



Camarillo City Council

AGENDA REPORT

Date: May 6, 2024

To: Honorable Mayor and City Councilmembers

From: Greg Ramirez, City Manager

Submitted by: Dave Klotzle, Public Works Director

Subject: Transit Operation and Maintenance Services – Award of Agreement

BACKGROUND

The City of Camarillo offers public transportation through Camarillo Area Transit (CAT) services. Camarillo residents have three public transit bus services options including a Fixed Route, Trolley, and Dial-A-Ride service. On March 11, 2020, City Council approved an Agreement with RATP Dev USA, LLC (RATP) for the operation and maintenance of CAT services effective April 1, 2020. The Agreement included an initial three-year term with the option for City Council to approve single or multiple year extensions not to exceed a total agreement term of ten years. The Agreement included a fixed payment rate per revenue hour of service provided for each year of the initial three-year term as well as for each year of the possible seven additional years.

After execution of the original Agreement, the Covid-19 pandemic caused significant disruption to transit services and City Council approved three amendments as a result of revenue losses due to reduced CAT ridership during the pandemic. The amendments were approved by City Council on May 27, 2020, August 26, 2020, and January 27, 2021, and enabled RATP to submit monthly reports of eligible expenses for reimbursement of costs above the monthly billable revenue that RATP could bill based on actual revenue hours.

On July 14, 2021, City Council approved a fourth Agreement Amendment 2020-31D extending the provisions of the third amendment through March 31, 2023, and modifying the payment structure based on the actual month-to-month demand of vehicle revenue hours (establishing a tiered rate structure), effective April 1, 2021, through March 31, 2023.

On March 8, 2023, City Council approved a fifth Agreement Amendment 2020-31E extending the agreement through June 30, 2024, and increasing the tiered rates by an average of 8.3%, which included a retroactive implementation of January 1, 2023. This was the first of the optional seven additional year extensions permitted, extending the term for approximately 15 months to align the Agreement with the City's fiscal year.

In mid-2023, staff began discussing the development of an alternative cost structure with RATP that would provide more fiscal security to both parties, such as the possibility of establishing “pass-thru” costs for vehicle maintenance parts to reduce RATP’s uncertainty of maintenance costs of the City’s older transit vehicles and pricing that would help to cover more of RATP’s “fixed” costs that occur regardless of the number of revenue hours of service provided.

On December 8, 2023, RATP submitted a proposal for the second one-year extension option including, per City staff request, three different scenarios for proposed rate structures: a dual rate (fixed and variable); single-revenue hour rate; and tiered revenue hour rate (similar to the tiered structure provided by RATP as part of Amendment No. 4). Staff determined that the dual rate structure is most appropriate and consists of fixed costs (facility costs, vehicle maintenance, supervision, overhead, etc.) and variable costs (rate per vehicle revenue hour of service provided – mainly driver wages, benefits, etc.) with the cost of fuel and maintenance parts passed through directly to the City. Based on an anticipated 21,000 hours of service annually, RATP’s proposed fixed and variable rate structure equated to roughly \$133 per vehicle revenue hour (VRH), an overall 8% increase compared to the current cost.

RATP’s proposed pricing is higher when compared to what neighboring agencies pay which ranges between \$89 and \$108 per VRH, however it should be noted that no two transit agencies have the same rate structure and transit services, therefore it is difficult to establish an apples-to-apples comparison. However, because of the higher cost of CAT services than neighboring transit agencies, staff determined that a competitive request for proposals (RFP) was appropriate to determine the current market cost of providing CAT services

DISCUSSION

On January 4, 2024, an RFP for CAT operations and maintenance services was released and posted on the PlanetBids website and advertised in the Ventura County Star newspaper with proposals due February 27, 2024. The RFP requested pricing based on the fixed and variable cost structure previously described. City staff also held a mandatory pre-proposal meeting via Zoom on January 18, 2024. On January 31, 2024, RATP submitted a notice declining to submit a proposal and indicating they would continue to provide CAT services upon City approval of their proposed extension pricing. Staff confirmed that RATP would not be excluding itself from being considered for a contract extension by not submitting a proposal. RATP’s current agreement does not expire until June 30, 2024, and the City has the option to notify RATP that it intends to renew the agreement prior to 30 days before the expiration date.

On February 27, 2024, proposals were received from three companies: Blue Diamond Performance Inc., (Blue Diamond), RTW Management, Inc. (RTW) and Ventura Transit Services (VTS). Blue Diamond did not attend the mandatory pre-proposal meeting and consequently was not eligible to be considered. Additionally, Blue Diamond’s proposal did not include any of the City’s required forms or contain any information other than a resume of the company CEO.

A panel of three City staff and two staff from other transit agencies (Thousand Oaks and the Ventura County Transportation Commission) reviewed and scored the proposals

received from RTW and VTS based on the principal requirements of the RFP. A comparison of the proposals is summarized in the attached Table 1 (Attachment 1). While both proposals demonstrated that management staff from each firm has an accurate understanding of what is required by the City, and how the firms' resources will be utilized to provide the required services, the following primary differences have been identified:

1. Federal funding requirements

RTW has knowledge of, and experience with, the requirements of operating federally funded transit services, while VTS did not demonstrate such specific experience but explained their ability to perform as required.

2. Relevant experience

RTW has more direct experience than VTS providing traditional demand response dial-a-ride services similar to those provided by CAT.

3. Cost of service

The attached Table 2 (Attachment 2) summarizes a comparison of the contract service rates proposed by each company for the initial four-year contract term. The total four-year contract cost based on the service rate proposed by VTS is \$8,928,436.78, 10% lower than the cost of \$9,930,218.75 based on the rate proposed by RTW. These costs are based on the City's estimated annual vehicle revenue hours noted in Table 2 and do not include fuel and repair part costs which are independent of which company provides the services.

After reviewing the proposals, the same panel of staff interviewed and scored both firms based on their demonstrated experience and ability to provide the required services. RTW received an average interview score of 90 out of 100, and VTS received an average interview score of 78. The primary factor for VTS's lower score is the lack of experience with federally funded transit service requirements and lack of ability to demonstrate data collection technologies.

The vehicle revenue hour rates proposed for the first year of the contract by RTW and VTS are \$44.79 and \$40.00 respectively. The estimated annual cost, not including fuel and repair part costs, for the first year of the contract based on the rates proposed by RTW and VTS are \$2,406,186 and \$2,058,000 respectively, assuming 21,000 revenue hours. If RATP's current contract were to be extended effective July 1, 2024, the estimated annual cost for these services with their December 8 proposed rate of \$62.19 would be \$2,800,125 (assuming the fixed and variable rate model).

The City receives approximately \$1,700,000 annually in Federal Transportation Administration funding for a major portion of the cost of CAT services. The remaining cost after the revenue from fares and other contributions is deducted, including any increase due to the proposed rates, is funded by Transportation Development Act funds.

As stated in the RFP, the City reserves the right to award a contract to a proposing company based on any and all factors of value, whether quantitatively identifiable or not; including, but not limited to, the anticipated initiative and ability of the company to perform the required services set forth in the RFP. The City is not obligated to accept the lowest cost proposal and may award a contract in the best interests of the City after all factors

have been evaluated. As previously mentioned, the City also has the option of not awarding to either proposer and instead extend RATP's existing agreement. Based on the review and recommendations of the evaluation panel, staff concludes it is in the best interests of the City to award a four-year agreement with 3 optional one-year extensions to RTW for CAT operations and maintenance services.

The estimated first year operating and maintenance cost of the proposed new agreement with RTW is \$2,406,186 not including fuel and repair parts costs. This is approximately \$393,939 less than the \$2,800,125 estimated cost under the fixed/variable ratio scenario of extending the current RATP agreement for another year.

The total estimated cost for the initial four years of the proposed new agreement with RTW including operations, maintenance, repair parts, and fuel is \$11,866,219 as shown in the table below.

Year	Rate per Vehicle Revenue Hour	Operations & Maintenance	Fuel Costs	Repair Parts Cost	Total Estimated Annual Cost
1	\$44.79	\$2,406,186	\$324,000	\$145,000	\$2,875,186
2	\$44.79	\$2,408,616	\$329,000	\$150,000	\$2,887,616
3	\$45.48	\$2,445,236	\$334,000	\$155,000	\$2,934,236
4	\$50.17	\$2,670,181	\$339,000	\$160,000	\$3,169,181
					\$11,866,219

FISCAL IMPACT

Funds for CAT service is included in the Proposed Budget for FY 2024/25 in the Transit Fund. The total Year 1 cost of CAT service is estimated to be \$2,875,186.

CEQA DETERMINATIONS

Staff has determined, in accordance with Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines that the Transit Operations and Maintenance Services Agreement is not subject to CEQA review because it can be seen with certainty that there is no possibility that the Agreement may have a significant effect on the environment. The activity is a continuation of services and is designed to reduce the amount of single-occupancy vehicle trips that the public may otherwise take. Additionally, CEQA Guideline 15301 Existing Facilities exempts from CEQA review projects that involve operation of existing facilities or structures, or mechanical equipment which the public transit vehicles could be considered.

RECOMMENDATION

1. Find the Agreement for Transit Operations and Maintenance Services is exempt from review under the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) and 15301 of the CEQA Guidelines; and
2. Authorize the City Manager to execute Agreement No. 2024-28 with RTW Management, Inc. for transit operations and maintenance services for a four-year term for an amount not to exceed \$11,866,219.

ATTACHMENTS

1. Table 1 - Proposal Comparison Information
2. Table 2 - Proposal Cost Comparison
3. Agreement No. 2024-28

REFERENCE MATERIALS – AVAILABLE FOR REVIEW AT CITY HALL

None

Table 1
PROPOSAL COMPARISON

Proposal Item	Ventura Transit Services	RTW Management
1. Contents	Complete with all required appendices.	Complete with all required appendices.
2. Business location and vehicle storage location	Camarillo, CA	Thousand Oaks, CA
3. Experience	20 years providing fixed route, and paratransit (senior/ADA) services most recently in Malibu and various cities in San Luis Obispo County.	25 years providing dial-a-ride, fixed route, and ADA services.
4. Average Proposal Score	85 out of 100	99 out of 100
5. Subcontractors	None listed.	None listed
6. Transit Data Reporting	Knowledge of federal requirements but little experience.	Experienced in providing federal transit report data.
7. Driver Training	Pre-employment screening; DMV and CVC requirements; safety programs; retraining programs; company-furnished Drive Cams.	Pre-employment screening; DMV and CVC requirements; safety programs; retraining programs; company will furnish high tech drive cams and performance tracker software.
8. Dispatcher Training	Initial and routine refresher training; company will use City software for DAR services.	Initial and routine refresher training; company will use City dispatch software for DAR services.
9. Vehicle Maintenance	Certified mechanics; meet California requirements; company to furnish computer software.	Certified mechanics; meet California requirements; company to furnish intuitive software. (fleet tracking, vehicle diagnostics, predictive maintenance features etc...)

Table 1 (Continued)

Proposal Item	Ventura Transit System	RTW Management
10. Vehicle Cleaning Interior Exterior Wash	Daily Weekly	Daily Three times a week
11. Four-Year Total Cost not including fuel	\$8,928,437	\$9,930,219 (10% higher)
12. Average Interview Score	78 out of 100	90 out of 100
13. Proof of Liability Insurance	Certificate provided	Provided incomplete certificate.
14. Multi-lingual Staff	Greater than 50% English/Spanish.	Greater than 50% English/Spanish.

Table 2
PROPOSAL COST COMPARISON

		RTW Management			Ventura Transit System (VTS)			Cost Difference
Initial 4-Year Term	City Estimated Annual Revenue Hours	Proposed Variable Revenue Hourly Rate	Estimated Annual Fixed Cost	Estimated Annual Cost	Proposed Variable Revenue Hourly Rate	Estimated Annual Fixed Costs	Estimated Annual Cost	
1	21,000	\$44.79	\$1,465,596	\$2,406,186	\$40.00	\$1,218,000	\$2,058,000	\$348,186
2	21,215	\$44.79	\$1,458,396	\$2,408,616	\$42.00	\$1,278,900	\$2,169,930	\$238,686
3	21,430	\$45.48	\$1,470,600	\$2,445,236	\$44.10	\$1,342,845	\$2,287,908	\$157,328
4	21,650	\$50.17	\$1,584,000	\$2,670,181	\$46.31	\$1,409,987	\$2,412,599	\$257,582
Total				\$9,930,219			\$8,928,437	\$1,001,782