

TRANSMITTAL

0150-11285-0000

TO
Council

DATE

1/16/19

COUNCIL FILE NO.

FROM
The Mayor

COUNCIL DISTRICT
All

Request from the Department of Transportation for authority to execute on-call contracts with eight firms for the continuation of services provided for the City's Charter Bus Program

Transmitted for further processing. See the City Administrative Officer report attached.



MAYOR

(Ana Guerrero) for

RHL:BA:06190039

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)



To: Mayor	Date: 01/16/19	C.D. No. All	CAO File No.: 0150-11285-0000				
Contracting Department/Bureau: Department of Transportation		Contact: Luz Echavarria (213) 972-8447					
Reference: Department of Transportation request dated November 29, 2018; Referred to the CAO on January 4, 2019							
Purpose of Contract: To continue services for the Charter Bus Program							
Type of Contract: (X) New contract		Contract Term Dates: February 1, 2019 to January 31, 2024					
Contract/Amendment Amount: Not to exceed \$850,000 Total							
Source of funds: Proposition A Local Transit Assistance Fund							
Name of Contractor: Eight As-Needed contractors as follows:							
<ol style="list-style-type: none"> 1. American Transportation System 3133 E. South Street, Long Beach, CA 90805 2. Fast Deer Bus Charter, Inc. 8105 Slauson Ave, Montebello, CA 90640 3. First Student, Inc. 13200 Crossroads Pkwy #450, City of Industry, CA 91746 4. Honee Bee Transportation, Inc. 854 W. 74th Street, Los Angeles, CA 90044 5. Mission School Transportation, Inc. 201 W. Sotello Street, Los Angeles, CA 90012 6. Saravia Charter Lines, Inc. 1800 E. Imperial Highway, Los Angeles, CA 90059 7. Screamline Investment Corp. (dba: TourCoach Charter & Tours) 2130 S. Tubeway Ave, Commerce, CA 90040 8. Transit Systems Unlimited, Inc. 8976 Laurel Canyon Road, Sun Valley, CA 91352 							
	Yes	No	N/A	Contractor has complied with:	Yes	No	N/A
1. Council has approved the purpose	X			8. Business Inclusion Program		X	
2. Appropriated funds are available	X			9. Equal Benefits & First Source Hiring Ordinances	X		
3. Charter Section 1022 findings completed	X			10. Contractor Responsibility Ordinance	X		
4. Proposals have been requested	X			11. Slavery & Border Wall Disclosure Ordinances	X		
5. Risk Management review completed	X			12. Bidder Certification CEC Form 50	X		
6. Standard Provisions for City Contracts included	X			13. Prohibited Contributors (Bidders) CEC Form 55	X		
7. Workforce that resides in the City: N/A %				14. California Iran Contracting Act of 2010	X		

RECOMMENDATION

The Department of Transportation (DOT) is requesting authority to execute contracts with eight firms for the continuation of services provided for the City's Charter Bus Program. Each contract will be for a term of five years from February 1, 2019 to January 31, 2024.

FISCAL IMPACT STATEMENT

There is no General Fund Impact. Funding for these services has been set aside in the Proposition A Local Transit Assistance Fund 2018-19 Adopted Budget. Funding for subsequent years for these services will be provided in those fiscal year budgets. The compensation for each contractor is unknown as the need for trips are determined on an as-needed basis. The total amount of all funds to be expended shall not exceed \$850,000. Sufficient funding is available in the Proposition A Local Transit Assistance Fund 2018-19 Adopted Budget to fund this expense. The recommendations comply with City Financial Policies in that sufficient fund revenues are available and eligible for this purpose.

	
BA Analyst 0150-11285-0000	City Administrative Officer

Background and Continued Scope of Work

The City's Charter Bus Program is administered by the DOT and currently provides up to 1,400 bus trips per year to community groups, primarily for seniors, youths and individuals with disabilities. This service has been contracted out to a private charter bus operator since the 1970's to provide safe, reliable and cost-effective service. The trips are typically requested through the Mayor's Office, the Council Offices, the Department of Recreation and Parks and other agencies on a year-round basis. However, the highest demand is during the summer.

The DOT released a Request for Proposal (RFP) in September 2018 for the selection of new contractors as the City's current contracts with various Charter Bus companies will expire on January 31, 2019. Nine proposers submitted Statements of Qualifications (SOQ) by the deadline of October 18, 2018. One proposer was deemed unresponsive for non-submittal of Appendix A: Mandatory City Contract Requirements. The attached DOT report provides further detail on the procurement process (Attachment).

A total of eight contractors are recommended for new contracts. The recommended contractors offer one or multiple bus types such as coach, transit, school buses and wheelchair accessible buses to provide trips to various clientele. The following eight firms are recommended for new contracts:

1. American Transportation Systems
2. Fast Deer Bus Charter, Inc.
3. First Student, Inc.
4. Honee Bee Transportation, LLC
5. Mission School Transportation, Inc.
6. Saravia Charter Lines, Inc.
7. Screamline Investment Corp. (dba: TourCoach Charter & Tours)
8. Transit Systems Unlimited, Inc.

The rates proposed by the eight proposers increase by an average of 7.96 percent over the five-year term of the proposed contracts, as shown in Attachment I of the DOT report. All eight proposers have proven track records and currently have satisfactory inspection ratings for their fleet and facilities by the California Highway Patrol.

The Department advises that all recommended contractors have submitted the required documentation in compliance with City contracting policies. A sample contract is included in Attachment II of the DOT report.

Attachment:

Department of Transportation Report dated November 29, 2018

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

Date: November 29, 2018

To: The Honorable Eric Garcetti, Mayor
Office of the Mayor
Attention: Mandy Morales, Legislative Coordinator

From: Seleta J. Reynolds, General Manager
Department of Transportation

Subject: **SELECTION OF CONTRACTORS TO PROVIDE CITY OF LOS ANGELES CHARTER BUS SERVICES**

SUMMARY

The City of Los Angeles Department of Transportation (LADOT) is requesting authority to execute contracts with eight proposers to provide operational services for the City's Charter Bus Program.

RECOMMENDATION

That the City Council:

Authorize the General Manager of the Department of Transportation to execute contracts with the approved contractors for a five-year term, subject to the approval of the City Attorney as to form and legality.

BACKGROUND

Since 1979, the LADOT Charter Bus Program has contracted with private charter bus operators to provide charter bus service to seniors, youth, and people with disabilities. The Charter Bus Program consist of service on coach buses (senior groups), transit buses/school buses (youth), and coach/school buses able to accommodate wheelchair users. The program provides charter bus services to groups requesting trips through the Mayor's Office, Council Offices, the Department of Recreation and Parks, and other agencies, to recreational, educational, and cultural activities.

DISCUSSION

Nine proposers submitted Statement of Qualifications (SOQ) by the deadline established in the Request for Qualifications (RFQ) of October 18, 2018. Five proposers are incumbents and four are new service providers.

LADOT contracting group reviewed nine SOQs submitted for compliance with the City's standard contracting requirements. Eight of the nine proposers were responsive and in accordance to the criteria established in the RFQ. The SOQ submitted by Silverado Stages, Inc. was deemed non-responsive for non-submittal of Appendix A: Mandatory City Contract Requirements.

demand, LADOT contracts with multiple companies (with different bus types) to ensure there is an adequate supply of vehicles while having the flexibility to select the bus companies and vehicle types that can provide the most cost-effective service for each particular trip requested.

On January 8, 2014, the City Council authorized LADOT to negotiate and execute five-year term contracts for the continued operation of the City's Charter Bus Program with seven proposers. The current agreements with the existing service providers are due to expire on January 31, 2019.

On September 5, 2018, LADOT issued a RFQ for the continued operation of charter bus services (coach, transit, school bus, and wheelchair-accessible buses). LADOT received proposals from nine proposers by the submission deadline of October 18, 2018. LADOT is recommending to award contracts to the eight responsive proposers, as follows:

Proposers Recommended for Contract Award

1. American Transportation Systems, Inc.
2. Fast Deer Bus Charter, Inc.
3. First Student, Inc.
4. Honee Bee Transportation, LLC
5. Mission School Transportation, Inc.
6. Saravia Charter Lines, Inc.
7. Screamline Investment Corp. (dba: TourCoach Charter & Tours)
8. Transit Systems Unlimited, Inc.

The proposed contracts comply with all City personal services contract requirements.

FINANCIAL IMPACT

There is no impact on the Budget. Adequate funds have been included in the City's adopted FY 2018-19 Proposition A Local Transit Assistance (PALTA) Budget.

SJR:le

Attachments:

- I. Proposed Five Year Charter Bus Rates
- II. Sample Contract Agreement

Charter Bus RFQ Cost Proposal Summary							
		Coach Bus Proposed Prices					
		1st Year		5th Year			
Company	Capacity	3 Hour Min.	Add'l Hours	3 Hour Min.	Add'l Hours	5th Year Change (3 Hr. Min.)	5th Year Change (Add'l Hours)
American Transportation	50	\$436.00	\$79.00	\$481.00	\$87.00	10.32%	10.13%
American Transportation	56	\$476.00	\$79.00	\$525.00	\$87.00	10.29%	10.13%
Fast Deer Bus Charter	24	\$345.00	\$105.00	\$390.00	\$125.00	13.04%	19.05%
Fast Deer Bus Charter	40	\$375.00	\$115.00	\$430.00	\$135.00	14.67%	17.39%
Fast Deer Bus Charter	47	\$405.00	\$125.00	\$465.00	\$155.00	14.81%	24.00%
Fast Deer Bus Charter	56	\$425.00	\$135.00	\$485.00	\$160.00	14.12%	18.52%
Saravia Charter Lines	47	\$400.00	\$75.00	\$400.00	\$75.00	0.00%	0.00%
Saravia Charter Lines	55	\$400.00	\$100.00	\$400.00	\$100.00	0.00%	0.00%
Saravia Charter Lines	56	\$400.00	\$125.00	\$400.00	\$125.00	0.00%	0.00%
Tour Coach Charter & Tours	24	\$325.00	\$76.00	\$345.00	\$80.00	6.15%	5.26%
Tour Coach Charter & Tours	28	\$335.00	\$82.00	\$355.00	\$86.00	5.97%	4.88%
Tour Coach Charter & Tours	38	\$365.00	\$87.00	\$385.00	\$92.00	5.48%	5.75%
Tour Coach Charter & Tours	47	\$385.00	\$96.00	\$405.00	\$100.00	5.19%	4.17%
Tour Coach Charter & Tours	56	\$404.00	\$100.00	\$408.00	\$105.00	0.99%	5.00%
Transit Systems, Unlimited, Inc.	47	\$570.00	\$90.00	\$615.00	\$98.00	7.89%	8.89%
Transit Systems, Unlimited, Inc.	55	\$650.00	\$100.00	\$700.00	\$110.00	7.69%	10.00%
Average Change						7.29%	8.95%

School Bus Proposed Prices (First year)							
		1st Year		5th Year			
Company	Capacity	3 Hour Min.	Add'l Hours	3 Hour Min.	Add'l Hours		
American Transportation	56A/84C	\$356.00	\$69.00	\$393.00	\$77.00	10.39%	11.59%
First Student, Inc.	12A/20C	\$345.00	\$61.38	\$380.08	\$67.75	10.17%	10.38%
First Student, Inc.	39A/65C	\$334.21	\$65.45	\$368.91	\$72.25	10.38%	10.39%
First Student, Inc.	52A/72C	\$355.18	\$61.38	\$392.06	\$67.75	10.38%	10.38%
Honey Bee Transportation	56A/84C	\$332.00	\$65.00	\$368.00	\$65.00	10.84%	0.00%
Mission School Transportation, Inc.	26A/40C	\$327.00	\$75.00	\$372.00	\$85.25	13.76%	13.67%
Mission School Transportation, Inc.	48A/72C	\$327.00	\$75.00	\$372.00	\$85.25	13.76%	13.67%
Mission School Transportation, Inc.	52A/78C	\$332.00	\$75.00	\$377.00	\$85.25	13.55%	13.67%
Mission School Transportation, Inc.	54A/81C	\$332.00	\$75.00	\$377.00	\$85.25	13.55%	13.67%
Saravia Charter Lines	26A/39C	\$250.00	\$100.00	\$250.00	\$100.00	0.00%	0.00%
Saravia Charter Lines	52A/78C	\$300.00	\$60.00	\$300.00	\$60.00	0.00%	0.00%
Saravia Charter Lines	56A/84C	\$300.00	\$100.00	\$300.00	\$100.00	0.00%	0.00%
Transit Systems, Unlimited, Inc.	18-20	\$425.00	\$65.00	\$465.00	\$69.00	9.41%	6.15%
Transit Systems, Unlimited, Inc.	40	\$505.00	\$75.00	\$550.00	\$80.00	8.91%	6.67%
Transit Systems, Unlimited, Inc.	47	\$570.00	\$90.00	\$615.00	\$98.00	7.89%	8.89%
Transit Systems, Unlimited, Inc.	55	\$650.00	\$100.00	\$700.00	\$110.00	7.69%	10.00%
Average Change						8.79%	8.07%

Wheelchair Bus Proposed Prices (First year)							
		1st Year		5th Year			
Company	Capacity	3 Hour Min.	Add'l Hours	3 Hour Min.	Add'l Hours		
Fast Deer Bus Charter	56	\$425.00	\$135.00	\$485.00	\$160.00	14.12%	18.52%
First Student, Inc.	6AB/4WC	\$345.00	\$61.38	\$380.08	\$67.75	10.17%	10.38%
First Student, Inc.	4AB/6WC	\$345.00	\$61.38	\$380.08	\$67.75	10.17%	10.38%
Mission School Transportation, Inc.	8AB/6WC	\$327.00	\$60.00	\$372.00	\$68.00	13.76%	13.33%
Saravia Charter Lines	56	\$400.00	\$125.00	\$400.00	\$125.00	0.00%	0.00%
Tour Coach Charter & Tours	56	\$404.00	\$100.00	\$408.00	\$105.00	0.99%	5.00%
Transit Systems, Unlimited, Inc.	18-20	\$425.00	\$65.00	\$465.00	\$69.00	9.41%	6.15%
Transit Systems, Unlimited, Inc.	40	\$505.00	\$75.00	\$550.00	\$80.00	8.91%	6.67%
Transit Systems, Unlimited, Inc.	47	\$570.00	\$90.00	\$615.00	\$98.00	7.89%	8.89%
Transit Systems, Unlimited, Inc.	55	\$650.00	\$100.00	\$700.00	\$110.00	7.69%	10.00%
Average Change						8.31%	8.93%

Transit Bus Proposed Prices (First year)							
		1st Year		5th Year			
Company	Capacity	3 Hour Min.	Add'l Hours	3 Hour Min.	Add'l Hours		
American Transportation	39	\$356.00	\$69.00	\$393.00	\$77.00	10.39%	11.59%
American Transportation	40	\$356.00	\$69.00	\$393.00	\$77.00	10.39%	11.59%
Saravia Charter Lines	39	\$400.00	\$50.00	\$400.00	\$50.00	0.00%	0.00%
Tour Coach	42	\$365.00	\$87.00	\$385.00	\$92.00	5.48%	5.75%
Transit Systems, Unlimited, Inc.	18-20	\$425.00	\$65.00	\$465.00	\$69.00	9.41%	6.15%
Transit Systems, Unlimited, Inc.	40	\$505.00	\$75.00	\$550.00	\$80.00	8.91%	6.67%
Average Change						7.43%	6.96%

Note that the tables above do not include other considerations such as availability, seat belts, air conditioning, etc.

Overall Average Change **7.96%** **8.23%**

Charter Bus RFQ Cost Proposal Summary

Wheelchair Bus Proposed Prices (First year)

Company	Capacity	3 Hour Min.	Add'l Hours
Fast Deer Bus Charter	56	\$ 425.00	\$ 135.00
First Student, Inc.	6AB/4WC	\$ 345.00	\$ 61.38
First Student, Inc.	4AB/6WC	\$ 345.00	\$ 61.38
Mission School Transportation, Inc.	8AB/6WC	\$ 327.00	\$ 60.00
Saravia Charter Lines	56	\$ 400.00	\$ 125.00
Tour Coach Charter & Tours	56	\$ 404.00	\$ 100.00
Transit Systems, Unlimited, Inc.	18-20	\$ 425.00	\$ 65.00
Transit Systems, Unlimited, Inc.	40	\$ 505.00	\$ 75.00
Transit Systems, Unlimited, Inc.	47	\$ 570.00	\$ 90.00
Transit Systems, Unlimited, Inc.	55	\$ 650.00	\$ 100.00

Transit Bus Proposed Prices (First year)

Company	Capacity	3 Hour Min.	Add'l Hours
American Transportation	39	\$ 356.00	\$ 69.00
American Transportation	40	\$ 356.00	\$ 69.00
Saravia Charter Lines	39	\$ 400.00	\$ 50.00
Tour Coach	42	\$ 365.00	\$ 87.00
Transit Systems, Unlimited, Inc.	18-20	\$ 425.00	\$ 65.00
Transit Systems, Unlimited, Inc.	41-43	\$ 505.00	\$ 75.00

School Bus Proposed Prices (First year)

Company	Capacity	3 Hour Min.	Add'l Hours
American Transportation	56A/84C	\$ 356.00	\$ 69.00
First Student, Inc.	12A/20C	\$ 345.00	\$ 61.38
First Student, Inc.	39A/65C	\$ 334.21	\$ 65.45
First Student, Inc.	52A/72C	\$ 355.18	\$ 61.38
Honey Bee Transportation	56A/84C	\$ 332.00	\$ 65.00
Mission School Transportation, Inc.	26A/40C	\$ 327.00	\$ 75.00
Mission School Transportation, Inc.	48A/72C	\$ 327.00	\$ 75.00
Mission School Transportation, Inc.	52A/78C	\$ 332.00	\$ 75.00
Mission School Transportation, Inc.	54A/81C	\$ 332.00	\$ 75.00
Saravia Charter Lines	26A/39C	\$ 250.00	\$ 100.00
Saravia Charter Lines	52A/78C	\$ 300.00	\$ 60.00
Saravia Charter Lines	56A/84C	\$ 300.00	\$ 100.00
Transit Systems, Unlimited, Inc.	18-20	\$ 425.00	\$ 65.00
Transit Systems, Unlimited, Inc.	40	\$ 505.00	\$ 75.00
Transit Systems, Unlimited, Inc.	47	\$ 570.00	\$ 90.00
Transit Systems, Unlimited, Inc.	55	\$ 650.00	\$ 100.00

Coach Bus Proposed Prices (First year)

Company	Capacity	3 Hour Min.	Add'l Hours
American Transportation	50	\$ 436.00	\$ 79.00
American Transportation	56	\$ 476.00	\$ 79.00
Fast Deer Bus Charter	24	\$ 345.00	\$ 105.00
Fast Deer Bus Charter	40	\$ 375.00	\$ 115.00
Fast Deer Bus Charter	47	\$ 405.00	\$ 125.00
Fast Deer Bus Charter	56	\$ 425.00	\$ 135.00
Saravia Charter Lines	47	\$ 400.00	\$ 75.00
Saravia Charter Lines	55	\$ 400.00	\$ 100.00
Saravia Charter Lines	56	\$ 400.00	\$ 125.00
Tour Coach Charter & Tours	24	\$ 325.00	\$ 76.00
Tour Coach Charter & Tours	28	\$ 335.00	\$ 82.00
Tour Coach Charter & Tours	38	\$ 365.00	\$ 87.00
Tour Coach Charter & Tours	47	\$ 385.00	\$ 96.00
Tour Coach Charter & Tours	56	\$ 404.00	\$ 100.00
Transit Systems, Unlimited, Inc.	47	\$ 570.00	\$ 90.00
Transit Systems, Unlimited, Inc.	55	\$ 650.00	\$ 100.00

Note that the tables above do not include other considerations such as availability, seat belts, air conditioning, etc. Please refer to the proposal for such details.

**AGREEMENT BETWEEN
THE CITY OF LOS ANGELES
AND
CONTRACTOR'S NAME
FOR THE OPERATION OF
CHARTER BUS PROGRAM**

**AGREEMENT
BETWEEN
THE CITY OF LOS ANGELES
AND
CONTRACTOR'S NAME**

THIS AGREEMENT is made and entered into by and between the City of Los Angeles, a municipal corporation (hereinafter referred to as the "City"), acting by and through the Los Angeles Department of Transportation (hereinafter referred to as the "LADOT"), and Contractor's Name, a State Corporation, (hereinafter referred to as the "Contractor").

WITNESSETH

WHEREAS, the City is desirous of obtaining services to provide bus service for recreational, employment/training and educational trips known herein as the Charter Bus Program; and

WHEREAS, the City performed the City of Los Angeles Charter §1022 review and outreach and determined the work could be performed more economically and feasibly by independent contractors than by City employees; and

WHEREAS, on September 5, 2018, the City issued a Request for Qualifications (RFQ), which is on file in LADOT and is incorporated herein by reference, in accordance with City Charter §372 seeking qualified firms to provide charter bus services; and

WHEREAS, on October 18, 2018, the Contractor submitted a Proposal in response to the RFQ and is incorporated herein by this reference; and

WHEREAS, the Contractor has the management and technical expertise and other assets necessary for the operation of the Charter Bus Program, and

WHEREAS, the LADOT has determined the Contractor possess the qualifications and experience necessary to provide the services requested; and

WHEREAS, the City has requested that the Contractor provide Charter Bus Program services and the Contractor has agreed to provide the services requested in the time and manner set forth in the RFQ and Proposal.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the parties hereto agree as follows:

SECTION I. INTRODUCTIONS AND CONDITIONS PRECEDENT

A. Parties to the Agreement

The Parties to this Agreement are:

1. The City of Los Angeles, a municipal corporation, having its principal office at 200 North Spring Street, Los Angeles, California 90012.
2. The Contractor, known as Contractor's Name located at Address.

B. Representatives of the Parties and Services of Notices

1. The Representatives of the respective parties who are authorized to administer this Agreement and to whom formal notices, demands and communications shall be given are as follows:

- a. The representative of the City shall be, unless otherwise stated in the Agreement:

Seleta J. Reynolds, General Manager
City of Los Angeles
Department of Transportation
100 South Main Street, 10th Floor
Los Angeles, California 90012

With copies to:

Corinne Ralph, Chief of Transit Services
City of Los Angeles
Department of Transportation
100 South Main Street, 10th Floor
Los Angeles, California 90012

- b. The representative of the Contractor shall be:

Representative's Name
Address

2. Notices. Formal notices, demands and communications to be given by either party shall be made in writing and may be effected by personal delivery or by mail. The notice of breach of agreement, liquidated damages, or performance penalties will be sent via certified mail.
3. Changes. If the name of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice shall be given, in accordance with this section, within five (5) working days of said change.

C. Contract Modifications

The Agreement fully expresses all understanding of the parties concerning all matters covered and shall, with the RFQ, its addendum and Contractor's Name, Inc.'s RFQ response (the "Proposal"), constitute the total Agreement. Except as may otherwise be provided herein, no addition to, or alternative of, the parties, their officers, agents or employees, shall be valid unless made in the form of a written amendment to this Agreement, which is formally approved by the Mayor and City Council of the City and executed by the parties. No modification or addition to this Agreement shall have any effect whatsoever unless set forth in writing, approved by the Mayor and City Council of the City, and signed by both parties.

D. Conditions Precedent

1. Required Facilities. The Contractor shall, prior to the commencement of service, have all facilities required for all necessary functions in place for the operation, administration and maintenance of service.
2. Personnel Position and Task Report. The Contractor shall, prior to the commencement of service, and of new hires, reassignments, and changes in the contractor's proposed key project staff thereafter, provide the required Personnel Position and Task Report (see Form F of the RFQ).
3. Insurance Requirements. The Contractor shall comply with all of the insurance requirements under this Agreement. Appendix B, Exhibit 1 of the RFQ, incorporated herein by this reference, describe in detail the insurance coverage and amounts required by this Agreement.
4. Changes to Documentation. Changes to the foregoing documents affecting the performance of the Contractor under this Agreement shall receive City approval in writing before the Contractor may effect the change.

5. **Contract Assignment.** This contract is not to be assigned to a substitute contractor, a successor in interest, or a purchaser of the current Contractor without the expressed permission of the City. If the City does not approve or grant permission to a subsequent contractor to assume the services outlined in this contract, then the contract will be terminated.
6. **Technology Requirements.** The Contractor shall prior to the commencement of service, possess a computer with internet capabilities to access the Charter Bus Program reservation system, for communication, and transmission of reports and invoices.

SECTION II. TERMS OF CONTRACT

A. Contract Period

1. This Agreement shall be in effect for five years from February 1, 2019 through January 31, 2024.
2. City obligations under this contract are contingent upon the City's ability to obtain the funds from the funding agencies and the availability of City funds in this and subsequent fiscal year budgets to finance operating costs of this contract.
3. Contractor shall perform service hereinafter indicated strictly in accordance with the terms and conditions of this Contract.

SECTION III. CONTRACTOR DUTIES AND SCOPE OF WORK

A. Independent Contractor/Status of the Contractor

1. In rendering service hereunder, the Contractor shall be and remain an independent Contractor. It is expressly understood and acknowledged by the parties hereto that any amounts payable hereunder shall be paid in gross amount, without reduction for any federal or state withholding or other payroll taxes, or any other governmental taxes or charges. The Contractor is responsible for assuming and remitting any applicable federal or state withholding taxes, estimated tax payments, social security payments, unemployment compensation payments, or any other fees or expenses whatsoever.
2. The Contractor shall refrain from any action that would create or tend to create obligations, expressed or implied, on behalf of the City, it being understood that the Contractor is not and shall not be the legal representative or agent of the City and that the Contractor shall not be

authorized to make any promise, warranty or representation except as specifically provided for in this Agreement or as otherwise agreed to in writing between the parties.

3. The City shall have no liability to any subcontractor(s) for payment for service under this Agreement or other work performed for the Contractor and any subcontractor contract entered into by the Contractor pursuant to the conduct of service under this Agreement. It shall be duly noted that the responsibility for payment for technical services or any other work performed shall be the sole responsibility of the Contractor.

B. Service Delivery

1. The Contractor shall operate bus services and related tasks in accordance with the City's operating policies, standards and procedures and the terms and conditions specified and indicated in this Agreement and the RFQ. The Contractor shall also be responsible for operating in compliance with the governmental codes, regulations, and directives applicable to such programs and as defined in this Agreement.
2. All service to be operated as part of this contract shall be in compliance with the Americans with Disabilities Act (ADA) of 1990.
3. The City shall monitor the service in order to assess the performance of the Contractor in delivering the service. The City shall maintain the right to assess performance penalties against the Contractor, as set forth in the RFQ Part II (Scope of Work), Section R (Liquidated Damages), based on the Contractor's failure to meet the established standards. These standards and performance penalties applicable thereto shall be charged as described in the RFQ.
4. Contractors will be suspended from receiving trip requests if the City determines that the Contractor is not providing service according to Part II (Scope of Work) of the RFQ. Contractor will receive written notice of suspension terms.

SECTION IV. COMPENSATION, INVOICING, AND REPORTING

A. Compensation

1. The City shall pay the Contractor as indicated in Attachment I (Cost Proposal) for the satisfactory performance of the terms and conditions of this Agreement. The Contractor shall comply with compensation provisions as indicated in the RFQ.

B. Submittal of Invoices

1. The Contractor shall submit invoices to the City within 30 calendar days of incurring any approved trips. The attached form (Attachment II), LADOT Charter Bus Program Invoice, must be used when billing the City and all necessary documents supporting the incurred trips must be attached to the invoices. The City reserves the right to reject late invoices and/or impose additional requirements/documentations. All trips will be billed in accordance to the rates in Exhibit I of this contract agreement.
2. The City agrees to pay invoices within 30 calendar days upon receipt of invoices, if invoices and supporting documents are accurate. However, the Contractor agrees that the City has the right to withhold any and all payments to the Contractor until required reports, supporting documents, or accurate invoices are provided.
3. In compliance with the City of Los Angeles requirements under Charter Section 262(a), the Contractor agrees to submit invoices that conform to City standards and include, at a minimum, the following information:
 - a. Name and address of company or firm
 - b. Name and address of City department being billed
 - c. Date of the invoice and period covered
 - d. Reference to contract number
 - e. Description of completed task and amount due for the task
 - f. Certification by a duly authorized officer
 - g. Remittance address
4. All invoices shall be submitted on the Company's letterhead, contain the company's official logo, or contain other unique and identifying information such as name and address of company or individual. Evidence that tasks have been completed, in the form of a report, shall be attached to invoices, as applicable.
5. Invoices and supporting documentation shall be prepared at the sole **expense** and responsibility of the Contractor. The City will not compensate the Contractor for any costs incurred for invoice preparation.
6. The City may request in writing, changes to the content and format of the invoice and supporting documentation at any time. The City reserves the right to request additional supporting documentation to substantiate costs at any time.
7. Payments to the Contractor may be withheld by the City if the Contractor

fails to comply with the provisions of this Agreement.

C. Recordkeeping and Reporting

1. The City must approve all of the Contractor's accounting or administrative procedures used in the planning, controlling, monitoring, and reporting of all fiscal matters relating to auditable documents. The Contractor's system of accounting procedures shall be approved by the City prior to any disbursement of funds to the Contractor.
2. The Contractor shall maintain a system of internal fiscal control in accordance with commonly accepted accounting practices as approved by the City. Internal fiscal control comprises the plan of organization and all of the coordinated methods and measures adopted within an organization to safeguard its assets, check the adequacy and the reliability of its accounting data, promote operating efficiency and assure adherence to prescribed management policies.
3. The Contractor agrees that, should the City determine that the Contractor's record keeping, reporting techniques or data collection are inadequate to allow for effective monitoring and evaluation of the program, the City shall have the right to demand whatever record it deems adequate to correct such deficiencies in matters pertaining to the execution of this contract. Should these books and records, still not meet the minimum standards of the accepted accounting practices of the City, the City reserves the right to withhold any or all payments to the Contractor until such time as they meet these standards.

SECTION V. DOCUMENTS, RECORDS, AND AUDITS

A. Audits and Inspections

1. The Contractor agrees that the City, or any of its duly authorized representatives, shall, for the purpose of audit and examination be permitted to inspect all work, materials, payroll, and other data and records with regard to the project, and to audit the books, records, and accounts with regard to the project.
2. It is agreed that examination of books, records, accounts, trip logs, drivers' time sheets, contracts, invoices, materials, records of personnel, time sheets and payroll records, conditions of employment, reports, and other statistical data relating to all matters covered by this Agreement will be made in accordance with generally accepted auditing standards applicable

in the circumstances and that as such, said examinations does not require a detailed audit of all transactions. Testing and sampling methods may be used in verifying invoices and related reports submitted by the Contractor. Deficiencies ascertained by the use of such testing and sampling methods by applying the "percentage of error" obtained from such testing and sampling to the entire period of reporting under examination will be binding on the Contractor and to that end shall be admissible in court to prove any amounts due to the City from records and figures in court to rebut the sampling method. In the event any deficiency in the amount of five percent (5%) or greater of the compensation payable to the City hereunder is ascertained, the Contractor agrees to pay the City for the entire cost of the audit as well as any other deficiencies, payments and liquidated damages due under this or any other provision of this contract within 30 days of receipt of the City's billing.

3. At any time during normal business hours and as often as the City may deem necessary, the Contractor shall make available to the City for examination, all necessary records with regard to the service provision. The City shall have the authority to audit, examine and make excerpts or transcripts from records, including all contracts, invoices, materials, payrolls, personnel records, conditions of employment and other statistical data relating to all matters covered by this agreement.
4. The City reserves the right to dispatch auditors of its choosing to any site where any phase of the project is being conducted, controlled, or advanced in any way, however tangible or intangible. Such sites may include the home office, any branch office or other locations of the Contractor if such sites or the activities performed thereon have any relationship to the program covered by this Agreement. City auditors shall be provided with adequate and appropriate workspace in order to conduct audits and shall be allowed to interview any employees of the Contractor. It is the responsibility of the Contractor to insure the cooperation of all employees with any procedure pertaining to the audit.
5. All project records prepared by the Contractor shall be owned by the City and be made available to the City at no additional charge. The City may elect to authorize representatives of other project funding partners to inspect, audit and analyze the records of the Contractor in operating this service, preparing the bid for this service, or of the operation of any similar service.
6. The City shall have the authority to make physical inspections and to require such physical safeguarding devices as locks, alarms, safes, fire extinguisher, sprinkler system, etc., to safeguard property and/or

equipment authorized by this Agreement.

7. When a fiscal or special audit determines that the Contractor has received payments from the City which are questionable under the criteria set forth herein, the Contractor shall be notified and given the opportunity to justify questioned items prior to the City's final audit report.
8. If such audit finds that the City's dollar liability for such service is less than payments made by the City to Contractor, then Contractor agrees that the difference shall be either:
 - a. repaid forthwith by Contractor to City by cash payment, or
 - b. at LADOT's General Manager's option, credited against any future payments hereunder to Contractor.

If such audit finds that City's dollar liability for service is more than payments hereunder to Contractor, then the difference shall be paid to Contractor by the City, provided that in no event shall the City's maximum obligation, as set forth in this Agreement, be exceeded.

9. The City shall determine any amount to be paid to the Contractor during the period of audit. The City has the authority to withhold funds pending a final determination by the City of questioned expenditures to the City.

SECTION VI. STANDARD CONTRACT PROVISIONS

- A. Hereby incorporated by reference into this contract are Mandatory City Contract Requirements, revised 7/18, which are attached hereto as Appendix A and included herein by reference, and the Standard Provisions for City Personal Services Contracts, revised 10/17, v.3 , which are attached hereto as Appendix B and included herein by reference.
- B. Contractor Evaluation Program

At the end of this contract, the City will conduct an evaluation of the Contractor's performance. The City may also conduct evaluations of the Contractor's performance during the term of the contract. As required by Section 10.39.2 of the Los Angeles Administrative Code, evaluations will be based on a number of criteria, including the quality of the work product or service performed, the timeliness of performance, the Contractor's compliance with budget requirements, and the expertise of personnel that the Contractor assigns to the contract. The Contractor will be provided with a copy of the final

City evaluation and allowed 14 calendar days to respond. The City will use the final City evaluation, and any response from the Contractor, to evaluate proposals and to conduct reference checks when awarding other **personal services contracts**.

SECTION VII. MISCELLANEOUS

- A. Neither party assumes any liability for failure to fulfill the terms and conditions of this Agreement caused by events beyond the reasonable control of such party. Such events may include, but are not restricted to the following: natural disaster, acts of government in either its sovereign or contracted capacity, a failure or shortage of fuel, water, fuel oil, or other utility or services, strikes, riots, fires, floods, epidemics, war, insurrection or other national or local emergency, freight embargo, impassability of routes due to construction, and unusually severe weather but in every case the failure to perform must be beyond the control and without the fault or negligence of the Contractor or its subcontractor.
- B. This Agreement, the RFQ, addendum, the Proposal and all exhibits contain the entire understanding between the Contractor and City. No modification or addition to this Agreement shall have any effect whatsoever unless set forth in writing, approved by the Mayor and City Council of City, and signed by both parties hereto.
- C. Any item of work contained in either the RFQ or the Proposal shall be performed by the Contractor as though it appears in this Agreement. In the event of any conflict, the terms of this Agreement and the RFQ govern over the Proposal unless specifically stated otherwise.
- D. Disputes regarding the interpretation or application of any provisions shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties. The City shall make every effort to limit the negotiating period for a time not to exceed 30 days. Failure to come to a negotiated settlement will allow the aggrieved party to seek recourse in the courts of law (refer to the Standard Provisions for City Personal Services Contracts, Appendix A, Section PSC-2 of the RFQ).
- E. The failure of the City to insist upon strict performance by Contractor of any provision hereunder in every one or more instances shall not constitute a waiver of such provision by City, nor shall, as a result, City relinquish any rights that it may have under this Contract.
- F. This Agreement shall be binding on and inure to the benefits of the heirs, executors, administrators and assigns of the parties hereto.

IN WITNESS WHEREOF, the City of Los Angeles and the Contractor have caused this Agreement to be executed by their duly authorized representatives.

THE CITY OF LOS ANGELES

CONTRACTOR'S NAME

By: _____
Seleta J. Reynolds
General Manager
Department of Transportation

By*: _____
Representative
Title

DATE: _____

DATE: _____

APPROVED AS TO FORM:
MICHAEL N. FEUER, City Attorney

By**: _____

By: _____
Michael Nagle
Deputy City Attorney

Print Name: _____

Print Title: _____

DATE: _____

DATE: _____

ATTEST:
HOLLY L. WOLCOTT, City Clerk

NOTE: If Contractor is a corporation, two signatures are required.

By: _____

* The signature of President, Chairman of the Board, or Vice President is required here; and
** an additional signature of Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer is also required for the Corporation.

DATE: _____

City Agreement Number: _____

Council File Number: _____

City Business Tax Registration Certificate Number: _____

Internal Revenue Service Taxpayers I.D. Number: _____