

TECHNICAL MEMORANDUM #3

September 22, 2025

Project# 30857

To: Benton Area Transit Staff: Gary Stockhoff, PE; Charlene Pech
From: Nick Meltzer, PE; Amy Griffiths, PE; Susie Wright, PE; Jim Hamre, Kittelson & Associates, Inc.
RE: Benton County Future Services Delivery Considerations

Introduction

Kittelison & Associates, Inc. (Kittelison) is assisting Benton County with a program assessment of their transit service, known as Benton Area Transit (BAT). This memorandum documents the operational structures that Benton County can consider to help achieve the following vision and goals for transit service.

Vision

Provide public transit in Benton County that supports county goals of vibrant, livable communities and equity for everyone, and creates transportation options for seniors and people with disabilities.

Service Goals

Be fiscally sustainable, customer and context appropriate, operate effectively and efficiently, and maintain state and federal compliance.

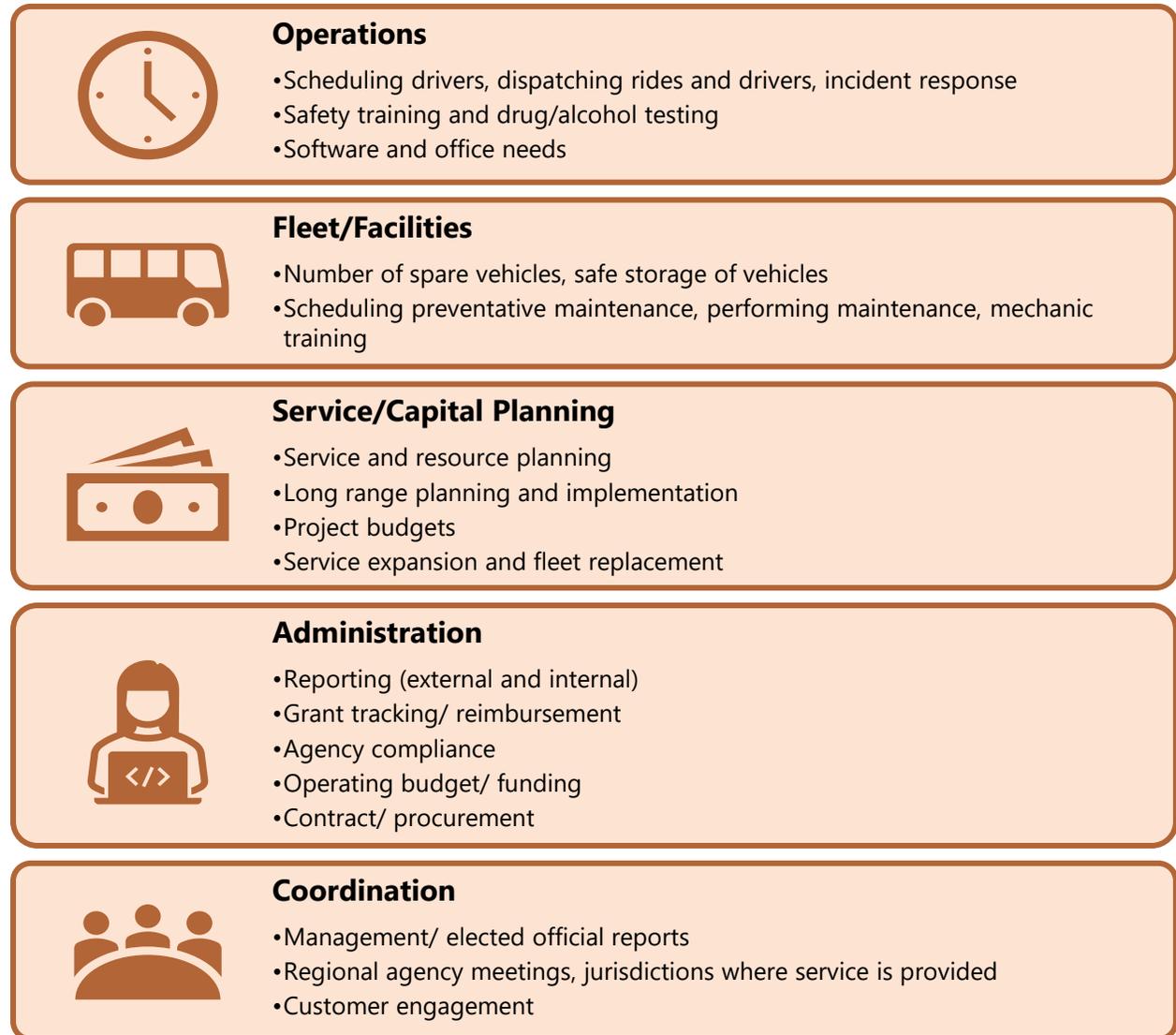
This memorandum is organized into the following sections:

- **Aspects of Transit Service:** Defines the key components of transit service that are considered in evaluating alternative service delivery models. It overviews BAT's current transit service offerings.
- **Service Delivery Alternatives Development and Evaluation:** Provides an overview of the development, screening, refinement, and evaluation process. Describes the three primary service delivery models considered, highlighting their respective strengths and weaknesses, and screens the alternatives based on agency support and high-level staffing considerations.
- **Screening and Goal Alignment:** Presents a detailed evaluation of the screened alternatives based on the established goals and objectives. Includes sub-alternatives for BAT to consider in implementing the preferred option.
- **Staffing Considerations and Cost Implications:** This section defines the potential changes to the number of staff under each service delivery alternative. It also details the costs of the two most viable alternatives.
- **Operations Considerations:** This section documents what adjustments BAT can make to maintain fiscal sustainability under the two most viable alternatives.
- **Next Steps:** Outlines the upcoming phases of the project.

Aspects of Transit Service

Figure 1 describes the aspects of providing transit service. Alternative service delivery models will be described according to how they adjust each of these aspects of transit service and how that influences the County's ability to meet their vision for transit service.

Figure 1. Aspects of Transit Service



CURRENT AND PLANNED SERVICE

This section documents the current service delivery model and the current and planned services provided by BAT.

While Technical Memo 2 discusses this in more detail, it is important to note BAT services are currently provided through a private *non-profit* contractor. Compared with a private *for-profit* contractor, this poses different risks and benefits. In order to accurately assess the alternative service delivery scenarios, this memo compares those scenarios with the current *private non-profit* provider. Differentiating between private *non-profit* and private *for-profit* is significant when it comes to cost of service delivery, ability to scale service delivery, and ability to comply with state and federal regulations.

In addition to a private non-profit contractor, Benton County and the City of Corvallis maintain a mutually beneficial relationship in staffing and support of their respective programs. , and with the Statewide Transportation Improvement Program (STIF) increased funding for transit, the two agencies recognize the importance of coordinating service.

Current and Planned Services

BAT provides a combination of fixed route and demand response services for the County. They also provide demand response services on behalf of the City of Corvallis and the U.S. Department of Human Services. In addition to the current service offerings, BAT is conducting the 99W Pilot Project in partnership with Yamhill County Transit. This project plans to extend the 99 Express from McMinnville to Junction City. In the near-term, BAT will also conduct a Rural County Shuttle Feasibility Study that evaluates the opportunity to implement a deviated fixed route or shuttle to serve frequent demand response stops.

The current and planned services BAT provides are documented in Table 1.

Table 1. Current and Planned BAT Services

Current or Planned	Service	Service Type	Responsible Party
Current	Coast to Valley Express	Fixed Route Service	Benton and Lincoln County
Current	99 Express	Fixed Route Service	Benton County
Planned	99 Corridor Pilot*	Fixed Route Service	Benton County and Yamhill County
Planned	BAT Shuttle Pilot*	Deviated Fixed Route Service	Benton County
Current	BAT Lift (Countywide)	Demand response service	Benton County
Current	BAT Lift (Paratransit)	Demand response service	City of Corvallis
Current	BAT Lift (DD 53)	Demand response service	U.S. Department of Human Services

*Asterisk indicates a potential future service expansion.

These efforts to expand and adjust service illustrate BAT's dedication to providing service that is fiscally sustainable, appropriate for the customers and context of Benton County, and that has efficient and effective operations. Under the current service delivery model, it has been challenging for BAT to allocate staff time and coordinate with the contractor to dynamically plan and make strategic short-term and long-term service adjustments.

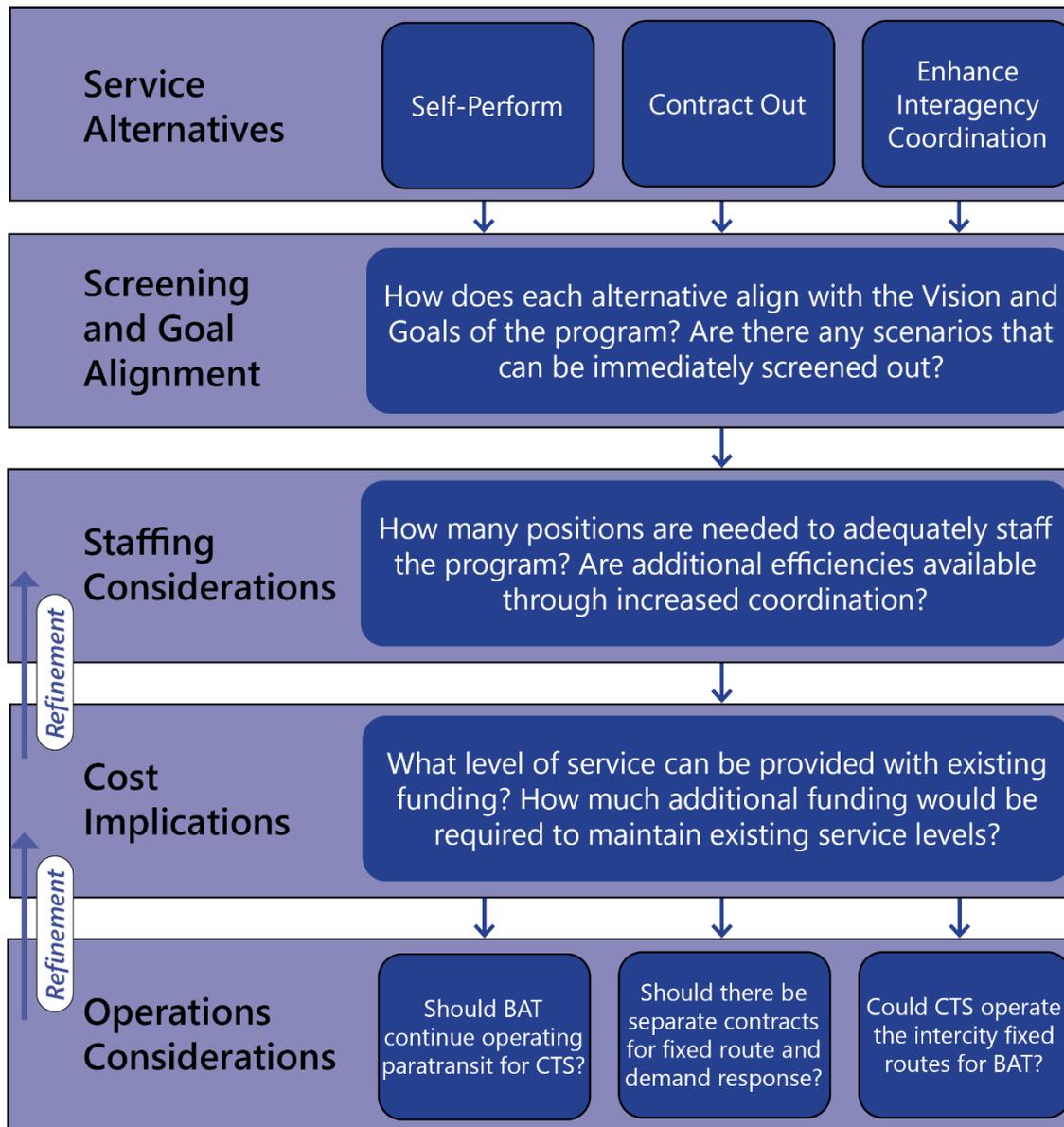
Service Delivery Alternatives Development and Evaluation

The following potential alternative service delivery scenarios were developed based on interviews with peer agencies and input from BAT and CTS staff:

- Scenario 1: Self-Perform
 - BAT could self-perform transit, taking the fixed route and demand response services in-house.
- Scenario 2: Contract Out
 - BAT could continue to contract out the fixed route and demand response services to one or more contractors.
- Scenario 3: Enhance Interagency Coordination
 - Coordinate with Corvallis Transit System (CTS) to share operations and staffing, providing improve efficiency for both organizations and better service to transit users in the region. One example of this could include CTS adding the fixed route services BAT is responsible for into their operations contract with a private provider.

Adjustments to the current service delivery model could have significant cost implications and thereby impact on the amount of service BAT could provide. Each overarching organizational scenario has sub-alternatives for how BAT can balance different aspects of the vision and service goals. Therefore, an iterative decision-making process was developed, where overarching service delivery scenarios were screened according to high-level feasibility and their ability to meet the vision and goals. Then, the two most promising service delivery alternatives were refined based on staffing, financial, and operational considerations to balance competing goals. Next, these refined alternative scenarios were evaluated in more detail according to the objectives for decision-making. This decision-making process is illustrated in Figure 2.

Figure 2. Service Delivery Alternatives Development and Evaluation Process



Screening and Goal Alignment

To understand the differences between these scenarios and begin identifying associated costs, Kittelson compared the aspects of transit service with each scenario in Table 2. This analysis was informed by interviews with peer agencies and coordination with City and County staff.

Table 2 focuses on the aspects of transit service and responsibilities that vary between scenarios to compare their overall strengths and weaknesses. There are several aspects of transit service that are consistent between service delivery models. The following responsibilities are not expected to vary between service delivery models:

- Operations
 - BAT will continue to be responsible for software and office needs.
 - Driver shortages for staffing persist amongst self-performed and contracted service.
- Fleet and Facilities
 - BAT will continue to be responsible for vehicle purchases and maintenance, vehicle storage and operations facilities, and dispatch equipment.
- Service and Capital Planning
 - BAT will continue to be responsible for service and resource planning, long range planning and implementation, project budgets, and service expansion and fleet replacement.
- Administration
 - Administration is not anticipated to change significantly, with all alternatives likely to continue being managed by County's Public Works Director, program reliance on the County's finance team, legal team, and human resources department. BAT will continue to provide a transportation supervisor that manages grant tracking/reimbursement, compliance evaluations, etc.
- Coordination
 - BAT is responsible for coordinating with elected officials and with nearby transit agencies.
 - The governance and signatory authority is not anticipated to change between models. The program would remain under the County Public Works Department, the Public Works Director will continue to be the signatory, and BAT would continue to be governed by the Benton County Board of Commissioners.
- External considerations
 - County debt ceiling considerations are not anticipated to change.
 - Legal authority for operating services is not anticipated to change.

During exploratory conversations with CTS, Kittelson learned that the City of Corvallis is currently performing their own assessment of their transit program and it would be difficult to discuss partnership opportunities until further conclusions are made. While the City of Corvallis is committed to working with Benton County in the future, Scenario 3 was removed from further evaluation and any collaborative opportunities would be overlaid with **Scenario 1: Self-Perform** and **Scenario 2: Contract Out** at a later date.

Based on the peer comparison and interviews, the typical cost of self-performing or contracting out services is not the driving factor for selecting a service delivery model. Therefore, alternates were evaluated according to how well each service scenario aligns with the vision and goals developed for BAT. Table 3 documents this assessment with a high, medium, or low score based on relative alignment with the objectives. Figure 3 summarizes this evaluation graphically. Based on this evaluation, Scenario 1: Self Perform, aligns the closest with the objectives. In the next section there is an overview of the cost implications of adjusting to this model and what considerations there are for adjusting the service offerings according to cost.

Figure 3. Service Delivery Alternatives Evaluation – Summary

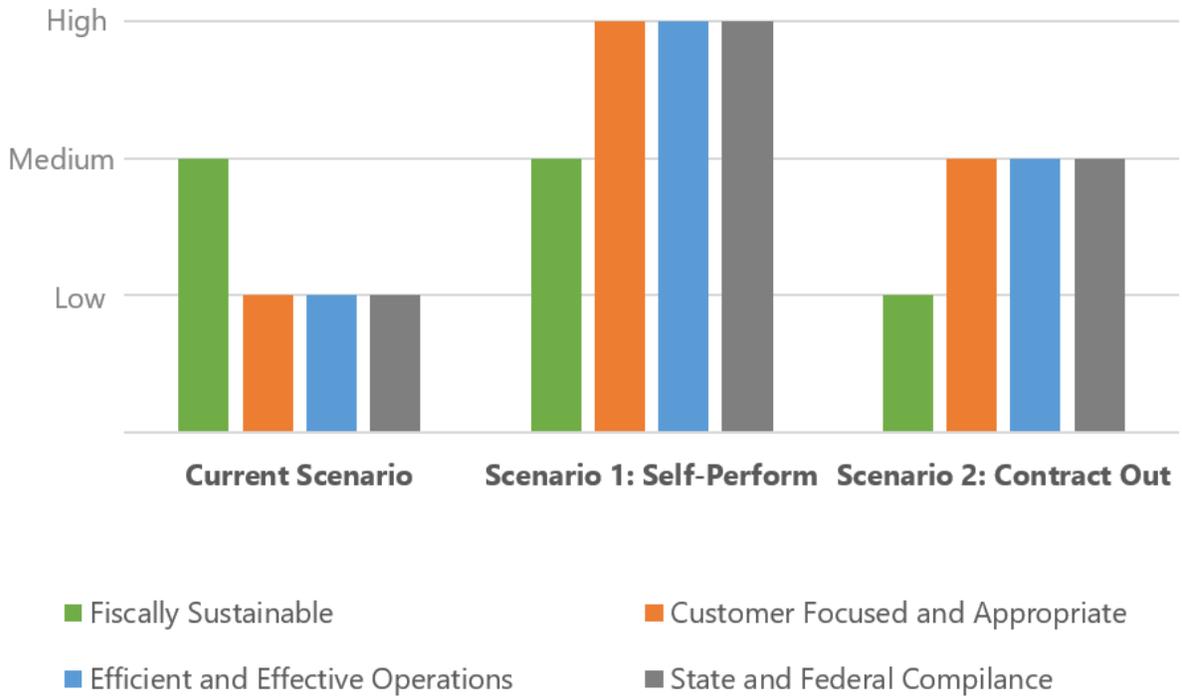


Table 2. Overview of Alternative Service Delivery Models

Transit Service Aspect	Current Model	Scenario 1: Self-Perform	Scenario 2: Contract Out	Scenario 3: Enhanced Interagency Coordination
Overview	BAT contracts out the fixed route and demand response services to a non-profit contractor.	BAT self-performs transit, taking the fixed route, demand response, and paratransit services in-house.	BAT contracts out the fixed route and demand response services to one or more contractors.	Coordinate with Corvallis Transit System (CTS) to operate BAT's fixed route services (acting as a contractor for BAT) and self-perform or contract out the demand response services.
Operations 	Contractor is responsible for: - Staffing drivers, dispatchers, supervisors, human resources staff - Scheduling drivers, dispatching rides and drivers, incident response - Safety training and drug/alcohol testing	BAT is responsible for: - Staffing drivers, dispatchers, supervisors, human resources staff - Scheduling drivers, dispatching rides and drivers, incident response - Safety training and drug/alcohol testing Software and office needs	- No change	CTS could absorb the following responsibilities - Staffing drivers, dispatchers, supervisors, human resources staff - Scheduling drivers, dispatching rides and drivers, incident response - Safety training and drug/alcohol testing
Administration 	Contractor is responsible for: - Providing data to support federal compliance reviews and National Transit Database (NTD) reporting - Providing human resources for drivers and dispatchers - Providing liability insurance according to their contract	BAT is responsible for: - Providing data to support federal compliance reviews and National Transit Database (NTD) reporting - Providing human resources (HR) for drivers and dispatchers. - Providing liability insurance according to their contract. Some of these roles may be absorbed by existing County staff, however additional finance/ legal/ human resources staff may be needed if the service is brought in-house.	- No change	- CTS may absorb some of the county's administrative responsibilities
Coordination 	- BAT is a part of Benton County Public Works Department	- Potential to create a division under the Public Works Department	- No change	- Increased coordination with CTS will occur - Additional complexity with applying for and utilizing funding may occur
Key Strengths 	- The non-profit contractor utilizes volunteers which offsets the cost per hour	- The County has more control over decisions around fluctuating operating expenses -to-year - County can ensure staff are compensated well according to the union requirements - Direct access to updating data tracking and reporting data makes it easier to ensure federal compliance and complete NTD reporting - The County would have full control over administering, planning, operating, and staffing the transit service. Direct control over operations can provide better oversight of service and alignment with specific County goals	- Operating expenses are contractually constrained month-to-month, with the contractor taking on the risk of cost variability	- Combining their contract for fixed-route service with the City of Corvallis's could support a more competitive bid than BAT directly contracting out their fixed-route service separately
Key Weaknesses 	- Operating expenses are less predictable. There are several surprise costs and challenges with compliance that risk the longevity of the system - The volunteer model adds liability and makes it more challenging to scale service - Liability concerns related to indemnification, general liability, and auto liability may be elevated due to the non-profit contractor - Conflicting vision between non-profit and agency causes tension - The current contractor is not able to effectively share data to monitor transit service performance	- Expanding service quickly may be challenging due to the need to hire additional staff.	- Expanding or contracting service may require contract amendments. - The success of the model is highly dependent on the contractor and contract. - Bids by contractors for providing the service could cause operating costs to vary significantly between contracts.	- Interagency coordination adds an additional layer to service updates - More finances will likely change hands back and forth which adds complexity to splitting the financial responsibilities of providing service - There may be potential for CTS to absorb additional responsibilities on behalf of BAT, however this may increase the challenge where money and responsibilities change hands back and forth.

SERVICE DELIVERY ALTERNATIVES EVALUATION

Table 3. Service Delivery Alternatives Evaluation – Alignment with BAT Goals and Objectives

Goal	Objectives	Current Scenario	Scenario 1: Self-Perform	Scenario 2: Contract Out
Fiscally Sustainable	<ul style="list-style-type: none"> – Program costs comparable to average of peer agencies – Program effectively leverages state and federal dollars to provide transit – Cost-efficient provision of demand response service – Providing staff positions for drivers that achieve living wages – Low annual cost variability – Low risk for insurance or other costs – Establish understanding of costs for providing service to support scaling 	<p>Medium</p> <ul style="list-style-type: none"> – Service is provided at a lower cost than the peer average – Reliance on volunteer drivers can lead to increased liability risk – Contractor is in control of the data management, and it can be challenging to solicit data in a usable format to understand costs of scaling service – Higher annual cost variability 	<p>Medium</p> <ul style="list-style-type: none"> – Program costs are higher than the average of peer agencies – Greater control over how services are provided, including linking trips for efficacy of demand response service – Insurance can be incorporated under the County’s insurance – Union positions support living wages – Lower annual cost variability 	<p>Low</p> <ul style="list-style-type: none"> – Program costs are assumed to be comparable to the average of peer agencies – No control over ensuring drivers are paid living wages – Higher potential annual cost variability
Customer Focused and Context Appropriate	<ul style="list-style-type: none"> – Services operated according to Benton Area Transit vision – Mix of services that balance productivity with coverage – Support testing and integration of emerging service delivery options – Transparent and easy-to-use service – Professional and friendly service – Ability to scale service operations up and down according to long range plan and funding availability 	<p>Low</p> <ul style="list-style-type: none"> – Reliance on volunteer drivers creates challenges with scaling, especially at current costs – Service practices are not consistent with policy (e.g. door-to-door service is provided instead of curb-to-curb service). This creates unrealistic expectations, results in fewer rides per hours, and creates liability risks 	<p>High</p> <ul style="list-style-type: none"> – Direct control for implementing services that align with BAT’s policies and vision – Directly able to ensure that service practices are consistent with policy, transparent, and easy to use – Directly able to pilot emerging service delivery options 	<p>Medium</p> <ul style="list-style-type: none"> – Varies by contractor, however it may be easier to scale services – Professionalism and transparency of service vary by contractor
Efficient and Effective Operations	<ul style="list-style-type: none"> – Administrative capacity that meets the needs of operating transit (including reporting, grant tracking and applications, agency compliance reports, operating budget and funding, and contract procurement) – Service and capital planning capacity that meets the needs of operating transit (including long range planning and implementation, service expansion, and fleet maintenance and replacement) – Coordination capacity to engage with regional partner agencies – Ensure quick and efficient maintenance of vehicles 	<p>Low</p> <ul style="list-style-type: none"> – Contractor is in control of the data, and it can be challenging to solicit data in a usable format for service and capital planning. For example, data received to-date is not formatted to reliability distinguish countywide demand response services from paratransit services, which is necessary for grant and compliance tracking. – There is insufficient staff capacity for grant tracking, compliance reporting, and service planning 	<p>High</p> <ul style="list-style-type: none"> – Increasing the number of program staff at BAT to two FTE can help the agency better support the administrative needs alongside the service and capital planning needs 	<p>Medium</p> <ul style="list-style-type: none"> – Depending on the contractor, the ease of collecting the data required for service and capital planning may vary – Increasing the number of program staff to two FTE can help the agency better support the administrative needs alongside the service and capital planning needs
State and Federal Compliance	<ul style="list-style-type: none"> – Provide services that are federally required to receive funding – Proactively understand FTA requirements and address noncompliance findings should they occur 	<p>Low</p> <ul style="list-style-type: none"> – Provides services that are federally required to receive funding – Historical challenges with repeat noncompliance findings – FTA noncompliance puts funding at risk – Ridership and reliability data cannot be verified with current tracking – Volunteer model creates challenges training staff and providing the service 	<p>High</p> <ul style="list-style-type: none"> – Provides services that are federally required to receive funding – Streamline ability to assess compliance with FTA requirements and address noncompliance findings should they occur 	<p>Medium</p> <ul style="list-style-type: none"> – Provides services that are federally required to receive funding – Additional effort verifying compliance with FTA requirements – Ability to address noncompliance findings is dependent on contractor

Staffing Considerations and Cost Implications

The aspects of transit service provide a baseline understanding of staffing needs for transit providers. While this study is primarily focused on operations, all aspects are dependent on each other. While "Fleet and Facilities" will continue to be provided by Benton County regardless of "Operations" considerations, identifying staffing requirements for "Service and Capital Planning", "Administration", and "Coordination" is important for financial planning.

Figure 4 illustrates the Non-Operational aspects of transit service.

Figure 4. Non-Operational Transit Staffing Considerations



The duties required for each of the aspects are listed above. Based on peer agency interviews and conversations with Benton Area Transit, two full time equivalent program staff are recommended. This would be an increase from the current 1.2 FTE shared across City of Corvallis and Benton County. This proposed staffing applies to both the Self Perform and Contract Out service delivery alternatives.

Salary and benefit information was provided by Benton County to identify the cost to the program for current and proposed Benton County staff.

SELF PERFORM

Developing cost estimates for self performing transit involved estimating the number of staff required to operate the services BAT currently provides, as well as understanding all fixed costs. Cost estimates were developed using information provided by Benton County that included the following assumptions:

- Estimating annual service hours based on current fixed route and demand response services currently provided by BAT. Increasing those hours to driver hours, assuming 20 percent non-service time for fixed route, and 50 percent non-service time for demand response to account for pre and post service safety checks, returning to the garage after service ends, and dead head (i.e. no passengers) demand response and paratransit trips.
- Calculating the number of full time positions needed to staff the total hours identified above while accounting for actual employee hours worked (e.g. subtracting sick, vacation and holiday time, and including time for annual trainings and staff meetings).
- Calculating the cost of drivers and additional employees needed to support the program, using wages and benefit percentages provided by Benton County.
- Compiling operating revenue from STIF, STF, 5310 and 5311 according to 2025-2027 estimates from Oregon Department of Transportation confirmed with Benton County's budget and STIF plan.
- Compiling annual fleet maintenance and fuel costs from Benton County's 2025-2027 budget. On the self perform scenario, reductions in maintenance and fuel were assumed when exploring service delivery alternatives.

The cost per service hour was calculated using total expenses and overall service hours. Total expenses were compared with total revenue to understand the potential cost of self performance.

CONTRACT OUT

In this service delivery alternative, two program staff would perform all non-operational duties listed above, as well as maintain the service contract with one or two contractors.

Cost estimates were developed using information provided by Benton County that included the following assumptions:

- Two full time staff are needed to ensure a successful program. This includes a manager and a staff planner. Benefit percentages are included to ensure the full cost of employees is included.
- Administrative costs to support staff and the program including building rent, central cost allocation, marketing, training, etc.
- Compiling operating revenue from STIF, STF, 5310 and 5311 according to 2025-2027 estimates from Oregon Department of Transportation confirmed with Benton County's budget and STIF plan.

Staffing and administrative costs were subtracted from the total amount of revenue to estimate the remaining funds for operations. Fleet maintenance and fuel costs are not included in indirect costs for contracting out services, as those costs are incorporated into the cost per service hour estimates collected from Benton Area Transit peers earlier in the process.

Using the median of service cost per hour (fixed route and demand response combined), the potential service hours provided by a contractor were calculated. This value is then compared with the current service hours BAT provides in an attempt to understand potential impact to service.

For both scenarios, additional alternatives were developed to adjust revenue and/or expenses and see the subsequent impact on service. This is intended to help inform county tradeoff discussions for competing service goals.

A summary of assumptions used in developing staff and cost estimates is provided in Table 4 below.

Table 4. Assumptions for Developing Staffing and Cost Estimates

Item	Assumption	Notes
Service Delivery		
Fixed Route Service Hours	4,680 hours	Coast to Valley and 99 Express
BAT Lift Service Hours (i.e. countywide demand response)	3,302 hours	Current service is provided five days a week for 11 hours, plus an additional one day a week for 8.5 hours
Paratransit Service Hours	4,888 hours	CTS service provided 15 hours a day 5 days a week, 11 hours a day on Saturday and 8 hours a day on Sunday
Annual Service Hour Capacity per Driver	1,750 hours	Acknowledging the hours staff are available for revenue service are less than the total hours employed in a year. Assumed 6 weeks of combined sick, vacation and holiday time off. in addition, assumed 90 hours combined of training and staff meetings per year.
Revenue and Expenses		
Staffing Classifications	Driver and support positions are based on Benton County's current staff classification and pay scale, provided by Benton County staff.	
Fixed administrative costs	\$13/service hour	These costs were taken from the 2025-2027 Benton County Budget and normalized over the current number of service hours, 12,870. Rent and central cost allocation account for 80 percent of the overall costs.
Fixed fleet, maintenance and fuel costs	\$22/service hour	These costs were taken from the 2025-2027 Benton County Budget and normalized over the current number of service hours, 12,870.
Revenues	Available funds taken from 2025-2027 STIF plan and ODOT provided 5310/5311 distributions	

Table 5. Overview of Cost for Scenario 1: Self Perform

Scenario	Staffing Assumptions ¹	Annual Service Hours	Annual Fixed Administrative and Fleet/Fuel Costs	Annual Staffing Cost (Assuming Median Salaries)	Annual Expense (Staffing Costs + Fixed Costs)	Existing Annual Revenue	Funding Shortfall
BAT Self Perform with Core Services Only (e.g. without paratransit)	<u>Admin: 0</u> Shift Supervisor: 1 Dispatch: 1 CDL Driver: 3 <u>Non-CDL Driver: 3</u>	7,982	\$279,441	\$1,156,711	\$(1,436,151)	\$977,650	\$(458,502)
BAT Self Perform Including Paratransit	<u>Admin: 0.5</u> Shift Supervisor: 1 Dispatch: 1 CDL Driver: 3 <u>Non-CDL Driver: 7</u>	12,870	\$450,564	\$1,564,498	\$(2,015,062)	\$1,310,829	\$(704,233)

*All scenarios assume an additional Transit Program Manager and Transit Planner.

Table 6. Overview of Cost for Scenario 2: Contract Out

Scenario	Median Staffing Cost ¹	Fixed Administrative Costs ²	Revenue	Remaining for Service	Estimated Service Hours at \$125/hour	Current Service Hours	Potential Reduction in Service Hours ³
Contract Out Operations with Core Services Only	\$315,000	\$50,000	\$977,650	\$612,650	4,901	7,982	39%
Contract Out Operations Including Paratransit	\$315,000	\$50,000	\$1,310,829	\$945,829	7,567	12,870	41%

- Notes: 1. All scenarios assume a Transit Program Manager and Transit Planner.
 2. This value is challenging to estimate due to Benton County currently subsidizing office space for Dial a Bus. It was assumed two staff would cost \$25,000 each for county rent and indirects, and the contractor's space would be paid for in the service costs
 3. The potential reduction in services hours is the calculated percent difference between estimated service hours and current service hours. It is included purely for comparison purposes. The cost per hour for different contractors will result in different estimates. A negative number means there is additional funding to expand service.

Table 7. Operations Considerations for Scenario 1

Scenario 1 Operations Considerations: Maintain Current Levels of Service					
	Estimated Costs	Existing Revenue	Revised Revenue	Difference	Notes
Additional STIF Funding	\$(2,015,062)	\$ 1,310,829	\$1,510,829	(\$504,233)	Benton County's STIF plan earmarked \$200,000 a year for future service cost increases
Additional Paratransit Funding	\$(2,015,062)	\$ 1,310,829	\$1,889,739	(\$125,323)	Calculated difference for increased staffing and fixed costs using service hours
Additional STIF Funding and Additional Paratransit Funding	\$(2,015,062)	\$ 1,310,829	\$2,089,739	\$74,677	Including both amounts discussed above
Scenario 1 Operations Considerations: Reduce Service to Meet Current Revenue					
	Estimated Costs	Existing Revenue	Current Annual Service Hours	Reduced Annual Service Hours	Notes
Reduced Fixed Route, Reduced Demand Response, and Do Not Provide Paratransit	\$(1,436,151)	\$977,650	7,982	4,524	<ul style="list-style-type: none"> - Reduce 99 Express to 3 days a week instead of 5 - Reduce demand response service to 8 hours per day instead of 11 - Remove demand response service on Saturdays

Table 8. Operations Considerations for Scenario 2

Scenario 2 Operations Considerations: Increased Funding					
	Estimated Staffing Costs	Revised Revenue	Estimated Service Hours at \$125/hour	Current Service Hours	Notes
Contract Out Operations without Paratransit, with additional STIF Funding	\$365,000	\$1,177,650	6,501	7,982	
Contract Out Operations with Paratransit, and Additional Funding from Corvallis	\$365,000	\$1,973,750	12,870	12,870	Increased funding required from Corvallis reduced to \$462,921
Scenario 2 Operations Considerations: Reduce Service to Meet Current Revenue					
	Estimated Staffing Costs	Existing Revenue	Current Annual Service Hours	Reduced Annual Service Hours	Notes
Reduced Demand Response, and Do Not Provide Paratransit	\$365,000	\$977,650	7,982	4,900	<ul style="list-style-type: none"> - Reduce demand response service to 8 hours per day instead of 11 - Remove demand response service on Saturdays

Operations Considerations

As indicated by the cost estimations, the amount of service Benton Area Transit provides is only possible due to the below-market service costs provided by the current contractor. Additional funding is required to maintain the current service levels, or a reduction in service should be considered as Benton County explores operations service delivery alternatives.

Even with additional STIF funding, BAT would be unable to provide their core services (BAT Lift countywide demand response service, the Coast to Valley Express fixed route service, and the 99 Express fixed route service) at the current levels.

As part of the cost exercise, the true costs of operating paratransit for the City of Corvallis could be calculated. With this additional funding AND increased STIF funding, Benton County could self perform operations the current service levels offered today.

Additional findings and recommendations considering staffing costs and operations considerations include:

- Both self performing and contracting out operations require additional revenue, and potential reductions in service.
- Increased efficiency in demand response trips (i.e. increasing the percentage of shared rides) could offset the cost increase, resulting in a smaller service reduction.
- Small transit programs require nearly as much support as larger programs. To this end, staffing and administrative costs on top of the operators will be a higher percentage of the operating costs compared with larger programs.
- County staff are well paid positions with excellent benefits. While that is admirable, it adds to the cost of self performing transit service.
- If continuing to provide paratransit aligns with BAT's Vision and Goals, additional funding should be sought from the City of Corvallis to cover the increased staffing, administrative and fleet/fuel expenses.
- The cost to operate DD53 service is challenging to estimate due to the service type (school and work trips at various hours of the day and uncertain demand). The service can likely be supported through prioritization of rides during paratransit and demand response service hours, but may need additional drivers. The count should consider how DD53 service aligns with their vision and goals and an estimate to provide service can be considered.
- If solely providing fixed route and countywide demand response services aligns with BAT's vision and goals, reduction in the hours of demand response service should be considered, in addition to increased STIF allocations. Reducing service from 11 hours per weekday to 8 hours per weekday and removing Saturday service meet budget constraints for contracting operations, but if self performing operations, the 99W Express would also need to be reduced from 5 days a week to 3 days.
- Corvallis Transit System offers fixed route service via their contractor at a price competitive with Dial A Bus and much less expensive than Benton County could self perform. If contracting out operations is the preferred service delivery model, Benton County should explore separate contracts for fixed

route and demand response services, including any options to partner with Corvallis and their contractor.

- None of the scenarios consider future service expansion nor establishing an ongoing reserve for capital expenses and annual budget overages.
- With additional funding from Corvallis and STIF, the Self Perform scenario best aligns with the county's vision and goals for transit service.
- Contracting out operations remains less expensive than self performing using an estimate of \$125/hour service costs. The limited market for transit contractors in the mid-Valley (Lincoln County, City of Albany/Linn Benton Loop, Linn Shuttle, Salem Area Mass Transit District, and Lane Transit District all self perform), could result in higher per hour service costs in a contract.
- The variability in contracted service costs could lead to abrupt reductions in service at contract renewals, which is not in line with Benton County's vision and goals and would be at a detriment to residents.
- After choosing a service delivery model and prior to adjusting service, Benton County should consider development of a long range transit plan to align the mobility needs of county residents with projected available funding.

Next Steps

County staff will review the findings documented herein with staff from partner agencies and elected officials to identify a preferred service alternative. Next, the consultant team will develop a process map and schedule for the preferred service alternative.

Attachments

Attachment A: BAT Service Area

Attachment A: BAT Service Area

