

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

**MEETING DATE:** 7/10/2024

**Staff Report No. 24-381**

**TO:** AC Transit Board of Directors  
**FROM:** Michael A. Hursh, General Manager/Chief Executive Officer  
**SUBJECT:** Funding Agreement for East Bay Paratransit Software

### ACTION ITEM

**AGENDA PLANNING REQUEST:**

**RECOMMENDED ACTION(S):**

Consider authorizing the General Manager to execute a funding agreement with the Bay Area Rapid Transit District (BART), for East Bay Paratransit Software.

Staff Contact:  
Ramakrishna Pochiraju, Executive Director of Planning & Engineering  
Chris Andrichak, Chief Financial Officer

**STRATEGIC IMPORTANCE:**

Goal - Convenient and Reliable Service  
Initiative - Service Quality

The new software platform will provide innovative features for East Bay Paratransit (EBP), such as dynamic vehicle optimization/routing to improve efficiency and reduce costs; expanded customer support and self-service functions such as trip booking and cancellation; improved efficiencies in the call center features and functions, and the ability to integrate micro-transit options as well as EBP's contactless fare payment application. These features will greatly improve the trip planning experience both for riders and EBP.

**BUDGETARY/FISCAL IMPACT:**

As outlined in the software contract award, the base contract awarded to Spare Labs, Inc. (Spare) totaled \$4,074,000, including \$1,520,000 for implementation during the first two years and \$2,554,000 for operations and maintenance (O&M) over the remaining five years of the contract. The contract also includes an option to use Spare's text-messaging (SMS) and interactive voice response (IVR) systems for an additional \$492,000 which would bring the contract amount to \$4,566,000.

AC Transit is responsible for 69 percent of the total contract cost, which equates to \$3,150,540.

The District's proportional share of the implementation costs and first four years of Operations and Maintenance costs are included in the Board-approved Capital Investment Plan (CIP).

**BACKGROUND/RATIONALE:**

The AC Transit and BART Board of Directors awarded the contract to Spare during their regularly scheduled meetings on April 24 and April 11, 2024, respectively.

The proposed funding agreement with BART memorializes the District's commitment to fully fund the Spare contract. BART is the lead agency on this project as the Spare platform, as well as EBP's existing contactless fare payment system, will interact with BART's Mobility as a Service (MaaS) platform.

The proposed funding agreement will call for AC Transit to transfer funds in the amount of \$750,000 to BART within 30 days of contract execution with Spare and an additional \$750,000 in January 2025. Additional funds, up to the CIP-approved \$3 million, will be transferred to BART on a schedule mutually agreed to by both agencies. Once these funds are expended, the District will be invoiced directly by Spare for our proportional share of the project costs.

BART will provide a monthly report to the District's Program Manager indicating the project implementation status and drawdown of the District's funds. Expenditures, milestone payments and invoices will be approved by both the BART and District Program Managers prior to payment.

**ADVANTAGES/DISADVANTAGES:**

The advantage of executing the funding agreement with BART is that it demonstrates the District's commitment to advancing the technology available to EBP to improve customer service and efficiencies as well as providing a platform for micro-transit options in the future.

There are no disadvantages to executing the funding agreement with BART.

**ALTERNATIVES ANALYSIS:**

No alternatives analysis was conducted regarding the execution of a funding agreement with BART for the purchase and implementation of the software system for EBP.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

22-353 - 2024 Board approval Comprehensive Investment Plan (CIP)

24-241 - Contract Award: Paratransit System Software

**ATTACHMENTS:**

None.

**Prepared by:**

Mallory Nestor-Brush, Manager of Accessible Services

**Approved/Reviewed by:**

Robert del Rosario, Director of Service Development and Planning

Ramakrishna Pochiraju, Executive Director of Planning & Engineering

Chris Andrichak, Chief Financial Officer

Shayna van Hoften, Interim General Counsel/Chief Legal Officer