

To: Administrative & Finance Committee

Date: 5/26/2013

From: Bill Churchill, Director of Transportation

SUBJECT: Final One Year Extension of the Paratransit Service Contract with First Transit

Summary

The current contract with First Transit to provide ADA Paratransit services and maintenance allows for one more extension. If exercised, this would be the third and final extension under the current five year contract requiring staff to go out to bid for services beyond June 2014. First Transit has performed well in providing high quality cost effective Paratransit and shuttle services for our customers. For this reason, staff recommends the committee forward this item to the Board of Directors authorizing the General Manager to sign a one year contract extension with First Transit for the operation and maintenance of the County Connection LINK service. This extension would be the third and final extension of the existing five year contract and will be to form per County Connection Legal Counsel.

Since this request for an extension marks the end of the contract with First Transit, staff will be required to develop an RFP this fall with the goal of incorporating feedback from the full Board post the paratransit workshop this summer. It is anticipated the RFP would be released next winter providing sufficient time to complete a new multi-year contract for paratransit service implementation on July 1st 2014.

New Contract Rate Request

First Transit has performed well over the life of the current contract in providing ADA paratransit and shuttle services to County Connection customers. They have consistently maintained an excellent safety record while providing a high level of customer service. Additionally, First Transit has been a great partner on containing costs during the financial crisis by foregoing a rate increase and working to improve productivity.

Following a number of meetings with County Connection staff, First Transit has formally requested a rate increase of 2% to the hourly and fixed contract rates. First Transit requests this increase to keep up with their costs of meeting our contract. This includes projected cost increases to fuel, insurance, parts and supplies. It is also important to be aware the labor contract between First Transit and the ATU Local 1605 is currently being negotiated as the current contract expires this June 30th. Since First Transit's expenses

are clearly increasing and their request is in keeping with a Bay Area CPI of 2.7%, their request is reasonable.

Financial Impact

If the rate increase is approved the new hourly rate would be \$31.75 per service hour compared to \$31.13 per service hour today and the new fixed rate will be \$92,118.06 as compared to \$90,311.18 today. Overall, the draft FY14 County Connection budget contains \$5,373,920 for purchased transportation (LINK contract) to cover County Connection ADA paratransit service, BART ADA paratransit service provided by LINK, St. Mary's Shuttle and the Cal State shuttle.

Staff Recommendation

Staff recommends that County Connection extend the current contract with First Transit for the provision of LINK service with a 2% increase to the fixed and hourly rates. Staff further recommends that all of the terms and conditions remain the same.

The staff justification for this recommendation is that we find the proposed extension to be economically reasonable and prudent, and that we find the performance of First Transit over the past four years to be excellent.

Options

1. Send staff recommendation to the Board of Directors in the form of a Resolution.
2. Decline staff recommendation and go out to bid.
3. Take other action as determined.

Action Requested

Staff respectfully requests that you act on option one listed above.