



Transportation Committee

May 30, 2013

Memorandum of Understanding Establishing a Collaborative with Regional Transit, Paratransit, Inc., Sacramento Transportation Authority and SACOG

Issue: Should SACOG sign a Memorandum of Understanding with Regional Transit (RT), Paratransit, Inc., and the Sacramento Transportation Authority (STA) to establish a body known as the Collaborative to provide oversight and support for the Collaborative Agreement between RT and Paratransit, Inc.?

Recommendation: That the Transportation Committee recommend that the Board approve a resolution authorizing the Chief Executive Officer to execute the Memorandum of Understanding establishing the Collaborative on behalf of SACOG.

Discussion: Paratransit, Inc. began providing local transportation services under contract with Regional Transit (RT) in 1978. In 1979, the California Legislature passed Assembly Bill 120 which required Regional Transportation Planning Agencies (RTPAs) to designate a Consolidated Transportation Services Agency (CTSA) to coordinate and/or consolidate social service transportation within a certain geographic boundary. As the RTPA in this region, SACOG in 1981 designated Paratransit, Inc. as the CTSA in the urbanized portion of Sacramento County. That year, RT also extended its agreement with Paratransit, Inc. to provide paratransit services in the Sacramento Regional Transit District.

During the CTSA designation process in 1981, SACOG established a Four-Party Agreement between the City of Sacramento, the County of Sacramento, RT, and SACOG. The Agreement charged Paratransit, Inc. with centralizing transportation services to elderly and disabled residents in Sacramento County and assuring that such services are monitored by a responsible public entity. The Agreement established the Paratransit, Inc. service area to be equal with that of RT's, with both entities operating in the urbanized portion of Sacramento County. The Agreement allowed the four parties to have oversight of the operations of Paratransit, Inc.'s CTSA services. SACOG was designated the administrative agent for the maintenance and operation of the Agreement.

The Four-Party Agreement was also the conduit for the City and County of Sacramento to provide general funds for the operation of Paratransit, Inc.'s CTSA transportation services. However, their contributions ceased when the STA began distributing funds to Paratransit, Inc. in FY 2009-10 under the voter-approved Measure A county sales tax for transportation.

In FY 2009-10, RT faced significant budget reductions due to the economic downturn. As a result, RT sought ways to reduce its costs, including the complementary ADA paratransit service required by the Americans with Disabilities Act and provided by Paratransit, Inc. Around the same time, SACOG had begun an evaluation study of Paratransit, Inc., RT commissioned its own study, and the Paratransit TDA triennial performance audit was underway. Through these various efforts, a number of areas of conflict became evident between the two agencies. In FY 2010-11, SACOG began a mediation process at the

agencies' request. The mediation was facilitated by SACOG's Chief Operating Officer, Kirk Trost, who worked with RT and Paratransit for over two years to address the collaborative agreement and ongoing issues between the two agencies concerning services, costs, performance measures, information-sharing, vehicles, and governance. This mediation process led to a revised Collaborative Agreement, including a process to address budgeting and shared vehicles, and a new Bus Lease agreement. The revised Collaborative Agreement was adopted by the Regional Transit and Paratransit, Inc. Boards of Directors in December 2012, as well as a Memorandum of Understanding establishing the Collaborative.

The Agreement and MOU identified a new oversight body, identified as the Collaborative, to replace the previous Four-Party Agreement. The Collaborative has as its members the Chief Executive Officers of RT, Paratransit, Inc., SACOG, and STA, which administers Sacramento County's Measure A. The SACOG member will serve as its chair.

The Collaborative is charged with providing oversight of the Collaborative Agreement between RT and Paratransit, Inc. by making recommendations, and in some cases determinations, to each of the member's governing bodies regarding:

- Administrative cost allocation;
- Cost of vehicle insurance, brokered transportation or fuel if there are unresolved disputes;
- Service payment methodology;
- Requests by RT and Paratransit, Inc. for funding to acquire buses;
- Any disputes concerning the growth rate to be used for projecting future ridership; and
- Other issues that Paratransit, Inc. and RT mutually agree to submit to the Collaborative.

The Collaborative will also be responsible for making a final determination as to the allocation of buses to each party upon the termination of any lease of buses between RT and Paratransit, Inc.

Following execution of the MOU, SACOG will begin working with Paratransit, Inc. on a Short Range Transit Plan to guide future planning, service operations, capital investment, and policy decisions of Paratransit, Inc. as the CTSA and provider to RT of ADA complementary paratransit services in the urbanized portions of Sacramento County.

The Memorandum of Understanding, already signed by RT and Paratransit, Inc., is in Attachment A.

Approved by:

Mike McKeever
Chief Executive Officer

Attachment

Key Staff: Kirk Trost, Chief Operating Officer, (916) 340-6210
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**MEMORANDUM OF UNDERSTANDING
ESTABLISHING THE COLLABORATIVE**

This Memorandum of Understanding ("MOU") is entered into as of December 13 2012, by and between the **Sacramento Area Council of Governments** ("SACOG"), the **Sacramento Transportation Authority** ("STA"), **Sacramento Regional Transit District** ("RT") and **Paratransit, Inc.** ("Paratransit"). SACOG, STA, RT, and Paratransit are sometimes hereinafter referred to individually as "Party" and collectively as "Parties."

RECITALS

WHEREAS, RT is a public operator of fixed-route transit services in Sacramento County, established to operate a single unified public transportation system in the Sacramento region in order to meet the present and future public transportation, and mass and rapid transit needs of that region; and

WHEREAS, Paratransit is an independent, non-profit transportation organization providing public transportation services, paratransit services and other services to the region's disabled and elderly individuals; and

WHEREAS, since 1981, pursuant to the provisions of the Transportation Development Act ("TDA"), Paratransit has been designated by SACOG as the Consolidated Transportation Service Agency ("CTSA") for the urbanized area of Sacramento County and thereby receives TDA funding through SACOG; and

WHEREAS, STA was established in 1988 and is the local transportation authority charged with administering the Measure A local sales tax revenues for transportation services and improvements in the Sacramento region; and

WHEREAS, Paratransit receives Measure A local sales tax revenues through the STA for the provision of Demand Response services to disabled and elderly individuals; and

WHEREAS, the Americans with Disabilities Act ("ADA") requires that RT, as Sacramento's public agency providing fixed-route transit service, provide ADA Complementary Paratransit Service; and

WHEREAS, in 1992, as a means of performing its obligations under the ADA, RT entered into a Collaborative Agreement with Paratransit for the provision of ADA Complementary Paratransit Service and Non-ADA Demand Response Service within the County of Sacramento that operates with funding from RT, SACOG, STA and Paratransit; and

WHEREAS, RT and Paratransit entered into a new Collaborative Agreement for the Provision of ADA Complementary Paratransit Service and Non-ADA Demand Response Service ("New Collaborative Agreement"); and

WHEREAS, pursuant to a 1997 Lease Agreement, which includes six amendments, Paratransit leases from RT many of the buses that Paratransit uses to provide ADA Complementary Paratransit Service and Non-ADA Demand Response Service; and

WHEREAS, in conjunction with the execution of the New Collaborative Agreement, the Parties have also executed an Amended and Restated Lease of Paratransit Buses ("New Bus Lease"); and

WHEREAS, both the New Collaborative Agreement and the New Bus Lease provide for the formation of an oversight body identified as the Collaborative; and

WHEREAS, the members of the Collaborative will include SACOG, STA, RT, and Paratransit; and

WHEREAS, the Parties desire to formally establish the Collaborative; and

NOW, THEREFORE, the Parties hereby enter into this MOU.

TERMS AND UNDERSTANDINGS

1. Members of the Collaborative: The Collaborative members are SACOG, STA, RT, and Paratransit. The Chief Executive Officer of each member organization shall serve on the Collaborative. The SACOG member of the Collaborative will serve as its Chair.
2. Meetings of the Collaborative: The members of the Collaborative shall meet at a mutually agreeable time and location at least once during each quarter of the Fiscal Year (July 1st through June 30th). Nothing precludes the Collaborative from meeting on a more frequent basis as issues arise. Any member of the Collaborative may call a meeting at any time upon reasonable advance written notice.
3. Term: The duration of the MOU shall coincide with the term of the New Collaborative Agreement.
4. Purpose of the Collaborative: The Collaborative shall serve as an oversight body that makes recommendations, and in some cases, determinations, regarding the resolution of certain issues that may arise between the Parties during the performance of both the New Collaborative Agreement and the New Bus Lease.
5. Scope of the Collaborative's Role: The scope of the Collaborative's role is provided for in the New Collaborative Agreement and the New Bus Lease. This scope includes making recommendations regarding the following:
 - a. Administrative cost allocation disputes;
 - b. Vehicle insurance cost disputes;
 - c. Brokered Transportation Service cost disputes;
 - d. Fuel cost disputes;
 - e. Service payment methodology disputes;
 - f. Disputes regarding requests by the Parties for funding to acquire buses to be used for ADA Complementary Paratransit Service and Non-ADA Demand Response Service;
 - g. Disputes regarding the growth rate to be used for establishing ridership projections contained in the budget process of the New Collaborative Agreement after the 10 year period identified in the Nelson/Nygaard study; and
 - h. Mediation of disputes that arise under the dispute resolution provisions of the New Collaborative Agreement submitted by the parties.

While the Collaborative is generally a recommending body as to the matters discussed above, the Collaborative shall be responsible for making a final determination as to the allocation of buses to

each party upon the termination of the New Bus Lease. The determination of the Collaborative relative to the allocation of buses shall be final and no appeal or further action may be taken.

6. The Collaborative's recommendations and determinations shall be provided in writing no later than 60 days from submittal of an issue under this MOU.

IN WITNESS WHEREOF, the Parties have entered into this MOU as of the first date written above:

SACRAMENTO AREA COUNCIL OF GOVERNMENTS

By: _____
Peter Hill, President

By: _____
Mike McKeever
Executive Director

SACRAMENTO TRANSPORTATION AUTHORITY

By: _____
Jimmie Yee, Chair

By: _____
Brian Williams
Executive Director

SACRAMENTO REGIONAL TRANSIT DISTRICT

By: Bonnie Pannell
Bonnie Pannell, Chair

By: Michael R. Wiley
Michael R. Wiley
General Manager/CEO

PARATRANSIT, INC.

By: Pete Spaulding
Pete Spaulding, President

By: Linda Deavens
Linda Deavens
Chief Executive Officer



SACRAMENTO AREA COUNCIL OF GOVERNMENTS

RESOLUTION NO. XX - 2013

AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE COLLABORATIVE AGREEMENT WITH REGIONAL TRANSIT, PARATRANSIT, INC. AND SACRAMENTO TRANSPORTATION AUTHORITY

WHEREAS, the Sacramento Area Council of Governments (SACOG) is the Metropolitan Planning Organization and one of the Regional Transportation Planning Agencies responsible for transportation planning in the Sacramento region; and

WHEREAS, SACOG worked with Regional Transit and Paratransit, Inc. to revise the Collaborative Agreement between the two agencies; and

WHEREAS, the Collaborative Agreement replaces the previous Four-Party Agreement with a new oversight body, identified as the Collaborative and comprised of the Chief Executive Officers of Regional Transit, Paratransit, Inc., Sacramento Transportation Authority, and SACOG; and

WHEREAS, SACOG desires to establish the Collaborative to provide specified oversight and support for the Collaborative Agreement between Regional Transit and Paratransit, Inc.;

NOW, THEREFORE BE IT RESOLVED, that the SACOG Board of Directors authorizes the Chief Executive Officer to execute for SACOG the Memorandum of Understanding establishing the new Collaborative.

PASSED AND ADOPTED, this 20th day of June 2013, by the following vote of the Board of Directors:

AYES:

NOES:

ABSTAIN:

ABSENT:

Mary Jane Griego
Chair

Mike McKeever
Chief Executive Officer