

Transportation Committee

For the Metropolitan Council meeting of November 9, 2016

Subject: Rejection of Bid for Contract 16P073 – Payment Agreement for Management and Operations of Metro Vanpool

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to reject the bid for contract 16P073 titled Payment Agreement for Management and Operations of Metro Vanpool.

Summary of Committee Discussion/Questions

Metropolitan Transportation Services Manager of Contracted Transit Services John Harper presented this item. Member Letofsky asked whether Enterprise, the bidder and current vendor, was aware of the Council's intent to reject the bid and negotiate a new agreement. Harper responded that Enterprise is aware and has suggested willingness to negotiate, but actual negotiations will not begin until the procurement process is concluded.

Motion by Rodriguez, seconded by Elkins and passed.

Transportation Committee

Meeting date: October 24, 2016

For the Metropolitan Council meeting of November 9, 2016

Subject: Rejection of Bid for Contract 16P073 - Payment Agreement for Management and Operations of Metro Vanpool

District(s), Member(s):

Policy/Legal Reference: Council Policy 3.3 Expenditures

Staff Prepared /Presented: Gerri Sutton, Asst. Director of Contracted Transit Services (651) 602-1672

Mickey Gutzmann, Director of Contracts and Procurement (651) 602-1741

John Harper, Manager of Contracted Transit Services (651) 602-1744

Randy Rosvold, Senior Project Administrator, Contracted Transit Services (651) 602-1710

Division/Department: Contracts and Procurement/Metropolitan Transportation Services

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to reject the bid for contract 16P073 titled Payment Agreement for Management and Operations of Metro Vanpool.

Background

Metropolitan Transportation Services (MTS) is responsible for providing Metro Vanpool, the Council's commuter vanpool program for people who reside or work in the metropolitan area. The Council subsidizes the rental of a van for program participants who meet certain eligibility criteria. MTS hires a contractor to provide the fleet, vehicle insurance, and program management and operations functions. The current vanpool provider contract is in effect for the five-year term that ends March 1, 2017.

Rationale

Procurement and MTS released an Invitation for Bid (IFB) for a five year contract for program management and operations for an estimated value of \$5.5 million. In order to ensure a competitive process for all potential bidders, the bid specification required the successful contractor to supply all new 2017 model-year vehicles at the beginning of the contract. Bids were due on September 9, 2016. There was only one plan holder and one bid received from Enterprise Holdings, Inc. (the current contractor).

Approximately one-third of the current fleet is 2016 model year vehicles. Accepting the bid as submitted, per bid specifications, would require program participants with 2016 model year vehicles to terminate current rental agreements and switch to a 2017 model year vehicles. Instead, MTS intends to negotiate with Enterprise using the prices submitted as a basis but include 2016 model year vehicles in the new five-year contract. This will allow for continuity for many existing customers and a seamless transition to the new contract while receiving the benefit of competitive pricing for the next five years. By adding the 2016 model year vehicles to the new contract the Council will avoid the expense of vehicle graphics on one-third of the fleet.

Funding

Funding for the program is included in the operating budget.

Known Support / Opposition

There is no known opposition to this action