

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING, IN SUBSTANTIAL FORM, AMENDMENT NO. 7 TO THE AGREEMENT DATED MAY 8, 2014, BETWEEN THE CITY AND LIMOUSINES OF SOUTH FLORIDA (LSF), INC., FOR TURN-KEY OPERATIONS AND MAINTENANCE SERVICES OF A MUNICIPAL TROLLEY SYSTEM FOR THE CITY OF MIAMI BEACH; SAID AMENDMENT, IN MATERIAL PART, INCLUDING THE FOLLOWING MODIFICATIONS: (1) ADDING ONE (1) USED HIGH-FLOOR TROLLEY VEHICLE TO THE CITY'S TROLLEY FLEET TO BE USED AS A SPARE ONLY, INCLUDING THE INSTALLATION OF OPTIONAL EQUIPMENT, IN THE APPROXIMATE LUMP SUM COST TO THE CITY OF \$3,500, WITH OPERATING/MAINTENANCE COSTS, IN THE APPROXIMATE ANNUAL AMOUNT OF \$3,600, WHICH COSTS WILL REMAIN WITHIN THE CURRENT NOT TO EXCEED CONTRACT AMOUNT OF \$12,000,000; (2) PERMITTING THE OPERATION OF ALL TROLLEY VEHICLE TYPES (HIGH-FLOOR, MODIFIED HIGH-FLOOR OR LOW-FLOOR) ALONG ANY OF THE CITY'S TROLLEY ROUTES, AS NEEDED, TO ENSURE PROPER SERVICE COVERAGE; AND (3) MODIFYING OTHER MISCELLANEOUS PROVISIONS OF THE AGREEMENT TO ADDRESS THE CURRENT OPERATING CONDITIONS OF THE TROLLEY SERVICES, WHICH INCLUDE (I) UPDATING THE TROLLEY ROUTES, (II) REDUCING THE ON-TIME PERFORMANCE GOAL FROM 95% TO 85% FOR ALL TROLLEY ROUTES, (III) CLARIFYING THE METHODOLOGY FOR DETERMINING FUEL CHARGE ADJUSTMENTS AND FOR CALCULATING ON-TIME PERFORMANCE, AND (IV) INCLUDING A RELEASE OF ANY ALLEGED CLAIMS (AGAINST THE CITY) BY LSF FOR FUEL CHARGE REIMBURSEMENTS AND A RELEASE OF ANY ALLEGED CLAIMS (AGAINST LSF) BY THE CITY FOR ON-TIME PERFORMANCE PENALTIES, BOTH THROUGH THE EFFECTIVE DATE OF THE AMENDMENT; AND FURTHER AUTHORIZING THE CITY MANAGER AND CITY CLERK TO EXECUTE THE FINAL NEGOTIATED AMENDMENT.

**WHEREAS**, on April 30, 2014, the City Commission approved the award of Invitation to Bid (ITB) No. 2014-154-SR for Turn-Key Trolley Operations and Maintenance Services to Limousines of South Florida, Inc. (LSF or CONTRACTOR); and

**WHEREAS**, on May 8, 2014, the City and LSF executed the Agreement; and

**WHEREAS**, on July 30, 2014, the Mayor and City Commission adopted Resolution No. 2014-28708, authorizing the City to execute Amendment No. 1 to the Agreement, which increased the scope of the Agreement to include optional equipment, as well as additional automated stop announcement equipment, with the capability of displaying public advertisements; and

**WHEREAS**, on October 6, 2014, the City and CONTRACTOR executed Amendment No. 1; and

**WHEREAS**, on March 18, 2015, the Mayor and City Commission adopted Resolution No. 2015-28967, approving and authorizing Amendment No. 2 to the Agreement, incorporating

an enhanced Scope of Services to the Agreement in order to accommodate additional transportation expenses needed for the City's Centennial celebration, during the 2014-2015 fiscal year, solely; and

**WHEREAS**, on March 24, 2015, the City and CONTRACTOR executed Amendment No. 2; and

**WHEREAS**, on October 21, 2015, the Mayor and City Commission adopted Resolution No. 2015-29194, waiving, by 5/7<sup>th</sup> vote, the competitive bidding requirement and approving Amendment No. 3 to the Agreement; said amendment providing for (1) the addition of the operation and maintenance services for two new routes in Middle Beach (the Middle Beach Loop and the Collins Link); (2) the addition of fourteen (14) new modified/kneeling high-floor/rear end wheel chair lift trolley vehicles (New Modified trolley vehicles) for the operation of the North Beach and Middle Beach routes, in an amount not to exceed \$6,700,000 annually; (3) a negotiated new hourly rate commensurate with the cost of said trolley vehicles and the additional services for the new Middle Beach routes; (4) the early exercise of the two (2) renewal options, extending the agreement to May 7, 2021; (5) in addition to the term provided in the previous subsection (4), further extending the term, as to each route, to include a full sixty (60) month term, commencing as of the roll-out date of all the modified high-floor trolley vehicles for each respective route; and (6) and authorizing the City Manager to approve the purchase of additional optional equipment for the New Modified trolley vehicles; and

**WHEREAS**, on January 14, 2016, the City and CONTRACTOR executed Amendment No. 3; and

**WHEREAS**, on July 20, 2016, the Mayor and City Commission adopted Resolution No. 2016-29519, accepting the recommendation of the City Manager and waiving, by 5/7<sup>th</sup> vote, the competitive bidding requirement, finding such waiver to be in the best interest of the CITY, and approving Amendment No. 4 to the Agreement in substantial form, increasing the scope of the Agreement to include the following: (1) the addition of one (1) bi-directional route in South Beach for a term of sixty (60) months, commencing as of the roll-out date for the Low-Floor trolley vehicles; (2) the addition of twelve (12) new Low-Floor trolley vehicles for use in all CITY trolley routes; (3) a negotiated new hourly rate for the Low-Floor trolley vehicles and additional associated services; and (4) increasing the annual cost of the Agreement, from a not to exceed cost of \$6,700,000 to a not to exceed cost of \$12,000,000; authorizing the City Manager to approve the purchase of additional optional equipment for the Low-Floor trolley vehicles, as may be needed in the Administration's discretion, subject to funding availability; and authorizing the City Manager to terminate the existing interlocal agreement, in connection with the negotiation of a new interlocal agreement with Miami-Dade County, in connection with the South Beach route; and

**WHEREAS**, Amendment No. 4 to the Agreement was executed on March 29, 2017 and is in full effect; and

**WHEREAS**, on May 17, 2017, the Mayor and City Commission adopted Resolution No. 2017-29873, approving and authorizing the City Manager and City Clerk to execute Amendment No. 5 to the Agreement; approving the replacement of the Collins Link route alignment with the Collins Express route, at no additional cost to the City, to provide more direct intracity connectivity between Washington Avenue/Lincoln road and 88 Street; and

**WHEREAS**, on October 18, 2017, the Mayor and City Commission adopted Ordinance No. 2017-4143, amending certain provisions of the City Living Wage Ordinance as codified in Sections 2-407 through 2-410 of the City Code; and

**WHEREAS**, the City and LSF will be executing Amendment No. 6 to the Agreement, memorializing any adjustments required under the Living Wage Ordinance; and

**WHEREAS**, the Agreement currently depicts an initial route alignment of the South Beach Loops that is no longer in effect; and

**WHEREAS**, the South Beach trolley service currently consists of (3) distinct loops: 1) "Loop A" operating in a clockwise direction; 2) "Loop B" operating in a counter-clockwise direction; and 3) "Via 10 Street Loop" operating in a "figure 8" configuration to serve the Flamingo Park neighborhood and provide a direct east-west connection between Alton Road and Washington Avenue via a temporary detour on 10<sup>th</sup> Street given that 11<sup>th</sup> Street is currently under construction; and

**WHEREAS**, pursuant to the direction from the City Commission at the January 17, 2018 City Commission meeting, the South Beach Loops A (Clockwise) and B (Counter-Clockwise) were extended on January 22, 2018 to serve the Collins Park neighborhood, while service on the "Via 10 Street Loop" has remained the same; and

**WHEREAS**, in response to concerns from trolley users with regard to the long walking distance to the closest trolley stop, along Hawthorne Avenue between 81 Street and 77 Street, a minor modification to the route alignment, including incorporation of an additional stop between 81 Street and 77 Street was performed on September 5, 2018; and

**WHEREAS**, based on an evaluation of ridership data, on January 23, 2018, the Transportation Department reassigned one (1) of the Middle Beach Loop vehicles to the Collins Express; and

**WHEREAS**, pursuant to the Agreement, service reliability of the City's trolley service is set to 95% OTP (with no more than 5 minutes late at any of the stops), including the performance penalties for not meeting set OTP goals; and

**WHEREAS**, based on staff's evaluation of OTP data over the past year, including research of OTP goals for other US transit agencies operating fixed route bus service in mixed traffic, it was determined that the existing goal of 95% OTP is not feasible and should be revised; and

**WHEREAS**, the City staff met with LSF staff on March 20, 2018, to discuss the need for establishing a procedure/methodology for calculating OTP of the City's trolley service; and

**WHEREAS**, subsequent to the March 20<sup>th</sup> meeting, key stops associated with each of the trolley routes were selected and mutually agreed to by LSF and City staff for the purpose of prospectively tracking OTP; and

**WHEREAS**, the City staff met with LSF staff on October 10 and October 23, 2018 to discuss reliability of trolley service and other housekeeping items that would be addressed as part of Amendment No.7, including methodology for establishing OTP penalties; and

**WHEREAS**, as an outcome of these discussions and negotiations, the City staff and LSF established new OTP goal of 85% for the all trolley routes; and

**WHEREAS**, the City's current trolley fleet consists of 31 trolley vehicles (5 high-floor trolley vehicles, 14 modified/high-floor kneeling, and 12 low-floor trolley vehicles), of which twenty-five (25) vehicles are used in operation and six (6) vehicles are used as spare vehicles; and

**WHEREAS**, based on statements made by LSF's staff, some of the vehicle repairs are taking longer than expected due to lack of availability of parts or the need to have vehicles under warranty repaired at an authorized dealer rather than at LSF's maintenance facility; and

**WHEREAS**, LSF proffered the addition of one (1) 2013 used high-floor trolley vehicle, previously acquired by LSF, to the City's fleet, enabling for an additional spare vehicle to help improve overall service reliability; and

**WHEREAS**, LSF committed to investing \$8,500 for the installation of optional equipment on this vehicle including, but not limited to, GPS trackers, modems, automatic passenger counters, monitors, video system, and automated voice information systems; and

**WHEREAS**, the remaining cost of optional equipment (approximately \$3,500) as well as the reoccurring monthly cost of operation/maintenance of optional equipment of approximately \$300/month (\$3,600 annually) would be paid by the City; and

**WHEREAS**, there have been numerous occasions over the past several months when no low-floor spare vehicle was available to replace a broken-down trolley primarily due to the unavailability of parts for the low-floor vehicles; and

**WHEREAS**, given the impact that this issue has had on the reliability of the South Beach Trolley service, LSF has recommended that the City allow for the operation of high-floor vehicles along the South Beach Loops, or conversely, allow for the use of low-floor vehicles on loops other than the South Beach Loops, solely if necessary to maintain service coverage; and

**WHEREAS**, LSF claims that it is entitled to retroactive reimbursement for the absorbed increase in fuel cost from October 1, 2015 pursuant to Section 5 of the Agreement, which claim the City disputes; and

**WHEREAS**, the City claims that it is owed OTP penalties under the Agreement, from October 1, 2018 forward, pursuant to the current on-time performance goal of 95%, which LSF disputes; and

**WHEREAS**, LSF and the City have resolved the foregoing claims by modifying the Agreement, as more particularly set forth in Amendment No. 7, and particularly through the reduction of the on-time performance goal from 95% to 85% for all trolley routes; clarifying the methodology for determining fuel charge adjustments, which included updating the Oil Price Information Service (OPIS) average daily rack price to the October 1, 2017 price (instead of the October 1, 2015 price), corresponding to the most recent amendment to the Agreement, that

established the current hourly rates; the establishment of a methodology for calculating on-time performance of the City's trolley service; and the release by each party of the other party with respect to their respective claims; and

**WHEREAS**, the Administration recommends approving, in substantial form, the draft Amendment No. 7 to the Agreement, attached to the City Commission Memorandum accompanying this Resolution.

**NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA**, that the Mayor and City Commission hereby approve, in substantial form, Amendment No. 7 to the Agreement dated May 8, 2014, between the City and Limousines of South Florida (LSF), Inc., for turn-key operations and maintenance services of a municipal trolley system for the City of Miami Beach; said amendment, in material part, including the following modifications: (1) adding one (1) used high-floor trolley vehicle to the city's trolley fleet to be used as a spare only, including the installation of optional equipment, in the approximate lump sum cost to the city of \$3,500, with operating/maintenance costs, in the approximate annual amount of \$3,600, which costs will remain within the current not to exceed contract amount of \$12,000,000; (2) permitting the operation of all trolley vehicle types (high-floor, modified high-floor or low-floor) along any of the City's trolley routes, as needed, to ensure proper service coverage; and (3) modifying other miscellaneous provisions of the Agreement to address the current operating conditions of the trolley services, which include (i) updating the trolley routes, (ii) reducing the on-time performance goal from 95% to 85% for all trolley routes, (iii) clarifying the methodology for determining fuel charge adjustments and for calculating on-time performance, and (iv) including a release of any alleged claims (against the City) by LSF for fuel charge reimbursements and a release for any alleged claims (against LSF) by the City for on-time performance penalties, both through the effective date of the amendment; and further authorize the City Manager and City Clerk to execute the final negotiated amendment.

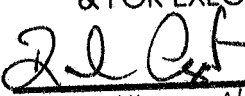
**PASSED AND ADOPTED this 14<sup>th</sup> day of November, 2018.**

\_\_\_\_\_  
Dan Gelber, Mayor

**ATTEST:**

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Rafael E. Granado, City Clerk

APPROVED AS TO  
FORM & LANGUAGE  
& FOR EXECUTION

  
\_\_\_\_\_  
City Attorney

12-4-18  
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Date