



## CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

### AGENDA ITEM

---

Report: Beeline Fixed-Route and Dial-A-Ride Transit Services Contract

1) Resolution dispensing with competitive bidding and authorizing the City Manager, or his designee, to execute a contract with MV Transportation, Inc., for the operation and maintenance of the City's Beeline fixed-route and Dial-A-Ride transit services in a not to exceed amount of \$82,546,667 for a six-year term, with two, two-year extensions; if the 1st extension is exercised, the amount will not exceed \$115,485,858 for a total eight-year term; and, if the 2nd extension is exercised, the amount will not exceed \$150,920,828 for a total ten-year term.

### COUNCIL ACTION

---

**Item Type:** Action Item

**Approved for** February 13, 2024 **calendar**

### EXECUTIVE SUMMARY

---

The Beeline fixed-route bus and Dial-A-Ride (DAR) paratransit services afford the Glendale community mobility and cleaner transportation options to travel around town. These services are operated by a contractor.

On October 10, 2023, Council approved and authorized the release of the Request for Proposals (RFP) for the Beeline fixed-route and DAR transit services with an optional on-demand DAR. The RFP was issued on October 12, 2023.

After a comprehensive proposal evaluation process, a new ten-year total agreement is recommended with MV Transportation, Inc., to operate and maintain the Beeline fixed-route and DAR transit services. The total contract amount will be for a not to exceed \$150,920,828 for the ten-year term. This amount includes the contracted operations as well as pass through expenses for major vehicle and equipment repairs, special equipment needs, fuel for the DAR vehicles, and minor service modifications as needed.

## RECOMMENDATION

---

Adopt a resolution dispensing with competitive bidding and authorizing the City Manager to execute a contract with MV Transportation, Inc. for the operation and maintenance of the City's transit services in a not to exceed amount of \$82,546,667 for a six-year term, with two, two-year extensions; if the first extension is exercised, the amount will not exceed \$115,485,858 for a total eight-year period; and if the second extension is exercised, the amount will not exceed \$150,920,828 for a total ten-year term.

## ANALYSIS

---

The City of Glendale provides the Beeline fixed-route bus and DAR paratransit services for the community. The services are operated by a contractor. The current service contracts with MV Transportation, Inc. will expire on July 31, 2024. The Beeline contract was last awarded in 2015 and the DAR contract in 2016, both through a competitive procurement process.

On June 13, 2023, Public Works staff presented to City Council a proposed operations and maintenance contract with MV Transportation, Inc., (MV Transportation) based on proposals received pursuant to a competitive RFP process. City Council instead directed staff to negotiate one-year extensions to the current Beeline and DAR operations contracts. On July 11, 2023, Council approved one-year extensions and directed staff to repeat the procurement process.

On October 10, 2023, Council approved and authorized the release of the RFP for fixed route, DAR and an optional on-demand service. As a recipient of Federal Transit Administration (FTA) grant funding, the Operations and Maintenance of Fixed Route and Dial-A-Ride Transit Services RFP is federalized and follows the FTA procurement guidelines and contract requirements. Failure to adhere to the contracting selection guidelines may result in the FTA disallowing grant funding, jeopardizing the City's participation in future federal grant opportunities.

The FTA requires transit agencies to use a *Best Buy* selection process. Best Buy requires full and open competition to obtain the best quality of goods and services for the least cost for internal customers (and passengers, funding partners, and local community).

On October 12, 2023, an RFP was issued for the operation and maintenance of fixed route and DAR transit services. The RFP was emailed to ten firms known to operate transit services and was posted on the City website under the "RFP/RFQ/BID Page." Non-mandatory preproposal and facility/fleet inspection meetings were held on October 25 and October 28, 2023, respectively. The virtual preproposal meeting was attended by nine firms and the in-person facility and fleet inspection meeting by eight firms. Two addendums were issued in response to questions and a ten-week submittal timeframe was provided.

On December 20, 2023, the City received four proposals from Keolis, MV Transportation, Southland Transit and Transdev.

## Selection

The proposals from Keolis, MV Transportation, Southland Transit and Transdev were reviewed and scored by a committee comprised of Glendale's Transit Manager and five other transit professionals representing Antelope Valley Transit Authority (AVTA), Los Angeles Metro, City of Redondo Beach/Beach Cities Transit, City of Pasadena Transit and Dan Boyle from Dan Boyle & Associates, the consultant assisting staff with this procurement. Collectively, they provided extensive expertise on contracted transit services as well as zero-emission bus deployment and operations.

The selection committee interviewed the proposer teams on January 24, 2024, and reviewed and scored the proposals based on the RFP evaluation criteria. The individual scores were averaged to provide the final ranking.

| Evaluation Scoring Summary  |                 |              |               |              |              |
|---|-----------------|--------------|---------------|--------------|--------------|
| Evaluation Criteria   | Possible Points | Keolis       | MV            | Southland    | Transdev     |
| <b>Part I. Background, Affirmations, Certifications, and Financial Sustainability</b> | 5               | 5.00         | 5.00          | 5.00         | 5.00         |
| <b>Part II. Qualifications and Technical Proposal</b>                                 |                 |              |               |              |              |
| Technical Capacity - Operations   | 15              | 12.08        | 14.50         | 10.50        | 12.58        |
| Technical Capacity - Vehicle Maintenance  | 10              | 8.92         | 9.58          | 7.33         | 8.17         |
| Technical Capacity - Facilities and Equipment   | 5               | 4.75         | 4.75          | 4.33         | 4.42         |
| Technical Capacity - Administration   | 10              | 8.00         | 9.00          | 6.75         | 8.50         |
| Safety Program & Employee Training  | 10              | 8.08         | 9.08          | 8.00         | 8.42         |
| Experience, References, and Performance Record  | 15              | 12.00        | 13.42         | 10.33        | 11.33        |
| <b>Part III. Price Proposal, Incentives, and Staffing Plan</b>                        |                 |              |               |              |              |
| Price Proposal  | 20              | 11.62        | 18.83         | 11.00        | 13.70        |
| Staffing Plan   | 10              | 7.17         | 9.58          | 7.25         | 6.33         |
| Bidding Preference for Retention of Employees   | 10              | 10.00        | 10.00         | 10.00        | 10.00        |
| <b>Totals</b>   | <b>110</b>      | <b>87.62</b> | <b>103.75</b> | <b>80.50</b> | <b>88.45</b> |

MV Transportation scored the highest in all evaluation categories and has the highest overall score of 103.75. All six evaluators ranked MV Transportation the highest. MV Transportation also submitted the lowest cost proposal.

## MV Transportation

MV Transportation is the largest privately owned transportation provider in North America. MV Transportation began its more than 45-year history here in California and offers paratransit, fixed route, school bus, commuter and shuttle, fleet and facility maintenance, transit management technologies, labor management, and service model design services. MV Transportation also provides transportation services for our neighboring communities including for the City of Los Angeles, Department of Transportation (LADOT); AVTA, and the Cities of Santa Clarita and Burbank. They also provide services to LA Metro, the regional transit operator in Los Angeles County.

MV Transportation has been an excellent partner operating the Beeline bus service for over 22 years and the DAR paratransit service for over 7 years. They have a great local

management team and employees who are committed to serving the public. Their regional and corporate teams have been accessible and responsive to City needs. During economic downturns, MV Transportation has provided cost discounts at the City's request. During the pandemic, they initiated additional safety and cleaning measures and kept their Glendale workforce intact, operating services without cancellations and disruptions, making it possible for transit dependent riders and essential workers to get around.

Following are some highlights from MV Transportations proposal:

- Experienced Local Management Team – The current MV Transportation management staff will remain assigned to the Glendale contract, providing service continuity and extensive Beeline and DAR operations knowledge.
- Strong Employee Relations – Teamsters Local 848 representing the operators, dispatchers, and reservationists had provided a letter of support for MV Transportation. Teamsters and MV Transportation had negotiated a 5-year labor agreement in 2022 which is in effect until June 30, 2027. They offer competitive wages, benefits and a positive labor environment. Longtime Beeline and DAR employees, some serving the Glendale community for over 20 years are also a sign of local commitment and strong employee relations.
- Superior Safety and Training Programs – MV Transportation's training program provides ongoing annual skill enhancement training for the bus operators, above and beyond what is required and training programs for all employees. MV Transportation's safety program is very strong resulting in zero reportable Beeline and DAR incidents in the last seven years.
- Electrification Support – MV Transportation operates the most electric bus fleets in the United States and offers operational support and unlimited maintenance support.

## Cost Proposal

The RFP cost proposals for all four proposes are listed below. MV Transportation has the overall lowest cost proposal.

|                 | Proposal Costs                              |                     |                      |                     |
|-----------------|---|---------------------|----------------------|---------------------|
|                 | Fixed-Route, DAR & On-Demand Proposal Costs |                     |                      |                     |
|                 | Keolis                                      | MV                  | Southland            | Transdev            |
| Year 1          | \$14,367,069                                | \$11,836,904        | \$14,939,973         | \$13,204,655        |
| Year 2          | \$15,080,073                                | \$12,534,792        | \$16,018,725         | \$14,080,039        |
| Year 3          | \$15,772,673                                | \$13,227,471        | \$16,612,551         | \$14,764,195        |
| Year 4          | \$16,427,096                                | \$13,861,839        | \$17,327,188         | \$15,509,873        |
| Year 5          | \$17,039,487                                | \$14,537,775        | \$17,903,580         | \$16,233,428        |
| Year 6          | \$17,833,206                                | \$15,143,091        | \$18,499,069         | \$16,944,432        |
| <b>Subtotal</b> | <b>\$96,519,604</b>                         | <b>\$81,141,872</b> | <b>\$101,301,086</b> | <b>\$90,736,622</b> |
| Start Up Cost   | \$570,751                                   | \$0                 | \$451,080            | \$868,154           |
| <b>TOTAL</b>    | <b>\$97,090,355</b>                         | <b>\$81,141,872</b> | <b>\$101,752,166</b> | <b>\$91,604,776</b> |

  

|                       |                      |                      |                      |                      |
|-----------------------|----------------------|----------------------|----------------------|----------------------|
| ET1 - Year 7          | \$18,104,666         | \$15,715,371         | \$19,119,684         | \$17,942,228         |
| ET1 - Year 8          | \$18,900,424         | \$16,295,505         | \$19,763,100         | \$18,889,885         |
| <b>ET1 - Subtotal</b> | <b>\$37,005,090</b>  | <b>\$32,010,876</b>  | <b>\$38,882,784</b>  | <b>\$36,832,113</b>  |
| <b>8-Year TOTAL</b>   | <b>\$134,095,445</b> | <b>\$113,152,748</b> | <b>\$140,634,951</b> | <b>\$128,436,889</b> |

  

|                       |                      |                      |                      |                      |
|-----------------------|----------------------|----------------------|----------------------|----------------------|
| ET2 - Year 9          | \$19,682,983         | \$16,873,716         | \$20,430,178         | \$19,833,076         |
| ET 2 - Year 10        | \$20,549,132         | \$17,562,600         | \$21,121,809         | \$20,921,327         |
| <b>ET2 - Subtotal</b> | <b>\$40,232,115</b>  | <b>\$34,436,316</b>  | <b>\$41,551,987</b>  | <b>\$40,754,403</b>  |
| <b>10-Year TOTAL</b>  | <b>\$174,327,560</b> | <b>\$147,589,064</b> | <b>\$182,186,938</b> | <b>\$169,191,292</b> |

In addition to the RFP proposed operating cost, there are several one-time and ongoing pass-through expenses. These cost items are traditionally excluded from the RFP process to avoid having proposers cloud their proposals with expenses outside of their control. The additional contract activities and related costs include special vehicle equipment needs, vehicle major component repairs/replacement, DAR vehicle fuel, and minor service adjustments. An additional 2.9% is added for these items as noted in the tables following.

|                     | Annual<br>Proposal Cost | Additional Pass-<br>Through Cost<br>(2.9%) | TOTAL               |
|---------------------|-------------------------|--|---------------------|
| Yr 1* FY 2025       | \$10,915,311            | \$316,544                                  | <b>\$11,231,855</b> |
| Yr 2 FY 2026        | \$12,534,792            | \$363,509                                  | <b>\$12,898,301</b> |
| Yr 3 FY 2027        | \$13,227,471            | \$383,597                                  | <b>\$13,611,068</b> |
| Yr 4 FY 2028        | \$13,861,839            | \$401,993                                  | <b>\$14,263,832</b> |
| Yr 5 FY 2029        | \$14,537,775            | \$421,595                                  | <b>\$14,959,370</b> |
| Yr 6 FY 2030        | \$15,143,091            | \$439,150                                  | <b>\$15,582,241</b> |
| <b>6-Year Total</b> | <b>\$80,220,279</b>     | <b>\$2,326,388</b>                         | <b>\$82,546,667</b> |

| 1st Extension        |                         |  |                      |
|----------------------|-------------------------|--|----------------------|
|                      | Annual<br>Proposal Cost | Additional Pass-<br>Through Cost<br>(2.9%) | TOTAL                |
| Yr 7 FY 2031         | \$15,715,371            | \$455,746                                  | <b>\$16,171,117</b>  |
| Yr 8 FY 2032         | \$16,295,505            | \$472,570                                  | <b>\$16,768,075</b>  |
| <b>1st Ext Total</b> | <b>\$32,010,876</b>     | <b>\$928,315</b>                           | <b>\$32,939,191</b>  |
| <b>8-Year Total</b>  | <b>\$112,231,155</b>    | <b>\$3,254,703</b>                         | <b>\$115,485,858</b> |

| 2nd Extension        |                         |  |                      |
|----------------------|-------------------------|--|----------------------|
|                      | Annual<br>Proposal Cost | Additional Pass-<br>Through Cost<br>(2.9%) | TOTAL                |
| Yr 9 FY 2033         | \$16,873,716            | \$489,338                                  | <b>\$17,363,054</b>  |
| Yr 10 FY 2034        | \$17,562,600            | \$509,315                                  | <b>\$18,071,915</b>  |
| <b>2nd Ext Total</b> | <b>\$34,436,316</b>     | <b>\$998,653</b>                           | <b>\$35,434,969</b>  |
| <b>10-Year Total</b> | <b>\$146,667,471</b>    | <b>\$4,253,357</b>                         | <b>\$150,920,828</b> |

\* Year 1 annual proposal amount in table above reflects 11 months of service. Current contract extension extends one month into FY 2025.

## STAKEHOLDERS/OUTREACH

The contract award for the operation and maintenance of the Beeline, DAR and on-demand transit services will provide continued transportation options for the public. Public Works reached out to industry businesses known to operate transit services. The department directly emailed the businesses as well as posted the RFP on the City's website.

## FISCAL IMPACT

The contract with MV Transportation will cost a not to exceed amount of \$150,920,828 for the total 10-year term. The cost for the first year, \$11,231,855 will be requested as part of the FY 2024-25 budget process. Future year costs will be budgeted as part of the annual budget process.

| <b>Proposed FY 2024-25 Appropriation</b> |                                |                       |
|--|--------------------------------|-----------------------|
| <b>Amount</b>                            | <b>Account String</b>          | <b>Funding Source</b> |
| \$11,231,855                             | GL: 43110-2580-PWD-7533-P0000- | Transit Utility Fund  |

## **ENVIRONMENTAL REVIEW (CEQA/NEPA)**

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA) and is exempt per Section 15061 (b) (3). The project is covered by the general rule that CEQA only applies to projects that have the potential for causing a significant effect on the environment. The proposed action pertains to a contract that will allow the continuation of existing Beeline fixed-route and Dial-A-Ride transit services. This contract will not result in any significant change in services or physical changes to the environment.

## **CAMPAIGN DISCLOSURE**

The names and business addresses of the members of the board of directors, the chairperson, CEO, COO, CFO, Subcontractors and any person or entity with more than 10% interest in the company are attached in Exhibit 1, in accordance with the City Campaign Finance Ordinance No. 5744.

## **ALTERNATIVES TO STAFF RECOMMENDATION**

Alternative 1: Elect not to award a contract. This may result in stoppage of valuable transit services to the public with adverse consequences for dependent riders who rely on the services as their means of transportation.

Alternative 2: The City Council may consider any other alternative not proposed by staff.

## **ADMINISTRATIVE ACTION**

### **Submitted by:**

Daniel Hernandez, Interim Director of Public Works

### **Prepared by:**

Martha D'Andrea, Transit Manager

### **Approved by:**

Roubik R. Golanian, P.E., City Manager

## **EXHIBITS/ATTACHMENTS**

Exhibit 1 – Campaign Disclosure Forms