

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
1	4/11/11	Open	Action	03/31/11

Subject: Approve Third Amendment to Collaborative Agreement with Paratransit, Inc. for Provision of Complementary Paratransit Services and Exhibit A for FY 2011

ISSUE

Whether to Approve the Third Amendment to Collaborative Agreement with Paratransit, Inc. for Provision of Complementary Paratransit Services and Exhibit A for FY 2011.

RECOMMENDED ACTION

Adopt Resolution 11-04-____, Approve Third Amendment to the Collaborative Agreement for Provision of Complementary Paratransit Services between the Sacramento Regional Transit District and Paratransit, Inc and Exhibit A for FY 2011.

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	676,000
Budget Source:	Operating	Next FY:	\$	N/A
Funding Source:	N/A	Annualized:	\$	N/A
Cost Cntr/GL Acct(s) or Capital Project #:	38-630091	Total Amount:	\$	676,000
Original Contract	\$ 8,400,000			
Amended Contract	\$ 9,076,000			

DISCUSSION

RT contracts with Paratransit, Inc. to provide complementary paratransit service to fulfill RT's obligations as a public transit provider under the Americans with Disabilities Act (ADA). This contract (the "Collaborative Agreement") was most recently restated in 2005 and continues indefinitely until terminated by either party. The financial contributions of each party are set forth in an annually updated exhibit to the agreement (Exhibit A), which establishes the budget and service level for the year. These provisions may be readjusted annually by mutual approval of a new Exhibit A; in the absence of such agreement, the provisions of the prior year's Exhibit A continue in effect.

On June 28, 2010, the RT Board of Directors adopted Exhibit A for Fiscal Year 2011 (FY 2011), providing for approximately 251,000 trips at \$37.31 per trip (or approximately \$8,388,000), plus \$976,248 in passenger fare revenue, for a total cost of \$9,364,248. RT's total contribution for FY 2011 was established at \$8,400,000, including \$12,000 for transporting applicants to RT's offices and \$8,388,000 for the provision of ADA complementary paratransit service.

Approved:

Presented:

FINAL 3/31/11

General Manager/CEO

Director, Accessible Services & Customer Advocacy

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The Paratransit, Inc. Board of Directors adopted a FY 2011 budget that differed from the RT budgeted amount; the Paratransit, Inc. budget projected a higher cost per trip (approximately \$43.00 per trip) and a funding gap of \$975,000 to be borne by RT. Paratransit, Inc. did not execute the Exhibit A adopted by the RT Board. At the end of July 2010, Paratransit, Inc. indicated that it was able to reduce its cost per trip to approximately \$41.00 per trip. During July, RT and Paratransit, Inc. agreed to participate in formalized discussions regarding the Collaborative Agreement funding issues to be facilitated by the Sacramento Area Council of Governments (SACOG).

The FY 2011 budget came in the wake of several significant adverse funding trends. In the past, RT was able to provide funding to support paratransit trips for individuals age 75 or older and ADA paratransit eligible riders. Due to extended state funding cuts, the fiscal emergency in FY 2011, and the need to control costs, the Board of Directors determined that RT should focus its resources on services required under the ADA, with the assumption that many individuals eligible based on their age would also be eligible for ADA services. Exhibit A, adopted by the Board in June 2010, established that RT's support of non-ADA complementary paratransit service to individuals determined eligible for service based solely on age would be eliminated by the end of the fiscal year. In October 2010, the RT Board of Directors amended the RT ADA Paratransit Plan to eliminate the age-based paratransit eligibility determination process for individuals age 75 or older. Since then, all passengers actively riding paratransit under the prior age-based program have been identified and contacted; these passengers were encouraged to become ADA paratransit eligible and offered an expedited ADA-eligibility application process. To reflect this transition, Exhibit A adopted by the Board in June 2010 funded approximately 16,000 of the 34,000 age-eligible trips in the ADA complementary paratransit service area (also known as Type I service), based on the cost per trip of \$37.31.

The SACOG facilitation process commenced in July 2010 with data and information gathering conducted by SACOG staff. In late September 2010, the process transitioned to one managed by SACOG counsel with participation by counsel from RT and Paratransit, Inc. After nine sessions between November 2010 and February 2011, a two-tiered approach was agreed upon to address the FY 2011 funding issue reflected in Exhibit A, as well as agreement on several other issues detailed below.

In an effort to resolve the issue, RT agreed to a tiered cost structure to address the funding gap and potential demand growth in the current fiscal year. With the adoption of this amendment, RT agrees to fund 251,000 ADA complementary paratransit trips at a fixed rate of \$40 per trip. Any trips beyond the current demand projection of 251,000 will be billed at an incremental cost of \$32.50 per trip. This contract amendment represents an additional fiscal impact of approximately \$676,000, which was addressed by the Board as a part of the mid-year budget adjustment, plus the cost of any trips in excess of 251,000.

The facilitation process also resulted in agreement on language to expand data sharing, define goals for future performance targets, and update grant language as part of the Collaborative Agreement; these provisions will be included in the Third Amendment to the Collaborative

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Agreement. The facilitation process also resulted in a new Exhibit A that establishes service and funding levels for FY 2011. The facilitation process also established the framework to draft a broader amendment to the Collaborative Agreement.

This second phase of the facilitation will include a fuller restatement of the Collaborative Agreement to be implemented in FY 2012 that will address a variety of issues. Goals for the second phase of the facilitation process and the FY 2012 agreement include establishment of FY 2012 service and funding levels, protocols for improved communication and coordination, updated language regarding the term of the agreement, clarity regarding RT's provision of ADA complementary paratransit service and other services provided by Paratransit, Inc., and additional performance measures and targets.

Staff continues to closely monitor paratransit service demand compared to projections for FY 2011. A significant issue that has impacted the service projection for FY 2011 is the demand for service from individuals who were previously Age-eligible and are now certified under the ADA paratransit eligibility program. Based on the January 2011 ridership statistics, over 60 percent of the rides that were estimated to be provided to Age-eligible individuals in the Type I service category are now being provided in the ADA Type I service category. (Type I service is a trip that meets the ADA paratransit service definition of a trip with an origin and destination within ¾ mile of an RT bus route or light rail station and during hours of the day and days of the week when RT service is operated.) The ADA certification effort for previously Age-eligible riders has successfully transitioned the majority of these trips to the ADA category at a somewhat more rapid rate than anticipated in the FY 2011 demand projections. The ADA Type I service level is six percent higher than anticipated year-to-date (YTD), and three percent higher in January 2011. When looking at Type I trip demand overall, service was one percent over projection in December 2010 and January 2011, and four percent over projection YTD. It is expected that the ADA Type I trip demand that RT is responsible to fund under the new Exhibit A to the Collaborative Agreement with Paratransit, Inc. will trend closer to projection over the remainder of the fiscal year now that it appears the majority of the Age eligible individuals who intend to pursue ADA paratransit eligibility have completed certification. Staff will continue to monitor ridership trends closely.

Staff recommends that the Board approve the Third Amendment to the Collaborative Agreement with Paratransit, Inc., including adoption of Exhibit A for FY 2011. Attached for your consideration is a joint RT and Paratransit, Inc. Resolution.

REGIONAL TRANSIT
RESOLUTION NO. 11-04-0045

PARATRANSIT, INC.
RESOLUTION NO. 04-11

Adopted by the Board of Directors of the Sacramento Regional Transit District and by the Board of Directors of Paratransit, Inc. on this date:

April 11, 2011

APPROVE THIRD AMENDMENT TO THE COLLABORATIVE AGREEMENT FOR PROVISION OF COMPLEMENTARY PARATRANSIT SERVICES BETWEEN THE SACRAMENTO REGIONAL TRANSIT DISTRICT AND PARATRANSIT, INC. AND EXHIBIT A FOR FY 2011

WHEREAS, the Americans with Disabilities Act of 1990, as amended, (“ADA”) further codifies the rights of Americans with disabilities to participate in the political, cultural, and economic life of our community; and

WHEREAS, the ADA requires that public fixed-route transit operators provide both an accessible fixed-route system and an accessible complementary paratransit system; and

WHEREAS, the ADA requires that RT, as Sacramento’s public agency providing fixed-route transit service, develop, adopt, and implement a Complementary Paratransit Service Plan; and

WHEREAS, Paratransit, Inc. is the Consolidated Transportation Service Agency (CTSA) for the urbanized portion of Sacramento County and provides transportation services for disabled individuals, senior citizens and other persons for a variety of trip purposes; and

WHEREAS, since May 1, 1992, RT has collaborated with Paratransit, Inc. to provide transportation service; and

WHEREAS, RT desires to continue to collaborate with Paratransit, Inc. for the provision of such service; and

WHEREAS, RT and Paratransit, Inc. management have devoted substantial time to addressing opportunities for improved communication, coordination, and efficiency; and

WHEREAS, the parties desire to amend their agreement regarding the provision of such service.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AND PARATRANSIT, INC. AS FOLLOWS:

THAT, the Third Amendment to the Collaborative Agreement between the Sacramento Regional Transit District and Paratransit, Inc. for the Provision of Complementary Paratransit Services, is hereby approved, and

THAT, Exhibit A for FY 2011, is hereby approved.

PETE SPAULDING, President
Paratransit, Inc.

DON NOTTOLI, Chair
Sacramento Regional Transit District

AT T E S T:

A T T E S T:

LINDA DEAVENS
Chief Executive Officer

MICHAEL R. WILEY
Secretary

By: _____
Colleen Johnson
Director of Administrative Services

By: _____
Cindy Brooks
Assistant Secretary