

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3	03/10/14	Open	Action	03/04/14

Subject: Delegating Authority to the General Manager/CEO to Submit a Proposal in Response to the Request for Proposals Issued by the City of Elk Grove on January 10th, 2014.

ISSUE

Whether or not to delegate authority to the General Manager/CEO to submit a proposal to the City of Elk Grove to operate transit service

RECOMMENDED ACTION

Adopt Resolution No. 14-03-_____, Delegating Authority to the General Manager/CEO to Submit a Proposal in Response to the Request for Proposals Issued by the City of Elk Grove on January 10th, 2014.

FISCAL IMPACT

Any proposal submitted in response to the City of Elk Grove (City) Request for Proposals (RFP) requires a proposal security (bond, certified check, or cashier's check) in the amount of \$50,000. The City will hold the proposal security for up to 120 days while it evaluates the proposals and selects the most-qualified proposer.

If Regional Transit's (RT) proposal is not selected, the proposal security will be returned. If RT is selected as the most-qualified proposer and fully executes the contract presented by Elk Grove, the proposal security will be returned. If RT is selected as the most-qualified proposer and either cannot or chooses not to accept the terms of the contract presented by Elk Grove, the proposal security will be forfeited.

In addition to the proposal security, RT will incur internal labor costs as required to compile and submit a proposal document.

DISCUSSION

The City of Elk Grove is currently soliciting proposals for operation and maintenance of the e-Tran fixed-route bus service and the e-Van demand-response paratransit service that operate primarily within the Elk Grove city limits. Proposals are due to Elk Grove City Hall by 5pm, March 11, 2014. The City is requesting pricing for a base term of 5 years, with options for the City to extend for 3 additional years, in its sole discretion. The costs proposed by RT would be fixed for the 8-year term of the contract, with no provision for re-negotiation based on increased costs or changed circumstances. While the contract would allow the City to terminate the contract on 30 days' advance written notice, RT would have no ability to terminate the contract during the 8-year term.

Approved:

Presented:

Final 03/05/14

General Manager/CEO

Director of Community Bus Service

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One of the unknown costs of the Contract is the requirement to provide a performance bond for the greater of \$550,000 or the full amount of any self-insurance proposed. RT's normal self-insured retention is \$5 million.

While the City RFP offers the option for proposers to submit "deviations" or exceptions to the terms of the RFP, the City is under no obligation to accept those deviations and proposers must be prepared to either agree to all of the terms set out in the RFP or forfeit the proposal security. At the same time, while the City included a sample contract in its RFP, it also reserved the right to modify that contract in its sole discretion, so the final contract terms and risks are not known at this point in time.

There are a number of elements of the RFP that raise concerns for Staff and that will be negotiated with the City if RT submits a proposal. RT is hopeful that these issues can be resolved and allow RT to provide the service on terms that are acceptable to both parties.

The final contract will be brought to the Board for approval if RT is selected as the most-qualified proposer.

RT previously bid for, and is now successfully operating, contract transit services for the North Natomas Transportation Management Agency (NNTMA), the City of Rancho Cordova, the Granite Business Park, and the McClellan Park TMA. Staff has found these partnerships to be a positive way to provide transit services throughout Sacramento County and also a means of furthering RT's mission of making the best use of scarce transit dollars, while providing a high level of RT-operated service throughout the region.

RESOLUTION NO. 14-03-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

March 10, 2014

DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO SUBMIT A PROPOSAL IN RESPONSE TO THE REQUEST FOR PROPOSALS ISSUED BY THE CITY OF ELK GROVE ON JANUARY 10TH, 2014.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the General Manager/CEO is authorized to submit a proposal to operate and maintain transit service to the City of Elk Grove in response to the Request for Proposals (RFP) issued by the City of Elk Grove on January 10, 2014, including furnishing the required \$50,000 proposal security.

THAT, execution of any contract resulting from the foregoing RFP requires separate approval by the Board of Directors.

PHIL SERNA, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary