



# Contracted Urban Bus (CUB) Service



Board of Directors  
November 1, 2023

# Service Background

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- Contracted services have existed since the District was formed (1976 – Greyhound, Grosvenor, MV)
- Scope – Turnkey Bus Operations Service (Bus Operators, Dispatching, Supervision, Administration, Safety, Training, and Bus Maintenance)
  - District provides buses
  - Contractor secures and maintains a base of operations

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- MV Transportation, Inc. of Dallas, Texas has been the CUB service provider since 2002
- CUB accounts for approximately 30% of the daily fixed route services (1.75 million vehicle revenue miles, adjustable to +/- 25%)
- CUB delivers owl service and Route 292 service
- Both District and CUB operate ECR service

# Procurement Process

March 20, 2023: District issued Request for Proposals 23-S-S-024 for the Contracted Urban Bus Services (CUB) Service

- Posted on the District's eProcurement website for over 10 weeks
- Small Business Enterprise preference of five points for meeting SBE utilization goal of 30%
- Pre-proposal conference held March 29, 2023, with three very interested firms attending

# Procurement Process

June 1, 2023: Due Date for Proposals

- One proposal received from the incumbent, MV Transportation
- Selection Committee reviewed and scored MV's proposal in accordance with weighted criteria in RFP
- Selection Committee determined MV has depth of experience and qualifications needed to perform CUB Services

# Major Points of Negotiation

- Operational and financial issues
  - Installation and use of Drive Cam safety system to increase visibility of driver risky behaviors, improve coaching, prevent accidents
  - Two added Dispatchers to improve on-time performance
  - Continued use of incentives and assessments
- Substantial changes to Insurance and indemnification responsibilities relative to current contract
  - MV will be responsible for first \$5 million of auto and general liability
  - Improves District's risk profile, insurance positioning
  - Creates business incentive for MV to improve training and safety
- All issues resolved to District's satisfaction

# Contract Costs (Effective February 1, 2024)

Five-year base term	\$151,235,512
Two option years	\$65,849,394
<i>Total for seven years</i>	<i>\$217,084,906</i>

- Represents ~20% increase over current contract
- Cost increases primarily attributed to:
  - Revenue mile rate (labor rate and fuel cost)
  - Real estate costs (lease of MV operations base)
  - New sharing of liability for third-party claims (indemnity and insurance costs)

# Operating Budget Amendment

	Adopted Budget	Proposed Increase	Revised Total
<b>FY 2024</b>			
• CUB line item	\$21,596,300	\$5,725,000	\$27,321,300
• <i>Total Operating Expenditures</i>	<i>\$264,461,894</i>		<i>\$270,186,894</i>
<b>FY 2025</b>			
• CUB line item	\$21,516,800	\$8,587,000	\$30,103,800
• <i>Total Operating Expenditures</i>	<i>\$273,278,060</i>		<i>\$281,865,060</i>



# Recommended Actions

Staff recommends the Board:

- Award and authorize General Manager/CEO or designee to execute the contract with MV Transportation, Inc. for CUB Services \$151,235,512 for five-year base term
- Amend Fiscal Years 2024 and 2025 Operating Budget
  - **FY 2024: +\$5.7M** (from \$264.5M to \$270.2M)
  - **FY 2025: +\$8.6M** (from \$273.3M to \$281.9M)
- Authorize the General Manager/CEO or designee to exercise an option for up to two additional years at an aggregate amount up to \$65,849,394



# Questions?

