



**CITY of CALABASAS**

**CITY COUNCIL AGENDA REPORT**

---

**DATE: APRIL 25, 2024**

**TO: HONORABLE MAYOR AND COUNCILMEMBERS**

**FROM: CURTIS CASTLE, P.E., PUBLIC WORKS DIRECTOR/CITY ENGINEER  
TATIANA HOLDEN, P.E., DEPUTY PUBLIC WORKS DIRECTOR  
TRA'A BEZDECNY, ASSISTANT ENGINEER**

**SUBJECT: RECOMMENDATION TO APPROVE AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT #777535 WITH VENTURA TRANSIT SYSTEMS INC. FOR CITY SHUTTLE SERVICES, IN THE AMOUNT OF \$1,127,745 FOR AN AMENDED TOTAL CONTRACT COST NOT TO EXCEED \$2,044,665.**

**MEETING DATE: MAY 8, 2024**

---

**SUMMARY RECOMMENDATION:**

Staff recommends that the City Council approve Amendment No. 1 (Attachment A) to the Professional Services Agreement (PSA) with Ventura Transit Services Inc. (VTS) for the City's Public Transit Shuttle Services in the amount of \$1,127,745, thereby increasing the total contract to a revised not-to exceed (NTE) amount of \$2,044,665 (including a 10% contingency).

**BACKGROUND:**

Calabasas started its Transit Program in the late 1990's. In 1995, the City worked with a consultant to study the feasibility of developing a city transit system and determined that the City had transit needs that were not being served by the Los Angeles Metropolitan Authority (Metro). Over the ensuing years, with the approval

from Metro and support of the City Council, the City's public transit system was fully developed. Today, the program consists of the Calabasas Shuttle and Trolley, Dial-a-Ride, and a pilot Microtransit program. The entire program is completely funded by Metro Local Return Funds, specifically sales tax funds from [Propositions A & C](#) (Prop A & C). The City receives a portion of the funds every year from Metro and utilizes them to run and maintain the transportation program. The City is required to report various data such as ridership, revenue, and operational costs to Metro and the Federal Transit Authority to continue to receive funding and must submit a financial report to Metro every year. The amount of money received and budgeted through Metro has completely covered the City's transit operational costs. The City did not expend any local funds or use the City's General Fund for the transit program.

The City owns nine shuttle buses and hires contractors to provide drivers and administrative services for its transportation program, which is divided into shuttle services (bus shuttles and a trolley) and van services (Dial-a-Ride and Microtransit). The City's van service is contracted with Ideal General Services through Contract #777466 and the shuttle service is contracted with Ventura Transit Services (VTS) through Contract #777535. The shuttle service includes Calabasas Transit Lines 1 through 5.

Before discussing the current details of the VTS contract, it's important to look further back at the preceding transit services contract that began in 2016 and concluded in 2021. That contract was executed in the amount of \$3,396,545 and spanned five years, with an average yearly cost of \$679,309, more than double the original VTS contract. Further, the annual cost of the preceding contract (\$679,309) nearly matches the actual annual costs realized in the current VTS contract (\$681,555). Additional discussion regarding contract costs is provided below in the Discussion section.

The City's contract with VTS was executed in August 2021 for a three-year term and expires on June 30, 2024. Under this contract, VTS operates the City's Fixed Route Line 1, Peak-Hour Lines 2-5, the Weekend Trolley, and the Beach Bus; they perform maintenance of the City-owned shuttles; and they provide administrative services in the form of supervisors, dispatch, and customer service.

In February 2024, Staff discovered that the Prop A & C expenditures had exceeded the City Council-approved contract amount. Note, there are sufficient funds in the Prop A & C accounts to cover these expenditures.

## DISCUSSION:

Staff regularly communicates with Metro to program the Prop A & C funds received by the City. When transit needs change, for example providing shuttles for the Pumpkin Festival, staff coordinates with Metro to ensure that all expenditures are eligible under their guidelines and updates the budget with Metro accordingly. The City and Metro collaborate on the City's transit budget three times every year, including the submission and review of the City's annual report to Metro. The City's current budget with Metro is provided in Attachment B. The budget provided to Metro and the City's annual budget for FY21-22, FY22-23, FY23-24 have always been aligned. Further, despite expenditures exceeding contract authority, they never exceeded either the Metro or City-approved budget in any year of the contract. The City has always received 100% reimbursement for all transit costs and when issues or questions have arisen in the past, staff works quickly with Metro to answer their questions and provide them with the information needed.

Unfortunately, staff realized that the budget updates made with Metro have not been reflected in the shuttle contract awarded by City Council in 2021. There appear to be two primary reasons for the oversight. First, staff has been focused on correctly budgeting with Metro. Second, the initial contract scope was not fully inclusive of all the services required to run the transit program.

### Analysis of Original Contract Scope

On June 7, 2021, Council approved Contract #777535 with VTS for \$916,920.00 over a three-year term, expiring on June 30, 2024 (Attachment C). This contract amount was calculated using 6,000 annual service hours and the hourly rate provided in the Proposal (Table 1). This original calculation in the 2021 Staff Report (Attachment D) did not include fueling, maintenance, special events, new routes, or administrative-related expenses. These expenditures are critical components of a transit program and are eligible costs under Metro's Prop A & C guidelines. As a result, contract expenditures have exceeded the original contract amount. All expenses in this report are based on invoices received for services through January 2024.

Table 1: Original Contract Calculation

Description	Year 1	Year 2	Year 3
Hourly Rate	\$ 48.50	\$ 50.92	\$ 53.40
Annual No. of Hours	6,000	6,000	6,000
<b>Total Annual Contract Cost</b>	<b>\$ 291,000</b>	<b>\$ 305,520</b>	<b>\$ 320,400</b>

### Fueling

The Calabasas Public Transit Fleet consists of three gasoline (gas), two diesel, and four compressed natural gas (CNG) shuttles. The City directly pays United Pacific for the fueling of the gas and diesel shuttle, but VTS purchases the CNG under the contract and is reimbursed through the contract in their monthly invoicing. The City pays for gas and diesel fuel and it is treated like a utility service; these costs are not paid through the VTS contract. However, the CNG fueling performed by VTS is charged to the contract and the cost totaled **\$123,082**.

### Maintenance

No maintenance repairs were considered in the original calculation, but since August 2021 there have been **seven (7)** catalytic converters replaced due to theft, **one (1)** transmission replaced, **four (4)** batteries replaced, and **one (1)** intake manifold replaced. This repair work totals an additional **\$38,164**. In addition to the unexpected major repairs, the shuttles received new artwork, paint, and screen printing at a cost of **\$13,213**. Other maintenance costs included **\$55,068** for items such as tire replacements, brake services, and mechanical repairs. In total, the City has spent **\$106,445** in maintenance costs through the VTS to-date, none of which were included in the original contract calculation.

### Additional Service

As part of the contract, VTS has provided additional service in the form of special events. These special events include senior excursion trips, Pumpkin Festival service, and other one-time events. These extra hours were not considered and have added **\$26,297** to the VTS contract.

Additionally, staff did not update the yearly driver hours in the contract when introducing the Beach Bus to the City's transit program. Adding the annual summer Beach Bus to the VTS contract required extra administrative costs and approximately 980 additional driver-hours for each of two summers, resulting in an additional cost of **\$149,832**. The total cost for additional services is **\$176,129**.

### Administration

The original service hours calculation did not consider the administrative services required to support a transit system. Administrative services require approximately six hours per day of service, resulting in additional costs of **\$286,210**. The administrative work covers the office work required to operate the program including dispatch, maintenance and inspections management, and customer service.

### Amended Contract Calculation

Table 2 provides the current contract amount, summary of additional unforeseen costs, the amount required to complete the contract through June 30, 2024, and the amended NTE contract amount.

Table 2: Amendment Calculation

Contract Amount		916,920
Unforeseen Additional Costs		
Fueling	123,082	
Maintenance	106,445	
Additional Services	176,129	
Administration	286,210	
Subtotal of Additional Costs		691,866
Actual Expended as of January 2024		1,608,786*
Average Monthly Contract Cost (FY 2024)	\$50,000	
Required Additional Funding Contract Term (5 months, Jan-June 2024)		250,000
Revised Base Contract		\$1,858,786
Contingency (10%)		\$185,879
<b>Total Revised NTE Contract Amount</b>		<b>\$2,044,665</b>

\*Total expenditures since contract execution through Jan. 2024

The amended total contract amount will equate to an average yearly cost of approximately \$681,555. Note that this amount is in line with the annual cost of the 2016-2021 agreement (\$679,309/year) and demonstrates that actual expenditures incurred under the current contract are reasonable and could have been anticipated.

### Controls

While there are existing controls regarding contract expenditures in the Public Works and Finance Departments, staff will implement additional measures to ensure contract authority is not exceeded moving forward. The primary adjustment to the payment process will be that a contract payment coversheet will be required for all payments. This coversheet will include current to-date expenditures broken down by task and allocated to appropriate accounts. This will provide all reviewers in the Public Works Department with a complete contract cost summary.

### Lessons Learned and Changes

Staff is preparing the RFP for public transit services for the next three to five years. Upon review of the former RFP and the current contract, staff implemented the following changes to the new RFP and future contract scope to ensure more complete pricing information is provided and all required costs are captured in the initial contract award.

- Requesting a sample invoice based on the City-provided scope of work and the Proposer-provided fee schedule and labor hours; this will cover service hours and administration expenses

- Specifying which maintenance tasks are covered by the Contractor versus which are directly paid by the City
- Specifying the contractual process for additional services requests and including a line item in the contract for special events
- Paying for CNG fuel will be the responsibility of the City, not the Contractor
- Special event hours will be calculated using past events and expected future events and Staff will create an “allowance” of hours to allow for better control

Staff anticipates returning to City Council to request the award of a new public transit services contract in June 2024.

**FISCAL IMPACT/SOURCE OF FUNDING:**

The City’s Public Transit Program is funded by Metro Local Return Proposition A and Proposition C. The funding received by the City covers all contract expenditures to-date because staff has adhered to the Metro budget and reporting guidelines. However, as previously stated, the contract amount was not amended to stay in-line with the Metro-approved budget and annual City budgets. In short, approving this amendment does not have an impact on the City’s Budget or General Fund.

**REQUESTED ACTION:**

Staff recommends the approval of Amendment No. 1 (Attachment A) to the Professional Services Agreement (PSA) with Ventura Transit Services Inc. (VTS) for the City’s Public Shuttle Services in the amount of \$1,127,744, thereby increasing the total contract to a revised NTE amount of \$2,044,665 (including a 10% contingency).

**ATTACHMENTS:**

- Attachment A: Amendment No. 1 to Contract #777535*
- Attachment B: City’s FY 24 Metro Budget*
- Attachment C: Contract #777535 with Ventura Transit Services, Inc.*
- Attachment D: June 23, 2021 Staff Report Awarding Contract #777535*