STAFF REPORT

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: Contract Award for East Bay Paratransit Consortium (EBPC) Broker/Provider Services

ACTION ITEM

RECOMMENDED ACTION(S):

Consider authorizing the General Manager to execute the five-year option period (July 1, 2018 through June 30, 2023) with Transdev for East Bay Paratransit Consortium (EBPC) Broker and Provider services for mandated Americans with Disabilities Act (ADA) paratransit services.

BACKGROUND/RATIONALE:

Since the inception of the provision of ADA paratransit services in 1997, via a Joint Powers Agreement (JPA) between AC Transit and the Bay Area Rapid Transit District (BART), the agencies have provided paratransit service in their overlapping service area as the East Bay Paratransit Consortium (EBPC). Service has been operated by a contracted broker firm which has subcontracted with private sector service providers operating dedicated lift vans and sedans.

In 2013, the Board of Directors of both AC Transit and BART approved and authorized their respective General Managers to execute an agreement with Veolia Transportation (now Transdev) for mandated ADA paratransit services for a base period of five (5) years (July 1, 2013 through June 30, 2018) with an option period of five (5) years (July 1, 2018 through June 30, 2023). The approval and award of the contract by the AC Transit Board was with the understanding that staff would bring this item back to the Board well in advance of the base period expiration date of June 30, 2018.

It is staff’s understanding that, at that time, the Board was concerned with compliance and oversight activities of the Broker and Service Providers. Attachment 1 contains a brief summary of EBP compliance audits, the Program Managers oversight of the Broker, and the Broker’s oversight of the Service Providers to ensure that quality service is being delivered.

The following activities outlined in the Request for Proposal (RFP), among other things, have been accomplished by the Broker in the first four (4) years of the base period:

- The EBP fleet is now 100% lift-equipped vehicles (no sedans);
- The Broker’s office/Call Center was relocated to a new facility in June 2015;
- The Broker assumed responsibility for centralizing all dispatch functions of the EBP vehicles under its control;
The Broker oversaw the development of a detailed emergency plan including initial and ongoing training for the Broker/Call Center staff and the EBP service providers;

- The Certification Manager and three (3) Certification Analysts began training to administer Functional Assessments of Cognitive Transit Skills (F.A.C.T.S.);
- The Interactive Voice Response (IVR) system was fully implemented with night before calls made for individuals with demand trips and imminent arrival calls the same day of service; and
- The Broker implemented a system to allow for the on-line purchase of ticket books with a credit card.

In the 2013 solicitation, a single proposal was received from Veolia Transportation (now Transdev). The technical proposal was evaluated and scored on the basis of the criteria contained in the RFP. Overall, the proposal was deemed to be of high quality. It should be noted that since its inception and first solicitation, the EBPC has only received a single proposal for each individual procurement. For every solicitation, Procurement staff would follow-up with prospective bidders to determine why they did not submit a proposal. Many indicated that they have never operated under the EBP model and do not have experience with a brokerage system and operating a large call center.

The initial price proposal was evaluated and found to be fair and reasonable and within the staff estimate developed prior to the receipt of proposals. The pricing was reviewed by procurement, the Paratransit Coordinator’s Office, and Accessible Services staff from both agencies. A Best and Final Offer (BAFO) was requested and submitted resulting in a reduction in pricing of $10.8 million, over the ten-year base and option periods. The five (5) plus five (5) year base and option periods amounted to a Not-to-Exceed (NTE) amount of $430.4 million. Recently, at the request of Legal Counsel, an additional analysis of the Option Period costs was analyzed and deemed to continue to be fair and reasonable.

Based on the initial Technical Proposal and the BAFO submittal, staff recommends that the Board approve and authorize the General Manager to exercise the award of the option period to Transdev for a NTE amount of $236.2 million, which was originally agreed to in 2013.

**BUDGETARY/FISCAL IMPACT:**

The total amount of the contract (base and option period) is $430.4 million. AC Transit is responsible for 69 percent of the total costs, or $297.0 million. The total not to exceed (NTE) amounts for the option period only and AC Transit’s proportional share (69%), by year, are shown below:

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<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
</tr>
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<tbody>
<tr>
<td>NTE Amount by Year $M (Option)</td>
<td>$43.8</td>
<td>$45.7</td>
<td>$47.5</td>
<td>$49.0</td>
<td>$50.2</td>
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<tr>
<td>AC Transit Costs by Year $M*</td>
<td>$30.2</td>
<td>$31.5</td>
<td>$32.8</td>
<td>$33.8</td>
<td>$34.6</td>
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*It should be noted that the NTE amounts above do not reflect annual budgets that will be submitted for Board approval separately.

**ADVANTAGES/DISADVANTAGES:**

The advantages to exercising the option period are, among other things:

- No disruption of service to EBP passengers;
- Retention of a team (Broker and Service Providers) that has been with the EBP service, since its inception, and performed well;
- Familiarity with EBP policies, procedures, reporting, invoicing, software system and overall mission;
- Assignment of regional staff that are familiar with the current software system utilized by EBP; and
- An understanding of the unique nature of the EBP service under two (2) elected transit boards.

**ALTERNATIVES ANALYSIS:**

The Board has an alternative not to exercise the Option Period, as recommended and direct staff to release a new RFP. However, given the solicitation history/results, it is unlikely that the District would receive multiple proposals and that a reduction in pricing would be realized.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

Staff Report 12-304.(a) Authorized the General Manager to execute an agreement with Veolia Transportation (now Transdev) for the East Bay Paratransit Consortium (EBPC) Broker and Provider services for mandated Americans with Disabilities Act (ADA) paratransit services for a base period of five (5) years (July 1, 2013 through June 30, 2018) with an option period of five (5) years (July 1, 2018 through June 30, 2023)

**ATTACHMENTS:**

1: Summary of Compliance Audits and Oversight

**Approved by:** Ramakrishna Pochiraju, Acting Executive Director of Planning & Engineering

**Reviewed by:**
- Denise Standridge, General Counsel
- Claudia Allen, Chief Financial Officer
- Robert del Rosario, Director of Service Development and Planning
- Sharon Dennis, Acting Director of Purchasing

**Prepared by:** Mallory Nestor-Brush, Accessible Services Manager
AC Transit and BART, as the EBPC, Compliance Audits, Program Oversight of Broker and Service Providers

1. **Formal Audit Review of EBPC financial and operational data and reporting accuracy**
   - Federal Transit Administration (FTA) Triennial Audit.
   - Metropolitan Transportation Commission / Transit Development Act (MTC/TDA) Triennial Audit.
   - Measure B/BB annual Audit and Year-End Report.
   - National Transit Database (NTD) triennial audit.
   - BART audit of Paratransit Broker’s fringe and overhead rates; occurs at the start and end of a contract period.
   - Periodic AC Transit audits of invoice accuracy.

2. **Oversight of Broker by agency Program Managers**
   - Regular staff meetings with Broker General Manager and Assistant General Manager of Operations.
   - Special monthly review of Budget-to-Actual performance on costs, productivity, on-time performance, billable hours, and passengers transported.
   - Review and required approval of all proposed Manager/Supervisor salary increases.
   - Review and required approval of all fixed asset expenditures greater than $5,000.
   - Quarterly Broker’s Report which includes:
     ✓ detail about staffing changes
     ✓ education and training of Broker staff
     ✓ details on accidents with injuries
     ✓ details about Road Supervisor/vehicle meets
     ✓ identification of inspections completed during the month
     ✓ a summary of captured Title VI information voluntarily obtained from applicants coming to the Broker office for an In-Person Assessment (IPA)
   - Annual Customer Satisfaction survey with incentives for scores earned in:
     ✓ Overall satisfaction with ADA service
     ✓ Reservation and Call center courtesy
     ✓ Driver skill and courtesy
   - Incentives/disincentives program focused on:
     ✓ On-time performance; both overall and trips greater than 60 minutes late
     ✓ Productivity
   - Oversight of the Drug and Alcohol reporting program by BART.
3. **Oversight of Service Providers by Broker**

- General Manager and Assistant General Manager conduct a meeting with each Service Provider every month.
- Driver File reviews; all drivers must be signed off by a Road Supervisor before entering revenue service.
- Annual Fleet inspection of 25% of the total fleet, by an outside contractor.
- Bi-annual inspection of all lifts.
- Bi-annual inspection of service provider facilities.
- Program of liquidated damages of various charges for the following, (not a comprehensive list):
  - Trips 30 – 59 minutes late
  - Trips 60+ minutes late
  - Missed Trips
  - Uncovered runs
  - Returned trips
  - Driver
  - Lateness in providing drug and alcohol reports, control logs, accident and incident report.
  - Late responses to complaint investigation requests
  - Improper or late vehicle maintenance
- Annual Road Supervisor attendance at one complete driver training at each provider location.
- Original approval and continued oversight to ensure the programs below are implemented and current:
  - Accident Policies and Procedures, and driving records of drivers.
  - Vehicle Maintenance and Cleaning Programs.
  - Procedure for Criminal Background checking.
  - Staff recruitment and Training Program.
  - Drug Testing Program.
  - Affirmative Action / Equal Employment Opportunity