

SARASOTA COUNTY GOVERNMENT

Sarasota County Area Transit

TO: Sarasota County Commission
THROUGH: Jonathan R. Lewis, County Administrator
FROM: Robert R. Lewis, Director, Community & Intgv. Rel.; Interim Director, SCAT
DATE: April 25, 2018
SUBJECT: **Update: Transit Request for Information**

BACKGROUND:

During the August 21, 2017, Sarasota County Budget Workshop, the Commission authorized the County Administrator to prepare a solicitation format for Board consideration concerning alternative methods of providing transit services. The Request for Information (RFI) format was recommended by staff, and approved by the Commission on January 16, 2018. The RFI was issued on January 19, 2018, and responses were requested and received by February 21, 2018.

An RFI is a written request issued by the County which solicits important technical and performance information from prospective vendors to assist in developing a well-defined scope of services for soliciting proposals for services. Responses to these requests are not offers and may not be accepted by the County to form a binding contract. It is not a Request for Proposals (RFP), which is a formal solicitation that is awarded based on qualifications. There are several different solicitation types:

- **Unsolicited proposals** – a proposal submitted by a vendor for goods and services that have not been requested by the county, but which can be considered by the county.
- **Request for Information (RFI)** – a written request issued by the County which solicits important technical and performance information from prospective vendors to assist in developing a well-defined scope of services for soliciting proposals for services. Responses to these requests are not offers and may not be accepted by the County to form a binding contract.
- **Request for Qualifications (RFQ)** – requests prospective vendors provide a summary of qualifications and state their interest in performing a specific project or service. The County then develops a shortlist of vendors to compete for specific services. An RFQ does not result in the selection of vendors; no work is awarded.
- **Request for Proposals (RFP)** – requests proposals from proposers which define the best solution and related costs to respond to a defined scope of services. An RFP is a formal solicitation that is awarded based on qualifications.
- **Invitation for Bid (IFB)** – requests pricing from bidders based on a set of defined specifications. An IFB is a formal solicitation that is awarded based on lowest price.
- **Invitation to Negotiate (ITN)** – requests proposals from proposers which define the best solution and related costs and allows negotiations with one or more proposers in order to achieve best value.

RELEVANT PRIOR BOARD ACTION:

1. August 21, 2017 - The Board requested a solicitation format for Board consideration concerning alternative methods of providing transit services (3-2 vote).
2. January 16, 2018 – The Board approved the issuance of a Request for Information (RFI) for alternative methods of providing transit services (5-0 vote).

OUTREACH:

Staff shared the responses of the RFI, and met individually, with Manatee County Area Transit (MCAT) staff, the Sarasota-Manatee Metropolitan Planning Organization (MPO) staff, as well as the staffs of the Town of Longboat Key, City of Sarasota, City of Venice, and City of North Port.

PROCUREMENT ACTION:

N/A

ANALYSIS/NEXT STEPS:

The responses to the RFI provided staff with current and pertinent information from the marketplace, affording the business community the opportunity to provide input on current industry factors and market drivers. Three responses to the RFI were received:

- Keolis Transit America
- RATP Dev USA
- Transdev Services, Inc.

Staff is reviewing the RFI responses concurrently with MCAT staff, Sarasota-Manatee MPO staff, as well as the staffs of the Town of Longboat Key, City of Sarasota, City of Venice, and City of North Port. As part of the review, staff is evaluating the potential risks and rewards associated with the various public transit programming approaches and methodologies. In addition, staff is developing alternative service delivery models intended to reduce operating costs and maintain or improve efficiencies.

FUNDING:

N/A

STAFF RECOMMENDATION(S):

Staff is continuing to review the RFI and alternative service delivery methods and will be bringing forward recommendations regarding next steps in a separate report to the Board.

ATTACHMENTS:

1. Request for Information (RFI) for alternative SCAT services
2. Responses to RFI
3. PowerPoint Presentation

Solicitation 186788CG

Feasibility of Outsourcing Transit Svs Planning, Operations Maint and/or Mgmt

Bid Designation: Public



Sarasota County

Bid 186788CG

Feasibility of Outsourcing Transit Svs Planning, Operations Maint and/or Mgmt

Bid Number 186788CG
 Bid Title Feasibility of Outsourcing Transit Svs Planning, Operations Maint and/or Mgmt

Bid Start Date Jan 19, 2018 11:18:22 AM EST
 Bid End Date Feb 21, 2018 2:30:00 PM EST
 Question & Answer End Date Feb 7, 2018 5:00:00 PM EST

Bid Contact Carmen Gomez
 Procurement Analyst Sr.
 OFM - Procurement
 941-363-1547
 cgomez@scgov.net

Contract Duration **See Specifications**

Contract Renewal Not Applicable

Prices Good for **Not Applicable**

Bid Comments **Sarasota County is conducting a Request for Information (RFI) from interested parties to consider the feasibility of alternative methods of providing transit services.**

Item Response Form

Item **186788CG--01-01 - Document 5.2.a**

Quantity **1 package**

Prices are not requested for this item.

Delivery Location **Sarasota County**
No Location Specified

Qty 1

Description

Upload your response to information requested in 5.2.a of the RFI.

Item **186788CG--01-02 - Document 5.2.b**

Quantity **1 package**

Prices are not requested for this item.

Delivery Location **Sarasota County**
No Location Specified

Qty 1

Description

Upload your response to information requested in 5.2.b of the RFI.

Item **186788CG--01-03 - Document 5.2.c**

Quantity **1 package**

Prices are not requested for this item.

Delivery Location **Sarasota County**

No Location Specified

Qty 1

Description

Upload your response to information requested in 5.2.c of the RFI.

Item **186788CG--01-04 - Document 5.2.d**

Quantity **1 package**

Prices are not requested for this item.

Delivery Location **Sarasota County**

No Location Specified

Qty 1

Description

Upload your response to information requested in 5.2.d of the RFI.

Item **186788CG--01-05 - Document 5.2.e**

Quantity **1 package**

Prices are not requested for this item.

Delivery Location **Sarasota County**

No Location Specified

Qty 1

Description

Upload your response to information requested in 5.2.e of the RFI.

Item **186788CG--01-06 - Document 5.2.f**

Quantity **1 package**

Prices are not requested for this item.

Delivery Location **Sarasota County**

No Location Specified

Qty 1

Description

Upload your response to information requested in 5.2.f of the RFI.

Item **186788CG--01-07 - Document 5.2.g**

Quantity **1 package**

Prices are not requested for this item.

Delivery Location **Sarasota County**

No Location Specified

Qty 1

Description

Upload your response to information requested in 5.2.g of the RFI.

Item **186788CG--01-08 - Document 5.2.h**

Quantity **1 package**

Prices are not requested for this item.

Delivery Location **Sarasota County**

No Location Specified

Qty 1

Description

Upload your response to information requested in 5.2.h of the RFI.

Item **186788CG--01-09 - Document 5.2.i**

Quantity **1 package**

Prices are not requested for this item.

Delivery Location **Sarasota County**

No Location Specified

Qty 1

Description

Upload your response to information requested in 5.2.i of the RFI.

REQUEST FOR INFORMATION “(RFI)”

RFI 186788CG: FEASIBILITY OF OUTSOURCING TRANSIT SERVICES PLANNING, OPERATIONS, MAINTENANCE AND/OR MANAGEMENT

1.0 INTRODUCTION

This request is for information to assist Sarasota County, a political subdivision of the State of Florida, in obtaining technical and performance narrative responses for information gathering purposes. Please be advised that this may be the first step of two-step process. Should the County determine to proceed with a formal solicitation based on the responses to this RFI, step two will include the issuance of a formal solicitation to be handled in accordance with the Sarasota County Procurement Code.

2.0 CURRENT TRANSIT SERVICES

Sarasota County Area Transit (SCAT) provides fixed route, transit based, mobility planning, operations and maintenance services. SCAT’s system includes 235 employees, 10 neighborhood buses, 10 hybrid buses, 40 diesel buses, 3 trolleys, and 42 para-transit diesel buses. The para-transit service and 3 trolleys are currently managed and operated through a contract with a private provider.

Fixed route services were reviewed in a recent Comprehensive Operations Analysis (COA). The COA identified several system-wide route specific recommendations in seven categories:

- Span of Service (Service Start & End Times and Service Days of the Week)
- Alignment
- Running Time
- Headway
- Scheduling
- Bus Stop Spacing
- Route Elimination

3.0 REQUESTED INFORMATION – PROVIDING TRANSIT SERVICES

Describe how the current transit based mobility services would be provided to Sarasota County if such were outsourced.

Provide any suggestions or advice regarding programming, implementation, management, technology, etc. relevant to providing services.

Detail any additional information or clarifications which would be needed in order to prepare a comprehensive proposal in the future.

4.0 OTHER INFORMATION

Provide any relevant corporate background information.

RFI responses should include the following contact information: Company Name, Address, Name & Title of the primary point of contact with telephone and email information.

REQUEST FOR INFORMATION “(RFI)”

5.0 SUBMITTALS

Responses shall be limited to **fifty (50)** written pages. Responses must be submitted electronically in BidSync no later than the submittal date and time specified in BidSync. When submitting your information, please consider that responses to this RFI will become public record. Respondents are advised that all materials submitted may be used in designing a future solicitation or otherwise disclosed to the general public.

5.1 Electronic Form – The form below is provided as an attachment to this RFI.

- a. Company Information Form

5.2 Documents – In addition to the form listed in Section 5.1 above, submittals shall include all of the information below.

- a. Provide how the current transit based mobility services would be provided to Sarasota County if such were outsourced.
- b. Provide suggestions regarding programming.
- c. Provide suggestions regarding implementation.
- d. Provide suggestions regarding management, etc.
- e. Detail any additional information or clarifications which would be needed in order to prepare a comprehensive proposal in the future.
- f. Are you potentially interested in participating in this project? If so, in what capacity would you participate?
- g. Please list and rank the factors that would most influence your decision on whether to participate in the project.
- h. Would you recommend that Sarasota County consider delivering this project in phases? If so, please describe.
- i. What are the most important qualifications Sarasota County should look for in identifying the optimal contractor?

6.0 FUTURE SOLICITATION & AWARD

No vendor will be selected and no work awarded pursuant to this RFI. The County does not guarantee any formal solicitation will be generated based on this RFI. Additionally, vendors are not required to respond to this RFI in order to respond to any future related solicitation. The County may consider and/or utilize non-proprietary submitted information in the development of a scope of services for a future solicitation.

1. Please provide your company information.

Company Name:

Company Address:

Contact Name:

Contact Title:

Telephone:

Email Address:

Question and Answers for Bid #186788CG - Feasibility of Outsourcing Transit Svs Planning, Operations Maint and/or Mgmt

Overall Bid Questions

Question 1

Regarding Question 2: Provide suggestions regarding programming; are you requesting information regarding operations programming or the RFP process programming or both? (Submitted: Feb 6, 2018 9:15:30 PM EST)

Answer

- Sarasota County is requesting information regarding operations programming. (Answered: Feb 7, 2018 9:43:57 AM EST)

**Bid Tabulation Packet
for
Solicitation 186788CG**

**Feasibility of Outsourcing Transit Svs Planning,
Operations Maint and/or Mgmt**

Bid Designation: Public



Sarasota County

Keolis Transit America

Bid Contact **Sandi Hill** Address **6053 W. Century Blvd**
busdev@Keolisna.com **9th Floor**
Ph 310-981-9500 **Los Angeles, CA 90045**
Fax 310-981-9501

Bid Notes **Please provide your company information.**
Company Name: Keolis Transit America
Company Address: 6053 W. Century Blvd., Suite 900, Los Angeles, CA 90045
Contact Name: Bryan Jungwirth
Contact Title: Vice President of Business Development
Telephone: 202-600-1960
Email Address: bryan.jungwirth@keolisna.com

Item #	Line Item	Notes	Unit Price	Qty/Unit	Attch.	Docs
186788CG--01-01	Document 5.2.a	Supplier Product Code:	First Offer -	1 / package	Y	Y
186788CG--01-02	Document 5.2.b	Supplier Product Code:	First Offer -	1 / package	Y	Y
186788CG--01-03	Document 5.2.c	Supplier Product Code:	First Offer -	1 / package	Y	Y
186788CG--01-04	Document 5.2.d	Supplier Product Code:	First Offer -	1 / package	Y	Y
186788CG--01-05	Document 5.2.e	Supplier Product Code:	First Offer -	1 / package	Y	Y
186788CG--01-06	Document 5.2.f	Supplier Product Code:	First Offer -	1 / package	Y	Y
186788CG--01-07	Document 5.2.g	Supplier Product Code:	First Offer -	1 / package	Y	Y
186788CG--01-08	Document 5.2.h	Supplier Product Code:	First Offer -	1 / package	Y	Y
186788CG--01-09	Document 5.2.i	Supplier Product Code:	First Offer -	1 / package	Y	Y
Supplier Total					\$0.00	

Keolis Transit America

Item: **Document 5.2.a**

Attachments

RFI Responses to SCAT 5.2a.docx

a. Provide how the current transit based mobility services would be provided to Sarasota County if such were outsourced.

The Sarasota County Area Transit System (SCAT) is a system where its fixed routes are directly operated by Sarasota County. It consists of approximately 28 fixed routes, 70 fixed route buses in operation and 30 paratransit buses. Ride Right Transit, LLC is Sarasota County Area Transit's paratransit vendor.

It is our recommendation that Sarasota County outsource via a contract its entire transit system to achieve the greatest economies of scale and tax dollar savings. A private contractor hired through a competitive procurement process would become the County's sole transit operating agency and report directly to the County's Transit Manager, County Administrator, to another designee or directly to the County Commission.

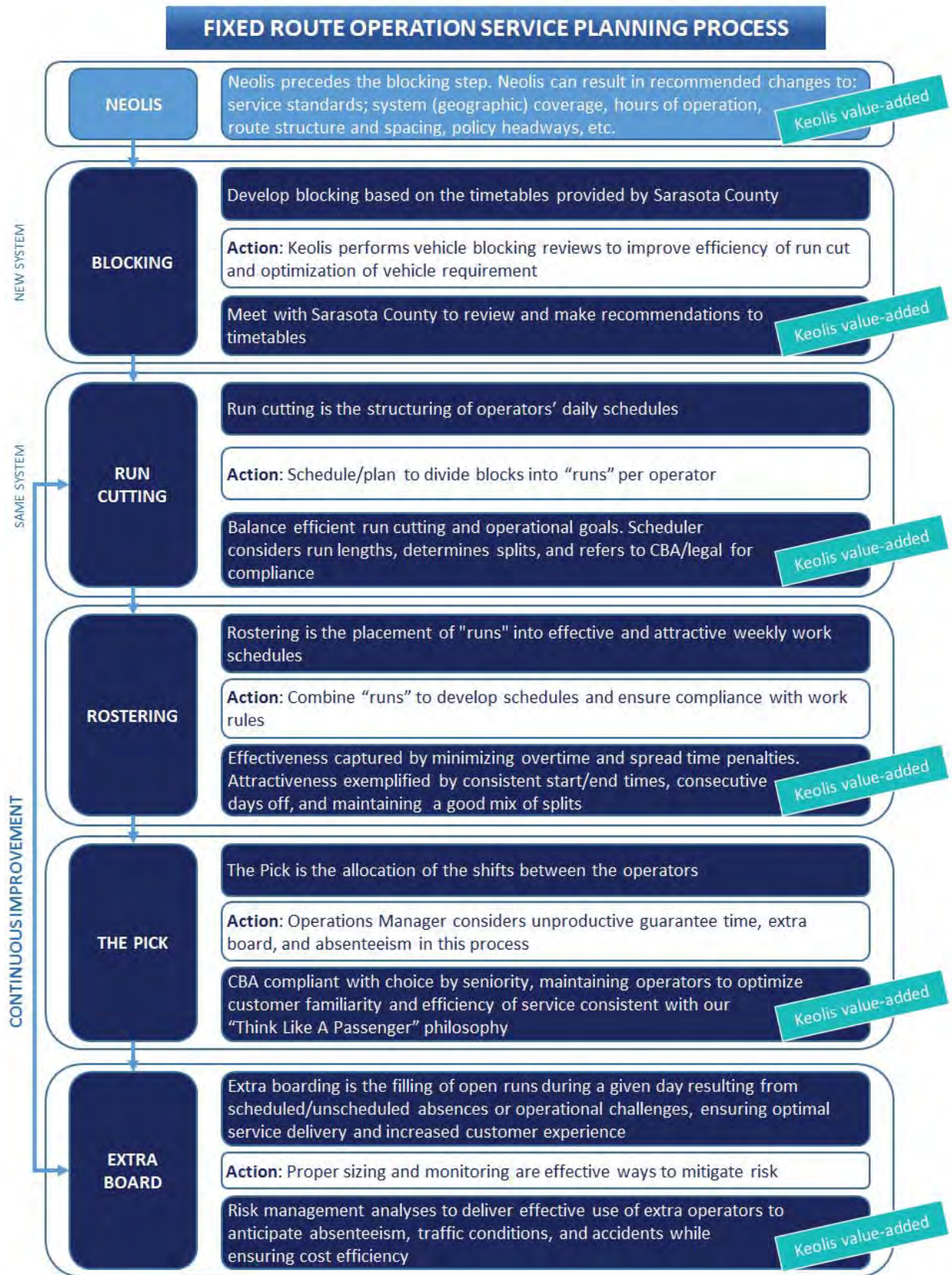
The County would provide or be responsible for:

- Policy direction
- Maintaining ownership of vehicles and facilities
- Capital financing
- Providing local funding for the system
- Approving annual operating and capital budgets
- Setting fare policy
- Major facility and equipment maintenance, including but not limited to HVAC system, bus wash system, etc.
- Replacement of the fleet following FTA recommendations (useful life of 12 years or 500,000 miles for full-size fixed route buses, and 7 years or 200,000 miles for paratransit vehicles)

The private Contractor would provide:

- Bus transit operations and maintenance
- Paratransit services operations and maintenance
- New innovative transportation technologies such as Microtransit and autonomous vehicles
- Facility and bus stop routine maintenance
- Insurance and operating risks associated with vehicle accidents and worker compensation claims
- Labor negotiations, employee recruitment and training
- Vehicle maintenance, warranty administration, purchasing
- Employee payroll and benefits, including retirement
- Provide all accounting functions, including federal grants accounting
- Submit all required FTA reports
- Prospect and submit federal and state grant requests
- Customer service
- Reporting to either County management or the County Commission
- Planning, Scheduling, Dispatch
- Call Center
- Transit Asset Management
- Reporting of Key Performance Indicators and taking actions to correct deficiencies
- DBE/MBE subcontracting opportunities

For provision of the Service Planning activities, the private contractor would provide most of the functions delivered by SCAT today (see diagram below).



CONTINUOUS IMPROVEMENT

ROSTERING

Rostering is the placement of "runs" into effective and attractive weekly work schedules

Action: Combine "runs" to develop schedules and ensure compliance with work rules

Effectiveness captured by minimizing overtime and spread time penalties. Attractiveness exemplified by consistent start/end times, consecutive days off, and maintaining a good mix of splits

Keolis value-added

CONTINUOUS IMPROVEMENT

THE PICK

The Pick is the allocation of the shifts between the operators

Action: Operations Manager considers unproductive guarantee time, extra board, and absenteeism in this process

CBA compliant with choice by seniority, maintaining operators to optimize customer familiarity and efficiency of service consistent with our "Think Like A Passenger" philosophy

Keolis value-added

CONTINUOUS IMPROVEMENT

EXTRA BOARD

Extra boarding is the filling of open runs during a given day resulting from scheduled/unscheduled absences or operational challenges, ensuring optimal service delivery and increased customer experience

Action: Proper sizing and monitoring are effective ways to mitigate risk

Risk management analyses to deliver effective use of extra operators to anticipate absenteeism, traffic conditions, and accidents while ensuring cost efficiency

Keolis value-added

In short, the private contractor to Sarasota County would provide all the services provided by SCAT today. Naturally, the County has the prerogative to retain services it believe are best managed by the County. The County should require that all services provided by the Contractor be coordinated with other County departments.

Keolis Transit America

Item: **Document 5.2.b**

Attachments

RFI Responses to SCAT 5.2b.docx

b. Provide suggestions regarding programming.

Assuming you are speaking to the programming of the process to secure a private contractor for the service and not operations programming that is detailed in Section a. above, Keolis suggests the following timeline:

- RFP release subsequent to Sarasota legal, management and governing board approvals
- Pre-bid conference and visit of the facility, 1 week after the RFP issuance
- Q&As – questions due 3 weeks after RFP issuance. Responses from Sarasota due 3 weeks after questions due
- Proposal due date – a minimum of 60 days after RFP release.
- Interviews – of proposer’s in the competitive range for award, after initial evaluation of proposals
- Best and Final Offers (BAFO) due date – 1-2 weeks after interview
- Award – as soon as practicable after final review and rankings after BAFO
- Notice to proceed – immediately after approval by governing board
- Contract start date – at least 90 days after Notice to Proceed. It is suggested that the contract initiation date coincides with the County fiscal year or matches it after the first initial operating period

We strongly believe a Request for Proposals is the best form of competitive procurement as there are too many subjective tasks to be considered. Issuing an Invitation to Bid, where price is the determining factor would be a recipe for project failure as the low bid will not provide the level of service the community expects. It is our strong recommendation that price receive no more than 25% of the evaluation factor weight as there are some contractors who attempt to “buy the business” and a high weighting on price is a disservice to the community. For these types of procurements, the RFP is standard.

We suggest the term of the contract be, at a minimum, a five year base contract with options for up to an additional five years. Options should be mutually agreed upon by the County and Contractor.

Keolis Transit America

Item: **Document 5.2.c**

Attachments

RFI Responses to SCAT 5.2c.docx

c. Provide suggestions regarding implementation.

It is suggested that the Proposer describes the strategy for implementing service that meets the County's requirements, including procedures to ensure quality service delivery, road supervision, and emergency and incident procedures that will be utilized by the Proposer. The following should be the minimum included in the Plan along with other elements the Proposer deems significant for meeting the service requirements and expectations of the County.

1. County-owned vehicles will be subject to a transition inspection and acceptance. The new contractor must develop and submit to the County, a Transition Management Plan (TMP) which will include, at a minimum, a detailed schedule of start-up activities.
2. The RFP should also ask Proposers to describe the methodology and performance standards the Proposer will use to ensure quality control of the on-street operation. The described methodology shall include, but not be exclusive of, industry-accepted key performance indicators (KPI's) and performance measurement systems proposals for maintaining on-time performance, ensuring the provision of excellent customer service, addressing customer complaints, vehicle repair frequency, preventing and addressing vehicle and passenger accidents, acceptable vehicle appearance, effective management of extra-board staffing, maintaining employee morale and sense of teamwork, and resolution of on- street issues.
3. The Offeror should be asked to:
 - i. Demonstrates awareness and understanding of the performance standards for similar-sized transit properties operating urban, suburban and rural service areas.
 - ii. Detail strategies for meeting the performance standards.
 - iii. Quantify measures used to gauge progress towards meeting the performance standards. The County will require the Contractor to provide monthly progress reports on how performance standards are being addressed or pursued, and the County reserves the right to meet with the Contractor as necessary to ensure compliance with adopted performance standards and the Contractor's process and schedule to correct deficiencies.

Keolis Transit America

Item: **Document 5.2.d**

Attachments

RFI Responses to SCAT 5.2d.docx

d. Provide suggestions regarding management, etc.

Keolis believes the County should ask proposer's to:

- Provide the number of, as well as a work schedule for managers, supervisors, dispatchers, field supervisors, administrative, customer service staff and operators required to ensure coverage during all hours of revenue service
- Provide an organizational chart
- Describe how the proposer will work to hire existing management and non-management employees. We believe the key management positions the proposer should describe to the County in its proposal should be limited to the GM, operations manager, maintenance manager and safety & training manager.
- Describe the culture change and how Proposer will manage it.
- Have Proposers list all technology they would use for delivering services and managing operations, and describe how the specified technology would:
 - Contribute to the efficiency and effectiveness of the system
 - Minimize operating costs
 - Improve performance reporting to the County
 - Enhance the customer experience
 - Maximize employee productivity

Keolis Transit America

Item: **Document 5.2.e**

Attachments

RFI Responses to SCAT 5.2e.docx

e. Detail any additional information or clarifications which would be needed in order to prepare a comprehensive proposal in the future.

To best prepare for, and assist with, daily operations, Keolis would like to request one year's worth of data on the following items:

Operations:

- On-Time Performance system wide and by route
- Line stats from most recent runcut
 - Revenue hours and miles by route
 - Deadhead hours and miles by route
- Paddles and rosters from existing runcut
- How many routes the system starts with per day
- How often routes are canceled, or end early, per day
- Overtime statistics

Safety:

- Accident and injury statistics
- Claims history

Maintenance:

- Historical maintenance costs
- Fleet listing
- Fleet replacement
- Overtime statistics

Human Resources:

- Org chart
- Existing CBA
- Seniority list
- Wages
- Benefits costs and allocation per type of plan
- Turnover statistics

DBE/MBE requirements

This data will be used as an input in our operational models to create accurate baseline forecasts that will drive our approach to creating operational enhancements.

If the SCAT paratransit operations are competitively procured (which is strongly encouraged for economies of scale and intermodality), we request information on Cancellation and no show rates for at least the past 6 months. It would also be helpful to understand how many runs were turned back by the provider in the past 6 months and at least three months of origin and destination data by trip. Please indicate hour by hour productivity for the past 6 months. In addition, statistics indicating the percent of working MDTs (if used) each day for the past 6 months will assist us in our pricing analysis.

The historical performance/operational data requested will assist us in better understanding and perform an analysis. This analysis will enable Keolis to evaluate the system and will guide our strategy for the

technical proposal. The operational analysis will identify the root cause of any service delivery failure so we can make certain that we place the appropriate operational controls in place to mitigate future failures where possible and minimize the assessment of PDCs.

Keolis Transit America

Item: **Document 5.2.f**

Attachments

RFI Responses to SCAT 5.2f.docx

f. Are you potentially interested in participating in this project? If so, in what capacity would you participate?

Yes. Keolis is extremely interested in participating in this project and working with Sarasota County management to make SCAT into a world class transit operation that is a leader and well respected nationally and in Florida. We would participate as the prime contractor.

Keolis Transit America

Item: **Document 5.2.g**

Attachments

RFI Responses to SCAT 5.2g.docx

g. Please list and rank the factors that would most influence your decision on whether to participate in the project.

1. Partnership
2. Risk level of the project (which can be minimized by the County providing operating, accident, claim and performance data).
3. Evaluation Methodology for contract award. We suggest the following scoring methodology:
 - a. Technical: 75%
 - i. Understanding the project/transitioning from a public to a privately-operated system: 35%
 - ii. Innovation and ability to transform the system (implementing the Comprehensive Operations Analysis recommendation): 30%
 - iii. References: 20%
 - iv. Management team: 15%
 - b. Pricing: 25%
 - i. Based on the base term only. We would provide a price for options as well but they should not be part of the evaluation for contract award. We ask that you avoid contracting with a CPI cap or limiting mechanism. Too often the transit business can change due to external factors
 - ii. Pricing should be for each year a combination of:
 1. Fixed monthly fee
 2. Variable price per revenue hour (gate to gate for both fixed route and for paratransit and included in the scope of work)
4. Change in law provision – On occasion the Federal Government places new rules, regulations and mandates on transit operators. Many of these new requirements are unfunded and the expense is owned by the local transit operator or government. We believe it is important that the County place a provision in the RFP and resultant contract that states the Contractor can seek redress from unforeseen expenses and the County will negotiate in good faith and not unreasonably deny the Contractor an increase in the pricing charged to the County for such an event(s).
5. Service change provision – We suggest a threshold of +/- 10 percent of the year one base revenue hours to serve as a trigger for a good faith discussion between the County and the Contractor evaluating the impact of the change on the service fee.

Keolis Transit America

Item: **Document 5.2.h**

Attachments

RFI Responses to SCAT 5.2h.docx

h. Would you recommend that Sarasota County consider delivering this project in phases? If so, please describe.

It is our recommendation that the County deliver this project in two phases. In the start-up phase or Phase I, the private contractor and city employees would work together to continue to deliver the transit and management services. By allowing for a 4-6 month start-up period, it will provide time for the incoming private contractor to hire existing employees that pass its hiring requirements and recruit new employees for employees that terminate employment or are not qualified to be hired by the contractor. This will allow an orderly transition. Then, in Phase II the private contractor would assume operation of the paratransit system from the County's existing contractor (unless that contractor is the firm hired through the competitive procurement RFP process). Again, there should be a start-up period to transition employees from one firm to another. In each case, the new incoming contractor would not become responsible and liable for operations until a designated official contract start date.

- ➔ Phase I: start-up (minimum 4 months)
- ➔ Phase II: 12 months of operation operating the existing system, and preparation of the new system using the Comprehensive Operations Analysis as a starting point

Keolis Transit America

Item: **Document 5.2.i**

Attachments

RFI Responses to SCAT 5.2i.docx

i. What are the most important qualifications Sarasota County should look for in identifying the optimal contractor?

- ➔ The ability of the Contractor to successful transition from a public operation to a private operation.
- ➔ Ability to conduct a cultural change.
- ➔ Ability to build a strong partnership with the County:
- ➔ Ability to be proactive and create an efficient transit system (innovation, etc.): Microtransit
- ➔ Ability to create and implement a new service plan
- ➔ The ability to provide employees benefits and salaries that are commensurate with the job responsibilities.

Supplier: Keolis Transit America

1. Please provide your company information.

Company Name:

Company Address:

Contact Name:

Contact Title:

Telephone:

Email Address: **ktabusdev**

Corporate Background

One hundred twenty years ago, after less than eighteen months of construction, our parent company, RATP Group, opened the first Paris Metro line—an impressive feat. Since then, RATP Group has grown to operate transit services worldwide. RATP Développement SA, a subsidiary of RATP Group, maintains and operates urban networks across the globe, including North America. RATP Développement SA has expertise in providing all kinds of transportation, including buses, subways, streetcars, and light rail systems. RATP Dev USA is a wholly owned subsidiary of RATP Développement SA with a legacy of successfully managing and operating transit systems throughout the U.S. since 1972.

RATP Dev USA (RATP Dev) is proud to participate in this Request for Information (RFI) process with Sarasota County. RATP Dev brings 44 years of success in managing and operating high-quality, safe, responsive and efficient transit systems throughout the United States. In addition, as part of a broader, global organization, RATP Dev marshals the resources, talent and innovative spirit from our global operating units. With our unique history of designing, managing, operating, maintaining and modernizing all forms of public transport, we offer an unmatched level of expertise.

RATP Dev USA
Scott Neeley
Senior Vice President – Business Development
3800 Sandshell Drive, Suite 180
Fort Worth, TX 76137

a. Provide how the current transit-based mobility services would be provided to Sarasota County if such were outsourced.

Sarasota County may explore a variety of methods to outsource their provision of mobility services. However, the two primary options available we would recommend for Sarasota County include a Management Contract or an Operations (turnkey) contract. Each of these options are outlined in principle below.

Under an Operations Contract, all costs for operating the requested daily services and programs, including vehicle maintenance costs, materials and supplies, employee wages/benefits, insurance, utilities, and management fee, are reimbursed to the Contractor. These reimbursements are typically assigned to a unit of measurement in order to fashion a rate for billing, such as a cost per revenue hour or revenue mileage rate. Typically, under this model, the facilities, revenue vehicles, fuel, major shop equipment, communications and IT equipment are provided by the client for the Contractor's usage. Once the rates have been set into a contract for the specified scope of service, the contractor is then at-risk to manage their budget for all costs of the provision of service.

Under a Management Contract, the Contractor is paid a set monthly management fee for its management and oversight services. The management fee includes the wages and benefits for the resident team of professionals which can include as few as one employee or as many as seven depending on the nature and scope of the services being requested. Normally the local resident team includes a General Manager, Operations Manager, Maintenance Manager, and a Safety and Training Manager. All costs for operating the requested daily services and programs are managed by the local

resident team and then passed through to the County for payment. All needed assets and equipment is provided by the County.

b. Provide suggestions regarding programming.

Typically, the operations programming element under the two scenarios of contracted services outlined are very different. Under a management contract, the local resident team contains the experience and skillset to make recommendations to Sarasota County for all service related items including the level of service, fare structure, and span of operation. Under a turnkey contract, the County would set all service level expectations and provide a scope of service for then vendor to then go out and execute, but they generally do not perform a policy function for programming services.

Under either contracting option, grant management would still be performed by the County. Under an Operations Contract, Mobility Planning functions are typically performed by the client, in this case by County staff. Under a Management Contract, the planning functions are shared, with both County and Contractor staff performing the necessary duties.

c. Provide suggestions regarding implementation.

Normally, you will need at least a 90-day window in order to complete the procurement function of either type of contract depending on the level and detail of data maintained. In an operations contract, more detail about the service will be required. In a management contract, more detail about the team staff qualifications will be needed. We suggest at least three full months from the Notice to Proceed to Contract Commencement date to complete an effective transition and implementation process.

d. Provide suggestions regarding management, etc.

Under either contracting option, the Contractor will provide a General Manager that will be 100% dedicated to the project. All other operating personnel (operators and mechanics) would be invited to retain their current positions, given they meet the Contractor's qualifications.

e. Detail any additional information or clarifications which would be needed in order to prepare a comprehensive proposal in the future.

In order for RATP Dev to provide a competitive and comprehensive proposal, we would need the following information:

- Current staffing of the organization, with designation of who will become the Contractor's employees
 - All wage and benefit information for employees
 - If a union is in place, we would need the current Collective Bargaining Agreement (CBA), with their seniority.
- Fleet description with up to date mileage and engine and transmission rebuild history
- Clear delineation of County and Contractor responsibilities
- What IT systems/software is currently being used
- Specifics on what insurance is required
- If Operations Contract
 - What assets and equipment will the County provide and what will the Contractor need to provide
 - Detailed miles and hours of service being requested to provide

- At least a six-month history of budgeted or current costs
- Current parts inventory and value
- What IT systems/software will the Contractor need to provide

f. Are you potentially interested in participating in this project? If so, in what capacity would you participate?

Yes, RATP Dev is very interested serving as Contractor under either contract option. Currently in the State of Florida, we hold a Management Contract with Volusia County and Operations Contracts with Ocala, Hernando, and Lake Counties.

g. Please list and rank the factors that would most influence your decision on whether to participate in the project.

1. Timing of the proposal due date and Contract Commencement
2. Willingness of potential client to partner for service
3. Term length of the contract, including options
4. Excessive amounts of capital requirements such as provision of operating facilities or revenue fleet vehicles on short contract terms
5. Excessive amount of any bonding
6. Large fluctuations in service hours
7. Excessive qualification factors

h. Would you recommend that Sarasota County consider delivering this project in phases? If so, please describe.

RATP Dev would not recommend completing the project in phases. Additional expense related to multiple transition phases would increase the overall cost and risk for the prospective contractor.

i. What are the most important qualifications Sarasota County should look for in identifying the optimal contractor?

1. Local Resident Team qualifications
2. Resources, qualifications, and history of the firm successfully providing the requested services
3. Company programs and plans specific to the operation such as:
 - a. Safety Management System
 - b. Training Program
 - c. Transition Plan/Start-Up
 - d. Innovation and Technology platforms
4. Knowledge of the local and state operating environment and regulations
5. Price
6. Level of corporate support available to Sarasota County and the local General Manager and personnel
7. Contract performance history including:
 - a. Cure notices
 - b. Poor budgeting leading to contract modifications
 - c. Changes in personnel

- d. Lack of response from corporate personnel

**Bid Tabulation Packet
for
Solicitation 186788CG**

**Feasibility of Outsourcing Transit Svs Planning,
Operations Maint and/or Mgmt**

Bid Designation: Public



Sarasota County

Transdev, Inc.

Bid Contact **Rob Mowat**
BD@transdev.com
Ph 630-776-5288

Address **720 E Butterfield, Suite 300**
Suite 300
Lombard, IL 60137

Qualifications 2 CFR DRUG FREE FL CBE IMMIGRATION LEGAL NAME LOCAL HIRING NO LOBBY PUBLIC ENTITY

Item #	Line Item	Notes	Unit Price	Qty/Unit	Attch.	Docs
186788CG--01-01	Document 5.2.a	Supplier Product Code:	First Offer -	1 / package	Y	Y
186788CG--01-02	Document 5.2.b	Supplier Product Code:	First Offer -	1 / package	Y	Y
186788CG--01-03	Document 5.2.c	Supplier Product Code:	First Offer -	1 / package	Y	Y
186788CG--01-04	Document 5.2.d	Supplier Product Code:	First Offer -	1 / package	Y	Y
186788CG--01-05	Document 5.2.e	Supplier Product Code:	First Offer -	1 / package	Y	Y
186788CG--01-06	Document 5.2.f	Supplier Product Code:	First Offer -	1 / package	Y	Y
186788CG--01-07	Document 5.2.g	Supplier Product Code:	First Offer -	1 / package	Y	Y
186788CG--01-08	Document 5.2.h	Supplier Product Code:	First Offer -	1 / package	Y	Y
186788CG--01-09	Document 5.2.i	Supplier Product Code:	First Offer -	1 / package	Y	Y
Supplier Total					\$0.00	

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Item: **Document 5.2.a**

Attachments

Sarasota County - Response A.docx

a. Provide how the current transit based mobility services would be provided to Sarasota County if such were outsourced.

The term outsourcing transit conjures up images of a County abandoning its interests and responsibilities to a private company. Nothing can be further from the truth. Transdev views outsourcing as the creation of a partnership between the County and a professional transit company whose sole focus is the provision of transit service. *Partnership* is a much over used word in today's world but when defined correctly says a lot about the relationship between two entities. Sarasota County has put out an RFI that asks what a partnership between a public entity, the County, might look like with a private entity such as Transdev. It's a good question that we hope to help define in this document.

Transdev views a partnership as the **combined efforts of two groups that produces a result greater than if each entity acted alone**. For a partnership to work each partner brings to the table that which they do best. In the case of Sarasota County, you provide leadership in defining the policies that bring forward a vision of future mobility for your residents. The County Commission defines the boundaries (the budget), the scope (types of services they would like to see provided) and the goals of the community (both the direct and indirect benefits brought on by a revitalized mobility effort). These combine to form effective public policy, which is what County leadership does best.

Transdev also brings to the table what we do best. As the world's leading private provider of public transport and mobility innovation, our expertise is in implementing the policies set by the Commission. Put simply, **we deliver your vision**. We do this creatively, economically and with the understanding that our success is defined by how well we meet your expectations.

Sharing Risk

Outsourcing is not just about handing the keys over to a private operator. It is a partnership that is about sharing risk. Today Sarasota County holds all the risk when it comes to providing public transportation. The County owns the financial risk of a bus accident or a passenger falling. You own the risk of labor relations, be it the settlement of an arbitration of a labor complaint or a union contract. The County owns the budget risk if expenses are higher than budgeted. The County also owns the risk of staffing the right person with the right skill set to lead the transit organization. And when issues arise that require expertise that does not exist within County staff, the County owns the risk of having to acquire that expertise, usually through expensive consulting contracts.

Under a partnership model, risk is distributed to those parties best able to manage that particular risk, resulting in the overall reduction of risk for the project as a whole. In over 200 contracts across North America, Transdev manages operating risk. It is what we do. We have designed our systems, processes, hiring practices and technology to do just that.

Under a partnership model, the County takes on the risk associated with their public policy; providing the funding resources to implement its budget; providing the infrastructure (facilities and buses) to operate service; and setting the policies on how the service is to be delivered such as fare structure and service levels.

As the operator, Transdev takes on all operating risks. The employees work for Transdev and, as a result, risks associated with hiring, wages, union negotiations, worker compensation all reside with Transdev.

As the operator of the service, all the safety risk that comes with operating transit on public streets resides with Transdev as well. Accident liability, claims investigation and settlement, and physical damage to the bus all reside with Transdev.

Achieving the operating standards agreed to in a contract reside with Transdev as well. The cleanliness of the bus, the sharpness of a driver's uniform, and the mechanical condition of the vehicle are the responsibility of your operating partner. All of these risks are combined under your Contractor, who takes the ultimate risk of being able to deliver your service at the price contractually agreed upon; thus transferring major budgetary risk from the County to your Contractor.

Outsourcing Models

There are multiple outsourcing models Sarasota County could chose to pursue. The difference in each of these models really comes down to a risk and reward model. The more responsibility the private operator takes on, the more risk they should be willing to take. The more risk a private operator takes on, the greater the potential reward for taking that risk.

Management Model

The simplest outsourcing model is a ***management model*** in which the private operator provides senior management leadership and manages the public organization and its assets. This model provides experienced management but there is no sharing of risks. The ability to effect change and achieve savings is limited in that the organization and resources remain essentially the same with change occurring at a pace similar to any change in management.

Turnkey Operating Model

The second outsourcing model is a ***turnkey operating model***. This is the most common form of contracting in transit in the U.S. today. In this model, a transit agency contracts with the private sector to operate and manage its service operations, while the transit agency continues to manage other key functional areas.

This means the private sector company as contractor manages all aspects of service delivery including managing and motivating employees, managing safety and building a safety culture, performing all vehicle and facilities maintenance, managing vehicle parts inventory, and working productively with labor unions. While the private sector company is contracted to manage service operations, the transit department remains in place and keeps control of service route design, passenger information, websites, social media, procurement, grants administration, finance, IT, legal, etc.

The private sector company is the steward of all the vehicles, facilities and assets of the local government agency, but ownership remains with the public agency. The private sector company typically reports to a small team of public agency transit managers who are experienced in managing and working with the private sector.

The key advantage of an operating contract is the delivery of excellent service within a contractually guaranteed cost structure.

An operating contract provides a public agency with significant control over its operations, a contractual commitment of performance, defined risks assumed by the contractor, and a specified, guaranteed cost structure. The private sector company typically assumes risk and costs associated with accidents and delivers service within the pricing that has been bid.

Due to their size and singular focus on transit operations, private sector companies can typically offer economies of scale and efficiencies that make service operations far more affordable than most publicly operated services. **Private industry can also bring best practices, innovation and creativity from some of the world's best operations.** Leading contractors have developed the tools, systems, technology, processes and methods proven to deliver quality services consistently and within budget.

Operating contracts can be accomplished in several different ways:

- **Services can be contracted out by mode.** For example, the transit agency could contract out its paratransit or fixed route bus services, but keep its rail service in-house. This is what has been done with the contracting of paratransit services while the management of SCAT and the fixed route operation remains publicly operated.
- **In large transit systems, services can be contracted out by garage or facility location.** This usually helps ensure operational efficiency. For example Contractor A could operate all of the services housed at one or two garages while Contractor B operates all of the services out of the other two garages. Examples of this model include transit systems in Houston, San Diego and Denver.

Public Private Operating Partnership

The third and most progressive model is the **Public Private Operating Partnership** model, better known as PPOP. In a PPOP, a government or policy board delegates the management and operation of an entire transit organization to a private sector provider. This model is very common in Europe and over the past five years, Transdev has pioneered this model in New Orleans, LA; Sherman, TX; and Nassau County, NY.

In this model, a transit system is fully managed and operated by a private sector operator, who is held contractually accountable for all facets and functions of the transit agency. For example, in PPOP's operated by Transdev **we** oversee and execute all aspects of service operations as well as the business support functions of marketing, passenger information and communication, planning, scheduling, ticketing, finance, grants management, IT, HR, legal, environmental management and all other back office functions.

This type of partnership **brings the efficiency of the private sector and leaves policy decisions to the public sector board.** This clear delineation of responsibilities between the policy-making entity and your private partner is the most logical split of roles.

In Sarasota County, the County Commission would remain in control of setting policies and standards and would direct the long and short-range objectives of the service. Typically, the Commission approves fare and pricing decisions, approves major service design changes, service levels (total amount of service delivered) and the annual operating budget. It oversees compliance with all agreed-upon performance and service metrics, which are carefully measured and reported monthly to the board and to the public. The private sector company implements policies set by the public board and manages all functions of the agency reporting to the board.

Under this model, Transdev is responsible for outcomes and has the authority to utilize best methods to achieve those outcomes. Since Transdev has the ability to lead and manage to deliver efficiencies and quality, it typically assumes greater financial risk. Because this is a risk and reward model, the contractor is typically at financial risk (penalties) for service failures, and achieves incentives when goals are met.

A public-private operating partnership creates an alignment of public and private goals using a risk and reward model. It provides the private operator the latitude to apply innovative and proven methods to achieve public policy objectives. This is not privatization in the typical sense, this is a true partnership that brings out the best in both the public and private sectors.

Examples

As previously noted, the PPOP model is used to manage public transportation in many countries in Europe. Here in the U.S. this model has been implemented in New Orleans and Nassau County (Long Island, New York).

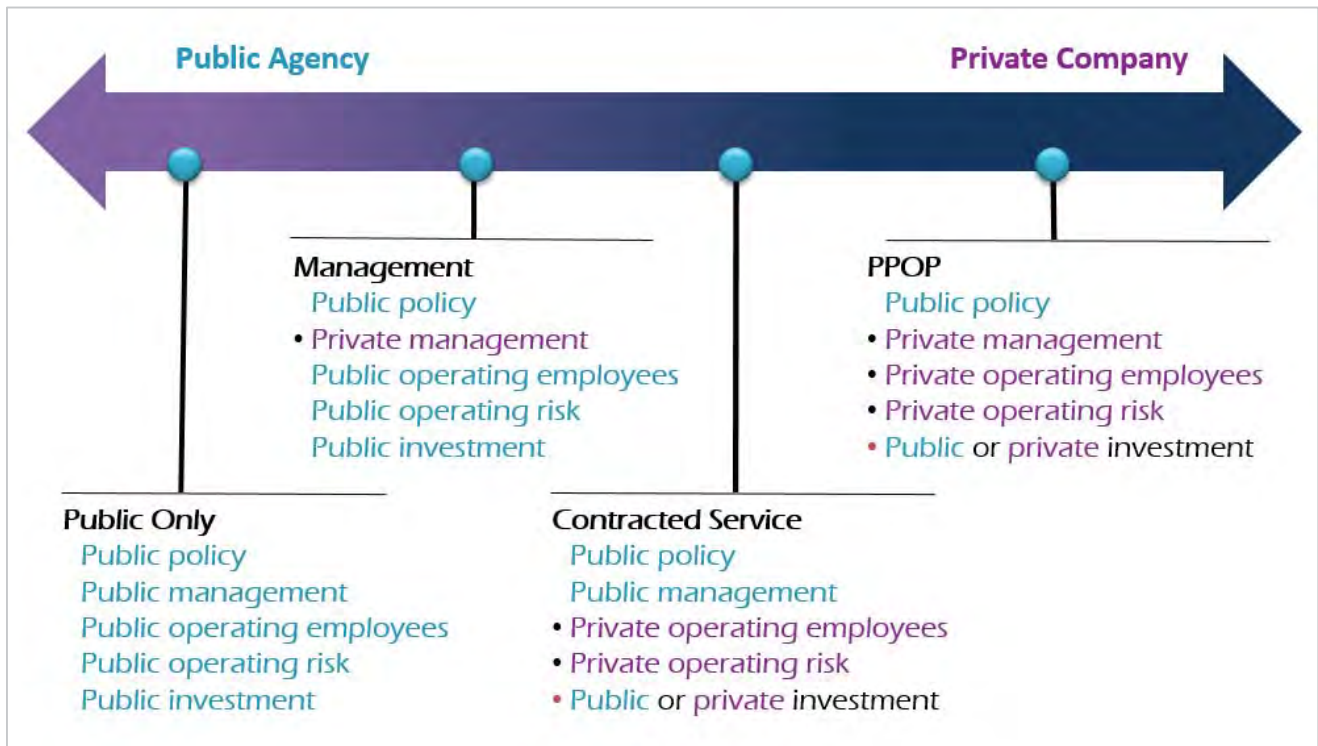
In New Orleans, since Transdev took over the transit system in 2009, we've achieved the following:

- Ridership has increased a phenomenal 60% from 11.5 million to 18.5 million annual passenger trips. Ridership is growing much faster than the 7% population growth, because the system is operated at a high level of quality.
- On-time performance has increased from 78% to over 90%
- Maintenance performance has increased 225% (increase in miles between road calls)
- There has been a 31% reduction in total accidents due to Transdev's rigorous approach to safety.
- Transdev has decreased the hourly rate that it charges the city government for the bus/streetcar service.
- In 2012 Transdev managed the building of a new streetcar line down Loyola Avenue, the first expansion in 50 years – generating more than a \$2.5 billion dollars in investment in new hotels, housing and retail. Transdev helped secure the TIGER Grant that funded this important expansion. A second streetcar line extension has now been built and a revitalization of ferry service is underway.
- Later this year, we will implement the GoMobile passenger app for real time transit information and electronic fare payment followed by new Link micro-transit (first mile / last mile) service.

In Nassau County, NY, Transdev assumed responsibility for the entire transit function in January 2012 and achieved the following:

- We are operating the system for \$43 million less than the New York MTA, which had operated the system for 30 years.
- Both quality of service and efficiency of operations have substantially increased.
- A labor contract with five years of guaranteed wage increases, health care and other benefits was ratified with a 90% union vote.
- Introduction of the first-ever express routes, which have shortened the daily commute of thousands of riders by 30-40 minutes per day.
- Implemented a world class safety program that reduced accidents by 9.5%
- Installed an entirely new technology and GPS infrastructure to improve service monitoring and quality.

Range of Public Private Partnerships



The selection of the proper model depends on what the County is trying to achieve. Based on the public information available, we see the priorities to be:

- **Reducing the operating costs.** We make this conclusion from recent budget discussions and the weighing of priorities the County Commission has been engaged.
- **Improving the quality of mobility services.** This conclusion is drawn from recent studies conducted by a third-party consultant that is looking for new ways to provide service.
- **Organizing a permanent leadership structure.** We note that the current Director serves in an interim capacity.
- **Bringing innovative solutions.** We draw this conclusion from the enthusiasm we witnessed in demonstrating our autonomous vehicle (AV) shuttle.

Recommendation for Sarasota County

If our assumptions are correct, Transdev would recommend the PPOP model for Sarasota County. This model can produce the greatest savings, inject expertise across the entire organization from planning and marketing to technical solutions and innovation. This model also shifts the most risk to the private provider, thus reducing the volatility and increasing the predictability of a public transit program.

Transdev, Inc.

Item: **Document 5.2.b**

Attachments

Sarasota County - Response B.docx

b. Provide suggestions regarding programming

The greatest savings can be achieved when the largest economies of scale can be applied. This was one reason Transdev had previously proposed the concept of combining SCAT and MCAT into a single transit system. With both systems currently serving the same US-41 corridor, the combination of the systems could produce economies of scale that could benefit both Sarasota and Manatee Counties.

Under a combined model, **each County's operation would remain under the policy and budgetary control of their respective county commissions**, but the systems would be operated as a unified business unit. This would eliminate redundant positions, permit unified marketing plans, allow each County to realize operational efficiencies, and benefit from the economies of scale and expertise of one of the world leaders in transit.

Regardless of the Commission's decision to restructure the organization of transit between the two Counties, the PPOP model redefines traditional roles to provide better outcomes. Transdev, as your private partner, would be responsible for applying its international expertise and experience to identify and recommend new transit solutions then undertake the implementation and operation of the improved systems. To this end, Transdev would assume all contractual responsibility for operations, safety and vehicle maintenance as well as an expanded management role.

Functions and duties which would be covered by the private provider under a PPOP contract include:

- General Management
- Human Resources
- Labor Relations
- Service Planning
- Scheduling
- Marketing
- Purchasing
- Customer Service
- Community Outreach and Participation
- Budget Preparation
- Finance
- Grants Administration
- Risk Management
- Subcontract Management

It would be Transdev's recommendation that we manage Sarasota County's current contract for paratransit services, but not serve as the provider of said services, which is a function that Sarasota has already contracted. This is not unusual in our industry to have one provider oversee another. For example, in San Francisco and Pittsburgh we oversee our competitors operating paratransit services. Additional savings could be achieved by later transitioning paratransit into the PPOP contract once the current contract expires.

In addition to these functional responsibilities, Transdev would provide support services more efficiently through our corporate offices. These include:

- Payroll processing
- Accounts payables payment

- Monthly Financial management
- Management Recruiting
- Specifications development for major capital purchases
- Internal reviews of operations, maintenance, human resources
- Pre-triennial review audits
- Branding and marketing
- Collective bargaining
- Claims management for both accidents and employee injuries
- Lawsuit management

Capital Asset Ownership

Public Policy Makers

It bears emphasizing that it is not Transdev's intent to "privatize" public transit, which would mean the County loses control of the underlying system assets. Under this PPOP proposal, the County would maintain title to current and future equipment and facilities. **The capital infrastructure remains with the County, not the private provider, thus the Counties remain in control of all public assets.**

This allows the County to maximize the use of federal and state capital dollars thus reducing the local taxpayer's financial burden.

The County would have a valuable resource to aid in the process of designing future facilities and creating specifications for new equipment so that decisions are made that serve immediate and long-term needs of transit in the region. Transdev would complete applications for Federal and State funding and seek out new sources of funding to support the Counties' capital programs. With grants secured, Transdev would follow prescribed federal and state purchasing guidelines to bid for new equipment. Transdev will also evaluate those bids and offer final recommendations to the County Commission. Equipment purchases would be facilitated by our considerable experience operating and maintaining all brands of buses. With hundreds of operating locations both in the U.S. and abroad, we have experience with literally every piece of equipment and software found in transit systems.

The County is well-served under this model because they remain in control of the system infrastructure while shifting all future financial operating risk away from taxpayers and to Transdev. Transdev is well-served because we have greater control of all operating aspects of the system and can better control the risk factors. And the useful life and quality of the asset is better protected as Transdev is incented to keep equipment operating well and efficiently, both to avoid costly down time and reduce its liabilities.

Management Authority

Under the PPOP model, Transdev would be held accountable for not only daily operations but also the design of how public policy is implemented leaving little ambiguity as to accountability. This realignment of roles and responsibilities in which risk is aligned with responsibility, establishes a natural accountability of each partner's involvement. Transdev is afforded more responsibility in the management of SCAT and in exchange Transdev also takes on greater operating risk such as the outcomes for our safety efforts, labor negotiations and cost control. The County is provided long term cost predictability since the risk of deviation lies with Transdev, not the County.

It must be noted, however, that the County is not abdicating their responsibility for funding the system. While Transdev takes on cost risk, the County remains responsible for funding risk and therefore is responsible for raising the revenues necessary to fund system costs. This may take the form of budget allocation, secured dedicated funding for transit, raising passenger fares or a combination of all these factors to provide a source of revenue for the system.

Allocation of Risk

Private Risk Takers

Under the current transit operating model, when the system experiences unplanned expenditures the Transit Department must find the additional resources. The County then must make a difficult decision to shift spending priorities among other County departments, raise public revenues or task the Transit Department to cut service or raise fares to attempt cover the unbudgeted expenditure.

These tasks have given rise to a “downward spiral” that has been the plight of many transit systems as they struggle to balance limited financial resources with growing transit demand. The concept that you cannot reduce services to success certainly applies to the provision of public transit services. Raising fares, or unsystematically cutting service, fuels this downward spiral and results in worsening system performance. The risk allocation table below details the partner responsibilities under this proposal. Responsibility is defined as both operational and financial.

Risk Table		
Risk	Risk Ownership	
	Public	Private
Budgetary cost assumptions		✓
Labor negotiations		✓
Worker injury		✓
Accident claims		✓
Employee claims		✓
Filling position vacancies		✓

Risk Table		
Risk	Risk Ownership	
	Public	Private
Employee hiring and discharge		✓
Health benefits		✓
Employee compensation		✓
Fuel *	✓	
Facility maintenance		✓
Facility renovation	✓	
Vehicle maintenance		✓
Vehicle warranty recovery		✓
Capital purchasing		✓
Capital financing	✓	
FTA and FDOT Compliance		✓
System funding	✓	✓

With

* Fuel is provided by County to eliminate fuel tax but at a bulk purchase, wholesale rate.

proper due diligence and open discussion between the County and Transdev at the beginning of the partnership process, we can guarantee our performance with fixed costs to our public partners, thus avoiding the risks associated with:

- > Unbudgeted expenses
- > Labor negotiations and contract administration
- > Procurement regulations
- > Accident liability and workers' compensation exposure
- > Employee health and retirement benefits
- > Keeping pace with current technologies
- > Workforce development

Transdev, Inc.

Item: **Document 5.2.c**

Attachments

Sarasota County - Response C.docx

c. Provide suggestions regarding implementation.

Implementation starts with issuing an Request for Proposal in which interested parties provide their operating plan and approach towards providing SCAT services. The best RFPs are those that clearly define for the Proposer what is to be achieved. Rather than prescriptively telling Proposers how they are to provide services, the best RFPs asks Proposers for their approach. This reveals more about a company and how they approach projects.

The pricing to be proposed can be approached in two different ways. Traditional turnkey requests for proposals request a price per hour for variable costs and a price per month for fixed costs. Under this pricing scheme, the County would receive a price and then determine how much service they could afford to purchase.

Under the second method, the County states their available budget for transit and requests Proposers to design a service offering around the budget. This is a more creative approach that stretches Proposers to deeply understand the Sarasota area and develop proposals around a known level financial resources. Rather than be a competition for price the process becomes a competition of ideas. Creative proposals that get the County the most for their tax dollars becomes the selection criteria for the winning proposal.

How a Proposer plans on implementing their proposal becomes a key evaluation point. The success and fate of the outsourcing effort is tied to the success of its implementation. Transdev has transitioned literally hundreds of contracts, either between private operators or in converting from a publicly operated system to a private system. It is our experience that a slow, multiple step transition actually creates more problems than it resolves. Transitions are times of great stress for those that will be moving over to the private operator. A well-planned, quick transition gets the system to its ultimate organization faster and with fewer problems. A quick transition also allows the benefits of contracting to be realized much faster.

In the case of the New Orleans and Nassau County transitions, 100 percent of the operation transitioned literally overnight. Of course, there was much preparation in anticipation of the change. Ideally a 90-day preparation period is required to make the switch. During this period, employees are hired and trained on Transdev's methods and procedures, inventory is verified, vendor accounts established, fleet inspected, and management teams put in place. A start-up manager typically orchestrates activities through this period and a Gantt chart is produced to track the critical path activities that must be accomplished. Weekly meetings between Transdev and the County would take place to ensure coordination and work through any unforeseen problems.

We have witnessed transitions that were more methodical in the sense that functions transitioned at different times. While there would seem to be a logic about such a methodical approach, we have found it actually creates new problems. Some potential problems include:

- Stress created having two different employers' groups working in the same space
- Confusion over who is in charge of what decisions

- Artificially dividing integrated processes to accommodate both parties' responsibilities
- A sense of anticipation to "get on with it"

Our recommendation is the "light switch" approach in which on a set date, responsibility is transferred. With proper communication channels established and a willingness of both parties to be understanding through this period, the transition will be much smoother.

Transdev, Inc.

Item: **Document 5.2.d**

Attachments

Sarasota County - Response D.docx

d. Provide suggestions regarding management, etc.

Transit operations are a people business. While technology and infrastructure are important, it is the people of the operation which makes or breaks the performance of a system. Recognizing this, any good transition plan should begin with the question of how best to retain the talent that already exists in the location. A Proposer should be asked to produce a solid plan on how such a transition would occur.

It is also important to recognize that one of the benefits of outsourcing is that it becomes a change agent to something more positive. This often requires new leadership, new skill sets and often new people. Successful outsourcing efforts allow the incoming contractor to name their own team designed around what is needed to make the new operation successful. In some instances that may require a combination of existing and new management. In other cases, it may mean a whole new team. The best procurements we have seen is where the public management group are allowed to apply with proposers, even in some cases multiple proposers, but at the pleasure of the bidding party to formulate what they consider to be the best team.

In both the turnkey and PPOP models, County oversight of the contract will still be required to ensure contractual compliance. This is usually a staff of one or two people whose job it is to assess performance relative to the contract terms, negotiate change orders if required and produce operating reports as required by the County and the FTA. Under the PPOP model, most of the reporting functions fall to the Contractor. Under a turnkey model, most reporting obligations remain with the County. In a transition situation, some existing County staff will often assume this new oversight role.

Transdev, Inc.

Item: **Document 5.2.e**

Attachments

Sarasota County - Response E.docx

e. Detail any additional information or clarifications which would be needed in order to prepare a comprehensive proposal in the future.

The better the information provided during the procurement process, the better the proposal you will receive. Each transit organization is different and therefore there is no cookie cutter approach to developing a turnkey transit proposal. A procurement will be asking private providers to design and implement a multi-million dollar business and live with the results of that design. The more precise a Proposer can be based on real data, the lower the risk and the better the price the County will receive.

The first piece of information a Proposer needs is to understand what is trying to be accomplished; in other words, what are the goals of the County? We advise clients to be honest with themselves and others. For example, if the goal is to reduce cost, say so. If the goal is to bring new innovations, state it clearly. It is important, though, not to say you want one thing and then evaluate proposals on another. We have seen too many times where a client has asked for state-of-the-art mobility solutions and expanded services only to evaluate the resulting proposal on price.

Secondly, Proposers need an understanding and definition of the risks of the project. Any information available that helps define these risks results in a better proposal to the County. Typical information that needs to be provided include:

- 13(c) labor agreements
- Fleet condition and age
- Fleet replacement plans
- Facility condition
- Current labor agreements
- Current employee seniority lists
- Details on employee compensation including retirement and health benefits
- Service schedules and headway sheets
- Detailing of infrastructure to be provided by the County
- Detailing of operating systems currently being used by the County
- Sample contracts with current providers
- Fare collection management and volume
- Infrastructure maintenance standards including bus shelters
- Current organization charts
- Current staffing plan and vacancies
- Detailed operating budget
- Detailed operating expenses for a recent 12-month period

- Insurance claims history
- Key Performance Indicators in use to measure performance

Transdev, Inc.

Item: **Document 5.2.f**

Attachments

Sarasota County - Response F.docx

f. Are you potentially interested in participating in this project? If so, in what capacity would you participate?

Transdev is definitely interested. We have twice submitted unsolicited proposals outlining, at a high level, how the County could benefit from outsourcing; in particular with the PPOP model in conjunction with Manatee County. As a national and international provider of contracted services, we have great capacity to propose, transition and operate the SCAT service. We also have demonstrated our capacity to bring innovations such as autonomous vehicle shuttles or the Link micro-transit solution.

Transdev would compete for services that are either turnkey or PPOP contracts. We do not believe performing a limited element of the operation such as vehicle maintenance or call center would bring the benefits the County is looking to achieve.

Transdev, Inc.

Item: **Document 5.2.g**

Attachments

Sarasota County - Response G.docx

g. Please list and rank the factors that would most influence your decision on whether to participate in the project.

The factors that would influence our decision to participate, in order of importance, are listed below.

- Commitment by the County to follow through with an outsourcing program
- Availability of data as described in Question 5.
- Length of contract.
- Level of capital investment
- A demonstration that a partnership is being sought, not just a low bid procurement

Transdev, Inc.

Item: **Document 5.2.h**

Attachments

Sarasota County - Response H.docx

h. Would you recommend that Sarasota County consider delivering this project in phases? If so, please describe.

We would not recommend doing this project in phases for the reasons detailed in Question 3. The more a project is split into smaller parts, the harder it is to control outcomes and the less money that can be saved. We have witnessed procurements that have tried to split into multiple functional areas such as maintenance, operations, call center, paratransit, customer service.

In the end the slicing and dicing of an operation could not work because there are too many interdependencies to make splitting the functions work. It also results in diluting accountability because too many people own a piece of a function. We strongly believe speed to implementation and clear lines of accountability will create better results.

Transdev, Inc.

Item: **Document 5.2.i**

Attachments

Sarasota County - Response I.docx

i. What are the most important qualifications Sarasota County should look for in identifying the optimal contractor?

This is a great question. The most important qualifications begin with the basics but quickly grows to a Contractor's approach. Does the Contractor have:

- Financial capacity to fund the project in terms of cashflow and purchasing power
- Experience in transitioning and operating services of similar size and scope?
- Experience transitioning from a public entity to a private operator?
- Successful startup experience?
- Organizational depth in people and resources to commit to the project's success?
- A track record of performance?
- Demonstration of understanding what the County is seeking from a Contractor?
- A well thought out plan of action on how they will transition and manage:
 - Operations
 - Maintenance
 - Safety
 - Marketing
 - Planning
 - Scheduling
 - Grants management
 - Purchasing
 - Inventory control
 - Community outreach
 - Technology management
- Creative presentation of a vision for the future
- Verifiable pricing that connects what is being proposed to the budget being offered

The bottom line: A partnership with Transdev will reduce your costs, increase service quality, bring new forms of mobility to the County, reduce financial risk to the County and free-up the valuable time of Commissioners to focus on policy, not operations.

For more information and discussion, please do not hesitate to call Dick Alexander, Executive Vice President of Transdev, 513-325-0225 or dick.alexander@transdev.com ,

Supplier: Transdev, Inc.

1. Please provide your company information.

Company Name: **Transdev Services, Inc.**

Company Address: **720 E. Butterfield Road
Suite 300**

Contact Name: **Richard M. Alexander**

Contact Title: **Executive Vice President**

Telephone: **513.325.0225**

Email Address: **bd@transdev.com**

Update: Request for Information (RFI) Sarasota County Area Transit (SCAT)

Actions:

- **Aug. 21, 2017** - Commission requested solicitation format to consider for alternative methods of providing transit services
- **Jan. 16, 2018** - RFI format approved by Commission
- **Jan. 19, 2018** - RFI issued
- **Feb. 21, 2018** - RFI response deadline
- **March/April 2018** - RFI staff review with counties, MPO, and cities

Staff Outreach:

- Manatee County
- Town of Longboat Key
- City of Sarasota
- City of Venice
- City of North Port
- MPO

Update: Request for Information (RFI) Sarasota County Area Transit (SCAT)

RFI provides:

- Procurement tool to conduct marketplace research
- Assists in determining best way to develop well-defined scope of services for soliciting proposals; often step 1 in 2-step process
- Affords potential vendors opportunity to provide input on current industry practices and market factors
- Responses to RFI reveal possible solutions and associated benefits and challenges
- Responses are not offers and are not binding

Update: Request for Information (RFI)

Sarasota County Area Transit (SCAT)

Solicitation Types:

- **Unsolicited proposal** – submitted by vendor for goods/services, not requested by County, but can be considered
- **Request For Information (RFI)** – solicits technical/performance information from vendors; assists in developing well-defined scope of services for soliciting proposals; responses are not offers, may not be accepted to form binding contract
- **Request for Qualifications (RFQ)** – requests vendors provide qualifications and state interest in performing specific project or service; develop shortlist of vendors to compete for specific services; does not result in vendor selection, no work awarded
- **Request for Proposals (RFP)** – requests proposals that define best solution and related costs in response to defined scope of services; formal solicitation, awarded based on qualifications
- **Invitation for Bid (IFB)** – requests pricing from bidders based on set of defined specifications; formal solicitation awarded based on lowest price
- **Invitation to Negotiate (ITN)** – requests proposals that define best solution and related costs; allows negotiations with one or more proposers to achieve best value

