



# CITY COUNCIL AGENDA REPORT



**DEPARTMENT:** Public Services

**MEETING DATE:** April 18, 2017

**PREPARED BY:** Sean Sullivan, Public Works Division Manager

**AGENDA LOCATION:** AR-1

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**TITLE:** Selection of Parking Company of America for the Management and Operation of Monrovia Transit through the Period Ending June 30, 2020

**OBJECTIVE:** To authorize staff to develop a transportation services agreement with Parking Company of America (PCA) for the management and operation of Monrovia Transit for the period of June 1, 2017, through June 30, 2020

**BACKGROUND:** Beginning in 1983, the City has provided on-demand transportation services for the community through our Monrovia Transit program. This general public service is available to all residents of the City, as well as for residents of both the City of Bradbury and the unincorporated area of Los Angeles County located south of the City. In addition, it should be noted that Monrovia Transit services are provided to non-Monrovia jurisdiction through agreements with both the City of Bradbury and the County of Los Angeles.

Since being established in 1983, Monrovia Transit has been operated under contract by professional transportation companies. Since 2010, the service has been provided by Keolis Transit America, Inc. (Keolis), whose contract is set to expire on May 31, 2017. Given that factor, during the past several months, staff has worked to develop an overall request for proposal (RFP) process to identify a new transportation services provider to take over management of Monrovia Transit effective June 1, 2017. The RFP was circulated publically in February 2017. In addition to posting it on the City's website and noticing it through the California Association for Coordinated Transportation (Cal-ACT), staff directly contacted fourteen (14) transportation providers to inform them of the request for proposals. At the submittal deadline of March 14, 2016, the City received four (4) proposals from prospective operators.

**ANALYSIS:** The basis of the RFP was to solicit the services of a qualified operator to manage and operate the Monrovia Transit system for the period of June 1, 2017, through June 30, 2020. The essential functions of the operator are to manage all functions of the transportation operation, including customer service, reservations, scheduling, hiring, training, and maintaining the City owned vehicles. The proposed scope of services contained in the RFP also provided that the City has the right to increase or decrease the service levels by up to 20% to accommodate any desired changes to the overall Monrovia Transit operation.

Upon receipt of the proposals, staff undertook a comprehensive review of the proposals. The review included a comparison of the proposals to the RFP specifications to ensure adherence to mandated requirements, a comprehensive financial analysis of each submittal, and detailed reference checks for each firm. Additionally, interviews were held with each of the proposing

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firms, during which time each firm was afforded the opportunity to present on their proposal and staff was given the opportunity to seek clarification of any concerns or issues.

A summary of costs associated with each of the proposals received is outlined below. The cost proposals were developed with both fixed and variable costs based on the following two service components:

- **Fixed Monthly Costs**
  - The fixed monthly cost includes all costs related to management, administrative, and overhead costs and they remain fixed regardless of the level of service.
  
- **Cost Per Vehicle Revenue Hours (VRH)**
  - The VRH pricing encompasses the total cost of operating a vehicle for each hour of service. VRH costs include the time the vehicle is in service, from the first pickup to last drop off, but does not include downtime or periods when the vehicle is not actively engaged in providing service. Based on our historical usage rates, the estimated annual VRH is 14,540 hours, or around 1,211 per month.

Cost estimates were requested in this format in an effort to provide maximum value for our investment in the transportation program. By requiring each operator to outline their pricing on a VRH basis, the City only incurs the costs associated with the actual operation of the Monrovia Transit service.

Service Operations Contractor	Service Costs		Proposed Cost for Base Contract Period Through June 30, 2020
	Cost per RVH	Monthly Fixed Cost	
Parking Company of America	\$24.09	\$32,685.74	\$2,324,916
Empire Transportation, Inc.	\$41.84	\$22,733.46	\$2,844,261
MV Transportation, Inc.	\$20.47	\$57,038.85	\$3,098,381
Southland Transit Inc.	\$25.95	\$53,557.31	\$3,295,352

Upon reviewing the proposals received and investigating the contractor's backgrounds and service history, Parking Company of America (PCA) was determined to offer the best combination of experience and value for the City. Not only did PCA provide a bid that was more than \$500,000 less than the next lowest bidder, but the assessment conducted found PCA to be an established firm in the parking and transportation industry with the capabilities needed to operate Monrovia Transit. PCA currently provides transportation services for a number of municipalities and private entities, including the cities of Bell Gardens, Montebello, and San Fernando, and additionally, PCA also provides shuttle services for a number of airports and corporate clients. Staff contacted our counterparts from PCA's other municipal customers, and every jurisdiction we spoke with provided extremely favorable feedback regarding PCA.

As part of our assessment process, PCA has presented the City with a transition plan that will allow for them to take over the management and operation of the Monrovia Transit services on June 1, 2017. Included in the transition plan for PCA is their stipulated intention to retain as many of our current drivers as possible.

Based on the overall assessment performed by staff, it is recommended that the City Council select PCA as the operator of the Monrovia Transit program effective June 1, 2017, through June 30, 2020. It is further recommended that the City Council direct staff to engage PCA in discussions to finalize a transportation services contract that would be brought back for City Council consideration on May 2, 2017.

**FISCAL IMPACT:** The proposed cost to hire PCA to manage and operate the Monrovia Transit program effective June 1, 2017, through June 30, 2020, will be \$2,324,916. Funding for Monrovia Transit is available from a number of sources, including Proposition A funds, contract reimbursement from the City of Bradbury, and funding through Los Angeles County. No General Fund monies are utilized in the operation of Monrovia Transit.

**OPTIONS:** Two options are provided for the City Council's consideration:

1. Select Parking Company of America for the management and operation of the Monrovia Transit program for the period beginning June 1, 2017, through June 30, 2017, and direct staff to negotiate a final transportation services agreement with Parking Company of America for City Council approval on May 2, 2017.
2. Request additional information from staff before taking action.

**RECOMMENDATION:** Staff recommends Option 1.

**COUNCIL ACTION REQUIRED:** If City Council concurs, the appropriate action would be a motion to select Parking Company of America for the management and operation of the Monrovia Transit program for the period beginning June 1, 2017, through June 30, 2017, and to direct staff to negotiate a final transportation services agreement with parking Company of America for City Council approval on May 2, 2017.