

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3	06/23/14	Open	Action	05/30/14

Subject: Approve Exhibit A to the Collaborative Agreement with Paratransit, Inc. for the Provision of ADA Paratransit Services for Fiscal Year 2014-2015

ISSUE

Whether or not to approve Exhibit A to the Collaborative Agreement with Paratransit, Inc. for the Provision of ADA Paratransit Services for Fiscal Year 2014-2015 (FY15).

RECOMMENDED ACTION

Adopt Resolution No. 14-06-____, Approving Exhibit A to the Collaborative Agreement with Paratransit, Inc. for the Provision of ADA Paratransit Services for Fiscal Year 2014-2015 (FY15).

FISCAL IMPACT

Budgeted:	\$12,993,337	This FY:	\$	n/a
Budget Source:	Operating Budget	Next FY:	\$	12,993,337
Funding Source:	Operating Budget	Annualized:	\$	n/a
Cost Cntr/GL Acct(s) or Capital Project #:	CC38, GL630091	Total Amount:	\$	12,993,337
Total Budget:	\$ 12,993,337			

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 amended in June 2013. The term of the agreement is 5 years and expires on June 30, 2017. 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.

The Collaborative Agreement states that the budget for each new Fiscal Year must be established by multiplying the core trips to be provided by Paratransit, Inc. during the new Fiscal Year by the core rate per trip. The core trip projection will be based upon the prior years' actual service level increased by the demand growth estimate projected in the 10-year demand forecast. The demand forecast for ADA trips was developed by the consulting firm Nelson/Nygaard and is included as Exhibit B to the Collaborative Agreement. The estimate includes the amount demand is projected to grow each year over a ten year period (2012-2021) represented as a percentage increase in trips provided. For FY15 demand is projected to grow at a rate of 4.8%.

Approved:

Presented:

Final 06/17/14

General Manager/CEO

Director, Accessible Services & Customer Advocacy

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Per the Collaborative Agreement, the demand forecast is applied to the most recent 12-month rolling year trip data available; i.e., May 2013 through April 2014. The Agreement includes a methodology to reconcile actual service provided against projected service levels as the year progresses.

The actual rolling year of May 1, 2013 through April 30, 2014 is 308,360 trips. The growth forecast for FY15 service is 4.8% over FY14 levels. When the growth forecast of 4.8% is applied to the 2013-2014 rolling year, the projected number of trips for FY15 is 323,161 trips.

If the number of actual ADA trips provided by Paratransit, Inc. is less than the projected number of core trips, Paratransit, Inc. shall provide reimbursement for such trips to RT. Likewise, if there are more trips than projected, RT will reimburse Paratransit for the trips provided. A decrease in projected core trips of more than 10% will establish a basis to re-open the budget discussion between RT and Paratransit, Inc.

In FY14, it was expected that ADA service would increase 4.7% over FY13 levels with a projection of 313,201 trips. It is anticipated that actual FY14 service provided will be about 0.5% below the projected levels. In the first quarter of FY14, actual trips provided were approximately 6% below projections. In the second quarter of FY14 (October through December), ridership was within 1% of projected service levels. In January, trip demand spiked significantly with 26,588 trips provided, which was approximately 5% more than the projected level for January. This may have been related to the unusually mild weather in January 2014, but no other factors have been identified. For the remainder of the third quarter service was again close to what was projected, or within 1% of planned service levels. Service growth is anticipated in the fourth quarter. RT provided 27,715 ADA trips in April of 2014, which is about 3% higher than projections. This level of ridership is expected to remain steady in May and then drop down about 26,000 trips in June. Based on current trends, RT expects ridership in the 4th quarter of FY14 to be about 8% higher than the 1st quarter.

By the end of FY15 it is expected that ridership will continue to grow at the projected growth rate of about 5%, averaging about 28,000 trips per month by the end of the fiscal year. There are many factors that impact paratransit ridership. Staff believes that the lower than projected service levels at the beginning of the fiscal year and the upward trend later in the year may be due to previous funding cut-backs at social service agencies that subsidize paratransit fares. While these cutbacks happened in the prior year, because our forecasting model is based upon past actuals that were lower than projected and then rebounded, these variations affected year-over-year projections. Levels seem to be normalizing now due to the recovering economy and we expect this to play out going forward. Planned and actual service levels are illustrated in the attached chart (Attachment 1), including the ridership trend based on actual service provided.

The core rate per trip is subject to an annual indexed cost adjustment, based on the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index for Urban Consumers, West Region. The core rate per trip and variable rate per trip shall be adjusted by a percentage that is equal to the annual percentage change in the Index from March to March. The change

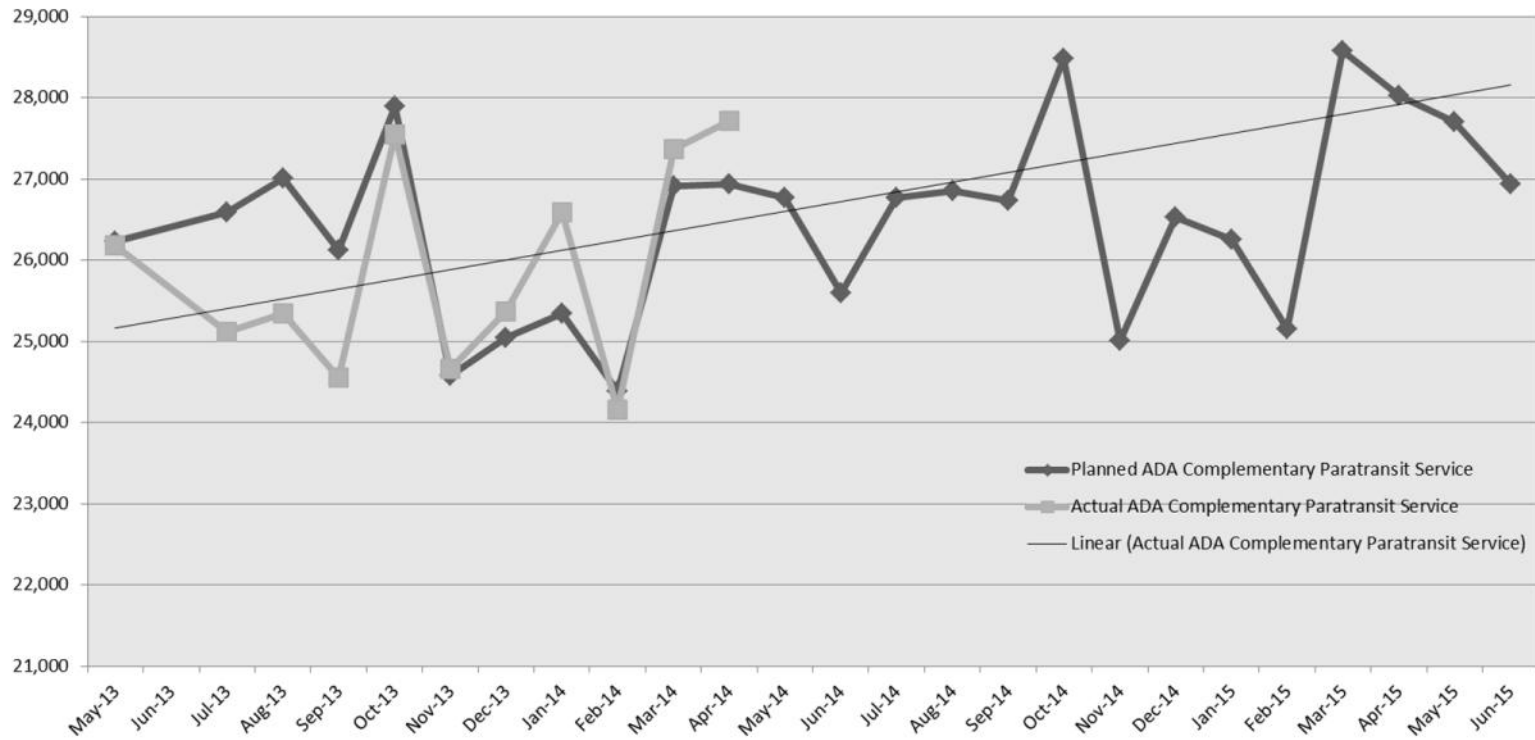
Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3	06/23/14	Open	Action	05/30/14

Subject: Approve Exhibit A to the Collaborative Agreement with Paratransit, Inc. for the Provision of ADA Paratransit Services for Fiscal Year 2014-2015

between March 2013 and March 2014 was 1.52%; therefore, the FY15 Core Rate per trip will be \$43.99. Any trips in excess of the projected core trips will be funded at the variable rate, which is \$35.76 in FY15.

Exhibit A for FY15 includes an estimate of 323,161 trips provided at the core rate of \$43.99, with any variable trips beyond the projected amount at \$35.76 per trip (\$14,215,852), reduced by \$1,234,475 in passenger fare revenue, resulting in an RT budget of approximately \$12,981,377. RT also provides funding at the rate of \$12,000 per year for the transportation of ADA paratransit applicants to the RT offices for eligibility certification, for a total RT contribution of \$12,993,377.

**ADA Complementary Paratransit Service
Planned and Actual**



RESOLUTION NO. 14-06-_____

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

June 23, 2014

**APPROVING EXHIBIT A TO THE COLLABORATIVE AGREEMENT WITH
PARATRANSIT, INC. FOR THE PROVISION OF ADA PARATRANSIT SERVICES
FOR FISCAL YEAR 2014-2015 (FY15)**

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

WHEREAS, on December 13, 2012 the Parties entered into the Collaborative
Agreement for the Provision of ADA Paratransit Service (the "Agreement") and

THAT, the Fiscal Year 2014-2015 Exhibit A to the Collaborative Agreement with
Paratransit, Inc. for the Provision of ADA Complementary Paratransit Services whereby
Paratransit, Inc. agrees to provide complementary paratransit service through June 20,
2015 for an amount not to exceed \$12,993,377, subject to the provisions of the
Collaborative Agreement, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute
Exhibit A.

PHILLIP R. SERNA, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary

**EXHIBIT A
 BUDGETED SERVICE LEVELS AND PAYMENT RATES
 FISCAL YEAR 2014-15
 COLLABORATIVE AGREEMENT FOR PROVISION OF ADA COMPLEMENTARY
 PARATRANSIT SERVICE AND NON-ADA DEMAND RESPONSE SERVICE
 BETWEEN SACRAMENTO REGIONAL TRANSIT DISTRICT (RT) AND
 PARATRANSIT, INC. (Paratransit)**

1. Budgeted Costs, Funding Contributions and Service Levels for Fiscal Year 2014-15

A. The budgeted costs, funding sources, contribution amounts, and service levels for Type I Service for Fiscal Year (FY) 2014-15 are summarized in Table A-1

Table A-1
 Budget for FY 2014-15 ADA Complementary Paratransit Service

	FY 14-15
a. Total Operating Cost	\$14,215,852
b. Passenger Fare Revenue	\$1,234,475
c. RT Budget	\$12,981,377
d. Trips Provided (Core)	323,161
e. Trips Provided (Variable)	0
e. Cost Per Trip Provided (Core)	\$43.99
f. Cost Per Trip Provided (Variable)	\$35.76

B. The budgeted costs, funding sources, contribution amounts, and service levels for ADA Complementary Paratransit Service for FY 2014-15 are presented in greater detail in the attached FY 2014-15 Table A-2. RT agrees to pay Paratransit \$12,981,377 for 323,161 Core trips provided for FY 2014-15 (from July 1, 2014 through June 30 2015). In addition:

- 1) RT agrees to pay Paratransit \$35.22 for each Variable trip (or trip in excess of the 323,161 projected trips) in FY 2014-15 via the reconciliation process established in the Collaborative Agreement.
- 2) RT agrees to pay Paratransit \$12,000 for the transportation of ADA paratransit eligibility applicants for FY 2014-15.

2. Invoicing

A. Paratransit's monthly invoice for FY 2014-15 shall include:

- 1) 1/12 of the annual amounts set out above for transportation of ADA service eligibility applicants; and
- 2) The amount set out in Table A-2 for the applicable month.

3. Adjustment to Budgeted Funding Levels

The monthly payment amount, monthly number of ADA complementary paratransit trips, and the totals thereto may be adjusted by revising Exhibit A, which revisions must be signed by the parties to this Agreement in order to be effective. Each fiscal year during the term of this Agreement a subsequent Exhibit A will be prepared, each of which shall be labeled according to the applicable fiscal year (e.g., Fiscal Year 2015-16, 2016-17, etc.), and each of which must be signed by the parties to this Agreement in order to be effective. If Exhibit A is amended during a fiscal year, each such amendment shall be sequentially labeled and dated (e.g., Exhibit A, Fiscal Year 2014-15, Revision 1, Exhibit A Fiscal Year 2014-15, Revision 2, etc.), restated in its entirety, and each must be signed by the parties to this Agreement in order to be effective.

IN WITNESS WHEREOF, the parties have entered into this Exhibit A to the Collaborative Agreement, on the day and year first hereinabove appearing.

PARATRANSIT, INC.

**SACRAMENTO REGIONAL
TRANSIT DISTRICT**

By: _____
CATHERINE KELLY BAIRD
President

By: _____
MICHAEL R. WILEY
General Manager/CEO

By: _____
LINDA DEAVENS
Chief Executive Officer

Approved as to Content:

By: _____
ROSEMARY COVINGTON
AGM of Planning and Transit
System Development

Approved as to Legal Form:

Approved as to Legal Form:

By: _____
GREGORY D. THATCH

By: _____
BRUCE A. BEHRENS
Chief Counsel

Table A-2
FY2014-15

Month	ADA Complementary Paratransit Service	ADA Complementary Paratransit Service Monthly Payment	% of Annual Budget	ADA Complementary Paratransit Service Passenger Fare Revenue	ADA Complementary Paratransit Service Funding	Transport of ADA Applicants Monthly Payment	Total Monthly Payment
Jul-14	26,781	\$ 1,075,793	8.3%	\$ 102,303	\$ 1,178,096	\$ 1,000	\$ 1,076,793
Aug-14	26,865	\$ 1,079,167	8.3%	\$ 102,624	\$ 1,181,791	\$ 1,000	\$ 1,080,167
Sep-14	26,745	\$ 1,074,347	8.3%	\$ 102,166	\$ 1,176,513	\$ 1,000	\$ 1,075,347
Oct-14	28,490	\$ 1,144,443	8.8%	\$ 108,832	\$ 1,253,275	\$ 1,000	\$ 1,145,443
Nov-14	25,020	\$ 1,005,053	7.7%	\$ 95,576	\$ 1,100,629	\$ 1,000	\$ 1,006,053
Dec-14	26,539	\$ 1,066,072	8.2%	\$ 101,379	\$ 1,167,451	\$ 1,000	\$ 1,067,072
Jan-15	26,263	\$ 1,054,985	8.1%	\$ 100,325	\$ 1,155,310	\$ 1,000	\$ 1,055,985
Feb-15	25,168	\$ 1,010,999	7.8%	\$ 96,142	\$ 1,107,141	\$ 1,000	\$ 1,011,999
Mar-15	28,584	\$ 1,148,219	8.8%	\$ 109,191	\$ 1,257,410	\$ 1,000	\$ 1,149,219
Apr-15	28,041	\$ 1,126,407	8.7%	\$ 107,117	\$ 1,233,524	\$ 1,000	\$ 1,127,407
May-15	27,720	\$ 1,113,512	8.6%	\$ 105,890	\$ 1,219,402	\$ 1,000	\$ 1,114,512
Jun-15	26,945	\$ 1,082,380	8.3%	\$ 102,930	\$ 1,185,310	\$ 1,000	\$ 1,083,380
Total	323,161	\$ 12,981,377	100.0%	\$ 1,234,475	\$ 14,215,852	\$ 12,000	\$ 12,993,377