



## Board Report

File #: 2023-0642, File Type: Contract

Agenda Number: 34.

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### OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE OCTOBER 19, 2023

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

**ACTION: APPROVE RECOMMENDATIONS**

**RECOMMENDATION(S)**

AUTHORIZE the Chief Executive Officer to execute:

- A. Contract Modification No. 10 to Contract No. OP52365000 with Transdev Services, Inc. (Transdev) in the amount of \$18,212,015 to continue to operate local transit lines in the North Region of Los Angeles County increasing the total not-to-exceed contract value from \$106,316,969 to \$124,528,984, and extend the period of performance from December 4, 2023, to June 30, 2024; and
- B. Individual contract modifications within the Board approved contract modification authority.

**ISSUE**

The current Contract No. OP52365000 for Contracted Transportation Services North Region Contract is scheduled to expire on December 4, 2023. A contract extension through June 30, 2024, is required to preserve service among the six contracted transportation bus lines within the Los Angeles County North Region contract. The North Region services the L.A. Downtown, Westside Central, and San Fernando Valley communities.

A Request For Proposals (RF) for contracted transportation services within Los Angeles County North Region was issued as a competitive solicitation to replace the existing contracted transportation services contract. The solicitation is currently under evaluation.

Modifying the existing contract will allow for an extension of the period of performance through the end of FY24 while staff completes the evaluation of the RFP solicitation.

**BACKGROUND**

Since the current Contract No. OP52365000 for North Region Transportation Services was scheduled to expire on August 3, 2023, staff initiated a competitive procurement process in 2022. Proposals were received and were evaluated in accordance with the terms of the RFP, which

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included increased contractor accountability through the establishment of Key Performance Indicators (KPI) (e.g., In-Service On-Time Performance (ISOTP), Mean Miles Between Mechanical Failure (MMBMF), Bus Cleanliness, Accident Frequency rate, etc.) that are better aligned with Metro's directly operated divisions, more modern cybersecurity requirements, and the re-introduction of contract extension options.

An extended proposal evaluation period resulted in the execution of Contract Modification No. 9 that extended the current contract term by four months, through December 4, 2023. With the continuation of the evaluation, which remains in a procurement blackout period, staff will need additional time to complete the evaluation and make a determination of the next steps to ensure the outcome is of benefit to Metro and the public of Los Angeles County.

## **DISCUSSION**

Metro is committed to delivering outstanding trip experiences for all users of the transportation system. An extension of the contract term is necessary to maintain continuity of service for six Metro bus lines and remove any risk of service interruptions to our passengers. There will be no changes to the current Statement of Work between Transdev and Metro. With the requested contract extension, Transdev will continue to operate the six bus lines outlined above and will ensure no service degradation occurs to the public. During the extension period, staff will continue to partner with Transdev and ensure the bus routes are operated safely and efficiently. Staff will continue to collect and monitor the performance data of Transdev and improve the riding experience of the public.

Metro aspires to deliver desirable transportation services for customers and establish new cost control strategies, therefore responsive, accountable, and trustworthy governance within the Metro organization is crucial. The recommended contract extension through the end of FY24 will ensure that staff will have enough time to make a decision consistent with the goal of responsive, accountable, and trustworthy governance.

## **DETERMINATION OF SAFETY IMPACT**

The approval of this extension will continue to ensure the delivery of safe, clean, on-time and reliable bus transportation services to Los Angeles County's North Region.

## **FINANCIAL IMPACT**

The funding of \$18,212,015 for this extension is included in the adopted FY24 budget in Cost Center 3591; Project 306001, Operations Transportation; and Account 50801, Purchased Transportation.

### **Impact to Budget**

The source of funds for this action will come from federal, state and local funding sources that are eligible for bus and rail operating projects.

## **EQUITY PLATFORM**

The approval of this contract modification and extension will ensure Metro's ability to continue to operate and maintain transportation services that are accessible to Los Angeles County residents.

Community members who live throughout and along the North Region lines will continue to benefit from the bus services provided. It is utilized as one of the primary modes of transportation to work and other social destinations (Customer Satisfaction Survey, 2022). The service provided by the North region runs through Equity Focus Communities (EFCs) where Customer Satisfaction Survey results show: 63% take Metro buses 5 or more days a week, 49% of riders are women, and 85% are people of minority ethnicities. In addition, the employment of the local workforce and sponsorship of small businesses within the community presents an opportunity for Metro's Diversity & Economic Opportunity Department (DEOD) to continue engaging with small businesses in information sharing that could lead to future opportunities.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

This Board action supports Strategic Goal 3: Enhance communities and lives through mobility and access to opportunity. Providing reliable bus services to the local communities supports Metro's goals to create prosperous communities and enable individuals and families to access jobs, essential services, education, and other social, and recreational opportunities.

### **ALTERNATIVES CONSIDERED**

The Board may choose not to authorize the requested action. However, such action would create the possibility of a disruption in service in the absence of a contracted service provider for six Metro bus lines. This alternative is not recommended as the current contract is scheduled to end on December 4, 2023, and a disruption in service is not responsive to Metro's Customer Experience goal of providing reliable service for those who rely on the Metro transit system for their mobility.

### **NEXT STEPS**

Upon Board approval, staff will execute Modification No. 10 to Contract No. OP52365000 with Transdev to continue to operate local transit lines in the North Region of Los Angeles through June 30, 2024.

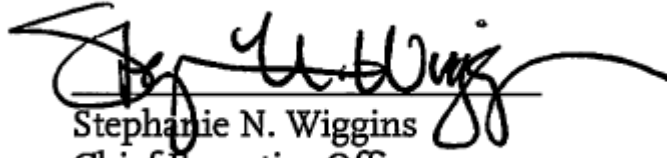
### **ATTACHMENTS**

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

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Stephanie N. Wiggins  
Chief Executive Officer

## PROCUREMENT SUMMARY

## CONTRACTED TRANSPORTATION SERVICES – NORTH REGION / OP52365000

1.	<b>Contract Number:</b> OP52365000		
2.	<b>Contractor:</b> Transdev Services, Inc.		
3.	<b>Mod. Work Description:</b> Continue existing services and extend the period of performance		
4.	<b>Contract Work Description:</b> To operate local transit lines in the Los Angeles Downtown Area, Westside Central, and San Fernando Valley Region (aka North Region)		
5.	<b>The following data is current as of:</b> 9/27/23		
6.	<b>Contract Completion Status</b>		<b>Financial Status</b>
	<b>Contract Awarded:</b>	6/28/18	<b>Contract Award Amount:</b> \$ 105,816,969
	<b>Notice to Proceed (NTP):</b>	N/A	<b>Total of Modification Approved:</b> \$ 500,000
	<b>Original Complete Date:</b>	12/4/23	<b>Pending Modification (including this action):</b> \$ 18,212,015
	<b>Current Est. Complete Date:</b>	6/30/24	<b>Current Contract Value (with this action):</b> \$ 124,528,984
7.	<b>Contract Administrator:</b> Aielyn Dumaua		<b>Telephone Number:</b> (213) 922-7320
8.	<b>Project Manager:</b> Carlos Guevara-Romero		<b>Telephone Number:</b> (213) 922-5234

**A. Procurement Background**

This Board Action is to approve Modification No. 10 to Contract No. OP52365000 to continue to operate local transit lines in the North Region of Los Angeles County. The North Region is comprised of the Los Angeles Downtown, Westside Central, and San Fernando areas. This Modification will also extend the period of performance from December 4, 2023, to June 30, 2024.

This contract modification will be processed in accordance with Metro's Acquisition Policy and the contract type is firm fixed unit rate.

A total of nine modifications have been issued to date.

Refer to Attachment B – Contract Modification/Change Order Log.

**B. Price Analysis**

The proposed fully burdened revenue service hourly rate for the extended term has been determined to be fair and reasonable based on price analysis, independent cost estimate (ICE), and technical analysis. Said rate is within the range of the ICE and considers negotiated wage rates per Collective Bargaining Agreement (CBA) with Teamsters, Local 848 (Wholesale Delivery Drivers, Salespersons, Industrial and Allied Workers) effective January 1, 2024, and is lower than Metro’s cost per revenue service hour for directly operated transit service.

<b>Proposed Amount</b>	<b>Metro ICE</b>	<b>Recommended Amount</b>
\$18,212,015	\$18,215,403	\$18,212,015

## CONTRACT MODIFICATION/CHANGE ORDER LOG

## CONTRACTED TRANSPORTATION SERVICES – NORTH REGION / OP52365000

Mod. No.	Description	Status (approved or pending)	Date	Amount
1.	Revise Attachment G – Traffic Regulations	Approved	9/24/18	\$ 0
2	Revise monthly revenue service hours and agreed-upon unit rates for the period June 1, 2020, through June 30, 2020, due to Covid-19.	Approved	6/1/20	\$ 0
3	Revise monthly revenue service hours and agreed-upon unit rates for the period August 1, 2020, through August 31, 2020, due to Covid-19.	Approved	7/1/20	\$ 0
4	Revise monthly revenue service hours and agreed-upon unit rates for the period September 1, 2020, through September 30, 2020, due to Covid-19.	Approved	9/1/20	\$ 0
5	Revise monthly revenue service hours and agreed-upon unit rates for the period November 1, 2020, through November 30, 2020, due to Covid-19.	Approved	10/1/20	\$ 0
6	Revise monthly revenue service hours and agreed-upon unit rates for the period December 1, 2020, through June 30, 2021, due to Covid-19.	Approved	12/1/20	\$ 0
7	Updated SP-04, Approved Subcontractors and Suppliers, SP-21, and Payment and Exhibit II – Statement of Work and deleted and Reporting of Prevailing Wage, SP-22, Living Wage/Service Contract Worker Retention	Approved	4/1/21	\$ 0
8	Continuation of existing services.	Approved	6/30/23	\$ 500,000

<b>Mod. No.</b>	<b>Description</b>	<b>Status (approved or pending)</b>	<b>Date</b>	<b>Amount</b>
9	Continue existing services and extend period of performance (POP) through December 4, 2023	Approved	8/2/23	\$ 0
<b>10</b>	<b>Continue existing services and extend POP through June 30, 2024</b>	<b>Pending</b>	<b>Pending</b>	<b>\$ 18,212,015</b>
	<b>Modification Total:</b>			<b>\$ 18,712,015</b>
	<b>Original Contract:</b>	<b>6/28/18</b>		<b>\$ 105,816,969</b>
	<b>Total:</b>			<b>\$ 124,528,984</b>



## DEOD SUMMARY

## CONTRACTED TRANSPORTATION SERVICES – NORTH REGION/OP52365000

**A. Small Business Participation**

Transdev Services, Inc. (TSI) made a 5.11% Disadvantaged Business Enterprise (DBE) commitment. Based on payments reported the project is 91% complete and the current DBE participation is 5.29%, exceeding the DBE commitment by 0.18%.

<b>Small Business Commitment</b>	<b>5.11% DBE</b>	<b>Small Business Participation</b>	<b>5.29% DBE</b>
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	<b>DBE/SBE Subcontractors</b>	<b>Ethnicity</b>	<b>% Committed</b>	<b>Current Participation<sup>1</sup></b>
1.	A&A Fleet Painting Inc.	Hispanic American	1.49%	1.99%
2.	All Petro Resources	Hispanic American	0.36%	0.27%
3.	Becnal Uniforms, Inc.	Caucasian Female	0.44%	0.23%
4.	Briteworks	Hispanic American	2.20%	1.86%
5.	Diego's Auto Repair, Inc.	Hispanic American	0.36%	0.29%
6.	Rubicon Security Systems	Subcontinent Asian American	0.26%	0.65%
	<b>Total</b>		<b>5.11%</b>	<b>5.29%</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**

A review of the current service contract indicates that the Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) was not applicable at the time of award. Therefore, the LW/SCWRP is not applicable to this modification.

**C. Prevailing Wage Applicability**

Prevailing wage is not applicable to this modification.

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

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

construction contracts that have a construction contract value in excess of \$2.5 million.