



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: APRIL 8, 2015

FROM: HUMAN RESOURCES

**SUBJECT: RESOLUTION NO. _____ - AWARD OF AGREEMENT NO. _____ TO
vRIDE, INC. FOR COMMUTER VAN LEASING**

SUMMARY:

The Human Resources Division requests approval to award agreement No. _____ to vRide, Inc., located in Troy, Michigan, for the leasing of commuter vans in support of the City of Los Angeles Harbor Department's (Harbor Department) on-going commuter vanpool program. The proposed contract is for one year with two one-year renewal options for a total amount not-to-exceed \$605,250 if all renewal options are exercised. The recommendation to select vRide, Inc. is based on the competitive bid process performed by Los Angeles World Airports (LAWA) for its Contract No. DA-4898.

The Harbor Department is financially responsible for payment of expenses incurred under the proposed Agreement.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that in accordance with Administrative Code Section 10.15(a)(8) the competitive contracting requirement is met using the responses from the LAWA's Request for Bids, which resulted in LAWA awarding its current Contract No. DA-4898;
2. Approve Agreement No. _____ with vRide, Inc. for the leasing of commuter vans for a total amount not-to-exceed \$605,250 for a term of one year with two one-year renewal options;
3. Authorize the Executive Director to execute the proposed contract;
4. Authorize the Executive Director to execute two one-year renewal options, subject to budget authorization in each fiscal year; and
5. Adopt Resolution No. _____.

SUBJECT: AGREEMENT WITH vRIDE, INC. FOR COMMUTER VAN LEASING

DISCUSSION:

Background- The City of Los Angeles (City) operates the City RideShare Program to encourage employees to do their part in the City's efforts to reduce traffic congestion and improve air quality in the Los Angeles Basin. The City RideShare Program is administered by the Personnel Department's Commute Options and Parking Section and requires participating employees to pay a portion of the van leasing costs on a monthly basis.

In 2009, the Harbor Department developed its own RideShare Program, which includes commuter vanpools and bike/walk/transit subsidies. The Harbor Department's commuter vanpool program meets the same goals as the City's program and is used as an employee recruitment and retention tool. Currently, Harbor Department employees do not contribute financially to participate in the commuter vanpool program. There is a proposed annual budget of \$185,250 for FY 2015/2016 to cover the cost of leasing the commuter vans and \$5,000 for the bike/walk/transit subsidies, for a total of \$190,250. Fuel costs are borne by the Harbor Department at an estimated annual cost of \$133,965 for the current fleet of 16 commuter vans. Bike/walk/transit subsidies of up to \$50 per month are offered to Harbor Department employees who bike, walk, or take public transportation to work. The commuter van leasing and bike/walk/transit subsidies are included in the Human Resources Division's budget and fuel is included in the Construction and Maintenance Division's budget.

South Coast Air Quality Management District's (SCAQMD) Rule 2202, On-Road Motor Vehicle Mitigation Option, requires the implementation of an emissions reduction program to reduce emissions related to employee commutes and to meet a worksite specific emissions reduction target. The Harbor Department's RideShare Program meets the requirements of SCAQMD's Rule 2202 and is reviewed annually for compliance. Currently, 146 commuter vehicles are taken off the road as a result of commuter vanpool and bike/walk/transit subsidy participation.

Commuter vans are currently being leased from Enterprise RideShare using purchase contract no. 39602. This contract was executed in 2011 as a one year contract with two one year renewal options. Both renewal options were exercised and the contract expired on June 30, 2014. Since the contract's expiration, commuter vans have been leased on a month-to-month basis with Enterprise RideShare. The proposed contract with vRide, Inc. is a "piggyback" (i.e., using another public entity's awarded contract) contract from LAWA's Contract DA-4898. In spring 2014, LAWA conducted a request for bids for commuter van leasing and vRide, Inc. was the lowest responsive and responsible bidder. The Personnel Department's Commute Options and Parking Section executed a contract with vRide, Inc. for the City's RideShare program also piggybacking on LAWA's contract. The proposed agreement with vRide, Inc. has an annual cost of \$157,200 which is less than the annual cost of the current contract with Enterprise RideShare which is \$163,920. The annual cost savings from the vRide, Inc. agreement is \$6,720.

SUBJECT: AGREEMENT WITH vRIDE, INC. FOR COMMUTER VAN LEASING

vRide's proposed lease rates are \$800 per month for an eight-passenger van and \$850 per month for a nine-passenger van. Insurance and all vehicle maintenance costs are included in the proposed lease rates. When vehicles require maintenance or repair, they will be picked up by vRide, Inc., taken to an approved facility, and then returned to the Harbor Department worksite before the van is needed for the evening commute. A loaner vehicle is provided if service will take more than a day.

The Harbor Department currently has 16 commuter vans designated for its vanpool program. With the proposed agreement, the Harbor Department will lease 16 vans at a cost of \$157,200. The Fiscal Year 2015/2016 proposed budget for the lease of the vans is \$185,250. There are 16 vans, ten 8-passenger and six 9-passenger vans, in the commuter vanpool providing transportation for 134 Harbor Department employees (Transmittal 1). The vanpools travel from the following areas (distances from the Port vary from 29 miles to 83 miles one way): Anaheim (1), Brea (1), Corona (1), Diamond Bar (1), El Monte (1), El Sereno (1), Fontana (1), Glendale (2), Moreno Valley (1), Orange (1), Palmdale/Lancaster (1), San Gabriel (2), West Covina (1), and Whittier (1).

Proposed Contract- The Human Resources Division requests approval to award Agreement No. _____ to vRide, Inc. for the leasing of commuter vans for the Harbor Department's vanpool program (Transmittal 2). Agreement No. _____ is for one year, with two one-year renewal options for a total amount not-to-exceed \$605,250. To synchronize the contract's ending dates with LAWA's contract, the initial term shall be from the contract's execution date through June 30, 2015. The Executive Director may exercise two one-year renewal options to extend the contract for the terms of July 1, 2015 through June 30, 2016 and July 1, 2016 through June 30, 2017, subject to funding authority as part of the annual budget adoption process by the Board.

Selection Process- The recommendation to select vRide, Inc. is based on the competitive bid process performed by LAWA for its Contract No. DA-4898 (Transmittal 3).

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an agreement with vRide for the lease of commuter vans for the ongoing operation of the Harbor Department vanpool. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action will have no employment impact.

DATE: APRIL 8, 2015

PAGE 4 OF 5

SUBJECT: AGREEMENT WITH vRIDE, INC. FOR COMMUTER VAN LEASING

FINANCIAL IMPACT:

Approval of the proposed one-year lease with two one-year renewal options with vRide, Inc. would commit \$201,750 during FY 2014/2015 for unlimited mileage commuter vans in support of the Harbor Department's vanpool program. Funds for FY 2014/15 are budgeted in the amount of \$201,750 in Account 59020, Center 0530, Program 000. For FY 15/16 the vanpool program budget is reduced to \$185,250. This reduction does not affect the number of vans in the vanpool program. However, the agreement is written with a "not-to-exceed" amount of \$605,250, based on the initial budget of \$201,750 for three years. The not-to-exceed amount is a cap on expenditures and not a commitment to spend. Funds for future fiscal years in the amount of \$185,250 will be requested to be budgeted as part of the annual budget adoption process should the renewal option be exercised, upon Board approval.

Maintenance and insurance costs for the commuter vans are included in the proposed lease rates. The proposed agreement with vRide, Inc. has an annual cost of \$157,200 which is less than the annual cost of the current contract with Enterprise RideShare which is \$163,920. The annual cost savings from the vRide, Inc. agreement is \$6,720. Fuel costs for the vans will continue to be borne by the Harbor Department.

A funding out clause is included in the proposed contract.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the Agreement with vRide, Inc. as to form and legality.

DATE: APRIL 8, 2015

PAGE 5 OF 5

SUBJECT: AGREEMENT WITH vRIDE, INC. FOR COMMUTER VAN LEASING

TRANSMITTALS:

1. Harbor Department Vanpool Routes
2. Harbor Department Agreement No. _____
3. City of Los Angeles LAWA Contract No.DA-4898

FIS Approval: MB

CA Approval: MB



TISH LORENZANA
Director of Human Resources



MARLA BLEAVINS
Deputy Executive Director &
Chief Financial Officer

APPROVED:



FOR
EUGENE D. SEROKA
Executive Director

TL/dg
Author: D. Gray