



## Legislation Text

File #: 2017-501, Version: 1

### Report to Mayor and City Council

Tuesday, July 18, 2017

Discussion

#### **SUBJECT:**

**CONSIDER AUTHORIZING A BUDGET AMENDMENT FOR THE CITY OF CARSON'S CONTRACT WITH MV TRANSPORTATION, INC. (CITY COUNCIL)**

#### **I. SUMMARY**

On May 19, 2015, the City Council selected MV Transportation, Inc. (MV) to operate the Carson Circuit (Circuit). With that action, MV was directed to service seven of the eight routes provided by the Circuit. Route G, as it is called, was to be handled by Transportation Services Division staff. However, due to a shortage of available in-house bus drivers last year, MV was often requested to service Route G. This resulted in the City exceeding its annual contract budget by \$132,524.00. Staff is requesting a budget amendment of this amount to pay the December invoice, which will then permit payment of all proceeding invoices.

#### **II. RECOMMENDATION**

TAKE the following actions:

1. AUTHORIZE a budget amendment in the amount of \$132,524.00 to pay for the City of Carson's December invoice with MV Transportation, Inc.
2. APPROPRIATE an additional \$66,262.00 to Proposition A account number 18-90-999-180-6045 and an additional \$66,262.00 to Proposition C account number 19-90-999-180-6046.

#### **III. ALTERNATIVES**

TAKE another action the City Council deems appropriate.

#### **IV. BACKGROUND**

The City of Carson's fixed-route bus system, the Carson Circuit, is comprised of eight (8)

routes that run 40-minute loops, beginning at 5:00 AM and ending at 6:40 PM, through different areas of the City. In addition to providing local service to the Carson community, the Circuit acts as feeder/connector service to other regional transit providers, such as the Metropolitan Transit Authority (Metro) for both bus and rail and Torrance Transit. All routes begin and end at the SouthBay Pavilion Mall.

On February 4, 2015, the City released an RFP to select a vendor to provide this important community service. On March 16, 2015, four vendors submitted proposals to the City Clerk's Office. Each were reviewed and evaluated, and on May 19, 2015, Item No. 12, MV Transportation, Inc. was selected as the City's desired vendor. On June 3, 2015, Item No. 15, the City Council approved a contract with MV to operate the Carson Circuit.

As part of the new agreement, of the eight routes that are provided, the operation of Route G would transfer to City staff. However, due to a shortage of available in-house bus drivers last year, MV was often requested to provide coverage for Route G. As a result, the City's monthly budget for this service was exceeded, as a result, the annual budget for this service was exceeded by \$132,524.00. Staff is now requesting a budget amendment in this amount to pay for the final invoice from last calendar year. In the near future staff intends to request approval of a contract amendment that will cover any possible overages due to situations such as this.

## **V. FISCAL IMPACT**

Should the City Council approve staff's recommendation, \$66,262.00 will be appropriated to Proposition A account number 18-90-999-180-6045, and an additional \$66,262.00 to Proposition C account number 19-90-999-180-6046. The estimated fund balance in the Proposition A fund at June 30, 2017 is \$170,784, and \$528,563 in the Proposition C fund.

## **VI. EXHIBITS**

1. MV Transportation, Inc. Contract. (pgs. 3-48)
2. Resolution No. 17-083. (pgs. 49-50)

1.

Prepared by: Luchie S. Magante, Sr. Administrative Analyst