

## CHAPTER 6

# RECOMMENDED ALTERNATIVE: NEW PROGRAM MODEL WITH STATE AS GRANTEE/CONTRACTOR

### INTERCITY PROGRAM DESCRIPTION

#### Operating Assistance - Grantee

The WSDOT Rural Intercity Program will be the grantee for S.5311(f) operating assistance, using this funding to contract for provision of services meeting the definition of intercity service that have been identified as part of the Network through the planning process, but are not being operated by private for-profit firms.

#### Process

WSDOT will monitor the Statewide Intercity Network to determine which routes and services are being provided by private carriers, and which need assistance if they are to be operated. For those services, a Request for Proposal will be issued requesting that qualified operators provide their qualifications, price, experience, and proposed business plan. The bids will be evaluated by a committee consisting of WSDOT staff members, a WUTC representative, local (non-bidding) transit operators from the affected region, and representatives of the private bus industry (non-bidding). The bid price to be evaluated will need to represent the fully-allocated cost of providing the proposed service, in order to make proposals submitted by private for-profit, private non-profit, and public entities comparable. Fully-allocated costs include the pro rata share of administrative expenses, and the full cost of the vehicle capital proposed for use, not including any capital subsidies. In other words, if a bidder proposes using vehicles obtained under another FTA program that has provided 80 percent of the cost of the vehicle, the proposal should reflect the entire cost of the vehicle. If a proposer does not have vehicles to run the service in question, but would need a capital grant for equipment, then that should be clearly spelled out. Operating contracts are slated to run for a two-year period, with options to extend for an additional three years, if funding is available. A fuel escalation clause should be included, allowing the rate to increase proportionately based on increases in a commonly agreed

upon fuel price index. The fuel escalation clause should also require reductions in operating costs should fuel costs decline.

### **Eligible Services and Service Design**

In general, the services that will be contracted are limited to those identified as part of the Statewide Intercity Network, but that are not served by existing intercity providers. As S.5311(f) is the primary federal funding source, there will be services that are primarily designed to serve rural (non-urbanized areas), though they will likely have to operate into terminals in urbanized areas to make interline connections. In general, these services will link places of over 2,500 population (unless a stop at a smaller place can be made en route without deviating the service) that are located more than 25 miles from an existing intercity bus stop. The potential ridership on the service should be sufficient to permit a farebox recovery of at least 20 percent after an initial year of service (to allow growth in ridership). In general, services should be:

- Fixed-route,
- Fixed-schedule,
- Be able to carry baggage and bus package express,
- Operate at least five days per week (at the recommended farebox recovery level),
- Provide for meaningful connections with the national intercity network through physical connections at common terminals, interline ticketing, provision of schedule information, and schedules that minimize connecting times (within 90 minutes before/after designated connecting services), and
- Be accessible to persons with disabilities (as required by ADA).

WSDOT will facilitate negotiated discussions regarding project design prior to the development of an RFP for service by consulting with unsubsidized carriers providing the connection to points outside the region, through outreach with local stakeholders (including representatives of local public transit systems, private non-profit transportation providers, likely traffic generators such as higher education institutions, correctional facilities, military bases, or major medical facilities, regional planning agencies, and local governments).

### **Qualified Bidder**

A qualified bidder would be a firm or entity that has a project manager with experience in the operation and management of scheduled, regular route services. It should have FMCSA certification allowing interstate transportation of passengers for hire (a USDOT number), along with evidence that it currently meets FMCSA insurance coverage requirements for the types of vehicles proposed for use in the service. It should be able to meet FTA compliance requirements for Drug-Free Workplace, Drug and Alcohol testing, the ADA, and all other requirements of

contractors on projects receiving federal funds. Unless there are specific reasons that would preclude or make it unnecessary or inadvisable, the carrier should be a member of the NBTA, and have interline ticketing arrangements that would make it part of the national intercity bus network. Should a bidder not be an NBTA member or an interline partner, it may put forward its qualifications to do so if selected—the contract could then be made contingent on a carrier meeting this qualification.

### **Operating Match**

WSDOT intends to make maximum use of the flexibility granted by the FTA to use third-party in-kind capital costs of connecting service as local operating match. Under FTA guidelines, this would require that the operator of the connecting service be agreeable to use the capital value of their operating miles as match. Proposers may therefore be required to 1) bid acknowledging that they do not have such an agreement with a connecting unsubsidized carrier, recognizing that the success of their contract may be dependent on obtaining this agreement subsequent to selection, or 2) present evidence that they have consulted with a connecting carrier and that they therefore will have this match, or 3) provide the in-kind match from their own unsubsidized routes.

It is possible that the need for match may exceed the available in-kind, or that WSDOT may deem it necessary to contract for service on a route or service for which there is no agreeable connecting carrier. In that case, WSDOT will need to provide State funding for the operating match.

### **Capital**

The WSDOT rural intercity program may provide capital funding for the purchase of vehicles, for eligible participation (depending on the project, the funding sources may vary) in publicly-owned intermodal passenger facilities; for equipment needed to improve accessibility for persons with disabilities; and for computers/terminals and other equipment needed to facilitate ticketing, information, and management. Capital funding is to be obtained with 80 percent federal, 20 percent State funding. Capital requirements will be identified during the project design phase of operating contracts, and annually through the intercity bus consultation process.

In general, vehicle funding will be limited to vehicles needed to operate services contracted by WSDOT, if the contractor does not have available suitable vehicles. Vehicle specifications will be determined by WSDOT in consultation with the contractor. WSDOT will be the owner of the vehicle, providing it under lease to the contractor. The vehicles will be painted and marked to show that they are part of the State intercity network, using logos and the State's brand name, as well as having removable markings showing the carrier's name and any required regulatory markings. They shall be clearly identified as WSDOT-funded buses, with State identification numbers visible from both sides and the rear. WSDOT will take possession of the vehicles at the end of any contract. If there is useful life remaining, they may be assigned to successor contractors or to other projects as needed.

Funding for facilities could include funds for trailblazer signage, bus stops, benches or shelters, counters, seats, etc.—or the portion of an intermodal station or facility that is functionally related to the provision of rural intercity bus service. Capital funding is likely to be limited, and funding from the S.5311(f) program will be used for facilities in rural areas (under 50,000) as a first priority, and then for facilities in urbanized areas only to the extent that such facilities can be demonstrated to serve services originating in rural areas. The WSDOT program may seek local applicants for funding for facilities from other sources (such as CMAQ or the Bus and Bus Facilities programs), particularly in urbanized areas, to meet intermodal passenger facility needs of the Statewide Intercity Network. Local match could include State funds, local government funds, or carrier funds.

Capital for accessibility improvements could include expenses involved in making intercity bus passenger facilities in rural areas accessible (such as ramps, wider doors, restroom modifications), the incremental cost of wheelchair lifts and associated equipment (extra doors, sliding seats, restraint systems, interlocks, etc.) on new buses (or as retrofits on existing intercity buses with an anticipated remaining service life of six years). Accessibility capital may be considered for vehicles that operate on the unsubsidized portion of the Statewide Network, as long as they serve at least some rural stops, and operate in the State of Washington at least 50 percent of the time. WSDOT may consider providing State funds for some or all of the local match required under the FTA Section 3038 program for Washington State-based regular-route carriers to obtain lifts, accessibility equipment, and training.

Other potential capital projects include terminals/computers needed for interline ticketing, communications equipment, signage, etc. Hardware needed to support the statewide travel information system could also be included in this part of the capital program.

## **Planning**

Planning for the WSDOT Rural Intercity Program will involve three key elements:

- **Annual Consultation and Network/Plan Update:** an annual consultation process and needs assessment that will develop priorities for the coming year and update the Statewide Intercity Network;
- **Statewide Intercity Bus Plan Update:** a more comprehensive statewide intercity bus needs assessment and policy plan to be conducted every four years; and
- **The Statewide Traveler Information System:** support for traveler information including route, timetable, and station information for the intercity network.

### **Annual Consultation and Network/Plan Update**

The annual process will be conducted by WSDOT, and will involve identifying and contacting intercity carriers to 1) ask what services they are providing in Washington (schedules, routes, terminals), and 2) if they can identify existing or near-term future intercity needs that they cannot meet without some level of assistance (which they will be asked to identify or quantify).

If there are any federal or State policy or funding changes that could impact the program WSDOT will identify them and bring them to the consultation process. The unmet needs assessment by the providers could be based on requests for service, marketing surveys, etc. or based on trends for existing service that could require assistance in the future. This information will be analyzed and used as a basis for additional projects or changes in the coming year. The results of the consultation will be documented by WSDOT in terms of an updated Statewide Network, and projects or changes needed.

### **Statewide Intercity Bus Plan Update**

The second planning effort will be more comprehensive, and will involve updating the Statewide Intercity Bus Plan, including updated outreach to a more extensive stakeholder base, including local public transit operators, transit planners, regional transit planning organizations, local governments, and others. It will include needs identification from the Human Service Coordination Plans. Depending on the availability of updated Census information, it may include updating of statewide demographic needs. Key destinations for intercity services will be identified as well. A complete inventory of intercity services will be updated, and it will be used as a basis for updating the Statewide Intercity Bus Network. Changes in the policy and funding environment will be identified, and any revisions to the WSDOT program policy will be included. Based on this complete reassessment, an updated program policy and four-year plan will be developed. This planning process will include the consultation with the intercity bus operators as well. Funding for consultant assistance with the update to the Statewide Intercity Bus Plan can be provided under the Section 5311(f) funding at an 80 percent federal share.

### **Statewide Traveler Information System**

WSDOT will obtain a URL address and host a web-based portal providing updated information to support market-based web information services. This function is key to ensuring a consistent means to inform the public about the availability of services in the Statewide Network. This could also include funding to place all WSDOT contracted services in Russell's Guide, the national intercity timetable guide, funding/technical assistance as needed to make sure that updated intercity network information is provided to Google Transit or other websites, support for providing information to the State's 511 transportation information system, and at the very least a map with linkages to carrier websites hosted on the WSDOT website. Funding should also be included under this element to make sure that there is a website with information on the contracted services with appropriate linkages.

### **Administration**

There will undoubtedly be other staff functions for WSDOT in managing this program, including:

- Project development,
- RFP development, evaluation, and contracting,
- Technical assistance to contractors and other network providers,
- Compliance monitoring,

- Oversight of capital procurements,
- Monitoring capital—usage, maintenance, incidents, insurance, documentation, etc.,
- Maintaining current network information,
- Outreach and on-going consultation, and documentation of this process,
- Coordination with other transit providers, and
- Coordination with the State/Amtrak programs.

These functions are analogous to the general grant management processes, but will likely require at least a full-time staff member, particularly during the initial year or two of the program, and then again periodically as the consultation and contracting processes result in more significant program changes. WSDOT could utilize the available S.5311(f) administrative funding for these functions, but if possible it would be better to use the federal funds for program initiatives and fund staff with State funds.