

Tempe/RPTA Transit Operations Unification Update

Issue Review Session January 8, 2015



Background

- 2011: Project team evaluated strengths, weaknesses, risks and costs savings for unification.
 - Estimated \$800K to \$1M in annual operating cost savings regionally.
 - Tempe's savings estimated between \$400K & \$500K annually.

Background

- January 2012: Council approved examining unification of Tempe/RPTA bus operations while maintaining local control.
- July 2013: Scout Program implemented for a 3-year period with a determination based on outcomes at the end of FY14-15 to decide to extend unification.

Unification Cost Saving Measures

- **More Efficient Utilization of Facilities**
 - decrease in non-revenue miles due to reassignment of routes between two operating facilities
- **Streamlined Contractor Management**
 - reduce contractor staffing requirements through use of one contractor
- **Economies of Scale**
 - efficiencies gained in areas of service supervision, parts purchasing and inventory, operator and mechanic training and administrative functions

Year 1- Scout Program Performance Results

Contractor Performance Criteria	FY 13-14	Grade
On-time Performance	93.1%	Meets benchmark (C)
Preventable Accidents per 100,000 miles	0.42	Exceptional (A-)
Complaints per 100,000 boardings	28.1	Above benchmark (B)
Mechanical failures per 100,000 miles	5.1	Exceptional (A-)
On-time preventive maintenance inspections	92%	Exceptional (A-)

Source: RPTA

Satisfaction with Transit Service in Tempe

- Sept. 2014: WestGroup Research conducted telephone survey of 409 Tempe residents.
- Margin of error at $\pm 5\%$ with 95% level of confidence.
- 72% of bus riders (69% in 2012) rated the quality of Tempe's transit system very and somewhat satisfied.

Overall Satisfaction with Tempe Transit System

Satisfaction	2014 (n=376)	2012 (n=355)	2010 (n=377)	2008 (n=333)
NET very + somewhat satisfied	72%	69%	66%	61%
5 – Very satisfied	37%	39%	29%	26%
4	35%	30%	37%	35%
3	17%	21%	22%	27%
2	6%	5%	5%	6%
1 – Very dissatisfied	5%	5%	6%	6%

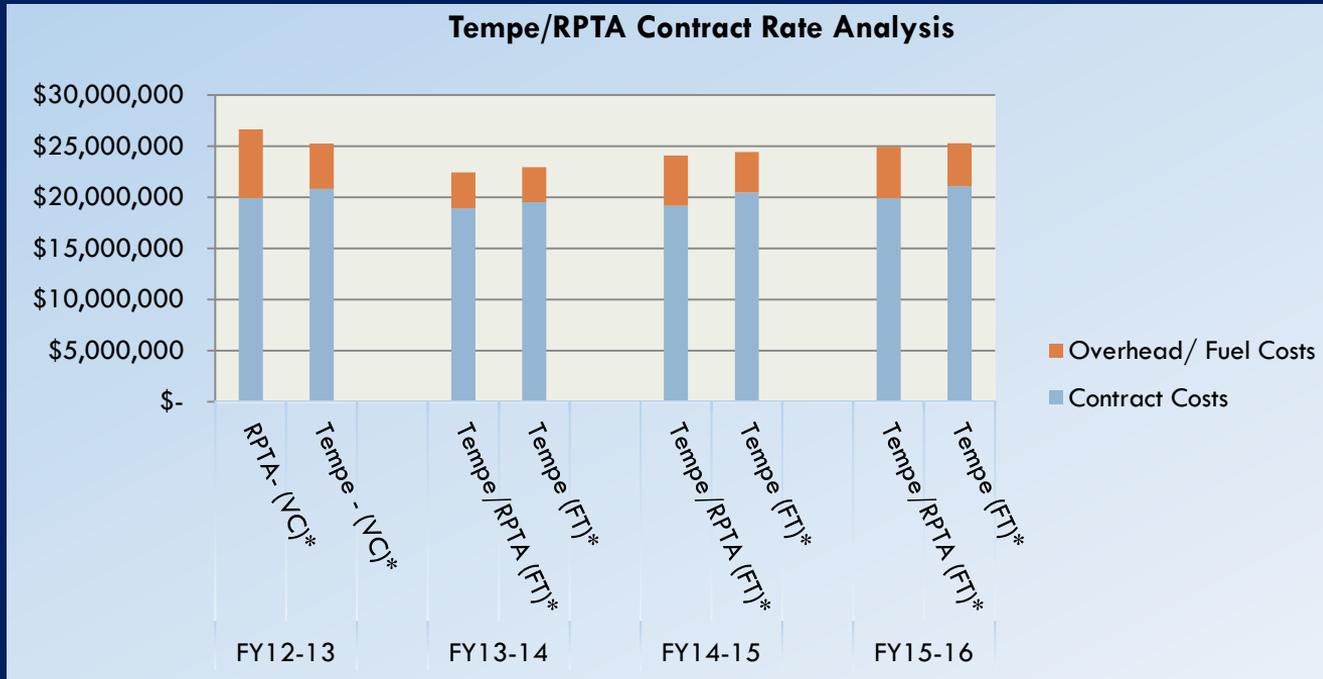
Contract Rate Analysis

- **3 Contract Rate Proposals submitted by First Transit**
 - Tempe Only – based on current operating service (Tempe Facility)
 - RPTA Only – based on current operating service (Mesa Facility)
 - Tempe/RPTA Combined – based on combined operating service (Tempe/Mesa Facility)
- **Contract Rate Analysis - Procedures**
 - Compare Tempe service rates to Tempe/RPTA combined service rates
 - Overhead rates added to contract rates – (fully allocated rates)
 - including fuel, staff, facility costs, maintenance repairs, etc.
- **Comparison of Contract Rates & Overhead Rate Allocation**
 - FY12-13 compares actual contract rates operated by Veolia prior to First Transit contract

Tempe/RPTA Contract Rate Analysis Cost Per Revenue Mile

Contract Service	FY12-13	FY13-14	FY14-15	FY15-16
Tempe Fixed Route	\$ 5.24	\$ 4.89	\$ 5.12	\$ 5.27
Tempe - Circulator	\$ 5.11	\$ 4.81	\$ 5.08	\$ 5.22
Tempe - Express	\$ 5.41	\$ 5.26	\$ 5.51	\$ 5.67
Tempe - Overhead/Fuel	\$ 1.03	\$ 0.86	\$ 0.99	\$ 1.05
Tempe/RPTA Fixed Route	\$ 4.94	\$ 4.73	\$ 4.82	\$ 4.99
Tempe/RPTA Circulator	n/a	\$ 4.71	\$ 4.71	\$ 4.91
Tempe/RPTA Express	\$ 4.67	\$ 4.92	\$ 4.99	\$ 5.20
Tempe/RPTA - Overhead/Fuel	\$ 1.67	\$ 0.88	\$ 1.22	\$ 1.26

Tempe/RPTA Contract Rate Analysis



* (VC) Veolia Tempe, (FT) First Transit

Contract vs. Fully Allocated

Contract Cost Savings

FY 13/14	FY 14/15	FY 15/16
\$585,082	\$1,303,533	\$1,170,155

Fully Allocated Cost Savings (Net)

FY 13/14	FY 14/15	FY 15/16
\$504,913	\$367,415	\$328,139

Next Steps

- Work with RPTA to:
 - maintain high quality reliable transit service
 - define program costs that substantiate savings to Tempe
 - reconcile calculation of performance measures
- April 2015: Provide update to Council on reliability of transit services, program cost and performance measures.
- May 2015: Seek Council direction regarding the future of unification.