

Realizing Savings & Efficiencies through Contracting **First Transit**

North County Transit District Saves \$10 Million Annually After Contracting with First Transit.



Based in San Diego, Calif., the North County Transit District (NCTD) provides public transportation service to more than 12 million passengers annually. Its family of transit services includes the BREEZE bus system, the COASTER commuter rail service, LIFT paratransit and the SPRINTER light rail.

In 2008, NCTD faced up to \$20 million in annual deficits due to the elimination of State Transit Assistance funding and dramatically lower sales tax revenues. The organization needed to make significant changes to its fixed-route operations and system-wide maintenance operations or risk dramatic service cuts, substantial staff reductions and employee pay concessions as high as 30 percent.

Following a nine-month review of strategic operations, the board voted to outsource fixed-route operations and fleet and facility maintenance to First Transit. After deciding to outsource their fixed route services to First Transit, NCTD realized working with a large organization brought additional benefits to their transit system, including purchasing power, technology and employee development.

NCTD worked closely with First Transit to establish a strategy for reforming the organization's management and operations to ensure maximum efficiency. Through careful review and consideration, the team identified several areas that would maintain employee engagement and lead to significant cost savings and top-notch service.

Purchasing Power

NCTD knew that to ensure service and long-term growth for its organization, it needed to utilize the economies of scale a large organization like First Transit could offer. Through the use of greater buying power, NCTD has realized substantial savings when purchasing parts, employee benefits, fuel and supplies.

Technology

The addition of technology has also been a significant advantage for NCTD. In 2010, First Transit introduced GreenRoad technology to each of NCTD's buses. The program monitors driver behavior and offers real-time coaching to ensure safe and efficient driving. NCTD has realized a reduction in fuel usage through the application of this technology, which has cut its carbon emissions and operating expenses significantly.



"One of the biggest economies of scale that we have been able to bring is our corporate purchasing agreements where we have contacts with vendors through out the country for bus parts and supplies. We are able to purchase at a lower rate than any individual transit system would be able to purchase them."

- Tim Omick, General Manager, First Transit

In addition, First Transit implemented Zonar technology, which helps to automate and streamline the maintenance record keeping. Zonar replaces manual bus inspections with electronic, user-friendly electronic processes to eliminate human error and increase efficiency. Radio-frequency identification (RFID) tags are placed on the vehicle in critical inspection zones, and then the information is transmitted to a database for tracking.

Emphasis on Employee Development

NCTD employees also benefit from the First Transit partnership. Associates now have access to the wealth of knowledge associated with an international organization, enabling them to reach out to more than 235 locations across the U.S. to share knowledge and ask questions. In addition, access to the First Transit network enables career mobility and opportunity at every level.

Staffing Levels

NCTD had not hired a new coach driver in two years and reliability had suffered. Through the partnership with First Transit, NCTD was able to increase the number of drivers immediately and as a result, increase service. This ensured on-time transportation, and was another positive outcome from this partnership.

"Before First Transit came in we were less automated and more paper and pencil type. Now we have Zonar [where] everything will pop up on a screen on our computer and we can visually see it and go from there and send a mechanic out to work on it."

*- Mike Robinson,
Maintenance Supervisor*



"I get support from other agencies and other personnel through out First Transit. So I think having that expertise through out the organization that I can call and get some help on really makes a big difference."

*- Tom Gallagher, Manager
of Facilities Maintenance,
First Transit*

Before beginning the contract, First Transit and NCTD worked together to develop a list of key performance indicators (KPIs) that, when evaluated monthly, would ensure performance standards and service levels were being met.

Contracting with First Transit has cut NCTD's operating budget in half, saving the organization \$10 million annually (\$70 million over the life of the contract) without sacrificing service standards in any way.

Contracting the fixed route system allowed NCTD to plan for the future. The organization has improved the ability to maintain solid reserves, as well as build reserves for future long-term passenger programs.

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