

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 6/12/2024

Staff Report No. 23-238a

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager/Chief Executive Officer
SUBJECT: Contract Extension for East Bay Paratransit Broker/Service Provider

ACTION ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider authorizing the General Manager to enter into a 180-day contract extension with Transdev U.S., Inc. (Transdev) for East Bay Paratransit Consortium (EBPC) Broker/Service Provider services.

Staff Contact:
Ramakrishna Pochiraju, Executive Director of Planning & Engineering

STRATEGIC IMPORTANCE:

Goal - Safe and Secure Operations
Initiative - Service Quality

Ensuring the continuity of ADA paratransit services via the East Bay Paratransit Consortium is critical to maintaining reliable service for individuals with disabilities who are unable to use fixed-route services.

BUDGETARY/FISCAL IMPACT:

The contract extension is being negotiated and will only be executed at or below a not-to-exceed (NTE) cost of \$39,855,072 for the six-month period from July 1 through December 31, 2024. This includes rate increases effective July 1, based on existing collective bargaining agreements with the paratransit service providers. The cost also includes funding to cover additional insurance premiums the Broker is obligated to pay during the extended term. The cost will be split with the District's EBPC partner, with 69% covered by AC Transit (a NTE cost of \$27,500,000) 31% paid by BART (a NTE cost of \$12,355,072). The District's FY 2024-25 Proposed Operating Budget includes sufficient funding for the extension period.

BACKGROUND/RATIONALE:

The current contract with Transdev is set to expire on June 30, 2024, and additional time is required to complete the Request for Proposal (RFP) process for a new five-year contract with options. Bids for the current RFP were submitted on January 31, 2024, and since then both AC Transit and BART staff have been working through the proposal analysis and clarification steps. The contract for paratransit services is complex and is the largest single contract that the District issues, so it is important to have sufficient clarity and analysis to ensure the best contract that can be achieved.

This six-month extension will allow for thorough verification of future contract cost elements, finalization of negotiations, and routing for approval routing through BART and AC Transit staff and Boards. BART audit staff has been performing an overhead cost rate review of the pending solicitation proposals to ensure proposed costs are justified. The existing contract extension will allow for sufficient time for the audit to be completed. Staff will return to the Board with a recommended awardee and the finalized and audited costs for the next long-term contract.

ADVANTAGES/DISADVANTAGES:

The contract extension will ensure the continuity of a vital service to the most vulnerable populations the District serves. The contract extension will allow sufficient time to ensure the District and BART are paying fair and reasonable costs for paratransit services with the most qualified vendor.

ALTERNATIVES ANALYSIS:

An alternative would be to move forward with the most qualified proposal submitted in response to the pending solicitation immediately. However, BART's audit team has not yet finished their audit of the costs and cost clarifications and negotiations are ongoing. Therefore, staff would not be able to present finalized or justifiable costs for the new awardee at this time. Staff is willing to provide more information to the Board regarding the current competitive range of potential awardees provided it does not compromise the negotiation process currently underway.

PRIOR RELEVANT BOARD ACTION/POLICIES:

SR 21-471 - Authorization to release the RFP for East Bay Consortium Broker and Provider Services.
SR 23-238 - Contract Extension for East Bay Paratransit Broker/Service Provider

ATTACHMENTS:

None

Prepared by:

Michael Silk, Assistant Director of Procurement and Materials Management
Chris Andrichak, Chief Financial Officer

Approved/Reviewed by:

Ramakrishna Pochiraju, Executive Director of Planning & Engineering
Robert del Rosario, Director of Service Development and Planning
Fred Walls, Director of Procurement and Materials
Shayna van Hoften, Interim General Counsel/Chief Legal Officer
Chris Andrichak, Chief Financial Officer