

**Board Report**

File #: 2016-0530, **File Type:** Contract**Agenda Number:** 49.

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
AUGUST 18, 2016****SUBJECT: CONTRACTED BUS SERVICES - EAST REGION****ACTION: APPROVE CONTRACT MODIFICATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Contract Modification No. 11 to Contract No. OP35902469 with Southland Transit, Inc. to **extend Contracted Bus Services - East Region for up to ten (10) months**, for the period covering September 1, 2016 through June 30, 2017, for an amount not-to-exceed \$11,942,234, thereby increasing the total contract value from \$57,908,736 to \$69,850,970.

ISSUE

The contract with Southland Transit, Inc. (Southland) for operating bus service in the East Region is scheduled to expire on September 1, 2016. Metro is in the process of issuing a Request for Proposals (RFP) for a new contract in the East Region of Los Angeles County. This region covers the San Gabriel Valley area.

Contract authority is required to continue the current level of service while the procurement process is completed and a subsequent contract is awarded.

DISCUSSION

Metro first began contracting a portion of the bus service in 1996. Metro now operates 18 bus lines that are contracted to private transportation companies. The East Region contractor Southland currently operates five of these bus lines (lines 254, 256, 266, 577, and 605) and a portion of Metro's Dodger Stadium Express service.

Contracting a portion of the service has had both cost and operations benefits. Annual savings are realized through the lower operating costs of the contractors. Contracted service allows for greater flexibility in the ability to modify service levels and operate with the space requirements at our Metro Bus Divisions.

The current contract was established with Southland on December 5, 2010. Since then, Southland has operated safe and reliable service and complied with FTA and Metro's guidelines. Metro has an

In Service On Time Performance (ISOTP) goal of 80%. In FY16, Southland operated at an efficient ISOTP level of 79.38%.

DETERMINATION OF SAFETY IMPACT

The current contractor has performed the service with a satisfactory safety record, and is familiar with the service area and the present equipment.

FINANCIAL IMPACT

The funding of \$11,942,234 for this contracted service is included in the FY17 budget in Cost Center 3593; Project 306001, Operations Transportation; and Account 50801, Purchased Transportation.

Impact to Budget

The source of funds for this service will come from Federal, State and local funding sources that are eligible for Bus Operating Projects. These funding sources will maximize the use of funds for these activities.

ALTERNATIVES CONSIDERED

The alternative to modifying this contract is to directly operate the East Region lines. To directly operate the service would see a cost per revenue service hour increase of approximately 50%. Training would be required to operate and maintain the different types of buses currently used to provide contracted bus service. This alternative is not recommended.

NEXT STEPS

Upon Board approval, staff will execute Contract Modification No. 11 with Southland Transit, Inc. to provide contracted service through June 30, 2017.

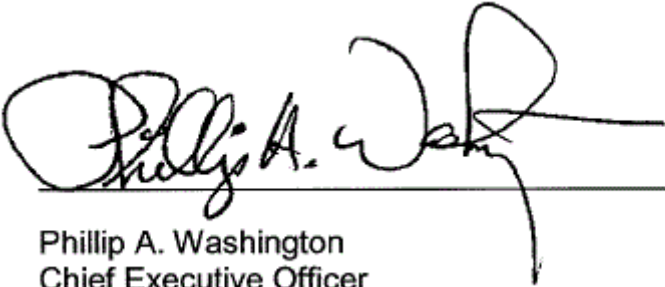
ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Contract Modification/Change Order Log
Attachment C - DEOD Summary
Attachment D - Service Map

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