

Veolia Performance Update

Board of Directors

October 6, 2006

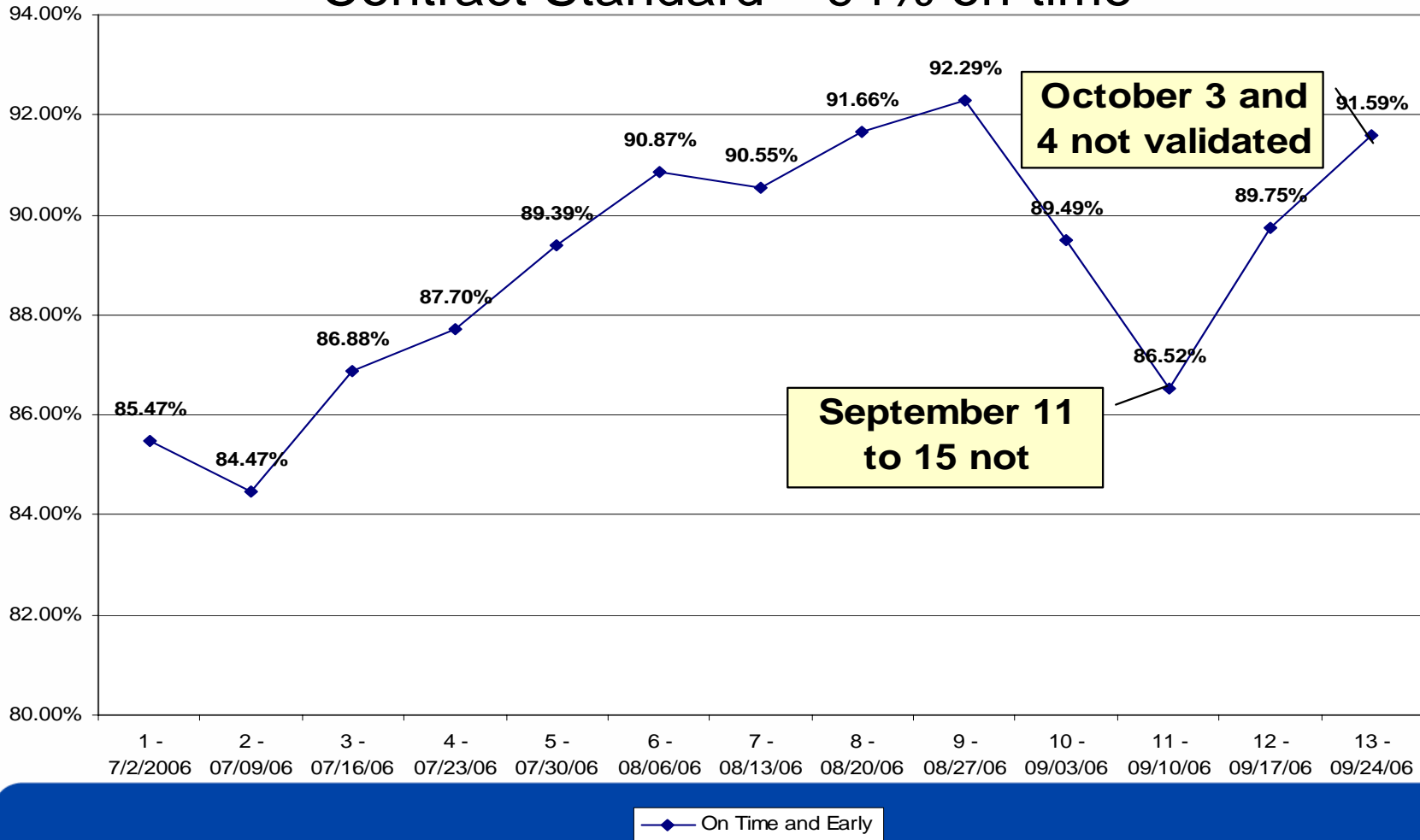


Contract Performance Standards and Penalties

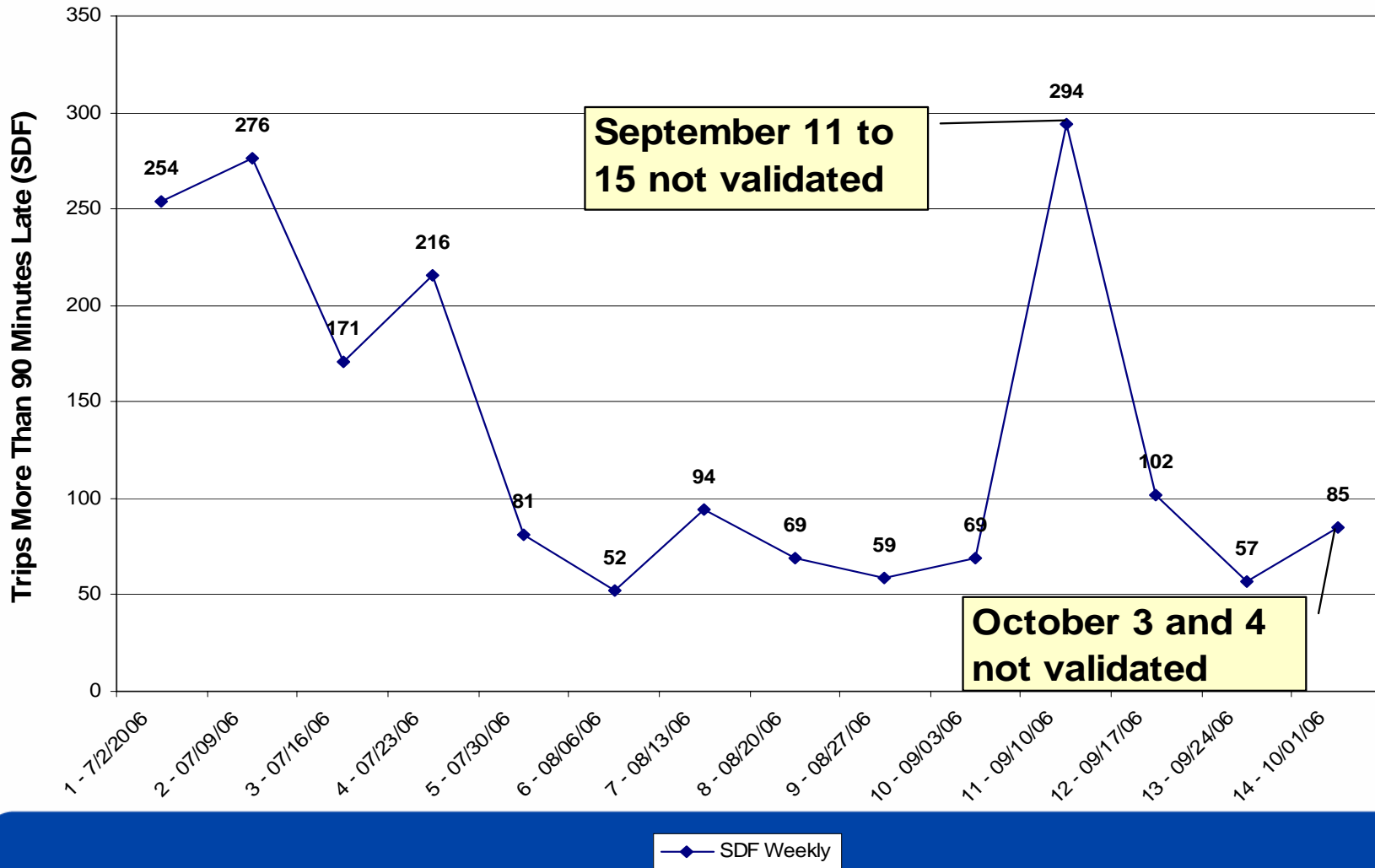
Service Quality Indicators	Standard	Penalty
On-Time Performance	94%	\$5,000 for each percentage below standard
Service Delivery Failure	Zero	\$1,000 for each trip
Customer Comments	1 per thousand passengers	\$100 for each complaint over standard

Service Quality Indicator On-Time Performance

Contract Standard – 94% on-time

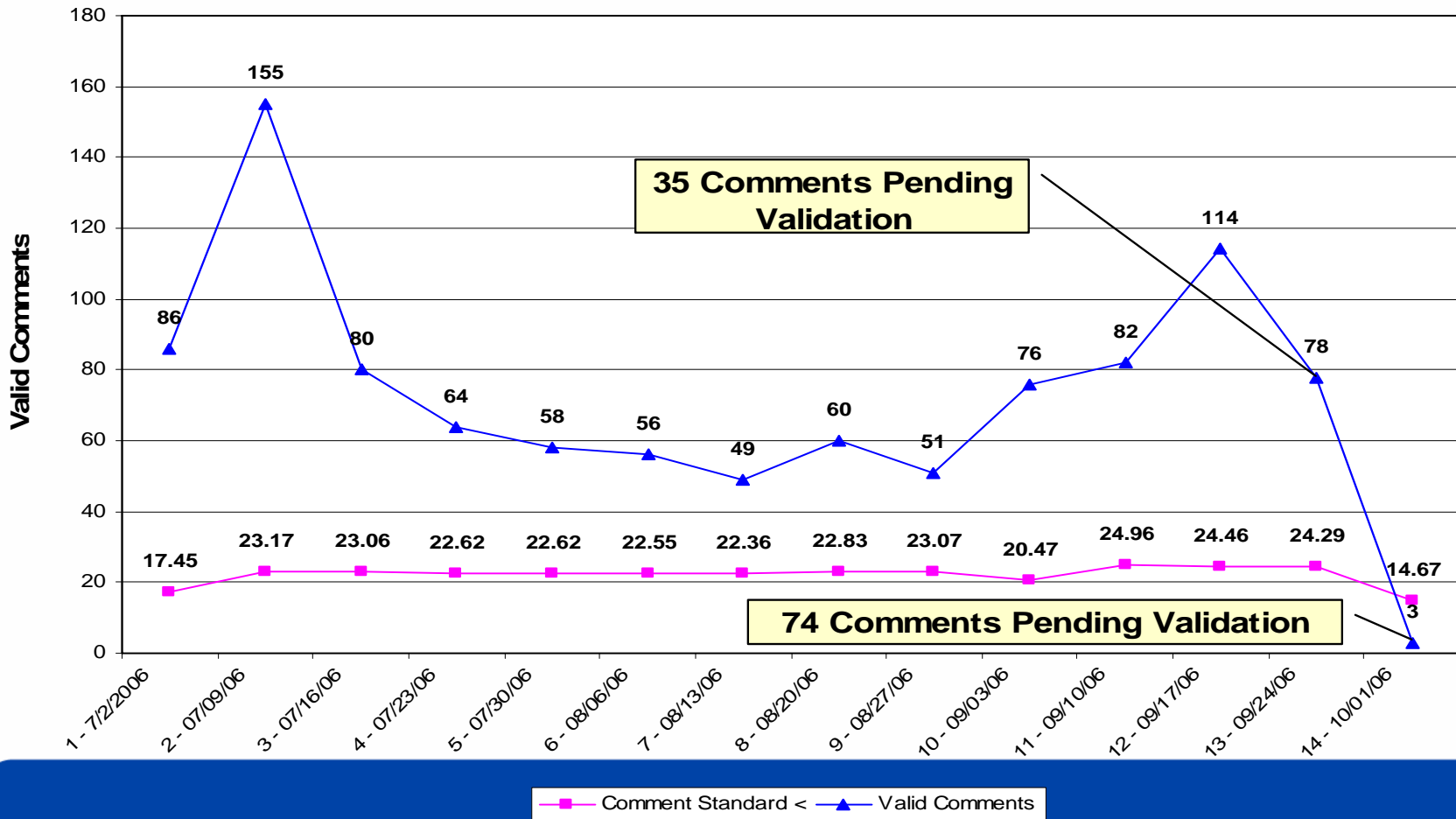


Service Delivery Failure



Service Quality Indicator Customer Complaints

Contract Standards – 1 per thousand passengers



Actions Taken

- Formal correspondence from CEO to Veolia Executive Management addressing contract compliance
- Formal correspondence to Veolia from Contract Manager requiring submittal of a 30 and 60 day plan to remedy performance issues and comply with contract
- Meeting held with CEO and Veolia Executive Management
- Corporate support from Veolia in the areas of dispatch, scheduling, driver recruiting, hiring and training
- Increased use of taxi subcontractors to meet service demand

Next Steps

- **Continue to monitor performance indicators daily**
- **Monitor progress against 30 and 60 day plan**
- **Continue to proactively address customer service issues**
- **Begin assessing penalties September 1**
- **Provide updates to Transit Planning and Operations Committee and Board of Directors**