Date: May 24, 2017

To: Board of Directors

From: Neil McFarlane

Subject: RESOLUTION 17-05-39 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING TWO CONTRACTS WITH BROADWAY CAB, LLC FOR LIFT PROGRAM SUPPLEMENTAL TRANSPORTATION SERVICES

1. Purpose of Item

The purpose of this item is to request that the TriMet Board of Directors (Board) authorize the General Manager to execute two contracts with Broadway Cab LLC (Broadway) for LIFT program supplemental transportation services and LIFT program Oregon Department of Human Services (DHS) supplemental transportation services (Services).

2. Type of Agenda Item

☒ Initial Contract
☐ Contract Modification
☐ Other ______________

3. Reason for Board Action

Board approval is required for goods and services contracts obligating TriMet to pay in excess of $500,000.

4. Type of Action

☒ Resolution
☐ Ordinance 1st Reading
☐ Ordinance 2nd Reading
☐ Other ______________

5. Background

Since 1980, TriMet’s LIFT ADA complementary paratransit service has been provided through contracts with private-sector companies. LIFT provides approximately 3,800 trips on an average weekday and 1.1 million trips annually, with about 88% of trips provided by TriMet-owned LIFT buses and minivans operated by transportation contractors. The other 12% of trips are provided by supplemental private for-hire transportation contractors, using their own vehicles. A subset of these trips is provided through a contract with the Oregon Department of Human Services (DHS). These trips are provided for eligible clients to and from employment services and community transportation services.
TriMet’s current contract for LIFT supplemental and DHS supplemental transportation services, with Broadway Cab, LLC, will expire May 31, 2017, and was the result of a Request for Proposal (RFP) process.

6. Procurement Process

TriMet’s LIFT Program and Procurement & Contracts department decided to utilize competitive Invitation to Bid (ITB) processes to select multiple contractors to perform the Services instead of a RFP, which was used for the previous solicitation. This was due in part to the fact that pricing was likely the deciding factor because City of Portland regulations govern the industry. Additionally, staff believed that smaller firms would have a disadvantage due to limited capacity and experience writing a proposal in response to a RFP. Staff determined that two, separate ITBs would be issued due to additional contractual requirements imposed by TriMet’s agreement with DHS, including federal terms and conditions, increased insurance requirements, and the client based nature of the Services to be performed. Additionally, the smaller number of trips was something that staff believed would attract smaller companies.

In an effort to control costs of the contracts resulting from these ITBs (and remove some of the discretion involved in the amounts contractors bill TriMet per trip), TriMet staff formulated and tested 10 different pricing models. Traditionally, supplemental service providers have charged a base rate plus a rate per mile, which is the standard model used to charge the general public. This has resulted in TriMet often paying more than necessary per trip because the route can be determined by the driver and the total amount per trip is based on the metered rate per mile. Ultimately, the model that seemed to work best was a flat rate based on the distance travelled. Bidders were asked to provide pricing in mile increments (0.1 – 0.9 miles = $x, 1 -1.9 miles = $y, etc.) up to 40 miles total.

One other feature of the LIFT program supplemental transportation services ITB that TriMet staff hoped would increase competition was the possibility of multiple awards. The ITB sought bids for the TriMet service area as a whole, Washington County service area, and Clackamas County service area. Due to the smaller capacity requirements in Washington and Clackamas counties, TriMet staff hoped this would give smaller providers a fair chance at winning the bid.

TriMet staff also worked with the Portland Bureau of Transportation to obtain a list of all private for-hire transportation firms registered with the City. TriMet staff reached out to all potential bidders on the list to inform them of the forthcoming solicitations.

LIFT Program Supplemental Transportation Services Contract: An ITB was issued on TriMet’s eBid eXchange System on April 3, 2017. It was downloaded by 23 firms, of which 2 firms submitted bids. Bids were opened April 24, 2017. Broadway submitted the lowest responsive bids for all three service areas, as follows:
<table>
<thead>
<tr>
<th>5-Year Bid Total – TriMet Service Area</th>
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<tr>
<td>Broadway Cab</td>
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<th>5-Year Bid Total – Clackamas County</th>
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<td>Broadway Cab</td>
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<td>First Transit</td>
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<th>5-Year Bid Total – Washington County</th>
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<tr>
<td>Broadway Cab</td>
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The contract will be requirements based and utilization will be based on customer demand and TriMet's need for the Services. Broadway submitted all required documentation and took no exceptions to TriMet's terms and conditions. Broadway is the incumbent contractor and has provided satisfactory service over the course of the current contract. They were deemed responsive and responsible.

The overall total for the contract is more than the independent cost estimate, which was based on the previous contract. This is likely due to two factors. First, costs to the contractor have increased in the five years since the last solicitation. Second, when the services were last procured taxi companies were bound by rates set by the City of Portland. Private-for-hire transportation companies are now able to set their own rates, with the City's approval. Broadway's rates are comparable to what TriMet staff estimated, and in some cases better. While Broadway was the only bidder for the TriMet Service Area and Washington County, their rates were the same as the bids for Clackamas County where there was competition.

Staff requests that the Board authorize the General Manager to execute the contract. The term of the contract will be a base of one year with TriMet's option to exercise four additional one year periods. The requested total five-year contract authorization is $23,832,651.81. Price adjustments will be permissible on an annual basis and will be capped at the difference of the Consumer Price Index for the Portland-Salem areas from the previous year.

**LIFT Program DHS Supplemental Transportation Services Contract:** An ITB was issued on TriMet's eBid eXchange System on April 3, 2017. It was downloaded by 29 firms, of which 3 firms submitted bids. Bids were opened April 24, 2017. Broadway submitted the lowest responsive bid, as follows:

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<tr>
<td>Broadway Cab</td>
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<td>First Transit</td>
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<td>EcoShuttle</td>
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The contract will be requirements based and utilization will be based on customer demand and TriMet's need for the Services.
Broadway submitted all required documentation and took no exceptions to TriMet’s terms and conditions. Broadway is the incumbent contractor and has provided satisfactory service over the course of the current contract. They were deemed responsive and responsible.

The overall total for the contract is more than the independent cost estimate, which was based on the previous contract. This is likely due to three factors. First, costs to the contractor have increased in the five years since the last solicitation. Second, when the services were last procured taxi companies were bound by rates set by the City of Portland. Private for-hire transportation companies are now able to set their own rates, with the City’s approval. Third, the insurance requirements under this contract are significantly higher than TriMet’s usual requirement, which increases the Contractor’s cost. Broadway’s rates are comparable to what TriMet staff estimated, and in some cases better. Their rates and overall cost were significantly lower than the other bidders. The rates were deemed fair and reasonable.

Staff requests that the Board authorize the General Manager to execute the contract. The term of the contract will be a base of one year with TriMet’s option to exercise four additional one year periods. The requested total five-year contract authorization is $4,340,820.00. Price adjustments will be permissible on an annual basis and will be capped at the difference of the Consumer Price Index for the Portland-Salem areas from the previous year.

7. **Diversity**

Broadway will self-perform all work under this contract. Broadway has 73% women and 30% minority employees.

8. **Financial/Budget Impact**

The attached Resolution authorizes two contracts with Broadway in an amount not to exceed $23,832,651.81 for the LIFT program supplemental transportation services contract and $4,340,820.00 for the LIFT program DHS supplemental transportation services contract. Although the contracts are higher than the independent cost estimate anticipated, these contracts are critical to the LIFT Program and serve as a cost effective alternative to regular LIFT service. The services are included in the Accessible Transportation Programs (ATP) department operating budget for LIFT service.

9. **Impact if Not Approved**

LIFT supplemental transportation services are essential to TriMet’s ability to meet ADA requirements to provide demand response paratransit service that is complementary to TriMet’s fixed route transit services. The services could be re-procured, however, it is unlikely that more competition or more favorable pricing would be achieved. TriMet is also contractually obligated to provide this service through an agreement with DHS.
RESOLUTION 17-05-39

RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING TWO CONTRACTS WITH BROADWAY CAB, LLC FOR LIFT PROGRAM SUPPLEMENTAL TRANSPORTATION SERVICES

WHEREAS, TriMet has authority under ORS 267.200 to enter into contracts with Broadway Cab LLC for LIFT program supplemental transportation services and for LIFT program DHS supplemental transportation services (Contracts); and

WHEREAS, the total amount of the Contracts shall exceed $500,000; and

WHEREAS, the TriMet Board of Directors (Board), by Resolution dated November 25, 2009, adopted a Statement of Policies requiring the Board to approve goods and services contracts obligating TriMet to pay in excess of $500,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Contracts shall be in conformance with applicable laws.

2. That the General Manager is authorized to execute the Contracts.

Dated: May 24, 2017

________________________________________
Presiding Officer

Attest:

________________________________________
Recording Secretary

Approved as to Legal Sufficiency:

Legal Department