



REPORT TO CITY COUNCIL

Approved by:

Michael Lima

Michael Lima, Director of Financial Services

Arnoldo Rodriguez

Arnoldo Rodriguez, City Manager

Council Meeting of: June 7, 2023

Agenda Number: D-5

SUBJECT:

Amendment to the Management and Operations Agreement and the related Lease Agreement for the Madera Transit Center between the City and MV Public Transportation, Inc.

RECOMMENDATION:

1. Adopt Resolution Approving Amendment No. 5 to the Agreement for Management and Operation of Madera Transit Services extending the term of the Agreement through June 30, 2025 and increasing the total operating costs to \$2,177,201 for the first year of the extension and \$2,247,917 for the second year of the extension.
2. Adopt Resolution Approving Amendment No. 3 to the Lease Agreement for the Madera Transit Center with MV Public Transportation, Inc. through June 30, 2025 to coincide with the Agreement for Management and Operation of Madera Transit Services

SUMMARY:

In July 2018, the City released a Request for Proposal (RFP) for the Management and Operation of Transit Services. The City was seeking an operator to provide the following:

- Fixed-route
- Dial-A-Ride/ADA Paratransit services, and
- Demand-response transit services

The scope of work included:

1. Providing general and specific management of day-to-day operations for the City's fixed-route, Dial-A-Ride/ADA Paratransit, and demand-response services.
2. Locating its administrative/operations office at the City's transit facility.

3. Maintaining a phone system dedicated exclusively to receiving incoming calls from customers of the Madera Metro Transit System to request service information and schedule services.
4. Managing drivers and supervisory personnel, including driver assignments, field supervision, dispatching, ADA compliance, and complaint management.
5. Developing and implementing formal training and retraining programs for all drivers, dispatchers, and supervisors.
6. Maintaining and submitting reports as required by the City.

This RFP process resulted in the City entering into an Agreement for the Management and Operation of Madera Transit Services with MV Public Transportation, Inc. (MVPT, Inc.) on November 7, 2018. The initial contract was a three-year term with the option to extend annually thereafter, not to exceed two additional one-year periods. This Agreement's fifth and final contract year sunsets on June 30, 2023.

At this time, staff is proposing an amendment to the current Agreement to allow an extension for an additional two-year period. The Agreement provides in relevant part:

“The parties shall agree to such extensions at least (30) days prior to the termination date of this Agreement, including any new economic terms.”

DISCUSSION:

MVPT, Inc. has served as the City's transit operator for five years. MVPT, Inc. has maintained a compliant status with the City during this period. They meet the expected requirements as written in the Agreement. Along with all other public transit agencies, MVPT, Inc. endured the impacts of the COVID-19 pandemic, including a decline in passenger ridership from pre-pandemic levels. After the pandemic, MVPT, Inc. has played an active role in preparing for the implementation of the new routes as presented in the Madera Transit Plan (MTP). Approval of the MTP directly impacts MVPT, Inc. They have worked diligently with City staff and the City's Consultant to consider bus stop locations, develop bus routes, and train drivers on the new routes. New routes are scheduled to go live in July 2023.

Staff is proposing an amendment to the current Agreement to ensure consistency in transit operations. In addition to the rollout of the MTP, the City is concluding its RFP process for soliciting an information technology vendor to enhance transit operations. Staff is preparing to propose the vendor to Council for approval.

The City received an updated cost proposal from MVPT, Inc. on May 12, 2023. Significant factors impacting the increase in costs are related to personnel costs and rising insurance costs. Table 1 summarizes the proposed costs.

Table 1: MVPT, Inc. Cost Proposal

<i>Service</i>	<i>FY 22/23 (Current Year)</i>	<i>FY 23/24 (1-year extension)</i>	<i>Cost Variance (%) From Current Year</i>	<i>FY 24/25 (2-year extension)</i>	<i>Cost Variance (%) From Current Year</i>
Monthly Fixed Cost	\$577,573	\$700,208	21.2%	\$720,677	24.8%
Monthly Variable Cost	\$1,160,123	\$1,476,993	27.3%	\$1,527,240	31.6%
Total Cost	\$1,737,696	\$2,177,201	25.3%	\$2,247,917	29.4%

In addition to the operating agreement, the City also entered into a Lease Agreement with MVPT, Inc. for the Madera Transit Center effective October 6, 2021. The Federal Transit Administration (FTA) requires the term of the Lease Agreement to coincide with the term of the Lease Agreement. Therefore, staff is proposing Amendment No. 3 to the term of the Lease Agreement through June 30, 2025.

FINANCIAL IMPACT:

The updated cost proposal considers the addition of a fourth route to Madera Metro’s Fixed Route service. Transit services and personnel time is expended through Local Transportation Funds and other Transit-related budgets which are grant funded. Transit operations are primarily paid for through FTA 5307 funds. The City is eligible for annual federal fund allocations which will cover the increased operating expenses.

ALTERNATIVES:

As an alternative, Council may:

1. Not approve the extension Amendment and/or the updated economic terms.
2. Direct staff to discuss other possible options to the terms of the Agreements.

ATTACHMENTS:

1. Attachment A – Resolution Approving Amendment No. 5
 - a. Exhibit A – Management & Operation Agreement, Amendment No. 5
2. Attachment B – Resolution Approving Amendment No. 3
 - a. Exhibit B – Lease Agreement, Amendment No. 3

RESOLUTION NO. 23-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA,
CALIFORNIA, APPROVING AMENDMENT NO. 5 TO THE AGREEMENT FOR
MANAGEMENT AND OPERATION OF MADERA TRANSIT SERVICES
BETWEEN THE CITY OF MADERA AND MV PUBLIC TRANSPORTATION, INC.**

WHEREAS, the City of Madera (City) and MV Public Transportation, Inc. (MVPTI) entered an agreement for the Management and Operation of Madera Transit Services (Agreement) on November 7, 2018; and

WHEREAS, the Parties entered Amendment No. 1 on July 1, 2021 extending the Agreement to June 30, 2022; and

WHEREAS, the Parties entered Amendment No. 2 to the Agreement on October 6, 2021, to extend the Agreement to June 30, 2023; to meet required FTA provisions and language for the Agreement between the City and Contractor; and

WHEREAS, the Parties entered Amendment No. 3 to the Agreement on December 1, 2021, to modify the Driver Certification requirements and Holiday Schedule; and

WHEREAS, the Parties entered Amendment No. 4 to the Agreement on December 1, 2021, to amend the Scope of Work; and

WHEREAS, a further Amendment to the Agreement is needed to extend the Agreement through June 30, 2025 and increasing the total operating costs to \$2,177,201 for the first year of the extension and \$2,247,917 for the second year of the extension.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA HEREBY the City Council of the City of Madera finds, determines, resolves and orders as follows:

1. The above recitals are true and correct.
2. The City Council approves Amendment No. 5 to the Agreement for Management and Operations with MV Public Transportation, Inc. which is attached as Exhibit A and incorporated by reference.
3. This resolution is effective immediately upon adoption.

AMENDMENT NO. 5 TO AGREEMENT FOR MANAGEMENT AND OPERATION OF MADERA TRANSIT SERVICES BETWEEN THE CITY OF MADERA AND MV PUBLIC TRANSPORTATION, INC.

This Amendment No. 5 to the Agreement for Management and Operation of Madera Transit Services between the City of Madera (City) and MV Public Transportation, Inc. (Contractor) is entered into effective June 7, 2023.

RECITALS

WHEREAS, the City and Contractor entered into an Agreement for the Management and Operations of Madera Metro Transit Services (Agreement) on November 7, 2018; and

WHEREAS, the Parties entered Amendment No. 1 to the Agreement on July 1, 2021, to extend the Agreement to June 30, 2022; and

WHEREAS, the Parties entered Amendment No. 2 to the Agreement on October 6, 2021, to extend the Agreement to June 30, 2023, to meet required FTA provisions and language for the Agreement between the City and Contractor; and

WHEREAS, the Parties entered Amendment No. 3 to the Agreement on December 1, 2021, to modify the Driver Certification requirements and Holiday Schedule; and

WHEREAS, the Parties entered Amendment No. 4 to the Agreement on November 17, 2021, related to transit services on holidays;

WHEREAS, the Parties wish to enter Amendment No. 5 to as set forth herein.

AMENDMENT

SECTION 1. The language in Section 2 of the Agreement and in Section 2 of the Second Amendment to Agreement have no further force and effect and shall be replaced with a new Section 2 to read as follows:

2. Term of Agreement

a. The term of this Agreement is extended to June 30, 2025. The purpose of this extension is to comply with the federal required provisions that the term of this Agreement shall coincide with the Madera Transit Center Lease Agreement between the City and MVPT, Inc.

b. Any further extension of this Agreement must also coincide with the term of the Lease Agreement between the City and MVPT, Inc. for the Madera Transit Center.

Exhibit A

c. If both parties mutually agree to an extension of the Lease Agreement between the City and MVPT, Inc., thereby triggering a needed extension of the term of this Agreement, Contractor must submit a cost proposal to City for the Management and Operation for consideration by City for an extended term to coincide with the duration of the Lease Agreement.

d. If a default is to occur under the lease agreement with MVPT, Inc. for the Madera Transit Center, this service agreement will be terminated.

SECTION 2. The language in Section 4 of the Agreement, as amended, shall have no further force and effect and shall be replaced with a new **Subsection 6)** and **Subsection 7)** to Section 4.a. to read as follows:

6) For the period July 1, 2023 through June 30, 2024, not to exceed Two Million One Hundred Seventy Seven Thousand Two Hundred One (\$2,177,201) for a maximum of 14,200 +15% vehicle service hours for MAX and 13,400 +15% vehicle service hours for Dial-A-Ride. Actual costs shall be based on an agreed upon Cost Proposal as provided by Contractor (Exhibit B).

7) For the period July 1, 2024 through June 30, 2025, not to exceed Two Million Two Hundred Forty Seven Thousand Nine Hundred Seventeen (\$2,247,917) for a maximum of 14,200 +15% vehicle service hours for MAX and 13,400 +15% vehicle service hours for Dial-A-Ride. Actual costs shall be based on an agreed upon Cost Proposal as provided by Contractor (Exhibit B).

SECTION 3. The language of Section 5.a.1, b.1) of the Agreement, as amended, shall no further force and effect and shall be replaced with a new Subsection a.1, and b.1) to read as follows:

a. Vehicle Service Hourly Rate

1) For the duration of the Agreement, CONTRACTOR will be paid a Fixed Vehicle Service Hourly Rate for Madera Metro and Dial-A-Ride according to the following schedule:

a. Year 1: Fiscal Year 18-19	\$32.46
b. Year 2: Fiscal Year 19-20	\$34.13
c. Year 3: Fiscal Year 20-21	\$37.51
d. Optional Period 1: July 2021 – November 2021	\$40.46
e. Optional Period 2: December 2021 – June 2021	\$57.86
f. Optional Period 3: Fiscal Year 22-23	\$58.14
g. Optional Period 4: Fiscal Year 23-24	\$51.28
h. Optional Period 5: Fiscal Year 24-25	\$53.03

b. Fixed Monthly Fee

1) For the duration of the Agreement, CONTRACTOR will be paid a Fixed Monthly Fee for

Exhibit A

Madera Metro and Dial-A-Ride according to the following schedule:

a. Year 1: Fiscal Year 18-19	\$39,385.07
b. Year 2: Fiscal Year 19-20	\$41,039.14
c. Year 3: Fiscal Year 20-21	\$44,749.91
d. Optional Period 1: July 2021 – November 2021	\$47,280.33
e. Optional Period 2: December 2021 – June 2021	\$50,100.76
f. Optional Period 3: Fiscal Year 22-23	\$50,370.63
g. Optional Period 4: Fiscal Year 23-24	\$58,350.63
h. Optional Period 5: Fiscal Year 24-25	\$60,056.42

SECTION 4. Except as amended by this Amendment No. 5, all terms and conditions of the Agreement shall continue in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed or caused the extension to the Agreement to be executed as of the date and year written above.

CITY OF MADERA

MV PUBLIC TRANSPORTATION, INC.

By: _____
Santos Garcia, Mayor

By: _____

Print Name: _____

Title: _____

Date: _____

Date: _____

Taxpayer ID Number

APPROVED AS TO FORM:

By: _____
Hilda Cantú Montoy, City Attorney

ATTEST:

By: _____
Alicia Gonzales, City Clerk

RESOLUTION NO. 23-____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA,
CALIFORNIA, APPROVING AMENDMENT NO. 3 TO THE LEASE
AGREEMENT BETWEEN THE CITY OF MADERA AND MV PUBLIC
TRANSPORTATION, INC.**

WHEREAS, the Lessor and Lessee entered into an Agreement for the Lease of the Madera Transit Center (Lease Agreement) on September 2, 2020; and

WHEREAS, the parties entered Amendment No. 1 to the Lease Agreement effective February 1, 2021; and

WHEREAS, the parties entered Amendment No. 2 to the Lease Agreement effective October 6, 2021 to include termination language as required by FTA; and

WHEREAS, an Amendment is needed to extend the Agreement to June 30, 2025.

NOW, THEREFORE, the City Council of the City of Madera finds, determines, resolves and orders as follows:

1. The above recitals are true and correct.
2. The City Council approves Amendment No. 3 to the Lease Agreement with MV Public Transportation, Inc. which is attached to this Resolution as Exhibit A.
3. This resolution is effective immediately upon adoption.

AMENDMENT NO. 3 TO LEASE AGREEMENT BETWEEN THE CITY OF MADERA AND MV PUBLIC TRANSPORTATION, INC. FOR THE MADERA TRANSIT CENTER

This Amendment No. 3 to Lease Agreement between the City of Madera, a municipal corporation of the State of California (“Lessor”) and MV Public Transportation, Inc. (“Lessee) for the Lease of the Madera Transit Center is entered into effective June 7, 2023.

RECITALS

WHEREAS, the Lessor and Lessee entered into an Agreement for the Lease of the Madera Transit Center (Lease Agreement) on September 2, 2020; and

WHEREAS, the parties entered Amendment No. 1 to the Lease Agreement effective February 1, 2021 amending Section 2 “Rent” and Section 6 “Communication and Utilities”; and

WHEREAS, the parties entered Amendment No. 2 to the Lease Agreement effective October 6, 2021 to include termination language as required by FTA; and

WHEREAS, an Amendment is needed to extend the Agreement to June 30, 2025.

WHEREAS, both the Lessor and Lessee mutually agree to the addition of termination language to the Lease Agreement.

AMENDMENT

NOW THEREFORE, the Parties agree to enter this Amendment No. 3 to Lease Agreement as follows:

SECTION 1. Section 3 of the Lease Agreement is amended to read as follows:

3. Term and Termination.

a. The term of this Lease shall commence on September 3, 2020 and shall continue through June 30, 2025. If Lessee wishes to extend the Lease, Lessee shall send a written notice to Lessor 120 days before June 30, 2023, asking that the term be extended for an additional period of time. If Lessor decides to lease the Premises, the parties may negotiate to extend the term of this Lease under terms and conditions mutually acceptable.

b. In the event the Lessee determines in good faith that it no longer practicably, economically, or operationally can do business from the Premises, upon making a reasonable showing of same to Lessor, Lessee shall have the right to terminate this Lease with ninety (90) days prior written notice.

c. It is understood and agreed by parties hereto that Lessor and its successors in interest shall and hereby do reserve the right to cancel or

Exhibit A

terminate this Lease prior to expiration of the term or renewed or extended term hereof as follows:

- i. If a default under the lease is to occur, the service agreement will be terminated and vice versa; as otherwise provided by law; or
- ii. If the Lessee assigns or sublets the Premises without the prior written consent of Lessor; or
- iii. If the Lessee no longer serves as the Contractor of the Agreement for Management and Operation of Madera Transit Services between the City and MV Public Transportation Inc.

SECTION 2. Except as amended by this Amendment No. 3 all terms and conditions of the Lease Agreement and Amendment No.'s 1 and 2 shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed the Agreement as set forth below.

CITY OF MADERA

MV PUBLIC TRANSPORTATION, INC.

By: _____

By: _____

Santos Garcia, Mayor

Print Name: _____

Title: _____

Date: _____

Date: _____

Taxpayer ID Number

APPROVED AS TO FORM:

By: _____

Hilda Cantú Montoy, City Attorney

ATTEST:

By: _____

Alicia Gonzales, City Clerk