

PIERCE TRANSIT BOARD MEETING

Training Center, Rainier Room

July 14, 2014

AGENDA

CALL TO ORDER

ROLL CALL

PRESENTATIONS

- May Operator of the Month ~ Elizabeth Collins
- Swearing in Ceremony ~ Public Safety Officers
- Financial Update

Hazel Whitish
Transit Operator Assistant Manager

William Cassio
Chief of Public Safety

Wayne Fanshier
Chief Financial Official

PUBLIC COMMENT

(Citizens wishing to provide comment will be given five minutes to comment on any transit-related matters regardless of whether it is an agenda item or not.)

PUBLIC HEARING

(Citizens wishing to provide comment will be given three minutes to comment on the public hearing topic(s).)

- Sale of Surplus Property Known as the Bonney Lake
Park and Ride, Located at 9101 Sky Island Blvd

Jay Peterson
Transit Development Manager

CONSENT AGENDA

(Items listed below were distributed to Commissioners in advance for reading and study and are enacted with one motion. Item(s) may be moved to the Action Agenda at the request of a Commissioner.)

1. Approval of Vouchers, July 1, 2014
2. 2nd Quarter Sole Source Report/ Contracts Over \$100,000 and below \$200,000
3. Minutes: Special Study Session of June 9, 2014
4. Minutes: Regular Board Meeting of June 9, 2014
5. FS 14-040, Authorize the Sale of Surplus Real Property Located at 9101 Sky Island Drive East, Bonney Lake, WA and Authorize the Chief Executive Officer to Enter Into and Execute a Purchase and Sale Agreement with Sound Transit for Said Property
6. FS 14-041, Authority to Execute a Contract for Operator and Supervisor Uniforms with Blumenthal Uniforms and Equipment

7. FS 14-042, Authority to Amend Sections 3.12.030 – Goods and Services; 3.13.010 – Delegated Authority; 3.13.020 – Procurement and Contracting Procedures; and 3.13.110 – Real Property Acquisition and Disposition of the Pierce Transit Code
8. FS 14-043, Authorization for Chief Executive Officer to Execute a Multi-Year Contract for Broker of Record Services with Gallagher Benefit Services, Inc.
9. FS 14-044, Approval to Execute an Interlocal Agreement Between Pierce Transit and Washington State Transit Insurance Pool (WSTIP) for Claims Services

ACTION AGENDA

- | | |
|--|--|
| 1. FS 14-045, Authorizing Amendment of Pierce Transit Code Section 3.72, Fare Schedule | Jay Peterson
Transit Development Manager |
| 2. FS 14-046, Authorization for Modification No. 1 to the Fife, Milton and Edgewood Demonstration Project | Tina Lee
Service Innovation Administrator |
| 3. FS 14-047, Authority to Amend the 2014 Capital Budget and Authorize the Daily Field Activity Reporting (DFAR) Project | William Cassio
Chief of Public Safety |
| 4. FS 14-048, Authority to Amend the 2014 Capital Budget and Execute Amendment No. 3 to the Contract with Trapeze Software Group, Inc. | Erik Solberg
Project Manager |
| 5. FS 14-049, Authority to Execute an Interlocal Agreement with Pierce County for the Creation, Operation and Governance of a Combined Communication Network | Doug Middleton
Chief of Operations |

INFORMATIONAL BOARD ITEM

- | | |
|------------------------|-----------------------------------|
| • Chair Report ~ None | Chair Talbert |
| • Sound Transit Update | Commissioners Strickland/McCarthy |

STAFF UPDATES/DISCUSSIONS

- Update on 112th/Pacific Transit Access Improvements
- PSRC Transportation Policy Board Representation

Monica Adams
Senior Planner

Justin Leighton
Government Relations Officer

EXECUTIVE SESSION

Potential litigation, pursuant to RCW 42.30.110 (1)(i)

ADJOURNMENT

**PIERCE TRANSIT
BOARD OF COMMISSIONERS
SPECIAL MEETING/STUDY SESSION
MINUTES
June 9, 2014**

CALL TO ORDER

Acting Chair Strickland called the meeting to order at 3:07 PM.

ATTENDANCE

Commissioners present:

Marilyn Strickland, Mayor of Tacoma
Daryl Eidinger, Mayor of Edgewood (*representing Fife/Milton/Edgewood*)
Don Anderson, Mayor of Lakewood
Lauren Walker, Tacoma Councilmember
Nancy Henderson, Town of Steilacoom
(*representing Auburn/Gig Harbor/Fircrest/Pacific/Ruston/Steilacoom*)
Kent Keel, University Place Councilmember

Commissioners excused:

Steve Vermillion, Puyallup Councilmember
Rick Talbert, Chair of the Board, Pierce County Councilmember
Pat McCarthy, Pierce County Executive

Staff present:

Lynne Griffith, Chief Executive Officer
Dana Henderson, General Counsel
Alberto Lara, Chief Administration Officer
Doug Middleton, Chief of Operations
Wayne Fanshier, Chief Financial Officer
Carlos Davis, Radio Program Administrator
Monnett Ross, Senior Executive Assistant

STAFF DISCUSSION ITEM:

Review of Information for the Proposed Single County Wide Communications System (SCWCS) Being Developed as a Joint Venture between Pierce County and Pierce Transit that will Provide a High-Quality Transportation and Public Safety Communications System

Chief of Operations Doug Middleton introduced the proposed project and gave a history and overview of the project. A PowerPoint presentation and staff presentation addressed the following items:

- Overview of the Cooperative Governance Agreement that is scheduled to go before the Board for review and approval at the July 14, 2014 Board Meeting.
- Overview of the joint venture of the Combined Communication Network Enterprise (CCN) will achieve the objective of the Cooperative Governance Agreement.
- Review of joint venture activity timeline
- Review of shared benefits and risk

It was noted that the Joint Board for the CCN will be made up of Pierce County and Pierce Transit, with each entity having one board member. Collaboration between Pierce County and Pierce Transit has been very good.

Staff responded to questions pertaining to offsetting costs, noting that revenue will be generated by entities joining the system.

Staff responded to questions pertaining to ownership, noting that both Pierce Transit and Pierce County would own and govern the system. General Counsel Henderson stated that our 700MHz license will remain separate and remain as Pierce Transit's asset.

Staff confirmed that some dead spots in the University Place area now have radio coverage.

Upon question from Commissioner Anderson about the liability to Pierce Transit in the event the project does not work, General Counsel Henderson answered the system is intended to be a joint asset and liability, with mutual indemnity.

It was noted that details relating to FTE efficiencies are still being looked at.

Upon inquiry from Commissioner Walker about the revenue source and term of the interlocal agreement, General Counsel Henderson replied it is an indefinite term, but there is a 13-month noticing requirement to terminate. Chief Operations Officer replied that revenue is coming from operating dollars, all local dollars, most of the outlay was in 2010.

ADJOURNMENT

Commissioners Keel and Anderson **moved** and seconded to adjourn the meeting at 3:38 PM.

Motion **carried.**

Deanne Jacobson, CMC
Clerk of the Board

Marilyn Strickland, Acting Chair
Board of Commissioners

**PIERCE TRANSIT
BOARD OF COMMISSIONERS
MINUTES
June 9, 2014**

CALL TO ORDER

Commissioner Strickland called the meeting to order at 4:01 PM.

Commissioners present:

Marilyn Strickland, Tacoma Mayor
Don Anderson, Lakewood Mayor
Daryl Eidinger, Edgewood Mayor (*representing Fife/Milton/Edgewood*)
Kent Keel, University Place Councilmember
Steve Vermillion, Puyallup Councilmember
Lauren Walker, Tacoma Councilmember
Nancy Henderson, Town of Steilacoom Councilmember
(*representing Auburn/Gig Harbor/Fircrest/Pacific/Ruston/Steilacoom*)

Commissioners excused:

Rick Talbert, Chair of the Board, Pierce County Councilmember
Steve Vermillion, Vice-Chair of the Board, Puyallup Councilmember
Pat McCarthy, Pierce County Executive

Staff present:

Lynne Griffith, Chief Executive Officer
Alberto Lara, Chief Administration Officer
Wayne Fanshier, Chief Financial Officer
Doug Middleton, Chief Operations Officer
Dana Henderson, General Counsel
Monnett Ross, Senior Executive Officer
Carlos Davis, Radio Project Administrator

PUBLIC COMMENT

Cinderella D'Andrea, Lakewood, discussed a current situation regarding her ADA eligibility.

Tammie Lynn Cox, Lakewood, provided comments about the proposed door policy on the buses and explained what her understanding of the closed door policy and how it could impact passengers during bad weather or for individuals who have disabilities.

Alan Douglas, University Place, provided comments about the proposed door policy on the buses. He spoke in favor of the policy and he thinks we need to protect the buses. He was in favor of citizens paying their fares and encouraged Pierce Transit to do what it can to collect fares.

Walt Hurd, noted that AC Transit in the Bay Area is going to an all-day pass and that helps with fare evasion. He talked about other jurisdictions that charge fines to individuals who evade the fares. He also noted there was a recent situation involving four wheelchair passengers that needed to get on the bus, and there was only room for one wheelchair. He suggested that bus routes be placed after stop lights and not before them.

PUBLIC HEARING

Senior Planner Janine Robinson gave an overview of the Title VI Analysis relating to the proposed fare revisions.

Transit Development Manager Jay Peterson discussed the benefits of having a closed-door policy. He noted the proposal is to move forward with an all-day pass and eliminate the paper transfer. There would be no other changes to the other fares. He reviewed survey results from citizens and focus groups on the elimination of paper transfers and the introduction of a new all-day pass. The next steps would be Board approval in July and the new fareboxes would be in operation by November 1, 2014. It was noted that Pierce Transit recovers approximately 16 percent of the farebox revenue. He answered questions pertaining to what other agency's farebox recoveries are with the new fareboxes and the elimination of paper transfers.

Commissioner Keel asked to see the capital outlay of the new fareboxes and the cost savings from the new fareboxes.

Senior Planner Robinson reviewed the Title VI Analysis relating to minority and low-income riders. Staff responded to various questions from the Board.

The Public Hearing was opened at 4:48 PM and the following individuals provided comments:

- Betsy Elgar provided comments that did not relate to the public hearing topic.
- Carmetrus Parker, representative of a social services provider, spoke about tickets being provided by social service entities. She asked about the demographics used to formalize the Title VI Analysis and the outreach information that was used and what languages the proposal were introduced in.
- Tammy Lynn Cox, Lakewood, expressed concern about the proposed \$5 increase for the all-day fare. (*Commissioner Strickland left the room at 4:56 PM.*)
- Cinderella D'Andrea, Lakewood, provided comments on fare and pay methods for SHUTTLE riders. (*Commissioner Strickland returned at 5:01 PM.*)
- Claudio (last name not provided) expressed concern about the proposed fare revisions and about the timeframe when the data was collected for the study and indicated that there is no proof that the change to a new fare system will improve farebox recovery.
- Linda Marcomb, Tacoma, asked about the cost for one ride on the bus.
- Alan Douglas, University Place, discussed the importance that riders pay their fares.
- Walt Hurd, Tacoma, noted that riders are smoking at the Coach Stop.
- Michelle Douglas, representative of the Rainbow Center, noted her agency already issues tickets to riders. She noted that it is important for Pierce Transit to reach out to social services and requested that the proposed all-day passes be discounted to social service entities.
- Isaac Tate, President of ATU, spoke in favor of the closed-door policy for protection of the operators and the bus.
- Shirley Naton suggested that riders be able to load money on an e-purse.
- Transit Development Manager Peterson read into the record a citizen's comment in favor of eliminating paper transfers.

Public Hearing closed at 5:16 PM.

PRESENTATIONS:

Operators of the Month ~ Simone Tate, March; and Joe Rochon, April;

Hazel Whitish recognized Simone Tate for Operator of the month for March, who had 26 years of driving accident free. She read compliments into the records provided by riders. Simone thanked Pierce Transit for honoring bus riders.

Ms. Whitish recognized Joseph Rochon, Operator of the Month for April 2014, and noted he's been employed with Pierce Transit over 24 years and was a recent recipient of Honor Roll Drivers. He has 10 years of a perfect record, attendance, compliments. She noted he has aided in the Operator Shake-up. Mr. Rochon thanked his fellow employees.

Financial Update/Sales Tax Collections - Chief Financial Officer Wayne Fanshier reported on sales tax collections through the end of March. He noted that Pierce Transit is right on target for sales tax collection. He responded to questions.

CONSENT AGENDA

(Items listed below were distributed to Commissioners in advance for reading and study and are enacted with one motion.)

Commissioners Walker and Keel **moved** and seconded to approve the consent agenda as presented. Motion **carried.**

1. Approval of June 2, 2014 Vouchers

Operating Fund #10

Self-Insurance Fund #40

Capital Fund #90

Voucher numbers CK 336499 through CK 337003

Wire numbers WIRE 1318 through WIRE 1333

Total \$5,706,685.82

2. Minutes: Regular Board Meeting of May 12, 2014

3. FS 14-039, Approved Resolution No. 14-032, accepting CTAG's and staff's recommendation to appoint Tyree Smith to the Community Transportation Advisory Group for a three-year term, beginning June 9, 2014 and ending June 8, 2017.

Acting Chair Strickland noted that the Board confirms the appointment of Tyree Smith to the Community Transportation Advisory Group.

ACTION AGENDA

1. FS 14-035, Authority for Pierce Transit to Apply for Review of Membership with the Public Employees Benefits Board for Participation in Washington State Insurance Plans.

Commissioners Walker and Keel **moved** and seconded to approve Resolution No. 14-028, authorizing Pierce Transit to apply for membership with the Public Employees Benefits Board for participation in Washington State Insurance Plans.

Chief Administration Officer Alberto Lara presented on the item.

Motion **carried.**

2. FS 14-036, Declaration of Surplus of Real Property Located at 9101 Sky Island Drive East, Bonney Lake, WA, and Authorization for Sale Thereof.

Commissioners Walker and Keel **moved** and seconded to approve Resolution No. 14-029, declaring the property located at 9101 Sky Island Drive East, Bonney Lake, WA also known as the Bonney Lake Park and Ride, as surplus property and authorizing the sale thereof.

Transit Development Manager Jay Peterson presented on the item and also noted that at the July 14, 2014 Board Meeting, a public hearing will be held on the sale of the surplus property and the Board will also consider authorizing the sale of the property to Sound Transit.

Motion **carried**, with Commissioner Strickland recusing herself from the vote as she is a Sound Transit Board Member.

3. FS 14-037, Authority for Washington State Department of Enterprise Services (DES) to Amend the Contract with S.M. Stemper Architects for Additional Construction Management and Administration Support for the Building 4 Modification Project, 2nd Floor Tenant Improvements.

Commissioners Walker and Keel **moved** and seconded to approve Resolution No. 14-030, authorizing the DES to amend the contract with S.M. Stemper Architects on behalf of Pierce Transit for additional construction management and administration support for the Building 4 Modifications Project, 2nd Floor Tenant Improvements.

Transit Development Manager Jay Peterson presented on the item.

Motion **carried**.

4. FS 14-038, Authority for Washington State Department of Enterprise Services (DES) to Enter Into and Execute a Contract with Lincoln Construction, Inc. for the Remodel of Existing Operator and Dispatch Spaces and Reconfiguration of Offices for the Building 4 Modification Program.

Commissioners Walker and Keel **moved** and seconded to approve Resolution No. 14-031, authorizing DES to enter into and execute a contract with Lincoln Construction, Inc. on behalf of Pierce Transit in the amount of \$717,564 for general construction services for the remodel of the existing operator and dispatch spaces and reconfiguration of offices for the Building 4 Modification Project.

Transit Development Manager Jay Peterson presented on the item, reviewing the results of the bid and the timeline of the various steps of the project.

Motion **carried**.

INFORMATIONAL BOARD ITEM

- Chair Report ~ None
- Sound Transit Update ~ Commissioner Strickland announced that there will be no charge to use the Tacoma Link over the next two years, noting that estimates show that ridership would be lost.

STAFF UPDATES/DISCUSSION

Dome District Transit Oriented Development Opportunity ~ Janine Robinson provided a presentation. She reviewed a proposed conceptual plan for the site that was developed by BLRB. Staff is working on a request for information to send to developers. The approved project or development plan will also need approval from the FTA. The proposed project is zone mixed-use. She noted that the City of Tacoma will release an RFI to search for interests. It was noted that the market will drive what type of businesses occupy the building.

EXECUTIVE SESSION

Commissioners Walker and Keel **moved** and seconded to recess the meeting into Executive Session at 5:50 PM for 20 minutes to discuss matters pertaining to real estate, pursuant to RCW 42.30.110 (1)(c); potential litigation, pursuant to RCW 42.30.110 (1)(i) and charges against a public employee, pursuant to RCW 42.30.110 (1)(f). It was noted that the Board was anticipated to take formal action in open session.

Motion **carried.**

At 6:10 PM the executive session was extended five additional minutes.

At 6:15 PM the meeting was reconvened into open session.

Commissioners Keel and Walker **moved** and seconded to authorize the Chief Executive Officer to engage in negotiations for the sale of six parcels zoned AC1 at the NE corner of 96th and South Tacoma Way as discussed in executive session, provided that final approval of any sale requires Board approval at a future meeting.

Motion **carried.**

Commissioners Keel and Walker **moved** and seconded to adjourn the meeting at 6:17 PM.

Motion **carried.**

ADJOURNMENT

The meeting was adjourned at 6:17 PM.

Deanne Jacobson, CMC
Clerk of the Board

Rick Talbert, Chair
Board of Commissioners

FACT SHEET

TITLE: Authorize the Sale of Surplus Real Property Located at 9101 Sky Island Drive East, Bonney Lake, WA and Authorize the Chief Executive Officer to Enter Into and Execute a Purchase and Sale Agreement with Sound Transit for Said Property

DEPARTMENT: Transit Development

ORIGINATOR: Jay Peterson, Transit Development Manager

PRECEDING ACTION: FS14-036 Declaration of Surplus Property

COORDINATING DIVISION: Finance

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS:

Proposed Resolution

BUDGET INFORMATION

2014 Budget Amount
N/A

Required Expenditure
N/A

Impact
N/A

Explanation: N/A

BACKGROUND:

This resolution requests that the Board of Commissioners authorize the sale of surplus property located at 9101 Sky Island Drive East, Bonney Lake, WA, also known as the Bonney Lake Park and Ride, and authorize the Chief Executive Officer to enter into and execute a purchase and sale agreement with Sound Transit.

Sound Transit has presented Pierce Transit an offer of \$2,686,865 to purchase the Bonney Lake Park and Ride. Staff has reviewed the need for this property in view of the results of the Public Transportation Improvement Conference (PTIC) boundary reductions and has found that the property will no longer be required by Pierce Transit. The land was previously declared surplus by the Board of Commissioners on June 9, 2014. The purchase price is based on fair market value based on independent appraisals performed by both Pierce Transit and Sound Transit, and is an amount in excess of the appraisal obtained by Pierce Transit.

If negotiations with Sound Transit regarding the terms of the sale are not successful, staff seeks the Board's authority to list the property on the real estate market, the sale of which would be subject to further review and approval by this Board.

ALTERNATIVES:

The alternative would be to keep the property; however it has been declared surplus and is no longer useful to the Agency, and the sale to Sound Transit is an excellent opportunity for interagency cooperation. The property and facility would remain for its intended purpose and continue to serve the public interest until another buyer could be located.

RECOMMENDATION:

Approve Resolution No. 14-033, authorizing the sale of surplus property located at 9101 Sky Island Drive East, Bonney Lake, WA, also known as the Bonney Lake Park and Ride, to Sound Transit, and authorizing the Chief Executive Officer to enter into and execute a purchase and sale agreement with Sound Transit for said property.

RESOLUTION NO. 14-033

A RESOLUTION of the Board of Commissioners of Pierce Transit to Authorize the Sale of Surplus Real Property Located at 9101 Sky Island Drive East, Bonney Lake, Washington and Authorize the Chief Executive Officer to Enter Into and Execute a Purchase and Sale Agreement with Sound Transit

WHEREAS, Pierce Transit is a municipal corporation as defined in the Revised Code of Washington; and

WHEREAS, Pierce Transit has complied with the provisions of RCW 39.33.020 Disposal of Surplus Property; and

WHEREAS, Pierce Transit owns a property at 9101 Sky Island Drive East, Bonney Lake, Washington, (which is also known as Bonney Lake Park and Ride) Parcel Nos. 564000-1841 and 700085-0080; and

WHEREAS, due to reductions in the service area boundary as a result of the Public Transportation Improvement Conference (PTIC) and the elimination of service in Bonney Lake, said property will no longer be of use to the Agency; and

WHEREAS, the Board of Commissioners of Pierce Transit declared the Bonney Lake Park and Ride to be surplus property on June 9, 2014; and

WHEREAS, Sound Transit has presented an offer of \$2,686,865 to purchase the property, an amount that is in excess of Pierce Transit's appraised value, and which has been reviewed and deemed to be for fair market value; and

WHEREAS, staff recommends the sale of the property to Sound Transit in accordance with RCW 39.33.010, which allows the sale of real property between government agencies on such terms and conditions as may be mutually agreed upon by the authorities of the agencies involved; and

WHEREAS, if an agreement with Sound Transit cannot be reached, staff recommends that the property be listed for sale on the real estate market, subject to review and approval of any such sale by the Board; and

WHEREAS, the Board of Commissioners of Pierce Transit finds it in the best interest of Pierce Transit to authorize the sale of the surplus property located at 9101 Sky Island Drive East, Bonney Lake, Washington and authorize the Chief Executive Officer to enter into and execute the purchase and sale of the property to Sound Transit;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pierce Transit as follows:

Section 1. The Chief Executive Officer of Pierce Transit is hereby authorized to enter into an agreement to sell the property known as the Bonney Lake Park and Ride to Sound Transit for \$2,686,865.

Section 2. The Chief Executive Officer of Pierce Transit is further authorized to list the Bonney Lake Park and Ride for sale on the real estate market if an agreement cannot be reached with Sound Transit, any sale to be subject to review and approval by this Board.

ADOPTED by the Board of Commissioners of Pierce Transit at a regular meeting thereof held on the 14th day of July, 2014.

Rick Talbert, Chair
Board of Commissioners

ATTEST:

Deanne Jacobson, CMC
Clerk of the Board

FACT SHEET

TITLE: Authority to Execute a Contract for Operator and Supervisor Uniforms

DIVISION: Operations Division

ORIGINATOR: Doug Middleton,
Chief Operations Officer

PRECEDING ACTION: Resolution No. 13-037, Adoption of the 2014 Agency Budget

COORDINATING DEPARTMENT: Purchasing

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS:

Proposed Resolution

BUDGET INFORMATION

Remaining 2014 Budget Amount	Required Expenditure	2014 Budget Impact
\$159,157.42 Operators	\$153,600.45	***\$97,856.80
<u>\$ 22,718.83 Supervisors</u>	<u>\$ 14,438.44 (Tax)</u>	(Under Budget)
*\$181,876.25 Total	**\$168,038.89	

Explanation:

The contract will be for a two (2) year period with three (3) optional one (1) year extensions. **Actual total expenditures are dependent on usage. The contract amount will vary dependent upon how many operators and supervisors are employed which fluctuates over time with new hires and attrition. There are also variations in price depending on the size range of employees. If the three (3) option years are utilized, the total estimated amount based on historical information for a five (5) year contract period would be \$900,000.00.

The total budgeted amount for 2014 was \$226,287 in the Transit Operators account, and \$30,000 in the Service Support Operations account. *The remaining budget after charges from the current contract have been deducted through April, 2014 is \$181,876.25. ***The estimated balance for the remaining six (6) months of the 2014 budget year is \$97,856.80. $(\$168,038.89/2 = \$84,019.45)$ and $(\$181,876.25 - \$84,019.45 = \$97,856.80)$.

BACKGROUND:

Staff requests authority to execute a contract for operator and supervisor uniforms with Blumenthal Uniforms & Equipment for a contract period of two (2) years with three (3) optional one (1) year extensions. Operator and Supervisor Uniforms are required by the Amalgamated Transit Union Master Agreement, Article 23, page 26, and states that the employer shall provide said uniforms.

Staff developed specifications for existing operator and supervisor uniforms in sections; outerwear, pants, shirts headwear, and shorts for both operators and supervisors. The color scheme and logo will stay consistent with the previous contract and reflects the Pierce Transit Styles and Graphic Standards and branding. Ordering and delivery method also remains consistent with the previous contract as uniforms are shipped directly to employee's homes, picked up in-store, and/or delivered once per month through a representative of the company. This method has substantially reduced Pierce Transit staffing time and expense.

On March 26, 2014, Pierce Transit advertised a Call for Bids for operator and supervisor uniforms. The procurement process allowed interested vendors to submit alternate garments for approval by April 16, 2014. Alternate submittals were evaluated and all prospective vendors were informed of the approved items prior to the bid due date. Four bids were received on May 14, 2014 in response to our solicitation. One bid was received late on May 16, 2014 and was rejected. The four responsive bids were analyzed by staff. One bid analyzed had some items bid at a lower cost, however, 12 items were listed as "no bid" items and 5 items bid were not approved "equal" garments. Therefore, it was determined by staff that awarding to the lowest bidder with a total bid package would be the most cost effective solution.

As a result, staff recommends awarding a single contract for all items to Blumenthal Uniforms & Equipment for an approximated yearly amount of \$168,038.89 including tax which was the low bid that was responsive, responsible, fair and reasonable with a complete bid package. The company is located in Des Moines, is well established in the Puget Sound region particularly with transit agencies is the current supplier of our operator and supervisor uniforms. They are customer service oriented and no transition time is necessary as they have established an ordering, delivery, and billing process that is compatible with Pierce Transit and also have our logo and existing garments in stock.

ALTERNATIVES:

The alternative would be to split the contract multiple ways or reject all bids and re-solicit; however, splitting the contract would be very costly in staff administration and it is unlikely better results would be achieved if re-solicited.

RECOMMENDATION:

Approve Resolution No. 14-034, authorizing the Chief Executive Officer to execute a contract for operator and supervisor uniforms with Blumenthal Uniforms & Equipment for two (2) years with three (3) optional one (1) year extensions.

RESOLUTION NO. 14-034

A RESOLUTION of the Board of Commissioners of Pierce Transit
Authorizing the Chief Executive Officer to Execute a Contract for Operator and Supervisor Uniforms
with Blumenthal Uniforms and Equipment

WHEREAS, by Resolution No. 13-037, approved on the 9th day of December 2013, the Board of Commissioners of Pierce Transit adopted the 2014 Agency Budget; and

WHEREAS; the budget includes funds for Operator and Supervisor Uniforms; and

WHEREAS, four bids for Operator and Supervisor have been submitted in response to notice duly published in the manner required by law; and

WHEREAS, at the time and place specified in the notice, all bids which were received were duly opened and analyzed by Pierce Transit staff; and

WHEREAS, the bid of Blumenthal Uniforms & Equipment to provide Operator and Supervisor Uniforms is the most responsive and responsible bid received, is considered to be fair and reasonable, and is by this reference incorporated herein; and

WHEREAS, the Board of Commissioners of Pierce Transit finds it in the best interest of Pierce Transit to accept said proposal; and

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pierce Transit as follows:

Section 1. The bid of Blumenthal Uniforms & Equipment is hereby accepted as indicated subject to execution of a written contract. Pierce Transit, at its sole discretion, reserves the right to revoke the acceptance of this bid at any time prior to execution of the written contract.

Section 2. The Board of Commissioners herewith authorizes the Chief Executive Officer to execute a contract therefor on behalf of Pierce Transit. Term of contract shall be for two (2) years with three (3) optional one (1) year extensions. Said contract is to be substantially in the form of the document on file in the office of the Clerk of the Board and by this reference incorporated herein as though fully set forth.

ADOPTED by the Board of Commissioners of Pierce Transit at their regular meeting thereof held on the 14 day of July, 2014.

Rick Talbert, Chair
Board of Commissioners

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2 ATTEST/AUTHENTICATED

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Deanne Jacobson, CMC

6 Clerk of the Board

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FACT SHEET

TITLE: Authority to Amend Sections 3.12.030 Goods and Services; 3.13.010 Delegated Authority; 3.13.020 Procurement and Contracting Procedures and 3.13.110 Real Property Acquisition and Disposition of The Pierce Transit Code

DIVISION: Finance

ORIGINATOR: Spiro Manthou, Procurement

PRECEDING ACTION: Resolution Nos. 03-044 and 08-018 and 14-010

COORDINATING DEPARTMENT: Procurement

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS:

Proposed Resolution
Exhibit A, Proposed Revisions

BUDGET INFORMATION

2014 Budget Amount: N/A

Required Expenditure: N/A

Impact: N/A

Explanation: N/A

BACKGROUND:

On April 14, 2008, the Board of Commissioners adopted Resolution No. 08-018, establishing revised delegated authority and procedures for the procurement of materials, work and services and for the acquisition and use of property and property rights and rescinding all previous procurement resolutions.

The policy and procedures defined in this resolution were codified under Sections 3.12.010 through 3.13.200 of the Pierce Transit Code and have been incorporated and practiced by Pierce Transit since adoption.

This item is before the Board as a housekeeping item and the proposed amendments to Pierce Transit Code Sections 3.12.030, 3.13.010, 3.13.020 and 3.13.110 (detailed in Exhibit A to the resolution) are necessary so that

FACT SHEET
PAGE 2

Pierce Transit's policy and procedures relating to procurement and delegated authority are consistent with its current practices and pursuant to Pierce Transit Code Sections 3.12 & 3.13.

ALTERNATIVES:

None.

RECOMMENDATION:

Approve Resolution No. 14-035, authorizing amendments to Pierce Transit Code Sections 3.12.030 Goods and Services; 3.13.010 Delegated Authority; 3.13.020 Procurement and Contracting Procedures and 03.13.110 Real Property Acquisition and Disposition for consistency with current practices and existing Code language.

The following language in Pierce Transit Code Section 3.12.030 –Goods and Services, shall be amended as follows:

3.12.030 Goods and Services.

- A. The "no bid" amount is increased to \$1,000.00.
- B. Three verbal quotes are required for purchases between \$1,001. and \$10,000.
- C. Three written quotes are required for purchases between \$10,001 and \$35,000.
- D. The formal advertising threshold is increased to \$35,001.
- ~~E. Board authority to solicit bids/proposals is required for capital projects in excess of \$100,000.00.~~
- ~~F. Board authority to execute contracts in excess of \$50,000.00 is required.~~
- G. The Chief Executive Officer is authorized to execute contracts up to ~~\$50,000.00~~200,000.
- H. The Chief Financial Officer ~~vice president of finance and administration~~ along with the ~~purchasing~~ Procurement Manager is authorized to execute contracts up to \$5,000.

The following language in Pierce Transit Code Section 3.13.010 shall be amended as follows:

“3.13.010 Delegated Authority.

A. The Board has retained a chief executive officer to implement the mission, goals, objectives and policy guidelines of the board of commissioners of Pierce Transit pursuant to procedures to be established by the board. The chief executive officer derives authority from the board acting as the governing body of Pierce Transit and as permitted by law. The following procedures are adopted by the board for the purpose of establishing the administrative authority of the Chief Executive Officer.

B. The chief executive officer shall be responsible for normal Pierce Transit operations. The phrase "normal Pierce Transit operations" as used herein means the regular day-to-day business transactions of the agency involving personnel, finances, payments of vouchers, facilities, real and personal property, and other assets. The chief executive officer shall retain professional staff, which shall operate and manage according to directives and policy from the chief executive officer subject to review by the board. The chief executive officer shall regularly inform and consult with the chair of the board, the board's standing committees, and the board as a whole regarding significant information, business transactions and policies through methods mutually agreeable to the board and the chief executive officer. The chief executive officer shall be responsible for the day-to-day direction and conduct of business transactions of

Pierce Transit subject to the policies, limitations and procedures set forth in this resolution.

C. As permitted by law, the chief executive officer may delegate to appropriate Pierce Transit staff such of his or her administrative authority or reporting requirements herein established as, in his or her discretion, is necessary and advisable for the efficient exercise of such authority. To implement delegations of Pierce Transit staff, the chief executive officer may issue such policies and procedures, monetary delegations, authority to execute contracts and other documents to guide agency administration such as employee position descriptions, affirmative action plans, office manuals, etc., which shall include such delegations as may be appropriate. Directives or initiatives by the board shall be implemented through the chief executive officer unless otherwise provided in the board's directive or initiative. Except in the event of emergencies, directives or initiatives shall be approved by the full Board of Pierce Transit acting as a body, or by a motion of a standing committee of the board. The board, acting as a body, may at any time rescind or suspend all or any portion of the delegated authority confirmed upon the chief executive officer under this resolution by further resolution or motion acted on in a public meeting.

D. As permitted by law, the Board's ~~Executive~~-Finance ~~C~~ommittee is hereby authorized to approve all contracts proposed for award and all contracts for Pierce Transit to acquire or use property of others or to allow the use of Pierce Transit property by others which exceed the Chief Executive Officer's award authority ~~under this resolution~~ up to a maximum amount of one million dollars or as otherwise required by law. Such approval shall be by motion based on written facts provided by the Chief Executive Officer."

The following language in Pierce Transit Code Section 3.13.020 - Procurement and contracting procedures - shall be amended as follows:

"3.13.020 Procurement and contracting procedures

A. The Chief Executive Officer shall ensure that equipment, materials, supplies and services are procured efficiently and economically by Pierce Transit with maximum practicable competition and in compliance with the procedures established by this resolution, applicable state and federal laws and regulations, and adopted board policies.

B. Contracts for equipment, materials, supplies, leases, and non-professional and professional services purchased or work ordered for Pierce Transit, the estimated cost of which is not more than two hundred thousand dollars, may be awarded by the chief executive officer pursuant to such procedures as the chief executive officer deems reasonable and in the best interests of Pierce Transit; provided, that such purchases or orders are within current budget authorizations. Contracts in excess of the chief executive officer's award authority but less than one million dollars may be approved for award by the Board's ~~Executive-F~~inance ~~e~~Committee. All contracts for services purchased or work ordered, pursuant to this subsection, which exceed one hundred thousand dollars shall be reported to the board by the chief executive officer on a periodic basis not less frequently

than quarterly. All contracts for sole source procurements awarded by the chief executive officer which exceed ten thousand dollars shall be included in such reports.

C. Except as provided otherwise by the board, for all contracts for which board approval has been obtained, (either on a project-wide or individual contract basis), or for which the chief executive officer is authorized to contract without prior board approval, the chief executive officer is authorized to take all further steps necessary for completion of the work, including but not limited to: publication of notice calling for bids or proposals; rejection of bids or proposals or award of contract; canceling or delaying bid or proposal openings; administration of contracts (including execution of contract change orders); acceptance or rejection of work; termination of contract; contract close-out; and claims negotiations and settlements. Such actions shall be consistent with applicable legal requirements and Pierce Transit policies.”

The following language in Pierce Transit Code Section 3.13.110 Real property acquisition and disposition shall be amended as follows:

“3.13.110 Real property acquisition and disposition

A. The chief executive officer may approve contracts for Pierce Transit to acquire or use property of others, including purchase agreements, leases, rental agreements, operating agreements, licenses, easements, use and access permits, rights of entry and other use agreements; provided that funding for the rental or other resulting monetary obligation is within authorized budget limits, the term of such agreement does not exceed five years (including options), and the total monetary commitment of Pierce Transit over the term of any such agreement (including options) does not exceed two hundred thousand dollars. Contracts for property acquisition or use in excess of the Chief Executive Officer's contract authority of two hundred thousand dollars but less than one million dollars may be approved by the ~~Board's~~ Executive-Finance ~~e~~Committee.

B. The chief executive officer is authorized to obtain appropriate appraisals for use in evaluating or negotiating any proposed Pierce Transit acquisition, sale or lease of real property or any lesser interest therein.

C. After the Pierce Transit Board authorizes the acquisition of real property by negotiated purchase or condemnation, the chief executive officer shall take all necessary steps, including executing all required closing documents, deeds, and other necessary title instruments to secure title of such property for Pierce Transit. The acquisition price of individual properties (or ownerships) shall in no case exceed Pierce Transit's appraisal of fair market value or authorized budget limitations without further specific Pierce Transit Board approval. All voluntary acquisitions costing in excess of two hundred thousand dollars shall be approved by the Pierce Transit Board.

D. The chief executive officer is authorized to make application for vacation of streets or roads, and to take all other steps necessary to acquire a fee interest in street or road ends or

Exhibit A

other public right-of-way ancillary to Pierce Transit development, if the estimated acquisition costs do not exceed two hundred thousand dollars and are within authorized budget limits.

E. Upon approval by Pierce Transit Board, the chief executive officer is authorized to sell, exchange, transfer, lease or otherwise dispose of Pierce Transit real or personal property to government entities as provided in Chapter 39.33 RCW.”

RESOLUTION NO. 14-035

A RESOLUTION of the Board of Commissioners of Pierce Transit for the Authority to Amend Sections 3.12.030 Goods and Services; 3.13.010 Delegated Authority; 3.13.020 Procurement and Contracting Procedures and 03.13.110 Real Property Acquisition and Disposition of the Pierce Transit Code for Purposes of Consistency

WHEREAS, on April 14, 2008, Pierce Transit Board of Commissioners adopted Resolution No. 08-018 establishing revised delegated authority and procedures for the procurement of materials, work and services and for the acquisition and use of property and property rights and rescinding all previous procurement resolutions; and

WHEREAS, said resolution was codified as Sections 3.13.010 through 3.13.200 of the Pierce Transit code; and

WHEREAS, since the adoption of Resolution 08-018, Pierce Transit has incorporated, practiced and relied on these provisions and guidelines; and

WHEREAS, it was the intent of Resolution No. 08-018 to rescind all previous resolutions establishing procurement policy and procedures; and

WHEREAS, Pierce Transit desires to update Section 3.12 and 3.13 of the Pierce Transit Code; and

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pierce Transit as follows:

Section 1. The language in Pierce Transit Code 3.12.030 Goods and Services; 3.13.010 Delegated authority; 3.13.020 Procurement and Contracting Procedures and 03.13.110 Real Property Acquisition and Disposition of the Pierce Transit Code shall be amended as set forth in Exhibit A for purposes of consistency and to remove language that conflicts with other sections in the Code.

ADOPTED by the Board of Commissioners of Pierce Transit at their regular meeting thereof held on the 14th day of July, 2014.

Rick Talbert, Chair
Board of Commissioners

1 ATTEST/AUTHENTICATED

2

3

4 _____
Deanne Jacobson, CMC

5 Clerk of the Board

6

7

FACT SHEET

TITLE: Authorizing the CEO to Execute a Multi-Year Contract for Broker of Record Services with Gallagher Benefit Services, Inc.

DIVISION: Administration

ORIGINATOR: Alberto Lara, Chief Administration Officer

PRECEDING ACTION: Resolution No. 13-037, Adoption of the 2014 Agency Budget

COORDINATING DEPARTMENT: Human Resources, Procurement

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS:

Proposed Resolution

BUDGET INFORMATION

2014 Budget Amount
\$64,893

Required Expenditure
Approx. \$25,560 for
the remainder of 2014
(Expended \$39,333 to date)

Impact
\$0

Explanation: Required Expenditures for the first contract (September 1, 2014 through August 31, 2015) will be approximately \$76,680 based on 710 participating employees, including the base fee plus custom services. This amount will vary depending on actual participation. Future year expenditures will be included in the respective annual budgets.

BACKGROUND:

This resolution seeks authority to execute a multi-year contract for broker of record services with Gallagher Benefit Services, Inc.

Pierce Transit utilizes a broker of record to approach the insurance marketplace for placement of Agency employee benefit insurance coverage. Pierce Transit employees are provided with health insurance through a preferred

provider program (PPO) and a health maintenance organization, dental plan, group life, supplemental group life, and long-term disability.

In response to our Request for Proposals, advertised May 9, 2014, we received three qualified submittals. All of the proposals were evaluated by a committee of Pierce Transit staff. One firm was eliminated. Two companies were asked to provide Best and Final Offers. As a result of this process, Gallagher Benefit Services, Inc., emerged as the most qualified to fit the Agency's requirements. This company has a proven track record with numerous municipal organizations in the Puget Sound region for employee benefits. Reference checks produced positive results. This contract will be for a three-year period with two optional one-year extensions. The fee of \$8.00 per participating employee per month is fixed for all broker services. Custom Services such as employee communication consulting, production and on-line tools are available for an additional \$1.00 per month per employee. These fees are comparable with other firms in the industry and are considered to fair and reasonable.

Under Pierce Transit Code Section 4.16.030, the Insurance Committee of the Board of Commissioners should approve the broker of record. Since the current Board of Commissioners has not convened an Insurance Committee, this service should be approved by the Board prior to entering into an agreement for broker services.

ALTERNATIVES:

The alternative would be to reject all proposals and to re-solicit. However, the request for proposals was widely advertised and it is therefore unlikely that better results would be achieved. In addition, the current contract expires on August 31, 2014, leaving insufficient time to re-solicit. Having a broker of record active is critical during on-going union contract negotiations.

RECOMMENDATION:

Approve Resolution No. 14-036, authorizing the Chief Executive Officer to enter into and execute a contract for broker of record services with Gallagher Benefit Services, Inc., for three years, with two optional one-year extensions.

RESOLUTION NO. 14-036

1 A RESOLUTION of the Board of Commissioners of Pierce Transit Authorizing the CEO to Execute a
2 Multi-Year Contract for Broker of Record Services with Gallagher Benefit Services, Inc.
3

4 WHEREAS, by Resolution No. 13-037, approved on the 9th Day of December 2013, the Board of
5 Commissioners of Pierce Transit adopted the 2014 Agency Budget; and

6 WHEREAS; the budget includes funds for broker of record services; and

7 WHEREAS, three proposals for broker of record services have been submitted in response to notice
8 duly published in the manner required by law; and

9 WHEREAS, at the time and place specified in the notice, all proposals which were received were duly
10 opened and analyzed by Pierce Transit staff; and

11 WHEREAS, the proposals were evaluated in accordance with published criteria; and

12 WHEREAS, two proposers were asked to submit Best and Final Offers, including additional
13 information and final pricing structure; and

14 WHEREAS, the proposal of Gallagher Benefit Services, Inc. to provide broker of record services for the
15 amount of \$8.00 per participating employee per month plus \$1.00 per participating employee per month for
16 custom services if needed is the most responsive and responsible overall proposal received, is considered to
17 be fair and reasonable, and is by this reference incorporated herein; and

18 WHEREAS, the Board of Commissioners of Pierce Transit finds it in the best interest of Pierce Transit to
19 accept said proposal.

20 NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pierce Transit as follows:

21 Section 1 The proposal of Gallagher Benefit Services, Inc., is hereby accepted as indicated
22 subject to execution of a written contract. Pierce Transit, at its sole discretion, reserves the right to revoke the
23 acceptance of this proposal at any time prior to execution of the written contract.

24 Section 2 The Board of Commissioners herewith authorizes the Chief Executive Officer to
25 enter into and execute a contract for broker of record services with Gallagher Benefit Services, Inc. The term of
26 the contract shall be for three (3) years with two (2) optional one-year contract extensions.
27

ADOPTED by the Board of Commissioners of Pierce Transit at their regular meeting thereof held on the 14th day of July, 2014.

Rick Talbert, Chair
Board of Commissioners

ATTEST/AUTHENTICATED

Deanne Jacobson, CMC
Clerk of the Board

FACT SHEET

TITLE: Approval to Execute an Interlocal Agreement
Between Pierce Transit and Washington State Transit
Insurance Pool (WSTIP) for Claims Services

DIVISION: Administration

ORIGINATOR: Terence Artz, Risk Manager

PRECEDING ACTION: Resolution No. 08-037, authorizing execution of Interlocal Agreement (ILA) to join as a full member of WSTIP; Interlocal Agreement Executed with WSTIP on November 24, 2009 Regarding Claims Adjusting, In-House Legal Defense and Subrogation Services

COORDINATING DEPARTMENT: Risk Management

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS:

Proposed Resolution
Exhibit A, Proposed Interlocal Agreement

BUDGET INFORMATION

2014 Budget Amount
(\$75,000)

Required Expenditure
N/A

Impact
(\$75,000)

Explanation: This reimbursement is invoiced to WSTIP quarterly, and represents approximately \$75,000 in annual revenue associated with hourly services for claims administration, property recoveries, and legal support services.

BACKGROUND:

Pierce Transit became a full member of WSTIP, per resolution of this Board, on October 13, 2008. WSTIP (or "Pool") is a self-insurance collective comprised of 25 transit agencies providing primary layer first party property and third-party liability coverage to Pierce Transit. The Pool manages self-insurance retention funds (SIR) and procures policies for losses greater than the SIR. The Pool manages liability claims against the member agencies. Public risk pools are public entities established by Washington law under RCW 48.62.

Pierce Transit is the largest member of the Pool, and is the only member to have in-house claims services reimbursed by the Pool as reflected in this claims services ILA, a form of which has been in effect since 2010. The parties reached this arrangement to accommodate the increase in administrative demands on WSTIP staff in light

of Pierce Transit's size, and to account for Pierce Transit's ability to self-administer claims and property recoveries. The initial 2010 interlocal has been terminated to allow for negotiation and completion of the attached Interlocal and Appendix.

The Agency now seeks Board action to approve this ILA to allow for reimbursement to the Agency for liability claims services provided by Pierce Transit staff for the mutual benefit of Pierce Transit and the Pool. This ILA would capture, retroactively, services provided to date in 2014 and provide a framework for the scope of services and equitable reimbursement for such services into the foreseeable future. It is in Pierce Transit's benefit to have claim services provided in this manner as in-house adjusting services and support staff allow for tailored claims management to meet Pierce Transit's needs, improved communication and efficiencies, and this Interlocal captures the cost of such services to be billed through to WSTIP.

ALTERNATIVES:

1. Do not approve this ILA, leaving Pierce Transit and the Pool without a reimbursement mechanism for claims services. Further reimbursements would cease. This would represent a lost revenue opportunity and distort the true cost of general liability insurance for the Agency, which this revenue serves to offset.
2. Do not approve this ILA, and simply allow these services to be invoiced quarterly on an ad-hoc basis without an over-arching agreement on scope of services, appropriate reimbursement rates, and resolution of conflicts. This would expose the Agency to continued uncertainty of revenue estimates for budgeting, unnecessary conflicts over scope and rates, and potential delays in payment.

RECOMMENDATION:

Approve Resolution No. 14-037, authorizing the Chief Executive Officer to enter into and execute an Interlocal Agreement with Washington State Transit Insurance Pool for Claims Services.

RESOLUTION NO. 14-037

A RESOLUTION of the Board of Commissioners of Pierce Transit Authorizing the Execution of an Interlocal Agreement with Washington State Transit Insurance Pool (WSTIP) for Claims Services

WHEREAS, Pierce Transit is a member of the Washington State Transit Insurance Pool (WSTIP), a self-insurance collective and public entity established under RCW 48.62, and receives liability coverage by and through WSTIP; and

WHEREAS, the parties desire that Pierce Transit continue to provide with its own staff and facilities claim services including adjusting and administration, subrogation recoveries, and legal support services for Pierce Transit's fully covered and accepted liability claims that would otherwise be provided by WSTIP; and

WHEREAS, it is in Pierce Transit's benefit to have claim services provided in this manner as in-house adjusting services and support staff allow for tailored claims management to meet Pierce Transit's needs, improved communication and efficiencies; and

WHEREAS, the parties are empowered under RCW 39.34, the Interlocal Cooperation Act, to enter into an agreement to provide such services subject to reimbursement; and

WHEREAS, WSTIP agrees to reimburse Pierce Transit at rates established in Appendix A to the proposed Interlocal Agreement, which is attached as Exhibit A hereto, to cover the reasonably-estimated and auditable costs to Pierce Transit for providing such services; and

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pierce Transit as follows:

Section 1. The Board of Commissioners authorizes execution of the Interlocal Agreement, attached hereto as Exhibit A, between Pierce Transit and Washington State Transit Insurance Pool regarding claims services.

ADOPTED by the Board of Commissioners of Pierce Transit at their regular meeting thereof held on the 14th day of July, 2014.

Rick Talbert, Chair
Board of Commissioners

ATTEST/AUTHENTICATED

Deanne Jacobson, CMC
Clerk of the Board

**INTERLOCAL AGREEMENT BETWEEN
PIERCE TRANSIT and WASHINGTON STATE TRANSIT INSURANCE POOL
REGARDING CLAIMS SERVICES**

Whereas, Pierce Transit is a member of the Washington State Transit Insurance Pool (Pool) and receives its property and liability coverage by and through the Pool; and

Whereas, the parties desire that Pierce Transit continue to provide, with its own staff and facilities, services related to the handling and resolution of liability claims tendered to the Pool, including claims adjusting, subrogation, and legal defense that would otherwise be provided by the Pool; and

Whereas, the parties are empowered by RCW 39.34, the Interlocal Cooperation Act, to enter into an agreement such as this;

Now, therefore, in consideration of the mutual covenants contained herein, it is hereby agreed as follows:

Section 1. Purpose. With respect to claims made by third parties against Pierce Transit pursuant to RCW 4.92 (hereinafter "liability claims"), and accepted by the Pool for first-dollar coverage under the terms of the Pool's general liability policy, Pierce Transit staff shall adjust and assign defense for such claims, recover subrogated funds, pursue property loss claims, and supervise legal defense activities and be reimbursed for such services by the Pool as set forth below. Reimbursement for such services shall be inclusive of all Pierce Transit direct and indirect costs reasonable and necessary to meet this obligation.

Section 2. Pierce Transit's Obligation: Claim Services. Pierce Transit's Risk Manager shall designate a duly qualified Claims Administrator responsible for administering liability claims asserted against Pierce Transit as set forth in Section 1 and *Appendix A*. The Claims Administrator shall be the Pool's primary point-of-contact for accepted liability claims, and shall either conduct or in the Claims Administrator's discretion, assign to other qualified Pierce Transit staff to conduct the following services for reimbursement:

- A. Claims Adjustment, including liability claims intake and handling pursuant to RCW 4.92, investigation, reserve setting, pre-litigation negotiation with claimants or attorneys, procurement of expert or other vendor services as needed, reporting, assignment of defense counsel, and settling of liability claims within established Pool authority;
- B. Subrogation and Property Damage claims, including pursuit of third-party recoveries, property loss estimation, and reporting arising from tendered liability claims; and
- C. Legal Support Services, including Public Records Act (PRA) responses and management of same as part of a claimant or potential claimant's pre-litigation discovery, preparation of agency witnesses or management and retention of discoverable records, and any other liability claim-specific legal assistance intended to minimize the Pool's exposure. This does not include general legal services

provided to address exposures revealed by a claim, suit, investigation, or self-assessment conducted under attorney-client privilege.

Section 3. WSTIP's Obligation: Reimbursement. On a quarterly basis the Pool shall reimburse Pierce Transit for claim services provided by the Claims Administrator, as well as for any assigned subrogation, property damage claims, or legal services provided at the direction of the Claims Administrator, at the rate and terms set forth in *Appendix A* of this Agreement. The rates established in *Appendix A* shall remain in effect and carry over to the following year unless and until they are revised by mutual consent of the parties as follows:

- A. The Pierce Transit Risk Manager shall review the rates on *Appendix A* annually for consistency with internal costs, and may revise them accordingly with notice provided to WSTIP of the rate revision no later than November 30th for services to be provided in the following calendar year.
- B. Revisions to *Appendix A* shall be made in writing, and may be made and executed by mutual consent of the Pierce Transit Chief Executive Officer and the Pool's Executive Director without otherwise altering the terms of this agreement.

Section 4. Audits of Claim Services. Annually the Pool may audit Pierce Transit's records and files regarding claims services provided under the terms of this agreement. Such audits are subject to reasonable notice and cooperation between the parties; Pierce Transit will provide support to the Pool as needed to meet all regulatory requirements arising from this agreement.

Section 5. Settlement authority. The Pool Executive Director may delegate limited settlement authority to the designated Claims Administrator, consistent with Pool policy, for liability claims accepted by WSTIP for first-dollar coverage under this agreement. The Pool shall pay such settlements.

Section 6. Timesheet program. The Pool will make its timesheet programs and software available to Pierce Transit to enable Pierce Transit to record and manage the time its employees spend in providing the services described in this agreement.

Section 7. Training and support. The Pool will provide training and support to the employees providing the services described in this agreement.

Section 8. Status of employees. The employees providing services under this agreement shall be employees of Pierce Transit and are not agents or employees of the Pool.

Section 9. Other rights and obligations. Nothing in this agreement shall diminish the rights, duties, and obligations of Pierce Transit or the Pool as contained in the membership interlocal agreement approved by Pierce Transit Board Resolution 08-037, Pool bylaws, policy manual or coverage documents.

Section 10. Duration. This agreement shall be perpetual so long as Pierce Transit remains a member of the Pool.

Section 11. Amendment. Either party may propose, in writing, amendments to this agreement. The parties shall meet and confer on any proposed amendment and use their best efforts to reach agreement on the proposed amendment.

Section 12. Disputes.

a. Meeting. In the event of any dispute between the parties arising out of this Interlocal Agreement Regarding Claims Services the parties shall meet and confer and use their best efforts to resolve the dispute by agreement.

b. Mediation. If the dispute is not resolved by agreement and after a meeting as required by Section 12 a., within thirty days' notice of a request for mediation, the parties shall mediate the dispute through Washington Arbitration and Mediation Services (WAMS) or other comparable provider subject to mutual consent of the parties.

Section 13. Termination. Either party may terminate this agreement, with or without cause, by giving 90 days' written notice of termination.

Section 14. Effective date.

a. This agreement shall be effective immediately upon approval of both governing bodies of the parties to this agreement, and shall apply retroactively to all services provided within the calendar year of execution.

b. The parties recognize that in order for this agreement to become effective it must be approved by the state risk manager, the Pierce Transit Board of Commissioners and either filed with the county auditors of Pierce and Thurston Counties or posted on the parties web sites.

Section 15. Miscellany.

a. The parties do not contemplate that this agreement will result in the joint holding of any real or personal property and, therefore, there is no need to make any provision for such holding or disposition.

b. Each party will administer its own obligations under this agreement.

Dated this ____ day of _____, 2014

Pierce Transit
By Lynne Griffith, Chief Executive Officer

Dated this ____ day of _____, 2014

Washington State Transit Insurance Pool
By Allen F. Hatten, Executive Director

Appendix A

RATES AND PAYMENT TERMS

WSTIP agrees to initially reimburse Pierce Transit for claims services provided between January 1, 2014 and December 31, 2014 at the following rates:

- Claims Adjusting Services - Per Section 2 A. of this Agreement, the Pool shall reimburse Pierce Transit on a quarterly basis for claims adjusting services provided or assigned by the designated Claims Administrator in the amount of **\$57.00** per hour.
- Subrogation and Property Damage Claim Services - Per Section 2 B. of this Agreement, the Pool shall reimburse Pierce Transit on a quarterly basis for subrogation and property damage claim services provided or assigned by the designated Claims Administrator in the amount of **\$33.00** per hour.
- Legal Support Services - Per Section 2 C. of this Agreement, the Pool shall reimburse Pierce Transit on a quarterly basis for legal support services provided or assigned by the designated Claims Administrator in the amount of **\$42.00** per hour. Reimbursement for such services shall not exceed \$5,000 in a calendar year.

These rates are inclusive of 2014 budgeted wages, benefits, and infrastructure costs associated with Pierce Transit staff duly qualified to provide these services, and may represent a composite of assigned individuals. WSTIP further agrees that these rates shall be revised annually, beginning in the 2015 Pierce Transit budget cycle and thereafter, to ensure that Pierce Transit is reimbursed equitably for services provided, and that such revisions will be subject to the terms of Section 3 B. of this Agreement.

Pierce Transit shall report to the Pool hours of services provided in a manner that allows the Pool's Executive Director or designee to review billed hours and conduct reasonable audits, report to regulators, and to otherwise carry out the terms of this agreement. Pierce Transit shall provide an invoice to the Pool quarterly for services provided within the preceding three-month period.

Chief Executive Officer
Pierce Transit

Date

Executive Director
WSTIP

Date

FACT SHEET

TITLE: Authorization to Amend Pierce Transit Code
Section 3.72, Fare Schedule

DIVISION: Finance

ORIGINATOR: Jay Peterson, Transit Development
Manager

PRECEDING ACTION: N/A

COORDINATING DEPARTMENT: N/A

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS:

Proposed Resolution
Exhibit A, Title VI Fare Equity Analysis
Exhibit B, Proposed Revisions

BUDGET INFORMATION

2014 Budget Amount
N/A

Required Expenditure
N/A

Impact
N/A

Explanation: N/A

BACKGROUND:

In an effort to increase farebox recovery, minimize fare evasion through abuse of paper transfers, and promote driver and passenger safety, Pierce Transit is proposing revisions to its fares effective November 1, 2014. The proposed revisions are an outcome of a comprehensive fare study and data gathered from focus groups with riders, transit operators and service supervisors. A statistically valid intercept survey of riders was also conducted to obtain feedback on the proposed fare revisions.

Research proved what many at Pierce Transit have known for years – fare evasion occurring from the unauthorized use of paper transfers is a problem for the Agency and for riders. The Agency loses an undetermined amount of its revenue from paper transfer abuse, which adversely affects its overall farebox recovery rate and increases the

FACT SHEET
PAGE 2

frequency of public safety calls related to fare disputes. Additionally, paper transfers are a source of fare disputes which can lead to fare disputes and operator assaults.

A public hearing was held at the June 9, 2014 Board of Commissioners meeting to allow the public to comment on the proposed revisions. The proposed fare revisions seek to:

- Eliminate paper transfers
- Introduce a new All-Day Pass:

-Adult All-Day Pass =	\$5.00
-Senior/Youth/Disabled All-Day Pass =	\$2.50

If approved, the new All-Day Pass will replace the current All-Day Pass currently available only on weekends and holidays on which a weekend schedule is operated. All-Day Passes will be available for purchase on-board Pierce Transit fixed route buses seven days a week and are valid as payment on local Pierce Transit service (no value on other regional service providers). Certified human service agencies will be able to purchase All-Day Passes and individual ride tickets. All-Day Passes will also be available to ORCA card users. All other fares remain the same.

When we make any fare change, the Federal Transit Administration requires us, under Title VI of the Civil Rights Act, to evaluate the impact of those changes on our minority and low income riders. Analysis showed no disproportionate burden on low-income riders nor disparate impact to minority riders. The Title VI Fare Equity Analysis is attached as Exhibit A.

At its June 19, 2014 meeting, the Community Transportation Advisory Group endorsed the fare revision proposal.

Staff recommends the revisions as shown in Exhibit B to the Fare Schedule be approved, effective November 1, 2014.

ALTERNATIVES:

Do not revise fares. This is not recommended for it does not address the issue of fare evasion due to misuse of paper transfers nor utilize features of the new fareboxes that will be installed.

RECOMMENDATION:

Approve Resolution No. 14-038, authorizing amendments to Pierce Transit Code Sections 3.72.010 and 3.72.040 and 3.72.080 Fare Schedule.

RESOLUTION NO. 14-038

A RESOLUTION of the Board of Commissioners of Pierce Transit Authorizing Amendment of Pierce Transit Code Section 3.72, Fare Schedule

WHEREAS, the Revised Code of Washington 36.57A.090 provides the Board of Commissioners the authority to set fares; and

WHEREAS, Pierce Transit conducted a comprehensive fare study which included a statistically valid survey of riders and focus groups with riders, transit operators and service supervisors; and

WHEREAS, research showed that fare evasion occurring from the misuse of paper transfers is a problem for the Agency and riders; and

WHEREAS, paper transfers are a source of fare disputes which can lead to fare disputes and operator assaults; and

WHEREAS, Pierce Transit seeks to increase its farebox recovery ratio per the 2014 – 16 Strategic Plan; and

WHEREAS, new fareboxes Pierce Transit will be installing on its fixed route fleet allow for the purchase and use of an all-day pass which provides unlimited boardings on Pierce Transit local fixed route service for the service day the pass is purchased; and

WHEREAS, staff conducted Title VI fare equity analysis as required by the Federal Transit Administration when we make any fare change to evaluate the impact of those changes on our minority and low income riders; and

WHEREAS, fare equity analysis showed no disproportionate burden on low-income riders nor disparate burden to minority riders; and

WHEREAS, Pierce Transit provided public notice, conducted a public hearing and received comments on the proposed fare revisions.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pierce Transit as follows:

Section 1. Section 3.72.010 of the Pierce Transit Code, Fare Schedule, is hereby amended to read as follows:

3.72.010 Definitions

As used in this chapter:

- 1 A. "Accompanying companion" means a person who is traveling with a SHUTTLE customer, has the
2 same origin and destination, but does not need to assist the SHUTTLE customer with travel needs.
3
- 4 B. "All-day pass" means a pass available for purchase on-board Pierce Transit vehicles or loaded on
5 an ORCA card for local fixed route and Bus PLUS service. An all-day pass is valid for unlimited rides on
6 the service day the pass is issued. All-day passes shall have no transfer value on other transit
7 agencies service.
8
- 9 C. "Board of Commissioners" means elected officials appointed by local jurisdictions to the Pierce
10 Transit Board of Commissioners.
11
- 12 D. "Bus PLUS" means transit services differentiated from fixed route service by customer-initiated
13 deviations from routes or schedules. Bus PLUS service does not require complementary Americans
14 with Disabilities Act (ADA) paratransit service.
15
- 16 E. "Class pass" means a pass that allows up to thirty people riding together to make a one-day round
17 trip, on local fixed route transit service.
18
- 19 F. "Disabled person (persons with disabilities)" means any person(s) with a mental, physical, or sensory
20 disability that meets established criteria and has Pierce Transit-approved identification.
21
- 22 G. "Discounted fare" means the fare offered to senior citizens, persons with disabilities or individuals
23 with a valid Medicare card. A valid regional reduced fare permit is required to obtain the discounted
24 fare.
25
- 26 H. "Emergency situation" means adverse weather; fire/flood evacuation; threat of explosive devices, or
27 other regional emergencies requiring rapid movement of any group or groups of people.
28
- 29 I. "Federal law enforcement officer" means a commissioned civilian federal law enforcement agent, as
30 designated by the U.S. Attorney General and/or military police officers.
31
- 32 J. "Fixed route" means transit service using buses to provide service at designated bus stops along
33 specific routes on set schedules.
34
- 35 K. "Full-fare" means the fare for riders not specifically designated to qualify for a reduced fare.
36
- 37 L. "Personal care attendant" means a person traveling as an aide in order to facilitate travel by a
38 disabled person.
39
- 40 M. "Preschool child" means any person five years of age or younger when accompanied by a fare
41 paying passenger.
42

1 N."Public safety officer" means a person commissioned by any state, county, or municipal law
2 enforcement or fire protection agency.

3
4 O."PugetPass" means a regional bus pass valid for travel on Community Transit, Everett Transit, King
5 County Metro Transit, Kitsap Transit Sound Transit and Pierce Transit. PugetPass prices are set at
6 thirty-six times the trip value of the pass.

7
8 P."Senior citizen" means any person sixty-five years of age or over with a Pierce Transit-approved
9 identification or a Regional Reduced Fare Permit (RRFP).

10
11 Q. Service day means the span of service that comprise a day of transit service. Service begins at
12 3:00 a.m. and ends at 2:59 a.m.

13
14 R."SHUTTLE" means specialized transportation (paratransit) for persons with disabilities.

15
16 S."Special event" means any open to the public event of less than thirty days duration expected to
17 attract significant numbers of people.

18
19 T."Youth" means any person six to eighteen years of age.

20
21 Section 2: Section 3.72.040 of the Pierce Transit Code is hereby amended to read as follows:

22 **3.72.040 Local fixed route and Bus PLUS passes.**

23
24 A. Full-fare all-day passes shall be two times the full-fare cash fare plus one dollar.

25
26 B. Youth all-day passes shall be two times the youth cash fare plus one dollar.

27
28 C. Discounted all-day passes shall be two times the discounted cash fare plus one dollar.

29
30 D. The full-fare monthly pass (two dollar Regional PugetPass) shall be seventy-two dollars.

31
32 E. The youth monthly pass (seventy-five cents Regional PugetPass) shall be twenty-seven dollars.

33
34 F. The discounted monthly pass (seventy-five cents Regional PugetPass) shall be twenty-seven
35 dollars.

36
37 G. The summer youth pass shall be thirty-six dollars for unlimited youth rides during June, July and
38 August. The summer youth pass shall have no transfer value on Olympia Express or Sound Transit
39 services.

40
41 H. The class pass shall be forty-eight dollars.

Section 3: Section 3.72.080 of the Pierce Transit Code is hereby amended to read as follows:

3.72.080 Transfers.

Transfers are allowed for customers using an ORCA card with e-purse pursuant to ORCA terms of use.

ADOPTED by the Board of Commissioners of Pierce Transit at their regular meeting thereof held on the 14th day of July, 2014.

Rick Talbert, Chair
Board of Commissioners

ATTEST/AUTHENTICATED

Deanne Jacobson, CMC
Clerk of the Board

Pierce Transit

Title VI Fare Equity Analysis

Pursuant to FTA Circular 4702.1B

Elimination of Paper Transfers and New All Day Pass

June 19, 2014

PIERCE TRANSIT TITLE VI FARE EQUITY ANALYSIS

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PIERCE TRANSIT TITLE VI FARE EQUITY ANALYSIS

1 INTRODUCTION

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving Federal financial assistance. This analysis was conducted in compliance with Federal Transit Administration (FTA) Circular 4702.1B, which requires any FTA recipient serving a population of 200,000 or greater to evaluate any fare change and any major service change at the planning and programming stages to determine whether those changes have a discriminatory impact. This document is an analysis of Pierce Transit's proposed elimination of paper transfers and introduction of a new local All Day Pass.

2 BACKGROUND

2.1 PROPOSED FARE CHANGES

The purpose of the proposed elimination of paper transfers is to increase farebox recovery and to minimize fare evasion. Under Pierce Transit's current transfer policy, cash or ticket users receive a paper transfer valid on PT local service that is cut to expire one hour past the end of the line of that route. E-purse users receive a two-hour transfer window on their ORCA card from the time the card is initially tapped. This e-purse transfer is valid on regional and local services.

Feedback from Pierce Transit riders, supervisors and operators indicates that transfers are easily misused, often fraudulently. Also, the one-hour transfer window beyond the end of the line has been considered inequitable for those who board near the end of a route versus those who board at the beginning of a route – particularly longer routes like the Route 1 which is 1.25 hours from beginning to end.

Pierce Transit currently does not offer an All Day Pass during weekday service. There is a weekend and holiday All Day Pass currently offered at \$4.00 for adult riders and \$1.50 for senior, youth and disabled riders. The weekend All Day Pass is currently priced at two times the price of a one-way trip. The introduction of a new weekday and weekend All Day Pass at \$5.00 per day is intended to mitigate the elimination of paper transfers and provide riders with flexibility to travel as many trips as necessary throughout the day.

2.2 FEDERAL TRANSIT ADMINISTRATION REQUIREMENTS

FTA requires that its recipients evaluate the impacts of fare changes on minority and low income populations. If the transit provider finds potential disparate impacts or disproportionate burdens and then modifies the proposed changes in order to avoid, minimize or mitigate those impacts, the transit provider must reanalyze the proposed changes in order to determine whether the modifications actually removed the potential disparate impacts or disproportionate burdens of the changes.

If a transit provider chooses not to alter the proposed fare changes despite the disparate impact on minority ridership or disproportionate burden on low income ridership, or if the transit provider finds, even after the revisions, that minority or low income riders will continue to bear a disproportionate share of the proposed fare change, the transit provider may implement the fare change only if:

- the transit provider has a substantial legitimate justification for the proposed fare change, **and**
- the transit provider can show that there are no alternatives that would have a less disparate impact on minority riders but would still accomplish the transit provider's legitimate program goals.

If the transit provider determines that a proposed fare change will have a disparate impact or disproportionate burden, the transit provider shall analyze the alternatives to determine whether alternatives exist that would serve the same legitimate objectives but with less of a disparate or disproportionate effect on the basis of race, color, national origin, or income status. Where disparate impacts are identified, the transit provider shall provide a meaningful opportunity for public comment on any proposed mitigation measures, including any less discriminatory alternatives that may be available.

This fare equity analysis analyzes whether the elimination of paper transfers and the introduction of a new All Day Pass will have a disparate impact on Pierce Transit's minority riders and/or a disproportionate burden on the agency's low income riders.

3 TITLE VI POLICIES & DEFINITIONS

Pierce Transit's Board of Commissioners adopted three new policies in February 2013 related to Title VI: Major Service Change Policy; Disparate Impact Policy; and Disproportionate Burden Policy. Since no changes to service are proposed at this time, the Major Service Change Policy is not relevant to this analysis. The requirement for these policies comes from Federal Transit Administration (FTA) Circular 4702.1B, "Title VI Requirements and Guidelines for Federal Transit Administration Recipients" which became effective October 1, 2012. The Circular requires any FTA recipient that operates 50 or more fixed route vehicles in peak service and serving a population of 200,000 persons or greater to evaluate any fare change and any major service change at the planning and programming stages to determine whether those changes have a discriminatory impact.

3.1 PIERCE TRANSIT MAJOR SERVICE CHANGE POLICY

The purpose of this policy is to establish a threshold that defines a major service change and to define an adverse effect caused by a major service change.

A major service change is defined as any change in service on any individual route that would add or eliminate more than twenty percent of the route revenue miles or twenty percent of the route revenue hours. All major service changes will be subject to an equity analysis which includes an analysis of adverse effects on minority and low-income populations.

An adverse effect is defined as a geographical or time-based reduction in service which includes but is not limited to: span of service changes, frequency changes, route segment elimination, re-routing, or route elimination.

3.2 PIERCE TRANSIT DISPARATE IMPACT POLICY

The purpose of this policy is to establish a threshold which identifies when adverse effects of a major service change or any fare change are borne disproportionately by minority populations.

A disparate impact occurs when the minority population¹ adversely affected by a fare or service change is ten percent more than the average minority population of Pierce Transit's service area.

Disparate impacts on routes with either span of service changes and/or frequency changes will be determined by analyzing all routes with such changes together. Disparate impacts on routes with segment elimination, re-routing, or route elimination will be determined on a route by route basis.

¹ Minority Population – Persons identifying themselves as a race other than white or of Hispanic origin, self-reported in the U.S. Census.

If Pierce Transit finds a potential disparate impact, the agency will take steps to avoid, minimize or mitigate impacts and then reanalyze the modified service plan to determine whether the impacts were removed. If Pierce Transit chooses not to alter the proposed changes, the agency may implement the service or fare change if there is substantial legitimate justification for the change AND the agency can show that there are no alternatives that would have less of an impact on the minority population and would still accomplish the agency's legitimate program goals.

3.3 PIERCE TRANSIT DISPROPORTIONATE BURDEN POLICY

The purpose of this policy is to establish a threshold which identifies when the adverse effects of a major service change or any fare change are borne disproportionately by low-income² populations.

A disproportionate burden occurs when the low-income population adversely affected by a fare or service change is five percent more than the average low-income population of Pierce Transit's service area.

Disproportionate burden on routes with either span of service changes and/or frequency changes will be determined by analyzing all routes with such changes together. Disproportionate burden on routes with segment elimination, re-routing, or route elimination will be determined on a route by route basis.

If Pierce Transit finds a potential disproportionate burden, the agency will take steps to avoid, minimize or mitigate impacts and then reanalyze the modified service plan to determine whether the impacts were removed. If Pierce Transit chooses not to alter the proposed changes, the agency may implement the service or fare change if there is substantial legitimate justification for the change AND the agency can show that there are no alternatives that would have less of an impact on low-income population and would still accomplish the agency's legitimate program goals.

² **Low-Income Population** – Persons reporting as being under the federal household poverty limit as defined by the U.S. Department of Health and Human Services. In 2013 the poverty limit was \$23,550.

4 METHODOLOGY

Staff used data from Pierce Transit's 2010 Customer Satisfaction Survey to assist with the fare equity analysis. This survey of 570 Pierce Transit Riders provides local system-wide representation proportionate to weekday ridership by route and time of day on Pierce Transit's local fixed routes. Respondents were initially intercepted at major transfer and boarding locations as well as onboard key routes and asked to provide contact information in order to participate in a telephone survey. A total of 2,294 Riders were recruited for the telephone survey and surveys were completed with 570 respondents (only 553 responded to the question about how they paid their fare). The maximum margin of error for a sample of 570 is plus or minus 4.1 percentage points at the 95 percent confidence level. That is, in 95 out of 100 cases, the survey result will not differ from the general population by more than 4.1 percentage points in either direction.

Data collection occurred from October 14 to November 18, 2010. The data from the 2010 survey represents the most current data on our riders available to Pierce Transit. A new survey is nearing completion with data expected to be available for use in July 2014 for any future fare equity analyses.

The 2010 survey provides data on the following:

- Trip purpose (work, home, school, appointment, shopping, recreation)
- Payment method (ORCA Pass, ORCA other, Cash, Other)
- Time of day (peak, mid-day, evening)
- Ridership
 - Occasional (0 to 9 trips per month)
 - Infrequent (10 to 59 trips per month)
 - Frequent (60+ trips per month)
- Overall satisfaction with Pierce Transit (Dissatisfied, Neutral, Satisfied)
- Number of vehicles in household (None, 1, 2+)
- Income (less than \$20K, \$20K–\$30K, greater than \$30K)
- Age (16–34, 35–54, 65 and older)
- Gender
- Ethnicity

The survey provides valuable information about the demographics of the agency's weekday customers and their fare payment methods. In terms of ethnicity, 33% of Pierce Transit's riders identified themselves as non-white. With an average household size of 2.5, 56% of riders have annual incomes of less than \$20,000. This is the threshold for "low income" used in the analysis of the ridership data. This is also the equivalent of the poverty threshold for 3- to 4-person households. The US Department of Health and Human Services' poverty threshold is dependent on household size. Table 4-1 below shows these thresholds:

TABLE 4-1 2013 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA

Persons in family/household	Poverty guideline
For families/households with more than 8 persons, add \$4,020 for each additional person.	
1	\$11,490
2	15,510
3	19,530
4	23,550
5	27,570
6	31,590
7	35,610
8	39,630

For data on paper transfer use, staff used the average transfer rate reported by survey respondents who indicated that they originally paid their fare with cash. In the 2010 survey, 63% of riders indicated that they transferred to get to their destination. However, not all of these 63% of riders are using paper transfers. Only cash and ticket riders are using paper transfers to get to their destination. Since ticket users receive their tickets for free from social service agencies, transfers by ticket users are not included in this examination of who would be impacted by elimination of paper transfers. So, transfers by cash users are the relevant data with which to examine impacts of elimination of paper transfers.³ We know from our survey that cash

³ For the data on transfers by ticket and cash users combined, see Appendix A.

users transfer an average of 1.57 times to get to their destination. This means that they are paying their cash fare and then transferring almost two times; in other words they take, on average, an almost three-seat ride. We also know that minority cash users transfer an average of 1.64 times - slightly higher than the overall cash users. And low income cash riders transfer slightly fewer times on average at 1.49 transfers per trip. These average transfer rates were applied to extrapolated 2013 total ridership data for cash users to determine the number of boardings paid by cash and the number of boardings paid by paper transfer.

Table 4-2 below provides the data on Pierce Transit's riders who paid by ORCA pass, e-purse and paper ticket, and those who indicated they paid for their original trip using cash. Data from survey respondents is extrapolated to provide data on all Pierce Transit riders, based on 2013 total ridership of 10,344,991 boardings. The average transfer rate of 1.57 is used to determine how many boardings were made using cash as payment and how many boardings used paper transfers.

TABLE 4-2 PIERCE TRANSIT SYSTEM BOARDINGS BY FARE PAYMENT TYPE

Fare Type	All Riders	% of All Riders	2013 Extrapolated Ridership (System total:) 10,344,991	# Cash Fares Paid	Avg # Unpaid Transfers 1.57
Pass, E-purse and Ticket	311	56.2%	5,817,888	0	0
Adult Cash	190	34.4%	3,554,337	1,383,010	2,171,326
Youth Cash	38	6.9%	710,867	276,602	434,265
Senior/Disabled Cash	14	2.5%	261,899	101,906	159,992
Paper Transfer				n/a	2,765,584
Total Riders	553	100.0%	10,344,991	1,761,519	2,765,584

Table 4-3 below provides the data on Pierce Transit's minority riders who paid by ORCA pass, e-purse and paper ticket, and those who indicated they paid for their original trip using cash. Data from survey respondents is used to provide data on the percentage of all Pierce Transit riders who are minorities (34%) which equals 3,516,923 minority boardings. The average minority transfer rate of 1.64 is used to determine how many minority boardings were made using cash as payment and how many minority boardings used transfers.

TABLE 4-3 PIERCE TRANSIT MINORITY BOARDINGS BY FARE PAYMENT TYPE

Fare Type	Minority Riders	% Minority riders of all riders	% Minority Riders by Fare Type	Extrapolated Minority Ridership by Fare Type	# Cash Fares Paid	Avg # Unpaid Transfers 1.64
Pass, E-purse and Ticket	97	18%	31%	1,814,583	0	0
Adult Cash	73	13%	38%	1,365,614	517,278	848,336
Youth Cash	11	2%	29%	205,777	77,946	127,831
Senior/Disabled Cash	7	1%	50%	130,949	49,602	81,347
Paper Transfer					n/a	1,057,514
Total Riders	188	34%		3,516,923	644,826	1,057,514

Table 4-4 below provides the data on Pierce Transit's low income riders who paid by ORCA pass, e-purse and paper ticket, and those who indicated they paid for their original trip using cash. Data from survey respondents is used to provide data on the percentage of all Pierce Transit riders who are low income (49%) which equals 5,050,900 low income boardings. The average low income transfer rate of 1.49 is used to determine how many low income boardings were made using cash as payment and how many low income boardings used transfers.

TABLE 4-4 PIERCE TRANSIT LOW INCOME BOARDINGS BY FARE PAYMENT TYPE

Fare Type	Low Income Riders	% Low Income Riders of All Riders	% Low Income Riders by Fare Type	Extrapolated Low Income Ridership by Fare Type	# Cash Fares Paid	Avg # Unpaid Transfers
						1.49
Pass, E-purse and Ticket	170	31%	55%	3,180,196	0	0
Adult Cash	86	16%	45%	1,608,805	646,106	962,699
Youth Cash	8	1%	21%	149,656	60,103	89,553
Senior/Disabled Cash	6	1%	43%	112,242	45,077	67,165
Paper Transfer					n/a	1,119,417
Total Riders	270	49%		5,050,900	751,287	1,119,417

The data provided in Tables 4-2, 4-3 and 4-4 provide the basis for the equity analysis which is provided below in Section 5.

Data is not available on the characteristics of riders who use the existing weekend All Day Pass since the Customer Satisfaction Survey only collected data on the agency's weekday riders. Pierce Transit currently does not offer an All Day Pass during weekday service.

5 EFFECTS OF PROPOSED FARE CHANGES ON MINORITY AND LOW-INCOME RIDERS

5.1 Impact of Elimination of Paper Transfers on Minority and Low-Income Riders

Table 5-1 below compares Pierce Transit's boardings by fare type (from Tables 4-2, 4-3 and 4-4 above) by all riders on the system to minority and low income boardings by fare type.

TABLE 5-1 PIERCE TRANSIT BOARDINGS BY FARE PAYMENT TYPE

	System	Minority	Low Income	System	Minority	Low Income
Total Pass, E-purse and Ticket Boardings	5,817,888	1,814,583	3,180,196	56%	52%	63%
Total Boardings Paid by Cash	1,761,519	644,826	751,287	17%	18%	15%
Total Boardings Paid by Transfer*	2,765,584	1,057,514	1,119,417	27%	30%	22%
Total	10,344,991	3,516,923	5,050,900	100%	100%	100%

*Only for trips originating with cash. Does not include trips originally paid by ticket resulting in a transfer

The key information in Table 5-1 above for this analysis is the Total Boardings Paid by Transfer row. We compare the minority and low income transfer boardings to the system-wide transfer boardings. We see that 27% of all boardings are paid by transfer, 30% of minority boardings are paid by transfer, and 22% of low income boardings are paid by transfer.

5.2 Impact of Addition of a New All Day Pass

With elimination of paper transfers, almost two-thirds of cash riders would have to pay at least four \$2.00 fares per day to get to and from their destination at a total cost of \$8.00. For minority riders, the total number of transfers averages closer to two (1.64), which means about three bus rides per trip. Introduction of the \$5.00 All Day Pass would provide unlimited use and unlimited transfers at a substantially lower cost than the potential \$8.00 to \$12.00 total fare, yet will cost just \$5.00 (\$1.00 more than the current round-trip cost of \$4.00). This leaves All Day Pass users free to use transit for errands in addition to their typical work and appointment trips. All Day Passes will be available for purchase on-board buses through the farebox as well as via the ORCA smart card. ORCA cards have a one-time \$5 purchase fee and are available for purchase online, by phone, or in person at The Bus Shop and at participating retailers throughout the service area. Pierce Transit staff will provide ORCA cards free of charge to customers for a period of time prior to the elimination of paper transfers and introduction of the All Day Pass.

Data is not available to determine whether addition of the All Day Pass creates a disparate impact or disproportionate burden on minority or low income riders, but the pass is considered a benefit to riders and, should a disparate impact or disproportionate burden be found for minority or low income riders regarding elimination of paper transfers, the pass would serve as mitigation for that fare change.

5.3 Elimination of Paper Transfers - Disparate Impact Analysis

Pierce Transit's policy states that a disparate impact occurs when the minority population adversely affected by a fare or service change is 10% more than the average minority population of Pierce Transit's service area. In the case of a fare change, the intent of the policy is to compare the difference between the percentage of all boardings using that fare type and the percentage of minority boardings using that fare type. More specifically, for this analysis, we must look at whether the percentage of minority riders who use paper transfers is 10% more than the percentage of overall system riders who use paper transfers. Minority users of the ORCA fare payment card are not relevant to the analysis as they would not be impacted by the elimination of paper transfers. Also, transfers by ticket users are not included in the number of boardings by paper transfer since they receive their tickets for free from social service agencies. The data in Table 5-1 above provides the information needed to compare the minority riders potentially adversely affected by the fare change to Pierce Transit's disparate impact threshold of 10%.

The table shows that 27% of all system boardings use paper transfers. Minority riders would be slightly more affected by elimination of paper transfers, with 30% of boardings by minorities being paid by transfer. This 3% difference does not warrant a finding of disparate impact to minority riders.

In addition, any negative effects on overall and minority riders of the elimination of paper transfers would be mitigated by the introduction of a new All Day Pass.

5.4 Elimination of Paper Transfers - Disproportionate Burden Analysis

Pierce Transit's policy states that a disproportionate burden occurs when the low-income population adversely affected by a fare or service change is 5% more than the average low-income population of Pierce Transit's service area. In the case of a fare change, this means that we must examine the difference between the percentage of all boardings using that fare type and the percentage of low income boardings using that fare type. More specifically, for this analysis, we must look at whether the percentage of low income riders who use paper transfers is 5% more than the percentage of overall system riders who use paper transfers. Low income users of the ORCA fare payment card are not relevant to the analysis as they would not be impacted by the elimination of paper transfers. Also, transfers by ticket users are not included in the number of boardings by paper transfer since they receive their tickets for free from social service agencies. The data in Table 5-1 above provides the information needed to compare the low income riders potentially adversely affected by the fare change to Pierce Transit's disproportionate burden threshold of 5%.

The table shows that 27% of all system boardings use paper transfers. Low income riders would be slightly less affected than the ridership as a whole by elimination of paper transfers, with just 22% of boardings by low income riders being paid by transfer. Since the low income transfer use is 5% less than the overall system-wide transfer use, no finding of disparate impact to low income riders is warranted.

In addition, any negative effects on overall and low income riders of the elimination of paper transfers would be mitigated by the introduction of a new All Day Pass.

APPENDIX A TRANSFERS BY CASH AND TICKET USERS

	System	Minority	Low Income	System	Minority	Low Income
Average Transfer Rate				1.57	1.71	1.78
Total Boardings Paid by ORCA Pass/E-purse	4,601,931	1,365,614	2,357,087	44%	39%	47%
Total Boardings Paid by Ticket	473,135	151,865	289,353	5%	4%	6%
Total Boardings Paid by Cash	1,761,519	628,170	672,915	17%	18%	13%
Total Boardings Paid by Transfer	3,508,406	1,333,860	1,712,838	34%	38%	34%
Total	10,344,991	3,479,509	5,032,193	100%	100%	100%

The table above shows that the percentage of minority boardings paid by transfer (highlighted above) is 4% higher than the system-wide transfer boardings, and the percentage of low income transfer boardings is the same as the system-wide transfer boardings (34%). So including ticket users in the analysis of transfer use does not cause the elimination of paper transfers to result in a disparate impact to minority riders nor a disproportionate burden to low income riders.

EXHIBIT B
PIERCE TRANSIT CODE
CHAPTER 3.72 FARE SCHEDULE
PROPOSED REVISIONS

3.72.010 Definitions

As used in this chapter:

A. "Accompanying companion" means a person who is traveling with a SHUTTLE customer, has the same origin and destination, but does not need to assist the SHUTTLE customer with travel needs.

B. "All-day pass" means a pass available for purchase on-board Pierce Transit vehicles or loaded on an ORCA card for local fixed route and Bus PLUS service. An all-day pass is valid for unlimited rides on the service day the pass is issued. All-day passes shall have no transfer value on other transit agencies' services ~~Olympia Express or Sound Transit Services~~.

C. "Board of commissioners" means elected officials appointed by local jurisdictions to the Pierce Transit Board of Commissioners.

D. "Bus PLUS" means transit services differentiated from fixed route service by customer-initiated deviations from routes or schedules. Bus PLUS service does not require complementary Americans with Disabilities Act (ADA) paratransit service.

E. "Class pass" means a pass that allows up to thirty people riding together to make a one-day round trip, on local fixed route transit service.

F. "Disabled person (persons with disabilities)" means any person(s) with a mental, physical, or sensory disability that meets established criteria and has Pierce Transit-approved identification.

G. "Discounted fare" means the fare offered to senior citizens, persons with disabilities or individuals with a valid Medicare card. A valid regional reduced fare permit is required to obtain the discounted fare.

H. "Emergency situation" means adverse weather; fire/flood evacuation; threat of explosive devices, or other regional emergencies requiring rapid movement of any group or groups of people.

I. "Federal law enforcement officer" means a commissioned civilian federal law enforcement agent, as designated by the U.S. Attorney General and/or military police officers.

J. "Fixed route" means transit service using buses to provide service at designated bus stops along specific routes on set schedules.

K. "Full-fare" means the fare for riders not specifically designated to qualify for a reduced fare.

L. "Personal care attendant" means a person traveling as an aide in order to facilitate travel by a disabled person.

M. "Preschool child" means any person five years of age or younger when accompanied by a fare paying passenger.

N. "Public safety officer" means a person commissioned by any state, county, or municipal law enforcement or fire protection agency.

O. "PugetPass" means a regional bus pass valid for travel on Community Transit, Everett Transit, King County Metro Transit, Kitsap Transit Sound Transit and Pierce Transit. PugetPass prices are set at thirty-six times the trip value of the pass.

P. "Senior citizen" means any person sixty-five years of age or over with a Pierce Transit-approved identification or a Regional Reduced Fare Permit (RRFP).

Q. Service day means the span of service that comprises a day of transit service. Service begins at 3:00 a.m. and ends at 2:59 a.m.

~~QR~~. "SHUTTLE" means specialized transportation (paratransit) for persons with disabilities.

~~RS~~. "Special event" means any open to the public event of less than thirty days duration expected to attract significant numbers of people.

~~SI~~. "Youth" means any person six to eighteen years of age.

3.72.040 Local fixed route and Bus PLUS passes.

A. Full-fare all-day passes shall be two times the full-fare cash fare plus one dollar.

B. Youth all-day passes shall be two times the youth cash fare plus one dollar.

C. Discounted all-day passes shall be two times the discounted cash fare plus one dollar.

D. Human/social service providers and schools may purchase all-day passes from Pierce Transit.

~~ED~~. The full-fare monthly pass (two dollar Regional PugetPass) shall be seventy-two dollars.

~~FE~~. The youth monthly pass (seventy-five cents Regional PugetPass) shall be twenty-seven dollars.

~~GF~~. The discounted monthly pass (seventy-five cents Regional PugetPass) shall be twenty-seven dollars.

~~HG~~. The summer youth pass shall be thirty-six dollars for unlimited youth rides during June, July and August. The summer youth pass shall have no transfer value on Olympia Express or Sound Transit services.

~~IH~~. The class pass shall be forty-eight dollars.

3.72.080 Transfers.

Transfers are allowed for customers using an ORCA card with e-purse pursuant to ORCA terms of use. ~~shall be issued free of charge upon payment of the correct fare. Transfers are equal to the value of a local fixed route fare for all fare categories.~~

FACT SHEET

TITLE: Authorization for Modification No.1 to the Fife Milton Edgewood Demonstration Project Effective September 28, 2014

DIVISION: Business Development Office

ORIGINATOR: Tina Lee, Service Innovation Administrator

PRECEDING ACTION: Resolution No-13-033, dated November 18, 2013, Authorizing the Fife Milton Edgewood Demonstration Project Effective February 16, 2014

COORDINATING DEPARTMENT: Business Development Office

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS:

Proposed Resolution,
Exhibit A, Proposed Route 503 Map

BUDGET INFORMATION

2014 Budget Amount
N/A

Required Expenditure
N/A

Impact
N/A

Explanation: Service hours for all Pierce Transit services are budgeted in the 2014 Budget, service hours are available for the Fife Milton Edgewood Demonstration service.

BACKGROUND:

The Board of Commissioners of Pierce Transit approved the implementation of the Fife Milton Edgewood Demonstration Project at their November 18, 2013 meeting. Two demonstration routes are included in that demonstration project, demonstration service started on February 16, 2014:

1. Route 503, Fife to Puyallup Community Connector
2. Route 504, Milton-Edgewood Community Connector

The local Community Investment Team (CIT) has been monitoring performance of the service since its inception. The CIT has also worked diligently to market the demonstration services with articles in the local newspapers, printing and going door to door to hang door hangers at homes, displaying posters and brochures around the community, and including information about the new routes on community websites. Pierce Transit has also marketed the service through our normal methods including a route brochure, schedule information in The Bus Stops Here, website postings, promotional two week pass mailer and displays at local community events.

Even with this outreach, after four months of service the routes are not achieving their performance goals and ridership is not increasing. At their June 11, 2014 meeting, the CIT recommended changes to both Route 503, Fife to Puyallup Community Connector, and Route 504, Edgewood-Milton Community Connector, to improve the service reliability and build ridership.

Fife Milton Edgewood Demonstration Service Performance Measures

	June Monthly Ridership	Goal Pass/Svc Hr	June Pass/Svc Hr	Goal Cost per Passenger	June Cost per Passenger
Route 503, Fife to Puyallup Community Connector	583	5	1.21	\$27.93	\$118.40
Route 504, Edgewood-Milton Community Connector	247	5	1.45	\$27.93	\$98.45

Route 503

The current configuration for the Route 503, Fife to Puyallup Demonstration Service has the route operating as both a Sounder train commuter connector and midday local service. The CIT has recommended focusing on the Sounder commuter service to make this service as strong as possible to reach the target market and forgo the midday local service. When the Route 503 first started in February 2014, buses were delayed due to heavier traffic than anticipated and most trips were late. The service was unreliable and we believe we lost potential commuter riders because they did not trust the service to make their train connections. Customer comments for this service were generally complaints about missing trains, the bus not picking up on the same side of the tracks as the train in the evening, and requests that the service be extended later to meet the last Sounder train.

We are recommending that the current Route 503 demonstration be modified to focus the last six months of the demonstration as a Sounder connector to increase ridership and serve Fife commuter needs. The modifications will:

- Provide a connection to six Sounder Trips AM and PM
- Provide limited reverse commute trips in the AM and PM
- Eliminate midday service to make commuter connector stronger in peak periods

Sound Transit was notified by Pierce Transit's Planning Department as normal communication on Pierce Transit service changes, they are supportive and asked to include Pierce Transit's Route 503 schedule in their schedule book to notify their Fife passengers of this local connection.

Route 504

The CIT also recommended modifications to the Route 504, Edgewood-Milton Community Connector Demonstration Service. Their recommendation is to phase implementation of changes for this service with (1) Phase 1 implementing a route change at the September 28, 2014 service change and (2) Phase 2 testing a new service model, Bus Plus hybrid service, with the February 15, 2015 service change. The Route 504, Edgewood-Milton Community Connector, is intended to be a local community connector service providing connections to community services and destinations. The service currently operates in a one-way loop seven days a week with extended hours on Thursday evenings to provide access to services at the Mountain View Community Center including the Edgewood F.I.S.H. Food Bank. We have received complaints from passengers that the one way loop is difficult to use as passengers have to ride around the loop to get to their destination, and passengers are often asked to exit the bus at the Tahoma Market Turnaround in Fife and then need to cross SR-99 to wait to board the returning trip. Many of the riders along this corridor are seniors and the CIT sought to target senior facilities along the corridor, the inconveniences described above have impacted our ability to grow ridership along the corridor.

Additionally the CIT has asked that Pierce Transit consider providing service to some facilities in these communities that are at locations that are difficult to reach with fixed route buses. They tend to be senior facilities or activity centers with lower densities but within reach of a different type of service the CIT would like to test in this market.

The CIT recommended modifying this service to test a Bus Plus hybrid service that deviates off route to reach approved off-route stops. With this change we believe we could reach a larger audience and improve utilization of the service. Hybrid service may be more effective to provide transportation options to these communities. The CIT recommended we modify the service and test a Bus Plus service starting with the September 2014 service change. However, due to the volume of current projects underway, Pierce Transit staff necessary to implement a Bus Plus service are not able to take on this change until February 2015. Therefore, the CIT has recommended changes for this route be implemented over the next two service changes.

Phase 1: Starting with the September 28, 2014 service change, modify the Route 504 to operate along the corridor proposed for the Bus Plus route. Eliminate the one way loop and instead operate two directional service. Also eliminate Sunday service which has had very low ridership and utilize those service hours for the changes in the weekday schedule.

Phase 2: With the February 15, 2015 service change, request that the Pierce Transit Board of Commissioners considers implementing a Bus Plus service along the new route corridor to test this mode in the cities of Edgewood and Milton. Staff will return to the Board at their November meeting with a request to consider operationalizing the demonstration service or testing a Bus Plus modal in this community.

Staff will develop a communication plan and provide outreach for the proposed modifications to Route 503, Fife to Puyallup Community Connector, and Route 504, Edgewood-Milton Community Connector, utilizing our usual methods and working with the CIT. As part of our demonstration outreach, we are scheduled to be at community events in Fife, Milton, and Edgewood where we will share information about the modifications to the demonstration routes.

Staff will return to the Board of Commissioners in October with a public hearing seeking input on the Fife Milton Edgewood Demonstration routes. At your November 10, 2014 meeting we will return with a demonstration report and ask the Board to consider next steps for the Fife Milton Edgewood Demonstration Routes 503 and 504.

ALTERNATIVES:

Do not modify the Fife Milton Edgewood Demonstration Project Route 503 or Route 504. However, staff does not expect to see improvement in performance or growth in ridership without changes.

Terminate the Fife Milton Edgewood Demonstration Project. However, the demonstration was proposed for a one-year period and it can take two to three years for a new route to develop.

RECOMMENDATION:

Approve Resolution No. 14-039, authorizing Modification No. 1 to the Fife Milton Edgewood Demonstration Project with schedule changes to the Route 503, Fife to Puyallup Community Connector; and also route and schedule changes to the Route 504, Edgewood-Milton Community Connector.

RESOLUTION NO. 14-039

A RESOLUTION of the Board of Commissioners of Pierce Transit Authorizing Modification No. 1 to the Fife Milton Edgewood Demonstration Project Effective September 28, 2014

WHEREAS, on July 8, 2013, the Pierce Transit Board of Commissioners adopted its Strategic Direction which directed staff to develop innovative tailored community solutions; and

WHEREAS, on November 18, 2013, the Pierce Transit Board of Commissioners adopted Resolution 13-0133 authorizing the Fife Milton Edgewood Demonstration for a one year period effective February 16, 2014; and

WHEREAS, the Fife Milton Edgewood Demonstration consisted of two demonstration routes that were recommended by the Fife Milton Edgewood Community Investment Team (CIT): Route 503, Fife to Puyallup Station Community Connector; and Route 504, Edgewood Milton Community Connector; and

WHEREAS, the Fife Milton Edgewood CIT and Pierce Transit staff have diligently worked to market and promote the services; and

WHEREAS, the demonstration routes have been in service for four months and neither route is reaching its performance targets; and

WHEREAS, after reviewing ridership and bus stop utilization data, the CIT has recommended that the demonstration services be modified to better serve the local community and improve performance over the last six months of the demonstration; and

WHEREAS, the Route 503, Fife to Puyallup Station Connector, schedule will be modified to operate during peak hours only to provide connections to six Sounder trains and will have limited reverse peak hour service.

WHEREAS, the Route 504, Edgewood-Milton Community Connector, service will be modified to operate two-directional service, have a modified route and schedule, and operate six days a week Monday through Saturday; and

WHEREAS, the service hours required to operate the Fife Milton Edgewood Demonstration project were approved in the 2014 Budget. The service hours required in 2015 will be contingent upon 2015 Budget approval.

1 NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pierce Transit as follows:

2 Section 1. The Board of Commissioners authorizes Modification No. 1 to the Fife-Milton-
3 Edgewood Demonstration Project as reflected on Exhibit A hereto, effective September 28, 2014.

4 ADOPTED by the Board of Commissioners of Pierce Transit at their regular meeting thereof held on
5 the 14th day of July, 2014.

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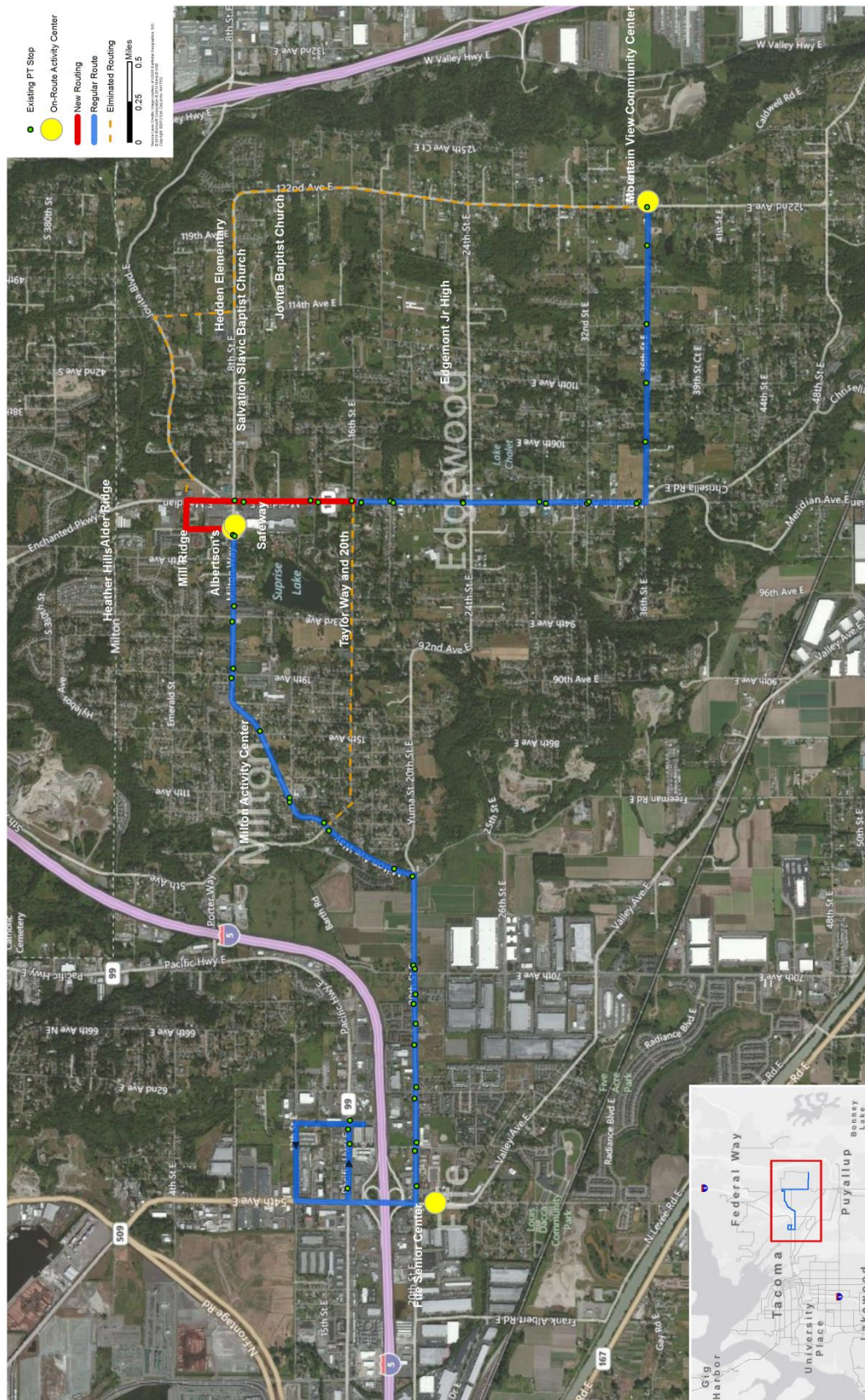
Rick Talbert, Chair
9 Board of Commissioners
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12 ATTEST/AUTHENTICATED

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Deanne Jacobson, CMC
15 Clerk of the Board
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Route 504 - Milton-Edgewood Community Connector (September 2014 Shakeup)



FACT SHEET

TITLE: Authority to Amend the 2014 Capital Budget and Authorize the Daily Field Activity Reporting (DFAR) Project

DIVISION: Operations

ORIGINATOR: William Cassio,
Chief of Public Safety/Transit Police

PRECEDING ACTION: N/A

COORDINATING DEPARTMENT: Public Safety and Information Technology

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS:

Proposed Resolution

BUDGET INFORMATION

2014 Budget Amount
0

Required Expenditure
\$45,000

Impact
\$45,000

Explanation: The Department of Public Safety is seeking a secure log-in portal for an electronic Daily Field Activity Report where Public Safety Officers and Law Enforcement Officers can enter their activities, update from ODDS entries, share suspect information and photos, and provide usable data for input into the Highline Payroll System. The data will also be used for our National Transit Database (NTD) reports.

Our current data base software does not have the ability to tie this data together.

BACKGROUND:

This resolution seeks authority to add the Daily Field Activity Reporting (DFAR) Project to the Capital Projects List and appropriate funds from the reserves to said project.

Pierce Transit's Department of Public Safety employs fulltime Public Safety Officers and contracts part-time work for off-duty officers from the Tacoma Police Department and the Lakewood Police Department to monitor our transit system and provide law enforcement and public safety services. Their field hours and administrative hours are tracked on a daily field activity report (DFAR). These documents contain information on excluded passengers, victims, law enforcement case numbers, photos, and sensitive security information.

Currently, to track this information, Public Safety spends an estimated \$87,000 per year in liaison contracted wages, which does not include wages of Pierce Transit personnel involved in the process, such as accounting

oversight and administration. Although this project would not completely alleviate the need for the Liaison officers, it would greatly reduce the administrative tasks associated with these processes and allow the utilization of the liaisons for more direct impact on the safety of the system.

The current data base system cannot tie the documents from the cross-jurisdictional field resources into our payroll and operational data base programs. Our Information Technology Department has determined that upgrades to our system would go beyond their classification of a minor project (less than 160 hours of work and less than \$25K in expenses), therefore has recommended that the project move to an outside source, as our IT department is not capable to develop this type of product.. We have contacted four vendors for cost estimates and expect the project to cost approximately \$35,000. We have a \$10,000 contingency plan for any unforeseen cost over runs. In 2014, these funds will be drawn from reserves.

Project cost- will be a one-time expense in 2014 not to exceed \$35,000 including tech support.

Contingency- \$10,000, for any costs incurred outside of the contract such as servers or other technical needs for internal Pierce Transit systems.

ALTERNATIVES:

Do not approve the project; however, if we do nothing, we will not realize the cost savings by continuing to manually track this information. It will cost an estimated \$87,000 per year in liaison contracted wages, which does not include wages of Pierce Transit personnel involved in the process, such as accounting oversight and administration.

RECOMMENDATION:

Approve Resolution No. 14-040, amending the 2014 Capital Budget and authorize the Daily Field Activity Reporting Project.

RESOLUTION NO. 14-040

A RESOLUTION of the Board of Commissioners of Pierce Transit
Amending the 2014 Capital Budget and Authorize the Daily Field Activity Reporting (DFAR) Project

WHEREAS, Daily Field Activity Reports are used by fulltime Public Safety employees and Transit Police
for recording field work and administrative work; and

WHEREAS, a secure web-based portal is desired to input and share information from the Daily Field
Activity Reports for payroll and reporting functions; and

WHEREAS, Pierce Transit's Information Technology Department has recommend out-sourcing this
project; and

WHEREAS, the Board of Commissioners of Pierce Transit authorizes appropriating funds in the
reserves to said project.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pierce Transit as follows:

Section 1. The Board of Commissioners authorizes amending the 2014 Capital Budget for the
Daily Field Activity Reporting (DFAR) Project in the amount of \$45,000 and appropriate funds from the
reserves to said project.

ADOPTED by the Board of Commissioners of Pierce Transit at their regular meeting thereof held on
the 14th day of July, 2014.

Rick Talbert, Chair
Board of Commissioners

ATTEST/AUTHENTICATED

Deanne Jacobson, CMC
Clerk of the Board

FACT SHEET

TITLE: Authority to Amend the 2014 Capital Budget and Execute Amendment No. 3 to the Contract with Trapeze Software Group, Inc. for the Maintenance Management System Project to Include Additional General Services, Vendor-Provided Training, and Licenses

DIVISION: Executive

ORIGINATOR: Erik Solberg, Project Manager

PRECEDING ACTION: Resolution No. 13-037, Adoption of the 2014 Budget; Resolution No. 12-033, Authority to Execute a Contract for a Maintenance Management System with Trapeze Software Group.

COORDINATING DEPARTMENT: Project Management Office (PMO)

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS: Resolution

BUDGET INFORMATION

2014 Budget Amount
\$382,363

Required Expenditure
\$539,311

Impact
\$156,948 (Over Budget)

Explanation: The budget amount is the revised budget adopted with Resolution No. 12-033. The required expenditure is the readjusted budget amount with additional services, additional licenses and training related activities. The impact is the difference between the Project Budget Amount and the Required Expenditure. The budget adjustment will be funded from available reserves.

BACKGROUND:

This resolution seeks authority to execute a contract amendment with Trapeze Software Group Inc. for the Maintenance Management System replacement, to include additional general services, vendor provided training, and licenses.

Pierce Transit and Trapeze Group began working on the system implementation in March of 2013. Delays began to occur within several months which have lengthened the project timeline substantially.

Schedule delays can be attributed to the following:

Resources constraints: A number of staff resources have been lost during this project to include the loss of a longtime Information Technology Systems Analyst who had been working with our current maintenance management system. Losing this resource impacted cost since this analyst was scheduled to develop one of the interfaces for integration of the new maintenance management system. This cost was absorbed and covered by contingency funds. A new analyst was assigned to this project and needed familiarization training of both the new system being implemented and the current maintenance management system – all of which led to a number of other delays due to unfamiliarity with the applications and data structures.

Additionally, as a result of the recent Agency restructure and unexpected retirements and resignations, Fleet and Facilities staff have had to take on more responsibility for day-to-day operations as well as other capital projects causing further delays in developing multiple data sets required for new Maintenance System development.

Data Integrity: Much of data and workflow that needs to be built into the new system does not exist in the old one which required workarounds and resulted in delay.

Interface Costs: After working with Trapeze and the vendors of these different systems, we discovered the need for further integration between the new maintenance management system, our financial management system, and our fuel management system; this raised integration costs, which further reduced the amount of funds available in contingency. Increased development costs for additional interface integration have had the largest impact on project budget. To date, additional interface costs have encumbered the project contingency funds.

A summary of additional unplanned interface costs follows:

Interface Description	Cost
Parts Adjustment	\$ 5,000
Fuel and Fluid Adjustment	\$ 6,650
Purchase Order Create/Update	\$ 20,400
Mitchell Humphrey (FMS)	\$ 23,412
Interface Total (Unplanned/Contingency)	\$ 55,462

All contingency (\$44,208) was used for development of these interfaces though contingency did not fully cover the cost of the interfaces. We were able to find other means for funding the difference (\$11,254) by acquiring lower costing infrastructure supporting hardware and removing a few handheld units from the project budget which were not needed.

Proposal (All costs include applicable taxes)

Trapeze Group has proposed an additional 72 hours for general services at a cost of \$17,669. These additional services will help ensure a successful implementation and reduce the time to go-live as the vendor can participate to a much greater extent without worrying about performing out-of-scope work.

The team is also requesting vendor-driven end-user training to ensure personnel are properly trained in how to use and maximize the features of the system. Trapeze Group has proposed a 3-week training solution for 125 employees at a cost of \$95,890. We believe that Pierce Transit will greatly benefit from this training.

A need has arisen for greater mobility in how users interact with the system. Initially, we contracted for 5 mobile application licenses which allow technicians in the field to interact (i.e., create work orders, complete inspections, etc.) using the application on a mobile device (i.e., handheld and/or tablet computers). We are requesting 30 additional licenses for our facilities and fleet technicians to allow for greater efficiency in the way these personnel go about their daily work while away from base and out in the system doing maintenance and repairs. The additional cost of these licenses is \$43,389.

The above costs are summarized below:

Summary of Change Request		
End-User Training	\$	95,890
General Services (72 Hours)	\$	17,669
Mobile Focus Licensing	\$	43,389
Total Requested	\$	156,948

ALTERNATIVES:

A number of alternatives exist due to the separation of line-items. Items in the summary table can be approved in whole, parts, or not at all. We have an individual statement of work for each of the items.

Option 1: Approve request for all items (\$156,948).

The success of the overall project depends on the end-users ability to use the product effectively and maximize mobile efficiencies. Ensuring adequate services are available to mitigate risk for the remainder of the project is also important as no contingency remains in the project budget. This is the ideal solution.

Option 2: Partial approval

This is not ideal as each of the line items ensure a successful implementation of the product. A comprehensive understanding of how to use the product is less likely with the removal of vendor-driven end-user training. The general services are required to cover any risk for the remainder of the project. The mobile focus licenses are needed to ensure that employees who regularly work in the field are able to actually use the product to perform their job functions. If partial approval is the desired choice, a prioritized (from most to least important) list of the items is as follows: general services, vendor-driven end-user training, and licenses.

Option 3: Deny request for all items

This option is as the least favored as the project is progressing slowly and we are paying maintenance fees for our legacy system (\$70,000/annually). Additionally, an implementation of this type has far-reaching consequences. Ensuring adequate setup and comprehensive training will reduce inefficiencies and workarounds for years to come.

RECOMMENDATION:

Approve Resolution No. 14-041, authorizing an increase of the Maintenance Management System Project Budget and execution of Amendment No. 3 to the Contract to include additional General Services, Vendor-Provided Training, and Licenses.

RESOLUTION NO. 14-041

1 A RESOLUTION of the Board of Commissioners Amending the 2014 Capital Budget and Granting
2 Authority to Execute Amendment No.3 to the Contract with Trapeze Software Group Inc. for the Maintenance
3 Management System project to include additional General Services, Vendor-Provided Training, and Licenses
4

5 WHEREAS, by Resolution No. 13-037, approved on the 9th day of December, 2013 the Board of
6 Commissioners of Pierce Transit adopted the 2014 Budget; and

7 WHEREAS, by Resolution No. 12-033, approved on the 19th day of November, 2012 the Board of
8 Commissioners of Pierce Transit authorized the execution of a contract for a Maintenance Management
9 System with Trapeze Software Group Inc.; and

10 WHEREAS, the 2014 Agency Budget includes funds for the replacement of Pierce Transit's current
11 maintenance management system; and

12 WHEREAS, a number of internal resource limitations has negatively impacted the Maintenance
13 Management system project implementation schedule and budget; and

14 WHEREAS, Trapeze Software Group, Inc. has proposed solutions for addressing resource constraints
15 with vendor-driven end-user training, additional mobile user licenses, and additional general services to
16 manage ongoing project risks; and

17 WHEREAS, Pierce Transit staff has reviewed Trapeze Software Group, Inc. proposals and finds them to
18 be in Pierce Transit's best interest in meeting the needs of the Maintenance Management System project; and

19 WHEREAS, the Board of Commissioners of Pierce Transit finds it in the best interest of Pierce Transit to
20 authorize a budget increase for the Maintenance Management System project to include additional General
21 Services, Vendor-Provided Training, and Licenses; and

22 NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pierce Transit as follows:

23 Section 1. The Board of Commissioners herewith amends the 2014 Capital Budget by adding
24 \$156,948 to the project for a Maintenance Management System; and

25 Section 2: The Board of Commissioners herewith authorizes the Chief Executive Officer to execute
26 Amendment No. 3 to the contract with Trapeze Software Group on behalf of Pierce Transit. Terms of the
27 contract amendment shall be \$87,650 for vendor-driven end-user training, \$39,660 for additional vendor
28 licenses, and \$16,150 for additional general services. After applicable taxes, the summary of all costs is
29 \$156,948. Said contract amendment is to be substantially in the form of the document on file in the office of
30 the Clerk of the Board and by this reference incorporated herein as though fully set forth.

ADOPTED by the Board of Commissioners of Pierce Transit at their regular meeting thereof held on the 14th day of July, 2014.

Rick Talbert, Chair
Board of Commissioners

ATTEST/AUTHENTICATED

Deanne Jacobson, CMC
Clerk of the Board

FACT SHEET

TITLE: Authority to Enter Into and Execute an Interlocal Agreement with Pierce County for the Creation, Operation, and Governance of a Combined Communication Network

DIVISION: Operations

ORIGINATOR: Carlos Davis, Radio Program Administrator

PRECEDING ACTION:

Resolution No. 11-004, Authority to execute an Interlocal Agreement with Pierce County for the Operations of a Combined Communications Network;

Resolution No. 13-037 Adoption of 2014 Budget (including funding for service required to maintain the CCN).

COORDINATING DEPARTMENT: Operations, Radio Communications

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS:

Proposed Resolution

BUDGET INFORMATION

2014 Budget Amount
\$00

Required Expenditure
\$.00

Impact
\$.00

Explanation: This agreement does not have a budgetary impact, but forms a governing board for the Pierce Transit – Pierce County Combined Communications Network “CCN”. The CCN governing board formed hereunder is obligated to annually prepare a budget for the CCN and determine the cost allocation for that budget between Pierce Transit and the County. Once the CCN Budget and cost allocation has been determined, Pierce Transit will include its financial participation for the CCN in the 2015 Pierce Transit proposed budget during the usual budgetary cycle.

BACKGROUND:

This resolution seeks authority to execute an interlocal agreement with Pierce County for the creation, operation, and governance of the CCN.

In February 2006, the Board of Commissioners approved the purchase of a next generation voice and data communications system from Motorola Solutions. Subsequently, this equipment was installed at six tower sites and in all Pierce Transit buses, shuttles, support vehicles and Sound Transit coaches. All equipment purchased was compliant with the first phase of FCC's Public Safety requirements for a 700 MHz radio system which included radio equipment narrow-banded from 25 MHz to 12.5 MHz.

During the May 10, 2010 Board Meeting, after Staff presented the business value for a Single County-Wide Communication System (SCWCS) between Pierce Transit and Pierce County, the Board approved the execution of a Memorandum of Understanding (MOU) with Pierce County. The MOU between Pierce Transit and Pierce County was signed by the Parties on June 14, 2010. Additionally, the Board instructed staff to proceed with developing an Interlocal Agreement to formalize the partnership with Pierce County by December 2010.

In January of 2011, the Board of Commissioners authorized the execution of an interlocal agreement with Pierce County by Board Resolution 11-004, to cover Pierce Transit's 700 MHz radio infrastructure maintenance after the expiration of the Motorola Warranty, and to develop the operational framework for a Combined Communications Network, which provides both agencies the opportunity for cost sharing while preparing to meet the next phase of narrow-banding mandated by the FCC. This next phase requires that the Pierce Transit/Pierce County's SCWCS be narrow-banded from 12.5 MHz to 6.25 MHz by December 31, 2016.

The interlocal agreement further established two other key objectives:

1. To serve the public interest for an efficient and cost effective deployment of a high-quality communication system which adequately serves the operational requirements for Pierce Transit, Public Safety, and Pierce County while providing interoperability within the Region.; and
2. To provide interim authority for implementing a long-term agreement for the creation, operation, and governance of the Combined Communication Network, representing the Parties for delivering efficient and effective operation, maintenance, and sustainment of a Single County-Wide Communication System.

In May 2014, Pierce Transit successfully cutover to full beneficial use of the SCWCS, on time, and within budget, but also ahead of the FCC December 31, 2016, 6.25 MHz narrowband deadline. Pierce County is scheduled to cutover to the SCWCS in July 2014, realizing a significant milestone for Public Safety and regional interoperability. The SCWCS project not only meets both Parties' operational requirements but also mitigates communication gaps which previously impacted public safety. The SCWCS project also demonstrates good stewardship of tax revenues through efficient and effective cost sharing that directly benefits the citizens of Pierce County.

On June 9, 2014, per the Board of Commissioners direction in Resolution 11-004, Staff conducted a work study session in preparation of executing a long-term, joint-venture Interlocal Agreement between Pierce Transit and Pierce County scheduled for consideration at the July 14, 2014 Board meeting. The purpose of the work session was to:

1. Provide an update for the goal of creating and delivering a Single County-Wide Communications System that meets operational requirements for Pierce Transit, Pierce County, and Public Safety, to include features that efficiently and effectively deliver interoperability within the region.
2. Describe how the Combined Communications Network Enterprise (CCN) operationalizes the Joint Venture.
3. Explain how Pierce Transit and Pierce County will share costs for the SCWCS Operations, Maintenance, and Sustainment.
4. Describe the goals for the Cooperative Governance Agreement and supporting documents.

The Governance Agreement of the Combined Communications Network (CCN) attached as Exhibit A to the accompanying Resolution provides for the following:

- a. Forms a Joint Venture between Pierce Transit and Pierce County through the Combined Communications Network.
- b. Provides framework for the governance and management of the CCN, roles and responsibilities, allocation of revenues, and cost sharing.
- c. Establishes the CCN Executive Board and allows for an enterprise fund.
- d. Establishes the parties' rights to shared assets and access to each other's separate property or licenses.
- e. Charges the Executive Board of the CCN with responsibility for creating a Business Plan and oversight of the activities, operation and maintenance of the CCN.

ALTERNATIVES:

The alternative would be for Pierce Transit and Pierce County to continue to operate on parallel tracks without a joint board. This would duplicate staff for management of each party's individual interests in the CCN. The alternative approach is not recommended as it creates gaps with governance, increases costs, and does not provide lean or effective continuity for operations, budgeting, or conflict resolution.

RECOMMENDATION:

Approve Resolution No. 14-042, authorizing the Chief Executive Officer (CEO) to enter into and execute an Interlocal Agreement with Pierce County for the Creation, Operation and Governance of a Combined Communications Network in substantially the same form as the Governance Agreement attached as Exhibit A to the resolution and further authorizing the CEO of Pierce Transit to represent the Agency as an Executive Board member of the CCN.

RESOLUTION NO. 14-042

1 A RESOLUTION of The Board of Commissioners of Pierce Transit
2 Authorizing the CEO to Enter Into and Execute an Interlocal Agreement with Pierce County for the Creation,
3 Operation and Governance of a Combined Communication Network
4

5 WHEREAS, by Resolution No. 11-004, approved on the 10th day of January, 2011, the Board of
6 Commissioners of Pierce Transit authorized entering into an interagency agreement with Pierce County for the
7 Operation of a Combined Communications Network (hereinafter, "Communications Agreement"), pursuant to
8 which the Agency and the County subsequently entered into a Communication Agreement on February 22,
9 2011, a Master Site Agreement on January 16, 2013, and a Shared Communication System Policy statement
10 on March 14, 2013; and

11 WHEREAS, by Resolution No. 13-037, approved on the 9th day of December, 2013, the Board of
12 Commissioners of Pierce Transit adopted the 2014 Budget which includes funding for services required to
13 maintain the Combined Communication Network; and

14 WHEREAS, the Communications Agreement mandated that the Agency and Pierce County enter into a
15 subsequent agreement to form and govern the operation and maintenance of the Combined Communication
16 Network pursuant to the Interlocal Cooperation Act, RCW. 39.34; and

17 WHEREAS, the Agency and the County have worked diligently to reach agreement on the formation
18 of a joint venture and to provide for the governance of that joint venture, a copy of which is attached as
19 Exhibit A hereto (" Governance Agreement"). Through the Governance Agreement, the Parties intend to
20 create a joint venture to own jointly and to provide for the maintenance, operation, sustainment and
21 governance of that joint venture which shall be called the "Pierce Transit – Pierce County Combined
22 Communications Network" ("CCN").

23 WHEREAS, the CCN will allow the parties to share the use, ownership and cost of the CCN
24 comprised of radio and microwave systems to carry voice and data traffic and to serve as an interoperable
25 access point to a regional Single County-Wide Communications System (SCWCS).

26 WHEREAS, the Board of Commissioners of Pierce Transit finds it in the best interest of Pierce Transit to
27 execute the Governance Agreement; and

28 WHEREAS, the Board of Commissioners of Pierce Transit finds it is in the best interest of Pierce Transit
29 to authorize the Chief Executive Officer to serve on the CCN Executive Board with authority to act on behalf of
30 Pierce Transit for CCN business; and

1 NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pierce Transit as
2 follows:

3 Section 1. The Chief Executive Officer is hereby authorized to enter into and execute an Interlocal
4 agreement with Pierce County for the creation, operation and governance of a Combined Communication
5 Network in substantially the same form as the Governance Agreement attached as Exhibit A.

6 Section 2. The Chief Executive Officer is also herewith authorized to represent Pierce Transit's interests
7 and to bind Pierce Transit, as an Executive Board Member of the Combined Communication Network, sharing
8 joint powers with Pierce County for the overall management and administration of the CCN, and policy and
9 strategic planning for the CCN.

10 ADOPTED by the Board of Commissioners of Pierce Transit at a regular meeting thereof held on the
11 14th day of July, 2014.

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13
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15 Rick Talbert, Chair
16 Board of Commissioners
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19 ATTEST/AUTHENTICATED

20
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22 Deanne Jacobson
23 Clerk of the Board
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