# MV Transportation woes go beyond Tahoe

**Publisher's note:** ***MV Transportation is the company that used to run BlueGo on the South Shore. MV has sued STATA, the organization that ran BlueGo before it filed for bankruptcy. All parties are working on finding a mediator to help find a resolution to their differences.***

**By Zusha Elinson, California Watch**

Cash-strapped cities embracing private contractors as saviors of their public transportation systems may find a cautionary tale in Fairfield.

The suburban city halfway between Sacramento and San Francisco was the headquarters of MV Transportation, a rising star in public transit outsourcing. But the company failed to deliver the bus service it promised its hometown, emails, documents and interviews show.




Between 2008 and 2010, the company was fined 295 times by local transit officials for poor performance, including too many accidents, missed bus runs and late buses.

The use of private contractors has grown dramatically in California. Contractors ran 223 million miles of bus and train service in the state in 2011, a 42 percent increase in a decade, according to the National Transit Database. Last year, they picked up 166 million riders in California, up 29 percent. Government-run public transit systems still carried far more riders last year with 1.2 billion, a slight dip from

a decade ago.

Even in the Bay Area, a stronghold of public employee unions, officials are more eagerly considering outsourcing public transit to save money. Alameda County is mulling contracting out bus routes in the growing suburbs of Fremont and Newark, managed for decades by AC Transit. Last summer, Marin County officials considered outsourcing bus service to a private company, deciding against it only when the public agency cut its price to compete.

But the arrangements are not all unmitigated successes. Some fall short of heralded savings. Others bring lower wages and less bus service. In Fairfield, then-Transit Manager George Fink said he couldn't hold politically connected MV Transportation to the contract, calling it a wake-up call to transit agencies thinking about outsourcing.

Riders like retiree Albert Sanchez are the collateral damage. One sunny afternoon, Sanchez and his wife waited for a bus from the mall in Fairfield to their home a few miles away, in Suisun City. Sanchez said the outsourced Fairfield and Suisun Transit – known as FAST – has failed to live up to its optimistic acronym.

"The bus is always late. It's always late," said Sanchez, an inveterate public transit user who moved from San Francisco eight years ago.

Sanchez said that the previous week, he'd waited at the stop for two hours. One Friday, he walked four miles home because buses stop running at 8:30pm.

Documents and interviews reinforce Fink's allegations that the Fairfield City Council and his bosses frequently intervened. Once, Fink said, he clocked the time between his criticism of MV Transportation and a call from his boss, Assistant Public Works Director Wayne Lewis, at 32 minutes.

Lewis, who now leads FAST, said Fink was a rigid manager who always stuck to the “letter of the law.” Lewis added, however, that he understood the frustration city employees feel when contractors “have access to elected officials and staff doesn’t.”

MV Transportation has been a generous donor to local charities and pumped tens of thousands into low-dollar Fairfield City Council races.

“Anything that was critical, 89 percent of the time, it would circle back to us,” Fink said. “They would engage the City Council, and they would call the city manager and then he would talk to me and tell me to back off.”

During Fink’s five-year tenure in Fairfield, which ended in 2010, records and interviews show he was ordered not to issue an audit critical of MV Transportation and to stop penalizing the company for poor performance, and his staff was ordered to halt regular bus inspections.

Chuck Timm, a city councilman until 2011, said the company gained no special access to city leaders and praised its performance.

“As a councilmember and as a citizen, they were great community partners, and they did an excellent job,” Timm said.

Timm prefaced his comments by noting that he was “friends with the boss,” former MV Transportation CEO Jon Monson. Timm also received a $10,000 campaign donation from the company in 2007, according to state campaign finance filings.

Cristina Russell, an MV Transportation spokeswoman, declined to comment, saying, “A response would unnecessarily cast a negative light on a positive relationship.”

**Friction with transit staff**

With public transportation in the suburbs, some problems are

embedded in city planning, or lack thereof. Cities like Fairfield are built for cars and often are too spread out to justify extended hours or more regular service. But problems such as late buses and accidents are more closely related to management and oversight.

When Fink arrived in Fairfield in 2005, MV Transportation already was running the bus system, which carries about 1 million passengers a year. When the city put the contract out to bid again, he and other city officials added penalties for poor service. MV won an $18.2 million, four-year contract. Soon after, the fines started rolling in.

Over a two-year period beginning in 2008, the company was fined 295 times for a total of $164,000, according to a 2010 city audit, released in place of the one Fink sought to issue. MV was fined for the 14 months when the preventable accident rate exceeded the allowed 1 per 100,000 miles. FAST officials fined MV nine times for not meeting the agreed-upon 90 percent on-time arrival rate and 18 times for buses that never showed at all. The company was penalized twice for drivers using cellphones while driving, six times for drivers speeding and 13 times for drivers being out of uniform.

MV executives were furious about the fines. In meetings with the FAST staff, they complained they were “losing money” and the deal they signed was too punitive, according to meeting notes and internal memos.

As the friction between Fink and the company peaked in the summer of 2009, Monson, then MV’s board chairman, made $10,000 campaign donations to City Councilman John Mraz and City Councilwoman Catherine Moy. Those were hefty sums, even in a city with no campaign contribution limits. When contacted for comment, Mraz called Fink an expletive and hung up the phone. Moy did not return emails or phone calls.

**Fines, inspections put aside**

Monson and other executives began to meet directly with the City Council instead of city transit staff. In a 2010 memo, Lewis – the assistant public works director – complained that the "city has allowed MV to circumvent the normal management chain. Often, local issues are discussed and resolved without the input of transit staff by the City Manager's office, City Council, and MV executives."

Fines against MV were halted by the city for months, and old ones weren't paid as the city manager overruled some on appeal. Bus inspections that had been yielding fines also were stopped.

In an interview, Lewis said he killed an audit of MV ordered by Fink because it was too punitive. He said that while many of the fines were valid, "there were enough of them that … would seem like they were frivolous," such as one for a bus driver's untucked shirttail.

Lewis added that Fairfield and Suisun Transit and MV Transportation are "in a good place now."

But problems persisted after Fink left in 2010. The bus service performance "exhibited mostly negative trends in all areas" related to efficiency and productivity, according to a 2010 audit by the Metropolitan Transportation Commission, which oversees transit funding in the Bay Area. An MV spokeswoman declined to comment, and Lewis did not return calls seeking comment on the audit.

And in June 2011, an MV Transportation bus operator was involved in a fatal collision. The bus driver, identified as Dale Lee Karuza in multiple lawsuits, was turning left across a Suisun City street when he collided with an oncoming car, killing a passenger. Police cited the primary cause of the collision as the bus failing to yield right of way, according to the California Highway Patrol's summary. Investigators also concluded that the car was speeding.

Fink now works at the San Joaquin Regional Rail Commission in Stockton. Reflecting back on his time in Fairfield, he said it taught him a lesson about outsourcing public transit.

“If you had a contractor that wanted to run the business and not maximize their profit at every turn, then it would be fine,” Fink said. “As it tends to work out, you’re spending 85 percent of the time making sure that they’re doing everything in the contract instead of doing the things you need to be doing, like getting grant money doing transit planning.”