



November 8, 2018

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendment to Agreement with MV Transportation, Inc., for the Provision of the OC ACCESS Service

Overview

On March 14, 2013, the Orange County Transportation Authority Board of Directors approved an agreement with MV Transportation, Inc., to provide the management, operation, and vehicle maintenance of the OC ACCESS service. On June 12, 2017, the Board of Directors approved an amendment to exercise the first two-year option term for the continuation of these services through June 30, 2019. MV Transportation, Inc., has continued to perform well throughout this contract, providing safe, efficient, and reliable service. An amendment to exercise the second two-year option is necessary for the continued provision of the OC Access service.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 8 to Agreement No. C-2-1865 between the Orange County Transportation Authority and MV Transportation, Inc., in the amount of \$95,630,961, to exercise the second two-year option term to provide OC ACCESS service through June 30, 2021, increasing the maximum obligation of the agreement to a total contract value of \$351,242,530.

Discussion

The Americans with Disabilities Act (ADA) requires agencies that operate fixed-route bus service to provide complementary paratransit service for individuals with disabilities who are unable to use the fixed-route system. To comply with ADA, the Orange County Transportation Authority (OCTA) implemented OC ACCESS service in 1993. OC ACCESS is different from traditional fixed-route service, requiring passengers to complete an in-person assessment to become eligible for the service. The service requires eligible passengers to make reservations in advance, and subscription service may be

available for passengers who travel consistently to the same location on the same days and times. In accordance with ADA requirements, all requests for service must be accommodated within 3/4-mile of the service area of the regularly provided fixed-route service. In addition, ACCESS-eligible customers may utilize the demand-responsive Same-Day Taxi service anywhere within Orange County. OCTA provides the OC ACCESS service through an agreement with MV Transportation, Inc. (MV).

MV has managed, operated, and maintained the vehicles for the OC ACCESS service since 2013. The original agreement included an initial term of four years, with two, two-year option terms. Under this agreement, MV provides the primary OC ACCESS service using OCTA-owned vehicles. In order to enhance service efficiency and cost effectiveness, MV has a subcontract with Yellow Cab of Greater Orange County, Inc. to provide supplemental OC ACCESS service using smaller vehicles that are only deployed when needed. This arrangement has resulted in the OCTA-provided ACCESS fleet remaining consistent at 248 vehicles throughout the initial term and first, two-year option term, while the number of trips provided each year has increased. Last year OC ACCESS provided 1,273,856 trips, an increase of one percent from the prior year.

Throughout this agreement, both the initial term and first two-year option, MV has provided quality, safe, efficient, and reliable OC ACCESS service. To continue the agreement into the second, two-year option term, OCTA staff estimated the cost with the same methodology used to determine the cost increase for the first option term. The contract provides for MV to be reimbursed through a fixed-rate and variable-rate structure. As part of the original MV proposal, rates were submitted for the initial term and the two, two-year option terms. The fixed rate is a flat monthly fee and requires no adjustment beyond what was included in the original MV cost proposal. The variable rate is based on the number of revenue vehicle hours provided, plus the cost of the supplemental trips based on the trip miles provided. To calculate the estimated cost of the second two-year option term, staff considered the fixed-rate fee, variable rates, estimated revenue vehicle hours, as well as ridership trends over the past two years. Those factors were then applied to the original MV variable-rate proposal.

Procurement Approach

On March 25, 2013, the Board of Directors (Board) approved a contract for a four-year initial term with two, two-year option terms with MV to provide turnkey management and operation of the OC ACCESS service from July 1, 2013 through June 30, 2017. The first option term was executed in June 2017. The procurement was handled in accordance with OCTA's Board-approved policies and procedures for professional and technical services. The original

agreement was awarded on a competitive basis and was previously amended, as described in Attachment A.

The proposed Amendment No. 8 is to exercise the second two-year option term of the agreement to provide OC ACCESS service through June 30, 2021. Amending the agreement will increase the maximum cumulative obligation by \$95,630,961, bringing the total contract value to \$351,242,530, which will allow continued management, operation, and vehicle maintenance for the OC ACCESS service.

Fiscal Impact

The project will be included in OCTA's Proposed Fiscal Year 2019-20 Budget, Operations Division.

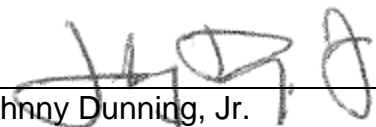
Summary

Staff requests Board authorization for the Chief Executive Officer to negotiate and execute Amendment No. 8 to Agreement No. C-2-1865 between OCTA and MV Transportation, Inc., in the amount of \$95,630,961, to exercise the second two-year option term to provide OC ACCESS service through June 30, 2021.

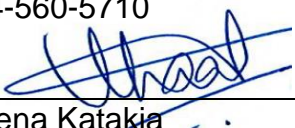
Attachment

A. MV Transportation, Inc., Agreement No. C-2-1865 Fact Sheet

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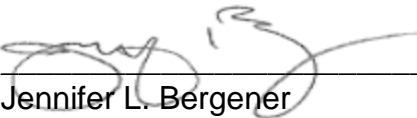


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