



City of Palo Alto

City Council Staff Report

(ID # 7897)

Report Type: Consent Calendar

Meeting Date: 5/15/2017

Summary Title: Contract Amendment with MV Transportation and Budget Amendment for Palo Alto Free Shuttle

Title: Approval of Amendment Number One to Contract Number C14152828 with MV Transportation to Extend the Term for two Years for \$625,980 to Operate the Palo Alto Free Shuttle Service on the Existing Crosstown Shuttle Route Until June 2019 and Approval of a Budget Amendment in the General Fund

From: City Manager

Lead Department: Planning and Community Environment

Recommendation

Staff recommends that the City Council:

1. Authorize the City Manager or his designee to amend and extend the existing agreement (C1452828) with MV Transportation by \$625,980 for a total contract not-to-exceed amount of \$1,841,017 for the operation of the existing Crosstown Shuttle Route for up to two (2) additional years; and
2. Amend the Fiscal Year 2017 Budget Appropriation Ordinance in the General Fund by
 - a. Increasing the Planning and Community Environment Department's contractual services appropriation by \$94,070; and
 - b. Decreasing the Non-Departmental Planning and Transportation Contingency by \$94,070.

Background

The Palo Alto Shuttle Program began in December 1999 and provides free shuttle bus services between the Palo Alto Caltrain station and City destinations and neighborhoods. The program currently consists of two shuttle routes (Embarcadero and Crosstown) that operate Monday through Friday, excluding some holidays. This report relates to the Crosstown shuttle service.

The Crosstown Shuttle provides a north-south connection from the Palo Alto Transit Center to Crescent Park, Midtown, the Charleston Road area, and several community centers, libraries, senior centers, neighborhoods, and schools in between. The north-south connection is also supported by the VTA route 21, which follows Middlefield Road from the Palo Alto Transit

Center to the Mountain View city limits, continuing on to downtown Mountain View. The Crosstown Shuttle route is funded 100% by the City’s General Fund.

In January 2011, the City Council approved a three-year contract with MV Transportation to provide service for the Crosstown Shuttle until February 28, 2014, which was later extended until June 20, 2014. On June 23, 2014, following a Request for Proposals (RFP) competitive process, City Council approved a new three-year contract with MV Transportation for the provision of services through June 30, 2017.

The Embarcadero Shuttle, not included in this agreement, connects the business parks on the east side of the City along Embarcadero Road to the Palo Alto Transit Center. The City currently contracts with the Peninsula Corridor Joint Powers Board (JPB) for the Embarcadero Shuttle, which is a part of the Caltrain peak hour commuter shuttle program and is subsidized 46.5% by the JPB. The remaining 53.5% is funded by the City of Palo Alto General Fund. There will be no gap in this service and an extension of a contract with MV Transportation will not impact the contract with JPB.

Discussion

The work to be performed under the extended contract is to provide all equipment, staffing, and materials necessary to provide shuttle services for up to two additional years through June 30, 2019 to continue to operate the Crosstown Route, while discussions regarding the long-term future of the Palo Alto Free Shuttle program progress.

Summary of Request for Proposal Process

Through a RFP issued by the City of Palo Alto in 2014, MV Transportation was identified as the best-suited vendor to provide community shuttle bus services for the Crosstown Shuttle. At that time, the City entered into a three-year contract with MV Transportation.

Summary of Proposed Services

The estimated total cost of the Crosstown Shuttle for the two-year extension period is \$625,980 (Table 1). The proposed contract maintains this existing operation but more frequent service is being evaluated as part of an ongoing assessment of the shuttle program.

Table 1 - Palo Alto Crosstown Estimated 2-Year Expenditure

	Hours of Operation	Cost for Year 1	Cost for Year 2	Total Contract Cost
Crosstown Shuttle	3,922	\$302,976	\$323,004	\$625,980

Potential Future Service Expansions

The City is looking at opportunities to implement an expanded shuttle program, based on the *Palo Alto Transit Vision* (2017) report shared with the City Council on April 24, 2017. The extended contract with MV Transportation will cover current Crosstown Route operations until

the Palo Alto Transit Vision Plan can be discussed further and a decision is made on future service levels.

Timeline

Staff anticipates MV Transportation will provide uninterrupted operation of the Crosstown Route.

Resource Impact

The cost of the two-year extension of the contract with MV Transportation from July 1, 2017, to June 30, 2019 is \$625,980. The Fiscal Year 2018 Proposed Operating Budget includes the majority of funding needed for Fiscal Year 2018 Crosstown and Embarcadero shuttle operations, although this contract amendment will create a funding gap. Staff is requesting approval of a Budget Amendment to increase the Planning and Community Environment Department budget by \$94,070 from the Fiscal Year 2017 Adopted Planning and Transportation Contingency to cover the increase in the cost of shuttle operations for Fiscal Year 2018. Once approved, staff will encumber the funds to the contract.

Policy Implications

This request is consistent with Council direction to continue the existing Palo Alto Free Shuttle routes. Additional potential service expansions will be brought to Council for discussion and direction later this year.

The following Goals, Policies and Programs from the Comprehensive Plan are directly related to this discussion:

- Goal T-1: Less Reliance on Single-Occupant Vehicles
- Policy T-3: Support the development and expansion of comprehensive, effective programs to reduce auto use at both local and regional levels.
- Goal T-2: A Convenient, Efficient, Public Transit System that Provides a Viable Alternative to Driving
- Policy T-4: Provide local transit in Palo Alto.
- Policy T-5: Support continued development and improvement of the University Avenue and California Avenue Multi-modal Transit Stations, and the San Antonio Road Station as important transportation nodes for the City.
- Policy T-6: Improve public transit access to regional destinations, including those within Palo Alto.
- Policy T-9: Work towards integrating public school commuting into the local transit system.
- Policy T-11: Support efforts to integrate train, bus, and shuttle schedules at multi-modal transit stations to make public transit use more time-efficient.

Environmental Review

On August 2, 1999, the City Council approved a Negative Declaration finding the shuttle project would not result in any significant environmental impact. The current contract continues the

existing shuttle service provided by the City of Palo Alto (Crosstown Service) and the proposed amendment would merely extend the term of the service.

Attachments:

- Attachment A: C14152828 Shuttle Extension Contract Amendment No 1

**AMENDMENT NO. 1 TO CONTRACT NO. C14152828
BETWEEN THE CITY OF PALO ALTO AND
MV TRANSPORTATION, INC.**

This Amendment No. 1 to Contract No. C14152828 (“Contract”) is entered into July 31, 2017, by and between the CITY OF PALO ALTO, a California chartered municipal corporation (“CITY”), and MV TRANSPORTATION, INC. a California corporation, located at 5910 N. Central Expressway., Suite 1145, Dallas TX., 75206, Telephone (972) 391-4600 (“CONTRACTOR”).

RECITALS

A. The Contract was entered into between the parties for the provision of the operation of shuttle buses for CITY on the Crosstown route (including the Special School Commute Service) in accordance with the schedules and routing determined by CITY.

B. CITY intends to extend the TERM to June 30, 2019 and increase the compensation by \$625,980.00 from \$1,215,037.00 to \$1,841,017.00 for the continuation of services as stated in EXHIBIT “A” SCOPE OF SERVICES.

C. The parties wish to amend the Contract.

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the parties agree:

SECTION 1. Section 3. TERM is hereby amended to read as follows:

“TERM.

The term of this Agreement is from July 1, 2014 to June 30, 2019 inclusive, subject to the provisions of Sections Q and V of the General Terms and Conditions.”

SECTION 2. Section 5. COMPENSATION FOR ORIGINAL TERM is hereby amended to read as follows:

“COMPENSATION FOR ORIGINAL TERM. CITY shall pay and CONTRACTOR agrees to accept as not to exceed compensation for the full performance of the Services and reimbursable expenses, if any:

A sum calculated in accordance with the fee schedule set forth in Exhibit C, not to exceed a total maximum compensation amount of One Million Eight Hundred Forty One Thousand Seventeen dollars (\$1,841,017.00).

CONTRACTOR agrees that it can perform the Services for an amount not to exceed the total maximum compensation set forth above. Any hours worked or services performed by

CONTRACTOR for which payment would result in a total exceeding the maximum amount of compensation set forth above for performance of the Services shall be at no cost to CITY.”

SECTION 3. The following exhibit(s) to the Contract is/are hereby amended to read as set forth in the attachment(s) to this Amendment, which are incorporated in full by this reference:

- a. Exhibit “C” entitled “COMPENSATION”.

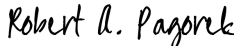
SECTION 4. Except as herein modified, all other provisions of the Contract, including any exhibits and subsequent amendments thereto, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have by their duly authorized representatives executed this Agreement on the date first above written.

CITY OF PALO ALTO

MV TRANSPORTATION, INC.

DocuSigned by:



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Robert A. Pagorek

. CFO

APPROVED AS TO FORM:

Attachments:

EXHIBIT "C": COMPENSATION

**EXHIBIT C
SCHEDULE OF FEES**

CITY shall pay CONTRACTOR according to the following rate schedule. The maximum amount of compensation to be paid to Contractor, including both payment for services and reimbursable expenses, shall not exceed One Million Eight Hundred Forty One Thousand Seventeen dollars (\$1,841,017.00). Any services provided or hours worked for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to City.

Crosstown Shuttle

Year	Service Rate	Est. Hours of Operation	Est. Annual Cost
1	61.571	2,893	\$178,123.82
2	62.620	2,893	\$181,158.88
3	64.374	2,893	\$186,234.30
Est. Total Cost:			\$545,517.00

East Palo Alto Shuttle

Year	Service Rate	Est. Hours of Operation	Est. Annual Cost
1	69.137	3,200	\$221,238.18
2	68.432	3,200	\$218,982.12
3	71.656	3,200	\$229,298.70
Est. Total Cost:			\$669,519.00

CONTRACT TOTAL NOT TO EXCEED

\$1,215,036.00

AMENDMENT NO. 1

Crosstown and Mid-Town Shuttle

YEAR	SERVICE RATE	EST. HOURS OF OPERATION	EST. ANNUAL COST
Year 4 (07/01/17 – 12/31/17)	\$75.996	1,961	\$149,028
Year 4 (01/01/18 – 06/30/18)	\$78.505	1,961	\$153,948
AVERAGE RATE FOR YEAR 4	\$77.251	3,922	\$302,976
Total for year 4			\$302,976
Year 5 (07/01/18 – 06/30/19)	\$82.357	3,922	\$323,004

	Total for year 5	\$323,004
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Total for years 4 & 5 **\$625,980**

Total contract amount Not to Exceed: \$1,841,017.00