

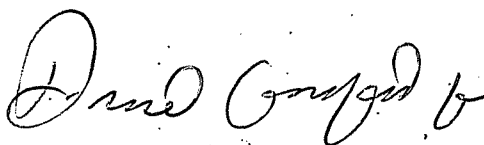
**TRANSMITTAL**

To: **THE COUNCIL**

Date: **JUL 23 2009**

From: **THE MAYOR**

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



**ANTONIO R. VILLARAIGOSA**

Mayor

**CITY OF LOS ANGELES**  
**INTER-DEPARTMENTAL CORRESPONDENCE**

Date: July 15, 2009

To: Honorable Antonio R. Villaraigosa, Mayor  
Attention: Pamela Finley, Legislative Coordinator

From: *for* Rita L. Robinson, General Manager *John E. Fisher*  
Department of Transportation

**SUBJECT: COMMUNITY DASH PACKAGES ONE, TWO AND THREE SERVICES  
MONTH-TO-MONTH CONTRACT EXTENSION**

The Department of Transportation is recommending a month-to-month extension (not-to-exceed six months) of the existing Community DASH Package 1-3 shuttle bus service contracts until such time that service is initiated under new contracts awarded by the City. The existing three year contracts with Veolia Transportation for Package Three and MV Transportation for Packages One and Two expire on August 31, 2009 and September 17, 2009, respectively. The Department has completed the request for proposals (RFP) process for a new contract award, and is in the process of preparing and submitting a separate report to the Mayor and Council with its recommendations for contract award. This requested month-to-month contract extension should allow adequate time for the City to complete its contract award process and avoid any potential interruptions in service to the public.

**RECOMMENDATIONS**

That the Council, subject to the approval of the Mayor:

1. Authorize the General Manager, Department of Transportation, to amend the existing Community DASH Package 1-2 contract with MV Transportation (C-110827) on a month-to-month basis, not to exceed six months, at a rate of \$76.87 per service hour, subject to the approval of the City Attorney as to form and legality.
2. Authorize the General Manager, Department of Transportation, to amend the existing Community DASH Package 3 contract with Veolia Transportation (C-110399) on a month-to-month basis, not to exceed six months, at a rate of \$86.76 per service hour for the first three months and \$90.66 per service hour for the last three months (if needed), subject to the approval of the City Attorney as to form and legality.

## **BACKGROUND**

The Department has existing three year contracts with MV Transportation (Packages 1-2) and Veolia Transportation (Package 3) for the provision of Community DASH Shuttle bus services. The Package 3 contract with Veolia is set to expire on August 31, 2009, while the Package 1-2 contract with MV Transportation is set to expire on September 17, 2009. These Community DASH services operate in the southern (Package 1), Hollywood/Near Westside (Package 2) and San Fernando Valley (Package 3) areas of the City.

After a period of negotiations with the incumbent contractors, the Department elected to circulate a new RFP for the Community DASH Package 1-3 services rather than extend the existing contracts for a fourth contract year (first option year). The Department made this decision based on modifications to service levels relative to the previous RFP, and the belief that the City could obtain lower costs by going through a new RFP process. The Department released a new RFP on April 1, 2009. Two proposals (MV Transportation and Veolia Transportation) were received by the RFP due date of May 15, 2009. The Department assembled a panel to review the proposals and has completed the evaluation process. The Department is in the process of preparing a separate report to the Mayor and Council with recommendations on the award of a new three year contract for the Community DASH Package 1-3 services.

## **DISCUSSION**

The Department is recommending that the existing Community DASH Package 1-3 contracts be extended on a month-to-month basis, for a period not-to-exceed six months, in order to avoid an interruption in service to our riders. The recommended contract extensions should allow sufficient time for the City to complete its contractor selection process for a new three year contract, and also provide adequate time for a new contractor (as applicable) to assume operation of the services. The Department typically allows approximately 45 days for a newly selected contractor to assume operation of transit services under a new contract. This transition period also allows for the conduct of contractually required fleet turnover inspections and repairs. Finally, the phased transition of services may be implemented given the large size of the DASH Package 1-3 contract (approximately 100 vehicles).

Both of the existing current contractors for the Community DASH Package 1-3 services have agreed to continue operating the services on a month-to-month basis for a period not to exceed six months. MV Transportation has agreed to continue operating the Community DASH Package 1-2 services at a rate of \$76.87 per service hour, which is consistent with the first year hourly rate submitted by MV Transportation for the Community DASH Package 1-2 services as part of its cost proposal in response to the

Department's RFP. The existing third year hourly rate for MV Transportation is \$68.37 per hour.

Veolia Transportation has agreed to continue operating the Community DASH Package 3 services at a rate of \$86.76 per service hour for the first three months of the recommended contract extension. This rate is consistent with the existing negotiated third year Package 3 hourly rate for Veolia Transportation with no cost-of-living adjustment. Veolia indicated that it would need to increase its hourly rate for months 4-6 of the contract extension, if needed, to \$90.66 per service hour. This potential increase represents a 4.5% cost-of-living adjustment.

#### **IMPACT ON THE BUDGET**

There are sufficient funds included in the City's adopted FY 2009-10 Proposition A Budget for these services. Therefore, there is no impact on the Budget.