STAFF REPORT

MEETING DATE:	**April 28, 2022**
SUBJECT:	**Approve Amendment #2 to the Technical Services Agreement with Dignity Health Connected Living for the Provision of Specialized Public Transportation Services**
AGENDA ITEM:	**5-9**
STAFF CONTACT:	**Sean Tiedgen, AICP, Executive Director**

SUMMARY:

SRTA contracts with Dignity Health Connected Living (DHCL) for public transit service needs not met by the Redding Area Bus Authority (RABA). The current agreement expires on June 30, 2022, and may be extended up to five additional years with SRTA Board of Directors approval. A three-year extension is recommended.

STAFF RECOMMENDATION:

It is recommended that the board of directors:

1. Authorize the executive director to finalize and sign a second amendment to the technical services agreement with DHCL for the provision of specialized public transportation services, thereby making minor changes to contract provisions and extending the agreement until June 30, 2025; and
2. Authorize the executive director to make minor administrative changes to the second amendment, as appropriate.

DISCUSSION:

Under contract to SRTA, DHCL provides specialized public transit services in the Shasta Region, under the ShastaConnect brand, in areas not covered by RABA. The current contract between SRTA and DHCL expires on June 30, 2022. Per the contract, the board of directors may extend that agreement for up to five years.

Staff is pleased with the services provided by DHCL to date and recommends approval of the proposed second amendment. DHCL has worked with SRTA to meet community transportation needs, including launching Sunday On-Demand Transit services, expanding services in the Intermountain area of Shasta County, and expanding rider eligibility to meet the needs of those living in rural communities in the Shasta Region. They are invested in the community and their agency mission aligns well with SRTA's goals for public transportation.

Tasks expected to be completed over the next three years include:

- Continue operation of rural and Consolidated Transportation Services Agency (CTSA) services;
- Operate and evaluate Sunday On-Demand Transit services; and
- Assist SRTA in developing a zero-emission fleet plan for the services.

ALTERNATIVES:

The board of directors may request other modifications to the contract amendment. This would delay approval as any modifications would need to be reviewed and approved by DHCL's legal department. The board of directors may decline the contract amendment, which would require SRTA to issue a request for proposals for services. An extension to the existing contract with DHCL may need to be considered at the June board of directors meeting to allow for any transition between providers.

OTHER AGENCY INVOLVEMENT:

DHCL, RABA, and SRTA coordinate as needed on public transportation service ride requests. The Technical Advisory Committee concurs with the staff recommendation.

FISCAL IMPACT:

There is no fiscal impact with this decision. The SRTA Board of Directors annually approves DHCL's budget for transportation services as part of the Transit Needs Assessment and Transportation Development Act budgeting process. Five percent of Local Transportation Funds (LTF) are budgeted annually for CTSA services. In the 2021/22 fiscal year, a total of $416,906 was budgeted for CTSA services.

Since 2019, SRTA has provided additional funds through the Low Carbon Transit Operations Program (LCTOP) for operating expanded rural public transportation ($258,598) and Sunday On-Demand Transit services ($334,629).

____

Sean Tiedgen, AICP, Executive Director

Attachment: Amendment #2 to the Agreement for the Provision of Specialized Public Transportation Services between SRTA and DHCL (Draft)

AMENDMENT #2 TO THE AGREEMENT FOR THE PROVISION OF SPECIALIZED PUBLIC TRANSPORTATION SERVICES BETWEEN THE SHASTA REGIONAL TRANSPORTATION AGENCY AND DIGNITY HEALTH CONNECTED LIVING

This amendment is entered into between the Shasta Regional Transportation Agency ("SRTA") and Dignity Health Connected Living ("DHCL").

The following sections are hereby modified, replaced, or added in their entirety in the agreement between SRTA and DHCL for the purpose of providing specialized public transportation services, executed on July 1, 2017, and first amended on November 8, 2019:

WHEREAS, Section 4 – Time of Performance and Extensions, is amended in its entirety as follows:

> The services provided pursuant to this AGREEMENT is extended upon signing of this Amendment by SRTA and DHCL and shall continue until June 30, 2025. This agreement may be extended by the SRTA Board of Directors and DHCL for up to an additional two years if the SRTA Board of Directors finds that such an extension is in the best interest of the agency due to factors including the value of services provided, the availability of other interested providers, and disruptions caused by a change in the service provider.

WHEREAS, Section 6 – Payment of DHCL Invoices, is amended as follows:

b. Payment is contingent upon receipt by SRTA of the above documentation described in Section 6(a) is provided by DHCL, consistent with Sections 7 and 8 of this AGREEMENT. Payment to DHCL is further contingent upon SRTA's determination that the performance of DHCL meets TDA regulations and SRTA standards.
c. Reimbursement from SRTA shall be made within 30 days for eligible expenses when a correct and approved invoiced is submitted by DHCL.

WHEREAS, Section 23 – Notice, is amended as follows:

> Any notice or notices requires or permitted to be given pursuant to this AGREEMENT may be personally served on the other party by the party giving such notice, or may be served by certified mail, return receipt requested, to the following addresses:
>
> Shasta Regional Transportation Agency
> Attn: Daniel S. Little, AICP, Executive Director
> 1255 East Street, Suite 202
> Redding, CA 96001
>
> Dignity Health Connected Living

Attn: Joe Ayer, MBA, Executive Director
200 Mercy Oaks Drive
Redding, CA 96003

WHEREAS, Appendix A – DHCL Scope of Work and Performance Standards, is amended and replaced in its entirety as follows:

1. The services provided under this agreement are intended to complement and augment traditional fixed route services provided by the Redding Area Bus Authority (RABA) without providing redundant services to RABA, to the extent possible. The level of public transportation services provided under this agreement will be determined annually depending on needs identified in SRTA's Unmet Transit Needs Process. Once SRTA has defined the level of service to be provided, DHCL will propose a budget in coordination with SRTA which SRTA will adopt in June prior to each fiscal year. Generally, the scope of public transportation services provided through this agreement will:
    a. Provide links to communities with either an origin or destination outside the RABA service area.
    b. Respond to a transportation need currently not being met in the Shasta region.
    c. Integrate with existing transit services, where applicable and appropriate.
    d. Be in compliance with AB 120 by improving the effectiveness, efficiency and quality of the travel services being delivered while avoiding service overlaps.
    e. Pursue grants to increase service and minimize the Transportation Development Act (TDA) subsidy per passenger-trip.
2. DHCL shall provide public transportation services that meet the following criteria:
    a. Supply vehicles, personnel, fuel, maintenance, and operations necessary to provide transportation services in Shasta County outside of the RABA service area, unless otherwise agreed to between DHCL, RABA, and SRTA per Section 2(d) below.
    b. Except for major holidays, the service hours, at a minimum, shall be Monday through Friday, for an average of seven to eight hours daily. Depending on circumstances and services provided, DHCL may expand or contract service hour or service area, with advance written notice and approval from SRTA.
    c. The service area, at a minimum, shall include those areas identified in the Transit Needs Assessment as Palo Cedro, Happy Valley, Millville, Burney, Fall River Mills, Igo-Ono, Cottonwood, and the areas surrounding the cities of Redding, Anderson and Shasta Lake that are outside the RABA service area. Either the trip origin or destination shall be within these areas. DHCL may elect to deny service to any area where the cost of the trip would be unreasonable. DHCL has authority to set all fares and may charge a higher fare for certain areas based on added cost associated with serving the area.
    d. DHCL may provide services with both the trip origin and destination within the RABA service area with prior written permission from SRTA, finding that the type or reason for the service meets all other CTSA criteria and cannot reasonably be provided by RABA.

        i. DHCL shall identify the type of reason for all trips entirely within the RABA service area for which SRTA funds are requested.
        ii. DHCL shall review these trips by type or reason with SRTA and RABA, in accordance with the CTSA Service Coordination Agreement between DHCL, RABA, and SRTA, to determine service and funding eligibility.
        iii. Such trips will be reimbursed until such time as an eligibility determination is made.
        iv. Findings of eligibility may be made by the SRTA executive director or the SRTA Board of Directors or be included in SRTA's annual unmet transit needs documentation.
        v. For all trips with both the origin and destination within the RABA service area determined to be ineligible for SRTA funding, DHCL shall solely be responsible for the cost of providing said service.
    e. Provide curb-to-curb or door-to-door services, as those services are commonly defined in the industry, primarily to individuals over the age of sixty (seniors) and any disabled individual over 18 years of age. Individuals under sixty will be served when space, timing, and operational need permit, and subject to licensing restrictions of DHCL drivers. Ride availability on vehicles will be subject to any federal or state rider eligibility restrictions on the use of said vehicles.
    f. Trips for primary and secondary school purposes are not required to be provided under this agreement.
    g. The average annual TDA Subsidy per Passenger Trip shall not exceed $22.21, annually increased for inflation. This amount shall be updated periodically. If DHCL costs are above this rate, SRTA will meet with DHCL to review the reasonableness of the standard and either modify the standard or agree on methods and a timeframe for compliance. If the service provider still cannot meet the applicable standard, SRTA will not reimburse above the applicable rate per passenger trip effective upon written notification from SRTA.
3. Unless otherwise provided, DHCL must submit monthly reports which contain the following information:
    a. Operating cost by type, including depreciation and total personnel cost for drivers and fleet maintenance, and cost for CTSA administration by employee.
    b. Itemized costs and specific work performed pursuant to Item 7 (incentives) below.
    c. Total operating costs broken down by fund source: TDA share, fare box revenue and other grants.
    d. Service hours.
    e. Operating days.
    f. Service miles.
    g. Passenger trips.
    h. The average rate of occurrence of passengers each hour of the operating day.
    i. Denied trips and reasons for denial.

  j. Number of missed trips (a failure of the vehicle to show up) and no-shows (when the vehicle arrived on time and the rider did not show up or cancel in advance).
  k. Originations and destinations of passenger trips.
  l. Log of passenger complaints and resolution or actions taken (quarterly).

4. Goals for public transportation services provided by this agreement are intended to measure and improve service quality and efficiency. These goals are aspirational and not mandatory, and will be measured and updated annually, as needed, as part of SRTA's Unmet Transit Needs Process. Goals are as follows:

a.	Fare Box Ratio Goal:	10%
b.	Passengers per Hour Goal:	2.74
c.	Costs per Service Hour Goal:	$42.58
d.	Average Annual TDA Subsidy per Trip Goal: (Adjusted annually for inflation)	$22.21
e.	Passengers per Service Mile Goal:	0.20
f.	Denied Trips Goal:	0
g.	Number of Complaints Goal:	0
h.	Number of Missed Trips Goal:	0
i.	Match of CTSA Operations budget from non-TDA or Fare Box Resources, Operations Goal:	25%
j.	Vehicle purchases from 100% non-TDA resources unless a grant requires or incentivizes a particular match.	

5. DHCL, in coordination with SRTA and to the extent practical, will assist in updating and maintaining a website which markets the service and contains all appropriate information of the services provided. DHCL will also assist SRTA by providing timely information necessary to communicate information to the community on social media accounts maintained for the services by SRTA.
6. Submit an annual claim for its share of Transportation Development Act (TDA 4.5) funds. TDA 4.5 funds are allocated each fiscal year by the SRTA Board of Directors. SRTA may elect to fund less than five (5%) of Local Transportation Funds for CTSA services. SRTA reserves the right to withhold all payments to DHCL pending receipt of a satisfactory monthly and annual report on performance goals, progress and any planned improvements, or DHCL's satisfactory correction of any material deficiencies noted during an audit. DHCL may be provided funds for provision of other mutually agreed specialized services as specified by the SRTA Board of Directors.
7. As an incentive to DHCL investing in services, SRTA will reimburse for the following administrative efforts and shall not include the costs associated with them as operating expenses for purposes of determining progress in meeting TDA subsidy limits or performance goals:
   a. Technology for efficiency in areas such as scheduling, data gathering, reporting, rider information, and vehicle fuels and longevity.
   b. Developing a volunteer driver program.
   c. Developing an on-line reservation and fare payment system.

   d. Applying for and administering other grants to support CTSA operations.
   e. Coordinating with other transportation providers for the merger of transportation services.
   f. Providing new pilot services for a period of up to three years.
   g. Instituting other incentives subject to mutual approval of SRTA and DHCL.

8. The SRTA Board of Directors may authorize new pilot services not subject to CTSA limitations under the Transportation Development Act. Such services for example, may include a Sunday service demonstration project within the RABA service area. If authorized, such services will not be limited by Sections 1 thru 7 above, and shall have separate performance standards documented through SRTA's annual Unmet Transit Needs Process.
9. Provide fiscal audits within 180 days from the close of the fiscal year. SRTA may grant a 90-day extension upon request from DHCL. Audits shall include certification that the claimant is compliant with TDA sections 6666 and 6667.
10. Provide for coordination of public transportation with the support of SRTA staff. Support shall consist of participation in the SSTAC, any CTSA meetings, and coordinating DHCL's own services with other organizations as requested by SRTA and through the implementation of the Shasta Coordinated Transportation Plan and the CTSA Service Coordination Agreement.
11. Per above Section 8 of Appendix A, SRTA and DHCL will initiate a Sunday On-Demand Transit Service Demonstration Project in FY 2019/20.
    a. The service will generally serve the cities of Anderson, Redding, and Shasta Lake, the Redding Municipal Airport, as well as surrounding unincorporated areas in Shasta County as agreed to by SRTA and DHCL.
    b. The service will generally operate from 6:30 a.m. to 7:30 p.m. on Sundays
    c. Changes to service hours or the service area may be approved by SRTA with advance written notice. Such changes should allow enough time to inform riders, unless otherwise necessary to happen immediately. SRTA may request additional changes to the service hours or service area with input gathered during the Annual Unmet Transit Needs process, through input by the public or SRTA Board of Directors, or as identified through discussions and mutual agreement between SRTA and DHCL.
    d. DHCL will be compensated for services in accordance with Section 2 of Appendix B – DHCL Compensation.
    e. Performance goals for the Sunday Transit Service Demonstration project are intended to measure service quality and efficiency. These goals are aspirational, not mandatory, but will be used, in part, to evaluate whether service should continue beyond the demonstration period. The goals are as follows:

i.	Passengers per hour	1.5
ii.	Cost Per Vehicle Revenue Hour	$90.00
iii.	Average Annual Subsidy per Trip	$22.21
iv.	Passengers Per Revenue Mile	0.20
v.	Denied Trips	0
vi.	Number of Valid Complaints	0

vii.	Number of Missed Trips	0
viii.	On-time Performance	90%
ix.	Trips Exceeding Maximum Wait Time	Less than 5%
x.	Trips Exceeding Maximum Ride Time	Less than 5%
xi.	Seat Utilization	25%

12. SRTA shall:
    a. Monitor and evaluate transportation coordination initiatives to ensure compliance with AB 120 requirements.
    b. Reimburse DHCL for eligible operating expenses for transportation services within 30 days of correct and approved invoices to the extent funds are available to SRTA.
    c. As a part of the annual TDA budget process, evaluate DHCL's performance and develop recommendations for improvements.
    d. Develop an annual budget for ShastaConnect services in coordination with DHCL based on the results of the annual Unmet Transit Needs Process, with input from the Social Services Transportation Advisory Council and RABA.
13. DHCL and SRTA shall work together to prepare and report any necessary service information as required under California's Innovative Clean Transit Regulation, including:
    a. DHCL shall assist SRTA with annual fleet reporting utilizing the Innovative Clean Transit Reporting Tool or other appropriate reporting mechanism as required by the California Air Resources Board.
    b. DHCL shall assist SRTA in preparing a zero-emission bus rollout plan for the applicable services requested under this AGREEMENT by June 30, 2023, or sooner. This includes providing all fleet, facility, or other information necessary to prepare a plan. DHCL shall also assist SRTA with any required rollout plan maintenance or updates.

WHEREAS, Appendix B – DHCL Compensation, is amended and replaced in its entirety as follows:

1. DHCL shall be reimbursed for CTSA services as follows:
    a. For ease of administration and to ensure compliance with the provisions of this agreement, DHCL's claim for Transportation Development Act funds shall be remitted directly to SRTA in the SRTA Board of Director's allocation instructions. Reimbursement from SRTA to DHCL will be based on DHCL's monthly invoices of eligible costs. The total reimbursement shall not exceed the SRTA Board of Directors' approved annual allocation. Reimbursement from any other funding sources must first be approved by the SRTA Board of Directors and shall utilize the same monthly invoice process.
    b. The format of DHCL's invoices for approved pilot or demonstration projects shall be determined by SRTA at the time such services are authorized by the SRTA Board of Directors. The format will be relayed to DHCL in writing.
    c. Invoices will not be processed more frequently than monthly, while reimbursement shall not exceed the SRTA Board of Directors' approved service allocation.

2. DHCL shall be reimbursed for administration and operations of the Sunday On-Demand Transit Service Demonstration Project, as follows:
    a. DHCL will invoice SRTA for Sunday On-Demand Transit Services separately from CTSA services and shall utilize the same monthly invoice process. Reimbursement from SRTA to DHCL will be based on eligible administration and operating costs. Total reimbursement shall not exceed the SRTA Board of Directors' approved annual allocation.

All other terms of the agreement remain unchanged by these amendments.

IN WITNESS WHEREOF, SRTA and DHCL executed this agreement on the day and year set forth below. By their signatures below, each signatory represents that he/she has the authority to execute this agreement and to bind the party on whose behalf his/her execution is made.

Shasta Regional Transportation Agency:

____
Daniel S. Little, AICP, Executive Director

____
Date:

____
John Kenny, SRTA Legal Counsel

____
Date:

Dignity Health Connected Living:

_________________________________ TAX ID#: 23-7115371
Duly authorized DHCL signatory

____
Date: