

December 10, 2019

TO: MAYOR AND CITY COUNCIL MEMBERS

FROM: PUBLIC WORKS DEPARTMENT

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON RESCINDING RESOLUTION NO. 25,153, RE-ACCEPTING THE PROPOSAL OF MV TRANSPORTATION, INC. AND RE-AUTHORIZING THE CITY MANAGER TO ENTER INTO A 3-YEAR FIXED ROUTE TRANSIT SERVICE AGREEMENT AND ISSUE A PURCHASE ORDER FOR THE OPERATION AND MAINTENANCE OF THE COMPTON RENAISSANCE FIXED ROUTE TRANSIT SYSTEM (\$3,772,135)

SUMMARY

This resolution will re-accept the proposal submitted by MV Transportation, Inc., authorize the City Manager to enter into a three (3) year (i.e. November 19, 2019 through November 18, 2022) fixed route transit service agreement; with an option to extend the agreement for two (2) - one (1) year terms with MV Transportation, Inc. for the operation and maintenance of the Compton Renaissance Fixed Route Transit System; and establish two (2) purchase orders as follows: (1) in the amount of One Million Two Hundred Twenty Seven Thousand Five Hundred and Ninety Dollars (\$1,227,590.00) for services rendered during the first (1st) contract year; and (2) in the amount of Two Hundred Thousand Dollars (\$200,000.00) needed for fuel and special expenses requested by the City.

BACKGROUND

The Compton Renaissance Fixed Route Transit System ("Transit System") was developed in October 1995 in conformance with the Public Transportation section of the Circulation Element of the General Plan.

The Transit System's service has been an integral part of the community for 24 years, serving both residents of Compton and adjoining communities. The Transit System provides feeder service to the regional and sub-regional transit system, as well as the Metropolitan Transit Authority (MTA) Blue Line Light Rail Transit System and Regional Bus Transit System.

The Transit System consist of five (5) routes city-wide and is currently maintained and operated by MV Transportation, Inc. ("MV Transportation"). Effective February 1, 2020, MV Transportation will operate transit service from 6:00 am to 6:00 pm each weekday and from 9:00 am to 3:00 pm on Saturdays, using the City's fleet of (five) 5 Compressed Natural Gas buses.

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MV Transportation has been operating the City's transit buses since 2003 and has been committed to providing good service to the City of Compton. MV Transportation has a long standing team dedicated to the management and operation of the Compton services based in MV Transportation's nearby Paramount, California location. The current agreement with MV Transportation expired on November 18, 2019.

On July 24, 2019, the Public Works Department advertised a "Request For Proposals" for the operation and maintenance of the Compton Renaissance Fixed Route Transit System for a period of three (3) years, with two (2) one (1) year contract extension options.

The RFP requested that the Contractor (s) proposal include the following:

- Qualifications
- Management Structure and Key Personnel
- Financial Viability
- Operations Plan
- Storage and Maintenance Program
- CNG Experience and Management Plan
- Cost

On August 22, 2019, the City received one (1) proposal summarized as follows:

Name of Company	Ranking	1st Year	2nd Year	3rd Year	Total Bid
MV Transportation, Inc.	1	\$960,287	\$984,911	\$1,013,487	\$2,958,685 over 3 years

Qualifications

MV Transportation is the largest provider of privately contracted paratransit and fixed route services in California. MV Transportation operates more than 700 fixed-route transit buses and provides more service than any other contractor on behalf of the Los Angeles Department of Transportation (LADOT). MV Transportation, Inc. has provided great service to the City of Compton operating the Renaissance Transit System since 2003.

Management Structure and Key Personnel

MV Transportation will leverage the staff resources at its Paramount operation to provide the City with access to the General Manager, Operations Manager, Maintenance Manager, Safety and Training Manager, and the Regional Vice-President to provide regional and corporate support to the City.

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Additionally, MV Transportation will make special efforts to attract qualified operators from Compton to fill open positions. These efforts include publication of notice in the local press, local media advertisements and posted notices, and notification at the local unemployment office of available positions.

Financial Viability

MV Transportation's financial position is solid and has strengthened over the last two years. The company has the financial resources and where-with-all to meet its financial obligations. MV Transportation maintains credit with a major commercial bank with a revolving line of credit of up to \$185 million.

Operations Plan

MV Transportation performs all administrative and maintenance from its facility located at 7209 East Rosecrans Avenue, Paramount, CA, which is just 4 miles from the service area. MV Transportation's location reduces overall cost for the City and ensures timely response to any service issues. MV Transportation will enhance service quality through improved feedback on operator performance and operational meetings.

Storage and Maintenance Program

MV Transportation operations, dispatching, training, maintenance, cleaning, fueling, and vehicle storage from its current Paramount, CA facility. This facility provides approximately 1,625 square feet of office space. The space supports all dispatch, administration, and management of the system. The facility offers ample room for additional operators in the operator training/meeting room.

CNG Experience and Management Plan

MV Transportation has specific CNG training programs administered by the Maintenance Manager. The Maintenance Manager ensures proper procedures are followed, that includes detailed instructions on the proper use of engine oil for alternatively-fueled vehicles. MV Transportation has developed an excellent relationship with the Natural Gas Vehicle Institute and vendors to provide training in the maintenance, diagnosis and repair of compressed natural gas vehicles.

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Cost

The cost to provide operation and maintenance of the Transit System for a three (3) year period is as follows:

1st Year	2nd Year	3rd Year	Total Cost
\$960,287	\$984,911	\$1,013,487	\$2,958,685 over 3 years

STATEMENT OF THE ISSUE

On November 5, 2019, City Council adopted Resolution No. 25,153, which authorized the City Manager to enter into a 3-year fixed route transit service agreement with and establish a purchase order for the operation and maintenance of the Compton Renaissance Fixed Route Transit System with MV Transportation for \$2,958,685.

On November 14, 2019, City staff met with representatives of MV Transportation. City staff was informed that the division of the company that prepared the Request For Proposal (RFP) indicated that they prepared their bid price based upon the old schedule of 8 hours/day (7:30 am – 3:30 pm, Monday – Friday) instead of the new proposed schedule of 12 hours/day (6 am – 6 pm, Monday – Friday) indicated in the RFP. The Saturday schedule of 6 hour (9 am – 3 pm) would remain unchanged.

On November 20, 2019, MV Transportation representative provide City staff with a revised cost proposal based upon the 12 hour/day schedule as follows:

1st Year	2nd Year	3rd Year	Total Cost
\$1,227,590	\$1,249,685	\$1,294,860	\$3,772,135 over 3 years

Upon review of the revised cost proposal, staff has determined that it is in the best interest of the City to accept the revised proposal submitted by MV Transportation for \$1,227,590 - 1st Year, \$1,249,685 – 2nd Year, and \$1,294,860 -3rd Year. Additionally, the City, at its discretion, may elect to exercise two (2) - one year extension options at a cost of \$1,324,947 - Option Year 1 and \$1,352,405 – Option Year 2.

Therefore, the Public Works Department is requesting City Council authorization to enter into a three (3) year fixed route transit agreement with MV Transportation, with two (2) one (1) year extension options and issue a purchase order in an amount of \$1,227,590 for services to be rendered in the first (1st) contract year to continue providing operations and maintenance for the Compton Renaissance Fixed Route Transit System.

FISCAL IMPACT

The total cost for the operations and maintenance of the Compton Renaissance Fixed Route Transit System for a three (3) year period is Three Million Seven Hundred Seventy Two Thousand One Hundred and Thirty Five Dollars (\$3,772,135.00). It is also estimated and requested that an additional \$200,000.00 per contract year be authorized as follows: \$150,000 annually for fuel and \$50,000 annually for special services requested by the City. As referenced above, if the two (2) one (1) year options are exercised, the cost will be \$1,036,140 for Option Year 1 and \$1,048,504 for Option Year 2 and the additional \$200,000 for fuel and special services as indicated above.

Operation of the Compton Renaissance Fixed Route Transit System is funded by the Proposition A program. Proposition A is the ½ cent sales tax measure that was approved by the voters in Los Angeles County in 1980 to finance a Transit Development Program.

Twenty-five percent (25%) of the Proposition A ½ cent sales tax is designated for the Local Return Program funds to be used by cities and the County in developing and/or improving public transit, paratransit, and related transportation infrastructure.

Proposition A Local Return Program is administered by the Los Angeles County Metropolitan Transportation Authority (“LACMTA”). Funds are distributed directly to the cities on a “per capita” basis on a monthly basis. In Fiscal Year 2019-2020 the City of Compton will receive \$1,958,254.00.

Therefore, funds in the amount of \$1,227,590.00 are available in Account No. 2000-710-000-4269. Additionally, \$200,000 will also be available in Account No. 2000-710-000-4269 for fuel and special expenses requested by the City.

RECOMMENDATION

Staff recommends the adoption of the attached Resolution.

**JOHN STRICKLAND
PROJECT MANAGER**

APPROVED FOR FORWARDING:

**CRAIG J. CORNWELL
CITY MANAGER**