

37440

December 11, 2013

TO: Honorable Board of Acquisition and Contract

FROM: Jay T. Pisco, P.E.
Commissioner of Public Works and Transportation

SUBJECT: Authority to enter into: 1) an agreement with Liberty Lines Transit, Inc. for professional management, operation, and maintenance of that portion of the Bee-Line System defined as Part B in the Request for Proposals issued on September 23, 2013; 2) lease agreements for Liberty's use of the Central Maintenance Facility and the Cerrato Satellite Bus Facility; and 3) an equipment lease for Liberty's use of buses; transit communication equipment, revenue collection, counting and reporting equipment; maintenance and supervisory vehicles; and related equipment to be used in the operation of the Bee-Line System, with all agreements to be for a term from January 1, 2014 through December 31, 2018, with the County's option to renew the term for five additional years. (Agreement No. DOTOP01-14)

Pursuant to section 119-r of the New York State General Municipal Law, the County currently provides a mass transportation system (the "Bee-Line System") consisting of a network of 59 routes, consisting of 32 local routes, 11 express routes, and 16 commuter feeders. In addition, there are 28 routes which operate only during the school year using a County-owned fleet of 329 buses for fixed-route service, along with 20 supervisory vehicles and two County-owned garages: the Central Maintenance Facility and the Cerrato Satellite Bus Facility. While the County's Department of Public Works and Transportation ("DPW&T") provides oversight of the Bee-Line System, the County does not have the expertise or personnel to provide professional management, operation and maintenance of the Bee-Line System and has always contracted with private companies for this purpose and the current contracts will expire on December 31, 2013. As your Honorable Board knows, the County receives federal assistance as reimbursement for a portion of payments made to the contractors and was advised by the Federal Transit Administration that it must competitively procure the contracts for the provision of these services, and may not exercise the option available in one of the contracts, if the County desires to be reimbursed for such contracts with such federal aid.

Since the County desired to continue to receive such federal aid, on September 23, 2013, the County issued a Request for Proposals (the "RFP") seeking proposals from firms with the technical expertise and experience necessary to professionally manage, operate, and maintain the County's Bee-Line System. Under the RFP, the County solicited these professional services in two parts: A) professional management, operation, and maintenance of the Bee-Line System for the three (3) routes specified in Schedule "G" of the RFP, which involves the professional management, operation, and maintenance of buses and other vehicles, as well as related equipment, as described in Section 1.1 of the RFP ("Part A"); and B) professional management, operation, and maintenance of the Bee-Line System for the fifty-six (56) major routes, as well as all twenty-eight (28) routes that operate only during the school year, (specified in Schedule "G" of the RFP), which involves the professional management operation, and maintenance of buses, other vehicles, related equipment, and the County Garages, as described in Section 1.1 of the RFP ("Part B").

The RFP was advertised through the Hudson Valley Bid-Net System, the New York Public Transit Association, and on the County's website. The County issued Addendum No. 1 to the RFP on November 8, 2013 and Addendum No. 2 to the RFP on November 12, 2013. (Hereinafter all references to the "RFP" shall be understood to incorporate the revisions to it by Addendum No. 1 and Addendum No. 2).

One proposal was received by the Department for each of Part A and Part B. The sole proposer for Part B was Liberty Lines Transit, Inc. ("Liberty"). The evaluation committee determined that the proposal submitted by Liberty for Part B was responsive to the RFP. The County met with Liberty to seek clarification of certain elements of the proposal and the parties proceeded to enter into negotiations which modified certain portions of the proposal, consistent with the RFP.

Accordingly, authority of your Honorable Board is requested for the County to enter into an agreement with Liberty for the RFP Part B services for a term from January 1, 2014 through December 31, 2018, with the County's option to renew the term for five additional years. Under the agreement, the County will pay Liberty a not-to-exceed amount as follows: \$597,042,925.00 for the initial term and \$669,422,949.00 for the option term. It should be noted that these figures represent a savings compared to the current contract with Liberty. The not-to-exceed amount will be paid in equal monthly installments made in advance, less the cash fares collected by Liberty for which the County will receive a credit.

Additionally, insofar as the County has exercised its option under the RFP to have Liberty purchase all necessary fuel for the contractual services, the agreement will provide that in the event the annual fuel cost exceeds Liberty's estimated cost, the County will pay the difference to Liberty. If annual fuel costs are less than Liberty's estimated cost for the year, calculated as the difference between Liberty's Fixed Fee including Ultra Low Sulfur Diesel Fuel ("ULSDF") price proposal and its Fixed Fee Excluding ULSDF price proposal for each year of the agreement, the County will receive a credit against the not-to-exceed amount otherwise owed to Liberty.

The RFP asked for a fixed fee proposal based on the Bee-Line System as it existed at the time of the RFP, but the RFP also recognized that routes may change over time and, accordingly, contained a price adjustment mechanism in Section 2.1.10.3 for such changes. Accordingly, the Fixed Fee will be adjusted for route changes based on the verified increase or decrease in costs attributable to such route changes. In addition, the RFP required that a proposer comply with the applicable provisions of Section 13(c) of the Urban Mass Transportation Act of 1964 (see RFP §2.1.5), which provide for transit worker protections that the County is obliged to maintain as part of its grant obligations. Accordingly, the Fixed Fee will also be adjusted upon the ratification of any new Collective Bargaining Agreement ("CBA") by TWU Local 100 during the term of the Agreement by the amount that the Liberty's costs to maintain such worker protections increase over the amount calculated in the Fixed Fee price proposal submitted for the RFP, which utilized the current TWU Local 100 CBA worker protections.

Provisions will also be included in the contract which will allow for supplemental services (see RFP §2.1.10.4) and miscellaneous additional work ("MAW"). Upon authorization by the County, Liberty Lines will be reimbursed at an hourly rate for supplemental services and actual cost for the MAW.

The County will be responsible for the cost of liability and insurance as specifically set forth in Schedules E-2, E-2A and E-2B of the RFP. It should be noted, though, that all claims that arose under the term of the prior Operating Agreement will continue to be handled under the terms of that agreement.

All payments will be subject to annual budget appropriations.

As set forth in section 2.3 of the RFP, authority of your Honorable Board is also requested for the County to enter into lease agreements with Liberty for the use of the County Garages to facilitate provision of the required services. The term of the leases will be from January 1, 2014 through December 31, 2018, with the County's option to renew the term for five additional years, which is coterminous with the professional services agreement, and would be for the nominal consideration of one (\$1.00) dollar per year. However, if the agreement with Liberty for RFP Part B services is terminated, the leases shall also terminate. The County Garages will be staffed by employees of Liberty and, under the terms of the leases, Liberty will be responsible for the operation of the facilities, as well as routine maintenance, general upkeep, and security.

Finally, as also set forth in section 2.3 of the RFP, authority of your Honorable Board is requested for the County to enter into an equipment lease with Liberty for the use of County-owned buses, transit communication equipment, revenue collection, counting and reporting equipment; maintenance and supervisory vehicles; and related equipment to be used in the operation of the Bee-Line System. The term of the equipment lease will be from January 1, 2014 through December 31, 2018, with the County's option to renew the term for five additional years, which is coterminous with the professional services agreement, and would be for the nominal consideration of one (\$1.00) dollar per year. However, if the agreement with Liberty for RFP Part B services is terminated, this lease shall also terminate. The equipment to be leased to Liberty includes but is not limited to:

- approximately 324 buses, and related spare parts;
- transit communication equipment including radios and various base stations, remote generators, consoles, computer hardware and related spare parts;
- fare processing equipment including fare boxes and vaults, as well as receivers, coin counting, and computer hardware;
- approximately 20 maintenance and supervisory vehicles including sedans, trucks, plows, and sanders.

The Department's staff will regularly visit the transit facilities to inspect and monitor the condition and maintenance of the equipment and will oversee complaint management and undertake such additional studies of service and maintenance as necessary to insure compliance with the agreements, the delivery of quality service, and adherence to all federal, state and local regulations.

These agreements are in the best interest of the County and the traveling public. Therefore, I recommend approval of the annexed resolution.

RESOLUTION

Upon a communication from the Commissioner of Public Works and Transportation, be it hereby:

RESOLVED, that the County of Westchester (the "County") is hereby authorized to enter into an agreement with Liberty Lines Transit, Inc. ("Liberty") for professional management, operation, and maintenance of a part of the Bee-Line System defined as Part B in the RFP including buses, other vehicles, and related equipment, for a term from January 1, 2014 through December 31, 2018, with the County's option to renew the term for five additional years; under the agreement, the County shall pay Liberty a not-to-exceed amount as follows: \$597,042,925.00 for the initial term and \$669,422,949.00 for the option term; and be it further

RESOLVED, that the not-to-exceed amount shall be paid in equal monthly installments made in advance, less the cash fares collected by Liberty for which the County shall receive a credit; and be it further

RESOLVED, that insofar as the County has exercised its option under the RFP to have Liberty purchase all necessary fuel to provide the contractual services, the agreement shall provide that in the event the annual fuel cost exceeds Liberty's estimated cost, the County shall pay the difference to Liberty; and if annual fuel costs are less than Liberty's estimated cost for the year, calculated as the difference between Liberty's Fixed Fee including Ultra Low Sulfur Diesel Fuel ("ULSDF") price proposal and its Fixed Fee Excluding ULSDF price proposal for each year of the agreement, the County shall receive a credit against the not-to-exceed amount otherwise owed to Liberty; and be it further

RESOLVED, that the Fixed Fee will be adjusted for route changes based on the verified increase or decrease in costs attributable to such route changes; and be it further

RESOLVED, that the Fixed Fee will also be adjusted upon the ratification of any new Collective Bargaining Agreement ("CBA") by TWU Local 100 during the term of the Agreement by the amount that the Liberty's costs to maintain such worker protections increase over the amount calculated in the Fixed Fee price proposal submitted for the RFP, which utilized the current TWU Local 100 CBA worker protections; and be it further

RESOLVED, that the agreement will also provide for supplemental services to be reimbursed at an hourly rate and miscellaneous additional work to be at actual cost; and be it further

RESOLVED, that the County will to be responsible for costs of liability and insurance, as specifically set forth in Schedules E-2, E-2A and E-2B of the RFP; and be it further

RESOLVED, that all payments shall be subject to annual budget appropriations; and be it further

RESOLUTION

RESOLVED, that the County is also authorized to enter into lease agreements with Liberty for the use of the Central Maintenance Facility in Yonkers and the Cerrato Satellite Bus Facility in Valhalla (the “County Garages”) to facilitate provision of the required services; the term of the leases shall be from January 1, 2014 through December 31, 2018, with the County’s option to renew the term for five additional years, for consideration of one (\$1.00) dollar per year; however, if the agreement with Liberty for RFP Part B services is terminated, these leases shall also terminate; and the County Garages will be staffed by employees of Liberty and, under the terms of the leases, Liberty shall be responsible for the operation of the facilities, as well as routine maintenance, general upkeep, and security; and be it further

RESOLVED, that the County is also authorized to enter into an equipment lease with Liberty for the use of County-owned buses, mini-buses, and vans; transit communication equipment, revenue collection, counting and reporting equipment; maintenance and supervisory vehicles; and related equipment to be used in the operation of the Bee-Line System; the term of the equipment lease shall be from January 1, 2014 through December 31, 2018, with the County’s option to renew the term for five additional years, for consideration of one (\$1.00) dollar per year; however, if the agreement with Liberty for RFP Part B services is terminated, this lease shall also terminate; and be it further

RESOLVED, that the County Executive or his authorized designee is hereby authorized to execute all instruments necessary to implement this resolution.

Agreement No. DOTOP01-14

Account to be Charged/Credited	Fund	Dept.	Major Program, Program & Phase Or Unit	Object/ Sub-Object	Trust Account	Dollars
	101	44	2100	4924		\$597,042,925.00

Budget Funding Year(s) 2014-2018 Start Date January 1, 2014 End Date December 31, 2018
 (must match resolution)

Funding Source: Tax Dollars \$597,042,925.00
 State Aid _____
\$597,042,925.00 Federal Aid _____
 (must match resolution) Other _____