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Title: Award a three-year contract in the amount of \$25,183,393 to National Express Transit for the continued provision of paratransit services with the option of four one-year extensions and authorize the Director of Transportation to execute the documents (Bid File 9524)

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Attachments: 1. Bid Eval 9524.pdf, 2. Report from Evaluation Committee 9524.pdf, 3. TRAY MEMO - FAX 2018 Bus Customer Satisfaction Rpt 030819.pdf, 4. Handy Ride Performance Metrics.pdf, 5. Best Practices Procurement and Lessons Learned Manual.pdf, 6. Additional Information - PowerPoint Presentation 3-B.pdf, 7. Additional Information - Letter from Sandi Hill.pdf

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REPORT TO THE CITY COUNCIL

September 17, 2020

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Department of Transportation

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SUBJECT

Award a three-year contract in the amount of \$25,183,393 to National Express Transit for the continued provision of paratransit services with the option of four one-year extensions and authorize the Director of Transportation to execute the documents (Bid File 9524)

RECOMMENDATION

Staff recommends Council award a three-year requirements contract in the amount of \$25,183,393.52 to National Express Transit (NEXT) for the provision of paratransit services, with the option of four one-year extensions and authorize the Director of Transportation to execute the

documents.

EXECUTIVE SUMMARY

The Department of Transportation solicited proposals through the Request for Proposals (RFP) process for the provision of paratransit services. To receive Federal Transit Administration (FTA) funding, through the Americans with Disabilities Act (ADA), Federal law mandates that entities provide paratransit services for individuals with disabilities, which are comparable to our public transportation services Fresno Area Express (FAX). The contract awarded will be a requirements contract, and the amount paid to the selected contractor shall depend upon the amount of service the selected contractor supplies the City, as well as its overall performance.

The RFP for paratransit service was released on November 20, 2019, and was publicly posted on Planet Bids and sent to 18 potential bidders. Proposals were due on January 7, 2020, and were revealed in a public bid opening. Responsive and responsible proposals were received from 4 bidders: Keolis Transit Services, LLC (Keolis), NEXT, Fresno Economic Opportunities Commission (FEOC), and A-Para Transit Corp (A-Para).

The Proposal Evaluation Committee was comprised of the following individuals: Sarah Harris, City of Fresno Disability Advisory Committee (DAC) member and Program Manager for Resources for Independence, Central Valley; Chenier Derrick, DAC member and City of Fresno Paratransit Specialist; Shannon Mulhall, City of Fresno ADA Coordinator; Joe Vargas, Assistant Director of Transportation; and Linda Taylor, Senior Management Analyst, Department of Transportation.

Through a comprehensive review and interview process, guided by the Purchasing Division, the Committee's evaluation determined NEXT presents the best value for the public and City.

NEXT meets the stated goals and will create a solid foundation for providing high-quality paratransit service for Fresno's residents. Additionally, the contract price proposed by NEXT was found to be fair and reasonable based on the Independent Cost Estimate (ICE) conducted prior to the proposal evaluation.

The current contract for paratransit services is held by Keolis Transit Services, LLC. On January 24, 2013, the City Council approved a three-year contract with four one-year extensions. Since the expiration of the fourth one-year extension, the contractor has been aiding the City uninterrupted, and on a continuing basis, as specifically requested to do so by the Purchasing Manager, in accordance with the Special Conditions of the current contract. The department anticipates a transition period of approximately 45 days for NEXT to fully assume the duties of the paratransit contract. Provided Council approves the contract award on September 17, 2020, a Notice of Award will be issued immediately, with the Notice to Proceed (NTP) issued to NEXT no later than September 30, 2020, and the transition period will be complete no later than 45 days after the NTP date.

The extended timeline for this proposal process is directly attributed to the COVID-19 pandemic. FAX has implemented all Federal, State, and County orders to enforce social distancing, providing personal protective equipment (PPE) to drivers and passengers, and establishing routine and event-driven sanitizing measures on fixed route service and at Handy Ride. The department is now confident that this new normal is able to withstand a change in providers. Ridership is recovering from the initial stages of Shelter-In-Place orders, although with a reduction in ridership, and beginning

to stabilize.

BACKGROUND

The Department of Transportation provides a demand-responsive, curb-to-curb transit service for those individuals with mobility impairments and/or disabilities that would prevent them from using regular fixed route bus services. As required by the ADA of 1990, the service area and hours of service for paratransit must be comparable to the city's FAX fixed route bus service.

The goal of this RFP was to solicit proposals to provide demand-responsive service within the Fresno -Metropolitan area. Services include, but are not limited to, day-to-day operation of service, management, employment, training of all employees, maintenance and repair of equipment, customer relations, preparation of financial and productivity reports, and other actions as necessary to comply with the contract specifications. The proposed contract under this solicitation is for three years from the date of the Notice to Proceed and contains provisions for four one-year extensions.

In advance of the RFP issuance, FAX staff solicited feedback from the City of Fresno Disability Advisory Committee (DAC) - Transportation Subcommittee. Efforts commenced in August 2019 to provide committee members and the public highlights to the FY19 fixed route service and FY20 goals, efforts, and initiatives. A presentation to the DAC discussed the history of the City paratransit contract, as well as a tentative plan for the new RFP effort. During the presentation, FAX staff outlined the 2018 Customer Service Survey results (previously summarized for the City Council via Tray Memo on March 8, 2019 [Attachment]), which is for both fixed route and paratransit service. During this August 2019 meeting, staff also highlighted a web and paper-based survey to solicit feedback from users specific to their Handy Ride usage. The goal of the survey was to establish if user habits significantly changed since the last RFP issuance and to incorporate any of these changes into the new RFP. While feedback garnered at the August and subsequent DAC meetings was robust and engaged, very few completed surveys were returned (fewer than 10).

On a parallel path, FAX staff worked to revamp the paratransit contract performance metric structure and ensured all federal compliance was included in the new contract. The existing contract is onerous to process, with more than 16 review areas. In preparing the new RFP and associated contract, staff consolidated performance metrics to establish Key Performance Indicators (KPIs) associated with financial incentives and disincentives (Attachment - Handy Ride Performance Metrics, updated). The new, updated format measures overall success of the contractor through on-time performance, trip length (time), phone hold times, abandoned calls, customer complaints, and reportable injuries. This format used historical data, FTA-mandates and industry best-practices to develop the performance standards set forth in the KPIs.

The paratransit contract expenses are paid, in part, by funds allocated to the department by the FTA. Therefore, the department is obligated to follow federal procurement standards and practices, in addition to City procedures. These steps include conducting an advertised, public bid process, assembling a diverse panel for proposal evaluation, and seeking Council approval to publicly award the contract to the panel's selected proposer. The department elected to conduct a "Best Value" proposal evaluation in accordance with FTA guidelines, as detailed in the *Best Practices Procurement & Lessons Learned Manual*. This evaluation type allows the department to select the most valuable offer by evaluating and comparing factors in addition to cost or price, such that the department receives the greatest overall benefit from the selected contractor.

Critical to the process was the preparation of an Independent Cost Estimate (ICE) (FTA required), which determined if the proposed contract price is fair and reasonable. The ICE is the estimate of what the item or service “should cost.” Using FY20 labor rates, the department prepared documentation to break down estimated costs to perform the service in-house. Bringing paratransit operations in-house to FAX would cost approximately \$14M annually (approximately \$42M over three years). Based on the ICE final figures, the department proceeded with the RFP process.

Four sealed proposals were received and opened on January 7, 2020. Proposers and their three-year proposal prices (based on an estimate of 105,000 vehicle service hours per year) were as follows:

1. Keolis Transit Services, LLC: \$21,315,208.22
2. National Express Transit: \$25,183,393.52
3. Fresno Economic Opportunities Commission: \$25,593,153.00
4. A-Para Transit Corp.: \$28,049,935.03

Interviews were conducted with the top two proposers by the Proposal Evaluation Committee. NEXT was rated the highest based on the proposal evaluation criteria and interviews (Attachment - Competitive Range Determination). Additionally, the contract cost proposed by NEXT was found to be fair and reasonable based upon the ICE conducted prior to proposal evaluation. The proposed requirements contract incorporates improved performance standards, including incentives and disincentives, for productivity thresholds. NEXT has affirmed to retain the majority of the workforce, with the exception of possible changes at the management and supervisory levels. NEXT has also committed to provide a comparable wage and benefit structure to all transitioning employees and has provided a transition plan that commences its operation of the paratransit service 45 days after receipt of NTP.

ENVIRONMENTAL FINDING

This contract award does not contain construction, equipment purchase, or any action deemed a project for the purposes of the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines section 15378.

LOCAL PREFERENCE

FTA Circular 4220.1F prohibits geographic preferences or local preferences in procurements that will utilize FTA funds.

FISCAL IMPACT

There is no fiscal impact to the general fund. Appropriations for paratransit services are included in the Department of Transportation FY20 and proposed FY21 budget at a level of \$7.2M for the fiscal year. Funds will come from the following sources:

- 32% (approximately \$2.3M) from FTA 5307 annual allocation
- 68% (approximately \$4.9M) from Transportation Development Act (TDA)

The bid amounts listed above are for comparison purposes only, and actual contract expense will vary based upon actual vehicle service hours (VSH) provided each month. The service parameters

prepared for this RFP estimated 105,000 annual revenue hours. Due to the changed landscape with COVID-19, annual revenue hours are now estimated at 85,000.

The submittal by NEXT estimates \$7.8M for year one (at 105,000 revenue hours). Using the adjusted amount of 85,000 revenue hours based on COVID-19 impacts and reduction in ridership, the revised estimate is a 19% decrease when compared to current contract costs, or \$6.3M. The total contractual spend with Keolis has been \$48.6M, through May 2020.

Attachments:

Bid Evaluation 9524

Report from Evaluation Committee (9524)

Tray Memo, dated March 8, 2019

Handy Ride Performance Metrics

Best Practices Procurement and Lessons Learned Manual