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TO : Director of Logistics
FROM : Chief, Planning Staff, OL
SUBJECT: Alternate Means of Accomplishing the OL Mission; Contract for Commercial Shuttle Bus Service Between Agency Buildings

1. PROBLEM

Determine the feasibility of contracting with a commercial bus company to provide shuttle bus service to and from the points now being served by the Agency shuttle buses.

2. FACTS BEARING ON THE PROBLEM

a. The present shuttle buses provide scheduled official transportation service for Agency employees as follows:

(1) Routes Nos. 1 and 2 serve the same stops but in different sequence at 20-minute intervals.

(2) The principle stops of Route No. 1 are: Headquarters, [REDACTED] 25X1A
[REDACTED] 25X1A

25X1A

[REDACTED] The buses on Route No. 1 have a seating capacity of 29 passengers each and make 26 trips per day with an average of 14.5 passengers per trip.

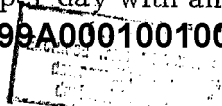
(3) The principle stops of Route No. 2 are: Headquarters, [REDACTED] 25X1A
[REDACTED] 25X1A

25X1A

[REDACTED] The buses on Route No. 2 have a seating capacity of 29

passengers each and make 26 trips per day with an average of 13.4

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(4) Route No. 3 provides nonstop limousine service between Headquarters and [REDACTED] at 20-minute intervals. The limousines on Route No. 3 have a seating capacity of 11 passengers each and average 47 trips per day with 2.4 passengers per trip.

25X1A

(5) Route No. 4 provides limousine service between Headquarters, [REDACTED] at 70-minute intervals.

The limousine on Route No. 4 has a seating capacity of 11 passengers and averages 16 trips per day with 2.7 passengers per trip.

- b. During calendar year 1967, the five, 29-passenger buses and the six, 11-passenger limousines traveled a total of 295,680 miles on the four bus routes mentioned above. During this period, the cost of operating these 11 vehicles was \$94,859.96 or an average of \$.3207 per mile, including operating costs, maintenance, depreciation, overhead, and wages.
- c. The current Department of Defense (DOD) commercial contract bus service cost is \$.65 per mile for Fiscal Year 1968. (It is expected to be \$.67 per mile for Fiscal Year 1969.)

3. DISCUSSION

- a. Commercial contract operation of the Agency shuttle bus service would pose problems of a security nature; however, these problems could be worked out, provided such an operation would be advantageous to the Agency.

- b. The cost of operating the Agency bus system during calendar year 1967

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contract bus service would have been approximately \$192,192.00 during this period, based on current per-mile charges paid by the DOD. By comparison, the use of Agency buses, rather than commercial buses, represents a cost avoidance of approximately \$97,332.04 per year.

c. Advantages

The advantages of using contract commercial shuttle bus service in lieu of Agency service would be:

A possible reduction of nine personnel slots. Of these, eight might be bus driver chauffeur positions, and one could be a mechanic or maintenance position at the [REDACTED].

25X1A

The five, 29-passenger buses and six, 11-passenger airport type limousines involved in shuttle bus service, represent 11/175 or about six percent of the vehicles serviced by the [REDACTED]. The Garage itself has a T/O of 15 positions. A reduction of six percent in workload could permit a reduction of six percent in positions, or one slot.

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d. Disadvantages

The disadvantages of using contract commercial shuttle bus service in place of organic Agency shuttle service would be:

- (1) Increase security problems
- (2) Lack of direct control over the bus driver personnel of the contractor.

~~(3) A reduction in~~

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~~(4)~~

- (3) A reduction in the quality of shuttle bus service currently provided Agency personnel (The DOD/MDW advised that the quality of the military shuttle bus service deteriorated upon shifting to contract commercial bus service.)
- (4) The cost of shuttle bus service would increase approximately \$97,332.04 per year.

4. CONCLUSION

It would not be economically feasible to operate the Agency bus service under a commercial contract because of the factors cited in paragraph 3 above, and an increased cost amounting to approximately \$97,332.04 per year.

5. RECOMMENDATION

It is recommended that the Agency continue operation of the shuttle buses as it is currently doing, and that the concept of contracting for commercial shuttle bus service not be adopted.

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MILEAGE AND COST OF OPERATING FIVE, 29-PASSENGER BUSES
AND SIX, 11-PASSENGER LIMOUSINES FOR CALENDAR YEAR 1967

1. Mileage

Mileage - Five Buses	164,515
Mileage - Six Limousines	<u>131,165</u>
Total	295,680

2. Cost

Maintenance (Fuel, Parts, & Labor) Five Buses	\$12,181.96	
Maintenance (" " " ") Six Limousines	8,701.89	
Total	\$20,883.85	\$20,883.85

Annual Depreciation (over an 8-yr. period)		
Five Buses	\$ 6,294.31	
Annual Depreciation (" " " ") Six Limousines	<u>3,472.80</u>	
Total	\$ 9,767.11	\$ 9,767.11

Total Overhead Cost for 175 Vehicles (Admin. Supplies, utilities, & upkeep, & depreciation on maintenance) Prorata Share of Overhead Cost for the Five Buses and Six Limousines - 11/175 or 6% of \$17,160	\$17,160.00	
		\$ 1,029.60

Total Admin. Cost of 175 Vehicles (Supervision & Clerical, Garage only) Five Buses and Six Limousines 11/175 or 6% of \$5,451.15	\$ 5,451.15	
		\$ 327.00

Daily Cost of Chauffeur Wages to Operate
the Current Shuttle Bus System

(a) 64 man hours of S/T @ \$3.06 per hr.	\$195.84
(b) 10 man hours of O/T @ \$4.59 per hr.	<u>45.90</u>

Chauffeur Wages - 260 days x \$241.74 per day	\$62,852.40
Total Cost	\$94,859.96

3. Cost Per Mile

Average Cost Per Mile to Operate the 5 Buses and 6 Limousines -

295,680 miles + \$94,859.96 Total Cost = \$.3207 per mile

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