



DATE: May 20, 2025

TO: Transit Advisory Committee

FROM: Camille Sullivan,
Jared Hall, Transit Manager

SUBJECT: Recommendation to Award a Contract to MV Transportation, Inc. for the
Operations and Maintenance of Petaluma Transit Services

RECOMMENDATION

It is recommended the Transit Advisory Committee recommend to City Council to adopt the attached Resolution Awarding a Contract to MV Transportation, Inc. for the Operations and Maintenance of Petaluma Transit Services.

BACKGROUND

The City has contracted its transit operations and maintenance since the inception of Petaluma Transit and Paratransit in the 1970s. Through its operations and maintenance contract, the contracted agency operates all buses, provides fleet maintenance and repairs, manages driver and dispatch hiring and training, ridership tabulation and fare collection, and operating dispatch services for paratransit and microtransit. The contractor works closely with City staff by providing timely updates on services, regular reports, and assist in service planning. Contractor staff generally includes the general manager, a safety & operations manager, a road supervisor, a leader dispatcher, a shop foreman, and a variety of drivers, dispatchers, maintenance technicians, and utility workers.

MV Transportation, Inc. (MV) has provided route operations and maintenance for Petaluma fixed route service since 2000, paratransit service since 2011, and microtransit service (LumaGo), since 2024. The current Professional Services Agreement (PSA) with MV, which was contracted in 2018 through a Request for Proposals (RFP) process and renewed annually starting in 2022, per the agreement, is expiring on June 30, 2025.

DISCUSSION

On February 19, 2025, an RFP was issued to select a vendor for the operation and maintenance of the Petaluma Transit and Paratransit system from FY26 through FY30 (with options through FY33). The RFP covered all relevant aspects of operations for the Petaluma transit and paratransit system, including driving of buses, hiring and training of driver staff, maintenance and repair of bus fleet, , ridership tabulation, and dispatching for paratransit and microtransit services. Two responses to the RFP were received on April 9, 2025, from MV Public Transportation, Inc. and Storer Transit Systems.

The competitive selection process followed both City and Federal Transit Authority (FTA) procurement guidelines. Maintaining FTA compliance is important to ensure that the City remains in good standing with the FTA to avoid potential return of funds or other penalties and to ensure continued eligibility for FTA funding in future years. The RFP complied with FTA guidelines calling for a “competitive proposal” selection method by stating that proposals would be scored based on the following weighted criteria:

- Pricing (30%)
- Experience of the firm providing similar service to other public agencies (25%)
- Quality of proposed staff for work to be performed (15%)
- Understanding of scope (15%)
- Project approached (15%)

The RFP was for a eight-year period, which includes five base years, with three additional one-year options. The RFP required that all proposers comply with the City’s Living Wage Ordinance and protect existing non-managerial employees from worsening of employment conditions, including reductions in wages and benefits, as required by federal law for transit systems supported with federal funds. Information was provided by proposers within the benefit package of their compensation structure.

A Selection Committee was assembled to score the proposals and help to identify a preferred vendor. Members of the committee included: City of Petaluma staff and two representatives from the Petaluma Transit Advisory Committee. The Selection Committee interviewed all three responding contractors on April 23, 2025. Best and Final offers were requested from the two proposers and were received on May 12, 2025.

Based upon the assumed transit service levels throughout the agreement, The eight-year cost for the MV bid is and estimated \$36,520,411.20, which is an estimated \$21,192,631.20 base bid for years FY26 through FY30 (July 1 2025-June 30, 2030) with a estimated \$15,327,780 one time, three year extension option for FY31 through FY33 (July 1 2030-June 30, 2033). The Storer bid

is estimated at \$40,219,140.44, which is a \$23,723,403.32 base bid with a \$16,495,737.12 extension option. The cost differential when comparing the eight-year cost between the two proposals received was and estimated \$3,698,729.24. The bids are calculated by totaling the monthly fixed rate, the hourly fixed route rate multiplied by the current average vehicle revenue hours, and the hourly paratransit/microtransit multiplied by the current average vehicle revenue hours. The monthly fixed rate would be consistent each month of the proposal's fiscal year, however, the hourly rates would vary depending on service hours and frequency. These can fluctuate depending on large-scale events. Therefore, for the purpose of the price comparison, the currently monthly average was used to calculate the annual totals. Table 1, below, breaks down the proposed cost per fiscal year between the two bids.

Table 1: Comparison of Contractor Costs FY 2026-2033 *

		MV Transportation, Inc.	Storer Transit Systems
	Startup	\$0.00	\$88,625.00
Base	FY26	\$3,845,044.80	\$4,407,525.60
	FY27	\$3,993,482.40	\$4,561,804.56
	FY28	\$4,226,404.80	\$4,721,236.08
	FY29	\$4,461,163.20	\$4,886,595.24
	FY30	\$4,666,536.00	\$5,057,616.84
Options	FY31	\$4,878,448.80	\$5,310,469.08
	FY32	\$5,104,010.40	\$5,496,352.80
	FY33	\$5,345,320.80	\$5,688,915.24
	TOTAL	\$36,520,411.20	\$40,219,140.44

**Note: Selection Committee scoring considered all seven years of the contract proposals.*

The cost proposal from MV is an estimated 16.35% increase from its current contract, which is due to a variety of factors. MV Transportation would be adding one additional position under the new agreement, a Transit Operations Manager and increase the number of dispatchers from 3.5 to 4 full time employees. After FY26, MV estimated an average of 4.72% annual increase. However, the cost proposal from Storer would result in an estimated 34.91% increase, partially due to startup costs.

Driver wages under the agreement would increase from the FY25 range of \$27.84-\$31.85 to \$28.60-\$32.99 in FY26. Wages would increase at a rate of approx. 4% a year to help ensure that they remain competitive throughout the life of the agreement.

Per analysis of the Selection Committee MV was found to have strong knowledge and connections to the Petaluma community and Petaluma Transit system and significant experience in their proposed staff. Awarding the contract to MV Transportation would also see the incumbent contracted staff continue to providing service. MV's price was also found to be more favorable and reasonable compared to other nearby transit agency contracts. The committee also found that MV's proposal and approach more strongly outlined detailed processes which would maintain the current strengths of Petaluma Transit, Paratransit, and LumaGo while adding new improvements and operational efficiencies.

Upon reviewing the submitted proposals, conducting proposer interviews, and reviewing best and final offers, the Selection is recommending awarding the contract to MV, and anticipate that MV will be able to successfully fulfill all contractual requirements throughout the life of the contract.

PUBLIC OUTREACH

This item was discussed and reviewed at the Transit Advisory Committee Special Meeting on May 20, 2025.

This agenda item also appeared on the City Council's tentative agenda document on May 19, 2025, which was a publicly noticed meeting.

COUNCIL GOAL ALIGNMENT

The Petaluma Transit Operations and Maintenance Contract supports the following City Council Goals:

Workplan Item #24 Provide additional real-time schedule information and infrastructure for Petaluma Transit.

Workplan Item #27 Encourage transit use through expanded service, pass programs, partnerships, and promotion.

Workplan Item # 215 Update the Transit vision for the City including reviewing transit service levels, alternative delivery models, reducing barriers to use, and increasing ridership.

This proposed action would allow for Petaluma Transit to continue to provide and aim to expand transit services, while also increasing rider satisfaction and ease of use through information and infrastructure upgrades, intentional service planning, and offering a variety of delivery models.

CLIMATE ACTION / SUSTAINABILITY EFFORTS

The Petaluma Transit Operations and Maintenance Contract supports Petaluma's Blueprint for Climate Action through the following:

TS-1: Petaluma Transit Service

TS-3: Microtransit Pilot Program

TS-4: Transit Service Planning

ZEVFB-1: Electrification of Transit Fleet

The Operations and Maintenance contract would ensure that transit service (TS-1) is continued to be provided. The RFP also requested bidders to describe their on-demand microtransit service plan (TS-3) as well as their experience or planned training as it relates to supporting Petaluma Transit's transition to zero-emission battery electric buses (ZEVFB-1). Historically, the operations and maintenance contractor has participated in annual transit planning meetings to ensure cooperation towards service goals and programming (TS-4).

This proposed action provides operating and maintenance services for Petaluma Transit. These services are vital to the operations of the system and its ability to help achieve City climate action goals in reducing Greenhouse Gas (GHG) and Vehicle Miles Traveled (VMT) by providing public transit alternatives to single-occupant trips.

ENVIRONMENTAL COMPLIANCE

This proposed action is exempt from the requirements of the California Environmental Quality Act ("CEQ") in accordance with the CEQA Guidelines Section 15061(b)(3), the Common Sense Exemption, which states "The activity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." The contract will operate on the City's existing public transit system, with the goal of reducing vehicle miles traveled (VMT) by single-occupancy vehicles. It is also exempt under the Existing

Facilities Exemption (CEQA Guidelines Section 15301(c)) as it is operating in the existing transit facility and on existing city streets.

ALTERNATIVES

The proposed action will award a contract for the operations and maintenance of Petaluma Transit services. Without this contract, there would be a halt of Petaluma Transit, Petaluma Paratransit, and LumaGo services as the current contract expires on June 30, 2025.

Awarding the contract to the alternate bidder or rebidding the contract is not recommended as the MV Transportation proposal is fair and reasonable compared to market conditions and this is unlikely to produce a higher scoring or lower cost bid.

FINANCIAL IMPACTS

The Petaluma Transit Operations and Maintenance Contract has a maximum contract value of \$36,520,411.20. This contract is an estimated 16.35% increase from the current contract, which is due to a general increase in costs and services, the addition of the LumaGo service, and transit service expansions. Expenses related to the contract will be funded through County, State, and Federal funding measures, most notably: funding derived from the Transportation Development Act (TDA), the State Transit Assistance fund (STA), Go Sonoma Transit funding, and FTA 5307 funds. To offset the 16.35% increase, Petaluma Transit plans the use the increase in Go Sonoma Funding (from \$405,671 in FY 24/25 to \$733,753 in FY 25/26) and the projected increase in TDA funds (from \$2,267,806 in FY 24/25 to an estimated \$2,954,213 in FY 25/26).

Staff anticipates an average annual amount of \$312,000 annually in funding that will need to be programmed to maintain services at current service levels of Petaluma Transit over the next three years. Grants, additional revenue inputs and potential service level adjustments will be considered as needed throughout the contract. Operating grants will be sought out and prioritized throughout this period to assist with this effort.

ATTACHMENTS

Attachment 1 Resolution

Attachment 2 Professional Services Agreement

Attachment 3 Scope of Service w/ exhibits

Exhibit A: Scope of Service

Exhibit B: Insurance Requirements

Exhibit C: Prevailing Wage and Living Wage Ordinance Language

Exhibit D: MV Transportation Proposal