



REGIONAL TRANSPORTATION COMMISSION

Metropolitan Planning • Public Transportation & Operations • Engineering & Construction

Metropolitan Planning Organization of Washoe County, Nevada

February 15, 2019

AGENDA ITEM 5.2

TO: Regional Transportation Commission

FROM: Mark Maloney
Transit Operations Manager
Public Transportation & Operations



Lee G. Gibson, AICP
Executive Director

SUBJECT: RTC RIDE Fixed-route Services Operations and Maintenance Contract Award

RECOMMENDATION

Approve a recommendation to award a contract to Keolis Transit Services, LLC for four years plus two, three-year options, for the operation and maintenance of RTC RIDE Fixed-Route Service; and authorize the Executive Director to finalize a contract for approval by the Commission.

SUMMARY

The RTC issued a Request for Proposals (RFP) for providing RTC RIDE fixed-route service in August 2018. Seven private operators submitted proposals on October 31, 2018. All seven proposals were deemed prequalified and acceptable for evaluation by the Evaluation Committee, which was responsible for independently reviewing all of the proposals and conducting the evaluations, interviews and scoring.

Based on the evaluation and scoring, upon conclusion of the interview phase, the Evaluation Committee has unanimously recommended that RTC award a contract to Keolis Transit Services, LLC (Keolis). The Evaluation Committee determined that Keolis’ proposal would provide the best value to RTC based on an evaluation of technical qualifications and price. Keolis was the highest technically ranked proposer, and also submitted the lowest priced proposal. The RTC’s Director of Finance performed a price analysis and determined that Keolis’ price proposal was fair and reasonable, and affordable to the RTC.

Under this agreement, the RTC will provide the facility, vehicles; and any identified capital equipment and improvements when found to be a necessity, subject to prior approval by RTC. Keolis Transit Services, LLC will provide the operations and maintenance of the fleet and facilities. Work under this contract will begin July 1, 2019.

FISCAL IMPACT

The four year operating costs plus two, three-year options for Keolis Transit Services, LLC totals \$241,980,189. The FY 2020 draft budget will include approximately \$21,967,684 for the first year of the Keolis contract and \$590,405 for Keolis start-up costs.

PREVIOUS BOARD ACTIONS:

- January 2019: Acknowledge receipt and discussion on fixed-route (RTC RIDE) RFP development.
- August 2018: Approved the draft Request for Proposals (RFP) for the provision of RTC RIDE Fixed-Route Operations and Maintenance Services, incorporating ideas and suggestions received through our Industry Review efforts and direction from the Commission, into the draft RFP. Directed staff to proceed with the issuance of the RFP.
- July 2018: Acknowledged receipt of the Industry Review efforts, and provided direction to staff regarding the development of the draft request for proposals (RFP) for the operations and maintenance of the RTC RIDE fixed-route system.
- June 2018: Acknowledged receipt and discussion on RIDE driver/maintenance employee recruitment/retention progress.
- March 2018: Acknowledge receipt and discussion on public transportation at the Board Budget Workshop.
- December 2017: Acknowledged receipt of UNR's Center of Economic Research study on the Northern Nevada Labor Market and the impact on RIDE driver/maintenance employee recruitment/retention.

ADDITIONAL BACKGROUND

The RTC has spent significant time and effort developing and conducting a competitive procurement in accordance with FTA requirements for a fixed route contractor. The contract of the current provider, MV Transportation, expires on June 30, 2019, and the procurement schedule contemplates start-up at that time with the contractor selected pursuant to this process in February by the RTC Board.

Starting with industry outreach, the RTC met with industry providers to get their input on pivotal service delivery, operations and maintenance, and contractual issues. The industry reviews focused on RIDE's areas of needed improvement:

1. Workforce Hiring/Retention
2. Economic Market Uncertainties
3. Improving Customer Service Experience
4. Electric fleet Management
5. Labor Relations
6. Bus Stop Maintenance

These necessary areas of improvement have been well documented and brought before the Commission over the past year starting with the December 2017 staff report on the study performed by UNR's Center for Economic Research on the current and projected Northern Nevada Labor Market. The discussions with the Commission continued throughout the year with a very intensive look at the fixed route system during the Board Workshop and multiple operational updates and progress reports concluding the calendar year with a discussion on a free fare promotional concept due to service quality issues.

After the conclusion of that process, an internal team spent several months developing a Request for Proposals (RFP) and draft contract for the provision of fixed route service, which were approved by the Board and issued on August 29, 2018. The RFP laid out the scope of work and the process to be followed by the RTC in the procurement. The RFP detailed the procurement schedule, submittals to be provided by proposers, the evaluation process to be followed by the RTC, and the evaluation criteria and their respective weights. The RFP also included a pre-qualifications process under which proposers provided specific submittals, including financial statements, evidence of good standing, past performance information, certifications indicating compliance with Federal requirements, certain performance plans (including safety, security and emergency management), a proposal bond, and evidence of the ability to secure a performance bond and the contractually required insurance. The RFP also required the submittal of technical proposals which included descriptions of project understanding, innovative approaches and technology; the proposed General Manager, corporate structure, references, and transition plan; vehicle and facility maintenance experience and approach; and staffing and workforce personnel, recruitment, retention and training. Price proposals were required to be submitted separately and included pricing for a base contract of 4 years, and two 3-year options.

The criteria and weights, included in the RFP approved by the RTC Board at their August 17, 2018, meeting, were as follows:

<u>Technical Qualifications:</u>	90%
1. Project Understanding, Innovative Approaches to Local System Issues, and Technology including its uses to Improve Customer Service and Control Costs	30%
2. General Manager, Corporate Structure, Results of Interviews, and the Proposed Start-Up and Transition Plan	20%
3. Vehicle and Facility Maintenance Experience and Approach	20%
4. Staffing and Workforce Personnel, Recruitment, Retention, and Training Plans	20%

The number of points (0-100) assigned to a factor by an evaluator for a particular proposer was multiplied by the applicable weight to derive the score for the proposer for that factor (for example, 90 points for Project Understanding X .30 weight = 27.0 points). The maximum total number of Technical Qualification points is 90. Two bonus points were also awarded for DBE participation or documented good faith efforts.

Cost Proposals/Price

10%

The “Price” of a proposal was defined as the total of each year’s price including option years. In order to level the playing field between the incumbent contractor and its competitors, the evaluation of “Price” did not include the Proposer’s Transition and Start-up costs.

After issuance of the RFP, the RTC conducted a pre-proposal informational conference and tour of the facilities for prospective proposers on September 17, 2018, and received and responded to questions on the RFP and draft contract terms. On October 31, 2018, the RTC received proposals from seven firms: First Transit, Keolis Transit Services, LLC, MV Transportation, Inc., National Express Transit Corporation, RATP Dev, Inc., Ride Right, LLC, and Transdev Services, Inc.

The proposal evaluation process began on November 1, 2018, with the Contracting Officer and Legal Counsel from Thompson Coburn, LLC, reviewing each proposal to determine whether it was responsive and technically compliant and met the standards for prequalification. This review was performed on a Pass/Fail basis and all seven proposals were deemed prequalified and acceptable.

Independently, as required by FTA procurement requirements, RTC’s Director of Finance performed a price analysis of each proposers’ price proposal in comparison to RTC’s own independent cost estimate (ICE) to determine the reasonableness of each price proposal.

Each member of the Evaluation Committee was responsible for independently evaluating the technical and price proposals in accordance with the criteria and weights set out in the RFP on a best value basis. After initial evaluations and scoring were conducted, the panel met to discuss the proposals, the ranking of proposers, and whether to set a competitive range (those proposers that had a reasonable chance of being found acceptable). Rather than setting a competitive range and as the RFP allows, the panel decided to conduct interviews of all proposers. Interviews were conducted of the contractors’ teams, including corporate personnel and the prospective General Manger, on January 7th and 8th. The panel then rescored proposals to reflect the results of those interviews. The recommendation of the panel was unanimous – Keolis Transit Services, LLC was recommended to the Executive Director for award on the basis of initial proposals as is expressly permitted by the RFP.

Keolis Transit Services, was lowest in price and had the highest technical rating and technologically advanced proposal with the most robust service planning, recruiting and operating plan of all of the proposers. Keolis had a solid understanding of the issues facing not only the RTC but also the transit industry, and successful implementation of this knowledge and practice. Keolis’ price proposal was deemed to be reasonable and the best value to the RTC.

The scoring and overall rankings of proposers, based on technical qualifications and price, are illustrated in the tables below, and show a significant difference between Keolis and the other proposers.

	First Transit	Keolis	MV	National Express	RATP	Ride Right	Trans Dev
Tech Only	70.28	81.87	65.66	68.38	66.19	64.91	67.40
Price	7.58	9.57	4.71	2.25	6.94	5.28	7.55
FINAL	77.86	91.44	70.37	70.63	73.13	70.19	74.95
RANK	2	1	6	5	4	7	3

	First Transit	Keolis	MV	National Express	RATP	Ride Right	Trans Dev
RTC Independent Cost Estimate	\$229,564,751	\$229,564,751	\$229,564,751	\$229,564,751	\$229,564,751	\$229,564,751	\$229,564,751
10 Year Price Proposal	\$256,345,202	\$241,980,310	\$284,892,8444	\$329,213,881	\$252,276,233	\$270,251,908	\$250,569,962
Variance to ICE	12%	5%	24%	43%	10%	18%	9%

Key considerations in the recommendation to award to Keolis based on the evaluation criteria are noted below:

TOTAL TECHNICAL QUALIFICATIONS		90%
1.	Project Understanding, Innovative Approaches to Local System Issues, and Technology including its uses to Improve Customer Service and Control Costs	.30
	<ul style="list-style-type: none"> • Identified most reasonable issues, solutions and proofs to local system issues • Data analysis to promote operational performance transparency through “Visualization Room” • Creative approaches to workforce development <ul style="list-style-type: none"> ○ Community engagement – Nevada Job Connect, Career College of Northern Nevada, Reno Area Alliance for the Homeless • Thorough understanding of the challenges presented by the current CBA <ul style="list-style-type: none"> ○ Only provider to identify 5 key operational CBA constraints 	
2.	General Manager, Corporate Structure, Results of Interviews, and the Proposed Start-Up and Transition Plan	.20
	<ul style="list-style-type: none"> • GM candidate demonstrated superior knowledge and experience • Relatable – think like a passenger approach • Committed and experienced corporate team • Entire Team provided well thought out, articulate responses • Knowledgeable regarding RTC system – rode all routes in the system, and had implementable solutions to improve service • Demonstrated team/collaborative approach toward success for RTC, Local Team and Corporate showed their ability to work together to provide superior service to the RTC 	
3.	Vehicle and Facility Maintenance Experience and Approach	.20
	<ul style="list-style-type: none"> • Demonstrated/extensive electric vehicle operation and maintenance experience <ul style="list-style-type: none"> ○ 16 Proterra vehicles at Foothill Transit in Pomona, CA since July 2017 	

	<ul style="list-style-type: none"> ○ 10 Proterra vehicles at Greensboro Transit Authority (GTA), began operation Fall, 2018 ● Utility Workers will be dedicated to Bus Stop, Facility Maintenance & cleaning ● Proposed using ZONAR for the Bus Stops, and interfacing ZONAR with their maintenance software, only firm to do so 	
4.	Staffing and Workforce Personnel, Recruitment, Retention, and Training Plans	.20
	<ul style="list-style-type: none"> ● Proactive and inclusive approach to recruiting a workforce ● Comprehensive, reasonable and affordable staffing/workforce plan <ul style="list-style-type: none"> ○ Improving employee gender diversity ○ Non-Profit STEM 101 Partnership targeting youths/adults transitioning into the workforce, particularly those in low-income areas ○ Innovative employee incentive considerations - affordable housing incentives ○ Recruit for Attitude, Train for Skills approach ○ CandidateCare Workforce Development Program ○ Community engagement <ul style="list-style-type: none"> ▪ Outreach ▪ Veteran’s Career Portal ▪ Job Fairs ▪ Advertising ▪ Second Chance Programs ○ Career Advancement opportunities <ul style="list-style-type: none"> ▪ General Manager Academy ○ Referral/Retention Bonuses ○ Traditional benefit offering ○ Employee Training Program <ul style="list-style-type: none"> ▪ Operator Education Program (OEP) ▪ Transit Ambassador Training 	
PRICE PROPOSALS		10%
Lowest 10 Year Cost proposal submitted		\$241,980,310