

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	06/22/15	Open	Action	06/12/15

Subject: Approve Exhibit A to the Collaborative Agreement with Paratransit, Inc. for the Provision of ADA Paratransit Services for Fiscal Year 2015-2016

## 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 2015-2016

## RECOMMENDED ACTION

Adopt Resolution No. 15-06-\_\_\_, Approving Exhibit A to the Collaborative Agreement with Paratransit, Inc. for the Provision of ADA Paratransit Services for Fiscal Year 2015-2016 (FY 16).

## FISCAL IMPACT

Budgeted:	\$14,315,727	This FY:	\$	n/a
Budget Source:	Operating Budget	Next FY:	\$	14,315,727
Funding Source:	Operating Budget	Annualized:	\$	n/a
Cost Cntr/GL Acct(s) or Capital Project #:	CC38, GL630091	Total Amount:	\$	14,315,727
Total Budget:	\$ 14,315,727			

## 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 2014. 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 FY16 demand is projected to grow at a rate of 4.8%.

Approved:

Presented:

Final 06/16/15

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 2014 through April 2015. 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, 2014 through April 30, 2015 is 336,753 trips. The growth forecast for FY16 service is 4.8% over FY15 levels. When the growth forecast of 4.8% is applied to the 2014-2015 rolling year, the projected number of trips for FY15 is 352,917 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 FY15, it was expected that ADA service would increase 4.8% over FY14 levels with a projection of 323,161 trips. It is anticipated that actual FY15 service provided will be about 5.2% above the projected levels. While a 5% increase over projected service levels was the overall average, in September 2014 and October 2014 the demand was up about 7.5% and then dipped slightly in January and February before leveling out again at just 5% over projections. There seem to be multiple factors at play causing this increased demand some of which may be attributed to the improving economy, the Affordable Care Act (ACA), social service agencies being in a better position to subsidize some of these trips for their programs as well as previous lower than projected service levels which are now normalizing.

By the end of FY16 it is expected that ridership will normalize to the projected growth rate of about 5%, averaging about 29,000 to 30,000 trips per month. 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 between March 2014 and March 2015 was 1.17%; therefore, the FY16 Core Rate per trip will be \$44.50. Any trips in excess of the projected core trips will be funded at the variable rate, which is \$36.18 in FY16.

Exhibit A for FY16 includes an estimate of 352,917 trips provided at the core rate of \$44.50, with any variable trips beyond the projected amount at \$36.18 per trip, reduced by \$1,401,080 in passenger fare revenue, resulting in an RT budget of approximately \$14,303,727. 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 \$14,315,727.

RESOLUTION NO. 15-06-\_\_\_\_\_

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

June 22, 2015

**APPROVING EXHIBIT A TO THE COLLABORATIVE AGREEMENT WITH  
PARATRANSIT, INC. FOR THE PROVISION OF ADA PARATRANSIT SERVICES  
FOR FISCAL YEAR 2015-2016 (FY16)**

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

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

THAT, the Fiscal Year 2015 -2016 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 30, 2016 for an amount not to exceed \$14,315,727, 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.

\_\_\_\_\_  
JAY SCHENIRER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary