



EMERYVILLE TRANSPORTATION MANAGEMENT ASSOCIATION

AGENDA

Special Meeting of the Board of Directors

Bay Street Conference Room

5616 Bay Street

Emeryville, CA 94608

September 23rd, 2016 at 11:00AM

Chair

Geoff Sears, Wareham
Development

Vice Chair

Tim Bacon,
City Center Realty Partners

Secretary

Betsy Cooley,
At-Large Residential

Treasurer

Andrew Allen
At-Large Business

Directors

Vacant,
Bay Street

Peter Schreiber,
Pixar

Patrick Choa,
IKEA

Rich Higdon,
Hyatt Place

Melinda Baker,
At-Large Employer
Member

Ron Silberman,
At-Large Business Member

Bobby Lee,
At-Large Residential
Member

1. Call to Order
2. Public Comment
3. Business Items
 - A. Review and Consider Approval of Amendment #3 to Shuttle Operations & Maintenance Agreement with MV Transportation, Inc. (Attachment)
4. Suggestions/Requests from Board Members
5. Adjournment

A complete copy of the agenda is available for public viewing in the Emeryville City Clerk's Office at 1333 Park Avenue at least 72 hours prior to the meeting. All writings that are public records and relate to an agenda item above will be made available at the meeting. The TMA will mail a copy of the agenda or, if requested, the entire agenda packet, to any person who has filed a written request for such materials. If requested, these materials will be made available in appropriate formats to persons with disabilities. Written requests should be mailed to Emeryville TMA, 1300 67th Street, Emeryville, CA 94608. To download a copy of the agenda packet, please visit our website at www.emeryqoround.com. If you have comments or questions about this agenda, please email us at transit-info@emeryqoround.com, or call the Executive Director, Gray Bowen Scott at (925) 937-0980.

EMERYVILLE TRANSPORTATION MANAGEMENT ASSOCIATION

STAFF REPORT MEMORANDUM

DATE: September 22, 2016

FROM: Roni Hatstrup, Executive Director

SUBJECT: Review and Consider Approval of Amendment #3 to Shuttle Operations and Maintenance Agreement

RECOMMENDATION

Board approval of Amendment #3 to the Shuttle Operations and Maintenance Agreement with MV Transportation, Inc. (MV) to increase the variable rate per service hour by five dollars and sixteen cents (\$5.16) for the purpose of establishing a four dollar (\$4.00) premium wage increase for Emery Go-Round Shuttle operators.

BACKGROUND

In 2012, the ETMA conducted a competitive procurement process for shuttle operations and vehicle maintenance services. In February 2013, the Board approved the Shuttle Operations and Maintenance Agreement with the top ranked firm, MV, for a three (3) year term with an option to extend the term two (2) additional years. In December 2015, the agreement was renewed for two additional years and is set to expire on December 31, 2017.

DISCUSSION

Over the past few years, the demand for shuttle services has increased significantly in the Bay Area. As a result, the cost of services has also increased as private transportation providers have had to increase driver compensation package to be more competitive with the current market.

Operators of MV Transportation's San Leandro division are currently engaged in a collective bargaining agreement with Local 853 Union. The current wage scale ranges from \$14.21 to \$22.85, based on years of service.

The average starting wage for those operators serving the tech industry is approximately \$22.00 per hour, though the requirements for such services are more stringent. Starting wages for operators of other services comparable to Emery Go-Round range from approximately \$18.00 - \$20.00 per hour, which is 30% higher than the starting wage for Emery Go-Round operators.

In recent months, the service reliability for Emery Go-Round has been deteriorating at a rapid pace, as MV has struggled to retain and recruit operators. It is evident, the primary cause of this is both the low unemployment rate and the low compensation established in MV's collective bargaining agreement with the union.

In August, a subcommittee was appointed to discuss the performance issues and to propose options for rectifying the issues, including options to increase driver compensation. The members of the subcommittee included Geoff Sears, Betsy Cooley and Bobby Lee. The subcommittee finalized a formal response to MV which addressed the performance penalties incurred to date as well as a proposed bonus incentive program

for the purpose of supplementing driver compensation. In MV's response to the formal notice, they recommended a driver premium wage increase in lieu of a bonus program. The proposed premium wage would be included as an amendment to the collective bargaining agreement with the union, which would likely be more impactful and less controversial. The premium wage rate would only apply to those operators who have obtained their air brake certification, which is a requirement of the Emery Go-Round service due to the type and size of vehicles we operate.

The subcommittee deliberated once again to review options for a premium wage increase. The options considered are listed below:

Premium Wage	Benefits (29%)	Total effective hourly cost	EGR Service Hours (annual)	Total Annual Cost Impact	% Increase
\$ 2.00	\$ 0.58	\$ 2.58	47,000.00	\$ 121,260.00	8%
\$ 3.00	\$ 0.87	\$ 3.87	47,000.00	\$ 181,890.00	11%
\$ 4.00	\$ 1.16	\$ 5.16	47,000.00	\$ 242,520.00	15%

The percentage of increase shown above is reflective of the estimated increase in shuttle operations.

Staff recommended a \$4 premium wage increase, which was ratified by the subcommittee.

FINANCIAL CONSIDERATIONS

The annual cost impact is estimated at \$242,520. The additional cost will need to be reflected in the ETMA's 2017 Budget, which is scheduled for approval in November.

ATTACHMENTS

1. Amendment #3 to Shuttle Operations & Maintenance Agreement with MV Transportation, Inc.

**AMENDMENT TO SHUTTLE OPERATIONS AND MAINTENANCE AGREEMENT BETWEEN
EMERYVILLE TRANSPORTATION MANAGEMENT ASSOCIATION AND
MV TRANSPORTATION, INC.**

THIS AMENDMENT NO. 3 ("Amendment") is to the Shuttle Operations and Maintenance Agreement, dated February 15, 2013, (the "Agreement") between the Emeryville Transportation Management Association, a California non-profit corporation ("ETMA"), and MV Transportation, Inc. ("Contractor").

RECITALS

WHEREAS, pursuant to the Agreement, ETMA retained Contractor to provide shuttle operation and vehicle maintenance services through December 31, 2015; and

WHEREAS, ETMA and the Contractor approved Amendment No. 1 of the Agreement to extend the term of the agreement two (2) years to December 31, 2017 and to modify Section 4, Exhibit B of the Agreement to reflect the updated Cost Forms for 2016 and 2017 services; and

WHEREAS, ETMA and the Contractor approved Amendment No. 2 of the Agreement to modify Section 4, Exhibit B, Forms 2.1 and 2.2 to increase the Fixed and Variable Costs for the West Berkeley Shuttle to accommodate the requested increase in service by the Berkeley Gateway Transportation Management Association, including the addition of one (1) vehicle and duplication of service hours; and

WHEREAS, ETMA wishes to further increase the variable service hour rate for Emery Go-Round for the purpose of establishing a four dollar (\$4.00) premium hourly wage increase for those drivers which have obtained their air brake certification. The variable service hour rate shall increase by five dollars and sixteen cents (\$5.16), of which four dollars (\$4.00) shall be applied directly to the driver's hourly wage and the remaining one dollar and sixteen cents (\$1.16) be applied to other associated costs, including payroll taxes and benefits;

NOW, THEREFORE, BE IT MUTUALLY AGREED that Section 4, Exhibit B, Form 1.2 of the agreement be amended to reflect the new variable rate per service hour of thirty-five dollars and fifty-three cents (\$35.53) for 2016 services and thirty-five dollars and two cents (\$35.02) for 2017 services, effective the date the premium wage rate goes into effect.

IN WITNESS WHEREOF, the parties have approved Amendment No. 3 to the Shuttle Operations and Maintenance Agreement on the ___ day of _____, 2016.

EMERYVILLE TRANSPORTATION
MANAGEMENT ASSOCIATION

MV, TRANSPORTATION, INC.

By: _____

By: _____

Chair

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