

APPENDIX F

EXHIBITS

EXHIBIT 1

**HOUSTON-GALVESTON TRANSPORTATION MANAGEMENT AREA
POLICY STATEMENT ON PRIVATE SECTOR PARTICIPATION
IN PUBLIC TRANSPORTATION PROGRAMS**

PURPOSE

This policy has been developed to provide guidance to the Houston-Galveston Area Council (H-GAC) in its role as the Metropolitan Planning Organization (MPO) for the Houston-Galveston Transportation Management Area (TMA) in achieving compliance with the requirements of the Federal Transit Act of 1964 for private enterprise participation in public transportation programs. The policy also provides guidance to all local public participants in the Unified Planning Work Program (UPWP) and the Transportation Improvement Program (TIP). These requirements are described in Section 3(e)(1) and (2), Section 8(e), and Section 9(f) of the Federal Transit Act of 1964, as specified under the joint Federal Transit Administration/Federal Highway Administration (FTA/FHWA) planning regulations (48 FR 30332, June 20, 1983) and under the FTA private enterprise participation regulations (49 FR 41310, October 22, 1984 and 51 FR 3306, January 24, 1986). Under Section 3(e), FTA must, before approving a program of projects, find that such program provides for the maximum feasible participation of private enterprise. Section 8(e) directs FTA recipients to encourage private sector participation in the plans and programs funded under the Federal Transit Act. Finally, as a precondition to funding under Section 9, recipients must develop a private enterprise program in accordance with the procedures set out in Section 9(f).

GENERAL PROVISIONS REGARDING PRIVATE ENTERPRISE

It is the policy of H-GAC to encourage private enterprise participation to the maximum extent feasible in the process of planning and implementing mass transportation services, funded or assisted under the provisions of the Federal Transit Act of 1964, as amended, and under the provisions authorizing use of FHWA funds for public mass transit projects.

Under this policy, H-GAC explicitly recognizes and affirms the responsibility for ensuring compliance with all Federal Transit Act requirements referenced above. As the MPO for the Houston-Galveston TMA, H-GAC provides technical assistance to local transit authorities who have established private sector participation implementation processes and set guidelines to be followed annually by all public transit participants in the UPWP and the TIP. H-GAC must also certify to FTA that the planning processes are being carried out in conformance with all the requirements of Section 8, including Section 8(e) of the Federal Transit Act.

SPECIFIC POLICY INITIATIVES AND GUIDELINES

(A) Private Sector Participation on various MPO Planning and Advisory Committees

H-GAC has encouraged private sector participation in the planning and implementation of many of its transportation and air quality programs. H-GAC has involved the private sector on various planning and advisory committees for many years in an effort to encourage private enterprise participation in the planning and provision of public transit, alternative transportation and air quality programs and services throughout the Houston-Galveston TMA. These committees include the following: Technical Advisory Committee to the region's Transportation Policy Council; Regional Air Quality Planning Committee; Transportation Demand Management Committee; Clean Air Coalition; and Clean Cities Committee. Some of the committees representatives consist of public transportation authorities, private sector Transportation Management Organizations, private sector transportation operators, local governments, Texas Department of Transportation (TxDOT), Texas Motor Transportation Association, Gulf Coast Institute, businesses, environmental and health organizations and neighborhood and public interest groups.

(B) Job Access/Welfare to Work Transportation Program Initiative

In 2000, H-GAC received a \$450,000 grant from the Federal Transit Administration through the Surface Transportation Program (STP) to develop and implement a transportation related program to move people to and from various worksites and job training programs. Individuals that are eligible to participate in this Job Access/Welfare to Work transportation program are people who are economically disadvantaged, such as those who are receiving welfare benefits or are low-income qualify. STP funds are being used in conjunction with workforce funds to operate the transportation service. H-GAC receives workforce funds from various funding sources. These workforce funds include Temporary Assistance for Needy Families (TANF) received from the Department of Health and Human Services, and Welfare to Work received from the Department of Labor.

First Class Limousine and Charter Services, a private for-profit transportation operator located in Houston, has been selected by H-GAC to operate the transportation service for the Job Access/Welfare to Work Program. The employment centers that qualify for the transportation program are Katy Mills Mall, the Bush Intercontinental Airport area and Clear Lake. Workforce funds may be used for welfare recipients who have been referred through the Gulf Coast Career Network for employment at the aforementioned employment centers. STP funds may be available for funding portions of the following fares:

- Regular paying passengers
- Welfare to Work passengers
- low-income passengers

(C) Private Sector Participation in Short Range Transportation Planning Activities

H-GAC has initiated several new Mobility Planning projects which will provide some opportunities for private sector involvement in the planning and delivery of transit and rideshare programs and services in the Houston-Galveston TMA. Some of these programs and services are described below:

Commuter and Transit Services Pilot Projects

H-GAC has received federal Congestion Mitigation and Air Quality (CMAQ) funds that are to be used to support transportation programs that lead to achieving the federal air quality standards. In September 1998, a Request for Proposal (RFP) was issued by H-GAC to receive project proposals to provide innovative transportation services for commuters in the eight county Houston-Galveston TMA. The purpose of this project is to provide new or enhanced transit and commuter services to increase ridesharing within the region, and that will result in a reduction in vehicle trips and/or vehicle miles traveled, and therefore, result in a reduction in mobile source emissions. The services are consistent with the voluntary Regional Commute Alternatives Program (also known as the Commute Solutions Program Initiative) which is funded through the CMAQ program. The targeted areas for the commuter and transit services included major suburban employment centers and other areas with inadequate or non-existent public transportation services. In response to the RFP, seven proposals were received from five private entities, including three Transportation Management Organizations (TMOs), one business district and one non-profit transportation service provider as listed below:

- Bay Area Transportation Partnership
- Colorado Valley Transit
- North Houston Association
- TREK
- Westchase District

The Metropolitan Transit Authority (METRO) provided the expertise of its Service Planning staff to develop the proposed routing, ridership and cost estimates for those projects that would operate within part of METRO's service area. METRO assisted all of the project sponsors to refine their service and marketing plans. METRO also revised the bus schedules for its Kingsland Park and Ride commuter service in order to create better connections with the Brookshire to Kingsland Park and Ride Commuter Service.

A review committee, consisting of representatives from H-GAC and TxDOT, evaluated and ranked all transit and commuter services proposals. Based on the initial review of the proposed projects staff considers all of them to be viable, with some minor refinements. Each proposed project is unique and would add value to the respective communities that they would operate within. All of the proposed pilot projects were recommended by the review committee to receive start-up funding, with the option to continue funding the

projects if the services evaluations, after nine months of operation, deem the projects to be viable, cost effective and needed transportation services. The pilot projects include:

- Waller Intra-County Circulator (cities of Brookshire, Hempstead, Waller & Prairie View)
- Brookshire to METRO's Kingsland Park and Ride Commuter Service
- Sugar Land/West Bellfort Park and Ride to the Galleria
- BAYTRAN Circulator Service (Clear Lake area)
- Waller Inter-County Circulator (cities of Brookshire, Hempstead, Waller & Prairie View)
- Westchase Circulator Service
- Greenspoint Flyer (Greenspoint/Bush Intercontinental Airport area)

Each of the five project sponsors have issued an RFP to public and private sector transportation operators in order to procure a service provider, and four of the project sponsors have selected A First Class Limousine and Charter Services, a private for-profit transportation provider, to operate their new services. Six of the pilot projects began operation in year 2000. In October 2000, the H-GAC Board of Directors approved the Greenspoint Management District to replace North Houston Association as the project sponsor of the Greenspoint Flyer commuter service. Greenspoint Management District, a local business district, is in the process of selecting a service provider. This commuter service is proposed to begin operation in February 2001. H-GAC has contracted with the Greater Houston Area American Red Cross to conduct vehicle inspection prior to the start-up of these new commuter and transit services.

Transportation Coordination Model in Harris County

H-GAC issued a Request for Proposal (RFP) in April 2000 to develop and implement a transportation coordination model for Harris County. A total of 134 private consultants located nationwide received a copy of the RFP. Public notices were advertised in the local newspaper and the Passenger Transport magazine to solicit consultants proposals in response to H-GAC's RFP.

H-GAC received about 6 proposals in response to its RFP. A review committee of representatives from H-GAC, Harris County, the City of Houston, METRO, the American Red Cross and TxDOT evaluated and ranked the proposals. Multisystems, a consultant located in Cambridge, Massachusetts and San Antonio, Texas, was selected to implement the Transportation Coordination Model project.

The overall goal of this project is to coordinate existing transportation services for the elderly, disabled and low-income persons living in Harris County. Currently, there are a number of agencies that serve the elderly, the disabled and low income persons in Harris County, including public agencies, private non-profit human service agencies, a public transit authority, local governments, churches and private transportation providers. It is

believed by many that current transportation services may be fragmented because of the numerous agencies that provide transportation to their member clients only. Better coordination among agencies, local governments and transportation service providers is needed to create a more systematic approach to serving the elderly, disabled and low-income persons.

The transportation coordination model project study will be completed in June 2001, and a 3-month demonstration project will be implemented in an area or areas recommended by Multisystems. After this project is completed, there will be opportunities for private sector involvement in the delivery of transportation services for the 3-month pilot project and for the Short-term Cooperative Strategies and Countywide User-Subsidy Program being recommended by the consultant.

Other Short Range Planning Projects

The Downtown Management District, in cooperation with METRO and other key Stakeholders, are working together on the Downtown Circulation Services project. This study examines the need for improving mobility and parking management for downtown businesses and their employees. This includes increased ridership on METRO's buses and trolleys, and analyzing the current parking situation of businesses and then suggesting strategies such as parking allowances, subsidized parking for carpools and vanpools, or preferential parking for employees who use alternative commuting modes.

Other opportunities for private sector involvement in the planning and delivery of transit Services are for the Gulf Coast Center serving Galveston and Brazoria Counties, and the City of Galveston.

(D) Guidelines to Assure Adequate Consideration for Private Enterprise

H-GAC transportation staff will work to assure that the views, proposals and other feedback from private transportation providers and possible new business entrants are fairly and seriously considered by the transit authorities and other public entities participating in the development of the Program of Projects for the TIP before MPO endorsement.

PARTICIPATION IN THE ANNUAL PLANNING PROCESS

All transportation providers and possible new business entrants listed by H-GAC staff will be invited to participate in the annual planning process, which is described below:

Planning Elements. The annual planning process consists of the following planning elements:

- * The Unified Planning Work Program (UPWP);
- * The Metropolitan Transportation Plan (MTP);

- * The Short-Range or Transportation System Management (TSM) Element of the Transportation Plan; and
- * The Transportation Improvement Program (TIP).

NOTIFICATION PROCEDURES

H-GAC would be responsible for notifying private transportation providers and possible new business entrants of opportunities for early involvement and active participation in the annual planning process.

H-GAC will pursue the active involvement of the general public through its Transportation Public Involvement process. In addition, key individuals and groups with an interest in transportation planning projects will be targeted. These key groups, or stakeholders, may include public and private transportation providers as well as community and neighborhood organizations, local elected officials, transportation and environmental interest groups and groups representing the elderly and disabled.

COMPLAINT PROCESS

Private transportation operators and possible new business entrants may file complaints regarding violations of this policy by H-GAC transportation staff or by local public transportation providers participating in the UPWP and TIP planning process. Such complaints should be filed with the local transit authorities for matters involving the transit authorities, and the Privatization Task Force for matters involving H-GAC staff. The governing bodies of the Metropolitan Transit Authority (METRO), the City of Galveston's Island Transit, and Brazos Transit System (BTS) have developed and adopted policy statements on private sector participation in public transportation programs. These statements include processes regarding such participation in various contracting activities and have provisions for resolution of any complaint raised by contractors.

If a complaint by private transportation operators and possible new business entrants regarding violation of this policy is not resolved by the local transit authorities, the private sector may file an appeal with the region's Transportation Policy Council (TPC). Opinions of the TPC are advisory in nature and not binding upon the respective transit authorities.

**HOUSTON-GALVESTON TRANSPORTATION MANAGEMENT AREA (TMA)
SUMMARY OF PRIVATIZATION ACTIVITIES
DURING FY 1998 - FY 2000
TRANSPORTATION IMPROVEMENT PROGRAM**

The information provided below has been prepared to summarize privatization efforts of the Houston-Galveston Area Council (H-GAC). It responds to Section 9(f) of the Federal Transit Act, as specified under the joint Federal Transit Administration/Federal Highway Administration (FTA/FHWA) planning regulations and under the FTA private enterprise participation regulations.

1. Public/Private Sector Transportation Providers Inventory

Through a Transportation Coordination Model project for Harris County, Multisystems, a professional services consultant and the Greater Houston Area American Red Cross updated a list of public and private sector transportation providers in Harris County. The list of transportation providers in the remaining seven counties of the Houston-Galveston TMA is still in need of updating. The purpose of this inventory is to determine the types of transportation services that are available, and who are providing and receiving these services. This database consists of public and private sector transportation providers in the Houston-Galveston TMA, including charter bus companies, taxi cab companies, limousine services, ambulance services, public transit agencies, private nonprofit organizations, and school districts.

2. Participation in the Annual Process

H-GAC, in cooperation with the Transportation Policy Council (TPC) and Technical Advisory Committee (TAC), worked in a coordinated effort to develop the 1998-2000 Transportation Improvement Program (TIP). The TAC was appointed by the TPC to assist in coordination of the TIP and other intermodal planning. The TAC advises the TPC on technical and policy matters associated with developing the TIP. The TAC consists of 30 technical staff professionals, or citizens who have technical expertise in developing transportation plans, in implementing transportation projects, or in related fields.

In the process of developing the 1998-2000 TIP, H-GAC forwarded fliers announcing public meetings. Targeted groups in this mailing included, elected officials, city managers, environmental interests, chambers of commerce and interested parties who have attended past public meetings.

H-GAC continued its development of the Transportation Public Involvement Plan which seeks to educate and inform the public on transportation and related air quality issues and provide them with opportunities to contribute their ideas and opinions early and often throughout the planning process. This plan was developed to provide frequent opportunities for the general public and interested parties from the public and private sector to participate in the development of H-GAC transportation plans and to encourage public participation in transportation planning activities at every level. The H-GAC Transportation Public Involvement Plan (TPIP) has been developed through the participation of a Transportation Public Involvement Planning Task Force. The Task Force is an ad hoc committee comprised of representatives from environmental and bicycle interests, the business community, private transportation providers, the educational community, and state and local governmental agencies.

3. Regional Commute Alternatives Program (now know as Commute Solutions)

H-GAC staff has been actively working to expand the Regional Commute Alternatives Program (now known as the Commute Solutions Program Initiative) since the program began in 1994. In February 2000, H-GAC contracted with Black Rogers Sullivan & Goodnight (BRSB), a local advertising and public relations firm, to develop and implement a major advertising, public relations and marketing campaign to promote Commute Solutions. This campaign included extensive print and radio media and the development of a major Employer Sales Kit which includes 8 new Transportation Demand Management (TDM) brochures and Employer Case Studies. The sales kit development included typesetting and layout of the text, hiring talent for the photographs and printing. BRSB is also responsible for designing the Commute Solutions Display which is used at major events to promote the Commute Solutions initiative.

During the Spring of 2000, the Commute Solutions partners in the Houston-Galveston region, in cooperation with representatives from the Texas Natural Resource Conservation Commission (TNRCC) and other Commute Solutions Programs serving the cities of Austin, Corpus Christi, El Paso and San Antonio, began working together to organize a Texas celebration for Commute Solutions Month – September 2000. Different activities were planned in each of these areas to promote commute alternatives and clean air actions among their employers, employees, and commuters. In the Houston-Galveston area, Commute Solutions partners began with a Kick-off celebration and press conference held at Sante Fe South on August 31, 2000. The gathering marked the beginning of Commute Solutions Month, which ran throughout September and focused on promoting various alternative commuting options. These included mass transit, carpooling, vanpooling, commuter services, teleworking, and biking and walking. In recognition of Commute Solutions Month, resolutions were adopted by many of the agencies in attendance, including the H-GAC Board of Directors, the region's Transportation Policy Council, Harris County Commissioners' Court, the METRO Board of Directors, Texas Transportation Commission, and the region's four Transportation Management Organizations. The overall goal of the federally funded Commute Solutions initiative is to reduce vehicle trips and vehicle miles traveled (VMT), to improve traffic mobility along congested corridors, and to improve regional air quality by reducing ozone-forming vehicle emissions.

In keeping with the state-wide theme "COMMUTE SOLUTIONS...A Smarter Way To Go," the month of September featured many special events, including "Find a Carpool Buddy," "Vanpool Friday," "Telework Friday," "Tray Transit Week," Discover METRO Week," and "Bike to Work Day." Also among the month's events was the September 19th Transportation Fair held at the Wortham Center Fish Plaza in downtown Houston featuring exhibits and promotional items provided by the Commute Solutions partners. During the three-hour event, organized by H-GAC and BRSB, KHMZ-FM (96.5) radio station, a major sponsor of the event, provided the music, prize give-aways, and free lunch for more than 1100 attendees. The fair promoted the region's transit agencies and transportation organizations, including METRO, Brazos Transit District, Colorado Valley Transit, Gulf Coast Center, the City of Galveston Island Transit, TxDOT and the region's TMOs. Employees also participated in a "V-Trip Challenge" contest that encouraged them to use alternative modes of transportation to and from work and to take clean air actions throughout the month. Participants in the "V-Trip Challenge" were eligible to win one of two brand new Gary Fisher bicycles, Commute Solutions umbrellas and lunch totes. The winners of the two bicycles were Nancy Charles from Continental Airlines and Ed Carrick with Open Tech.

During 2000, H-GAC also contracted with Rounder Graphics, a local website firm, to design a website to promote the Commute Solutions initiative.

In 2000, through the Commute Solutions Program, H-GAC initiated a Telework Pilot Program for the Houston-Galveston TMA. The goal of the pilot program is to solicit 15 diverse companies of various sizes to develop and implement a telework program at their worksite. The Houston-Galveston Area Telework Resource Center offers assistance, at no charge to employers, for implementing telework pilot programs. It is a one-stop resource for information, materials, expert advice, and hands-on assistance to create a telework program tailored specifically to a company and its employees.

The Resource Center offers a comprehensive package of technical assistance services, including:

- One-on-one consultation with telework experts
- Presentations of teleworking options designed for upper and middle management
- Designing and implementing programs
- Identifying and selecting candidates
- Developing policies, procedures, and agreements
- Marketing of program to upper and middle management
- Sample materials, case studies, and implementation kits
- Program evaluation guidelines and strategies
- Training for managers and workers

The companies that participate in the Telework Pilot Program will be expected to:

- Implement a formal telework program
- Allow H-GAC to use their company as a case study of successful programs to promote telework to other employers in the region
- Collaborate with the consultant in carrying out the consultant's work plan

- Allow access to management and employees as needed for the purpose of evaluating the program

METROVan, a Regional Vanpool Program administered by METRO through a contract with H-GAC, has continued to expand ridesharing services throughout the region. The focus of this program is to launch a 20% increase of new vans each year and provide vanpool subsidies to area commuters and employers and market the METROVan service throughout the nonattainment area. The region's Transportation Policy Council (TPC) has approved the use of Congestion Mitigation and Air Quality funds and Surface Transportation Program (STP) funds to implement this transportation program.

In 1999 and 2000, H-GAC staff participated in numerous special events to promote the Commute Solutions initiative, including the Annual Gulf Coast Symposium on Human Resource Issues and Exhibitor Showcase; the Mayor's Neighborhood Connection Exhibit and Showcase; the Fort Bend Expo; and numerous transportation fairs and workshops at employer worksites throughout the Houston-Galveston area.

Currently, H-GAC in conjunction with METRO and TxDOT, is working to expand the public knowledge of the Commute Solutions Program. TxDOT has posted approximately 160 new permanent Information Roadside Signs that are being placed at 80 specific locations along major highway facilities throughout the region. In addition to permanent Rideshare signs along the freeways, TxDOT is placing Rideshare messages and Ozone Watch Notification messages on its Dynamic Message Signs along the High Occupancy Vehicle (HOV) lanes. By installing these permanent roadside signs along major highways and placing rideshare and clean air messages on TxDOT's Dynamic Message Signs, TxDOT is assisting H-GAC and METRO in encouraging the public to rideshare. The result of this program will be a drastic reduction in vehicle emissions. CMAQ funds, approved by the region's Transportation Policy Council, are being used to pay for the roadside signs. There is no costs for placing messages on TxDOT's Dynamic Message Signs.

4. Air Quality Planning Activities

H-GAC has been involved in comprehensive air quality planning throughout the 1998-2000 TIP. The TPC has developed the Regional Air Quality Planning Committee (RAQPC) to oversee all of the air quality planning activities in the Houston-Galveston TMA. The RAQPC consists of public and private sector agencies. Several committee members have been involved in regional air quality activities, such as the Inspection/Maintenance program, Regional Commute Alternative development, and the alternative fuels program.

**METROPOLITAN TRANSIT AUTHORITY
BOARD POLICY STATEMENT
ON PRIVATE SECTOR PARTICIPATION IN
PUBLIC TRANSPORTATION PROGRAMS**

PURPOSE

METRO's Board of Directors supports fully the involvement of the private sector in the delivery of services by METRO. In fulfilling its commitment to the transit dependent and the Houston metropolitan area, METRO will provide transit service in a cost effective and efficient manner and to the extent possible, utilize the private sector for the delivery of this service. The Board desires to achieve significant cost savings and transportation benefits for METRO's taxpayers and patrons while favorably impacting the economic, cultural, and social life of the community.

STATEMENT OF POLICY

The policy is intended to achieve relative cost savings without sacrificing the quality of service. There are seven areas of policy:

1. Transit Services. The use of private contractors on a competitive basis has proven advantageous in the delivery of some of METRO's transit services. METRO will continue to take advantage of cost savings by contracting our future transit services to private carriers as long as there is no measurable decrease in the quality of service. In doing so, METRO will take steps to protect its patrons from the vulnerability of contractor non-performance.
2. Staff Services. METRO will examine existing activities to determine where opportunities may exist for private sector participation in necessary staff services. Where cost effective and practical, METRO will contract for staff services. METRO will use the private sector for work requirements, special projects and peak needs, which can be addressed more cost effectively than by permanent staff.
3. Facility Planning, Design, and Engineering. It is desirable that the private sector be used in the planning, development, and alignment of transit routes and facilities. It is important that METRO, to the maximum extent practical, take advantage of competent consulting services available in the private sector. The priority for METRO's staff should be the management of these activities.
4. Joint Development. Where it is in its best interest, for example where it would not jeopardize METRO's right to issue tax-exempt bonds, METRO will actively solicit the private sector in the joint development of transit facilities in order to produce economic savings to METRO while at the same time stimulating economic development in the private sector.

5. Resolving Disputes. METRO's existing contract procedure for resolution of protests or grievances will be adapted to address disputes that may arise under this policy. This procedure includes the formation of a committee, which makes a recommendation to the General Manager.
6. Committee on Private Sector Involvement. A committee will be established to advise staff on the implementation of this policy and make suggestions to staff for improving the use of the private sector in METRO'S operations. The committee will be composed by Board members, staff, and local members of the private sector, in accordance with the Bylaws.
7. METRO's Contractual Obligations. Nothing in this policy should be construed to prevent METRO from fulfilling its contractual obligations with employees, suppliers, and other units of government.

METROPOLITAN TRANSIT AUTHORITY

GUIDELINES FOR PRIVATE SECTOR PARTICIPATION

INTRODUCTION

The METRO Board of Directors has adopted a comprehensive policy to encourage private sector participation in METRO's provision of public transit services. By way of Board resolution number 86-46, the METRO staff was authorized and directed to implement this policy. The purpose of this guideline is to specify the process by which the policy will be implemented. This process has been prepared to conform with the requirements of FTA Circular 7005.1.

TRANSIT SERVICE

Criteria for Evaluation of Contracting Opportunities

METRO staff (Service Development Department) annually updates the five-year service program as part of the preparation of the annual capital and operating budgets. As part of this annual update, staff evaluates existing new or restructured service, and considers how that information can be utilized to identify existing services which should be evaluated or potential private sector operation.

Existing, new or restructured service shall be considered for contracting out only to the extent that private operations do not result in a measurable decrease in service quality, adversely affect union labor agreement obligations and the Department of Labor 13(c) certification. Contracted services should cost less than equivalent METRO provided services. Standard measures of performance will be used (i.e., on time performance, miles between road calls, customer complaints) to evaluate contractor performance. If METRO buses are available, consideration shall be given to contracting for only operation and maintenance of service.

PROCESS FOR CONTRACTOR PARTICIPATION

A comprehensive evaluation of private service provider contracting opportunities must provide for effective participation of the private providers in the evaluation process. Accordingly, METRO staff annually shall provide for notice to and early consultation with private providers in plans for new or restructured service, as well as the periodic reexamination of existing service. Written notice shall be given to all known private service providers in the area as well as notice being published in a local newspaper of general circulation. The notice shall describe the routes or services being evaluated and invite comment with regard to the capability and interest of private firms to provide the service(s). This notice shall be given at least sixty (60) days prior to proposed implementation of new, restructured or periodic reexamination of existing service in order to allow sufficient time to consider and incorporate as appropriate the comments of private providers.

METRO staff shall also consider comments offered by private sector service providers at public hearing regarding METRO applications for FTA funding assistance or hearings on proposed service changes.

METRO will participate in H-GAC analysis involving the private sector in METRO's operations. METRO will use the results of this analysis to assist in refining the procedure for notification and involvement of the private sector in METRO's operations.

For those routes or services which appear to offer an opportunity for cost-effective operation by private providers, METRO's Procurement Division shall conduct a competitive procurement in accordance with METRO's customary procedures provided, however, that in addition to cost and service factors, the bid evaluation process shall also consider the impact of the contracted service on METRO's labor force under the existing Section 13(c) labor agreement.

After METRO staff have made a determination about the feasibility of contracting for service, private sector firms shall be notified of METRO's determination and shall be notified that they have an opportunity to appeal METRO's decision. Any such appeal shall be handled similarly to a bid protest wherein the appealing party will be invited to present information supporting its appeal to a three-person Appeals Committee consisting of the Assistant General Managers for Operations and Service Development and the Assistant General Manager for Management and Budget. The Committee shall consider the appeal and make a recommendation to the General Manager. The decision of the General Manager shall be the final Authority position on any appeal.

STAFF SERVICES

The Assistant General Manager for Management and Budget shall periodically review all staff services and functions to identify where opportunities may exist for more cost-effective provision of services by the private sector. This review shall be completed at least once every three (3) years with recommendations being made to the General Manager. Criteria for evaluation of staff services shall be similar to those for transit services with maintenance of quality being a principal factor.

TRANSIT FACILITIES

The Assistant General Manager for Capital & Long Range Planning shall consider the participation of the private sector in the development, ownership and operation of all major transit facilities, including joint development opportunities. The analysis of requirements for major transit facilities and planning for these facilities shall include an evaluation of and recommendations for possible private sector involvement. "Major transit facilities" is intended to include operating and maintenance facilities, transit centers, park & ride lots, terminals or stations.

**BRAZOS TRANSIT DISTRICT BOARD POLICY STATEMENT
BRAZOS TRANSIT DISTRICT PUBLIC TRANSPORTATION PROGRAMS
PRIVATE SECTOR PARTICIPATION**

PURPOSE

Brazos Transit District (BTD) will utilize the private sector in delivery of transportation services to the transit dependent within its service delivery area, wherever and whenever possible. BTD is committed to the provision of cost effective and efficient transportation services and wishes to favorably impact the economic, cultural, and social life of the service area.

STATEMENT OF POLICY

This policy is designed by the BTD Board of Directors to provide maximum efficiency in service delivery while holding to the established high level of service quality which is a trade mark of BTD. Section I of this policy addresses a., b., c., d., and e. as delineated in item 5., LOCAL PROCESS, OF FTA C 7005.1.

1. Transit Services

BTD will continue to contact out transportation services to the private sector as in the past. This has been shown to be an effective and innovative means of providing quality service and efficiently curbing costs. BTD will continue to work with the Federal Transit Administration and the Texas Department of Transportation in development of new modes of private sector utilization.

2. Staff Services

BTD will continue to use the private sector in staff positions such as security, maintenance, and facilities repair services whenever this is the prudent and most cost effective alternative.

3. Facility Planning, Design, and Engineering

A top priority of BTD is the utilization of competent private sector consulting services in the development of facility plans, in design and architectural effort, and in engineering projects. BTD personnel will serve in project management roles working with employed consultants.

4. Resolution of Disputes

Existing contract procedure will be adapted to this policy in regard to resolution of any dispute which may come between BTD staff and private sector contractors.

5. Contractual Obligations

Nothing in this policy should be construed as to prevent Brazos Transit District from fulfilling its contractual obligations with employees, suppliers, or other units of government.

**BRAZOS TRANSIT DISTRICT
DOCUMENT FOR 1998 - 2000
TRANSPORTATION IMPROVEMENT PROGRAM**

This document has been prepared in conformance with Section 4B of the Federal Transit Administration's Guide on documentation of Private Enterprise Participation in Urban Mass Transportation Programs as published in the Federal Register on January 24, 1986.

Since 1986 Brazos Transit District has followed a policy of contracting Public Transportation elements to private sector contractors. Since that date there has been continuing private sector contracting on the part of Brazos Transit District. In February of 1992 the Board adopted a broadened local private sector policy process. In April 1993 the Board of Directors formally approved this amended and expanded policy. This is a review of BTD involvement in the Transportation Improvements Program in the various TxDOT Districts included in the BTD service area.

1. Local Private Sector Policy Process

- a. Public hearings give the private sector an opportunity for involvement in planning of capital, planning, and operations projects. Exposure to the appropriate Council of Governments or Regional Planning Council of proposed projects gives another opportunity for public input. In each applicable location the local Metropolitan Planning Organization reviews proposed projects.
- b. Written notice of all proposed projects is published in a local newspaper of general circulation. Letters are written to all known private sector providers who will be affected by a proposed project. These notifications describe the nature of the project and their services to be evaluated. It invites comment with regard to the capability and interest of private sector business.

2. Ongoing Services

- a. Brazos Transit District currently contracts shuttle services to the University of Texas Medical Branch (UTMB) in Galveston County, as well as The Woodlands Express and Montgomery County Express commuter systems in Montgomery County to the private sector. The current Montgomery County contractor for commuter bus operations is a Woman Owned Business. This service springs from a 1,000 car park and ride lot in The Woodlands and a 600 car park and ride in Conroe. Transportation services, security, maintenance, and grounds keeping for the two Montgomery County locations are all contracted to the private sector. Transportation Services in both Montgomery County and Galveston County are contracted to the private sector. In addition; private sector contracts in these areas of effort for the period currently exist in Brazos, Montgomery, Galveston, Walker, Angelina, and Washington Counties. In the matter of facilities planning, architectural work, engineering, and

transportation consultation activities in all locations BTD contracts all to the private sector.

- b. Transportation services expansion and facilities procurement in 1996 through 1998 is giving and will continue to give private sector bidders opportunity to be involved in BTD projects in a variety of ways. Consultation, construction, renovation, engineering, architectural planning, transportation planning, and transportation services have been and will continue to be made available to the private sector on a bid basis in the manner prescribed by Federal and State law. Private sector contracts for the period are already in place in the counties of Brazos, Montgomery, Walker, Angelina, and Titus. BTD has been able to offer a better quality of service at a more affordable rate of cost in the past as a result of contracting to members of the private sector. There is every reason to think that this practice will continue to be the action course of choice in the future.

1998-2000 Projects;

Angelina, Brazos, Burleson, Grimes, Leon Liberty, Madison, Montgomery, Polk, Robertson, Sabine, Shelby, San Augustine, San Jacinto, Waller, and Walker Counties - Section 18 Transit Service

Brazos, Angelina, Montgomery Counties - Section 16 Procurement

City of Bryan/College Station - Section 9 Transit Service

City of Galveston - Section 9 Transit Service

Montgomery County - Construction, Park & Ride, Transit Corridor

Angelina County - Construction, Transit Center

Brazos County - Construction, Transit Center

Walker County - Construction, Transit Center

**BRAZOS TRANSIT DISTRICT
PUBLIC/PRIVATE SECTOR INVOLVEMENT POLICY
BRAZOS VALLEY COMMUNITY ACTION AGENCY**

1. Brazos Transit District will give notice to and early consultation with private providers in plans involving new or restructured service. This notice will be in the form of a newspaper ad requesting a public hearing for fare or service changes as well as direct correspondence with those who have asked to be placed on a bidders list. Copies of all such newspaper ads will be retained in BTDD files and a copy will be sent to Federal Transit Administration. BTDD will also give private providers an opportunity to periodically re-examine existing service.
2. BTDD will review and examine each route every three years to determine if a private enterprise could more efficiently operate that route.
3. To determine how new and restructured services will be evaluated to make a decision as to whether they may be more efficiently operated by a private sector operator, BTDD will retain a consulting firm to assess the BTDD position and make a determination pursuant to a competitive bid process.
4. BTDD will use costs as a primary factor in making private/public decisions. BTDD will not sacrifice quality and integrity in transportation performance in order to utilize a low bidder will make every effort to assure the best performance for dollars spent.
5. In the event of a disputed original decision in private/public matters the following process will be followed in order to resolve that dispute.
 - a. Complainant will contact the BTDD administrator and make know the complaint in writing. The BTDD administrator will review the complaint, investigate, and respond in writing to complainant within fifteen (15) working days.
 - b. Should complainant wish to appeal the administrator's decision a written complaint will be filed with the Chief Administrator of BVCAA. The Chief Administrator will review the complaint, investigate, and respond in writing to complainant within ten (10) working days.
 - c. Should complainant wish to appeal the Chief Administrator's decision he will file a written complaint to the Board of Directors of BVCAA. The Board of Directors of BVCAA will make the complaint an agenda item for the next scheduled meeting of the Board. Complainant may appear before the Board at that time, with or without representation. Cost of representation will be borne by complainant. A written response will be sent to the complainant within three (3) working days of that meeting.

6. Majoring restructuring of service is defined as the addition of routes, elimination of routes, lengthening of headway times, or elimination of service.
7. BTD will submit a copy of this local policy to the local MPO each year prior to the completion of the TIP/AE.

THE GULF COAST CENTER

PRIVATE SECTOR PARTICIPATION POLICY

PURPOSE

The purpose of this policy is to insure adequate opportunity for the participation of the private sector in the provision of public transportation services.

STATEMENT OF POLICY

It will be the policy of the Gulf Coast Center to provide adequate opportunity for participation of the private sector in the provision of public transportation services.

The Gulf Coast Center will give notice annually of plans regarding operation of public transportation services. Notice of new or major restructuring of services or fares will be done prior to new or major restructuring of service being implemented. Major restructuring of service is defined as the addition or elimination of routes or service.

Notice will be in the form of a newspaper notice affording the opportunity for a public hearing. Direct notice will be sent to those who have asked to be placed on a bidder's list. Copies of all such newspaper notices will be retained in The Gulf Coast Center files and a copy sent to the Federal Transit Administration.

Upon receipt of written notice from a private sector provider indicating an interest in providing service, The Gulf Coast Center will prepare a request for proposal to provide transit related services. Notice of opportunity to propose will be in the form of a newspaper notice. Direct notice will be sent to those who have asked to be placed on a bidder's list. Copies of all such newspaper notices will be retained in The Gulf Coast Center files.

The Gulf Coast Center will review and examine existing services every three years to determine if a private enterprise could more efficiently operate the service. New or major restructured services will be evaluated to determine if a private enterprise could more efficiently operate the service prior to the services being implemented.

The Gulf Coast Center will retain a private consulting firm to determine how services will be evaluated and to make a recommendation as to whether they may be more efficiently operated by a private sector operator. The Gulf Coast Center will use cost as a primary factor in making the private/public decision. The Gulf Coast Center will not sacrifice quality and integrity in transportation performance in order to utilize a low bidder and will make every effort to assure the best performance for dollars spent.

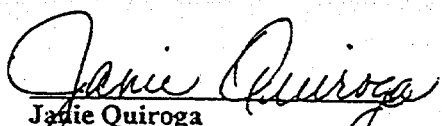
RESOLUTION OF DISPUTES

In the event of a disputed original decision in private/public matters, the following process will be followed to resolve the dispute:

- a. Complainant will contact The Gulf Coast Center Executive Director and make known the complaint in writing. The Gulf Coast Center Executive Director will review the complaint, investigate, and respond in writing to complainant within fifteen (15) working days.

- b. Should complainant wish to appeal the Executive Director's decision, he/she will file a written complaint to the Board of Trustees of The Gulf Coast Center. The Board of Trustees will make the complaint an agenda item for the next scheduled meeting of the Board. Complainant may appear before the Board at that time, with or without representation. Cost of representation will be borne by complainant. A written response will be sent to complainant within fifteen (15) working days of that meeting.

I CERTIFY THAT THIS POLICY WAS APPROVED BY THE BOARD OF TRUSTEES OF THE GULF COAST CENTER IN OPEN MEETING ON THE 22nd DAY OF October, 1997.


Janie Quiroga
Secretary to the Board of Trustees

