

STAFF REPORT

SUBJECT: Exercise the First Option Year of the Contract with MV Transportation

FROM: Toan Tran, Director of Operations and Innovation

DATE: June 7, 2021

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**Action Requested**

The Finance and Administration Committee recommends that the Board of Directors authorize the Executive Director to exercise the first option year with MV Transportation, Inc (MV) for the fixed route operations and maintenance services contract through FY2022.

**Background**

In 2018, the Board of Directors awarded a contract to MV to provide fixed route operations and maintenance services for LAVTA. The agreement was awarded for a base term of July 1, 2018 to June 30, 2021 with the right to extend the agreement for four one-year periods. The contract is recommended for extension of the first option year through June 30, 2022.

**Discussion**

MV has continued to provide quality fixed route operations and maintenance services since being awarded a new contract in 2018. During that time MV has partnered with LAVTA staff to improve service and ridership as well as driver retention, especially during the COVID-19 pandemic and service reductions. The Maintenance department has also undertaken extra efforts to ensure enhanced sanitization of the vehicles and transit center.

**Recommendation**

The Finance and Administration Committee recommends that the Board of Directors authorize the Executive Director to exercise the first option year and extend the fixed route operations and maintenance services contract from July 1, 2021 through June 30, 2022.

**Attachment**

1. Modification 1 to Agreement with MV Transportation, Inc.

Approved: \_\_\_\_\_

**MODIFICATION NO. 1  
TO AGREEMENT BETWEEN LIVERMORE AMADOR VALLEY TRANSIT  
AUTHORITY AND MV TRANSPORTATION, INC.**

**THIS MODIFICATION** to the Agreement is made and entered into on July 1, 2021 by and between the LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY, a joint exercise of powers agency established pursuant to California law, hereinafter referred to as "LAVTA," and MV Transportation, Inc., a California corporation, hereinafter referred to as "Contractor."

**WITNESSETH**

**WHEREAS**, on May 3, 2018, LAVTA and the Contractor entered into that certain Agreement for the management and operation of LAVTA's transit operations;

**NOW THEREFORE**, the parties hereto do agree as follows:

1. Commencing July 1, 2021 through June 30, 2022 (FY 2021-22) LAVTA agrees to pay the Contractor for performance of the service set forth in this Agreement as follows:

**Tier 1.** Based on the projected service level tier of 70% of the base year and annual escalators through option year 1, the hourly rate will be billed at \$53.78 per hour. MV shall regularly invoice LAVTA for total hours (gate to gate) which is understood to include revenue hours and non-revenue (deadhead) hours.

**Tier 2.** Based on the projected service level tier of 70% of the base year and annual escalators through option year 1, payment of a fixed monthly rate shall be in the amount of \$289,569.73 per month.

The payments outlined above cover all of Contractor's costs expenses for providing service including at LAVTA's Atlantis Fuel and Wash facility located at 875 Atlantis Court, Livermore CA.

**WITNESS WHEREOF**, the parties hereto have caused this Modification to the Agreement to be executed by and through their respective officers on the day written below.

BY LAVTA this \_\_\_\_\_ day of June, 2021.

BY CONTRACTOR this \_\_\_\_\_ day of June, 2021.

MV TRANSPORTATION, INC.:

LAVTA:

By: \_\_\_\_\_  
Marie Graul, EVP and Chief Financial Officer

By: \_\_\_\_\_  
Michael Tree, Executive Director

APPROVED AS TO FORM:

By: \_\_\_\_\_  
LAVTA Legal Counsel