

AGENDA ITEM NO.

COUNCIL MEETING 11-27-07

APPROVED BY _____

DEPARTMENT DIRECTOR _____

CITY MANAGER _____

November 27, 2007

FROM: KENNETH HAMM, Director
Department of Transportation/FAX

SUBJECT: APPROVE PARATRANSIT (HANDY RIDE) PROGRAM IMPROVEMENTS BY APPROVING A RESTATED AND SUPERSEDING ADDENDUM TO THE PARATRANSIT SERVICES CONTRACT BETWEEN THE CITY OF FRESNO AND MV TRANSPORTATION, AND APPROVING THE 40TH AMENDMENT TO AAR NO. 2007-214 IN THE AMOUNT OF \$896,300 FOR THE PURPOSE OF FUNDING THE HANDY RIDE PROGRAM

RECOMMENDATIONS

The Department of Transportation/FAX recommends that the City Council approve a restated and superseding addendum to the current contract between the City of Fresno and MV Transportation, and amend the AAR to include the necessary funds for the Handy Ride Program.

EXECUTIVE SUMMARY

The Fresno City Council, at its October 30, 2007, meeting indicated a strong interest in having Department of Transportation staff develop a restated and superseding addendum to the existing mutual contract for paratransit services between MV Transportation and the City of Fresno. Council's concern related to negotiating new labor agreements without City notification. FAX and MV Transportation management met and have agreed to language that addresses Council's concerns. The language is incorporated into the restated addendum under point #7 and reads: "Notwithstanding anything else in the Contract as amended by this Restated and Superseding Addendum, the Contractor shall provide the City with not less than 60 days prior written notice of any intention to modify, extend or replace labor agreement(s) in effect on the effective date hereof. Contractor shall pay the City the sum of \$1000/day for each day such notice is not given." (Attachment A).

On February 6, 2007, Council set aside a \$1 million Transportation Department reserve from TDA funds as recommended by the Director of Transportation. This reserve anticipated two paratransit needs, the purchase of six new Handy Ride buses and the growing costs of the paratransit operation, predominantly taxi costs. The Department of Transportation carried those extra costs from FY2007 into FY2008. On October 30, 2007 Council approved Addendum II to the agreement between the City and MV for the provision of paratransit services, including additional costs of operating the services. The proposed amendment to the AAR makes this adjustment to meet the City's operating obligations (Attachment B).

KEY OBJECTIVE BALANCE

Customer Service and Employee Satisfaction will be enhanced through a collaborative, team approach between the City and the contractor. Financial Management is enhanced by improved performance standards and a relationship of mutual accountability.

BACKGROUND

Handy Ride is a demand-responsive, curb-to-curb service that provides service to the disabled. Service is available seven days a week during the same hours as the fixed-route service. All vehicles are lift-equipped and comply with the Americans with Disabilities Act. The service area includes the City of Fresno boundaries. Handy Ride provided approximately 181,000 trips during FY2007. The Department of Transportation/FAX staff

anticipates continued growth in Handy Ride services and estimates total trips to approach 220,000 during the term of this contract.

The City Council's instruction to staff at their September 25th meeting was for the Department of Transportation to negotiate an addendum to the contract with MV Transportation that would represent the real costs of this service and set a foundation for the future program's success. At the council meeting October 30th a revision to the addendum was requested that would require the contractor to notify the City whenever they planned to negotiate a change to their labor agreement.

The initial addendum brought to the Council October 30, 2007 was approved. That addendum language is incorporated into this restated and superseding addendum. It includes improved performance standards, including incentives and penalties for productivity thresholds. By January 1, 2008, all taxi costs and no show costs become the responsibility of the contractor. This new agreement has an annual increase in cost above the FY2008 budgeted amount of \$345,500.

As the Transportation staff tracked Department expenses for FY2007, it became apparent that the cost of providing paratransit services was much higher than anticipated in the FY2007 Budget. On February 6, 2007, the Director of Transportation recommended, and Council approved, a \$1 million reserve from TDA funds to purchase six Handy Ride buses and to address the anticipated growth in paratransit costs, especially growing taxi expenses. Some billings from MV Transportation were carried over to FY2008. For FY2008, the proposed Amendment to the AAR includes \$550,800 in a transfer for these operational obligations.

AAR AMENDMENT	
Contract Addendum	\$345,500
FY2007 Operational Obligations	550,800
TOTAL	\$896,300

FISCAL IMPACT

Funds for paratransit services are included in the Department of Transportation/FAX FY2008 budget at a level of \$4,102,500. Approval of this Amendment to the AAR will appropriate \$896,300 from Transportation Department reserves.

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Attachments

- A. Restated and Superseding Addendum to contract between the City of Fresno and MV Transportation for the provision of paratransit services
- B. 40th Amendment to the AAR No. 2007-214 for \$896,300