTS proposed budget. However, given the strong ridership on the route, it is recommended to continue the service while recognizing this will increase the Council's 2009 transit operating deficit. When the total operating deficit is addressed, continuation of Route 288 will be evaluated along with all other regional routes as part of any service reduction proposal for balancing the budget.

Background

In November 2007, the Council issued an RFP for new express transit service operating from the Forest Lake Transit Center as well as the Running Aces Harness Park to and from Downtown Minneapolis in response to the I-35W bridge collapse. There are four morning and four afternoon weekday peak period trips as well as two shuttle trips from the 95th Ave. Park & Ride. Unlike other Council contracted routes, the contractor is responsible for providing four coach buses to operate this service.

Rationale

Route 288 was an immediate success with ridership peaking at 395 average daily rides in July with some trips having standing loads. Effective October 1, fares were raised to mirror the Northstar Route 888 commuter coach service. This increase, combined with steadily declining gas prices, has reduced Route 288 ridership; however, the service continues to average over 300 riders per day. A notable increase in cars at the 95th Ave. Park & Ride lot indicates that many of these commuters continue to use transit, but are opting to access service closer to downtown at a lower fare.

Funding

Staff estimated the 2009 service cost, including the leasing of buses, to be approximately \$865,000. The 2009 funding plan calls for:

- 1) The 2009 Regional Transit Capital (RTC) equivalent for Forest Lake and Columbus to be paid to the Met Council by the partner counties. Washington and Anoka counties are in discussions on funding this \$343,000 with formal actions by both counties anticipated no later than December 16, 2008.
- 2) Forest Lake and Columbus to formally agree to pay the RTC in 2010 and beyond. Each City Council took formal action on November 24, 2008 and directed staff to negotiate an agreement with the Council.

For 2010 Route 288 operations, the Council will utilize coach buses being purchased as part of the Urban Partnership Agreement. In 2009 the Council will competitively procure 2010 and beyond Route 288 transit services with Council-furnished buses, rather than the current bus leasing arrangement. This will significantly reduce long-term operating costs.

The 2008 non-federal funding for September 18 through December 31, is being shared by the Council and Chisago, Anoka and Washington counties. Final action by Washington County on the 2008 funding is expected at its December 16, 2008 meeting. Anoka and Chisago counties already approved this funding, with the latter having contingencies upon 2009 continuation of the route.

Known Support / Opposition

There is no known opposition.