The Denver Model

Miller Hudson
The Regional Transportation District

- Created in 1969
- Eight county service area
  - 40 municipalities
- Service area: 2,410 square miles
- 2.5 million population
- 15 elected Board Members
- 1 percent sales tax
  - .6% base system
  - .4% FasTracks
The Regional Transportation District

- 1,071 buses
- 91 light rail vehicles
- 175 routes
- 76 park-n-rides
- 10,329 bus stops
- 2,510 employees
- 35 miles of light rail
- 36 light rail stations
- 100-million + annual boardings
- 6 operating facilities
- 2 admin. facilities
RTD Districts

- 1980 – Elected Board Began
Vision

• Emerge as a public transit model
• Diversify market segments; diversify transit services
• Recognize responsibility of being custodians of taxpayers’ money
• Encourage employees to be open to new ways of doing things
• Attract customers to your transit system
• Embrace every employee
• Operate in the most efficient, cost effective and customer responsive manner possible
• Accept and respect the authority of the Board
Need for Superior Product

- Travel time
- Predictability
- Permanence
- Cost
- Safety
RTD Cost Model

Retained Costs

- General Administrative Costs
- Financial Reporting and Budgeting
- Planning and Marketing
- Public Facilities
- Other Costs (Dispatch, Street Supervision, Service Monitoring, etc.)
RTD Cost Model

Non-Retained Costs

• Direct Costs
  – Labor (Operator, Mechanic, Service, etc.)
  – Consumables (Fuel, Repair Parts, etc.)
  – Direct Support (Unit/Body Shops, Warehouse, Liability, Workers Comp., etc.)

• Variable Overhead Costs
  – Facilities-related (Management-Transportation, Maintenance, Vault Pullers, Parts Clerks, etc.)
  – Indirect Support (Accounts Payable, Payroll, etc.)
RTD Cost Model

Fixed Overhead Costs

– Operations Department Senior Management
– District Shops Facility Operations and Maintenance Costs
RTD Contracting Model

• Specify:
  – Routes
  – Schedules
  – Fares
  – Performance standards
  – Maintenance requirements
  – Insurance

• RTD provides:
  – Buses
  – Radios
  – Fareboxes
  – Dispatch
Changes in Operation Costs and Service Hours

Before Competitive Contracting

Operating Costs

Service Hours

Competitive Contracting Period
Comparison of Operation Costs

Competitively Contracted Cost vs. RTD In-House Operating Cost for the Same Service

Cumulative Savings = $88.0 million

RTD in-house costs estimated through KPMG model, excluding retained functions
1. Private contractors pay fuel tax, sales tax, property tax, and vehicle registration fees which RTD does not pay.
2. RTD costs are estimates based on inflated 2007 actual costs.
3. RTD total costs include all variable costs, fixed costs, and depreciation on operating facilities and support equipment.
4. RTD has statutory limitation on insurance liability. Private carriers do not have statutory limitation on insurance liability.
# Operating Expense per Vehicle Revenue Hour by Mode – 2007 NTD Reporting Year

<table>
<thead>
<tr>
<th>City</th>
<th>Bus</th>
<th>Light Rail</th>
<th>Demand Response</th>
<th>Vanpool</th>
<th>Cable Car</th>
<th>Trolleybus</th>
<th>Heavy Rail</th>
<th>Automated Guideway</th>
<th>Commuter Rail</th>
<th>Ferryboat</th>
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<tbody>
<tr>
<td>Denver</td>
<td>$95.21</td>
<td>$86.83</td>
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<td>$318.25</td>
<td>$465.58</td>
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</table>

* Miami People Mover
** Pittsburg Inclined Plane
“If you can’t measure it, you can’t manage it.”
### RTD Performance Measures

**Maintain system-wide on time performance**

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Local On-Time Service – System-wide</td>
<td>90.9%</td>
<td>87.7%</td>
<td>88.4%</td>
<td>88.0%</td>
<td>88.9%</td>
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<tr>
<td>RTD Local</td>
<td>88.8%</td>
<td>87.4%</td>
<td>88.3%</td>
<td>88.0%</td>
<td>89.0%</td>
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<tr>
<td>Laidlaw Local*</td>
<td>91.0%</td>
<td>87.1%</td>
<td>88.5%</td>
<td>88.0%</td>
<td>88.7%</td>
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<tr>
<td>Veolia</td>
<td>89.1%</td>
<td>86.7%</td>
<td>87.3%</td>
<td>88.0%</td>
<td>87.4%</td>
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<tr>
<td>First Transit-Local*</td>
<td>90.9%</td>
<td>89.9%</td>
<td>90.5%</td>
<td>88.0%</td>
<td>90.8%</td>
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<tr>
<td>Regional &amp; Express On-Time Service</td>
<td>92.6%</td>
<td>92.2%</td>
<td>95.5%</td>
<td>94.0%</td>
<td>95.4%</td>
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<tr>
<td>Light Rail On-Time Service</td>
<td>99.9%</td>
<td>99.9%</td>
<td>99.95%</td>
<td>99.0%</td>
<td>99.96%</td>
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</table>
## RTD Performance Measures

- **Reduce the number of safety incidents**

<table>
<thead>
<tr>
<th>Measure</th>
<th>2006 Actual</th>
<th>2007 Actual</th>
<th>2008 Actual</th>
<th>2009 Goal</th>
<th>2009 1st Quarter</th>
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<tbody>
<tr>
<td>Vehicle Accident Involvements per 100,000 miles – System-wide</td>
<td>3.9</td>
<td>3.9</td>
<td>4.1</td>
<td>&lt;3.5</td>
<td>1.4</td>
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<tr>
<td>RTD</td>
<td>4.0</td>
<td>4.1</td>
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<td>&lt;3.5</td>
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<td>4.5</td>
<td>4.6</td>
<td>4.8</td>
<td>&lt;3.5</td>
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<td>4.0</td>
<td>3.7</td>
<td>3.9</td>
<td>&lt;3.5</td>
<td>1.9</td>
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<tr>
<td>First Transit</td>
<td>2.9</td>
<td>3.0</td>
<td>2.6</td>
<td>&lt;3.5</td>
<td>1.9</td>
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<tr>
<td>Passenger Accident Ratio per 100,000 miles – System-wide</td>
<td>0.14</td>
<td>0.14</td>
<td>0.09</td>
<td>&lt;0.18</td>
<td>0.08</td>
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<tr>
<td>RTD</td>
<td>0.13</td>
<td>0.16</td>
<td>0.10</td>
<td>&lt;0.18</td>
<td>0.09</td>
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<tr>
<td>Laidlaw</td>
<td>0.08</td>
<td>0.05</td>
<td>0.08</td>
<td>&lt;0.18</td>
<td>0.06</td>
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<tr>
<td>Veolia</td>
<td>0.19</td>
<td>0.07</td>
<td>0.09</td>
<td>&lt;0.18</td>
<td>0.12</td>
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<tr>
<td>First Transit</td>
<td>0.19</td>
<td>0.17</td>
<td>0.06</td>
<td>&lt;0.18</td>
<td>0.00</td>
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<tr>
<td>Operator/Passenger Assault Ratio per 100,000 boardings</td>
<td>0.04</td>
<td>0.04</td>
<td>0.04</td>
<td>&lt;0.06</td>
<td>0.04</td>
</tr>
</tbody>
</table>
The RTD FasTracks Plan

- 122 miles of new light rail and commuter rail
- 18 miles of Bus Rapid Transit (BRT)
- 31 new park-n-Rides with over 21,000 new spaces
- Enhanced Bus Network & Transit Hubs (FastConnects)
- Redevelopment of Denver Union Station
Election Results

• All the registered Republican majority counties voted for FasTracks

• One out of three registered Democratic counties and two of the most ethnic city council districts in the City and County of Denver voted against FasTracks

• Final results:
  
  • YES – 58%
  
  • NO - 42%
Lessons Learned

• **Great City and Region**
  – Need desire and political will to be a Great City and Region

• **Vision**
  – Should be lofty, but attainable
  – Should capture the region’s imagination and be embraced throughout the transit district

• **Policy Board to Set Vision**
  – Need policy board that sets visionary policy and musters political support but lets professional staff manage the operation

• **Solid Budget & Revenue Plan**

• **Solid Existing System**
  – This will establish public’s trust in system
Lessons Learned

• **On Time/On Budget Delivery**
  – Establish track record of on time / on budget project delivery

• **Exceed ridership projections**
  – Need to meet or exceed ridership projections on initial projects

• **Professional Staff**
  – Need a strong, proven and capable staff that leads the plan development, the public education campaign and the implementation of the system

• **What it Takes**
  – Strength, passion, commitment, courage and unbridled determination to deliver.
“Many U.S. public transit operations have lost touch with the transportation marketplace. 30 plus years of increasingly generous and expensive contract concessions have resulted in operating costs that exceed market based costs by very significant amounts.”
“The emergence of one dimensional and monopolistic public transit service delivery models have resulted in unsustainable and increasingly unaffordable operating costs and the need to increase operating subsidies, reduce service levels and increase taxpayer levels of support for transit service.”