

To: Administration and Finance Committee

Date: September 9, 2013

From: Anne Muzzini, Director of Planning & Marketing

Reviewed by:

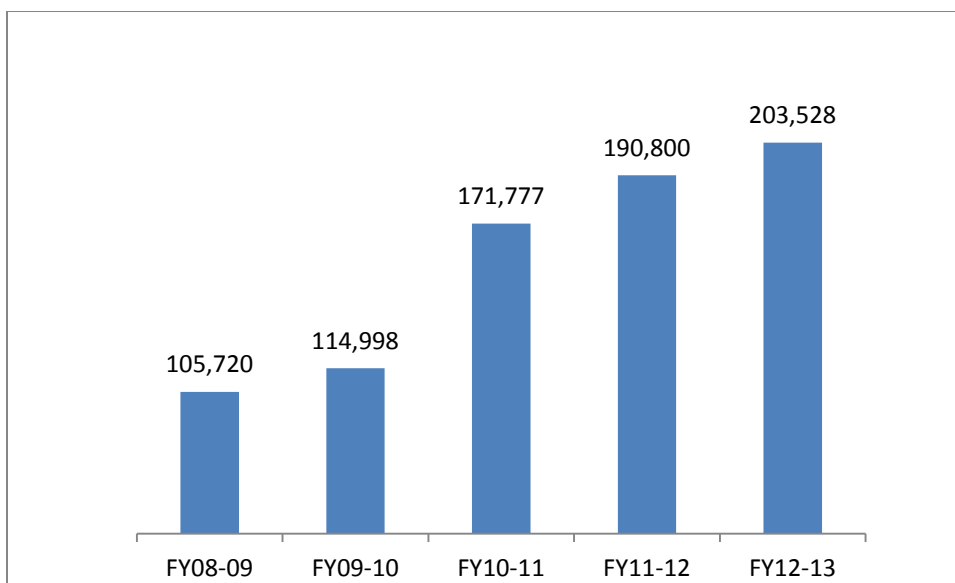
Subject: Bishop Ranch Service Agreement

Background:

County Connection has an agreement for service to Bishop Ranch with Sunset Development and Chevron that covers the 96X and 97X Express Bus routes from Walnut Creek and Dublin BART. The current agreement signed in 2009 established a method for calculating our marginal cost (\$106.44/hour in 2012-13) and charges 25% of this cost based on actual hours and days. In addition to the service cost there is a charge for fare reimbursement (\$86,664 per year in 2012-13).

When Bank of the West moved to Bishop Ranch we saw a significant increase in ridership and there was a need to add a 96X trip to accommodate the loads. We executed a letter agreement whereby Sunset agreed to pay \$81.21 per hour for the additional trip.

Ridership Growth



Because ridership has grown and the annual fare reimbursement rate has stayed the same, the amount per passenger has dropped from \$0.75 to \$0.43 per passenger.

Changes at Bishop Ranch and Impact on Contract

In recent months PG&E has been moving employees into Bishop Ranch and we are seeing an increase in ridership as a result. Sunset Development is negotiating with AT&T to bring them into the transit pass program. The addition of AT&T employees to the program will add enough demand to justify more service on the 96X which is near capacity on some trips.

It is in the interest of County Connection and Sunset Development to negotiate a new contract so that the additional trips added in the past and proposed in the future are rolled into one cost per hour. It is also important for County Connection to recover the full cost for expanded service and to increase the fare reimbursement amount to account for increased ridership.

Sunset Development is interested in adding service and bringing ATT into the program at the start of the year which requires Board approval of a new deal at the October meeting. We have developed a proposal that would increase the annual contract amount by \$183,492. A summary of our proposal is attached. Because negotiations are ongoing an update and recommendation will be presented to the Committee at the meeting.

Recommendation:

Staff recommends that the A&F support a new contract with Sunset Development and Chevron that increases the price for service and fare reimbursement to account for ridership growth and service expansion. The details of the negotiated price will be presented at the Committee.

To: Chris Weeks, Transportation Manager Bishop Ranch
 From: Anne Muzzini, Director of Planning County Connection

August 29, 2013 Transmitted via email

Chris,

Here's my estimate for a new contract price that:

- Includes the cost of two additional trips at \$90/hr marginal cost (we charged \$81.91/hr in 2011 for the one additional trip). The two new trips will depart WC BART at 7:47am and depart Transit Center at 4:19pm (total hours per day = 3.5)
- Increases the fare reimbursement rate from \$0.43 per passenger to \$0.75 per passenger. Other passengers pay average fare of \$1.52. The Bishop Ranch 2009 fare reimbursement amount was set based upon \$0.75 per passenger however this has been degraded with rapid growth in ridership from Bank of the West employees)
- Assumes that ATT and PGE will generate additional 50,000 trips a year (Bank of the West bumped ridership by 60,000 trips a year)
- Rolls all the cost into one hourly rate

New Contract Estimate

	Current	Plus 2 Trips; 50K pass; \$0.75/pass	Difference
Total 96X & 97X invoice	\$415,575	\$495,585	\$80,010
Total Hours	13,486	14,375	
Invoiced per Hour	\$30.82	\$34.48	
Fare Revenue	\$86,664	\$190,146	\$103,482
Total Passengers	203,528	253,528	
Fare Revenue/Passenger	\$0.43	\$0.75	
Total Cost	\$502,239	\$685,731	\$183,492
Cost per Total Hour	\$37.24	\$47.70	
Ave Fare per Pass FY11-12	\$1.52		
Additional (2) 96X trips (3.5 hrs/day x \$90 hr x 254 days)	\$80,010		