

Agenda Report

June 2, 2014

TO: Honorable Mayor and City Council

FROM: Department of Transportation

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH FIRST TRANSIT FOR THE OPERATION OF PASADENA'S FIXED-ROUTE AND DIAL-A-RIDE TRANSIT SERVICES FROM JULY 1, 2014 THROUGH JUNE 30, 2019

RECOMMENDATION:

It is recommended that the City Council:

1. Find this action is exempt from the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15061 (b) (3); and
2. Authorize the City Manager to enter into a five-year contract with First Transit to operate the City of Pasadena's fixed-route (Area Rapid Transit System or "ARTS") and Dial-A-Ride transit services for a period of five years from July 1, 2014 through June 30, 2019 for an amount not to exceed \$26,632,712, with one two-year option subject to the approval of the City Manager. Competitive bidding is not required pursuant to City Charter Article X Section 1002(F), Contracts for professional or unique services.

BACKGROUND:

The City of Pasadena contracts its transit services to manage, operate and maintain its fixed-route (Area Rapid Transit System or "ARTS") and Dial-A-Ride services. Pasadena operates a fixed-route community circulator that provides local transit services that complement and feed into the regional transit services provided primarily by the Los Angeles County Metropolitan Transportation Authority (Metro) and Foothill Transit. Pasadena Dial-A-Ride service consists of shared, curb-to-curb transportation services to persons who live in the designated service area who are at least 60 years old or who are under 60 years old with a physician-certified disability that prevents the use of regular fixed-route services. The current transit services contractor is First Transit.

Currently there are six (6) ARTS routes with seventeen (17) fixed-route buses operating during the peak periods and the system has approximately 1.5 million annual passenger

boardings. The Dial-A-Ride program provides service in Pasadena, San Marino, Altadena, and the unincorporated areas within Pasadena and San Gabriel. Dial-A-Ride provides nearly 70,000 annual trips to seniors and individuals with disabilities. During the peak periods there are ten (10) shuttle-style vehicles in service.

The current contract is with First Transit. Services for both the ARTS and Dial-A-Ride are provided with City-owned vehicles. The fixed-route ARTS fleet consists of twenty-five (25) vehicles and there are eleven (11) Dial-A-Ride vehicles. The total transit fleet represents over \$8,000,000 in capital assets, \$7.5 million of which includes the recent acquisition of 23 fixed-route buses.

On February 20, 2014, a Request for Proposals (RFP) for the provision of Pasadena's fixed-route and Dial-A-Ride transit services was issued and released to prospective vendors via notification on the City's vendor list, emails to potential proposers, and a website posting on the California Association for Coordinated Transportation (CalACT) website. The contract term for the services provided under this RFP will commence on July 1, 2014 and will consist of five (5) base years with one (1) two-year option. A pre-proposal meeting was held on February 26, 2014, which included the City's transit and procurement staff. Proposals were received from three firms (listed below in alphabetical order) on March 25, 2014:

- First Transit – Cincinnati, Ohio
- MV Transportation – Dallas, Texas
- Veolia Transportation – Lombard, Illinois

The contract award recommendation of First Transit is based on a thorough review of the submitted proposals using the selection criterion identified in the RFP and in-depth interviews that included the key management personnel proposed to operate the services and the business development team of each proposer. Additional follow up cost and scope of work information was provided by each proposer in the subsequent Best and Final Offer process. The proposal evaluation committee included the Transit Manager, the Planner in the Transit Division primarily responsible for the day-to-day service evaluation, a Department of Transportation Administrator, and an outside transportation professional who oversees the Pomona Valley Transportation Authority. First Transit was awarded the highest score by each of the evaluation committee members.

The table below provides the overall ranking of the proposers.

SCORING	FIRST TRANSIT	MV	VEOLIA
AVG SCORE	786.3	721.3	719.4
RANK	1	2	3

First Transit's staffing, project organization and management plan is the strongest of the three proposers, including: the proposed management team; training program, staff,

and support; the operations plan, including the staffing schedule and structure; maintenance program, including a robust and highly qualified technician staffing structure, as well as very strong utility staffing support (i.e., vehicle cleanliness, fueling, etc.); and very strong non-revenue and emergency support to have available for assistance with road supervision, emergency assistance, etc.

MV's cost proposal was the lowest, Veolia's was the highest, and First Transit's was in the middle. Below is a total proposed cost comparison for the base five-year term of the three companies.

Total Contract Cost Comparison – Base Five Years			
CONTRACT YEAR	FIRST TRANSIT	MV	VEOLIA
YEAR 1	\$5,017,261	\$4,959,346	\$5,106,268
YEAR 2	\$5,166,353	\$4,830,258	\$5,266,709
YEAR 3	\$5,320,687	\$4,891,533	\$5,543,597
YEAR 4	\$5,480,826	\$4,954,149	\$5,735,628
YEAR 5	\$5,647,585	\$5,031,995	\$5,963,867
TOTAL	\$26,632,712	\$24,667,281	\$27,616,069

The cost proposals are based on revenue hourly rates for the fixed-route and Dial-A-Ride services. The contractor's compensation from the City is based on revenue service hours. The contractor is not compensated for any non-revenue time, which includes fueling, travel to start a route, travel back to base after a vehicle has completed its revenue service, lunch breaks, etc. There are up to 62,000 annual revenue service hours planned for the fixed-route services beginning in FY15 and 21,000 revenue service hours on Dial-A-Ride.

Below is a breakdown of First Transit's hourly rates over the five-year term

First Transit Proposed Revenue Hourly Rates – Base Five Years		
CONTRACT YEAR	Fixed-Route (ARTS)	Dial-A-Ride
YEAR 1	\$59.92	\$62.02
YEAR 2	\$61.72	\$63.80
YEAR 3	\$63.52	\$65.82
YEAR 4	\$65.44	\$67.79
YEAR 5	\$67.42	\$69.88

This hourly rate is a significant decrease from the currently hourly rates for ARTS and Dial-A-Ride, which are \$65.27 and \$65.75, respectively. First Transit's rate decrease is due in part to a drop in their Worker's Compensation, attributable to a company-wide reduction in loss time injuries and accidents; decreased maintenance costs due to the new fixed-route vehicles; and a reduction in overtime.

At an average yearly increase of 3% each year of the five-year contract term for both fixed-route and Dial-A-Ride services, First Transit demonstrates that they have factored in increases in costs subject to inflation, including absorbing any potential increases in the City's Living Wage Ordinance and providing for a stable workforce. The average

yearly increase of the firm with the lowest proposed price, MV Transportation, is less than 1.4% for fixed-route and 1.3% for Dial-A-Ride (not including the first year which includes their start-up costs). The average yearly increase of the firm with the highest proposed price, Veolia Transportation, is 4% and just over 3.5% for fixed-route and Dial-A-Ride, respectively.

All three companies are among the top transit contractors in the nation, each offering a breadth of comparable, successful experience in providing safe and reliable transit services. First Transit's past performance is extremely strong with significant and very successful experience in Pasadena. One of the key elements of their success is the employee support, training, and other programs First Transit provides to bus operators, maintenance technicians, road supervisors, dispatchers, quality control, clerical and other staff. As evidenced by a strong employee retention rate that includes all full-time employees. Nearly half of First Transit's 74 non-management employees live in Pasadena.

COUNCIL POLICY CONSIDERATION:

This contract with First Transit for the provision of transit services supports the following goals of the City Council Strategic Plan: Improve, Maintain and Enhance Public Facilities and Infrastructure, Improve Mobility and Accessibility throughout the City, and Support and Promote the Quality of Life and Local Economy. This contract will improve and support transit use by facilitating the continuation of quality transit services to Pasadena.

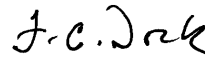
ENVIRONMENTAL ANALYSIS:

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA) and is exempt per Section 15061 (b) (3). The project is covered by the general rule that CEQA only applies to projects that have the potential for causing a significant effect on the environment. The proposed action pertains to a contract that will allow the continuation of Pasadena's existing fixed-route and Dial-A-Ride transit services. This contract will not result in any significant change in services or physical changes to the environment.

FISCAL IMPACT:

The cost of this action will be \$26,632,712 over the five-year contract term from July 1, 2014 through June 30, 2019. In Fiscal Year 2015 the cost of this action will be \$5,017,261. The expenses associated with the contract rates for both the fixed-route and Dial-A-Ride transit services are included in the Fiscal Year 2015 proposed budgets for each program in Funds 208 and 209, respectively. Both programs are funded primarily through the Los Angeles County Metropolitan Transportation Authority Local Return Sales Tax Proposition A and Proposition C, as well as Measure R.

Respectfully submitted,



FREDERICK C. DOCK
Director
Department of Transportation

Prepared by:



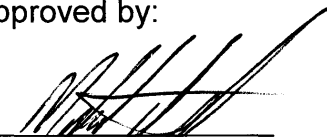
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