

FRANK T. MARTINEZ
City Clerk

KAREN E. KALFAYAN
Executive Officer

When making inquiries
relative to this matter
refer to File No.

CITY OF LOS ANGELES
CALIFORNIA



ANTONIO R. VILLARAIGOSA
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1044
General Information - (213) 978-1133
Fax: (213) 978-1040

CLAUDIA M. DUNN
Chief, Council and Public Services Division

04-1166

May 31, 2006

Office of the Mayor
Councilmember Greuel
Councilmember LaBonge
Department of Transportation
Board of Transportation Commissioners
City Administrative Officer
Chief Legislative Analyst

RE: AMENDING THE CONTRACTS WITH CONNEX TRANSIT, INCORPORATED (AREAS 1
AND 2) AND THE WATTS LABOR COMMUNITY ACTION COMMITTEE (AREA 3) FOR
THE CONTINUED OPERATION OF CITYRIDE DIAL-A-RIDE SERVICES

At the meeting of the Council held May 30, 2006, the following action
was taken:

Attached report adopted.....	_____X_____
Attached motion () adopted.....	_____
Attached resolution adopted.....	_____
Ordinance adopted.....	_____
FORTHWITH.....	_____
Motion adopted to approve communication recommendation(s).....	_____

Frank T. Martinez

City Clerk
jr
ff

677106

PLACE IN FILES
JUN - 8 2006

DEPUTY
[Signature]



18

TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your TRANSPORTATION COMMITTEE

reports as follows:

	<u>Yes</u>	<u>No</u>
Public Comments	<u>XX</u>	<u>—</u>

TRANSPORTATION COMMITTEE REPORT relative to amending the contracts with Connex Transit, Incorporated (Connex) (Areas 1 and 2) and the Watts Labor Community Action Committee (WLCAC) (Area 3) for the continued operation of Cityride dial-a-ride services.

Recommendation for Council action, pursuant to Motion (Greuel - LaBonge):

AUTHORIZE the Department of Transportation (DOT) to execute contract amendments with Connex (Areas 1 and 2)(Contract C-97377) and WLCAC (Area 3)(Contract C-97465) for the continued operation of Cityride dial-a-ride services on a month-to-month basis for not more than three months, subject to the approval of the City Attorney as to form and legality, with an increase of 6.3% for Connex and 4.2% for WLCAC in the hourly rate with all other current terms and conditions to remain.

Fiscal Impact Statement: Neither the City Administrative Officer (CAO) nor the Chief Legislative Analyst (CLA) has completed a financial analysis of this report.

Summary:

On May 19, 2006, a Motion (Greuel - LaBonge) was introduced in Council relative to authorizing the DOT to execute contract amendments with Connex (Areas 1 and 2)(Contract C-97377) and WLCAC (Area 3)(Contract C-97465) for the continued operation of Cityride dial-a-ride services on a month-to-month basis for not more than three-month period. Additionally, the Motion provides for an increase of 6.3% for Connex and 4.2% for WLCAC in the hourly rate. Finally, there would be no change in all other current terms and conditions of the existing contracts with Connex and WLCAC.

At its May 24, 2006 meeting, your Committee considered the above Motion. According to the DOT, the Cityride program provides transportation services for eligible seniors (ages 65 and over) and individuals with disabilities. The Cityride program allows seniors and persons with disabilities to use City-subsidized transit scrip to purchase transportation on Metro buses, private lift vans, City franchised taxicabs and/or City-operated dial-a-ride transportation services at a substantial discount.

The DOT further noted that previously on December 2, 2003, it had released a Request for Proposals (RFP) for the continued operation of the Cityride dial-a-ride services and proposals were submitted. However, on September 28, 2004, Council rejected all proposals and directed the DOT to issue a new RFP. Subsequently, the DOT released a new RFP on December 28, 2004 and has submitted a new contract award recommendation for Council consideration.

On June 7, 2005, Council approved the most recent extension of the existing contracts with Connex Transit (Contract No. C-97377) for Areas 1 and 2 and with the WLCAC (Contract No. C-97465) for Area 3. Furthermore, the terms of these contract extensions were for a six-month period through December 13, 2005 for Connex Transit and December 29, 2005 for WLCAC. Subsequently, on December 13, 2005, these contracts were extended another six months to June 13, 2006 and June

29, 2006, respectively.

The DOT is proposing to extend the existing Cityride dial-a-ride contracts with Connex and WLCAC for a three-month period until a new contractor(s) is selected through the City's competitive contracting process and is in place to assume operation of the service. Additionally, the DOT is recommending a cost increase of 4.2% for WLCAC in an amount not to exceed \$695,828 (\$62.26 per hour) and 6.3% for Connex in an amount not to exceed \$1,083,625 (\$61.51 per hour). The costs reflect an increase in the assumed base gasoline fuel cost per gallon from \$2.52 per gallon to \$3.00 per gallon. Finally, all other terms and conditions in the existing contracts are to remain unchanged.

After further consideration and having provided an opportunity for public comment, your Committee moved to recommend approval of the recommendations as contained in the Motion to execute contract amendments with Connect Transit and WLCAC for the continued operation of Cityride dial-a-ride services on a month-to-month basis for not more than three-months.

This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

TRANSPORTATION COMMITTEE

Agreed
Bernard C. Luba
Bob Phillips

Rept

ADOPTED

MAY 30 2006

LOS ANGELES CITY COUNCIL

<u>MEMBER</u>	<u>VOTE</u>
GREUEL:	YES
PARKS:	YES
LABONGE:	ABSENT
WESSON:	ABSENT
ROSENDAHL:	YES

ARL
#041166b.wpd
5/25/06

COUNCIL VOTE

May 30, 2006 10:12:51 AM, #2

Items for Which Public Hearings Have Been Held - Items 10-23

Voting on Item(s): 10-11,13-22

Roll Call

CARDENAS	Absent
*GREUEL	Yes
HAHN	Yes
HUIZAR	Absent
LABONGE	Yes
PADILLA	Absent
PARKS	Yes
PERRY	Yes
REYES	Yes
ROSENDAHL	Yes
SMITH	Yes
WEISS	Yes
WESSON	Yes
ZINE	Yes
GARCETTI	Absent

Present: 11, Yes: 11 No: 0

TRANSPORTATION

MOTION

MAY 19 2006


The Cityride program is managed by the City of Los Angeles Department of Transportation (LADOT), and provides transportation services for eligible seniors (ages 65 and over) and individuals with disabilities. Cityride is an innovative user-side subsidy program that allows seniors and persons with disabilities to use City-subsidized transit scrip to purchase transportation on Metro buses, private lift vans, City franchised taxicabs and/or City-operated dial-a-ride transportation services at a substantial discount.

The Department released a request for proposals (RFP) on December 2, 2003 for the continued operation of the Cityride dial-a-ride (DAR) services. The City Council, at its September 28, 2004 meeting, rejected all proposals and directed LADOT to engage in a new proposal process. On June 7, 2005, the City Council approved an extension of the existing contracts with Connex for Areas 1 and 2 ©-97377), and with the Watts Labor Community Action Committee (WLCAC) for Area 3 ©-97465), for a six month period through December 13, 2005 and December 29, 2005, respectively. On December 13, 2005, the contracts were extended another six months to June 13, 2006 and June 29, 2006, respectively.

The Department is requesting approval to again extend the existing Cityride DAR service contracts until a new contractor(s) is selected through the City's competitive contracting process and is in place to assume operation of the service. The Department is recommending a cost increase of 4.2% for WLCAC in an amount not to exceed \$695,828 (\$62.26 hourly rate) and 6.3% for Connex in an amount not to exceed \$1,083,625 (\$61.51). These costs reflect an increase in the assumed base gasoline fuel cost per gallon from \$2.52 per gallon to \$3.00 per gallon. In light of the increasing fuel costs, the contractors have requested that a fuel escalator clause be included as part of this amendment. Such a clause has not been included, however, it was agreed that if the average actual fuel costs over the term of the amendment are in excess of \$3.00 per gallon, the Department of Transportation will make a recommendation to the Mayor and City Council for an increase to the hourly rate to compensate Connex and WLCAC for the additional cost. All other terms and conditions of the contract will unchanged for the duration of the extension period.

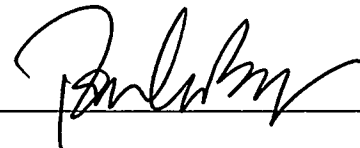
I THEREFORE MOVE that the City Council authorize the Department of Transportation to execute contract amendments with Connex Transit, Inc. (Areas 1 and 2) and WLCAC (Area 3) for the continued operation of Cityride dial-a-ride services on a month-to-month basis for not more than three months with an increase of 6.3% and 4.2%, respectively in the hourly rate, until new contractors are selected through the competitive contracting process and are able to assume operation of the service, subject to approval of the City Attorney as to form and legality. All other current terms and conditions will remain.

PRESENTED BY: _____


WENDY GREUEL

Councilmember, 2nd District

SECONDED BY: _____



May 19, 2006



FRANK T. MARTINEZ
City Clerk

KAREN E. KALFAYAN
Executive Officer

When making inquiries
relative to this matter
refer to File No.

04-1166

CITY OF LOS ANGELES
CALIFORNIA



ANTONIO R. VILLARAIGOSA
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1043
General Information - (213) 978-1133
Fax: (213) 978-1040

HELEN GINSBURG
Chief, Council and Public Services Division

December 15, 2005

Honorable Antonio Villaraigosa, Mayor
Councilmember Greuel
Councilmember Garcetti
Chief Legislative Analyst
City Administrative Officer
Controller, Room 300
Accounting Division, F&A
Disbursement Division
Department of Transportation
Board of Transportation Commissioners

RE: AMENDING THE CONTRACTS WITH CONNEX TRANSIT, INCORPORATED (AREAS 1
AND 2) AND THE WATTS LABOR COMMUNITY ACTION COMMITTEE (AREA 3) FOR
THE CONTINUED OPERATION OF CITYRIDE DIAL-A-RIDE SERVICES

At the meeting of the Council held DECEMBER 13, 2005, the following action
was taken:

Attached report adopted	_____ X _____
FORTHWITH.....	_____
Mayor concurred	_____
Ordinance adopted.....	_____
Ordinance number.....	_____
Publication date.....	_____
Effective date.....	_____
Mayor approved.....	_____

Frank T. Martinez

City Clerk
vdw

steno/041166

Handwritten initials

Handwritten: 12-23-05

PLACE IN FILES
DEC 23 2005
DEPUTY

Handwritten signature



TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your TRANSPORTATION COMMITTEE

reports as follows:

	<u>Yes</u>	<u>No</u>
Public Comments	<u>XX</u>	<u>—</u>

TRANSPORTATION COMMITTEE REPORT relative to amending the contracts with Connex Transit, Incorporated (Connex Transit) (Areas 1 and 2) and the Watts Labor Community Action Committee (WLCAC) (Area 3) for the continued operation of Cityride dial-a-ride services.

Recommendation for Council action, pursuant to Motion (Greuel - Garcetti):

AUTHORIZE the Department of Transportation (DOT) to execute contract amendments with Connex Transit (Areas 1 and 2) and WLCAC (Area 3) for the continued operation of Cityride dial-a-ride services for a six-month period, subject to the approval of the City Attorney as to form and legality, with no change in the terms and conditions of the existing contract extension.

Fiscal Impact Statement: Neither the City Administrative Officer (CAO) nor the Chief Legislative Analyst (CLA) has completed a financial analysis of this report.

Summary:

On November 22, 2005, a Motion (Greuel - Garcetti) was introduced in Council relative to authorizing the DOT to execute contract amendments with Connex Transit (Areas 1 and 2) and WLCAC (Area 3) for the continued operation of Cityride dial-a-ride services for a six-month period. Additionally, there would be no change in the terms and conditions of the existing contract extensions with Connex Transit and WLCAC.

At its November 30, 2005 meeting, your Committee considered the above Motion. According to the DOT, the Cityride program provides transportation services for eligible seniors (ages 65 and over) and individuals with disabilities. There are approximately 85,000 active registered Cityride clients in the program. Additionally, the Cityride program allows seniors and persons with disabilities to use City-subsidized transit scrip to purchase transportation on Metro buses, private lift vans, City franchised taxicabs and/or City-operated dial-a-ride transportation services at a substantial discount.

The DOT further noted that previously on December 2, 2003, it had released a Request for Proposals (RFP) for the continued operation of the Cityride dial-a-ride services and proposals were submitted. However, on September 28, 2004, Council rejected all proposals and directed the DOT to issue a new RFP. Subsequently, the DOT released a new RFP on December 28, 2004 and has submitted a new contract award recommendation for Council consideration.

On June 7, 2005, Council approved the most recent extension of the existing contracts with Connex Transit (Contract No. C-97377) for Areas 1 and 2 and with the WLCAC (Contract No. C-97465) for Area 3. Furthermore, the terms of these contract extensions were for a six-month period through December 13, 2005 for Connect Transit and December 29, 2005 for WLCAC.

The DOT is proposing to extend the existing Cityride dial-a-ride contracts with Connex (Contract No. C-97377) for Areas 1 and 2 and WLCAC (C-97465) for a six-month period through June 13, 2006

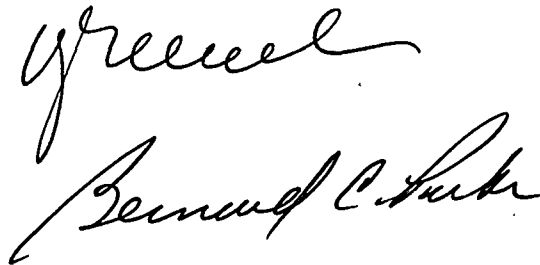
and June 29, 2006, respectively, until a new contractor(s) is selected through the City's competitive contracting process.

After having provided an opportunity for public comment and further consideration, your Committee moved to recommend approval of the recommendations as contained in the Motion to execute contract amendments with Connect Transit and WLCAC for the continued operation of Cityride dial-a-ride services for a six-month period.

This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

TRANSPORTATION COMMITTEE

The image shows two handwritten signatures in black ink. The top signature is 'Greuel' and the bottom signature is 'Bernard C. Smith'. Both are written in a cursive, flowing style.

Report
ADOPTED

DEC 1 3 2005

LOS ANGELES CITY COUNCIL

<u>MEMBER</u>	<u>VOTE</u>
GREUEL:	YES
PARKS:	YES
SMITH:	ABSENT

ARL
#041166a.wpd
12/1/05

COUNCIL VOTE

Dec 13, 2005 10:31:21 AM, #2

Items for Which Public Hearings Have Been Held - Items 9-39

Voting on Item(s): 10,12-13,15-26,28,31-36,38-39

Roll Call

CARDENAS	Yes
*GARCETTI	Yes
GREUEL	Absent
HAHN	Yes
HUIZAR	Yes
LABONGE	Yes
PARKS	Yes
PERRY	Yes
REYES	Yes
ROSENDAHL	Yes
SMITH	Yes
WEISS	Yes
WESSON	Absent
ZINE	Yes
PADILLA	Absent

Present: 12, Yes: 12 No: 0

TRANSPORTATION

MOTION

NOV 22 2005

The Cityride program is managed by the City of Los Angeles Department of Transportation (LADOT), and provides transportation services for eligible seniors (ages 65 and over) and individuals with disabilities. There are approximately 85,000 active registered Cityride clients in the program. Cityride is an innovative user-side subsidy program that allows seniors and persons with disabilities to use City-subsidized transit scrip to purchase transportation on Metro (MTA) buses, private lift vans, City franchised taxicabs and/or City-operated dial-a-ride transportation services at a substantial discount.

The Department previously released a request for proposals (RFP) on December 2, 2003 for the continued operation of the Cityride dial-a-ride (DAR) services. The City Council, at its September 28, 2004 meeting, rejected all proposals and directed LADOT to issue a new RFP process. The Department has since released a new RFP dated December 28, 2004, and has submitted a contract award recommendation to the Mayor and Council. The City Council, at its meeting on June 7, 2005, approved the most recent extension of the existing contracts with Connex Transit for Areas 1 and 2 (C-97377), and with the Watts Labor Community Action Committee (WLCAC) for Area 3 (C-97465), for a six month period through December 13, 2005 and December 29, 2005, respectively.

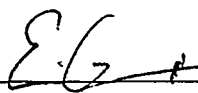
The Department is requesting approval to extend the existing Cityride DAR service contracts with Connex Transit for Areas 1 and 2, and WLCAC for Area 3, for an additional six month period through June 13, 2006 and June 29, 2006, respectively, until a new contractor(s) is selected through the City's competitive contracting process and is in place to assume operation of the service. The contract amounts, which will not exceed \$2,038,355 for Connex Transit and \$1,336,081 for WLCAC, are similar to the amounts of the current six-month contract extensions and are based on hourly rates that are comparable to what was proposed by the two firms as part of the current City RFP process. Funds for this project have been included in the City's adopted FY 2005-2006 Proposition A Local Transit Assistance (PALTA) Fund No. 385 Budget.

I THEREFORE MOVE that the City Council authorize the Department of Transportation to execute contract amendments with Connex Transit, Inc. (Areas 1 and 2) and WLCAC (Area 3) for the continued operation of Cityride dial-a-ride services for a six-month period, subject to approval of the City Attorney as to form and legality, with no change in the terms and conditions of the existing contract extension.

PRESENTED BY: _____


WENDY GREUEL
Councilmember, 2nd District

SECONDED BY: _____



NOV 22 2005

November 18, 2005

AP

CITY OF LOS ANGELES
CALIFORNIA



JAMES K. HAHN
MAYOR

FRANK T. MARTINEZ
City Clerk

KAREN E. KALFAYAN
Executive Officer

When making inquiries
relative to this matter
refer to File No.

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1043
General Information - (213) 978-1133
Fax: (213) 978-1040

HELEN GINSBURG
Chief, Council and Public Services Division

04-1166

PLACE IN FILES

June 8, 2005

JUN 10 2005

DEPUTY

Office of the Mayor
Councilmember Ludlow
Councilmember Villaraigosa
Board of Transportation Commissioners
Chief Legislative Analyst

Councilmember Perry
Councilmember Garcetti
Department of Transportation
City Administrative Officer
City Attorney

RE: CONTRACT EXTENSIONS WITH CONNEX TRANSIT, INCORPORATED AND THE WATTS
LABOR COMMUNITY ACTION COMMITTEE FOR THE OPERATION OF CITYRIDE DIAL-
A-RIDE SERVICES ON A MONTH-TO-MONTH BASIS

At the meeting of the Council held June 7, 2005, the following action
was taken:

Attached report adopted.....	_____
Attached motion (Villaraigosa - Ludlow) adopted.....	_____ X _____
Attached resolution adopted.....	_____
FORTHWITH.....	_____
Ordinance adopted.....	_____
Motion adopted to approve communication recommendation(s).....	_____

City Clerk
jr



33

MAY 24 2005

MOTION TRANSPORTATION

The Cityride program is managed by the City of Los Angeles Department of Transportation (LADOT), and provides transportation services for eligible seniors (ages 65 and over) and individuals with disabilities. There are approximately 80,000 active registered Cityride clients in the program. Cityride is an innovative user-side subsidy program that allows seniors and persons with disabilities to use City-subsidized transit scrip to purchase transportation on Metro (MTA) buses, private lift vans, City franchised taxicabs and/or City-operated dial-a-ride transportation services at a substantial discount.

The Department released a request for proposals (RFP) on December 2, 2003 for the continued operation of the Cityride dial-a-ride (DAR) services. On September 28, 2004, the City Council rejected all proposals submitted in response to the RFP and directed LADOT to engage in a new proposal process. The Council also approved a month-to-month extension of the Cityride DAR service contracts with Connex West, LLC for Areas 1 and 2 (Contract No. C-97377), and WLCAC for Area 3 (Contract No. C-97377), through June 14, 2005 and June 30, 2005, respectively (Council File 04-1166). The Department has since released a new RFP dated December 28, 2004, and will submit a report under separate cover to the Mayor and Council with a recommendation concerning the new contract award.

The Department is requesting approval to extend the Cityride DAR service contracts with Connex West (now Connex Transit, Inc.) for Areas 1 and 2, and WLCAC for Area 3, for an additional six month period through December 13, 2005 and December 29, 2005, respectively, until a new contractor(s) is selected through the City's competitive contracting process and is in place to assume operation of the service. The contract amounts, which will not exceed \$2,038,355 for Connex Transit and \$1,336,081 for WLCAC, are based on hourly rates that are comparable to what was proposed by the two firms as part of the current City RFP process.

Funds for this project have been included in the City's adopted FY 2004-2005 Proposition A Local Transit Assistance (PALTA) Fund No. 385 Budget.

I THEREFORE MOVE that the City Council, _____, authorize the Department of Transportation to execute contract extensions with Connex Transit, Inc (Areas 1 and 2) and WLCAC (Area 3) for the continued operation of Cityride dial-a-ride services on a month-to-month basis (not-to-exceed six months), until new contractors are selected through the competitive bid process and are able to assume operation of the service, subject to approval of the City Attorney as to form and legality.

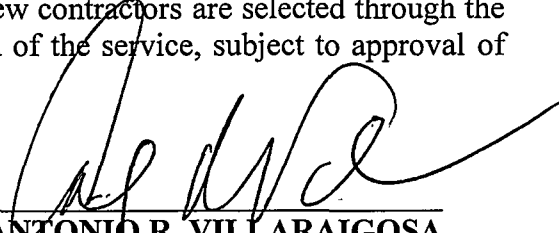
AP

**MOTION
ADOPTED**

JUN 07 2005

LOS ANGELES CITY COUNCIL

PRESENTED BY:


ANTONIO R. VILLARAIGOSA
Councilmember, 14th District

SECONDED BY:



COUNCIL VOTE

Jun 7, 2005 11:00:39 AM, #5

ITEM(S)

Voting on Item(s): 30,33

Roll Call

CARDENAS	Yes
GARCETTI	Yes
GREUEL	Yes
HAHN	Yes
LABONGE	Yes
LUDLOW	Absent
MISCIKOWSKI	Yes
PARKS	Yes
PERRY	Absent
REYES	Absent
SMITH	Yes
VILLARAIGOSA	Absent
WEISS	Yes
ZINE	Yes
*PADILLA	Yes

Present: 11, Yes: 11 No: 0

CIT F LOS ANGELES SPEAKER CARD

Date
06/07/2005 Tues.

Council File No., Agenda Item, or Case No.
#33

I wish to speak before the L.A. City Council
Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal

Name: SYLVIA LYNNE HAWKINS Against proposal
() General comments

Business or Organization Affiliation: _____
Address: 3804 Broadway Pl. L.A. - CA 90007
Street City State Zip

Business phone: _____ Representing: _____

CHECK HERE IF YOU ARE A PAID SPEAKER AND PROVIDE CLIENT INFORMATION BELOW:

Client Name: _____ Phone #: _____

Client Address: _____
Street City State Zip

Please see reverse of card for important information and submit this entire card to the presiding officer or chairperson.

PLEASE SCHEDULE THE FOLLOWING ITEM FOR TUESDAY, JUNE 7, 2005:

ITEM NO. () - Motion Required

04-1166

MOTION (Villaraigosa - Ludlow) relative to contract extensions with Connex Transit, Incorporated and the Watts Labor Community Action Committee (WLCAC) for the operation of Cityride dial-a-ride services on a month-to-month basis.

Recommendation for Council Action:

AUTHORIZE the General Manager of the Department of Transportation (DOT) to execute contract extensions with Connex Transit, Incorporated (Areas 1 and 2) and the WLCAC (Area 3) for the continued operation of Cityride dial-a-ride services on a month-to-month basis, not to exceed six months, until new contractors are selected through the competitive bid process and are able to assume operation of the service, subject to the approval of the City Attorney as to form and legality.

(Transportation Committee waived consideration of the above matter)

ARL
5-31-05

#041166_Waive

TRANSPORTATION COMMITTEE

Report/Communication for Signature

Council File Number: 04 - 1166

Committee Meeting Date: _____

Council Date: 6/8/05

COMMITTEE MEMBER	YES	NO	ABSENT
Councilmember Antonio Villaraigosa, Chair			
Councilmember Greig Smith, Vice-Chair			
Councilmember Tom LaBonge			

Remarks: WAIVED BY COMMITTEE

From: Laura McLennan
To: Angela Ovalle
Date: 05/31/2005 12:36:27 PM
Subject: Re: request to waive

seems fine to me

Laura L. McLennan
Legislative Deputy
Councilmember Alex Padilla
213/473.5772

>>> Angela Ovalle 5/31/2005 9:09 AM >>>

Hi Laura - we want to waive the motion we introduced on May 24th (CF 04-1166) for a 6 month extension of the City Ride contracts for Connex and Watts Labor CAC. The contracts end at the end of June and DOT is still finalizing its recommendations for the next contract.

The contract amounts are based on hourly rates that are comparable to what was proposed by the two firms as part of the current City RFP process and funds for this project are included in the City's adopted FY 2004-2005 Proposition A Local Transit Assistance Fund.

If you have any questions, let me know. Thanks.

~*~*~*~*~*~*~*~*~*

Angela C. Ovalle
Senior Policy Deputy
Councilmember Antonio Villaraigosa's Office
Phone: (213) 473-7014
Fax: (213) 847-0680

CC: Adam Lid

FRANK T. MARTINEZ
City Clerk

KAREN E. KALFAYAN
Executive Officer

When making inquiries
relative to this matter
refer to File No.

04-1166

CITY OF LOS ANGELES
CALIFORNIA



JAMES K. HAHN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1043
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Fax: (213) 978-1040

HELEN GINSBURG
Chief, Council and Public Services Division

January 6, 2005

Councilmember Ludlow
Councilmember Perry
Councilmember Garcetti
Chief Legislative Analyst
Board of Transportation Commissioners
Department of Transportation

City Attorney
City Administrative Officer
Office of the Mayor

RE: NOTE AND FILE THE DEPARTMENT OF TRANSPORTATION REPORT IN RESPONSE TO
ISSUES RAISED CONCERNING A REQUEST FOR PROPOSAL FOR OPERATION OF
CITYRIDE DIAL-A-RIDE DURING PREVIOUS COUNCIL CONSIDERATION ON
SEPTEMBER 28, 2004

At the meeting of the Council held January 5, 2005, the following action
was taken:

Attached report adopted.....	_____ X _____
Attached motion (-) adopted.....	_____
Attached resolution adopted.....	_____
FORTHWITH.....	_____
Mayor concurred	_____
To the Mayor FORTHWITH	_____
Motion adopted to approve communication recommendation(s).....	_____
Motion adopted to approve committee report recommendation(s)...	_____
Ordinance adopted.....	_____
Ordinance number.....	_____
Publication date.....	_____
Effective date.....	_____

Frank T. Martinez

City Clerk
SOS

OS

steno/041166a

PLACE IN FILES
JAN 18 2005
DEPUTY

[Signature]



34

TO THE COUNCIL OF THE CITY OF LOS ANGELES

Your

TRANSPORTATION

COMMITTEE

reports as follows:

	<u>Yes</u>	<u>No</u>
Public Comments	<u>XX</u>	

TRANSPORTATION COMMITTEE REPORT relative to issues raised concerning a Request For Proposal (RFP) for operation of Cityride Dial-a-Ride during previous Council consideration on September 28, 2004.

Recommendation for Council action:

NOTE and FILE the DOT report dated October 15, 2004 in response to issues raised concerning an RFP for operation of Citywide Dial-a-Ride services inasmuch as this report is for information only and no Council Action is recommended or required.

Fiscal Impact Statement: Not applicable.

Summary:

At its October 27, 2004 meeting, your Committee considered a report from the DOT relative to issues raised concerning RFPs for the operation of Cityride paratransit services in Areas 1, 2, and 3 of the City. In its report, the DOT recommended the Council Note and File its reports after reviewing the content where three specific planned modifications to the DOT's upcoming new Cityride Dial-a-Ride RFP are discussed. The DOT met with the CLA Representative and Council Staff and reached a consensus. The DOT reported that the following modifications will positively address the Council's concerns:

1. Adjust Area 2 (Central Area) exiting driver wages and benefits by assuming that the current employees working for Connex (the current contractor) are covered under the existing Area 1 (San Fernando Valley Area) Connex labor agreement.
2. Encourage smaller, community-based firms to consider teaming up with larger firms in submitting joint proposals as a means to potentially improve the cost effectiveness of competitiveness of these smaller firms.
3. Require that all proposers provide a driver training program for new hires.


The Committee reviewed the DOT's modifications and agreed that they address the concerns expressed in previous meetings. As no Council action is required, the Committee moved to Note and File DOT's report.

This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

TRANSPORTATION COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
VILLARAIGOSA:	YES
SMITH:	YES
LABONGE:	ABSENT



REPT.
ADOPTED

JAN 05 2005

LOS ANGELES CITY COUNCIL

COUNCIL VOTE

Jan 5, 2005 10:35:49 AM, #4

Items for Which Public Hearings Have Been Held - Items 14-37
Voting on Item(s): 14-16,18,20-21,23-36
Roll Call

CARDENAS	Yes
GARCETTI	Yes
GREUEL	Yes
HAHN	Yes
LABONGE	Yes
LUDLOW	Absent
MISCIKOWSKI	Absent
PARKS	Yes
PERRY	Yes
REYES	Yes
SMITH	Absent
VILLARAIGOSA	Yes
WEISS	Yes
ZINE	Yes
*PADILLA	Yes

Present: 12, Yes: 12 No: 0

**CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE**

Date: October 15, 2004

To: The Honorable City Council
c/o City Clerk, Room 395, City Hall
Attention: Honorable Antonio Villaraigosa, Transportation Committee

From: Wayne K. Tanda, General Manager
Department of Transportation



SUBJECT: RESPONSE TO ISSUES RAISED CONCERNING REQUEST FOR PROPOSALS FOR OPERATION OF CITYRIDE DIAL-A-RIDE SERVICE

SUMMARY

This report is in response to the Council action of September 28, 2004, as recommended by the Transportation Committee, which directed the Department to reject all proposals for the operation of Cityride paratransit services in Areas 1, 2 and 3 of the City. The Council action also directed the Department to engage in a new request for proposals (RFP) process, taking into consideration the concerns raised at the Transportation Committee level. This report will discuss three specific planned modifications to the Department's upcoming new Cityride dial-a-ride RFP.

RECOMMENDATION

That the Council receive and file this item as no Council action is required.

BACKGROUND

In December 2003, the Department issued an RFP for the continued operation of Cityride dial-a-ride services in Areas 1, 2 and 3 of the City. A total of four responsive proposals were received by the Department, including proposals submitted by the two incumbent service contractors, Connex West (Areas 1 and 2) and WLCAC (Area 3).

Based on the findings of the proposal evaluation panel, the Department recommended in its March 3, 2004 report that Southland Transit, Inc. (STI) be awarded a contract to operate Areas 1, 2 and 3. The Department's report discussed the proposal evaluation

TRANSPORTATION

OCT 20 2004

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CITY CLERK

BY: *JS* DEPUTY

process and the rationale behind its recommendation of STI, including a five-year savings to the City of over \$3.5 million compared to the next lowest cost option. The CAO, in its report dated May 20, 2004, concurred with the Department's recommendation.

The Department's recommendation for award of the Cityride dial-a-ride contract was considered by the Transportation Committee at its meetings on June 23, July 14, and August 12, 2004. The Committee, at its August 12th meeting, recommended to the Council that all proposals be rejected and that the Department initiate a new RFP process that takes into consideration the concerns raised at the T-Committee meetings on this matter. The specific concerns with the RFP process cited in the Transportation Committee's report included existing vs. proposed wages and benefits, and the service/track record of the existing providers, Connex and WLCAC. The Council adopted the Transportation Committee's report at its meeting on September 28, 2004.

DISCUSSION

On October 1, 2004, the Department met with Transportation Committee member staff and a representative of the Chief Legislative Analyst (CLA) to address the concerns raised by the Transportation Committee about the Cityride dial-a-ride RFP process. Based on this discussion, the Department believes there was consensus that the following three planned modifications to the Department's RFP would positively address the concerns raised by the Transportation Committee.

Proposed RFP Modifications

1. Adjust Area 2 (Central Area) existing driver wages and benefits in RFP by assuming that these Connex employees were covered under the existing Area 1 (SFV Area) Connex labor agreement.

As discussed at the Transportation Committee meetings, the Department incorporated the existing wages and benefits of the incumbent Cityride dial-a-ride contractors (Connex and WLCAC) in its RFP and encouraged all proposers to assume, at minimum, these existing wages and benefits in their proposals. The Department's goal in providing this information in its RFP was to avoid having existing contractor staff having to suffer through a potential reduction in wages and/or benefits with the start-up of a new contract(s).

However, during the last RFP process, a major source of confusion for the Transportation Committee centered around the fact that Connex, the incumbent firm for Areas 1 and 2, had implemented new labor agreement for Area 1 drivers after the release of the Department's RFP and submittal of proposals. Therefore, the wages and

benefits for Area 1, as reported in the Department's RFP, were lower than those in the newly adopted labor agreement. It is the Department's understanding that the Area 2 labor agreement is now due to be renegotiated around February 2005, which most likely will be after the due date for proposals as part of the new RFP process. In an effort to avoid the same potentially confusing situation that occurred during the initial RFP process, the Department is planning to project in the RFP what the existing Area 2 driver wages and benefits will be after the upcoming labor negotiations by assuming that these employees will be covered by the same terms as the existing Area 1 labor agreement which was adopted earlier this year. The Department has requested the assistance of Connex in this exercise.

The Department believes this planned modification to the RFP will address the Council's direction that concerns raised at the Transportation Committee about existing vs. proposed wages and benefits be considered as part of the new Cityride dial-a-ride RFP process.

2. Encourage smaller, community-based firms to consider teaming up with larger firms in submitting joint proposals as a means to potentially improve the cost effectiveness and competitiveness of these smaller firms.

The Department is planning to include such language in its RFP, and will also discuss with all firms in attendance at the pre-proposal conference. The Department believes that there is a potential for smaller, community-based firms to enhance their cost effectiveness and competitiveness in the evaluation process by submitting a joint proposal with a larger firm. This would be especially true for larger firms that are considering submitting a proposal for multiple service areas as a way to take advantage of economies of scale. The smaller firms would still retain the option to submit a stand-alone proposal as the sole provider of service, in addition to submitting any joint proposal (s).

The Department also believes that both smaller and larger firms may benefit from the ongoing experience of operating together to provide transit services for the City, learning new strategies to improve quality and control costs. There is already an example of such a partnership with the City's DASH Downtown Los Angeles service, in which the prime service contractor (First Transit) subcontracts with a smaller, minority-owned firm (Operation Shuttle) to operate the City Hall Shuttle service under the same contract.

3. Require that all proposers provide a driver training program for new hires.

The Department is planning to strengthen its text in the RFP to require that all proposals include a driver-training program for new hires without a Class "B" license and required endorsements. The Department believes this is an important element of

service provision to help ensure that the selected contractor is able to maintain an adequate level of trained drivers to meet scheduled service levels. Most transit operators typically provide this type of program.

As discussed in the Department's March 3, 2004 report, WLCAC does not currently have, nor did it propose, an in-house driver training program where new driver candidates can be trained to receive their Class "B" licenses and required endorsements to operate a Cityride vehicle. The evaluation panel did not score WLCAC as highly as it might have had such a program been included in WLCAC's proposal. The Department will now make this a requirement for all proposals submitted in response to its new Cityride dial-a-ride RFP.

Consideration of Proposer's Experience in the RFP

The Council action of September 28, 2004 directed the Department to also address concerns raised at the Transportation Committee about the consideration of the service/track record of the existing providers, Connex and WLCAC. The Department's existing RFP for the provision Cityride dial-a-ride services, which was originally circulated in December 2003, includes evaluation criteria which takes into consideration the experience and qualifications of the proposers and the key proposed staff. A total of 40 percent of the overall evaluation score is allocated to the experience of the proposers and proposed staff.

As discussed at the Transportation Committee meetings concerning this matter, the primary evaluation factor which led to the Department's recommendation to award the Cityride dial-a-ride contract to STI was not experience, but rather cost-effectiveness. STI's proposal was over \$3.5 million less expensive than the next lowest cost option, and was over \$7.8 million less expensive than the option that would have awarded contracts to incumbents Connex (Areas 1 and 2) and WLCAC (Area 3).

The Department's recommendation to award the Cityride contract STI was based on the findings of the evaluation panel that the new contractor would provide a high quality and cost-effective service for the City. The significant experience of both the incumbent operators, Connex and WLCAC, as well as the recommended operator was considered and scored highly by the evaluation panel. The consideration of all proposer's previous experience, including the two incumbent Cityride dial-a-ride operators, has been and will continue to be of major importance as the Department proceeds with the new Cityride dial-a-ride RFP process.

FISCAL IMPACT

There is no fiscal impact as the result of this report.

COORDINATION

The Department has discussed the planned Cityride dial-a-ride RFP modifications with the staff of the Transportation Committee and the CAO. Based on this discussion, the Department believes there was consensus concerning the planned modifications to the Department's RFP as discussed in this report.

J. MICHAEL CAREY
City Clerk

FRANK T. MARTINEZ
Executive Officer

When making inquiries
relative to this matter
refer to File No.

04-1166

CITY OF LOS ANGELES
CALIFORNIA



JAMES K. HAHN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1043
General Information - (213) 978-1133
Fax: (213) 978-1040

HELEN GINSBURG
Chief, Council and Public Services Division

September 29, 2004

Department of Transportation
Board of Transportation Commissioners
Office of the Mayor
City Administrative Officer
Chief Legislative Analyst
City Attorney
Councilmember Perry
Councilmember Ludlow
Councilmember Garcetti
Councilmember Hahn
Councilmember Villaraigosa

RE: AGREEMENT WITH SOUTHLAND TRANSIT, INC. TO OPERATE THE CITYRIDE
PARATRANSIT SERVICES (DIAL-A-RIDE) IN THREE AREAS OF THE CITY

At the meeting of the Council held September 28, 2004, the following action
was taken:

Attached report adopted as amended.....	_____X_____
Attached amending motion (Vilaraigosa - Ludlow) adopted.....	_____X_____
Attached resolution adopted.....	_____
FORTHWITH.....	_____
Mayor concurred	_____
To the Mayor FORTHWITH	_____
Motion adopted to approve communication recommendation(s).....	_____
Motion adopted to approve committee report recommendation(s)...	_____
Ordinance adopted.....	_____
Ordinance number.....	_____
Effective date.....	_____
Publication date.....	_____

J. Michael Carey

City Clerk
crm

PLACE IN FILES

OCT - 1 2004

DEPUTY

[Signature]

steno/041166

FF *[Signature]*



TO THE COUNCIL OF
CITY OF LOS ANGELES

Your

TRANSPORTATION COMMITTEE

reports as follows:

	<u>Yes</u>	<u>No</u>
Public Comments	<u>XX</u>	<u>—</u>

TRANSPORTATION COMMITTEE REPORT relative to Agreement with Southland Transit, Inc. (STI) to operate the Cityride Paratransit Services (Dial-a-Ride) in three areas of the City.

Recommendations for Council action:

1. REJECT all proposals for the operation of Cityride Paratransit Services for Areas 1, 2, and 3.
2. DIRECT the Department of Transportation (DOT) to engage in a new proposal process, taking into consideration the concerns raised at the Transportation Committee level, e.g., existing vs. proposed wages and benefits; and the service/track record of the existing providers, Connex West, LLC, for Areas 1 and 2, and the Watts Labor Community Action Committee (WLCAC) for Area 3.
3. AUTHORIZE the General Manager, DOT, to execute contract extensions for the operation of Cityride Dial-a-Ride services with Connex West and WLCAC on a month-to-month basis, not to exceed six months, under the current conditions of the contracts, until a new contract is awarded through the competitive bid process.

Fiscal Impact Statement: The City Administrative Officer (CAO) and the DOT report that funding for this Agreement is available from the Proposition A Local Transit Assistance Budget. There is no impact on the General Fund.

Summary:

At its July 14, 2004 meeting, your Committee considered CAO and DOT reports relative to the proposed agreement with STI to operate the Citywide Paratransit Services (Dial-a-Ride). This item was previously continued on June 23, 2004. In its May 20, 2004 report (attached to the Council file), the CAO reports that the DOT recommends to award STI a contract to operate the Cityride Paratransit Services in three areas of the City. This program is one of several discounted transportation programs aimed at the elderly and disabled citizens of the City of Los Angeles to assist them with their transportation needs. Funded by the Proposition A Local Transportation Assistance Fund (Prop A), STI would operate Dial-a-Ride vehicles in the following areas of the City: Area 1 (San Fernando Valley), Area 2 (Central - Mulholland Drive to the Santa Monica Freeway), and Area 3 (Southwestern, Southeastern and Harbor - South of Santa Monica Freeway). The proposed five-year contract ceiling is \$30,514.154.

After hearing concerns regarding the proposed agreement with STI from the Mayor's representative, as well as a Council District 15 representative, your Committee continued this item until August 11, 2004. Several members of the public who expressed interest in speaking on this subject agreed to wait to speak at the August 11, 2004 meeting. In the interim, your Committee recommended that Council approve the DOT's recommendation to authorize the DOT's General Manager to execute contract

*ADOPTED AS AMENDED by Ccl action of 9-28-04. Moshawish

extensions for the operation of Dial-a-Ride services with Connex West and WLCAC because the existing contracts will expire before a new contract is executed. The contract extensions are to be on a month-to-month basis, not to exceed three months, under the current conditions of the contracts, until a new contract is awarded through the competitive bid process. (Please refer to Council file 03-1653 for previous contract amendments with Connex West and WLCAC).

At its August 11, 2004 meeting, your Committee considered this item again. At this meeting, several speakers addressed the Committee during public testimony, both in favor and against the proposal. A Mayor's representative, Councilwoman Janice Hahn, and a representative from Council District 9 expressed concerns regarding DOT's proposal to award a contract to only one provider, STI, and spoke in favor of the existing providers and their strong service record as well as their support of local working families by providing quality wages and benefits. Your Committee then continued the item to September 8, 2004 in order to review/weigh the concerns raised at this meeting.

At its September 8, 2004 meeting, your Committee considered an August 30, 2004 report from the DOT responding to issues raised at the August 11, 2004 meeting concerning the recommended award of contract for operation of Cityride Dial-a-Ride Service. In its report (attached to the Council file), the DOT reports that the recommended contract award to STI for service areas 1, 2 and 3 would save the City over \$3.5 million (12 percent) compared to the next lowest cost contract award option (as addressed in the DOT's March 3, 2004 report, also attached to the Council file). Your Committee also considered letters from Councilmembers Eric Garcetti and Ludlow in favor of one of the existing providers, Connex, and expressing concern regarding the proposal to award the entire contract to STI.

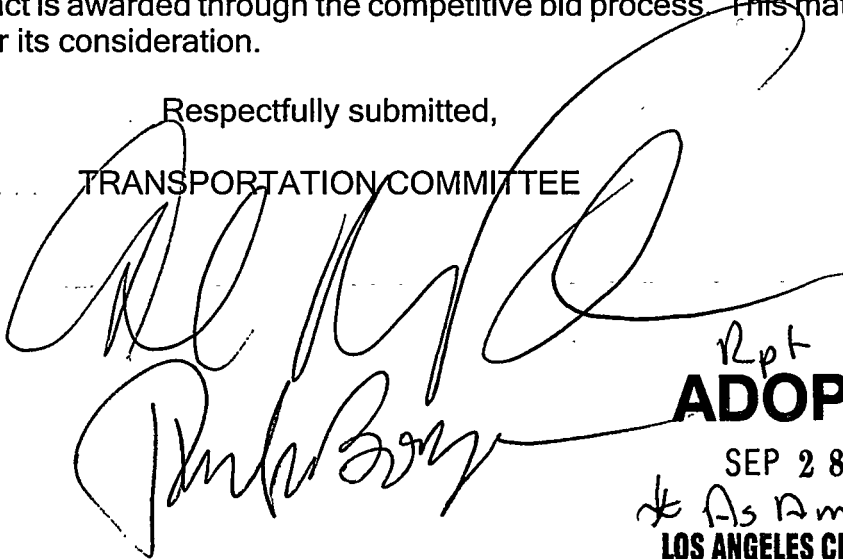
After additional public testimony and a lengthy discussion and clarification on the issues previously raised relative to local hiring, status of existing wages and benefits, rights of existing unions and labor agreements, etc., your Committee sought the City Attorney's advice on the appropriate Committee action(s) relative to this issue. Based on said advice, your Committee then recommended to reject all proposals for the operation of Cityride Paratransit Services for Areas 1, 2, and 3. Your Committee also recommended to direct the DOT to engage in a new proposal process, taking into consideration the concerns raised at the Transportation Committee level, e.g., existing vs. proposed wages and benefits; and the service/track record of the existing providers, Connex West, LLC, for Areas 1 and 2, and the WLCAC for Area 3. Your Committee further recommended to authorize the DOT General Manager to execute contract extensions for the operation of Cityride Dial-a-Ride services with Connex West and WLCAC on a month-to-month basis, not to exceed six months, under the current conditions of the contracts, until a new contract is awarded through the competitive bid process. This matter is now being forwarded to the Council for its consideration.

Respectfully submitted,

TRANSPORTATION COMMITTEE

MEMBER	VOTE
VILLARAIGOSA	YES
SMITH	ABSENT
LABONGE	YES

MLE
9-20-04
reports\#041166



Rpt
ADOPTED

SEP 28 2004
As Amended
LOS ANGELES CITY COUNCIL
See Attached Motion

VERBAL MOTION

I HEREBY MOVE that Council AMEND the Transportation Committee report (Item No. 23, CF 04-1166) relative to Agreement with Southland Transit, Inc. to operate the Cityride Paratransit Services (Dial-a-Ride) in three areas of the City as follows:

AUTHORIZE a 2.8 percent cost of living increase for the six-month contract extension.

PRESENTED BY _____
ANTONIO VILLARAIGOSA
Councilmember, 14th District

SECONDED BY _____
MARTIN LUDLOW
Councilmember, 10th District

September 28, 2004

CF 04-1166

Motion
ADOPTED

SEP 28 2004

LOS ANGELES CITY COUNCIL

COUNCIL VOTE

Sep 28, 2004 11:59:36 AM, #15

ITEM NO. (23)
Adopt as Amended

CARDENAS	Yes
GARCETTI	Yes
GREUEL	Yes
HAHN	Yes
LABONGE	Absent
LUDLOW	Yes
*MISCIKOWSKI	Yes
PARKS	Absent
PERRY	Yes
REYES	Yes
SMITH	Yes
VILLARAIGOSA	Yes
WEISS	Absent
ZINE	Yes
PADILLA	Absent

Present: 11, Yes: 11 No: 0

CITY OF LOS ANGELES SPEAKER CARD

Item #3

Date 9/8/04

Council File No., Agenda Item, or Case No. 04-1166

I wish to speak before the Transportation Comm. Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal (X) Against proposal () General comments

Name: Ed Rendón

Business or Organization Affiliation: Transstans Joint Council 42

Address: 818 Oak Park Rd Covina, CA 91724

Business phone: 626-974-4212 Representing: City-Ride Drivers Local 63

CHECK HERE IF YOU ARE A PAID SPEAKER AND PROVIDE CLIENT INFORMATION BELOW: []

Client Name: Phone #:

Client Address: Street City State Zip

Please see reverse of card for important information and submit this entire card to the presiding officer or chairperson.

CITY OF LOS ANGELES SPEAKER CARD

Item #3

Date 8th - SEPT - 04

Council File No., Agenda Item, or Case No. 04-1166

I wish to speak before the TRANSPORTATION COMMITTEE Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal (X) Against proposal () General comments

Name: GLEN CHARLES

Business or Organization Affiliation: CONNEX WEST LLC

Address: 700, SOUTH FLOWER STREET LA CA 90017

Business phone: 213-236-0130 Representing: CONNEX

CHECK HERE IF YOU ARE A PAID SPEAKER AND PROVIDE CLIENT INFORMATION BELOW: []

Client Name: Phone #:

Client Address: Street City State Zip

Please see reverse of card for important information and submit this entire card to the presiding officer or chairperson.

CITY OF LOS ANGELES SPEAKER CARD

EF 04-1166

Date
9-8-04

Council File No., Agenda Item, or Case No.
3

I wish to speak before the TRANSPORTATION COMMITTEE
Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal
() Against proposal
Name: DR. Messele Negash General comments

Business or Organization Affiliation: WECA

Address: 10950 S. Cental Ave L.A. CA 90059
Street City State Zip

Business phone: 323.5703.5739 Representing: _____

CHECK HERE IF YOU ARE A PAID SPEAKER AND PROVIDE CLIENT INFORMATION BELOW:

Client Name: _____ Phone #: _____

Client Address: _____
Street City State Zip

Please see reverse of card for important information and submit this entire card to the presiding officer or chairperson.

CITY OF LOS ANGELES SPEAKER CARD

CF 07-1166

Date 9-8-04

Council File No., Agenda Item, or Case No. 3

I wish to speak before the TRANSPORTATION COMMITTEE
Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal () Against proposal (X) General comments

Name: TIMOTHY WATKINS

Business or Organization Affiliation: WLCA

Address: 10950 S. Central Ave C.A. CA 90059
Street City State Zip

Business phone: 323.963.9639 Representing:

CHECK HERE IF YOU ARE A PAID SPEAKER AND PROVIDE CLIENT INFORMATION BELOW: []

Client Name: Phone #:

Client Address: Street City State Zip

Please see reverse of card for important information and submit this entire card to the presiding officer or chairperson.

CITY OF LOS ANGELES SPEAKER

WARD

Item #3

Date 9/8/04

Council File No., Agenda Item, or Case No. 04-1166

I wish to speak before the TRANSPORTATION COMM, LA CITY COUNCIL
Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? (X) For proposal
Name: DAVE DALEY () Against proposal () General comments

Business or Organization Affiliation: CHIEF OPERATING OFFICER, SOUTHLAND TRANSIT

Address: 3650 ROCKWELL AVE EL MONTE CA 91731
Street City State Zip

Business phone: 626.488.3927 Representing: SOUTHLAND TRANSIT

CHECK HERE IF YOU ARE A PAID SPEAKER AND PROVIDE CLIENT INFORMATION BELOW: []

Client Name: Phone #:

Client Address: Street City State Zip

Please see reverse of card for important information and submit this entire card to the presiding officer or chairperson.

CITY F LOS ANGELES SPEAKER ARD

07-1166

Date 9/8/04

Council File No., Agenda Item, or Case No. 15

I wish to speak before the TRANSPORTATION Committee
Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal
Name: TRACI D. SWIFT (x) Against proposal () General comments

Business or Organization Affiliation: TEAMSTER LOCAL 512

Address: 450 CARSON PLAZA DR CARSON CA 90746

Business phone: 310 3459732 City State Zip
Representing: AREA 2 DRIVER FOR CONNER TCT

CHECK HERE IF YOU ARE A PAID SPEAKER AND PROVIDE CLIENT INFORMATION BELOW: []

Client Name: Phone #:

Client Address: Street City State Zip

Please see reverse of card for important information and submit this entire card to the presiding officer or chairperson.



LOS ANGELES CITY COUNCIL

Eric Garcetti
Councilmember, District 13

#3
CF 04-1166
Received in
"IT" Committee
on 9/8/04

September 8, 2004

Honorable City Council
Office of the City Clerk
Room 395, City Hall

Attention: Councilmember Antonio Villaraigosa
Chairperson, Transportation Committee

Honorable Members:

With regards to Item #3 on today's Transportation Committee agenda, it has come to my attention that the Department of Transportation recommends awarding the Cityride service currently operated by Connex to STI.

Connex has operated this route successfully while providing quality wages and benefits to its employees. The city has long established in its policies that its contracted services should never come at the expense of quality jobs.

DOT believes that STI can offer the city savings of 12% on the contract. It is imperative that the city verifies that these savings do not come at the expense of workers' job quality and health care. I am especially concerned that the cost savings may not reflect the true labor costs, especially because I understand that the RFP required contractors to maintain the current standards. Do STI's savings account for its responsibility to maintain commitments to its workforce?

I ask that before this contract is awarded, the city obtain satisfactory answers to these questions.

Sincerely,

Councilmember Eric Garcetti

COMMITTEE ASSIGNMENTS:

CHAIR: CONVENTIONS, TOURISM,
ENTERTAINMENT INDUSTRY AND
BUSINESS ENTERPRISE COMMITTEE

VICE CHAIR: HOUSING,
COMMUNITY AND ECONOMIC
DEVELOPMENT

MEMBER: ARTS, PARKS, HEALTH
AND AGING



CITY HALL

200 N. Spring Street
Suite 430
Los Angeles, CA 90012
(213) 473-7010
(213) 485-9829 Fax

DISTRICT OFFICE

1819 South Western Avenue
Los Angeles, CA 90006
(323) 733-8233
(323) 733-5833 Fax

5651 Pico Boulevard
Los Angeles, CA 90019

COUNCILMEMBER
MARTIN LUDLOW
TENTH DISTRICT

September 8, 2004

Honorable City Council
Office of the City Clerk
Room 395, City Hall

Attention: Councilmember Antonio Villaraigosa
Chairperson, Transportation Committee

Honorable Members:

I write regarding Item 3 on the September 8, 2004, Transportation Committee Agenda.

I urge the Committee to carefully evaluate the Department of Transportation's (DOT) recommendations, which are often based solely on the most cost-effective or lowest bid proposals. The most cost effective or lowest bid is not always the best.

We should support companies who have shown a strong record of supporting working families in our city. As a contractor for Cityride Paratransit Services, Connex continues to compensate its employees fairly and provides a much-needed transit service to the City's most dependent and needy. Their past record of providing excellent service to their employees and our city is a criteria which I held in high regard.

Thank you for assistance in this matter. Please contact me directly if you have any further questions,

Sincerely,

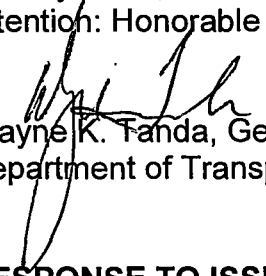
MARTIN LUDLOW
Councilmember, 10th District

ML:ri

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: August 30, 2004

To: The Honorable City Council
c/o City Clerk, Room 395, City Hall
Attention: Honorable Antonio Villaraigosa, Transportation Committee

From: 
Wayne K. Fanda, General Manager
Department of Transportation

**SUBJECT: RESPONSE TO ISSUES RAISED CONCERNING RECOMMENDED
AWARD OF CONTRACT FOR OPERATION OF CITYRIDE DIAL-A-RIDE
SERVICE**

The purpose of this report is to briefly address several issues that were raised at the August 11, 2004 Transportation Committee meeting concerning the Department's March 3, 2004 report (and the CAO's report dated May 20, 2004) recommending award of a contract for the continued operation of Cityride dial-a-ride services throughout the City (Areas 1-3). The Department and CAO reports recommend the award of a contract to Southland Transit, Inc. (STI), based on the ratings of the evaluation panel. The recommended contract award to STI for service areas 1-3 would save the City over \$3.5 million (12%) compared to the next lowest cost contract award option.

Response to Issues/Questions

The discussion below provides additional summary information concerning several issues and/or questions raised by the Transportation Committee at its August 11, 2004 meeting about the recommended Cityride dial-a-ride contract award. This discussion is intended to supplement and clarify the testimony provided by the Department at the meeting. The issue or question is first summarized, followed by the Department's response.

1. A concern was raised about local hiring and the status of existing employees in the event that a new contractor is awarded the contract.

Response: As discussed at the meeting, the City's Worker Retention Ordinance requires that the new contractor(s) offer employment to all existing employees (with wages of \$15 per hour or less) of the incumbent contractor(s) who have been employed by the incumbent contractor(s) for the preceding 12 months or more. This requirement

TRANSPORTATION

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CITY CLERK
BY  DEPUTY

would affect a majority of all incumbent contractor staff involved in providing the service, including drivers, dispatchers, clerks, service attendants, etc.

2. A question was raised about the rights of existing unions and labor agreements if the contract is awarded to a new contractor.

Response: The drivers of Cityride dial-a-ride service areas 1 and 2, presently operated under contract to Connex, are represented by Teamsters Local 63 and 572, respectively. In the event that these two service areas are assumed by a new contractor, it is our understanding that the affected drivers may petition the National Labor Relations Board (NLRB) to be represented by the current union or seek new union representation. Once certified by the NLRB, the new firm would be compelled by law to negotiate in good faith with the union selected as the driver's representative.

The drivers for Cityride area 3, presently operated under contract to WLCAC, are not unionized. These drivers may also choose to file a petition with the NLRB for union representation as discussed above.

3. A concern was raised about maintaining existing driver wages and benefits with the new contract award.

Response: See attached for table representing both existing (Sections I and II) and proposed (Sections III and IV) driver wages and benefits by operator. The City's Living Wage Ordinance requirements are also provided in the table (Section V).

As discussed at the meeting, the City's Living Wage Ordinance (LWO) requires that all City contractors provide a minimum "living wage" and benefits to its employees. The City's required Living Wage for FY 2004-05 is \$10.03/hr. (\$8.73/hr. wage and \$1.25 benefits). Exemptions to the City's LWO requirement include contractors who are party to a collective bargaining agreement which contains language that supercedes the LWO. Approved non-profit employers can also be exempted from the City's LWO requirement. Both Connex (Labor Agreement) and WLCAC (Non-Profit) are currently exempt from the LWO.

In addition to the City's LWO, the Department takes an additional step in its request for proposals (RFP) process to help ensure that existing contractor wages and benefits are maintained, at a minimum, as part of the City's contract award process. Although not required by the City, the Department incorporates existing contractor employee wage and benefit information in its transit RFPs, and encourages all proposers to assume at least the existing employee wages and benefits in order to avoid potential wage reductions. This existing wage and benefit information is provided to the Department by the affected incumbent contractors (see Attachment, Section I, for information provided

by Connex and WLCAC).

It should be noted that the Department recently solicited current driver wage and health benefit information from Connex and WLCAC effective July 2004 (see Attachment, Section II). While the average wages and health benefits reported by WLCAC for July 2004 remain almost constant to that reported to the Department in December 2003 for inclusion in the Cityride RFP, the current figures quoted by Connex do increase significantly (15 percent increase) relative to the information provided by Connex in December 2003. According to Connex, this escalation in wages and benefits is due to increases in the City's Living Wage Ordinance (effective July 2004) and Connex's labor union agreement (effective February 2004).

Information is also included in the attachment concerning the proposed driver wages and health benefits for each of the four firms that submitted proposals in response to the Department's RFP. Information is provided for both for the proposed five-year overall contract average (Section III) and the first year of the proposal (Section IV).

4. There was a request made of the Assistant City Attorney at the meeting to clarify the difference between low bid versus lowest responsible bidder as it relates to this contract award process.

Response: As discussed by Shelley Smith of the City Attorney's Office, the Department utilized a request for proposals (RFP) process rather than a request for bids (RFB) process for the proposed Cityride dial-a-ride contract award, which is appropriate given the nature of the services being contracted. Rather than simply awarding a contract to the lowest responsible bidder, the evaluation panel considers both quantitative and qualitative information contained in the proposals. The four evaluation criteria (and weighting) contained in the Department's RFP include: 1) qualifications of firm (20%); 2) qualifications of proposed staff (20%); 3) operating methodology (20%) and 4) cost-effectiveness (40%).

The Department's recommendation of STI for the Cityride dial-a-ride contract award is based on the findings of the evaluation panel that STI would provide a high quality and cost-effective service for the City. While STI is the lowest cost proposer for this particular contract award process, the Department is not bound to recommend (nor is the Council bound to select) the lowest cost firm in all cases. For example, during the most recent contract award for Community DASH (Packages 1-3), the Department recommended and the City Council approved a contract award to a firm (First Transit) which was 11 percent more expensive than the lowest cost firm. As part of that evaluation process, the Department had serious concerns about the ability of the lowest cost firm to provide quality transit service based on the proposal as submitted.

5. There was a question raised at the meeting about why WLCAC's costs are so high given that it proposed lower overall driver wages and benefits relative to STI and Connex.

Response: Mr. Timothy Watkins of WLCAC addressed this issue and indicated that significant increases in worker's compensation (WC) costs over the past several years have increased WLCAC's cost of doing business. While all transit operators are affected by the increase in WC costs, WLCAC's proposal assumed significantly higher WC costs relative to STI and Connex. WLCAC's assumed WC cost per revenue service hour is approximately 3-4 times higher than the amount assumed by STI and Connex.

6. There was discussion at the meeting about potential contract award options available to the Council.

Response: The Council has a number of potential options in terms of contract award for the Cityride dial-a-ride service. Page 8 of the Department's March 3, 2004 report on this matter identifies 15 potential contract award options representing all of the proposals submitted to LADOT, including options to award contract(s) to one, two or three different proposers. The Department's (and CAO's) recommendation to award a contract to STI for the operation of service areas 1-3 is the lowest cost option for the City, and is approximately \$3.5 million (over five year contract term) or 12% less expensive than the next lowest cost option.

In addition to the Department's recommendation, the Committee gave consideration to Connex, the incumbent operator of service areas 1 and 2, and WLCAC, the incumbent operator for area 3. The lowest cost contract award option that would allow Connex to retain areas 1-2, at a minimum, is to award Connex areas 1-3, at a cost which is \$4.5 million (+15%) more expensive than the Department's recommendation. The contract award option that would allow both incumbent operators, Connex for areas 1-2 and WLCAC for area 3, to retain their current service areas would cost the City an additional \$7.8 million (+26%) over the term of the contract. The lowest cost contract award option that would allow WLCAC to retain area 3 is to award STI areas 1-2, and WLCAC area 3, at a cost to the City which is \$5.2 million (+17%) more expensive than the Department's recommendation.

The Council also has the option to award a contract for only one or two of the three service areas, and request that the remaining area(s) be put back out to competitive bid through the Department's RFP process. For example, one option discussed at the meeting was to award a contract to STI for areas 1-2, and rebid area 3. One disadvantage of this approach is the potential loss of economy of scale savings

associated with awarding a contract to one operator for all three service areas. Unless there is reason to believe that rebidding a service area (or areas) will result in significantly lower costs, it is anticipated that awarding a contract for only one or two areas at this time will ultimately result in significantly higher costs relative to the Department's recommendation. As discussed above, the Department's recommendation saves the City \$3.5 million (12%) relative to the next lowest cost contract award option.

The Council also has the option to request that all three service areas be put back out to competitive bid by the Department through the RFP process. It is unclear whether there would be any significant change in proposed costs associated with this approach.

Attachment

**CITYRIDE CONTRACT AWARD
DRIVER WAGE AND HEALTH BENEFIT INFORMATION**

I. Existing Driver Wages and Health Benefits (Dec. 2003)*

<u>Operator</u>	<u>Avg. Wage</u>	<u>Avg. Benefits</u>	<u>Total</u>
Connex (Areas 1&2)	\$8.35/hr.	\$1.25/hr.	\$ 9.60/hr.
WLCAC (Area 3)	\$8.84/hr.	\$0.58/hr.	\$ 9.42/hr.

* As reported by Connex and WLCAC and included in Dec. 2003 LADOT Cityride RFP.

II. Existing Driver Wages and Health Benefits (July 2004)**

<u>Operator</u>	<u>Avg. Wage</u>	<u>Avg. Benefits</u>	<u>Total</u>
Connex (Areas 1&2)	\$9.21/hr.	\$1.83/hr.	\$11.04/hr.
WLCAC (Area 3)	\$8.86/hr.	\$0.58/hr.	\$ 9.44/hr.

** As reported by Connex and WLCAC.

III. Proposed Driver Wages and Health Benefits (5-Year Average)

<u>Operator</u>	<u>Avg. Wage</u>	<u>Avg. Benefits</u>	<u>Total</u>
Connex (Areas 1&2)	\$ 9.99/hr.	\$1.99/hr.	\$11.98/hr.
Connex (Areas 1-3)	\$ 9.94/hr.	\$1.21/hr.	\$11.15/hr.
STI (Areas 1&2)	\$ 9.52/hr.	\$1.31/hr.	\$10.83/hr.
STI (Areas 1-3)	\$ 9.51/hr.	\$1.31/hr.	\$10.82/hr.
T&N (Areas 1&2)	\$ 9.43/hr.	\$1.30/hr.	\$10.73/hr.
WLCAC (Area 3)	\$10.01/hr.	\$0.58/hr.	\$10.59/hr.

IV. Proposed Driver Wages and Health Benefits (1st Year)

<u>Operator</u>	<u>Avg. Wage</u>	<u>Avg. Benefits</u>	<u>Total</u>
Connex (Areas 1&2)	\$9.21/hr.	\$1.83/hr.	\$11.04/hr.
Connex (Areas 1-3)	\$9.01/hr.	\$1.08/hr.	\$10.09/hr.
STI (Areas 1&2)	\$9.12/hr.	\$1.31/hr.	\$10.43/hr.
STI (Areas 1-3)	\$9.12/hr.	\$1.31/hr.	\$10.43/hr.
T&N	NA	NA	NA
WLCAC	\$9.42/hr.	\$0.58/hr.	\$10.00/hr.

NA = Not available (information not broken down by year in proposal).

V. City of Los Angeles Living Wage Ordinance

<u>Year</u>	<u>Wage</u>	<u>Benefits</u>	<u>Total</u>
2003-04	\$8.53/hr.	\$1.25/hr.	\$ 9.78/hr.
2004-05	\$8.78/hr.	\$1.25/hr.	\$10.03/hr.

Note: Health benefits reflects employer contribution to driver's health plan only.

03-1066-S1 DOT report relative to comments on the California High Speed Rail Authority's draft Program Environmental Impact Report and Statement.

Fiscal Impact Statement Submitted: Yes, by the DOT

DISPOSITION Approved but CA Villavieja directed DOT to Address Leo's concerns.

CONTINUED FROM 7-14-04

04-1166 Mayor's transmittal and CAO report relative to Agreement with Southland Transit, Inc. for Cityride Paratransit Services.

Fiscal Impact Statement Submitted: Yes, by the CAO

DISPOSITION Def. one month in order to review/weight concerns raised at today's meeting & allow 3rd Committee member (LaBorse) to participate in the approval process.

— numerous speakers (many against proposal.)

COMMENTS FROM PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN COMMITTEE'S SUBJECT MATTER JURISDICTION

CITY OF LOS ANGELES SPEAKER CARD

CF 04-1166

Date 8/11/07

Council File No., Agenda Item, or Case No. # 21

I wish to speak before the T-Comm Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal () Against proposal (x) General comments Name: Brian Williams

Business or Organization Affiliation: Mayor's office

Address: 200 N Spring St LA CA 90012 Street City State Zip

Business phone: 213-978-0673 Representing: Mayor

CHECK HERE IF YOU ARE A PAID SPEAKER AND PROVIDE CLIENT INFORMATION BELOW: []

Client Name: Phone #:

Client Address: Street City State Zip

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CITY OF LOS ANGELES SPEAKER ARD

CF 04-1166

Date 08/11/04

Council File No., Agenda Item, or Case No. 21

I wish to speak before the TRANSPORTATION COMMITTEE
Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda?
Name: GREG FISCHER

Business or Organization Affiliation: CD9

Address: Street City State Zip

Business phone: Representing: COUNCILWOMAN JAN PEREY

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Client Address: Street City State Zip

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CITY OF LOS ANGELES SPEAKER CARD

Item # 21

Date 11th - AUG - 04

Council File No., Agenda Item, or Case No. 04-1166

I wish to speak before the TRANSPORTATION Committee
Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal

Name: GLEN CHARLES (X) Against proposal () General comments

Business or Organization Affiliation: CONNEX WEST LLC

Address: 700 South Flower St LA CA
Street City State Zip

Business phone: 213 286 0130 Representing:

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Client Address: Street City State Zip

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CITY OF LOS ANGELES SPEAKER

ARD

Item # 21

Date 8-11-04

Council File No., Agenda Item, or Case No. 04-1166

I wish to speak before the TRANSPORTATION Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal

(X) Against proposal () General comments

Name: BARBARA MOLINA

Business or Organization Affiliation: TEAMSTERS LOCAL 63

Address: 375 OAK PARK RD Covina CA Street City State Zip

Business phone: 626 859 4005 Representing: CONNEX DRIVERS AREA 1

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Client Name: Phone #:

Client Address: Street City State Zip

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CITY OF LOS ANGELES SPEAKER BOARD

Fletcher

Date 8-11-14

Council File No., Agenda Item, or Case No. 04-1166

I wish to speak before the TRANSPORTATION Comm.
Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal

Name: ED RENDON Against proposal
() General comments

Business or Organization Affiliation: TEAM STEPS JOINT COUNCIL 42

Address: 818 OAK PARK RD Covina CA 91724
Street City State Zip

Business phone: 626-974-4212 Representing: PRES. JIM SANDRIBELLO

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Client Name: _____ Phone #: _____

Client Address: _____
Street City State Zip

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CITY OF LOS ANGELES SPEAKER CARD

Identified

Date 8/11/09

Council File No., Agenda Item, or Case No. 04-1166

I wish to speak before the ~~Eric Tate~~ Transportation Comm.
Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal
(x) Against proposal
Name: Eric Tate () General comments

Business or Organization Affiliation: Teamster Local 848

Address: 818 Oak Park Rd Coving CA 90724
Street City State Zip

Business phone: (626) 732-4700 Representing: Teamster Local 848

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Client Address: _____
Street City State Zip

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CITY OF LOS ANGELES SPEAKER CARD

Date 8-10-04

Council File No., Agenda Item, or Case No. Item # 21

I wish to speak before the Transportation Commission 04-1166
Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal (x) Against proposal () General comments
Name: TRACI D. SMITH

Business or Organization Affiliation: Teamsters Local 572

Address: 450 CARSON PLAZA DR CARSON CA 90749

Business phone: 310 5150601 Representing: Drivers Connex tel

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Client Name: Phone #:

Client Address: Street City State Zip

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CITY OF LOS ANGELES SPEAKER CARD

Item # 21

Date 8/11/04

Council File No., Agenda Item, or Case No. 04-1166

I wish to speak before the TRANSPORTATION COMMITTEE
Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? (X) For proposal
Name: DAVE DALEY, CHIEF OPERATING OFFICER () Against proposal () General comments

Business or Organization Affiliation: SOUTHLAND TRANSIT, INC.

Address: 3650 ROCKWELL EL MONTE CA 91731
Street City State Zip

Business phone: 626-488-3927 Representing:

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CITY OF LOS ANGELES SPEAKER CARD

Date 8/11/04

Council File No., Agenda Item, or Case No. 04-1166

I wish to speak before the DEPT OF TRANSP. Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? (X) Against proposal Name: MELINDA D. (HALL) JUAREZ

Business or Organization Affiliation: TEAMSTERS LOCAL 63

Address: 845 OAK PK. RD COVINA CA 91724

Business phone (626) 859-4005 (X110) Representing: TCT DRIVERS VAN WAYS

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Client Address: Street City State Zip

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CITY F LOS ANGELES SPEAKER ARD

CF 04-1166

Date 8-11-04

Council File No., Agenda Item, or Case No. # 21

I wish to speak before the T-Committee Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal () Against proposal (x) General comments

Name: Eduardo Cortez

Business or Organization Affiliation: Conner

Address: 14660 Layme St. Van Nuys, CA 91405

Business phone: 818-901-2040 Representing:

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Client Name: Phone #:

Client Address: Street City State Zip

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CITY OF LOS ANGELES SPEAKER BOARD

EF 07-1166

Date 8-11-04

Council File No., Agenda Item, or Case No. JA 21

T-Committee

I wish to speak before the _____

Francisco Ibarra

Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal

() Against proposal

(x) General comments

Name: _____

Business or Organization Affiliation: A Connex

Address: 14660 Raymer St. Van Nuys CA 91405

Business phone: 818-901-2040 Representing: _____

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Client Name: _____ Phone #: _____

Client Address: _____

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CITY OF LOS ANGELES SPEAKER CARD

CF 04-1166

Date 8-11-04

Council File No., Agenda Item, or Case No. # 21

I wish to speak before the T-Committee
Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda?
Name: GLORIA DAVIS
() For proposal
() Against proposal
() General comments

Business or Organization Affiliation: Connex
Address: 14660 Raymer St Van Nuys CA 91415
Business phone: 818-901-2040 Representing:

CHECK HERE IF YOU ARE A PAID SPEAKER AND PROVIDE CLIENT INFORMATION BELOW:
Client Name: Phone #:
Client Address: Street City State Zip

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CITY OF LOS ANGELES SPEAKER CARD

Item # 21

Date 8/11/04

Council File No., Agenda Item, or Case No. 04-1166

I wish to speak before the TRANSPORTATION COMMITTEE
Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda?
Name: JEFF HALL
() For proposal
(X) Against proposal
() General comments

Business or Organization Affiliation: CONNEX WEST

Address: 700 S FLOWER ST LOS ANGELES CA 90017
Street City State Zip

Business phone: 213 236 0137 Representing:

CHECK HERE IF YOU ARE A PAID SPEAKER AND PROVIDE CLIENT INFORMATION BELOW: []

Client Name: Phone #:

Client Address: Street City State Zip

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Date 8-11-07

Council File No., Agenda Item, or Case No.
21

I wish to speak before the TRANSPORTATION COMMITTEE
Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal
() Against proposal
Name: TIMOTHY WATKINS SR. (x) General comments

Business or Organization Affiliation: WLCAC

Address: 10950 SOUTH CENTRAL Ave L.A. 90059
Street City State Zip

Business phone: 323.5703.5639 Representing: _____

CHECK HERE IF YOU ARE A PAID SPEAKER AND PROVIDE CLIENT INFORMATION BELOW:

Client Name: _____ Phone #: _____

Client Address: _____
Street City State Zip

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ARTICLE 10 SERVICE CONTRACTOR WORKER RETENTION

Section

- 10.36 Findings and Statement of Policy.
- 10.36.1 Definitions.
- 10.36.2 Transition Employment Period.
- 10.36.3 Enforcement.
- 10.36.4 Exemption for Successor Contractor or Subcontractor's Prior Employees.
- 10.36.5 Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.
- 10.36.6 Expenditures Covered by this Article.
- 10.36.7 Timing of Application of Ordinances Adding and Then Amending this Article.
- 10.36.8 Promulgation of Implementing Rules.
- 10.36.9 Severability.

Sec. 10.36. Findings and Statement of Policy.

The City awards many contracts to private firms to provide services to the public and to City government. The City also provides financial assistance and funding to others for the purpose of economic development or job growth. At the conclusion of the terms of a service contract with the City or with those receiving financial assistance from the City, competition results in the awarding of a service contract to what may be a different contractor. These new contracts often involve anticipated changes in different managerial skills, new technology or techniques, new themes or presentations, or lower costs.

The City expends grant funds under programs created by the federal and state governments. Such expenditures serve to promote the goals established for those programs by such governments and similar goals of the City. The City intends that the policies underlying this article serve to guide the expenditure of such funds to the extent allowed by the laws under which such grant programs are established.

Despite desired changes through the process of entering into new contracts, it is the experience of the City that reasons for change do not necessarily include a need to replace workers presently performing services who already have useful knowledge about the workplace where the services are performed.

Incumbent workers have already invaluable knowledge and experience with the work schedules, practices, and clients. The benefits of replacing these workers without such experiences decreases efficiency and results in a disservice to City and City financed or assisted projects.

Retaining existing service workers when a change in contractors occurs reduces the likelihood of labor disputes and disruptions. The reduction of the likelihood of labor disputes and disruptions results in the assured continuity of services to citizens who receive services provided by the City or by City financed or assisted projects.

It is unacceptable that contracting decisions involving the expenditure of City funds should have any potential

effect of creating unemployment and the consequential need for social services. The City, as a principal provider of social support services, has an interest in the stability of employment under contracts with the City or by those receiving financial assistance from the City. The retention of existing workers benefits that interest.

SECTION HISTORY

Article and Section Added by Ord. No. 170,784, Eff. 1-13-96.

Amended by: Article and Section, Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.1. Definitions.

The following definitions shall apply throughout this article:

(a) **“Awarding authority”** means that subordinate or component entity or person of the City (such as a department) or of the financial assistance recipient that awards or is otherwise responsible for the administration of a service contract or, if none, then the City or the City financial assistance recipient.

(b) **“City”** means the City of Los Angeles and all awarding authorities thereof, including those City departments which exercise independent control over their expenditure of funds, but excludes the Community Redevelopment Agency of the City of Los Angeles.

(c) **“City financial assistance recipient”** means any person that receives from the City in any twelve-month period discrete financial assistance for economic development or job growth expressly articulated and identified by the City totaling at least one hundred thousand dollars (\$100,000); provided, however, that corporations organized under Section §501(c)(3) of the United States Internal Revenue Code of 1954, 26 U.S.C. §501(c)(3), with annual operating budgets of less than five million dollars (\$5,000,000) or that regularly employ homeless persons, persons who are chronically unemployed, or persons receiving public assistance, shall be exempt.

Categories of such assistance include, but are not limited to, bond financing, planning assistance, tax increment financing exclusively by the City, and tax credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance for purposes of this article. A loan shall not be regarded as financial assistance. The forgiveness of a loan shall be regarded as financial assistance. A loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f). A recipient shall not be deemed to include lessees and sublessees. Service contracts for economic development or job growth shall be deemed such assistance once the \$100,000 threshold is reached.

(d) **“Contractor”** means any person that enters into a service contract with the City or a City financial assistance recipient.

(e) **“Employee”** means any person employed as a service employee of a contractor or subcontractor earning less than fifteen dollars (\$15.00) per hour in salary or wage whose primary place of employment is in the City on or under the authority of a service contract and including but not limited to: hotel employees, restaurant, food service or banquet employees; janitorial employees; security guards; parking attendants; nonprofessional health care employees; gardeners; waste management employees; and clerical employees; and does not include a person who is (1) a managerial, supervisory, or confidential employees, or (2) required to possess an occupational license.

(f) **“Person”** means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into contracts.

(g) **“Service contract** means a contract let to a contractor by . . . City or a City financial assistance recipient primarily for the furnishing of services to or for the City or financial assistance recipient (as opposed to the purchase of goods or other property) and that involves an expenditure or receipt in excess of twenty-five thousand dollars (\$25,000) and a contract term of at least three months.

(h) **“Subcontractor”** means any person not an employee that enters into a contract with a contractor to assist the contractor in performing a service contract and that employs employees for such purpose.

(i) **“Successor service contract”** means a service contract where the services to be performed are substantially similar to a service contract that has been recently terminated.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96.

Amended by: Ord. No. 171,004, Eff. 5-18-96; Subsec. (c), Ord. No. 172,843, Eff. 11-4-99.

Sec. 10.36.2. Transition Employment Period.

(a) Where an awarding authority has given notice that a service contract has been terminated, or where a service contractor has given notice of such termination, upon receiving or giving such notice, as the case may be, the terminated contractor shall within ten (10) days thereafter provide to the successor contractor the name, address, date of hire, and employment occupation classification of each employee in employment, of itself or subcontractors, at the time of contract termination. If the terminated contractor has not learned the identity of the successor contractor, if any, by the time that notice was given of contract termination, the terminated contractor shall obtain such information from the awarding authority. If a successor service contract has not been awarded by the end of the ten (10)-day period, the employment information referred to earlier in this subsection shall be provided to the awarding authority at such time. Where a subcontract of a service contract has been terminated prior to the termination of the service contract, the terminated subcontractor shall for purposes of this article be deemed a terminated contractor.

(1) Where a service contract or contracts are being let where the same or similar services were rendered by under multiple service contracts, the City or City financial aid recipient shall pool the employees, ordered by seniority within job classification, under such prior contracts.

(2) Where the use of subcontractors has occurred under the terminated contract or where the use of subcontractors is to be permitted under the successor contract, or where both circumstances arise, the City or City financial assistance recipient shall pool, when applicable, the employees, ordered by seniority within job classification, under such prior contracts or subcontracts where required by and in accordance with rules authorized by this article.

(b) A successor contractor shall retain, for a ninety (90)-day transition employment period, employees who have been employed by the terminated contractor or its subcontractors, if any, for the preceding twelve (12) months or longer. Where pooling of employees has occurred, the successor contractor shall draw from such pools in accordance with rules established under this article. During such ninety (90)-day period, employees so hired shall be employed under the terms and conditions established by the successor contractor (or subcontractor) or as required by law.

(c) If at anytime the successor contractor determines that fewer employees are required to perform the new service contract than were required by the terminated contractor (and subcontractors, if any), the successor contractor shall retain employees by seniority within job classification.

(d) During such ninety (90)-day period, the successor contractor (or subcontractor, where applicable) shall maintain a preferential hiring list of eligible covered employees not retained by the successor contractor (or

subcontractor) from which the successor contractor (or subcontractor) shall hire additional employees.

(e) Except as provided in Subsection (c) of this section, during such ninety (90)-day period the successor contractor (or subcontractor, where applicable) shall not discharge without cause an employee retained pursuant to this article. "Cause" for this purpose shall include, but not be limited to, the employee's conduct while in the employ of the terminated contractor or subcontractor that contributed to any decision to terminate the contract or subcontract for fraud or poor performance.

(f) At the end of such ninety (90)-day period, the successor contractor (or subcontractor, where applicable) shall perform a written performance evaluation for each employee retained pursuant to this article. If the employee's performance during such ninety (90)-day period is satisfactory, the successor contractor (or subcontractor) shall offer the employee continued employment under the terms and conditions established by the successor contractor (or subcontractor) or as required by law. During such ninety (90)-day period, the successor contractor shall maintain a preferential hiring list of eligible covered employees not retained by the successor contractor from which the successor contractor shall hire additional employees.

(g) If the City or a City financial assistance recipient enters into a service contract for the performance of work that prior to the service contract was performed by the City's or the recipient's own service employees, the City or the recipient, as the case may be, shall be deemed to be a "terminated contractor" within the meaning of this section and the contractor under the service contract shall be deemed to be a "successor contractor" within the meaning of this section and Section 10.36.3.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96.

Amended by: Ord. No. 171,004, Eff. 5-18-96; Subsec. (g) Added, Ord. No. 172,349, Eff. 1-29-99.

Sec. 10.36.3. Enforcement.

(a) An employee who has been discharged in violation of this article by a successor contractor or its subcontractor may bring an action in the Municipal Court or Superior Court of the State of California, as appropriate, against the successor contractor and, where applicable, its subcontractor, and may be awarded:

(1) Back pay for each day during which the violation continues, which shall be calculated at a rate of compensation not less than the higher of:

(A) The average regular rate of pay received by the employee during the last 3 years of the employee's employment in the same occupation classification; or

(B) The final regular rate received by the employee.

(2) Costs of benefits the successor contractor would have incurred for the employee under the successor contractor's (or subcontractor's, where applicable) benefit plan.

(b) If the employee is the prevailing party in any such legal action, the court shall award reasonable attorney's fees and costs as part of the costs recoverable.

(c) Compliance with this article shall be required in all City contracts to which it applies, and such contracts shall provide that violation of this article shall entitle the City to terminate the contract and otherwise pursue legal remedies that may be available.

(d) Notwithstanding any provision of this Code or any other ordinance to the contrary, no criminal penalties shall attach for any violation of this article.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96.

Amended by: Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.4. Exemption for Successor Contractor or Subcontractor’s Prior Employees.

An awarding authority shall upon application by a contractor or subcontractor exempt from the requirements of this article a person employed by the contractor or subcontractor continuously for at least twelve (12) months prior to the commencement of the successor service contract or subcontract who is proposed to work on such contract or subcontract as an employee in a capacity similar to such prior employment, where the application demonstrates that (a) the person would otherwise be laid off work and (b) his or her retention would appear to be helpful to the contractor or subcontractor in performing the successor contract or subcontract. Once a person so exempted commences work under a service contract or subcontract, he or she shall be deemed an employee as defined in Section 10.36.1(e) of this Code.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96.

Amended by: Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.5. Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.

This article shall not be construed to limit an employee’s right to bring legal action for wrongful termination.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96.

Amended by: Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.6. Expenditures Covered by this Article.

This article shall apply to the expenditure, whether through service contracts let by the City or by its financial assistance recipients, of funds entirely within the City’s control and to other funds, such as federal or state grant funds, where the application of this article is consonant with the laws authorizing the City to expend such other funds. City financial assistance recipients shall apply this article to the expenditure of non-City funds for service contracts to be performed in the City by complying themselves with § 10.36.2(g) and by contractually requiring their service contractors to comply with this article. Such requirement shall be imposed by the recipient until the City financial assistance has been fully expended.

SECTION HISTORY

Added by Ord. No. 171,004, Eff. 5-18-96.

Amended by: Ord. No. 172,337, Eff. 1-14-99; Ord. No. 172,843, Eff. 11-4-99.

Sec. 10.36.7. Timing of Application of Ordinances Adding and then Amending this Article.

The provisions of this article as set forth in City Ordinance No. 171,004 shall apply to contracts consummated and financial assistance provided after May 18, 1996 (the effective date of City Ordinance No. 171,004). As for contracts consummated and financial assistance provided after the original version of this article took effect on January 13, 1996 (by City Ordinance No. 170,784) and through May 18, 1996, the City directs its appointing

authorities and urges others affected to use their best efforts to work cooperatively so as to allow application City Ordinance No. 171,004 rather than City Ordinance No. 170,784 to service contracts let during such period. No abrogation of contract or other rights created by City Ordinance No. 170,784, absent consent to do so, shall be effected by the retroactive application of City Ordinance No. 171,004.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96.

Amended by: Ord. No. 171,004, Eff. 5-18-96; Ord. No. 172,337, Eff. 1-14-99.

Sec. 10.36.8. Promulgation of Implementing Rules.

The City Council shall by resolution designate a department or office, which shall promulgate rules for implementation of this article and otherwise coordinate administration of the requirements of this article.

SECTION HISTORY

Added by Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.9. Severability.

If any severable provision or provisions of this article or any application thereof is held invalid, such invalidity shall not affect other provisions or applications of the article that can be given effect notwithstanding such invalidity.

SECTION HISTORY

Added by Ord. No. 171,004, Eff. 5-18-96.

**ARTICLE 11
LIVING WAGE**

Section

10.37 Legislative Findings.

10.37.1 Definitions.

10.37.2 Payment of Minimum Compensation to Employees.

10.37.3 Health Benefits.

10.37.4 Notifying Employees of Their Potential Right to the Federal Earned Income Credit.

10.37.5 Retaliation Prohibited.

10.37.6 Enforcement.

10.37.7 Administration.

10.37.8 Exclusion of Service Contracts from Competitive Bidding Requirement.

J. MICHAEL CAREY
City Clerk

FRANK T. MARTINEZ
Executive Officer

When making inquiries
relative to this matter
refer to File No.

04-1166

CITY OF LOS ANGELES
CALIFORNIA



JAMES K. HAHN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1043
General Information - (213) 978-1133
Fax: (213) 978-1040

HELEN GINSBURG
Chief, Council and Public Services Division

August 3, 2004

CORRECTED LETTER

*Date of Council action should be
July 20, 2004

Department of Transportation
Board of Transportation Commissioners
Councilmember Hahn
Office of the Mayor
City Administrative Officer
Chief Legislative Analyst
City Attorney

RE: A MONTH-TO-MONTH EXTENSION OF CONTRACT BETWEEN THE CITY, CONNEX WEST,
AND THE WATTS LABOR COMMUNITY ACTION COMMITTEE (WLCAC) TO PROVIDE
TRANSPORTATION SERVICES FOR THE CITYRIDE DIAL-A-RIDE PROGRAM

At the meeting of the Council held *July 20, 2004, the following action was
taken:

Attached report adopted.....	_____ X _____
Attached motion (-) adopted	_____
Attached resolution adopted.....	_____
FORTHWITH.....	_____
Mayor concurred	_____
To the Mayor FORTHWITH	_____
Mayor approved	_____
Motion adopted to approve communication recommendation(s).....	_____
Motion adopted to approve committee report recommendation(s)...	_____
Ordinance adopted.....	_____
Ordinance number.....	_____
Effective date.....	_____
Publication date.....	_____

J. Michael Carey

City Clerk

crm

FF



J. MICHAEL CAREY
City Clerk

FRANK T. MARTINEZ
Executive Officer

When making inquiries
relative to this matter
refer to File No.

04-1166

CITY OF LOS ANGELES
CALIFORNIA



JAMES K. HAHN
MAYOR

Office of the
CITY CLERK
Council and Public Services
Room 395, City Hall
Los Angeles, CA 90012
Council File Information - (213) 978-1043
General Information - (213) 978-1133
Fax: (213) 978-1040

HELEN GINSBURG
Chief, Council and Public Services Division

July 21, 2004

Department of Transportation
Board of Transportation Commissioners
Councilmember Hahn
Office of the Mayor
City Administrative Officer
Chief Legislative Analyst
City Attorney

RE: A MONTH-TO-MONTH EXTENSION OF CONTRACT BETWEEN THE CITY, CONNEX WEST,
AND THE WATTS LABOR COMMUNITY ACTION COMMITTEE (WLCAC) TO PROVIDE
TRANSPORTATION SERVICES FOR THE CITYRIDE DIAL-A-RIDE PROGRAM

At the meeting of the Council held July 21, 2004, the following action was
taken:

Attached report adopted.....	_____ X _____
Attached motion (-) adopted	_____
Attached resolution adopted.....	_____
FORTHWITH.....	_____
Mayor concurred	_____
To the Mayor FORTHWITH	_____
Mayor approved	_____
Motion adopted to approve communication recommendation(s).....	_____
Motion adopted to approve committee report recommendation(s)...	_____
Ordinance adopted.....	_____
Ordinance number.....	_____
Effective date.....	_____
Publication date.....	_____

J. Michael Carey

City Clerk
crm



19

TO THE COUNCIL OF
CITY OF LOS ANGELES

Your

TRANSPORTATION COMMITTEE

reports as follows:

	<u>Yes</u>	<u>No</u>
Public Comments	<u>XX</u>	<u>—</u>

TRANSPORTATION COMMITTEE REPORT relative to a month-to-month extension of contract between the City, Connex West, and the Watts Labor Community Action Committee (WLCAC) to provide transportation services for the Cityride Dial-A-Ride Program.

Recommendation for Council action:

AUTHORIZE the General Manager, Department of Transportation (DOT), to execute contract extensions for the operation of Cityride Dial-A-Ride services with Connex West and WLCAC on a month-to-month basis, not to exceed three months, under the current conditions of the contracts, until a new contract is awarded through the competitive bid process.

Fiscal Impact Statement: The DOT reports that funding is available from the Proposition A Local Transit Assistance Budget. There is no impact on the General Fund.

Summary:

At its July 14, 2004 meeting, your Committee considered CAO and DOT reports relative to the proposed agreement with Southland Transit, Inc., to operate the Citywide Paratransit Services (Dial-a-Ride). After hearing concerns regarding the proposed agreement with Southland Transit, Inc. from the Mayor's representative, as well as a Council District 15 representative, your Committee continued this item until August 11, 2004. Several members of the public who expressed interest in speaking on this subject agreed to wait to speak at the August 11, 2004 meeting. In the interim, your Committee recommended that Council approve the DOT's recommendation to authorize the DOT's General Manager to execute contract extensions for the operation of Dial-a-Ride services with Connex West and WLCAC because the existing contracts will expire before a new contract is executed. The contract extensions are to be on a month-to-month basis, not to exceed three months, under the current conditions of the contracts, until a new contract is awarded through the competitive bid process. (Please refer to Council file 03-1653 for previous contract amendments with Connex West and WLCAC). This matter is now being forwarded to the Council for its consideration.

Respectfully submitted,

TRANSPORTATION COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
VILLARAIGOSA	YES
SMITH	ABSENT
LABONGE	YES

MLE
7-15-04
Citywide
reports\#041166

Report
ADOPTED

JUL 20 2004

LOS ANGELES CITY COUNCIL

COUNCIL VOTE

Jul 20, 2004 11:06:54 AM, #6

ITEM NO. (19)

Voting on Item(s): 19

Roll Call

CARDENAS	Yes
GARCETTI	Yes
GREUEL	Yes
HAHN	Yes
LABONGE	Yes
LUDLOW	Absent
MISCIKOWSKI	Yes
PARKS	Yes
PERRY	Absent
REYES	Yes
SMITH	Yes
VILLARAIGOSA	Yes
WEISS	Yes
ZINE	Yes
*PADILLA	Yes

Present: 13, Yes: 13 No: 0

TRANSPORTATION COMMITTEE
SUGGESTED NOTIFICATION OF COUNCIL ACTION

Council File No.

04-1166

- Petitioner/Communicant _____
- Council Member(s) CD 15
- Board of Transportation Commissioners
- Department of Transportation
- Office of the Mayor *w/o file*
- City Administrative Officer
- Chief Legislative Analyst
- Los Angeles County Metropolitan Transportation Authority
- City Attorney
- Controller

* PLEASE RETURN
FILE TO TRANSPORTATION
COMMITTEE CLERK FOR
OPEN ACTION *

TRANSPORTATION COMMITTEE, SPECIAL MEETING

WEDNESDAY, JUNE 23, 2004

ROOM 1050, CITY HALL - 2:10 PM
(OR AS SOON THEREAFTER AS THE REGULAR MEETING ADJOURNS)
200 NORTH SPRING STREET, LOS ANGELES, CA 90012

MEMBERS: COUNCILMEMBER ANTONIO VILLARAIGOSA, CHAIR
COUNCILMEMBER GREIG SMITH
COUNCILMEMBER TOM LABONGE

(Maria L. Espinoza - Legislative Assistant - 213-978-1078 or mespinoza@clerk.lacity.org)

Note: For information regarding the Committee and its operations, please contact the Committee Legislative Assistant at the phone number and/or e-mail address listed above. The Legislative Assistant may answer questions, provide materials, and provide notice of matters scheduled before the City Council. Assistive listening devices are available at the meeting; upon 24 hour advance notice, other accommodations, such as sign language interpretation, and translation services will be provided. Contact the Legislative Assistant listed above for the needed services. TDD available at (213) 978-1055.

FILE NO.

SUBJECT

04-1166 (1)
City Administrative Officer (CAO) and Department of Transportation (DOT) reports relative to the proposed agreement with Southland Transit, Inc., to operate the Citywide Paratransit Services (Dial-a-Ride). The contract is for five years from the date of execution, and the five-year contract ceiling is \$30,514,154. (Time Limit File - August 16, 2004. Last day for Council to act - August 13, 2004.)

Fiscal Impact Statement Submitted: Yes, by CAO and DOT

DISPOSITION Continued

04-1205 (2)
DOT report relative to the Transportation Development Act Article 3 fund allocations for bicycle and pedestrian facilities.

Fiscal Impact Statement Submitted: Yes, by DOT

DISPOSITION _____

tr0623sp.wpd

TRANSPORTATION COMMITTEE, Special Meeting
Wednesday - June 23, 2004

CITY OF LOS ANGELES SPEAKER'S BOARD

Date
6-23-04

Council File No., Agenda Item, or Case No.
SPECIAL ITEM #1

Agenda

I wish to speak before the TRANSPORTATION COMMITTEE
Name of City Agency, Department, Committee or Council

Do you wish to provide general public comment, or to speak for or against a proposal on the agenda? () For proposal

Name: TIMOTHY WATKINS (x) Against proposal (x) General comments

Business or Organization Affiliation: WATTS LABOR COMMUNITY ACTION COMM.

Address: 10950 S. CENTRAL AVE, LA, CA 90059
Street City State Zip

Business phone: (323) 563-5639 Representing: WLCAC

CHECK HERE IF YOU ARE A PAID SPEAKER AND PROVIDE CLIENT INFORMATION BELOW:

Client Name: _____ Phone #: _____

Client Address: _____
Street City State Zip

Please see reverse of card for important information and submit this entire card to the presiding officer or chairperson.



Item #1
p. hctg

Rec'd in Transportation
Committee
6-23-04

WATTS LABOR COMMUNITY ACTION COMMITTEE

COPY

"Changing the face of a community... Moving the lives of a people"

10950 South Central Avenue, Los Angeles, California 90059 • Telephone 323.563.5600 • Facsimile 323.563.7307

June 23, 2004

TED WATKINS
FOUNDER/ADMINISTRATOR
1965-1993

TIMOTHY WATKINS
PRESIDENT

LEONARD L. ROBINETTE
VICE PRESIDENT

THEODORE WATKINS JR.
RECORDING SECRETARY

PAULETTE NICKERSON
CHIEF FINANCIAL OFFICER

TRUSTEES:
TED CHUNG
THELMA COLE
JIMMY COLE
KORY COBROTHERS
RAFAEL "RALPH" FLORES
DR. L. GAIL GARRETT
EDMUND J. HARRIS
MELISSA HAYES
MARLON JACKSON
DENNISTINE N. LYLE
BONNIE MIMS-GREENE
MESSELE NEGASH
PAUL SCHRADER
RAYMOND SHIELDS
SHAMIKA SHOULDERS

TRUSTEE EMERITI:
BERNICE WATKINS
ELIZABETH "PAT" EASTMAN

Antonio Villaraigosa, Chair
Transportation Committee
City of Los Angeles Council
Delivered By Hand

CF 04-1166

Dear Councilmember Villaraigosa:

It is with a great sense of frustration and dismay that I submit this appeal to your committee.

For the past 39 years, WLCAC has provided service to the citizens of Los Angeles through various government contracts. In the area of transportation, WLCAC was the first to provide many of the City's early Dial-A-Ride and other customized services up to and including the provision of Dash, Smart Shuttle and City Ride contract services. As competition has increased with larger, for profit entities that have national or regional operations, it has become increasingly difficult for local, community-based non-profits like WLCAC to compete effectively.

In the competition for the upcoming City Ride Contract renewal, WLCAC submitted a competitive bid, although somewhat higher in cost. It is a realistic bid that takes into consideration the challenge of operating in an increasingly hostile business environment that does not forgive non-profits for rising worker comp rates and other costs of doing business.

During the last six years, WLCAC has operated the City Ride contract without interruption and has done so at a loss of over \$2,000,000. The perseverance and determination of WLCAC management to fulfill its contractual obligation is demonstrative of its strength as a service partner with the City of Los Angeles. Throughout the time that this loss was transpiring, WLCAC continued faithfully to provide all other contract services consistently, including emergency 'Smart Shuttle/Dash' service during the MTA strike in 2001-2002, also at a loss.

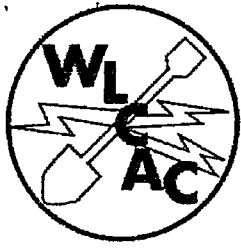
Despite efforts on the part of DOT to exhaust legal remedies to assist the projects, the contracts still ended up 'in the hole'. WLCAC is not asking you to resolve past issues, however, we are asking that the Transportation Committee take into consideration these extenuating circumstances that clearly express the will and faith of a partner that has consistently risen above and beyond the norm to complete its mission and now finds itself deemed non-competitive.

It should be clear that in light of its multi-million dollar loss, WLCAC at least deserves to be considered as an investor in the provision of the service in question and on the platform that has already been built, the opportunity to continue on.

Please consider suspending a decision on the recommendation for award of the City Ride contract until such time as you have had an opportunity to interview me or otherwise look into my claims.

Respectfully,

Timothy Watkins
President and CEO



WATTS LABOR COMMUNITY ACTION COMMITTEE

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PAUL SCRABDE
RAYMOND SHIELDS
SHAMIKA SHOULDERS

TRUSTEE EMERITI:

BERNICE WATKINS
ELIZABETH "PAT" EASTMAN

November 18, 2003

Mr. James Lefton
Chief of Transit
Department of Transportation
221 N. Figueroa St., Suite 600
Los Angeles, CA 90012

RE: REQUEST TO MODIFY CONTRACT

The Watts Labor Community Action Committee (WLCAC) has received your reply to our request to modify the service contract for the Cityride Program. Based upon the requests outlined in your reply, we have compiled information and documentation regarding worker's compensation and fuel costs for the past five contract years, as well as our projected expenditures from September 28, 2003 to March 27, 2004. Enclosed please find copies of worker's compensation rates as provided in the original proposal, as well as actual worker's compensation expenditure payments made for each employee in accordance with the percentage of time that they have been or are dedicated to the Cityride Program.

This documentation illustrates the fact that our Worker's Compensation rates have been steadily increasing, especially within the past two years, and that additional funding is necessary to accommodate for these costs. Regarding documentation of the fuel cost issue, we have enclosed copies of the fuel cost assumptions as provided in the original proposal as well as fuel contracts, paid invoices to our fuel supplier, and the fueling records for Cityride vehicles that correspond to other documentation provided. Due to water damage to our fuel management system, some point-of-sale documentation was lost for certain periods. Therefore, the figures for fuel expenditures over the past five years are incomplete because the actual detailed expense incurred for fuel costs cannot be accounted for. However, the fact remains that fuel costs have increased over the past five years and this in turn has caused a financial hardship to our organization.

"Great things are happening in Watts!"

www.wlcac.org

Mr. James Lefton
November 18, 2003
Page 2

In addition to the above issues of worker's compensation and fuel costs, WLCAC is still concerned that a major barrier to the recruitment, retention and motivation of drivers and other staff members is our inability to offer staff members merit increases. We feel that this is a very important element of the successful operation of the Cityride program.

Attached to this letter please find a copy of our adjusted budget of Projected Expenditures for the 6-month extension period. As you know, this organization has been operating this program under a deficit, and has continuously subsidized it to provide the most effective transportation services possible.

After all of the meetings, analysis by your department and letters back and forth, you are by now well aware that WLCAC has subsidized this project to the tune of nearly 2 million dollars to keep it going. This is an intolerable condition for a non-profit to sustain. We can do no more. Therefore, a total of \$1,068,283 (at an hourly rate of \$47.61) plus a 6-month insurance premium, in the amount of \$54,596, will be necessary to accommodate the operational costs of the City Ride Program without further subsidy from WLCAC.

If you have any questions, please do not hesitate to contact Dr. Messele Negash at (323) 357-3533.

Sincerely,

Timothy Watkins
President/CEO

Enclosure



WATTS LABOR COMMUNITY ACTION COMMITTEE

"Changing the face of a community... Moving the lives of a people"

10950 South Central Avenue. Los Angeles, California 90059 • Telephone 323.563.5600 • Facsimile 323.563.7307

June 2, 2004

TED WATKINS
FOUNDER/ADMINISTRATOR
1965-1993

TIMOTHY WATKINS
PRESIDENT

LEONARD L. ROBINETTE
VICE PRESIDENT

THEODORE WATKINS JR.
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PAUL SCHRADE
RAYMOND SHIELDS
SHAMIKA SHOULDERS

TRUSTEE EMERITI:
BERNICE WATKINS
ELIZABETH "PAT" EASTMAN

Mr. John Fong
LADOT
221 North Figueroa Street, 6th Floor
Los Angeles, CA 90012

Dear Mr. Fong:

Please review the accompanying documents as previously discussed. You should note that WLCAC has not received payment or notification of resolution. Previously, we attempted to resolve this through communication with Mr. Keyvon Shahrour via telephone and fax transmission and have not received a response to date.

Additionally, I have enclosed the invoice for the Southside Smart Shuttle supplemental claim for the billing period of June 2001 through May 2002, the sixth amendment of contract #C-95498 showing the amount that supports our invoice along with other supporting documents. I ask that you look into this matter and contact me as soon as possible with a determination.

If there are questions regarding the above, please contact me at 323.563.5639. Thank you for your time and consideration in this matter.

Sincerely,

Acknowledged By:

Teddy Watkins
Transportation Director

Timothy Watkins
President and CEO

CITY OF LOS ANGELES
CALIFORNIA

WAYNE K. TANDA
GENERAL MANAGER



JAMES K. HAHN
MAYOR

DEPARTMENT OF
TRANSPORTATION
221 N. FIGUEROA ST, SUITE 500
LOS ANGELES, CA 90012
(213) 580-1177
FAX (213) 580-1188

June 8, 2004

Timothy Watkins, President
Watts Labor Community Action Committee
10950 South Central Avenue
Los Angeles, CA 90059

Smart Shuttle Program Contract C-95498

The City of Los Angeles Department of Transportation (LADOT) entered into a contract agreement with Watts Labor Community Action Committee in June 1997 to operate the Southside Smart Shuttle in South Central Los Angeles. This contractual agreement terminated in March 31, 2002.

In order for the LADOT to consider any requests for any outstanding issues during this contractual period, requests must be made in writing. Please submit any requests along with the supporting documentation to my office by June 25, 2004.

We look forward to hearing back from you. Should you have any questions, please contact me at (213)580-1194 or John Fong at (213) 580-5417.

James Lefton
Chief of Transit Programs

c: John Fong

CITY OF LOS ANGELES

CALIFORNIA

WAYNE K. TANDA
GENERAL MANAGERJAMES K. HAHN
MAYORDEPARTMENT OF
TRANSPORTATION221 N. FIGUEROA STREET, SUITE 500
LOS ANGELES, CA 90012
(213) 580-1177
FAX: (213) 580-1188

June 17, 2004

Teddy Watkins, Transportation Director
Watts Labor Community Action Committee
10950 South Central Avenue
Los Angeles, CA 90059**SOUTHSIDE SMART SHUTTLE
SUPPLEMENTAL CLAIM FOR THE PERIOD JUNE 2001 TO MAY 2002**

The City of Los Angeles Department of Transportation (LADOT) has reviewed your supplemental claim of \$74,175.67 for operation of the Southside Smart Shuttle for the period of June 2001 through May 2002. The Department has also reviewed the copy of the sixth amendment of contract number C-95498 that you provided to support your claim. The additional documentation you submitted relating to the Cityride paratransit program are not germane to Smart Shuttle contract C-95498. In summary, the Department does not find sufficient evidence to support the retroactive additional compensation requested by the Watts Labor Community Action Committee (WLCAC) for the services provided as part of the Southside Smart Shuttle Project.

An evaluation of your claim and the Southside Smart Shuttle contract (C-95498) indicate the following:

Amendment Six, SECTION II TERMS OF THE CONTRACT, Sub-Section A. Contract Period indicates the term of this contract (amendment) covers the period May 1, 2002 through October 31, 2002. This amendment does not cover the period of June 2001 through April 2002 included in your claim.

Amendment Six, SECTION II TERMS OF THE CONTRACT, Sub-Section D. Contract Amount indicates that the contractor will be paid at a rate of \$47.77 per Vehicle Service Hour minus any cash revenues and MTA tokens (**total compensation amount not to exceed \$290,000**). This amendment changes the rate from \$42.00 to \$47.77 (an increase of \$5.77) for



Teddy Watkins, WLCAC

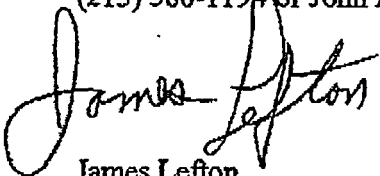
- 2 -

June 17, 2004

the term indicated above. There were a total of approximately 5,800 Vehicle Service Hours available to be operated in the period of May 2002 through October 2002. The 5,800 hours times the \$47.77 rate is approximately \$290,000. This supports the understanding that the \$47.77 rate only applies to the period of May 2002 through October 2002.

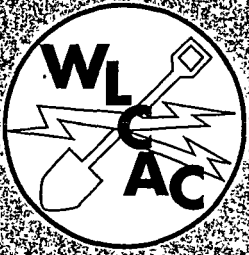
Your claim for the month of May 2002 was submitted in July 2003 and was processed for payment at the \$47.77 rate in August 2003 for a total of \$43,879.40. Including the \$43,879.40 for May 2002, LADOT has paid WLCAC a total of \$246,657.07 at the \$47.77 rate for the period May 2002 through October 2002 for actual operating hours in accordance with the Sixth Amendment.

Your claim is for an adjusted service hour rate at \$5.77 for June 2001 through May 2002. As indicated above, payment for May 2002 that included the \$5.77 rate increase was already made in August 2003. The Sixth Amendment, which provided for the hourly increase of \$5.77 to \$47.77 per hour, was specific as to the term of May 2002 through October 2002. WLCAC's request for a similar rate adjustment for the period of June 1, 2001 through April 2002 is not provided for in the Sixth Amendment or anywhere else in the contract. Therefore, the Department is not able to approve your claim. If you have any questions, please contact me at (213) 580-1194 or John Fong at (213) 580-5417.



James Lefton
Chief of Transit

C: Timothy Watkins, WLCAC
James Okazaki, LADOT
John Fong, LADOT
Phil Aker, LADOT



WATTS LABOR COMMUNITY ACTION COMMITTEE

'Changing the face of a community. Moving the lives of a people.'

10950 South Central Avenue, Los Angeles, California 90059 • Telephone (213) 563-5600 • Facsimile (213) 563-7307

LOS ANGELES CITY DEPARTMENT OF TRANSPORTATION SOUTHSIDE SMART SHUTTLE – FY'2001-2002 SUPPLEMENTAL CLAIM

TO: LOS ANGELES DEPARTMENT OF TRANSPORTATION
221 North Figueroa St., Ste. 400
Los Angeles, CA 90012

ATTN: Keyvan Shahrouz

FROM: WATTS LABOR COMMUNITY ACTION COMMITTEE
10950 S. Central Ave.
Los Angeles, CA 90059

Billing Period(s) June 2001 through December 2001
January 2002 through May 2002

Supplemental Claim: \$74,175.67
Requested Billing Amount: \$74,175.67

This invoice represent the difference between the \$42.00 for Revenue Service Hours suggested by LADOT and the \$47.77 per hour cost of operation.

I certify under penalty of perjury that I have complied with the provisions of the City's Living Wage Ordinance.

Your immediate attention to this invoice is greatly appreciated.

Dated: June 26, 2002

FILE COPY

TIMOTHY WATKINS,
President

WLCAC DASH-INTERIEM

Invoice No. 2002 6-30-02

800 E. 111th Place
 Los Angeles, CA 90059
 (323) 249-5328 fax (323) 357-1309

INVOICE

Customer				Date	
Name	Los Angeles Department of Transportation			Date	6/21/02
Address	221 N. Figueroa St., Ste. 400			Order No.	
City	Los Angeles	State	CA	Rep	
Phone			90012	FOB	

Qty	Description	Unit Price	TOTAL
	Adjusted service hour rate @ \$5.77		
	YEAR 2001 HOURS		
1	June 1,683.0	\$45,018.70	\$45,018.70
	July 1,151.78		
	August 1,146.95		
	September 971.13		
	October 1,117.92		
	November 885.20		
	December 846.22		
	Total number of service hours 7,802.2		
	YEAR 2002 HOURS		
1	January 960.0	\$29,156.97	\$29,156.97
	February 990.2		
	March 1,010.0		
	April 1,048.0		
	May 1,045.0		
	Total number of service hours 5,053.2		

Payment Details

Cash
 Check
 Credit Card

Name _____

CC # _____

Expires _____

SubTotal	\$74,175.67
Shipping & Handling	\$0.00
Taxes State	\$0.00
TOTAL	\$74,175.67

Office Use Only

Please make check payable to **DASH-INTERIM W.L.C.A.C**

Attention: Sherry

Thank You for using our Transportation Service

**SIXTH AMENDMENT
TO AGREEMENT C-95498 OF CONTRACT
BETWEEN THE
CITY OF LOS ANGELES
AND
WATTS LABOR COMMUNITY ACTION COMMITTEE (WLCAC)**

THIS SIXTH AMENDMENT to Agreement number C-95498 is entered into between the City of Los Angeles, a municipal corporation (hereinafter referred to as the "CITY") and Watts Labor Community Action Committee (hereinafter referred to as the "CONTRACTOR").

WITNESSETH

WHEREAS, the CITY has entered into Agreement number C-95498 (AGREEMENT) with CONTRACTOR to operate Smart Shuttle service for a two-year demonstration period in the South Central Smart Shuttle area of Los Angeles; and

WHEREAS, the CITY has previously amended the Agreement with CONTRACTOR to operate Smart Shuttle service for a third, fourth and the first 3 months of a fifth year; and

WHEREAS, the CONTRACTOR has been providing the Smart Shuttle service to the service area for the period from June 29th, 1997 to September 30, 2000; and

WHEREAS, the CITY Council has authorized the Department of Transportation to amend the existing CITY contract with the CONTRACTOR to temporarily operate the new Florence/Manchester DASH bus service on a month-to-month basis, commencing on October 1, 2001 and until a contractor is selected to operate this new service.

WHEREAS, the CITY, pursuant to City Council action, has amended the existing contract with CONTRACTOR from October 1, 2001 until April 30, 2002

NOW THEREFORE, both parties further agree as follows:

Sections of the AGREEMENT are amended by deletion of the existing Section or Sub-section and addition of a new Section or Sub-section, or the addition of a new Section or Sub-section as follows:

SECTION II. TERMS OF THE CONTRACT, Sub-Section A. Contract Period

The term of this contract shall be extended on a month-to-month basis effective May 1, 2002 through October 31, 2002. Thirty days prior to the end of the term of this Agreement, and in the event of the early termination of this Contract, the CONTRACTOR and LADOT shall jointly inspect all equipment and materials used to provide service under this agreement to identify the status of such equipment and materials. Any repairs required to City-owned vehicles and equipment will be performed

by the CONTRACTOR. LADOT may withhold a reasonable amount of payments due the CONTRACTOR to cover such repairs.

The CONTRACTOR also agrees at the termination of this Contract for whatever reason to cooperate in the transition to a new CONTRACTOR or service elimination.

The term of this contract may be changed unilaterally by LADOT and may be terminated for the convenience of LADOT. In such event, the CONTRACTOR will be provided written notice of intention to terminate 30 days in advance of the termination date.

SECTION II. TERMS OF THE CONTRACT, Sub-Section D. Contract Amount

In return for services described in this amendment and subject to appropriation of funds, LADOT will incur obligations and make disbursement of funds in conformity with the this Amendment. Contractor will be paid at a rate of \$47.77 per Vehicle Service hour minus any cash revenues and MTA tokens (total compensation amount not to exceed \$290,000) for services provided Monday through Friday from 6:45 A.M. to 6:00 p.m. and Saturdays from 9:00 a.m. 6:00 p.m. Contractor will continue to report Metro (MTA) pass boardings, but will not be reimbursed for those boardings.

SECTION III. CONTRACTOR'S DUTIES AND SCOPE OF WORK, Sub-Section A. Independent Contractor-Status of the Contractor

CONTRACTOR RESPONSIBILITY ORDINANCE

Unless otherwise exempt in accordance with the provisions of the Ordinance, this Contract is subject to the provisions of the Contractor Responsibility Ordinance, Section 10.40 et seq., of Article 14, Chapter 1 of Division 10 of the Los Angeles Administrative Code, which requires CONTRACTOR/CONSULTANT to update its responses to the responsibility questionnaire within thirty calendar days after any change to the responses previously provided if such change would affect CONTRACTOR'S/ CONSULTANT'S fitness and ability to continue performing the contract. In accordance with the provisions of this Ordinance, by signing this Contract, CONTRACTOR/CONSULTANT pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this contract, including but not limited to, laws regarding health and safety, labor and employment, wages and hours, and licensing laws which affect employees. The CONTRACTOR/ CONSULTANT further agrees to:

1. Notify the awarding authority within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the CONTRACTOR/CONSULTANT is not in compliance with all applicable federal, state and local laws in performance of this contract;
2. Notify the awarding authority within thirty calendar days of all findings by a government agency or court of competent jurisdiction that the

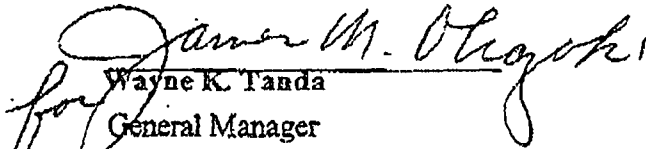
CONTRACTOR/ CONSULTANT has violated the provisions of Section 10.40.3(a) of the Ordinance;

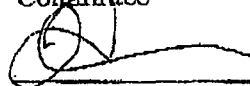
3. Ensure that its subcontractor(s) working on the CONTRACTOR'S/ CONSULTANT'S CITY contract submit a Pledge of Compliance to awarding authorities; and
4. Ensure that its subcontractor(s) working on CONTRACTOR'S/ CONSULTANT'S CITY contract comply with the requirements of the Pledge of Compliance and the requirement to notify Awarding Authorities within thirty calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the subcontractor has violated Section 10.40.3(a) of the Ordinance in performance of the subcontract

IN WITNESS THEREOF, the authorized parties have below signed:

City of Los Angeles

Watts Labor Community Action
Committee


Wayne K. Tanda
General Manager
Department of Transportation

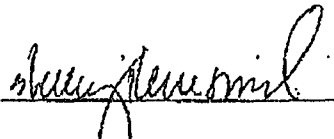

Mr. Timmy Watkins
President
Watts Labor Community Action
Committee

Date: 8/6/02

Date: _____

As To Form And Legality:
Rockard J. Delgadillo, City Attorney

Attest:
J. Michael Carey, City Clerk

By: 
Shelley Smith
Deputy City Attorney

By: _____
Deputy City Clerk

Date: 8/1/02

Date: _____

Contract No: C-95498
Council File: 96-0758-S1

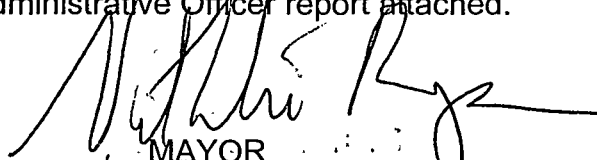
0220-00210-0163

TRANSMITTAL

TO The Council	DATE JUN 17 2004	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT	

**Agreement with Southland Transit, Inc.
For Cityride Paratransit Services**

Transmitted for your consideration. See the
City Administrative Officer report attached.


MAYOR

TRANSPORTATION

WTF:BDC:06040169t

JUN 21 2004

RECEIVED
CITY CLERK'S OFFICE

2004 JUN 18 PM 1:18

CITY CLERK

BY _____ DEPUTY

12/18/04

Report From OFFICE OF THE CITY ADMINISTRATIVE OFFICER Analysis of Proposed Contract

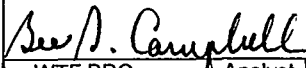
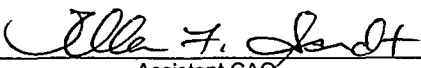

To: The Mayor	Date 5-20-04	C.D. No.	CAO File No. 0220-00210-0163				
Reference: Request from the Department of Transportation dated March 3, 2004		Term: Five years from date of execution					
Type of Document: (X) New contract () Amendment () Other:							
Source of funds: Proposition A Local Transportation Assistance Fund							
Project Title: Cityride Paratransit Services							
Parties: City; Southland Transit, Inc.							
Business headquarters address: 14913 East Ramona Street Baldwin Park CA 91706 Street City State Zip							
Contract/Amendment amount: Proposed amount \$ 30,514,154+ Prior award(s) \$ 0 = Total \$ 30,514,154							
Purpose of Contract/Amendment: Operation of paratransit services in the City							
	Yes	No	N/A*	8. Contractor has complied with:	Yes	No	N/A*
1. Council has approved the purpose	X			A. Equal Employment Opportunity	X		
2. Appropriated funds are available	X			B. Business Tax Requirements	X		
3. City employees can perform the work		X		C. MBE/WBE/OBE Outreach	X		
4. Proposals have been requested	X			D. Living Wage Ordinance	X		
5. Risk Mgmt. review has been completed	X			E. Service Worker Retention Ordinance	X		
6. Contractor has a stated Child Care policy	X			F. Child Support Obligations	X		
7. Workforce that resides in the City: unknown%				G. Equal Benefits Ordinance	X		
			N/A = not applicable	H. Contractor Responsibility Ordinance	X		
				I. Slavery Disclosure Ordinance	X		

COMMENTS

The Department of Transportation (DOT) has forwarded a recommendation to award Southland Transit, Inc. (STI) a contract to operate the Cityride Paratransit (Dial-a-Ride) in three areas of the City. This program is one of several discounted transportation programs aimed at the elderly and disabled citizens of the City to assist them with their transportation needs. Funded by the Proposition A Local Transportation Assistance Fund (Prop A), STI will operate Dial-a-Ride (DAR) vehicles in the following areas of the City: DAR Area 1 (San Fernando Valley), DAR Area 2 (Central – Mulholland Drive to the Santa Monica Freeway) and DAR Area 3 (Southwestern, Southeastern and Harbor – South of Santa Monica Freeway.). The five-year contract ceiling is \$30,514,154.

Proposal Process

In November 2003, DOT solicited proposals for these services through several means: by sending a letter of solicitation of interest to over 150 firms, by advertising in a number of publications, including the Daily Journal, the Sentinel, La Opinion, and a transportation trade magazine and by posting the Request for Proposals (RFP) on the City website. A pre-proposal conference was held in mid-

 WTF:BDC Analyst 06040169c	 Assistant CAO	 City Administrative Officer
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December 2003 with 13 companies attending. Bidders were given the option to submit proposals for one or more of the service areas, as a way to achieve possible efficiencies in the program. The RFP included stricter operating and vehicle maintenance standards than in previous years. It also emphasized a number of performance measures, such as: customer service, telephone hold times (when booking trips over the telephone) and a minimum standard for passengers per hour with incentives to increase the efficiency of the service and reduce the per passenger cost. In addition, the successful contractor was required to offer employment to employees currently working in DAR delivery services, as required by the City's Worker Retention Ordinance.

Five proposals were received and four were determined to be responsive: STI, Connex West, Watts Labor Community Action Committee (WLCAC) and T & N Medical Transport, Inc. (T & N). These were evaluated and interviews were held with representatives of the four firms. The evaluation categories and points were:

<u>Rating categories</u>	<u>Points</u>
• Qualification of Proposer	20
• Qualification of Proposed Staff	20
• Operating Methodology	20
• Cost Effectiveness	<u>40</u>
	100 (per rater)

The departmental report summarizes the evaluation scores, by rater and the contract award options. STI was determined to have submitted the best proposal based on its strong overall showing in all areas. This was based on the operating methodology, number of dedicated staffing hours, a strong operating plan with good driver training and safety programs and other factors noted in the report. Connex West also had a very strong proposal, but had a lower level of field supervision and project management staff relative to STI. The other two proposers, WLCAC and T & N, were not as strong for a variety of issues, as noted in the DOT report. Not only was STI the least expensive of all proposers for the seven possible combinations of service areas, but its strong showing on the other operating factors made it the clear choice for the contract.

Of possible concern is the award of a contract for these services to only one provider, as unknown operational problems might affect delivering these critical services. However, DOT believes the past history of this company makes it unlikely such problems would happen. Additionally, the City has other transportation options that can be used to augment or replace these services, should anything of that nature occur.

Miscellaneous Provisions

To the best of our knowledge, STI has complied with all applicable City procedures, laws and policies in awarding this Agreement. The percentage of employees living in the City is unknown as STI will be offering employment to personnel from the current providers, some of whom may live in the City.

The City Attorney must also review it and approve it as to form.

Recommendation:

That the Mayor, subject to approval by the Council, authorize the General Manager of the Department of Transportation, or designee, to execute the proposed Agreement with Southland Transit, Inc. for operation of the Cityride Paratransit Services, subject to approval of the City Attorney as to form.

Fiscal Impact Statement

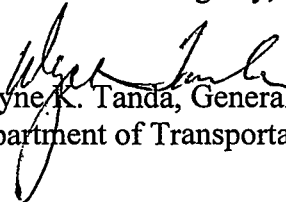
Funding for this Agreement is available from the Proposition A Local Transit Assistance Budget. There is no impact on the General Fund.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

2004 MAR -5 PM 3:55
CITY ADMINISTRATIVE OFFICER

Date: March 3, 2004

To: Honorable James K. Hahn, Mayor
Attention: June Lagmay, Legislative Coordinator

From: 
Wayne K. Tanda, General Manager
Department of Transportation

**SUBJECT: RECOMMENDATION TO AWARD CONTRACT FOR THE
OPERATION OF CITYRIDE PARATRANSIT SERVICES**

In December 2003, the City of Los Angeles Department of Transportation (LADOT) issued a Request for Proposals (RFP) for the continued operation of Cityride dial-a-ride (DAR) services in Cityride Areas 1, 2, and 3. Five proposals were received by the proposal due date of January 23, 2004, with one proposal deemed to be non-responsive. An evaluation panel was formed consisting of representatives from LADOT and Access Services, Inc. (ASI), the Americans with Disabilities Act (ADA) mandated regional paratransit agency for Los Angeles County. The panel evaluated each proposal based on the evaluation criteria established in the RFP. This report contains the evaluation panel's recommendation that a contract be awarded to Southland Transit, Inc. to operate the Cityride DAR services for all three areas.

RECOMMENDATION

That the Council:

Authorize the General Manager, Department of Transportation, to execute a five-year contract (Attachment 3) with Southland Transit, Inc. to operate the existing Cityride dial-a-ride services for Areas 1, 2, and 3, subject to the approval of the City Attorney as to form and legality.

BACKGROUND

LADOT's Cityride program provides transportation services to individuals in the City of Los Angeles age 65 or over and to persons with disabilities. There are approximately 81,000 active registered Cityride clients in the program. Cityride is an innovative user-side subsidy program that enables seniors and persons with disabilities to use subsidized transit scrip to purchase transportation on the MTA bus/rail system, franchised City taxis and City-operated dial-a-ride

(DAR) transportation services at a substantial discount to the actual costs for service.

The predominant use of Cityride scrip is to purchase monthly passes to ride the existing MTA (Metro) bus and rail system. Approximately half of the 81,000 active Cityride clients use their subsidized transit scrip to purchase monthly MTA Elderly and Disabled passes, accounting for an estimated 14 million passenger trips per year. Cityride clients making use of City franchised taxicab service accounts for approximately 800,000 passenger trips per year, while the Cityride DAR service operated by LADOT under a contract with private providers carries approximately 200,000 annual passenger trips. Those Cityride clients accessing the MTA bus and rail system, which requires that passengers travel to and from the transit stop locations, are generally more mobile than clients that depend primarily on taxicab and/or City operated DAR services (curb-to-curb services). Cityride clients utilizing City operated DAR services tend to require more assistance for their trips, which are primarily for medical purposes, relative to clients utilizing MTA bus/rail and taxicab services.

There are a total of seventy-three (73) City-owned DAR vehicles operating in three designated Cityride DAR service areas serving the entire City of Los Angeles. The Cityride Program's DAR service areas and service vehicles include:

DAR Area 1 - San Fernando Valley

The general boundaries are Mulholland Drive to the south and the City boundaries to the north, west and east, generally bordered by the Cities of Calabasas and San Fernando and the County areas of Topanga Canyon and Chatsworth. The current contracted service provider for Area 1 is Connex West, LLC. There are currently 32 City-owned DAR vehicles assigned to this service area.

DAR Area 2 – Central

The general boundaries are Mulholland Drive to the north, the Santa Monica Freeway (I-10) to the south, and the City boundaries to the west and the east. The current contracted service provider for Area 2 is Connex West, LLC. There are currently 16 City-owned DAR vehicles assigned to this service area.

DAR Area 3 - Southwestern, Southeastern, and Harbor

The general boundaries are the Santa Monica Freeway (I-10) to the north, City boundary to the west, east and south. The current contracted service provider for Area 3 is the Watts Labor Community Action Committee (WLCAC). There are currently 25 City-owned DAR vehicles assigned to this service area.

The Cityride Dial-A-Ride also serves several Los Angeles County unincorporated areas adjacent to the City of Los Angeles through a contract with the County of Los Angeles. For this service, the City receives approximately \$180,000 annually from the County and approximately \$2.2

million annually in Incentive Funds from the Los Angeles County Metropolitan Transportation Authority (MTA).

In 1998, the City entered into an agreement with Connex West and WLCAC for a five-year term, from September 14, 1998 to September 13, 2003, to provide DAR services for the Cityride program. Connex was contracted to operate service in Area 1 (San Fernando Valley) and Area 2 (Westside, Central, and Eastside) of the City for a total contract cost not to exceed \$17,785,000 over five years. WLCAC was contracted to operate service in Area 3 (Southwest-Southeast-Harbor) of the City for a total contract cost not to exceed \$9,525,000 over five years. The contractor responsibilities include: taking client reservations for trips, scheduling trips, hiring drivers, administration, and the operation and maintenance of City-owned vehicles.

On August 13, 2003, the City Council authorized the Department to extend the existing Cityride DAR contracts with Connex West and WLCAC on a month-to-month basis (not-to-exceed six months) until a new contractor(s) was selected through the competitive contracting process, and a new contractor(s) was in place to assume operation of the DAR service. The Department had requested the month-to-month contract extension due in part to the large volume of transit RFPs that it has circulated recently, resulting in an unanticipated delay in release of the Cityride RFP. The Department has, within the last 18 months, circulated a total seven (7) RFPs for transit operations with a budgeted annual service cost of nearly \$50 million. The Department anticipates the need for a second month-to-month contract extension (not-to-exceed six months), to be addressed through a separate City Council action, in order to provide sufficient time for the Council to award the new contract(s) and allow for the new contractor(s) to assume service operation.

DISCUSSION

On December 2, 2003, the Department released an RFP to solicit proposals for the continued operation of Cityride DAR services for Areas 1, 2, and 3 covering the entire City of Los Angeles. The RFP allowed for the submittal of stand-alone proposals for each of the three individual service areas and/or any combination of the individual service areas including all three service areas. A total of seven potential contract service options were available for to prospective proposers. The purpose of allowing proposers to submit a combined proposal for multiple service areas in response to the RFP was to provide a means of evaluating and achieving potential economies-of-scale cost saving efficiencies that could be available to the City.

In keeping with the Department's goal for quality service, the RFP required stricter operating and vehicle maintenance standards for these services along with enhanced reporting requirements. The RFP also introduced further quality assurance measures such as stricter guidelines for vehicle maintenance, customer service, and customer hold times to book trips over the telephone. The RFP also set a minimum standard for passengers per hour with incentives to the contractors to increase the efficiency of the service and reduce per passenger cost. All of these requirements serve the goal of improving service quality and effectiveness in the City's

DAR services. The RFP also required that the selected contractor(s) offer employment to affected employees of the incumbent contractor(s) working on the current DAR service areas in compliance with the City’s Worker Retention Ordinance.

Contractor Selection

On November 5, 2003, LADOT issued a letter of solicitation of interest to over 150 firms to determine their interests in receiving a copy of the Department’s RFP for the provision of dial-a-ride services in Cityride Areas 1, 2 and 3. The RFP was advertised in a number of publications including the Daily Journal, La Opinion, Sentinel, and the American Public Transit Association’s (APTA’s) Passenger Transport magazine. The RFP was also advertised on the City’s website. The Department received 38 responses to its advertising notices and letter of solicitation. On December 2, 2003 the Department circulated the RFP to the 38 prospective proposers who had expressed an interest in receiving a copy.

A pre-proposal conference was held by LADOT on December 18, 2003 to discuss major issues and to answer questions from potential proposers. Thirteen (13) firms attended the pre-proposal conference. Representatives from the City’s Department of Public Works/Bureau of Contract Administration and LADOT were also in attendance to answer questions pertaining to the City’s various contact requirements including MBE/WBE/OBE Outreach Effort, Contractor Responsibility Ordinance, Equal Benefits Ordinance and the Living Wage and Service Contractor Worker Retention Ordinance.

The Department received a total of five (5) responses to the RFP by the proposal due date of January 23, 2004. Four of the respondents to the Department’s RFP, Southland Transit, Inc. (STI), Connex West, LLC, Watts Labor Community Action Committee (WLCAC) and T & N Medical Transport, Inc., were determined to have submitted responsive proposals. Diversified Paratransit, Inc. was determined to be non-responsive by the Department for not being in compliance with the City’s requirements for MBE/WBE/OBE outreach. The table below shows the seven potential proposal options and the proposals submitted by firm for each option.

Proposals Submitted for Each Contract Option

Proposals Submitted	Connex West	STI	WLCAC	T&N
Area 1	X	X		X
Area 2	X			X
Area 3	X		X	
Areas 1 and 2	X	X		X
Areas 1 and 3	X			
Areas 2 and 3	X			
Areas 1, 2 and 3	X	X		

X = Proposal submitted by firm for specified contract option.

The selection panel, consisting of representatives from LADOT and Access Services, evaluated all written proposals and interviewed representatives from each of the four responsive firms. All proposals were evaluated based on the following categories:

<u>Rating categories:</u>	<u>Points</u>
1. Qualification of Proposer	20
2. Qualification of Proposed Staff	20
3. Operating Methodology	20
4. Cost Effectiveness	<u>40</u>
Total:	100 (per rater)

The panel determined that the proposal submitted by Southland Transit, Inc. for areas 1, 2 and 3 was the best and most responsive proposal based on the evaluation criteria established for this RFP. The table below summarizes the fifteen (15) potential City contract award options evaluated by the panel, and the panel's ratings for each of the contract options.

**Evaluation Scores
Cityride DAR Areas 1, 2, and 3**

Proposers				Raters			
Rank	Area1	Area 2	Area 3	A	B	C	Total Scores
1	STI	STI	STI	89	89	91	269
2	STI	Connex	Connex	87	87	90	264
3	STI	STI	Connex	86	87	90	263
4	Connex	Connex	Connex	85	86	90	261
5	STI	STI	WLCAC	82	81	82	245
6	T&N	Connex	Connex	80	82	81	243
7	STI	T&N	Connex	80	81	81	242
8	Connex	Connex	WLCAC	79	78	79	236
9	Connex	T&N	Connex	77	77	79	233
10	STI	Connex	WLCAC	76	76	78	230
11	T&N	T&N	Connex	75	75	75	225
12	STI	T&N	WLCAC	67	68	67	202
13	T&N	T&N	WLCAC	66	66	66	198
14	Connex	T&N	WLCAC	65	64	64	193
15	T&N	Connex	WLCAC	63	64	63	190

Qualifications of Proposer and Staff

STI has proposed an experienced project management and support team. As required by the RFP, STI's proposal for Areas 1, 2 and 3 includes a dedicated project manager and maintenance manager, along with two dedicated assistant project managers and maintenance managers. In addition, STI's proposal for Areas 1, 2 and 3 went beyond the requirements of the RFP by including a third assistant Project Manager and Maintenance Manager in an effort to help provide an optimum level of oversight for the project. STI's executive management is locally based and helps strengthen the project management staff. This team has a thorough knowledge of the area and a considerable depth of paratransit experience in the region.

The panel believed that STI had the requisite experience necessary to effectively operate the Cityride DAR services contained in the RFP. STI currently operates over fourteen (14) similar, yet smaller, paratransit services in the region, including a dial-a-ride service contract with ASI. STI has received excellent recommendations from current clients as part of LADOT's background investigation. While STI has no current transit operating contracts with the City, ownership of STI (operating at that time under the names R&D Transportation and San Gabriel Transit) had operated general demand responsive paratransit services under contract to the Department as part of the Smart Shuttle Program for approximately five years from 1997 to 2001 (program discontinued due to a lack of funding). STI's previous experience indicates that they have the ability to effectively operate similar paratransit services, including the development and management of a comprehensive driver training and safety program, and to promptly establish and operate well-equipped bus operating and maintenance facilities that meets LADOT, California Highway Patrol (CHP) and Federal Transit Administration (FTA) requirements.

Connex West also proposed a strong project management team with experience providing paratransit services, and offers a high level of corporate support to assist the project management team. Connex is a very accomplished national firm with considerable fixed route and paratransit contract operating experience. Connex is the incumbent operator for the Cityride Program in Area 1 (San Fernando Valley) and Area 2 (Central) of the City. In addition, Connex currently operates the City's Commuter Express along with the Community DASH Package One and Community DASH Manchester Square and Vermont/Main contract services. The panel rated Connex highly under this criterion.

WLCAC is the incumbent contracted operator of Cityride dial-a-ride services in Area 3. WLCAC also operated Smart Shuttle services under contract to the City from 1997 to 2001. In general WLCAC proposed a strong operations management team, but the panel did have some concerns about the relative lack of experience of the proposed maintenance manager. In addition, the panel also had concerns about the most recent California Highway Patrol (CHP) inspection results for WLCAC's maintenance facility, and the lack of an in-house driver training program. WLCAC currently does not have a driver training program where candidate drivers can be trained to receive their Class "B" licenses.

T&N Medical Transport has experience in providing private non-ambulatory medical

transportation service, but has no previous experience (as of the proposal submittal date) operating contract demand responsive public transit services for the City or another jurisdiction similar to the Cityride Program. While the proposed key management staff had experience providing paratransit services in previous employment, the panel had concerns regarding T&N's lack of any experience as a firm in providing similar services.

Operating Methodology

STI submitted a responsive and comprehensive proposed operating methodology and was rated highly in this category by the panel. STI submitted competitive dedicated staffing hours, as well as wages and benefits, for all of the potential contract options including the combined Areas 1, 2, and 3 service option. STI also submitted a thorough operating plan that included a strong driver training and safety program, a comprehensive vehicle preventative maintenance program, an incentive program for both drivers and mechanics that encourage safety and quality assurance, a high level of field supervision and a training program for processing phone reservations in an expeditious and courteous manner.

Connex West also submitted a responsive and comprehensive proposed operating methodology, and was rated accordingly by the panel. Connex West proposed competitive dedicated staffing hours and wages for all seven potential contract options, although it proposed a lower level of field supervision and project management staff relative to STI. Connex West also proposed a thorough operating plan, including a detailed driver-training program, and a quality vehicle preventative maintenance program.

WLCAC and T&N both submitted responsive proposals, but lacked the level of specificity and comprehensiveness provided by both STI and Connex West. The panel had concerns, in particular, with the lack detail associated with the vehicle preventive maintenance and driver training programs proposed by WLCAC and T&N. WLCAC failed to include a proposed driver training program for new hires (Class B license training). The panel felt that this lack of an in-house training program for new drivers could inhibit the ability of WLCAC to maintain a full complement of qualified drivers for the service.

Cost Effectiveness

The cost-effectiveness criterion is defined as the relationship between the proposed cost and the quality of the overall proposal, including the experience of the firm and proposed staff, and the proposed operating methodology. Those proposals rated as most cost-effective by the panel are not necessarily the lowest cost proposals submitted, but rather are considered to be of the highest "value" to the City in terms of cost and service quality.

The selection panel evaluated cost proposals for each of the single-area options and the various combined-area options. The panel rated the proposal submitted by STI for the single contract combined area option (operation of service Area 1, 2 and 3) to be the highest in terms of overall cost effectiveness.

**Proposed Costs
DAR Areas 1, 2 and 3**

<u>Area1</u>	<u>Area 2</u>	<u>Area 3</u>	<u>5-Year Total Cost</u>	<u>5-Year Cost Difference</u>	
				<u>Compared to Low Cost</u>	
STI	STI	STI	\$30,514,154	Low Cost	
STI	Connex	Connex	\$34,070,174	+\$3,556,020	+11.7%
STI	STI	Connex	\$34,654,220	+\$4,140,066	+13.6%
Connex	Connex	Connex	\$35,054,341	+\$4,540,187	+14.9%
STI	STI	WLCAC	\$35,760,116	+\$5,245,962	+17.2%
STI	T&N	Connex	\$37,356,475	+\$6,842,321	+22.4%
T&N	Connex	Connex	\$37,459,782	+\$6,945,628	+22.8%
Connex	T&N	Connex	\$38,007,155	+\$7,493,001	+24.6%
T&N	T&N	Connex	\$38,050,095	+\$7,535,941	+24.7%
STI	Connex	WLCAC	\$38,113,035	+\$7,598,881	+24.9%
Connex	Connex	WLCAC	\$38,360,074	+\$7,845,920	+25.7%
STI	T&N	WLCAC	\$38,462,370	+\$7,948,216	+26.0%
T&N	T&N	WLCAC	\$39,155,991	+\$8,641,837	+28.3%
Connex	T&N	WLCAC	\$41,312,398	+\$10,798,244	+35.4%
T&N	Connex	WLCAC	\$41,502,643	+\$10,988,489	+36.0%

As indicated in the above table, STI's combined service area proposal was the lowest cost proposal submitted among all of the 15 various contract award options available for consideration by the City. The next lowest cost contract award option (STI – Area 1; Connex – Areas 2 and 3) was over \$3.5 million higher (+ 11.7%) over the five-year contract term relative to the recommended contract award to STI. Attachment 1 provides additional details on the specific proposed costs for each of the seven potential service proposal options by firm.

The panel rated STI's proposal for Areas 1, 2 and 3 the highest in terms of overall cost effectiveness. The panel found that there were significant economies of scale cost savings that could be achieved by awarding the three service areas to one contractor instead of two or more separate contractors. STI's high score was based on the strength of their proposal, including the experience of the firm, an excellent proposed project management team and a comprehensive proposed operating methodology, along with significantly lower overall proposed costs. STI's proposal was deemed to be the most cost effective by the panel, given the quality of the overall proposal.

Connex West submitted a strong proposal for each of the various individual service areas and the combined service area options, including competitive wages and benefits, an experienced management staff and a comprehensive operating methodology. However, the panel did not rate the proposals submitted by Connex West as highly in terms of cost effectiveness. As discussed above, the lowest cost contract award option involving Connex West (STI – Area 1; Connex – Areas 2 and 3) was over \$3.5 million higher over the five-year contract term relative to the

recommended contract award to STI. The panel could not justify recommending this contract award option which includes Connex West given the significantly higher total cost and the overall quality of the combined area proposal submitted by STI.

The contract award options involving both WLCAC and T&N were both substantially more expensive than the recommended contract award to STI. The lowest cost contract award option involving WLCAC (STI – Areas 1 and 2; WLCAC – Area 3) is over \$5.2 million (+17.2%) more costly, while the lowest cost contract award option involving T&N is over \$6.9 million (+22.8%) more costly, relative to STI's proposed costs for all three areas. As discussed earlier in this report, the panel also had concerns about the relative experience of T&N and the proposed operating methodologies for the two firms.

The Department recognizes the potential concerns that might be raised about awarding a contract to one firm to operate all three Cityride DAR service areas, particularly as it relates to the potential for service disruptions resulting from incidents such as labor disputes. The Department believes that this risk is extremely minimal given that, historically over the past 20 years of operating contracted transit services, there has not been a single disruption of Cityride DAR services in the City due to a labor dispute. Furthermore, as discussed earlier in this report, the Cityride DAR service is only one component of the overall Cityride Program, accounting for a relatively small proportion of the total annual client trips. As reflected in Attachment 2, the Department currently operates a total of eighteen (18) transit service contracts utilizing thirteen (13) different private service providers.

City Contract Requirements

All of the evaluated proposals complied with the City's MBE/WBE/OBE Outreach Effort as well as other City contract requirements including the Living Wage and Worker Retention Ordinance, the Equal Benefits Ordinance, the Contractor Responsibility Ordinance and the Child Support Obligations Ordinance.

Attachment 3 is the proposed contract between the City of Los Angeles and Southland Transit Inc. for the operation of Cityride DAR Areas 1, 2, and 3.

FISCAL IMPACT

Adequate funding has been included in the City's approved Proposition A Local Transit Assistance (PALTA) Budget for FY 2003-04. Therefore, there is no impact on the budget.

Attachments

AREA 1			
	5-YEAR TOTAL COST	Difference	Percentage Difference
Southland Transit	\$13,317,151.00	Lowest Cost	Lowest Cost
Connex West	\$16,167,179.00	\$2,850,028.00	21%
T&N Medical	\$16,706,759.42	\$3,389,608.42	25%
WLCAC	No Proposal	N/A	N/A

AREA 2			
	5-YEAR TOTAL COST	Difference	Percentage Difference
Connex West	\$9,673,748.00	Lowest Cost	Lowest Cost
T&N Medical	\$10,023,083.98	\$349,335.98	4%
Southland Transit	No Proposal	N/A	N/A
WLCAC	No Proposal	N/A	N/A

AREA 3			
	5-YEAR TOTAL COST	Difference	Percentage Difference
Connex West	\$14,016,240.00	Lowest Cost	Lowest Cost
WLCAC	\$15,122,135.50	\$1,105,895.50	8%
Southland Transit	No Proposal	N/A	N/A
T&N Medical	No Proposal	N/A	N/A

AREA 1 & 2			
	5-YEAR TOTAL COST	Difference	Percentage Difference
Southland Transit	\$20,637,980.00	Lowest Cost	Lowest Cost
Connex West	\$23,237,938.00	\$2,599,958.00	13%
T&N Medical	\$24,033,855.38	\$3,395,875.38	16%
WLCAC	No Proposal	None	None

AREA 1 & 3			
	5-YEAR TOTAL COST	Difference	Percentage Difference
Connex West	\$27,984,071.00	N/A	N/A
WLCAC	No Proposal	None	None
Southland Transit	No Proposal	None	None
T&N Medical	No Proposal	None	None

AREA 2 & 3			
	5-YEAR TOTAL COST	Difference	Percentage Difference
Connex West	\$20,753,023.00	N/A	N/A
WLCAC	No Proposal	None	None
Southland Transit	No Proposal	None	None
T&N Medical	No Proposal	None	None

AREA 1, 2 & 3			
	5-YEAR TOTAL COST	Difference	Percentage Difference
Southland Transit	\$30,514,154.00	Lowest Cost	Lowest Cost
Connex West	\$35,054,341.00	\$4,540,187.00	15%
T&N Medical	No Proposal	None	None
WLCAC	No Proposal	None	None

**LADOT
TRANSIT OPERATING CONTRACTS**

<u>Service Contract</u>	<u>Contractor</u>	<u>FY 2003-04 Budget</u>
1. Commuter Express	Connex TCT	\$11.6 M
2. DASH Downtown	First Transit	\$8.1 M
3. City Hall Shuttle	Operation Shuttle	(\$1.1 M)*
4. Community DASH - Package One (Mid-City) Package Two (NE LA/Near Westside) Package Three (SFV)	First Transit	\$13.4 M
5. Community DASH - Pico Union/El Sereno/Boyle Heights	MV Transportation	\$3.8 M
6. Community DASH - Manchester Florence/Vermont Main	Connex TCT	\$1.2 M
7. Community DASH - Watts	MV Transportation	\$0.7 M
8. Community DASH - Wilmington	First Transit	\$0.6 M
9. Cityride – Areas One (SFV) & Two (Central)	Connex TCT	\$3.8 M
10. Cityride - Area Three (Crenshaw/Watts/Harbor)	WLCAC	\$3.2 M
11. San Pedro Trolley	Bus Services Corp.**	\$0.6 M
12-18. Charter Bus – Citywide	Multiple***	<u>\$2.6 M</u>
	Total Budget:	\$49.6 M

Notes:

- * Sub-contracted by First Transit as part of DASH Downtown contract.
- ** Contracted by LADWP, in coordination with Harbor Dept. and LADOT. Each agency funds one-third of the annual operating cost.
- *** Services provided by following seven (7) contractors on as-needed basis: (Gold Coast Tours; Atlantic Express; Laidlaw Transit; Ca. Touch of Class; C-USA; Transit Systems; Ca. Sun Line).

Effective March 2004

**AGREEMENT
BETWEEN
THE CITY OF LOS ANGELES
AND SOUTHLAND TRANSIT, INC.
FOR THE
OPERATION OF CITYRIDE DIAL-A-RIDE SERVICES IN AREAS ONE, TWO AND
THREE**

THIS AGREEMENT is made and entered into the **XX day of May 2004**, by and between the City of Los Angeles, a municipal corporation (hereinafter referred to as the "City"), and Southland Transit, Inc., (hereinafter referred to as the "Contractor").

WITNESSETH

WHEREAS, the City is desirous of obtaining services for the management and operation of the Cityride Program's Dial-a-Ride services, known herein as Cityride Area 1, 2 and 3;

WHEREAS, the City issued a Request for Proposal (RFP) dated December 2, 2004, locally and nationally for companies interested in providing such services, which RFP is on file in the office of the City and is incorporated herein by reference;

WHEREAS, the Contractor has the management and technical expertise and other assets necessary for the operation of Cityride Program's Dial-a-Ride services;

WHEREAS, the Contractor submitted a proposal in response to the RFP, which proposal is dated January 23, 2004, and is incorporated herein by this reference (collectively hereinafter referred to as the "Proposal");

WHEREAS, the said Proposal was selected as the most responsive received by the City Council and Mayor on **mm/dd/2004** for said services; and

WHEREAS, the City has requested that the Contractor operate the Cityride Program's Dial-a-Ride services in Area 1, 2 and 3, and the Contractor has agreed to operate the services requested in the time and manner set forth in the RFP and Proposal incorporated into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, the parties hereto agree as follows:

SECTION I. INTRODUCTION AND CONDITIONS PRECEDENT

- A. Parties to this Agreement

The Parties to this Agreement are:

1. The City of Los Angeles, a municipal corporation, having its principal offices at 200 North Main Street, Los Angeles, CA 90012.
2. The Contractor, known as Southland Transit, Inc., located at 14913 East Ramona Boulevard, Baldwin Park, California 91706.

B. Representatives of the Parties and Service of Notices

1. The representatives of the respective parties who are authorized to administer this Agreement and to whom formal notices, demands and communications shall be given are as follows:

- a. The representative of the City shall be, unless otherwise stated in the Agreement:

Wayne K. Tanda, General Manager
City of Los Angeles
Department of Transportation
221 N. Figueroa Street, Suite 500
Los Angeles, CA 90012

- b. The representative of the Contractor shall be:

Dave Daley, Chief Operating Officer
Southland Transit, Inc.
14913 East Ramona Boulevard
Baldwin Park, California 91706

2. *Notices.* Formal notices, demands and communications to be given by either party shall be made in writing and may be effected by personal delivery or by mail. The notice of breach of Agreement, liquidated damages, or performance penalties will be sent via certified mail.
3. *Changes.* If the name of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice shall be given, in accordance with this section, within five (5) working days of said change.

C. Contract Modifications

This Agreement fully expresses all understanding of the parties concerning all matters covered and shall, with the RFP and the addendums to the RFP which

takes precedence and Southland Transit, Inc.'s proposal, constitute the total Agreement. Except as may otherwise be provided herein, no addition to, or alteration of, the parties, their officers, agents or employees, shall be valid unless made in the form of a written amendment to this Agreement, which is formally approved and executed by the parties. No modification or addition to this Agreement shall have any effect whatsoever unless set forth in writing and signed by both parties.

D. Conditions Precedent

1. *Required Facilities.* The Contractor shall, prior to the commencement of service, have all facilities required for all necessary functions in place for the operation, administration and maintenance of service.
2. *Position and Task Report.* The Contractor shall, prior to the commencement of service, and thereafter as per the RFP and addendum revisions, provide the required Position and Task Report each month (see Exhibit 22 of the RFP) to the City. The report shall include the following current information:
 - Name and position/title of all employees under this Agreement
 - Percentage of involvement of all the employees under this Agreement
 - The starting salary to be paid to the employee
3. *Insurance Requirements.* The Contractor shall comply with all of the insurance requirements under this Agreement. Appendix A of the RFP describes in detail the insurance coverage and amounts required by this Agreement.
4. *Changes to Documentation.* Changes to the foregoing documents affecting the performance of the Contractor under this Agreement shall receive City approval in writing before the Contractor may effect the change.
5. *Contract Assignment.* This Agreement is not to be assigned to a substitute contractor, a successor in interest, or a purchaser of the current Contractor without the permission of the City. This Agreement will be terminated if the City does not approve or grant permission to a subsequent contractor to assume the services.

SECTION II. TERMS OF CONTRACT

A. Contract Period

1. This Agreement shall be in effect for five years from mm/dd/2004 through mm/yy/2009.
2. City obligations under this Agreement are contingent upon the City's ability to obtain the funds from the funding agencies and the availability of City funds in this and subsequent fiscal year budgets to finance operating costs of this contract. Either party may terminate this Agreement if the City is unable after using its bonafide best efforts, to obtain funding for this Agreement.
3. The Contractor shall perform service hereinafter indicated strictly in accordance with the terms and conditions of this Contract.
4. Upon Termination or completion of the contract term the Contractor shall be responsible for returning all vehicles to the City in the condition in which they were received (with the exception of normal wear and tear). To insure the condition of each vehicle the City will require a turn-over inspection of all vehicles to evaluate their condition at the end of the current contract period.

SECTION III. CONTRACTOR DUTIES AND SCOPE OF WORK

A. Independent Contractor/Status of the Contractor

1. In rendering service hereunder, the Contractor shall be and remain an independent Contractor. It is expressly understood and acknowledged by the parties hereto that any amounts payable hereunder shall be paid in gross amount, without reduction for any federal or state withholding or other payroll taxes, or any other governmental taxes or charges. The Contractor is responsible for assuming and remitting any applicable federal or state withholding taxes, estimated tax payments, social security payments, unemployment compensation payments, or any other fees or expenses whatsoever.
2. The Contractor shall refrain from any action that would create or tend to create obligations, express or implied, on behalf of the City, it being understood that the Contractor is not and shall not be the legal representative or agent of the City and that the Contractor shall not be authorized to make any promise, warranty or representation except as specifically provided for in this Agreement or as otherwise agreed to in writing between the parties.
3. The City shall have no liability to any subcontractor(s) for payment for service under this Agreement or other work performed for the Contractor and any subcontract entered into by the Contractor pursuant to

the conduct of service under this Agreement. It shall be duly noted that the responsibility for payment for technical services or any other work performed shall be the sole responsibility of the Contractor.

4. All vehicles, computer hardware and software and communication equipment purchased directly by the City or through the Contractor for this Agreement shall be owned by the City and are not to be used by the Contractor for any purpose other than for this service. Said equipment shall be returned to the City at the end of the contract term.

B. Service Delivery

1. It is the intention of the City to begin this contract on mm/dd/2004 or as soon to this date as administratively possible.
2. The Contractor shall operate dial-a-ride services and related tasks in accordance with the City's operating policies, standards and procedures and the terms and conditions specified and indicated in this Agreement and the RFP. The Contractor shall also be responsible for operating in compliance with the governmental codes, regulations, ordinances, and directives applicable to such operations and as defined in this Agreement.
3. The Contractor shall be responsible to ensure that all services to be operated as part of this Agreement shall be in compliance with the Americans with Disabilities Act (ADA) of 1990. The City is responsible for the establishment of policy concerning ADA and the Contractor is responsible for the implementation of said policy.
4. The City shall monitor the service in order to assess the performance of the Contractor in delivering the service. The City shall maintain the right to assess Performance Penalties against the Contractor, as set forth in the RFP (Sections IV.F and V.D), based on the Contractor's failure to meet the established standards. The standards and performance penalties described in this RFP are applicable and thereto shall be charged as described in the RFP.
5. The Contractor shall ensure that all City-owned vehicles and any non City-owned vehicles dedicated to this program are used as specified by the City for the purpose of this Agreement at all times. Any changes to the fleet shall be approved by the City and the Contractor in writing. Use of City-owned vehicles for any other purposes shall be approved in advance by the City.
6. The City reserves the right to order a decrease in the fleet size or service hours with a 30-day notice to the Contractor, if the ridership does not meet City goals and does not warrant the vehicle service hours. The City

reserves the right to decrease service hours by up to 20% relative to the hours contained in the RFP with no increase in the hourly rate. Any additional service hours requested by the City over and above the requirement of this Agreement will be compensated at the Additional Service Adjustment Hourly Rate indicated in the Proposal.

7. The Contractor shall comply with all applicable Federal Transit Administration (FTA) contractual provision requirements as set forth in the RFP (Section VIII and Exhibit 26). These requirements may also apply to subcontractors of this contract and they therefore must also comply with these requirements.

SECTION IV. COMPENSATION

- A. The City shall pay the Contractor for the satisfactory performance of the terms and conditions of this Agreement.

1. The City shall pay the Contractor monthly amount equal to the number of revenue service hours of operation times the hourly rate as indicated in Exhibit A. Additional funds are also available for start-up costs, service performance bonus and additional service hours.
2. In an emergency, the City may ask the Contractor to provide bus service according to routes and schedules developed by the City. The hourly rate for the services shall be the Additional Service Adjustment Hourly Rate as indicated in Exhibit A of this document.
3. The Contractor shall submit monthly claims for payment for revenue service hours provided less farebox revenue generated along with documentation thereof in the form and number required by the City within the time specified by the City. In the event that the City assumes the responsibility of counting the collected farebox revenues and directly depositing such revenues in a City account then the Contractor shall submit claims for payment only for the revenue vehicle hour provided.
4. Payments to the Contractor may be withheld by the City if the Contractor fails to comply with the provisions of this Agreement.

- B. Fare Revenue Collection

The following is a supplement to the Fare Collection and Accountability provisions in the RFP and the Proposal.

1. The Contractor's bus operators or other authorized personnel shall collect from all passengers on each vehicle the amount of fare (including collection of cash or Cityride scrip) determined in accordance with the RFP

specifications.

The Contractor shall be responsible for providing security over collected funds, equipment in service, and all inventoried fareboxes and associated equipment. The Contractor shall provide a revenue counting room equipped with a vault and security devices that will prevent theft or expose pilferage.

2. The Contractor shall ensure that all collected revenue are accurately counted, and securely contained in a sealed bag with a tag attached indicating the amount collected in each bag. The Contractor shall provide LADOT's Accounting Division with monthly bank statements as a verification of revenues collected.

In the event that there is a discrepancy between actual revenue counted and the reported driver passenger counts by fare category, the Contractor shall reimburse the City for any cash shortage exceeding 5%.

SECTION V. DOCUMENTS, RECORDS AND AUDITS

A. Audits and Inspections

1. At any time during normal business hours and as often as the City may deem necessary, the Contractor shall make available to the City for examination, all of its records with respect to all matters covered by this Agreement. The City shall have the authority to audit, examine and make excerpts or transcripts from records, including all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other statistical data relating to all matters covered by this Agreement.
2. The City reserves the right to dispatch auditors of its choosing to any site where any phase of the project is being conducted. The City auditors shall be provided adequate and appropriate work space in order to conduct audits and shall be allowed to interview any employees of the Contractor.
3. The City shall have the authority to make physical inspections and to require physical safeguarding devices as locks, alarms, safes, etc., to safeguard property and/or equipment authorized by this agreement. In the event the City requires equipment to be purchased beyond what was originally proposed, the Contractor has the right to renegotiate the hourly rate to reflect the cost of the equipment.
4. If a fiscal or special audit determines that the Contractor has billed the City for inaccurate or unsubstantiated revenue service hours or has reported inaccurate farebox or other revenues in its billings to the City, the Contractor shall be notified and given the opportunity to justify the

inaccurate billings. The City shall determine the amount to be paid to the Contractor during the period of audit. If the Contractor fails to respond within fifteen (15) days from the notice date, the City shall make the final determination of disallowed billed revenue service hours and/or unreported farebox revenues and the findings will be incorporated in the final audit report. Reimbursed over billings shall be deducted from the Contractor's current or future invoices.

SECTION VI. STANDARD CONTRACT PROVISIONS

Hereby incorporated by reference into this Contract is the following Standard Provisions for City Personal Service Contracts, revised October 2003, which are Attached hereto as Appendix A and included herein by reference.

SECTION VII. MISCELLANEOUS

1. Neither party assumes any liability for failure to fulfill the terms and conditions of this Agreement caused by events beyond the reasonable control of such party. Such events may include, but are not limited to the following: natural disaster, acts of the government in either its sovereign or contracted capacity, a failure or shortage of fuel, water, fuel oil or other utility or services, strikes, riots, fires, floods, epidemics, war, insurrection or other national or local emergency, freight embargo, impasse of routes due to construction, and unusually severe weather but in every case the failure to perform must be beyond the control and without the fault or negligence of either party or the Contractor's subcontractor(s).
2. In the event that circumstances arise beyond the Contractor's control that significantly affect the cost of operation, (i.e., substantial fuel price increases) the City would be willing to discuss, without obligation, the possibility of adjusting the hourly rate pertinent to the changed circumstances, without any commitment on the part of the City to make any such adjustment.
3. This Agreement, the RFP, and all Addenda to the RFP, and this Proposal and all exhibits contain the entire understanding between the Contractor and City. No modification or addition to this Agreement shall have any effect whatsoever unless set forth in writing and signed by both parties hereto.
4. Any item of work contained in either the RFP or the Proposal shall be performed by Contractor as though it appeared in this Agreement. In the event of any conflict, the terms of this Agreement and the RFP govern over the Proposal unless specifically stated otherwise.
5. The failure of the City to insist upon strict performance by Contractor of any

provision hereunder in every one or more instances shall not constitute a waiver of such provision by City, nor shall, as a result, City relinquish any rights that it may have under this Agreement.

6. This Agreement shall be binding on and insures to the benefit of the heirs, executors, administrators and assigns of the parties hereto.

EXHIBIT A

**Cityride Dial-a-Ride Area 1, 2 and 3
Combined Service Rate
And
Line Item Expenses**

Revenue Service Hourly Rates

	Year 1	Year 2	Year 3	Year 4	Year 5
Services					
Cityride DAR Areas 1, 2 and 3	\$46.06	\$44.98	46.08	\$47.20	\$48.36
Line Item Expense: Migration to Trapeze Software plus Annual Maintenance fee	\$51,120	\$51,120	\$51,120	\$51,120	\$51,120

Additional Revenue Service Hourly Rate

	Year 1	Year 2	Year 3	Year 4	Year 5
Services					
Cityride DAR Areas 1, 2 and 3	\$30.46	\$31.22	\$32.00	\$32.80	\$33.62

IN WITNESS WHEREOF, the City of Los Angeles and the Contractor have caused this Agreement to be executed by their duly authorized representatives.

Executed for:
The City of Los Angeles

Executed for:
Connex TCT, LLC

Wayne K. Tanda
General Manager
Department of Transportation

Kevin J. Adams
President

Date: _____

Date: _____

Approved as to Form and Legality:

ATTEST:

Rockard J. Delgadillo, City Attorney

J. Michael Carey, City Clerk

Shelley I. Smith
Assistant City Attorney

City Clerk
City of Los Angeles

Date: _____

Date: _____

Council File Number: _____

Contract Number: _____

**Appendix A
STANDARD PROVISIONS FOR CITY
CONTRACTS**

PSC-1. Construction of Provisions and Titles Herein.

All titles or subtitles appearing herein have been inserted for convenience and shall not be deemed to affect the meaning or construction of any of the terms or provisions hereof. The language of this Contract shall be construed according to its fair meaning and not strictly for or against the **CITY** or the **CONTRACTOR**. The word "**CONTRACTOR**" or "**CONSULTANT**" herein and in any amendments hereto includes the party or parties identified in the Contract wherein this Appendix is incorporated by reference; the singular shall include the plural; if there shall be more than one **CONTRACTOR/CONSULTANT** herein, unless expressly stated otherwise, their obligations and liabilities hereunder shall be joint and several; use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

PSC-2. Number of Originals.

The number of original texts of this Contract shall be equal to the number of the parties hereto, one text being retained by each party.

PSC-3. Applicable Law, Interpretation and Enforcement.

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the **CITY** including but not limited to laws regarding health and safety, labor and employment, wage and hours and licensing laws which affect employees. This Contract shall be enforced and interpreted under the laws of the State of California. **CONTRACTOR/CONSULTANT** shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Contract.

If any part, term or provision of this Contract shall be held void, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this Contract, the validity of the remaining parts, terms or provisions of the Contract shall not be affected thereby.

PSC-4. Time of Effectiveness.

Unless otherwise provided, this Contract shall take effect when all of the following events have occurred:

- A. This Contract has been signed on behalf of the **CONTRACTOR/CONSULTANT** by the person or persons authorized to bind the **CONTRACTOR/CONSULTANT** hereto;

- B. This Contract has been approved by the **CITY'S** Council or by the board, officer or employee authorized to give such approval;
- C. The Office of the City Attorney has indicated in writing its approval of this Contract as to form;
- D. This Contract has been signed on behalf of the **CITY** by the person designated to so sign by the **CITY'S** Council or by the board, officer or employee authorized to enter into this Contract.

PSC-5. Integrated Contract.

This Contract sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous Contracts or understandings, whether written or oral, relating thereto. This Contract may be amended only as provided for in paragraph PSC-6 hereof.

PSC-6. Amendment.

All amendments hereto shall be in writing and signed by the persons authorized to bind the parties thereto.

PSC-7. Excusable Delays.

In the event that performance on the part of any party hereto shall be delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension. Circumstances deemed to be beyond the control of the parties hereunder shall include, but not be limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires, floods; epidemics; quarantine restrictions; strikes, freight embargoes or delays in transportation, to the extent that they are not caused by the party's willful or negligent acts or omissions, and to the extent that they are beyond the party's reasonable control.

PSC-8. Breach.

Except for excusable delays as described in PSC-7, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

PSC-9. Waiver.

A waiver of a default of any part, term or provision of this Contract shall not be construed as a waiver of any succeeding default or as a waiver of the part, term or provision itself. A party's performance after the other party's default shall not be construed as a waiver of that default.

PSC-10. Independent CONTRACTOR/CONSULTANT.

The **CONTRACTOR/CONSULTANT** is acting hereunder as an independent contractor and not as an agent or employee of the **CITY**. The **CONTRACTOR/CONSULTANT** shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the **CITY**.

PSC-11. Prohibition Against Assignment or Delegation.

The **CONTRACTOR/CONSULTANT** may not, unless it has first obtained the written permission of the **CITY**;

- A. Assign or otherwise alienate any of its rights hereunder, including the right to payment; or
- B. Delegate, subcontract, or otherwise transfer any of its duties hereunder.

PSC-12. Permits.

The **CONTRACTOR/CONSULTANT** and its officers, agents and employees shall obtain and maintain all licenses, permits, certifications and other documents necessary for the **CONTRACTOR'S/CONSULTANT'S** performance hereunder and shall pay any fees required therefor. **CONTRACTOR/CONSULTANT** certifies to immediately notify the **CITY** of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents.

PSC-13. Nondiscrimination and Affirmative Action.

The **CONTRACTOR/CONSULTANT** shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the **CITY**. In performing this Contract, the **CONTRACTOR/CONSULTANT** shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, disability, domestic partner status, marital status or medical condition. The **CONTRACTOR/CONSULTANT** shall comply with the provisions of the Los Angeles Administrative Code Sections 10.8 through 10.13, to the extent applicable hereto. The **CONTRACTOR/CONSULTANT** shall also comply with all rules, regulations, and policies of the **CITY'S** Board of Public Works, Office of Contract Compliance relating to nondiscrimination and affirmative action, including the filing of all

forms required by said Office. Any subcontract entered into by the **CONTRACTOR/CONSULTANT** relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph. Failure of the **CONTRACTOR/CONSULTANT** to comply with this requirement or to obtain the compliance of its subcontractors with such obligations shall subject the **CONTRACTOR/CONSULTANT** to the imposition of any and all sanctions allowed by law, including but not limited to termination of the **CONTRACTOR/CONSULTANT'S** contract with the **CITY**.

PSC-14. Claims for Labor and Materials.

The **CONTRACTOR/CONSULTANT** shall promptly pay when due all amounts payable for labor and materials furnished in the performance of this Contract so as to prevent any lien or other claim under any provision of law from arising against any **CITY** property (including reports, documents, and other tangible matter produced by the **CONTRACTOR/CONSULTANT** hereunder), against the **CONTRACTOR'S/CONSULTANT'S** rights to payments hereunder, or against the **CITY**, and shall pay all amounts due under the Unemployment Insurance Act with respect to such labor.

PSC-15. Current Los Angeles City Business Tax Registration Certificate Required.

The **CONTRACTOR/CONSULTANT** represents that it has obtained and presently holds the Business Tax Registration Certificate(s) required by the **CITY'S** Business Tax Ordinance (Article 1, Chapter 2, sections 21.00 and following, of the Los Angeles Municipal Code). For the term covered by this Contract, the **CONTRACTOR/CONSULTANT** shall maintain, or obtain as necessary, all such Certificates required of it under said ordinance and shall not allow any such Certificate to be revoked or suspended.

PSC-16. Bonds.

Duplicate copies of all bonds which may be required hereunder shall conform to **CITY** requirements established by Charter, ordinance or policy and shall be filed with the Office of the City Attorney for its review in accordance with Los Angeles Administrative Code Sections 11.47 through 11.56.

PSC-17. Indemnification.

Except for the active negligence or willful misconduct of **CITY**, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, **CONTRACTOR/CONSULTANT** undertakes and agrees to defend, indemnify and hold harmless **CITY** and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including,

but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including **CONTRACTOR'S/CONSULTANT'S** employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Contract by the **CONTRACTOR/CONSULTANT** or its **SUBCONTRACTORS** of any tier. The provisions of this paragraph survive expiration or termination of this Contract.

PSC-18. Insurance.

A. General Conditions

During the term of this Contract and without limiting **CONTRACTOR'S/CONSULTANT'S** indemnification of the **CITY**, **CONTRACTOR/CONSULTANT** shall provide and maintain at its own expense a program of insurance having the coverages and limits customarily carried and actually arranged by **CONTRACTOR/CONSULTANT** but not less than the amounts and types listed on the Insurance Requirements Sheet (Form Gen 146/IR in Exhibit 1 hereto, covering its operations hereunder. Such insurance shall conform to **CITY** requirements established by Charter, ordinance or policy, shall comply with the instructions set forth on Form General 133 and with the conditions set forth on the applicable City Special Endorsement form(s), copies of which are included in Exhibit 1, and shall otherwise be in a form acceptable to the City Attorney. Specifically, such insurance shall: 1) protect **CITY** as an Insured or an Additional Interest Party, or a Loss Payee As Its Interests May Appear, respectively, when such status is appropriate and available depending on the nature of the applicable coverages; 2) provide **CITY** at least thirty (30) days advance written notice of cancellation, material reduction in coverage or reduction in limits when such change is made at the option of the insurer; and 3) be primary with respect to **CITY'S** insurance program. Except when **CITY** is a named insured, **CONTRACTOR'S/CONSULTANT'S** insurance is not expected to respond to claims which may arise from the acts or omissions of the **CITY**.

B. Modification of Coverage

CITY reserves the right at any time during the term of this Contract to change the amounts and types of insurance required hereunder by giving **CONTRACTOR/CONSULTANT** ninety (90) days advance written notice of such change. If such change should result in substantial additional cost to the **CONTRACTOR/CONSULTANT**,

CITY agrees to negotiate additional compensation proportional to the increased benefit to CITY.

C. Failure to Procure Insurance

All required insurance must be submitted and approved by the City Attorney prior to the inception of any operations or tenancy by **CONTRACTOR/CONSULTANT**. The required coverages and limits are subject to availability on the open market at reasonable cost as determined by CITY. Non-availability or non-affordability must be documented by a letter from **CONTRACTOR'S/CONSULTANT'S** insurance broker or agent indicating a good faith effort to place the required insurance and showing as a minimum the names of the insurance carriers and the declinations or quotations received from each.

Within the foregoing constraints, **CONTRACTOR'S/CONSULTANT'S** failure to procure or maintain required insurance or a self-insurance program during the entire term of this Contract shall constitute a material breach of this Contract under which CITY may immediately suspend or terminate this Contract or, at its discretion, procure or renew such insurance to protect CITY'S interests and pay any and all premiums in connection therewith and recover all monies so paid from **CONTRACTOR/CONSULTANT**.

D. Worker's Compensation

By signing this Contract, **CONTRACTOR/CONSULTANT** hereby certifies that it is aware of the provisions of Section 3700 et seq., of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all such times as they may apply during the performance of the work pursuant to this Contract.

A Waiver of Subrogation in favor of CITY will be required when work is performed on CITY premises under hazardous conditions.

PSC-19. Child Support Assignment Orders.

This Contract is subject to the Child Support Assignment Orders Ordinance, Section 10.10 of the Los Angeles Administrative Code. Pursuant to this Ordinance, **CONTRACT-OR/CONSULTANT** certifies that it will (1) fully comply with all State and Federal employment reporting requirements applicable to Child Support Assignment Orders; (2) that the principal owner(s) of **CONTRACTOR/CONSULTANT** are in

compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code section 5230, et seq.; and (4) maintain such compliance throughout the term of this Contract. Pursuant to Section 10.10.b of the Los Angeles Administrative Code, failure of **CONTRACTOR-OR/CONSULTANT** to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of **CONTRACTOR/CONSULTANT** to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default by the **CONTRACTOR/CONSULTANT** under the terms of this Contract, subjecting this Contract to termination where such failure shall continue for more than ninety (90) days after notice of such failure to **CONTRACTOR/CONSULTANT** by **CITY**. Any subcontract entered into by the **CONTRACTOR/CONSULTANT** relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph and shall incorporate the provisions of the Child Support Assignment Orders Ordinance. Failure of the **CONTRACTOR/CONSULTANT** to obtain compliance of its subcontractors shall constitute a default by the **CONTRACTOR/CONSULTANT** under the terms of this Contract, subjecting this Contract to termination where such failure shall continue for more than ninety (90) days after notice of such failure to **CONTRACTOR/CONSULTANT** by the **CITY**.

CONTRACTOR/CONSULTANT shall comply with the Child Support Compliance Act of 1998 of the State of California Employment Development Department. **CONTRACTOR/CONSULTANT** assures that to the best of its knowledge it is fully complying with the earnings assignment orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in subdivision (1) of the Public Contract Code 7110.

PSC-20. Living Wage Ordinance and Service Contractor Worker Retention Ordinance.

- A. Unless otherwise exempt in accordance with the provisions of these Ordinance, this Contract is subject to the applicable provisions of the Living Wage Ordinance (LWO) Section 10.37 et seq. of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 et seq., of the Los Angeles Administrative Code, as amended from time to time. The Ordinances require the following:
1. **CONTRACTOR/CONSULTANT** assures payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of benefits as defined in the LWO.

2. **CONTRACTOR/CONSULTANT** further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. **CONTRACTOR/CONSULTANT** shall require each of its subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. **CONTRACTOR/CONSULTANT** shall deliver the executed pledges from each such subcontractor to the **CITY** within ninety (90) days of the execution of the subcontract. **CONTRACTOR'S/CONSULTANT'S** delivery of executed pledges from each such subcontractor shall fully discharge the obligation of the **CONTRACTOR/CONSULTANT** with respect to such pledges and fully discharge the obligation of the **CONTRACTOR/CONSULTANT** to comply with the provision in the LWO contained in Section 10.37.6(c) concerning compliance with such federal law.
 3. The **CONTRACTOR/CONSULTANT**, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the **CITY** with regard to the employer's compliance or anticipated compliance with the LWO, for opposing any practice proscribed by the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. **CONTRACTOR/CONSULTANT** shall post the Notice of Prohibition Against Retaliation provided by the **CITY**.
 4. Any subcontract entered into by the **CONTRACTOR/CONSULTANT** relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of PSC-20 and shall incorporate the provisions of the LWO and the SCWRO.
 5. **CONTRACTOR/CONSULTANT** shall comply with all rules, regulations and policies promulgated by the designated administrative agency which may be amended from time to time.
- B. Under the provisions of Section 10.36.3(c) and Section 10.37.5(c) of the Los Angeles Administrative Code, the **CITY** shall have the authority, under appropriate circumstances, to terminate this Contract and otherwise pursue legal remedies that may be available if the

CITY determines that the subject **CONTRACTOR/CONSULTANT** has violated provisions of either the LWO or the SCWRO or both.

- C. Where under the LWO Section 10.37. 6(d), the designated administrative agency has determined (a) that the **CONTRACTOR/CONSULTANT** is in violation of the LWO in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the awarding authority in such circumstances may impound monies otherwise due the **CONTRACTOR/CONSULTANT** in accordance with the following procedures. Impoundment shall mean that from monies due the **CONTRACTOR/CONSULTANT**, the awarding authority may deduct the amount determined to be due and owing by the **CONTRACTOR/CONSULTANT** to its employees. Such monies shall be placed in the holding account referred to in LWO Section 10.37.6 (d) (3) and disposed of under procedures described therein through final and binding arbitration. Whether the **CONTRACTOR/CONSULTANT** is to continue work following an impoundment shall remain in the unfettered discretion of the awarding authority. The **CONTRACTOR/CONSULTANT** may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.

Earned Income Tax Credit

This Contract is subject to the provisions of Section 10.37.4 of the Los Angeles Administrative Code, requiring employers to inform employees making less than Twelve Dollars (\$12.00) per hour of their possible right to the federal Earned Income Tax Credit (EITC). Employers must further make available to employees the forms required to secure advance EITC payments from employers.

PSC- 21. Americans with Disabilities Act.

The **CONTRACTOR/CONSULTANT** hereby certifies that it will comply with the Americans with Disabilities Act 42, U.S.C. Section 12101 et seq., and its implementing regulations. The **CONTRACTOR/CONSULTANT** will provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act. The **CONTRACTOR/CONSULTANT** will not discriminate against persons with disabilities nor against persons due to their relationship to or association with a person with a disability. Any subcontract entered into by the **CONTRACTOR/CONSULTANT**, relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

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EXHIBIT 1 - Cont.
INSURANCE REQUIREMENTS

13. **Renewal** When an existing policy is timely renewed, submit a renewal endorsement or a manually-signed Certificate of Insurance. However, if your policy number changes or you use a different underwriting company (insurer) you must submit new evidence which meets the policy conditions listed in Sections 8 through 11 of this information sheet.

COVERAGE INFORMATION

14. **Dollar Limits** of required insurance are sometimes set by statute or ordinance. When there is no specific amount required by law, limits are based on the amount of risk to the CITY from the contractor, vendor or permittee's activities.

15. **General Liability** insurance covering your operations (and products, where applicable) is required whenever the CITY is at risk of third party claims which may arise out of your work or your presence on CITY premises. **Contractual liability** coverage is a required inclusion in this insurance. (See separate information sheet on the CITY'S SPARTA program as an optional source of low-cost insurance which meets all requirements.)

16. **Automobile Liability** insurance is required only where vehicles are used in performing the work of your Contract or where they are driven off-road on CITY premises; it is not required for simple commuting unless CITY is paying mileage. However, compliance with California law requiring auto liability insurance is a contractual requirement.

17. **Errors and Omissions** coverage will be specified on a project-by-project basis if you are working as a licensed professional. The length of the claims discovery period required will vary with the circumstances of the individual job.

18. **Workers' Compensation and Employer's Liability** insurance are not required for single-person contractors. However, under state law these coverages (or a copy of the state's Consent To Self Insure) must be provided if you have any employees at any time during the period of this contract. **Waiver of Subrogation** on the coverage is required only for jobs where your employees are working on CITY premises under hazardous conditions, e.g., uneven terrain, scaffolding, caustic chemicals, toxic materials, power tools, etc.

19. **Property Insurance** is required for persons having exclusive use of premises or equipment owned or controlled by the CITY. **Fire Legal Liability** is required for persons occupying a portion of CITY premises.

20. **Surety** coverage may be required to guarantee performance of work. A **Fidelity bond** may be required to handle CITY funds, high value property and under certain other conditions. **Specialty coverages** may be needed for certain operations.