



September 12, 2019

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendment to Agreement for the Operation and Maintenance of a Microtransit Pilot Program

Overview

On March 26, 2018, the Board of Directors approved an agreement with Keolis Transit Service, LLC, for the operation and maintenance of the OC Flex microtransit pilot program. The initial term for this agreement expires in October 2019. In order to continue service, an amendment to exercise the first one-year option is necessary.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement No. C-7-2052 between the Orange County Transportation Authority and Keolis Transit Services, LLC, in the amount of \$1,106,006, to exercise the first option term of the agreement to provide continued operation and maintenance of the OC Flex microtransit pilot program, from October 15, 2019 to October 14, 2020, increasing the maximum obligation of the agreement to a total contract value of \$2,362,843.

Discussion

On October 23, 2017, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved the OC Flex concept which outlined goals and performance measures to be used to evaluate the microtransit program after the one-year pilot was completed. On March 26, 2018, the Board approved an agreement with Keolis Transit Services, LLC, (Keolis) for the operation and maintenance of the OC Flex microtransit pilot program. Under the terms of the agreement, the contractor provides:

- Day-to-day management of the operation of the OC Flex microtransit service, including the provision of drivers and vehicles to dispatch all ambulatory and wheelchair trips as requested in compliance with applicable local, state, and federal regulations; and
- All fuel and maintenance for primary and spare vehicles, including the original equipment manufacturer's recommendations for preventive maintenance.

OC Flex began service in October 2018 in two zones under the pilot program. On May 24, 2019, a six-month progress report was presented to the Board covering the period of October 15, 2018 through March 31, 2019. A report covering the first full year of operation is planned to be presented to the Board in February 2020, and will include a summary of the performance of the OC Flex microtransit pilot program based on the Board-adopted measures and customer feedback. In addition, staff has conducted research on similar services provided by other agencies and will share an overview of best practices for microtransit services discovered through this effort.

The current agreement expires October 14, 2019, and an amendment to the agreement with Keolis is necessary to maintain the ongoing operation of the OC Flex microtransit service while staff analyzes performance data and prepares the final report and recommendations to be presented to the Board for consideration in February 2020.

Procurement Approach

The procurement was originally handled in accordance with OCTA Board-approved policies and procedures for professional services. On March 26, 2018, the Board approved the award of the agreement with Keolis. The original agreement was awarded on a competitive basis and includes a one-year initial term and two, one-year option terms, in the amount of \$1,150,000. The initial term of the agreement expires on October 14, 2019, as described in Attachment A.

The proposed Amendment No. 3 is to exercise the first option term of the agreement through October 14, 2020. Amending this agreement will increase the maximum obligation by \$1,106,006, bringing the total contract value to \$2,362,843. The escalation of revenue vehicle hourly rates (RVH), which are based on various ranges of monthly RVHs, will remain as originally negotiated. Exercising the first option term will allow Keolis to continue providing operation and maintenance of the OC Flex microtransit pilot program.

Fiscal Impact

The project was approved in the OCTA Fiscal Year 2019-20 Budget, Operations Division, Contract Transportation Services, accounts 2149-7317-D2160-N96 and 2149-7317-D2161-N97.

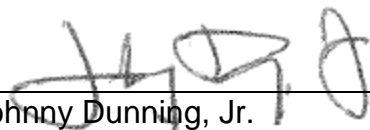
Summary

Based on the information provided, staff recommends the Board authorize the Chief Executive Officer to negotiate and execute Amendment No. 3 to Agreement C-7-2052 with Keolis, in the amount of \$1,106,006, to exercise the first option term, for the operation and maintenance of the microtransit pilot program, bringing the total contract value to \$2,362,843.

Attachment

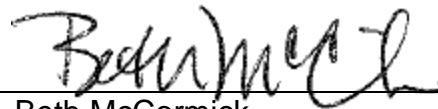
- A. Keolis Transit Services, LLC, Agreement No. C-7-2052 Fact Sheet

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