

Contracted Transportation Services

Recommendation

AUTHORIZE the Chief Executive Officer to execute:

- A. Contract Modification No. 2 to Contract No. PS76258000 with Southland Transit, Inc. to operate an additional two fixed route bus lines in the North Region of Los Angeles County, specifically Metro Bus Lines 96 and 218, in the amount of \$18,701,950, increasing the total not-to-exceed five-year base term from \$90,032,724 to \$108,734,674.
- B. Contract Modification No. 2 to Contract No. PS76258001 with MV Transportation, Inc. to operate an additional two fixed route bus lines in the North Region of Los Angeles County, specifically Metro Bus Lines 177 and 603, in the amount of \$39,176,545, increasing the total not-to-exceed five-year base term from \$148,645,400 to \$187,821,945.
- C. Individual contract modifications within the Board-approved contract modification authority.

Issue

- The current contract with Transdev Services, Inc. covers six Metro bus lines in the North Region and is scheduled to expire on June 30, 2024.
- Transdev currently operates the following six fixed-route bus lines:

Line	Description	Annual RSH	Annual Passengers
96	Chinatown – Burbank Station via Griffith Park Dr	15,614	201,844
167	Chatsworth Station – Studio City via Plummer-Coldwater Canyon	25,284	447,836
177	JPL – Pasadena (Caltech)	4,106	39,567
218	Studio City – Cedars Sinai Medical Center via Laurel Canyon Bl-Fairfax Bl	12,311	175,742
501	North Hollywood – Pasadena Express	27,977	305,971
603	Glendale – Grand Station via San Fernando Rd-Rampart St-Hoover St	79,784	2,308,733

Background

- RFP No. PS86222 was issued on June 6, 2022 as a competitive solicitation to continue existing contracted transportation services for LA County's North Region.
- A single bid was received from Transdev on August 12, 2022 and Metro staff engaged in extensive discussions with Transdev to negotiate pricing.
- The final proposal received from Transdev in September 2023 was not cost-effective due to increased facility lease/improvement, insurance, non-revenue vehicle, and labor costs.
- Transdev has also not met performance standards during FY24, meeting only 3 out of 8 established monthly KPIs on average during FY24. Key areas of poor performance include Complaints per 100K boardings, Mean Miles Between Mechanical Failure, and Traffic Collisions.
- Staff considered it in the best interests of Metro to cancel the Request for Proposals (RFP) on January 9, 2024.

Discussion

- As part of the June 2024 service change, staff recommends transferring the North Region bus operations to Metro's other transportation services contractors and Metro's directly operated bus divisions by June 23, 2024.
- Having a separate operating facility for these lines was considered less efficient due to the additional property lease and duplication in contracted staff, as well as mutual agreement of maintenance, operations, and liabilities with MV & Southland.
- Based on the proposed reallocation of work, a Cost-benefit analysis revealed that the estimated aggregate cost to operate the North, South, and East Regions through June 30, 2027 would result in a cost savings of approximately \$17 million.

Agency	Line	% of Service Allocated	Union
Southland Transit – East Region	218	17%	ATU
	96		
MV Transit – South Region	177	51%	Teamsters
	603		
Metro Division 8	167	32%	SMART
Metro Division 15	501		



Next Steps

- Upon Board approval, staff will execute Modifications No. 2 to Contract No. PS76258000 with Southland Transit and Contract No. PS76258001 with MV Transportation, Inc. to operate fixed route bus services in the North Region of Los Angeles County.

Agency	Service Costs (2024-2027)		
	Original Proposal/Contracts	Recommended	Difference
Transdev – North Region	\$104,071,194.59	\$0.00	(\$104,071,194.59)
Southland – East, MV Transit – South Region, and Metro	\$147,144,613.14	\$234,107,853.53	\$86,963,240.39
Total Cost (Net Savings)	\$251,215,807.73	\$234,107,853.33	(\$17,107,954.20)