

**Metro**Los Angeles County  
Metropolitan Transportation AuthorityOne Gateway Plaza  
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metro.net**SYSTEM SAFETY & OPERATIONS COMMITTEE  
APRIL 18, 2013****SUBJECT: NORTH REGION CONTRACT BUS SERVICE****ACTION: APPROVE CONTRACT AWARD****RECOMMENDATION**

Authorize the Chief Executive Officer to award a five-year firm fixed price contract, Contract No. OP35903018, to Veolia Transportation for Contract Bus Service in an amount not-to-exceed \$62,245,053 for the five-year period effective August 3, 2013.

**ISSUE**

Metro operates 18 bus lines that are contracted to private transportation companies. The North Region contractor currently operates five of these lines: 96, 167, 177, 218, and 603. The contract with the current North Region (San Fernando Valley) contractor, Veolia Transportation expires August 2, 2013.

**DISCUSSION**

The current five-year contract was awarded to Veolia Transportation in 2008. The new contract contains additional provisions related to vehicle maintenance, including mechanic staffing requirements, maintenance of ATMS equipment and additional performance standards and liquidated damages related to service delivery and vehicle maintenance. The new contract requires the contractor pay for CNG fuel costs for CNG buses. Metro is requiring contractors to pay for CNG fuel for buses and determine the cost effectiveness of fueling buses on-site or at an off-site CNG station. Veolia Transportation's facility has an on-site CNG fueling station.

Unanticipated fuel costs, other unanticipated costs, and the potential need for additional revenue service hours (RSH) are anticipated to be covered under existing delegated modification authority. The additional RSH may be necessary due to the addition or modification of contracted lines.

Line	Description	Annual Revenue Service Hours (RSH)	Annual Passengers
96	Downtown LA - Burbank via Griffith Pk Dr. & Riverside Dr.	28,072	496,594
167	Plummer St. - Coldwater Canyon Av. - Chatsworth Transportation Ctr	29,809	621,117
177	La Canada – Sierra Madre Villa via I-210 & California Bl & Walnut St	2,288	48,908
218	Cedars Sinai Medical Center - Laurel Canyon Bl. - Studio City	15,438	348,786
603	Rampart Bl. - Hoover St. - Allesandro St. - Colorado St.	58,987	2,277,947
Total		134,594	3,793,352

Metro began contracting a portion of its bus service in 1996. The first 13 contracted lines were existing Metro-operated services which were transferred because of their high subsidy per passenger. The remaining contracted lines include some of the new local shuttle and Consent Decree services that have been added since 1996.

Contracting a portion of the bus service has had both cost and operational benefits:

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

### **DETERMINATION OF SAFETY IMPACT**

The additional contract provisions for vehicle/on-board systems maintenance as well as performance standards for service delivery will ensure that we provide safe, clean, reliable, and on-time service to our customers.

### **FINANCIAL IMPACT**

The total contract amount is \$62,245,053. Funding of \$12,109,219 is included in the proposed FY14 budget in cost center 3591 - North Region Contract Services under project 306001 – Operations Transportation, account 50801 – Purchased Transportation. Since this is a multi-year contract, the cost center manager, project manager, and Executive Officer will ensure that costs are budgeted in future years.

## Impact to Budget

The funding in FY14 will come from the Enterprise Fund. No other sources of funds were considered for this activity because all of these services are funded, and budgeted in the Enterprise Fund. This activity will not impact ongoing operating costs as the department has already budgeted for the services that must be provided to the region irrespective of which contractor is operating the service.

## **ALTERNATIVES CONSIDERED**

Staff has considered assigning the North Region lines to other contractors. The current East Region contractor does not have sufficient capacity to park and maintain the additional equipment. Deadhead miles and hours would increase if the service were to be included in the East Region. The current South Region contractor has capacity to park and maintain the additional equipment; however deadhead miles and hours would increase significantly if the service were to be included in the South Region.

Staff has also considered bringing the services in-house to be operated at Metro Bus Divisions. Comparing Veolia's proposed rate to Metro's in-house rate, it would cost significantly more to operate these services in-house which would negatively affect Metro's structural deficit. Physical modifications would also be needed at existing Divisions to accommodate the additional buses and division staff, and training would be required to operate and maintain the different types of buses currently used to provide contracted bus services.

## **ATTACHMENTS**

Attachment A. Procurement History/List of Subcontractors  
Attachment B. Map of North Region

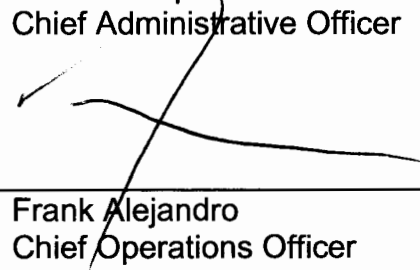
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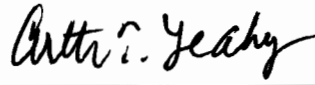
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Michelle Lopes Caldwell  
Chief Administrative Officer



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Frank Alejandro  
Chief Operations Officer



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Arthur T. Leahy  
Chief Executive Officer

## PROCUREMENT SUMMARY

**Contracted Transportation Services - North Region**

1.	Contract Number: OP35903018	
2.	Recommended Vendor: Veolia Transportation Services, Incorporated	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: October 24, 2012	
	B. Advertised/Publicized: October 27, 2012	
	C. Pre-proposal Conference: November 1, 2012	
	D. Proposals/Bids Due: December 17, 2012	
	E. Pre-Qualification Completed: Yes	
	F. Conflict of Interest Form Submitted to Ethics: Yes	
	G. Protest Period End Date: April 25, 2013	
5.	Solicitations Picked up/Downloaded: 38	Bids/Proposals Received: 2
6.	Contract Administrator: Tamara Reid	Telephone Number: (213) 922-7215
7.	Project Manager: Elizabeth Carter	Telephone Number: (213) 922-2829

**A. Procurement Background**

This Board action is to award contract OP35903018 to acquire an independent bus company for the operation of local transit lines in the San Fernando Valley region.

The RFP was issued in accordance with Metro's Acquisition Policy and the contract type is Fixed Price, Unit Rate.

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

- Amendment No. 1 issued on November 1, 2012 to update the submittal requirements;
- Amendment No. 2 issued on November 5, 2012 to provide additional information of the DBE goal;
- Amendment No. 3 issued on November 29, 2012 to transmit answers to formally received questions pertaining to the RFP requirements;
- Amendment No. 4 issued on December 4, 2012 to change the proposal due date and provide updated RFP Attachments;
- Amendment No. 5 issued on December 4, 2012 to answer remaining formal RFP questions received;
- Amendment No. 6 issued on December 6, 2012 to update RFP Attachment A, Job Classification information.

A Pre-Proposal meeting was held on November 1, 2012, and 103 questions were asked during and after the pre-proposal meeting. A total of two proposals were received on December 17, 2012.

**B. Evaluation of Proposals/Bids**

A total of two proposers responded to this solicitation. A Source Selection Committee (SSC) consisting of staff from Metro Bus Operations, Bus Contract Services, Safety, and Revenue Collection convened and conducted a comprehensive technical evaluation of the proposals received.

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

**Minimum Qualifications**

All key personnel, General Manager, Operations Manager, Maintenance manager, Safety and Training Manager shall have a minimum of three years in their specific area of expertise as it relates to local fixed route transit services.

• Qualifications of the Firm	15%
• Qualification of Proposed Staff	10%
• Facility	10%
• Operating Methodology/work Plan	20%
• Past Performance	15%
• Price	<u>35%</u>
Subtotal	105%
• Compliance with Labor Code 1070-1074	<u>10% Bonus</u>
Total	115%

The evaluation criteria are appropriate and consistent with criteria developed for other, similar Contracted Bus Services. Several factors were considered when developing these weights, giving the greatest importance to the bus operations and the management team.

Both firms were determined to be within the competitive range. The firms are listed below in alphabetical order:

1. First Transit
2. Veolia Transportation Services, Incorporated

During January 2013, the Source Selection Committee performed bus facility site surveillance surveys at each proposer’s bus operations facility or at their potential facility. This offered the SSC an opportunity to determine if the facilities meet various Metro, State, and Federal safety codes and regulations; determine if the

facility had the proper area, maintenance, repair, and fueling equipment to accommodate a fleet of approximately 60 forty-foot buses, consisting of diesel and non-diesel vehicles. Interviews were conducted with each proposer management team. Each proposer made a formal presentation addressing the requirements of the solicitation and they provided additional salient data and information pertaining to their management of bus operations.

### **Qualifications Summary of Firms Within the Competitive Range:**

#### **First Transit (FT)**

FT offered a qualified management team to manage the project and a proposed bus services facility to meet the requirements of Metro's Statement of Work. During their presentation, FT expressed their commitment to providing on-time performance and world-class transportation services. Site surveillance was conducted by Metro's SSC at the potential bus operations site. Several key safety and operational concerns were posed. The bus operational/mechanical flow was not properly laid out; the proposed facility lacked adequate onsite parking and a proper emergency exit for buses and other vehicles. The primary property entrance was for multiple uses including entering and exiting buses and other vehicle and pedestrian traffic. This was viewed as a potential safety issue. In addition, the property's capacity to park and secure 60 forty foot buses properly was questioned.

#### **Veolia Transportation Services, Incorporated**

Veolia Transportation provided a proposal that addressed all requirements of the RFP. Veolia offered an excellent operating methodology that included a detailed facility/site plan and implementation plan. At their formal management presentation, their key personnel responsible for day-to-day operations were in attendance and each made presentations, including their General, Operations, Maintenance, Safety, and Training Managers. Veolia demonstrated a qualified management team. Veolia has a CNG fueling facility in place and operational and has off-site parking that is completely separate from the primary bus and maintenance operations area. Veolia has excess space for expansion and growth and the firm has committed to various facility construction improvements.

<b>1</b>	<b>FIRM</b>	<b>Average Score</b>	<b>Factor Weight</b>	<b>Weighted Average Score</b>	<b>Rank</b>
<b>2</b>	<b>First Transit</b>				
<b>3</b>	Qualification of the Firm	88.00	15.00%	13.20	
<b>4</b>	Qualification of Proposed Staff	74.00	10.00%	7.40	
<b>5</b>	Contractor Facility	48.00	10.00%	4.80	
<b>6</b>	Operating Methodology/Work Plan	74.00	20.00%	14.80	
<b>7</b>	Past Performance	74.00	15.00%	11.10	
<b>8</b>	Price	100.00	35.00%	35.00	
<b>9</b>	Compliance with Labor Code 1070 – 1074 - BONUS	100.00	10.00%	10.00	
<b>10</b>	<b>Total</b>		<b>115.00%*</b>	<b>96.30</b>	<b>2</b>
<b>11</b>	<b>Veolia Transportation Services</b>				
<b>12</b>	Qualification of the Firm	92.00	15.00%	13.80	
<b>13</b>	Qualification of Proposed Staff	90.00	10.00%	9.00	
<b>14</b>	Contractor Facility	78.00	10.00%	7.80	
<b>15</b>	Operating Methodology/Work Plan	82.00	20.00%	16.40	
<b>16</b>	Past Performance	76.00	15.00%	11.40	
<b>17</b>	Price	90.80	35.00%	31.78	
<b>18</b>	Compliance with Labor Code 1070 – 1074 - BONUS	10.00	10.00%	10.00	
<b>19</b>	<b>Total</b>		<b>115.00%*</b>	<b>100.18</b>	<b>1</b>

\*The total evaluation score defined in the RFP was 115%.



**C. Cost/Price Analysis**

The recommended price has been determined to be fair and reasonable based upon adequate price competition and a request for a price Best and Final Offer.

	<b>Bidder/Proposer Name</b>	<b>Original Proposal Amount</b>	<b>BAFO</b>	<b>Metro Independent Cost Estimate</b>
1.	First Transit	\$61,203,238	\$56,518,620	\$62,889,047
2.	Veolia Transportation	\$63,500,345	\$62,245,053	\$62,889,047

**D. Background on Recommended Contractor**

Veolia Transportation has over 200 contracts in 22 states, as well as in Montreal and Toronto. Included in their service providers-list are DASH services for LADOT, and Metro’s North Region. Veolia has over 100 years of experience in the US and operates many modes of public transportation including bus, rail, paratransit, taxi, and shuttle services. Veolia’s headquarters is in Lombard, IL, and have satellite offices near Washington, D.C. and in Phoenix. They have six regions across the country staffed with experts in all key disciplines, as well as a corporate staff that is dedicated to Metro. As the current incumbent for Metro Contracted Bus Services – North Region they have provided services for four years and provided transit services on game days for the LA Dodgers from Union Gateway Plaza to Dodger Stadium for several years.

**E. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 10% Disadvantaged Business Enterprise Anticipated Level of Participation (DALP) for this solicitation. Veolia Transportation made a 1.01% DALP commitment. Meeting the DALP is neither a condition of award nor an issue of responsiveness.

<b>SMALL BUSINESS GOAL</b>	<b>DALP 10%</b>	<b>SMALL BUSINESS COMMITMENT</b>	<b>DALP 1.01%</b>

	<b>DBE/SBE Subcontractors</b>	<b>% Committed</b>
1.	Becnel Uniforms	0.34%
2.	Patten Energy	0.40%
3.	Global Installation and Maintenance	0.04%
4.	Carl’s Auto Electric	0.23%
	<b>Total Commitment</b>	<b>1.01%</b>

**F. All Subcontractors Included with Recommended Contractor's Proposal**

	Subcontractor	Services Provided
1.	City Terrace Towing	
2.	Kingsbury Uniforms	
3.	Rose Equipment Repair	

Map of North Region

