



Agenda Item # _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Ward and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Richard Thompson, Director of Community Development
Rob Osborne, Management Analyst

DATE: January 3, 2006

SUBJECT: Consideration of a Request for Proposals for Providing a Fixed Route Weekend and Summer Public Trolley Service

RECOMMENDATION:

It is recommended that the Council discuss this issue and provide staff with direction.

FISCAL IMPLICATION:

The estimated cost of operating a shuttle system with one bus in service is approximately \$100,000 per year. This includes operations costs and the lease of two buses (one in service and one backup). Start-up costs for implementing a system are estimated at \$20,000.

The Finance Department estimates that the Proposition A Fund can support an additional cost burden of \$55,000 per year beyond the Dial-A-Ride program and other commitments. The City recently committed to contributing approximately \$86,000 toward a replacement for the MTA 439 bus line for a two year period commencing FY2006-2007.

BACKGROUND:

The City Council's 2005-2007 Work Plan includes the following task:

Trolley Service - Consider developing an east/west trolley service that would target Manhattan Beach residents. As a first step develop cost estimates for a weekend and summer service and return to City Council for discussion and direction.

On November 1, 2005, staff presented initial cost estimates for a weekend and summer program (see Attachments D and E). Council expressed a desire to implement a service in time for summer 2006 and directed staff to develop a Request for Proposals (RFP) for consideration.

DISCUSSION:

In developing an RFP staff gathered information from a number of sources, including cities that

currently have trolley services, companies who provide this type of service and a bus service consulting company. Staff hopes to attract a company that will assist the City in developing and providing a program that incorporates the following elements as identified by the Council at the November 1 meeting:

- A fixed route through the City. The specific route and stop locations are to be determined.
- One bus in service during operating hours with a second bus used for backup.
- Attractive, unique appearing trolleys that seat approximately 20 passengers.
- Operating days and hours
June 1, 2006 to September 30, 2006: Monday through Sunday – 10:00am to 7:00pm
October 1, 2006 to May 31, 2007: Saturday and Sunday – 10:00am to 7:00pm
- A one year contract period from June 2006 to May 2007, with an option for renewal for a second year.

Certain areas of the RFP are quite general as many aspects of the program have not yet been completely defined. For example, buses could be provided by the operator or the City could lease them separately from the operations contract.

Possible Issues/Concerns

In gathering information from the various sources certain potential issues were raised regarding the system envisioned. They include the following:

Seasonal Nature of Service – Providing the service full time during certain months and part time during others may make the contract less appealing to some providers. The inconsistent schedule may create problems for operators in providing both staffing and equipment. It may also be inconvenient or confusing for trolley users.

Extensive Wait Times/Infrequent Stops – The estimated time for a bus to complete the figure 8 or loop shaped routes discussed at the November 1 meeting is approximately 45 minutes. It was suggested that many potential users may be unwilling to wait more than 10-15 minutes to board a trolley. A second bus could be added to the system to increase the frequency of stops, but costs would increase dramatically. Less extensive routes could also be utilized to reduce wait times. Staff will work with the vendor to establish a route that best meets the various needs and limitations of the program.

Not Charging a Fare – The Council expressed a preference to provide a free service. This could create issues for some potential vendors as several types of grant funding have requirements for a passenger fare to be utilized. Beach Cities Transit of Redondo Beach has indicated that it would likely be unable to provide a service that does not include a fare. Staff suggests that the City consider proposals that include a nominal fare.

Customized Buses – The Council expressed a desire to utilize buses with an attractive appearance, possibly with a theme unique to Manhattan Beach. The cost of customizing buses can be extensive and may provide a significant obstacle for service providers. Attached is some information provided by Coast Hwy 101 Design, who have customized buses for the City of Encinitas.

The attached letter from bus services consultant Mobility Advancement Group includes comments regarding some of these issues as well as some cost estimates.

CONCLUSION:

Staff is prepared to release the RFP. Time is somewhat limited if a new system is to be in place for the coming summer. It is suggested that the Council review the RFP and potential issues and provide staff with direction.

- Attachments:
- A. Proposed RFP
 - B. Letter from Mobility Advancement Group
 - C. Information from Coast Hwy 1010 Design
 - D. Council report, 11/1/05
 - E. Minutes extract from 11/1/05 Council meeting

REQUEST FOR PROPOSALS

To Provide a Fixed Route Public Trolley Service for

The City of Manhattan Beach

Introduction:

The City of Manhattan Beach (hereinafter referred to as the City) invites proposals from qualified vendors to provide a single-vehicle fixed route public trolley service within the City. The service will operate during the summer and on weekends throughout the year, with operating hours between 10:00am and 7:00pm. The specific route and number of stops are to be determined.

This RFP is not an offer, and we reserve the right to reject any and all proposals. It is understood that in no event will the City be responsible for any costs of preparing the proposal.

Proposal Due Date:

Proposals must be received by 4:00PM on xxxx, 2006. Late proposals will not be accepted. All proposals shall be submitted in a sealed envelope addressed as follows:

Liza Tamura, City Clerk
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266

The envelope shall also be marked "Proposal to Provide a Fixed Route Trolley Service"

Fax proposals will not be accepted.

Tentative Schedule of Events:

-----, 2006	Release RFP to Potential Vendors
-----, 2006	Proposals Due 4:00PM

These dates are tentative and subject to change without notice at the discretion of the City.

Background:

The City of Manhattan Beach is an incorporated general law city that operates under the council/manager form of government. The City is located close to LAX airport and has 13,981 households within an area of 3.88 square miles.

Project Schedule

The service is scheduled to begin June 1, 2006 and end May 31, 2007 with one (1) optional renewal year. Hours of operation of the service shall be as follows:

June 1, 2006 to September 30, 2006:	Monday through Sunday – 10:00am to 7:00pm
October 1, 2006 to May 31, 2007:	Saturday and Sunday – 10:00 to 7:00pm

Scope of Services:

The selected contractor will provide, manage and operate a single-vehicle fixed route public trolley service within Manhattan Beach. The selected contractor shall be required to provide all necessary vehicles, personnel, facilities, equipment, supplies and service to effectively manage, administer, and operate this service from June 1, 2006 through May 31, 2007. Services required include, but are not limited to:

- Administration
- Service Operation
- Data Collection and Reporting
- Accounting
- Vehicle Maintenance
- Driver Training and Evaluation
- Accident Reporting
- Provision of Vehicles

Alternately, the City will also consider proposals to provide either vehicle services or operations services separately.

Vehicle Requirements:

The selected contractor shall provide two vehicles that are acceptable to the City, one to be utilized for the service and one for backup. Vehicles with a unique, attractive appearance are preferred. Submittals should include the following information regarding the vehicles proposed to be utilized:

- Manufacturer
- Model
- Fuel Type
- Size
- Date of Manufacture

The Contractor shall maintain the vehicle in satisfactory condition and shall assure that the vehicle meets or exceeds all applicable codes and laws for operating public transit systems on public streets and highways in California. The contractor shall provide a detailed, ongoing preventive maintenance program. The contractor shall keep a comprehensive file detailing the history of maintenance and repair work performed on the vehicle. The vehicle interior shall be cleaned daily, prior to service. Vehicle exteriors shall be washed appropriately to maintain the appearance of cleanliness. Vehicle maintenance and cleaning must be scheduled in a manner that does not adversely affect the schedule of service.

Staffing Requirements:

The selected contractor must provide qualified personnel to manage and operate the system. The selected contractor shall at all times be responsible for maintaining appropriate staffing levels, employing sufficient qualified and properly trained personnel to operate and manage the service.

Vendor Information:

A statement of qualifications demonstrating the foregoing and listing the company’s experience in the public transit field, together with the names, addresses and telephone numbers of at least three other clients for whom similar services are being provided, shall be furnished with the proposal. Clients referenced should be located in California if possible.

The proposal must demonstrate familiarity with the management and operation of a public trolley service, including all related tasks such as vehicle control, training, safety, vehicle maintenance, etc.

Proposal Evaluation Criteria:

Proposals will be evaluated on the basis of their response to all provisions to this RFP. The criteria listed are not necessarily an all-inclusive list. The order in which they appear is not intended to indicate their relative importance:

1. Vendor responsiveness to the Request for Proposal
2. Vendors qualifications in the opinion of staff
3. Interview with vendor (at city’s discretion)
4. Cost(s) associated with service.
5. Reference checks.

Proposal Format and Content:

A cover letter not to exceed two pages in length should summarize key elements of the bidder’s proposal. An individual authorized to bind the bidder must sign the letter. Indicate the address and telephone number of the bidder’s office located nearest to Manhattan Beach, California, and the office from which the service will be managed.

- 1. Background and Approach**
This section should describe your understanding of the City and the service to be provided.
- 2. Methodology(ies)**
Describe the methodology or methodologies you plan to use to carry out the service tasks described.
- 3. Work Plan**
Describe the tasks you plan to carry out in providing this service.
- 4. Project Organization and Staffing**
Describe your approach and methods for providing and managing the service. Provide an organization chart showing all proposed service team members. Describe the responsibilities of each person on the team. Identify the Director and /or Manager and the person who will be

the key contact with the City. Indicate how many hours each team member will devote to the service.

5. Related Experience

Describe recent, directly related experience. Include on the listing the name of the client, description of service provided, primary client contact, address and telephone number, dates of service. **At least three references should be included. The City of Manhattan Beach reserves the right to contact any of the organizations or individuals listed.**

QUESTIONS

Questions regarding this RFP can be directed to Rob Osborne, Management Analyst, (310) 802-5540.

Contract Negotiation

A contract will be negotiated for the services to be rendered and for the method of compensation. The information provided by the proposer will serve as the basis of the negotiation.

If an agreement is not reached, negotiations will be terminated. Negotiations will then be undertaken with the second choice. When agreement is reached, a contract for the work will be prepared in final form, executed by the proposer and returned to the City of Manhattan Beach for approval and execution.

Non-Liability of Officials and Employees of the CITY

No official or employee of CITY shall be personally liable for any default or liability under any resultant Agreement.

Non-Discrimination.

CONTRACTOR covenants there shall be no discrimination based upon race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry, in any activity pursuant to an Agreement.

Independent Contractor.

If awarded a contract, it is agreed that CONTRACTOR shall act and be an independent contractor and not an agent or employee of CITY, and shall obtain no rights to any benefits which accrue to CITY'S employees.

Compliance with Law.

If awarded a contract, CONTRACTOR shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government.

Insurance Endorsement Forms

Do Not Submit With Proposal

Only the Successful Bidder Will Be Required To Complete These Forms

CITY OF MANHATTAN BEACH
1400 HIGHLAND AVENUE
MANHATTAN BEACH, CA 90266

Insurance Endorsement Form #1 - General

This endorsement is issued in consideration of the policy premium. Notwithstanding any inconsistent expression in the policy to which this endorsement is attached, or in any other endorsement now or hereafter attached thereto, or made a part thereof, the protection afforded by said policy shall include the following:

1. **Additional Insured.** With respect to such insurance as is afforded by this policy, the City of Manhattan Beach and its officers, employees, elected officials, volunteers, and members of boards and commissions shall be named as additional insured. This additional insured coverage only applies with respect to liability of the named insured or other parties acting on their behalf arising out of the activities of the undertaking specified in paragraph No. 5 (Indemnification Clause).
2. **Cross Liability Clause.** The insurance afforded - applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the company's liability.
3. **Occurrence Based Policy.** This policy shall be an "occurrence based policy."
4. **Primary Insurance.** For the risks covered by this endorsement this insurance shall provide primary insurance to the City to the exclusion of any other insurance or self-insurance program the City may carry with respect to claims and injuries arising out of activities of the Contractor or otherwise insured hereunder.
5. **Indemnification Clause.** The underwriters acknowledge that the named insured shall indemnify and save harmless the City of Manhattan Beach against any and all claims resulting from the wrongful or negligent acts or omissions of the
6. named insured or other parties acting on their behalf in the undertaking specified as (list activity location and dates(s) or event to include set-up and cleanup dates):

7. **Investigation and Defense Costs.** Said hold harmless assumption on the part of the named insured shall include all reasonable costs necessary to defend a lawsuit including attorney fees, investigators, filing fees, transcripts, court reporters, and other reasonable costs of investigation and defense.
8. **Reporting Provisions.** Any failure to comply with the reporting provisions of the policy shall not affect coverage provided to the City.
9. **Cancellation.** This policy shall not be canceled except by written notice to the Risk Manager at: City of Manhattan Beach, 1400 Highland Avenue, Manhattan Beach, CA. 90266, at least thirty (30) days prior to the date of such cancellation.

10. **Limits of Liability.** This policy shall provide minimum limits of liability of \$2,000,000 , combined single limit coverage against any injury, death, loss or damage as a result of wrongful or negligent acts or omissions by the named insured.

11. **Comprehensive Coverage.** This policy shall afford coverage at least as broad as Commercial General Liability "Occurrences" Form CG0001 and shall include the following:

- A. **General Liability**
 - (1) **Comprehensive Form**
 - (2) **Premises/Operations**
 - (3) **Independent Contractors Liability**
 - (4) **Broad Form Property Damage**
 - (5) **Personal Injury**
 - (6) **Products, Completed Operations**
 - (7) **Contractual**
 - (8) **Explosions, collapse, or underground property damage.**

NOTE: If this is a Homeowner's Policy in lieu of Commercial General Liability, it shall afford coverage at least as broad as Homeowners ISO Form HO II (Ed 9-70) California and shall include comprehensive personal liability.

This policy shall provide the dollar limit specified in paragraph 9 with the following additional coverage where boxes below are checked:

- 12. **Host Liquor Liability**
- 13. **Liquor Law Liability**
- 14. **Other** _____

The limits of liability as stated in this endorsement apply to the insurance afforded by this endorsement notwithstanding that the policy may have lower limits of liability elsewhere in the policy.

This endorsement is effective _____ at 12:01 a.m. and forms a part of Policy No. _____.

Name Insured _____

Name of Insurance Company _____

I, _____ (print/type name) warrant that I have authority to bind the above listed insurance company, and by my signature hereon do so bind this company.

By _____
Signature of Authorized Representative

Approved _____
City Risk Manager Date

PLEASE ATTACH CERTIFICATE OF INSURANCE

**CITY OF MANHATTAN BEACH
1400 HIGHLAND AVENUE
MANHATTAN BEACH, CA 90266
(310) 802-5000**

Insurance Endorsement Form #2 - Auto

This endorsement is issued in consideration of the policy premium. Notwithstanding any inconsistent expression in the policy to which this endorsement is attached, or in any other endorsement now or hereafter attached thereto, or made a part thereof, the protection afforded by said policy shall include the following:

1. **Additional Insured.** With respect to such insurance as is afforded by this policy, the City of Manhattan Beach and its officers, employees, elected officials, volunteers, and members of boards and commissions shall be named as additional insured. This additional insured coverage only applies with respect to liability of the named insured or other parties acting on their behalf arising out of the activities of the undertaking specified in paragraph No. 5 below (Indemnification Clause).
2. **Cross Liability Clause.** The insurance afforded applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the company's liability.
3. **Occurrence Based Policy.** This policy shall be an "occurrence based policy."
4. **Primary Insurance.** For the risks covered by this endorsement this insurance shall provide primary insurance to the City to the exclusion of any other insurance or self-insurance program the City may carry with respect to claims and injuries arising out of activities of the Contractor or otherwise insured hereunder.

Indemnification Clause. The underwriters acknowledge that the named insured shall indemnify and save harmless the City of Manhattan Beach against any and all claims resulting from the wrongful or negligent acts or omissions of the named insured or other parties acting on their behalf in the undertaking specified as (list activity location and dates(s) of event to include set-up and cleanup dates):

-
5. **Investigation and Defense Costs.** Said hold harmless assumption on the part of the named insured shall include all reasonable costs necessary to defend a lawsuit including attorney fees, investigators, filing fees, transcripts, court reporters, and other reasonable costs of investigation and defense.
 6. **Reporting Provisions.** Any failure to comply with the reporting provisions of the policy shall not affect coverage provided to the City.
 7. **Cancellation.** This policy shall not be canceled except by written notice to the Risk Manager at: City of Manhattan Beach, 1400 Highland Avenue, Manhattan Beach, CA 90266, at least thirty (30) days prior to the date of such cancellation.

8. **Limits of Liability.** This policy shall provide minimum limits of liability of \$ 5,000,000, combined single limit coverage against any injury, death, loss or damage as a result of wrongful or negligent acts or omissions by the named insured.

9. **Scope of Coverage.** This policy shall afford coverage at least as broad as Insurance Services Office

Form No. CA0001 (Ed 1/78), Cod 1 (“any auto”) and shall include the following:

A. Auto Liability

- (1) Any auto
- (2) All owned autos (Private Passengers)
- (3) All owned autos (other than Private Passengers)
- (4) Hired autos
- (5) Non-owned autos (for business purposes)
- (6) Other _____

The limits of liability as stated in this endorsement apply to the insurance afforded by this endorsement notwithstanding that the policy may have lower limits of liability elsewhere in the policy.

This endorsement is effective _____ at 12:01 a.m. and forms a part of Policy No. _____.

Named Insured _____

Name of Insurance Company _____

I, _____ (print/type name), warrant that I have authority to bind the above listed insurance company, and by my signature hereon do so bind this company.

By _____
Signature of Authorized Representative

Approved _____
City Risk Manager Date

PLEASE ATTACH CERTIFICATE OF INSURANCE

**CITY OF MANHATTAN BEACH
1400 HIGHLAND AVENUE
MANHATTAN BEACH, CA 90266
(310) 802-5000**

Indemnification and Hold Harmless Agreement

This agreement is issued in consideration of the City approval of the sponsor's application. The named insured must still provide a Certificate of Insurance, naming the City as an additional insured and meet the City's required minimum limits of insurance. An additional insured endorsement shall also be provided and signed by the insurance carrier.

The named insured agrees to the following:

1. **Indemnification Clause.** The named insured shall indemnify and save harmless the City of Manhattan Beach including its elected officials, officers agents and employees against any and all claims, liability, judgments, costs or expense resulting from the wrongful or negligent acts or omissions of the named insured or other parties acting on their behalf in the undertaking specified as (list activity location and date(s) of event to include set-up and clean-up dates):

2. **Investigation and Defense Costs.** Said hold harmless assumption on the part of the named insured shall include all reasonable costs necessary to defend a lawsuit including attorney fees, investigators, filing fees, transcripts, court reporters and other reasonable costs of investigation and defense.

This agreement is effective _____ at 12:01 a.m.

Named Insured _____

I, _____ (print/type name), warrant that I have authority to bind the above listed sponsor and by my signature hereon do so bind this sponsor.

By _____
Signature of Authorized Representative

Approved _____
City Risk Manager Date

MOBILITY ADVANCEMENT GROUP

Los Angeles County Office
2202 Pinecrest Drive
Altadena, CA 91001
Phone/FAX (626) 791-5396
magla@ix.netcom.com

San Diego County Office
10909 Meadow Glen Way East
Escondido, CA 92026
Phone: 760) 751-7061
Fax: 760) 751-7071
E-mail: JMC@worldnet.att.net

TO: Rob Osborne, City of Manhattan Beach
Richard Thompson, City of Manhattan Beach
FROM: Martin Gombert, Partner *Martin*
DATE: December 3, 2005
RE: Manhattan Beach Shuttle Service

I enjoyed talking with both of you on the 22nd. This memo is designed to provide you with some extra feedback on the City's desire to operate a shuttle service between the community and beach area.

This memo provides additional cost information based on the service parameters presented by the City as well as my comments on the success of the proposed service.

Service Parameters

Service Days: Weekends-all year (110 days)
Weekdays-summer only (66 days)

Service Hours: 9 revenue hours per day
1,584 per year

Buses: One in service, one spare

Estimated Ridership: 7.5 per hour. 68 per day

Notes: Because you're not proposing to operate during the school year, you're missing out on a large part of transit ridership. Students usually consist of 30-40% of total transit ridership.

Operating and Start-Up Cost

I've talked with a few transit contractors and come up with estimated operating costs based on operating 1,584 annual revenue hours. Since you probably will only issue a Request for Proposal (RFP) for 1-2 years, I'm assuming that you'll lease two buses (1 in-service, 1 spare bus). If you require contractors to provide equipment for this small number of revenue hours, you may not get many bids.

The total operating costs are based on an estimate of \$45.00 per revenue hour. This cost could be higher depending on the bids received.

City of Manhattan Beach
December 3, 2005
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Start-Up Costs

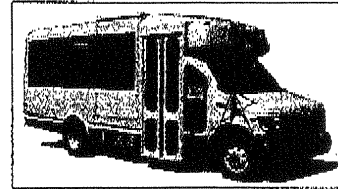
I have included the following start-up costs for this project:

- Consulting Services: This consists of drafting an RFP and assisting staff with the issuance, review, and award of the contract. Time is also included for start-up assistance. If you don't contract for this service, you can use this as an estimate of staff time.
- Bus Stop Signs: 40 signs are estimated to cost \$50 each.
- Bus Graphics: Cost of a bus logo, lettering, and stripes. Extensive bus graphics could double this cost.
- Schedules: This includes the design and printing of schedules.
- Miscellaneous: 10% of all start-up costs.

Operating Notes

Before you move ahead on this project, I'm presenting the following comments based on my experience with many transit projects in Southern California:

- You need to operate this service year-round or you'll miss out on senior and student ridership. This is a significant percentage of any transit system. As it's currently designed, I wouldn't expect more than 50-70 passengers per day to use the service.
- The small number of annual revenue hours will limit the number of companies interested in operating this service.
- The proposed vehicle would be a used cut away bus that would seat approximately 20 passengers. Any fancy vehicle such as a trolley, larger bus, alternatively fueled vehicle, etc. would increase costs significantly.
- These projects will require much more staff time than you anticipate, even if you use the services of a consultant to assist you.



I hope this information is helpful. Please contact me if you have any additional questions.

**Manhattan Beach Transit Service
Draft Operating and Start-Up Cost****Operating Cost**

Revenue Hours		1,584
Cost Per Hour-Low	\$	45.00
Cost Per Hour-High	\$	60.00
Bus Lease (Month)	\$	1,200

Yearly Operating Cost

Bus Operations		71,280
Bus Lease (2 buses)	\$	28,800

Total Operating Cost \$ 100,080

Start-Up Cost

Consulting Services	\$	12,000
Bus Stop Signs	\$	2,000
Bus Graphics	\$	4,000
Schedules	\$	4,000
Misc.	\$	2,200
TOTAL START-UP	\$	24,200

Rob Osborne

Dear Rob Osborne,

Thank you for calling today inquiring about the Woody Bus I did for North County Transit District. What started as a whim became a huge success. I kinda caught everyone off guard when I approached the NCTD board with a few samples of how a Woody Bus might look, and might promote not only the Hwy 101 corridor (their longest route) but tourism, commerce and public transportation. What a first year it has been, and not one hint of bad feedback! NCTD tells me folks call them to find out WHERE the woody bus will be, so that they can get their picture with it. I love overhearing comments when I'm in public as the bus goes by. But it's a real treat to hear more interest from other cities like Manhattan Beach!

I spent over 100 hours on the first bus, but now with better tools, templates and a working knowledge of bus wraps it wouldn't take quite that long for a new image. My costs for another 40' bus would be close to \$3000. I believe NCTD paid around \$7000 or \$8000 for the vinyl wrap itself and they said it would last at least 2 years. (Usually 5 when applied to billboards, but with being washed frequently, and wind, elements, 2 years they say is best for a bus wrap.)

In 2004 I won the Encinitas Great American MainStreet Award for the woody bus design presented by Peder Norby, executive director of the Downtown Mainstreet Association. And just a few months back NCTD got a national award for the woody bus from APTA, American Public Transportation Association at their annual meeting in Texas.

The idea of making one or more of your buses in Manhattan Beach into a Trolley/woodie is great and I'd love to take it on! The city manager of Alhambra saw the woody bus in Carlsbad a few weeks back and had Charles Mounday call me inquiring about my work as well.

I will probably have time early in January to do such a project and it would be fun to work on ideas with you. And who wouldn't love a vintage trolley image gracing your roads daily again!

Happy New Year,

Fred Caldwell

Coast Hwy 101 Design

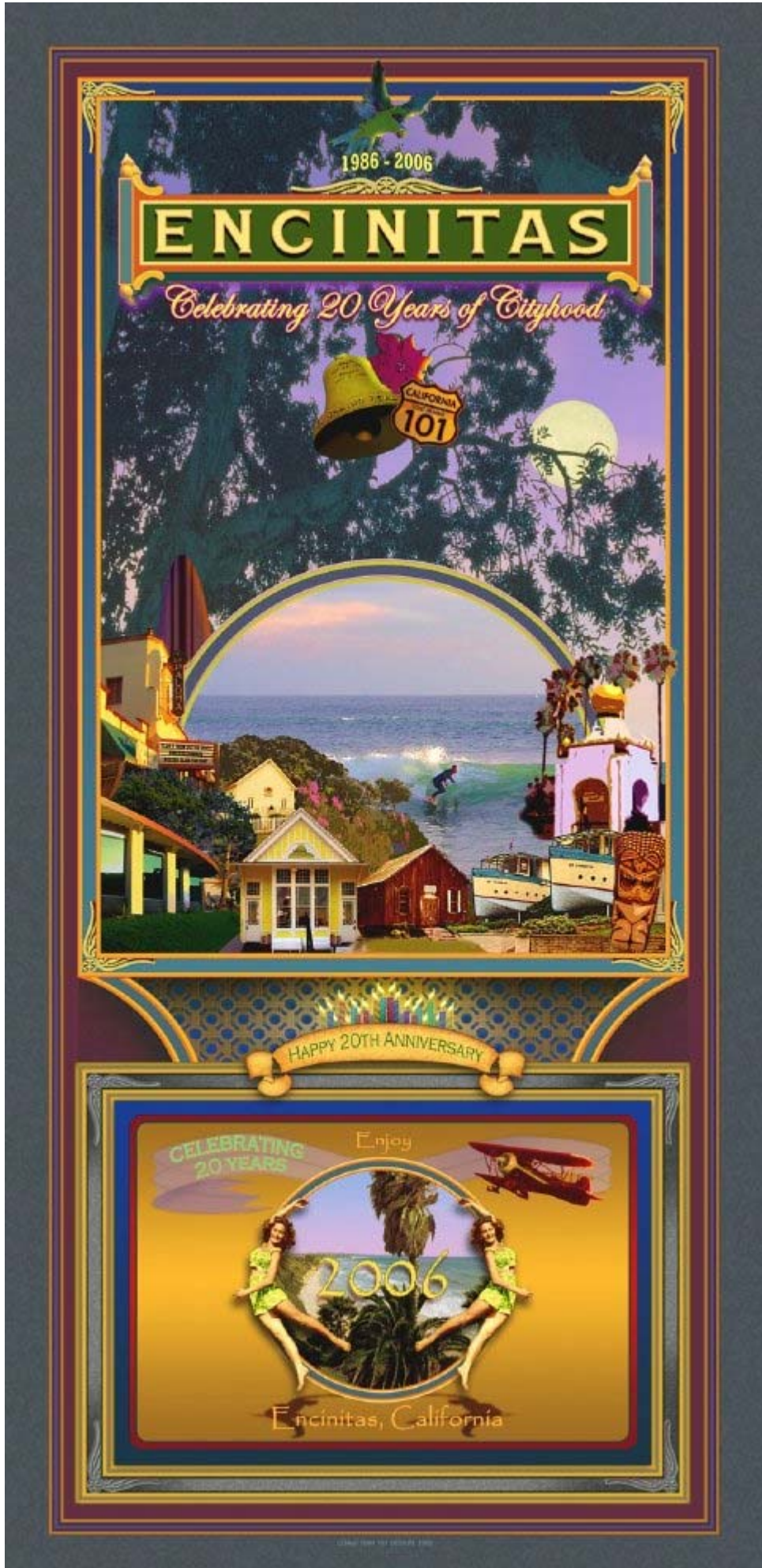
1234 N. Coast Hwy 101

Leucadia CA 92024

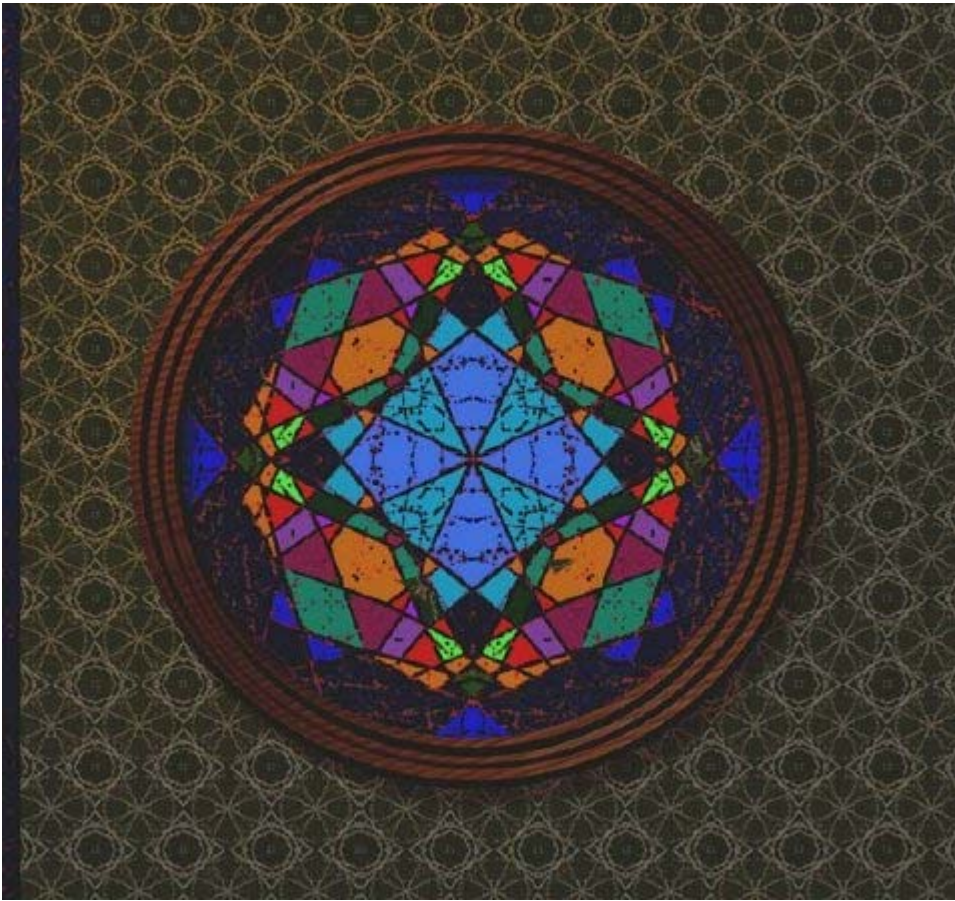
760 942-2346



A calendar now being printed...



stained glass window and wallpaper generated from a simple spider web...



my backyard.....



count yourself lucky I don't show you pictures of my cats...



Staff Report

City of Manhattan Beach

TO: Honorable Mayor Fahey and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Richard Thompson, Director of Community Development
Rob Osborne, Management Analyst

DATE: November 1, 2005

SUBJECT: Presentation of Cost Estimates for a Weekend and Summer Shuttle Service per the Council Work Plan

RECOMMENDATION:

It is recommended that the Council discuss this issue and provide staff with direction.

FISCAL IMPLICATION:

The estimated operating costs of a shuttle service range from \$108,000 to \$209,000 per year. Start-up costs for a City-operated system would be approximately \$160,000.

The City receives Local Transportation Proposition A. funds, a majority of which has been used to support the existing Dial-A-Ride program. In past years, the City has sold the excess Proposition A. revenues on a biennial basis to the benefit of the General Fund. Recently, the City Council committed to contributing approximately \$86,000 toward a replacement of the MTA 439 bus line for a two year period commencing FY2006-2007. The Prop A. Fund has the capacity to support this temporary 439 line service while still allowing for normal Dial-A-Ride operations and the scheduled replacement of Dial-A-Ride vehicles.

The Prop A. Fund has a fund balance of approximately \$230,000 to use towards potential start up costs for shuttle service. Longer term projections, including 439 line costs, indicate that the Prop A. Fund has the capacity to support an additional cost burden of \$55,000 per year using an in-house-provided service model. Because this capacity falls short of the estimated annual costs indicated above, alternative funding sources, increased fares, and/or General Fund subsidies will need to be considered.

The fund projection mentioned above was developed using a most-conservative case for a city operated system. It is safe to assume that implementing a contract basis solution would result in reduced operational and equipment costs. Once such contract costs are known, financial projections can be provided as a basis for making funding decisions.

BACKGROUND:

The City Council’s 2005-2007 Work Plan includes the following task:

Trolley Service - Consider developing an east/west trolley service that would target Manhattan Beach residents. As a first step develop cost estimates for a weekend and summer service and return to City Council for discussion and direction.

DISCUSSION:

In developing cost estimates staff obtained information from the City’s Dial-A Ride program management staff and from the Transit Manager of Beach Cities Transit. Beach Cities Transit is a community-based that operates out of the City of Redondo Beach. Rough cost estimates for a shuttle system are as follows:

Start-Up Costs	\$160,000
Annual Operating Costs	\$100,000 - \$200,000

The start-up cost is primarily for the purchase of buses as part of a system owned and operated by the City. Operating costs vary depending on the scope and complexity of the system. Two alternatives available for providing a shuttle service are as follows.

- Expand the City’s Dial-A-Ride program to include a fixed route service.
- Contract with Beach Cities Transit or another transit system to provide a shuttle in Manhattan Beach

Staff from the Parks and Recreation Department and Beach Cities Transit provided conceptual proposals and costs estimates as follows:

Dial-A-Ride Program

The Dial-A-Ride Program provides curb to curb bus service for seniors and disabled residents. The program operates year round, seven days a week from 8:00am to 5:00pm. Residents are picked up at their homes and delivered to desired destinations within the City, and to medical facilities within the South Bay. The Parks and Recreation Department has provided the attached summary and cost estimates for expanding the program to include a fixed-route summer and weekend shuttle service. Elements of the program would be as follows:

- A figure 8 shaped route, with Manhattan Beach Boulevard the center of the 8.
- Operation seven days a week from June to September
- Weekend service only from October to May
- Operating hours from 10:00am to 7:00pm
- Bus arrives at each stop every 45 minutes to one hour
- Two new 22-seat buses, one utilized at a time. The buses would also provide back-up for Dial-A-Ride service

Estimated costs are as follows:

Start up costs (two new buses):	\$160,000
Annual operating costs:	\$108,750

If a shuttle service is implemented a fare could be imposed to recover some of the costs. For reference, the fares for Dial-A-Ride service are 25 cents within Manhattan Beach and 50 cents for trips beyond City boundaries. The basic MTA bus fare is \$1.25 and Beach Cities Transit charges \$1.00.

Beach Cities Transit

Beach Cities Transit submitted three conceptual options for adding a Manhattan Beach shuttle service to their system. A copy of their proposal is attached. Elements of the program are as follows:

Options A & B

- Loop-shaped routes
- Year-round operation, 7 days a week
- Operating hours: 7:00am to 7:00pm Mon-Fri, 9:00am-6:00pm weekends
- Arrive at each stop approximately every 45 minutes
- One 15-seat bus, provided and maintained by Beach Cities

Estimated annual net costs for the service are \$180,750.

Beach Cities has indicated that seasonal operation of routes is problematic for the riders and recommends operation option A or B year round.

Option C

- Three separate east/west routes running between Aviation Boulevard and Ocean Drive – on Rosecrans Avenue, Marine Avenue and Manhattan Beach Boulevard
- Service provided on weekends, summer weekdays and holidays
- Operating hours: 9:00am to 6:00pm
- Three 15-seat buses, provided and maintained by Beach Cities

The estimated annual net cost for the service is \$209,400.

CONCLUSION:

The existence of a shuttle service in Manhattan Beach could help reduce traffic congestion and parking problems, primarily in the Downtown and beach areas. If the Council wishes to pursue the concept further, staff will return with a more detailed analysis and cost estimates. Upcoming steps in the process could include the following:

- Community meetings to solicit input and gauge public support for a shuttle service
- Development of a Request for Proposals (RFP) to solicit formal bids from Beach Cities Transit and other transit service providers

Agenda Item #: _____

- Attachments:
- A. Proposal from the Parks & Recreation Department
 - B. Suggested routes
 - C. Proposals from Beach Cities Transit
 - D. Trolley/shuttle bus photos

The following individuals spoke on this item:

- Gary Osterholt, 500 Block of 31st Street
- Patrick McBride, No Address Provided
- Bob Bohne, 1600 Block of 2nd Street

In response to Mayor Pro Tem Ward's inquiry regarding whether there was a prototype presented prior to fabrication, City Manager Dolan explained that while there was no prototype, the wording was approved by Council and the Lions Club said fundraisers might be held for the plaques, but that there was never any discussion at the Council level as to what that meant.

Councilmember Montgomery recommended requiring a mock-up for all future projects and commented that the culpability belongs to both parties - the City for not requiring a mock-up and the Lions Club for not providing the wording prior to fabrication. Explaining that he understands both sides of the situation, he stated that the City should either approve the panels as is or find a way to make the lettering smaller, at no cost to the Lions Club.

Agreeing with Councilmember Montgomery, Councilmember Aldinger commented that it was unfortunate that a mockup was not presented prior to fabrication and that if Council would have seen it from the beginning; it would probably have been denied.

Mayor Pro Tem Ward stated that it is unfortunate that a prototype was not provided prior to fabrication; agreed that it would be more tasteful to have a small brass type plaque with the same information in small print; remarked that the panel messages are beautiful and vividly provoking, but should be aesthetically pleasing for those who see the plaques also; and stated that while there is culpability on both parts, he believes the best solution would be to cut off the bottom portion and replace it with some other recognition.

Councilmember Tell agreed that it would not have been allowed in the initial approval and noted that while it isn't offensive to him, others may be offended by it. He suggested leaving the panels as is and see if there are complaints, at which time there could be modifications made.

Mayor Fahey commented that while she's not bothered by the plaques as presented, the issue is whether or not it sets a precedent and, if not, then there's no need to change it. She said the City made a mistake and while it is possible to require that the bottom be cut off, it is not necessary if a precedent is not being set. She said she believes this discussion makes it clear to any future sponsors that it won't happen again; noted that this is a unique project; and she does not think anyone in the community would walk by and be upset that the sponsor's name is included on the plaque.

MOTION: Councilmember Aldinger moved to approve the recommendation from the Parks and Recreation Commission to install a Braille Trail in Polliwog Park using the Braille panels, as fabricated and as presented in the staff report. The motion was seconded by Councilmember Montgomery and passed by unanimous roll call vote.

Ayes: Tell, Aldinger, Montgomery, Ward and Mayor Fahey.

Noes: None.

Absent: None.

Abstain: None.

05/1101.15 Consideration of Cost Estimates for a Weekend and Summer Shuttle Service per the City Council Work Plan

Management Analyst Rob Osborne addressed Council with a PowerPoint presentation regarding the feasibility of creating a trolley system in the City, as part of the Council's 2005-2007 Work Plan. He reviewed the estimated cost for the system, including start-up costs of \$160,000 for the purchase of two new buses, and \$100,000 - \$200,000 per year for operation. He explained that Proposition A Funds are available for start-up costs and approximately \$55,000 of Proposition A Funds per year could go toward operations, however, because the City normally sells Proposition A Funds for 65 cents on the dollar, it would mean some loss of General Fund monies.

City Manager Geoff Dolan explained that the two-year commitment for the replacement of the 439 bus line totals \$86,000 and, once paid, will free up future funds for this system.

Management Analyst Osborne reported that, if Council concurs, staff intends to hold community meetings to determine community interest, followed by the issuance of a Request for Proposals (RFP).

In response to Councilmember Montgomery's comment that the City's Dial-a-Ride bus could be setup to include 8th Street and 2nd Street, Management Analyst Osborne agreed, noting that this is a conceptual plan that attempts to get relatively close to most areas in the City.

City Manager Dolan remarked that using the Dial-a-Ride service would not necessarily be the City's first choice, noting that it could be less costly to contract the service out.

Management Analyst Osborne explained that a fare structure was not figured into the cost of implementing the shuttle service.

The following individuals spoke on this item:

- **John Chaykowski, 200 Block of John Street**
- **Patrick McBride, No Address Provided**
- **Karol Walberg, No Address Provided**
- **Gary Osterhout, 500 Block of 31st Street**

Council discussed various aspects of what it will take to implement a successful trolley system in time for summer, including but not limited to: whether it is more appropriate to contract out rather than provide an in-house service; the need to conduct extensive community outreach in order to get a buy-in from the community and the timing for same; the timing required in order to develop an RFP in time for implementation during the summer; and the desirability of providing this service free-of-charge.

City Manager Dolan recommended, and Council concurred, that staff generate publicity through the various avenues currently used and that an RFP be prepared in the next 6-8 weeks, with appropriate advertising in order to ensure public input. He pointed out that if it is Council's desire to be ready by the first of June, it will be necessary to select the contractor several months in advance in order to have the vehicles personalized and, since an RFP has to be out for four weeks, it should be issued by the first of the year.

AUDIENCE PARTICIPATION

05/1101.22 Steve Blough Re: Utility Undergrounding