

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 10/14/2020

Staff Report No. 11-256i

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

ACTION ITEM

RECOMMENDED ACTION(S):

Consider exercising the fifth and final of five one-year options with MV Transportation to continue Dumbarton Express service under the existing contract.

STRATEGIC IMPORTANCE:

Goal - Convenient and Reliable Service

Initiative - Financial Efficiency and Revenue Maximization

Exercising the option will ensure the continuity of Dumbarton Express service for calendar year 2021 through the most prudent and favorable fiscal options available for its operations.

BUDGETARY/FISCAL IMPACT:

There is no expected budgetary impact to the district for exercising the fifth one-year option. The Dumbarton Express service is currently fully funded by Regional Measure 2 bridge toll revenues and Easy Pass program revenues from Stanford University, Stanford Medical Center, and their affiliates up to an amount of approximately \$3 million annually for FY 2020/2021. The \$3 million amount includes an allowance for costs not directly tied to operations and maintenance costs, such as District administrative staff time, marketing, and annual Nextbus service fees.

For FY 2019/2020, the total unaudited operations and maintenance cost for the Dumbarton Express service is estimated to be \$2.96 million. The effective cost per hour is \$102.57 (inclusive of fuel and other incidental recurring monthly expenses, such as WiFi service) based on an unaudited estimation of 28,834 hours of service for FY 2019/2020. As with the previous options, the fifth year of the option calls for an increase in the hourly rate for service of approximately 3% effective January 1, 2021.

BACKGROUND/RATIONALE:

The Dumbarton Express is a regionally-oriented bus service linking the southern end of the East Bay with the southern end of the Peninsula via the Dumbarton Bridge. General oversight of the Dumbarton Express is conducted through the Dumbarton Bridge Regional Operations Consortium (DBROC), which consists of five transit agencies: AC Transit, BART, SamTrans, Union City Transit, and VTA. The Dumbarton Express has been in

existence for over 30 years and service & ridership have increased since its inception. Total ridership for FY 2019/2020 is projected to be approximately 221,000. Had the COVID-19 pandemic not occurred, the annual ridership would have projected to about 281,000 passengers, the highest level since FY 2015/2016.

Over nine years ago, the District assumed the day-to-day administrative responsibility for the five-year base contract with MV Transportation to operate the Dumbarton Express service. The five-year base contract term started on December 19, 2011 and ended on December 31, 2016, with options to extend the contract one year at a time for up to five years.

The first, second, third, and fourth of the one-year options were exercised in 2016, 2017, 2018, and 2019 at the recommendation of the Consortium and the approval of the AC Transit Board of Directors. The current option-the fourth of five--expires December 31, 2020. 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 members met on July 28, 2020 to discuss the status of the contract between AC Transit and MV Transportation to operate the Dumbarton Express. The Consortium was unanimous in recommending exercising the fifth one-year option at MV's proposed rate effective January 1, 2021 through December 31, 2021.

ADVANTAGES/DISADVANTAGES:

The advantage of exercising the fifth one-year option of the contract with MV Transportation is that the Dumbarton Express service continues without interruption. In addition, AC Transit is able to maintain what has thus far been a positive contractual relationship. As mentioned earlier, MV Transportation has operated the Dumbarton Express service to date in a satisfactory and responsive manner. Maintaining the contract with MV also controls operating costs.

The disadvantage of exercising the fifth one-year option is that the service will continue to be operated by an outside contract provider rather than in-house like the rest of the District's fixed route service. However, this is not against Board policy since the service was developed through the DBROC Consortium.

ALTERNATIVES ANALYSIS:

The District could elect to not exercise a one-year option and let the contract lapse. This would result in a disruption of the service for an unknown period of time until a new service provider was established. In addition, neither staff nor the Consortium believe that rebidding the contract at this time would result in a contract with more favorable terms and conditions than that provided under extension of the existing contract.

Staff does not recommend this option.

PRIOR RELEVANT BOARD ACTION/POLICIES:

Staff Reports 11-256b/d/e/g: Exercise of One Year Option with MV Transportation to Operate the Dumbarton Express.

ATTACHMENTS:

None

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