



Administrative Report

N.1., File # 25-0584

Meeting Date: 6/3/2025

To: MAYOR AND CITY COUNCIL

From: ELIZABETH HAUSE, COMMUNITY SERVICES DIRECTOR

TITLE

DISCUSSION AND POSSIBLE ACTION REGARDING THE SELECTION OF A TRANSIT OPERATIONS SERVICE PROVIDER FOR THE BEACH CITIES TRANSIT SYSTEM

APPROVE A MULTI-YEAR AGREEMENT WITH PARKING CONCEPTS, INC. DBA TRANSPORTATION CONCEPTS TO PROVIDE BEACH CITIES TRANSIT FIXED ROUTE AND WAVE DIAL-A-RIDE SERVICES IN THE AMOUNT OF \$29,754,503 FOR THE TERM OF JULY 1, 2025 THROUGH JUNE 30, 2031

EXECUTIVE SUMMARY

The City's current agreement with Parking Concepts, Inc., dba Transportation Concepts, for the operation of the Beach Cities Transit (BCT) system will expire on June 30, 2025. In accordance with City policy, a Request for Proposals (RFP) was issued to solicit proposals from qualified transit system operators for the continued operation and maintenance of the BCT system following the expiration of the current contract.

On October 15, 2024, the City Council approved the RFP for the BCT and WAVE Dial-a-Ride transportation services, including the evaluation criteria, the form of agreement, and authorized staff to release the RFP on October 17, 2024. Proposals were accepted through November 22, 2024, with four proposals received and subsequently evaluated by the review committee. Interviews with all four proposers were conducted on February 28, 2025.

Based on the final rankings of written proposals, interviews with key and corporate personnel, and cost analysis (see the attached comparison sheet), staff recommends awarding an agreement to Transportation Concepts to serve as the BCT system contract operator for both fixed-route and dial-a-ride services.

The recommended agreement would run from July 1, 2025 through June 30, 2031, for a not-to-exceed total amount of \$29,754,503. BCT services are fully funded through dedicated transportation revenue in the Transit Fund and receive no support from the General Fund. Should the City experience a decrease in federal funding, the Agreement includes provisions that allow the City to adjust, or reduce, service levels. Specifically, the City retains sole authority to change service hours, routes, or schedules, and has the option to reduce services, if needed.

BACKGROUND

The BCT system currently provides fixed-route services via Lines 102 and 109, and paratransit services through the WAVE Dial-a-Ride program for senior/disabled patrons. BCT's fixed-route network serves the cities of Redondo Beach, Hermosa Beach, Manhattan Beach, and El Segundo. It also provides east-west connectivity to other transit providers, including Torrance Transit, Lawndale Beat, G-Trans, LADOT Commuter Express, and Metro Bus and Rail lines.

Regional rail connections are available at Metro's Redondo Beach, Douglas, and Aviation/LAX Green Line Stations. Future connectivity includes planned service to the new Redondo Beach Transit Center and the LAX Automated People Mover.

The BCT WAVE Dial-a-Ride service offers curb-to-curb transportation for senior residents (age 62 and over) and individuals with disabilities in Redondo Beach and Hermosa Beach. When requested, WAVE service connects to Metro, Torrance Transit, GTrans, and the Lawndale Beat at the Redondo Beach Transit Center and Green Line Station.

Since FY 2009-10, the City has contracted with Transportation Concepts for the operation and maintenance of BCT services, which include:

- Operation of fixed-route Lines 102 and 109
- WAVE senior/disabled Dial-a-Ride service
- Dispatch and scheduling functions
- Maintenance of the BCT fleet (15 fixed-route vehicles and 5 WAVE vehicles)
- Management, oversight, and performance reporting for BCT operations and vehicle maintenance

Transportation Concepts performs administrative and dispatch functions and maintains BCT vehicles at the City's maintenance facility located at 1521 Kingsdale Avenue, adjacent to the new Transit Center. Driver training and related activities are conducted at the City Hall transit offices.

The current Agreement with Transportation Concepts will expire on June 30, 2025. The City's adopted FY 2024-25 Budget includes \$3,564,833 for contracted BCT operations, covering the final six months of the Agreement.

BCT RFP Process

On October 15, 2024, the City Council approved the BCT System RFP, proposal evaluation criteria, and form of agreement, and authorized staff to issue the RFP on October 17, 2024. Proposals were accepted through November 22, 2024.

The RFP was distributed to eight private transit operators and publicly noticed in the Easy Reader and on the California Association for Coordinated Transportation (CalACT) bid board. The RFP required proposers to address service improvements, including enhanced real-time technology, improved driver recruitment and retention strategies, and compliance with state living wage laws. The RFP also outlined compensation parameters for four potential one-year extensions, capped by the annual CPI increase for the Los Angeles-Riverside-Orange County region.

RFP Evaluation Process

Four proposals were received from Transdev, Keolis, MV Transportation, and Transportation

Concepts. A review committee, comprised of City Transit and Finance staff and two external transit operations experts, evaluated the proposals based on the criteria included in the RFP: contractor experience, qualifications of key personnel, technical approach, and cost effectiveness.

Following initial reviews and supplemental questions, interviews were held on February 28, 2025, with key and corporate personnel from each proposing firm. Project Managers and Maintenance Managers were required to attend. Transportation Concepts and Transdev had their proposed Maintenance Managers present; Keolis and MV Transportation did not.

The review committee scored each proposal and conducted a comparative cost analysis, including transition impacts and associated costs, which were determined to be significant. Per Federal Transit Administration guidance and City procurement policy, award decisions were based on overall qualifications and value-not solely on price.

Staff Recommendation

Based on the results of the evaluation process, the review committee ranked Transportation Concepts as the highest-scoring proposer, followed by Keolis. Transportation Concepts demonstrated strong responsiveness to City staff, consistent performance in addressing customer, operational, and driver-related issues, and active participation in BCT community events and senior outreach efforts. The contractor has also maintained strong compliance in its maintenance and Drug & Alcohol programs, with no findings reported in recent Federal Transit Administration audits.

Transportation Concepts' proposal included several service enhancements beyond the RFP requirements, along with cost adjustments to accommodate wages, staffing, and support roles not previously funded under the current Agreement. Their cost for service was the lowest among the four submitted proposals, and 80% of their proposed cost is allocated directly to wages and benefits. The proposal also includes five additional full-time positions to support field supervision, maintenance, training, dispatch, and administrative needs, including a full-time trainer dedicated to ongoing driver recruitment and retention. Historically, Transportation Concepts has consistently maintained BCT's on-time performance standards and demonstrated the capacity and experience necessary to continue operating the system effectively. The proposed Agreement under consideration at this time would provide 42,000 annual service hours over a six-year base term.

Staff recommends that the City Council award the agreement to Transportation Concepts for a base term running from July 1, 2025 through June 30, 2031, with two, optional two-year terms. The proposed Agreement will include provisions for Out-of-Contract services to address emergencies and other unforeseen needs. BCT services will continue to be funded by dedicated federal funds and transportation revenue in the Transit Fund with no support required from the General Fund.

In light of recent shifts in funding policy at the federal level, the proposed Agreement with Transportation Concepts also contains provisions that ensure fiscal flexibility. If federal funding is reduced or discontinued, the City may reduce or eliminate services accordingly. Section 9 of the proposed Agreement allows the City to adjust service levels at its discretion, including immediate changes during emergencies. If a change exceeds 25% of total annual service hours, the City and contractor may renegotiate the service rate. Additionally, under Section 6 of Exhibit A, if federal support is withdrawn, the City is able to scale back or terminate affected services.

COORDINATION

The Community Services Department collaborated with the Financial Services Department, with assistance from evaluators from the City of Torrance, the City of Palos Verdes, and the City's Transportation Planning and Policy Consultant, Dan Boyle, to complete the RFP proposal review process. The proposed Agreement has been reviewed and approved as to form by the City Attorney's Office.

FISCAL IMPACT

City transportation services are funded through dedicated sources, including the Municipal Transit Operator Formula Allocation Procedure (FAP), Local Return Proposition A funds, BCT fares, and bus pass sales revenue. The total estimated cost for the operations and maintenance of the Beach Cities Transit system over the six-year term is \$29,754,503.

Expenses related to the contract for services effective July 1, 2025 will be included in the FY 2025-26 Transit Division Budget. Expenses for the remaining five years of the initial term will be incorporated into subsequent Transit Budgets. BCT services are fully funded through dedicated transportation funding and receive no support from the General Fund. The estimated costs do not include Out-of-Contract services, which will be utilized on an as-needed basis throughout the contract term.

| Contract Year | Annual Cost |
|-----------------------|----------------------|
| Year 1 | \$4,335,551 |
| Year 2 | \$4,597,763 |
| Year 3 | \$4,841,696 |
| Year 4 | \$5,084,085 |
| Year 5 | \$5,319,205 |
| Year 6 | \$5,576,203 |
| Contract Total | \$ 29,754,503 |

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Agmt - BCT Management Agreement with Parking Concepts, Inc., DBA Transportation Concepts
- BCT Request for Proposals RFP #2425-003 for Operation and Maintenance of the Beach Cities Transit Services
- Proposal - Parking Concepts, Inc., RFP #2425-003 for Operation and Maintenance of the Beach Cities Transit Services
- Tables - Proposal Comparison Sheet