

37442

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 PTLA Enterprise, Inc. for professional management, operation, and maintenance of that portion of the Bee-Line System defined as Part A in the Request for Proposals issued on September 23, 2013; and 2) an equipment lease for PTLA'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. DOTOP02-14)

Pursuant to section 119-a 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 A was PTLA Enterprise, Inc. ("PTLA"). The evaluation committee determined that the proposal submitted by PTLA for Part A was responsive to the RFP. The County met with PTLA 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 PTLA for the RFP Part A 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 PTLA a not-to-exceed amount as follows: \$12,854,228.00 for the initial term and \$15,932,111.00 for the option term. The not-to-exceed amount will be paid in equal monthly installments made in advance, less the cash fares collected by PTLA for which the County will receive a credit.

Additionally, insofar as the County has exercised its option under the RFP to have PTLA purchase all necessary fuel for the contractual services, the agreement will provide that in the event the annual fuel cost exceeds PTLA's estimated cost, the County will pay the difference to PTLA. If annual fuel costs are less than PTLA's estimated cost for the year, calculated as the difference between PTLA'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 PTLA.

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 PTLA'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.

Additionally, in return for PTLA agreeing to reduce the annual Fixed Fee price it proposed, the parties agreed that the annual Fixed Fee price amount may be adjusted periodically during the term of the agreement if PTLA provides the County with a price-out showing an increase in its costs to lease a garage for the maintenance of buses and other vehicles, its costs to repair buses and other vehicles, and its cost for utilities. Such price-out shall show the difference between the costs that were used by PTLA to calculate its Fixed Fee price proposal submitted in response to the RFP for each year of the initial term and each year of the option term, and the actual change in such costs that will be incurred by PTLA.

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, PTLA will be reimbursed at an hourly rate for supplemental services and actual cost for the MAW.

The cost of liability and insurance will be processed in the manner set forth in Schedules E-1 and E-1A 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.

Additionally, 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 PTLA 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 PTLA for RFP Part A services is terminated, this lease shall also terminate. The equipment to be leased to PTLA includes but is not limited to:

- approximately five 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 equipment including fare boxes and vaults, as well as receivers, coin counting, and computer hardware;
- approximately two 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 agreement, 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 PTLA Enterprise, Inc. ("PTLA") for professional management, operation, and maintenance of a part of the Bee-Line System defined as Part A 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 PTLA a not-to-exceed amount as follows: \$12,854,228.00 for the initial term and \$15,932,111.00 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 PTLA 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 PTLA purchase all necessary fuel to provide the contractual services, the agreement shall provide that in the event the annual fuel cost exceeds PTLA's estimated cost, the County shall pay the difference to PTLA; and if annual fuel costs are less than PTLA's estimated cost for the year, calculated as the difference between PTLA'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 PTLA; 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 PTLA'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 cost of liability and insurance will be processed in the manner set forth in Schedules E-1 and E-1A of the RFP; and be it further

RESOLVED, that the annual fixed fee price amount may be adjusted periodically during the term of the agreement if PTLA provides the County with a price-out showing an increase in its costs to lease a garage for the maintenance of buses and other vehicles, its costs to repair buses and other vehicles, and its cost for utilities; such price-out shall show the difference between the costs that were used by PTLA to calculate its Fixed Fee price proposal submitted in response to the RFP for each year of the initial term and each year of the option term and the actual change in such costs that will be incurred by PTLA; and be it further

RESOLUTION

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

RESOLVED, that the County is also authorized to enter into an equipment lease with PTLA 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 PTLA for RFP Part A 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. DOTOP02-14

Account to be Charged/Credited			Major Program, Program & Phase Or Unit	Object/ Sub-Object	Trust Account	Dollars
Fund	Dept.					
101	44		2100	4924		\$12,854,228.00

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

Funding Source: Tax Dollars \$12,854,228.00
 State Aid _____
\$12,854,228.00 Federal Aid _____
 (must match resolution) Other _____