

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
22	12/10/12	Open	Action	11/26/12

Subject: Approve the Amended and Restated Collaborative Agreement with Paratransit, Inc. for the Provision of ADA Paratransit Services; Approve Memorandum of Understanding establishing the Collaborative; and Approve a Restated Vehicle Lease Agreement with Paratransit, Inc.

ISSUE

Whether to Approve the Amended and Restated Collaborative Agreement with Paratransit, Inc. for Provision of Complementary Paratransit Services; Approve Memorandum of Understanding Establishing the Collaborative; and Approve an Amended and Restated Vehicle Lease Agreement with Paratransit, Inc.

RECOMMENDED ACTION

- A. Adopt Resolution 12-12-____, Approving the Amended and Restated Collaborative Agreement with Paratransit, Inc. for Provision of Complementary Paratransit Services: and
- B. Adopt Resolution 12-12-____, Approving a Memorandum of Understanding Establishing the Collaborative; and
- C. Adopt Resolution No. 12-12-____, Approving an Amended and Restated Vehicle Lease Agreement with Paratransit, Inc.

FISCAL IMPACT

Budgeted:	\$ 11,629,385	Prior FY:	\$	\$781,528
Budget Source:	Operating Budget	FY 2013:	\$	\$282,611
Funding Source:	Operating Budget			
Cost Cntr/GL Acct(s) or	CC 38	Total Impact:	\$	\$1,064,139
Capital Project #:	GL #630091			
Total FY 2013				
Budget:	\$ 12,693,524			

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

Approved:

Presented:

General Manager/CEO

Director, Accessible Services & Customer Advocacy

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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 control.

Through a Sacramento Area Council of Governments (SACOG) facilitated process that commenced in July 2010, RT and Paratransit, Inc. reached agreement on a two-tiered funding approach to address Fiscal Year 2010-2011 (FY 10/11) service and several other issues. The facilitation process established the framework for a process to draft a broader amendment to the Collaborative Agreement, and also provided agreement on language for the Third Amendment to expand data sharing, agreement on goals for future performance targets, and updated grant language. The Third Amendment to the Collaborative Agreement between RT and Paratransit, Inc., was approved by the RT and Paratransit, Inc. Boards in April 2011.

The second phase of the SACOG facilitated process resumed in May 2011 and included 4 mediation sessions, as well as extensive review and comment on draft contract documents. Although all parties hoped to execute an amended and restated agreement in Fiscal Year 2011-2012 (FY 11/12), the facilitation process moved slowly as the parties attempted to resolve critical contract issues, such as cost allocation, demand growth projections, and vehicle lease terms.

If approved, the amended and restated Collaborative Agreement will address funding and service levels for FY 11/12 and FY 12/13. The substantive changes in the amended and restated agreement include:

(1) **The Collaborative:** Certain aspects of the agreement will be subject to the oversight of a working group entitled "The Collaborative", which has as its members SAGOG, the Sacramento Transportation Authority (STA), Regional Transit, and Paratransit, Inc. Each member's Chief Executive Officer will serve on the Collaborative, with the SACOG member serving as Chair. The Collaborative is being formed for the purpose of making recommendations, and in some cases, determinations, relative to certain issues or disputes that may arise concerning the Collaborative Agreement. The Collaborative will examine and make recommendations regarding specific cost categories, fleet planning, and ridership projections. It will also make determinations regarding dispositions of vehicles upon an early termination of the Collaborative Agreement. The Collaborative would be established by a Memorandum of Understanding between the parties and would continue for the existence of the Collaborative Agreement.

(2) **Periodic Procurement Right:** The term of the agreement will be 5 years and expire on June 30, 2017. Commencing on July 17, 2017, and every 3rd year thereafter, Regional Transit shall have the right to pursue competitive procurement of the ADA Complementary Paratransit Service.

(3) **Budget Process:** The amended portion of the agreement regarding the budget process includes methodologies for projecting demand and establishing demand levels. The agreement defines the two-tier funding structure, with a core rate and variable rate, a methodology for annual cost reconciliation, and specific conditions or "re-openers" that will initiate budget discussion outside of the established framework.

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(4) Binding Arbitration: The agreement establishes a process for binding arbitration in the event that disputes are unresolved at the staff level or through the process set out for “The Collaborative.”

(5) Performance Standards and Measures: The definitions for performance standards and measures are updated, and through the process established under “The Collaborative” above, RT and Paratransit, Inc. will develop performance targets in specific operational categories.

(6) Reimbursement: Exhibit A for FY 11/12 provides for 296,980 trips with 282,178 at the core rate of \$41.68 per trip, and 14,802 trips at the variable rate of \$33.88 per trip, (approximately \$12,262,671), reduced by \$1,158,222 in passenger fare revenue, for a total cost of approximately \$11,104,449. Exhibit A for FY 12/13 provides for a projection of 306,780 at the core rate of \$42.69 per trip, with any variable trips beyond the projected amount at \$34.70 per trip, (approximately \$13,096,438), reduced by \$1,196,442 in passenger fare revenue, for a total cost of approximately \$11,899,996.

RT’s total contribution for FY 11/12 and FY 12/13 has been estimated at \$23,028,033, of which \$24,000 is for transporting applicants to RT’s offices and \$23,004,033 is for the provision of ADA complementary paratransit service. The Total FY 2013 budget described in the Fiscal Impact section above includes the FY 12/13 contract amount, plus an increase of approximately \$781,528 to the actual amount expended in FY 11/12. The Total Impact consists of the additional costs for FY 11/12 and FY 12/13, based on the new provisions of the contract.

(7) Vehicle Ownership and Transfer: In 1997, RT established a Lease Agreement with Paratransit, Inc. whereby RT would purchase paratransit vehicles (small buses) and lease them to Paratransit, Inc. for use in demand-response service and for the term of the useful life of the vehicle.

This amendment updates Exhibit A of the Lease Agreement to include 102 paratransit vehicles purchased through the CalACT/MBTA cooperative purchasing schedule with Creative Bus Sales, Inc. using State Public Transit Assistance Funds. The 102 vehicles have been outfitted with all necessary additional equipment, such as mobile data computers and radios, and are now fully ready to be placed into demand-response service. This vehicle type has a useful life of 5 years or 150,000 miles. This agreement will allow aging buses in the demand-response fleet to be replaced, reducing emissions and operating expenses. The new buses are currently being stored at the RT Community Bus Services facility, and upon execution of the Amended and Restated Lease Agreement, RT will begin the process of turning the vehicles over to Paratransit, Inc. for use in demand-response service.

Providing new vehicles for the demand-response fleet will also benefit Paratransit, Inc.’s Consolidated Transportation Service Agency (CTSA) programs, as older buses are often retired to the CTSA fleet. At this time, 19 of the 127 buses purchased by RT under this lease arrangement are currently used to provide human service agency transportation by Paratransit, Inc.’s CTSA partner agencies.

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Under the new Restated Lease, when these buses reach their useful life and become surplus, the title to such buses will pass to Paratransit, Inc. exclusively for provisions of ADA Complementary Paratransit Service, Non-ADA Demand Response Service, and CTSA services that Paratransit, Inc. coordinates with its CTSA Agency Partners.

(8) Branding/Livery: In cooperation with Paratransit, Inc. an updated co-branding has been developed and applied to the new buses with paint and decals that identify each agency and highlight the unique community transit partnership. The co-branding is documented in Exhibit C of the Lease Agreement.

Other changes to the Lease Agreement will include an update to the useful life of the vehicle (five-year/150,000 mile) to be consistent with revised FTA requirements; an update to advertising provisions; and removal of provisions related to office furniture and equipment, and network and telecommunications equipment purchased by RT that are no longer leased by Paratransit.

RESOLUTION NO. 12-12-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 10, 2012

**APPROVING THE AMENDED AND RESTATED COLLABORATIVE AGREEMENT
WITH PARATRANSIT, INC. FOR PROVISION OF COMPLEMENTARY
PARATRANSIT SERVICES**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

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

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

THAT, the Amended and Restated Collaborative Agreement with Paratransit, Inc. for the Provision of Complementary Paratransit Services is hereby approved.

BONNIE PANNELL, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 12-12-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 10, 2012

**APPROVING A MEMORANDUM OF UNDERSTANDING ESTABLISHING THE
COLLABORATIVE**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

WHEREAS, RT is a public operator of fixed-route transit services in Sacramento County, established to operate a single unified public transportation system in the Sacramento region in order to meet the present and future public transportation, and mass and rapid transit needs of that region; and

WHEREAS, Paratransit is an independent, non-profit transportation organization providing public transportation services, paratransit services and other services to the region's disabled and elderly individuals; and

WHEREAS, since 1981, pursuant to the provisions of the Transportation Development Act ("TDA"), Paratransit has been designated by SACOG as the Consolidated Transportation Service Agency ("CTSA") for the urbanized area of Sacramento County and thereby receives TDA funding through SACOG; and

WHEREAS, STA was established in 1988 and is the local transportation authority charged with administering the Measure A local sales tax revenues for transportation services and improvements in the Sacramento region; and

WHEREAS, Paratransit receives Measure A local sales tax revenues through the STA for the provision of Demand Response services to disabled and elderly individuals; and

WHEREAS, the Americans with Disabilities Act ("ADA") requires that RT, as Sacramento's public agency providing fixed-route transit service, provide ADA Complementary Paratransit Service; and

WHEREAS, in 1992, as a means of performing its obligations under the ADA, RT entered into a Collaborative Agreement with Paratransit for the provision of ADA Complementary Paratransit Service and Non-ADA Demand Response Service within the County of Sacramento that operates with funding from RT, SACOG, STA and Paratransit; and

WHEREAS, both the New Collaborative Agreement and the New Bus Lease provide for the formation of an oversight body identified as the Collaborative; and

WHEREAS, the members of the Collaborative will include SACOG, STA, RT, and Paratransit; and

WHEREAS, the Parties desire to formally establish the Collaborative; and

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Memorandum of Understanding establishing the Collaborative is hereby approved.

BONNIE PANNELL, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 12-12-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

December 10, 2012

**APPROVING AN AMENDED AND RESTATED VEHICLE LEASE AGREEMENT WITH
PARATRANSIT, INC.**

WHEREAS, RT operates fixed route transit service and is required under the Americans with Disabilities Act (ADA) to ensure that there is complementary paratransit service provided within RT's service area; and

WHEREAS, RT and Paratransit entered into a Collaborative Agreement for Provision of Complementary Paratransit Services, as amended, to fund the provision of complementary paratransit service in Sacramento County in accordance with the requirements of the Americans with Disabilities Act of 1990 and RT's ADA Paratransit Plan using RT's federal and state operating grants; and

WHEREAS, on May 27, 1997, RT and Paratransit entered into a Lease of Paratransit Buses ("the Lease Agreement"), setting forth the terms and conditions under which Paratransit may use buses and maintenance equipment, office furniture and equipment, and network and telecommunications equipment purchased by RT to provide ADA complementary paratransit service and other demand-response transit services offered directly by Paratransit to the elderly and disabled; and

WHEREAS, the parties have entered into six amendments to the Lease Agreement since 1997; and

WHEREAS, RT and Paratransit desire to amend the Lease Agreement to modify the terms and conditions under which RT agrees to allow Paratransit use of RT's vehicles to provide ADA complementary Paratransit service, remove provisions related to equipment no longer leased by Paratransit, and add additional buses subject to the Lease Agreement.

WHEREAS, for readability purposes, the parties desire to restate the Lease Agreement, as amended.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Amended and Restated Lease of Paratransit Buses by and between the Sacramento Regional Transit District (therein "RT") and Paratransit, Inc. (therein "Paratransit") is hereby approved.

THAT, the General Manager/CEO is hereby authorized to execute said Lease.

BONNIE PANNELL, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary