



AGENDA ITEM REQUEST FORM

Finance

Department Submitting Request

Doug Haag

Dept Head's Signature

REGULAR COMMISSION MTG Meeting Dates - 7:00 PM

DEADLINE TO Town Clerk

ROUNDTABLE MEETING Meeting Dates - 7:00 PM

DEADLINE TO Town Clerk

- Nov 9, 2010
- Dec 7, 2010
- Jan 25, 2011
- Feb 22, 2011
- Mar 22, 2011

- Oct 29 (5:00 pm)
- Nov 30 (5:00 pm)
- Jan 14 (5:00 pm)
- Feb 11 (5:00 pm)
- Mar 11 (5:00 pm)

- Nov 22, 2010
- Dec 14, 2010
- Jan 11, 2011
- Feb 8, 2011
- Mar 8, 2011

- Nov 12 (5:00 pm)
- Dec 3 (5:00 pm)
- Dec 30 (5:00 pm)
- Jan 28 (5:00 pm)
- Feb 25 (5:00 pm)

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|---------------------------------------|---|---------------------------------------|---------------------------------------|
| <input type="checkbox"/> Presentation | <input checked="" type="checkbox"/> Reports | <input type="checkbox"/> Consent | <input type="checkbox"/> Ordinance |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Quasi Judicial | <input type="checkbox"/> Old Business | <input type="checkbox"/> New Business |

SUBJECT TITLE: COMMUNITY BUS SERVICES

EXPLANATION:

The Town entered in to an agreement with Quality Transport Services, Inc. in 2002 to operate the Pelican Hopper public transportation service at a rate of \$29.00/hour. The Town Commission approved the initial agreement which expired on September 30, 2003 but had a single year renewal provision which was exercised. We have determined that, since then, contract has simply continued under the original terms and conditions. We cannot find evidence that additional contract renewals were brought back to the Commission for approval or that the service was rebid. The Commission did approve the community bus operation grant each year, so perhaps that was considered by staff to be Commission approval of the bus contract.

When we discovered this we had planned on issuing an RFP and going out to bid. However, after discussions with the Broward County Transit Division, we realized that may not be such a good idea. Irv Minney, a manager with Broward Transit reviewed the County's contract files and determined that the Town is currently paying the lowest rate of any municipality providing community bus service in the county. While this business is competitive, current rates in the county range from \$31.00 to \$38.00. (I verified this by surveying some of the other municipalities.) Mr. Minney advised that those cities that recently went through an RFP process were getting rates in the \$35.00 - 40.00/hour range. He also shared with us the average full cost rate for those communities providing the service in-house (i.e. Deerfield, Coconut Creek, Tamarac, Miramar,) is \$53.52/hour.

Based on the above information, we considered several options to move forward with:

- 1) Renew existing agreement with Quality Transport – We have discussed this option at length with Mr. Lou Herring of Quality Transport and he has given us several good reasons why this is not a viable option for his firm. These include the fact that the price of diesel fuel has roughly doubled since the original contract was signed and is continuing to increase. In addition, the bus that is currently being used for the Pelican Hopper is getting up in miles (over 100,000) and repair costs are increasing. Per Mr. Herring, there was a manufacturer's warranty in effect for the first 100,000 miles that minimized the cost of any major repairs. That is no longer available. He is unwilling to extend the contract.
- 2) Rebid or piggyback on the contract of another municipality – Other options would be to issue our own RFP or piggyback on that of another municipality. We feel it is better to piggyback on an existing contract that's been in place for a while and doesn't include a fuel escalation clause. The City of Plantation currently has the lowest rate of \$31.00/hour, but their contractor will not agree to a piggyback on that agreement because of rising fuel costs



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However, Limousines of South Florida has agreed to let us piggyback on their agreements with Hillsboro or Dania Beach, whose rates are in the \$33 - \$34/hour range.

Because of the longstanding relationship with the current vendor, we wanted the Commission to know that we intend to bring back a piggyback contract for your consideration at the March 22, 2011 meeting.

FISCAL IMPACT:

To understand the financial impact on the Town, please note that in calendar year 2010 the Town paid Quality Transport \$89,501.25 (based on \$29/Hour). However, we received \$44,031.15 (based on \$15/hour) in grant funds from Broward County Transit for a net cost to the Town of \$ 45,470.1.

This year's budget assumed a continuing rate of \$29 hour. Assuming a new rate of \$34/Hour and an anticipated implementation date on or about June 1, 2011, a new contract will cost an additional \$5,200 (\$1,300/month) for the balance of this fiscal year. These funds would need to be appropriated from General Fund contingencies.

Reviewed by Town Attorney

Yes No

Town Manager Initials

CS