



**To:** Members of the Board of Directors

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

**Subject:** Measure M2 Senior Mobility Program Temporary Guideline Requirement Suspension

### **Overview**

The Measure M2 Senior Mobility Program provides funding to eligible local jurisdictions interested in providing transit services that best meet the needs of seniors living within their community. Due to the impacts of the novel coronavirus, a primary service provider for several jurisdictions has terminated its operations with limited notice. The affected agencies need temporary relief from the third-party contracting requirements to allow for continuity of service. A recommended temporary suspension to the program guidelines is presented for Board of Directors' consideration.

### **Recommendation**

Approve a temporary suspension effective June 1, 2020 to May 31, 2021 of the Senior Mobility Program guideline requirement related to procuring third-party contracted transportation service using a competitive bidding process. OCTA expects that best efforts are applied to ensure that contracts entered into are the most cost effective available.

### **Background**

The Measure M2 (M2) Project U – Senior Mobility Program (SMP) provides funding to support local, community-based transportation service for seniors. Originally established in 2001 using limited state funding for bus operations, M2 Project U SMP funding was established to continue and expand the existing program. A formula funding allocation was established for all Orange County participating cities and eligible agencies based upon their senior population from the latest census. One percent of M2 net revenue is used to fund the program, and participating cities and eligible agencies must provide a minimum 20 percent local match of the total annual program expenditures. Included in the SMP are eligible non-profits. These agencies are funded locally but are required to follow requirements as specified for the M2 SMP.

To ensure compliance with the M2 Ordinance No. 3, the SMP Funding and Policy Guidelines (Guidelines) were established and approved by the Orange County Transportation Authority (OCTA) Board of Directors (Board) on February 14, 2011. Program guidelines are periodically updated as needed with the most recent SMP Guidelines adopted by the Board on November 26, 2018. The SMP Guidelines (Attachment A) specifies on page 3, 6.0 Service Guidelines, paragraph 2, that a jurisdiction may contract with a third-party service contractor at their discretion but must do so using a competitive procurement process.

The SMP is a vital connection for seniors to travel to medical appointments, grocery shopping, and senior center nutrition programs. Without the SMP, many seniors would be unable to travel or would potentially utilize OC ACCESS service.

### ***Discussion***

As a result of the novel coronavirus (COVID-19) pandemic, transit ridership has experienced a sharp decline as “stay-at-home” orders have been in place. Several SMP local jurisdictions have either suspended or modified service to provide essential trips only. Keolis Transit Services, LLC (Keolis) recently notified the six SMP local jurisdictions they serve that they will be discontinuing all transportation services in Orange County effective May 31, 2020, due to unforeseen circumstances and concerns related to the uncertainty surrounding the effects of the COVID-19 pandemic.

The six local jurisdictions are the cities of Anaheim, Costa Mesa, La Habra, Placentia, Seal Beach, and Yorba Linda. Combined, these six local jurisdictions provide approximately 48,000 trips to seniors in their communities every year. The short notice from Keolis has left these local jurisdictions with very little time to competitively procure another third-party service contractor. It typically takes a minimum of three months to issue a request for proposals (RFP), review proposals, select a provider, receive approval from city council, and award the contract. This process is also constrained by the limited number of contractors available and willing to respond to an RFP. Recently another local jurisdiction, the City of Laguna Woods, issued an RFP for their SMP transportation service and received no responses, including from the incumbent. The reason the incumbent provided for not responding to the RFP was the unknown ramifications of the COVID-19 pandemic and uncertainty of whether they could continue providing service in the foreseeable future.

As a result of the current situation, staff is recommending that the requirement related to the competitive procurement process be temporarily suspended to allow local jurisdictions currently in the program the ability to quickly secure a replacement provider in the short term. This temporary suspension would be effective through May 31, 2021. By June 1, 2021, local jurisdictions would be required to have contracts in place that have been competitively procured meeting the requirements as specified in the adopted Guidelines.

OCTA continues to require that local jurisdictions use a competitive process when able to do so. This temporary suspension is intended to provide relief to local jurisdictions who are unable to use a competitive process and, in those cases, OCTA expects that best efforts are applied to ensure that contracts entered into are the most cost effective available. In order for a local jurisdiction to exercise this suspension, they will be required to send OCTA a letter requesting to be relieved from the requirement. OCTA would send a letter in response authorizing the suspension and referencing the OCTA Board action. The OCTA letter and staff report would serve as official documentation for local jurisdiction audit purposes.

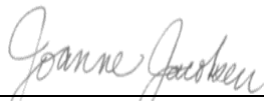
### ***Summary***

Based on challenges local jurisdictions are facing procuring third-party transit providers for the Measure M2 Senior Mobility Program, staff recommends the Board authorize the Chief Executive Officer to grant a temporary suspension of the competitive procurement requirement specified in the program guidelines during the time period of June 1, 2020 through May 31, 2021. Local jurisdictions are expected to continue to use their best efforts to ensure that contracts are cost effective.

***Attachment***

- A. Senior Mobility Program Project U Funding and Policy Guidelines

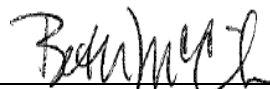
**Prepared by:**



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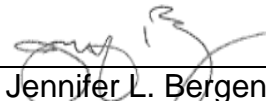
Joanne Jacobsen  
Senior Community Transportation  
Coordinator  
714-560-5660

**Approved by:**



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Beth McCormick  
Executive Director, Operations  
714-560-5964



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Jennifer L. Bergener  
Chief Operating Officer, Operations/  
Deputy Chief Executive Officer  
714-560-5462