Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

Metro

Board Report

File #: 2017-0299, **File Type:** Contract **Agenda Number:** 31.

SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
JUNE 15, 2017

SUBJECT: CONTRACTED BUS SERVICE - EAST REGION

ACTION: AWARD CONTRACT FOR CONTRACTED BUS SERVICE

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a five-year, firm fixed unit price Contract No. OP38382000 to Southland Transit, Inc. for contracted bus services in the East Region in an amount not-to-exceed $65,245,597 effective July 1, 2017, subject to resolution of protest(s), if any.

ISSUE

The current contract with Southland Transit, Inc. (Southland) for operating bus services in the East Region is scheduled to expire on June 30, 2017. A new contract is required to continue the service.

DISCUSSION

Metro operates 18 bus lines that are contracted to private transportation companies. The East Region contractor currently operates five of these lines as follows: 254, 256, 266, 577, and 605.

Line	Description	Annual RSH*	Annual Passengers
254	Boyle Heights - 103rd St. Station via Lorena St. & Boyle Ave.	10,575	227,198
256	Commerce - Altadena via Eastern Ave. & Hill Ave.	26,435	533,293
266	Lakewood - Pasadena via Roasemead Blvd. & Lakewood Blvd.	37,551	1,581,242
577	Metro Express (El Monte Station - Downtown Long Beach via I-605 Fwy.)	15,762	214,672
605	Grande Vista Ave. - Boyle Heights - LA County + USC Medical Center	17,095	680,051

*RSH = Revenue Service Hours

Metro began contracting a portion of bus services in 1996. The first 13 contracted lines were existing services Metro operated. These lines were transferred because of their high subsidy per passenger. The remaining contract lines include some of the new local shuttle and Consent Decree services that have been added since 1996. Contracting a portion of the bus services has provided both cost and

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operational benefits:

- Annual savings are realized through the lower operating costs of the contractors.
- Modifications or expansion to existing bus divisions are not necessary when new services are added.
- Contracts allow greater flexibility in operation. Lines can be quickly added, cancelled, or modified.

Despite being operated by a contractor, Metro Service Planning Department still includes all East Region routes in all performance and planning analyses. Changes are effected semiannually or when needed to ensure optimal and efficient service performance.

In July 2010, the Board approved an award of a five-year contract with Southland Transit which expires June 30, 2017. The new proposed Contract requires the contractor to pay for CNG fuel costs for buses and develop a plan for the installation of a CNG station within their facility for reliability of operation.

The new Contract contains additional provisions related to vehicle maintenance, including dedicated positions for maintenance of Metro-owned communications equipment such as advance transportation management system (ATMS), automated passenger count (APC), and others, stricter body damage and appearance standards, and specific procedures for the transfer of vehicles to and from contractor to further increase service versatility. The Contract also contains the same provisions that allow for service levels to be increased or decreased over the term of the Contract based on our operating needs. Additionally, Metro has implemented new provisions to incentivize the application for, and receipt of, fuel tax credits and grants relating to the maintenance of Metro's buses. These provisions allow the contractor to retain a majority of the fuel tax credits/grants toward the beginning of the contract period and gradually balance out to where the contractor and Metro evenly retain the fuel tax credits/grants.

The new Contract term will begin July 1, 2017 and end June 30, 2022.

DETERMINATION OF SAFETY IMPACT

The proposed Contract contains provisions requiring minimum levels training that will ensure the safest possible operation of our equipment and service.

FINANCIAL IMPACT

The funding of $12,070,511 for this contracted service is included in the FY18 budget in Cost Center 3593; Project 306001, Operations Transportation, and Account 50801, Purchases Transportation. Since this is a multi-year contract, the cost center manager and Chief Operations Officer will be accountable for budgeting the cost in future years, including any options exercised.

Impact to Budget
The source of funds for this service will come from Federal, State, and local funding sources including sales tax and fares that are eligible for Bus Operating Projects. These funding sources will

maximize the use of funds for these activities given funding provisions.

ALTERNATIVES CONSIDERED

The alternate to awarding a new contract, staff considered in-house services. Based on the proposed FY18 marginal bus operating cost of $167.65 per Revenue Service Hours, it would cost more to operate these services in-house and would require physical modifications to our facilities to operate and maintain the vehicles used for this service. The new cost for services is $104.96 per Revenue Service Hour for CNG. The East region does not operate diesel vehicles.

NEXT STEPS

Upon Board approval, staff will execute Contract No. OP38382000 to Southland Transit, Inc. In spring 2022, staff will return to the Board with recommendations based upon further evaluation of the services provided under this Contract.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - East Region Service Map
Attachment C - DEOD Summary

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Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

CONTRACT BUS SERVICES – EAST REGION/OP38382000

1.	**Contract Number**: OP38382000	
2.	**Recommended Vendor**: Southland Transit, Inc.	
3.	**Type of Procurement (check one):** ☐ **IFB** ☒ **RFP** ☐ **RFP–A&E** ☐ **Non-Competitive** ☐ **Modification** ☐ **Task Order**	
4.	**Procurement Dates**:	
	A. Issued: February 22, 2017	
	B. Advertised/Publicized: February 24, 2017	
	C. Pre-Proposal Conference: March 7, 2017	
	D. Proposals Due: April 5, 2017	
	E. Pre-Qualification Completed: Pending (Due to Proposal clarifications and revisions Pre-Qualification will be delayed)	
	F. Conflict of Interest Form Submitted to Ethics: May 1, 2017	
	G. Protest Period End Date: June 15, 2017	
5.	**Solicitations Picked up/Downloaded**: 21	**Bids/Proposals Received**: 3
6.	**Contract Administrator**: Antwaun Boykin	**Telephone Number**: 213-922-1056
7.	**Project Manager**: Cathy Rosas	**Telephone Number**: 213-922-2875

A. Procurement Background

This Board Action is to approve the award of Contract No. OP38382000 issued in support of contracted operation of local transit lines in the east region of Los Angeles County. The East Region includes five transit lines which are predominantly operated within the Metro Gateway Cities and the San Gabriel Valley service areas. Board approval of contract awards are subject to resolution of any properly submitted protest.

Request for Proposals (RFP) No. OP38382 was issued in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit price. In an effort to limit the potential risk of loss of service due to failed CHP inspections, labor stoppage, and poor performance, RFP No. OP38382 stated that the Contract award for RFP No. OP38382, Contracted Transportation Services – East Region will not be made to the same awardee of RFP No. OP38384, Contracted Transportation Services – South Region. Firms were allowed to propose on RFP No. OP38382, RFP No. OP38384, or both. However, one firm could not be awarded both contracts.

Three amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on March 13, 2017, clarified Pre-Proposal Documents;
- Amendment No. 2, issued on March 21, 2017, extended the proposal due date;

- Amendment No. 3, issued on March 27, 2017, clarified the Exhibit II Statement of Work, Attachment W Engine information, Additional information requested, Volume II Compliance Forms, Add Variable Unit Rate Pricing Schedule;

Three proposals were received on April 5, 2017. All three were found to be responsive and responsible after initial review.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Transportation Contract Services, Safety, Revenue Collection, Transportation Operations, and Service Planning and Scheduling was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

• Qualifications of the Firm	10 percent
• Qualifications Of Proposed Staff	15 percent
• Proposed Facility	15 percent
• Operating Methodology/Work Plan	25 percent
• Past Performance	15 percent
• Price	20 percent

The evaluation criteria are appropriate and consistent with criteria developed for other, similar contracted services. Several factors were considered when developing these weights, giving the greatest importance to the operating methodology/work plan.

Of the three proposals received, all were determined to be within the competitive range. The firms are listed below in alphabetical order:

1. First Transit, Inc.
2. MV Transportation, Inc.
3. Southland Transit, Inc.

During the week(s) of April 14 through April 28, the PET conducted proposed facility site visits and proposer interviews. The firms' project managers and key team members had an opportunity to present their team's qualifications and respond to questions from the evaluation committee. In general, each team's presentation addressed the requirements of the RFP, experience with all aspects of the required tasks, and stressed each firm's commitment to the success of the project. Also highlighted were staffing plans, facility plans, and work plans. Each team was asked questions relative to their firm's proposed alternatives and previous experience with similar projects.

Qualifications Summary of Firms within the Competitive Range:

Southland Transit, Inc.

Southland Transit, Inc. has established itself as the leading local transit firm in southern California by providing professionally operated, cost effective transit service to a variety of different size governmental agencies. Southland Transit has consistently exceeded on-time performance standards and achieved close to 100% service delivery. In addition to their experience at Metro, Southland Transit's management team has experience serving contracted lines for such agencies as, Los Angeles Department of Transportation (LADOT), Foothill Transit, AVTA, OCTA, RTA, and MTS.

MV Transportation, Inc.

Established more than 40 years ago, MV Transportation (MV) has 16 years of experience operating transit services in the Los Angeles area. MV is extremely familiar with the unique characteristics of the County. MV has also worked with LADOT, the City of Santa Clarita Transit, and the Regional Transportation Commission of Southern Nevada. MV offers Metro the ongoing leadership of its existing Metro East Region management team. MV has operated Metro's East Region services since 2010. MV proposed a team of locally-based transit professionals who offer experienced and highly specialized leadership in the areas of operations, contract management, safety, finance, maintenance, training, labor relations, human resources, recruiting, and numerous other areas.

First Transit, Inc.

First Transit, Inc. has 60 years of transportation operations and management experience with over 320 current contracts. With over 70 locations across the State of California, FirstGroup America (including First Transit, First Vehicle Services, First Student and Greyhound) is the largest private supplier of transportation services in the state. First Transit and First Vehicle Services have nearly 40 contracts in California. First Transit, Inc. has region and corporate management professionals who have extensive transit expertise, providing location support in areas of safety, training, administration, accounting, insurance claims management, and human resources.

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	**MV Transportation, Inc.**				
3	Qualifications Of The Firm	88.00	10.00%	8.80	
4	Qualifications Of Proposed Staff	80.13	15.00%	12.02	
5	Contractor Facility	88.00	15.00%	13.20	
6	Operating Methodology/Work Plan	88.08	25.00%	22.02	
7	Past Performance	86.13	15.00%	12.92	
8	Price For Services	100.00	20.00%	20.00	
9	**Total**		**100.00%**	**88.96**	**1**
10	**Southland Transit, Inc.**				
11	Qualifications Of The Firm	88.00	10.00%	8.80	
12	Qualifications Of Proposed Staff	84.00	15.00%	12.60	
13	Contractor Facility	92.00	15.00%	13.80	
14	Operating Methodology/Work Plan	88.56	25.00%	22.14	
15	Past Performance	88.53	15.00%	13.28	
16	Price For Services	89.50	20.00%	17.90	
17	**Total**		**100.00%**	**88.52**	**2**
18	**First Transit, Inc.**				
19	Qualifications Of The Firm	88.00	10.00%	8.80	
20	Qualifications Of Proposed Staff	90.00	15.00%	13.50	
21	Contractor Facility	82.13	15.00%	12.32	
22	Operating Methodology/Work Plan	90.08	25.00%	22.52	
23	Past Performance	83.2	15.00%	12.48	
24	Price For Services	75.00	20.00%	15.00	
25	**Total**		**100.00%**	**84.62**	**3**

As previously stated, firms were allowed to propose on RFP No. OP38382 (East Region), RFP No. OP38384 (South Region), or both. However, one firm could not be awarded both contracts as stipulated in the RFPs. Although MV Transportation's score was slightly higher as a result of this evaluation, MV Transportation is being recommended for award for the South Region. Therefore, Southland Transit is recommended for award for the East Region.

C. Price Analysis

The recommended price has been determined to be fair and reasonable based upon adequate competition.

	Proposer Name	Proposal Amount	Metro ICE	NTE amount
1.	Southland Transit, Inc.	$65,245,596.52	$58,775,515.04	$65,245,597.00
2.	MV Transportation, Inc.	$58,315,350.00		
3.	First Transit, Inc.	$77,781,165.17		

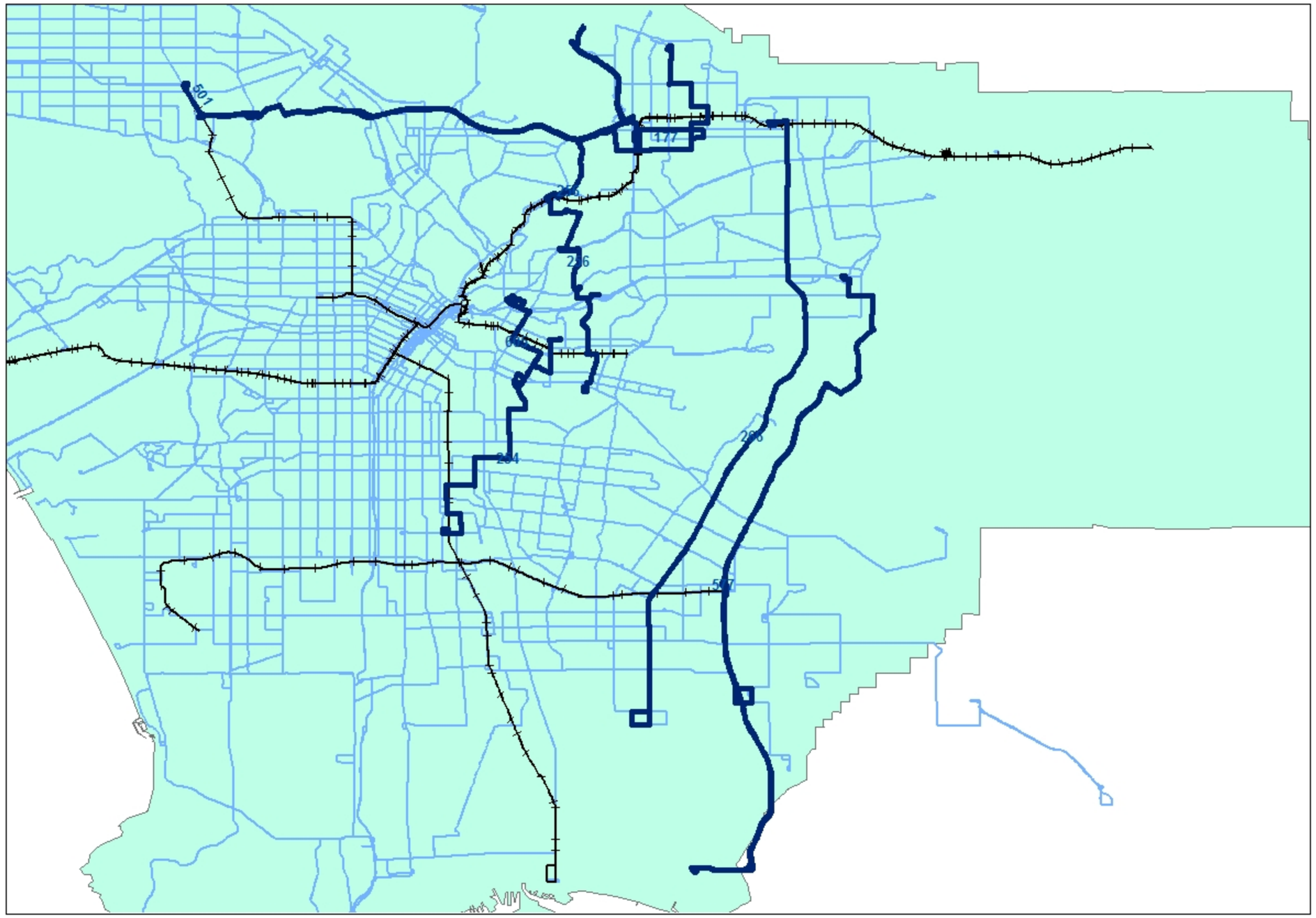
D. Background on Recommended Contractor

The recommended firm, Southland Transit, Inc., located in El Monte, CA has been serving Southern California communities for over 64 years and has provided professionally operated, cost effective transit service to a variety of different size governmental agencies. In addition to being the current operator of the LA Metro East Region Services many of the other projects operated by Southland Transit are in the San Gabriel Valley and the greater Los Angeles County for LADOT, City of Santa Clarita, and numerous cities within the greater Los Angeles Metropolitan area. Southland Transit is proposing four of their professional management staff to lead the team on this service. The professional staff is current employees already assigned to the East Division management team. The proposed General Manager has built a progressive distinguished record of accomplishment in the transit industry as a driver, Road Supervisor, Operations Manager, and as a General Manager.

Southland Transit, Inc. is the incumbent for the current contract with Metro and has performed satisfactory.

ATTACHMENT B

Metro East Region Contract Service Bus Lines



Legend

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

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Prepared by Metro Service Planning

May, 2017

DEOD SUMMARY

CONTRACTED BUS SERVICES – EAST REGION/OP38382000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 5% Disadvantaged Business Enterprise (DBE) goal for this solicitation. Southland Transit, Inc. exceeded the goal by making a 5.15% DBE commitment.

Small Business Goal	5% DBE	Small Business Commitment	5.15% DBE

	DBE Subcontractors	Ethnicity	% Committed
1.	Performance Auto Body	Hispanic American	1.87%
2.	JCM & Associates, Inc.	Hispanic American	0.34%
3.	J.D. Evans, Inc.	Caucasian Female	0.05%
4.	Carl's Electric, Inc.	Asian Pacific American	0.21%
5.	Tranco Upholstery	Asian Pacific American	0.32%
6.	Trans-Global Services	Asian Pacific American Female	2.36%
		Total Commitment	**5.15%**

B. Contracting Outreach and Mentoring Plan

To be responsive, Proposers were required to submit a Contracting Outreach and Mentoring Plan (COMP), which included its plan to mentor one (1) DBE firm for protégé development. The selected DBE protégé is Trans-Global Services.

C. Living Wage and Service Contract Worker Retention Policy Applicability

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

D. Prevailing Wage Applicability

Prevailing wage is not applicable to this Contract.

E. Project Labor Agreement/Construction Careers Policy

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