



# City of Palo Alto

## City Council Staff Report

(ID # 10282)

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**Report Type: Consent Calendar**

**Meeting Date: 6/24/2019**

**Council Priority: Transportation and Traffic**

**Summary Title: Amendment No. 2 to Contract C14152828 with MV Transportation**

**Title: Approval of Amendment Number 2 to Contract Number C14152828 With MV Transportation to Extend the Term for Six Months for \$216,185 to Operate the Palo Alto Free Shuttle Service on the Existing Crosstown Shuttle Route Until December 2019**

**From: City Manager**

**Lead Department: Transportation**

**Recommendation:**

Staff recommends that Council approve and authorize the City Manager or his designee to execute Amendment No. 2 to Contract No. C1452828 with MV Transportation to increase compensation by \$216,185 for a total contract amount not to exceed \$2,057,202 for the operation of the existing Crosstown Shuttle Route for up to six (6) additional months while a competitive solicitation process is conducted for these services commencing no later than 2020.

**Background:**

The Palo Alto Shuttle Program began in December 1999 and provides free shuttle bus services Monday through Friday (excluding some holidays) between the Palo Alto Transit Center and City destinations and neighborhoods. The City has two different shuttle routes which are provided by two different contractors. The Crosstown Shuttle Service is currently provided by MV Transportation and the Embarcadero Shuttle Service is provided via a contract administered by the Peninsula Corridor Joint Powers Board. This current 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 35, which goes from the Palo Alto Transit Center and follows Middlefield Road to the Mountain View city limits, the San Antonio Shopping Center, and downtown Mountain View. The Crosstown Shuttle route is fully funded by the City's General Fund. The Crosstown Shuttle route was established to serve community centers and other popular destinations including the two middle schools near the Middlefield Road corridor, JLS and Greene, during their morning and afternoon bell schedules.

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. On May 15, 2017, the City Council approved Amendment No. 1 to extend the term to June 30, 2019 and increase compensation by \$625,980 from \$1,215,037 to \$1,841,017 for the continuation of services.

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/Caltrain) for the Embarcadero Shuttle, which is a part of the Caltrain peak hour commuter shuttle program. It is subsidized 43.9 percent by Caltrain. The remaining 56.1 percent is funded by the City of Palo Alto General Fund. The contract extension with MV Transportation will not impact the contract with Caltrain.

### **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 six (6) additional months through December 30, 2019 to continue to operate the Crosstown Route, while the City conducts a solicitation process to procure and potentially expand shuttle services. Staff recommends this extension as it will allow the City to thoroughly evaluate proposals in response to the Request for Proposals (RFP) to secure a shuttle provider able to offer consistent and reliable transit services going forward.

Staff notes that the current shuttle service has experienced reliability problems. Some inconsistency issues related to inclement weather, road construction/detours, and peak period congestion. In addition, the current shuttle and bus operator labor market is very competitive, and the industry-wide challenge of driver recruitment and retention has affected availability and raises costs for service providers. Staff is taking these issues into account in the current RFP process and will examine potential vendors for their ability to address the competitive market

while maintaining reliable service at a reasonable cost. Staff will work to provide service cost benchmarks with the report back to Council as part of the RFP process in the fall.

### **Summary of Upcoming RFP Process**

The last RFP for shuttle service was issued by the City in 2014. Staff released a new RFP in April 2019 and is reviewing submitted proposals now. To build in additional time to evaluate proposals and ensure no lapse in service, staff is bringing the proposed six (6)-month contract extension.

### **Summary of Proposed Services**

The estimated total cost of the Crosstown Shuttle for the six (6)-month extension period is \$216,185. The proposed contract amendment maintains this existing operation. More frequent service is being evaluated as part of an ongoing assessment of the shuttle program.

### **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 August 14, 2017. (See staff report online at: <https://www.cityofpal Alto.org/civicax/filebank/documents/60890>). The extended contract with MV Transportation will cover the current Crosstown Route operations until a decision is made on the next shuttle provider and future service levels. This six (6)-month contract extension maintains the current service level of shuttle service and does not expand service levels.

### **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 as part of the procurement process that is currently underway.

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

**T1.3.2** Use low-emission vehicles for the Palo Alto Free Shuttle and work with transit providers, including SamTrans and VTA, to encourage the adoption of electric, fuel cell or other zero emission vehicles. Also work with private bus and shuttle providers, delivery companies and ride services.

**T1.6.2** Continue to work with Caltrain, Amtrak and public bus operators to expand bicycle storage on public transit vehicles and at transit hubs during both peak and off-peak hours.

**T-1.7** Advocate for transit providers to coordinate train, bus and shuttle schedules at multi-

modal transit stations, and other transit information centers, to enable efficient transfer among public transit modes.

**T1.14** Continue the Palo Alto Free Shuttle Program and work with partners to enhance service by increasing frequency and prioritizing destinations of value to the community, including health centers, parks, schools, senior centers and shopping areas and other places where residents gather.

**T7.4** Collaborate with transit and shuttle providers including VTA, AC Transit, SamTrans, Stanford Marguerite Shuttle, Palo Alto Free Shuttle, Dumbarton Express Bus Service and Caltrain in the provision of service that is accessible to seniors and people with disabilities.

**Resource Impact:**

The cost of the six-month extension of the contract with MV Transportation from July 1, 2019, to December 30, 2019 is \$216,185. The FY 2020 Proposed Budget, tentatively scheduled for adoption by the City Council on June 17, 2019, includes sufficient funding to cover this contract amendment. Further adjustments will be brought forward for City Council approval upon the conclusion of the RFP process, as necessary.

**Timeline:**

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

**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 2 (PDF)**

**AMENDMENT NO. 2 TO CONTRACT NO. C14152828  
BETWEEN THE CITY OF PALO ALTO AND  
MV TRANSPORTATION, INC.**

This Amendment No. 2 to Contract No. C14152828 (“Contract”) is entered into June 17, 2019, 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 on July 1, 2014 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. On July 31, 2017, the parties entered into Amendment No. 1 to the Contract extending the term for an additional two years through June 30, 2019 and increasing compensation for the continuation

C. CITY intends to extend the term by six months to December 31, 2019 and increase the compensation by \$216,185.00 from \$1,841,017.00 to \$2,057,202.00 for the continuation of services as stated in EXHIBIT “A” SCOPE OF SERVICES in order to complete the competitive solicitation process for these services commencing 2020.

D. 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 December 31, 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 Two Million Fifty Seven Thousand Two Hundred Two dollars (\$2,057,202.00).

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:  
*Erin Niewinski*  
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Erin Niewinski

Interim 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 Two Million Two Thousand Six Hundred One dollars (\$2,002,601.00). 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:			<b>\$545,517.00</b>

**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:			<b>\$669,519.00</b>

**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
<b>Total for year 4</b>			<b>\$302,976</b>
Year 5 (07/01/18 – 06/30/19)	\$82.357	3,922	\$323,004
<b>Total for year 5</b>			<b>\$323,004</b>

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

**Total Contract Amount Not to Exceed: \$1,841,017.00**

**AMENDMENT NO. 2**

Crosstown and Mid-Town Shuttle

YEAR	SERVICE RATE	EST. HOURS OF OPERATION	EST. ANNUAL COST
Year 6 (07/01/19 – 12/31/19)	\$86,474	2500	\$216,185
<b>Total for year 6</b>			<b>\$216,185.00</b>

Previous Not to Exceed Compensation \$ 1,841,017.00 + \$216,185.00 (additional 6 months of service) = \$2,057,202

**Total Contract Amount Not to Exceed: \$2,057,202.00**



### Certificate Of Completion

Envelope Id: 71BBD0C330084651908D873480DD57FA	Status: Completed
Subject: Please DocuSign: C14152828 Shuttle Extension Contract Amendment No 2.doc	
Source Envelope:	
Document Pages: 4	Signatures: 1
Certificate Pages: 2	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Christopher Anastole
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	250 Hamilton Ave
	Palo Alto , CA 94301
	chris.anastole@cityofpaloalto.org
	IP Address: 12.220.157.20

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Security Appliance Status: Connected	Pool: StateLocal	
Storage Appliance Status: Connected	Pool: City of Palo Alto	Location: DocuSign

### Signer Events

Erin Niewinski  
erin.niewinski@mvtransit.com  
Interim CFO  
Security Level: Email, Account Authentication (None)

### Signature

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Signature Adoption: Pre-selected Style  
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Resent: 6/12/2019 4:51:59 PM  
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