



CITY OF WAUKESHA

Administration

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Committee: Transit Commission	Date: 8/23/2018
Common Council Item Number: 18-1066	Date: 9/4/2018
Submitted By: Fred Abadi- Public Works	City Administrator Approval: Kevin Lahner, City Administrator KL
Finance Department Review: Rich Abbott, Finance Director RA	City Attorney's Office Review: Brian Running, City Attorney BER
Subject: Waukesha County Business-Approval of Purchase Service Agreement with Milwaukee Transport Services, Inc for Operation of Route 79	

Details:

This is a Waukesha County Business item to seek the approval of a purchase service agreement with Milwaukee Transport Services, Inc. for the Operation of Waukesha County Route 79 effective January 1, 2019 for a term of 5 years. This service operates from Menomonee Falls to downtown Milwaukee including service to other Park and Ride Lots along I-41 along the route.

Though numerous firms took out the RFP, only Milwaukee Transport Services, Inc. (MTS) submitted a proposal. MTS is the operating entity that operates Milwaukee County Transit System.

An evaluation committee comprised of Waukesha County employees, and Waukesha Metro staff evaluated the MTS proposal and are recommending approval to MTS. MTS received high scores for the technical portion of the evaluation. MTS has been operating Route 79 since the route began in 1981 and has done a quality job providing the service.

The costs were higher than anticipated for the first year at \$198.75/revenue hour which is a 13.7% increase over the current level. The Year 2 rate remains at \$198.75/revenue hour which was in line with the Year 2 estimate. The higher than expected increase was due in part to a change in State Statute that requires public entities to bid the fully allocated cost to provide the service. The depreciation cost for this bid was significantly higher than the previous contract. Although the first year cost was higher than expected, the Route 79 has had over a 20% increase in ridership and revenue in 2018 through June 30th. If the ridership and revenue remains at 2018 levels, the increased cost should be mitigated.

Options & Alternatives:

No viable alternatives.



Financial Remarks:

All funds for this service come from the Waukesha County Transit budget and no City funds are used. As stated in the detail, the Cost proposal for Year 1 is 13.7% higher than the current level but the Year 2 cost has no increase. Years 3-5 are tied to a Department of Labor Index and are limited to increases at no greater than 3.0%. Although the Year 1 cost is higher, the if the ridership and revenue growth in 2018 remains in 2019, the increase cost should be mitigated.

Executive Recommendation:

Recommend approval.