

0220-05517-0006

TRANSMITTAL

TO
The City Council

DATE
04/14/21

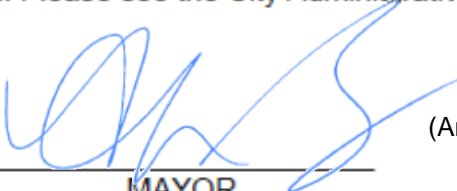
COUNCIL FILE NO.
11-0581-S3

FROM
The Mayor

COUNCIL DISTRICT
All

**Request from the Department of Transportation for Authority to Execute
Third Amendment with MV Transportation, Inc. for continued DASH and
Commuter Express Services in the North and South Regions**

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.



A handwritten signature in blue ink, appearing to read 'Ana Guerrero', is written over a horizontal line.

(Ana Guerrero for)

MAYOR

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: 03-24-2021	C.D. No. All	CAO File No.: 0220-05517-0006				
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 February 25, 2021							
Purpose of Contract: Amendment to extend North and South Regions Community Express and Community DASH Services							
Type of Contract: () New contract (X) Amendment, Contract No. C-127433		Contract Term Dates: May 1, 2016 to April 30, 2022 (one-year extension from May 1, 2021 to April 30, 2022)					
Contract/Amendment Amount: \$0							
Proposed amount \$ 0 + Prior award(s) \$ 213,672,151 = Total \$ 213,672,151							
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 Third Amendment to Agreement C-127433 with MV Transportation, Inc., to continue the North and South Regions Commuter Express and Community DASH Services for a period not to exceed one year through April 30, 2022.

SUMMARY

LADOT is requesting authorization to extend the term of the agreement with MV Transportation, Inc. (MVT) to operate North and South Regions Commuter Express and Community DASH Services for a period not to exceed one year, from May 1, 2021 through April 30, 2022, in order to prevent a lapse in service while LADOT prepares a new Request for Proposals (RFP) for North and South Regions Transit Services.

The North Region for DASH and Commuter Express Services broadly serves the San Fernando Valley, which includes Northridge, Reseda, Panorama City, Van Nuys, and Studio City. The South Region for DASH and Commuter Express Services broadly serves South Los Angeles, which includes Chesterfield Square, Pueblo Del Rio, Southeast Los Angeles, San Pedro, Vermont/Main, Wilmington, Watts, and other parts of West Los Angeles and the South Bay.

Roy Cervantes			
RC	Analyst	06210100	City Administrative Officer

The Commuter Express Services provides a suburb-to-downtown or suburb-to-suburb weekday peak hour service. Commuter Express service is provided primarily during peak commute periods on weekdays from 5:00 a.m. to 9:00 a.m., and 3:00 p.m. to 7:00 p.m., with limited exceptions. Headways typically vary from 15 to 60 minutes among the fourteen (14) Commuter Express lines.

LADOT also provides an extensive network of community-based, fixed-route shuttle bus services that enhance residents' mobility in the City of Los Angeles. The Community DASH services operate throughout the day connecting residents to commercial, medical, school, and shopping facilities within the community. The Community DASH also serves as a feeder distributor to the regional transit services operating mainly along primary/trunk arterials provided by the Los Angeles County Metropolitan Transportation Authority (LACMTA), including the Metro G (Orange) Line Busway, the Metro J (Silver) Line, Metro Rapid, and Metro local lines as well as urban rail lines including Metrolink, Metro A (Blue) Line, Metro Red Line, Metro Green Line, Metro Gold Line, Metro Purple Line, and Metro E (Expo) Line train stations.

The proposed one-year contract extension does not require additional funding to the total contract authority, but does include an adjustment to the hourly rate. The amendment includes a tiered cost approach that increases the cost of the service when a service reduction occurs, and vice versa, based on a sliding scale. This approach is also utilized in other 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 is needed, such as an adjustment due to the COVID pandemic. The proposed increase to the base hourly rate is due primarily to an increase in MVT's labor, insurance, and parts costs. There are sufficient funds remaining in the existing contract authority and in prior year appropriations to support this hourly rate adjustment for the proposed time extension.

DASH/Commuter Express Service	Hourly Rate
Original Hourly Rate	\$133.83
Proposed Hourly Rate	\$140.56
<i>Reduction in Service Hours</i>	
1.0%-10%	\$143.93
10.1%-20%	\$148.05
20.1%-30%	\$152.93
<i>Increase in Service Hours</i>	
1.0%-10%	\$140.30
10.1%-20%	\$138.53
20.1%-30%	\$136.14

BACKGROUND

In May 2016, LADOT executed a five-year service contract with MVT for the combined North and South Regions Commuter Express and Community DASH (C.F. 11-0581-S2). In October 2018, the Mayor and Council approved the Transit Service Analysis recommendations, which included DASH extended service hours and weekend service, as well as additional service to Commuter Express Route 437 (C.F. 18-0244).

In August 2019, the Mayor and Council approved the First Amendment to the MVT contract to change the span of service and operating hours as referenced in the Transit Service Analysis, and to increase the contract expenditure amount from \$201.4 million to \$213.7 million (C.F. 11-0581-S3).

In October 2020, the Mayor and Council approved the Second Amendment to allow MVT to bill services provided and related expenditures as permitted under the CARES Act up to the maximum allowable amount (C.F. 20-0982).

The Department is now requesting a Third Amendment to extend the DASH and Commuter Express contracts on a month-to-month basis for a period not to exceed one year, from May 1, 2021 through April 30, 2022, and to adjust the hourly rate with no overall increase to the contract budget.

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 this amendment inasmuch as these services are essential and necessary, as many transit riders rely on DASH and Commuter Express services for transportation during the pandemic and as offices and businesses begin to reopen. 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.

CITY OF LOS ANGELES

INTER-DEPARTMENTAL MEMORANDUM

Date: February 23, 2021

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: **THIRD AMENDMENT TO AGREEMENT C-127433 BETWEEN THE LOS ANGELES DEPARTMENT OF TRANSPORTATION AND MV TRANSPORTATION, INC. FOR THE OPERATION OF THE NORTH AND SOUTH REGIONS COMMUTER EXPRESS AND COMMUNITY DASH SERVICES**

SUMMARY

The City of Los Angeles Department of Transportation (LADOT) requests authorization to execute a contract amendment with MV Transportation, Inc. (MV Transportation) for the continued operation of the North and South Regions Commuter Express and Community DASH Services (Package 3 and Package 5).

RECOMMENDATION

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

Authorize the LADOT General Manager to execute the Third Amendment to Agreement C-127433 with MV Transportation, 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 the Council.

BACKGROUND

The Commuter Express Services provides a suburb-to-downtown, or suburb-to-suburb, line haul weekday peak hour service. Commuter Express service is provided primarily during peak commute periods on weekdays from 5:00 a.m. to 9:00 a.m., and 3:00 p.m. to 7:00 p.m. Commuter Express Line 142 is the exception; it operates from 5:20 a.m. to 11:40 p.m. on weekdays and from 5:50 a.m. to 11:15 p.m. on weekends and holidays. Headways typically vary from 15 to 60 minutes among the fourteen (14) Commuter Express lines.

LADOT also provides an extensive network of community-based, fixed-route shuttle bus services that enhance residents' mobility in the City of Los Angeles. The Community DASH services (DASH North Region and DASH South Region) operate throughout the day connecting residents to commercial, medical, school, and shopping facilities within the community. The Community DASH also serves as a feeder distributor to the regional transit services operating mainly along primary/trunk arterials provided by the Los Angeles County Metropolitan Transportation Authority (LACMTA), including the Metro G (Orange) Line Busway, the Metro J (Silver) Line, Metro Rapid, and Metro local lines as well as

urban rail lines including Metrolink, Metro A (Blue) Line, Metro Red Line, Metro Green Line, Metro Gold Line, Metro Purple Line, and Metro E (Expo) Line train stations.

LADOT has an existing five year service contract with MV Transportation for the combined North and South Regions Commuter Express and Community DASH services that expire on April 30, 2021. On October 26, 2019, the City passed a motion (C.F. 18-0244) authorizing LADOT to initiate the Transit Service Analysis Recommendation of DASH extended service hours, weekend services, and additional service to Commuter Express Route 437. The City executed the First Amendment to Agreement C-127433 on August 2, 2019, to change the span of service, operating hours, and weekend operations and increase the contract expenditure amount from \$201,372,442 to \$213,672,151.

The City executed the Second Amendment to Agreement C-127433 on October 7, 2020, to allow MV Transportation to bill services provided and other costs as permitted under the CARES Act as a pass-through cost up to the allowable maximum established by the Federal Government (C.F. 20-0982).

The table below outlines the North and South Regions services costs to date and the anticipated costs for the remainder of the fifth year and month-to-month extension.

North and South Service Year	Actual Expenditures	Anticipated Expenditures	Contract Balance \$213,672,151
Year 1 (5/01/16-4/30/17)	\$31,038,716		\$182,633,435
Year 2 (5/01/17-4/30/18)	\$33,601,213		\$149,032,222
Year 3 (5/01/18-4/30/19)	\$36,468,592		\$112,563,630
Year 4 (5/01/19-4/30/20)	\$37,999,552		\$74,564,078
Year 5 (5/01/20-4/30/21)	\$7,605,528 ¹	\$24,082,309	\$42,876,241
Month-to-Month Extension (for 12 months)		*\$36,896,052	\$5,980,189

Notes: 1. 5/1/20-7/31/20

*Anticipated Expenditures for Month-to-Month Extension. \$3,074,671 per month

DISCUSSION

LADOT requests authorization to extend the term of the Agreement with MV Transportation on a month-to-month basis, for a period not-to-exceed one year for the continued operation of the North and South Regions Commuter Express and Community DASH services. The recommended contract extension should allow sufficient time for the City to complete the City's new cost containment process, issue the new North and South Regions Transit Services Request for Proposal (RFP), and award a new contract.

LADOT is doing all it can to release the new RFP in time for a new contract to be awarded by May 1, 2021. However, it became increasingly difficult due to the COVID-19 pandemic and the associated budget downturn resulting in increased timelines for projects, all of which are required to go through the new cost containment process with the CAO and the Mayoral budget team. The month-to-month contract amendment is a stop-gap measure to ensure the Commuter Express and Community DASH services are not interrupted. Halting these transit bus services would directly impact many residents who rely on these essential transit services every day to get to where they need to go.

LADOT negotiated a cost proposal with MV Transportation for the recommended 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. The cost table of the tiered structure is Exhibit A of the contract amendment.

	Existing Hourly Rate	Proposed Hourly Rate	Annual Hours	Monthly Hours
Proposed Month-to-Month Hourly Rate	\$133.83	\$140.56	261,226	21,769
<i>Sub Total</i>			<i>\$3,059,850.64</i>	

		Yearly Cost	Monthly Cost
Line Item: Fuel Costs			
Line Item: Additional Service Cost		\$40,000	\$3,333
Line Item: Parking Attendant - Chatsworth Park & Ride		\$94,050	\$7,838
Line Item: Year-by-Year Drivers' Permit Costs		\$40,192	\$3,349
Line Item: DSL Broadband High-Speed Internet Connection (TAP) - Maintenance Facility		\$3,600	\$300
<i>Sub Total</i>		<i>\$14,820</i>	

Total **\$3,074,670.64**

FISCAL IMPACT

There is no General Fund impact. 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 North and South services for the next fiscal year in the FY 2021-22 Proposed Budget.

SJR:yt, cl

THIRD AMENDMENT
TO
AGREEMENT C-127433
BETWEEN
THE CITY OF LOS ANGELES
AND
MV TRANSPORTATION, INC.
FOR THE
OPERATIONS OF THE
CITY OF LOS ANGELES
NORTH AND SOUTH REGIONS BUS TRANSIT SERVICES

**THIRD AMENDMENT TO AGREEMENT C-127433
BETWEEN
THE CITY OF LOS ANGELES
AND
MV TRANSPORTATION, INC.
FOR
THE OPERATIONS OF THE NORTH AND SOUTH REGIONS BUS TRANSIT SERVICES**

THIS THIRD AMENDMENT to Agreement C-127433 between the City of Los Angeles (hereinafter referred to as “City”), a municipal corporation, 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:

WITNESSETH

WHEREAS, the City desires to continue the obtained services for the management and operation of the North and South Regions transit bus services of the City Los Angeles, Department of Transportation, Office of Transit Services; and

WHEREAS, on July 13, 2015, LADOT issued a Request for Proposals (RFP, locally and nationally for companies interested in providing service in accordance with City Charter §372 seeking qualified contractors to perform said services; and

WHEREAS, the Contractor submitted a proposal (hereinafter referred to as “Proposal”), dated September 23, 2015, in response to the RFP; and

WHEREAS, the Contractor has the management and technical expertise and other assets necessary for the management and operation of the North and South Regions bus transit services; and

WHEREAS, the City requested that the Contractor operate the North and South Regions bus transit services in the time and manner set forth in the RFP and Proposal; and

WHEREAS, the parties entered into Agreement C-127433 on May 1, 2016, wherein the Contractor agreed to provide management and operation services of the North and South Regions bus transit services for a term of up to five years, from May 1, 2016, through April 30, 2021 (C.F. 11-0581-S2); and

WHEREAS, on February 5, 2014, the City passed a motion (C.F. 13-1550) instructing LADOT to update its 2005 Community DASH Needs Assessment Study; and

WHEREAS, on July 19, 2017, LADOT was awarded federal funding for the reverse commute of Commuter Route 438 through Section 5316 Job Access and Reverse Commuter (JARC) Program funding for operations and LADOT intends to implement Commuter Express route 439 under this funding; and

WHEREAS, on October 26, 2019, the City passed a motion (C.F. 18-0244) authorizing LADOT to initiate the Transit Service Analysis Recommendation of DASH extended service hours, weekend services, add additional service to Commuter Express Route 437; and

WHEREAS, on August 2, 2019, LADOT entered into the First Amendment to Agreement C-127433 to change the span of service, the operating hours, add weekend operations, and increase the contract expenditure amount and to update the City's Standard Provisions for City Contracts (Rev. 10/17)[v.3]; and

WHEREAS, on March 13, 2020, in response to the COVID-19 pandemic, the President signed a proclamation declaring a National Emergency, approved the Major Disaster Declaration for California on March 22, 2020, and signed into law the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Public Law #116-136) on March 27, 2020; and

WHEREAS, on March 27, 2020, the Federal Transit Administration (FTA) was allocated \$25 billion in CARES Act funding for recipients of urbanized area formula funds, with \$22.7 billion to large and small urban areas including LADOT Transit; and

WHEREAS, operating and COVID-19 related expenses incurred on or after January 20, 2020, for all urban recipients are also eligible for CARES Act funding, including operating expenses to maintain transit services as well as paying for administrative leave for transit personnel due to reduced operations during a declared emergency; and

WHEREAS, the City instructed the Contractor to take such actions in response to the COVID-19 pandemic since the Mayor's declaration of a Local Emergency for the City of Los Angeles on March 4, 2020; and

WHEREAS, on October 5, 2020, LADOT entered into the Second Amendment to Agreement C-127433 to allow the Contractor to prepare and invoice the City for COVID-19 related operations or maintenance services incurred on or after January 20, 2020, including employees providing such service who were placed on administrative leave due to reduced service, are eligible for federal reimbursement as outlined in the CARES Act; and

WHEREAS, LADOT is in the process of preparing a new RFP for these services, but requires continuation of the current Agreement until the new contract award; and

WHEREAS, LADOT desires in this Third Amendment to Agreement C-127433 to extend the term of the Agreement, on a month-to-month basis, for a period not to exceed twelve (12) months; and

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

1. **Section II, TERMS OF CONTRACT**, Subsection A.1, Contract Period, is hereby amended as follows:
 1. This Agreement shall be in effect for up to five (5) YEARS STARTING FROM May 1, 2016 to April 30, 2021. This Agreement term may be extended on a month-to-month basis up to one additional year, beginning May 1, 2021, and ending on April 30, 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 sixty days (60) prior to May, 1, 2021.

2. **Section II, TERMS OF CONTRACT**, Subsection A.1, Contract Period, add new “paragraph 7 – Termination during the Month-to-Month Extension, immediately following paragraph 6, to read as follows:
 7. **Termination During the Month-to-Month Extension.** If the CITY exercises its right to extend the CONTRACT on a month-to-month basis beyond May 1, 2021, pursuant to Section II A.1, the CITY may terminate the month-to-month extension prior to April 30, 2022, provided the CITY provides the 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 IV, COMPENSATION**, subsection A, add new paragraph 7, immediately following paragraph 6, to read as follows:
 7. The City shall pay the Contractor a monthly amount equal to the number of revenue service hours of operation times the hourly rate as indicated in Exhibit A of this Third Amendment of Agreement C-127033 starting on May 1, 2021 through the rest of the Agreement period, but not past April 30, 2022.
4. Except as herein amended, all other terms and conditions of this Agreement shall remain unchanged.

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
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: _____
Michael Nagle
Deputy City Attorney

Title: _____

Date: _____

Date: _____

ATTEST:
HOLLY L. WOLCOTT, City Clerk

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

*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.

By: _____

Date: _____

City Agreement Number: C-127433-3

Council File Numbers: 11-0581-S2, 13-1550,
18-0244

Exhibit A

**COMBINED NORTH AND SOUTH REGIONS (ECONOMIES-OF-SCALE)
Revenue Service Hourly Rates & Line Item Expenses**

	Existing Hourly Rate	Proposed Hourly Rate	Annual Hours	Monthly Hours
Proposed Month-to-Month Hourly Rate	\$133.83	\$140.56	261,226	21,769
Reduction in Service Hours				
1.0%-10%	\$136.49	\$143.93		
10.1%-20%	\$140.22	\$148.05		
20.1%-30%	\$144.61	\$152.93		
Increase in Service Hours				
1.0%-10%	\$133.32	\$140.30		
10.1%-20%	\$130.47	\$138.53		
20.1%-30%	\$127.24	\$136.14		
<i>Sub Total</i>				\$3,059,827.21

			Yearly Cost	Monthly Cost
Line Item: Fuel Costs				
Line Item: Additional Service Cost			\$40,000	\$3,333
Line Item: Parking Attendant - Chatsworth Park & Ride			\$94,050	\$7,838
Line Item: Year-by-Year Drivers' Permit Costs			\$40,192	\$3,349
Line Item: DSL Broadband High Speend Internet Connection (TAP) - Maintenance Facility			\$3,600	\$300
<i>Sub Total</i>				\$14,820

Total

\$3,074,647.38