

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	09/23/19	Open	Action	09/18/19

Subject: Whether or Not to Terminate the ADA Paratransit Service Agreement with Paratransit, Inc. and Operate the Service In-House; and Provide Note to the City and County of Sacramento, and the Sacramento Area Council of Governments that SacRT Will Withdraw from the “Agreement Relating to Funding and Provision of Transportation Service to the Elderly and Disabled in Sacramento County” (also known as the “Four-Party Agreement”), Effective July 1, 2020.

ISSUE

Whether or not to terminate the Americans with Disabilities Act (ADA) paratransit service agreement with Paratransit, Inc. and operate ADA paratransit service in-house, effective April 1, 2020; and,

Whether or not to Notice the City of Sacramento, County of Sacramento and the Sacramento Area Council of Governments (SACOG) that SacRT will Withdraw from the “Agreement Relating to the Funding and Provision of Transportation Service to the Elderly and Disabled in Sacramento County” (also known as the “Four-Party Agreement”), effective July 1, 2020.

RECOMMENDED ACTION

- A. Adopt Resolution No. 19-09-____, Authorizing the General Manager/CEO to Provide “Notice of Termination for Convenience” to Paratransit, Inc. Regarding the Current “ADA Paratransit Service Agreement”, and Operate ADA Paratransit Service In-House, Effective April 1, 2020; and
- B. Adopt Resolution No. 19-09-____, Authorizing the General Manager/CEO to Provide Notice to the City of Sacramento, County of Sacramento and the Sacramento Area Council of Governments (SACOG) that SacRT will Withdraw from the “Agreement Relating to the Funding and Provision of Transportation Service to the Elderly and Disabled in Sacramento County” (also known as the “Four-Party Agreement”), Effective July 1, 2020.

FISCAL IMPACT

SacRT’s Fiscal Year 20 (FY20) operating budget assumed a net annualized payment to Paratransit, Inc. (PI) of \$11.2M, which is a monthly payment of approximately \$933,000. As SacRT is not under a new agreement, our actual monthly costs are the same as the prior year, which are \$400,000 higher than the budget.

Based upon SacRT’s successful implementation of recent major initiatives, such as SacRT Forward, Elk Grove’s contract, Folsom and Citrus Heights annexations, and SmaRT Ride

Approved:

Presented:

Final 09/20/19

General Manager/CEO

VP, Planning and Engineering

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(SacRT’s microtransit on-demand bus service), staff is confident that it can leverage technology and other innovations to operate paratransit services more efficiently, effectively, with better customer satisfaction. Staff is in the process of developing a comprehensive cost estimate for in-house operation of the ADA paratransit service; however, as we are in the process of negotiating with bargaining groups, it would be premature to share details at this time. Staff intends to report back to the Board upon finalization of these labor agreements.

DISCUSSION

ADA PARATRANSIT SERVICE AGREEMENT

As an operator of fixed-route transit services in Sacramento County and a recipient of federal funds, SacRT is responsible for providing complementary paratransit services that meet the federal regulations as mandated under the Americans with Disabilities Act (ADA). SacRT may operate these services directly or contract them out. SacRT currently contracts with PI for the provision of ADA paratransit service.

After many months of negotiations PI and SacRT agree that the service agreement, which expired on June 30, 2019, should be terminated.

The termination provision states that the termination will be effective upon one party providing written notice of termination at least six months prior to the effective date of such termination. This discussion assumes that SacRT will provide PI with six months’ notice. PI has stated they are committed to working with us to ensure a smooth, negotiated transition of ADA paratransit services back to SacRT.

At the September 23, 2019 Board meeting, staff will present a preliminary transition plan to bring paratransit operations in house, which will include information on SacRT’s plan for operating ADA paratransit service, public outreach, the return of assets back to SacRT, and job opportunities for PI drivers. Staff is seeking the input of the Board of Directors and other stakeholders in the disabled and senior citizen community to design and operate the best possible service delivery model.

As fundamental changes are now occurring in the field of mobility, as well as the demand for paratransit services, SacRT is well positioned to align future paratransit services with the changes in the mobility space, while ensuring compliance with federal obligations under the ADA. SacRT will maintain its commitment to “customers first” in the delivery of ADA paratransit service, offering autonomy and freedom to our passengers through an integrated and accessible fixed route and paratransit system. SacRT is at the forefront of the industry when it comes to piloting and implementing new innovative mobility solutions. SacRT’s microtransit on-

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demand bus service is one of the largest in terms of scale and one of the most productive in the county, while being fully accessible to customers with disabilities. SacRT has received great feedback from customers who like the freedom of on-demand service as opposed to making a reservation the day before. SacRT has implemented mobile apps to allow for easy fare payment and better communication to the customer. As we imagine the mobility network of the future, we foresee similar enhancements in the delivery of ADA paratransit service. Staff is currently exploring a new “free ride” program where qualified ADA-eligible residents will be able to ride its fixed-route buses, light rail and SmART Ride, which would equate to a savings of \$10 per round trip for the customer, as well as a potential fare reduction for ADA customers and potential regional ADA services for Elk Grove ADA customers. Additionally, SacRT can leverage the expertise of existing staff in various support areas such as information technology, customer satisfaction, human resources, finance, and safety to deliver a comprehensive and seamless business model for paratransit services.

SacRT appreciates and will continue to support the work that PI does in supporting regional social service agency partners in the provision of transit service, ensuring these agencies are able to customize transportation services to better serve their programs. This support also better serves the specific needs of agency clients and frees up capacity on the "safety net" that is ADA paratransit. Despite the potential change in operator of ADA paratransit service, SacRT remains committed to our social service agency partners. As we have for decades, our shared focus will be to ensure the future delivery of accessible services that meet the mobility needs of all members of our community.

FOUR-PARTY AGREEMENT

In 1981 SacRT, the City of Sacramento, the County of Sacramento and SACOG entered into an agreement commonly referred to as the Four Party Agreement after the implementation of the Social Services Transportation Improvements Act. The Four-Party Agreement contemplated the funding mechanism for the services that PI would provide to the elderly and disabled community in Sacramento County as a CTSA. Much has changed in service delivery since the formation of the Four-Party Agreement, including the passage of the ADA. The Four-Party Agreement was amended four times with the most recent iteration being executed in 1988. Pursuant to the Four-Party Agreement, the City and County, SACOG and SacRT agreed to fund PI services through different funding mechanisms. The City and County agreed to provide funding for PI’s CTSA services through their General Funds. SacRT agreed to allow PI to make a claim for and receive the Article 4.5 TDA funding, by agreeing to waive and relinquish its right to claim any Article 4.5 TDA funds available for services provided to the elderly and disabled communities. In 2009, when Measure A took effect, the City and County stopped providing PI with funds under the Four-Party Agreement and only SacRT continued to

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contribute under the TDA (SACOG never directly funded PI under this agreement). On September 9, PI proposed that SacRT withdraw from the Four-Party Agreement, which will effectively result in the termination of the Agreement. To withdraw from the Four-Party Agreement, SacRT is required to provide a notice to the other parties to the Agreement at least 60 days before the start of the new fiscal year. In other words, to withdraw from this Agreement, SacRT must provide the City, County and SACOG with notice no later than May 1, 2020. Staff recommends that the Board authorize the General Manager/CEO to provide that notice to the parties to the Agreement no later than May 1, 2020.

RESOLUTION NO. 19-09-_____

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

September 23, 2019

AUTHORIZING THE GENERAL MANAGER/CEO TO PROVIDE “NOTICE OF TERMINATION FOR CONVENIENCE” TO PARATRANSIT, INC. REGARDING THE CURRENT “ADA PARATRANSIT SERVICE AGREEMENT”, AND OPERATE ADA PARATRANSIT SERVICE IN-HOUSE EFFECTIVE APRIL 1, 2020

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

THAT, The Board hereby authorizes and directs the General Manager/CEO to provide “Notice of Termination for Convenience” to Paratransit, Inc. regarding the current “ADA Paratransit Service Agreement,” and to operate ADA paratransit service in-house effective April 1, 2020.

THAT, the General Manager/CEO is hereby authorized to execute any agreements, forms, applications or other required documents necessary to effectuate the termination contemplated herein.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary

RESOLUTION NO. 19-09-_____

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

September 23, 2019

AUTHORIZING THE GENERAL MANAGER/CEO TO PROVIDE NOTICE TO THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO AND THE SACRAMENTO AREA COUNCIL OF GOVERNMENTS (SACOG) THAT SACRT WILL WITHDRAW FROM THE “AGREEMENT RELATING TO THE FUNDING AND PROVISION OF TRANSPORTATION SERVICE TO THE ELDERLY AND DISABLED IN SACRAMENTO COUNTY” (ALSO KNOWN AS THE “FOUR PARTY AGREEMENT”) EFFECTIVE JULY 1, 2020.

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

THAT, the Board hereby authorizes and directs the General Manager/CEO to provide notice to the City of Sacramento, County of Sacramento and the Sacramento Area Council of Governments (SACOG) that SacRT will withdraw from the “Agreement Relating to the Funding and Provision of Transportation Service to the Elderly and Disabled in Sacramento County” (also known as the “Four Party Agreement”) effective July 1, 2020.

THAT, the General Manager/CEO is hereby authorized to execute any agreements, forms, applications or other required documents necessary to effectuate the withdrawal contemplated herein.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary



SacRT/Paratransit, Inc. Service Agreement Update

Discussion

Transition Plan for Bringing ADA Service In-House

Contract expired
June 30, 2019

- Currently in hold-over status
- Final terms presented

PI and SacRT have agreed
not pursue a new service
contract

SacRT operation of ADA
paratransit service

- 6 months notice
- Tentative Start Date: April 1, 2020

Transition Plan

PUBLIC OUTREACH

Comprehensive communications plan under development, including:

- Open house events within our service area to provide information and receive feedback from the riders
- Attend community and advocacy meetings
- Targeted media outreach to inform riders
- Direct outreach to riders
- Coordination with the Mobility Advisory Council (MAC)

Transition Plan

LEADERSHIP

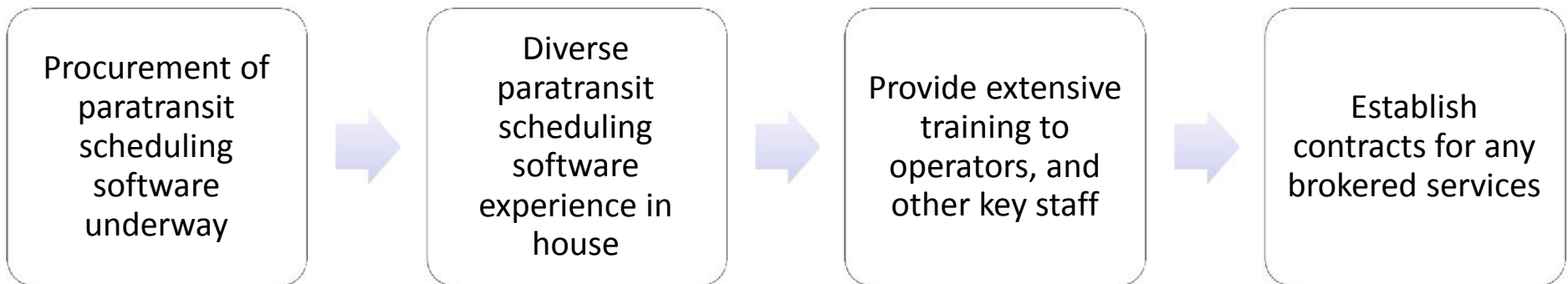


Transition Plan

STAFFING

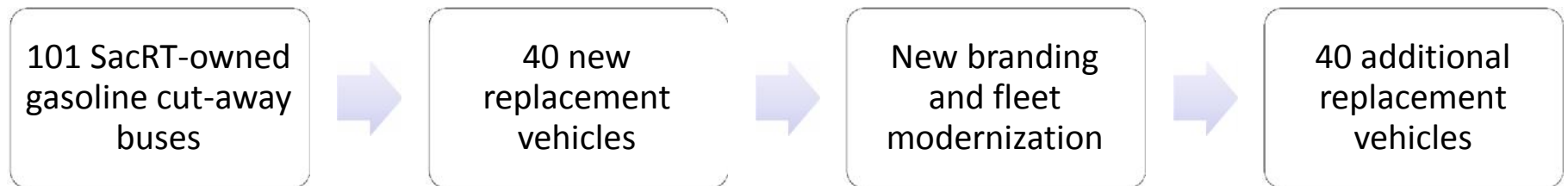


OPERATIONS



Transition Plan

VEHICLES

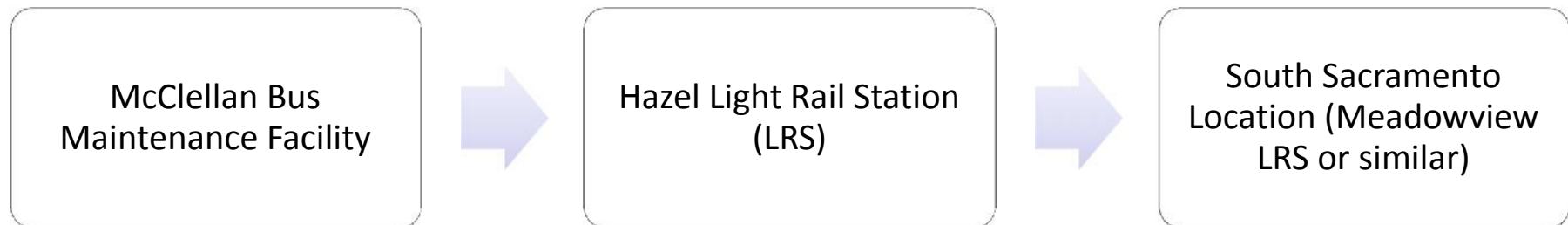


MAINTENANCE



Transition Plan

POTENTIAL LOCATIONS



OTHER LOGISTICS



Transition Plan

FINANCIAL PLAN



Amend critical plans and policies:

- 401A Plan (retirement plan)
- Fare Policy
- Paratransit plan

Transition Plan

CUSTOMER COMMITMENT

SacRT is dedicated to ensuring high quality service for ADA paratransit customers

- Integrated fixed route and paratransit system
- Elk Grove partial regional service
- Fare reduction for ADA customers
- Free fare on fixed-route

Autonomy



- Customers First
- Efficient
- Effective
- Transparent

Efficiency



- Leverage Technology:
 - Microtransit
 - Mobile apps
 - New mobility

Innovation



Four Party Agreement

SacRT

City of
Sacramento

County of
Sacramento

SACOG

- Originally signed in 1981
- Established a framework to fund disabled and elderly transportation, as well as the structure of the PI Board
- Last updated in 1988
- With 2009 Measure A renewal, the City and County stopped making payments to PI (SACOG not a direct funder)
- Not related to SacRT's ADA paratransit service agreement with PI
- SacRT is prepared to withdraw from the Four Party Agreement
- PI has also requested that SacRT withdraw

Discussion

NEXT STEPS

Upon Board of Directors Approval of Termination of ADA Paratransit Service Agreement

- Provide formal notice of termination of agreement by October 1, 2019
- Service launch April , 2020



Negotiate terms of with separation PI, potentially including:

- Transition of assets
- Fair and reasonable distribution of future funding

Upon Board of Directors Approval of Withdrawal from Four Party Agreement

- Provide notice of withdrawal from Four Party Agreement
- Effective July 1, 2020

Questions

