

access

PLANNING AND DEVELOPMENT COMMITTEE

Friday, May 21, 2021

12:30 p.m.

Webinar

Committee Members: M. Gombert, Chair
D. Nason
J. Wisdom

| | <u>DISPOSITION</u> |
|--|--------------------|
| 1. CALL TO ORDER | ACTION |
| 2. GENERAL PUBLIC COMMENT | INFORMATION |
| 3. CONSIDERATION TO AWARD DRUG AND ALCOHOL CONSULTING SERVICES CONTRACT (AS-4145) (page 4) | ACTION |
| 4. CONSIDERATION TO ADD FUNDS - RIDER360 VERSION 2.0 SERVICES CONTRACT (AS-4105) (page 8) | ACTION |
| 5. CONSIDERATION TO APPROVE PROCUREMENT THRESHOLD CHANGES (page 10) | ACTION |
| 6. CONSIDERATION TO AMEND BUDGET FOR FISCAL YEAR 2020/21 (page 13) | ACTION |
| 7. CONSIDERATION TO APPROVE PROPOSED BUDGET FOR FISCAL YEAR 2021/22 (page 15) | ACTION |
| 8. ADJOURNMENT | ACTION |

Access Services does not discriminate on the basis of disability. Accordingly, Access Services seeks to ensure that individuals with disabilities will have an equal opportunity to participate in the range of Access Services events and programs by providing appropriate auxiliary aids and services for communications. Primary consideration is given to the request of individuals with disabilities. However, the final decision belongs to Access Services. To help ensure the availability of any auxiliary aids and services you require, please make every effort to notify Access Services of your request at least three (3) business days (72 hours) prior to the meeting in which you wish to utilize those aids or services. You may do so by contacting (213) 270-6000.

Note: Access Services Board committee meetings are held pursuant to the Ralph M. Brown Act [Cal. Gov. Code §54950] and are open to the public. The public may view and obtain all written information supporting this agenda provided to the Board committee both initially and supplementally prior to the meeting at the agency's offices located at 3449 Santa Anita Avenue, El Monte, California and on its website at <http://accessla.org>. Documents, including Power Point handouts distributed to the Board committee members by staff or Board committee members at the meeting, will simultaneously be made available to the public. Three opportunities are available for the public to address the Board committee during a Board committee meeting: (1) before closed session regarding matters to be discussed in closed session, (2) before a specific agenda item is debated and voted upon regarding that item and (3) general public comment. The exercise of the right to address the Board committee is subject to restriction as to time and appropriate decorum. All persons wishing to make public comment must fill out a goldenrod Public Comment Form and submit it to the Secretary of the Board. Public comment is generally limited to three (3) minutes per speaker and the total time available for public comment may be limited at the discretion of the Chairperson. Persons whose speech is impaired such that they are unable to address the Board at a normal rate of speed may request an accommodation of a limited amount of additional time from the Chair but only by checking the appropriate box on the Public Comment Form. Granting such an accommodation is at the discretion of the Chair. The Board committee will not and cannot respond during the meeting to matters raised under general public comment. Pursuant to provisions of the Brown Act governing these proceedings, no discussion or action may be taken on these matters unless they are listed on the agenda, or unless certain emergency or special circumstances exist. However, the Board committee may direct staff to investigate and/or schedule certain matters for consideration at a future Board committee meeting and the staff may respond to all public comments in writing prior to the next Board committee meeting.

Alternative accessible formats are available upon request.

***NOTE**

NOTICE OF ALTERNATIVE PUBLIC COMMENT PROCEDURES

Pursuant to temporary revised Brown Act requirements, Board committee members will be participating via webinar. The public may submit written comments on any item on the agenda - 1) through email by addressing it to - board@accessla.org or 2) via US Postal mail by addressing it to - Access Services Board Comments, PO Box 5728, El Monte CA 91734. Please include your name, item number and comments in the correspondence. Comments must be submitted/received no later than 9:00 am on Monday, May 17, 2021 so they can be read into the record as appropriate.

The public may also participate via the Zoom webinar link, or by teleconference. Please review the procedures to do so as follows -

How to Provide Public Comment in a Board Meeting via Zoom

Online

1. Click the Zoom link for the meeting you wish to join. Meeting information can be found at: https://accessla.org/news_and_events/agendas.html. Make sure to use a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, or Safari 7+. Certain functionality may

be disabled in older browsers including Internet Explorer. You may also use this direct link - <https://zoom.us/j/98835904001>

2. Enter an email address and your name. Your name will be visible online while you are speaking.
3. When the Committee Chair calls for the item on which you wish to speak, click on "raise hand." Speakers will be notified shortly before they are called to speak. Mute all other audio before speaking. Using multiple devices can cause an audio feedback.
4. Please note that the "Chat" feature is not enabled during the meeting for general public attendees. If you cannot use the "raise hand" feature, then please submit a written comment as outlined above.
5. When called, please limit your remarks to three minutes. An audio signal will sound at the three-minute mark and the Chair will have the discretion to mute you at any point after that. After the comment has been given, the microphone for the speaker's Zoom profile will be muted.

Note: Members of the public will not be shown on video.

By phone

1. Call the Zoom phone number and enter the webinar ID for the meeting you wish to join. Meeting information can be found at: https://accessla.org/news_and_events/agendas.html
2. You can also call in using the following information -
3. Dial (for higher quality, dial a number based on your current location):
US: +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 929 205 6099 or +1 301 715 8592 or +1 312 626 6799 or 833 548 0276 (Toll Free) or 833 548 0282 (Toll Free) or 877 853 5247 (Toll Free) or 888 788 0099 (Toll Free)
Webinar ID: 988 3590 4001
4. When the Committee Chair calls for the item on which you wish to speak, press *9 to raise a hand. Speakers will be notified shortly before they are called to speak. Speakers will be called by the last four digits of their phone number. Please note that phone numbers in their entirety will be visible online while speakers are speaking.
5. If you cannot use the "raise hand" feature, the please submit a written comment as outlined above.
6. When called, please state your name and limit your remarks to three minutes. An audio signal will sound at the three-minute mark and the Chair will have the discretion to mute you at any point after that. After the comment has been given, the microphone for the speaker's Zoom profile will be muted.

MAY 10, 2021

TO: BOARD OF DIRECTORS

**FROM: ALVINA NARAYAN, MANAGER OF TRAINING AND COMPLIANCE
KIMBERLIE NIMORI, PROCUREMENT COORDINATOR**

**RE: CONSIDERATION TO AWARD DRUG AND ALCOHOL CONSULTING SERVICES
CONTRACT (AS-4145)**

ISSUE:

Board approval is required to exercise the award of a drug and alcohol consulting services contract.

RECOMMENDATION:

Authorize staff to execute Contract No. AS-4145 with LPM Consulting Inc., who will provide drug and alcohol program monitoring and oversight services in an amount not-to-exceed \$480,000 for the five-year period beginning August 1, 2021.

IMPACT ON BUDGET:

The costs associated with this contract will be appropriately budgeted for FY 2022 and the subsequent out years. The funding for this service is allocated from local funds and the level of expenditure remains within the expected levels. At Access' sole discretion, this contract may be extended for up to three (3) additional years in one-year increments.

ALTERNATIVES CONSIDERED:

No alternatives were considered. Providing monitoring and oversight services to ensure compliance with the US Department of Transportation (DOT) and Federal Transit Administration's (FTA) Drug Use and Alcohol Misuse Prevention Program is a highly specialized field that requires the expertise of a technical expert. Demand for paratransit services has continued to grow in recent years, which has consequently increased monitoring and oversight responsibilities. With over 1,598 safety sensitive positions in Access' Drug and Alcohol testing pool, the program consultant plays a critical role in ensuring Access Services and its contracted service providers, as well as their sub-contractors, meet and maintain compliance with federal drug and alcohol program requirements.

The Access staff member currently responsible for Drug and Alcohol Program compliance is also responsible for compliance with all FTA and local grants management requirements. In addition, this staff person also serves as the Disadvantaged Business Enterprise Liaison Officer (DBELO), a position responsible for implementing, tracking, reporting and maintaining a federally compliant

DBE program. For these reasons, staff believes that continuing to retain the services of an outside technical expert is warranted.

EFFECT OF APPROVAL OF STAFF RECOMMENDATION:

If this staff recommendation is approved by the Board, staff would be authorized, but not required, to negotiate and enter into a written contract upon terms and conditions no less favorable to Access than those proposed herein. Access would not be legally bound to the contract herein proposed unless and until it is incorporated into a formal written agreement executed by all parties thereto and approved as to form by this entity's legal counsel.

BACKGROUND:

Under FTA 49 CFR Part 655 ("Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations"), contractors that perform any safety-sensitive functions on behalf of Access Services (a FTA grantee) are required to comply with the provisions of Part 655 and follow the procedures prescribed for drug and alcohol testing under DOT 49 CFR Part 40 ("Procedures for Transportation Workplace Drug and Alcohol Testing Programs"). The rule specifically requires the grantee to provide monitoring and oversight to its covered contractors and service agents to ensure that the program they are implementing on behalf of Access Services is consistent with DOT and FTA rules. Access Services is required to annually certify compliance to the applicable FTA Office.

Access has been utilizing the services of a qualified consultant to comply with Drug and Alcohol program requirements. The consultant provides monitoring and oversight to contractors and their sub-contractors to ensure the Drug and Alcohol Program implemented by the service providers is compliant with DOT and FTA rules.

A request for proposals was issued for Drug and Alcohol Consulting Services on January 12, 2021, with over eighty firms downloading the RFP, from either the Access website or from the nationwide e-procurement service, *Public Purchase*. On February 8, 2021, Access received a single response from LPM, who is teaming up with Diana Byrnes of Byrnes & Associates to assist with annual compliance audits and FTA-mandated training for safety-sensitive employees and supervisors. Ms. Byrnes is a lead instructor with the USDOT Transportation Safety Institute (TSI). TSI develops and delivers training programs nationwide using a team of recognized transit professionals and subject matter experts. The firm's submitted proposal was deemed responsive to the subject RFP and the firm itself was deemed responsible.

In order to better understand the reasons for the lack of response to the RFP, staff conducted a market survey of approximately 90% of those firms who showed initial interest in the solicitation by downloading the RFP. Access contacted these firms via e-mail and determined that the firms' ultimate decision not to submit a proposal reflected one of two issues: the work involved was outside of their area of expertise or lack of staff that met the minimum requirements identified in the solicitation.

An evaluation of the proposal was conducted in accordance with Access' Procurement Policies. Technical Proposals were evaluated by three members of Access' Planning and Coordination

Department. The proposal was rated based on cost, for which LPM received the maximum score of twenty points, along with two technical criteria: length and depth of technical expertise and experience of the prime consultant and the project team as well as project understanding and technical approach.

| Proposer | Price (Max. 20 Pts) | Technical expertise and experience (Max. 45 Pts) | Project Understanding and Technical Approach (Max. 35 Pts) | Total Score (Max. 100 Pts) |
|----------------------------|------------------------|---|--|---------------------------------------|
| LPM Consulting, Inc. | 20.00 | 44.25 | 34.18 | 98.43 |

COST ANALYSIS

LPM proposed an average hourly rate of \$138.00 for the first year of the five-year base term, which is slightly lower than the current hourly rate of \$140.00. This compares favorably with the most recent year-over-year increase in the Consumer Price Index for the Los Angeles area of 2.2% (*U.S. Consumer Price Index, Los Angeles Region, March 2021*). After the first year of the contract, LPM is proposing a modest increase of an average of 2.0% per year through the end of the five-year base term.

Although LPM operates out of an office in Chatsworth, California, Diana Byrnes of Byrnes & Associates, LPM’s proposed subcontractor is based in Tampa Bay, Florida and will therefore incur travel expenses when conducting onsite audits. However, to economize the travel expense, Diana will travel to Los Angeles and perform a full week of onsite audits.

| Proposer | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Five Year Total |
|------------|-------------|-------------|-------------|--------------|--------------|---------------------|
| LPM | \$81,446.00 | \$87,196.80 | \$95,688.24 | \$104,668.88 | \$110,753.58 | \$479,753.50 |

RECOMMENDED CONTRACTOR

The role of the drug and alcohol program consultant is critical to ensuring that Access and its contracted service providers, and their sub-contractors, meet federal drug and alcohol compliance requirements.

Access has been utilizing the expert services of Leila Procopio-Makuh since June 2003. She is a nationally recognized FTA Drug and Alcohol Program expert and has been a Certified Substance Abuse Program Administrator (C-SAPA) since 2000. Ms. Procopio-Makuh is also a former FTA substance abuse program auditor, who has served as a Commissioner for the Substance Abuse

Program Administrators Certification Commission and is a former member of the Legislative and Regulatory Committee of the National Drug and Alcohol Testing Industry Association. Furthermore, Ms. Procopio-Makuh is a subject matter expert and a presenter at the FTA Drug and Alcohol Program National Conference.

For the past seventeen years, LPM has maintained a federally compliant drug and alcohol program for Access Services and its service provider contractors. As the demand for Access has increased, additional subcontractors have been added to augment trip capacity. The addition of taxi subcontractors increased monitoring and oversight responsibilities. LPM's technical assistance and program knowledge has allowed Access to continue to successfully maintain program compliance.

Over the life of LPM's contracts with the agency, Access Services and its contractors have successfully passed drug and alcohol compliance audits and triennial reviews conducted by the FTA. With over 1,598 safety sensitive positions in the Drug and Alcohol testing pool, the program consultant plays a critical role in ensuring that Access Services maintains program compliance. LPM provides program monitoring and oversight to a total of 30 entities, including Access Services, its six prime contractors, and 20 subcontractors. LPM's on-site assistance and guidance during the past review periods has proved pivotal in ensuring Access's compliance with the federally-mandated Drug and Alcohol Testing Program.

LPM Consulting, Inc., will be subcontracting with Diana Byrnes of Byrnes & Associates. LPM will serve as the prime contractor and administrative lead for this contract. Ms. Byrnes will serve as the project lead.

Ms. Byrnes is a Certified Substance Abuse Program Administrator (C-SAPA) whose experience in the field of substance abuse management offers a unique perspective from all avenues of transportation workplace drug and alcohol testing. She began her career in 1999 as an account manager with one of the nation's largest third-party administrators, First Lab. She quickly grew in her position and became certified as a Medical Review Officer (MRO-A) through the American Association of Medical Review Officers (AAMRO) in 2002.

Ms. Byrnes achieved the designation of Certified Substance Abuse Program Administrator (CSAPA) in 2008. This distinction illustrates her ability to develop, implement and administer transportation workplace drug and alcohol testing programs in accordance with federal regulations and within the accepted standards for testing, training, medical review, confidentiality and business ethics.

Ms. Byrnes is also a USDOT Transportation Safety Institute (TSI) Lead Instructor. TSI develops and delivers training programs nationwide, using a team of recognized transit professionals and subject matter experts. In 2019, she began working as a subcontractor for LPM Consulting to administer the Los Angeles County Metropolitan Transportation Authority's Contractor Compliance Oversight project. In this role, Ms. Byrnes performed off-site audits of eight FTA-covered contractors and their applicable service agents.

Together, Ms. Procopio-Makuh and Ms. Byrnes have a total of 48 years of combined experience in the DOT-regulated drug and alcohol testing field. Their experience and ability to practically apply mandated rules and regulations will continue to strengthen Access' efforts with program compliance.

MAY 10, 2021

TO: BOARD OF DIRECTORS

FROM: BILL TSUEI, DIRECTOR OF INFORMATION TECHNOLOGY

RE: CONSIDERATION TO ADD FUNDS - RIDER360 VERSION 2.0 SERVICES CONTRACT (AS-4105)

ISSUE:

Due to an implementation delay, additional funding is required for a change order to the Rider360 Version 2.0 contract with Cambria Solutions (AS-4105).

RECOMMENDATION:

Authorize an additional \$96,851 in funds to Contract AS-4105 with Cambria Systems.

IMPACT ON BUDGET:

The total contract amount will increase from \$1,499,291 to \$1,596,142. There is sufficient funding in the project budget to cover the change order but that will impact the on-going monthly support costs of the project. The additional funds will ensure technical support for Rider 360 2.0 will continue through the initial contract term ending May 31, 2024. The funding for this project comes from the Prop C Discretionary Fund.

ALTERNATIVES CONSIDERED:

No alternatives were considered. Rider360 is a critical enterprise management application that is used throughout the Agency and the successful implementation and future support of version 2.0 is critical to Access' operations.

EFFECT OF APPROVAL OF STAFF RECOMMENDATION:

If this staff recommendation is approved by the Board, staff would be authorized, but not required, to negotiate and enter into a written contract amendment upon terms and conditions no less favorable to Access than those proposed above. Access would not be legally bound to the amendment herein proposed unless and until it is incorporated into a formal written agreement executed by all parties thereto and approved as to form by this entity's legal counsel.

BACKGROUND:

In June 2019, the Board approved and awarded the Rider360 Version 2.0 project to Cambria Solutions. The project called for the development of a new solution to replace the legacy Rider360 platform that Access has been using for more than a decade.

After approximately 21 months of development effort, Rider360 Version 2.0 was originally scheduled to go live on April 12, 2021. However, a variety of factors, not related to Cambria's readiness to implement version 2.0, caused a delay in implementation. These factors included:

- Integration testing with Access' legacy scheduling and dispatching software Stratagen (currently only being used in the Antelope Valley) was still in process. And, although issues were resolved, the team did not feel testing was complete.
- Integration testing with Trapeze (the scheduling and dispatching software used in the Northern and Santa Clarita regions) was not completed due to validation issues on the vendor side. Trapeze was able to view the Rider360 data, but errors were encountered when the data went through their system validation process. As such, Trapeze was not able to process the data from Rider360.
- Provider training was completed by Access, but the Providers needed additional time to fully train their staff.
- Access' customer service contractor, Alta Resources, requested additional time to fully train their Customer Service and Operations Monitoring Center staff.

In order to accommodate the change in the implementation date, Cambria submitted a proposal that incorporated costs that would be incurred by the delay.

Rider 360 2.0 successfully went live on May 10, 2021.

MAY 10, 2021

TO: BOARD OF DIRECTORS

FROM: BRIAN SELWYN, MANAGER OF PROCUREMENT AND CONTRACT ADMINISTRATION

RE: CONSIDERATION TO APPROVE PROCUREMENT THRESHOLD CHANGES

ISSUE:

Board approval is required to modify Procurement policy related to purchase thresholds.

RECOMMENDATION:

Authorize staff to implement the following:

- Revise Access procurement policies to reflect modifications by the Federal Transit Administration (FTA) regarding the micro-purchase threshold.
- Revise procurement policy in order to increase the Board authorization threshold.
- Revise procurement policy regarding aggregate purchase rules.

IMPACT ON BUDGET:

This recommended action will have no impact on the budget for the current fiscal year or subsequent annual budgets.

ALTERNATIVES CONSIDERED:

If the Board opts not to approve this item, in whole or part, then staff would continue to operate under the dictates of the current applicable policies described herein.

EFFECT OF APPROVAL OF STAFF RECOMMENDATION:

If this staff recommendation is approved by the Board, staff will be authorized to revise Procurement Policies and Procedures as described herein.

BACKGROUND:

The United States Office of Management and Budget Memorandum M-18-18, *“Implementing Statutory Changes to the Micro-Purchase and the Simplified Acquisition Thresholds for Financial*

Assistance," approved by the FTA on June 20, 2018 for all FTA-funded procurements made on or after this date, increased the purchase threshold levels for micro purchases and Simplified Acquisitions (i.e., "Small Purchases") for grant recipients such as Access. This memorandum raises the threshold for micro-purchases under Federal financial assistance awards from \$3,000 to \$10,000, and raises the threshold for simplified acquisitions from \$150,000 to \$250,000 for all recipients, with the exception of procurements in which Buy America provisions apply, in which case the threshold remains at \$150,000.

Considering the above-described FTA revisions, as well as the need to continue to follow best practices for ensuring fair and open competition in all our procurement activity, staff recommends the following:

1. Increase the micro purchase threshold from \$3,000 to \$10,000
2. Increase the small purchase (simple acquisition) threshold from \$75,000 to \$150,000
3. Increase the threshold for Board approval of new and amended contracts from \$75,000 to \$250,000
4. Increase the threshold for Board approval of annual aggregate single vendor purchases from \$75,000 to \$250,000.

If the requested changes are approved, Staff would modify our current Procurement Policies (and related Procurement Procedures), to reflect these changes. The new language would read as follows.

Micro Purchase Threshold

Current Policy:

Micro-purchases are those purchases of \$3,000 or less. If permitted by regulatory agencies (State and local law) these purchases may be made without obtaining competitive quotations. These purchases are exempt from FTA's Buy America requirements. Davis-Bacon wage requirements will apply to construction contracts exceeding \$2,000. Access will not divide or reduce the size of its procurement in order to come within micro-purchase limit (splitting). Documentation is required that shows that the price is fair and reasonable and a description of this determination is in accordance with FTA regulations.

Recommended Policy:

Micro-purchases are those purchases of \$10,000 or less. If permitted by regulatory agencies (State and local law) these purchases may be made without obtaining competitive quotations. These purchases are exempt from FTA's Buy America requirements. Davis-Bacon wage requirements will apply to construction contracts exceeding \$2,000. Access will not divide or reduce the size of its procurement in order to come within micro-purchase limit (splitting). Documentation is required that shows that the price is fair and reasonable and a description of this determination is in accordance with FTA regulations.

Simple Acquisition ("Small Purchase")

Current Policy:

Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property with a value of less than \$75,000. If small purchase procurements are used, price or rate quotations will be obtained from an adequate number (at least three (3)) of qualified sources. (Procurement Policy Manual - April 2017)

Recommended Policy:

Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property with a value of less than \$150,000. If small purchase procurements are used, price or rate quotations will be obtained from an adequate number (at least three (3)) of qualified sources.

Board Authorization Threshold

Current Policy:

Purchases above \$75,000 require prior authorization of the Board of Directors and must be acquired in accordance with established procurement procedures.

Recommended Policy:

Purchases above \$250,000 require prior authorization of the Board of Directors and must be acquired in accordance with established procurement procedures.

Aggregate Procurement Threshold

Current Policy:

At such time as the aggregate purchase from a single vendor exceeds the total amount of \$75,000 in the fiscal year, any additional purchases from that vendor (during the same fiscal year) must be approved by the Board of Directors, notwithstanding the amount of the purchase.

Recommended Policy:

At such time as the aggregate purchase from a single vendor exceeds the total amount of \$250,000 in the fiscal year, any additional purchases from that vendor (during the same fiscal year) must be approved by the Board of Directors, notwithstanding the amount of the purchase.

MAY 10, 2021

TO: BOARD OF DIRECTORS

FROM: HECTOR RODRIGUEZ, DEPUTY EXECUTIVE DIRECTOR

RE: CONSIDERATION TO AMEND BUDGET FOR FISCAL YEAR 2020/21

ISSUE:

Board approval is required to amend the Agency’s operating budget due to higher than projected demand.

RECOMMENDATION:

Authorize the addition of \$15,000,000 in terms of funding and expenses to the approved Fiscal Year 2020/21 budget.

IMPACT ON BUDGET:

The funds for operating expenses will increase as illustrated in the below table:

| | FY21 Approved Budget | FY21 Proposed Budget | Difference |
|--------------------------------|-----------------------------|-----------------------------|---------------------|
| Total Operating Budget: | \$150,677,579 | \$165,677,579 | \$15,000,000 |

ALTERNATIVES CONSIDERED:

There were no alternatives considered as Access is required to provide ADA complementary paratransit services

EFFECT OF APPROVAL OF STAFF RECOMMENDATION:

If this staff recommendation is approved by the Board, the staff would be authorized to incur expenditures up to the Board approved amount.

BACKGROUND:

During the FY21 budget process, staff requested passenger estimates from its consultant HDR which, at that time, staff believed were projected to be low. Accordingly, staff requested that Metro include a \$15,000,000 reserve in its budget should demand exceed the initial projections. The recent increase in demand and revised end of year projections will most likely require Access to

utilize the entire reserve. In terms of the budgetary process, it is thus necessary for the Board to amend the FY2020/21 budget to reflect the additional funds and expenses.

MAY 10, 2021

TO: BOARD OF DIRECTORS

FROM: HECTOR RODRIGUEZ, DEPUTY EXECUTIVE DIRECTOR

RE: CONSIDERATION TO APPROVE PROPOSED BUDGET FOR FISCAL YEAR 2021/22

ISSUE:

It is necessary for the Board to adopt an operating budget for Access' fiscal year beginning July 1, 2021 through June 30, 2022.

RECOMMENDATION:

Approve the FY2021/2022 budget as presented.

BACKGROUND:

The proposed FY2021/2022 budget is based on demand projections conducted by Access' service consultant HDR Engineering, Inc., available funding, existing programs and capital needs. Overall, the budget is based on a funding level of \$219.7 million of which Paratransit Operations represents almost 83% of the total budget. The budget will provide for delivery of 3.240 million passenger trips and 26.7 million contract revenue miles.

The following provides a high-level narrative of funding and program expenses by cost center. Full budget detail is available for download as [PD Item 7 Attachment A](#).

Funding

Funding sources include \$71.3 million from the Federal Transit Administration (FTA) Surface Transportation Block Grant (STBG) program; \$30.595 million of CRRSAA equivalent funds; \$7.038 million from passenger fare revenues; estimated Section 5310 capital grant of \$15.776 million; \$12.75 million from Measure M funds, \$0.614 million from the sale of depreciated vehicles and earned interest on cash deposits. Approximately \$77.7 million comes from the Proposition C 40% Local Sales Tax discretionary fund account allocated to Access under an annual Memorandum of Understanding (MOU) with the Los Angeles County Metropolitan Transportation Authority (Metro). The subsidy proposed by Metro for FY2021/2022 meets the mean expected results for the level of transportation service projected by HDR's trip demand analysis as well as the other Access Services' programs and administrative costs.

Paratransit Operations

The total cost of \$182.4 million for this program (83% of total funding) is a 26.6% increase (\$30.9 million) from the FY2020/2021 amended budget.

The primary cost impacts within this program are:

- Purchased Transportation - \$166.2 million (\$131.4 million FY 2020/2021)
- Insurance - \$6.7 million (\$6.8 million FY 2020/2021)
- Free Fare Program - \$3.5 million (\$1.8 million FY 2020/2021)

The main cost drivers within the purchased transportation program are: Return of ridership to near pre-Covid-19 levels, escalating minimum wage costs, higher cost of contracted services as the contracts are procured through an open and competitive process.

Eligibility Determination

The total cost of \$11.1 million for this program (5.1% of total funding) is a 15.5% increase (\$1.5 million) from the FY2020/2021 budget.

Eligibility costs are expected to be impacted by a variety of factors. HDR has projected a higher number of new applicants. The higher projection for new applicants has a ripple effect across this function: More applicants translate into higher number of appeals and higher transportation costs. Additionally, there are a large number of applicants who received temporary approval during the pandemic but will need to have an in-person assessment as Covid-19 restrictions are lifted.

Consolidated Transportation Services Agency

The total cost of \$0.54 million for this program (0.30% of total funding) is an 8% increase (\$40,115) from the FY2020/2021 budget.

Administration

The total cost of \$8.98 million for this program (4.1% of total funding) reflects a 9.1% increase from the FY2020/2021 budget, and a net increase in total dollars of \$751,586.

The primary cost impacts within this program are:

- Professional Services - \$1.5 million (\$1.2 million FY2020/2021) - Due to increases in software support (Oracle, Rider360 2.0.), audit services, legal services, and scheduled contractual increases.
- Network & Telecom - \$687,000
- Salaries & Related Expenses - \$5.56 million (\$5.0 million FY2020/2021) - Increased expense from a planned 5% salary increase and an additional four (4) FTEs (bringing the Agency's authorized FTE total to 75), other payroll cost adjustments due to minimum wage scale compression. Similar to Metro, regular staff salary increases were deferred during FY21.
- Communications - \$135K

- Other categories such as Insurance and Office Rent added an additional \$100K to the budget compared to FY2020/21.

Capital Projects

The total cost of \$16.6 million (7.6% of total funding) is an increase when compared to the FY2020/2021 budget amount of \$13.2 million. Please note that the capital budget, in part, is an estimate of the total amount of available grant funding that will be carried over from FY2020/2021 to the proposed FY2021/2022 budget.

Capital projects include -

| | |
|---------------------|--------------|
| Vehicle Acquisition | \$15,776,650 |
| IT Projects | \$830,350 |

Vehicle acquisitions will include El Dorado cutaways and Dodge Low Floor ProMasters. One of the challenges facing this agency and the entire state is the current lack of an approved vehicle to replace the low floor Dodge Caravan minivan that has ceased production.

Next Steps

The overall Metro budget (which includes funding for Access) is scheduled for Metro’s regular May Board meeting cycle. The Metro Board of Directors will consider Metro’s budget at the Finance, Budget and Audit Subcommittee on May 19, 2021 and at its regular Board meeting on May 27, 2021. During Metro’s June Board meeting cycle, the Metro Board will consider the approval of the specific local subsidies allocated to Access. Upon approval, staff will execute a funding MOU with Metro.