



ITEM # 7

**DATE:** May 7, 2014  
**TO:** Board of Directors  
**FROM:** Marlena Kohler, Purchasing Manager/DBE Officer *MK*  
Margaret Heath, Paratransit & Special Projects Manager  
**SUBJECT:** Consider Approval of a Modification to Exercise Option Period 2 for the Operation, Maintenance and Management of ACCESS Paratransit Services Contract with MV Transportation.

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## I. EXECUTIVE SUMMARY

At its meeting in April 2008 the Board of Directors approved award of a contract to MV Transportation for operation, maintenance and management of ACCESS Paratransit services. The Board of Directors approved the five-year base contract with five (5) one-year options.

In June 2013, the Board of Directors approved the exercising of Option Period 1 to this contract, which is due to expire on June 30, 2014.

According to the contract, the Option Period 2's term would be July 1, 2014 through June 30, 2015, with a maximum estimated cost of \$2,625,875.40. This amount was based on an estimated maximum of 36,294 vehicle revenue hours.

**It is recommended the Board of Directors authorize a contract modification to exercise Option Period 2 in the maximum amount of \$2,625,875.40.**

## II. BACKGROUND

A Request for Proposals (RFP) was issued on November 9, 2007 for the operation, maintenance and management of Gold Coast Transit's (GCT) ACCESS paratransit service for the base period of July 1, 2008 through June 30, 2013 plus five one-year options. Seven firms attended the mandatory pre-proposal conference. Answers to written questions posed by prospective proposers about the RFP were distributed to ensure all had the same information and guidance. Proposals were received from MV Transportation, Inc. and First Transit, Inc., which acquired Laidlaw Transit Services, Inc., the incumbent.

A Proposal Evaluation Team consisting of GCT staff and a transportation staff member from the City of Camarillo evaluated the technical proposals in accordance with the evaluation criteria in the RFP.

301 E. Third St, Oxnard, CA 93030-6048 • 805.483.3959 • FAX 805.487.0925 • [www.goldcoasttransit.org](http://www.goldcoasttransit.org)

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Based on the evaluation results, staff recommended awarding the contract to MV Transportation.

On April 2, 2008, the Board of Directors approved awarding the contract to MV Transportation for Operation of ACCESS Paratransit Service. On June 5, 2013, the Board of Directors approved exercising of Option Period1.

MV Transportation has continued to provide good service to the GCT ACCESS customers and it is in the best interest of GCT to exercise Option Year 2. After negotiations with MV Transportation we have agreed to the following changes in terms for the Option Year 2:

- The vehicle hourly rates (VHR) for 2014-15 will be unchanged from the VHR rates for the current year. This is a modest rate improvement for GCT.
- The Passengers Per Hour (PPH) productivity standard will be reduced from 2.5 to 2.4.
  - GCT has, on several occasions, assessed liquidated damage claims against MV for not meeting this standard. MV has asserted that the standard is no longer reasonable.
  - GCT has reviewed PPH productivity standard and agrees that a modest adjustment is justified at this time.
- The full amount (100%) of any reduction in liquidated damages realized by MV from this adjustment will be passed on proportionately to the local staff and drivers.
  - At least 50% of the savings will be in the form of a permanent salary increase for the local staff and drivers assigned to the GCT contract. Increases would be provided twice a year.
  - The remainder of the savings will be set aside for one-time bonuses to the employees payable on a quarterly basis.

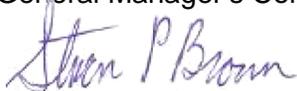
GCT staff will work closely with MV staff to calculate the savings realized each month in preparation for payment to the employees. GCT feels this is a productive way to still encourage improvements in productivity by MV and all of their employees, while sharing the savings resulting from reduced penalties with the employees who have not had raises since the contract first started. These salary increases and bonuses will help ensure the MV employees receive a living wage while recognizing and rewarding them for their dedication to GCT ACCESS and the excellent service they provide to the customers.

### III. SUMMARY & RECOMMENDED ACTION

The current contract expires June 30, 2014 and MV continues to satisfy contract requirements and while providing good service to our customers as evidenced by the low customer complaint ratio. It is appropriate to exercise Option Period 2 to allow for continuous service and prevent interruption to current service.

**It is recommended the Board of Directors authorize a contract modification to exercise Option Period 2 in the maximum amount of \$2,625,875.40.**

General Manager's Concurrence



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Steven P. Brown