

STAFF REPORT

Meeting Type:	City Council
Meeting Date:	May 6, 2024
From:	Andi Howell, Transit Director
Subject:	Final Amendment: Transit Operations Contract

DECISION TO BE MADE:

Whether to authorize the City Manager to sign an amendment to the current Transit operations contract for one year. This is the last remaining year of the five-year contract.

PURPOSE / OBJECTIVE:

To continue Transit operations with a 5% driver and staff wage increase, with only a slight increase to rate per revenue service hour.

BACKGROUND / CONTEXT:

The transit operating contract with MV Transportation will end June 30, 2024. An extension has been negotiated for continued service. Sandy Transit pays MV Transportation a flat hourly rate based on revenue service hours. The flat rate covers driver wages, dispatch and management staff and other overhead costs. The current rate of \$79.75 will increase to \$81.00 (\$1.25), except for the medical rides program where the rate will increase from \$74.79 to \$75.47 (\$0.68). The rate increase includes a 5% wage increase, more funding in the budget for driver recruitment and higher insurance costs, however with the addition of the Clackamas Town Center route hours those costs can be diluted in the hourly rate, keeping it relatively low as compared to the current rate.

The City and MV have worked hard over the past 4 years of this contract to improve service, recruit professional drivers and deliver an efficient, dependable service to Sandy residents. At the top level, MV Transportation has undergone leadership changes and the City has been assigned to a new Regional Vice President (Aaron Edwards) and a new General Manager (Tamara Darnell). Aaron has immensely improved communication and problem solving, and Tamara has been a great asset to the team. With corporate changes and increased wages, staff shortages have improved, and safety and customer service remain top priorities. While Sandy has always been able to be proud of the driving team that represent our City, the current team is professional and well trained.

KEY CONSIDERATIONS / ANALYSIS:

Significant contract changes:

٠	SAM Gresham hourly rate was \$79.75	New rate \$81.00
٠	SAM CTC hourly rate was \$79.75	New rate \$81.00

- SAM Estacada hourly rate was \$79.75
 New rate
- SAM Shopper Shuttle hourly rate was \$79.75
- SAM rides hourly service rate was \$79.75
- SAM Elderly and Disabled hourly rate was \$74.79

Estimated maximum 12-month cost estimate: \$1,884,692

Rate Proposal Sheet included:

- Driver start wage increased from \$23.10 to \$24.26 w CDL \$20.95 without CDL
- Dispatch start wage increased from \$24.10 to \$25.26
- Road Supervisor start wage raised from \$25.20 to \$26.46
- Maintenance Coordinator wage raised from \$26.25 to \$27.56
- Utility worker wage raised from \$19.46 to \$19.46 no increase because position recently filled.

Drivers with seniority who currently receive an additional \$400 monthly bonus will continue to receive this monthly payment.

Next Steps

SAM is required to conduct a new Request for Proposals for the operations contract every five years. This agreement gives SAM the stability needed to continue operations and begin the required RFP process. The RFP will be posted in approximately six months.

BUDGET IMPACT:

No impact, the estimated cost is \$1,884,692 and SAM budgeted \$1,900,000 for this time frame.

RECOMMENDATION:

Approve the contract amendment.

SUGGESTED MOTION LANGUAGE:

"I move to authorize the City Manager to sign the amendment to the Transit operations contract with MV transportation, as included in the agenda packet."

LIST OF ATTACHMENTS / EXHIBITS:

• Contract amendment with MV Transportation

- New rate \$81.00 New rate \$81.00
- New rate \$81.00 New rate \$75.47