

**Board Report**

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**File #:** 2016-0530, **File Type:** Contract**Agenda Number:** 49.

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**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE  
AUGUST 18, 2016****SUBJECT: CONTRACTED BUS SERVICES - EAST REGION****ACTION: APPROVE CONTRACT MODIFICATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Contract Modification No. 11 to Contract No. OP35902469 with Southland Transit, Inc. to **extend Contracted Bus Services - East Region for up to ten (10) months**, for the period covering September 1, 2016 through June 30, 2017, for an amount not-to-exceed \$11,942,234, thereby increasing the total contract value from \$57,908,736 to \$69,850,970.

**ISSUE**

The contract with Southland Transit, Inc. (Southland) for operating bus service in the East Region is scheduled to expire on September 1, 2016. Metro is in the process of issuing a Request for Proposals (RFP) for a new contract in the East Region of Los Angeles County. This region covers the San Gabriel Valley area.

Contract authority is required to continue the current level of service while the procurement process is completed and a subsequent contract is awarded.

**DISCUSSION**

Metro first began contracting a portion of the bus service in 1996. Metro now operates 18 bus lines that are contracted to private transportation companies. The East Region contractor Southland currently operates five of these bus lines (lines 254, 256, 266, 577, and 605) and a portion of Metro's Dodger Stadium Express service.

Contracting a portion of the service has had both cost and operations benefits. Annual savings are realized through the lower operating costs of the contractors. Contracted service allows for greater flexibility in the ability to modify service levels and operate with the space requirements at our Metro Bus Divisions.

The current contract was established with Southland on December 5, 2010. Since then, Southland has operated safe and reliable service and complied with FTA and Metro's guidelines. Metro has an

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In Service On Time Performance (ISOTP) goal of 80%. In FY16, Southland operated at an efficient ISOTP level of 79.38%.

### **DETERMINATION OF SAFETY IMPACT**

The current contractor has performed the service with a satisfactory safety record, and is familiar with the service area and the present equipment.

### **FINANCIAL IMPACT**

The funding of \$11,942,234 for this contracted service is included in the FY17 budget in Cost Center 3593; Project 306001, Operations Transportation; and Account 50801, Purchased Transportation.

#### **Impact to Budget**

The source of funds for this service will come from Federal, State and local funding sources that are eligible for Bus Operating Projects. These funding sources will maximize the use of funds for these activities.

### **ALTERNATIVES CONSIDERED**

The alternative to modifying this contract is to directly operate the East Region lines. To directly operate the service would see a cost per revenue service hour increase of approximately 50%. Training would be required to operate and maintain the different types of buses currently used to provide contracted bus service. This alternative is not recommended.

### **NEXT STEPS**

Upon Board approval, staff will execute Contract Modification No. 11 with Southland Transit, Inc. to provide contracted service through June 30, 2017.

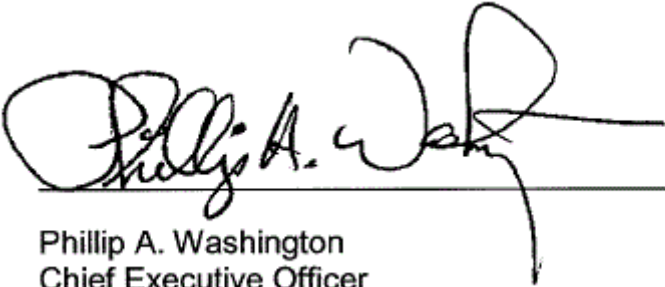
### **ATTACHMENTS**

Attachment A - Procurement Summary  
Attachment B - Contract Modification/Change Order Log  
Attachment C - DEOD Summary  
Attachment D - Service Map

Prepared by: George del Valle, Contract Services Field Representative, Transportation  
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Reviewed by: James T. Gallagher, Chief Operations Officer 213-922-4424  
Ivan Page, Chief, Vendor/Contract Management (Interim)

213-922-6383



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Phillip A. Washington  
Chief Executive Officer

PROCUREMENT SUMMARY

CONTRACTED BUS SERVICES – EAST REGION  
 CONTRACT NUMBER OP35902469

1.	<b>Contract Number:</b> OP35902469		
2.	<b>Contractor:</b> Southland Transit, Inc.		
3.	<b>Mod. Work Description:</b> Increase contract authorization and extend the period of performance		
4.	<b>Contract Work Description:</b> Contracted Bus Service – East Region		
5.	<b>The following data is current as of:</b> 7/25/16		
6.	<b>Contract Completion Status</b>		<b>Financial Status</b>
	<b>Contract Awarded:</b>	7/22/10	<b>Contract Award Amount:</b> \$53,895,825
	<b>Notice to Proceed (NTP):</b>	N/A	<b>Total of Modifications Approved:</b> \$ 4,012,911
	<b>Original Complete Date:</b>	8/1/15	<b>Pending Modifications (including this action):</b> \$11,942,234 Not-to-Exceed
	<b>Current Est. Complete Date:</b>	6/30/17	<b>Current Contract Value (with this action):</b> \$69,850,970 Not-to-Exceed
7.	<b>Contract Administrator:</b> Kenneth Takahashi		<b>Telephone Number:</b> (213) 922-1047
8.	<b>Project Manager:</b> Cathy Rosas		<b>Telephone Number:</b> (213) 922-2875

**A. Procurement Background**

This Board Action is to approve Contract Modification No. 11 issued in support of east region contracted bus services.

This Contract Modification will be processed in accordance with Metro’s Acquisition Policy and the contract type is a firm fixed unit price.

The contract award to Southland Transit, Inc. was originally approved by the Board in July 2010 in the amount of \$53,895,825, which consisted of \$592,984 for diesel fuel reimbursements and \$53,302,841 for all other costs. The diesel fuel reimbursement has ceased. The original period of performance was from December 5, 2010, to December 5, 2015. There have been nine contract modifications; the latest one extended the period of performance to September 1, 2016.

See Attachment B – Contract Modification/Change Order Log.

**B. Cost/Price Analysis**

Staff recently received the firm's proposal and will negotiate revenue service hourly rates to ensure a fair and reasonable price. Staff will conduct their review based on cost analysis, technical evaluation, fact finding, and negotiations. The final negotiated amount will comply with all requirements of Metro's Acquisition Policy and Procedures.

<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>NTE Amount</b>
\$11,942,234	\$10,995,474	\$11,942,234

## CONTRACT MODIFICATION/CHANGE ORDER LOG

**CONTRACTED BUS SERVICES – EAST REGION  
CONTRACT NUMBER OP35902469**

<b>Mod. No.</b>	<b>Description</b>	<b>Status (approved or pending)</b>	<b>Date</b>	<b>\$ Amount</b>
1	Revisions to the Statement of Work	Approved	3/22/11	No cost
2	Add contract modification authority	Cancelled	N/A	N/A
3	Add contract modification authority	Approved	8/1/12	\$1,232,024
4	Increase contract authorization	Approved by Board	11/16/12	\$7,564,301
5	Revisions to the Statement of Work	Approved	9/11/13	No cost
6	Revisions to the Statement of Work	Approved	11/25/13	(\$4,783,414)
7	Revisions to the Statement of Work	Approved	11/22/14	No cost
8	Extend period of performance	Approved	10/8/15	No cost
9	Extend period of performance	Approved	7/14/16	No cost
10	Change in hourly rate due to reduction in revenue service hours	Approved	7/29/16	No cost
<b>11</b>	<b>Increase contract authorization and extend period of performance</b>	<b>Pending</b>	<b>8/30/16</b>	<b>\$11,942,234</b>
	<b>Modification Total:</b>			<b>\$15,955,145</b>
	<b>Original Contract:</b>			<b>\$53,895,825</b>
	<b>Total:</b>			<b>\$69,850,970</b>

## DEOD SUMMARY

**CONTRACTED BUS SERVICES – EAST REGION  
CONTRACT NUMBER OP35902469**

**A. Small Business Participation**

Southland Transit, Inc. (STI) made a Disadvantaged Business Enterprise (DBE) Anticipated Level of Participation (DALP) commitment of 9.86%. DBE participation is 5.01%, representing a 4.85% shortfall. The project is 100% complete.

In a letter dated July 20, 2016, STI provided the following reasons for the DBE shortfall: (1) Performance Auto Body performed “as-needed” body work and was not utilized to the extent of their contract commitment, (2) TEMPs, Inc. committed to perform annual ride checks and was not utilized to the extent committed, due to Metro’s decision to self-perform the services, and (3) Expo Propane committed to provide propane fuel but was not utilized to the extent committed due to Metro’s decision to convert to CNG Buses in June 2011. Metro’s project manager confirmed the accuracy of the reasons provided by STI. It is expected that STI will not meet their DBE commitment.

<b>SMALL BUSINESS GOAL</b>	9.86% DBE	<b>SMALL BUSINESS COMMITMENT</b>	5.01% DBE
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	<b>DBE Subcontractors</b>	<b>Ethnicity</b>	<b>% Committed</b>	<b>Current Participation<sup>1</sup></b>
1.	BriteWorks	Hispanic	3.34%	3.30%
2.	Performance Auto Body	Hispanic	2.81%	0.45%
3.	TEMP’s Inc.	Caucasian Female	0.41%	0.20%
4.	JCM & Associates	Hispanic	0.39%	0.28%
5.	Expo Propane	Hispanic	2.91%	0.72%
6.	Global Install and Maintenance	African American	Added	0.06%
		<b>Total</b>	<b>9.86%</b>	<b>5.01%</b>

<sup>1</sup>Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime.

**B. Living Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

**C. Prevailing Wage Applicability**

Prevailing wage is not applicable to this contract.

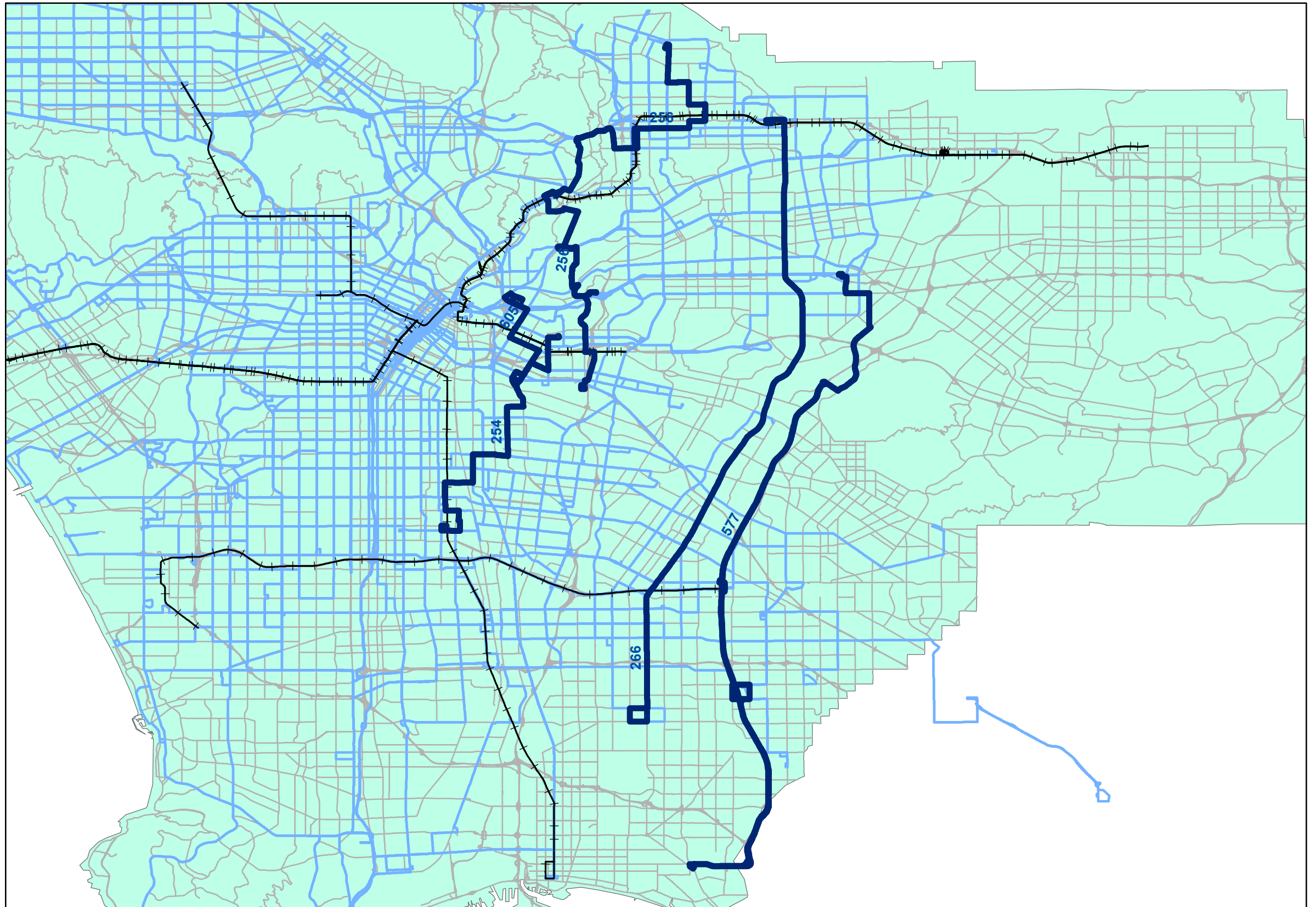
**D. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this contract.


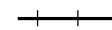


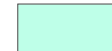


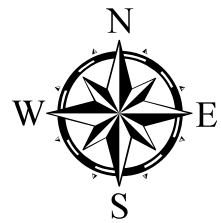


# Metro East Region Contract Service Bus Lines Per the June 2016 Service Change



## Legend

-  Metro East Region Contract Lines
-  Metro Rail Lines
-  Metro Bus Lines
-  Major Streets
-  Metro Service Area



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