

S T A F F R E P O R T

SUBJECT: MV Transportation, Inc. (MV) Payment Agreement

FROM: Toan Tran, Director of Operations and Innovation

DATE: June 22, 2020

Action Requested

Staff requests that the Projects & Services Committee recommend the Board of Directors approve Resolution 21-2020 (Attachment 1), authorizing the Executive Director to extend the payment agreement with MV Transportation on a month-to-month basis until service returns to pre-COVID levels, or when the agency reaches a stable level of service.

Background

In 2018, the Board of Directors awarded the fixed-route operations and maintenance contract to MV Transportation, Inc. The contract includes a three-year base term and four additional one-year terms. The pricing structure is based on a 2-tier formula. Tier 1 consists of the variable cost, which will fluctuate commensurate to the service level. Variable cost includes wages and benefits for operators and maintenance parts. Tier 2 consists of the monthly fixed cost, which mainly comprises of: wages and benefits for mechanics, utility workers, facility services maintenance workers, and administrative staff, insurance expenses, uniform expenses, and training expenses.

Similar to most public transit systems across the country, LAVTA has experienced a drastic decline in ridership due to the COVID-19 pandemic. Fixed-route service level has been reduced by approximately 60 percent as a result. In an effort to retain readiness for operations and maintenance activities, LAVTA and MV reached a short-term agreement to allow operators that are available but not driving to receive financial assistance during the pandemic. LAVTA will cover the salaries of these operators while MV will assist with the benefits. Please note all operators work their normal bid hours, pre-COVID. Operators without driving assignments are attending the multiple training sessions being offered on site. These sessions focus on customer service, wheelchair securements, and electronic components (i.e. mobile data terminal (MDT), farebox, etc.). In addition to training, these operators are inspecting and cleaning bus shelters, stocking face coverings for drivers and riders, and running the buses to keep the fleet in ready position. The current agreement is from March 16, 2020 to June 30, 2020.

Discussion

With the Shelter-in-Place order still in effect and the timeline for school reopening an unknown, staff will work with MV to extend the payment agreement to keep the operators employed and available on a continues basis. As staff reported at the April 2020 Projects & Services

Committee meeting, in the event there is a need to extend the agreement past June 30, staff will bring the item back for approval.

Recommendation

Staff requests that the Projects & Services Committee recommend the Board of Directors authorize the Executive Director to extend the payment agreement with MV on a month-to-month basis until service returns to pre-COVID levels.

Attachments

1. Resolution 21-2020
2. MV Payment Agreement – Current

RESOLUTION NO. 21-2020

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
AUTHORIZING THE EXECUTIVE DIRECTOR TO EXTEND THE PAYMENT
AGREEMENT WITH MV TRANSPORTATION, INC. ON A MONTH-TO-
MONTH BASIS**

WHEREAS, the Livermore Amador Valley Transit Authority (LAVTA) has experienced a drastic decline in ridership due to the COVID-19 pandemic; and

WHEREAS, fixed-route service levels have been reduced by approximately 60 percent as a result; and

WHEREAS, in an effort to retain readiness for operations and maintenance activities, LAVTA and MV reached a short-term agreement to allow operators that are available but not driving to receive financial assistance during the pandemic; and

WHEREAS, LAVTA will cover the salaries of these operators while MV Transportation, Inc. (MV) will assist with the benefits; and

WHEREAS, the current agreement is from March 16, 2020 to June 30, 2020; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Livermore Amador Valley Transit Authority that the Executive Director is authorized to extend the current payment agreement with MV on a month-to-month basis until service levels stabilize.

PASSED AND ADOPTED by the governing body of the Livermore Amador Valley Transit Authority (LAVTA) this 6th day of July 2020.

BY _____
Bob Woerner, Chair

ATTEST _____
Michael Tree, Executive Director