

TO: James L. App, City Manager  
FROM: Mike Compton, Director of Administrative Services  
SUBJECT: Appointment of Council Ad Hoc Committee and Transit Contract Extension  
DATE: April 17, 2007

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Needs:

For the City Council to appoint an ad hoc committee to consider Request for Proposals (RFP) responses for transit operations and to extend the current contract with Laidlaw Transit Services.

Facts:

1. The current contract with Laidlaw Transit Services expires June 30, 2007.
2. The City is a participating member of the County transit “consortium” to jointly procure transit operational services.
3. The Consortium includes Paso Robles, City of Atascadero, City of Morro Bay, the Regional Transit Authority (RTA), South County Area Transit (SCAT) and the County of San Luis Obispo. RTA represents the County and SCAT as they manage their transit operations.
4. RFPs were widely distributed and four responses were received.
5. Given the questions and concerns arising from the initial review, it was determined by the Consortium that a “best and final” offer opportunity be given to all responders in order to clarify and answer the questions and concerns.
6. It is desirable that the Council appoint an ad hoc committee to assist in the review of the “best and final” offers.
7. The option to provide the responders a “best and final” opportunity will delay the review and approval of the preferred contractor. Thus, it will not be possible, should a new contractor be chosen, for the new operator transition to be completed by June 30, 2007.
8. Laidlaw Transit Services, the City’s current contractor, is agreeable to extending the current contract for sixty (60) days.

Analysis and Conclusion:

The Council adopted Short Range Transit Plan contained a recommendation that the City pursue joint procurement efforts in order to save money. Paso Robles’ contract with Laidlaw as well as the City of Atascadero contract with Laidlaw and the City of Morro Bay contract with MV Transportation all expire this June 30, 2007. RTA’s contract with Southland also expires June 30, 2007 and while it contains options for extensions, RTA is not interested in extended the contract. RTA also manages the County’s dial-a-ride services and SCAT. We all agreed to join together as a “Consortium” in an attempt to procure a single operator for all our services. However, we reserved the right to have individual contracts and/or for each member to go its’ own way based upon the RFP responses.

The Consortium engaged the services of McGuire Consulting, the City's own transit consultant, to assist in the development of the RFP, to identify and highlight the strengths and weaknesses of each response and assist in the final decision given his experience and expertise. Given the idiosyncracies of each Consortium member, it was a very complicated RFP and the responses are equally as complicated.

RFPs were distributed to all known transit operational contractors and four responses were received. The Consortium met April 2, 2007 to review the responses. Given the complexity of the RFP and the responses, a number of questions and issues arose. It was the consensus of the Consortium that additional clarification and feedback was needed. To accommodate this need in the mist of the RFP review process, it was decided to offer all four proposers an opportunity to respond our questions and concerns in a "best and final" offer scenario.

It is desirable that the Council appoint an ad hoc committee to assist in the final review of the "best and final" offers. It is also desired that the Council authorize a sixty extension of the current contract with Laidlaw Transit Services to accommodate the extended time required to undertake a "best and final" offer opportunity.

Fiscal

Impact:

None at this time but it is expected that the new contract, regardless of the service provider, will increase the City's transit operating costs.

Options:

- a. That the Council
  1. appoint a two member ad hoc committee to assist with the final review of the RFP responses and "best and final" offers; and
  2. authorize a contract extension for sixty days with Laidlaw Transit Services; or
- b. Amend, modify, or reject the above option.