



Board Report

File #: 2018-0184, File Type: Contract

Agenda Number: 43.

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE JUNE 21, 2018

**SUBJECT: CONTRACTED TRANSPORTATION SERVICES -
NORTH REGION**

ACTION: AWARD CONTRACT

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a five-year firm fixed price Contract No. OP52365000 to Transdev Services Inc. for contracted bus services in the North Region for an amount not-to-exceed \$105,816,969 effective August 3, 2018.

ISSUE

Metro operates 18 bus lines that are contracted to private transportation companies. The North Region contractor currently operates six of these lines as follows: 96, 167, 177, 218, 501, and 603.

Contracting a portion of our bus service has provided both cost and operational benefits. Annual savings are realized through the lower operating costs of the contractors. Contracted bus service allows for greater flexibility in the ability to modify service levels. Specifically, lines can quickly be added, cancelled, or modified as a result of space requirements at the divisions.

The current contract with Transdev Services, Inc. (Transdev) for operating bus service in the North Region is scheduled to expire on August 2, 2018. A new contract is required to continue the service. This region covers the San Fernando Valley and City of Los Angeles areas.

DISCUSSION

In April 2013, the Board awarded a five-year contract with Transdev. The new contract term will begin on August 3, 2018 and end on August 2, 2023. Metro's Service Scheduling and Planning department generates all contracted bus service schedules and includes all North Region routes in performance and planning analysis. Changes are effected semiannually or as needed to ensure optimal and efficient service performance. The table below provides FY17 performance information in terms of revenue service hours and ridership.

Line	Route	FY17 Annual Revenue Service Hours	FY17 Annual Passengers
96	Metro Local - Downtown Los Angeles to Burbank Station	26,439	430,740
167	Metro Local - Chatsworth to Studio City	30,504	715,928
177	Metro Local - Pasadena, JPL to La Canada Flintridge	2,270	62,263
218	Metro Local - Studio City to Beverly Hills via Laurel Canyon Blvd	16,010	282,280
501	Metro NoHo - Pasadena Express Orange Line to Gold Line, Pasadena to North Hollywood via SR134	29,005	371,512
603	Metro Local - Grand LATTTC to Glendale Galleria	62,935	2,518,727
Total		167,163	4,381,450

The new Contract contains additional provisions related to vehicle maintenance, including dedicated positions for maintenance of Metro-owned communications equipment such as Advanced Transportation Management System (ATMS), Automatic Passenger Counting (APC), specific vehicle body damage and cleanliness standards, and procedures for the transfer of vehicles to and from the contractor to further increase service flexibility. The Contract also contains the same provisions that allow for service levels to be increased or decreased over the term of the Contract based on Metro operational needs. Additionally, Metro implemented new provisions to incentivize contractor application for and receipt of fuel tax credits and/or grants for the maintenance of Metro's vehicles. Such provisions allow the contractor to retain a majority of the fuel tax credits/grants toward the beginning of the contract period and gradually balance during the course of the contract so that both parties evenly retain fuel tax credits/grants.

Finally, for this procurement and for the prior two Contract Services East and South region procurements awarded in 2017, Metro included a stipulation restricting Contractors from being awarded multiple contracts. This restriction was put in place to protect the agency in the event a Contractor experienced a work stoppage due to union actions or failed annual California Highway Patrol Motor Carrier inspections resulting in service restrictions. Specifically, this new Contract for the North Region includes staff represented by the Teamsters Union. It is Metro's intent to protect the interest of our patrons and maintain service for the East, South and North regions as a part of the Contract Services program.

The Disadvantaged Business Enterprise (DBE) goal established by Metro's Diversity & Economic Opportunity Department (DEOD) for this Contract is 5%. The project manager will be responsible for

monitoring this goal on a regular basis for the duration of the Contract to ensure that the contractor is in compliance with the terms, conditions, and any goals set for this Contract.

DETERMINATION OF SAFETY IMPACT

The proposed Contract contains provisions requiring training levels to ensure the safest possible operation of our equipment and service.

FINANCIAL IMPACT

Funding of \$18,162,985 for the first year of this contracted service is included in the FY19 budget in Cost Center 3591; Project 306001, Operations Transportation, Account 50801, Purchase Transportation.

Since this is a multi-year contract, the cost center manager and Chief Operations Officer will be accountable for budgeting the cost in future years, including any options exercised.

Impact to Budget

Funding for this action will come from federal, state and local sources including sales tax and fares that are eligible for Bus Operations. These funding sources maximize the allowable fund use given approved funding provisions and guidelines.

ALTERNATIVES CONSIDERED

Staff considered bringing these services in-house. Metro's Bus Operating Cost is \$175.90 per revenue service hour and the contractor average bus rate for this award is \$124.13 per revenue service hour. Based on this comparison, it would cost Metro significantly more to operate these services in-house. In addition, physical modifications would be needed at our existing facilities to accommodate the additional buses and division staff, and training would be required to operate and maintain the different types of buses currently used to provide contracted bus services. Given that the overall performance of these lines has historically met or exceeded Metro's performance targets and standards, staff does not recommend bringing these services in-house.

NEXT STEPS

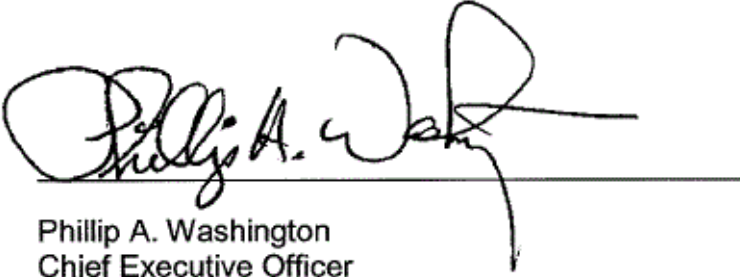
Upon Board approval, staff will execute the Contract awarded to Transdev Services Inc. effective August 3, 2018.

ATTACHMENTS

- Attachment A - Procurement Summary
- Attachment B - DEOD Summary
- Attachment C - Metro North Region Contract Services Bus Lines Map

Prepared by: Cathy Rosas, Manager, Transportation Contract Services, (213) 922-2875
Sandra Solis, Director, Central Oversight and Analysis, (213) 922-6266

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 418-3108
Debra Avila, Chief, Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

CONTRACTED TRANSPORTATION SERVICES – NORTH REGION/OP52365000

1.	Contract Number: OP52365000	
2.	Recommended Vendor: Transdev Services, Inc.	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP–A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: March 15, 2018	
	B. Advertised/Publicized: March 19, 2018	
	C. Pre-Proposal Conference: March 21, 2018	
	D. Proposals Due: April 25, 2018	
	E. Pre-Qualification Completed: Pending	
	F. Conflict of Interest Form Submitted to Ethics: May 7, 2018	
	G. Protest Period End Date: June 25, 2018	
5.	Solicitations Picked up/Downloaded: 9	Proposals Received: 1
6.	Contract Administrator: Antwaun Boykin	Telephone Number: (213) 922-1056
7.	Project Manager: Cathy Rosas	Telephone Number: (213) 922-2875

A. Procurement Background

This Board Action is to approve Contract No. OP52365000 issued in support of contracted bus operation of local transit lines in the north region of Los Angeles County. The north region includes six transit lines which are predominantly operated within the San Fernando Valley and City of Los Angeles areas.

Request for Proposal (RFP) No. OP52365 was issued in accordance with Metro's Acquisition Policy for a competitive procurement and the contract type is a firm fixed unit price.

One amendment was issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on March 23, 2018, clarified pre-proposal Documents and extended the proposal due date.

A preproposal conference was held on March 21, 2018 and was attended by six participants representing four firms.

One proposal was received on the due date of April 25, 2018 from the incumbent, Transdev Services, Inc. (Transdev).

A market survey was conducted to determine why there were no other proposal submittals. The market survey was conducted with the firms that attended the pre-proposal conference, those listed as potential proposers for this RFP, two other transportation firms, and four potential subcontracting firms. Responses to the

survey were received from the firms citing difficulties in finding viable facilities as the reason they chose not to propose.

B. Evaluation of Proposal

A Proposal Evaluation Team (PET) consisting of staff from Transportation Contract Services, Safety, Revenue Collection, Transportation Operations, and Service Planning and Scheduling was convened and conducted a comprehensive technical evaluation of the proposal received.

The proposal was evaluated based on the following evaluation criteria and weights:

- Qualifications of the Firm 10 percent
- Qualifications Of Proposed Staff 15 percent
- Contractor Facility 13 percent
- Operating Methodology/Work Plan 25 percent
- Past Performance 13 percent
- DBE Contracting Outreach and Mentor Protégé Approach 4 percent
- Cost For Services 20 percent

Several factors were considered when developing these weights, giving the greatest importance to the operating plan.

During the week(s) of April 25 through May 8, the PET conducted a proposed facility site visit and interview. The firm's project manager and key team members had an opportunity to present its team's qualifications and respond to questions from the PET. In general, the team's presentation addressed the requirements of the RFP, experience with all aspects of the required tasks, and stressed the firm's commitment to the success of the project. Also highlighted were staffing plans, facility plans, and work plans. The firm was asked questions relative to their proposed alternatives and previous experience with similar projects.

Qualifications Summary of Firm:

Transdev Services, Inc.

Founded in 1909 in Baltimore as Yellow Transportation, Transdev Services has five years of experience operating transit services in the Los Angeles area. The firm is familiar with the unique characteristics of the County and has also worked with the Antelope Valley Transit Authority, Victor Valley Transit Authority, and Prince George's County in Maryland. Transdev Services has operated Metro's North Region services since 2011 and offers Metro the ongoing leadership of its existing Metro North Region management team who are locally-based transit professionals offering experienced and highly specialized leadership in the areas of operations,

contract management, safety, finance, maintenance, training, labor relations, human resources, recruiting, and numerous other areas.

The following is a summary of the PET’s evaluation scores:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	Transdev Services, Inc.				
3	Qualifications Of The Firm	87.00	10.00%	8.70	
4	Qualifications Of Proposed Staff	85.06	15.00%	12.76	
5	Contractor Facility	71.69	13.00%	9.32	
6	Operating Methodology/Work Plan	84.08	25.00%	21.02	
7	Past Performance	89.53	13.00%	11.64	
8	DBE Contracting Outreach and Mentor Protégé Approach	100.00	4.00%	4.00	
9	Cost For Services	100.00	20.00%	20.00	
10	Total		100.00%	87.44	1

The PET determined that the technical proposal received from Transdev addressed the RFP requirements and its personnel are qualified and experienced with all aspects of the required tasks. Based on a thorough evaluation of the proposal, the PET determined Transdev to be technically qualified to perform the work.

C. Price Analysis

The proposed unit price has been determined to be fair and reasonable based upon Metro’s Independent Cost Estimate and technical evaluation.

	Proposer Name	Proposal Amount	Metro ICE	NTE amount
1.	Transdev Services, Inc.	\$105,816,969	\$105,647,226	\$105,816,969

D. Background on Recommended Contractor

The recommended firm Transdev Services, Inc. is a Maryland corporation with more than 100 years of experience in the field of transportation services. Transdev Services provides conventional fixed route, paratransit, bus rapid transit, student, university and airport shuttle, commuter and light rail, streetcar, taxicab and limousine services. In addition to its current work in Metro’s North Region, Transdev Services has over 18,000 employees operating more than 12,000 vehicles for contracts in more than 200 locations across the U.S. The General Manager

proposed by Transdev Services has more than 10 years of general transportation experience. In his current role as general manager of Metro's current North Region contract, he is responsible for more than 150 employees and the daily operation of a fleet of 60 vehicles.

DEOD SUMMARY

CONTRACTED TRANSPORTATION SERVICES - NORTH REGION / OP52365000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 5% Disadvantaged Business Enterprise (DBE) goal for this solicitation. Transdev Services Inc. made a 5.11% DBE commitment.

Small Business Goal	5% DBE	Small Business Commitment	5.11% DBE
----------------------------	---------------	----------------------------------	------------------

	DBE Subcontractors	Ethnicity	% Committed
1.	Briteworks, Inc.	Hispanic American Female	2.20%
2.	Becnel Uniforms, Inc.	Caucasian Female	0.44%
3.	All Petro Resources	Hispanic American	0.36%
4.	A & A Fleet Painting, Inc.	Hispanic American	1.49%
5.	Diego's Auto Repair, Inc.	Hispanic American	0.36%
6.	Rubicon Security Systems	Subcontinent Asian American	0.26%
	Total Commitment		5.11%

B. Contracting Outreach and Mentoring Plan

To be responsive, Proposers were required to submit a Contracting Outreach and Mentoring Plan (COMP), which included its plan to mentor one (1) DBE firm for protégé development. The selected DBE protégé is Briteworks, Inc.

C. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) is not applicable to this Contract.

D. Prevailing Wage Applicability

Prevailing wage is not applicable to this Contract.

E. Project Labor Agreement/Construction Careers Policy

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

