



STAFF REPORT

Meeting Type: City Council
Meeting Date: 5/19/2025
From: Andi Howell, Transit Director
Subject: Personal Services Contract between Sandy Transit and RTW Management LLC for transit operation services for 2025-2027.

DECISION TO BE MADE: Approve the contract between the Sandy Transit Department and RTW Management LLC for transit operations of SAM and MHX services.

APPLICABLE COUNCIL GOAL: Continue to promote transit as a safe, efficient mode of transportation; Continue to increase ridership.

BACKGROUND / CONTEXT: The transit department contracts operations for transit services. The contract includes a general manager, road supervisor, maintenance coordinator, utility worker, dispatchers and drivers. Currently the City contracts with MV Transportation Services but the five-year contract will expire June 30, 2025. Due to procurement requirements, the City issues a Request for Proposals (RFP) for the operations contract every 5 years. This RFP was issued on January 9, 2025 on the City's RFP page. It was advertised in the Oregonian and every known transit services vendor was sent an email of notice. Proposals were due February 19, 2025. Three vendors submitted proposals: MTR Western, MV Transportation Services and RTW Management LLC.

The City created an evaluation committee to score the applicants. The committee comprised of six people: Andi Howell and Muna Rustam with the Transit Department, Ryan Wood with the Public Works Department, Hiedi Meuller with an outside transit agency (Canby), Kristina Babcock with Clackamas County and Khris Alexander who is a SAM Board member and a supervisor for TriMet. The evaluation committee interviewed all three vendors and scored each vendor based on their interview and their proposal. The scoring matrix is attached.

A clear winner emerged from the scoring sheets and on March 14th an Intent to Award was issued to RTW Management LLC and all bidders were notified of the award. On March 21st, MV Transportation Services issued a protest. The protest and RFP were sent to the City's legal representatives, and the protest was officially denied by the City on April 2, 2025. With the RFP and protest period complete, the City began background checks and contract negotiations with RTW Management. The negotiated contract is attached for City Council approval.

Significant contract changes:

Through contract negotiations, the City requested 6% wage increases for contracted employees to maintain the current staff through the transition. Additionally, the other two proposals included at least a 6% wage increase to maintain wages at a competitive market rate. With the 6% wage increase, the RTW

Management rate remains lower than the other two proposals for the City. Contracted employees will retain their seniority status and vacation accrual and have health insurance and retirement benefits. Drivers with seniority who currently receive an additional \$400 monthly bonus will continue to receive this monthly payment.

The average revenue rate for the City will be \$80.91/hour in year 1 and \$81.01/hour in year 2. The City currently pays \$81.00 per revenue hour with MV Transportation Services and the County currently pays \$89.67. The average revenue rate for the County will be \$96.51/hour in year 1 and \$96.64/hour in year 2. The table below shows a comparison of the negotiated hourly rate for all three proposals.

	Current Rate SAM/MHX	SAM Year 1	SAM Year 2	MHX Year 1	MHX Year 2
MTR Western		\$89.97	None proposed	\$90.70	None Proposed
MV	\$81.00/\$89.67	\$92.13	\$93.50	\$102.64	\$103.97
RTW		\$80.91	\$81.01	\$96.51	\$96.64

KEY CONSIDERATIONS / ANALYSIS:

RTW Management presented a good proposal, an excellent interview and the references were in good standing. The negotiated rate includes wage increases for contracted employees and remains slightly lower than the City's current rate and lower than the other two proposals.

BUDGET IMPACT:

The negotiated contract costs have been included in the transit budget proposed to the budget committee on May 5, 2025. The not-to-exceed contract costs are \$6,200,709. This includes \$3,785,758 for the City for the biennium, 2,020,606 for the County for the biennium and \$394,345 in contingency for unexpected expenses, to be approved by the City before being expensed.

RECOMMENDATION:

To allow the City Manager to sign the contract between the Sandy Transit Department and RTW Management LLC.

SUGGESTED MOTION LANGUAGE:

"I move to authorize the City Manager to sign the personal services contract between the Sandy Transit Department and RTS Management LLC".

LIST OF ATTACHMENTS / EXHIBITS:

- City and RTW Management Negotiated Contract
- RTW Management Proposal
- [Sandy Transit Operations RFP 2025 \(external link\)](#)
- Evaluation Committee Scoring Matrix