

CONTRACT, LEASE, AGREEMENT CONTROL FORM

Date: 11/08/2023

Contract/Lease Control #: C19-2761-TS

Procurement#: ITN TS 77-18

Contract/Lease Type: CONTRACT - AGREEMENT

Award To/Lessee: MV TRANSORTATION, INC.

Owner/Lessor: OKALOOSA COUNTY

Effective Date: 01/01/2019

Expiration Date: 12/31/2024 W/ (1) 1 YR RENEWAL

Description of: PUBLIC TRANSPORTATION SERVICES

Department: TS

Department Monitor: TYRONE PARKER

Monitor's Telephone #: 850-833-9168

Monitor's FAX # or E-mail: tparker@myokaloosa.com

Closed: _____

CC: BCC RECORDS

**PROCUREMENT / CONTRACT / LEASE
INTERNAL COORDINATION SHEET**

Procurement/Contract/Lease Number: C19-2761-TS Tracking Number: 4999-24
Procurement/Contractor/Lessee Name: MV TRANSPORTATION Grant Funded: YES ___ NO X
Purpose: 4th Amendment
Date/Term: 12/31/2024 1. GREATER THAN \$100,000
Department #: Varies 2. GREATER THAN \$50,000
Account #: Varies 3. \$50,000 OR LESS
Amount: _____
Department: Transit Dept. Monitor Name: Parker

Purchasing Review

Procurement or Contract/Lease requirements are met:
Amber Hammonds Date: 10/30/2023
Amber Hammonds

2CFR Compliance Review (if required)

Approved as written: _____ Grant Name: _____
Required: Yes ___ No ___
N/A Date: _____
Grants Coordinator – Suzanne Ulloa

Risk Management Review

Approved as written: _____ Date: 10/30/23
See Attached Email
Risk Manager or designee – (Circle One: Karen Donaldson / Jacqueline Mtichuk / Odessa Cooper-Pool)

County Attorney Review

Approved as written: _____ Date: 10/30/23
See Attached Email
County Attorney - (Circle One: Lynn Hoshihara, Kerry Parsons or Designee)

Department Funding Review

Approved as written: _____ Date: _____
N/A

Approved as written: _____ Date: _____

C19-2761-TS
MV TRANSPORTATION
Public Transportation Services
Expires: 12/31/2024 W / (1) 1 YR RENEWAL

Amber Hammonds

From: Karen Thomas
Sent: Monday, October 30, 2023 10:22 AM
To: Amber Hammonds; Odessa Cooper-Pool; Jacqueline Matichuk
Subject: RE: Okaloosa/MV amendment C19-2761-TS

Amber

This was reviewed and approved by risk management last week. I think Kelly Bird sent it out. Sorry if you were not included in the email.

Thank you

Karen Thomas

Karen Thomas
Risk Manager
Okaloosa County Risk Management
302 N Wilson Street, Suite 301
Crestview, Fl. 32536
850.689.5978 / 850.758-2790 Cell
KThomas@myokaloosa.com



Please note: Due to Florida's very broad public records laws, most written communications to or from county employees regarding county business are public records, available to the public and media upon request. Therefore, this written e-mail communication, including your e-mail address, may be subject to public disclosure.

Have a safe and Blessed Day!

From: Amber Hammonds <ahammonds@myokaloosa.com>
Sent: Monday, October 30, 2023 10:15 AM
To: Odessa Cooper-Pool <ocooperpool@myokaloosa.com>; Jacqueline Matichuk <jmatichuk@myokaloosa.com>; Karen Thomas <kthomas@myokaloosa.com>
Subject: FW: Okaloosa/MV amendment C19-2761-TS

Good morning ladies,

Please review and approve the attached Amendment for the above referenced contract.

Thank you,
Amber Hammonds
Contracts & Lease Coordinator
Okaloosa County Purchasing Department

5479A Old Bethel Road
Crestview, FL 32536
Phone: 850.689.5960 ext. 6962 Fax: 850.689.5970
Email: ahammonds@myokaloosa.com



SAVE THE DATE!! Registration is now OPEN!!
Pars for Procurement Golf Classic
CGCC Annual Pars for Procurement Golf Classic
November 17, 2023
Blackwater Golf Club
4927 Antioch Road
Crestview, FL 32536



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From: Hoshihara, Lynn <lhoshihara@ngn-tally.com>
Sent: Monday, October 30, 2023 10:05 AM
To: DeRita Mason <dmason@myokaloosa.com>; Amber Hammonds <ahammonds@myokaloosa.com>
Cc: Craig Coffey <ccoffey@myokaloosa.com>; Tyrone Parker <tparker@myokaloosa.com>
Subject: FW: Okaloosa/MV amendment

DeRita and Amber,

Attached is the proposed amendment to the MV contract. I have not had a chance to review it yet, but will do so today. The plan is to place this on the November 7th BCC agenda for the Board's consideration. Please coordinate review of this amendment with Risk and I'll send you any changes I have.

Thanks,
Lynn

Lynn M. Hoshihara

**Nabors
Giblin &
Nickerson**
ATTORNEYS AT LAW

1500 Mahan Drive, Suite 200
Tallahassee, Florida 32308
(850) 224-4070 Tel.
(850) 224-4073 Fax
Lhoshihara@ngnlaw.com

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From: Craig Coffey <ccoffey@myokaloosa.com>
Sent: Friday, October 27, 2023 8:41 AM
To: Tyrone Parker <tparker@myokaloosa.com>; Sheila Fitzgerald <sfitzgerald@myokaloosa.com>

Cc: lhoshihara@myokaloosa.com; Hoshihara, Lynn <lhoshihara@ngn-tally.com>

Subject: FW: Okaloosa/MV amendment

We would usually draft this. Do you have it in minute track already? I am copying legal, Let's get it reviewed and get the agenda item if it is good. If we need to talk about any of the points please let me know. Should we ask him to revoke his previous notice or just let it slide?

From: Randy Frantz <randy.frantz@mvtransit.com>

Sent: Friday, October 27, 2023 6:21 AM

To: Craig Coffey <ccoffey@myokaloosa.com>

Cc: Tyrone Parker <tparker@myokaloosa.com>; Sheila Fitzgerald <sfitzgerald@myokaloosa.com>; Christine DiPietro <christine.dipietro@mvtransit.com>; Belinda Howard <belinda.howard@mvtransit.com>

Subject: Okaloosa/MV amendment

Craig,

Good morning!

As discussed on Monday, please find attached amendment.

We, MV, are willing to enter into a one-year mutual agreement effective 1/1/24-12/31/24 with an understanding that if both parties cannot agree on a new rate(s) by 12/31/23, we, MV, will provide 60 days' notice on 1/1/24, at which time we will communicate our WARN notice to employees, with our last day of service being 3/1/24.

Pls sign and return, we will do the same.

Thans,

Randy

Randy Frantz

SVP Operations - South

MV Transportation

Cell: 502.494.4191

Randy.Frantz@mvtransit.com



**We Deliver the Best Customer Experience with
Industry-leading Safety, Reliability and Innovation**

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**FOURTH AMENDMENT TO THE AGR.
OKALOOSA COUNTY AND MV TRANSPORTATION, INC.
FOR PUBLIC TRANSPORTATION SERVICES
CONTRACT NO. C19-2761-TS**

This Fourth Amendment (this “Amendment”) to Agreement between Okaloosa County, a political subdivision of the State of Florida (“County”), and MV Transportation, Inc., a Foreign Profit Corporation (“Contractor”) is made and entered into as of November 7th, 2023 (the “Effective Date”). County and Contractor may hereinafter be referred to collectively as the “Parties” and individually as a “Party.”

RECITALS:

WHEREAS, the Parties have entered into that certain Agreement, dated December 18, 2018, Contract No. C19-2761-TS (as amended, the “Agreement”); and

WHEREAS, the Parties desire to amend the Agreement upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants, representations, and warranties contained in this Amendment, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties, intending to be legally bound, agree as follows:

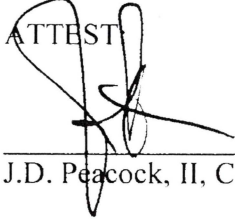
1. Term. County and Contractor hereby agree to extend the term of the Agreement for an additional period of one year, commencing on January 1, 2024, and expiring on December 31, 2024 (the “First Extension Period”).
2. Compensation. The Parties agree to negotiate in good faith to establish the compensation to be paid to Contractor during the First Extension Period no later than December 31, 2023. If the Parties are unable to agree on the compensation to be paid to Contractor during the First Extension Period by December 31, 2023, then Contractor shall have the right and option to terminate the Agreement upon 60 days’ prior written notice to County.
3. Effect on Agreement. Except as specifically amended hereby, the terms and provisions of the Agreement, and any amendments thereto, are in all other respects ratified and confirmed and remain in full force and effect without modification or limitation.
4. Governing Law. This Amendment shall be governed by and construed under the laws of the State of Florida, without regard to principles of conflicts of law.
5. Counterparts. This Amendment may be executed simultaneously in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Faxed and e-mailed copies of manually executed signature pages to this Amendment will be fully binding and enforceable without the need for delivery of the original.

[signature page follows]

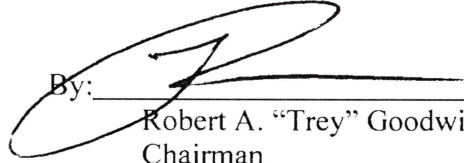
IN WITNESS WHEREOF, the Parties have executed this Amendment to be effective as of the Effective Date.

COUNTY:

Okaloosa County

ATTEST


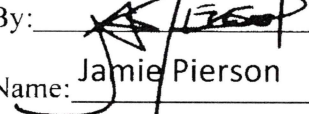
J.D. Peacock, II, Clerk of Courts

By:  _____
Robert A. "Trey" Goodwin III
Chairman



CONTRACTOR:

MV Transportation, Inc.

By:  _____
Name: Jamie Pierson
Title: CFO _____

C19-2761-TS

MV TRANSPORTATION

Public Transportation Services

Expires: 12/31/2024 W / (1) 1 YR RENEWAL



Okaloosa 586

Belinda Howard, GM

October 2023



Economic Wage Pressures

- Okaloosa County, FL Unemployment Rate is at 2.70%, lower than the long-term average of 4.57%.
- Unprecedented times for all employers, including MV
 - Low unemployment post pandemic and millions of open jobs
 - Upward wage pressure as well as all other expenses due to high inflation
 - 299 driver positions currently posted on Indeed
- Current starting salaries significantly under market value
 - Analysis of local job market listings based on competitor hiring
 - Economic Research Institute (ERI) databases
 - CompAnalysis, conducted by salary.com

Title	P25 A	P50 A	P75 A	P25 H	P50 H	P75 H	MV Okaloosa Current
Dispatcher	33,280	36,400	39,520	16.00	17.50	19.00	\$15.86
Reservationist	32,240	35,360	38,480	15.50	17.00	18.50	\$15.48
Road Supvr	35,360	38,480	41,600	17.00	18.50	20.00	\$16.47
Utility Worker	29,120	31,200	33,280	14.00	15.00	16.00	\$12.60
Driver	31,200	34,320	37,440	15.00	16.50	18.00	\$14.29

new

Non CDL Delivery Driver Assistant
 Haverty Furniture Companies, Inc 3.4
 Shalimar, FL
\$18.50 an hour Full-time 10 hour shift

Delivery Associate
 Iron Fleet DSP, LLC
 Milton, FL 32583
\$18 - \$20 an hour Full-time +1 Day shift +6

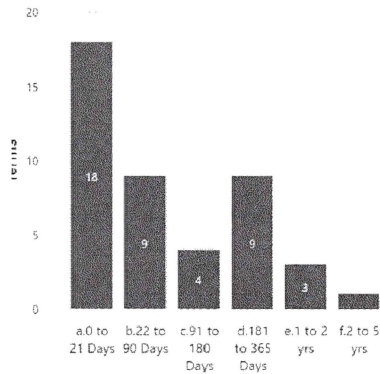
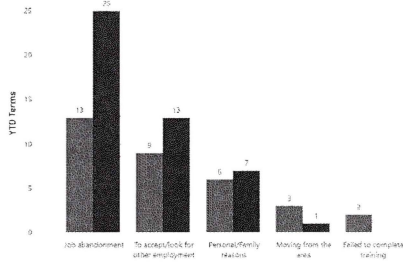
CDL Driver
 Construction Materials of Northwest Florida
 Fort Walton Beach, FL
From \$18 an hour Full-time Home daily +1

Local Late Night Drivers Needed
 Integrity Laundry Services
 Fort Walton Beach, FL 32548
\$18 - \$20 an hour Full-time 8 hour shift



Recruiting & Turnover

TERM REASONS
Year ● 2022 ● 2023

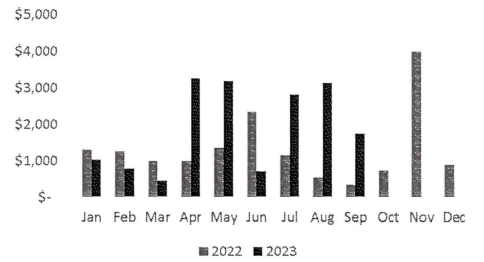


Job abandonment and other employment largest reasons for exits

Losing majority of employees between 0-90 days

..... both attributable to lower wage scale

Recruiting Ad Spending



Recruiting ads: \$17K spent Jan-Sep 2023, exceeding the \$16K Jan-Dec 2022

Indeed, Facebook, LinkedIn, FatJ, Careerbuilder, local advertising



Pro Forma P&L's 2022 and 2023 YTD

Company Name : MV Transportation		
Okaloosa County		
Annual Financial Statement (Pro Forma P&L)		
Cost Line Item	Jan 1 - Dec 31, 2022	
1 Driver Wages	\$	1,087,156.00
2 Driver Benefits	\$	86,894.00
3 Driver Training & Recruiting Costs	\$	17,401.00
4 Driver Onboarding Costs (Background Checks, Physcials, MVR's , Uniforms)	\$	39,534.00
5 Maintenance Wages	\$	46,425.00
6 Maintenance Benefits	\$	6,830.00
7 Vehical Maintenance (parts, Towing, Bus Wash, Outside Services)	\$	8,307.00
8 Farebox	\$	896.00
9 Liquidated Damages	\$	27,420.00
10 Supervisor/Administrative Wages	\$	450,651.00
11 Supervisor/Administrative Benefits	\$	60,913.00
12 Building Costs - Rent & Utilities	\$	-
13 Building Costs - Maintenance	\$	63.00
14 Auto Liability Insurance	\$	253,761.00
15 Work Comp Insurance	\$	92,966.00
16 Software/Computer Cost (Syncroamtics)	\$	34,459.00
17 Communication Cost (radio, Drive Cam, Telephone & Internet)	\$	28,509.00
18 General Office Supplies Travel Costs	\$	5,658.00
19 Travel Costs	\$	2,058.00
20 Legal Costs	\$	9,675.00
21 Capital Depreciation (Vehicle)	\$	-
22 Capital Depreciation (Non-Vehicle)	\$	27,598.00
23 Start Up Costs	\$	-
24 Interest Expense	\$	11,333.00
25 Corporate Overhead (G&A)	\$	274,514.00
26 Profit	\$	(71,974.00)
Total Annual Fixed & Variable Costs	\$	2,573,021.00

(2.7%) profit

Company Name : MV Transportation		
Okaloosa County		
Annual Financial Statement (Pro Forma P&L)		
Cost Line Item	YTD Jan 1- Sept 30, 2023	
1 Driver Wages	\$	939,269.00
2 Driver Benefits	\$	64,827.00
3 Driver Training & Recruiting Costs	\$	18,155.00
4 Driver Onboarding Costs (Background Checks, Physcials, MVR's , Uniforms)	\$	42,161.00
5 Maintenance Wages	\$	38,000.00
6 Maintenance Benefits	\$	5,647.00
7 Vehical Maintenance (parts, Towing, Bus Wash, Outside Services)	\$	11,647.00
8 Farebox	\$	7,613.00
9 Liquidated Damages	\$	20,523.00
10 Supervisor/Administrative Wages	\$	370,063.00
11 Supervisor/Administrative Benefits	\$	50,439.00
12 Building Costs - Rent & Utilities	\$	-
13 Building Costs - Maintenance	\$	32.00
14 Auto Liability Insurance	\$	229,680.00
15 Work Comp Insurance	\$	21,999.00
16 Software/Computer Cost (Syncroamtics)	\$	4,075.00
17 Communication Cost (radio, Drive Cam, Telephone & Internet)	\$	13,252.00
18 General Office Supplies Travel Costs	\$	1,478.00
19 Travel Costs	\$	2,932.00
20 Legal Costs	\$	-
21 Capital Depreciation (Vehicle)	\$	-
22 Capital Depreciation (Non-Vehicle)	\$	16,429.00
23 Start Up Costs	\$	-
24 Interest Expense	\$	7,914.00
25 Corporate Overhead (G&A)	\$	199,600.00
26 Profit	\$	20,854.00
Total Annual Fixed & Variable Costs	\$	2,065,735.00

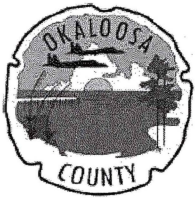
1% profit



Additional Costs Needed for Sustainability

Year 6 Current:	\$42.44	
Volume Adjustment:	\$3.56	reduced from 80k hours to 64k hours
Wage Increase:	\$4.41	negotiated in good faith
Insurance:	\$2.36	bid model \$.15, actual \$.34
Year 6 New Rate:	\$52.77	





C19-2761-TS

MV TRANSPORTATION

Public Transportation Services

Expires: 12/31/2024 W / (1) 1 YR RENEWAL

BOARD OF COUNTY COMMISSIONERS AGENDA REQUEST

DATE: November 7, 2023
TO: Honorable Chairman and Distinguished Members of the Board
FROM: Tyrone Parker
SUBJECT: Consideration of a Fourth Contract Amendment with MV Transportation, Inc.
DEPARTMENT: Transit Department
BCC DISTRICT: All

STATEMENT OF ISSUE: The Transit Department is requesting consideration of a fourth contract amendment to the MV Transportation Contract (C19-2761-TS). This contract amendment would cover a 12-month extension period from January 1, 2024 through December 31, 2024, and will allow for negotiations to be held between Okaloosa County and MV Transportation to negotiate an adjusted revenue per hour rate, to accommodate market impacts in Okaloosa County and its surrounding area.

BACKGROUND: The Transit Department and the County's Transportation Contractor, MV Transportation, are entering its sixth year of transit partnership, that began in December 2018. This contract agreement included three amendments to address impacts of COVID-19, employment market for public transportation, and market value analysis addressing local wages. The proposed contract amendment will allow for continuing Transportation Services within Okaloosa County for a 12-Month Period from January 1, 2024 through December 31, 2024, with the revenue per hour rate increasing from \$41.21 to \$42.44, as outlined in the third contract amendment.

Contract extension negotiations between the County and MV Transportation for an adjusted revenue per hour rate, will allow for continuous public transportation services within the County and its service area. If negotiations fail to reach a mutual agreement by December 31, 2023, a 60 Day Notice of Termination will be submitted by MV Transportation on January 1, 2024, with a last day of service on March 1, 2024.

FUNDING SOURCE, (If Applicable):

Department #70544, #702345, #702344, #702343, & #702045

Account #534410 & 534412

Amount TBD

OPTIONS: Approve, Disapprove, Postpone, Modify the proposed contract amendment.

RECOMMENDATIONS: Move to approve fourth contract amendment for an extension to MV Transportation Contract (C19-2761-TS) allowing for continuing Transportation Services within Okaloosa County and its service area for a 12-Month Period from January 1, 2024 through December 31, 2024, while negotiations are being conducted between the County and MV Transportation. If negotiations fail to reach a final agreement by December 31, 2023, a 60 Day

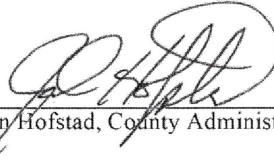
Notice of Termination will be submitted by MV Transportation on January 1, 2024 with an effective date or last day of service of March 1, 2024.



Tyrone Parker, Transit Manager

10/27/2023

RECOMMENDED BY:



John Hofstad, County Administrator

11/1/2023

APPROVED BY: