

T Transportation Committee

Meeting date: April 26,2010

Council Meeting April 28, 2010

ADVISORY INFORMATION

Date: April 19, 2010

Subject: Authorization to Amend Contracts for East Metro, West Metro, and Hopkins Transit Service

District(s), Member(s): All

Policy/Legal Reference: Council Policy 3-3 Expenditures - Procurement of Goods and Services Over \$250,000

Staff Prepared/Presented: Arlene McCarthy, Director MTS (651)602-1754
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Division/Department: Metropolitan Transportation Services (MTS)

Proposed Action/Motion

That the Metropolitan Council authorize the Regional Administrator to execute the following contract amendments with First Transit Inc.:

<u>Contract Title</u>	<u>Contract #</u>	<u>Term Extension</u>	<u>Value Increase</u>	<u>Amended Total</u>
East Metro	04P002	October 2, 2010	\$345,000	\$5,605,690
West Metro	04P003	October 2, 2010	\$515,500	\$6,845,464
Hopkins	04P004	October 2, 2010	\$130,000	\$3,237,849

Background

In 2005 the Council awarded three transit service contracts to First Transit Inc. (formerly Laidlaw Inc.). These contracts provide service in Woodbury, Hopkins, Brooklyn Park, Minnetonka, Maplewood, St. Louis Park, and New Hope. The average annual rate increase per year was just under four percent and all three contracts expire on May 31, 2010.

In February 2010, MTS issued a Request for Proposals (RFP) to replace the existing East Metro, West Metro, and Hopkins service contracts and combine them into one RFP with two service packages. The RFP included a requirement, new to transit service RFPs at the end of 2009, that the proposal responses include audited financial statements. This requirement was added to provide evidence and assurance of the contractor's financial strength and ability to reliably deliver service for the term of the agreement.

During the proposal evaluation period, one proposer stated that the amount of time between the RFP release date and response due date prohibited them from meeting this requirement. After consulting with the Council's General Counsel, MTS opted to terminate the proposal process. The Regional Administrator authorized staff to reject all proposals and proposers were notified of this decision on March 25, 2010. The RFP will be reissued with a July due date to ensure that all firms who wish propose have enough time to comply with the new financial requirements.

Rationale

The Council intends to re-issue the service RFP in late May with a due date of early July and a service start date of October 2, 2010. To avoid a disruption in service the current contract term needs to be extended from May 31, 2010 to October 2, 2010 and the value of the contracts increased to reflect four additional months of service with a negotiated rate increase of three percent over the current contract rate.

Funding

Funding for this service is budgeted in the annual operating budget.

Known Support / Opposition

No Known opposition