



**October 10, 2024**

**To:** Transit Committee

**From:** Darrell E. Johnson, Chief Executive Officer

**Subject:** Amendment to the Agreement for OC ACCESS Paratransit and OC Flex Microtransit Service

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**Overview**

On September 13, 2021, the Orange County Transportation Authority Board of Directors approved an agreement with First Transit, Inc., for the management, operation, and maintenance of the OC ACCESS paratransit and OC Flex microtransit service. An amendment is necessary to address service-related elements including reimbursement for no-show passengers, cancel-at-the-door trips, and non-revenue support services.

**Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 6 to Agreement No. C-0-2150 between the Orange County Transportation Authority and First Transit, Inc., to allow reimbursement for no-shows, cancel-at-the-door trips, and specific non-revenue support services estimated to be \$3,864,084.

**Discussion**

The Americans with Disabilities Act (ADA) requires agencies that operate fixed-route bus service to provide complementary paratransit service for individuals with disabilities who are unable to use the fixed-route system. To comply with the ADA, the Orange County Transportation Authority (OCTA) implemented OC ACCESS service in 1993. OC ACCESS service is different from traditional fixed-route service, requiring passengers to complete an in-person assessment to become eligible to ride, and requiring an advance reservation.

On September 13, 2021, the OCTA Board of Directors (Board) approved an agreement with First Transit, Inc. (First Transit) for the management, operation, and maintenance of the OC ACCESS paratransit and OC Flex microtransit services. In February 2022, service-related elements that were not specifically

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addressed in the agreement, including no-show passengers, passengers that cancel service at the door, and non-revenue support services including emergency assistance, response have been identified and an amendment to the agreement is necessary.

The current agreement includes compensation of both a fixed-monthly rate and a variable per-passenger trip rate structure for OC ACCESS service. On January 1, 2022, First Transit assumed responsibility for the administration, operation, and maintenance of the OC ACCESS paratransit service and OC Flex microtransit service. On February 9, 2023, First Transit formally notified OCTA that they were not being reimbursed for no-show and cancel-at-the-door-trips under the per-passenger trip rate structure. No-show and cancel-at-the-door trips are situations where a vehicle is dispatched and arrives to the pick-up location, but the rider does not board the vehicle or complete the trip. First Transit submitted per-trip pricing in their proposal with the understanding that the variable rate per-trip structure was inclusive of completed trips as well as no-show and cancel-at-the-door trips.

While the agreement defines a “passenger trip” as “each time an OC ACCESS-eligible rider completes a trip,” OCTA recognizes that First Transit is incurring non-reimbursed costs for attempting to provide these trips that are cancelled due to no fault of First Transit. OCTA and First Transit have been in active discussion concerning costs for no-show and cancel-at-the-door trips since receipt of the notice from First Transit in February 2022. OCTA and First Transit have identified a mutually agreeable resolution that OCTA will reimburse First Transit for no-show and cancel-at-the-door trips at the full per-trip rate for all such trips between the date First Transit assumed responsibility for the service (January 1, 2022) to June 30, 2024 (the date of resolution), and at 40 percent of the per-trip-rate for all such trips thereafter.

The current agreement does not include non-revenue support services such as emergency assistance response or voluntary support services. Emergency assistance response services refer to situations where the OC ACCESS contractor provides staff to assist with regional emergency requests that require paratransit resources, such as evacuations in emergency situations. Voluntary support services involve the OC ACCESS contractor supplying staff and vehicles to assist OCTA with volunteer activities or training efforts that require paratransit resources. OCTA is a partner in the County Emergency Operations for transportation-related services. It may become necessary to have the flexibility to utilize both fixed route and paratransit services in response to emergency situations and an amendment to the current agreement is necessary to include these services.

Staff is requesting Board approval to amend the agreement between OCTA and First Transit in the amount of \$3,864,084 to allow reimbursement for the incurred and expected additional costs for no-show and cancel-at-the-door trips, as well as emergency assistance response and voluntary support services. The negotiated rates and breakdown of the reimbursement amount are shown in Attachment B.

***Procurement Approach***

The original procurement was handled in accordance with Board-approved policies and procedures for professional and technical services. On September 13, 2021, the Board approved the award of Agreement No. C-0-2150 with First Transit for a four-year initial term with two, two-year option terms, in the amount of \$242,579,221 to provide the management, operation, and maintenance of the OC ACCESS paratransit and OC Flex microtransit service. The original agreement was awarded on a competitive basis and was previously amended, as described in Attachment A.

The proposed Amendment No. 6 to Agreement No. C-0-2150, in the amount of \$3,864,084, can be absorbed in the contract balance requiring no increase to the maximum contract payment obligation. OCTA staff found First Transit's price proposal, with respect to the variable rate for no-show and cancel-at-the-door trips, and non-revenue support services, to be fair and reasonable based on the independent cost estimate prepared by the OCTA project manager. This amendment will allow for the reimbursement of costs for services performed to date and services expected to be performed through the initial term of the agreement. These costs will be defined separately from the per-passenger trip rate in the Price Summary Sheet.

**Fiscal Impact**

Funding for Amendment No. 6 to Agreement No. C-0-2150 is included in the OCTA Fiscal Year 2024-25 Budget, Operations Division, Specialized Transit Services Department, account nos. 2136-7311-D1208-8LA, 2136-7311-D1208-8LB, 2136-7312-D1208-AVH, 2136-7613-D1208-0GP, 2136-7831-A3227-RKK, 2135-7613-D2132-0GQ, 2149-7317-D2161-N97, and 2149-7317-A2362-N97, and will be funded through the Local Transportation Fund and federal funds.

**Summary**

Staff requests Board of Directors' approval to authorize the Chief Executive Officer to negotiate and execute Amendment No. 6 to Agreement No. C-0-2150 between the Orange County Transportation Authority and First Transit, Inc., in the amount of \$3,864,084 for reimbursement of no-show and cancel-at-the-door trips and specific non-revenue support services.

**Attachments**

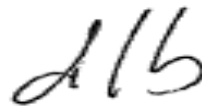
- A. First Transit, Inc., Agreement No. C-0-2150 Fact Sheet
- B. First Transit, Inc., Agreement No. C-0-2150, Amendment No. 6 Costs

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