

July 28, 2005

TO:

BOARD OF DIRECTORS

THROUGH:

ROGER SNOBLE

CHIEF EXECUTIVE OFFICER

FROM:

JOHN & CATOE, JR.

DEPUTY CHIEF EXECUTIVE OFFICER

SUBJECT:

CONTRACT BUS SERVICE POTENTIAL LABOR ISSUE

ISSUE

Bus Operators from Transportation Concepts, Inc. (TCI) may stage a work stoppage on August 1, 2005.

DISCUSSION

The Transportation Contract Services Department operates 21 Metro Bus Lines that are contracted to private transportation companies. These companies provide maintenance and operation services for these lines comparable to those provided at Metro operating divisions. New contracts for the provision of these services were awarded at the April and May 2005 Board meetings. The contracts will start on August 1, 2005.

Transportation Concepts, Inc. (TCI) was awarded the contract to operate the North Region that consists of contract Lines 96, 167, 218, & 603. TCI is the contractor currently operating Lines 218 & 603 and First Transit, Inc. is the contractor currently operating Lines 96 & 167.

TCI has made employment offers to all of the First Transit employees who provided service under Lines 96 & 167. Teamster Local 848 represents the First Transit Bus Operators and the TCI Operators are currently not represented. Of the First Transit Bus Operators, 17 had accepted the employment offer. However, these Operators have alluded to TCI that they will conduct a work stoppage because they do not want to accept the salaries and benefits offered.

Staff has spoken to TCI regarding how a work stoppage would impact service. These 17 Bus Operators represent only a portion of the 90 Operators employed by TCI to provide this service. TCI intends to cover these Operator assignments with employees from other locations and supervisory staff until there is a resolution of this issue.