

Council Meeting
May 17, 2011

Honorable Mayor and Members
Of the City Council
City Hall
Torrance, California

Members of the City Council:

SUBJECT: Transit – Approve contract amendment for the Municipal Area Express (MAX) Commuter Bus Service.

Expenditure: Not to exceed \$2,182,377

RECOMMENDATION

Recommendation of the Transit Director that Council approve an amendment to contract with MV Transportation to (C2008-045) to operate the Municipal Area Express (MAX) Commuter Bus Service for a term of July 1, 2011 through June 30, 2013 at a cost not to exceed \$2,182,377.

FUNDING

This sum will be funded each year in the MAX budget from the following sources:

- Proposition C 40% Discretionary Transit Service Expansion (TSE) funding
- Farebox revenues
- Contributions from the MAX participating agencies.

BACKGROUND/ANALYSIS

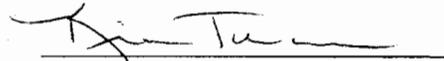
At its December 6, 2010 meeting, Lead Agency staff informed the MAX Policy Steering Committee (PSC) that the current contract with MV Transportation would expire on June 30, 2011. Lead Agency staff was directed to begin contract negotiations with MV Transportation to achieve cost reductions within the extension of the contract. After discussing with MV Transportation representatives on multiple occasions, Lead Agency staff received a letter dated February 23, 2011 with the following proposal:

- Adjust the current rate from \$1,247,346 to \$1,075,065 per year for July 1, 2011 through June 30, 2012.
- For FY 2013 increase the FY 2012 contract by 3% from 1,075,065 to 1,107,312 for an increase of \$32,252.

The adjustments to the contract amount include the reduction of two (2) morning and two (2) afternoon runs on Line 2. It also includes the truncation of Line 2 at Pacific Coast Highway and Hawthorne Blvd. The reduction in service hours as well as additional internal concessions made by MV Transportation facilitates the reduction. The reduction in service on Line 2 is a result of the withdrawal of Rancho Palos Verdes from participation in the MAX program, effective June 30, 2011. The above proposed changes were not passed by the Policy Steering Committee pending the confirmed withdrawal of Rancho Palos Verdes in the MAX. Having received their formal withdrawal on April 4, 2011, Lead Agency staff presented this as a supplemental item at the April 4, 2011 MAX PSC meeting. Due to Rancho Palos Verde's withdrawal, Lead Agency staff was directed by the Policy Steering Committee to reduce the amount of service on Line 2 to help maintain efficiency levels. At the April 4, 2011 MAX PSC meeting, Lead Agency staff received concurrence to begin preparing contract extension documents with MV Transportation. These documents have been prepared for review and approval by Your Honorable Body.

While the agreement is for a two-year period, as outlined in the interagency agreement, any agency has the ability to withdraw from the MAX program at the end of any Fiscal Year provided they give notice greater than ninety (90) days before the end of the fiscal year, ending June 30. Should the Lead Agency decide to withdraw from the program it is required to provide one- hundred and twenty (120) days notice.

Respectfully submitted,



Kim Turner
Transit Director

Concur:



for LeRoy J. Jackson
City Manager

- Attachments: A) Contract Services Amendment
B) Copy of Contract Services Agreement (C2008-045)

AMENDMENT TO AGREEMENT (C2008-045)

This Amendment to Agreement (“Amendment”) is made and entered into as of July 1, 2011 (the “Effective Date”), by and between the CITY OF TORRANCE, a municipal corporation (“CITY”), and MV Transportation, Inc., a California Corporation (“CONTRACTOR”).

RECITALS:

- A. The CITY previously circulated a Request for Proposals to provide operations and maintenance services for the Municipal Area Express (MAX) Commuter Bus Service, RFP No. B2008-02 (“RFP”).
- B. CONTRACTOR submitted a Proposal (“Proposal”) in response to the RFP. In its Proposal the CONTRACTOR represented that it is qualified to perform those services requested in the RFP. Based upon its review of all proposals submitted in response to the RFP, the CITY awarded the Agreement to CONTRACTOR.
- C. The Agreement entered into was for an amount not-to-exceed \$3,618,941. The agreement was for a three year term to end on June 30, 2011.
- D. In CONTRACTOR’s Proposal CONTRACTOR indicated it would agree to renew the Agreement for two additional years. Both parties at this time desire to exercise the option of extending the Agreement.
- E. CONTRACTOR has offered to reduce his compensation for Fiscal Year 2011/2012 to 1,075,065, which is a reduction of 13.8%. CONTRACTOR has requested a 3% increase to the compensation for Fiscal Year 2012/2013 to \$1,107,312.
- F. CONTRACTOR has agreed to tabulate the daily boardings and alightings by stops and provide the data electronically on a monthly basis for no additional cost.

AGREEMENT:

1. Paragraph 2, entitled “TERM”, is amended to read in its entirety as follows:

“2. **TERM**

Unless earlier terminated in accordance with Paragraph 4 below, this Agreement will continue in full force and effect from the Effective Date through _____.”

2. Paragraph 3A, entitled "COMPENSATION" is amended to read in its entirety as follows:

"A. CONTRACTOR'S Fee

For services rendered pursuant to this Agreement, CONTRACTOR will be paid in accordance with the compensation schedule set forth in the Proposal; provided, however, that in no event will the total amount of money paid the CONTRACTOR, for services initially contemplated by this Agreement, exceed the sum of \$5,801,318.00 ("Agreement Sum"), unless otherwise first approved in writing by the CITY."

3. A new Paragraph 4(D) entitled "Termination due to Budget Contingencies or due to Termination of the Municipal Area Express" is added to the Agreement to read in its entirety as follows:

"D. Termination due to Budget Contingencies or due to Termination of the Municipal Area Express

1. If the budget of the Municipal Area Express of the current year or any subsequent year covered by this Agreement does not appropriate sufficient funds for the Municipal Area Express or if the Municipal Area Express Policy Steering Committee terminates the Municipal Area Express, this Agreement will be of no force and effect. This provision will be considered as a condition precedent to the obligation of the CITY to make any payments under this Agreement. In this event, the CITY will have no liability to pay any funds to CONTRACTOR or to furnish any other considerations under this Agreement and CONTRACTOR shall not be obligated to perform any provisions of this Agreement.
2. If this Agreement's funding for any fiscal year is reduced or deleted by action of the Municipal Area Express Policy Steering Committee or if the Municipal Area Express Policy Steering Committee terminates the Municipal Area Express, the CITY will have the option to either cancel this Agreement with no liability occurring to the CITY, or offer an Agreement amendment to CONTRACTOR to reflect the reduced amount."

4. CONTRACTOR's address listed in Paragraph 20(A)(5) is amended to read in its entirety as follows:

“CONTRACTOR: MV Transportation, Inc.
Attn: Director, Contracts Administration
2024 College Street
Elk Horn, IA 51531
Fax: (712) 764-3779”

5. Exhibit B to the Agreement entitled “Proposal” is amended to included the following:

“CONTRACTOR will tabulate the daily boardings and alightings by stops and will provide the data to the CITY (or Lead Agency) staff electronically on a monthly basis for no additional cost.”

6. The persons executing this Agreement on behalf of the CONTRACTOR warrant that (i) the CONTRACTOR is duly organized and existing; (ii) they are duly authorized to execute this Agreement on behalf of the CONTRACTOR; (iii) by so executing this Agreement, the CONTRACTOR is formally bound to the provisions of this Agreement; and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the CONTRACTOR is bound.

7. In all other respects, the Agreement between the CITY and CONTRACTOR is ratified and reaffirmed and is in full force and effect.

CITY OF TORRANCE
Municipal Corporation

MV Transportation, Inc.,
a California Corporation

Frank Scotto, Mayor

By: _____
Brad Cornelsen
Chief Financial Officer

ATTEST:

Sue Herbers
City Clerk

APPROVED AS TO FORM:
JOHN L. FELLOWS III
City Attorney

By: _____

ATTACHMENTS: A) Contract Services Agreement (C2008-045)

CONTRACT SERVICES AGREEMENT

This CONTRACT SERVICES AGREEMENT ("Agreement") is made and entered into as of July 1, 2008 (the "Effective Date"), by and between the CITY OF TORRANCE, a municipal corporation ("CITY"), and MV Transportation, Inc., a California Corporation ("CONTRACTOR").

RECITALS:

- A. The CITY wishes to retain the services of an experienced and qualified CONTRACTOR for the provision of operations and maintenance services for the Municipal Area Express (MAX) Commuter Bus Service.
- B. In order to obtain the desired services, The CITY has circulated its Request for Proposal for the Provisions of Operations and Maintenance Service for the Municipal Area Express (MAX) Commuter Bus Service, RFP No. B2008-02 ("RFP").
- C. CONTRACTOR has submitted a Proposal (the "Proposal") in response to the RFP. In its Proposal CONTRACTOR represents that it is qualified to perform those services requested in the RFP. Based upon its review of all proposals submitted in response to the RFP, the CITY is willing to award the contract to CONTRACTOR.

AGREEMENT:

1. **SERVICES TO BE PERFORMED BY CONTRACTOR**
CONTRACTOR will provide the services listed in CONTRACTOR's Proposal submitted in response to the RFP. A copy of the RFP is attached as Exhibit A. A copy of the Proposal is attached as Exhibit B.
2. **TERM**
Unless earlier terminated in accordance with Paragraph 4 below, this Agreement will continue in full force and effect from the Effective Date through June 30, 2011.
3. **COMPENSATION**
 - A. CONTRACTOR's Fee.

For services rendered pursuant to this Agreement, CONTRACTOR will be paid in accordance with the compensation schedule set forth in the Proposal; provided, however, that in no event will the total

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COPY

amount of money paid the CONTRACTOR, for services initially contemplated by this Agreement, exceed the sum of \$3,618,941.00 ("Agreement Sum"), unless otherwise first approved in writing by the CITY.

B. Schedule of Payment.

Provided that the CONTRACTOR is not in default under the terms of this Agreement, upon presentation of an invoice, CONTRACTOR will be paid monthly, within 30 days after the date of the monthly invoice.

4. **TERMINATION OF AGREEMENT**

A. Termination by CITY for Convenience.

1. CITY may, at any time, terminate the Agreement for CITY's convenience and without cause.
2. Upon receipt of written notice from CITY of such termination for CITY's convenience, CONTRACTOR will:
 - a. cease operations as directed by CITY in the notice;
 - b. take actions necessary, or that CITY may direct, for the protection and preservation of the work; and
 - c. except for work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.
3. In case of such termination for CITY's convenience, CONTRACTOR will be entitled to receive payment for work executed; and costs incurred by reason of such termination, along with reasonable overhead and profit on the work not executed.

B. Termination for Cause.

1. If either party fails to perform any term, covenant or condition in this Agreement and that failure continues for 15 calendar days after the nondefaulting party gives the defaulting party notice of the failure to perform, this Agreement may be terminated for cause; provided, however, that if during the notice period the defaulting party has promptly commenced and continues diligent efforts to remedy the default, the

defaulting party will have such additional time as is reasonably necessary to remedy the default.

2. In the event this Agreement is terminated for cause by the default of the CONTRACTOR, the CITY may, at the expense of the CONTRACTOR and its surety, complete this Agreement or cause it to be completed. Any check or bond delivered to the CITY in connection with this Agreement, and the money payable thereon, will be forfeited to and remain the property of the CITY. All moneys due the CONTRACTOR under the terms of this Agreement will be retained by the CITY, but the retention will not release the CONTRACTOR and its surety from liability for the default. Under these circumstances, however, the CONTRACTOR and its surety will be credited with the amount of money retained, toward any amount by which the cost of completion exceeds the Agreement Sum and any amount authorized for extra services.
3. Termination for cause will not affect or terminate any of the rights of the CITY as against the CONTRACTOR or its surety then existing, or which may thereafter accrue because of the default; this provision is in addition to all other rights and remedies available to the CITY under law.

C. Termination for Breach of Law.

1. In the event the CONTRACTOR or any of its officers, directors, shareholders, employees, agents, subsidiaries or affiliates is convicted (i) of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of a contract or subcontract; (ii) under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a public consultant or contractor; (iii) under state or federal antitrust statutes arising out of the submission of bids or proposals; or (iv) of violation of Paragraph 19 of this Agreement; or for any other cause the CITY determines to be so serious and compelling as to affect CONTRACTOR's responsibility as a public consultant or contractor, including but not limited to, debarment by another governmental agency, then the CITY reserves the unilateral right to terminate this Agreement or to impose

such other sanctions (which may include financial sanctions, temporary suspensions or any other condition deemed appropriate short of termination) as it deems proper. The CITY will not take action until CONTRACTOR has been given notice and an opportunity to present evidence in mitigation.

5. FORCE MAJEURE

If any party fails to perform its obligations because of strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform, then that party's performance shall be excused for a period equal to the period of such cause for failure to perform.

6. RETENTION OF FUNDS

CONTRACTOR authorizes the CITY to deduct from any amount payable to CONTRACTOR (whether or not arising out of this Agreement) any amounts the payment of which may be in dispute or that are necessary to compensate the CITY for any losses, costs, liabilities, or damages suffered by the CITY, and all amounts for which the CITY may be liable to third parties, by reason of CONTRACTOR's acts or omissions in performing or failing to perform CONTRACTOR's obligations under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by CONTRACTOR, or any indebtedness exists that appears to be the basis for a claim of lien, the CITY may withhold from any payment due, without liability for interest because of the withholding, an amount sufficient to cover the claim. The failure of the CITY to exercise the right to deduct or to withhold will not, however, affect the obligations of CONTRACTOR to insure, indemnify, and protect the CITY as elsewhere provided in this Agreement.

7. THE CITY'S REPRESENTATIVE

Kim Turner is designated as the "City Representative," authorized to act in its behalf with respect to the work and services specified in this Agreement and to make all decisions in connection with this Agreement. Whenever approval, directions, or other actions are required by the CITY under this Agreement, those actions will be taken by the City Representative, unless otherwise stated. The City Manager has the right to designate another City Representative at any time, by providing notice to CONTRACTOR.

8. CONTRACTOR REPRESENTATIVE(S)

The following principal(s) of CONTRACTOR are designated as being the principal(s) and representative(s) of CONTRACTOR authorized to act in its behalf with respect to the work specified in this Agreement and make all decisions in connection with this Agreement:

Kevin Klika, Vice President

9. INDEPENDENT CONTRACTOR

The CONTRACTOR is, and at all times will remain as to the CITY, a wholly independent contractor. Neither the CITY nor any of its agents will have control over the conduct of the CONTRACTOR or any of the CONTRACTOR's employees, except as otherwise set forth in this Agreement. The CONTRACTOR may not, at any time or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of the CITY.

10. BUSINESS LICENSE

The CONTRACTOR must obtain a City business license prior to the start of work under this Agreement, unless CONTRACTOR is qualified for an exemption.

11. OTHER LICENSES AND PERMITS

CONTRACTOR warrants that it has all professional, contracting and other permits and licenses required to undertake the work contemplated by this Agreement.

12. FAMILIARITY WITH WORK

By executing this Agreement, CONTRACTOR warrants that CONTRACTOR (a) has thoroughly investigated and considered the scope of services to be performed, (b) has carefully considered how the services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, CONTRACTOR warrants that CONTRACTOR has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services set forth in this Agreement. Should CONTRACTOR discover any latent or unknown conditions that will materially affect the performance of the services set forth in this Agreement, CONTRACTOR must immediately inform the CITY of that fact and may not proceed except at CONTRACTOR's risk until written instructions are received from the CITY.

13. CARE OF WORK

CONTRACTOR must adopt reasonable methods during the term of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and other components to prevent losses or damages, and will be responsible for all damages, to persons or property, until acceptance of the work by the CITY, except those losses or damages as may be caused by the CITY's own negligence.

14. CONTRACTOR'S ACCOUNTING RECORDS; OTHER PROJECT RECORDS

Records of the CONTRACTOR's time pertaining to the project, and records of accounts between the CITY and the CONTRACTOR, will be kept on a generally recognized accounting basis. CONTRACTOR will also maintain all other records, including without limitation specifications, drawings, progress reports and the like, relating to the project. All records will be available to the CITY during normal working hours. CONTRACTOR will maintain these records for three years after final payment.

15. INDEMNIFICATION

CONTRACTOR will indemnify, defend, and hold harmless CITY, the City Council, each member thereof, present and future, its officers, agents and employees from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from breach of contract, bodily injury, death, personal injury, property damage, loss of use, or property loss however the same may be caused and regardless of the responsibility for negligence. The obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of CONTRACTOR, its officers, employees, agents, subcontractors or vendors. It is further agreed, CONTRACTOR's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent negligence on the part of CITY, the City Council, each member thereof, present and future, or its officers, agents and employees, except for liability resulting solely from the negligence or willful misconduct of CITY, its officers, employees or agents. Payment by CITY is not a condition precedent to enforcement of this indemnity. In the event of any dispute between CONTRACTOR and CITY, as to whether liability arises from the sole negligence of the CITY or its officers, employees, agents, subcontractors or vendors, CONTRACTOR will be obligated to pay for CITY's defense until such time as a final judgment has been entered adjudicating the CITY as solely negligent. CONTRACTOR will not be entitled in the event of such a determination to any reimbursement of

defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

16. NON-LIABILITY OF THE CITY'S OFFICERS AND EMPLOYEES

No officer or employee of the CITY will be personally liable to CONTRACTOR, in the event of any default or breach by the CITY or for any amount that may become due to CONTRACTOR.

17. INSURANCE

- A. CONTRACTOR and its subcontractors must maintain at its sole expense the following insurance, which will be full coverage not subject to self insurance provisions:
- (1) Automobile Liability, including owned, non-owned and hired vehicles, with at least the following limits of liability:
 - (a) Primary Bodily Injury with limits of at least \$500,000 per person, \$1,000,000 per occurrence; and
 - (b) Primary Property Damage of at least \$250,000 per occurrence; or
 - (c) Combined single limits of \$1,000,000 per occurrence.
 - (2) General Liability including coverage for premises, products and completed operations, independent contractors/vendors, personal injury and contractual obligations with combined single limits of coverage of at least \$1,000,000 per occurrence.
 - (3) Workers' Compensation with limits as required by the State of California and Employer's Liability with limits of at least \$1,000,000.
- B. The insurance provided by CONTRACTOR will be primary and non-contributory.
- C. CITY, the City Council and each member thereof, members of boards and commissions, every officer, agent, official, employee and volunteer must be named as additional insured under the automobile and general liability policies.
- D. CONTRACTOR must provide certificates of insurance and/or endorsements indicating appropriate coverage, to the City Clerk of the City of Torrance before the commencement of work.

- E. Each insurance policy required by this Paragraph must contain a provision that no termination, cancellation or change of coverage can be made without thirty days notice to CITY.

18. SUFFICIENCY OF INSURERS

Insurance required by this Agreement will be satisfactory only if issued by companies admitted to do business in California, rated "B+" or better in the most recent edition of Best's Key Rating Guide, and only if they are of a financial category Class VII or better, unless these requirements are waived by the Risk Manager of the CITY ("Risk Manager") due to unique circumstances. In the event the Risk Manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the CITY, the CONTRACTOR agrees that the minimum limits of any insurance policies and/or the performance bond required by this Agreement may be changed accordingly upon receipt of written notice from the Risk Manager; provided that CONTRACTOR will have the right to appeal a determination of increased coverage by the Risk Manager to the City Council of the CITY within 10 days of receipt of notice from the Risk Manager.

19. CONFLICT OF INTEREST

- A. No officer or employee of the CITY may have any financial interest, direct or indirect, in this Agreement, nor may any officer or employee participate in any decision relating to the Agreement that effects the officer or employee's financial interest or the financial interest of any corporation, partnership or association in which the officer or employee is, directly or indirectly interested, in violation of any law, rule or regulation.
- B. No person may offer, give, or agree to give any officer or employee or former officer or employee, nor may any officer or employee solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any way pertaining to any program requirement, contract or subcontract, or to any solicitation or proposal.

20. **NOTICE**

A. All notices, requests, demands, or other communications under this Agreement will be in writing. Notice will be sufficiently given for all purposes as follows:

- (1) Personal delivery. When personally delivered to the recipient: notice is effective on delivery.
- (2) First Class mail. When mailed first class to the last address of the recipient known to the party giving notice: notice is effective three mail delivery days after deposit in an United States Postal Service office or mailbox.
- (3) Certified mail. When mailed certified mail, return receipt requested: notice is effective on receipt, if delivery is confirmed by a return receipt.
- (4) Overnight delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account: notice is effective on delivery, if delivery is confirmed by the delivery service.
- (5) Facsimile transmission. When sent by fax to the last fax number of the recipient known to the party giving notice: notice is effective on receipt. Any notice given by fax will be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

Addresses for purpose of giving notice are as follows:

CONTRACTOR: MV Transportation, Inc.
360 Campus Lane, Suite 201
Fairfield, CA 94534-1400

Fax: (707) 863-8793

CITY: City Clerk
City of Torrance
3031 Torrance Boulevard
Torrance, CA 90509-2970
Fax: (310) 618-2931

- B. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified, will be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- C. Either party may change its address or fax number by giving the other party notice of the change in any manner permitted by this Agreement.

21. PROHIBITION AGAINST ASSIGNMENT AND SUBCONTRACTING

This Agreement and all exhibits are binding on the heirs, successors, and assigns of the parties. The Agreement may not be assigned or subcontracted by either the CITY or CONTRACTOR without the prior written consent of the other.

22. INTEGRATION; AMENDMENT

This Agreement represents the entire understanding of the CITY and CONTRACTOR as to those matters contained in it. No prior oral or written understanding will be of any force or effect with respect to the terms of this Agreement. The Agreement may not be modified or altered except in writing signed by both parties.

23. INTERPRETATION

The terms of this Agreement should be construed in accordance with the meaning of the language used and should not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply.

24. SEVERABILITY

If any part of this Agreement is found to be in conflict with applicable laws, that part will be inoperative, null and void insofar as it is in conflict with any applicable laws, but the remainder of the Agreement will remain in full force and effect.

25. TIME OF ESSENCE

Time is of the essence in the performance of this Agreement.

26. GOVERNING LAW; JURISDICTION

This Agreement will be administered and interpreted under the laws of the State of California. Jurisdiction of any litigation arising from the Agreement will be in Los Angeles County, California.

27. COMPLIANCE WITH STATUTES AND REGULATIONS

CONTRACTOR will be knowledgeable of and will comply with all applicable federal, state, county and city statutes, rules, regulations, ordinances and orders.

28. WAIVER OF BREACH

No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default will impair the right or remedy or be construed as a waiver. A party's consent or approval of any act by the other party requiring the party's consent or approval will not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and will not be a waiver of any other default concerning the same or any other provision of this Agreement.

29. ATTORNEY'S FEES

Except as set forth in Paragraph 15, in any dispute, litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party will be awarded reasonable attorney's fees, together with any costs and expenses, to resolve the dispute and to enforce any judgment.

30. EXHIBITS

All exhibits identified in this Agreement are incorporated into the Agreement by this reference.

31. CONTRACTOR'S AUTHORITY TO EXECUTE

The persons executing this Agreement on behalf of the CONTRACTOR warrant that (i) the CONTRACTOR is duly organized and existing; (ii) they are duly authorized to execute this Agreement on behalf of the CONTRACTOR; (iii) by so executing this Agreement, the CONTRACTOR is formally bound to the provisions of this Agreement; and (iv) the entering

into this Agreement does not violate any provision of any other Agreement to which the CONTRACTOR is bound.

CITY OF TORRANCE,
a Municipal Corporation



Frank Scotto, Mayor

MV Transportation, Inc.
a California Corporation

By: 

Kevin Klika
Vice President

ATTEST:


Sue Herbers, City Clerk

By: 

WC Pihl
Vice President, Authorized Rep

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By: 

Attachments: Exhibit A: RFP
 Exhibit B: Proposal

Revised: 1/30/01

EXHIBIT A
REQUEST FOR PROPOSALS

CITY OF TORRANCE
3031 Torrance Blvd.
Torrance, CA 90503

RFP NO. RFP B2008-02

Request for Proposal for the Provision of Operations and Maintenance Services
for the Municipal Area Express (MAX) Commuter Bus Service

PROPOSAL SUBMITTAL INFORMATION

PLACE: CITY OF TORRANCE
Office of the City Clerk
3031 Torrance Blvd.
Torrance, CA 90503

DEADLINE: 2:00 PM

DATE: Thursday, January 17, 2008

BID DEADLINE
2:00 P.M.

IN CITY CLERK'S OFFICE
ON BID OPENING DAY

The ***ORIGINAL, PLUS TWO (2) COPIES*** of the PROPOSAL must be submitted in a sealed envelope and marked with the RFP number and title.

PROPOSALS MAY BE MAILED OR HAND DELIVERED. NO FAXED PROPOSALS WILL BE ACCEPTED. LATE PROPOSALS WILL NOT BE ACCEPTED. Proposals will be opened and publicly read aloud at 2:15 P.M. on the same date in the Council Chambers, Torrance City Hall.

All responses must include the following components:

- Proposer's Response (Section III of this document). You must submit your response on the forms provided. (If additional space is required, please attach additional pages.)
- Proposer's Affidavit (Attachment 1)

Any questions regarding this proposal should be directed to:

Jim Mills
Transit Administration Manager
Torrance Transit System
310-618-6291

CITY OF TORRANCE
3031 Torrance Blvd.
Torrance, CA 90503

RFP NO. RFP B2008-02

**Request for Proposal for the Provision of Operations and Maintenance Services
for the Municipal Area Express (MAX) Commuter Bus Service**

SECTION I: RFP INSTRUCTIONS AND INFORMATION

Notice is hereby given that sealed proposals will be received in the office of the City Clerk, City Hall, 3031 Torrance Boulevard, Torrance, CA, 90503, until 2:00 p.m. on Thursday, January 17, 2008 and will be opened and publicly read aloud at 2:15 p.m. on the same date in the Council Chambers, Torrance City Hall. You are invited to be present at the opening of proposals. An original and two copies of each proposal must be submitted in a sealed envelope and clearly marked: "Proposal for the Provision of Operations and Maintenance Services for the Municipal Area Express (MAX) Commuter Bus Service, RFP B2008-02."

Proposal Form:

The proposal must be made on the form provided for that purpose, enclosed in a sealed envelope, and marked "Proposal for the Provision of Operations and Maintenance Services for the Municipal Area Express (MAX) Commuter Bus Service, RFP B2008-02" and addressed to the City Clerk, City of Torrance, 3031 Torrance Blvd. Torrance CA. 90503. If the proposal is made by an individual, it must be signed by that individual, and an address, telephone (and fax number if available) must be given. If made by a business entity, it must be signed by the person(s) authorized to execute agreements and bind the entity to contracts. A full business address, telephone (and fax number if available) must be given. No telegraphic, fax or telephonic proposal will be considered.

Blank spaces in the proposal form must be filled in, using ink, indelible pencil, or typewriter, and the text of the proposal form must not be changed. No additions to the form may be made. Any unauthorized conditions, limitations, or provisos attached to a proposal will render it informal and may cause its rejection. Alterations by erasure or interlineations must be explained or noted in the proposal form over the signature of the Proposer.

Reservation:

The City reserves the right to revise or amend these specifications prior to the date set for opening proposals. Revisions and amendments, if any, will be announced by an addendum to this RFP. If the revisions require additional time to enable Proposers to respond, the City may postpone the opening date accordingly. In such case, the addendum will include an announcement of the new opening date.

All addenda must be attached to the proposal. Failure to attach any addendum may render the proposal non-responsive and cause it to be rejected.

The City Council reserves the right to reject any and all proposals received, to take all proposals under advisement for a period not to exceed ninety (90) days after the date of the opening, to waive any informality on any proposal, and to be the sole judge of the relative merits of the material and or service

mentioned in the respective proposals received. The City reserves the right to reject any proposal not accompanied with all data or information required.

This Request for Proposal (RFP) does not commit the City to award a contract or to pay any cost incurred in the preparation of a proposal. All responses to this RFP document become the property of the City of Torrance.

Affidavit:

An affidavit form is enclosed. It must be completed signifying that the proposal is genuine and not collusive or made in the interest or on behalf of any person not named in the proposal, that the Proposer has not directly or indirectly induced or solicited any other Proposer to put in a sham proposal or any other person, firm, or corporation to refrain from proposing, and that the Proposer has not in any manner sought by collusion to secure for itself an advantage over any other Proposer. Any proposal submitted without an affidavit or in violation of this requirement will be rejected.

The Contract:

The Proposer to whom the award is made will be required to enter into a written contract with the City of Torrance, in the form attached. A copy of this RFP will be attached to and become a part of the contract. Any proposed modifications and or revisions by Proposer to the contract must be noted and included as part of the proposal.

Standards for Evaluation of Proposals:

The MAX Policy Steering Committee (PSC) and MAX Lead Agency Staff (City of Torrance) will use the following priorities in determining which proposal best meets the needs of the member agencies in the MAX cooperative. The MAX PSC will be the final, sole determiner of suitability to the needs of the MAX commuter bus service. During the evaluation process, points will be assigned to each criterion shown up to a maximum of 100 points.

1. Financial Viability: 5 Points

Financial Viability will be evaluated by an analysis of assets and liabilities, plus discussions with listed credit references.

2. Operational Management Ability: 20 Points

Extent of background and recent experience by management staff in the provision of fixed-route transit services and of peak-hour commuter services in particular.

3. Technical Competence - Transit Operations: 20 Points

Quality and quantity of personnel and equipment to support a viable peak-hour, fixed-route commuter transit service in the South Bay region. Quality of recent performance in operating general public transit services of a similar nature.

4. Technical Competence – Maintenance and Facilities: 25 Points

Ability to provide timely vehicle maintenance and road service support, including comprehensive preventive maintenance. Quality and location of servicing facilities. Quality of recent performance of personnel on similar projects.

5. Proposed Cost per Revenue Hour and Cost per Month: 30 Points

Comparison of proposed costs for each year of proposed three-year contract and total proposed contract cost with the proposed costs of other respondents to this RFP. All costs presented must be justifiable.

6. Green points (bonus): No more than 5 Points

A bonus of no more than 5 points may be added to the Proposer's score for service, maintenance, or facility practices or initiatives which exhibit exceptional environmental concern. These practices must be described in Proposer's submittal for consideration.

Proposals will be rated according to their completeness and understanding of the MAX service and of the needs of its individual member jurisdictions as expressed by the MAX Policy Steering Committee. The seven MAX member agencies, listed in alphabetical order, are:

City of El Segundo
City of Lawndale
City of Lomita
City of Los Angeles
City of Rancho Palos Verdes
City of Torrance
County of Los Angeles

Permits and Licenses:

The successful Proposer must procure all permits and licenses, including City of Torrance business licenses, and pay all required charges and fees.

Pre-Proposal Conference:

A pre-proposal conference will be held at the time indicated below for the purpose of reviewing the requirements of this RFP and to answer questions from potential proposers. This pre-proposal conference is not mandatory, but it is highly recommended for interested proposers.

Wednesday, January 9, 2008 – 2:00 pm
Torrance Transit Department
20500 Madrona Avenue
Torrance, CA 90503-3692

Vehicle Inspection Session:

The MAX fleet, to be provided for the operation of service under this RFP, will be available for inspection by potential proposers at the following time and location:

Saturday, January 12, 2008 – 9:00 am to 11:00 am
MV Transportation
7209 East Rosecrans Ave.
Paramount, CA 90723

The City staff will use the following priorities, as well as pricing, in determining which proposal best meets the needs of the City. The City must be the sole determiner of suitability to the City's needs.

Proposals will be rated according to their completeness and understanding of the City's needs, conformance to the requirements of the technical specifications, prior experience with comparable proposals, financial capabilities, delivery, and cost.

CITY OF TORRANCE
3031 Torrance Blvd.
Torrance, CA 90503

RFP NO. RFP B2008-02

**Request for Proposal for the Provision of Operations and Maintenance Services
for the Municipal Area Express (MAX) Commuter Bus Service**

SECTION II: TECHNICAL REQUIREMENTS

Introduction:

This RFP is intended to be as descriptive as possible. However, Proposers may not take advantage of omissions or oversights in this document. Proposers must supply products and services that meet or exceed the requirements of this RFP. In the event of a dispute over installation or performance, the needs of the City of Torrance will govern.

General Requirements and Project Overview:

The MAX is a peak period, fixed-route, commuter transit service sponsored and governed by a cooperative of seven local government jurisdictions in the South Bay region of Los Angeles County. MAX has been in continuous operation since April 18, 1990.

The service was conceived to respond to a widespread desire among the South Bay communities to offer their residents employed in the El Segundo area a transit solution for their daily commutes. Implementation of this bus service was viewed as a step toward easing regional traffic congestion as well as improving the local air quality.

Over the past two years, demand for service has increased which resulted in additional trips being added. The average annual level of service estimated for Fiscal Years 2009 through 2011 is 7,400 vehicle revenue hours and 93,000 boardings.

The MAX policy steering committee, comprised of representatives from the member jurisdictions, provides policy guidance for the MAX service. Staff from the City of Torrance Transit Department (Torrance Transit System) acts as the *lead agency* for the administration and operations oversight for the service.

Work Performed by Proposer:

A. SERVICE OPERATIONS

Proposer shall operate approximately 7,400 vehicle revenue hours annually on three routes (Route 2, Route 3 and Route 3X – Freeway Express) according to the MAX schedule. The schedule lists bus stops served on each route. Due to the limited stop nature of the MAX service, bus stops not specifically designated as MAX stops are not served.

The daily service covers the morning and afternoon peak periods. Each morning period is fifteen hours and thirty-nine minutes and each afternoon period is sixteen hours and twenty-seven minutes, totaling thirty-two hours and six minutes for each service day (Monday through Friday). Please see Attachment 3 for the route schedules. See Attachment 2 for the annual schedule of holiday service which includes days when no service is provided as well as days with limited service as described in the Attachment.

MAX service is open to the general public and interagency transfers from other service providers are accepted where those operators' services intersect a MAX route. The regional EZ Transit Pass is also accepted for boardings. Metro passes are not accepted for the MAX service.

Personnel

Proposer shall be solely responsible for the satisfactory work performance of all employees, as described by this RFP, or any reasonable performance standard established by the City of Torrance. Proposer is also solely responsible for payment of all employee wages and benefits. The Proposer shall comply with all the requirements of employee liability, worker's compensation, unemployment insurance and social security without any additional expense to the City of Torrance.

Proposer shall hold all the MAX participant agencies, their City Councils or Boards and each member thereof, and every officer and employee of those agencies, free and harmless from any and all liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices. The City of Torrance shall have the right to demand removal from the project, for reasonable cause, any personnel furnished by the Proposer. The Proposer shall not, absent prior written notice to, and consent by the City remove or re-assign any of the key management personnel identified in its proposal (e.g., Project Manager) at any time prior to, or after execution of, the contract. Proposer shall obtain the City's written consent prior to entering any subcontract affecting the service.

❖ Project Manager

Proposer shall designate a Project Manager who shall oversee all aspects of the service. Selection of the Project Manager is subject to approval of the City. Due to the critical role played by this position in implementation of the MAX service, the Proposal submitted in response to this RFP must name Proposer's proposed Project Manager and specify how much of this employee's total time will be allocated to management of the MAX service. The Proposal must include a detailed résumé for this individual.

City may withdraw approval of the Project Manager upon thirty (30) days written notice. City will withdraw approval only with reasonable cause. Upon receipt of this notice from City, Proposer must fill the position with another individual approved by City.

❖ Operations Manager

Proposer shall designate an Operations Manager who will oversee the scheduling of drivers and vehicles, including dispatch services, to ensure that service is provided in a safe and timely manner. Proposer should provide a résumé and identify how much of their total work time will be dedicated to MAX service.

❖ Supervisory Staff

All responding Proposers shall include résumés of any other supervisory staff proposed to fill critical roles, including those of Maintenance Manager and Training Manager, including how much of each person's total time will be devoted to performing job duties geared toward the provision of the MAX service mandated by this RFP and its resulting contract.

❖ Vehicle Operators

Proposer shall supply a sufficient number of properly qualified personnel to operate the vehicles and to provide any other required services. Proposer shall be responsible for the recruitment, selection, training, scheduling, supervision, discipline and any other personnel related functions dealing with the vehicle operators. Operator wages, hours and working conditions shall comply with all federal, state and local regulations dealing with such employment.

Proposer shall review a current Department of Motor Vehicles (DMV) report on all its bus operator applicants and shall reject any with three or more moving violations within the past two years or any with one (1) DUI violation within the past five years. The Proposer shall require that all vehicle operator applicants submit employment history dating back 10 years which describes fully the reasons for leaving each job.

Proposer shall ensure that each vehicle operator has a valid California Class B license with a "P" endorsement and no air brake restrictions at all times. Additionally, each vehicle operator shall possess a valid medical certificate. The Proposer must be a participant in the California DMV pull notice program. Any bus operator employed by the Proposer who exceeds the acceptable standards of the California DMV point system or in possession of a revoked or suspended license will not be allowed to operate a bus for the MAX commuter service under the terms of this RFP.

While performing duties under the terms of this RFP, all of the Proposer's bus operators assigned to the MAX service shall be in uniforms provided by the Proposer and approved by the City. Such uniforms shall include driver name badges. Upon notice from the City that any employee of the Proposer is not in conformance with this uniform policy, Proposer shall take immediate steps necessary to correct the situation.

Safety and Training Program

Proposer shall be responsible for all operator training. Proposers shall outline a training program in their proposal, including the total number of annual training hours required of each operator. This program must meet all federal and state standards and be conducted by a certified instructor whose relevant background and experience is documented in the Proposal. At a minimum, the program will include the following areas:

- ❖ Proper operation of a transit bus on the MAX routes.
- ❖ General principles of defensive driving.
- ❖ Proper operation of all equipment on the MAX bus including, but not limited to: wheelchair lift; radio; non-registering farebox; and destination sign.
- ❖ CA DMV regulations and specific policies for the MAX commuter service.
- ❖ MAX routes and schedules and key transfer points.

- ❖ MAX fare structure, authorized fare media (monthly passes, tickets and inter-agency transfers) and related policies.
- ❖ Accident procedures and reports as mandated by this RFP and the resulting contract.
- ❖ Customer relations including: 'courtesy to passengers' and 'empathy for the needs of the disabled.'
- ❖ United States Department of Transportation mandated drug/alcohol training program.

Proposer shall describe how it will maintain an ongoing employee safety and training program. As part of this program, Proposer shall check CA DMV records for accidents, vehicle code violations and valid driver licenses of its employees at least twice a year and specifically prior to their employment.

Drug and Alcohol Testing Program

Proposer shall also document in its proposal that it is in compliance with the US DOT Drug and Alcohol testing program as outlined in 49 CFR parts 653 & 654 and 49 CFR part 40.

Proposer will be required to provide City with the results of its drug and alcohol testing program on an annual basis. Proposer's annual report of its employee test results under this program shall be due to the City no later than March 1 of each contract year. These test results shall cover January 1 to December 31 of the previous calendar year.

Dispatching and Supervision

Proposer shall provide all facilities, support equipment, supplies and personnel necessary to carry out and sustain efficient, effective dispatching and supervisory oversight of the MAX service. Proposer shall be responsible for the enforcement of operating policies and procedures as set forth by the MAX PSC and City of Torrance as to ensure the safe, efficient and reliable operation of the transit service on a daily basis.

Proposer shall have a minimum of one road supervisor, with a route service truck, equipment and supplies, available at all times during the MAX commuter service hours of operation. Further, Proposer must have a dispatcher or supervising employee available by telephone and radio at all times that the MAX buses are in service. The supervising employee may be a dispatcher, operations or maintenance supervisor, or other management employee. However, this employee must be assigned at least part of the time to providing the transit service mandated under this RFP.

B. VEHICLE MAINTENANCE

- Bus Repair and Servicing Personnel

Proposer shall supply a sufficient number of properly qualified and trained personnel to maintain and service the 14 transit coaches supplied by the MAX cooperative for the MAX Commuter Service. Proposer shall be responsible for the recruitment, selection, training, scheduling, supervision, discipline and any other personnel related functions regarding the maintenance staff. The wages, hours and working conditions of Proposer's vehicle repair and servicing personnel shall comply with all federal, state and local regulations. If any of the required personnel are not assigned full time to the MAX program, then the Proposer shall specify the portion of such employee's time that will be committed to fulfilling the maintenance requirements of this RFP.

Mechanics assigned to perform bus repair work for the MAX program shall have a minimum of four (4) years of relevant recent experience servicing and repairing heavy duty vehicles, buses and diesel

powered equipment. Proposer's maintenance staff must be trained and experienced with bus electronics and air conditioning equipment. Proposer's staff expertise in these specialized areas shall be detailed in the submitted proposal.

Maintenance Training

Proposals shall include an outline of the Proposer's maintenance personnel training program. Total annual hours of training for both new hires and existing personnel shall be specified.

C. EQUIPMENT

- Vehicles

The City of Torrance will lease to Proposer fourteen (14) 2002 El Dorado Transmark transit coaches for \$1.00 per year, per vehicle, including tires and the peripheral equipment listed below. Based on historical data, the Proposer is expected to provide the base MAX service using twelve buses and two buses for maintenance spares and emergency breakdown replacement buses.

- Each El Dorado Transmark has the following features and equipment:
 - Diamond "non-registering" farebox (It is anticipated that all current fareboxes will be replaced with new GFI Odyssey units during the life of the contract, if not before.)
 - Manual, non-electronic exterior destination curtain
 - Air-conditioning
 - Front-door wheelchair lift
 - Airline style seating, with passenger reading lights and luggage racks
- The Proposer is responsible for providing its own mobile transit radio system.

Detailed information about the vehicles (manufacturers' numbers and model numbers) will be available at the vehicle inspection session on Saturday, January 12, 2008.

Proposer shall maintain all vehicles in good working condition. Proposer shall permit authorized representatives of City to inspect the buses and any facilities or equipment used in provision of the service at any time, including the audit of related maintenance and operating records.

Proposer shall maintain a satisfactory California Highway Patrol (CHP) terminal inspection throughout the period of the contract. If the Proposer receives an unsatisfactory rating from the CHP, Proposer shall notify the City of Torrance immediately and state what actions Proposer will take to correct the deficiency. If the California Public Utilities Commission revokes the permits to operate the buses in service as a result of unsatisfactory inspection ratings by the CHP, a \$1,000 per bus per day fine shall be assessed the Proposer until a satisfactory inspection report is obtained.

Proposer is prohibited from the sale, assignment or sublease of MAX vehicles or equipment. Additionally, Proposer is prohibited from using MAX vehicles or equipment for any purpose other than the service specified by the MAX Policy Steering Committee or the City of Torrance.

Maintenance of Equipment

Proposer shall cause all components of each bus to be maintained in proper working condition, free from damage and malfunction. Any bus damaged in an accident shall be replaced and repaired immediately, or as soon as reasonably possible.

Proposer shall log all bus repairs on the Work Order Card and in the Vehicle and Inspection Record for each vehicle. Contractor shall provide fuel, lubricants, repair parts and supplies (with adequate stores of each) as required for the timely maintenance and operation of all buses utilized in providing the MAX service.

Proposer shall require each vehicle operator to perform a "pre-trip inspection" prior to each pull-out from the Proposer's bus operations and storage yard. This inspection shall cover all items related to the safety, function and appearance of the vehicle as depicted on the Daily Inspection Card. The format of the Daily Inspection Card shall be agreed upon by both the Proposer and the City and will be used by all MAX bus operators.

Proposer is responsible for maintaining a clean appearance of the MAX vehicles. Vehicle will be washed often enough to attain a consistently clean interior and exterior appearance.

Proposer is responsible for implementing a comprehensive Preventive Maintenance (PM) program for all MAX vehicles. Detailed records of all PM inspections, work performed and parts used will be kept by the Proposer in a format and location readily accessible by the City of Torrance. Torrance fleet maintenance personnel shall set specific criteria for Proposer's PM program which adhere to both the vehicle manufacturer's specifications and to any standards set by the Federal Transit Administration for the make/model buses used for the MAX service.

Proposer shall provide proper vehicle storage and maintenance facilities for the garaging and servicing of the MAX fleet and related equipment on a daily basis. Proposals shall state the specific location of such facilities to be used under this RFP. The facilities must be available for inspection by the City of Torrance and the MAX Policy Steering Committee during the proposal evaluation period. Also, the proposed facilities must be located within the greater South Bay/Long Beach area, generally bordered by Interstate 105 to the north, the Pacific Ocean to the South and West and the Orange County line to the East.

D. DAILY SERVICE OPERATIONS

System Safety

Proposer shall be responsible for the safe operation of the MAX service and shall immediately report, and attempt to correct, any unsafe conditions involving the bus, the route and its individual bus stops. Proposer shall be responsible for its drivers enforcing all safety rules and regulations applicable to this service, whether they be derived from federal, state or local statutes; or specifically set forth by the MAX Policy Steering Committee or the City of Torrance. Proposer shall be responsible for completing thorough accident investigations and reports in conformance with established practices of the National Safety Council, the FTA, the State of California and the City of Torrance.

Management

Proposer shall manage the MAX service according to certain operating procedures as outlined below.

- All buses shall be operated in a courteous manner with due regard for the safety, comfort and convenience of the users of the service.

- Service shall be provided in strict conformance with the schedule set by the MAX public timetables. Proposer shall strive to maintain on-time performance in its operation of the MAX buses according to the published schedule. Proposer shall not be responsible for failure to provide on-time service resulting from severe weather, traffic conditions, natural disasters or "unavoidable" vehicle breakdowns, if appropriate documentation of same can be provided to the City of Torrance.

Notwithstanding the above caveat, the City of Torrance and the MAX Policy Steering Committee may, in certain instances, impose liquidated damages for the following performance failures in the amounts indicated.

- **Incomplete Trip:** If a service trip is not substantially completed, a fine of \$1,000 per each occurrence may be imposed. If a departure occurs later than the time for which the next departure for such stop is scheduled to occur, such trip shall be deemed not completed.
- **Shutdown of Vehicles:** If any bus is shut down as a result of an unsatisfactory rating by the CHP (or rejected as unfit by the City of Torrance) a fine of \$1,000 per day per bus may be imposed during the shutdown. This can also include instances in which a bus is rejected as unfit for service by the City of Torrance due to deficient condition or appearance.
- **Vehicles Not Available:** If any service trip is not made due to the unavailability of a bus, a fine of \$1,000 per instance may be imposed, up to a maximum of \$3,000 per day.

Fare Collection

Proposer's bus operators shall be responsible for the accurate collection of the MAX fare media. This includes working knowledge of each type of MAX fare media and when, where and how each is to be honored.

Proposer shall implement fare collection security policies and procedures acceptable to the City of Torrance. The proposal shall outline these proposed policies/procedures.

Proposer shall keep an accurate accounting of all cash fares collected on a daily basis, so that the exact amount collected can be directly deposited into the City's bank account at least once per week. Proposer shall be responsible for any lost or stolen passenger cash fares, prior to deposit in the City of Torrance's account.

Project Operational Reports

These reports provide documentation of the MAX service on a daily basis. All report formats shall be approved in advance by the City of Torrance.

- **Passenger Reports:** Proposer shall submit to the City of Torrance a report showing the number of passengers boarding each bus compiled on a trip-by-trip basis for each route. Each report shall cover one full calendar month. The report must be postmarked no later than the 15th of the month after the reporting month (e.g., the February monthly report must be postmarked by March 15). A fine of \$3,000 will be assessed for reports postmarked after the 15th of the month.
- **Service Reports:** Proposer shall submit a monthly report depicting the actual number of revenue hours (vehicle service hours), revenue miles (vehicle service miles) and peak buses operated each day of service on each route. The report must be postmarked no later than the 15th of the month after the reporting month (e.g., the February monthly report must be

postmarked by March 15). A fine of \$3,000 will be assessed for reports postmarked after the 15th of the month.

- **Monthly Summaries:** Proposer shall prepare a monthly summary report that includes all aggregate operating data by route, by week and for the month. This summary shall also include a summary of passenger complaints for the month, and any follow-up actions taken to remedy the cause of the complaint. The report must be postmarked no later than the 15th of the month after the reporting month (e.g., the February monthly report must be postmarked by March 15). A fine of \$2,500.00 will be assessed for reports postmarked after the 15th of the month.
- **National Transit Database (NTD) Report:** Proposer shall familiarize themselves with the National Transit Database reports and reporting requirements as outlined in the Federal Transit Administration Circulars. Proposer shall be responsible for submitting accurate data to the City of Torrance for NTD reporting. Data for the NTD report is due 30 days after the end of the City's fiscal year for the previous fiscal year. All data submitted must be acceptable to the City of Torrance staff. Failure to submit accurate data by the deadline will result in a fine of \$5,000.00 per day until accurate data is received and accepted by City of Torrance staff.
- **Vehicle Maintenance & Accidents Reports:** Files shall be maintained individually by bus for recording of all PM and warranty repair data; and also for logging specific accident-related data and resulting repair work.
- **Additional Reporting Requirements:**
 - ❖ Reporting at bi-monthly MAX Policy Steering Committee meetings: Reports will update Committee on bus maintenance performance, condition of buses, significant accidents or incidents, and other issues as directed by the Policy Steering Committee or MAX staff.
 - ❖ Accident reporting: All accidents involving Proposers, dedicated MAX staff or MAX vehicles will be reported immediately via telephone call and e-mail to City of Torrance MAX staff. Proposer's staff should evaluate if the accident or incident is an NTD reportable event as soon as possible.
 - ❖ Vehicle breakdowns or other significant delays in service: This should be reported immediately to identified City of Torrance MAX staff in order to respond to communications from service patrons.

E. CONTRACT PERIOD

The Proposer to whom the contract is awarded will be required to enter into a written contract with the City of Torrance (acting as the Lead Agency for the MAX Cooperative) in the form attached to this RFP for a term of three years: July 1, 2008 to June 30, 2011. Upon mutual agreement between the City and the successful Proposer, the Agreement can be extended for two one-year periods. Proposer must indicate on bid which renewal option they agree to:

- Yes, we would agree to a one year renewal of the contract with terms and conditions unchanged.
- Yes, we would agree to a second year renewal with terms and conditions unchanged.
- No, we would not be interested in renewing this contract.

F. PROOF OF INSURANCE

Proposer must provide certificates of insurance and/or endorsements to the Torrance City Clerk before commencement of work.

G. REGISTRATION OF CONTRACTORS

Proposer shall be licensed in accordance with the provisions of Chapter 9, Division III of the Business and Professional Code of the State of California.

CITY OF TORRANCE
3031 Torrance Blvd.
Torrance, CA 90503

RFP NO. RFP B2008-02

**Request for Proposal for the Provision of Operations and Maintenance Services
for the Municipal Area Express (MAX) Commuter Bus Service**

SECTION III: PROPOSAL

FAILURE TO COMPLETE ALL ITEMS IN THIS SECTION MAY INVALIDATE PROPOSAL.

In accordance with your "Request for Proposal," the following proposal is submitted to the City of Torrance.

Proposal Submitted By:

Name of Company

Address

City/State/Zip Code

Printed Name/Title

Telephone Number/Fax Number

Form of Business Organization:

Please indicate the following (check one);

Corporation _____ Partnership _____ Sole Proprietorship _____

Other: _____

Business History:

How long have you been in business under your current name and form of business organization?

_____ years

If less than three (3) years and your company was in business under a different name, what was that name?

Contact for Additional Information:

Please provide the name of the individual at your company to contact for any additional information

Name

Title

Telephone Number/Fax Number

Addenda Received:

Please indicate addenda information you have received regarding this proposal:

Addendum No. ____ Date Received: _____
Addendum No. ____ Date Received: _____
Addendum No. ____ Date Received: _____
Addendum No. ____ Date Received: _____

_____ No Addenda received regarding this proposal.

Payment Terms:

Are you proposing any discounts for early payments?

Yes _____ No _____

If yes, what are your discounted invoice terms? _____

Delivery:

What is the lead time for delivery? _____ days/weeks

References:

Please supply the names of companies/agencies for which you recently supplied comparable goods or services as requested in this RFP.

Name of Company/Agency	Address	Person to contact/Telephone No.
------------------------	---------	---------------------------------

Name of Company/Agency	Address	Person to contact/Telephone No.
------------------------	---------	---------------------------------

Name of Company/Agency	Address	Person to contact/Telephone No.
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Contents of Proposal (Require Narratives):**1. Management Operations Experience**

Please describe your management staff's background and recent experience providing fixed-route, peak-hour bus commuter service. Please address the relevant experience in this regard of your individual management staff members proposed for assignment to this project.

2. Technical Operating Support

Please detail the quality and quantity of your firm's personnel and equipment available to support the peak-hour fixed-route commuter transit service. Describe relevant bus operations experience of current personnel such as drivers, dispatchers, servicing staff and others.

3. Technical Maintenance Support

Please detail your ability to provide, prompt, effective repair and road service support for the MAX fleet. Identify your projected road service response time for in-service bus breakdowns and your proposed emergency repair procedures and "turn-around time". Please include any recent comparable bus maintenance and repair experience of your personnel

4. Proposed Costs

All respondents to this RFP are asked to include two compensation rates in their Proposal. Each rate will be used by the Proposer to invoice the City of Torrance for services provided on a monthly basis. One rate is the "cost per vehicle service hour*" and the other rate is the "cost per month". Please include an annual cost total for each fiscal year encompassed by the three-year contract (FY 2008-2009, FY 2009-2010 and FY 2010-2011) and a Grand Total for the full three year contract term.

**Vehicle service hours are defined as time in which the MAX vehicles are in service on an assigned MAX route in the process of picking up or dropping off passengers.*

COST PROPOSAL:

YEAR	VEHICLE SERVICE EQUIPMENT	MONTHLY RATE	TOTAL ANNUAL COST
2008-2009			
2009-2010			
2010-2011			
CONTRACT TERM GRAND TOTAL:			

Proposer must complete each item with either a check mark to indicate that the item being proposed is exactly as specified, or enter a description in the Proposer's comments column to indicate any deviation from the specifications of the item being proposed.

SERVICE SPECIFICATION COLUMN	PROPOSER'S COMMENTS COLUMN
Staff and operate MAX services.	
Train and supervise MAX service staff.	
Keep and submit detailed records as specified in this RFP.	
Maintain, repair and dispatch buses.	
Comply with all local, state and federal rules and regulations.	

SUBMITTALS: Please indicate that the following are included with your proposal:

Submittal Requirements	Check here if included:
Description of Management Operations Experience	
Description of Technical Operating Support	
Description of Technical Maintenance Support	
Itemized Cost Proposal	
References from Other Customers	
Résumés of Key Staff Members (Section II, Paragraph A)	
Statement of Drug & Alcohol Testing Compliance	
Outlines of Training Programs (Maintenance and Bus Operator)	
Map Showing Location of Storage and Maintenance Facilities	
Proposer's Affidavit (Attachment 1)	

ATTACHMENT 1

STATE OF CALIFORNIA
 COUNTY OF LOS ANGELES

PROPOSER'S AFFIDAVIT

_____ being first duly sworn, deposes and says:

1. That he/she is the _____ of _____
 (Title of Office) (Name of Company)
 hereinafter called "Proposer", who has submitted to the City of Torrance a proposal for
 _____;
 (Title of RFP)
2. That the proposal is genuine; that all statements of fact in the proposal are true;
3. That the proposal was not made in the interest or behalf of any person, partnership, company, association, organization or corporation not named or disclosed;
4. That the Proposer did not, directly or indirectly, induce solicit or agree with anyone else to submit a false or sham proposal, to refrain from proposing, or to withdraw his proposal, to raise or fix the proposal price of the Proposer or of anyone else, or to raise or fix any overhead, profit or cost element of the Proposer's price or the price of anyone else; and did not attempt to induce action prejudicial to the interest of the City of Torrance, or of any other Proposer, or anyone else interested in the proposed contract;
5. That the Proposer has not in any other manner sought by collusion to secure for itself an advantage over the other Proposer or to induce action prejudicial to the interests of the City of Torrance, or of any other Proposer or of anyone else interested in the proposed contract;
6. That the Proposer has not accepted any proposal from any subcontractor or materialman through any proposal depository, the bylaws, rules or regulations of which prohibit or prevent the Proposer from considering any proposal from any subcontractor or materialman, which is not processed through that proposal depository, or which prevent any subcontractor or materialman from proposing to any contractor who does not use the facilities of or accept proposals from or through such proposal depository;
7. That the Proposer did not, directly or indirectly, submit the Proposer's proposal price or any breakdown thereof, or the contents thereof, or divulge information or data relative thereto, to any corporation, partnership, company, association, organization, proposal depository, or to any member or agent thereof, or to any individual or group of individuals, except to the City of Torrance, or to any person or persons who have a partnership or other financial interest with said Proposer in its business.
8. That the Proposer has not been debarred from participation in any State or Federal works project.

Dated this ____ day of _____, 20____.

 (Proposer Signature)

 (Title)

MAX Holiday Schedule

<u>HOLIDAY</u>	<u>PROPOSED SERVICE</u>
New Year's Day	No Service
Martin L. King Jr. Day	Regular Schedule
President's Day	Holiday Schedule
Memorial Day	No Service
Independence Day	No Service
Labor Day	No Service
Columbus Day	Regular Schedule
Veteran's Day	Holiday Schedule
Thanksgiving Day	No Service
Day after Thanksgiving	Holiday Schedule
Christmas Day	No Service
December 23 to December 31	Holiday Schedule

Holiday Service Schedule

Start Times

<u>A.M.</u>	<u>P.M.</u>
Line 2 6:10 6:50	Line 2 4:00 5:00
Line 3 5:20 -- 6:10	Line 3 3:30 4:00 4:30
Line 3x 6:00 6:40	Line 3x 3:40 4:40

MAX ROUTE SCHEDULES

2 Palos Verdes Peninsula		A.M. / NORTHBOUND READ DOWN				SOUTHBOUND READ UP			
Hawthorne Blvd at	Palos Verdes Dr West	6:10	6:30	6:50	7:10	5:38	5:44	5:50	6:46
	Los Verdes Dr	6:13	6:33	6:53	7:13	5:35	5:42	5:48	6:44
	Crest Rd	6:14	6:34	6:54	7:14	5:05	5:41	5:47	6:43
	Ocean Crest	6:15	6:35	6:55	7:15	5:24	5:40	5:46	6:42
	Dove Rdg/Verde Rdg	6:16	6:36	6:56	7:16	5:04	5:40	5:46	6:42
	Seamount/Eddinghill Dr	6:17	6:37	6:57	7:17	5:03	5:39	5:45	6:41
	Ridge Gate Dr/Granvia Alt	6:19	6:39	6:59	7:19	5:07	5:38	5:44	6:40
	Highridge/Grayslake Rd	6:21	6:41	7:01	7:21	5:01	5:36	5:42	6:39
	Silver Spur Rd	6:22	6:42	7:02	7:22	4:58	5:34	5:40	6:37
	Blackhorse Rd	6:23	6:43	7:03	7:23	4:56	5:32	5:38	6:36
	Palos Verdes Dr North	6:24	6:45	7:04	7:25	4:54	5:30	5:36	6:34
	Rolling Hills Rd	6:25	6:47	7:05	7:27	4:52	5:28	5:34	6:32
	Newton St	6:26	6:48	7:06	7:28	4:51	5:27	5:33	6:31
PCH at	Hawthorne Blvd	6:27	6:49	7:07	7:29	4:49	5:25	5:31	6:29
	Anza Ave	6:28	6:50	7:08	7:30	4:48	5:24	5:30	6:28
Anza Ave at	Lomita Blvd	6:31	6:53	7:11	7:33	4:46	5:21	5:27	6:25
	Sepulveda Blvd	6:32	6:54	7:13	7:35	4:43	5:19	5:25	6:23
	Carson St	6:33	6:55	7:14	7:36	4:43	5:17	5:23	6:21
	Torrance Blvd	6:34	6:56	7:16	7:38	4:42	5:15	5:21	6:19
	Emerald St	6:35	6:57	7:17	7:39	4:41	5:14	5:20	6:18
	Del Amo Blvd	6:36	6:58	7:18	7:40	4:40	5:13	5:19	6:17
	190th St	6:37	6:59	7:20	7:42	4:39	5:12	5:18	6:16
Inglewood Ave at	Artesia Blvd	6:41	7:03	7:24	7:45	4:41	5:07	5:13	6:11
	166th St	6:43	7:05	7:27	7:49	4:39	5:03	5:09	6:07
Manhattan Beach Blvd at	Inglewood Ave	6:46	7:08	7:29	7:51	4:38	5:02	5:08	6:06
	Dow Ave	6:48	7:10	7:30	7:52	4:29	5:01	5:07	6:04
Doolittle Dr at	Stop Sign	6:50	7:12	7:32	7:54	4:27	4:59	5:05	6:01
Space Park Drive	Doolittle Dr	6:51	7:13	7:33	7:55	4:27	4:58	5:04	6:00
	Bldg E1	6:52	7:14	7:35	7:57	4:25	4:57	5:03	5:59
Aviation Blvd at	Marine Ave	6:53	7:15	7:37	7:59	4:24	4:56	5:02	5:57
	33rd St	6:54	7:16	7:38	8:00	4:23	4:55	5:01	5:56
	Rosecrans Ave	6:55	7:17	7:39	8:01	4:22	4:54	5:00	5:55
	Alaska Ave	6:56	7:18	7:40	8:02	4:21	4:52	4:58	5:54
	RR Tracks	6:56	7:18	7:40	8:02	4:21	4:52	4:58	5:54
El Segundo Blvd at	Aviation Blvd	6:57	7:19	7:41	8:03	4:20	4:51	4:57	5:53
	Douglas St	6:59	7:21	7:43	8:05	4:19	4:49	4:55	5:50
	Nash St (Green Line)	7:01	7:23	7:45	8:07	4:15	4:48	4:54	5:48
	Continental Blvd	7:03	7:25	7:47	8:09	4:13	4:47	4:53	5:47
Grand Ave at	Continental Blvd	7:04	7:26	7:48	8:10	4:13	4:46	4:52	5:46
	Sepulveda Blvd	7:05	7:27	7:49	8:12	4:12	4:45	4:51	5:45
Walnut Ave at	Bldg S/31	7:08	7:32	7:54	8:15	4:11	4:41	4:47	5:42
Selby at	Imperial Hwy	7:09	7:33	7:55	8:16	4:10	4:40	4:46	5:41
Imperial Hwy at	Hughes Way	7:10	7:34	7:56	8:17		(a.m. stop only)		
	Nash St	7:11	7:36	7:58	8:18	4:09	4:39	4:45	5:39
	Douglas St	7:12	7:37	7:59	8:19	4:08	4:38	4:44	5:38
Aviation Green Line Station		7:15	7:40	8:02	8:22	4:07	4:37	4:43	5:37
Airport Courthouse		7:20	7:45	8:07	8:27	4:05	4:35	4:41	5:35
Aviation Green Line Station			(p.m. stop only)			4:00	4:30	4:36	5:30

3 San Pedro/Torrance		A.M. / NORTHBOUND READ DOWN				Times of Day READ UP		
Pacific Ave at	36th St/Stephan M White Dr	5:20	5:50	6:10	6:30	5:33	5:58	6:29
	30th St	5:21	5:51	6:11	6:31	5:31	5:56	6:27
	Fort McArthur N Entrance	5:22	5:52	6:12	6:32	5:30	5:55	6:26
	17th St	5:24	5:53	6:13	6:33	5:29	5:54	6:25
11th St at	Pacific Ave	5:26	5:56	6:15	6:35	5:28	5:53	6:24
9th St at	Gaffey St	5:28	5:56	6:16	6:36	5:27	5:52	6:23
Weymouth Ave	9th St	5:29	5:58	6:18	6:38	5:24	5:49	6:22
Western Ave at	1st St/Santa Cruz	5:32	6:00	6:20	6:40	5:21	5:46	6:19
	Capitol Dr	5:34	6:02	6:21	6:42	5:18	5:43	6:17
	Westmont/Delasonde Drs	5:36	6:04	6:24	6:44	5:16	5:41	6:15
	Palos Verdes Dr N	5:37	6:05	6:25	6:45	5:15	5:40	6:13
PCH at	Western Ave	5:41	6:09	6:29	6:49	5:12	5:37	6:09
	Eshelman Ave	5:42	6:11	6:31	6:51	5:10	5:35	6:07
	Narbonne Ave	5:43	6:12	6:32	6:52	5:09	5:34	6:06
	Pennsylvania Ave	5:44	6:13	6:33	6:53	5:08	5:33	6:05
	Crenshaw Blvd	5:45	6:14	6:34	6:54	5:05	5:30	6:03
Crenshaw Blvd at	Lomita Blvd	5:46	6:16	6:36	6:56	5:01	5:26	6:01
	235th St	5:48	6:18	6:38	6:58	4:58	5:23	5:59
	Sepulveda Blvd	5:50	6:20	6:40	7:00	4:56	5:21	5:57
	Plaza Del Amo (Wilson Pk)	5:50	6:20	6:40	7:00	4:55	5:20	5:56
	Carson St	5:52	6:22	6:42	7:02	4:54	5:19	5:55
	Torrance Blvd	5:54	6:23	6:43	7:03	4:52	5:17	5:52
	Del Amo Blvd	5:55	6:24	6:44	7:04	4:50	5:15	5:50
	190th St	5:56	6:25	6:45	7:05	4:48	5:13	5:48
	182nd St	5:58	6:27	6:47	7:07	4:46	5:11	5:46
	Artesia Blvd	6:00	6:29	6:49	7:09	4:44	5:09	5:44
	166th St	6:01	6:30	6:50	7:10	4:42	5:07	5:42
Manhattan Beach Blvd at	Crenshaw Blvd	6:03	6:33	6:53	7:13	4:39	5:04	5:40
	Prarie Blvd	6:05	6:33	6:55	7:15	4:37	5:02	5:38
	Hawthorne Blvd	6:05	6:35	6:55	7:15	4:37	5:02	5:38
	Inglewood Blvd	6:06	6:36	6:56	7:16	4:35	4:59	5:36
	Dow Ave	6:07	6:37	6:57	7:17	4:34	4:58	5:35
Doolittle Dr at	Stop Sign	6:08	6:38	6:58	7:18	4:31	4:55	5:32
Space Park Dr at	Doolittle Dr	6:09	6:39	6:59	7:19	4:30	4:54	5:31
	Bldg E1	6:10	6:40	7:00	7:20	4:28	4:52	5:29
Aviation Blvd at	Marine Ave	6:11	6:41	7:01	7:21	4:26	4:50	5:27
	33rd St	6:12	6:42	7:02	7:22	4:25	4:49	5:26
	Rosecrans Ave	6:14	6:44	7:04	7:24	4:23	4:47	5:24
	Alaska Ave	6:16	6:46	7:06	7:26	4:21	4:45	5:22
	RR Tracks	6:16	6:46	7:06	7:26	4:21	4:45	5:22
El Segundo Blvd at	Aviation Blvd	6:17	6:47	7:07	7:27	4:20	4:44	5:21
	Douglas St	6:19	6:49	7:09	7:29	4:18	4:42	5:19
	Nash St (Green Line)	6:20	6:50	7:10	7:30	4:17	4:41	5:18
	Continental Blvd	6:21	6:52	7:12	7:32	4:16	4:40	5:16
Grand Ave at	Continental Blvd	6:22	6:53	7:13	7:33	4:15	4:39	5:15
	Sepulveda Blvd	6:23	6:54	7:14	7:34	4:14	4:38	5:14
Walnut Ave at	Bldg S/31	6:25	6:59	7:19	7:39	4:11	4:35	5:11
Selby at	Imperial Hwy	6:26	7:00	7:20	7:40	4:10	4:34	5:10
Imperial Hwy at	Hughes Way	6:27	7:01	7:21	7:41	(a.m. stop only)		
	Nash St	6:28	7:03	7:23	7:43	4:08	4:32	5:08
	Douglas St	6:29	7:04	7:24	7:44	4:07	4:31	5:07
Aviation Green Line Station		6:32	7:07	7:27	7:47	4:06	4:30	5:06
Airport Courthouse		6:37	7:12	7:32	7:52	4:05	4:29	5:05
Aviation Green Line Station		(p.m. stop only)				4:00	4:24	5:00

3X Freeway Express/San Pedro		AM / NORTHBOUND READ DOWN				PM / SOUTHBOUND READ UP		
		6:00	6:20	6:40	7:00	(a.m. stop only)		
25th St at	USAF Housing	6:00	6:20	6:40	7:00			
	White Point Dr	6:01	6:21	6:41	7:01		5:08	6:10
Western Ave at	25th St	6:04	6:24	6:44	7:04		5:06	6:07
Paseo del Mar at	Patton Ave	6:05	6:25	6:45	7:05		5:05	6:06
Pacific Ave at	Shepard	6:07	6:27	6:47	7:07		5:02	6:03
	36th St/Stephan M White Dr	6:07	6:27	6:47	7:09		5:01	6:02
	30th St	6:10	6:30	6:50	7:10		5:00	6:01
	Fort McArthur N Entrance	6:11	6:31	6:51	7:12		4:58	5:59
	17th St	6:13	6:33	6:53	7:14		4:56	5:57
11th St at	Pacific Ave	6:14	6:34	6:54	7:15		4:54	5:55
Gaffey St at	9th St	6:15	6:35	6:55	7:16		4:53	5:54
El Segundo Bl at	Isis Ave	6:36	6:56	7:16	7:37		4:31	5:31
	Aviation Blvd	6:36	6:56	7:16	7:37		4:30	5:30
	Douglas St	6:38	6:58	7:18	7:39		4:28	5:28
	Nash St (Green Line)	6:40	7:00	7:20	7:41		4:26	5:26
	Continental Bl	6:42	7:02	7:22	7:42		4:25	5:25
Grand Av at	Continental Bl	6:42	7:02	7:22	7:42		4:24	5:24
	Sepulveda Bl	6:44	7:04	7:24	7:44		4:23	5:23
Walnut Ave at	Bldg S/31	6:46	7:06	7:26	7:48		4:20	5:23
Selby at	Imperial Hwy	6:46	7:06	7:26	7:48		4:19	5:19
Imperial Hwy at	Hughes Way	6:48	7:08	7:28	7:50		(a.m. stop only)	
	Nash St	6:49	7:09	7:29	7:51		4:17	5:17
	Douglas St	6:49	7:09	7:29	7:51		4:17	5:17
	Aviation Green Line Station	6:52	7:12	7:32	7:54		4:16	5:16
	Airport Courthouse Pacific Concourse Dr	6:57	7:17	7:37	7:59		4:15	5:15
	Aviation Green Line Station	(p.m. stop only)					4:10	5:10

EXHIBIT B
PROPOSAL

TECHNICAL PROPOSAL TO PROVIDE:

**City of Torrance
RFP No. B2008-02, Provision of
Operations and Maintenance Services for
the Municipal Area Express (MAX)
Commuter Bus Services**

PREPARED FOR:

City of Torrance
Dated: January 17, 2008

SUBMITTED TO:

Office of the City Clerk
City of Torrance
3031 Torrance Blvd.
Torrance, CA 90503
Telephone: (310) 618-6291

SUBMITTED BY:

MV Transportation, Inc.
Mr. Kevin Klika, Vice President
MV Transportation, Inc.
360 Campus Lane, Suite 201
Fairfield, California 94534-1400
Telephone: (707) 863-8980
Facsimile: (707) 863-8793



Unconditional Satisfaction Guaranteed Warranty

MV Transportation

MV Transportation is pleased to provide the following unconditional warranty to the City of Torrance. In the event MV is selected to provide services pursuant to the City Request for Proposal, No. B2008-02, in addition to any contractual warranties and remedies that the City is entitled to under the contract, MV will warrant its service as follows:

In the event the City is dissatisfied with MV's service for any reason during the term of the contract, the City may terminate the contract. In the event the contract is so terminated, MV will refund to the City any and all profits made by MV resulting from this contract, during the final 12 months during the period prior to the termination.

Further, MV Transportation, Inc. guarantees that we will not sell a majority of the outstanding common shares of the corporation during the term of any contract resulting from the City's RFP, or during any extension thereof.



W.C. Pihl
Vice President





360 Campus Lane, Suite 201
 Fairfield, California 94534
 707 • 863 • 8980
 (facsimile) 707 • 863 • 8793
www.mvtransit.com

January 15, 2008

Mr. Jim Mills, Transit Administration Manager
 City of Torrance
 3031 Torrance Boulevard
 Torrance, CA 90503

Dear Mr. Mills:

Enclosed please find MV Transportation's proposal in response to the City of Torrance's Request for Proposal #B2008-02 for the operation and maintenance of the MAX Commuter Bus Service. We appreciate our relationship with the City of Torrance and value this opportunity to serve as the City's transportation management firm in the new contract term.

Since MV began service on July 1, 2005, we have provided a reliable commuter option for the employees of the El Segundo employment center. In fact, we recall the first day of service when a passenger called stating they had missed the bus. When we inquired for more detail, the passenger stated that the bus was actually on time, but the MAX Commuter Bus had traditionally been running ten minutes behind; this specific commuter group had simply adjusted their personal schedules to accommodate this issue. The passenger was excited to learn that we would be running on time going forward, and would readjust their schedule accordingly. MV has continued to provide on time service to the MAX passengers.

We are proud of our history in the MAX system, and more importantly, that our passengers praise our MAX team for a job well done. Our focus on our passengers and employees, with an overall attention to safety and customer service, has enabled MV to work with the City to provide an excellent transportation option for commuters. MV is excited to submit our new bid for the MAX service.

Our proposal offers an attractive blend of the service that you know and trust, with exciting new programs designed to improve service. With this new contract term, MV is proposing to retain our current management team – led by Mr. Martin Ward, Project Manager. This team has led MV to forge a strong lasting relationship with our staff, while increasing customer satisfaction.

In our proposal you will read in detail about the many successes MV has enjoyed while operating the MAX service. Some of these successes include:

- **Improved Safety Record**
- **Improvement to MAX Fleet Appearance**
- **Installation of the DriveCam system at no charge to the City**
- **Development of the MAX Maintenance team**
- **ZERO Liquidated Damages**

While we are proud of the improvements and advancements that we have made in the MAX system, we understand that ongoing changes in passenger and City needs require us to adapt quickly and efficiently with the provision of innovative service options. **MV will never settle for the status quo; we will**

We Provide Freedom™

consistently strive to find ways to partner with the City to enhance these services. In the new contract term, MV is proposing the following improvements to the MAX system, including:

- **Increased Wages and Benefits** for our MAX operators and technicians.
- **Secret Rider program**, where secret riders ride the service monthly and report on our service quality to the City and our management team.
- **Web Based Comment System**, providing access to the status of passenger comments at any given moment from any computer with internet access and a secure password. This system also provides customized trend reporting for the City.
- **Expanded Office Space**, with a focus on environmentally friendly materials.
- **WiFi on all vehicles**, giving our passengers the free option of using the internet during their commute. (cost option).
- **Fixed Route On-Time Performance Tracking**, available through any computer with internet access and a secure password.
- **Technology to Streamline the DVI Process**, through the use of the Zonar Electronic Vehicle Inspection Report System (cost option).

We value the opportunity to once again partner with the City staff. As you assess the MAX transportation system needs, you will almost certainly find that you need a reliable, safe contractor with the capacity to quickly adapt to difficult working environments and meet any changing service requirements. MV has taken considerable care to evaluate the current service provision and has included specific programs designed to enhance service quality in our proposal.

As you will notice, MV's costs have significantly increased from our original proposal for these services. With the substantial change in the economy over the past three years, the overall cost of operations has increased in several areas, including:

- Operator average wages increasing from \$10.03 per hour, to \$12.55 per hour
- Technician average wages increasing from \$20.00 per hour to \$25.00 per hour
- Fuel cost increase from \$1.95 per gallon, to \$3.51 per gallon
- An aging fleet that will require the replacement of major components (engines and transmissions) over the next contract term

MV Transportation's vision, simply stated, is to be *The Standard of Excellence* in the provision of public transportation services. We focus on this vision through a dynamic management approach that fosters proactive communication and personal growth among all employees at all levels. At MV we consider ourselves an employee driven company, literally and figuratively. By involving our employees, paying them well and responding to their ideas, we know that the result will be a positively motivated team with low turnover and outstanding performance for our clients.

Responsive, ethical and honest management with a true desire to build a partnership is critical to the success of your system. MV recognizes the importance of this concept and will honor our word in work and deed. I am your contact for MV, authorized to make representations for our Company. I encourage you to select MV Transportation to continue as your partner for the provision of the City of Torrance MAX Commuter Bus Services.

Sincerely,



W.C. Pihl
Vice President



Executive Summary

The City of Torrance has issued a Request for Proposals for the MAX Commuter Bus Services – a comprehensive public transportation system that offers commuter services to South Bay residents working in the El Segundo employment center. This service runs during peak commuting hours – in the morning and afternoon – and provides passengers safe, customer friendly transportation.

The MAX Commuter Bus Service is the result of a need to compensate for lost commuting options for several Southern California cities. Currently, this service is supported by the Cities of El Segundo, Lawndale, Lomita, Los Angeles, Rancho Palos Verdes, Torrance, and the County of Los Angeles. Upon suggestion by the Los Angeles County Transportation Commission (LACTC), an after several route changes, the MAX service began in 1990.

Just three years ago, the City of Torrance selected MV as their new partner to manage and operate the MAX service. Since MV began operation on July 1, 2005, we have enjoyed a successful relationship and partnership with the City. MV's MAX team ensures that service on all three commuter routes is efficient, safe, customer friendly and on-time. We look forward to the opportunity to remain your contractor and your partner in the ongoing development and improvement of the MAX services.

Throughout our tenure in the MAX service, MV has worked to ensure that we provide our passengers excellent transportation. Due to the unique nature of the system, we understand the importance of friendly and safe service, provided through a well maintained vehicle. Our entire MAX team has worked together, in their respective positions, to keep the vehicles attractive, the service customer aware, and the vehicles running smoothly to keep the service on-time. And our passengers notice. From day one of operation, we have received compliments from our MAX customers regarding the safety awareness of our operators, the on-time performance of the routes, and the overall friendliness of the service.

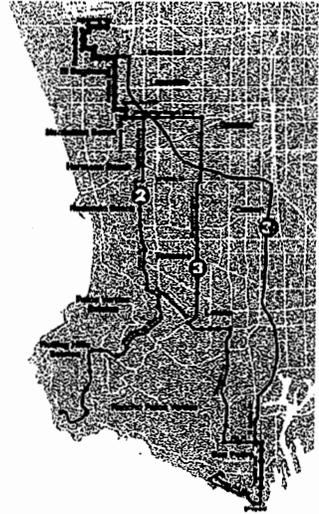
"I want to extend my great appreciation for the driver on 3C and 3D, 6:10 a.m. and 5 p.m. bus. Margie is always polite, courteous, and an excellent and safe driver. I want to thank MAX and this driver for their great service"

James, Line 3 Passenger

Major Accomplishments in the MAX System

It has always been MV's mission to provide MAX passengers with safe, reliable, cost-effective service. With the dedication of our exemplary employees, our partnership with City staff, and the assistance of MV's regional team, we are proud of what we have accomplished thus far. Significant milestones in the past contract term includes:

- **DriveCam Installation**, including wireless download capability. MV installed the DriveCam system – **at no cost to the City of Torrance** – in 100 percent of the vehicle fleet, allowing our management team to

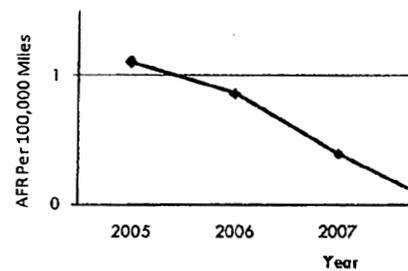




evaluate and save a record of each operator's driving performance, as well as produce reports, statistics and counseling forms. This system produces evidence of fault in any accidents, eliminating the chance of fraudulent insurance claims. The DriveCam System is like having a Road Supervisor on every vehicle at all times.

- **Improved Safety Record**, during the current contract term. MV successfully improved the Accident Frequency Rate of our local Paramount division (from which we operate the MAX services) from 1.1 in 2005 to 0.39 in 2007. (Please see chart to the right.) **MV has had only one preventable accident on the MAX services for the entire contract term.** We are proud of the safety culture developed by Mr. Martin Ward (Project Manager) and Mr. Cesar Sanchez (Safety Training Manager), leading to this outstanding safety record.

MV's MAX Safety Record



- **Strong Maintenance Program**, through the supervision of Mr. Martin Camargo, Maintenance Manager. Mr. Camargo was recently recertified as an *ASE Master Mechanic*. His commitment to a high standard of maintenance on the MAX fleet has resulted consistent satisfactory ratings during CHP inspections, most recently in December 2007. Mr. Camargo has also been instrumental in ensuring compliance with the new emissions standards in the MAX fleet.
- **Improvement to MAX fleet**, through the replacement of 55 seat trays – increasing the comfort for commuting passengers. In an effort to save the City time and money, Mr. Ward and Mr. Camargo dedicated one full weekend to install new seat trays, eliminating the need to contract the work out and remove the seats.
- **Successful adaption to route changes**, resulting in only one passenger phone call requiring assistance. MV's MAX team worked collaboratively with the City, and with passengers, as the daily revenue hours on the Express Route were changed from 24 to 29.22. The first Monday of the change was seamless, with 100% on-time performance achieved.
- **No Liquidated Damaged received**, during the past contract term of three years. Through the selective process of hiring only experienced operators for the MAX driving team, and Mr. Ward's dedication to quality service, MV has worked to ensure that trips are completed with a focus on customer service, and that vehicles are properly maintained to avoid any disruption of service.



Superior Management Team

MV has recruited and retained a highly capable, professional, and steady workforce that has provided outstanding service quality for our MAX passengers. Our experienced MAX team is led by Mr. Ward, who has provided excellent management of the MAX services.



- **Martin Ward**, our proposed Project Manager, brings more than 23 years of transportation experience. Martin is an industry leader who oversees several contracts operating out of MV's Paramount location. Martin has vast experience in transportation, and has overseen teams of nearly 600 employees. Mr. Ward has remained directly involved in the MAX contract, and his extensive commuter experience has positively impacted these services in all areas.
- **Mr. Kory Corothers**, our Operations Manager for the MAX, is a highly skilled professional with 15 years of public transportation experience. Kory is focused on providing superior customer service and is adept in the management of transportation in the challenging Southern California environment.
- **Mr. Martin Camargo**, our Maintenance Manager, is a maintenance veteran with more than 16 years of maintenance experience. Martin brings extensive knowledge of the MAX fleet, and is an ASE Master Mechanic. Mr. Camargo understands that our commuting passengers expect the very best when it comes to clean and reliable transportation. He ensures we meet their expectations every day in this area.
- **Mr. Cesar Sanchez**, our MAX Safety Training Manager, brings 11 years of supervisory experience. Mr. Sanchez has been instrumental in MV's improved safety record for this service. He works closely with Mr. Ward and Mr. Corothers to ensure that only the operators with the highest standard of safety and customer service are selected to be MAX operators.

Superior Support Resources:

MV offers the City more access to corporate support professionals than any other firm. With our in-state support center, our regional staff and support personnel are onsite frequently. MV's centralized approach allows our local team to focus on service, rather than administrative functions. MV's Support manifests itself in a number of ways:

- **Active involvement of Mr. Leland Peterson**, Regional Vice President for MV's Southern California divisions. Leland will be onsite often to assist our team and the City in the ongoing improvement of these services.
- **The onsite support of Mr. Kenny Pouncey (Regional Maintenance Director) and Mr. Lisle Ford (Regional Safety Director)**, who will continue work with our local teams to perform audits, host training, lend advice, and coordinate resources needed.

Priority on Safety:

If an operation is not safe, no other performance indicator will matter. MV has created a culture of safety among our MAX team, and we will continue to improve in this area in the new contract term. We have implemented the following training programs and guides for our Torrance division:

- **A Superior Operator Training Program** that offers 118 hours of initial operator training and a mandatory 8 hours customer service training
- **A superior collection of Safety manuals**, including MV's National System Security and Emergency Preparedness Plan, System Safety Program Plan, and Safety Culture Guide programs,





all modeled after APTA recommendations. These plans are designed to meet the changing needs of transit by incorporating the most progressive safety and security concepts

- **Implementation of DriveCam with wireless download** - a proven behavior modification tool – installed on the entire MAX fleet during the past contract term.

Moving Forward into the Next Contract Term

MV understands that we must constantly improve the MAX service, set new benchmarks, provide innovative ideas and exceed expectations. Through the next contract term, MV is excited and energized to surpass our previous successes and bring this service to the next level.

Led by Mr. Ward, our current management team knows this contract well and has a tremendously positive impact on the service. Mr. Jon Monson (CEO), Mr. Kevin Klika (President), and Mr. Petersen, (RVP) are very familiar with this operation, and have provided Mr. Ward with a substantial amount of support, giving our team motivation and incentive to meet the expectations of both the City and the Commuters we serve.

We believe that MV Transportation provides the City with the best choice when moving into the next contract term for the following reasons:

- **We Will Keep the Positive Momentum Rolling:** MV will not need to conduct a transition. We are able to focus on ongoing improvements in service quality. MV will continue to work in partnership with the City of Torrance, improving the efficiency of the operations and maintaining the high level of employee morale. MV's understanding of the current operating environment combined with the successful relationships we have maintained with our employees makes MV the desirable contractor to remain with this service.



- **We Will Maintain Positive Employee Attitude and Morale:** MV has successfully kept employee morale high. Division awards, incentive programs, and programs that recognize employees for a job well done all contribute to the positive morale. It is our experience that when our employees are satisfied with their work environment, they dedicate their focus to safety and customer service in transporting our passengers.
- **Increased Operator Wages:** We are improving the wage and benefit package for our MAX operators in compliance with the wage ordinances in the surrounding Los Angeles area. This will ensure that driver retention remains high, as well as employee morale. The end result will be the continued high level of customer service our passengers have come to expect – as seniority and experience on these routes translate to an excellent passenger experience.
- **Proactive Response to the City's Budget:** In response to the RFP, MV has accounted for the increased cost of fuel; we have also have also increased wages to be more in line with the living wage standard in the Los Angeles region. We have done this while remaining conscious of the City's budgetary constraints.



- **NEW Technology to Streamline the DVI Process:** MV's proposal includes the additional cost option of the Zonar Electronic Vehicle Inspection Report System, which interfaces with most leading maintenance software systems to report defects and initiate repair orders based on the inspection data, to immediately alert the City's shop of needed vehicle repairs. 
- **NEW Secret Rider program,** where secret riders ride the service monthly and report on our service quality to the City and our management team.
- **NEW WiFi on all vehicles:** In order to provide the City with additional means to market this service and attract the new commuters, MV's proposal includes the additional cost option of wireless internet on all of the MAX buses. This will assist our passengers who would like to get a jump start on their day, or catch up on e-mail during the drive home. This option will be free to all MAX customers riding the bus.
- **NEW Fixed Route On-Time Performance Tracking:** To improve the City's ability to monitor the MAX service in real time, MV proposes the additional cost option of providing AVL and real-time reporting through a unique application of the Nextel system. This reporting will be available through any computer with internet access and a secure password.
- **NEW Expanded Office Space:** Since our Paramount operation has grown over the past contract term, MV will be expanding our offices at the division. This will include more room for our dispatchers and operators, and increased office space for management including Mr. Corothers. This expansion will be done with "green" alternative materials to reduce the overall environmental impact of our operation.
- **NEW Text Message Updates:** This feature gives our MAX passengers the option of either Subscription Updates or On Demand Text Updates to keep them up-to-date on the ETA of their bus.
- **NEW On-Time Reports:** MV is offering our Spider Info iWeb Reports, which will provide real-time and historical reporting services to the City.
- **NEW Environmental Plan of Action:** MV is proposing the use of a Toyota Prius Hybrid for our Road Supervisor function, as well as employee education on environmental issues, and long term energy conservation plans.

The MV Difference

Throughout the remainder of this proposal, you will read in more detail about our MAX team, the improvements we have provided throughout the past contract term, as well as our achievements in these services. The success of MV in our MAX operation has depended upon the formation of our cohesive team of operators, dispatchers, and support personnel and an honest relationship with the City. MV is proud to have such a talented and dedicated group devoted to these very important services.

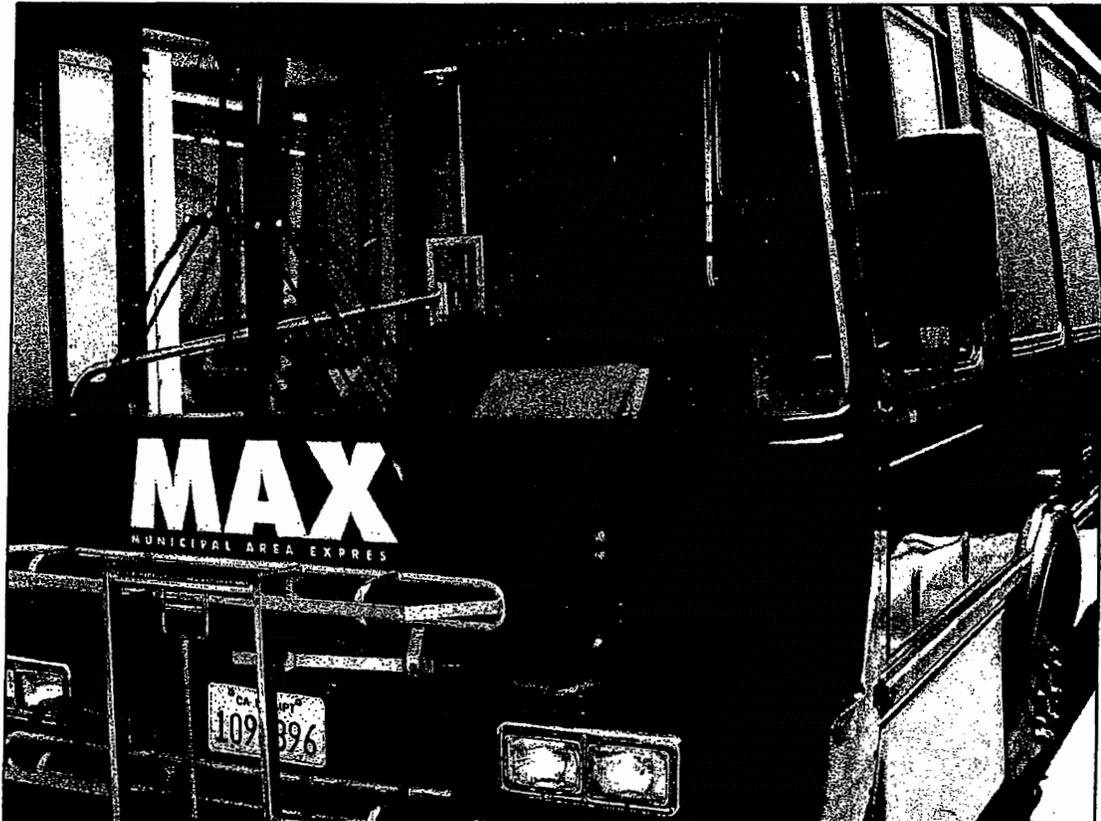
MV will ensure that the MAX services are safe, reliable, and of high quality for our passengers, while striving to remain cost effective for the City. This may seem like a simple task; but to keep service quality on a constant upswing, MV, in partnership with the City, must dedicate constant attention, while remaining innovative and creative. **We will never settle for the status quo.**

MV's approach to this operation is one that recognizes the responsibilities of professional management to maximize system productivity, minimize operating costs, listen and communicate with our passengers and the community while working towards a cleaner, safer, more efficient transportation service. Our riders use these services by choice, and it is MV's job to encourage



Proposal to the City of Torrance for Operation and Maintenance of the MAX Commuter Bus Service

them to use the MAX service, as well as provide a high service standard that will keep them coming back. We look forward to the opportunity to continue as your partner in the next contract term.



ENVIRONMENTALLY FRIENDLY PROPOSAL PRODUCTION

MV's proposal is printed on Recycled, 100% post-consumer content paper. Additionally, environmentally friendly solid ink (wax) color was used to print this proposal on our Xerox Phaser printers. We have used binders that can be re-used many times over by removing/replacing the inserted cover, spine and contents.



2 Technical Operating Support

2.a Facility

MV Transportation is pleased to present 7209 East Rosecrans in Paramount as our transit facility for the City of Torrance Commuter Bus service. This is an outstanding facility that will more than satisfy all requirements for the City of Torrance services.

All elements of the facility, including vehicle fueling, cleaning, maintenance, dispatch and operations will be performed at this location. It is in excellent condition.



ADMINISTRATIVE OFFICE: The facility has 1,625 SF of existing office space. This space will support all dispatch, administration and management of the system. As mentioned earlier, in the first part of the next contract term, MV is expanding these offices to include more space for dispatch, operator rest area and management.

VEHICLE SERVICING CAPABILITIES: This facility is outstanding in terms of its ability to house the vehicle maintenance activities for the fleet. There is 4,000 SF of indoor space to perform all vehicle service activities with 2 drive-thru service bays. There is a vehicle fueling station on the premises.

VEHICLE STORAGE: There are 2 acres of paved outdoor vehicle storage space, which will more than support storage of the current fleet as well as any future expansions. The yard is securely fenced and lit.

VEHICLE CLEANING: There is a vehicle wash area for all vehicle cleaning. The yard is of ample size to facilitate these activities.





2.b Technical Support Staff Qualifications and Training

MV staffing plan for the provision of MAX service is designed to fully support reliable service delivery while maximizing cost efficiencies. The support staffing and training programs associated with these positions are detailed in this section. The following chart identifies support positions assigned to the MAX service and the starting wage associated with these positions.

Position	Avg. Hourly Wage
Project Manager	\$52.55/hour salary
Operations Manager	\$24.00/hour salary
Maintenance Manager	\$33.74/hour salary
Safety Training Manager	\$32.52/hour salary
Road Supervisor	\$13.00/hour
Dispatcher	\$14.33/hour
Clerk	\$22.94/hour
A Level Mechanic	\$25.00/hour
B-Level Mechanic	\$21.10/hour
Utility Worker	\$10.50/hour

i Supervision and Dispatch Staffing Plan

MV provides one (1) full-time, shared Road Supervisor for the provision of field management of MAX commuter express bus service.

In recognition of the City's desire to provide service that is environmentally friendly, the supervisor will utilize a Prius Hybrid sedan to facilitate on-road assistance in response to service issues.



MV will recruit an individual to fill this position that has the following experience:

- Bus operating driving experience in a commuter express operation; minimum 1 year's driving experience.
- Field supervisory experience in a commuter express operation: minimum 1 year's supervisory experience.

The MAX road supervisory position will be supported by operation management staff from the Paramount Division. In the event of absence or vacation, Paramount will provide a management staff replacement.

MV will provide dispatch services throughout all MAX commuter express revenue hours of service. This function will be performed by existing Paramount dispatch staff with 30% of an FTE charged to the project. Dispatch of the MAX operation can easily be accommodated within existing Division operations.



All dispatchers assigned to the MAX service will be familiar with the service, City of Torrance policies, route alignments and fare structures. All dispatcher's have received the following training in dispatch procedures.

Dispatch and Supervisor Training

The function of effective dispatching is both an art and a science. It takes a particular talent to perform these tasks efficiently and effectively. It is our position that this can only be learned from direct experience. Similarly, talent and ability at dispatching can only be judged in the actual performance and not in an interview. Their knowledge of the service area, map abilities and operations are tested and refined during the training period. After a minimum of two weeks, or potentially longer depending on previous experience, he/she is given the live assignment, which is monitored by the Project Manager for a further period of one week.

In addition, we cross train road supervisor and dispatch employees to maximize flexibility and efficiency as well as to insure a shared understanding of the challenges associated with these functions.

Supervisor Training follows this general outline:

- Supervisor Overview - Video, Essential Skills for Supervising People
- City of Torrance Policies
- ADA Requirements
- Driver Supervision – Including video and handouts of The Supervisor's Role in Administering FTA Drug and Alcohol Regulations, Buckley Video. Includes instruction in basic discipline, attendance procedures, extra board management and time clock management.
- Emergency Procedures – Accidents, passenger illness on bus, natural disasters, vehicle breakdowns, severe weather, violent passengers, etc.
- Accident Investigation – This is provided with in-house trainers and for a selected number of supervisors will include an outside course providing accident investigation certification.

Road Supervisors also adhere to the attached Road Supervisor Manual specific to our Paramount location.

Key Supervisor Responsibilities

MV views the provision of adequate supervisory resources as instrumental to securing the provision of quality service. Three key areas of responsibility are management of on-time performance and service quality, incident response and work force management. Examples of activities associated with these responsibilities are as follows:

Service Quality Oversight

The Road Supervisor(s) are charged with the responsibility to ensure that minute-to-minute on-road service is conducted as required. They will respond to accidents,



conduct on-road driver assessments, on-time performance checks, fare collection audits, and passenger comment investigation.

On-time performance is better managed when supervisors are available to deploy field strategies, assisting with detours, insuring on-time departure from time points, and assisting with any minor vehicle maintenance issues.

Customer service support is as important as field management when there are service delays. Customers never appreciate a late bus, but it is a lot easier to tolerate if there is a supervisor present to explain the nature of the problem and the estimated arrival time. A visible supervisory presence is appreciated even when service is running according to schedule.

Incident Response

Road Supervisors are the first level of response available to the dispatcher that responds to issues or incidents requiring immediate action in the field. This includes accidents, breakdowns, passenger incidents and late service. The dispatch protocol for the Road Supervisor's involvement includes any accident involving physical damage to the vehicle or property and any incident involving personal injury. Road Supervisors are also dispatched in the event of any vehicle breakdown that already has passengers on board and that involves the transfer of passengers from the out of service vehicle.

The Road Supervisors will respond promptly to all in-service issues. The drivers will be in constant communication with the dispatch center and will notify dispatch of issues as they arise. In the event of an accident, the Road Supervisors will immediately go to the scene and coordinate the transfer of the passengers if the vehicle is damaged. In the event of an injury accident or damage to the vehicle the Road Supervisors will ensure FTA mandated drug and alcohol testing is performed.

WORK FORCE MANAGEMENT

Routine deployment of the Supervisor will involve performing field evaluations of drivers and adherence to safety rules and regulations.

Division Coverage at Pull-Out – In this capacity the supervisor insures the timely pull-out of all operators as well as the professional appearance of both the equipment and the operators. The supervisor will also monitor the operator's pre-trip inspection, insuring that these inspections are conducted properly.

As bus operators work independently of immediate supervision it is important that they have frequent contact with supervisors to feel that their efforts are supported by management and that they are a member of an important team. Supervisors are to make frequent contact with operators to provide the operator with an opportunity to ask questions and discuss service issues that they may be experiencing.



ii **Maintenance Staffing Plan**

For the provision of MAX service, MV is proposing to dedicate one full-time, shared A Mechanic and one full-time, shared B Mechanic to the maintenance of the MAX fleet.

MV will recruit mechanics that have at minimum four years experience in maintaining heavy duty transit buses. Preference will be given to mechanics having relevant ASE certifications. In addition MV offers our maintenance employees a \$1,000 bonus for each ASE certification earned. MV will insure that any mechanic assigned to MAX bus maintenance repair is fully trained in all aspects of diagnostics and repair work. To insure an adequate level of proficiency the two mechanic positions assigned to the MAX service are classified at the Mechanic A and B levels.

The assignment of MAX operators to fueling and cleaning insures coverage of daily fueling and cleaning as well as weekly deep cleaning. We believe that this approach not only improves the productivity of MAX service but will increase the operator's pride and sense of ownership of the equipment they operate. MV has implemented this practice at other divisions with great success. If at any time the City of Torrance is dissatisfied with the cleanliness of the MAX fleet, MV will provide additional cleaning support from the Paramount Division at no additional charge to the City. Cleaning frequencies are detailed in our Maintenance Plan. Maintenance tasks and proficiency requirements are also discussed further in our Maintenance Plan.

Below, we have outlined MV's Basic and Advanced Maintenance Training programs that we currently use in our Fixed Route Operations. In addition to new hire training, all mechanics assigned to MAX service will receive one week of supplemental training per year.

Basic Maintenance Training

- Welcome to MV: A General Orientation on the company's personnel, philosophy, policies, procedures and history
- Maintenance orientation
- Personal "hands on" training on specific policies and procedures pertaining to maintenance
- Personal "hands on" training on all tools and equipment
- Preventive Maintenance Program Training
- minimum of two weeks on how to inspect (PMI) the specific vehicles for the service
- Safety and Hazmat Training
- Safety / Best management practices
- Proper use and operation of jacks and lifts
- Maintenance Managers are updated regularly on technical data and safety related topics via MV's internal Web Site
- Monthly meetings are held to update technicians on technical data and safety related topics



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- Monthly meetings are held to update technicians on technical data and safety related topics

Advanced Maintenance Training

MV supports voluntary certification through National Institute for Automotive Service Excellence. We pay for passing tests and use incentives to encourage our technicians to become certified by A.S.E. This includes paying Technicians a \$1,000 bonus for attaining ASE Master Certification.

We organize and facilitate ongoing technician training using our parts and fleet vehicle manufacture vendors. MV is also in the process of developing interactive discussion groups so fleet technicians can work with each other on problems that either can become difficult to diagnose or common problems that can be prevented.

- Each technician is evaluated and their strengths and weaknesses are identified for training
- OEM Factory training from Ford, General Motors, Cummins, and Detroit Diesel is available for all employees, based on their evaluation and is paid for completely by MV
- We work directly with Manufacturers for training including: Gillig, El Dorado, Orion Ford, Chevrolet, Delco, Ricon, Braun, Carrier, Goodyear, Supreme, Bluebird and others
- The Company Website is available for access to company policies and procedure
- Access to Ford Fleet Website for access to technical service bulletins

iii Operator Staffing Plan

MV will continue to utilize our team of twelve (12) full-time operators, assigned exclusively to MAX commuter express operations. We have carefully evaluated the operator assignments and current wage scale; we believe that we have developed a plan that will be attractive to the existing operators and will be competitive to insure our ability to attract new operators.

Our wage and benefit plan for driver's is presented below:

Seniority	1 Yr.	2 Yrs.	3 Yrs.	4 yrs.	5 yrs.
Training	\$8.50	\$8.50	\$8.50	\$9.00	\$9.00
Start	\$11.06	\$11.39	\$11.73	\$12.08	\$12.44
1 Year	\$11.39	\$11.73	\$12.08	\$12.44	\$12.82
2 Years	\$12.13	\$12.49	\$12.86	\$13.25	\$13.65
3 Years	\$12.48	\$12.85	\$13.24	\$13.64	\$14.05
4 Years	\$13.00	\$13.39	\$13.79	\$14.21	\$14.63



5 Years	\$13.79	\$14.20	\$14.63	\$15.07	\$15.52
6 Years	\$14.05	\$14.47	\$14.91	\$15.35	\$15.81
7 Years	\$14.82	\$15.26	\$15.72	\$16.19	\$16.68

In order to keep up with wage ordinances in the region, MV has increased the operator rates by 4% in the first year, with an increase based on CPI each consecutive year of the contract.

Benefits Plan

Incentive payments earned by MV are shared with the employees. In addition to the hourly compensation, full time employees receive the following benefits:

Physical and Drug Screens: The company pays for all physicals and drug screens and pays for lost time as a result of taking a physical or drug screen.

Safety Bonus: Employees are eligible for a \$200 safety bonus each year.

Recruiting Bonus: \$250 for recruiting another employee who remains with the company for more than 90 days.

Medical and Dental Insurance: Full time employees receive group medical and dental insurance (including prescriptions) after six months of employment.

Life Insurance: Employees eligible for benefits are covered by life insurance in the amount of \$5,000.

Uniforms and Safety Equipment: The company provides uniforms and safety equipment to employees at the company's sole cost.

401 (k) Plan: Full time and Part Time employees may contribute to a pre-tax retirement savings plan after six (6) months of employment. MV provides a contribution.

Paid Holidays: All full-time employees shall be eligible for seven (7) paid holidays per year: New Years Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Vacations: Drivers will receive paid vacation in the following amounts:

After one 1 Year of Seniority:	1 week
3 Years to 5 Years of Seniority:	2 weeks
5 Years of Seniority and above:	3 weeks



Retaining Existing Employees – Labor Code 1070

MV Transportation declares that it will retain the employees of the prior contractor or subcontractor for a period of not less than 90 days. MV shall retain employees who have been employed by the prior contractor or subcontractors, except for reasonable and substantiated cause. That cause is limited to the particular employee's performance or conduct while working under the prior contract or the employee's failure of any controlled substances and alcohol test, physical examination, criminal background check required by law as a condition of employment, or other standard hiring qualification lawfully required by MV.

Hiring

Solid and consistent hiring practices are an essential first step in building excellent transit service. MV understands that employees are the faces and voices of your transit system, and must appropriately and professionally represent both the City and MV. Their performance determines how the customer will view the service. For that reason, MV ensures that it recruits and hires people who not only meet the expectations of the job, but who are courteous, cooperative and professional.

MV strives to identify current employees that should be retained and screens new applicants to ensure they meet our stringent minimum qualifications.

Motor Vehicle Record Review – The application process includes a review of an applicant's driving record. All driving safety sensitive applicants must provide a current and valid driving record that shows an applicant's driving history. Applicants should have no more than 2 points in the past three years, with no DWI/DUI convictions within the last 10 years. MV reviews driving records on either an annual or semi-annual basis, depending on the contract requirements. If violations are identified that are not reported, the operator will be interviewed and possibly released for failing to report the violation.

Prior Employment References – MV conducts reference checks with former employers as part of the hiring process.

Criminal History Checks – MV conducts background checks on all employees. Applicants with a felony criminal conviction within the last 10 years will not be eligible for employment. Furthermore, job applicants with convictions of violence

August 24, 2007

To Whom It May Concern:

I would like to take this opportunity to extend my thanks and appreciation to Mel, who is the driver of the first morning bus on MAX Line 2. I would like to preface my comments by saying that I have 25 years of experience as a Transportation Manager and Fleet Manager of mixed vehicles... I have never observed a more competent driver behind the wheel than Mel.

Mr. James F. Dougherty, MAX Passenger



or sexual offenses, whether felony or misdemeanor, are not eligible for employment with MV.

Interview – MV uses a consistent approach to interviewing. Interviews focus on both hard skills such as driving abilities and soft skills such as customer service orientation and empathy. MV utilizes behavior based interview questions which enables MV to better understand an applicant's past behaviors and how they will fit at the company. Qualified applicants who meet the base set of criteria may be invited to an Orientation Session. This session outlines all aspects of the job, and includes a tour of the facility. The goal of this session is to confirm the candidates' interest in the position before they are hired.

All offers of employment are contingent upon successful completion of a drug screen to detect the presence of any controlled or illegal substances. Employees in a safety sensitive position (i.e., operators, mechanics) must also undergo a pre-employment physical examination performed at MV's expense by a physician of the company's choice. Consistent with MV's FTA approved Drug and Alcohol Prevention Program safety sensitive employees are subject to random screening. Other exams may include a DOT physical or other physical testing verifying that an applicant can meet the qualifications of the position.

Employment Practices

Equal Opportunity Employer

MV has an Equal Opportunity Employment (EEO) policy to not discriminate against any employee or applicant for employment because of age, race, religion, color, sex, disability, national origin or any other characteristic protected by law. MV will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during their employment, without regard to their age, race, religion, color, sex, disability, national origin or any other characteristic protected by law. Such actions include, but are not limited to the following: employment, upgrading, demotions or transfer; recruitment or recruitment advertising, layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship.

Commitment to Equal Opportunity Practices

It is the policy of MV Transportation that employment decisions shall be based on merit, qualifications, and competence. Except where required or permitted by law, employment practices shall not be influenced or affected by virtue of an applicant's or employee's race, color, religion, sex, national origin, age, sexual orientation or any other characteristic protected by law. In addition, it is MV Transportation's policy to provide an environment that is free of unlawful harassment of any kind, including that, which is sexual, age-related, or ethnic. This policy statement governs all aspects of employment, promotion, assignment, discharge, and other terms and conditions of employment.



Equitable Labor Management Practices

MV holds a record of equitable labor management practices. It has been our long-standing custom to implement equitable management practices such as progressive discipline, open door policies and employee development and empowerment. Not only do we have steering committees that empower our front-line employees to effect change within their specific locations, but we also have created the "Bridges Committee", a group of individuals whose specific focus is the oversight and protection of our company mission, vision and values across the organization as a whole. Our lack of conflict in the area of labor management, demonstrates our ability to preserve positive relationships with our employees, whether covered by a collective bargaining agreement or not. In the end, we remain committed to nurturing the connection with each employee, through mutual respect, individual development and continual recognition.

Discrimination And Harassment Prohibition Policies

All Company employees have a right to work in an environment free from all forms of discrimination and conduct which can be considered harassing, coercive, or disruptive. Consistent with the Company's respect for the rights and dignity of each employee, harassment based on race, color, religion, sex, sexual orientation, national origin, age, disability, marital status, citizenship, or any other characteristic protected by law, will not be tolerated. This includes harassment by an MV employee, contractor, agent or third parties with whom MV employees interact during the course of their employment.

Any employee who believes that he or she has been the subject of sexual or any other form of harassment or observed any harassment is trained and encouraged to bring the matter to the attention of their supervisor, any executive or any human resources employee. Alternatively, they may contact the Employee Relations Hotline, 877- 687-2338.

Employee Complaints

Open and honest communication is paramount to success. In a constant effort to promote a culture of honesty and respect, MV uses an Open Door Policy. All employees are expected to communicate in a sincere and honest manner at all times.

Any time an employee has a problem, s/he is encouraged to bring the issue to the attention of their manager. If the matter is not resolved, he or she is encouraged to use the procedure outlined below.

Step 1: Discuss issue or complaint with your manager as soon as possible. Not reporting the issue or complaining to others will not solve anything. Once the manager is aware of the situation, s/he will verbally respond.

Step 2: If the issue or complaint is not resolved, employees are instructed to take one of the following actions:

- Report the issue by telephone by calling MV's employee relations hotline, 1-800-687-2338

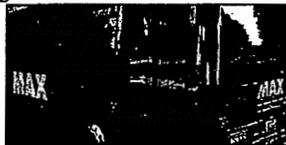


- Report the issue online at www.mvtransit.com/hotlines
- Prepare a signed, dated written account of the issue and send to MV's EVP of Human Resources.

Step 3: If the issue or complaint is not resolved with Step 2, employees may request a meeting with their Vice President. After this meeting, the Vice President will respond in writing.

RECRUITING

Due to the unique operating nature of the Paramount location, MV employs more than 118 Vehicle Operators at this division – 12 dedicated solely to the MAX Commuter Bus Service. After an operator has consistently proven their ability to provide passengers with a safe, customer oriented trip while at this location, they are then eligible to drive for the commuter service. Only the “best of the best” are assigned to the MAX routes.



iv **Drug and Alcohol Testing Program**

As part of MV's commitment to providing a safe, efficient, and productive work environment for all employees, it is essential that our workplace always remains drug-free. As such, *all* employees are subject to pre-employment drug and alcohol screening.

All safety sensitive employees are tested for drug usage in accordance with MV's Zero Tolerance Drug and Alcohol Testing Program, which requires pre-employment, random, post accident and reasonable suspicion drug and alcohol screening. This program is updated regularly to conform to new laws and complies or exceeds all FTA and DOT requirements. MV has successfully completed all FTA audits to which it has been subject.

MV's Compliance Manager, Mrs. Esther Avalos, administers our random drug and alcohol testing, using the Assistant-Pro database software, which uses a scientifically valid, tamper-proof, computer-generated process that randomly selects individuals for testing without discrimination. Assistant-Pro selects, schedules and tracks all test information on safety-sensitive personnel for all types of drug and alcohol testing. All drug and alcohol test information is maintained in this secure database and all records are maintained as required by law.

MV administers substance testing as described below. As stated earlier, MV has a zero tolerance policy; a positive screen or refusal to be tested under these conditions will result in termination of employment.



Pre-Employment – All offers of employment are contingent upon the successful completion of a pre-employment drug screen. Failure to submit to said test, or a positive screen results in revocation of the offer of employment.

Random – All safety sensitive employees are automatically entered into the company pool for random testing pursuant to FTA regulations.

Post-Accident – Any current employee who is involved in a serious incident or accident while on duty, whether on or off the company's premises, is required to submit to a drug test.

Reasonable Suspicion – This test may be required if significant and observable changes in employee performance, appearance, behavior, speech, etc. provide reasonable suspicion of the influence of alcohol/ drugs. *All frontline personnel are observed by supervisory personnel who are certified as having completed the DOT Supervisor's Class in Reasonable Suspicion Training in Drug and Alcohol.*

MV utilizes local occupational health clinics in our operating areas to perform the urine and breath alcohol collections for testing. MV contracts with Clinic Reference Laboratory (CRL) for laboratory services, Dr. Stephen Kracht for MRO services, National Counseling Resources for substance abuse professional services, and Duo Research to handle our blind quality control sample testing. All results are transmitted to Mrs. Avalos, who processes the information and provides to local management.

All employees receive full FTA compliant training that outlines MV's Zero Tolerance Policy during initial training. Drug and alcohol testing procedures are addressed as part of our regular Driver Training Program and annual supervisor training.

v **Operator Training Program**

Operator Training

As one of the nation's leading providers of transportation, MV has a proven record of effective Vehicle Operator Training. The company has developed a custom program designed to provide consistent and thorough training to all trainees. While this program has been customized to meet the needs of the MAX Commuter Bus Service to address specific areas of concerns (i.e. unique service area, specific vehicle type, sensitivity training with local agency participants, etc.) the base program consists of eleven modules. Below is a brief overview of each module.

Module One: The Bus – Introduction to the specific vehicle being operated. How the transit vehicle differs from a private automobile, the responsibilities of the operator, the goals of operator training.

Module Two: Bus Inspections – Training on how to properly inspect the vehicle for safe operation. Addresses the six-step method to inspecting the vehicle, pre-trip, post-trip, and in-service inspections. Guidelines in this portion of the training



are taken from the Commercial Operator's Handbook. Module includes operator safety tips to inspecting the vehicle.

Module Three: Bus Maneuvers – Classroom instruction on transit vehicle operation, from starting the vehicle to stopping distances. Addresses challenging maneuvers such as backing the vehicle, compensating for blind spots, and steering methods.

Module Four: Intermediate Bus Maneuvers – Classroom portion of defensive driving. Major subjects addressed include sharing the road with other vehicles, curves in the road, intersections and steering.

Module Five: Service Stops – Service stop procedures, including entering boarding zones, mid-block service stop, obstructed service stops, far-side service stops, boarding and alighting, before leaving a service stop, kneel feature, operation of the lift/ramp, interlock mechanism, and departing.

Module Six: Special Conditions – Procedures for driving in special on-road conditions, such as railroads, drawbridges, narrow streets, traffic circles, parking lots and mountain roads.

Module Seven: Expressways/Freeways – Subjects include entering and exiting the expressway/freeway as well as driving on the expressway/freeway, including following distances and changing lanes.

Module Eight: Special Driving Problems – Classroom portion on driving in special conditions. Subject matter includes night driving procedures, driving in difficult conditions such as fog, rain, glare, winter driving; discussion on driving in areas of poor visibility and poor traction.

Module Nine: Defensive Driving – Classroom portion of Defensive Driving Training. Subjects include understanding the difference between defensive vs. emergency actions, driving hazards, defensive driving strategies, and the Smith-System of Defensive Driving and the Smith System's 5-Keys to Space Cushion Driving.

Module Ten: The Operator – Discussion of how the operator's alertness and concentration is affected by things such as fatigue, illness, substances, personal problems, and stress. Module includes training in MV Transportations' Substance Abuse Policy, Hazard Communication Program, and the MV Transportation Non-Harassment Policy. Discussion on the importance of what it means to be a professional operator. Addresses basic guidelines of quality customer service.

Module Eleven: ADA (Americans with Disabilities Act) Requirements – Orientation to MV Transportation, Instruction on ADA Law, how it pertains to public transportation, and Vehicle Operator Requirements under the law. Module discusses the definition of the "common wheelchair," wheelchair securement procedures, and Q&A session regarding rights, discrimination, accommodation and special treatment.



Training Hours

Training Topic	Hours
Welcome and Introduction , Expectations	0.5
Policy & Procedures (MV Handbook)	2
Smith System	2
START Program Customer Relations training (customer courtesy and problem resolution)	8
Fare / Radio Training	2
Lift / Securement Training	3
Incidents and Emergency Procedures	2
Transit Security and Incident Command Procedures & SSEPP	2
Local Geography and Map Training	4
Module One: The Bus	0.5
Module Two: Bus Inspections	1
Module Three: Paratransit Vehicle Maneuvers	1
Module Four: Intermediate Vehicle Maneuvers	1
Module Three and Four (review): Vehicle Maneuvers (review)	2
Module Five: Special Conditions	2
Module Six: Expressways/Freeways	2
Module Seven: Special Driving Problems	2
Module Eight: Defensive Driving	1
Module Ten: The Operator / Substance Abuse Policy / Bloodborne Pathogens, Hazard Communication	2
Module Eleven ADA Requirements	2
Module Twelve: ADA Sensitivity training and Passenger Assistance	8
Classroom Review	1
CDL Test	2
TOTAL CLASSROOM HOURS	51 hours

Behind The Wheel Training	Hours
Basic Vehicle Operation on Street, includes lift operation	10
Smith System / Defensive Driving Skills in the Smith System	6
Vehicle Operation – Night Driving	3
CDL/Skills Course Orientation	11
CDL/pre-trip inspection in field	3
CDL test	1
Route/map Training	12
*Cadet (Line) Training	16
TOTAL BEHIND THE WHEEL HOURS & CADET	62 Hours
TOTAL TESTING & GRADUATION	5 hours



TOTAL VEHICLE OPERATOR TRAINING HOURS	118 hours
Annual Refresher Training	Hours
Safety Meetings	12
Job Improvement Training	as required
TOTAL REFRESHER TRAINING HOURS	12 hours minimum

BTW & Cadet Training

Unlike older operator training programs, MV's Behind the Wheel training begins on the first day of class. This approach allows operators to practice on a vehicle the techniques they learn in the classroom, on the same day. This method of reinforcing training materials is extremely effective, and breaks up the class day for participants.

The first two days of behind the wheel training start with two days of skills course training. The purpose of skills course training is to familiarize the student with the larger size and spacing of commercial vehicles before driving the vehicle on the street.

The skills course training requires all trainees to learn the use of multiple mirrors, vehicle controls and to learn how to safely maneuver the vehicle forward and reverse in tight areas. It also allows instructors to identify potential student deficiencies and remove students from the training program who cannot safely drive the large vehicles due to a visual impairment or other disorder that may not be detected in the pre-screening DOT physical.

Once a student has successfully completed all skill course maneuvers on MV Transportation's private property, they begin driving the vehicle on the street with a training instructor under the Cadet portion of training. MV has found that due to the addition of skills course training, the new students are much less likely to incur an accident with a vehicle when they complete their training.



It is during this section of training that we focus on the Smith System Defensive Driving in actual on the road practice. Before a trainee is released for service, s/he is closely monitored and receives a final road and training evaluation. Operators will operate a vehicle, learn all of the major trip generators and, on a practical level, **interact with the passengers.**

Upon completion of BTW training, the new operator is assigned a training route for a period of two weeks. This training route will typically be the one with lower ridership in the system, to allow the new operator more time to build their skills.

ADA/Passenger Assistance Training

MV pays particular attention to operator sensitivity and customer service training. Proven modules from various segments of the industry will be used to emphasize that it is everyone's job is to serve the passengers, no matter their economic or social status, disability, or reasons for riding public transit. Sensitivity training modules include disabled passengers and agency staff representing various segments of the customer population to build understanding and empathy among the operators. Each sensitivity training program is tailored to the division.

Practice and role-playing sessions will be held with trainees to foster an understanding of what it's like to try to navigate the system when one is visually impaired or uses a wheelchair. Training includes the study many different types of disabilities and mobility aids so that operators properly learn how to handle each one professionally and with a dignified, yet sensitive, demeanor. All employees are taught that customers are people first, and they usually have the best information

SPOTLIGHT ON EMPLOYEE

Merriell Norwood
MAX Vehicle Operator

Mr. Merriell Norwood has been working in public transportation for nearly nine years, and enjoys the opportunity he has to meet people from different backgrounds and cultures.

"My job entails transporting passengers to their designated destinations via specified bus stops within various bus routes," Norwood said. "My favorite thing is being able to provide my customers with excellent service."

After working production for the Long Beach/San Pedro Ports for nearly 30 years, Norwood began an operator career as a driver for Coach USA. Upon MV's award of the MAX Commuter Bus Services, he began driving the Palos Verde and San Pedro routes for the commuter service.

While driving for MV, Norwood has not only provided excellent service, but also enjoyed great success behind the wheel. He has earned honor and recognition as the employee of the month, runner up for Employee of the Year, and is a certified Behind-the-Wheel Trainer.

In his free time, Norwood enjoys bike riding, golfing, and basketball. But there is one thing he enjoys above anything else.

"Most of all being a granddad!"





about how much assistance they require.

Module eleven of MV's Operator Training focuses five hours on ADA law, sensitivity, passenger handling and mobility device education. Further, in field training regarding ADA law, passenger handling, etc. is occurs during Behind the Wheel training. This training will reflect the requirements of the contract.

MV teaches our operators that complying with the requirements of the ADA is not only required by the law, but it's also a display of professional skill and respect in the services provided to the disabled. MV's ADA Training includes:

- The ADA provisions for making public transportation readily accessible to individuals with disabilities, including individuals who use wheelchairs. How the ADA extends to individuals with disabilities comprehensive civil rights protection similar to that provided to persons on the basis of race, sex, national origin and religion under the Civil Rights Act of 1964. As it relates to public transportation, the requirements that the ADA mandates.
- Provide assistance to people with disabilities with the boarding and alighting process whenever they request help. Assistance should be offered politely but never forced upon an individual who does not desire such assistance. This assistance includes making the lift available to passengers who do not use a traditional mobility device, for example, a passenger who uses a cane.
- Announce bus stops on fixed route service. This ensures that passengers who are visually or cognitively impaired will know when to get off of the bus. In the event that the automated Voice Enunciators are not online, the operator is required to call out stops.
- Ask ambulatory passengers to make the priority seating seats (if applicable) available for passengers with disabilities on fixed route service.
- Permit a disabled passenger who uses a mobility device (wheelchair, scooter, etc.) to be transported in the mobility device. While you can ask a disabled passenger to transfer to a bus seat, you cannot require the passenger to transfer to the seat if they choose to remain in their mobility device.
- Permit disabled passengers to board with their guide animals. This may include animals other than guide dogs.
- Verify the functioning of the lift device by cycling it each service day during the pre-trip inspection and documenting this on the daily vehicle inspection report (DVI).

Wheelchair Lift Securement Procedures

Providing safe transportation to persons in mobility devices is essential to the success of this service. These passengers generally require a greater level of time and attention by the operator. This attention is critical to ensure the mobility device is properly secured, and to make sure the customer enjoys a safe ride. These procedures are taken very seriously, and MV provides regular monitoring and ongoing training in this area. Wheelchair securement procedures are as follows:



The vehicle must be parked at least 18 inches from the curb, with the vehicle in park and the parking brake engaged. The operator opens the door and prepares the mobility device securement area. The lift is then deployed pursuant to specific lift procedures.

Operators will assist the passenger in boarding the lift; all passengers are advised to face away from the vehicle when stationed on the lift. The operator will ensure that the brake on the mobility device is engaged, the passenger is wearing a lap belt, and that the lift safety strap is secured. The operator must then communicate to the passenger that operation of the lift is going to begin and again confirm that they have secured their brakes and are ready. Maintaining their hand on the mobility device, the operator raises the lift to its complete up position. Once the lift is in place, the operator allows the passenger to maneuver into position in the vehicle, assisting as necessary. Once the passenger is in place in the securement area, the operator will request permission to begin securement procedures.

Upon consent, the operator will secure the mobility device at strength positions; the operator will never attach securement straps to spokes or other loose components. The operator checks that the straps are secure and tight, and then requests permission to place the shoulder belt and lap restraint over passenger. Upon consent, these restraints are secured, and the operator notifies the passenger that they are ready to depart.

Customer Service Training Program



As part of MV's operator training, all operators are provided eight (8) hours of customer service training using the START Training from Ergometrics.

The Ergometrics START Training program is an industry recognized program that was recently awarded a model training program award by the National Transit Institute (NTI) in Salt Lake City. The START program is highly effective at showing new and existing operators how to deal with all types of potential challenges from customers while engaging them in real world situations that commonly happen while delivering transit service to the public. The program is a video-based training package that helps operators understand the part they play in providing and promoting public transportation. START Training teaches operators:

- How and why to make customers feel welcome.
- How to communicate positively and solve problems in an outcome-oriented way.
- Why policies should be followed and how to make good decisions about exceptions.
- How to manage operational realities such as time pressures.
- How and why to establish appropriate, professional boundaries with customers.
- How to avoid and curtail emotional escalation, power wars and other unsafe behavior.
- How and when to seek assistance.



Spider Reports - On Time Reports

MV offers our clients the Spider Info iWeb Reports, which provide real time and historical reporting services.



On-Time by Hour Report

A report that shows the hourly on-time performance of service as it occurs. Users can drill down to view a listing of late trips and trip details. The On-Time by hour not only offers a real time on-road management tool, it also offers an hour by hour historical analysis of on time performance.

On Time Performance
 Div: 105, Redmond, WA
Modified by Web (at 2008 BY Transportation, Inc. - Last Updated 11/04/07 04:58:33)

On Time Performance by Hour for: 11/01/07

Time From	Time To	Late	OTF	On											
Daily Total	2310	88	96.24%												
11:00 AM - 11:15 AM			9%												
11:15 AM - 11:30 AM			9%												
11:30 AM - 11:45 AM			9%												
11:45 AM - 12:00 PM			9%												
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4:45 PM - 5:00 PM			9%												

Text Message Updates

To keep our passengers informed of the status of their fixed route service, MV offers clients two options in text message updates:

Subscription Updates

Passengers can sign up for a mailing list that offers subscription text updates on route status. Any time a route is running more than five minutes late, the passenger will automatically receive a text message that notifies them of the delay.

On Demand Text Updates

Similar to the subscription updates, this feature is only activated when a passengers requests an update. At each bus stop, a sticker will indicate a phone number to text a message to. Immediately upon this message being sent, they receive text message stating the ETA of the bus.



vii Supervisory and Dispatch Operations

Fixed Route Operations Overview

Consumer confidence is essential to growing ridership on a fixed route, commuter service. If the service is unfriendly, inconvenient or unreliable, i.e. consistently late, the consumer will identify other modes of transportation to meet their needs. Since MV considers our relationship with the City of Torrance to be a true partnership, it is essential that we ensure the service is friendly, convenient and extremely reliable.



Our “employee first” management approach, our extensive training and frequent field checks will produce friendly customer contact.

A strong communication channel between passengers and our drivers, and, ultimately, with the City staff, is crucial to our partnership.

Our extensive fixed-route experience and the operations techniques described below will contribute to the reliability and convenience of the service, making it attractive to the riding and non-riding public.

Scheduling & Run-Cutting

Annually, or as service adjustments dictate, MV will conduct a system run-cut to ensure driver schedules are effective and efficient. During these reviews, Mr. Ward will incorporate suggestions from his staff and drivers to facilitate the creation of schedules that meet the demands of the passengers to the greatest extent possible.

Once a comprehensive analysis of the routes is complete, the recommendations will be provided for the City staff's review and approval. If they are approved, the runs will be cut and schedules established. These schedules will be compiled into a master schedule, which will be bid upon in a traditional straight-line bid based upon seniority.

Roll Out Log

The master schedule is used to create the Rollout Log. This log records the route and run number for each shift in chronological order. This system immediately alerts the dispatcher if a driver has not shown up on time for their route. The Rollout Log identifies the driver and bus, for each shift at any time. It is a simple, yet extremely effective system to ensure that all routes are covered and it tracks vehicle usage.

On-Time Service Delivery

On-time performance is essential on a commuter express system such as MAX. A late pullout or an on-route delay can have an extremely adverse affect on our passengers. While we understand that some delays may be inevitable, our ability correcting the situation immediately is critical to maintaining a reliable fixed route system. MV employs a number of proven methods to ensure continuous service of the transit system:

- Each day a supervisor is on-site to actively supervise pullout.
- To prevent service disruptions due to absenteeism, MV typically employs a stand-by driver for morning and afternoon pullout.
- To prevent service disruptions due to breakdowns or accidents, MV employs the use of a “READY” bus that can leave the facility at a moment's notice.
- Extra-Board drivers are immediately dispatched to pick up a route that is delayed for any reasons to ensure on-time performance is maintained.

Our dedicated Road Supervisor will actively observe on-road operations throughout the day, to assist in the coordination of service to ensure passengers receive safe and efficient transportation.



Driver Evaluations

MV sees our road observation and ride checks as vital to the overall success of our quality assurance program. Safety and training personnel and Operations Managers are expected to perform these checks at 45 days for a new driver and then every quarter for all drivers. Our triplicate report form provides a copy to be sent to the Director of Safety & Training for review.

Training is provided by the Director of Safety and the area safety managers in the appropriate method for performing the evaluation and counseling the driver. In addition to a series of boxes to be checked, the evaluator is expected to comment specifically about positive and/or negative driving behaviors observed. The driver is to be given information about specific behaviors and methods for improvement.

Drivers are evaluated in a process which includes a ride along or unobserved road check by a road supervisor or the manager.

viii Fare Collection

MV uses the following procedures to ensure the proper collection of fares on the MAX Commuter Bus Service:

- MV's Vehicle Operator drives the bus to the DriveCam download station. The maintenance and p.m. shift Road Supervisor will drop the vault and empty the fare into a money bag, which is taken to dispatch.
- The fare bag is then dropped into the vault with a small white tag showing service, route and run.
- All fares are removed from the vault each morning.
- Fares bags are removed and separated by contract.
- Fares are then counted in the Cerritos Operations Manager's office. This office is equipped with a surveillance camera for added safety.
- Deposit slip duplicates are entered into the contract binders, and then entered into a monthly data document for reporting.
- Fare deposits are compared to ridership reports submitted by Vehicle Operators to the Operation Manager.

Deposits are made by local division staff to Bank of America, using the City of Torrance deposit slips. On deposit, verification slips received from the bank are copied and faxed to the Torrance Transit offices. No farebox reduction is shown on the client invoice as it is a direct deposit into client bank.

ix Data Collection, Recordkeeping and Reporting

MV's experience in the industry has allowed us to establish a set of standard reports that many of our clients feel fit their needs. During service implementation, we will sit down with the City staff to discuss your reporting needs. While many times our standard reports give our clients what they want, other times we customize our application and prepare our reports in the client's desired format. We prefer this approach, since it avoids any miscommunication between MV and our clients, and it



give us the flexibility to further meet the needs of our client. Mr. Ward and his support staff will produce reliable management reports in line with the RFP.

In addition, MV Transportation utilizes Lawson Software's Enterprise Resource Planning Solution both in our corporate office and at our divisions. The Lawson Financial Suite includes General Ledger, Accounts Receivable, and Accounts Payable. The Lawson Human Resources Suite includes Personnel Administration, Benefits Administration, Payroll, Time Management, and Employee and Manager Self-Service. Lawson software is a fully integrated, web-enabled solution, which we run on an NT platform. The software is scalable to allow for growth of the company without having capacity concerns. The web-enabled feature allows Company management to selectively determine which processes and controls should be centralized versus decentralized.

We believe in proper data backup, and off-site storage of data backups in the event of a fire or other catastrophic event. Our MIS team has set up a local computer network to ensure proper connectivity, security levels, password protection, and local technical support. We will work with the City MIS staff in whatever manner necessary.

MV has the capability of meeting FTA/NTD reporting requirements. Currently we provide these reports to the City for reporting.

x Environmental Protections

MV Transportation is committed to providing our stakeholders with impeccable service in an efficient and effective manner. One of the ways to meet this commitment is to ensure that from an energy usage standpoint, our facilities are operating in the most efficient manner possible.

Our Energy Conservation Plan helps each division identify, implement, and measure the effectiveness of energy cost reduction initiatives.

The below steps and programs represent efforts that will be taken to conserve fuel and energy:

- As mentioned earlier, MV will purchase a Toyota Prius Hybrid sedan for these services for road supervision. This is being done in an effort to contribute to the steps that are being taken in the Los Angeles region to improve air quality and prevent climate change.
- MV has done extensive research on utilizing Nitrogen in all fleet tires, and would like to discuss this practice with the City, should we be selected as the successful contractor. When used to replace oxygen and other gases commonly used in tire inflation, it improves fuel efficiency, extends tire life, and improves environmental impact. This will require the purchase of a new compressor for this purpose.
- MV performs all OEM recommended tune ups, adhering to all specifications for valve adjustments and injector life, along with turbocharger waste gate adjustments. This ensures better fuel conservation.



- We will monitor vehicle idle times and enforce a policy of not letting vehicles idle more than five minutes, to reduce unnecessary fuel usage. This will be reinforced through retraining, monthly meeting updates, and road observations.
- MV monitors oil analysis for indications of high wear to the engine, which can cause additional fuel consumption, including soot in the oil.
- *Within the next six months, MV will be placing bio-diesel in at the fuel pumps in our Paramount division. We will coordinate with the City as to the benefits of using this type of fuel, and the adjustments that will need to be made to the fleet if the City would like to pursue this option.*

Each division strives to reduce its energy through best practices and energy efficient equipment. This will be accomplished by adopting an education program for all employees, implementing short term changes, and retrofitting existing facilities and equipment in the long term planning stages. A preliminary audit will be conducted to identify current usage and ways to save wasted energy consumption immediately.

1. Educating Employees:

- All employees will be given training on how to save energy on a daily basis
- Posters will be deployed throughout building as reminders to save energy
- Team Leaders will be selected for each department to monitor ideas and actions
- Facility audits for energy audits will be conducted on quarterly basis

2. Short Term Conservation Measures:

- Timers, motion sensors and photocell light switches will be implemented
- Turn off lights not needed without effecting production or employee comfort.
- Use one large bulb in a fixture instead of several that add up to the same wattage
- Keep temperature settings regulated
- All heating and Air Conditioning filters to be cleaned more often (accounts for 30 to 50% of all energy consumption)
- Close off unused areas that don't need to be heated or cooled
- Schedule evening meetings in areas that can be heated or cooled easily without having the complete system on
- Do not use an air conditioner and an evaporative cooler at the same time. An air conditioner removes moisture from the air, while a cooler adds moisture to reduce room temperature. Since they use opposite methods for cooling, running both at the same time will increase your consumption
- Verify all units are operating properly
- Turn off all equipment not being used on a regular basis (even TVs and VCRs when plugged in have energy usage)
- Eliminate duplicate coffee makers (one for whole office instead of each area), hot plates and other small appliances (i.e. space heaters under desks)
- Have all vending machines advertising lights turned off
- Last person out turns off lights and all copiers



- Change the time on all computers for them to go into sleep mode (screen savers sometimes can take up more energy than when the screen is on)
- Close blinds at night and leave closed in daylight when not needed
- Set copiers to go into sleep mode after 30 minutes (Reduction of energy 50%)
- Have janitors turn on only lights needed while cleaning

3. Long Term Energy Conservation Plans and Capital Investments

- Replace all Fluorescent lights; recommend LED lights as technology becomes available
- Replace all CRT monitors with LCD which consume 60% less energy
- Investigate Solar Power ideas
- Replace aging equipment with energy saving models
- Replacement of energy efficient windows
- Replacement of older hot water heaters with energy efficient
- By changing our culture and educating all employees on a daily basis MV saves both energy consumption and wasted expense.

Waste Maintenance Plans

MV will comply with all local, State and Federal regulations regarding waste maintenance. Mr. Ward will coordinate with Mr. Pouncey to ensure that our maintenance department follows industry best practices regarding the handling, storage and disposal of maintenance end products. MV's company policy and procedures for these processes will conform to City's local policy. Highlights of MV's waste management program are as follows:

- **Antifreeze:** Antifreeze will be properly stored in separate containers. MV will follow OEM specifications regarding use of antifreeze. MV will employ a properly certified company to remove used antifreeze.
- **Parts Washing:** MV uses a water based parts wash within our parts cleaners. This solution (Landa) is environmentally safe and biodegradable.
- **Storm Water:** MV complies with all local, State and Federal regulations regarding storm water. MV will have a proper storm water plan on file with the City, and all processes will be designed to keep all pollution out of the storm water drains. MV will use a floor scrubbing machine to pick up any spills, and water will be recycled through the water clarifier.
- **Waste Water:** All waste water is poured through the clarifier to filter and treat it before it is released into the sewer system.
- **Used Oil:** All used oil will be hauled off by a certified, insured recycling vendor. This vendor must have proper certification on file.
- **Used Filters:** MV work with the City to request a filter crusher to condense filters before they are disposed of. All procedures regarding this process will be in compliance with local regulations.
- **Spills:** MV will ensure proper containment systems and containers are readily accessible throughout the facility. The shop truck will be stocked with mobile



spill kits and proper containment to provide quick response to any spills in the field. All spills will be taken care of immediately, and all containment materials will be properly handled and stored for future removal.

- **Sludge:** Sludge will be hauled away by a properly certified recycling company for proper disposal.
- **Freon:** All of MV's maintenance personnel will be 608 and 608 certified in the proper use of AC recycling machines. MV will purchase up to date recycling machines.



3 Technical Maintenance Support

Corporate & Regional Support for the Local Maintenance Team

At MV, we have one of the most comprehensive support teams in place of any firm in the industry, a significant advantage to our proposal. Mr. John Calame, VP of Maintenance, leads our maintenance functions and is assisted by Mr. Kenny Pouncey, Director of Maintenance.



MV's MAX maintenance team received three ASE certification in 2007 - including Mr. Martin Camargo, Maintenance Manager, who was recertified as an ASE Master Mechanic.

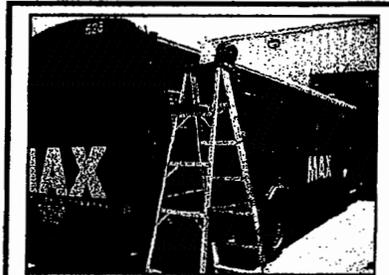
Mr. Calame and Mr. Pouncey are available for support and will make frequent visits to monitor the performance of our local maintenance team. In addition, both Mr. Calame and Mr. Pouncey are available to our MV staff (and the City staff) 24 hours per day via mobile phones.

Our comprehensive and detailed approach to maintenance has resulted in higher fleet reliability and improved physical appearance in a number of operations for which we have assumed responsibility. We believe that no other firm will commit the time, resources and effort to ensure we exceed your expectations in this important area, a reason a number of the people that now work for MV have joined this Company.

Safety Culture in the Shop

Safety is a critical component of MV's maintenance plan; it is essential that we establish and maintain a lasting safety culture within the shop and operating facility. Mr. Camargo and Mr. Ward will be responsible for providing a safe and healthy work environment for our employees. This type of environment is created through the following steps:

- Consistent reinforcement from leadership that only the best practices are acceptable and it is never acceptable to cut corners. Efficiency is important, but not at the cost of safety.
- In-house and on-site vendor training enhances our maintenance team's understanding of the specific components used and reinforces best practices.
- Ensuring that work areas remain clean and organized throughout the day. If a spill occurs or other hazard is identified, the maintenance employee must stop to clean it up before continuing on his or her shift. At the end of a shift, each employee must clean up his or her work space and return items to their proper place.
- All shop equipment is clearly marked and maintained in top condition. Personal Protective Equipment (PPE) must be readily available at all times and always used when operating equipment that requires it. Proper buffer space is clearly marked



As part of MV's commitment to maintain the MAX vehicles – interior, exterior, and mechanically – our maintenance team buffed each bus in June. This process has not only increased the attractiveness of the vehicles, but it has also increased our vehicle operator's pride in driving a MAX vehicle.



around shop equipment to remind employees to keep a safe distance when the equipment is in use.

- The maintenance areas are secured with safety chains and similar barriers. The shop is clearly marked with signage to prevent non-maintenance employees from entering and creating an unsafe environment. Only individuals wearing safety glasses may enter the designated maintenance areas. This is strictly enforced for all employees, vendors and visitors to the shop.
- Implementation of a strong Hazard Communication (HAZCOM) Program that includes updated Material Safety Data Sheets (MSDS), secure storage areas for hazardous chemicals and fluids utilized in the shop, clear labeling of all products utilized and proper disposal instructions. Periodic retraining is mandatory for all shop personnel.
- Implementation of proper Lock-out/Tag-out precautions and procedures, with periodic inspection and re-training to ensure the entire team understands the importance of the program and how to utilize it.
- Facility preparedness with easily accessible emergency equipment and Personal Protective Equipment (PPE) is placed throughout the shop area. Necessary equipment to keep areas clean and dry (broom, mop, absorbent) will be readily available and in clearly marked locations.
- Fueling areas will contain proper PPE and containment equipment and supplies. These areas will remain well lit and all personnel performing fueling functions must wear protective equipment at all times.
- Mandatory weekly staff meetings ensure continued education of maintenance personnel and enhance their safety awareness. All maintenance personnel will also be required to attend a monthly safety meeting to maintain clear communication between departments and ensure delivery of a consistent safety message throughout the location.
- Open communication for maintenance team members through MV's Open Door Policy, assuring employees that their welfare is important and that their opinion on how to avoid a hazardous accident in the shop is always welcome. This promotes high morale and a safe environment.
- Safety messages and posters displayed throughout the facility to keep safety on everyone's mind, at all times.
- These procedures will be implemented to create a safe maintenance program, which will support the operation and provide a top notch fleet that the City of Torrance, our employees and our passengers can be proud of.

Compliance Oversight

Periodic conference calls between Mr. Pouncey, Mr. Camargo, and Mr. Ward ensure corporate support is available to the local team. These calls, along with Mr. Pouncey's on-site visits ensure that our preventive maintenance program is on schedule, that repairs are not unnecessarily deferred, and we are in compliance with manufacturer and industry best standards and to ensure the MAX fleet remains in excellent condition.

California Air Resource Board (CARB) Compliance

Recently, MV worked in close partnership with the City to ensure CARB compliance before the January 1, 2008 deadline. After the City selected a vendor for particulate traps, this specific trap was decertified for compliance. The vendor was able to get these particulate traps recertified, but there was only a short timeframe until the 1/1/08 deadline.



MV worked quickly to ensure that the MAX buses were available for installation, with no impact on service. The result was a compliant fleet before the deadline without affecting our passengers.

Communication

Effective communication between operator and mechanical staff fosters a successful maintenance program. While on the road, a transit vehicle is a work tool, a work environment and a service advertisement. Therefore, it must be in excellent condition – mechanically and cosmetically – at all times for an operator to be successful in his or her job.

MV strives to create a culture where Operators maintain their vehicle as they would their own personal automobile. Similarly, each operator must be comfortable discussing vehicle problems with the maintenance team in the same way they would with their personal mechanic.

To strengthen this concept, all maintenance personnel are required to attend the monthly safety meeting, along with all departments, to encourage open communication. MV's maintenance team is taught that operators are their customers and that it is extremely important to be responsive to their requests. The maintenance team will work closely with the operations team to increase an interdependence that will result in high morale, confident employees and excellent customer service on the routes.

Third Party Inspections

MV complies with all Federal State and Local Safety Environmental Laws, Regulations, Rules, Codes and Orders. We understand that periodic external audits may be required by local, state and federal agencies. MV has a superior record with agencies in FTA Triennial Audits and CHP Inspections and we welcome their visits.

MV fully understands the requirements of major local and state agencies and their interfaces that affect safety. Local interfaces are specified with all member clients and cites regarding operations, maintenance, and emergency planning and response activities. MV also complies with each state's individual needs specifically relating to environmental regulations regarding air, water and noise pollution and hazardous materials regulations. In addition, the following federal agencies may conduct periodic audits:

The Department of Transportation (DOT) issues regulations affecting transit operations including those related to the Americans with Disabilities Act (ADA) and drug/alcohol testing of employees.

The Federal Transit Authority (FTA), an agency of DOT that is responsible for federal funding (capital and operating) of transit authorities and oversight of those expenditures. The FTA also compiles safety data on all transit agencies.

The Occupational Safety and Health Administration (OSHA) is responsible for developing and enforcing federal regulations related to workplace safety, including maintenance shops, offices and field activities which serve as guidelines to the MV Transportation operations. MV Transportation is regulated by OSHA and is required to follow OSHA guidelines and all standards incorporated by reference in the Code of Federal Regulations.

The Environmental Protection Agency (EPA) is responsible for developing and enforcing federal regulation related to air, water and noise pollution and hazardous materials regulation.



The National Transportation Safety Board (NTSB) is an independent federal agency responsible for investigating transportation accidents and making recommendations to prevent similar accidents from occurring.

Pull Notification Proof

MV participates in the California DMV Pull Notice Program. This can be verified by calling (916) 657-6346 and providing MV Transportation's Requestor Code #79787.

Maintenance Software System

MV is proposing to use the FleetFocus maintenance management software to monitor parts usage, adjust inventory levels and efficiently track preventative maintenance activities. The software tracks monthly tire, oil and battery usage and facilitates electronic repair order storage. It also measures technicians' productivity, controls inventory and evaluates individual vehicle maintenance costs and generates weekly reports detailing this information. More information about this system can be found at <http://assetsolutions.maximus.com/fleet.cfm>.

In proposing this software, MV offers two major benefits. First, MV has an agreement that offers unlimited licenses for this software – thus we are able to offer this at no additional cost to our client. Second, MV's IT department has created a web interface that tracks Preventive Maintenance performance in each shop that uses fleet focus. This means that MV's corporate support personnel (and if desired, clients) can log in to our website and view reports (shown below) that give a snapshot of fleet maintenance activities. MV also offers customized daily emails that report the prior day's PMI On-time performance.

Screenshot from MV's Online PMI Reports

Sample Late PMs Email

Maintenance Reporting

The FleetFocus system offers a large selection of standard reports, which can be configured to run at regular intervals, at specific times, and can be customized to show specific information. MV will also create custom reports by interfacing the software with Crystal Reports™, which include exception reports that will notify the our team as soon as a vehicle's scheduled repair is outside of the established timeframe. Below is a description of some of the reports that will be run to ensure quality maintenance activities.



Daily Out of Service Monitor: This monitor shows which buses are not in service, why there are not in service, when they went out of service and what stage of repair they are in. Printed reports are issued from this board five times a day - before the a.m. pull out start, early morning for the shift supervisor to plan the work day; late morning for the afternoon pull outs and during each shift change to help the next shift supervisor plan the shift. Any known progress is noted in FleetFocus as the day progresses.

Daily Maintenance Report: The daily maintenance report shows what happened in the shop on the previous day and serves as a benchmark for the current day's work. The report also compares yesterday's results to previous days to easily spot trends. This report helps MV's maintenance team understand commonalities in maintenance issues, identify trends and take the appropriate corrective measures as soon as possible.

Weekly Maintenance Report: This report documents all maintenance activities performed for the prior week. The report is run weekly and is reviewed by Mr. Camargo.

Mechanic Productivity: This report will be run weekly by Mr. Camargo to identify trends in labor productivity, and to identify mechanics that are performing below standard. This information will be used to establish re-training and coaching plans to ensure MV's maintenance personnel are performing at expected productivity levels.

3.a Preventative Maintenance Plan

Preventive Maintenance Schedule

Preventative maintenance inspections (PMI) will be performed on each vehicle within each 3,000 miles. A-level inspections and B-level inspections will alternate until 24,000 miles, at which point the vehicle will have a C Inspection completed. Then the schedule re-starts at the beginning.

Level	Mileage	What's Inspected?
A	Every 3,000 miles	Lubrication, oil and filter change; Inspection of safety items; includes a tank & shield inspection
B	Every 6,000 miles	Lubrication, oil and filter change; Inspection of safety items; Brake Inspection
C	Every 24,000 miles	Lubrication, oil and filter change; Inspection of safety items; Detailed inspection of all vehicle systems; includes vehicle tune-up and transmission fluid change ; engine and transmission oil analysis

To confirm that each PMI is performed in a timely manner, odometer reading from the driver's pre-trip inspection form is recorded daily in the FleetFocus system. To confirm these mileages, fleet odometer readings will be recorded and compared to the FleetFocus data records each month.

The mechanic performing the PM inspection will have the vehicle file handy. Any minor (non-safety related) defects identified during the Daily Vehicle Inspection process will already be listed in the vehicle file and any additional defects identified during the PMI will be documented by the mechanic. All defects noted from these inspections will be corrected prior to returning the vehicle to service.



Major components of this inspection process include:

Heating and Air-Conditioning: Heating and air-conditioning (A/C) systems perform as required to ensure that the passenger compartment is comfortably maintained under all climate conditions at all times on all service runs. Inspection of these systems is performed regardless of current climate conditions.

Systems Maintenance: All mechanical, electrical, fluid, air and hydraulic systems are in safe working conditions.

Clean Air Standards: MV will perform annual emission/opacity inspections as required, to meet all applicable clean air standards. During this inspection process, we verify that all fees relating to permits and licenses are paid.

Wheelchair Lift Maintenance: MV recognizes that an essential element of vehicle maintenance is ensuring that the wheelchair lift is in good operating condition at all times. We are aware of the ADA-related problems that can result from lifts that malfunction or do not work at all on a consistent basis. For that reason, it is part of our regular DVI and PMI process to cycle the lift and perform a preventive inspection on it. This includes the replacement of worn components, gear cleaning and adjustments in alignment as necessary.

Wheelchair lift repairs are recorded on PMI forms and retained for future reference. In addition, if a lift fails in service, that vehicle is immediately pulled from service and not returned until the lift is properly functioning.

Parts Inventory

During the transition phase, an initial inventory of parts will be ordered based on usage at other locations using similar types of vehicles. Inventory levels will be adjusted based on a usage analysis performed from data gathered in FleetFocus. MV will stock needed quantities of repair parts to ensure that adequate supplies are on hand for repairs to be completed in a timely manner. (Typically, we keep levels at about 2 weeks usage.)

MV attempts to utilize local DBE vendors where possible; however, our extensive national accounts program allow us to purchase parts at discounted prices.

To ensure that the parts room is secure and parts issued are properly tracked on work orders, the parts room is kept locked when not attended by the maintenance clerk. Keys are issued to Mr. Camargo and Mr. Ward. In order to monitor parts usage and appropriate documentation, periodic spot inventories will be conducted and compared to the documented quantity in FleetFocus. Any discrepancy will be investigated.

MV's is proud of our dedication to a strong maintenance program for the MAX fleet. During our 2007 CHP inspection, four randomly selected MAX vehicles received a satisfactory rating.

Original Equipment Manufacturer (OEM) Specifications

MV follows all OEM specifications and uses only OEM parts. By following OEM recommended maintenance repair procedures, as well as using parts that meet or exceed OEM specifications, MV ensures that safety and quality are upheld for each repair.



Long term, this prevents safety hazards, promotes best practices and saves our client agencies money repairing the correctly initially. With a reduction in repetitive repairs and road calls, MV's program increases productivity and maximizes fleet availability.

Daily Vehicle Inspection

In our current procedures for the MAX service, each operator must perform a pre-trip inspection before entering service. This process ensures that all vehicles are in safe and good operating condition prior to entering service. To ensure operators are properly performing this inspection, a supervisor is present to observe these inspections and interact with the operators to ensure consistent and on-time pull-out.



If the driver discovers a defect during these inspections, the driver will report it on their pre-trip inspection form. If the defect will cause further damage or presents a safety hazard, the driver notifies dispatch, Mr. Camargo or designee. The vehicle is immediately placed out of service, a repair order is generated and the defect is corrected.

If the defect is minor in nature, the driver will report the defect on the pre-trip inspection form and submit the form to dispatch. Defect reports are reviewed and documented in vehicle file and in the FleetFocus system. When the vehicle is brought in for the next PM inspection, all minor defects will be corrected.

Zonar Automated DVI

MV is proposing the additional Cost Option of automating the DVI process through the use of Zonar Systems, an Electronic Vehicle Inspection Report System. This automated DVI form will allow our operators to use a handheld device to document their DVI inspection electronically. Once completed, the data (mileage, defects, etc.) is directly transmitted into the FleetFocus system.

This handheld device interfaces with most leading maintenance software systems (including Fleet Focus) to report defects and initiate repair orders based on the inspection data, to alert our shop of needed vehicle repairs immediately.

Another benefit of this program is that ensures a thorough inspection is performed. By placing barcodes on key areas of the vehicle, and requiring that the operator activates these bar codes in sequence, a virtual quality assurance check is performed on every DVI, tracking the time spent in each area of the vehicle.

**Cost
Option**



If the City selects this additional cost option, MV will implement a fully automated Daily Vehicle Inspection (DVI) process. Through proper training of operator staff and the proposed automation of the DVI process, MV is able to eliminate a significant amount of the associated clerical activities, allowing the maintenance team to spend more time on the actual maintenance of the fleet. This option has a one-time cost of \$500 per bus over the life of the contract if lost or damaged, plus replacement units. There will also be a one-time fee of \$800 for the base station. After the initial purchase, the annual cost is \$99 per vehicle.

3.b Vehicle Cleaning Program

MV stages 80% of MAX vehicles at the **Ratheon location near the aviation station, just outside of Torrance.** This is an aviation secure facility, and allows the City of Torrance to layover buses at a convenient location. Given this high profile location, MV understands the MAX vehicles are an interactive billboard for the City and the MAX commuter service; they must be kept clean and represent the City well.

MV understands the extreme importance of the Vehicle Cleaning Program. Any worn, broken, cut, torn or vandalized components that are visible, or accessible by the public, will be brought to the attention of Mr. Camargo, who will assign repairs. MV understands that we must immediately repair graffiti to eliminate hazards, minimize discomfort and maintain the fleet's appearance.

The interior of each vehicle will be swept and/or vacuumed daily and floors will be mopped as necessary, no less than twice weekly.

All engines and the vehicle under carriage will be steam cleaned every six months. As needed, vehicles will be exterminated. Vehicles will not be placed into service while any fumes remain on the vehicle.

All seats are steam cleaned every six months. Due to the nature of the driver pay shifts, drivers clean their own vehicles a minimum of once per week.



MV appreciates the special nature of the MAX Commuter Bus Service, and the importance of the cleanliness of each vehicle used for this service. In October, all MAX fleet vehicle seats were steam cleaned, and will continue on a semi-annual basis.

3.c Road Call Procedures

MV will have a spare vehicle parked in the "READY" spot at the facility. The "READY" parking spot is so designated because it contains a vehicle that has been pre-tripped and is ready to leave the facility at a moment's notice.

In the event of a vehicle breakdown, the dispatcher will first attempt to solve the problem by radio by instructing the driver to try several actions based on a troubleshooting guide provided by the maintenance department. For example, if the vehicle will not start, the dispatcher will inquire as to whether the vehicle is in park with all interlocks engaged. If the



dispatcher and driver cannot get the vehicle moving, the dispatcher will immediately perform the following tasks:

- Determine whether a replacement vehicle is needed. MV's number one priority is to ensure a quality ride for the passengers. We will dispatch the emergency maintenance truck which will be dispatched to deliver passengers on board to their destinations.
- Immediately coordinate the delivery of a replacement vehicle to the location of the breakdown to provide the driver with a replacement vehicle so that the driver can continue the route.
- Complete a Vehicle Breakdown Report indicating the vehicle number, route number, driver name, location and description of the problem. The actual location of the vehicle is verified.
- Notify the mechanic who will determine at that time if a tow truck is needed or whether the mechanic should report to the scene to repair the vehicle in the field.
- Provide the Vehicle Breakdown Form to the Mr. Camargo for analysis. MV will review breakdowns by type and vehicle to prevent future road calls if possible. The Mr. Camargo must sign-off on the form that the defect has been repaired before the vehicle may go back in service.

Road Call Records & Evaluation of Road Failures

In all cases, MV will maintain a record of vehicle breakdowns in a Microsoft Access database for further analysis. The Mr. Camargo reviews breakdowns by type and by vehicle to prevent future occurrences when possible. In general, Road Calls are tracked by miles between Road Calls. If this number decreases, it indicates that there may be a problem with our preventive maintenance program that must be addressed. This performance standard is charted and tracked by both Mr. Ward and the Mr. Camargo together.

COST PROPOSAL: MV Transportation

FISCAL YEAR	VEHICLE SERVICE HOURLY RATE	MONTHLY RATE	TOTAL ANNUAL COST
2008-2009	\$60.15	\$60,410.83	\$1,167,570
2009-2010	\$62.41	\$62,059.75	\$1,204,025
2010-2011	\$64.67	\$64,287.13	\$1,247,346
CONTRACT TERM GRAND TOTAL:		\$3,618,941	

Proposers must complete each item with either a check mark to indicate that the item being proposed is exactly as specified or enter a description in the Proposer's comments column to indicate any deviation from the specifications of the item being proposed.

SERVICE SPECIFICATION COLUMN	PROPOSERS COMMENTS COLUMN
Staff and operate MAX services.	Within specifications
Train and supervise MAX service staff.	Within specifications
Keep and submit detailed records as specified in this RFP	Within specifications
Maintain, repair and dispatch buses.	Within specifications
Comply with all local, state and federal rules and regulations	Within specifications

SUBMITTALS: Please indicate that the following are included with your proposal:

Submittal Requirements	Check here if included:
Description of Management Operation Experience	x
Description of Technical Operating Support	x
Description of Technical Maintenance Support	x
Itemized Cost Proposal	x
References from Other Customers	x
Resumes of Key Staff Members (Section II, Paragraph A)	x
Statement of Drug & Alcohol Testing Compliance	x
Outlines of Training Programs (Maintenance and Bus Operators)	x
Map Showing Location of Storage and Maintenance Facilities	x
Proposer's Affidavit (Attachment 1)	x

postmarked by March 15). A fine of \$3,000 will be assessed for reports postmarked after the 15th of the month.

- **Monthly Summaries:** Proposer shall prepare a monthly summary report that includes all aggregate operating data by route, by week and for the month. This summary shall also include a summary of passenger complaints for the month, and any follow-up actions taken to remedy the cause of the complaint. The report must be postmarked no later than the 15th of the month after the reporting month (e.g., the February monthly report must be postmarked by March 15). A fine of \$2,500.00 will be assessed for reports postmarked after the 15th of the month.
- **National Transit Database (NTD) Report:** Proposer shall familiarize themselves with the National Transit Database reports and reporting requirements as outlined in the Federal Transit Administration Circulars. Proposer shall be responsible for submitting accurate data to the City of Torrance for NTD reporting. Data for the NTD report is due 30 days after the end of the City's fiscal year for the previous fiscal year. All data submitted must be acceptable to the City of Torrance staff. Failure to submit accurate data by the deadline will result in a fine of \$5,000.00 per day until accurate data is received and accepted by City of Torrance staff.
- **Vehicle Maintenance & Accidents Reports:** Files shall be maintained individually by bus for recording of all PM and warranty repair data; and also for logging specific accident-related data and resulting repair work.
- **Additional Reporting Requirements:**
 - ❖ Reporting at bi-monthly MAX Policy Steering Committee meetings: Reports will update Committee on bus maintenance performance, condition of buses, significant accidents or incidents, and other issues as directed by the Policy Steering Committee or MAX staff.
 - ❖ Accident reporting: All accidents involving Proposers, dedicated MAX staff or MAX vehicles will be reported immediately via telephone call and e-mail to City of Torrance MAX staff. Proposer's staff should evaluate if the accident or incident is an NTD reportable event as soon as possible.
 - ❖ Vehicle breakdowns or other significant delays in service: This should be reported immediately to identified City of Torrance MAX staff in order to respond to communications from service patrons.

E. CONTRACT PERIOD

The Proposer to whom the contract is awarded will be required to enter into a written contract with the City of Torrance (acting as the Lead Agency for the MAX Cooperative) in the form attached to this RFP for a term of three years: July 1, 2008 to June 30, 2011. Upon mutual agreement between the City and the successful Proposer, the Agreement can be extended for two one-year periods. Proposer must indicate on bid which renewal option they agree to:

- Yes, we would agree to a one year renewal of the contract with terms and conditions unchanged.
- Yes, we would agree to a second year renewal with terms and conditions unchanged.
- No, we would not be interested in renewing this contract.

F. PROOF OF INSURANCE

Proposer must provide certificates of insurance and/or endorsements to the Torrance City Clerk before commencement of work.

G. REGISTRATION OF CONTRACTORS

Proposer shall be licensed in accordance with the provisions of Chapter 9, Division III of the Business and Professional Code of the State of California.

CITY OF TORRANCE
3031 Torrance Blvd.
Torrance, CA 90503

RFP NO. RFP B2008-02

**Request for Proposal for the Provision of Operations and Maintenance Services
for the Municipal Area Express (MAX) Commuter Bus Service**

SECTION III: PROPOSAL

FAILURE TO COMPLETE ALL ITEMS IN THIS SECTION MAY INVALIDATE PROPOSAL.

In accordance with your "Request for Proposal," the following proposal is submitted to the City of Torrance.

Proposal Submitted By:

MV Transportation, Inc.

Name of Company

360 Campus Lane, Ste. 201

Address

Fairfield, CA 94534

City/State/Zip Code

W.C Pihl, Vice President

Printed Name/Title

(707) 863-8980 / Fax # (707)863-8793

Telephone Number/Fax Number

Form of Business Organization:

Please indicate the following (check one);

Corporation Partnership _____ Sole Proprietorship _____

Other: _____

Business History:

How long have you been in business under your current name and form of business organization?

MV Transportation, Inc. has been in business for 33 years

If less than three (3) years and your company was in business under a different name, what was that name?

N/A

Contact for Additional Information:

Please provide the name of the individual at your company to contact for any additional information

W.C. Pihl

Name

Vice President

Title

(707) 863-8980 / Fax (707) 863-8793

Telephone Number/Fax Number

Addenda Received:

Please indicate addenda information you have received regarding this proposal:

Addendum No. 1 Date Received: 1/11/2008

Addendum No. Date Received:

Addendum No. Date Received:

Addendum No. Date Received:

 No Addenda received regarding this proposal.

Payment Terms:

Are you proposing any discounts for early payments?

Yes No

If yes, what are your discounted invoice terms? Please see attached.



Discounted Invoice Items

Progress Payments

MV is offering the option of progress payments. This option eliminates interest costs from our budget; resulting in real savings to the City without affecting service to the passenger. Interest represents the cost of MV borrowing money to cover the costs of doing business, until we receive payment from the City. If the City pays MV through a progress payment structure (described below), we are able to eliminate interest costs from our budget. MV offers a payment discount of 0.5% for the Progress Payment option.

Essentially, MV would invoice the City for 50% of the Costs on the 1st and 15th of each month. Each invoice would be for 50% of the total fixed monthly billings. These two invoices would be due and payable on the 15th and the last day of the month, respectively. This payment structure is currently in place with 15 other MV customers including SamTrans (San Mateo County, CA), SORTA (Cincinnati, OH), Corpus Christi (TX), LYNX (Orlando, FL) and LAVTA (Livermore, CA).

Delivery:

What is the lead time for delivery? W/C days/weeks

References:

Please supply the names of companies/agencies for which you recently supplied comparable goods or services as requested in this RFP.

City of Santa Maria, 1303 Fairway Drive, Santa Maria, CA 93455	Joseph Rye/(805) 925-0951
Name of Company/Agency	Address
City of Visalia, 425 East Oak Avenue, Visalia, CA 93291	Monty Cox/(559)713-4591
Name of Company/Agency	Address
City of Tulare, 360 North K Street, Tulare, CA 93274	Darlene Thompson/(559) 684-4255
Name of Company/Agency	Address
	Person to contact/Telephone No.

Contents of Proposal (Require Narratives):**1. Management Operations Experience**

Please describe your management staff's background and recent experience providing fixed-route, peak-hour bus commuter service. Please address the relevant experience in this regard of your individual management staff members proposed for assignment to this project.

2. Technical Operating Support

Please detail the quality and quantity of your firm's personnel and equipment available to support the peak-hour fixed-route commuter transit service. Describe relevant bus operations experience of current personnel such as drivers, dispatchers, servicing staff and others.

3. Technical Maintenance Support

Please detail your ability to provide, prompt, effective repair and road service support for the MAX fleet. Identify your projected road service response time for in-service bus breakdowns and your proposed emergency repair procedures and "turn-around time". Please include any recent comparable bus maintenance and repair experience of your personnel

4. Proposed Costs

All respondents to this RFP are asked to include two compensation rates in their Proposal. Each rate will be used by the Proposer to invoice the City of Torrance for services provided on a monthly basis. One rate is the "cost per vehicle service hour" and the other rate is the "cost per month". Please include an annual cost total for each fiscal year encompassed by the three-year contract (FY 2008-2009, FY 2009-2010 and FY 2010-2011) and a Grand Total for the full three year contract term.

**Vehicle service hours are defined as time in which the MAX vehicles are in service on an assigned MAX route in the process of picking up or dropping off passengers.*

ATTACHMENT 1

STATE OF CALIFORNIA
 COUNTY OF LOS ANGELES

PROPOSER'S AFFIDAVIT

W.C. Pihl being first duly sworn, deposes and says:

1. That he/she is the Vice President of MV Transportation, Inc.
 (Title of Office) (Name of Company)
 hereinafter called "Proposer", who has submitted to the City of Torrance a proposal for
RFP#B2008-02 Provision of Operations & Maintenance Services for the Municipal Area Express (MAX) Commuter Bus Service
 (Title of RFP)
2. That the proposal is genuine; that all statements of fact in the proposal are true;
3. That the proposal was not made in the interest or behalf of any person, partnership, company, association, organization or corporation not named or disclosed;
4. That the Proposer did not, directly or indirectly, induce solicit or agree with anyone else to submit a false or sham proposal, to refrain from proposing, or to withdraw his proposal, to raise or fix the proposal price of the Proposer or of anyone else, or to raise or fix any overhead, profit or cost element of the Proposer's price or the price of anyone else; and did not attempt to induce action prejudicial to the interest of the City of Torrance, or of any other Proposer, or anyone else interested in the proposed contract;
5. That the Proposer has not in any other manner sought by collusion to secure for itself an advantage over the other Proposer or to induce action prejudicial to the interests of the City of Torrance, or of any other Proposer or of anyone else interested in the proposed contract;
6. That the Proposer has not accepted any proposal from any subcontractor or materialman through any proposal depository, the bylaws, rules or regulations of which prohibit or prevent the Proposer from considering any proposal from any subcontractor or materialman, which is not processed through that proposal depository, or which prevent any subcontractor or materialman from proposing to any contractor who does not use the facilities of or accept proposals from or through such proposal depository;
7. That the Proposer did not, directly or indirectly, submit the Proposer's proposal price or any breakdown thereof, or the contents thereof, or divulge information or data relative thereto, to any corporation, partnership, company, association, organization, proposal depository, or to any member or agent thereof, or to any individual or group of individuals, except to the City of Torrance, or to any person or persons who have a partnership or other financial interest with said Proposer in its business.
8. That the Proposer has not been debarred from participation in any State or Federal works project.

Dated this 15 day of January, 2008

W.C. Pihl
 (Proposer Signature)
Vice President
 (Title)