




July 9, 2020

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer  For

Subject: Amendment to Agreement for Same-Day Taxi Service

Overview

On July 23, 2018, the Orange County Transportation Authority Board of Directors approved an agreement with Yellow Cab of Greater Orange County, Inc., to provide same-day taxi service for a two-year initial term and two, one-year option terms. This contract was subsequently assigned to Cabco Yellow Inc., consistent with the contract terms regarding assignment and with approval from the Orange County Transportation Authority, effective June 1, 2020. The initial term of this agreement expires on August 31, 2020; approval of an amendment to the agreement to exercise the first option term is requested.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-8-1440 between the Orange County Transportation Authority and Cabco Yellow, Inc., doing business as California Yellow Cab, to exercise the first option term of the agreement through August 31, 2021, to provide same-day taxi service in the amount of \$1,794,198. This will increase the maximum obligation of the agreement to a total contract value of \$6,817,811.

Discussion

In October 2004, the Orange County Transportation Authority (OCTA) Board of Directors (Board) adopted the Paratransit Growth Management Plan, which included the implementation of same-day taxi (SDT) service. The SDT service was designed to mitigate possible negative impacts of certain growth management strategies implemented in July 2005, such as restricting the OC ACCESS service area to within a three-quarter-mile corridor of the fixed-route network, consistent with Americans with Disabilities Act (ADA) guidelines, and eliminating same-day medical back-up trips. The SDT service is only available to individuals who qualify for OC ACCESS under the ADA.

Under the SDT program, riders pay the regular OC ACCESS fare of \$3.60, and OCTA provides a subsidy of up to \$13.10 for trips between one and five miles. If the taxi fare exceeds \$16.70 upon arriving at the destination, the customer is required to pay the additional amount. The SDT is currently available during the hours of 6:00 a.m. and 8:00 p.m. daily. Providing SDT offers OC ACCESS customers an alternative service provider, and OCTA gains a financial benefit when comparing the OCTA-provided subsidy with the average cost per trip on OC ACCESS of \$49.13. Prior to the novel coronavirus (COVID-19) pandemic, SDT was averaging approximately 11,600 trips per month, at an average cost per trip of \$16.23. Based on the average cost per trip, this realizes a cost savings of nearly \$4.6 million annually, had these trips been provided on OC ACCESS instead of SDT.

Procurement Approach

The procurement was originally handled in accordance with OCTA Board-approved policies and procedures for professional and technical services. The agreement was awarded on a competitive basis and was issued in the amount of \$5,023,613. The Board approved an agreement with YCGOC, to provide SDT service for a two-year initial term and two, one-year option terms subject to Board approval. The initial term of the agreement expires on August 31, 2020, as described in Attachment A, and an amendment is necessary to exercise the first 1-year option to ensure continuity of service.

On May 1, 2020, OCTA received notification from YCGOC that it was ceasing all operations on May 31, 2020, from their Orange County location due to the COVID-19 pandemic. To ensure no disruption to the SDT service and with prior approval from OCTA, YCGOC entered into an assignment agreement with Cabco, doing business as California Yellow Cab, on May 28, 2020, for the purpose of assigning all rights, title, interest, obligations, and liabilities of the agreement from YCGOC to Cabco. Cabco assumed service operations for the SDT service beginning on June 1, 2020 through the end of the two-year initial term of the agreement on August 31, 2020. An amendment to the existing contract is necessary to exercise the first option term of the agreement effective September 1, 2020 through August 31, 2021.

OCTA staff will closely monitor the performance and cost effectiveness of the SDT program throughout the first option term and evaluate options for SDT service delivery beyond August 31, 2021, including initiating a new procurement or recommending the second option term.

The proposed Amendment No. 2 is to exercise the first option term of the agreement through August 31, 2021. Amending the agreement will increase the

maximum obligation by \$1,794,198, bringing the total contract value to \$6,817,811. The rate escalation will remain as originally negotiated. Exercising the amendment will allow Cabco to continue providing SDT services.

Fiscal Impact

Funds for the same-day taxi service are included in the OCTA fiscal year 2020-21 Budget, Operations Division, Paratransit Services Department, Account 2136-7315-D1208-33H, and is funded through local funds.


Summary

Staff recommends the Board authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-8-1440 with Cabco, to exercise the first option term in the amount of \$1,794,198, for a total contract value of \$6,817,811, to provide same-day taxi service.

Attachment

- A. Cabco Yellow, Inc., doing business as California Yellow Cab,
Agreement No. C-8-1440 Fact Sheet

Prepared by:



Jack Garate
Department Manager, Paratransit
Services
714-560-5387

Approved by:



Beth McCormick
Executive Director, Operations
714-560-5964



Virginia Abadessa
Director, Contracts Administration and
Materials Management
714-560-5623



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