



October 11, 2018

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Cooperative Agreements with Special Agencies for the Provision of Special Transportation Services

Overview

The Orange County Transportation Authority entered into cost-sharing arrangements with special agencies to assist in managing the demand of ACCESS service provided directly by the Orange County Transportation Authority. In May 2013, the Board of Directors approved cooperative agreements with these six agencies to provide transportation to special programs for a period of five years. These agreements were set to expire on June 30, 2018, but contract amendments were executed to increase the maximum obligations and extend these agreements through September 30, 2018, while negotiations for new agreements were taking place. New five-year agreements effective July 1, 2019, with each agency are recommended for approval in addition to amendments to existing agreements to extend the current agreements through June 30, 2019.

Recommendations

- A. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 8 to Cooperative Agreement No. C-3-1619 between the Orange County Transportation Authority and Acacia Adult Day Services, in the amount of \$485,833, to extend the term through June 30, 2019, for the provision of transportation as outlined in the agreement.
- B. Authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-8-1917 between the Orange County Transportation Authority and Acacia Adult Day Services, in the amount of \$676,001, effective July 1, 2019 through June 30, 2024, for transportation to and from the facility and client's home.

- C. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 8 to Cooperative Agreement No. C-3-1620 between the Orange County Transportation Authority and Alzheimer's Family Center, to extend the term through June 30, 2019, for the provision of transportation as outlined in the agreement.
- D. Authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-8-1918 between the Orange County Transportation Authority and Alzheimer's Family Center, in the amount of \$733,469, effective July 1, 2019 through June 30, 2024, for transportation to and from the facility and client's home.
- E. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 4 to Cooperative Agreement No. C-6-1056 between the Orange County Transportation Authority and Alzheimer's Orange County, in the amount of \$124,784, to extend the term through June 30, 2019, for the provision of transportation as outlined in the agreement.
- F. Authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-8-1919 between the Orange County Transportation Authority and Alzheimer's Orange County, in the amount of \$360,198, effective July 1, 2019 through June 30, 2024, for transportation to and from the facility and client's home.
- G. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 7 to Cooperative Agreement No. C-3-1622 between the Orange County Transportation Authority and Community SeniorServ, in the amount of \$259,215, to extend the term through June 30, 2019, for the provision of transportation as outlined in the agreement.
- H. Authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-8-1920 between the Orange County Transportation Authority and Community SeniorServ, in the amount of \$769,153, effective July 1, 2019 through June 30, 2024, for transportation to and from the facility and client's home.
- I. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 8 to Cooperative Agreement No. C-3-1624 between the Orange County Transportation Authority and Sultan Adult Day Health Care, in the amount of \$840,921, to extend the term through June 30, 2019, for the provision of transportation as outlined in the agreement.

- J. Authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-8-1922 between the Orange County Transportation Authority and Sultan Adult Day Health Care, in the amount of \$1,119,180, effective July 1, 2019 through June 30, 2024, for transportation to and from the facility and client's home.
- K. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 8 to Cooperative Agreement No. C-3-1623 between the Orange County Transportation Authority and the Orange County Adult Achievement Center, doing business as My Day Counts, in the amount of \$969,022, to extend the term through June 30, 2019, for the provision of transportation as outlined in the agreement.
- L. Authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-8-1921 between the Orange County Transportation Authority and the Orange County Adult Achievement Center, doing business as My Day Counts, in the amount of \$1,315,661, effective July 1, 2019 through June 30, 2024, for transportation to and from the facility and client's home.

Discussion

Since the implementation of the paratransit growth management strategies in 2005, the Orange County Transportation Authority (OCTA) has been proactive in establishing community partnerships and encouraging the availability of alternative transportation programs as a viable option for ACCESS customers to help reduce the growth in the demand and cost of ACCESS service. To effect this, OCTA entered into agreements with six special agencies which are set to expire.

A large number of ACCESS trips are provided to and from adult day healthcare facilities and Regional Center day programs. OCTA has had long-standing cost sharing agreements with five adult day healthcare programs and one Regional Center day program to transition ACCESS riders to alternative transportation providers.

Under these agreements, OCTA provides an operating subsidy based on a per trip cost for ACCESS-eligible customers traveling between their homes and the special agency programs utilizing an alternative transportation provider contracted by the special agencies. Since 2006, OCTA has worked in coordination with these special agencies and their transportation service providers to successfully transition more than 750 ACCESS customers to transportation services selected by the special agencies receiving these

subsidies. This allows both the program and user needs to be met through the provision of specialized transportation services. Approximately 247,000 peak period trips were provided under these cooperative agreements in fiscal year 2017-18. The per trip subsidy provided by OCTA in the current agreements range from \$15.24 per trip to \$19.83 per trip.

Implementation of these community transportation partnership programs have been a benefit to OCTA and these six agencies. For special agencies, managing the daily attendance for program participants is key to their operation. In addition, if their program participants require door-through-door assistance as part of their trip, the special agency is better suited to provide that type of accommodation.

In prior years, even though OCTA has not provided these trips directly or through a contractor procured by OCTA, the trip information was included in OCTA's National Transit Database submission to the Federal Transit Administration each year. By including these trips in OCTA's submission, OCTA received approximately \$400,000 in federal formula funds to offset transit program costs. This past year, OCTA was notified that these trips could no longer be included in its submission and, as a result, could expect approximately \$400,000 less in federal funds.

Recognizing the benefits of these cooperative agreements, staff initiated discussions with the six special agencies to continue providing transportation services under a cost-sharing arrangement. During discussions with the special agencies to continue these agreements, OCTA set out to standardize the rate for all agencies, recover the \$400,000 in lost federal revenues, and limit future growth consistent with the growth rates assumed in OCTA's Comprehensive Business Plan. Through several discussions with the agencies, staff was able to negotiate terms for the continuance of the special service agreements as outlined below.

Under the proposed agreements, OCTA would provide a flat per subsidy trip rate of \$16.22 to the five adult day healthcare agencies. A trip rate of \$15.56 was negotiated with Orange County Adult Achievement Center, doing business as My Day Counts (My Day Counts); as a Regional Center program, My Day Counts also receives financial support for these trips from the Regional Center of Orange County. Under this new rate structure, OCTA would shift roughly \$400,000 of costs to the agencies. This amount is similar to the federal formula funds OCTA will no longer receive and more closely aligns with the per trip cost that OCTA would incur for the same trip. There is a provision in the agreements to increase the rate by an inflation factor on an annual basis.

The proposed agreements also cap the number of trips that each agency can provide. However, there is a provision in each contract that allows for the total number of trips to grow beyond the cap amount if the agency can provide information to OCTA that demonstrates that the additional trips would provide a direct cost offset to OCTA ACCESS service.

Lastly, there was a strong concern among the agencies that making a change to the rate structure would require some time to adjust. To accommodate this concern, staff is recommending that the existing agreements be extended at current rates through the end of the fiscal year and that the new rate structure take effect on July 1, 2019. This gives each agency through the end of the fiscal year at the current terms to make the necessary adjustments on their end. Attachments A through F identify the amounts required to extend each of the current agreements with the six special agencies through June 30, 2019.

Fiscal Impact

The project was approved in OCTA's Fiscal Year (FY) 2018-19 Budget and will be included in FY 2019-20 Proposed Budget, Operations Division, Account 2131-7312-1208, and is funded through the Local Transportation Fund.

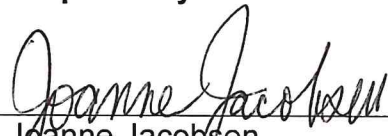
Summary

Based on the information provided, staff recommends the Board of Directors authorize the Chief Executive Officer to negotiate and execute amendments in the total amount of \$2,679,775, between OCTA and six special agencies, to extend the terms through June 30, 2019, and six new agreements between OCTA and six special agencies in the total amount of \$4,973,662, effective July 1, 2019 through June 30, 2024, for the provision of special transportation services during the first year of the agreement .

Attachments

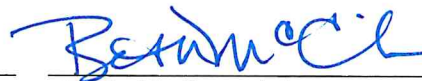
- A. Acacia Adult Day Services, Cooperative Agreement No. C-3-1619 Fact Sheet
- B. Alzheimer's Family Center, Cooperative Agreement No. C-3-1620 Fact Sheet
- C. Alzheimer's Orange County, Cooperative Agreement No. C-6-1056 Fact Sheet
- D. Community SeniorServ, Cooperative Agreement No. C-3-1622 Fact Sheet
- E. Sultan Adult Day Health Care, Cooperative Agreement No. C-3-1624 Fact Sheet
- F. Orange County Adult Achievement Center dba My Day Counts, Cooperative Agreement No. C-3-1623 Fact sheet

Prepared by:

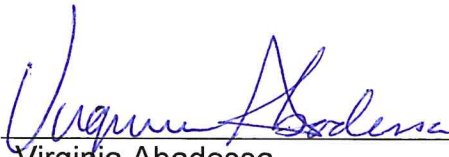


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