STAFF REPORT

MEETING DATE:	**2/25/14**
SUBJECT:	**Amend Consolidated Transportation Service Agency Claims Policies and Procedures**
AGENDA ITEM:	**6-6**
STAFF CONTACT:	**Dave Wallace, Chief Fiscal Officer**

STAFF RECOMMENDATION:

It is recommended that the board of directors amend Section 1309 of SRTA's Transportation Development Act Handbook and Policies and Procedures regarding the Consolidated Transportation Service Agency (CTSA).

DISCUSSION:

A CTSA is the agency designated by SRTA to coordinate among transit providers and also provide safety-net transit services to elderly and disabled individuals who are generally outside of the RABA service area. Shasta Senior Nutrition Programs (SSNP) currently provides CTSA services to SRTA. The SRTA Transportation Development Act Handbook provides for the allocation of up to 5% of Local Transportation Funds for CTSA services. This annual allocation is approximately $300,000.

SRTA currently has a memorandum of understanding (MOU) with SSNP. The current MOU contains vague and outdated performance measures that make CTSA services difficult to track. SSNP is not in compliance with these performance standards and the most recent audit recommended stronger CTSA monitoring and reporting.

Policy revisions include requiring a formal contract with the CTSA, and expanding guidelines for coordination of transportation services. In addition, the policies improve the standards of performance and reporting, the details of which would be provided in a CTSA contract with SRTA.

ALTERNATIVES:

The board of directors may further modify the policies or continue this item to request additional information.

OTHER AGENCY INVOLVEMENT:

SSNP and the Technical Advisory Committee (TAC) have reviewed and concur with the staff recommendation.

FINANCING:

Approval of the updated policies will have no direct fiscal impact and are intended to create more cost-effective services.

Daniel S. Little, AICP, Executive Director

Attachment: Amended SRTA Transportation Development Act Handbook and Policies and Procedures Section 1309

1309 ~~Community~~ Consolidated ~~Transit~~ Transportation Service Agency Claims

1309.1 Introduction

~~The legislature has provided for the use of up to 5% of the annual LTF funds for community transit services, which include services for those such as the disabled, who cannot use conventional transit services. Eligible claimants are cities, counties, public transit operators, and consolidated transportation service agencies.~~

~~CCR Section 6644 provides that the maximum available for claims filed under Article 4.5 shall be 5% of the sum of the apportionments of the areas of all operators remaining after subtracting any amounts allocated pursuant to PUC Sections 99233.4, 99233.5, and 99233.6. The amount available for Article 4 claims is that amount remaining after the adjustment for the proportion made available for Article 4.5 allocations.~~

~~Article 4.5 claims may be filed SRTA by a city, a county, an operator, or a CTSA, to provide "community transit services" which are defined as transportation services which link intra-community origins and destinations. However, community transit services can be provided by private operators (e.g., taxicab companies) under contract with a public agency on a competitive bidding basis.~~

A Consolidated Transportation Service Agency (CTSA) is designated by SRTA under auspices of the Social Services Transportation Improvement Act to achieve the intended transportation coordination goals of that Act.

Each CTSA shall be an entity other than the SRTA and shall be one of the following: a) a public agency including a city, county, operator, any state department or agency, public corporation, or public district, or a joint powers entity created pursuant to Chapter 5 (commencing with Section 6500) of Division 7, Title 1 of the Government Code. b) A common carrier of persons as defined in Section 211 of the Public Utilities Code engaged in the transportation of persons as defined in Section 208. c) A private entity operating under a franchise or license. d) A nonprofit corporation organized pursuant to Division 2 (commencing with Section 9000) of Title 1 of the Corporations Code.

1309.2 Financing

Under the Transportation Development Act (TDA) Article 4.5, SRTA may make up to five percent of a county's local transportation fund available for "community transit service" (Public Utilities Code, Section 99275(a)). Community transit services are defined as "services which link intra-community origins and destinations" (Public Utilities Code, Section 99275 (b)). SRTA is responsible for interpreting what "intra-community" service is. The funds may be used to provide public transit services or they may be used for transit services which are used exclusively by elderly and handicapped persons (Public Utilities Code, Section 99275).

Money may be allocated under TDA Article 4.5 to eligible claimants unless SRTA finds that such allocations of money could be used to better advantage for TDA Article 4 purposes in the development of a balanced transportation system (Public Utilities Code, Section 99273.7).

Unlike funds made available under TDA Articles 4 and 8 of TDA, SRTA may allocate TDA Article 4.5 funds without respect to area population apportionment restrictions within a county (Public Utilities Code, Section 99233.7). SRTA may also reserve money to set aside for TDA Article 4.5 claims to be filed in future years (California Administrative Code, Section 6655.3).

A CTSA, as a TDA Article 4.5 claimant, may operate its own transit services or it may contract with another entity to provide such services. If the service is contracted for, it must be done on the basis of competitive bidding (Public Utilities Code 99277). In contracting for service, the CTSA may claim for contract costs and its own administrative costs. If the CTSA is operating its own system, it may claim both operating costs and capital costs for the purchase of vehicles (including equipment, parts, and accessories) and communications and data processing equipment. Construction of transit facilities costs may not be claimed (California Administrative Code Section 6634 (e)).

~~1309.2 Requirements~~

~~The SRTA Board must find that a claim meets the following minimum requirements prior to approval of a claim (PUC Section 99275.5):~~

~~1. That the proposed community transit service is responding to a transportation need currently not being met in the community of the claimant.~~

~~2. The service links intra-community origins and destinations (PUC Section 99275b).~~

~~3. That the service shall be integrated with existing transit services, if appropriate.~~

~~4. That the claimant has prepared an estimate of revenues, operating costs, and patronage.~~

~~5. That the claimant is in compliance with the applicable fare box recovery ratio requirements (PUC Sections 99268.3, 99268.4, 99268.5, or 99268.9). For exclusive elderly and disabled services, 10% of the claimant's operating costs must be recovered through fare revenues. However, local support may be included toward meeting the 10% requirement. A CTSA performing coordination activities is exempt from this requirement.~~

~~6. That the claimant is in conformance with the requirements of PUC Sections 99155 and 99155.5 relating to the honoring of specified identification cards by operators offering reduced fares for seniors and the disabled and other eligibility requirements.~~

~~7. In addition to the requirements of PUC Section 99275.5, claimants are encouraged to enter into a formal competitive bidding process in choosing to provide service through a contract operator as authorized by PUC Section 99277.~~

~~8. The proposed community transit service meets the performance criteria adopted by SRTA as found in Section 1309.3.~~

~~**1309.3 Performance Criteria**~~

~~Community transit services must be provided at a TDA subsidy of less than $15.00 per passenger trip, and the cost per hour shall not exceed $35.00 per service hour. These amounts shall be adjusted for changes in the CPI. See Section 1325 for information on the CPI.~~

~~**1309.3 Article 4.5 Distribution Formula**~~

~~In order to include the CTSA in the fund distribution process, a maximum of up to 5% of the total available will be set aside to support claims by the CTSA. The CTSA claim is to include a work program to be reviewed by SRTA and the other Article 4.5 claimants. Any remaining amount will be apportioned pursuant to PUC Section 99233.7 and shall be allocated to the transit service area.~~

1309.3 Coordination of Services

It is the intent of the SRTA Board of Directors to establish coordination of services. This coordination can be enhanced once coordination functions and concepts are fully understood and a conscientious effort is made to identify and implement coordination strategies which may prove beneficial in the agencies' specific areas.

Transportation coordination is a cooperative arrangement between transportation providers and organizations needing transportation services and is aimed at realizing increased benefits through the joint operation and/or administration of one or more transportation-related functions.

Transportation services can be divided into three functions: administration, vehicle operations, and vehicle maintenance.

1) Administrative functions include supervision, billing and receivables, record keeping, purchasing, marketing, information and referral, and risk management programs.

2) Vehicle operations functions are those which involve transporting passengers, including receiving trip requests, vehicle and driver scheduling, scheduling and routing trips, and dispatching and monitoring service.

3) Maintenance functions concern vehicle upkeep, repairs, storage, procurement, and purchasing of parts, fuel, and equipment.

It is the intent of the board to implement any or all the following four major methods of coordination concepts in which some or all of these service functions could be combined. These are cooperation, coordination, consolidation, and brokerage.

1) Cooperation exists where two or more agencies work together, usually on an informal basis. Each agency maintains complete control over all service functions of administration, vehicle operations, and maintenance. An example of cooperation would be the sharing of information about each other's services and referral of clients to these services when appropriate. Most para-transit agencies engage in such cooperative efforts.

2) Coordination brings two or more agencies together for joint conduct of one or more functions. Usually these efforts are formalized in some manner. In the administrative function, coordination may include joint scheduling or dispatching; and in maintenance, coordination could include sharing vehicle storage facilities.

3) Consolidation brings all of the transportation service functions under the control of a single entity. In this concept, one agency acquires all the vehicles, performs all administrative, vehicle operations, and maintenance functions, selling its services to any agency needing client transportation.

4) Brokerages bring the purchasers (clients or agencies) and the sellers of transportation together, much as real estate agents bring property buyers and sellers together, handling certain arrangements of the transaction. In this concept, the persons or agencies needing transportation services would contract with the brokerage. The brokerage agency then subcontracts with agencies providing transportation for the needed service. The brokerage agency may also perform some coordination functions such as joint billing or maintenance for its subcontracting agencies. In addition, a brokerage may operate some of the vehicles used in the transportation program.

Section 15951 of the Act identifies the following benefits that can be realized through coordination:

1) Combined purchasing of necessary equipment so that some cost savings through larger number of unit purchases can be realized.

2) Adequate training of vehicle drivers to ensure the safe operation of vehicles. Proper driver training should promote lower insurance costs and encourage use of the service.

3) Centralized dispatching of vehicles so that efficient use of vehicles result.

4) Centralized maintenance of vehicles so that adequate and routine vehicle maintenance scheduling is possible.

5) Centralized administration of various social service transportation programs so that elimination of duplicative and costly administrative organizations can occur. Centralized administration of social service transportation services can provide more efficient and

cost-effective transportation services permitting social service agencies to respond to specific client needs.

The Act did not define social service agency transportation, so an advisory definition was promulgated for purposes of implementing all aspects of the Act. "Social Service Agency", for the purposes of this policy, is defined as a public or private, nonprofit organization which provides services to any of these four target groups: elderly individuals, individuals with disabilities, youth, and individuals with low-income.

The following nine functional areas are identified: services to children; employment services; provision of food, clothing, and housing; guidance; health services, both mental and physical, including services to individuals with disabilities; recreation; services to special groups including non-English speaking individuals, individuals with alcoholism, etc., and welfare.

Regardless of the type of coordination, it is the intent of this Board that it should involve consultation with a broad range of stakeholders, such as:

1) Transportation providers: Transit agencies, school districts, social service agencies, transportation brokers, private providers, non-profit providers, and human-service based agencies.

2) Service providers: Doctors scheduling medical appointments based on transportation availability, land-use planners including mobility options as part of zoning decisions, developers building "walkable" communities.

3) People with special transportation needs.

Because each community and region is unique, the appropriate level of coordination is what project partners are comfortable with, and what is best for the customer.

~~1309.4 Board-Adopted Priorities~~

~~In view of the limited funds available under the Article 4.5 program, the SRTA Board has adopted the following priorities for the allocation of Article 4.5 funds (Board Policy):~~

~~1. The Article 4.5 program is intended to serve those population groups that cannot use conventional, fixed-route transit services, primarily persons with disabilities as defined by the Americans with Disabilities Act (ADA). Service to persons such as the nondisabled elderly should be provided only when capacity is available. TDA Article 4 funds are the more appropriate source of support for general public transit services.~~

~~2. Priority shall be given to providing accessible curb-to-curb services to all communities within the urbanized area, based on fund availability, prior to the expansion of the level of service within the existing service areas.~~

~~1309.4 Board-Adopted Priorities (continued)~~

~~3. Additional services proposed within areas currently served by another operator will be considered only on the basis of fund availability and a clear demonstration of unmet needs.~~

1309.4 Requirements

The SRTA Board must find that a claim meets the following minimum requirements prior to approval of a claim (PUC Section 99275.5):

1) That the proposed Consolidated Transportation Service Agency is responding to a transportation need currently not being met in the community of the claimant.

2) That the service shall be integrated with existing transit services, if appropriate.

3) That the claimant has prepared an estimate of revenues, operating costs, and patronage.

4) Any SRTA adopted performance criteria, local match requirements, or fare recovery ratios.

5) That the claimant is in compliance with SRTA Board established transportation criteria, rules and regulations (PUC Section 99275.5)

6) That the claimant is in conformance with the requirements of PUC Sections 99155 and 99155.5 relating to the honoring of specified identification cards by operators offering reduced fares for seniors and the disabled, and other eligibility requirements.

7) In addition to the requirements of PUC Section 99275.5, claimants must enter into a formal competitive bidding process in choosing to provide service through a contract operator as authorized by PUC Section 99277.

8) The claimant agrees to meet the coordination of services performance criteria adopted by SRTA as found in Section 1309.5.

9) The claimant has an accounting system capable of allocating costs among programs.

1309.5 ~~Claim Content~~ Coordination of Services Performance Criteria

~~Community transit service claims are to be filed in the same manner as Article 4 transit operator claims following the claim timetable outlined in Section 1304. Community transit service claims should include all of the information listed in the checklist. (Board Policy)~~

SRTA will establish separate coordination of service performance criteria based on community needs.

The CTSA will establish, with approval from SRTA, required transportation performance criteria. A CTSA using an outside vendor for transportation services will establish performance criteria for that vendor and have that criteria approved by SRTA.

Claims will be paid monthly on a reimbursement basis only. Claimant will provide sufficient documentation to support any claim. Claimants will abide with all applicable federal and state regulations.

1309.6 Board Priorities

In view of the limited funds available under the Article 4.5 program, the SRTA Board has adopted the following priorities for the allocation of Article 4.5 funds related to actual transportation services:

1) The Article 4.5 program is intended to serve those population groups that cannot use conventional, fixed-route transit services, primarily persons with disabilities as defined by the ADA and the elderly.

2) Priority shall be given to providing accessible curb-to-curb or door-to-door services.

1309.7 Claim Content

Consolidated Transportation Service Agency claims are to be filed following the claim timetable outlined in Section 1309.9. Consolidated Transportation Service Agency claims should include all of the information listed in the Transportation Development Act Checklist. The CTSA claim is to include a work program to be reviewed by SRTA.

1309~~.~~. ~~6~~8 Reporting Requirements

1) Each transit service claimant is required to submit an annual certified fiscal audit to SRTA and the State Controller within 180 days after the end of the fiscal year, pursuant to PUC Section 99245.

2) Each transit service claimant is required to submit an annual report of its operations, consistent with the Uniform System of Accounts, to SRTA and the State Controller within 90 days after the end of the fiscal year.

3) Each transit claimant is required to submit operating statistics to SRTA on a quarterly basis. Reports are ~~to be submitted on a quarterly basis that~~ to include total vehicle mileage, number of CTSA passengers~~, number of frail and elderly passengers,~~ and the

total service hours. CTSAs with multiple or combined programs will report the required information at the combined level.

4) The claimant will submit quarterly reports on meeting the performance criteria for coordination of services.

1309~~.~~. ~~7~~9 Timetable

The following is a timetable which lists the key dates of the cycle of preparing claims, allocating monies, and preparing final reports. References to the appropriate regulation~~s~~ sections are included.

February 1 County Auditor provides estimate of LTF monies available for the ensuing fiscal year to SRTA (CCR Section 6620).

February SRTA Board approves the annual apportionments available for allocation (CCR Section 6644) and advises prospective claimants.

April ~~30~~1 Claims are due to SRTA (CCR Section 6630). Claimants are encouraged to review the updates to the claim forms, use the check-off list provided, and include it as part the claim package.

~~June~~April SRTA Board of Directors reviews and approves the claims.

June 30 SRTA conveys initial allocation instructions for the next fiscal year to County Auditor pending receipt~~s~~ of signed board resolutions from the transit agencies (CCR Section 6659).

~~June 30 SRTA transmits fiscal audit for fiscal year ending the previous June 30 to the State Controller (CCR Section 6662).~~

~~September 1 SRTA transmits a schedule of performance audits to be submitted during the fiscal year and a list of all operators or claimants who operated or commenced operations during the prior fiscal year to the California Department of Transportation (CCR Section 6664.5).~~

September 30 Non-transit claimants submit expenditure reports to State Controller (CCR Section 6665).

September 30 Claimants submit reports on extension of service to SRTA (CCR Section 6633.8).

September 30 ~~SRTA~~ CTSA submits the annual State Controller's Report (CCR Section 6660).

December 31 SRTA submits, on behalf all claimants, the certified fiscal audit for fiscal year ending June 30 (unless granted a 90-day extension) to ~~SRTA and~~ the State Controller (PUC Section 99245).

Monthly ~~County Auditor reports status of fund to SRTA.~~

Triennially ~~SRTA submits the performance audits to the California Department of Transportation (CCR Section 6662.5) for all operators of transit service and for SRTA for planning functions.~~

1309.10 CTSA Selection

SRTA shall utilize the criteria found in section 800 of the Financial and Accounting Policies for the selection of a CTSA. SRTA will use the RFP process to enter into formal contracts or agreements. These may be for multiple years if in the best interest of SRTA.

1309.11 CTSA Matching Funds

The Board encourages combining CTSA services and fund sources with other transit services and funding sources to maximize efficiencies while simplifying CTSA monitoring and reporting. SRTA may elect to require a CTSA to provide matching funds to encourage such arrangements.