

To: Administrative & Finance Committee

Date: 3/31/2017

From: Bill Churchill, Director of Transportation

SUBJECT: 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 will expire June 30th 2017. Fortunately, the contract allows for two one year extensions. If exercised, this would be the first of two potential extensions allowed under the existing contract.

First Transit has performed reasonably well in providing quality cost effective Paratransit and shuttle services for our customers. Additionally, First Transit hired a high quality experienced General Manager to improve service quality and implementation. 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 would be the first extension of the existing five year contract and will be to form per County Connection Legal Counsel.

New Contract Rate Request

First Transit has performed reasonably well over the life of the current contract 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.

Following a number of meetings with County Connection staff, First Transit has formally requested a rate increase of 3% 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 was recently settled with a 3% wage increase. Since First Transit's expenses are clearly increasing and their request is in keeping with a Bay Area CPI of 3.4% from February 2016 to February 2017 their request is reasonable.

Financial Impact

If the rate increase is approved the new hourly rate would be \$45.14 per service hour compared to \$43.83 per service hour today and the new fixed rate will be \$97,121.79 as compared to \$94,292 today. Since the draft FY18 County Connection budget was increased 3% for purchased transportation (LINK contract), the requested rate increase is within budgetary expectations.

Staff Recommendation

Staff recommends that County Connection extend the current contract with First Transit for the provision of LINK service with a 3% 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 reasonable.

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.