

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3	10/26/15	Open	Action	10/14/15

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. 15-10-___, 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 adoption of a new Exhibit A was delayed this year as a result of discussions between the parties regarding the calculation of compensable trips for the aids and companions of riders. These discussions are continuing and will be addressed during the next negotiation cycle.

The Collaborative Agreement states that the budget for each new Fiscal Year (FY) 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 estimate includes the amount demand is projected to grow each year over a ten year period

Approved:

Presented:

Final 10/20/15
General Manager/CEO

Accessible Services Administrator

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(2012-2021) represented as a percentage increase in trips provided. For FY16 demand is projected to grow at a rate of 4.8%.

Per the Collaborative Agreement, the demand forecast was 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. will 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. 15-10-_____

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

October 26, 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

**EXHIBIT A
BUDGETED SERVICE LEVELS AND PAYMENT RATES
FISCAL YEAR 2015-16
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 2015-16

A. The budgeted costs, funding sources, contribution amounts, and service levels for Type I Service for Fiscal Year (FY) 2015-16 are summarized in Table A-1

	FY 15-16
a. Total Operating Cost	\$15,704,807
b. Passenger Fare Revenue	\$1,401,080
c. RT Budget	\$14,303,727
d. Trips Provided (Core)	352,917
e. Trips Provided (Variable)	0
f. Cost Per Trip Provided (Core)	\$44.50
g. Cost Per Trip Provided (Variable)	\$36.18

B. The budgeted costs, funding sources, contribution amounts, and service levels for ADA Complementary Paratransit Service for FY 2015-16 are presented in greater detail in the attached FY 2015-16 Table A-2. RT agrees to pay Paratransit \$14,303,727 for 352,917 Core trips provided for FY 2015-16 (from July 1, 2015 through June 30 2016). In addition:

- 1) RT agrees to pay Paratransit \$36.18 for each Variable trip (or trip in excess of the 352,917 projected trips) in FY 2015-16 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 2015-16.

2. Invoicing

- A. Paratransit's monthly invoice for FY 2015-16 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 2016-17, 2017-18, 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 2015-16, Revision 1, Exhibit A Fiscal Year 2015-16, 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: _____
MARK LONERGAN
Chief Operating Officer

Approved as to Legal Form:

Approved as to Legal Form:

By: _____
GREGORY D. THATCH

By: _____
RT Attorney

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Table A-2
FY2015-16

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-15	28,925	\$ 1,172,330	8.2%	\$ 114,832	\$ 1,287,162	\$ 1,000	\$ 1,173,330
Aug-15	28,949	\$ 1,173,303	8.2%	\$ 114,928	\$ 1,288,231	\$ 1,000	\$ 1,174,303
Sep-15	29,351	\$ 1,189,596	8.3%	\$ 116,523	\$ 1,306,119	\$ 1,000	\$ 1,190,596
Oct-15	30,524	\$ 1,237,138	8.6%	\$ 121,180	\$ 1,358,318	\$ 1,000	\$ 1,238,138
Nov-15	27,545	\$ 1,116,399	7.8%	\$ 109,354	\$ 1,225,753	\$ 1,000	\$ 1,117,399
Dec-15	28,230	\$ 1,144,162	8.0%	\$ 112,073	\$ 1,256,235	\$ 1,000	\$ 1,145,162
Jan-16	27,332	\$ 1,107,766	7.7%	\$ 108,508	\$ 1,216,274	\$ 1,000	\$ 1,108,766
Feb-16	27,969	\$ 1,133,584	7.9%	\$ 111,037	\$ 1,244,621	\$ 1,000	\$ 1,134,584
Mar-16	32,093	\$ 1,300,729	9.1%	\$ 127,409	\$ 1,428,138	\$ 1,000	\$ 1,301,729
Apr-16	30,769	\$ 1,247,068	8.7%	\$ 122,153	\$ 1,369,221	\$ 1,000	\$ 1,248,068
May-16	31,071	\$ 1,259,308	8.8%	\$ 123,352	\$ 1,382,660	\$ 1,000	\$ 1,260,308
Jun-16	30,159	\$ 1,222,344	8.5%	\$ 119,731	\$ 1,342,075	\$ 1,000	\$ 1,223,344
Total	352,917	\$ 14,303,727	100.0%	\$ 1,401,080	\$ 15,704,807	\$ 12,000	\$ 14,315,727