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23

**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
JANUARY 18, 2007**

SUBJECT: PS07701003, METRO VANPOOL PROGRAM

ACTION: AWARD CONTRACTS FOR VANPOOL SERVICES

RECOMMENDATION

- A. Authorize the Chief Executive Officer to establish a bench of vanpool leasing companies by executing a five-year firm fixed unit price contract, Contract No. PS07701003, with the following vendors in an amount not to exceed \$19,128,400 inclusive of two one-year options, effective February 12, 2007.

Enterprise Rent-A-Car Company of Los Angeles (dba Enterprise Rideshare)
Midway Rideshare
VPSI, Inc.

- B. Authorize the Chief Executive Officer to execute Task Orders under these agreements for vanpool leasing services as necessary.

RATIONALE

Staff is requesting authorization to execute contracts with the above named vanpool leasing companies to facilitate Metro's program to establish public vanpool groups regionwide. These companies will provide all Metro Vanpool Program leases, vehicles, maintenance, storage facilities, materials and supplies, insurance, customer service, billing and collection, and related administrative duties. Each contract shall effectively subsidize/buy down the cost of eligible public vanpool leasing costs to the end user. Services are scheduled to begin by March 2007, assuming contracts are signed by February 12, 2007. Staff is requesting approval of three-year contracts with the above leasing companies and two one-year options. Assuming the option years are exercised, these services would extend to February 2012, and February 2010 if the option years are not exercised.

Eligible Metro Vanpool Program leases will meet several criteria including: terminating at a Los Angeles County worksite, public service availability, compliance with transit Americans with Disabilities Act (ADA) accessibility rules, and requirements to report vanpool operating data. It is estimated that the program's subsequent Federal Transit Association (FTA)

National Transit Database (NTD) revenue mileage reported will generate new Federal Section 5307 formula funds to the region at a 2 to 1 ratio compared to program expenditures. In its first full year of implementation, the Metro Vanpool Program is projected to deliver more than 17 million revenue miles and over 137 passenger miles of service. These services will allow Metro to add vanpooling to its family of services while fulfilling the 2001 motion (Roberts) directive by the Board to capture new NTD reporting sources, and will help the county work towards meeting Long Range Transportation Plan and air quality goals.

Staff provided the Board an overview of quantifiable goals for increasing vanpool ridership through the proposed Metro Vanpool Program in an August 2006 Board Box report. The standards established included:

- Identify, capture, and register 600 public vanpool groups in the first year of service;
- Subsidize vanpool lease costs at 20% - 30%; reducing cost and increasing benefit to commuters; and
- Provide expanded ride-matching services to achieve an optimal vehicle occupancy rate of 80%.

FINANCIAL IMPACT

The funding of \$2,037,230 in grant funds for this service is included in the FY07 budget in cost center 7160, Regional Communications Programs under project 405547, task 02.07. Since this is a multi-year contract, the cost center manager and Executive Officer will be accountable for budgeting costs in future years.

Public vanpools are eligible for FTA NTD revenue-mile reporting, thereby generating additional Federal Section 5307 formula funds to the region. FTA returns nearly forty cents per revenue mile to the Los Angeles County reporting region; it is estimated that the reporting of this data will generate approximately \$20.5 million of new Federal Section 5307 formula funds through FY11.

ALTERNATIVES CONSIDERED

Staff considered purchasing and operating vanpool vehicles directly. However, this alternative would require a significant capital investment, increased maintenance requirements, and additional costs associated with insurance and unscheduled maintenance. Peer review studies identified transit properties that currently own vanpool vehicle fleets for deployment and offering slightly lower fares to its commuters. However, the capital cost to replace fleet vehicles significantly impacts those programs' ability to grow and in some cases maintain service demand.

Staff also considered continuing existing efforts to support vanpool formation which includes providing employers vanpool information and offering matching services to help commuters find existing vanpools to join. However, this alternative would not allow Metro to grow the vanpool market in any significant manner as stated in the Long Range Transportation Plan and would prevent additional NTD revenues from being generated consistent with the 2001 Board motion.

Staff will continue to provide reports to the Board on program progress on an annual basis.

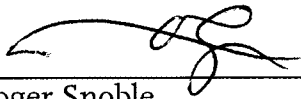
ATTACHMENT

A. Procurement Summary

Prepared by: Jami Carrington, Transportation Planning Mgr III, Research & Development
Cosette Stark, Director, Research & Development
Linda Wasley, Senior Contract Administrator, Procurement

 FOR MATT RAYMOND

Matthew Raymond
Chief Communications Officer



Roger Snoble
Chief Executive Officer

**PROCUREMENT SUMMARY
METRO VANPOOL PROGRAM**

1.	Contract Number: PS07701003		
2.	Recommended Vendor: Midway Rideshare; Enterprise Rideshare; VPSI, Inc.		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: N/A	Recommended Price: N/A	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm, Fixed monthly subsidy per qualifying vanpool		
5.	Procurement Dates:		
	A. Issued: 10/18/06		
	B. Advertised: 10/20/06		
	C. Pre-proposal Conference: 11/06/06		
	D. Proposals Due: 11/16/06		
	E. Pre-Qualification Completed: 12/12/06		
	F. Conflict of Interest Form Submitted to Ethics: 12/11/06		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 0%	Date Small Business Evaluation Completed: 8/10/06	
	B. Small Business Commitment: 0% Details are in Attachment A-2 (include % contractor committed to)		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 5	Bids/Proposals Picked up: 13	Bids/Proposals Received: 3
8.	Evaluation Information:		
	A. <u>Bidders/Proposers Names:</u> <u>Midway Rideshare</u> <u>Enterprise Rideshare</u> <u>VPSI, Inc.</u>	<u>Bid/Proposal Amount:</u> N/A	<u>Best and Final Offer Amount:</u> N/A
	B. Evaluation Methodology: Weighted Guidelines. Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: 1/23/07		
	B. Protest Receipt Date: TBD		
	C. Disposition of Protest Date: TBD		
10.	Contract Administrator: Linda Wasley	Telephone Number: (213) 922-4186	
11.	Project Manager: Jami Carrington	Telephone Number: (213) 922-7364	

**PROCUREMENT HISTORY
METRO VANPOOL PROGRAM**

A. Background on Contractor

VPSI, Inc., with an office in Orange, California and headquarters in Troy, Michigan, has been in the Vanpool business for approximately 30 years. VPSI, Inc. is a national company with publicly funded vanpool programs in Houston, Texas, Phoenix, Arizona as well as a contract with the Michigan Department of Transportation.

Enterprise Rideshare, with an office in Anaheim, has been serving the vanpool community for more than thirteen years. They are a part of Enterprise Rent-a-Car, which has been in business for more than 25 years. They currently have over 375 rental locations in Southern California. They participate in subsidy programs with San Diego, Inland Empire, and Kern Counties as well as a program that subsidizes federal employees who vanpool.

Midway Rideshare, with an office in Los Angeles, has provided vanpool services for over eight years as a California S-Corporation. Midway has contracts with the City of Los Angeles, USC and San Diego.

B. Procurement Background

The procurement was a standard Request for Proposals and recommendation for award of contract is being made to the three proposers using the explicit factors methodology.

The Diversity and Economic Opportunity Department (DEOD) did not recommend a Disadvantaged Business Enterprise participation goal for this competitive procurement.

C. Evaluation of Proposals

In accordance with Metro Procurement Policies and Procedures, the Source Selection Committee conducted a comprehensive technical evaluation of the proposals. The proposals were first reviewed to determine that the proposer met the minimum qualifications for this Request for Proposal (RFP) as identified in the RFP section entitled evaluation criteria.

The proposals submitted by the three firms recommended for award of contracts were determined to be responsive and responsible firms, all factors considered.

VPSI and Enterprise submitted (untimely) protests regarding the content of the RFP. Both protests addressed the same issues and a response was provided by the Director of Contract Administration. The contractors had issues with the contractual arrangement that was created between Metro and the contractors; the manner in which the program is to be promoted on the vans; and the projected timing of the payments to the contractors.

Improvements were made on the timing of payments. Because of the critical nature of the reporting requirements as a recipient of grants the contractual arrangement was not changed. Due to the importance of promoting the program to the driving public, no change was made to the advertising plan. Neither contractor pursued a protest to the next level.

D. Cost/Price Analysis Explanation of Variances

Due to the fact that Metro is seeking to subsidize vanpools with a monthly stipend, catalog pricing as submitted was determined fair and reasonable and is based on competition between vanpool providers. The individual drivers will have the opportunity to negotiate pricing at the time of their agreement or lease with the vanpool providers based on the length of the commute, the size of the van and the age of the van.

**LIST OF SUBCONTRACTORS
METRO VANPOOL PROGRAM**

PRIME CONTRACTOR – List the recommended contractor or joint venture team members, if multiple recommended contractors, list each separately with respective subcontractors.

Small Business Commitment

Other Subcontractors

Total Commitment 0% this must match % listed in item 6b.