

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 11/13/2024

Staff Report No. 21-471a

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

ACTION ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider authorizing the General Manager, acting jointly with the Bay Area Rapid Transit District (BART), to negotiate and enter into a 4.5 year agreement, with one five-year option period, with Transdev Services, Inc. ("Transdev") to serve as the Broker for the East Bay Paratransit Consortium (EBPC), providing Paratransit Services for AC Transit and BART as mandated by the Americans with Disabilities Act (ADA) in an amount not to exceed \$387,810,000.

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

STRATEGIC IMPORTANCE:

Goal - Convenient and Reliable Service
Initiative - Service Quality

The provision of ADA complementary paratransit services, an unfunded mandate, is a core mission of the District. The ability to provide a reliable, high-quality service to individuals who cannot, due to a physical or cognitive disability, utilize the District's fixed-route bus service is critically important.

BUDGETARY/FISCAL IMPACT:

The term of the proposed contract with Transdev will be a 4.5-year base term (January 1, 2025 - June 30, 2029) and a five-year option period (July 1, 2029 - June 30, 2034). The 4.5-year base period not-to-exceed (NTE) amount totals \$387,810,000, of which AC Transit is responsible for 69% percent or \$267.6 million (shown below). More detail is shown in Attachment 1.

1/1/25-6/30/25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	Total (without allowances)
\$24.6M	\$53.3M	\$59.4M	\$62.2M	\$65.4M	\$264.9M

The NTE amount includes allowances totaling \$3.9 million in the base period, and include, among other

things, zero emission vehicles and One Seat Ride pilot programs, labor costs (outside of the Contractor's control), technology changes and upgrades and security improvements. Fuel expenses are reimbursed directly based on usage.

The option period NTE totals \$565,260,000, including \$2.4 million in allowances, of which AC Transit is responsible for \$390 million.

It should be noted that the Board is authorizing an NTE amount. There has been an extended negotiation and proposal review and revision period, with an internal audit team from BART reviewing all pricing documents and backup. The final cost proposal reviews are happening concurrently with this award process, and staff is confident that the final contract award amounts will be at or below the NTE amounts shown above.

CONTRACT AWARD SUMMARY:

Vendor Outreach Summary:	
No. DBE/SBEs:	3
No. Registered Vendors:	26
Contract Summary:	
# Proposals/Bids Received:	1
Award Type:	Best Value
Independent Cost Estimate Range:	\$330,799,298-\$470,213,994 for five years or \$700,000,000-\$801,013,292 total
Recommended for Award:	Transdev
Small Business Type:	Not Applicable*
DBE/SBE Utilization %:**	N/A***

* Neither SBE, nor DBE

** The District sets Small Business Enterprise (SBE) goals on contracting opportunities. The Federal Transit Administration (FTA) may authorize a Disadvantaged Business Enterprise (DBE) goal; however, SBE goals may result in DBE awards and utilization.

*** SBE subcontractor utilization is not fixed will vary depending on day to day operations.

Levine Act Disclosure

California Government Code § 84308, commonly referred to as the "Levine Act," precludes an Officer of a local government agency from participating in the award of a contract if he or she receives any political contributions totaling more than \$250 in the 12 months preceding the pendency of the contract award, and for 12 months following the final decision, from the person or company awarded the contract. This prohibition applies to contributions to the Officer, or received by the Officer on behalf of any other Officer, or on behalf of any candidate for office or on behalf of any committee. The Levine Act also requires disclosure of such contributions by a party to be awarded a specified contract. Disclosure is not required for contracts that are competitively bid.

BACKGROUND/RATIONALE:

Since 1994, AC Transit and BART have jointly provided mandated ADA paratransit services in their overlapping service area as EBPC. The current expiring contract was executed in 2013 with a similar structure to what is in the proposed award - a five-year base period and a five-year option period. The large size of the contract and

the operational assets and service required makes shorter contracts infeasible for proposers. The length of the expiring and new contracts, along with the cost and complexity of the proposals, lends themselves to an extended review and negotiation period.

A Request for Proposals (RFP) for this service was issued on November 26, 2023. A pre-proposal meeting was held on December 18, 2023, and eleven firms attended. One proposal was received, from the incumbent firm (Transdev), by the due date of January 30, 2024. A selection committee comprised of staff from BART, AC Transit, and Golden Gate Bridge, Highway and Transit District reviewed the proposal for reasonableness. The evaluators concluded that the proposal met the minimum criteria established in the RFP and that Transdev is highly qualified to provide paratransit Broker services.

As with the existing paratransit Broker contract, the RFP required the Broker to subcontract with a minimum of two (2) Service Providers (SPs). The proposed SPs currently provide service for EBPC and include MV Transit, RydeTrans and First Transit. Additionally, Transdev proposes the use of AP3 and Bell Transit as local taxi/community service providers.

Transdev, the Broker, will be paid a monthly lump sum payment for its services. The Broker will be reimbursed for the costs of the SPs and community service providers based on their billable hourly rates. Fuel and taxi use will be reimbursed at cost. BART's internal Audit Department was tasked with verifying the cost proposals submitted by Transdev. There were several requests for information and back-and-forth between AC Transit, BART, and Transdev. After one in-person negotiating session in early September, Transdev provided revised pricing in October. The costs included in the NTE are reflective of Transdev's submission and staff's concurrent analysis of it. The pricing received was not a request for a Best and Final Offer (BAFO) which means the agencies have additional time to continue to negotiate price reductions prior to the execution of a contract.

To show that these costs are comparable, Attachment 2 illustrates the starting wage rates for agencies in the Bay Area. The proposed rates for EBPC operators are comparable to adjacent agencies. Attachment 3 is provided to show the historical trends in costs between Bay Area operators, as reported to the National Transit Database (NTD). It should be noted that EBPC, unlike the other Bay Area agencies does not own the vehicles utilized in the provision of EBPC service. Thus, vehicle depreciation and interest costs are included in the EBPC NTD data.

ADVANTAGES/DISADVANTAGES:

The advantages in awarding the contract to Transdev include, among other things, continuity of service, retaining a qualified and capable management team and staff, and the provision of a solid knowledge base to facilitate the implementation of and transition to a new software platform recently purchased by BART and AC Transit.

There are no disadvantages in approving the staff recommendation.

ALTERNATIVES ANALYSIS:

In 2018, at the direction of the AC Transit and BART General Managers, a Business Model Analysis was conducted. A turnkey option was suggested as an alternative to the current Broker/Service model. However, given changes in the public transit and paratransit landscape coming out of the COVID-19 pandemic, it was

determined that a turnkey option would not be advantageous to the two agencies at this time.

PRIOR RELEVANT BOARD ACTION/POLICIES:

SR 21-471 - Release of a Request for Proposal (RFP) for the East Bay Paratransit Consortium (EBPC) Broker and Provider Services or Americans with Disabilities Act ADA mandated paratransit services.

ATTACHMENTS:

1. Cost Proposal NTE Detail
2. Bay Area Driver Wage Survey
3. National Transit Database Comparison

Prepared by:

Mallory Nestor-Brush, Accessible Services Manager

Approved/Reviewed by:

Phillip Halley, Program Manager, Compliance & Diversity-Contracts

Fred Walls, Director of Procurement & Materials Management

Aimee Steele, General Counsel/Chief Legal Officer

Chris Andrichak, Chief Financial Officer

Ramakrishna Pochiraju, Executive Director of Planning & Engineering

Robert del Rosario, Director of Service Development and Planning