

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

**MEETING DATE:** 8/6/2025

**Staff Report No.** 25-268a

**TO:** AC Transit Board of Directors  
**FROM:** Salvador Llamas, General Manager/Chief Executive Officer  
**SUBJECT:** East Bay Paratransit Software Implementation

### ACTION ITEM

**AGENDA PLANNING REQUEST:** ☐

**RECOMMENDED ACTION(S):**

Consider ratifying the payments made in the amount of \$181,330.29 for Project Management Oversight (PMO) services and authorize the General Manager to enter into a funding agreement with BART to include PMO services and contactless payment integration in the amount of \$512,671.71 to implement the East Bay Paratransit Consortium's (EBPC's) Software.

Staff Contact:  
Ramakrishna Pochiraju, Executive Director of Planning & Engineering  
Ahsan Baig, Chief Information Officer

**STRATEGIC IMPORTANCE:**

Goal - Convenient and Reliable Service  
Initiative - Service Quality

PMO services for successful implementation of EBPC software and contactless payment system integration are essential to deploy integrated scheduling system which will enhance EBP's operational efficiency and improve the customer experience for paratransit riders.

**BUDGETARY/FISCAL IMPACT:**

On April 24, 2024, the Board of Directors authorized the General Manager to enter into a three-party contract with Spare Labs, Inc., provider of the scheduling software application, in concert with the Bay Area Rapid Transit District (BART) in the amount of \$4,566,000. The District's share of the cost of that contract with Spare Labs, Inc. (Spare Labs) is approximately 69% of the total cost (\$3,149,315).

In addition to the Spare Labs software purchase, there are other associated costs with this project. These are identified in the table below:

Other Implementation Project Costs	Total Cost	69% District Share
Project Management Oversight (PMO) services to oversee Spare's implementation	\$755,800	\$521,502

Integration of EBP's contactless payment application	\$250,000	\$172,500
Project contingency (cost reserves)	\$610,833	\$421,475
<b>Other Implementation Project Costs Total</b>	<b>\$1,616,633</b>	<b>\$1,115,477</b>

The above associated costs, less contingency (cost reserves), were included in the District's FY 24-25 and FY 25-26 Purchased Transportation budget under the Paratransit 'Miscellaneous Expenses' and 'Other ADA Consortium' line items. If approved by the Board, the District's share of the planned PMO services expense (not including contingency) will be amended to the existing funding agreement with BART and the remaining expenses paid via amended funding agreement. To date the District has paid \$181,330.29 for PMO services through EBP Broker invoices.

The PMO and associated costs are capitally eligible and can be included in the capital budget instead of the operating budget. Board Policy 311 allows for a transfer between the budgets provided the total Enterprise Budget does not change. Staff will move the existing expenses and budgets to the existing Capital Project for the EBP Dispatch Software.

#### **BACKGROUND/RATIONALE:**

On April 11<sup>th</sup> and 24<sup>th</sup> of 2024, respectively, the Board of Directors for BART and AC Transit each approved the execution of a three-party contract for new paratransit software services with Spare Labs, Inc. for a seven-year term comprising a two-year implementation period, five-year operations and maintenance (O&M) period, and options to replace the software currently used to operate EBP.

On July 10<sup>th</sup>, 2024, the Board authorized the General Manager to execute a funding agreement with BART to memorialize the Board's April 24<sup>th</sup>, 2024, approval of the contract with Spare Labs, recognizing BART would serve as the agency responsible for administering the contract and the District would pay BART for its share of the costs. The Interim General Manager/CEO and General Counsel executed the funding agreement on May 13<sup>th</sup>, 2025.

At the same time, recognizing the need for a dedicated team with expertise in large-scale software integration, testing, project management, and technical support, AC Transit and BART staff collaborated to develop a detailed Scope of Services to procure a PMO vendor. These specialized resources are required for a limited period to help ensure the timely and cost-effective implementation of the Spare Labs software.

To that end, in June 2024, BART issued the Scope of Services to six vendors listed on the California Multiple Award Schedule (CMAS). One vendor, Transsight, submitted a proposal and was subsequently awarded the PMO services contract by BART in September 2024. The associated additional costs, less contingency (cost reserves), are included in the District's FY 24-25 and FY 25-26 Purchased Transportation budget under the Paratransit 'Miscellaneous Expenses' and 'Other ADA Consortium' line items. Since BART holds the contract for the PMO services and application of contactless payment, BART will pay for these services directly.

Both BART and AC Transit Staff work directly with Transsight to bring additional focus on project management, technical and implementation experience. The agencies established a project organization structure for budgeting, consulting, and technical oversight.

Transsight has been providing PMO services and works with the EBP software stakeholders, departments and entities to move the EBP's core systems (scheduling and dispatch) from a legacy software to the new Spare Labs platform. Tasks include but are not limited to:

- Project Management and collaborate with all entities involved
- Software configuration and data migration
- Building software modules (certification, customer service, etc.)
- Development of an internal/external communications plan
- Revenue vehicle configuration
- Developing and coordinating Spare Labs Software Testing and Acceptance Plans
- Developing SOPs to adopt and operationalize the new software platform
- Integration of EBP's contactless payment application with Spare Labs

Transsight organizes weekly meetings and is responsible for tracking and reporting on all Spare Labs contract requirements and deliverables. Transsight manages and documents all project phases (e.g. project initiation, design, development, testing and acceptance) and project milestones and project schedules. Transsight reports on those project elements to a project team comprised of AC Transit staff, from IT and Accessible Services and BART staff. AC Transit staff have been working on daily basis with the BART project team to manage the PMO consulting services software implementation deliverables and budget.

Staff is requesting the Board consider authorizing the General Manager to expend additional funds for Project Management Oversight (PMO) services required to implement the East Bay Paratransit Consortium's (EBPC's) Software.

**Staff's Response to the Board's Inquiries and Request for Additional Information:**

AC Transit staff and BART staff were working together on developing the scope of services for PMO services and staff acknowledge that the Board should be notified about the additional costs for PMO services when staff brought the Spare Labs contract award and the funding agreement for the board approval.

BART awarded the PMO services contract in September 2024, and staff budgeted for PMO and contactless application services in the FY 24-25 and FY 25-26 operating budgets. The District has paid \$181,330.29 (69% cost share) to date through EBP Broker invoices for PMO services via the following process:

- BART pays the PMO vendor and submits the invoices for PMO services to the EBP Consortium (EBPC) broker, Transdev.
- The EBP broker submits monthly invoices to AC Transit and BART. A copy of the monthly invoices are also sent to the EBP Paratransit Coordinator Office (PCO) for their oversight on financial and operating data from the broker.
- Payments should not have been made without the Board approval of the expenditures.  
To rectify the situation and bring greater transparency to this project, while staff does more in-depth analysis of EBPC payments and processes, staff is requesting approval to enter into a funding agreement to include the PMO costs. This will allow the PMO and contactless payment costs to be handled separately from the regular broker billing. Moving the budget and expenses into a separate existing capital project will also bring greater transparency to the process.

The General Manager has directed an internal audit be conducted on invoice processing for invoices paid both through the broker contract and those paid directly by the District to ensure that staff complies with all Board policies. In addition, staff will return to the Board for approval of additional funds should the implementation of Spare Labs software for EBP require additional costs than currently budgeted, as required by BP 465.

EBP, with oversight from both AC Transit and BART, will own the software. BART and AC Transit will continue overseeing and managing the EBP contract while using the new, state-of-the-art scheduling software. After the software is successfully deployed and various technology components are upgraded, AC Transit and BART will jointly implement an O&M plan for technology maintenance and support. As the end user, the EBP Broker, Trandev, also has two full-time Information Technology (IT) managers responsible for directly maintaining and operating the software system. The District will continue partnering with BART to ensure the platform is properly managed and maintained and will clarify each party's role. Both agency staff will be responsible for managing the Service Level Agreements (SLAs) to hold Spare Labs and other technology solution providers accountable. Refer to Attachment 1 for the PMO Scope of Services and Attachment 2 for the Implementation Timeline.

#### Value Proposition: Transsight's Role in Delivering a Successful Spare Labs Implementation

Prior to awarding the PMO East Bay Paratransit CMAS contract, BART and AC Transit conducted a thorough review of the Scope of Service and the proposed costs. The team determined that the services offered and the hourly rates for each position were fair and reasonable. The implementation of the Spare Labs scheduling platform marks a multi-million-dollar investment aimed at enhancing the reliability, efficiency, and user experience of East Bay Paratransit (EBP) services. Because of the complexity of the solution and its crucial integration points-including contactless payments, user data, and broker systems-Transsight has been brought on to provide PMO services that are vital to the project's success.

By acting as a reliable partner to AC Transit and BART, Transsight provides extensive technical expertise, multi-disciplinary project management, and organized quality assurance procedures that offer the following key Value Drivers:

#### End-to-End Program Oversight

- Ensures project alignment across all stakeholders, bridging AC Transit, BART, Spare Labs, and other vendors.
- Acts as a central liaison and escalation point, maintaining accountability, scope, and schedule integrity.

#### Vendor Management and Technology Integration

- Coordinates across all technology and hardware components, ensuring Spare Labs integrates seamlessly with contactless payments, Clipper 2, Interactive Voice Response, and broker systems.
- Monitors vendor performance against functional, technical, and performance requirements.

#### Change Management & Production Readiness

- Leads the development and execution of the training and change management plans, driving user adoption and operational readiness.
- Oversees user acceptance testing (UAT), system integration, and quality assurance-ensuring all components are production-ready and validated before launch.

#### Testing Leadership and Quality Assurance

- Manages all phases of testing-unit, integration, system, and acceptance-to ensure a defect-free

deployment.

- Produces detailed testing documentation, defect tracking, and post-test evaluation for audit and continuous improvement.

#### Data Strategy and Analytics Enablement

- Develops strategies for data retention, escrow storage, and analytics planning, ensuring long-term reporting, compliance, and insights capabilities are in place.

Transsight's ability to quickly assemble a cross-disciplinary team of engineers, project managers, and domain experts enables AC Transit and BART to speed up implementation, lower project risks, and ensure the long-term maintainability of the Spare Labs platform. Their guidance enhances both the technical execution and business outcomes of the project, supporting EBP's mission to provide efficient and productive paratransit services across the region.

#### **ADVANTAGES/DISADVANTAGES:**

The PMO services are critical to the success of timely delivery of a turnkey software solution. It was jointly determined that neither AC Transit, BART or Transdev (EBP's service broker) could have assumed the responsibilities in conducting all the administrative, management and technical expertise associated with the implementation of this project.

Other than cost, there are no disadvantages to funding the other critical expenses that are required for successful implementation.

#### **ALTERNATIVES ANALYSIS:**

One alternative is to not approve the additional costs necessary for the successful implementation of the Spare Labs software and require staff to identify a separate funding source and mechanism to reimburse BART for these associated costs. Staff does not recommend this alternative. Implementation of the software benefits AC Transit and its eligible paratransit customers and is reflected in the agreed upon cost-splitting ratio between the two agencies.

#### **PRIOR RELEVANT BOARD ACTION/POLICIES:**

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

SR 24-241 - Contract Award: Paratransit System Software

SR 24-381 - Funding Agreement for East Bay Paratransit Software

SR 25-268 - Eastbay Paratransit Software Implementation

#### **ATTACHMENTS:**

1. PMO Scope of Services
2. Implementation Milestone Timeline

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