

# Business Item

Transportation Committee



Committee Meeting Date: July 22, 2024

For the Metropolitan Council: July 24, 2024

## Business Item: 2024-180 SW

Microtransit Service, Contract 24P029

<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	FM 14-2 - Expenditures for the Procurement of Goods, Services, and Real Estate Policy
<b>Staff Prepared/Presented:</b>	Charles Carlson, Executive Director MTS (651) 602-1761 Gerri Sutton, Director, Contracted Transit Services (651) 602-1672 John Harper, Manager, Contracted Transit Services (651) 602-1744
<b>Division/Department:</b>	Metropolitan Transportation Services (MTS)

### Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute a contract with Schmitt & Sons Transportation Inc. to provide Microtransit services in an amount not to exceed \$60,645,500.

### Background

Metropolitan Transportation Services provides regular route and dial-a-ride transit service using contracts with private companies. These services are competitively procured using a series of multi-year contracts which allows multiple vendors to propose on and operate transit service on behalf of the Council. This specific contract package includes all day Microtransit service in North Minneapolis, Woodbury/Oakdale, and Roseville. Additional communities will be added in 2025 through 2027.

A Request for Proposals was issued on April 11, 2024. A pre-proposal meeting was hosted by Council staff that outlined the solicitation requirements, discussed project specifications, and responded to plan holder inquiries. There were twenty-seven registered plan holders including fifteen prime proposers, two consultants, eight subcontractors, two plan rooms, and five plan holders identified as minority, woman, small or disadvantaged business enterprises. On June 12, the Council received four proposals for consideration of award.

An evaluation panel consisting of staff from Metropolitan Transportation Services, Metro Transit, and Minnesota Department of Human Services evaluated the proposals using the following criteria: proposal quality, proposer's qualifications and experience, proposer's capabilities and ability to deliver the service, and proposal price. The evaluation panel recommends Schmitt & Sons Transportation Inc. as having all the required attributes to be the most advantageous to the Council.

The proposal and contract structure allow the Council to adjust service during the term using pre-established rates. The value of the base service level is approximately \$49.3M and the requested contract value of approximately \$60.6M allows for revenue hour increases of up to 30% as permitted by contract terms.

## **Rationale**

Execution of a professional service contract exceeding \$500,000 requires Council Approval.

## **Thrive Lens Analysis**

This item supports several Thrive Outcomes. This service is provided in portions of the region otherwise not served by all day transit, which furthers Stewardship by increasing the average number of jobs reachable by transit and Equity by connecting additional residents to opportunity. Certain routes included in this service provide additional local service in BRT and LRT corridors, which increases Livability and Equity for mobility-challenged individuals by providing added local stops. Financial Stewardship is also furthered because this contract provides a lower cost solution for a lower productivity transit service.

## **Funding**

Funding for this service is included in the annual operating budget.

## **Small Business Inclusion**

The Office of Equity and Equal Opportunity (OEEO) set a Disadvantaged Business Enterprise (DBE) goal of 2%. OEEO determined that the vendor being recommended for award has met the DBE requirements of this contract.

