



Agenda Item No. 2

To: Transportation Committee/Committee of the Whole
Meeting of August 8, 2008

From: Cynthia B. Petersen, Paratransit Coordinator
Alan R. Zahradnik, Director of Planning
Teri M. Mantony, Deputy General Manager, Bus Division
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE EXECUTION OF AN AGREEMENT FOR INTERCOUNTY
PARATRANSIT SERVICES BETWEEN THE GOLDEN GATE BRIDGE,
HIGHWAY AND TRANSPORTATION DISTRICT AND THE MARIN
COUNTY TRANSIT DISTRICT**

Recommendation

The Transportation Committee recommends that the Board of Directors approve a 12-month Agreement with the Marin County Transit District (MCTD) for provision of District Americans with Disabilities Act (ADA) intercounty paratransit services, effective July 1, 2008, through June 30, 2009. This recommendation will be presented to the Board of Directors at its August 8, 2008, meeting immediately following this one for appropriate action.

Summary

For the past 15 years, the District has annually contracted with MCTD for the provision of intercounty paratransit services by its local paratransit service contractor, Whistlestop Wheels (WSW), to comply with ADA. The FY 08/09 Intercounty Paratransit Agreement (Agreement) has been developed to continue the terms and conditions of the previous Intercounty Paratransit Agreements with MCTD and to reflect the principles of the Marin Local Fixed Route Bus Agreement effective through June 30, 2017.

As in FY 07/08, the Agreement provides for compensation to MCTD for Contractor (WSW) costs and MCTD costs for the operation of District Intercounty Paratransit Service, including:

1. Contractor's fixed and variable expenses – developed using a detailed line-item budget from WSW with costs allocated to MCTD and the District based on projected total hours, total miles, vehicle allocation, full-time equivalent employees, and passengers of the respective services.

2. District's share (based on mileage) of applicable operating costs funded by MCTD:
 - a. Fuel expenses – developed using the latest fuel cost estimates from Marin County Department of Public Works
 - b. Radio service – as invoiced by Marin Emergency Radio Authority (MERA)
 - c. Local match for vehicle procurement
 - d. Local match for MCTD-sponsored mobile data terminal project.

Operating Expenses

During the one-year term of this Agreement, the District will pay MCTD \$347,679 in WSW fixed operating costs, plus \$30.41 for each service hour provided up to 17,584 hours. This reflects a 4% increase in service hours over year-end service hours for FY 07/08 to accommodate projected demand. WSW continues to operate cost-effectively, limiting the increase in overall WSW FY 08/09 budgeted expenses (\$891,883) to 3.6% compared to the same expenses in the FY 07/08 Agreement (\$861,016).

FY 08/09 cost for fuel included in the Agreement is \$213,444. This is up 26% from projected FY 07/08 year-end fuel expense (\$170,000) due to the expected increase in service hours and MCTD's projected FY 08/09 per gallon fuel expense increase of 20%. The District's share of FY 08/09 MERA radio costs is estimated to be \$12,886.

Combined FY 08/09 ongoing operating costs is projected to be \$1,118,213, which is 8.2% above the budget expense (\$1,032,992) for ongoing expenses in the FY 2007/08 Agreement.

One-time Expenses

In addition, the following one-time costs are included in the FY 08/09 Agreement as expenses to MCTD:

<u>ONE-TIME COST</u>	<u>DESCRIPTION</u>	<u>DISTRICT SHARE</u>
PT Vehicle Match	Delayed procurement of vehicles programmed for FY 07/08, rolled over to FY 08/09 (Total local match: \$209,000)	\$ 62,259
	FY 09/10 vehicles for which pre-award expenditure authority will be sought in FY 08/09 (Total local match: \$87,252)	\$ 25,992
Mobile Data Terminals	FY 07/08 project rolled-over to FY 08/09 (cost based on 6/16/08 MCTD FY 08/09 final budget)	<u>\$ 86,215</u>
TOTAL COMBINED ONE-TIME EXPENSE		\$174,466

Combined FY 08/09 one-time MCTD operating costs are projected to be \$174,466. As stated in the Agreement, the figures above are estimates, and actual costs will be based on actual project costs. Formulas for cost sharing will be based on the latest vehicle mile information available at the time the expense is incurred.

FY 08/09 Agreement Total Cost

The combined ongoing and one-time operating expenses reflected in this Agreement (\$1,292,679) are 9.7% higher than similar expenses reflected in the Agreement for FY 07/08 (\$1,178,260). This increase reflects an additional 4% in service hours, roll-over of FY 07/08 vehicle local match expense, and a projected 20% increase in fuel costs. On a cost-per-service-hour basis, the effective hourly rate of \$73.51 per hour is 7.4% above the \$68.42 hourly rate reflected in the FY 07/08 Agreement.

As in past years, the Agreement provides for an expense reconciliation process. All parties will review MCTD and WSW actual fixed, variable, capital, and operating costs, plus fare revenue, to reconcile accounts based on actual expenses, service provided, and fare revenue received during the contract period.

Fiscal Impact

The total estimated cost to the District for intercounty paratransit service based on this Agreement is \$1,292,679. All fare revenue from trips provided under this Agreement (estimated at \$7.37 per passenger, \$100,030 total) will be credited toward these total costs, resulting in a net deficit for the provision of FY 08/09 intercounty paratransit service (after fares) of \$1,192,649 (7.7% farebox recovery). The adopted FY 08/09 Bus Division Operating Budget includes \$1,098,700 for net intercounty paratransit operating expenses defined in this recommended Agreement. Later in the fiscal year, staff will review the actual expenses and either transfer funds or adjust the Bus Division budget if necessary.