

# Agenda Report

TO: CITY COUNCIL

DATE: June 21, 1999

FROM: City Manager

SUBJECT: ARTS and Dial-A-Ride Contract Extensions

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize the City Manager to execute the first option year contract extension, Contract # 15,375 with Laidlaw Transit Services, Inc for the ARTS transit service, with not to exceed amount of \$1,234,166;
2. Authorize the City Manager to execute the first option year contract extension, Contract #15,986 with Laidlaw Transit Services, Inc for the Dial-A-Ride service;
3. Increase Contract # 15,986 not to exceed amount to \$1,097,650 for the first option year to reflect purchase of five used buses for the total amount of \$425,000, as previously approved by City Council on March 29, 1999 and ratify said purchase as exempt from competitive bidding on the basis of impracticality for reasons set forth in the agenda report, and exempt from the competitive selection process of the Affirmative Action in Contracting Ordinance pursuant to section 4.09.060(C), contracts for which the City's best interests are served; and
4. Authorize the City Manger to exercise the second one-year option on Contract #15375 and Contract #15986 at her discretion.

## **BACKGROUND:**

Mayflower Contract Services (now known as Laidlaw) began contracted Dial-A-Ride (DAR) Service for the City in 1991. In 1994, upon completion of an RFP process, Laidlaw was once again awarded the DAR contract. In early 1994, the City also distributed an RFP for its Downtown ARTS service. Laidlaw was awarded the Downtown ARTS service. Both the DAR and ARTS contracts have with a base contract term through June 30, 1999. In 1996, the City expanded the ARTS service contract with Laidlaw to include the Uptown ARTS route. The ARTS contracts also have provisions for two one-year extensions. All three contracts may be extended at the discretion of the City Manager, based upon original City Council action. However, staff is returning these contracts for City Council action as the "not-to-exceed" contract amounts are increasing because of increased services. This coincides with the March 29, 1999 City Council approval to purchase five used buses that will enable the City to respond to requests for enhanced and new ARTS service and special event charter services such as the Police Summer Games.

These two Laidlaw contracts are compliant with the City's Living Wage Ordinance. The minimum starting wage is \$8.50 for both part and full time Laidlaw employees. Full time employees, equivalent to approximately 70% of the staff, participate in Laidlaw's available health plan. Laidlaw's existing 56 person Pasadena staff has an average four-year tenure and consists of 66% Pasadena residents and 11% Altadena residents. 94% of the staff are minorities, including the management team.

Throughout the City's association with Laidlaw, Laidlaw has been quick and cooperative with City's requests to add, modify and/or adjust services. Recently, Laidlaw installed and began utilizing a computer assisted dispatch software program and vehicle tracking system allowing the DAR to become more efficient with routing and matching up passenger trips which will result in more available service and less waiting time. The vehicle tracking system has also been installed on the ARTS buses, which assists with route monitoring and enables drivers to "silently" communicate passenger or vehicle problems to the dispatch office.

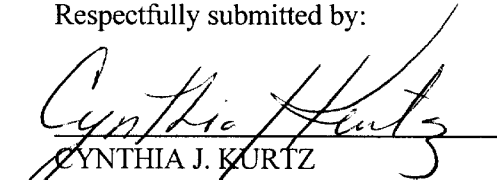
On March 29, 1999, City Council approved a lease/purchase arrangement with Laidlaw Transit to acquire five used transit vehicles to supplement existing City transit services. Normally, the acquisition of buses would be subject to competitive bidding; however, in this particular instance a unique opportunity to purchase used vehicles, three of which were demonstration models, at a cost significantly less than new buses presented itself.

The doctrine of impracticality, as outlined in Graydon v. Pasadena Redevelopment Agency, 104 Cal. App. 3d 631, 164 Cal. Rptr. 56 (1980), recognizes that in certain cases, the public interest will not be served by undertaking a competitive bid process and, therefore, advertisement for competitive bid would thus be undesirable, impractical or impossible. Such is the case with this transaction. First, the option to bid for new buses did not exist for budgetary reasons. These five buses, if purchased new, would have cost over \$600,000 in comparison with the \$425,000 spent for these buses. Second, a bid for used buses is difficult to impossible to accomplish in terms of securing any bids at all because of the limited market for similar vehicles. In addition, comparing bids on used vehicles would be impractical in terms of analyzing the trade-off between age, mileage and price; it is not an "apples to apples" comparison as it would be for new vehicles. Finally, the time factor in approval was dictated by factors outside the control of the City. Staff and Laidlaw had been searching for used buses to supplement services when the vehicles became available on short notice. Laidlaw and the vendor had other parties who were also interested in these vehicles. This information was inadvertently omitted from the original March 29<sup>th</sup> agenda report and staff respectfully requests that the City Council ratify the purchase without competitive bidding based upon impracticality at this time.

**FISCAL IMPACT:**

Sufficient funds are budgeted for these contract extensions in the FY 2000 Recommended Operating Budgets of the Transit Services-Proposition A (8114-208-763310), Transit Services-Proposition C (8114-209-763311) and Dial-A-Ride Program (8114-208-763312). Funding for the vehicle purchase was set aside by a March 29, 1999 City Council action. The vehicle purchase payments will be made from the Uptown Circulator – Proposition A (8107-209-763314) in FY 99 and from Transit Services – Proposition A (8107-208-763311) in FY 2000 and FY 2001.


Respectfully submitted by:

  
CYNTHIA J. KURTZ  
City Manager

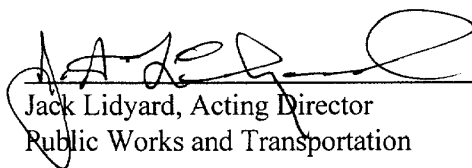
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