



## AGENDA REPORT

**Meeting Date:** June 8, 2015

**Item Number:** E-15

**To:** Honorable Mayor & City Council

**From:** Aaron Kunz, Deputy Director of Transportation  
Martha Eros, Transportation Planner

**Subject:** AMENDMENT NO. 2 TO AN AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND MV TRANSPORTATION, INC. FOR THE MANAGEMENT, OPERATION AND MAINTENANCE OF THE CITY'S TRANSIT SERVICES; AND

APPROVAL OF A BLANKET PURCHASE ORDER FOR FISCAL YEAR 2015-2016 TO MV TRANSPORTATION, INC. IN AN AMOUNT NOT TO EXCEED \$738,355 FROM TRANSPORTATION GRANT FUNDS.

**Attachments:** 1. Amendment No. 2 (Agreement)

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### RECOMMENDATION

Staff recommends that City Council move to approve Amendment No. 2 to extend an Agreement between the City of Beverly Hills and *MV Transportation, Inc.* for the management, operations and maintenance of the City's transit services for senior and disabled Beverly Hills residents through FY2017-18. Also included for City Council consideration is an approval of a blanket purchase order for an amount not to exceed \$738,355 for the first year extension in FY15/16.

### INTRODUCTION

The transit services provided by *MV Transportation, Inc.* include, but are not limited to, free curb-to-curb shared dial-a-ride transportation for medical appointments and personal appointments, dedicated Roxbury Park and supermarket shuttles; narrated trolley tours; on-demand special charters requested by internal departments for City events and private charters for Beverly Hills organizations; and storage and maintenance of the City's transit fleet (five paratransit shuttles and two trolleys).

**DISCUSSION**

In June 2008, the Beverly Hills City Council approved Agreement No. 222-08 with *MV Transportation, Inc.* for a seven-year contract effective July 1, 2008 through June 30, 2015. Existing Agreement 222-08 includes three one-year extensions for fiscal years 2016-2018. The Cities of Beverly Hills and West Hollywood share a joint agreement with *MV Transportation, Inc.* to recognize economies of scale due to the size of both programs, while retaining two distinct transit services for each City. The program is fully funded with Proposition A grant funds, and because of a joint venture with the City of West Hollywood, the City of Beverly Hills receives an additional allocation of Proposition-A incentive grant funds. Beverly Hills and West Hollywood share lower contractual costs due to shared project management, facilities and capital expenses in order to reduce the overall cost of operating the transit programs.

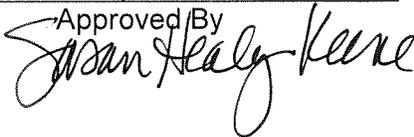
Beverly Hills and West Hollywood staff plans to release a joint Request for Proposal (RFP) in FY2016/2017 to solicit proposals from local and national public transportation companies for the management, operation, and maintenance of dial-a-ride shuttles, trolleys and fixed-route transit systems. The purpose of continuing to issue a joint RFP is to combine the number of service hours to provide economies of scale for both agencies, and to attract a larger pool of qualified transit operators. The successful bidder will provide a project management team, dispatch and reservations staff, and drivers. Additionally, the successful bidder will be required to operate the City-owned paratransit and trolley vehicles, and maintain all mechanical functions of vehicles at a maintenance facility readily accessible to Beverly Hills and West Hollywood.

*MV Transportation, Inc.* will continue to manage and operate the senior transportation and on-demand charter services and maintain the City's transit fleet at the approved rates set forth in Amendment No. 2 to Agreement 222-08 during the contract extension period. The Agreement contains a "Termination Clause" that allows the City of Beverly Hills to terminate "without cause and in its sole discretion at any time by giving [*MV Transportation, Inc.*] thirty (30) days written notice of such termination." If the RFP process is completed within FY2016/2017 and the selected contractor is ready to assume full operation of both transit systems, including providing maintenance facilities readily accessible to both cities, the City of Beverly Hills may exercise its option to terminate the contract with *MV Transportation, Inc.* with sufficient notice.

**FISCAL IMPACT**

The transit program for resident seniors and disabled persons is fully funded with Proposition-A transportation grant funds. Special charters requested by City departments are charged directly to the requesting department and are included in the contract costs.

Don Rhoads   
Finance Approval

Susan Healy Keene, AICP  
Approved By 

Council will be advised if agreement is not signed by Monday, June 8, 2015.

# **Attachment 1**

AMENDMENT NO. 2 TO AN AGREEMENT BETWEEN THE  
CITY OF BEVERLY HILLS AND MV TRANSPORTATION,  
INC. FOR THE MANAGEMENT, OPERATION AND  
MAINTENANCE OF THE CITY'S TRANSIT SERVICES

NAME OF CONTRACTOR: MV Transportation, Inc.

RESPONSIBLE PRINCIPAL OF CONTRACTOR: Robert A. Pagorek, Chief Financial Officer

CONTRACTOR'S ADDRESS: P. O. Box 39000  
Dept. 33135  
San Francisco, CA 94139-3135

CITY'S ADDRESS: City of Beverly Hills  
455 N. Rexford Drive  
Beverly Hills, CA 90210  
Attention: Susan Healy Keene, Community Development  
Director

COMMENCEMENT DATE: July 1, 2008

TERMINATION DATE: June 30, 2018

CONSIDERATION: Original Agreement: FY08/09 to FY14/15 amount not to  
exceed \$4,687,265.

Amendment No. 1: Additional not to exceed \$50,000  
(\$25,000 each FY13/14 and FY14/15).

Amendment No. 2 Not to exceed:  
FY 15/16 - \$738,355  
FY 16/17 and FY 17/18 - \$738,355 plus the CPI as  
defined in Attachment B

Total not to exceed \$4,737,265.

AMENDMENT NO. 2 TO AN AGREEMENT BETWEEN THE  
CITY OF BEVERLY HILLS AND MV TRANSPORTATION,  
INC. FOR THE MANAGEMENT, OPERATION AND  
MAINTENANCE OF THE CITY'S TRANSIT SERVICES

This Amendment No. 2 is to that certain Agreement between the City of Beverly Hills (hereinafter called "CITY"), and MV TRANSPORTATION, INC. (hereinafter called "CONTRACTOR") dated June 17, 2008 and identified as Contract No. 222-08, as amended by Amendment No. 1 dated February 18, 2014 and identified as Contract No. 55-14 ("Agreement"), a copy of which is filed in the City Clerk's office.

RECITALS

A. CITY entered into an agreement with CONTRACTOR for the management, operation, and maintenance of the CITY's transit services, which was previously amended.

B. CITY desires to extend the Agreement for three (3) additional years and increase the Consideration for those additional services.

NOW, THEREFORE, the parties agree as follows:

Section 1. The CONTRACTOR's address, Termination Date and Consideration shall be amended as set for on the cover page of this Agreement.

Section 2. Section 3 of the Agreement entitled "Compensation" shall be amended to read as follows:

"Section 3. CITY agrees to pay CONTRACTOR for special services described in paragraphs A and B of section 1 herein as set forth in Attachment B, attached hereto and incorporated herein."

Section 3. Section 8 of the Agreement entitled "Term" shall be amended to read as follows:

"Section 8. Term.

This Agreement shall commence on July 1, 2008 and shall terminate at midnight on June 30, 2018, unless otherwise terminated pursuant to the termination provisions set forth in Attachment A."

Section 4. Attachment B of the Agreement entitled "Total Annual Contract Costs" shall be amended as attached hereto and incorporated herein.

Section 5. Except as specifically amended by this Amendment No. 2, the remaining provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, CITY and CONTRACTOR cause this Agreement to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY OF BEVERLY HILLS,  
A Municipal Corporation

\_\_\_\_\_  
JULIAN A. GOLD, M.D.  
Mayor of the City of Beverly Hills, California

ATTEST:

\_\_\_\_\_  
BYRON POPE  
City Clerk

CONTRACTOR:  
MV TRANSPORTATION, INC.

\_\_\_\_\_  
ROBERT A. PAGOREK  
Chief Financial Officer

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KEVIN KLIKA  
Chief Operating Officer

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

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LAURENCE S. WIENER  
City Attorney

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MAHDI ALUZRI  
Interim City Manager

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SUSAN HEALY KEENE, AICP  
Director of Community Development

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KARL KIRKMAN  
Risk Manager

ATTACHMENT B

TOTAL ANNUAL CONTRACT COSTS

CITY OF BEVERLY HILLS  
TRANSIT PROGRAM

TOTAL ANNUAL CONTRACT COSTS

	FY08-09 YR 1	FY10 YR2	FY11 YR 3	FY12 YR 4	FY13 YR 5	FY14* YR 6	FY15* YR 7	TOTAL
SHUTTLE	576,532	583,939	594,604	610,848	629,829	657,997	685,515	4,339,264
TROLLEY	50,098	52,367	54,164	55,721	57,527	62,629	65,497	398,003
TOTAL	626,630	636,306	648,768	666,569	687,356	720,626	751,012	4,737,265

\* FY13/14 and FY14/15: add \$25,000 each year for on-demand special and misc shuttles

ANNUAL FIXED COSTS #

	FY08-09 YR 1	FY10 YR2	FY11 YR 3	FY12 YR 4	FY13 YR 5	FY14 YR 6	FY14 YR 7	TOTAL
SHUTTLE	342,915	346,186	350,112	359,729	371,779	370,646	385,029	2,526,396
TROLLEY	27,474	28,367	29,395	30,187	31,190	31,232	32,483	210,329
TOTAL	370,389	374,553	379,507	389,916	402,969	401,878	417,512	2,736,724

# No change

58%

HOURLY RATES #

	FY08-09 YR 1	FY10 YR2	FY11 YR 3	FY12 YR 4	FY13 YR 5	FY14 YR 6	FY14 YR 7	TOTAL
SHUTTLE	29.20	29.72	30.56	31.39	32.26	33.42	35.06	31.66
TROLLEY	32.32	34.29	35.38	36.48	37.62	37.71	39.59	36.20
AVERAGE	30.76	32.01	32.97	33.94	34.94	35.57	37.33	33.93

# No change

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**Year 8 / Fiscal Year 2015-16**

<b>TOTAL ANNUAL CONTRACT COSTS</b>	
SHUTTLE	\$ 676,828.78
TROLLEY	\$ 61,525.45
TOTAL	\$ 738,354.23

<b>ANNUAL FIXED COSTS</b>	
SHUTTLE	\$ 391,574.13
TROLLEY	\$ 33,035.21
TOTAL	\$ 424,609.34

<b>HOURLY RATES</b>	
SHUTTLE	\$ 35.66
TROLLEY	\$ 40.26
AVERAGE	\$ 37.96

For fiscal years 16/17 and 17/18 there shall be an annual increase based on the Consumer Price Index for all urban consumers for the Los Angeles – Riverside-Orange County area on June 1 of each year.