



Solicitation Information
12 Oct 05

LOI # B05686

TITLE: Management Audit of R.I.P.T.A.

Submission Deadline: 15 Nov 05 @ 1:40 PM (Eastern Standard Time)

Questions concerning this solicitation may be e-mailed, **in an Microsoft Word attachment**, to the Division of Purchases at questions@purchasing.state.ri.us no later than 1 Nov 05 at 12:00 Noon (Eastern Time) Please reference the RFP # on all correspondence. Questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information.

SURETY REQUIRED: No

BOND REQUIRED: No

Jerome D. Moynihan, C.P.M., CPPO
Administrator of Purchasing Systems

Vendors must register on-line at the State Purchasing Website at www.purchasing.state.ri.us.

NOTE TO VENDORS:

Offers received without the entire completed three-page RIVP Generated Bidder Certification Form attached may result in disqualification.

THIS PAGE IS NOT A BIDDER CERTIFICATION FORM

MANAGEMENT AUDIT OF THE RI PUBLIC TRANSIT AUTHORITY

SECTION 1 – INTRODUCTION

The Rhode Island Department of Administration/Division of Purchases, on behalf of the State of Rhode Island, State Budget Office, is requesting Letters of Interest from qualified individuals or firms to provide Consultant Services relating to the Rhode Island Public Transit Authority (RIPTA), in accordance with the terms of this request and the State's General Conditions of Purchase, which is available at www.purchasing.ri.gov

This is a Letter of Interest, not an Invitation for Bid: responses will be evaluated on the basis of the relative merits of the proposal including price as specified in "Evaluation Criteria". There will be no public opening and reading of responses received by the Office of Purchases pursuant to this Request; other than to name those offerors who have submitted proposals.

INSTRUCTIONS AND NOTIFICATIONS TO OFFERORS:

- Potential offerors are advised to review all sections of this Request carefully, and to follow instructions completely, as failure to make a complete submission as described elsewhere herein may result in rejection of the proposal.
- Alternative approaches and/or methodologies to accomplish the desired or intended results of this procurement are solicited. However, proposals which depart from or materially alter the terms, requirements, or scope of work defined by this Request will be rejected as being non-responsive.
- All costs associated with development or submitting a proposal in response to this Request, or to provide oral or written clarification of its content, shall be borne by the offeror. The State assumes no responsibility for these costs.
- Proposals are considered to be irrevocable for a period of not less than sixty (60) days following the opening date, and may not be withdrawn, except with the express written permission of the State Purchasing Agent.
- All pricing submitted will be considered to be firm and fixed unless otherwise indicated herein.
- Proposals misdirected to other state locations or which are otherwise not present in the Office of Purchases at the time of opening for any cause will be determined to be late and may not be considered. For the purposes of this requirement, the official time and date shall be that of the time clock in the reception area of the Office of Purchases.
- It is intended that an award pursuant to this Request will be made to a prime contractor, who will assume responsibility for all aspects of the work. Joint venture and cooperative proposals will not be considered, but subcontracts are permitted, provided that their use is

clearly indicated in the offeror's proposal, and the subcontractor(s) proposed to be used are identified in the proposal.

- Offerors are advised that all materials submitted to the State for consideration in response to this Request for Proposals will be considered to be Public Records as defined in Title 38, Chapter 2 of the Rhode Island General Laws without exception, and will be released for inspection immediately upon request once an award has been made.
- Interested parties are instructed to peruse the Division of Purchases web site on a regular basis, as additional information relating to this solicitation may be released in the form of an addendum to this RFP / LOI
- The Offeror should be aware of the State's MBE requirements, which addresses the State's requirement of ten per cent (10%) participation by MBE's in all State procurements. For further information, contact the MBE Administrator, at (401) 222-6253 or visit the website <http://www.rimbe.org>
- In accordance with Title 7, Chapter 1.1 of the General Laws of Rhode Island, no foreign corporation, a corporation without a Rhode Island business address, shall have the right to transact business in the State until it shall have procured a Certificate of Authority to do so from the Rhode Island Secretary of State (401 222-3040). *This is a requirement only of the selected vendor (s).*

SECTION 2 – BACKGROUND AND PURPOSE

The State Budget Office is soliciting, through this Request for Letters of Interest, submissions from qualified individuals or firms to perform a management audit of the Rhode Island Public Transit Authority pursuant to Article 16 of Chapter 117 of the Rhode Island Public Laws of 2005. The management audit should assess the feasibility of transferring the Authority into the State Department of Transportation. The Public Law cited also authorizes the expenditure of funds from a disposition of proceeds from the Motor Fuel Tax to cover the cost of the audit. The audit shall be conducted under the auspices of the Budget Office and is required by the cited public law to be presented to the 2006 session of the Rhode Island General Assembly with comments from RIPTA. The 2006 session of the Rhode Island General Assembly begins in January 2006. The ending dates of General Assembly sessions vary but the 2006 session could end as early as May, 2006. The Budget Office seeks to present said study with comments from RIPTA to the General Assembly by March 15, 2006. The study, therefore, shall be made available to RIPTA by March 1, 2006 to provide the Authority time to review the study and submit comments on the study to the General Assembly. The requirement as enacted is as follows:

Thereafter, until fiscal year 2006, the allocation shall be six and twenty-five hundredth cents (\$0.0625). For fiscal year 2006 and thereafter the allocation shall be seven and twenty-five hundredth cents (\$0.0725); provided, that expenditures shall include the costs of a market survey of non-transit users and a management study of the agency to include the feasibility of moving the Authority into the Department of Transportation,

both to be conducted under the auspices of the state budget officer. The state budget officer shall hire necessary consultants to perform the studies, and shall direct payment by the Authority. Both studies shall be transmitted by the Budget Officer to the 2006 session of the General Assembly, with comments from the Authority.

The Rhode Island Public Transit Authority was created as a body corporate and politic in 1964 by R.I.G.L. 39-18-2 and is the exclusive provider of bus service in Rhode Island. RIPTA has been under the direction of a seven-member policy Board of Directors. A recent Separation of Powers amendment to the constitution has eliminated two memberships formerly appointed by the House Speaker and Senate President. In the absence of subsequent legislation it is unclear at this time what if any future appointments will be made. The Authority has primary responsibility for directing statewide fixed-route bus service and Americans with Disabilities Act paratransit service operations. In addition to these core transit services, RIPTA operations also include program development and implementation of the statewide carpool program and development and implementation of a high-speed ferry demonstration project from Providence to Newport. RIPTA provides service in 38 of 39 Rhode Island communities with some 59 routes statewide, Park'n-Ride service at some 23 lots around Rhode Island, and Flex service in six Rhode Island communities. A subsidized seasonal Providence/Newport ferry service is provided through a vendor. RIPTA maintains a fleet of 240 buses (including 20 CNG trolleys and five CNG 30 Ft. buses), 135 paratransit vans, and 17 Flex vans. The Authority's main facility is located in the City of Providence with a satellite operation on Aquidneck Island. RIPTA is committed to protecting the environment and providing safe, reliable, quality transit service that is responsive to customer needs with particular emphasis on Rhode Island's families, children, transit dependent populations, elderly and disabled residents. Eighty-five percent of Rhode Island's population lives within ¾ mile of RIPTA service. RIPTA serves some 20.2 million riders annually and has some 850 employees.

In addition to the fixed route service, RIPTA administers the paratransit service and as the largest of the three existing carriers provides direct service in four of six designated regions. RIPTA is responsible for management oversight of coordinated paratransit services, including coordination of the purchase of vehicles and state equipment for contractors in the state paratransit system; and ensuring that project vehicles and equipment are maintained in good operating condition. RIPTA, acting as the paratransit broker, receives trip requests from pre-approved clients, schedules trips with the carriers, performs the appropriate billing, payment, and record keeping functions, and supervises the provision of service. A number of state agencies provide funding for specialized transportation services in Rhode Island. RIPTA coordinates transportation service for these agencies, scheduling all passenger trips through carrier run manifests to achieve the most efficient use of each vehicle. Vehicles may be providing trips for individuals from a number of different funding sources. Agencies presently funding trips through the RIDE program include:

- The Department of Elderly Affairs (DEA) which purchases service for senior citizens and low income disabled individuals for trips to congregate meal sites, Adult Day Care Centers, Insight Workshops, and medical appointments.
- The Department of Mental Health, Retardation, and Hospitals (MHRH), which purchases service primarily for agency workshop trips for individuals with disabilities.

- The Department of Human Services (DHS) purchases transportation services for a variety of rehabilitation services in addition to medical trips for low-income individuals in the RIte Care program.
- The Rhode Island Public Transit Authority purchases transportation service for its ADA paratransit program for individuals with disabilities.
- Several local municipalities and organizations serving elderly and/or disabled individuals contract for paratransit services for a variety of trip purposes.

Maximizing opportunities for better service coordination by RIPTA between the State's fixed route and paratransit services is a key goal of the State's overall Transportation Improvement Plan. As the statewide public transit organization, RIPTA has a primary role to expand access and mobility opportunities for Rhode Islanders by undertaking actions and supportive strategies, directly and in collaboration with others, to provide a full range of alternatives to the single-occupant automobile. These key mobility strategies include: transit design and service strategies which help improve the livability of communities and act as a stimulus for neighborhood renewal; technological advancements which increase travel options and convenience; and collaborative land use strategies and economic development initiatives that foster transit ridership and pedestrian movement through transit-friendly land use and development.

SECTION 3 – SCOPE OF WORK

Requirements

The management performance audit shall include, but is not limited to, four major areas of review. First, is the conduct of a peer group analysis to determine overall system effectiveness and operating efficiency. Second, is the review of the policy and decision-making process of the system in terms of its impact on system effectiveness and operating efficiency. The third is a detailed audit of each of the operational functional areas to include recommendations to address weaknesses. Finally, the audit should include an assessment of the costs/benefits of transferring the Authority to the State Department of Transportation. The final report shall be presented to the RIPTA Board and possibly at other venues, such as a legislative hearing.

I. Peer Group Assessment

One of the initial analysis tasks in the management performance audit is a comprehensive review of the operating efficiency and effectiveness of RIPTA through the use of selected performance indicators. The report shall present performance measures to evaluate the overall performance of the transit systems. The measures should at least include farebox recovery, expense per passenger, expense per revenue hour, revenue hours per capita, passengers per capita and passengers per revenue hour. These performance measures would be displayed and ranked relative to the peer groups and a ratio of performance relative to the peer average would be calculated.

The peer group shall be selected primarily based on the following criteria: operated within a similar population size to Rhode Island, systems located in a northern climate and with a similar fleet size. If possible, systems should also have similar overall expenses, passenger revenue and

trips and vehicle miles. In order to measure the agency's absolute, relative and trend in performance, three techniques could be employed for this purpose.

Peer Group Analysis – Comparing the performance of the RIPTA with fixed route and paratransit systems across the nation of similar size and service characteristics;

Trend Line Analysis – defining RIPTA's performance over the past five years (2001 – 2005); and

Combination – the synthesis of the two techniques.

A description of these techniques is provided below:

Peer Group Analysis – The peer group comparisons should address at least the following areas:

- **Transit Revenue Sources** – 1) The amount of investment state, local and federal sources compared to its peers, 2) The amount of operating revenue that covers total operating costs.
- **Financial, Per Capita and General & Administrative (G&A) Measures** – 1) The expense per passenger, 2) the number passengers per capita, 3) the total investment per passenger, 4) the farebox recovery ratio, and 5) the number of general and administrative employees.
- **Non-Wage Fringe Benefits** – 1) Performance in terms of non-wage fringe benefits, including medical, pension and other benefits.
- **Transportation Performance** – 1) The share of expenses compared with its peers placing service on-the-street.
- **Maintenance Performance** – 1) Spare parts ratio, 2) vehicle utilization, 3) efficiency of the work force, 4) fuel efficiency and 5) road call performance.

Trend Analysis – The second analysis technique relates to performance over time rather than a single “snapshot” as in the preceding peer group analysis. Many of the same indicators are used as those used in the peer group analysis.

- **Financial, Per Capita and G&A Trends** – This includes trend analysis of peer averages in cost efficiency and per capita measures, total investment per passenger, average fare, farebox recovery, G&A cost and G&A employees as a percent of total.
- **Transportation Performance Trends** – This includes trend analysis, ridership trends and portions of total costs on placing service on the street.
- **Maintenance Performance** – This includes the trend in staff productivity, fuel efficiency and all maintenance cost measures.

Combination Analysis – This final technique combines the results of the peer group analysis and the trend analysis and allows the results to be categorized as follows.

1. Above the peer group average and improving over time.
2. Above the peer group average and declining over time.
3. Below the peer group average but improving over time.
4. Below the peer group average and declining over time.

This analysis will provide decision-makers with insights on the areas which need focused attention.

II. Review of the policy and decision-making process

The management audit should address the current organization structure and assess the effectiveness of the current structures on policy/decision making, reporting mechanism, and accountability inherent in the structure.

III. Audit of Functional Areas

The management audit should assess the effectiveness and operating efficiency of current functional areas of the Authority. Topic areas covered by this request should include, but are not limited to the following areas:

- Scheduling
- Fare Strategy
- Research and Planning
- Maintenance
- Fuel Use Trends
- Transportation
- Finance
- Human Resources
- Claims/Risk Management
- Materials Management
- Labor Relations
- Management Information Systems
- Marketing
- Passenger Complaint and Telephone Information
- Safety and Security
- Paratransit
- Litigation Management
- Capital Asset Acquisition Planning and Financing

IV. Assessment of Transfer of RIPTA to Department of Transportation

The report should assess the cost/benefit of transferring the Authority under the Department of Transportation. This assessment should include specific issues which would need to be addressed such as employee pension plans and benefits and 13-C issues relating to any proposed consolidation. The report should also include a brief inventory detailing the performance of transit agencies in the United States that are directly under the State Department of Transportation as compared to those that are not under any state department.

The contractor selected as a result of this Request must work very closely with the staff of RIPTA and the Department of Transportation and is supervised by the State Budget Officer. The agencies will meet with the selected vendor and will be involved in the assessment as alternatives are developed. The report must be reviewed and include comments by all parties. Services must be provided and the report must be available no later than March 1, 2006.

Any award resulting from this Request will be subject to the State's General Conditions of Purchase which is available from the Internet at www.purchasing.ri.gov, as well as the terms of this request.

Interested firms should submit Proposals containing the following information:

- A descriptive proposal Plan of Action outlining how the offeror will accomplish the topic areas identified above;
- A schedule for completing the tasks identified in the Plan of Action
- A description of the background and qualifications of the offeror;
- A description of the offeror's experience working with fixed route and paratransit systems similar in size to RIPTA and on similar type projects. This experience shall include management audits of fixed route and paratransit systems;
- Listing of three references that could be contacted to review work of the offeror;
- Request for Proposal from agency(s) served must be attached;
- Curriculum Vitae must be attached; and
- Budget/Cost Proposal for completing the work with the amount of time spent by key staff.

Questions concerning this solicitation may be e-mailed to the Division of Purchases in accordance with the terms and conditions expressed on page one of this solicitation.

Questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information. If technical assistance is required to download, call the Help Desk at (401) 222-2142, ext.134.

Proposals to provide the services covered by this Request must be received by the Division of Purchases on or before the date and time listed on page one of this solicitation.

Responses (an original plus three copies) should be mailed or hand delivered in a sealed envelope marked "LOI #B05686: Management Audit of RIPTA." Deliver to:

By Courier/Mail:

RI Dept. of Administration

Division of Purchases, 2nd floor

One Capitol Hill

Providence, RI 02908-5855

NOTE: Proposals received after the above-referenced due date and time will not be considered. Proposals misdirected to other state locations or which are otherwise not presented in the Division of Purchases by the scheduled due date and time will be determined to be late and may not be considered. Proposals faxed, or emailed, to the Division of Purchases will not be considered.

RESPONSE CONTENTS:

Responses should include the following:

1. An R.I.V.I.P. generated bidder certification cover sheet (downloaded from the RI Division of purchases Internet home page at <http://www.purchasing.ri.gov>.)
2. A statement of experience describing the Vendor's background, qualifications, and experience with and for similar projects, and all information described earlier in this solicitation.
3. Cost proposal with hourly rates and amount of time estimated to complete the assignment.
4. One copy of the offeror's complete response to this solicitation is requested in an electronic format, CDROM or disk, in Microsoft Office or PDF file formats

EVALUATION CRITERIA

The Selection Committee will evaluate the responses using the following criteria:

- Capability (background) and qualifications of the firm in terms of performing management audits of fixed route transit and paratransit systems (20%);
- A comprehensive listing of recent transit management audit projects that the firm has undertaken including a brief description of the projects (25%);
- A demonstration by the offeror of a clear understanding of the State's requirements and the results intended and desired under this contract (15%);
- Letter(s) of Support from offeror's references are attached (10%);
- Resume of offeror is attached (10%);

- Experience of the assigned staff and in particular the offeror's Project Manager in performing transit management audits (10%);
- Cost - lowest cost of this proposal receives 20% - as reflected by hourly rate and total budget to complete the assignment.

Notwithstanding the above, the State reserves the right to accept or reject any or all options, bids, proposals, to award in whole or in part, to award on the basis of cost alone, and to act in its best interest.

The ranked findings and selection recommendation will be submitted to the State's Architectural/Engineering Consultant Services Selection Committee, and forwarded to the Director of Administration for final selection consideration.