

May 18, 2011

MEMORANDUM

TO: Mayor and City Council

FROM: David B. Vehaun, City Manager

SUBJECT: **Demand Response Transportation Services Contract Renewal & Vehicle Lease Agreement**

BACKGROUND

The existing Demand Response Transportation Services contract is scheduled to expire June 30, 2011 and has been re-bid with one successful bidder. The York County Council on Aging submitted a proposal that has been reviewed by staff and selected as the preferred provider based on the requirements listed in the RFP (agency history, references, relevant experience, etc.).

The proposal from YCCOA is based on the assumption that no notable changes to the existing service plan are envisioned, as the current operating structure for both the Essential Services (Basic Mobility) and Peak Period option (Employment Oriented) have been well received by city residents and have produced consistent and manageable ridership growth since their inception.

That said, YCCOA's proposal does include a raise to the per passenger mile cost from \$2.00 to \$2.05 (which represents a 2.5% increase over the current contract rate), in order to address rising operating costs (i.e., vehicle insurance/maintenance, fuel, federal/state reporting requirements, etc.). It should be noted that the YCCOA's proposed cost structure for FY 2011-12 has been thoroughly reviewed and evaluated against statewide operating trends for public transit providers and compares quite favorably.

SERVICE PLAN

The existing service provider is the YCCOA and this agency has been operating our demand response program since August 2007 – with the incorporation of the Peak Period option beginning on July 1, 2010. A summary of the service plan for the two components of our demand response program are listed below:

ESSENTIAL SERVICES – This option is structured to meet the basic mobility needs of area residents, particularly elderly citizens traveling to medically necessary appointments as well as personal care shopping. It is recommended that this service option continue to be available from 6:00am to 6:00pm, Monday through Friday. Riders are required to schedule their seating request at least two days in advance and cannot book appointments out further than two weeks. The fare to use this service is \$2.50 for a one-way trip anywhere within York County, although it should be noted that most trips remain within the Rock Hill Urbanized Area.

PEAK PERIOD – This option is more of an employment oriented choice for residents seeking a reliable and affordable option for getting to and from work. It is recommended that this option continue to be available from 5:30am to 9:00am and again from 3:30 to 6:00pm, Monday through Friday. Riders are required to reserve a seat by calling at least 24 hours before service is needed – and can request continuous service beyond a two week period. The fare to use this service is \$2.50 for a one-way trip within the City of Rock Hill and areas in close proximity to the City.

As you're aware, the current Rock Hill Service Plan for both of these options is focused on providing service to transit-dependent residents (particular elderly citizens and those with special transportation needs), as well as local residents seeking a reliable, peak period option for getting to and from work). Based on our experience to date (especially in terms of ridership and reliability), the structure of our current service plan is satisfying the needs of our residents, and therefore, no substantive changes are being proposed at this time. That said, it is important to note that staff continues to monitor the overall of level of ridership and service quality, in order to identify emerging needs as well as opportunities for improvement. In addition, we are not proposing any changes to the fare rate of \$2.50 each way at this time.

CONTRACT RENEWAL

The attached proposed contract (an accompanying vehicle lease agreement) is a very detailed document outlining the multitude of state and federal requirements associated with transit grants. In addition, the contract is for a one-year term with an option to renew for three additional years; this includes continuation of the vehicle lease agreement covering the six ARRA vehicles that were put into service on July 1, 2010. Passenger miles are capped at 75,000 for Essential Services and 45,000 for the Peak Period option each year; and the fare remains \$2.50 each way.

The annual cost of each service is \$129,500 for Essential Services and \$78,800 for the Peak Period option. Of these total amounts, \$51,075 would be the local cost sharing which is included in the FY 2011-12 budget. We are recommending that City Council approve the agreements recommended by staff. Wendy Duda, Executive Director for YCCOA, will be available at the meeting to answer questions.