



**July 11, 2022**

**To:** Members of the Board of Directors

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Approval to Release Request for Proposals for Contracted Fixed-Route Bus Service

A handwritten signature in blue ink, appearing to read "Darrell E. Johnson", is positioned in the upper right area of the document, overlapping the "To:" and "From:" fields.

**Overview**

The Orange County Transportation Authority operates a countywide network of 58 routes, including local, community, rail connector, and express bus routes serving over 5,000 bus stops and known as OC Bus. OC Bus service is provided through both direct operations by the Orange County Transportation Authority, referred to as directly operated fixed-route, and contracted operations, referred to as contracted fixed-route service. The current contracted fixed-route agreement, which provides approximately 40 percent of OC Bus service, was awarded in 2015 and is set to expire on in June 2023. A draft request for proposals has been developed to initiate a competitive procurement process to establish a new agreement for this service. Board of Directors' approval of the proposed evaluation criteria and weightings and to issue the request for proposals is requested.

**Recommendations**

- A. Approve the proposed evaluation criteria and weightings for Request for Proposals 2-2578 to select a contractor for the management and operation of contracted fixed-route bus service.
- B. Approve the release of Request for Proposals 2-2578 for the management, operation, and maintenance of contracted fixed-route bus service for a four-year initial term with two, two-year option terms.

***Discussion***

The current agreement for the management, operation, and maintenance of the contracted fixed-route bus service was awarded in 2015 and expires on June 10, 2023. A new agreement is necessary to maintain continuity of service.

In 2015, contracted service represented approximately 30 percent of the Orange County Transportation Authority's (OCTA) total fixed-route bus operations. The agreement, as approved by the Board, was written to strategically allow for the contracted portion to increase to 40 percent to enhance service levels while using less operating revenue. Since 2015, the level of contracted service has grown from 30 percent to 39 percent of the OC Bus service (prior to the coronavirus [COVID-19]).

Since the inception of the agreement, the scope of work for these services has expanded to include the iShuttle service and additional Measure M2 Project V-funded circulators on behalf of local cities. Due to the COVID-19 pandemic and the state's stay-at-home order, in March 2020, the OC Bus fixed-route service was reduced such that contracted service was reduced by more than 50 percent. Since then, OC Bus service has been gradually restored as ridership has continued to increase. Projected revenue vehicle hours (RVH) included in the request for proposals (RFP) reflects best estimates made based on resources and past service levels. The actual amount of service may change in response to ridership demands and/or availability of resources.

An RFP has been developed to solicit a firm to operate and maintain a level of service, not to exceed 40 percent, as assigned by OCTA beginning in June 2023 when the current agreement expires. Under the new scope of work, the selected firm will be required to provide all management, operations, and maintenance personnel to operate a dedicated fleet of OCTA vehicles. OCTA will provide the operations and maintenance facilities and all revenue vehicles required, along with fuel and tires for these revenue vehicles.

As with the current agreement for this service, the proposed agreement includes a fixed monthly rate and variable rate structure. In addition, the agreement includes language which will provide for the RVH rate to be renegotiated if service levels change by 20 percent above or below the base RVH level for each year. This protects both OCTA and the contractor should service levels change. An estimated number of RVH to be operated by the contractor based on the current plan is provided in the scope of work by year for the initial term and the option terms.

***Procurement Approach***

OCTA’s Board of Directors (Board)-approved procurement policies and procedures require that the Board approve all RFPs over \$1 million, as well as approve the evaluation criteria and weightings. Staff is submitting for Board approval the draft RFP and evaluation criteria and weightings, which will be used to evaluate proposals received in response to the RFP.

The proposed evaluation criteria and weightings are as follows:

- Qualifications of the Firm 20 percent
- Staffing and Project Organization 25 percent
- Work Plan 30 percent
- Cost and Price 25 percent

Several factors were considered in developing the criteria weightings. Qualifications of the firm is weighted at 20 percent to ensure proposing firms have experience providing similar levels of service as required in the RFP. Staffing and project organization is weighted at 25 percent because the qualifications of the project manager and other key personnel are critical to the successful implementation and operation of the service. Work plan was assigned the greatest level of importance with a weighting of 30 percent to emphasize the importance of the firm demonstrating its understanding of the project scope and explaining how the contracted fixed-route service will be managed to be able to deliver up to 40 percent of OCTA’s bus service. Cost and price is assigned 25 percent to ensure the firms submit competitive pricing to provide the services.

Proposing firms will be allowed to submit a proposal to operate and maintain the service from (1) the Anaheim base; (2) the Irvine Sand Canyon base; or (3) the Anaheim and Irvine Sand Canyon bases. Staff believes this model will promote and encourage a high level of competition.

The contract for this procurement will be for a four-year initial term, with two, two-year option terms. The total estimate for the initial term of the agreement is anticipated to be \$235,997,885.

This RFP will be released upon Board approval of these recommendations.

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Fiscal Impact

Funds for this service will be included in the Operations Division within service and supplies as part of the OCTA Fiscal Year 2023-24 Budget. This expense will be funded through a combination of Federal Transit Administration 5307 and Local Transportation Funds.

**Summary**

Board of Directors' approval is requested to release RFP 2-2578 to select a firm to provide contracted fixed-route bus service, as well as approval of the proposed evaluation criteria and weightings.

**Attachment**

- A. Draft Request for Proposals (RFP) 2-2578 Contracted Fixed-Route Bus Services

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**Approved by:**



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