

**Board Report**

File #: 2016-0531, **File Type:** Contract**Agenda Number:** 50.

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
AUGUST 18, 2016****SUBJECT: CONTRACTED BUS SERVICES - SOUTH REGION****ACTION: APPROVE CONTRACT MODIFICATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to negotiate and execute Contract Modification No. 10 to Contract No. OP35902470 with MV Transportation, Inc. to **extend Contracted Bus Services - South Region for up to ten (10) months**, for the period covering September 1, 2016 through June 30, 2017, for an amount not-to-exceed \$18,666,336, thereby increasing the total contract amount from \$88,775,825 to not to exceed \$107,442,161.

ISSUE

The contract with MV Transportation, Inc. (MVTI) for operating bus service in the South Region is scheduled to expire on September 1, 2016. Metro is in the process of issuing a Request for Proposals (RFP) for a new contract in the South Region of Los Angeles County. This region covers the South Bay and Gateway Cities area.

Contract authority is required to continue the current level of service while the procurement process is completed and a subsequent contract is awarded.

DISCUSSION

Metro began contracting a portion of the bus service in 1996. Metro now operates 18 bus lines that are contracted to private transportation companies. The South Region contractor MVTI currently operates seven of these bus lines (lines 125, 128, 130, 205, 232, 607, and 625) and a portion of Metro's Dodger Stadium Express service.

Contracting a portion of the service has had both cost and operations benefits. Annual savings are realized through the lower operating costs of the contractors. Contracted service allows for greater flexibility in the ability to modify service levels and operate with the space requirements at our Metro Bus Divisions.

The current contract was established with MVTI on October 31, 2010. Since then, MVTI has operated safe and reliable service and complied with FTA and Metro's guidelines. Service is run out

of a facility located in Carson, California. Metro has an In Service On Time Performance (ISOTP) goal of 80%. In FY16, MVTI operated at an efficient ISOTP level of 79.19%.

DETERMINATION OF SAFETY IMPACT

The current contractor has performed the service with a satisfactory safety record, and is familiar with the service area and the present equipment.

FINANCIAL IMPACT

The funding of \$18,666,336 for this contracted service is included in the FY17 budget in Cost Center 3592; Project 306001, Operations Transportation; and Account 50801, Purchased Transportation.

Impact to Budget

The source of funds for this service will come from Federal, State and local funding sources that are eligible for Bus Operating Projects. These funding sources will maximize the use of funds for these activities.

ALTERNATIVES CONSIDERED

The alternative to modifying this contract is to directly operate the South Region lines. To directly operate the service would see a cost per revenue service hour increase of approximately 50%. Training would be required to operate and maintain the different types of buses currently used to provide contracted bus service. This alternative is not recommended.

NEXT STEPS

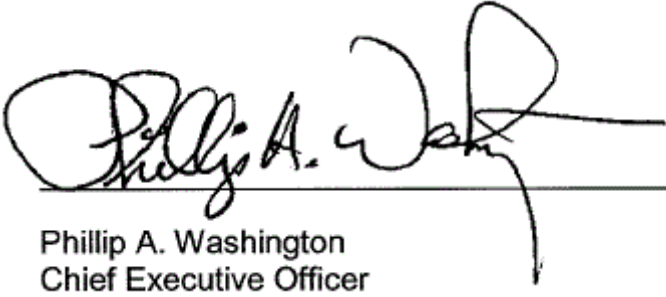
Upon Board approval, staff will execute Contract Modification No. 10 with MV Transportation, Inc. to provide contracted service through June 30, 2017.

ATTACHMENTS

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

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Reviewed by: James T. Gallagher, Chief Operations Officer
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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

CONTRACTED BUS SERVICES – SOUTH REGION
 CONTRACT NUMBER OP35902470

1.	Contract Number: OP35902470		
2.	Contractor: MV Transportation, Inc.		
3.	Mod. Work Description: Increase contract authorization and extend the period of performance		
4.	Contract Work Description: Contracted Bus Service – South Region		
5.	The following data is current as of: 7/25/16		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	6/24/10	Contract Award Amount: \$86,775,825
	Notice to Proceed (NTP):	N/A	Total of Modifications Approved: \$2,000,000
	Original Complete Date:	8/1/15	Pending Modifications (including this action): \$18,666,336 Not-to-Exceed
	Current Est. Complete Date:	6/30/17	Current Contract Value (with this action): \$107,442,161 Not-to-Exceed
7.	Contract Administrator: Kenneth Takahashi		Telephone Number: (213) 922-1047
8.	Project Manager: Cathy Rosas		Telephone Number: (213) 922-2875

A. Procurement Background

This Board Action is to approve Contract Modification No. 10 issued in support of south region contracted bus services.

This Contract Modification will be processed in accordance with Metro’s Acquisition Policy and the contract type is a firm fixed unit price.

The contract award to MV Transportation, Inc. was originally approved by the Board in June 2010 in the amount of \$86,775,825, which consisted of \$12,138,430 for diesel fuel reimbursements and \$74,637,395 for all other costs. The original period of performance was from October 31, 2010, to October 31, 2015. There have been nine contract modifications, the latest one extended the period of performance to September 1, 2016, and added contract modification authority.

See Attachment B – Contract Modification/Change Order Log.

B. Cost/Price Analysis

Staff recently received the firm's proposal and will negotiate revenue service hourly rates to ensure a fair and reasonable price. Staff will conduct their review based on cost analysis, technical evaluation, fact finding, and negotiations. The final negotiated amount will comply with all requirements of Metro's Acquisition Policy and Procedures.

Proposal Amount	Metro ICE	NTE Amount
\$18,666,336	\$18,574,876	\$18,666,336

CONTRACT MODIFICATION/CHANGE ORDER LOG

**CONTRACTED BUS SERVICE – SOUTH REGION
CONTRACT NUMBER OP35902470**

Mod. no.	Description	Status (approved or pending)	Date	\$ Amount
1	Revisions to Statement of Work	Approved	3/22/11	No cost
2	Revisions to Statement of Work	Approved	7/25/11	No cost
3	Revisions to Statement of Work	Approved	10/21/11	No cost
4	Revisions to Statement of Work	Approved	9/11/13	No cost
5	Revisions to Statement of Work and extend period of performance	Approved	1/3/14	No cost
6	Revisions to Statement of Work	Approved	1/22/15	No cost
7	Revisions to Statement of Work	Approved	10/30/15	No cost
8	Add contract modification authority	Approved	6/2/16	\$1,000,000
9	Add contract modification authority and extend period of performance	Approved	7/12/16	\$1,000,000
10	Increase contract authorization and extend period of performance	Pending	8/30/16	\$18,666,336
	Modification Total:			\$20,666,336
	Original Contract:			\$86,775,825
	Total:			\$107,442,161

**CONTRACTED BUS SERVICES – SOUTH REGION
CONTRACT NUMBER OP35902470**

A. Small Business Participation

MV Transportation, Inc. made a Disadvantaged Business Enterprise (DBE) Anticipated Level of Participation (DALP) commitment of 0.56%. Current DBE participation is 1.93%, and the project is approximately 100% complete. MV Transportation, Inc. is currently exceeding its DBE commitment.

SMALL BUSINESS GOAL	0.56% DBE	SMALL BUSINESS COMMITMENT	1.93% DBE
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	DBE Subcontractor	% Committed	Current Participation¹	Ethnicity
1.	Teams By Design	0.20%	Substituted	Asian Pacific
2.	Temps, Inc.	0.36%	0.17%	Caucasian Female
3.	Sidney's Uniforms	Add	0.13%	Caucasian Female
4.	Global Installation & Maintenance, Inc.	Add	1.34%	African American
5.	J.M.C. and Associates	Add	0.29%	Hispanic
	Total Commitment	0.56%	1.93%	

¹Current 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

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

C. Prevailing Wage Applicability

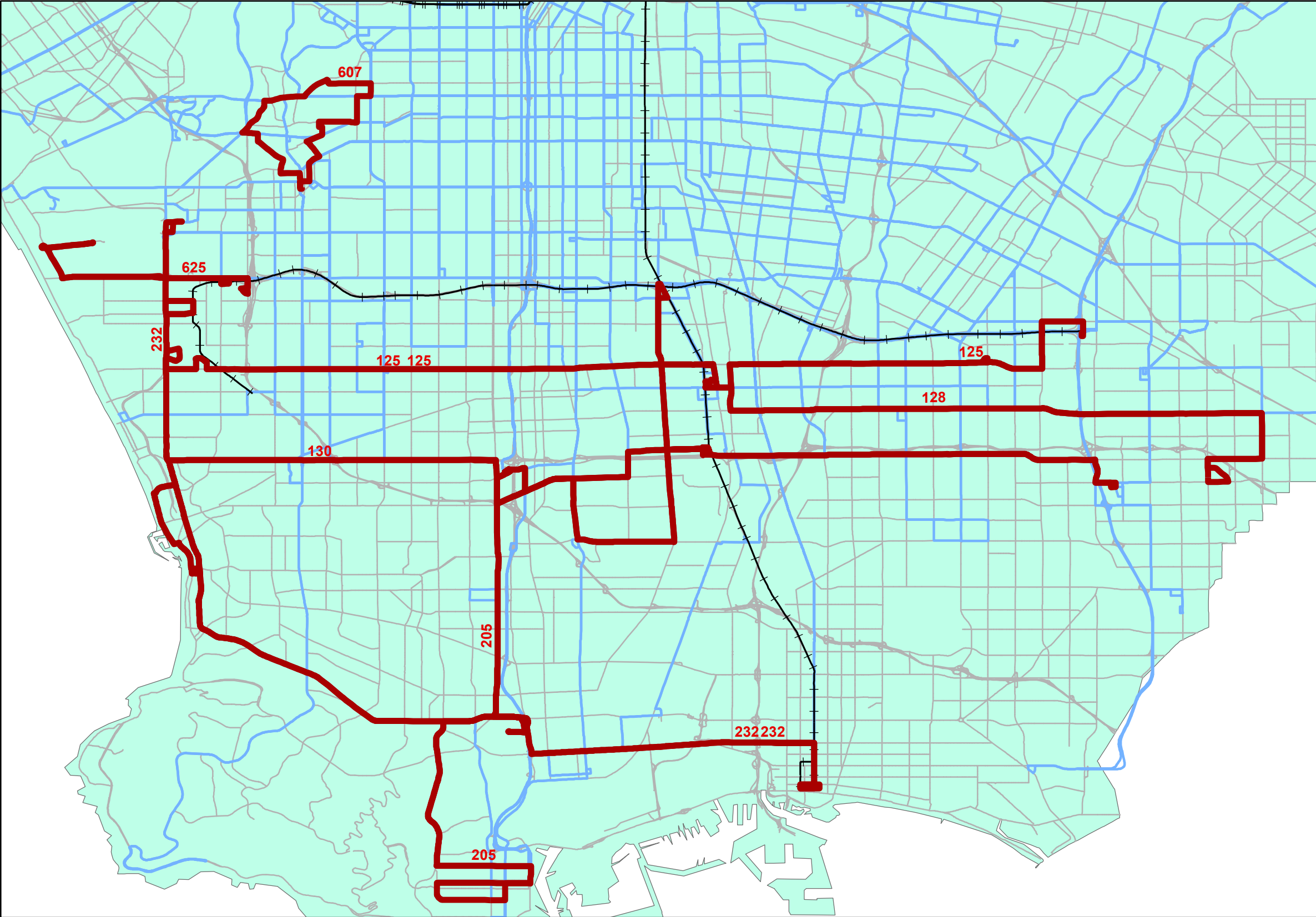
Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

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



Metro South Region Contract Service Bus Lines Per the June 2016 Service Change



Legend

- Metro South Region Contract Lines
- Metro Rail Lines
- Metro Bus Lines
- Major Streets
- Metro Service Area



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