



**CITY of CALABASAS**  
**CITY COUNCIL AGENDA REPORT**

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**DATE: JUNE 3, 2024**

**TO: HONORABLE MAYOR AND COUNCILMEMBERS**

**FROM: CURTIS CASTLE, P.E., PUBLIC WORKS DIRECTOR/CITY ENGINEER  
TATIANA HOLDEN, P.E., PUBLIC WORKS DEPUTY DIRECTOR  
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**SUBJECT: RECOMMENDATION TO AUTHORIZE CITY MANAGER TO  
NEGOTIATE AND EXECUTE, WITH ANY MINOR MODIFICATIONS  
DEEMED NECESSARY, A PROFESSIONAL SERVICES AGREEMENT  
WITH LAZ TRANSPORTATION SERVICES FOR THE CITY'S  
OPERATION AND MAINTENANCE OF PUBLIC TRANSIT AND  
TRANSPORTATION SERVICES WITH A TOTAL CONTRACT AMOUNT  
NOT-TO-EXCEED \$4,096,625.85 FOR THREE YEARS EXPIRING ON  
JUNE 30, 2027 WITH THE OPTION TO RENEW FOR TWO  
ADDITIONAL ONE-YEAR PERIODS, AT THE DISCRETION OF THE  
CITY MANAGER**

**MEETING DATE: JUNE 12, 2024**

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**SUMMARY RECOMMENDATION:**

Staff recommends that City Council authorize the City Manager to negotiate and execute, with any minor modifications deemed necessary, a professional services agreement (PSA) with LAZ Transportation Services for the City's operation and maintenance of public transit and transportation services with a total contract amount not-to-exceed \$4,096,625.85 (including a 10% contingency) for three years expiring on June 30, 2027 with the option to renew for two additional one-year periods, at the discretion of the City Manager.

## **BACKGROUND:**

Calabasas has its own transit program providing shuttle and dial-a-ride services to the community. The shuttle operation consists of one fixed-route (Line 1), four peak-hour routes (Lines 2-5), and two seasonal routes (Trolley and Beach Bus). The City owns its own fleet of shuttles and a trolley, but contracts out the operation and maintenance of the vehicles. The current PSA with Ventura Transit Services, Inc. is set to expire on June 30, 2024. The City released a Request for Proposals (RFP) for the operation and maintenance of the Calabasas Transit system for a contract term of July 1, 2024 to June 30, 2027. The RFP was posted on the City's website from April 8, 2024 through May 20, 2024. During the posting period staff received and responded to numerous questions from prospective bidders.

Staff received three proposals from LAZ Transportation Services, MV Transportation, Inc., and Ventura Transit Services, Inc. (VTS). All proposals were reviewed by staff and evaluated for criteria including approach and deliverables, experience and qualifications of the company, operational resources, and cost. Proposals were also reviewed for responsiveness and completeness. After this initial review, all three companies were invited for an interview with staff for further evaluation. Based on the evaluation of the proposals and interviews, staff determined LAZ Transportation Services to be the best qualified company for this contract.

## **DISCUSSION:**

The RFP required that proposers submit a staffing plan, organization chart for the project team, description of the company's background and experience in providing public transit services, references, and qualifications of the company and proposed consultant staff. In their proposals, prospective companies were asked to address each item in the scope of services stated in the RFP. The scope of services includes: summarizing their understanding of the City's transit needs and providing a strategy to meet those needs; providing a service plan that details how each route will be staffed and supervised; submitting a plan to deliver timely and excellent customer service, including a communication protocol with city staff; description of training for drivers and other consultant staff; safety protocols; vehicle inspection and maintenance plan; development of a regulatory reporting program; and a startup plan for the contract. The scope of services also includes providing services for special events, such as the Pumpkin Festival. Proposers were also required to complete a detailed cost estimate which is summarized further below in this report in Table 1.

Proposers were evaluated based on four categories which included: approach and deliverables; experience, qualifications and references; operational resources; and cost. Initial scores were based on the proposals received and all companies scored high enough to move on to the interview process. Final evaluation scores are a combination of the scoring of the proposals and information received during the interviews. The evaluation is summarized below.

#### Approach and Deliverables:

Proposers were scored on their response to each of the tasks identified in the Scope of Services. These tasks include maintenance, route operation, and safety and emergency procedures.

Maintenance is a crucial aspect for any transit fleet, but is especially important for Calabasas considering the age of our current fleet. The average age of our shuttles is 14 years while the expected useful life is 10 years. It's important to note that City is maintaining these older buses for longer durations due to the upcoming transition to a zero-emission fleet. Calabasas is expecting to receive between two and six electric vehicles during the term of this contract, and maintenance of these new vehicles will be essential for reliability and a longer service life of the new shuttles as well as the older ones. Maintenance starts with daily inspections completed by drivers and regular preventative maintenance completed by the contractor's maintenance staff. Other maintenance may be needed as parts require repairs or replacement. While all proposers discussed maintenance, there were key differences between the three in regards to maintenance.

- LAZ's proposed maintenance facility is 65 miles away and could place unnecessary mileage on the shuttles as well as increase fueling costs. However, their proposal exhibits the best understanding of the maintenance requirements and includes telematics technology allowing the Contractor and City staff to constantly track the status and condition of the fleet. Staff questioned the location of the maintenance facility during the interview and LAZ explained that small and immediate repairs would be completed at a local shop or by roadside/parking lot service. LAZ also maintains contracts with mechanic shops specializing in fleet service. By LAZ utilizing a 3<sup>rd</sup>-party facility, the City's fleet would receive an additional level of inspection that comes with a company that is focused on providing complete and thorough service, while also having more experience that comes with servicing a high volume of vehicles.

- MV's proposal shows a clear understanding of inspections and preventative maintenance. They would provide a maintenance manager who reports to the general manager and MV has access to 115 maintenance shops.
- VTS's proposal shows a clear understanding of inspections and preventative maintenance. They would provide a maintenance manager who reports to the general manager, however VTS only has one in-house shop and did not go into detail how the shop ensures timely and complete maintenance.

Route operation is the next essential task for a transit program. Ensuring the bus is where it should be, when it should be, is core to a reliant system. In addition to the fixed-routes, this contract is responsible for the operation of special trips for the Senior Center, Summer Concerts, Pumpkin Festival, and other City events.

- LAZ's proposal includes real-time tracking for the contractor, City, and passengers and a secret shopper service for self-evaluation and improvement. The secret shopper service is essentially an unannounced rider who evaluates their experience and reports to management. LAZ's proposed hours were higher than staff's expectation of the hours necessary to complete each route. However, during the interview, it was determined that LAZ provides more time than the other proposers for daily vehicle inspections (which are performed before and after each route). Staff supports the hours proposed by LAZ because allotting the correct amount of time for the pre-trip inspection is critical and ensures that drivers do not feel rushed to skip critical inspection elements. LAZ is also the least expensive per driver-hour, which will keep costs down for special events. LAZ's proposal also includes, at no cost, an app that can provide real-time shuttle bus tracking and destination planning. Staff was planning to issue a separate RFP at a future date for a similar app and anticipates that by awarding this contract to LAZ that the additional RFP will not be needed.
- MV's proposal includes an additional cost-option for tracking, but otherwise relies on dispatch to coordinate route operations. Their proposal is the most in-line with staff's expectations of the hours necessary to complete each route. However, MV's hourly rate varies across the different routes, making potential future route adjustments difficult to budget for.
- VTS's proposal includes utilizing NovusMED for scheduling and dispatching through GPS tracking. However, their proposal is not in line with staff's expectations of the hours necessary to complete each route and averages an additional 69% across the seven routes. VTS was also the most

expensive per driver-hour, which will increase costs for special events, which are typically funded by the City's General Fund.

Experience and Qualifications:

Proposers were scored on the experience of the company and its staff, their qualifications related to providing transit services, and information provided by their references. All three companies received responses that confirmed their abilities to complete contracts. LAZ was determined to be best proposer in this category due to their experience providing service to small- to medium-sized cities including the City of Dana Point and the City of San Clemente, which are similar to Calabasas.

Operational Resources:

Proposers were scored on their financial and operational resources. LAZ received the highest score due to their telematics technology and rider app. MV proposed an optional app that would be an additional cost, and VTS only proposed the existing GPS tracking.

Cost:

For this RFP, staff provided a detailed fee schedule to be filled completed by the proposers to accurately discern the difference between the companies, based on their understanding of the needs of the contract. This fee schedule is divided by driver hours (time necessary to complete the program's routes and special events), maintenance (preventative maintenance, extra maintenance, CNG fueling, and cleaning), and administration (general administration, customer service, and reporting). Staff also created allowance items for special events, extra maintenance activities, and CNG fueling. As this contract is for professional services, cost is a factor, but not the primary factor for consideration.

The fee schedule allows staff to see the anticipated 1<sup>st</sup> year total, percentage increase for years two and three for the base contract amount, and percentage increase for years four and five for the optional extensions. In addition to this base contract, staff added 10% for contract contingencies. Based on the past six years across two separate contracts from 2018 through 2024, these numbers are in line with staff's expected costs.

Table 1. Proposed Fee Summary

	<b>LAZ</b>	<b>MV</b>	<b>VTS</b>
Driver Hours	\$ 466,687.50	\$ 426,057.44	\$ 723,926.00
Fuel & Maintenance	\$ 131,600.00	\$ 303,020.80	\$ 80,000.00*
Administration	\$ 606,606.00	\$ 470,971.69	\$ 120,588.96*
Year 1 Total	\$ 1,204,893.50	\$ 1,200,049.93	\$ 924,514.96
Year 2 Total	\$ 1,241,040.31	\$ 1,248,051.93	\$ 970,740.71
Year 3 Total	\$ 1,278,271.51	\$ 1,297,974.01	\$ 1,019,277.74
3-Year Base Contract	\$ 3,724,205.32	\$ 3,746,075.87	\$ 2,914,533.41
10% Contingency	\$ 372,420.53	\$ 374,607.59	\$ 291,453.34
<b>3-Year Contract</b>	<b>\$ 4,096,625.85</b>	<b>\$ 4,120,683.46</b>	<b>\$ 3,205,986.75</b>
Year 4 Extension	\$ 1,316,619.66	\$ 1,336,913.23	\$ 1,070,241.63
Year 5 Extension	\$ 1,356,118.25	\$ 1,377,020.63	\$ 1,123,753.71

\*The VTS Fee Schedule does not have charge for maintenance or reporting

If City and Contractor decide to extend the contract, it would be for no more than the annual extension amount shown above plus a 10% (approximately \$130,000/year in Years 4 and 5).

Determination:

In summary, staff recommends awarding this contract to LAZ. LAZ offers robust technology, has experience with cities similar to Calabasas, prioritizes maintenance and inspections, and offers the lowest hourly driver rate which would benefit the City when providing shuttle service for City-funded events. Further, LAZ’s proposed telematics maintenance software and rider app will greatly improve the efficiency of the City’s reporting process with Metro and the federal government. The technology will also allow the City to refine the routes based on accurate ridership and revenue data.

**FISCAL IMPACT/SOURCE OF FUNDING:**

The City’s transit program is completely funded by Metro Local Return Funds, specifically regional sales tax funds from [Propositions A & C](#) (Prop A & C). The City receives a portion of the county-wide 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 and will continue to cover the cost of this new contract, without the need of the General Fund.

Within the City’s budget, expenditures for the program come out of Fund 29 Transportation Projects, with the exception of most special trips as discussed above, which are funded by City’s General Fund because they do not qualify as public transit service. The budget is broken down by account in Table 2.

Table 2. Budget by Account (Year 1, FY2024/25)

<b>Account No.</b>	<b>Account Name</b>	<b>Budget</b>
29-333-5252-29	Public Transit Fueling*	\$ 75,000.00
29-333-5252-32	Transit Administration	\$ 606,606.00
29-333-5252-34	Pumpkin Festival	\$ 2,375.00
29-333-5252-35	Summer Beach Bus	\$ 21,375.00
29-333-5252-39	Flexible Shuttle Route	\$ 186,437.50
29-333-5252-49	Trolley	\$ 9,500.00
29-333-5252-51	Vehicle Maintenance	\$ 56,600.00
29-333-5252-53	Line 1 Fixed Route	\$ 237,500.00
General Fund	Special Events	\$ 9,500.00
Total		\$ 1,204,893.50

\*CNG only, gas and diesel are through a separate vendor

**REQUESTED ACTION:**

Staff recommends that City Council authorize the City Manager to negotiate and execute, with any minor modifications deemed necessary, a professional services agreement (PSA) with LAZ Transportation Services for the City’s operation and maintenance of public transit and transportation services with a total contract amount not-to-exceed **\$4,096,625.85** (including a 10% contingency) for three years expiring on June 30, 2027 with the option to renew for two additional one-year periods, at the discretion of the City Manager.

**ATTACHMENTS:**

- Attachment A: Professional Services Agreement with LAZ Transportation Services
- Attachment B: Cost Analysis