

Bus Operations Management Contract

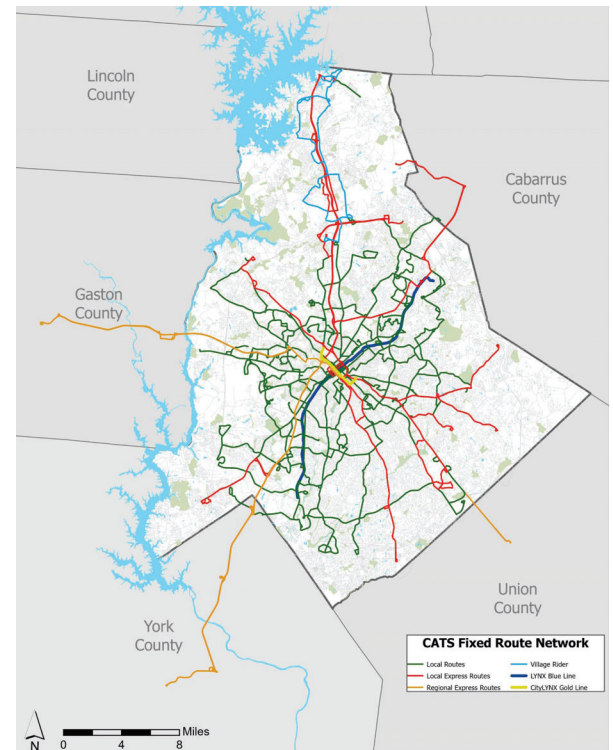
Briefing to City Council
Monday, November 13, 2023

Brent Cagle
Interim Chief Executive Officer



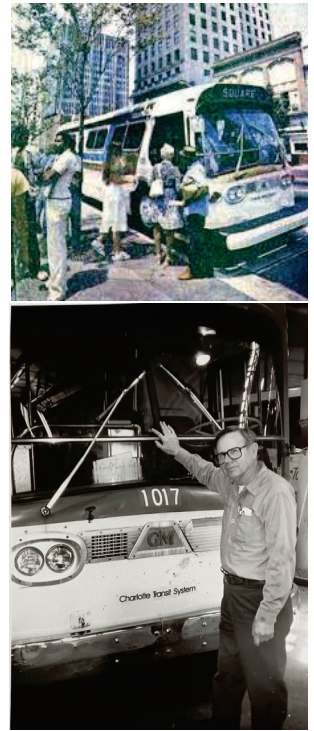
Bus Operations Division: Transit Management of Charlotte (TMOC)

- ▶ Largest Division within CATS
- ▶ TMOC Employees: 734 Union Operators, Maintenance Technicians and Administrative Staff
- ▶ Budget: approx. \$80 Million Total
- ▶ Vehicles: 252 buses (18 Battery Electric Buses)



Charlotte Bus Operations History

- ▶ CATS contracts with 3rd party management company to operate the bus service since municipalities cannot collectively bargain with existing employee unions under state law
 - ▷ In 1976, the city of Charlotte bought the bus system from City Coach Lines with an established labor union
 - ▷ In order to receive federal assistance for public transit, the City had to acknowledge the existing union
- ▶ CATS has contracted with McDonald Transit/RATP-Dev since 2003, the contract expires in February 2024
- ▶ CATS Light Rail operators and STS operators are services that the city implemented post 1976 and were hired directly as City employees



Procurement for New Bus Operations Management Contract

- ▶ Request for Proposals (RFP) was issued on April 18, 2023, and two responses were received
- ▶ National Express Transit was the selected firm that was determined to best meet the needs of the city in terms of qualifications, experience, cost, and responsiveness to requirements.
 - ▷ National Express Transit has proposed an experienced transit management team that will be relocated to Charlotte to oversee TMOC
 - ▷ National Express Transit will also provide corporate resources for labor negotiations, service optimization, policies and procedures, and system performance audits as requested and/or needed.
- ▶ The annual expenditure for the first year of the contract is estimated to be \$1,650,00.



Who is National Express..

- ▶ Headquartered in Lisle, IL - incorporated in 2011
- ▶ Over 60 clients nationwide
 - ▷ Two North Carolina clients - PART in Greensboro and Durham Transit
 - ▷ One South Carolina – Charleston
 - ▷ Larger Clients – WMATA (DC), MBTA (Boston) and PACE (Chicago)
- ▶ 2022 Revenues - \$500M



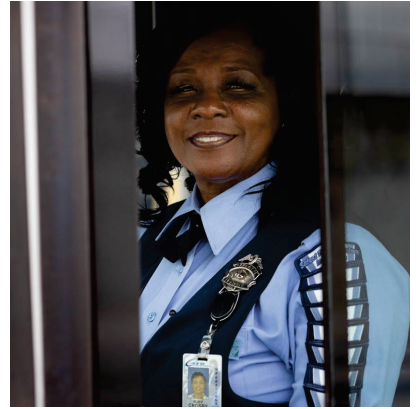
New Management Contract Approach

- ▶ More integrated approach to working with TMOC
- ▶ TMOC General Manager will be a direct report to CATS Chief Operating Officer
 - ▷ Senior leadership will directly interface with CATS Executive Team
- ▶ Enhanced Performance Metrics with incentives for certain metrics
 - ▷ Old Contract - 7
 - ▷ New Contract - 18
- ▶ Establish a performance monitoring program and secret shopper program



Next Steps

- ▶ Finalize the TMOC transition plan from RATP-Dev to National Express
- ▶ Clearly define roles and responsibilities of CATS management and National Express
- ▶ Work towards a successful transition for February 2024



Questions

