

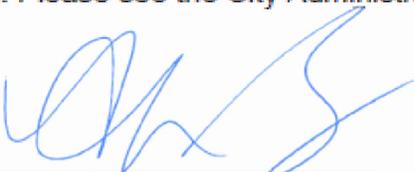
0220-05517-0005

**TRANSMITTAL**

TO The City Council	DATE 01/14/21	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT All	

**Request from the Department of Transportation for Authority to Execute Seventh Amendment with MV Transportation, Inc. for continued Cityride Dial-A-Ride Services for up to one year through February 1, 2022**

This contract is fully funded by budgeted special funds and has no General Fund impact. It is, therefore, authorized under the 2020-21 Cost Containment restrictions and forwarded for your consideration. Please see the City Administrative Officer report attached.



\_\_\_\_\_

MAYOR

(Ana Guerrero for)

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

To: The Mayor	Date: 01-12-21	C.D. No. 11	CAO File No.: 0220-05517-0005				
Contracting Department/Bureau: Department of Transportation		Contact: Angela De La Rosa (213) 972-5949					
Reference: Department of Transportation request to the Mayor's Office and the Office of the City Administrative Officer dated December 14, 2020							
Purpose of Contract: Amendment to extend Cityride service on a month-to-month basis for a period not to exceed one year (February 2, 2021 to February 1, 2022) and adjust compensation rate with no increase in the contract ceiling.							
Type of Contract: ( ) New contract (X) Amendment, Contract No. C-127028		Contract Term Dates: February 2, 2016 to February 1, 2022 (one-year extension from February 2, 2021 to February 1, 2020)					
Contract/Amendment Amount: \$0							
Proposed amount \$ 0 + Prior award(s) \$ 30,687,311 = Total \$ 30,687,311							
Source of funds: Proposition A Local Transit Assistance Fund							
Name of Contractor: MV Transportation, Inc.							
Address: 5910 N. Central Expressway, Suite 1500, Dallas, TX 75208							
	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. 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: 0%				14. California Iran Contracting Act of 2010	X		

**RECOMMENDATION**

That the Mayor and Council authorize the General Manager of the Department of Transportation (LADOT), or designee, to execute the Seventh Amendment to Agreement C-127028 with MV Transportation, Inc., to continue the Cityride Dial-A-Ride program on a month-to-month basis for a period not to exceed one year through February 1, 2022.

**SUMMARY**

LADOT is requesting authorization to extend the term of the agreement with MV Transportation, Inc. (MVT) to operate the Cityride program on a month-to-month basis for a period not to exceed one year, from February 2, 2021 through February 1, 2022, in order to prevent a lapse in service while LADOT prepares a new Cityride Request for Proposals (RFP).

The Cityride program provides essential services for older adults and persons with disabilities by providing transportation to medical offices and appointments (including dialysis), senior centers, libraries, recreational facilities, and shopping trips. The Cityride program offers registered participants a fare subsidy to use on City-operated Dial-a-Ride (DAR), and franchised taxis. Cityride participants use the fare subsidy value to travel on participating local taxis, and on Cityride lift vans, which are operated by the current contractor, MVT. The Cityride DAR service component consists of on-

Roy Cervantes			 City Administrative Officer
RC	Analyst	06210064	

demand curb-to-curb paratransit service and the operation of two (2) semi-fixed service routes in the Northeast and Mid-City areas of the City. The Cityride DAR program is currently operated with 44 City-owned gasoline-powered and compressed natural gas (CNG) vehicles, each seating six to 10 passengers and equipped with a wheelchair lift. MVT operates the vehicles and buses for this program and coordinates the associated use of City-franchised taxicabs when DAR service is unavailable or at capacity.

The current Cityride contract, including all previously approved extensions, is set to expire on February 1, 2021. LADOT had been working to release a Cityride RFP and award a contract in order to meet the contract termination date, but the timeline has been delayed due to the COVID-19 pandemic and the associated budget downturn. The one-year contract extension would allow LADOT sufficient time to release a new Cityride RFP and award a contract without halting Cityride service for the City’s senior and disabled populations.

The proposed one-year contract extension does not require additional funding to the total contract authority. The amendment does include a tiered cost approach that increases the cost of the service when a service reduction occurs based on a sliding scale. This approach is also utilized in the current DASH and Commuter Express contracts, which allows the City to increase or decrease service as needed without negotiating with the contractor each time a service adjustment, such as an adjustment due to the COVID pandemic, is needed.

<b>Cityride Dial-A-Ride Service</b>	<b>Hourly Rate</b>
Original Year 5 Rate	<b>\$81.09</b>
Proposed Month-to-Month rate	<b>\$87.68</b>
<b><i>Reduction in Service</i></b>	
1.0%-10%	\$90.73
10.1%-20%	\$97.29
20.1%-30%	\$101.52
30.1%-40%	\$109.16
40.1%-50%	\$115.24
50.1%-60%	\$125.44
60.1%-70%	\$147.67

The proposed increase in the hourly rate (\$87.68, or 8.1% above the current Year 5 rate) is due primarily to an increase in MVT’s labor, insurance, and parts costs.

**BACKGROUND**

In December 2015, the Mayor and City Council approved a five-year contract (three-year contract with two optional one-year extensions) for MVT to operate the Cityride program (C.F. 06-1136).

In February 2019, the First Amendment to the Cityride contract was executed to activate the first one-year extension of the contract through February 1, 2020.

In June 2019, the Mayor and Council approved the Second Amendment to the Cityride contract to implement the LAnow one-year demand-based shared-ride mobility demonstration project, retroactive to March 11, 2019, and increase the maximum compensation amount of the base contract by

\$940,000 to \$27,440,000. In addition, a Third Amendment was approved in the same Council File to add taxi paratransit overflow service for the Cityride Dial-a-Ride Program, increasing the total compensation of the Cityride contract (including the LAnow pilot) by \$1,736,955 to \$29,176,955 (C.F. 11-0581-S3).

In November 2019, the Fourth Amendment (the second and final one-year extension) to the Cityride contract was executed to authorize MVT to operate the Cityride program through February 1, 2021.

In March 2020, the Fifth Amendment to the Cityride contract was executed to provide additional compensation for the LAnow pilot program, and to extend the LAnow pilot program through April 30, 2020.

In October 2020, the Sixth Amendment was executed to allow the contractor to prepare and invoice the City for COVID-19 related operations or maintenance services for the Cityride program (C.F. 20-0982).

The Department is now requesting a Seventh Amendment to extend the Cityride contract on a month-to-month basis for a period not to exceed one year, from February 2, 2021 through February 1, 2022.

### **Cost Containment Memo Compliance**

In accordance with the Mayor's Cost Containment Memo dated June 24, 2020, the execution of new contracts and contract amendments are suspended unless certain exception criteria are met. Departments may request approval to proceed with contracts and expenditures that are: 1) essential to public health and safety, 2) revenue generating, or 3) legally mandated.

This Office recommends an exception for these agreements inasmuch as these services are essential to public health and safety, as many older adults and persons with disabilities still rely on the Cityride DAR service for transportation during the pandemic. In addition, the contract and proposed amendment are funded entirely by Special Funds and have no impact on the General Fund.

### **FISCAL IMPACT STATEMENT**

There is no General Fund impact. Funding is available for the proposed contract amendment within the Proposition A Local Transit Assistance Fund. Funding for subsequent years of the contract will be provided in those fiscal year budgets.

### **FINANCIAL POLICIES STATEMENT**

The recommendations comply with City Financial Policies in that sufficient special fund revenues are available and eligible for this purpose.

Attachments

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

Date: December 11, 2020

To: The Honorable Eric Garcetti, Mayor  
Office of the Mayor  
Attention: Heleen Ramirez, Legislative Coordinator

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

Subject: **SEVENTH AMENDMENT TO AGREEMENT C-127028 BETWEEN THE LOS ANGELES DEPARTMENT OF TRANSPORTATION AND MV TRANSPORTATION, INC. FOR THE CONTINUED OPERATION OF THE CITYRIDE DIAL-A-RIDE SERVICE**

**SUMMARY**

The City of Los Angeles Department of Transportation (LADOT) requests authorization to execute a contract amendment with MV Transportation, Inc. for the continued operation of the Cityride Dial-A-Ride (DAR) service.

**RECOMMENDATION**

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

Authorize the LADOT General Manager to execute the Seventh Amendment to Agreement C-127028 with MV Transportation, Inc., extending the term of the Agreement on a month-to-month basis for a period not-to-exceed one year and adjust the compensation rate, with no increase in the budget already approved by Council.

**BACKGROUND**

The Cityride program is a senior and persons with disabilities user-side subsidy transportation program administered by LADOT. Cityride eligible clients pay \$21 (\$9 for low income) quarterly and receive \$84 of fare value. Participants use fare value to pay for DAR trips (\$4 for an individual trip up to 10 miles) or City-franchised taxicabs (up to \$20). The program is operated with (44) City-owned gasoline-powered and CNG cutaway vehicles, each seating 6 to 10 passengers and equipped with a wheelchair lift. LADOT plans to replace its gasoline-powered cutaway vehicles with battery-electric buses in the near future.

The DAR service operates in three service areas throughout the City as well as some unincorporated portions of Los Angeles County adjacent to the City (Kagel Canyon, Calabasas, Topanga, Marina Del Rey, and areas near Carson and Long Beach) in partnership with the County of Los Angeles. Also, as part of the DAR contract, the service provider is required to operate two fixed-routes in the northeast (Via Marisol) and mid-city (Park La Brea) area of the City. The circulators serve several senior housing complexes and provide service to nearby shopping, medical offices, senior centers, libraries, and recreational facilities.

In December 2015, the Mayor and City Council approved a five-year contract (three-years with two optional one-year extensions) for MV Transportation, Inc. to operate the Cityride Dial-A-Ride program (C.F. 06-1136). LADOT executed the first amendment to the Cityride contract to activate the first one-year extension of the contract through February 1, 2020. On November 19, 2019, LADOT executed the fourth amendment to extend the contract for the second and final one-year through February 1, 2021.

The table below outlines the Cityride DAR service's total costs to date and the anticipated costs for the remainder of the fifth year and the month-to-month extension.

Cityride DAR Service Year	Estimated Costs	Total Spent to Date	+/- Difference
Year 1 – Original Agreement	\$4,165,579	\$4,025,137	\$140,442
Year 2 – Original Agreement	\$4,441,506	\$4,309,628	\$131,878
Year 3 – Original Agreement	\$4,727,022	\$4,553,760	\$173,262
Year 4 – Expired 2/1/20	\$5,024,747	\$4,408,028	\$616,719
Year 5 – Service 2/2/20 – 2/1/21	\$5,293,918	\$2,799,908*	\$2,494,010
Month-to-Month	\$476,679/month	TBD	TBD

\* Projected

## DISCUSSION

LADOT requests authorization to extend the term of the Agreement with MV Transportation, Inc. on a month-to-month basis, for a period not-to-exceed one year for the Cityride DAR program's continued operation. LADOT has been doing all that it could to have the new Cityride RFP released on time to meet the February 1, 2021 contract termination date. However, due to the COVID pandemic and associated budget downturn, the Cityride RFP is one of the first RFPs to go through the new cost containment process with CAO and the Mayoral budget team. The recommended contract extension will give the Department sufficient time to release a new Cityride RFP and award a contract without halting service to the City's senior and disabled population.

LADOT has negotiated a cost proposal with the current contractor, MV Transportation, for a month-to-month contract extension based on a sliding scale. This tiered cost approach is common in both DASH and Commuter Express contracts, where a reduction in service increases the cost. It allows the City to decrease (and increase) service without negotiating with the contractor each time a service adjustment is required. A good example of this is the current COVID pandemic, where a service demand has dipped by over 55 percent. The increase in cost (8.1%) over the 5<sup>th</sup> year rate is due primarily to an increase in cost for labor, Insurance premiums, and Parts.

Original Year 5 Rate	<b>\$81.09</b>
Proposed Month-to-Month rate	<b>\$87.68</b>
<b>Reduction in Service</b>	<b>Hourly Rate</b>
1.0%-10%	\$90.73
10.1%-20%	\$97.29
20.1%-30%	\$101.52
30.1%-40%	\$109.16
40.1%-50%	\$115.24
50.1%-60%	\$125.44
60.1%-70%	\$147.67

**FISCAL IMPACT**

There is no impact to the General Fund. No additional funds are requested for this amendment. There are sufficient funds included in the City's Adopted FY 2020-21 Proposition A Local Transit Assistance (PALTA) budget, Fund No. 385, Transit Operations Account 94T431. LADOT will request additional funding for Cityride Dial-A-Ride services for the next fiscal year in the FY 2021-22 Proposed Budget.

Attachment: Contract Amendment C-127028-7

SJR:jf

**SEVENTH AMENDMENT TO  
AGREEMENT C-127028  
BETWEEN  
THE CITY OF LOS ANGELES  
AND  
MV TRANSPORTATION, INC.  
FOR THE OPERATION OF  
THE CITY OF LOS ANGELES  
CITYRIDE DIAL-A-RIDE SERVICES**

**SEVENTH AMENDMENT TO AGREEMENT C-127028  
BETWEEN  
THE CITY OF LOS ANGELES  
AND  
MV TRANSPORTATION, INC.  
FOR THE  
OPERATION OF THE CITYRIDE DIAL-A-RIDE SERVICES**

**THIS SEVENTH AMENDMENT** to Agreement C-127028 between the City of Los Angeles, a municipal corporation (hereinafter referred to as the "City"), acting by and through the Department of Transportation (hereinafter referred to as "LADOT"), and MV Transportation, Inc., a California corporation (hereinafter referred to as "Contractor"), is entered into with reference to the following:

**WHEREAS**, the City is desirous of continuing the obtained services for the management and operation of the CITYRIDE Dial-A-Ride services known herein as Cityride Area 1, 2, and 3;

**WHEREAS**, on July 13, 2015, LADOT issued a Request for Proposals (RFP) in accordance with City Charter §372 seeking qualified contractors to perform said services; and

**WHEREAS**, the City requested that the Contractor operate the Cityride Dial-A-Ride in the time and manner set forth in the RFP and Proposal; and

**WHEREAS**, the parties entered into Agreement C-127028 on February 2, 2016, wherein the Contractor agreed to provide management and operation services of the Cityride program for a three-year term through February 1, 2019, with two (2) renewal options exercisable in one-year increments (C.F. 06-1136); and

**WHEREAS**, LADOT entered into the First Amendment to Agreement C-127028, to extend the term of the Agreement through February 1, 2020, and to update the City's Standard Provisions for City Contracts (rev. 10/17 v.3); and

**WHEREAS**, LADOT entered into the Second Amendment to Agreement C-127028 to implement a twelve-month micro-transit demand-based shared-use mobility demonstration project called LAnow in segments of West Los Angeles (Palms, Mar Vista, Venice, and Del Rey) for a not to exceed the cost of \$940,000 as reported in the Transit Service Analysis Phase One recommendations (C.F.18-0244); and

**WHEREAS**, LADOT entered into the Third Amendment to Agreement C-127028 to implement a Dial-A-Ride (DAR) Taxi Overflow service as part of the Cityride Dial-A-Ride program designed to optimize the DAR program as reported in the Transit Service Analysis Phase One recommendations (C.F.18-0244); and

**WHEREAS**, LADOT entered into the Fourth Amendment to Agreement C-127028 to exercise the final renewal option and extend the term of the Agreement through February 1, 2021; and

**WHEREAS**, the LAnow Pilot Program began service on March 11, 2019, for a twelve (12) month term and a total allocation of \$940,000; however, the original allocation was insufficient; and

**WHEREAS**, LADOT entered into the Fifth Amendment to Agreement C-127028 to continue the LAnow pilot program through April 30, 2020, and to increase the total compensation for the pilot program by \$1,510,356 for a total not-to-exceed amount of \$2,450,356; and

**WHEREAS**, LADOT entered into the Sixth Amendment to Agreement C-127028 to allow the Contractor to prepare and invoice the City for operations or maintenance services incurred on or after January 20, 2020, including employees providing such service whom were placed on administrative leave due to reduced service, are eligible for federal reimbursement as outline in the CARES Act;

**WHEREAS**, LADOT desires in this Seventh Amendment to Agreement C-127028 to extend the term the Agreement, on a month-to-month basis, for a period not to exceed twelve (12) months and adjust the compensation rate; and

**NOW, THEREFORE**, in consideration of the above premises and the mutual covenants and agreements herein contained, the parties agree to amend the existing Agreement as follows:

1. **Section II, TERMS OF CONTRACT**, Subsection (A)(1), Contract Period, is hereby deleted in its entirety and amend as follows

The term of this Agreement shall commence on February 2, 2016 (“Effective Date”), and will end on February 1, 2021. Thereafter, the CITY shall have the right to extend the contract on a month-to-month basis up to one additional year, from February 2, 2021 to February 1, 2022, provided that the CITY provides a written notice to the CONTRACTOR of the CITY’s intent to exercise the month-to-month extension no less than ninety-days (90) prior to February 1, 2021.

2. **Section II, TERMS OF CONTRACT**, Subsection A, Contract Period, add new “subsection 4-Termination During the Month-to-Month Extension” as follows:

4. **Termination During the Month-to-Month Extension.** If the CITY exercises its right to extend the CONTRACT on a month-to-month basis beyond February 1, 2021, pursuant to Section II A.1, the CITY may terminate the month-to-month extension prior to February, 1 2022, provided the CITY provides CONTRACTOR with a written notice of its intent to terminate the CONTRACT no less than sixty (60) days prior to the actual termination date.”

3. **Section III, CONTRACTOR DUTIES AND SCOPE OF WORK**, Subsection B, Service Delivery, is amended to renumber sections 7 and 8 to 6 and 7 respectively. The language remains unchanged.

4. Exhibit A, is hereby replaced in its entirety by the Exhibit A – Cost Proposal attached hereto.

5. Except at herein amended, all other terms and conditions of this Agreement shall remain unchanged.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

**THE CITY OF LOS ANGELES**

**MV Transportation, Inc., a California Corporation**

By: \_\_\_\_\_  
Seleta J. Reynolds  
General Manager  
Department of Transportation

By\*: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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

By\*\*: \_\_\_\_\_

By: \_\_\_\_\_  
Jonathan Groat  
Deputy City Attorney

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: C-127028-7

Council File Number: 06-1136, 18-0244

**EXHIBIT A**  
**Cityride Dial-A-Ride Services C-127028-7**  
**Proposed Month-to-Month rate starts on 2/2/2021**

Original Year 5 Rate	<b>\$81.09</b>
Proposed Month-to-Month rate	<b>\$87.68</b>
<b>Reduction in Service Hours</b>	<b>Hourly Rate</b>
1.0%-10%	\$90.73
10.1%-20%	\$97.29
20.1%-30%	\$101.52
30.1%-40%	\$109.16
40.1%-50%	\$115.24
50.1%-60%	\$125.44
60.1%-70%	\$147.67