



**REQUEST FOR PROPOSALS**  
**Contractor Oversight Review Services**

DULUTH TRANSIT AUTHORITY

**Addendum #1**

January 30, 2024

1. The DTA conducted a virtual preproposal meeting on January 30, 2024. Attendees were Brian Sumpter, CSI Compliance, Joel Eisenfeld, KFH Group, Jane Darwin, City of Superior, WI Contract Analyst, Nene Israel, Director of Finance, DTA, Nancy Brown, Director of Administration, DTA.

a. Nancy provided a summary of the DTA and ATE Management of Duluth's history; in the DTA's founding legislation, employees of the DTA are prohibited from being civil service employees of the City of Duluth. The DTA Board of Directors, a 9-member volunteer Board, approved a management contract with First Transit, Inc., who created a wholly owned subsidiary, ATE Management of Duluth, Inc., ("ATED") that employs all of the staff that operates the transit system. When First Transit decided to leave the Duluth market in 2021, the DTA Board of Directors voted to acquire the ATED stock to ensure that the Central States Pension Fund payments would continue in compliance with the Multi-Employer Pension Plan Act Amendment of 1980, and prevent a multi-million dollar pension withdrawal liability.

Because ATED is a third-party contractor, during the 2019 Triennial Review, the FTA determined that additional oversight was necessary in order to comply with the requirements of FTA Circular 5010.1E. ATED staff developed a system of oversight that was initially accepted by the FTA, but in the 2023 Triennial Review, FTA required additional measures to ensure proper oversight. The RFP for Contractor Oversight Review services is a result of these measures.

b. In the years since the original Triennial Review, the ATED staff worked with both City of Duluth and City of Superior staff under a now expired Interagency Agreement to provide oversight for ATED; an example of an Oversight Checklist is available on the DTA website. However, when it came time to renew the Interagency Agreement, the City of Duluth determined that they did not have enough staff to perform the services; FTA gave the Board permission to contract with a third party vendor to perform the services, provided the vendor creates the checklist and provides the summary report directly to the Board of Directors.

c. It was noted that the DTA has a MN DOT grant that demonstrates adequate funding for these services. Prior expenses were \$1,000 per month to the City of Duluth for oversight when performed.

d. This is an Indirect Delivery Indirect Quantity contract. The intent is to have a quarterly review of ATED using the FTA Contractor's Triennial Review manual or a similar procedure that ensures that ATED is complying with FTA requirements. However, the contract also allows for non-routine reviews if the DTA Board of Directors requests it. Due to the dynamic nature of federal regulations, different oversight requirements could be enacted or ATED may request assistance to implement new regulations for example.

- e. ATED staff views this process as an opportunity for continuous improvement in its policies and procedures, and has made adjustments to procedures in the past as a result of the review process.
- f. The process for the reviews is that the DTA Board of Directors will issue a Task Order request to the selected vendor for oversight services. The vendor will respond with an estimated cost and timeline for the review. Upon acceptance, the vendor will conduct the review and provide the DTA Board and the ATED Project Manager with the oversight report.
- g. For Proposal purposes, DTA is requesting hourly rates for the proposed staff that will be conducting the oversight reviews, along with any other expenses that may be applicable to the services, examples might be copying expenses or costs to access nonpublic records. Please note that most of the oversight review work can be conducted remotely; travel expenses are not being requested at this time.
- h. The DTA is not requesting pricing for specific tasks in the Proposal response. Because the types of reviews may require a subcontractor with specialized knowledge, the pricing may vary depending on the expertise of the subcontractor. The extent of review the DTA Board is requesting also may affect the cost, as could new requirements in future legislation that are unknown at this time. During the evaluation of the Cost Proposal, the Evaluation Committee may ask respondents to provide a cost estimate for an example task order in order to evaluate the reasonableness of the costs of each respondent against the expected cost established by the Committee.
- i. The Evaluation Committee is made up of three members, including one representative from the DTA Board of Directors. Respondents may be asked to participate in a virtual interview with the Evaluation Committee to allow the Committee to ask about their submittal.
- j. It is anticipated that the Evaluation Committee will conduct virtual interviews within one week of Proposal responses. The Committee intends to make a recommendation to the DTA Board of Directors at the February 28, 2024, meeting. This award may also be subject to the approval of the Minnesota Department of Transportation.
- k. Proposal responses may be submitted electronically. Please note that the submittal must be sent to both [lindsaybiddle@hotmail.com](mailto:lindsaybiddle@hotmail.com) and [nbrown@duluthtransit.com](mailto:nbrown@duluthtransit.com) at the same time.
- l. Further questions will be entertained until Thursday, February 8, 2024. Responses to additional questions will be published in an addendum on the DTA website on February 9, 2024.
- m. A copy of the DTA's founding legislation, the DTA Board of Director's Contractor Oversight Policy, the DTA ATE Management of Duluth contract, and a summary of the 2019 and 2023 Triennial Findings are posted on the DTA website under "Doing Business, Procurements."