

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

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**MEETING DATE:** 11/9/2022

**Staff Report No.** 11-256o

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

### ACTION ITEM

**AGENDA PLANNING REQUEST:** ☐

**RECOMMENDED ACTION(S):**

Consider authorizing the General Manager to enter into an extension of the contract with MV Transportation to operate the Dumbarton Express service for the period of January 1, 2023 to June 30, 2023.

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

**STRATEGIC IMPORTANCE:**

Goal - Convenient and Reliable Service  
Initiative - Service Quality

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 and AC Transit EasyPass sales to Stanford University. 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.

The contract extension with MV Transportation may result in an increased hourly rate which could cause costs to exceed available funding to operate the service. If this is the case, staff will request additional Regional Measure 2 funding and may also reach out to the Dumbarton Bridge Regional Operations Consortium (DBROC or the Consortium) to request equal financial contribution to close the funding gap. If additional funds are not available, staff will need to reduce service during the contract extension period to match available funds and reassess service levels prior to entering into the longer-term service contract after June 30, 2023.

MV Transportation adjusted its hourly rate to \$108.94 per hour with the first extension effective January 1, 2022 to June 30, 2022 and left the rate unchanged for the second extension effective July 1, 2022 to December

31, 2022. As of the writing of this staff report, MV has not presented a cost proposal for the third extension effective January 1, 2023 to June 30, 2023, but it intends to present it prior to this Board meeting.

The total projected cost of the Dumbarton Express service for CY 2022 is approximately \$3.1 million. While the calendar year and fiscal years do not align, the RM2 allocation for FY 2022-23 is up to \$3.2 million. Additionally, EasyPass revenues account for approximately \$700,000. If trends hold, RM2 funds are expected to cover the operating expenses less EasyPass revenues. In the event operating costs escalate, however, there is the possibility of a shortfall equivalent to the percentage increase in costs-approximately \$650,000 assuming a 20% increase-absent a supplemental RM2 allocation from MTC or financial contributions from DBROC members.

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

The Dumbarton Express services connects southern Alameda County with the southern portion of San Mateo County and the northern portion of Santa Clara County and has been in operation since 1984. The Dumbarton Express service is overseen by the DBROC, 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 has been the administrator of the service on behalf of the DBROC for the entire term of the current contract with MV Transportation as the service provider, beginning with an initial five-year contract from 2011 to 2016 and five exercised single-year options since. The last single year option was exercised for calendar year 2021, with an end date of December 31, 2021. The consortium needed to select a service provider prior to calendar year 2022 in order to continue service without interruption.

The Consortium intended to have a service provider in place by January 1, 2022 with the City of Union City leading the procurement and award process. Towards the end of 2021, the City of Union City informed District staff that the release of Request for Proposal (RFP) was delayed. The Consortium recommended extending the contract with MV Transportation through June 30, 2022. AC Transit, in its capacity as service administrator, executed the initial six-month extension.

Unfortunately, the City of Union City was unable to complete the procurement before July 1, 2022. As a result, the Consortium recommended a second extension through December 31, 2022, which was subsequently executed by AC Transit to avoid an interruption of service as the procurement continued. Union City staff expressed capacity and capability constraints to work on the procurement of the vendor. The consensus of the Consortium is to recommend execution of a third extension through June 30, 2023 and meet to determine next steps. As of the writing of this report, the Consortium has not met but is scheduled to do on October 25<sup>th</sup>. Three possible but not exclusive outcomes from the October 25<sup>th</sup> meeting include another Consortium member assuming the procurement outright, another Consortium member provisionally assuming the procurement pending approval by their executive team or the District assuming the procurement.

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

The advantage of granting the extension is that it is an important step in ensuring continuity of the Dumbarton Express service after December 31, 2022 and enables the RFP process to select a service provider to continue. Possible disadvantages are an increase in cost via the contract extension with MV and a delay to enter into the

new long-term contract.

**ALTERNATIVES ANALYSIS:**

The alternative would be to let the six-month extension expire on December 31, 2022 with an interruption in service for an unknown amount of time until a service provider is in place. 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:**

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**ATTACHMENTS:**

None

**Prepared by:**

Howard Der, Senior Transportation Planner

**Approved/Reviewed by:**

Robert del Rosario, Director of Service Development and Planning

Ramakrishna Pochiraju, Executive Director of Planning & Engineering

Chris Andrichak, Chief Financial Officer

Jill A. Sprague, General Counsel/Chief Legal Officer