

STAFF REPORT

SUBJECT: One Year Extension to the Fixed Route Operations and Maintenance Contract to MV Transportation.

FROM: Christy Wegener, Director of Planning and Operations

DATE: June 5, 2017

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**Action Requested**

Exercise the option to extend the fourth option year of the contract with MV Transportation through FY2018.

**Background**

In 2011, the Board of Directors awarded a contract to MV Transportation to provide Fixed Route operations and maintenance services for LAVTA. The agreement was awarded for a base term of July 1, 2011 to June 30, 2014 with the right to extend the agreement for four one-year periods. The contract is recommended for extension of the fourth, and last option year through June 30, 2018.

**Discussion**

MV has provided quality fixed route operations and maintenance services paratransit services since starting a LAVTA contract beginning in FY 2003. During that time MV has partnered with LAVTA staff to improve service and ridership. Many changes have occurred since the original contract was awarded. Since the award of the current contract the WHEELS bus system has gone through a major redesign based on the recommendations from the Comprehensive Operations Analysis. MV was instrumental in the implementation of the changes, and their success thus far.

**Recommendation**

Staff recommends Board of Directors exercise the fourth option year and extend the fixed route operations and maintenance agreement from July 1, 2017 through June 30, 2018.

Attachment

1. Letter to MV Exercising Agreement Option
2. Resolution 25-2017

Submitted by: \_\_\_\_\_

June 5, 2017

Robert Pagorek, CFO  
MV Transportation, Inc.  
2024 College St  
Elk Horn, IA 51531

Dear Robert,

On April 26, 2011 LAVTA entered into an Agreement with MV Transportation, Inc. for the provision of fixed route operations and maintenance services. In accordance with this Agreement, the initial period of the contract began on July 1, 2011 and ended June 30, 2014, and LAVTA has sole discretion to extend the contract for four (4) one-year periods. This letter confirms LAVTA's intention to exercise the option to extend this contract for the period of July 1, 2017 through June 30, 2018.

In addition, in accordance with Section 13 of this Agreement, this letter also confirms the increase in the revenue hour rate for FY18. Commencing July 1, 2017 through June 30, 2018 (FY 2017-18) LAVTA agrees to pay the Contractor for performance of the service set forth in this Agreement at a rate of \$43.02 per hour. Additionally, LAVTA is electing to continue the application of the Service Quality Standards.

MV has provided quality services for LAVTA since the beginning of this contract. We look forward to another successful year of providing excellent service throughout the Tri-Valley.

It is a pleasure working with you.

Sincerely,

Michael Tree  
Executive Director

**RESOLUTION NO. 25-2017**

**A RESOLUTION OF THE LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY  
APPROVING AN EXTENSION OF THE FIXED ROUTE OPERATIONS AND  
MAINTENANCE CONTRACT WITH MV TRANSPORTATION INC. FOR THE  
FOURTH OPTION YEAR**

**WHEREAS**, on April 26, 2011, LAVTA and the Contractor entered into that certain Agreement for the management and operation of LAVTA's transit operations; and

**WHEREAS**, on July 1, 2012, LAVTA and the Contractor entered in Contract Modification #1, revisiting the hourly rate, monthly fixed rate, and Cutaway maintenance fee for Fiscal Year 2012-13 (July 1, 2012 through June 30, 2013); and

**WHEREAS**, on July 1, 2013 LAVTA and the Contractor entered into Contract Modification #2, revising the hourly rate, monthly fixed rate, and Cutaway maintenance fee for Fiscal Year 2013-14 (July 1, 2013 through June 30, 2014); and

**WHEREAS**, on July 1, 2014 LAVTA and the Contractor entered into Contract Modification #3, revising the hourly rate, monthly fixed rate, and Cutaway maintenance fee for Fiscal Year 2013-14 (July 1, 2013 through June 30, 2014) and;

**WHEREAS**, on July 1, 2015 LAVTA and the Contractor entered into Contract Modification #4, revising the hourly rate, monthly fixed rate, and deleting the Cutaway maintenance fee for the remainder of the contract due to the Cutaway vehicles reaching the end of useful life and disposing of said vehicles rate for Fiscal Year 2015-2016 (July 1, 2015 through June 30, 2016); and

**WHEREAS**, on July 1, 2016 LAVTA and the Contractor entered into Contract Modification #5, revising the hourly rate, and monthly fixed rate for Fiscal Year 2016-2017 (July 1, 2016 through June 30, 2017); and

**WHEREAS**, in accordance with Section 13 of the Agreement, LAVTA and the Contractor desire to modify the Agreement to revise the hourly rate, and monthly fixed rate for Fiscal Year 2017-2018 (July 1, 2017 through June 30, 2018) and continue the application of the Service Quality Standard Index.

**NOW THEREFORE, BE IT RESOLVED:** That the Board of Directors of the Livermore Amador Valley Transit Authority, approves an extension of the Fixed Route O&M contract with MV Transportation, Inc. for the fourth option year from July 1, 2017 to June 30, 2018 and directs the Executive Director and Legal Counsel to negotiate a contract extension pursuant to terms and conditions which are consistent with the RFP and the proposer's original and subsequent submittals.

**BE IT FURTHER RESOLVED:** That the Executive Director shall annually estimate the amount of service to be provided in the upcoming fiscal year, negotiate the terms and conditions for that amount of service with MV Transportation, Inc., and present the resulting O&M costs for Fixed Route services in the annual Budget for the Board's review and approval.

**PASSED AND ADOPTED** by the governing body of the Livermore Amador Valley Transit Authority (LAVTA) this 5th day of June, 2017.

BY \_\_\_\_\_

Steven Spedowski, Chair

ATTEST \_\_\_\_\_

Michael Tree, Executive Director