

Agenda Report

June 7, 2021

TO: Honorable Mayor and City Council

THROUGH: Municipal Services Committee (May 25, 2021)

FROM: Department of Transportation

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH FIRST TRANSIT, INC. FOR PASADENA FIXED ROUTE AND DIAL-A-RIDE TRANSIT SERVICES IN AN AMOUNT NOT TO EXCEED \$41,068,924 FOR A FIVE-YEAR TERM FROM JULY 1, 2021 THROUGH JUNE 30, 2026 WITH ONE TWO-YEAR OPTIONAL EXTENSION

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the authorization to enter into a contract with First Transit, Inc. for transit services 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 contract, as the result of a competitive selection process, as specified by Section 4.08.047 of the Pasadena Municipal Code, with First Transit, Inc. to operate the City of Pasadena's fixed route (Pasadena Transit) and Dial-A-Ride transit services for a base period of five years from July 1, 2021 through June 30, 2026 for an amount not to exceed \$41,068,924, which includes the base contract amount of \$40,263,651 and a contingency of \$805,273 (2%). Competitive price bidding is not required pursuant to City Charter Article X Section 1002(F), Contracts for professional or unique services; and
3. Authorize the City Manager to extend the term of this contract for one two-year option with an increase of a minimum of 3.0% or the annual increase in the Consumer Price Index, whichever is higher and a 2% contract contingency.

MUNICIPAL SERVICES COMMITTEE RECOMMENDATION:

On May 25, 2021, the Municipal Services Committee recommended that the City Council approve staff's recommendation. During Committee, there were questions raised which are addressed in the body of this report.

EXECUTIVE SUMMARY:

City of Pasadena contracts its transit services to operate and maintain its fixed route (Pasadena Transit) and Dial-A-Ride services. The City's current contract with First Transit, Inc. for transit services will expire on June 30, 2021.

In November 2020, the City released a federally compliant Request for Proposals (RFP) for operations and maintenance of its transit services. This contract authorization is to enter into a base five year contract with First Transit, Inc. for an amount not to exceed \$41,068,924, which includes the base contract amount of \$40,263,651 and a contingency of \$805,273 (2%), and one two-year option with a 2% contract contingency subject to the approval of the City Manager. As defined in Section 4.3 of the RFP, for each of the two years of the one two-year option, the compensation shall increase by a minimum of three percent (3.0%) or the annual increase in the Consumer Price Index, whichever is higher; the 3% minimum was established as reasonable and customary based on the historical annual increases in service rates for transit operations. The contract term for the services provided under this RFP will commence on July 1, 2021.

BACKGROUND:

The City of Pasadena contracts its transit services to operate and maintain its fixed route (Pasadena Transit) 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, the City's specialized transportation service for seniors and individuals who are disabled, consists of shared, curb-to-curb 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 disability.

Pasadena Transit's system includes six (6) routes with twenty-one (21) fixed route buses operating during the peak periods and approximately 1.5 million annual passenger boardings. The Dial-A-Ride program service area includes Pasadena, San Marino, Altadena, and unincorporated areas within Pasadena and San Gabriel. Dial-A-Ride provides nearly 91,000 annual trips to seniors and individuals with disabilities. During the peak Dial-A-Ride periods there are twelve (12) vehicles in service.

Services for both the Pasadena Transit and Dial-A-Ride are provided with City-owned vehicles that are operated and maintained at a facility leased by the contractor. The transit fleet currently consists of thirty-one (31) Pasadena Transit buses and fifteen (15) Dial-A-Ride vehicles, including spare vehicles.

The City's Dial-A Ride and fixed route transit operations and maintenance services are currently provided by First Transit, Inc. In July 2014, following a RFP process, the City entered into Contract Number 21,843 with First Transit, Inc. to operate and maintain its transit services. The term of the contract was for five years with one optional two-year extension (Contract No. 21,843-1). The term of that contract, including the two-year option expires on June 30, 2021.

SELECTION PROCESS:

As a sub-recipient of Federal Transit Administration (FTA) grant funds, the Department of Transportation (DOT) is required to prepare a federally compliant RFP. DOT contracted the services of a consultant, Roy Glauthier, an industry expert in compliance with federal transit 3rd party procurement regulations, to assist staff with preparing the required transit procurement documents and to provide guidance during the process. In addition, the Los Angeles County Metropolitan Transportation Authority (Metro), as the direct recipient and administrator of these federal funds, reviewed and approved the RFP prior to its release. The City's Purchasing Administrator, Risk and Insurance Administrator, as well as the City Attorney's Office, also reviewed the RFP prior to its release.

On November 3, 2020, the Department of Transportation released its RFP to solicit proposals for the provision of Pasadena's fixed route and Dial-A-Ride transit services. The RFP was issued and released to prospective vendors via notification on the City's PlanetBids website, direct emails to a list of 15 firms, and a posting on the website for the state transit association of the California Association for Coordinated Transportation (CalACT). A mandatory pre-proposal meeting attended by 15 firms was held online via Microsoft Teams on November 12, 2020, which included the City's transit and procurement staff.

On December 8, 2020, four proposals were received from the following companies: First Transit, Inc., Parking Company of America, RATP Dev USA, and Transdev. Three of these four firms were deemed responsive to the RFP and one was deemed incomplete because it did not meet the requirements as specified in the RFP. The three responsive proposals were evaluated by a committee consisting of two employees from Metro and three City of Pasadena employees from three divisions within DOT. Interviews with the three responsive firms were conducted online on December 21, 2020.

Per federal and state transit procurement guidelines, the following evaluation criteria were used to score the proposals, including the noted criteria required for compliance (federal transit procurement rules preclude local preference as part of the evaluation criteria):

Evaluation Criteria	Points
Work Plan	30 pts
Past Performance	20 pts
Staffing, Project Organization, and Management Plan	30 pts
Price Proposal	20 pts
Subtotal Points (Note 1)	100 pts
Bidding Preference for Retention of Employees [10%] (Note 2)	10 pts
Total Possible Points	110 pts

Note 1: Federal Transit Laws, Title 49, United States Code, Chapter 53, FTA Circular 4220.1F.

Note 2: Senate Bill No. 158 (California Labor Code, Chapter 4.6, Section 1070).

The table below provides the average score and overall ranking of the interviewed proposers:

Company	Location	Score	Rank
First Transit, Inc.	Cincinnati, OH	102	1
Transdev	Lombard, IL	95	2
RATP Dev USA	Fort Worth, TX	86	3

The contract award recommendation of First Transit, Inc. 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. First Transit, Inc. was awarded the highest score by each of the evaluation committee members.

First Transit's work plan, past performance, staffing, project organization, management plan, and price proposal ranked highest among the three proposers. First Transit, Inc. has been providing the City's transit services since 2003. Building upon their existing management team and successful training, safety, and maintenance programs, they are proposing to further enhance these programs, including additional workforce and customer service strategies, and implementation of new technology tools to enhance service delivery.

These tools include a new robust and significantly enhanced Dial-A-Ride scheduling software that will streamline the process for customers as well as for data management and reporting. For those Dial-A-Ride clients who choose to take advantage of this technology, the software will provide options for online booking and other self-service management options, real-time monitoring of their trips, and a mobile app. Another new technology-related opportunity that will be available to Pasadena includes being able to leverage First Transit's nationwide partnership with Lyft to explore how the City's transit service delivery can be enhanced by implementing a supplemental on-demand ridesharing technology platform.

First Transit's cost proposal was the lowest of the proposers. Below is comparison of the proposed costs for the base five-year term by each of the three companies.

Total Contract Cost Comparison – Base Five Years			
CONTRACT YEAR	FIRST TRANSIT, INC.	TRANSDEV	RATP DEV
YEAR 1	\$7,433,399	\$8,893,994	\$8,934,569
YEAR 2	\$7,726,930	\$9,225,696	\$9,308,103
YEAR 3	\$8,064,128	\$9,517,118	\$9,577,531
YEAR 4	\$8,421,511	\$9,878,608	\$9,928,617
YEAR 5	\$8,617,682	\$10,057,320	\$10,226,083
TOTAL	\$40,263,651	\$47,572,736	\$47,974,902

All three companies evaluated 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, recruitment, retention and other programs First Transit, Inc. provides to bus operators, maintenance technicians, road supervisors, dispatchers, quality control, clerical, and other staff.

The First Transit Pasadena location has just over 90 full-time employees. Over 34% of these employees have been with the First Transit Pasadena team for over 10 years and 10% have been operating the City's transit services for over 20 years. First Transit's low turnover rate and long tenure of their employees in Pasadena demonstrates their commitment to providing a meaningful wage and benefits structure and a collaborative and supportive working environment. Their hiring practices include reaching out to the Pasadena community when given opportunities to have a presence at local job fairs and other City events, by posting information at local community centers, and enthusiastically using any other means presented to them to do local outreach. Presently, over 27% of their employees are Pasadena residents.

Customer satisfaction with Pasadena Transit and Dial-A-Ride have been evidenced not only by the stable and growing ridership leading up to the pandemic, but also as documented in the customer survey that was conducted as part of the most recent Pasadena Short Range Transit Plan (SRTP), in which nearly 90% of respondents ranked their overall satisfaction with the City's transit services as excellent or good.

COUNCIL POLICY CONSIDERATION:

This contract 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 total compensation under this contract will be an amount not to exceed \$41,068,924 for the base five-year term from July 1, 2021 through June 30, 2026, including a 2% contingency, as shown in the table below.

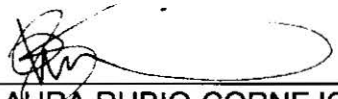
Project Budget Summary	
First Transit	Service Costs
Base Contract Year 1	\$ 7,433,399
Base Contract Year 2	\$ 7,726,930
Base Contract Year 3	\$ 8,064,128
Base Contract Year 4	\$ 8,421,511
Base Contract Year 5	\$ 8,617,682
Subtotal	\$ 40,263,651
Contingency (2%)	\$ 805,273
TOTAL	\$ 41,068,924

The table below provides a breakdown of the contract amount by service in the proposed budget for Fiscal Year 2022.

Fiscal Year 2022 Proposed Budget	
Fund 208	\$ 1,880,739
Fund 209	\$ 5,552,660
TOTAL	\$ 7,433,399

Funding for this contract is available in accounts 20824034-811400 (Dial-A-Ride Service) and 20924043-811400 (Fixed Route Bus Service) and will be budgeted as part of the operating budget on an annual basis. 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 and Measure M.

Respectfully submitted,


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