



Agenda

August 11, 2022

UPDATED August 17, 2022

Valley Metro RPTA

Thursday, August 18, 2022

Boardroom/Webex

Valley Metro, 101 N. 1st Avenue, 10th Floor

11:15 a.m.

Action Recommended

1. Public Comment

1. For Information

The public will be provided with an opportunity at this time to address the committees on **non-agenda items and all action agenda items**. Up to three minutes will be provided per speaker unless the Chair allows more at his/her discretion. A total of 15 minutes for all speakers will be provided.

CONSENT AGENDA

2A. Minutes

2A. For action

Minutes from the June 16, 2022 Board meeting are presented for approval.

2B. Federal Transit Administration Pass-Through Grant Agreements

2B. For action

Staff recommends that the Board of Directors authorize the CEO to execute the IGAs and change order with the City of Phoenix for the listed grants.

2C. Recommended October 2022 Transit Service Changes

2C. For action

Staff recommends that the Board of Directors authorize the CEO to amend member agency FY23 IGAs as necessary, and to execute change orders to the First Transit and Total Transit fixed route contracts to accommodate the recommended October 2022 service changes.



2D. Avondale Intergovernmental Agreement (IGA)
Amendment: Avondale Transit Center/Park-and-Ride

2D. For action

Staff recommends that the Board of Directors authorize the CEO to execute the IGA amendment to design and construct a new transit center, with a not to exceed budget of \$750,000.

REGULAR AGENDA

3. ADA Paratransit Contract Amendment – Labor Rates

3. For action

Staff recommends that the Board of Directors authorize the CEO to execute a contract amendment with Transdev for ADA Paratransit Services and its corresponding mid-year budget adjustment of \$400,000.

4. RideChoice Management Services Contract Award

4. For action

Staff recommends that the Board of Directors authorize the CEO to execute a contract with Creative Software Solutions, dba. MJM Innovations for RideChoice Management Services for an amount not to exceed \$14,864,550.

5. Regional Paratransit Service Replacement Vehicles Purchase

5. For action

Staff recommends that the Board of Directors authorize the CEO to purchase up to 54 cutaway vans from Schetky Bus and Van Sales under the Arizona Department of Administration (ADOA) Contract CTR054849 at combined federal and local cost not to exceed \$6,519,505.

6. East Valley Bus Operations and Maintenance Contract Extension Option

6. For discussion and possible action

Staff recommends that the Board of Directors authorize the CEO to execute a contract change order with First Transit, Inc. for a six-month extension to the contract for revenue service and engine and transmission rebuilds, for a not to exceed amount of \$44,830,400 for the period of July 1, 2023 through December 31, 2023.



7. Audit and Finance Subcommittee Election

7. For action

The Board will vote to elect Mayor Brigette Peterson, Town of Gilbert, to the Audit and Finance Subcommittee for a two-year term.

8. Report on Current Events and Suggested Future Agenda Items

8. For information

Chair Pastor will provide members the opportunity to report on current events and suggest future agenda items for consideration.

9. Next Meeting

9. For information

The next Board meeting is scheduled for **Thursday, September 22, 2022 at 11:15 a.m.**

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats (large print or flash drive) are available upon request. For further information, please call Valley Metro at 602-262-7433 or TTY at 602-251-2039. To attend this meeting via teleconference, contact the receptionist at 602-262-7433 for the dial-in-information. The supporting information for this agenda can be found on our web site at www.valleymetro.org



Information Summary

DATE

August 17, 2022

AGENDA ITEM 6**SUBJECT**

East Valley Bus Operations and Maintenance Contract Extension Options

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute a six-month sole source extension to First Group of America, Inc. (First Transit) contract to allow for the incorporation of potential fixed-route service changes and operational improvements into the solicitation for a long-term contract.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to execute a contract change order with First Transit, Inc. for a six-month extension to the contract for revenue service and engine and transmission rebuilds, for a not to exceed amount of \$44,830,400 for the period of July 1, 2023 through December 31, 2023.

BACKGROUND | DISCUSSION | CONSIDERATION

In January 2013, the RPTA Board authorized the Chief Executive Officer (CEO) to execute a contract with First Transit for fixed-route bus operations and maintenance that unified RPTA and City of Tempe services under a single contract. This contract was awarded for an initial three-year base term at a cost of \$150,885,082. This contract included available option years four through 10 at a projected cost of \$407,764,469 above the initial contract term. Each available option year of this contract has been exercised with Board approval.

Valley Metro is increasing its focus on service quality and performance across the regional transit system and is committed to delivering excellent customer experiences, restoring ridership, maintaining stable funding, and responding to the needs and expectations of member cities.

For Valley Metro, the management and scoping of operations and maintenance (O&M) contracts is foundational to service performance. The East Valley Bus Operations and Maintenance contract is one of Valley Metro's largest O&M contracts, and is the next contract scheduled to expire (June 30, 2023). Staff began developing the scope of work for the new contract in late 2021 in preparation for the release of a request for proposals (RFP) in summer 2022.

In spring 2022, City of Tempe staff informed Valley Metro that they had been directed by Tempe City Council to prepare a scope of work for bus operations and maintenance for bus service in Tempe independent of a forthcoming RPTA East Valley bus O&M contract. Also, late spring – early summer 2022, through discussions with East Valley



member cities and evaluation of current service performance, it became apparent that a more comprehensive evaluation and revision of the East Valley Bus O&M scope of work is due.

This shift in both strategic direction and composition of service to be included in the East Valley Bus O&M scope of work requires evaluation and revision of the draft scope and Valley Metro's operations management practices, and thoughtful collaboration with East Valley member cities. Specific items that must be addressed within a revised scope to affect improved performance include, but are not limited to:

- **Role Definition:** Revised definition of roles and duties for RPTA and contractor staff
- **Key Performance Indicators:** Refinement of an agreed upon and consistent set of key performance indicators (KPIs) across bus service maintenance and operations
- **Performance Management:** Development of a revised plan for service performance monitoring, measurement, and communication between contractor, RPTA and member cities
- **Performance Standards and Continuous Improvement:** Revised definition of service standards, accompanied by clearly prescribed actions when contractor performance falls below standards
- **Communication and Collaboration:** Refinement of service reporting and development of performance improvement processes between RPTA and member cities and the contractor

Specific scope items that must be addressed in response to the City of Tempe's indication that they will not participate in an RPTA East Valley Bus O&M contract include:

- **Routes:** Determination of service provider by route (RPTA or City of Tempe). Several East Valley routes are regional routes serving multiple member cities and are supported by a variety of local and regional funding sources. This decision-making process will need to involve all impacted cities.
- **Impact of route reassignment on asset distribution and facility capacity:** The East Valley Bus Operations and Maintenance facility owned by the City of Tempe is larger than the RTPA-owned Mesa Bus Operations and Maintenance facility. The capacity of both facilities must be assessed in view of the preferred route assignment and could impact the new scope of work.
- **Management of technology and assets:** Ownership and support agreements for some regional transit support functions such as fare collection, customer service, automatic vehicle location, regional trip planning, and ridership reporting must be defined and supported by intergovernmental agreements as necessary.
- **Performance standards:** Valley Metro and the City of Tempe would need to define and agree upon those performance standards referenced above to ensure



coordination, parity, and consistency across all regional fixed route bus O&M contracts.

Staff has developed an estimate of the process and timeline required to complete the rescoping of the East Valley Bus O&M scope of performance and has concluded that a minimum of six additional months are required to release a revised RFP. A summary of key tasks and milestones for this scope revision process is as follows:

Action	Progress Period	Completion Date
Board Pre-Approval		January 20, 2022
Board Authorization of 6-Month Extension		August 18, 2022
Member City Engagement in Scope Revision via Scope Committee	August – October 2022	
APTA O&M Peer Review	August – September 2022	September 30, 2022
Scope Committee Complete Final Scope, Evaluation Criteria, ICE, Solicitation	August – October 2022	October 18, 2022
Submit to City of Phoenix for Review	October – November 2022	October 25, 2022
Advertise RFP		November 22, 2022
Proposals Due		March 3, 2023
Evaluation and Interviews	March – May 2023	May 2023
Notice of Intent to Award		June 2023
Board Approval		June 2023
Contract Transition	June – December 2023	January 1, 2024

COST AND BUDGET

The timeline above does not allow the issue to be deferred until September. The recommended six-month sole source extension allows the rescoping of the East Valley Bus O&M contract to be accomplished within the timeline outlined above without forfeiture of the \$7,115,000 in federal preventative maintenance funding programmed for this contract in FY24.



The cost of the 6-month extension is listed in the table below:

Mode	*Mileage (6 Months)	Current Cost per Mile	Total Current Cost	Proposed Cost per Mile	Total Proposed Cost	% Increase
Local	4,659,012	\$6.35	\$29,584,726	\$7.44	\$34,663,049	17.1%
Express	201,656	\$6.92	\$1,395,460	\$8.18	\$1,649,546	18.2%
Circulator	825,332	\$6.18	\$5,100,552	\$7.23	\$5,967,150	17.0%
Total	5,686,000		\$36,080,738		\$42,279,745	17.2%

Note: *Based on the current mileage being operated.

Proposed rate increase is due to the following:

- Increase in Insurance costs
- Collective Bargaining Agreement (CBA) includes increases related to health insurance, average wages, a performance incentive, an additional sick day and the addition of a floating holiday and birthday holiday. Labor cost increases apply to CBAs for operators and maintenance personnel, and front-line supervisors.
- Increased service hours
- Increased maintenance and parts inventory due to higher average fleet age

The contract with First Transit states that mid-life engine rebuild costs are the responsibility of Valley Metro. For the 6 Month period, the estimated amount is \$450,655 and is part of the change order. A 5% contingency of \$2.1 million for unforeseen items such as additional revenue service, enhanced service for special events, transit education and bus bridges or for any other unanticipated costs

COMMITTEE PROCESS

RTAG: July 19, 2022 for information
TMC: August 3, 2022 approved
Board of Directors: August 18, 2022 for action

CONTACT

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ATTACHMENT

None