

October 28, 2011

To: Executive Board

Subject: **Contract Award – Operations and Maintenance – Pomona Facility**

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### **Recommendation**

Authorize the Executive Director to negotiate final contract terms and conditions and award a contract to First Transit, Inc. for transit operations and maintenance services at Foothill Transit's Pomona facility. The base contract term will be 42 months and the contract will include three two-year options to be exercised at Foothill Transit's sole discretion. The projected 42-month base contract cost is \$76.9 million and the cumulative cost over the potential life of the contract is projected at \$225.9 million.

### **Analysis**

First Transit, Inc. currently provides operations and maintenance services for 170 CNG buses and three electric buses operating out of Foothill Transit's facility in Pomona. All of the optional extensions of the contract have been exercised and the current agreement will terminate on December 31, 2011.

Foothill Transit issued Request for Proposals (RFP) No. 12-001 on June 24, 2011 for the operation of transit services for the Pomona facility. As directed by the Executive Board this RFP contained several changes to the procurement documents previously used including: (1) modifying the initial and subsequent years of the contract to coincide with Foothill Transit's fiscal year; (2) invoicing based on a combination of a fixed monthly fee and a variable rate per revenue mile operated; (3) performance measurement and invoicing based on systemwide data collected from Foothill Transit's SMARTBus system; (4) emphasis on the proposer's approach to managing key cost drivers and (5) clarifications to the performance requirements and vehicle and fleet condition and maintenance requirements.

On August 31, 2011, proposals were received in response to the RFP from First Transit, Inc., McDonald Transit and MV Transportation. The RFP required proposers to provide prequalification information regarding Good Standing, Debarments, Claims, Defaults, and Financial information such as bonding capability and insurance. Each firm's Prequalification submittals were evaluated by a Prequalification Evaluation team comprised of two of Foothill Transit's management contract staff and Foothill Transit's Special Legal Counsel.

Subsequently, the technical evaluation committee, consisting of five of Foothill Transit's management contract staff and one outside representative, reviewed the technical proposals. Each technical proposal was evaluated based on the following criteria and weighting:

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- Technical Qualifications (60 percent of Total Score)
  - Management and Technical Competence (15 percent)
  - Operations and Maintenance Capability and Experience (15 percent)
  - Approach to Key Cost Drivers (10 percent)
  - Quality of Staffing Plan and Training Plan (8 percent)
  - Quality of Maintenance Plans and other Plans and Submittals (8 percent)
  - Financial Viability (4 percent)\*
    - \* Financial Viability was also evaluated as part of the Prequalification Evaluation Process
  
- Price (40 percent of Total Score) was scored as follows:

$$\text{Proposer's Price Score} = \frac{\text{Lowest Price}}{\text{Proposer's Price}} * 40 \text{ Points}$$

Overall pricing for each contractor was determined primarily by their stated fixed monthly fee, their stated rate per revenue mile by route, and the number of revenue miles by route as indicated in the RFP. In addition, each firm proposed their startup costs and separate costs per hour for Extra Work and for Special Services such as Rose Bowl and Hollywood Bowl service and those were factored into their overall pricing using the projected number of annual hours in each category.

All three companies were determined to be within the competitive range and interviews were conducted allowing each firm to clarify and expand on their written proposal and respond to questions from the evaluation team. Official invitations to submit Best and Final Offers were then sent to the proposers. After the evaluation committee reviewed and scored the Best and Final Offers, First Transit's proposal was ranked highest with an overall score of 94.87 out of a possible 100 points. A summary of the final scores is provided below.

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Evaluation Factors	Maximum Score	Proposer		
		First	McDonald	MV
1. Management and Technical Competence	15	13.88	12.58	12.65
2. Capability and Experience	15	13.98	12.78	13.13
3. Approach to Key Cost Drivers	10	9.22	8.58	8.60
4. Quality of Staffing Plan and Training Plan	8	7.17	6.89	7.00
5. Quality of Maintenance Plans and Other Plans and Submittals	8	7.16	6.47	7.08
6. Financial Viability	4	3.47	3.27	3.33
<b>Total Technical Score</b>	<b>60</b>	<b>54.87</b>	<b>50.57</b>	<b>51.79</b>
7. Price	40	40.00	38.74	36.54
<b>Total</b>	<b>100</b>	<b>94.87</b>	<b>89.31</b>	<b>88.33</b>

The team proposed by First Transit is the current team in place under Foothill Transit's existing operations and maintenance agreement. First Transit's proposal includes a number of enhancements beyond the current contract. Among these is the installation of the DriveCam 3 system to monitor coach operator performance specifically in the areas of safety and fuel efficiency. One innovative aspect of this proposal is First Transit's guarantee of \$120,000 in annual fuel cost savings from implementation of DriveCam 3 compared to current baseline fuel consumption. The agreement will also include contract incentives focused on the local team for performance that surpasses Foothill Transit's on-time performance, customer service and maintenance targets.

Subject to the Executive Board's approval, final contract terms and conditions will be negotiated with First Transit. The start-up date for services under the new contract will be January 1, 2012.

**Budget Impact**

In accordance with the conditions of the RFP, First Transit's rates are fixed through June 2013. In subsequent years, contract rate increases will be the lesser of First Transit's proposed rate increase or CPI. Foothill Transit's current Business Plan includes funding for the operation of transit services through June 2012. Funding for operations and maintenance of Foothill Transit's Pomona fleet and facility will be programmed into each year's Business Plan.



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Sincerely,

A handwritten signature in black ink, appearing to read 'Rashidi Barnes', written over the printed name and title.

Rashidi Barnes  
Director of Procurement

A handwritten signature in black ink, appearing to read 'Doran J. Barnes', written over the printed name and title.

Doran J. Barnes  
Executive Director