

Institutional and Management Alternatives

CONTRACTING FOR TRANSIT SERVICES

In an effort to reduce costs and maximize resources, many transit agencies enter into a contract to operate all of some transit services with a private transportation company. This is seen as particularly useful when beginning new transit services. Typically the transit agency will provide vehicles and general oversight while the contractor provides drivers, dispatchers, vehicle storage, maintenance and day to day operations management. Transit contractors located near and around El Dorado County include MV Transportation and Paratransit Inc. in Sacramento, and First Transit (formerly Laidlaw Transit) in Roseville, California.

The primary advantage of contracting for transit services is cost reduction. Payments to the contractor are usually based on a set dollar amount per unit such as revenue vehicle service hours. This method gives the contractor the incentive to control costs. Contracting can be particularly beneficial for small transit systems which have limited staff. Not only are drivers and operations management provided but the contractor is responsible for worker's compensation, employee benefits, and retirement programs. The major disadvantage of contracting for transit services is that the transit manager has less control over daily operations which in turn can have an effect on service quality. High employee turnover can result from poor contractor personnel management and situations over which the transit manager has little or no control.

Two of El Dorado Transit's services could potentially benefit from contracting out to a third party, namely, potential new service to El Dorado Hills and DAR:

- ♦ EDCTA's facility in Diamond Springs is 20 miles one-way from El Dorado Hills. If the contractor were able to base operations out of El Dorado Hills, "deadheading" would be reduced significantly. Using a contractor to implement a new service would eliminate the need to hire new drivers and not significantly add to the duties of the operations manager. Operating costs incurred by the new service would be limited to the predetermined contract operating costs.
- ♦ EDCTA's DAR system currently requires extensive system resources. Contracting for this service could free up dispatcher time to concentrate on other EDCTA services or assist with local route deviations that may alleviate some of DAR's burden. DAR requires a subsidy of \$1.3 million or 33.5 percent of the subsidy required to operate all EDCTA services. In FY 2006/07 DAR operated 14,042 vehicle service hours. This equates to a cost of \$97.61 per vehicle service hour. Other transit contracts for demand response and fixed-route services in rural areas are approximately \$60 - \$70 per vehicle service hour. This provides a reasonable financial argument for contracting with a private operator for DAR services.

There are other factors that merit evaluation beyond simply cost, including the following:

- ♦ By using a contractor, EDCTA would be giving up a substantial amount of direct control over service quality factors. While some factors, such as response time, driver training, and in-vehicle travel time can be defined in a contract, DAR service is a personal one-on-one service that is hard to codify in contract language. Given the high level of service currently provided by EDCTA staff, the transition to a contractor can be expected to result in passenger complaints.

- ♦ There may be labor law issues associated with the replacement of a current service operated with public employees with a contracted service regarding the DAR program. In particular, Section 13(C) of the Federal Transit Act grants certain protections and rights to employees that have their conditions of employment “worsened” as part of programs using federal transit funds (like EDCTA).
- ♦ Splitting these services from the remainder of EDCTA services could reduce the ability to shift or share resources. For instance, at present DAR vehicles can be used to serve fixed-route passengers that miss their connections. Timing connections between an El Dorado Hills local route and commuter services would also be an important element of an El Dorado Hills service. Both of these strategies would be more difficult if a separate contractor’s dispatcher would need to be included in the process.
- ♦ A substantial level of administrative resources would still be required on the part of EDCTA with contracted service. EDCTA staff would remain responsible for designing, marketing, and monitoring the service, and addressing passenger complaints. A rule of thumb in the transit industry is that 10 percent of a service contract cost needs to be budgeted for administration.
- ♦ Making service changes could also be complicated by the need to make changes in the associated service contract. This may be a particular issue regarding an El Dorado Hills service.

If contracting is pursued, there are several good sources of strategies to ensure a successful contracting arrangement. For instance, TRB Special Report 258, *Contracting for Bus and Demand Responsive Transit Services* lists suggestions about contracting from various transit managers:

- ♦ Outline all of the duties and roles of all parties in the contract. Establish a clear mechanism for making changes in contract agreements, and define all expectations with respect to service quality.
- ♦ Include penalty clauses and rewards in contracts to motivate good performance.
- ♦ Routinely monitor contractor performance and provide the contractor with candid and frequent feedback.
- ♦ Maintain an open and collaborative relationship with the contractor.

Overall, contracting for a new El Dorado Hills service appears to be the most feasible opportunity for EDCTA.

GREATER SACRAMENTO REGIONAL COMMUTER TRANSIT FUNDING WORKSHOPS

El Dorado County Transit Authority, as the transit provider for Western El Dorado County, is only one of numerous jurisdictions that expend significant funding for public transit services into downtown Sacramento. In addition, commuter transit services are provided by the City of Elk Grove, Fairfield/Suisun Transit System, Yolo County Transit Authority, Yuba Sutter Transit Authority, Placer County, and the City of Roseville. These services provide substantial public benefits to both ends of the commute trip. The “residential” jurisdictions gain benefits through improved access to employment, reduced traffic and air emissions, and an improved quality of life for commuting residents. The central Sacramento area also gains benefits through reduced traffic and associated environmental impacts both in downtown as well as on access roadways, reduced parking demand, and improved access to a quality workforce. To date, however, *none* of the outlying jurisdictions providing these benefits to the core area

receive any financial support for their transit services. Instead, all of the costs are borne by the outlying jurisdictions. As costs for public transit increase faster than growth in revenues, these programs have the potential to over time reduce the ability to fund other elements of the individual transit programs, such as local transit services.

Unfortunately, Sac RT is in the process of implementing service reductions. In response to a \$1.6 million budget gap in the adopted FY 2008 budget, Sac RT is discontinuing or modifying 18 routes or a \$1.3 million reduction in bus service. The Sac RT budget shortfall is a direct result of \$1.3 billion dollar cut in public transportation funding at the state level. Therefore it is unlikely that Sac RT would have the financial ability to expand transit services into El Dorado County in the short-term.

Over the long-term, SACOG forecasts that employment opportunities in south/east Sacramento County and El Dorado County will double by 2032. As this occurs, serving reverse commuters will become increasingly important, and cost sharing between Sac RT, EDCTA, and other regional transit operators may be more plausible. Under this alternative, EDCTA would work with other jurisdictions throughout the region – possibly through the SACOG – to convene a series of workshops to define new and more equitable forms of funding for regional commuter services.

TRANSFER POLICY

Local Route Transfers

EDCTA's current fare policy allows for free transfers between different local routes. A review of peer transit agencies shows that the majority of nearby small to medium sized transit systems do not charge for transfers between local services. Some larger transit agencies serving San Mateo County, Santa Clara County, Santa Cruz, and Bakersfield do not provide transfer slips and therefore a transferring passenger must pay a second fare. Charging for transfers adds to the cost and confusion of boarding the bus and the requirements placed on the transit drivers. The current policy of providing free transfers should be continued.

As is common among transit agencies, EDCTA has an informal policy that transfer slips are only valid for transferring between different routes, and cannot be used for ongoing travel on the same route. This is to avoid the ability of a passenger to complete a round-trip while only paying a single fare. While this practice generally serves EDCTA well, there is a possibility that a passenger would be unable to complete a *one way* trip without having to pay two fares on the Diamond Springs route. The route is a large one-way loop, but the individual buses are interlined with other routes at the Missouri Flat Transfer Center. As a result, a passenger traveling from a point on the Diamond Springs route prior to Missouri Flat and traveling to a point on the same route after Missouri Flat must transfer between vehicles on the same route. In the past, some passengers have been charged twice for a one-way fare in this case. More recently, transfer slips have been issued and marked as "continuous" by the drivers in order to allow the passenger to continue his/her trip without double payment.

This routing configuration benefits the transit system, as it allows buses to be more efficiently used to operate the routes. As it is not appropriate for a passenger to have to pay an additional fare due to this routing strategy, one option would be to establish a formal transfer policy that transfers are not valid for travel on the same route and add an exception to the fare policy to allow the use of a transfer issued on the Diamond Springs Route to be used on this same route, so long as it is used within an hour of issuance. While there is a small chance that an individual rider might use this exception to complete a quick (25 minute or less) trip to destination close to the Transfer Station, it is appropriate in this case to err on the side of providing equitable fares to all passengers.

Sac RT Transfer Agreement

As per the existing transfer agreement with Sac RT (discussed in Chapter 3), Los Rios Community College Students and CSUS students can ride the EDCTA commuter routes at a discount and the local routes fare free, and employees of both transit agencies are allowed to ride free on the partner transit system with a valid employee badge. The underlying reason for this arrangement was to promote the use of public transit. However, the benefits of this agreement have been very one sided. Nearly 1,140 free trips were provided to Sac RT employees in FY 2006/07 (Table 9) whereas less than 5 trips were made on Sac RT by EDCTA employees. This accounts for approximately \$4,500 in potential fare revenue. Although a similar number of trips were provided for students, students pay a portion of the commuter fare so the revenue loss is less significant. EDCTA staff has been authorized to negotiate a new transfer agreement with Sac RT that eliminates free trips for employees. Additionally, EDCTA is working with the SACOG and several transit operators on the feasibility of a universal fare card for the region. A new transfer agreement would be developed if EDCTA opts to participate in a universal fare card program.

SAFETY AND SECURITY

Since the 2001 terrorist attacks, safety, and security have become an increasingly important issue. Transit organizations such as EDCTA can play an important part in this effort, both in terms of providing a secure environment for bus passengers as well as being a partner in overall public safety efforts.

Transit Safety

Transit passenger safety can be enhanced through the following steps:

- ♦ Staff training in transit security workshops.
- ♦ Review of recent accidents and incidents.
- ♦ Transit passenger facilities should be developed or reviewed to ensure that clear sight lines are provided.
- ♦ Procedures should be established for reporting and tracking passenger and traffic incidents. The EDCTA staff should follow-up on any matters that need to be resolved.

A good accident prevention program is another important safety element for a transit system. A properly designed accident prevention program will likely not cost money but rather save money. For the most part, EDCTA recorded accidents since 2004 have been property damage only accidents, and EDCTA has an established safety awards program. Nonetheless, a positive safety record does not ensure safety success in the future without continued vigilance. In March of 2007, a consultant from the California Transit Insurance Pool (CalTIP) developed a System Safety Program Plan (SSPP) for El Dorado Transit. Basic components of the “Safety Management” portion are:

- ♦ EDCTA’s operations manager is the transit system’s safety advisor who oversees the implementation, maintenance, and update of the transit system safety program.
- ♦ EDCTA’s safety policy is, “No function of the El Dorado County Transit Authority is so critical as to justify or require a compromise of safety.” The policy should be distributed to all employees and posted in visible locations.

- ♦ Follow a proactive approach which identifies hazards early in the process so that appropriate recommendations for design and/or operation modifications necessary to ensure safety can be made. The EDCTA driver's handbook includes a list of common accidents and defensive driving tips (pages 23-25). This should be reviewed and updated over time.
- ♦ Examine previous accident data closely to identify potential hazards, improve vehicle procurement, improve employee selection, and improve operations and transit safety.
- ♦ Implement a system of measurement and evaluation. This includes a traffic accident frequency rate and categorizing different types of accidents.
- ♦ Communicating important safety information between management, employees, and transit users is important. Open door policies, suggestion programs, and public forums assist with this element.

EDCTA should continue to distribute and carry out the elements of the Safety Management Plan.

Public Security/Emergency Preparedness

Public safety and security can be enhanced by a public transit program when emergency evacuation and transportation is required in response to a natural disaster or terrorist attack. El Dorado County updated its *Emergency Operations Plan* in 2006. The plan outlines the organizational framework for the initial response to a disaster situation and discusses roles and responsibilities of initial response agencies and the Emergency Management Division of the County. Specific guidelines on how to involve El Dorado Transit are not included in the plan. EDCTA has been called upon in the past by the Office of Emergency Services to assist with evacuations, and staff has responded with sufficient resources quickly. At this time, there is no official Memorandum of Understanding or policy which outlines procedures for coordination between the County Office of Emergency Services and EDCTA. FTA developed a recommended practice list for emergency response in the document *Disaster Response and Recovery Resource for Transit Agencies*, (August, 2006). The following practices would benefit El Dorado County. Although some of these recommended practices are also included in CalTIP's SSPP "Security Program," the FTA document provides a more thorough list of emergency preparedness suggestions.

- ♦ **Develop an Emergency Management Plan** that includes a detailed key personnel contact list, checklists by functional area of actions to be undertaken, standard operating procedures, command structure, and communications protocol in the event of a disaster. The plan should also include bus parking and deployment strategies specific to a storm or other emergency event. As communication systems may be disrupted, the transit agency should create hard copies of the plan, protocols, and contact information.
- ♦ Ensuring that **sufficient equipment and supplies** such as fuel, batteries, and electrical generators is essential.
- ♦ **Pre-establish evacuation routes** and bus assignments in advance of a storm or emergency event.
- ♦ **Memorandums of Agreement or Mutual Aid Agreements** should be developed with other key agencies in the region that formalize and authorize assistance during an incident and help to facilitate financial reimbursement. In the case of EDCTA, transit staff should develop a formal agreement with the County Office of Emergency Services and ensure that the County has up to date contact information for EDCTA personnel.

- ♦ **Coordination with local school districts and human service transportation providers** during an emergency event can add to the available pool of resources. Coordination with local social service agencies also assists with efficient evacuation of persons with special needs. EDCTA's scheduling software and experience with ADA individuals makes EDCTA especially qualified to assist with the evacuation of persons with special needs. It would be advisable to develop a voluntary registry of such persons so that passengers can be notified and scheduling performed in advance.
- ♦ **Transit policy suspension** – In times of emergencies, EDCTA should consider establishing a no-fare policy and allow pets on EDCTA vehicles.
- ♦ **Shelter management practices** – This includes establishing a contact person at each shelter who focuses on the transportation needs of that shelter including meeting arriving buses, escorting transported passengers, and arranging for return trips. An EDCTA staff member may serve in this role.
- ♦ **Education and training** is critical to emergency preparedness. Employees should be trained on emergency procedures and management should clarify the expectations and duties of their employees during an emergency event. Transit agency employees should be encouraged to develop emergency preparedness plans with their own families so that they may be free to perform their emergency response duties. Passengers should be provided specific directions on how to access transportation services during an emergency.
- ♦ **Mock training drills** should be performed periodically.
- ♦ **Compensation policies** – EDCTA should consider compensating transit employees who respond to an emergency event.

EDCTC can also play a role in security/disaster planning by directing funding towards projects which may help prevent, mitigate or monitor a security incident. Examples of such projects include:

- ♦ Coordinate drills and exercises among transportation providers to practice emergency plans
- ♦ Hazardous route planning
- ♦ Secure management of data and information on transportation system vulnerabilities
- ♦ Funding communications systems and other technology to speed response to incident
- ♦ Coordinating public information dissemination strategies

MARKETING IMPROVEMENTS

Marketing in its broadest context should be viewed as a management philosophy focusing on identifying and satisfying customers' wants and needs. The basic premises of successful marketing are providing the right product or service, offering it at the right price, and adequately promoting or communicating the existence and appropriateness of the product or service to potential customers. Unfortunately, the word "marketing" is associated only with the advertising and promotional efforts that accompany "selling" the product or service to a customer. Instead, such promotional efforts are only a part of an overall marketing process. Without a properly designed and developed product or service offered at the right price, the expenditure of promotional monies is often ill-advised.

Obviously, the marketing program must fit within budgetary limitations of any organization. According to the American Public Transit Association, transit providers typically budget between 0.75 and 3.0 percent of their gross budget on marketing promotions (excluding salaries), with the majority around 2 percent. Although this is slightly less than most private sector businesses, public sector organizations can rely more heavily on media support for their public relations programs.

Improve Service Quality

A key precept of marketing is to provide a quality “product.” In the case of public transit, a reputation for providing quality service encourages increased ridership and public support for transit. Tax-based funding and fares are more acceptable when service quality is high. A key marketing effort, therefore, is to improve on-time performance, passenger amenities, and reduce in-vehicle travel time. Solving these problems and subsequently improving the public perception of EDCTA’s quality of service through marketing is essential. The following service monitoring techniques should be ongoing:

- ♦ **On-Time Performance** – Comprehensive records of on-time performance are useful in determining proper scheduling and ensuring quality service. At a minimum, transit supervisors should be required to do a standardized observance of on-time performance as part of their service checks. This data should be entered into spreadsheets to allow tracking. In addition, on-time performance surveys should be conducted at least twice per year.
- ♦ **Annual Passenger Survey** – On-board passenger surveys are a vital source of planning information regarding the ridership and the purpose of their trip-making. In addition, surveys are the single best way to gain “feedback” regarding the service. Funding for annual onboard surveys should be a priority. Questions that should be addressed in the annual passenger survey include the following:
 - Day and date that the survey is completed
 - Time at which the survey is completed
 - Route that the passenger is traveling
 - Passenger gender
 - Passenger age
 - Whether the passenger is disabled, and if so, the type of disability
 - Origin of trip (major intersection near trip origin) and trip destination (major intersection near trip destination)
 - Purpose of trip, typically categorized as work, shopping, recreational, social, educational, other
 - Rating of the transit service (poor, fair, good, very good, excellent)
 - Suggestions for improvements in transit service

- ♦ **Boarding and Alighting Counts** – It is worthwhile, on at least an annual or biannual basis, to conduct a day-long count for boarding and alighting by stop for each of the services operated. There are a number of useful pieces of information that can be gleaned from a boarding and alighting count:
 - Identify the most important stops
 - Rank bus stops for potential passenger amenities, such as shelters or benches
 - Identify the section along the route where the maximum load occurs. This information is very important in identifying the appropriate vehicle size for the service, as well as to track the service quality issues, such as passenger overcrowding.

Past and Ongoing El Dorado County Transit Authority Marketing Efforts

In 2006, Selena Barlow Transit Marketing, LLC conducted a *Market Assessment and Marketing Plan* for El Dorado Transit. Out of a long list of recommended marketing strategies, EDCTA has implemented the majority of marketing plan elements. Many of the recommendations in the marketing plan were service alternatives which have either been addressed in this document or are not feasible at this time. The following lists the remaining incomplete marketing plan elements which are feasible to complete:

- ♦ Relocate bus shelter at Marshall Hospital
- ♦ Improve bus stop signage systemwide (75 percent complete)
- ♦ Make telephone information easier to access
- ♦ Use El Dorado Transit brand more consistently and prominently on all vehicles, signs, facilities, and materials (50 percent complete)
- ♦ Testimonial advertising campaign
- ♦ Outreach to “gatekeepers,” such as social service program managers (50 percent complete)
- ♦ Form marketing partnerships with Raley’s and other prominent County retailers
- ♦ Working in partnerships with social service providers and other gatekeepers to increase communications with the Latino community
- ♦ Encourage trial riderships in partnership with senior complexes (65 percent complete)
- ♦ Improve communications value of commuter vehicles and Park-and-Ride lots

A marketing budget of \$50,000 was recommended for FY 2007/08, \$60,000 for FY 2008/09 and 2 percent of the Budget for FY 2009/10.

Marketing for New Services

As noted in the *Market Assessment and Marketing Plan*, one aspect of marketing that could be particularly effective is to increase the awareness of residents to any service changes before they are implemented. This increased awareness would translate into higher demand for transit services. Marketing campaigns for the IPC Service included: “Free Fridays” for six months,

extensive outreach efforts at transit oriented fairs and events, inclusion of the IPC in the Cure4theCommuter campaign and targeted marketing at Folsom Lake College and the FTB Campus in Rancho Cordova. Despite these extensive marketing efforts, the IPC has seen low ridership during its first year of operation. As the IPC has direct transfers to Sac RT light rail, commuters and students have been the primary target market for this service. The IPC also serves the Kaiser campus in Folsom and could be an important transit link for transit dependent El Dorado County residents requiring transportation to Sacramento during the middle of the day. While continuing to attend outreach events in Sacramento and at Folsom Lake College, EDCTA should expand marketing efforts for the IPC to the transit dependent population in Placerville.

The IPC should also be more intensively marketed to existing EDCTA Commuter Service riders. Commuter riders have frequently noted that the lack of mid-day Commuter Service runs discourages ridership, as passengers feel that their flexibility to travel or their ability to return to El Dorado County unexpectedly is limited. The fact that the IPC provides (along with Light Rail) service every two hours over the working day from Sacramento back to El Dorado County should be marketed to commuter riders, including a notation on the commuter bus schedules.

Joint Marketing with Connecting Transit Services

As discussed above, a key marketing advantage of EDCTA is the many connections possible with other transit services. EDCTA could capitalize on this advantage by taking the lead in developing a US 50 Corridor transit rider guide, detailing the system as well as the Folsom Stage and Sac RT connections. This map would be displayed on vehicles, websites, and facilities of all of the above transit services.

Schedule Information at Bus Stops

One marketing strategy which was highlighted as part of the public comment process is posting schedules at major bus stops. The major benefit from this strategy is that existing passengers and potential passengers would be well informed and provided with easy access to transit information. The disadvantage of posting schedules is that routes and schedules can change frequently. In addition to reprinting costs, additional staff time would be required to keep schedule information at bus stops up to date. Vandalism is another factor which should be considered.

There are various methods of displaying transit schedules at bus stops. The least expensive method which is somewhat resilient to weather and vandalism is placing the schedule underneath a plexiglass protector inside the shelter or below the bus stop sign post. This would cost approximately \$100 per stop.

EDCTA existing policy is to post schedules in shelters and at “high traffic” stops that are served by at least two or more local or commuter routes. At present, 29 stops display schedule information. One common rule of thumb is to post schedules at all time points. As EDCTA schedules list time points for every non-request bus stop, posting schedules at every bus stop could become expensive and time consuming when route adjustments are made. On average it may take at least one full day of staff time to update schedules at all bus stops. A more appropriate method of determining where to display schedule information would be review boarding activity by stop for the local routes and post schedules at stops with five or more average weekday boardings. Table 23 shows that at least five daily boardings were recorded at the following stops with no posted schedules. Stops marked with an “S” are already included in the capital plan as needing a shelter as per the goals set forth in Chapter 5. The remaining stops listed warrant a bench as well.

Child Development (FLC) (S)	MORE
Raley's (Placerville Dr.) (S)	Cold Springs Dental
Safeway (Cameron Park Place) (S)	Eskaton Lincoln Manor
Pleasant Valley/Church Street (S)	Carson/Larsen
Union Mine High School (S)	Lake Oaks/Patterson
Big Lots (Fair Lane)	

As stops with five or more average weekday boardings account for 85 percent of total boarding activity on the local routes, it is not cost efficient to post schedules at more stops than those listed above. A total of 12 schedule holders would be required, costing around \$1,200. It should be noted that schedules are provided at 20 additional local stops and 4 Park-and-Ride lots.

EDCTA Route Signage

There are 20 designated EDCTA commuter stops in downtown Sacramento and 6 Park-and-Ride stops. The 2006 *Marketing Study* recommended improving signage at the Park-and-Ride lots as well as adding way-finding signage near the Park-and-Ride lots as they were deemed "invisible" to a potential new user. The plan recommended that enhanced information displays at the Park-and-Ride lots include commuter schedule information. A new sign may cost on the order of \$500 totaling \$3,000 for one directional sign at each Park-and-Ride and \$200 for schedule holders.

A review of the EDCTA bus sign inventory shows that all Commuter Route stops are signed and that 14 out of 106 local route stops are not signed. Eight of these unsigned stops are located in rural areas along the Grizzly Flat or South County Route. In many cases, these unsigned stops would be difficult to sign due to space issues or underground utilities. EDCTA staff have also noted that many of the Grizzly Flat stops are informal pick up and drop off locations that are understood between driver and passenger. Nevertheless, signing stops where feasible is a good standard practice to market the transit service to non-riders and to minimize issues between drivers and passengers.