

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 7/10/2024

Staff Report No. 24-329

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager/Chief Executive Officer
SUBJECT: Dumbarton Express Operations

ACTION ITEM

AGENDA PLANNING REQUEST: ☐

RECOMMENDED ACTION(S):

Consider exercising the first of three one-year options with MV Transportation to continue operating the Dumbarton Express service under the existing contract through December 31, 2025.

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

STRATEGIC IMPORTANCE:

Goal - Convenient and Reliable Service
Initiative - Financial Efficiency and Revenue Maximization

The Dumbarton Express is a vital transit service that primarily serves the journey-to-work travel market between the East Bay and the Peninsula. It has been in operation since 1984 and continues to be an important commute alternative in the Dumbarton Bridge corridor.

BUDGETARY/FISCAL IMPACT:

The Dumbarton Express operation is funded entirely through revenues from Regional Measure 2 (RM2) bridge tolls, fares collected on the service, and AC Transit EasyPass sales to Stanford University and Stanford Health Care. Aside from a minor amount of staff time to administer the service contract, no other District funds or resources are used to support the Dumbarton Express.

Exercising the option will result in a rate escalation of approximately 4.6% effective January 1, 2025, from \$122.32 per hour to \$127.96 per hour, excluding fuel and other incidental costs, such as WiFi service. The total projected cost of the Dumbarton Express service for calendar year 2025 is approximately \$3.6 million. While the calendar year and fiscal years do not align, the RM2 allocation for Fiscal Year 2024-25 is up to \$3.1 million. Additionally, EasyPass revenues are expected to account for approximately \$700,000. If trends hold, RM2 funds are expected to cover the remaining portion of the service's operating expenses.

In the event that costs exceed the budgeted amounts during the first option year, staff will request additional RM2 funding and may also reach out to the Dumbarton Bridge Regional Operations Consortium ("DBROC" or

“the Consortium”) to request equal financial contributions to close the funding gap. In addition, Metropolitan Transportation Commission staff has indicated Regional Measure 3 (RM3) funds may become available to support Dumbarton Express operations.

BACKGROUND/RATIONALE:

The Dumbarton Express bus service connects southern Alameda County with the southern portion of San Mateo County and the northern portion of Santa Clara County via the Dumbarton Bridge, and has been in operation since 1984. The Dumbarton Express service is overseen by The Consortium, a group of five Bay Area transit agencies, of which AC Transit is a member. The other DBROC member agencies are the San Francisco Bay Area Rapid Transit District (BART), the City of Union City (Union City Transit), the San Mateo County Transit District (SamTrans), and the Santa Clara Valley Transportation Authority (VTA). AC Transit acts as the day-to-day administrator of the service on behalf of the Consortium.

The Dumbarton Express has been in existence for 40 years, and for the most part has seen service and ridership increase during its existence, with the major exception being the years of the COVID-19 pandemic. Ridership reached its nadir in FY 2020-2021 but has since recovered to over 70% of pre-pandemic levels, or nearly 800 daily riders. Dumbarton Express currently is providing 85% of pre-pandemic service levels.

The current contract with MV Transportation to operate the Dumbarton Express began July 1, 2023. The initial 18-month contract term will end December 31, 2024. The contract contains options to extend the term one year at a time for up to a maximum of three years. MV Transportation has performed in a satisfactory manner and has been responsive to issues and concerns that have arisen during the contract term to date.

The Consortium met on May 8, 2024 to discuss the status of the contract between AC Transit and MV Transportation to operate the Dumbarton Express on the Consortium’s behalf. The Consortium was unanimous in recommending exercise of the first one-year option at MV’s proposed rate of \$127.96 per hour (not including fuel and other incidental charges) effective January 1, 2025 through December 31, 2025.

ADVANTAGES/DISADVANTAGES:

The advantage of exercising the option is that it is an important step in ensuring uninterrupted Dumbarton Express service after December 31, 2024. Possible disadvantages are an increase in cost during the option year (s).

ALTERNATIVES ANALYSIS:

The alternative would be to let the contract expire on December 31, 2024, which would lead to an interruption in service for an unknown amount of time. This alternative is not recommended as the Consortium believes that such an outcome is detrimental for current and potential Dumbarton Express riders.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Staff Report 11-256r Dumbarton Express Contract Assumption

Staff Report 11-256q 18-month DBROC Cooperative Agreement and Dumbarton Express Contract

ATTACHMENTS:

None

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