

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: RACHEL EDE, DEPUTY DIRECTOR
TRANSPORTATION AND PUBLIC WORKS DEPARTMENT
SUBJECT: APPROVING PROFESSIONAL SERVICES AGREEMENT WITH
MV TRANSPORTATION, INC. FOR ADA PARATRANSIT
ELIGIBILITY, PARATRANSIT SERVICE, AND DEVIATED-FIXED
ROUTE SERVICE

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Transportation and Public Works Department that the Council, by resolution, approve and authorize the City Manager or designee to negotiate and execute a Professional Services Agreement with MV Transportation, Inc. of Fairfield, California, to operate the City's paratransit eligibility process, paratransit service, and deviated fixed-route service for a three-year term in the amount of \$7,405,473.

EXECUTIVE SUMMARY

The Transit Division of Transportation and Public Works contracts to operate the City's paratransit eligibility process, paratransit service, and deviated fixed-route service. The current contractors, MV Transportation, Inc. and C.A.R.E Evaluators, Inc. both have a Professional Service Agreement with the City that expires at the end of June 2024. A Request for Proposals (RFP) process was conducted beginning in February 2024 to consolidate these two contracts into a single prime contractor. The RFP process resulted in a one bid submittal. Staff analyzed the single bid from MV Transportation to ensure the RFP process did not unduly restrict competition and that it met the federal procurement guidelines of a single offer. MV Transportation's performance has met the City's expectations in their management of the services throughout the previous contracts. Staff analysis demonstrates that the bid is fair and reasonable. Council approval is sought to award a three-year contract from July 1, 2024, through June 30, 2027, with an option to extend the contract for four additional one-year periods.

BACKGROUND

The Transit Division (“Transit”) of Transportation and Public Works (TPW) has contracted ADA Paratransit operations since the late 1990’s when this service became a requirement under the Americans with Disabilities Act (ADA). In compliance with the ADA, the Federal Transit Administration (FTA) requires that any agency operating a fixed route bus service must also provide a complementary next-day paratransit curb-to-curb service within three-quarters ($\frac{3}{4}$) of a mile on either side of each fixed route.

Individuals seeking paratransit service must first qualify through an eligibility process in accordance with the provisions of the Americans with Disabilities Act (ADA), and in keeping with transit industry best practices. The primary criterion for eligibility is that an individual has physical or cognitive limitations that makes them unable to ride or access a fixed-route bus. Applications are processed by trained professionals that assess physical, visual, or cognitive ability. The assessment also evaluates the client’s need for a personal care attendant (PCA). Federal law requires that PCA’s not be charged a fare. In 2012, the City began contracting to determine eligibility for use of the ADA paratransit service.

The City of Santa Rosa has partnered with Oakmont Village Association (OVA) to provide deviated/flexible fixed-route bus service for the Oakmont Community continuously since 1998. The cost is shared and codified in an agreement approved by City Council and the Oakmont Village Association. Route 16 is the City’s only deviated fixed-route and it operates within the Oakmont Community for the general public. The service operates Monday through Friday and deviates up to $\frac{3}{4}$ of a mile from its standard route to provide service upon request within the Oakmont community. The service also provides a daily trip to nearby grocery stores and pharmacies.

The Transit Division has historically managed two separate contracts: a contract with MV Transportation, Inc. for the paratransit and deviated fixed-route services, and a contract with C.A.R.E Evaluators, Inc. for the paratransit eligibility process. Both firms have a Professional Service Agreement with the City that expires at the end of June 2024.

The current paratransit eligibility contractor, C.A.R.E Evaluators, Inc., has conducted the paratransit eligibility for the City of Santa Rosa since 2012. With the suspension of in-person functional assessment due to COVID in 2020 and the subsequent effort to develop a County-wide Paratransit Eligibility Application through the Transit Integration and Efficiency Study (TIES), the Transit Division seeks to bundle the eligibility process with paratransit operations to realize customer service efficiencies and potential fiscal savings.

MV Transportation, Inc. has provided paratransit and deviated fixed-route services for the City of Santa Rosa since 2002. MV Transportation continues to be a strong partner

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to the City, staffing the local office with experienced leaders who work daily with City staff to provide a safe, reliable, efficient and courteous service to the public. MV Transportation's team has provided critical support for evacuations during the 2017, 2019 and 2020 fire emergencies as well as throughout the pandemic.

The current contract with MV Transportation was awarded in 2021 with an expiration in June 2024. A Request for Proposals (RFP) was posted in February 2024 on PlanetBids. PlanetBids documented the notification of 139 vendors of the RFP solicitation and 24 vendors downloaded the RFP files. A pre-proposal conference was conducted that was attended by four separate firms resulting in 77 pre-proposal questions being submitted and subsequently answered by the City. On March 7, 2024, the City received one proposal, from MV Transportation.

PRIOR CITY COUNCIL REVIEW

On June 25, 2019, City Council passed a resolution awarding a contract to C.A.R.E. Evaluators, Inc. of Aliso Viejo, California, to provide functional assessments to determine eligibility for ADA paratransit services for three years with two one-year options to extend.

On June 16, 2020, the City Council passed a resolution to extend the Contract with MV Transportation for six months, increase compensation to cover that period, and allow for use of federal CARES Act funding and pandemic related services.

On December 15, 2020, City Council passed a resolution awarding a 30-month contract with two four-year options to extend to MV Transportation Inc. of Fairfield, California.

On January 26, 2021, City Council passed a resolution approving a three-year agreement with the Oakmont Village Association to contribute 50% of the operating costs of Route 16 route service to the Oakmont Community.

On June 6, 2023, City Council approved the Second Amendment to PSA with MV Transportation to extend the contract through June 30, 2024, and increase the compensation payable under the Agreement.

ANALYSIS

The single proposal received from MV Transportation was evaluated by an RFP selection committee made up of two City of Santa Rosa Transit Planners and a Sonoma County Transit staff member. The results of the scoring for the bid were consistent among the evaluators. Based on the selection committee scores, MV Transportation was found to have a responsive proposal that demonstrated a robust staffing and training plan and a clear understanding of the contract scope and service requirements. Through its proposal MV Transportation conveyed its ability to continue to provide

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existing services and add services quickly if the City’s Transit Division determines those services are necessary to improve public transit in the City of Santa Rosa.

In keeping with the Scope of Services, MV Transportation will provide an estimated 16,500 hours per year of ADA paratransit service and about 1,900 hours per year of deviated fixed-route service in the Oakmont community. With this contract the City will be able to deploy additional deviated fixed-route services with dispatch support to other parts of the City if desired. This contract also adds a paratransit eligibility determination process that has historically been performed through a separate contract, as well as technology advancements including systematic notification to riders providing confirmations of trip reservations and real-time arrival reminders as well as further digitization of operations to enhance efficiency. The contract contains the necessary federal language to meet FTA procurement guidelines and to ensure the contractor is prepared to respond to disaster/emergency activities as directed by the City’s Emergency Operations Center or CityBus supervisory staff.

The ADA paratransit contract is a federally funded contract which requires staff to complete an Independent Cost Estimate prior to receiving bids, and then once bids have been received a Price Analysis is conducted. Additionally, federal procurement guidelines were followed for single offer procurements to ensure that the scope of the RFP was not unduly restrictive of competition. Five non-responding bidders responded to a Transit Division survey and confirmed that the bid specifications were not unduly restrictive.

Contract costs include a monthly fixed fee as well as a variable cost based on the revenue hours actually operated given demand for paratransit trips. The pricing for the contract, based on an assumption of 16,500 revenue hours operated annually, is provided in Exhibit A and in the chart below. The total contract cost over the three (3) years contract is \$ 7,405,473.

Service Type	FY 2024-25	FY 2025-26	FY 2026-27
ADA Paratransit Eligibility and Operations	\$ 2,075,550	\$ 2,334,429	\$ 2,383,983
Deviated Fixed Route	\$ 186,446	\$ 210,321	\$ 214,743

The proposed contract results in a 25% increase in the first year of the contract compared with current contract for FY 24, a 13% increase in the second year, and 2% increase in the third year.

MV Transportation’s pricing is about 15% more than the Independent Cost Estimate, which is above the 10% threshold and therefore requires further investigation and evaluation under federal procurement guidance. To this end, City staff requested and

received detailed information from MV Transportation related to increases in both fixed and variable costs, due to the significant cost increases in MV Transportation's proposal compared with the current contract. MV Transportation was asked for further justification of increases in several lines. Staff also worked with MV Transportation to identify opportunities to reduce costs. Key staff findings during evaluation of the cost proposal and subsequent negotiations included the following:

- MV Transportation's proposal includes competitive annual salary increases for drivers, dispatchers, management, and maintenance staff that reflect Collective Bargaining Agreements MV Transportation holds with its employees and an attempt to provide greater market equity for staff positions.
- In past years, several components of MV Transportation's fixed costs were shared among four contracts operated from the Santa Rosa location. Post-pandemic there are now only two contracts (including the City's contract) operating out of MV Transportation's Santa Rosa location, limiting MV Transportation's ability to reduce costs by spreading fixed costs across multiple contracts.
- Opportunities exist to reduce costs during the term of the contract, including by sublease of unoccupied space at MV Transportation's site, reducing the scope and/or leveraging potential new contracts operating from the Santa Rosa location.

Negotiations with MV Transportation resulted in approximately \$ 200,000 in reductions from the original proposal over the three-year base term of the contract. In addition, MV Transportation is actively negotiating a sublease of a portion of their Santa Rosa site that would reduce the City's share of facilities costs. MV Transportation has additionally agreed that if it is successful in bringing new contracts to the Santa Rosa site several elements of the fixed cost will be re-evaluated with opportunities to reduce the City's costs.

Despite staff's successful negotiations with MV Transportation to reduce the cost proposal, the proposed fee represents a significant increase over current costs and will put pressure on the Transit Division's operating budget. While this increase will not result in immediate impacts on fixed-route services or delivery of capital projects, it may limit the extent to which services reduced during the pandemic can be restored in the future. Given this potential impact, staff recommend that during the term of the proposed contract the City evaluates options for service delivery models and approaches that can reduce costs in the future. These options could include integrating new paratransit service delivery models, bringing some or all of the operation in-house, working with transit partners to move towards a countywide paratransit system, or re-bidding the contract.

Lastly, MV Transportation has requested exceptions from certain areas of the City's standard agreement, including in the areas of insurance. Although any exception to the

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City's standard terms and conditions presents additional risk for the City, staff still recommends moving forward with the contract given the City's need to secure a paratransit provider. Staff, in connection with the City Attorney's office continues to negotiate the requested exceptions and any exceptions will be approved as to form by the City Attorney's Office.

FISCAL IMPACT

This action has no impact on the General Fund. Funding for the ADA paratransit services and the Oakmont deviated fixed-route service is provided by State Transportation Development Act Article IV funds and Federal Transit Administration (FTA) 5307 funds and is included in the Transit Division budget. Exhibit A shows the annual contract amounts for paratransit and the deviated fixed portion which for the three-year contract period. Exhibit A also details the costs associated with the four one-year extensions, should the City elect to exercise any extension term.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change on the environment, or a reasonably foreseeable indirect physical change on the environment, pursuant to CEQA Guidelines Section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution/Exhibit A – Professional Services Agreement

PRESENTER

Yuri Koslen, Transit Planner