

Agenda Report

TO: CITY COUNCIL

September 24, 2001

FROM: CITY MANAGER

SUBJECT: AUTHORIZATION TO EXECUTE A SERVICE CONTRACT WITH COACH U.S.A. TRANSIT SERVICES FOR THE PROVISION OF FIXED ROUTE (ARTS) AND DIAL-A-RIDE SERVICES IN THE CITY OF PASADENA AND EXTENSION OF CURRENT CONTRACTS WITH LAIDLAW TRANSIT SERVICES UNTIL NEW SERVICES BEGIN

RECOMMENDATION

It is recommended that the City Council:

- 1) Authorize the City Manager to enter into a contract with Coach U.S.A. Transit Services to provide fixed route transit (ARTS) and Dial-A-Ride services in an amount not to exceed \$13,123,108 for an initial period of five years. Competitive bidding is not required pursuant to City Charter Section 1002(F) contract for professional or unique services;
- 2) Authorize the City Manager to negotiate an agreement with Laidlaw Transit Services to extend the current contracts until November 30, 2001 at a cost not to exceed \$308,000 for ARTS (Contract 15,375) and \$186,000 for Dial-A-Ride (Contract 15,986); and
- 3) Approve a journal voucher amending the FY 2002 Operating Budget to recognize and appropriate \$459,868 to the ARTS program (Account 8114-209-763309) and \$216,284 to the Dial-A-Ride program (Account 8114-208-763312) from the unencumbered Proposition C fund balance.

BACKGROUND

In February 2001, the Department of Public Works & Transportation, Transportation Division issued a Request for Proposals (RFP) to provide fixed route (ARTS) and Dial-A-Ride (DAR) services in the City of Pasadena. The cost proposals for services were based on maintaining Dial-A-Ride services at current service levels of 21,000 hours and increased service hours for the ARTS service (an increase in hours from the current 24,916 hours to 42,038 by Fiscal Year 2003/2004). The Department submitted a proposed operating budget for Fiscal Year 2002 to

support this service expansion but only the base budget was adopted at the time. The City Council directed that an additional review of ARTS service expansion plans take place by the Transportation Advisory Commission. Subsequently, the Proposers were requested to submit revised cost proposals for existing service levels, excluding the expanded hours included in their first proposal.

While staff recommends that a contract be awarded at this time for existing service levels, a plan to reduce over crowding on the ARTS service is under development. A recommendation will be presented to City Council in October to expand service hours. This report will include a supporting funding plan. Upon approval of a new service level staff will return to City Council to amend the contract.

The three responsive Proposers, who submitted proposals on March 22, 2001 are:

- Coach U.S.A. Transit Services, Horseheads, New York
- Laidlaw Transit Services, Inc., Shawnee Mission, Kansas
- Transportation Concepts, Irvine, California

The Proposals were reviewed and evaluated by an Evaluation Committee consisting of City staff from various departments. The evaluation process included review of proposals and an interview session with each of the three Proposers. Cost for services was one portion of the evaluation criteria, accounting for 20 percent, or a maximum of 20 out of 100 points. The revised cost proposals submitted to the City on August 13, 2001, were substituted for the original cost proposals. The final rankings for the three Proposers showing both the original scoring and the revised scoring are:

<u>Proposer</u>	Score (100 pts. Possible)	
	<u>Original</u>	<u>Revised</u>
Coach U.S.A. Transit Services	87.0	87.0
Transportation Concepts	84.3	86.6
Laidlaw Transit Services	79.2	79.8

The RFP was structured to allow Proposers to submit proposals for both the ARTS and Dial-A-Ride services, or each service separately. All three Proposers submitted proposals showing the cost for operating the ARTS and Dial-A-Ride services separately, as well as a combined proposal. The Proposers were asked to resubmit revised cost proposals for a combined ARTS and Dial-A-Ride contract. Based on the costs presented, the City is able to realize cost savings by having a single contract for both services.

The proposed cost for the initial five-year term from each Proposer is shown below:

<u>Proposer</u>	<u>ARTS & DAR</u>
Coach U.S.A.	\$13,123,108
Transportation Concepts	\$14,020,398
Laidlaw	\$15,219,039

The recommended Proposer, Coach U.S.A., has proposed a transition plan that includes delivery of new buses for the ARTS service in late February 2002. However, this delivery date will have to be extended due to the delay in awarding the contract. The buses used in the interim will be a different style bus than currently used and will not have the familiar artwork on them. They will however, be identifiable as ARTS buses. When the new buses are put into service they will be wrapped with the ARTS' traditional artwork.

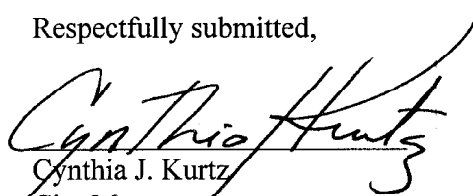
Staff recommends that the award for service cover both the ARTS and Dial-A-Ride programs. However, it is recognized that concern for the cost of Dial-A-Ride service has been an issue. During the first year of the contract, the billable hourly rate will be \$56.08. At this rate, the estimated cost per passenger is \$16.00 per passenger trip. During the second year the billable hourly rate drops to \$55.54 reducing the cost per passenger trip to \$15.87. With expanded service hours, the cost per passenger trip will be further reduced. Maintaining a combined contract (ARTS and Dial-A-Ride) with Coach U.S.A. will benefit both programs with lower operating costs.

FISCAL IMPACT

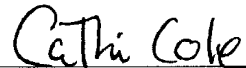
The Public Works & Transportation Department's FY 2002 Adopted Operating Budget for ARTS and Dial-A-Ride transit service was developed based on the assumption of a lower cost per operating hour than the rates the City has been paying, and expects to pay under the new contract. The higher rates will require a budget adjustment to both the ARTS and Dial-A-Ride program accounts. In October, staff will return to City Council with a plan to reduce overcrowding on the Uptown Route and restructure the Downtown Route. It is anticipated that there will be an economy of scale, and that staff will be able to negotiate a new, lower service rate.

The FY 2002 Operating Budget will need to be amended to recognize and appropriate \$459,868 to the ARTS program (Account 8114-209-763309) and \$216,284 to the Dial-A-Ride program (Account 8114-208-763312). Sufficient revenue is available in the unencumbered Proposition C fund balance.


Respectfully submitted,


Cynthia J. Kurtz
City Manager


Prepared by:


Cathi Cole, Transit Manager
Public Works and Transportation

Reviewed by:


Bahman Janka, Transportation Administrator
Public Works and Transportation

Approved by:


C. Bernard Gilpin, Director
Public Works and Transportation

Attachment