



Municipal Transit Contracting Services Analysis Phase II

Office of the Citizens' Independent Transportation Trust Virtual Workshop

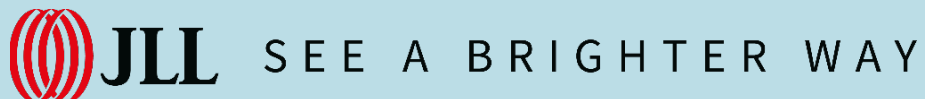
Presenter:

Matthew Komisarjevsky

Vice President, JLL

+1.786.804.3250

m.komisarjevsky@jll.com



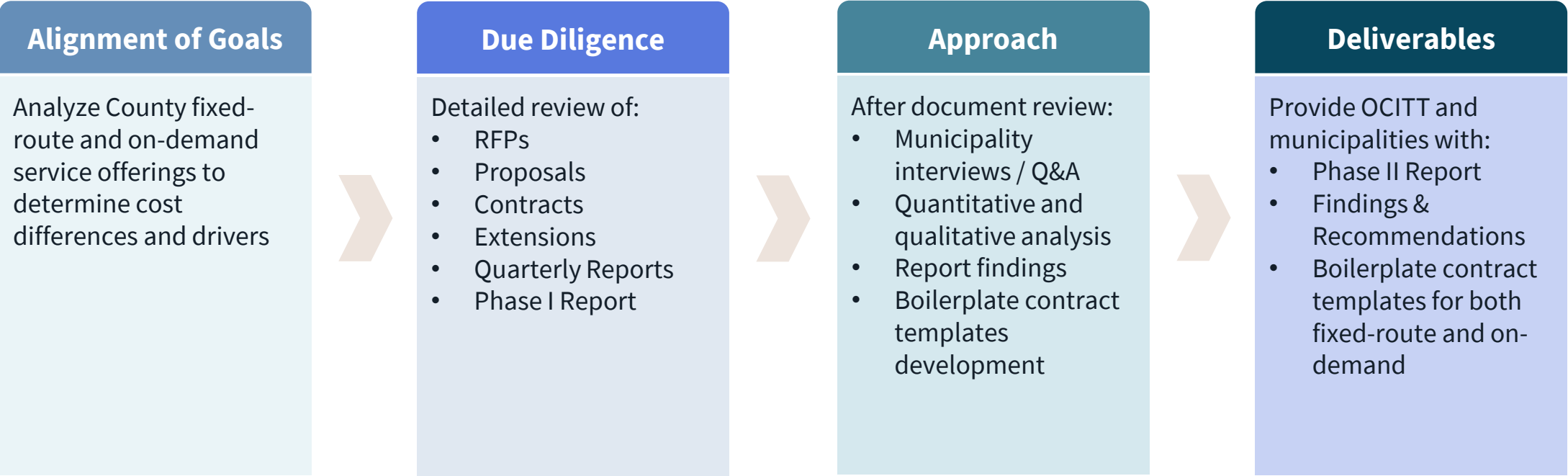
August 29, 2025

Agenda

- 1 Goal and Approaches
- 2 Municipal Transit Services Overview
- 3 Fixed Route Service
- 4 On Demand Service
- 5 Phase I (2021) to Phase II (2024) Study Updates
- 6 Recommendations
- 7 Boilerplate Contracts

1. Goals and Approaches

The Office of the CITT and its Strategic Financial Consultant, JLL, performed Municipal Transit Service Contract Analysis Phase II



2. Municipal Transit Services - Overview

Key Status

- 33 Municipalities participate in the PTP Surtax program
- 31 Municipalities operate a fixed-route or on-demand service
- 12 Municipalities provide both service

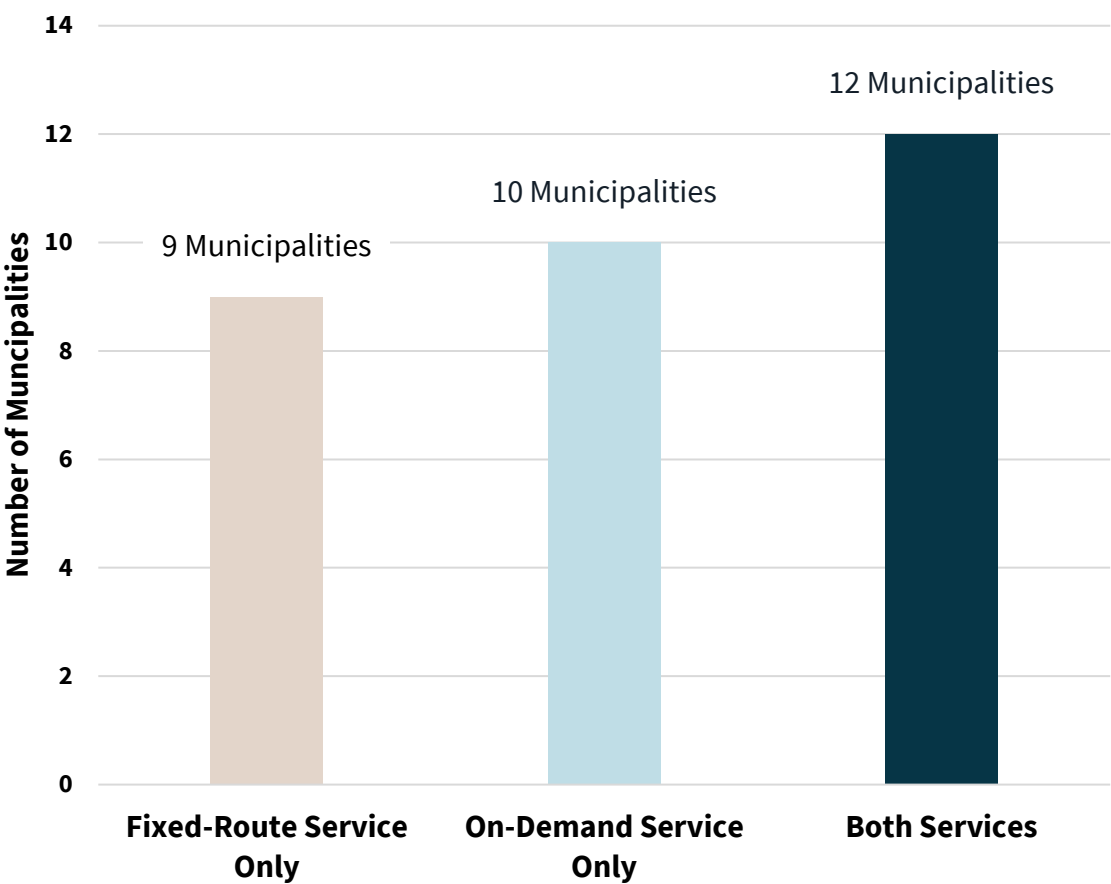
Fixed-route

- 21 Municipalities operate fixed-routes service
- 4 Different service procured by the Municipalities
- 3 Different service providers

On-demand

- 22 Municipalities operate on-demand service
- 4 Different vehicle models
- 3 Different service providers

Transit Service Offerings



3. Fixed Route Service - Landscape

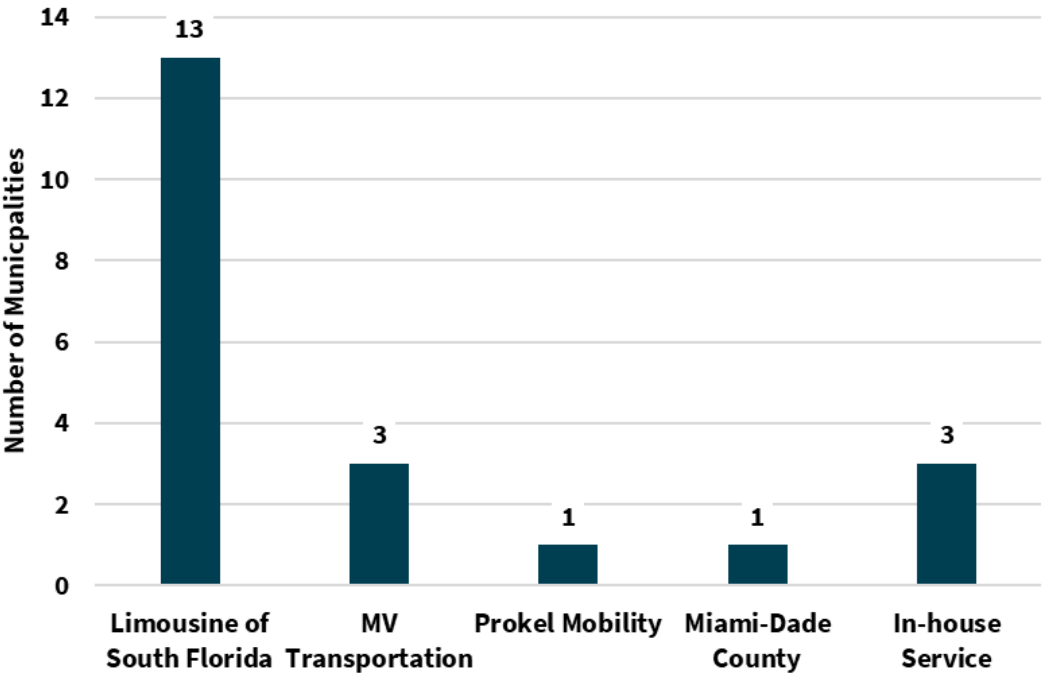
Study Scope

JLL (1) mapped the fixed-route landscape across 21 municipalities; (2) inventoried providers and contracts (private, public, in-house); (3) classified service scope types (O; O+M; O+M+F; O+M+F+V); (4) benchmarked fleet types and representative unit costs; (5) quantified routes and weekday revenue hours; (6) standardized performance and technology requirements (APC, AVIS, GPS, Wi-Fi); and (7) benchmarked insurance requirements (CGL, Auto, Workers’ Comp, Umbrella).

Fixed-Route Scope of Services

Service Procured	Number	Municipality
Operations (O)	1	Coral Gables
Operations + Maintenance (O+M)	3	Miami
		Hialeah
		Hialeah Gardens
Operations + Maintenance + Fuel (O+M+F)	5	Doral
		Homestead
		North Miami
		North Miami Beach
		Sweetwater
Operations + Maintenance + Fuel + Vehicle (O+M+F+V)	9	Aventura
		Cutler Bay
		Miami Beach
		Miami Gardens
		Miami Shores
		Miami Springs
		Opa-locka
		Pinecrest
		Virginia Gardens

Fixed-Route Service Providers



3. Fixed Route Service - Cost

Scope segmentation

- Classified contracts by service scope (Ops; O+M; O+M+F; O+M+F+V) to analyze cost
 - Full turnkey scope (O+M+F+V) averaged **57% higher** hourly costs vs Ops-only

Vehicle specification impacts

- Assessed how vehicle types (circulators, trolleys, cutaways; low- vs. high-floor) shape cost
 - Low-floor trolleys in Miami Beach cost **\$11.54/hr more** than high-floor models.

Provider variance

- Compared providers under identical scopes to identify vendor-driven cost differences.
 - Rates for similar scopes varied up to **\$12/hr***

Scale effects

- Evaluated how operating hours influence unit costs (economies of scale).
 - Miami Beach’s rate dropped by **\$49/hr** when service hours increased

Labor pass-throughs

- Reviewed living-wage frameworks, payroll taxes, and negotiated adjustments to understand labor cost transmission.
 - Living wage increases added **\$2.55/hr** in Miami Beach, raising service rates.

Other inputs & transparency

- Catalogued fuel, maintenance, insurance, and performance/tech requirements; identified data gaps and outlined contract standardization/itemized pricing to enable benchmarking

* There are likely other factors that impact the service rate

Hourly Rates by Service Group

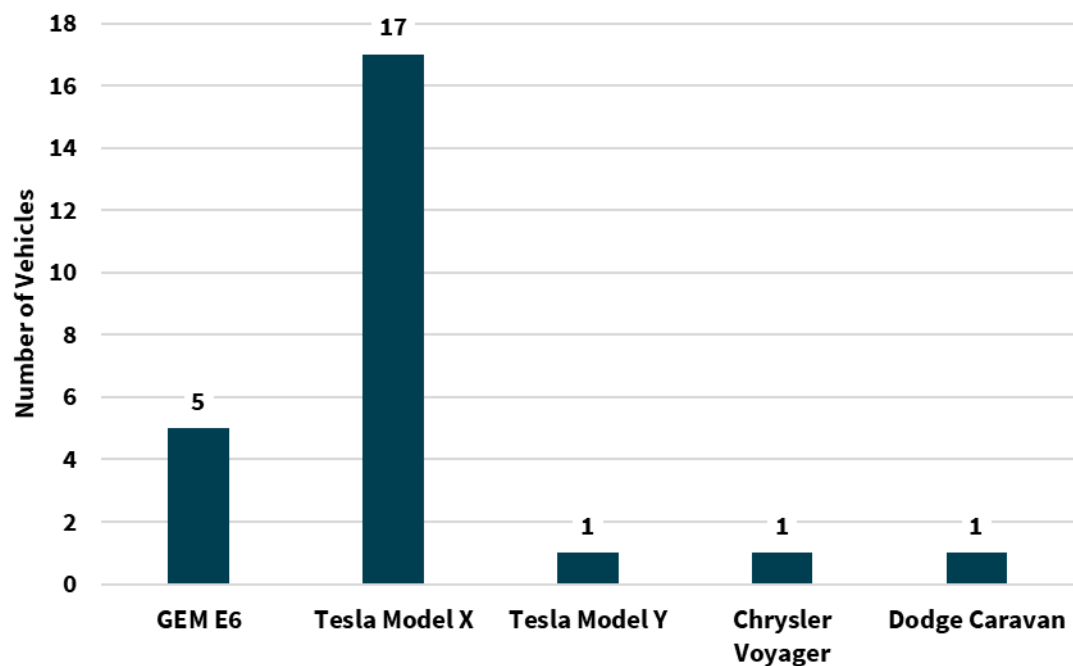
Services Procured	Municipality	Hourly Rate	Average Hourly Rate
Operations	Coral Gables	\$48.32	\$48.32
Operations + Maintenance	Miami	\$62.15	\$52.98
	Hialeah	\$43.80	
	Hialeah Gardens	\$43.80	
Operations + Maintenance + Fuel	Doral	\$70.08	\$64.14
	Homestead	\$63.10	
	North Miami	\$52.67	
	North Miami Beach	\$75.00	
	Sweetwater	\$59.84	
Operations + Maintenance + Fuel + Vehicle	Aventura	\$69.94	\$75.92
	Cutler Bay	\$142.53	
	Miami Beach	\$71.23	
	Miami Gardens	\$73.40	
	Miami Shores	\$54.00	
	Miami Springs	\$64.00	
	Opa-locka	\$83.30	
	Pinecrest	\$60.90	
	Virginia Gardens	\$64.00	

4. On Demand Service - Landscape

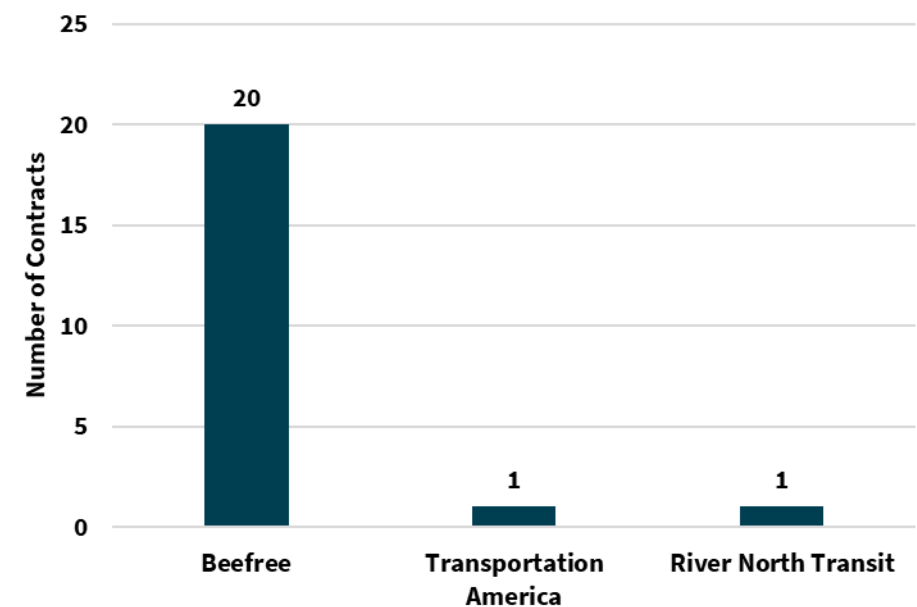
Study Scope

The analysis (1) inventoried private and public on-demand service providers and contracting methods; (2) defined the scope of services, primarily turnkey solutions; (3) outlined performance and technology requirements; (4) benchmarked vehicle models and fleet sizes; (5) quantified average daily revenue hours; and (6) summarized typical insurance requirements (CGL, Auto, Workers' Comp).

On-Demand Scope of Services



On-Demand Service Providers



4. On Demand Service - Cost

Vehicle Specification Impacts

- Analyzed how mandated vehicle types (Tesla Model X, Freebee XL, Ford E-Transit) influence costs
 - Tesla Model X contracts: **\$30–42/hr**; higher than Freebee XL (~**\$26/hr**) due to premium vehicle costs
 - Doral's Tesla + Dodge Caravan fleet balanced costs at **\$35–40/hr**.

Economies of Scale

- Evaluated how total annual operating hours reduce unit costs
 - Miami Beach's Tesla fleet rates dropped by ~**\$12.66/hr** (from **\$41.99** to **\$29.33**) as operating hours expanded

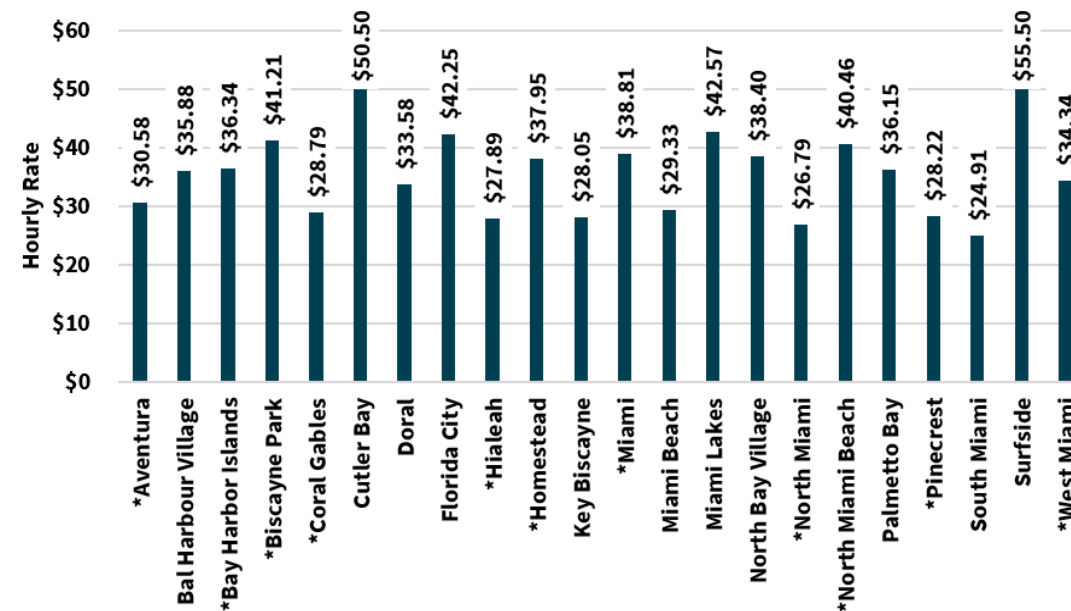
Advertising Subsidy Analysis

- Categorized revenue-retention vs. revenue-sharing models
 - Aventura: **\$200k** credit lowered net cost by \$4.23/hr
 - North Miami: **\$30k** credit lowered net cost by \$2.06/hr
 - South Miami: revenue split above **\$72k**, further reducing effective rate

Other Inputs & Data Gaps

- Reviewed insurance, maintenance, and performance requirements
 - Found inconsistent reporting across municipalities, limiting benchmarking

Hourly Rates per Vehicle



* Aventura, Bay Harbor Islands, Biscayne Park, Coral Gables, Hialeah, Homestead, Miami, North Miami, North Miami Beach, Pinecrest, and West Miami, hourly rates were calculated using the annual contract annual provided in contract document/ridership reports documents, operating hours, fleet size.

5. Phase I (2021) → Phase II (2024) Updates



Fixed Route



Service Contraction

- Several municipalities discontinued services (El Portal, Surfside)
- Shift towards on-demand replacements



Cost Increases

Hourly rates increased across all categories, with variation:

- Operations : 45.4% increase
- Ops + Maint + Fuel + Vehicle: 28.7% increase
- Ops + Maint + Fuel: 7.2% increase



Key Findings

The fixed-route model is facing pressure from rising operational costs and shifting municipal strategies, leading to a reduction in services in favor of more flexible transit options.



On-Demand



Service Growth

Municipalities Offering Service

10 → 22

From 2021 to 2024



Modernization & Rate Increases

- Average hourly rate increased by a moderate ****18.8%**** compared to 2024.
- Major fleet modernization with the ****Tesla Model X**** now dominant.



Key Findings

On-demand transit is rapidly becoming the preferred model for municipalities, demonstrating strong growth, public demand, and a trend towards modern, electric vehicle fleets.

6. Recommendations

Standard Contract	Performance Requirements	Cost Breakdown	Advertisement Sharing	Contract Terms and Extensions
Template contracts with standardized terms & conditions can help municipalities secure <u>optimal terms and standardized pricing</u> across the County	Encourage service providers to adhere to a <u>standard level of service</u> across the County through clear measurable standards and associated penalties	Require service providers to detail their <u>price for different levels of service</u> to enhance financial transparency, providing the municipality with the ability to increase or decrease service	Introduce <u>monetization opportunities</u> across all municipalities to reduce the hourly rate charged to the municipalities	Standardize the contract length with an optional extension to <u>enhance uniformity, market competitiveness</u> , and reduce risk



To improve **efficiency, consistency,** and **cost-effectiveness** across different municipalities while maintaining **service quality**

7. Boilerplate Contracts - Standardizing Municipal Agreements

Step 1 - Research and Review

Analysis of 100+ municipal fixed-route & on-demand contracts (historical contracts, amendments, etc.)



Step 2 - Identify Key Variations

Scope, cost structures, performance measures, insurance, reporting



Step 3 - Draft Standard Templates

- Fixed-Route Boilerplate
- On-Demand Boilerplate



Step 4 - Build Flexibility

Service bundles: turnkey, partial (ops + maintenance), vehicle-only



Step 5 - Deliver Final Contracts

Uniform, adaptable, legally vetted templates for municipalities

Why It Matters

- Streamlines procurement across municipalities
- Reduces negotiation time & costs
- Ensures consistency in safety, reporting, and performance standards
- Provides flexibility for different service models
- Enhances transparency & accountability in municipal contracting

7. Boilerplate Contracts - Standardizing Municipal Agreements

OCITT, in concert with JLL, developed boilerplate contracts for municipalities to use for both fixed-route and on-demand service offerings.

Fixed-Route

A.8. Service Rates

The Municipality shall pay an hourly rate of [\$xx.xx] per Vehicle, which annual contract cost shall not exceed [\$xxx,xxx.xx] for the Services described herein.

At the Municipality’s sole discretion, Services can be modified to accommodate the Municipality. If the Municipality modifies the Services or requests a change of Service consistent with options (a) through (d) below, the Municipality shall pay the Contractor the respective hourly rate for those options.

[Municipality to delete the Service that is contemplated in the Agreement]

- a. Operations Provided by Contractor

The Municipality shall pay an hourly rate of [\$xx.xx] per Vehicle.

- b. Operations + Maintenance Provided by Contractor

The Municipality shall pay an hourly rate of [\$xx.xx] per Vehicle.

- c. Operations + Maintenance + Vehicles Provided by Contractor

The Municipality shall pay an hourly rate of [\$xx.xx] per Vehicle.

- d. Operations + Maintenance + Vehicles + Fuel Provided by Contractor

The Municipality shall pay an hourly rate of [\$xx.xx] per Vehicle.

On-Demand

A.5. Service Rates

[The Municipality shall pay an hourly rate of [\$xx.xx] per Vehicle, which annual contract cost shall not exceed [\$xxx,xxx.xx]. Any additional hours will be billed at a maximum hourly rate of [\$xx.xx] per Vehicle.

Or

The Municipality shall pay an hourly rate for each type of Vehicle as shown in the table below. The annual contract cost shall not exceed [\$xxx,xxx.xx].]

	Hourly Rate	Additional Hourly Rate
Vehicle Type 1	[\$xx.xx]	[\$xx.xx]
Vehicle Type 2	[\$xx.xx]	[\$xx.xx]

Q&A

Any questions?



Thank you