

## FY 2012 MichiVan RFP Q&A

Question #1: Based on the contract volume (fleet size) vendors may be able to leverage higher rebates with the vehicle manufacturers and aftermarket companies. In order to secure the best possible pricing structure, we would request a two business week extension for a submission deadline on June 29<sup>th</sup>. This additional time would also allow for more opportunity to review the necessary contract requirements thus providing the best price strategy.

Answer #1: This request is granted. The submission deadline is now extended to June 29, 2012.

Question #2: Multiple times within the RFP, MDOT references eligible costs for reimbursement and costs covered by the user fees. Additionally, Section III requests a project budget including a vehicle capital budget. For the purpose of lower overall costs (with no negative impact to the vanpoolers) and simplicity of the RFP response, if we submit a firm fixed cost (all-inclusive monthly rate per van) based on revenue units will the bid be accepted? It is understood that the requested true costs will be required for proper NTD reporting.

Answer #2: You will need to include in your proposal the Project Budget Summary table as provided under Section III. MDOT will have a contract with the selected contractor and the table will be used as part of the contract. MDOT will reimburse the actual cost submitted under the line items provided in the table up to the bid amount. User Fee Budget is considered revenue and will not be part of MDOT's payment.

Question #3: When considering a best price proposal, what calculation methods will MDOT use to consider the cost per vehicle or fully loaded rate? For example, will MDOT consider the total cost considerations of Section III plus the cost per van, divided by the total fleet size to derive the cost per van for award determination?

Answer #3: MDOT will take into consideration the entire budget as shown under Section III.

Question #4: On Page 8, it states the vanpool users should pay directly the costs of fuel and washing vans. Does this mean you do not want the cost of fuel and washing in the fully loaded rate? Please clarify this statement. Should these (and other variable costs) not be included in the proposed rate structure? Should tax be included in the proposed rates?

Answer #4: Costs for fuel and washing vans are paid by vanpoolers and should not be part of the proposed budget. MDOT will pay for the capital costs of the vehicles using this formula: purchase price/5 (years of useful life). The purchase price is referred to the invoice price of a van which could include delivery fees and sale tax.

Question #5: On page 8, it states that the selected contractor will be required to seek pre-approval from the project coordinator for any marketing expense that exceeds \$5,000. Would this apply if such costs are not to be reimbursed by MDOT? How much was spent per year over the last three years for advertisement purposes? Do you see these figures expanding in 2013?

Answer #5: The pre-approval requirement applies only to the marketing costs paid by MDOT. The marketing costs included in the contract have been approximately \$100,000 for each of the last three years. We expect that the costs will stay at approximately the same level, depending on the bid(s) received.

Question #6: Please describe how the current GRH program works.

Answer #6: The current MichiVan contractor provides Guaranteed Ride Home (GRH) program to MichiVan riders if one is not available through a local rideshare office. The GRH program is intended for rider or rider family member illness or injury, rider personal crisis at home, death in the family, or unscheduled overtime required by the employer. Personal errands, personal pre-scheduled appointments (i.e., doctor appointments), natural disasters for which the workforce is dismissed early, weather emergencies and any other unexpected acts of nature, pre-arranged overtime, and business-related travel will not be eligible. The GRH will be limited to six times a year, with no more than two times per quarter. The maximum amount allowed per ride is One Hundred Dollars (\$100.00), excluding tips. If a taxi or rental car service provider (as determined by the contractor) is not available, mileage reimbursement will be made available in accordance with the Standardized Mileage Rate set forth in the current State of Michigan Standardized Travel Regulations.

Question #7: Page 9, requires an independent 3<sup>rd</sup> party operator to audit NTD reporting prior to submission. Will this be a mutually agreed upon auditor or the sole discretion of the selected vendor? Who will bear the financial costs of this person?

Answer #7: The selection of the NTD auditor is the sole discretion of the selected vendor. MDOT will pay for the costs incurred for the NTD audit.

Question #8: The RFP states that data must be audited prior to submission to NTD. Against what criteria should the audit be conducted?

Answer #8: The NTD audit should be conducted in conformity with the standards and requirements of the Federal Transit Administration's (FTA's) Uniform System of Accounts and Records and Reporting System.

Question #9: The RFP states that MDOT will allow the selected contractor to submit NTD data directly to NTD. Does this mean that the contractor will become a NTD reporter with FTA approval or that MDOT is allowing access to MDOT's NTD user ID and password for entry of data on its behalf?

Answer #9: This may be done either way.

Question #10: On page 14, the RFP requests itemization of insurance and limits of liability. In an effort to provide the best response, please provide specific insurances and liability limits.

Answer #10: The selected contractor will require the following minimum insurance coverage and limits of liability for each vanpool as below:

- a. Michigan Property Protection Coverage as required by law.
- b. Bodily Injury Liability Coverage subject to a limit of liability of not less than One Million Dollars (\$1,000,000.00) for each occurrence.
- c. Property Damage Liability Coverage subject to a limit of liability of not less than One Hundred Thousand Dollars (\$100,000.00) for each occurrence.
- d. Collision coverage for the actual cash value of the equipment and subject to a deductible payable by the selected contractor.
- e. Comprehensive coverage for the actual cash value of the equipment and subject to a deductible payable by the selected contractor.

The selected contractor will provide automobile liability insurance, state-authorized self insurance, excess liability insurance, or a combination thereof up to a combined single limit of liability of not less than One Million Dollars (\$1,000,000.00) for each occurrence for the vanpools.

The coverage set forth in subsections (c) and (d) above will also provide for automatic compliance with any state's or Canadian province's motor vehicle responsibility law or motor vehicle compulsory insurance law or any similar law as it applies to a non-resident operating a motor vehicle in such state or province. The insurance will be with an insurer authorized to transact insurance in the state. The insurance coverage set forth in subsections (a), (b), (c), (d), and (e) above will also insure the authorized operator of the van.

Question #11: On page 14, bidders are required to file a notarized affidavit regarding free competitive bidding. Will a statement included in the signed RFP response satisfy this requirement?

Answer #11: A notarized affidavit is required. For your convenience, attached is a copy of an affidavit statement.

Question #12: How is the current Michivan program funded? What was the total expenditure last FY broken down by MDOT reimbursements and vanpool user fares? Any other relevant information regarding the current cost structure of the program provides the best opportunity to potential bidders. For CY 2012, what was the total subsidized amount, per van, per month? What was the total subsidized amount divided by the total operational monthly fleet size?

Answer #12: The MichiVan Program is currently funded by both the federal Congestion Mitigation and Air Quality Improvement Program funds and the state Restricted Comprehensive Transportation Funds. Attached is a copy of the budget sheet for the current contract. All costs in the budget sheet are subsidized. You may calculate the monthly cost per van using this formula: total contract amount/406/12. A copy of the FY 2011 expenditures broken by line items is also attached. We do not collect vanpool user fares and do not reimburse operating costs so we cannot provide this information.

Question #13: Does MDOT allow cross-promotional material which included both MDOT and the awarded vendors name to appear on the vehicles and advertisement materials?

Answer #13: Yes.

Question #14: Based on the current pricing posted on the Michivan website (attached below), please clarify that potential bidders should use the table on page 6 of the RFP to calculate the current total cost of each active vanpool. For example, a seven passenger van driving up to 30 miles per day with five passengers has a total billable cost of \$480 while a seven passenger van with seven riders has a total billable cost of \$672.

**2012 Pricing Schedule  
MichiVan Seat and Employer Pricing**

Monthly Price Per Person				
One Way Miles	7 Passenger	10 Passenger	12 Passenger	15 Passenger
0 - 30	\$96	\$92	\$85	\$72
31 - 60	\$145	\$112	\$103	\$92
61 - 90	\$252	\$170	\$162	\$135

  

Monthly Price Per Van (Employer Sponsored Van)				
One Way Miles	7 Passenger	10 Passenger	12 Passenger	15 Passenger
0 - 30	\$630	\$645	\$730	\$775
31 - 60	\$630	\$820	\$920	\$1,030
61 - 90	\$1,335	\$1,320	\$1,435	\$1,625

Note: Prices may change without notice.  
Price does not include fuel, parking or taxes.

Answer #14: The table under Section I, Page 6, lists the numbers of current vanpools, mileage categories, and types of vans. The bidders should use the information in this table for the calculation of user fees budget (you will not necessarily use the current MichiVan pricing as your proposed user fees), capital budget for vans, and marketing program budget, as identified in the Project Budget Proposal table under Section III on Page 15.

Question #15: How are the current full size vans (non-minivans) configured inside? Are they OEM bench seats or converted with individual captains chairs? Also, please provide any other minimum vehicle requirements.

Answer #15: Whenever possible, you should consider configuring with the individual captains chairs.

Question #16: To avoid potential errors, we would request MODT provide soft copy (excel) of the forms provided on Section 3, on page 15 & 18 and all appendixes in Section 4.

Answer # 16: We do not have the forms available in Microsoft Excel.

Question #17: In Section B of Appendix C, who does MDOT require to complete the vehicle inspection?

Answer #17: The driver should complete the vehicle inspection.

Question #18: Within the current fleet (listed as 406 on the RFP), how many vans are provided as loaners (not on rent) and what is the current cost to MDOT (if any)?

Answer #18: There are either leased vans or purchased vans. The capital cost for the entire fleet in the current contract is \$2,254,134. The capital costs of both types of vans are reimbursed using this formula: purchase price/5 (years of useful life).

Question #19: For review prior to submission deadline, please provide a copy of the proposed contract to be executed upon award.

Answer #19: This will be provided on June 15, 2012.

Question #20: Who currently owns the fleet, MDOT or the current provider?

Answer #20: the current provider owns and/or leases the fleet.

Question #21: What was the total collected fare revenue (including individual passengers and employers vans) for FY 11?

Answer #21: We do not track this information.

Question #22: What was the average number of riders (participants) per month in FY11?

Answer #22: By the end of FY 2011 (September 30, 2011), the total ridership is 2,832 including the drivers. You may use this formula to calculate the monthly ridership: 2,832/12. The ridership may be varied from month to month.

Question #23: What was the average number of vans on rent (not loaners) per month in FY11?

Answer #23: The total number of vans by the end of FY 2011 is 369; they are either leased or purchased vans.

Question #24: Please clarify why the number of expansion vanpools is limited to 10?

Answer #24: The number of expansion vans is estimated to be 10 based on the anticipated funding level. Any additional expansion vans will need to be covered entirely by user fees.

Question #25: For the marketing budget costs if we use a subcontractor should we present the same level of detail described on page 16 for breakdown of their labor charges and if not please clarify how these costs should be presented?

Answer #25: You will submit the same budget summary table as described on Page 16 if a subcontractor is used.

Question #26: Can currently valued liability and no-fault loss experience for the previous 5 years be provided? Please include the number of vehicles this loss experience applies to.

Answer #26: No. We do not collect this information.

Question #27: Section iii – Forms and Instructions

Capital Budget, Item D Reads: Used straight line depreciation:  $\text{purchase price}/5 \text{ (years of useful life)} = \text{annual depreciation}$ .

For clarification, the Federal Transit Administration's (FTA) Service Life Policy as stated in FTA C9030.1D, for vans is a minimum of 4 years or 100,000 miles. MDOT's stated useful life maximum of 5 years or 125,000 miles meets FTA's policy. Will the responder be required to operate vehicles in a way that meets the FTA Service Life Policy of a minimum of 4 years or 100,000 miles, but does not have vehicles in service that exceed a service life of 5 years or 125,000 miles?

Answer #27: The MichiVan contract is not currently funded via FTA funds and the vehicle useful life schedule specified in FTA's Service Life Policy thus has not been used. MDOT's recommended useful life schedule, which is maximum of 5 years or 125,000 miles, has incorporated the requirements of both the state and federal.

Question #28: Section I – Page 9 - Guaranteed Ride Home Program Reads: The selected contractor must provide a GRH program to provide for the reimbursement of user’s emergency transportation costs. Please summarize what Local Rideshare Office will offer GRH Programs during FY2013 and any usage limitations they may require? How much did MDOT expend in GRH trip reimbursements in the last 12 months. Furthermore, if LRO GRH usage caps are met is the MichiVan Program expected to provide additional service over and above said caps?

Answer #28: From the information we received at this time, six of the eight Local Rideshare Offices (LROs) provide GRH Program. To be eligible for the GRH Program, the riders will need to be registered with the rideshare programs offered by the LROs, enrolled in the GRH Program, participate in a carpool or vanpool or other transportation alternatives. Most of these LROs limit their reimbursement for trips up to 100 miles one way, up to six times per year but no more than twice in one month. GRH participants of Capital Area Transportation Authority’s Clean Commute Options Office are sent two vouchers, valid for the following six months, to use on a vehicle in an emergency. Every six months, when vouchers are set to expire, participants receive two new vouchers in the mail as long as they participate in commuting alternatives. The Rapid limits their GRH reimbursement up to \$55 per use and up to four times a year.

For more information, see the LROs’ website at <http://mdotwas1.mdot.state.mi.us/public/rideshare/map.cfm?id=>, and click on the link for each LRO.

Question #29: Section I – Page 9 – Reporting (Operating/Marketing) Reads: The selected contractor will provide an operating/marketing report to MDOT within 40 days of the end of the quarterly operating period that will include, but is not limited to, detailed budget information; changes in the vehicle fleet mix over the previous reporting period; a listing of existing vanpools with vacancies; summary of communication with LROs; customer retention activities; efforts to address low capacity issues; and summary of marketing efforts.

MDOT currently requires the above referenced report items on a monthly reporting frequency in order to make monthly progress payments. Is MDOT moving back to a quarterly reporting cycle where quarterly payments are processed with a Q1 advance and Q4 reconciliation? If not, will the current policy of withholding payment for 30 days following receipt of a properly prepared invoice continue? Can you provide specific information on the data required to be reported in the detailed budget including what expenditures will require supporting documentation (i.e. receipts) to verify said expenditures? Please provide a summary of the frequency and type of documentation required to verify the capital cost of each vehicle purchased or leased.

Answer #29: It is MDOT’s preference to receive the operating/marketing report and payment submittal quarterly. However, the submittal frequency can be changed to monthly if needed. All contract payments will continue to be delayed for 45 days from

the date MDOT receives your invoice, in accordance with the Governor's Executive Directive No. 2007-11. All expenditures will require supporting documentation such as vendor's invoices, receipts, and proof of payment, as applicable. Under the current contract, the contractor is required to submit to MDOT each quarter, a copy of inspection form, invoice or lease documents that count 20 percent of new vehicles (including both replacement and expansion vehicles).

MDOT reserves the right to also perform a compliance review regarding safety, maintenance, and vanpool driver policies, as well as the price and condition of the fleet.

Question #30: How will MDOT perform a reasonable test if there are multiple respondents who submit different staffing plans, delivering differing levels of marketing, customer service support and overall value to MichiVan customers yet who meet the minimum score of 70 to advance to a low bid determination? Is MDOT willing to eliminate the low bid determination factor and select the responder that best meets the scope of service requirements and is in the best interest of MDOT?

If not, is MDOT willing to consider combining point totals (technical + cost proposal), or increasing the minimum point total on the technical proposal, or weighting points from all sections to produce a final score?

Answer #30: As stated under Section I, Selection Criteria of the RFP, "Only proposals that receive 70 points will be considered qualified. Among qualified bidders, bid price will be the determining factor. Lowest bid, with a complete project budget and required documentation will determine selection." We cannot change the selection criteria and methods at this time as after the RFP was released.

Question #31: Section I – General Information, National Transit Database Reporting. Please confirm the respondent selected for award will be responsible for the expense associated for procuring the NTD audits, specifically, the Independent Auditor Statement, Federal Funding Allocation (annually), and the one-time Financial Data audit. If so, should the expense be included in the rates charged to vanpools/riders or would MDOT reimburse for this expense? Quotes for audits have been as high as \$14,000, depending upon audit company selected.

Answer #31: MDOT plans on paying for the NTD auditing costs. You should include the estimated costs in your budget proposal.

Question #32: When will MDOT make an announcement of contract award?

Answer #32: August 1, 2012.

NON-COLLUSION STATEMENT

“The undersigned affirms that they are duly authorized to execute this contract, that this company, corporation, firm, partnership or individual has not prepared this bid in collusion with any other bidder, and that the contents of this bid as to prices, terms or conditions of said bid have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this bid.”

**Vendor** \_\_\_\_\_

**Address** \_\_\_\_\_

**Phone** \_\_\_\_\_

**Fax number** \_\_\_\_\_

**Bidder (Signature)** \_\_\_\_\_

**Bidder (Print Name)** \_\_\_\_\_

**Position with Company** \_\_\_\_\_

**Signature of  
Company Official  
Authorizing This Bid** \_\_\_\_\_

**Company Official  
(Printed Name)** \_\_\_\_\_

**Official Position** \_\_\_\_\_

Date: July 29, 2011  
 Contract: 2012-0185  
 Project Nos.: See Below

**ATTACHMENT A**  
**October 1, 2011 - September 30, 2012**

	<u>FY 2012</u>
Marketing program budget: (876)	
Salary and wages	\$ 127,200
Direct labor overhead	34,500
Other expenses:	
Office rent	11,384
General marketing (mass media advertising, promotions/events, new business development and rider retention/recruitment, gasoline or mileage)	100,000
Office equipment/computer hardware/software	4,307
Telephones (office, fax, toll free and cellular)	4,300
Travel (statewide travel, gasoline or mileage, out-of-state travel if approved by the Department)	7,500
Guaranteed Ride Home	38,000
Audit costs (886)	7,350
Capital assistance (888)	<u>2,254,134</u>
Total	\$2,588,675

FY 2012

Project No. 114513 - S.E. Michigan, 100% CMAQ	\$2,018,181
Project No. 114514 - Ingham County, 100% CMAQ	\$ 209,972
Project No. 114515 - Genesee County, 100% CMAQ	\$ 22,553
Project No. 114234 - Acct. 11/76780 - 100% Comprehensive Transportation Funds	\$ 142,969
Project No. 114234 - Acct. 12/76780 - 100% Comprehensive Transportation Funds	\$ 195,000

PRF No.: 2011-701

**FY 2011 MichiVan Expenditures/Payment**

	<b>2011 Budget</b>	<b>October 2010 Expenses</b>	<b>November 2010 Expenses</b>	<b>December 2010 Expenses</b>	<b>January 2011 Expenses</b>	<b>February 2011 Expenses</b>	<b>March 2011 Expenses</b>	<b>April 2011 Expenses</b>	<b>May 2011 Expenses</b>	<b>June 2011 Expenses</b>	<b>July 2011 Expenses</b>	<b>August 2011 Expenses</b>	<b>September 2011 Expenses</b>	<b>Total Expenses</b>
Salary and Wages	121,400	\$10,115.00	\$7,816.50	\$8,707.75	\$7,861.75	\$13,610.00	\$2,638.50	\$5,967.40	\$7,501.40	\$9,781.95	\$9,173.75	\$10,339.92	\$10,766.46	\$104,280.38
Direct Labor Overhead	34,500	\$2,567.87	\$2,963.59	\$2,360.17	\$2,979.73	\$2,731.82	\$2,301.21	\$1,498.71	\$2,113.63	\$2,135.22	\$2,329.72	\$2,027.32	\$2,810.17	\$28,819.16
Office Rent	21,997	\$2,309.02	\$1,788.88	\$1,788.88	\$1,788.88	\$1,788.88	\$1,788.88	\$1,788.88	\$1,788.88	\$1,788.88	\$1,798.88	\$1,788.88	\$1,788.88	\$21,996.70
General Marketing	100,000	\$386.20	\$431.11	\$469.56	\$1,171.07	\$569.58	\$4,386.59	\$5,113.72	\$4,343.61	\$2,546.19	\$2,242.33	\$5,298.12	\$5,093.54	\$32,051.62
Office Equipment/Computer Hardware/Software	7,890	\$170.37	\$719.05	\$439.02	\$257.65	\$734.79	\$550.24	\$341.05	\$347.06	\$223.04	\$369.25	\$224.63	\$287.53	\$4,663.68
Telephone	10,380	\$715.00	\$776.66	\$766.24	\$796.24	\$764.85	\$985.28	\$807.90	\$793.79	\$885.91	\$0.00	\$724.79	\$2,362.40	\$10,379.06
Guranteed Ride Home	50,000			\$3,403.01			\$14,248.75	\$0.00	\$0.00	\$2,183.00	\$0.00	\$3,154.83	\$11,942.75	\$34,932.34
Travel	7,500		\$45.05	\$87.46	\$69.94	\$100.02	\$156.43	\$253.09	\$489.96	\$357.41	\$83.01	\$261.32	\$1,979.04	\$3,882.73
Audit Costs	7,500						\$4,900.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,900.00
Capital Assistance	1,872,922	\$154,794.67	\$155,112.82	\$143,234.27	\$147,504.83	\$146,588.17	\$140,002.70	\$138,983.30	\$145,757.34	\$146,902.92	\$149,850.59	\$150,568.49	\$147,406.61	\$1,766,706.71
<b>Total</b>	<b>\$2,234,089</b>	<b>\$171,058.13</b>	<b>\$169,653.66</b>	<b>\$161,256.36</b>	<b>\$162,430.09</b>	<b>\$166,888.11</b>	<b>\$171,958.58</b>	<b>\$154,754.05</b>	<b>\$163,135.67</b>	<b>\$166,804.52</b>	<b>\$165,847.53</b>	<b>\$174,388.30</b>	<b>\$184,437.38</b>	<b>\$2,012,612.38</b>