

THIS PRINT COVERS CALENDAR ITEM NO.: 10.4

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Taxis, Access, and Mobility Services

BRIEF DESCRIPTION:

Authorizing the Director of Transportation to execute a new Cost-Sharing Agreement for Paratransit Services between the City, through the SFMTA, and the Bay Area Rapid Transit District (BART), under which BART will reimburse the SFMTA for providing BART’s ADA paratransit services within San Francisco for a retroactive period from July 1, 2022 through June 30, 2023, with nine one-year automatic renewal options, for a maximum term of 10 years; and authorizing the Director of Transportation to submit the Agreement to the Board of Supervisors for approval.



SUMMARY:

- SF Paratransit is the SFMTA’s program to provide federally mandated ADA paratransit transportation services to eligible riders, and is administered by the SFMTA’s Paratransit Broker, Transdev Services, Inc.
- In 1994, the SFMTA and BART agreed that the SFMTA would provide all paratransit services in both Muni and BART transit service areas within the City; BART, in turn, would reimburse the SFMTA the costs of the SFMTA providing such paratransit services.
- For the past 28 years, such a cost-sharing agreement has been in place.
- The attached agreement continues the cost-sharing arrangement between the SFMTA and BART for up to 10 additional years. Each year, BART's reimbursement amount will be approximately \$2.3 million.

ENCLOSURES:

1. SFMTAB Resolution
2. BART Cost-Sharing Agreement No. 6M7320

APPROVALS:

DIRECTOR 
SECRETARY 

DATE

November 30, 2022

November 30, 2022

ASSIGNED SFMTAB CALENDAR DATE: December 6, 2022

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PURPOSE

Authorizing the Director of Transportation to execute a new Cost-Sharing Agreement for Paratransit Services between the City, through the SFMTA, and the Bay Area Rapid Transit District (BART), under which BART will reimburse the SFMTA for providing BART's ADA paratransit services within San Francisco; for a retroactive period from July 1, 2022 through June 30, 2023, with nine one-year automatic renewal options, for a maximum term of 10 years; and authorizing the Director of Transportation to submit the Agreement to the San Francisco Board of Supervisors for approval.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

The item will support the following Strategic Plan Goals:

Goal 5: Deliver reliable and equitable transportation services

Goal 10: Position the agency for financial success.

This item will support the following Transit First Policy Principles:

1. To ensure quality of life and economic health in San Francisco, the primary objective of the transportation system must be the safe and efficient movement of people and goods.
2. Public transit, including taxis and vanpools, is an economically and environmentally sound alternative to transportation by individual automobiles. Within San Francisco, travel by public transit, by bicycle and on foot must be an attractive alternative to travel by private automobile.

DESCRIPTION

Section 223 of the Americans with Disabilities Act of 1990 (ADA) requires that BART and the SFMTA provide paratransit services within their service areas to individuals whose disabilities will not allow them to use regular fixed route transit service. Since 1994, the SFMTA has provided paratransit services to meet BART's ADA paratransit obligations for trips within San Francisco, for which the SFMTA receives reimbursement from BART. This arrangement was initially authorized after BART commissioned a study of taxi, SF Access, group van and Commission on the Aging paratransit services to determine BART's share of paratransit responsibilities within San Francisco. Currently, the SFMTA provides these services through its Paratransit Broker, Transdev Services, Inc.

The last cost-sharing agreement was entered into in 2010, amended in 2013 (after a second consultant study), and expired in 2020. Paratransit staff efforts over the last couple of years have been focused on responding to the COVID pandemic. BART, which had drafted the prior cost-sharing agreement, did not prepare a new agreement until recently, although BART continued to pay under the expired agreement. Neither BART nor the SFMTA realized that the 2010 agreement had expired.

The key elements of the new Cost-Sharing Agreement essentially mirror the prior agreement:

- BART is responsible for 7.9 percent of all paratransit trips in San Francisco.
- The 7.9 percent is based on a statistical analysis of the paratransit trips in San Francisco. A

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random sampling of actual paratransit trips was analyzed to determine BART's share of responsibility, based on route miles and trip duration for both Muni and BART service areas.

- BART provides 7.9 percent of the annual paratransit budget, excluding funding sources which BART is eligible to receive on its own; namely, State Transportation Development Act funds, State Transit Assistance funds, and fare revenues. The estimated amount of BART's contribution for FY 22/23 is \$1.25 million.
- An additional 4.7 percent administrative cost is applied to the BART's share of the annual cost of paratransit services in San Francisco.
- This new Agreement is for one year, effective (retroactively) as of July 1, 2022, with automatic renewals up to 10 years unless terminated by either party with a 180-day termination notice.

STAKEHOLDER ENGAGEMENT

The Executive Committee of the Paratransit Coordinating Council, an advisory committee comprised of paratransit consumers, community representatives, and service providers who provide feedback regarding the SF Paratransit program, were informed and are supportive of the SFMTA entering into another cost-sharing agreement with BART.

ALTERNATIVES CONSIDERED

An alternative to this agreement would be for BART to operate its own paratransit system in San Francisco for ADA-eligible persons traveling in the BART corridor. A separate program would likely not be cost-effective because it would be duplicative, the fixed costs would be higher, and there would be no opportunity to take advantage of the economies of scale offered by the larger SFMTA program. A separate service would also be very complicated for customers because they would have to choose between two paratransit service programs for trips along the BART corridor.

FUNDING IMPACT

The City has applied for and received from the Metropolitan Transportation Commission (MTC), State Transit Assistance (STA) funds and Transportation Development Act (TDA) funds to implement paratransit services in San Francisco. BART has agreed to continue to contribute its share of the cost of providing ADA paratransit services in San Francisco, less the value of its share of STA and TDA funds which the MTC has allocated to the City for this purpose. This agreement will bring approximately \$2.3 million in funding from BART for the SFMTA's paratransit operating budget each year.

ENVIRONMENTAL REVIEW

On October 4, 2022, the SFMTA, under authority delegated by the Planning Department, determined that the Cost-Sharing Agreement for Paratransit Services is not a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

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A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

This Agreement must be approved by the San Francisco Board of Supervisors under Charter Section 9.118 because the revenue to be received from BART over the term of the Agreement will exceed \$1 million.

This Agreement has been approved as to form by the City Attorney's office.

RECOMMENDATION

Staff recommends that the SFMTA Board of Directors authorize the Director of Transportation to execute a new Cost-Sharing Agreement for Paratransit Services between the City, through the SFMTA, and the Bay Area Rapid Transit District (BART), under which BART will reimburse the SFMTA for providing BART's patrons with ADA paratransit services within San Francisco for a retroactive period from July 1, 2022 through June 30, 2023, with nine one-year automatic renewal options, for a maximum term of 10 years; and authorizing the Director of Transportation to submit the Agreement to the Board of Supervisors for approval.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, Section 223 of the Americans with Disabilities Act of 1990 (ADA) requires that BART and the San Francisco Municipal Transportation Agency (SFMTA) provide paratransit services within their service areas to individuals whose disabilities will not allow them to use regular fixed route transit service; and,

WHEREAS, The SFMTA administers a Paratransit Program for ADA paratransit-eligible individuals in San Francisco through its Paratransit Broker and has provided these services to eligible individuals in BART's service area since 1994; and,

WHEREAS, On November 16, 2010, the SFMTA Board of Directors adopted Resolution No. 10-144, which authorized the execution of a Cost-Sharing Agreement for Paratransit Services with BART, which agreement was approved by the Board of Supervisors on December 10, 2010; and

WHEREAS, The City has applied for and received from the Metropolitan Transportation Commission (MTC), State Transit Assistance (STA) funds and Transportation Development Act (TDA) funds to implement paratransit services in San Francisco; and,

WHEREAS, BART has agreed to continue to contribute its share of the cost of providing ADA paratransit services in San Francisco, less the value of its share of STA and TDA funds which the MTC has allocated to the City for this purpose; and,

WHEREAS, BART commissioned a study of taxi, SF Access, group van and Commission on the Aging paratransit services to determine how much of the paratransit costs in San Francisco would be attributable to BART; the results of which indicated that approximately 7.9 percent of the overall costs for ADA paratransit should be borne by BART; and,

WHEREAS, The SFMTA and BART are entering into this Agreement for the purpose of continuing a cost-sharing arrangement whereby BART reimburses the SFMTA for providing BART's mandated ADA paratransit services within San Francisco for up to 10 years; and,

WHEREAS, On October 4, 2022, the SFMTA, under authority delegated by the Planning Department, determined that the Cost-Sharing Agreement for Paratransit Services is not a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to execute a new Cost-Sharing Agreement for Paratransit Services between the City, through the

SFMTA, and the Bay Area Rapid Transit District (BART), under which BART will reimburse the SFMTA for providing BART's patrons with ADA paratransit services within San Francisco for a retroactive period from July 1, 2022 through June 30, 2023, with nine one-year automatic renewal options, for a maximum term of 10 years, and be it further

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to submit the Cost-Sharing Agreement to the Board of Supervisors for approval.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of December 6, 2022.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

AGREEMENT No. 6M7320

COST-SHARING AGREEMENT FOR PARATRANSIT SERVICES

BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO

AND THE SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

This Agreement is entered into this _____ day of _____ 2022, between the City and County of San Francisco (CITY), a municipal corporation, acting through its Municipal Transportation Agency (SFMTA), and the San Francisco Bay Area Rapid Transit District (BART), a rapid transit district established pursuant to California Public Utilities Code, Sections 28500 et seq.

RECITALS

A. The CITY is a municipal corporation chartered under the Constitution of the State of California and empowered by the Constitution and the CITY Charter to operate the Municipal Railway (Muni).

B. The SFMTA is empowered by the CITY Charter to manage and control all public transportation functions of Muni.

C. BART operates rail service in Alameda, Contra Costa, San Francisco, San Mateo and Santa Clara Counties.

D. Section 223 of the Americans with Disabilities Act of 1990 (ADA), 42 U.S.C. § 12143, requires that BART and the CITY provide paratransit services within their service areas to individuals who are unable because of their disability to use regular transit service.

E. The SFMTA administers a Paratransit Program for ADA paratransit-eligible individuals in San Francisco through a Paratransit Broker. Since 1994, the SFMTA has provided paratransit services in San Francisco, through its Paratransit Broker, to all certified ADA paratransit-eligible users in areas where Muni and BART service areas overlap.

F. The CITY has applied for and received from the Metropolitan Transportation Commission (MTC) State Transit Assistance (STA) funds and Transportation Development Act (TDA) funds to assist in funding paratransit services in San Francisco.

G. In 1994, BART commissioned a study of the CITY's Paratransit Program, which included paratransit services provided by taxi, lift van, group van, and the Commission on Aging to determine how much of the costs of the CITY's Paratransit Program would be attributable to BART. The results of the study indicated that

approximately 8.8% of the CITY's overall costs for ADA paratransit should be borne by BART.

H. On November 22, 2011, the CITY and BART entered into an agreement, in accordance with the results of the 1994 study, in which they memorialized (1) the SFMTA's agreement to cover BART's obligation under the ADA to provide paratransit services, and (2) BART's agreement to share in the costs of the SFMTA's Paratransit Program (the "2011 Paratransit Cost- Sharing Agreement").

I. In Spring 2012, BART, with concurrence from the SFMTA, commissioned Nelson Nygaard to perform a new study of paratransit services and costs (2012 Nelson Nygaard Study).

J. On June 4, 2014, the Parties entered into a First Amendment to the 2011 Paratransit Cost-Sharing Agreement to reflect revised cost-sharing percentages based on the 2012 Nelson Nygaard Study. Pursuant to the terms of this Amendment, the 8.8% cost-sharing percentage was adjusted down to 7.9% and the 5% administration fee was adjusted down to 4.7%.

K. The 2011 Paratransit Cost-Sharing Agreement has recently expired and the Parties now wish to enter into this new paratransit cost-sharing agreement (Agreement) to memorialize the Parties' continued commitments, consistent with the results of the 2012 Nelson Nygaard Study, for (1) the SFMTA to cover BART's obligation under the ADA to provide paratransit services, and (2) BART to share in the costs of the SFMTA's Paratransit Program.

FOR AND IN CONSIDERATION of the mutual promises contained herein, the parties agree as follows:

COST-SHARING FORMULA

- A. BART shall pay 7.9% of the "Net Operating Expenses" of providing services to eligible paratransit individuals in the CITY's service area, as calculated below. For purposes of this Agreement, this amount shall be known as the "Annual BART Share Net Operating Expenses."
- B. Calculation of Net Operating Expenses.
 - 1. On or about February 1, the CITY shall estimate the annual operating budget for SFMTA's Paratransit Broker Contract for the following fiscal year (July 1 through June 30) (Total Operating Expenses).
 - 2. The Total Operating Expenses shall be reduced by the following to arrive at the Net Operating Expenses:

- a. an estimate of STA population-based revenue allocated to the CITY for paratransit as approved by MTC;
- b. an estimate of TDA Article 4.5 funds allocated to the CITY as approved by MTC;
- c. an estimate of paratransit fare revenues for the fiscal year, as submitted in the revenue line items in Muni's budget request;
- d. except for trips on paratransit taxi service, the difference between estimated fare revenues as calculated in the SFMTA's budget request and the amount that would be generated if maximum fares were charged, if the fare charged for ADA SF Access services is less than the maximum amount allowed under ADA rules (i.e., twice the undiscounted fixed route fare); and
- e. an estimate of any new sources of operating funds that are dedicated specifically for ADA paratransit, from a funding source received by the SFMTA, which would also be available to BART for paratransit services provided in San Francisco. This excludes the San Francisco County Transportation Authority's Prop K funds and the subsequent successor sales tax measure, Prop L

C. Billing of Annual BART Share Net Operating Expenses

1. The SFMTA shall bill BART for one quarter of 7.9% of the estimated Net Operating Expenses for each of the following three fiscal year quarters: Quarter 1 (July through September) (Q1), Quarter 2 (October through December) (Q2), and Quarter 3 (January through March) (Q3), as provided in Section II.B below.
 2. Following the end of each fiscal year, the SFMTA shall calculate the actual amount of Net Operating Expenses according to the formula in Section I.B above. For Quarter 4 (April through June) (Q4), the SFMTA shall bill BART an amount equal to 7.9% of actual Net Operating Expenses less amounts already billed for Q1, Q2, and Q3. The amount may be more or less than the amounts billed in the previous three quarters, depending whether actual Net Operating Expenses were more or less than the estimated Net Operating Expenses. If amounts billed to BART in Q1, Q2, and Q3 exceeded the BART Annual Share Net Operating Expenses for that fiscal year, BART shall receive a refund or credit to appear in the Q1 invoice of the following year.
- D. Notwithstanding the above, if for any fiscal year the SFMTA's annual budget contribution is less than 92.1% of the total Net Operating Expenses, BART's share of the costs will also be reduced proportionally so that the cost-sharing between BART and SFMTA will remain the same.

RESPONSIBILITIES

A. **BART shall:**

1. Pay to the SFMTA the Annual BART Share of Net Operating Expenses described in Section I.A, above, in quarterly payments. BART's payments shall be due on August 1 for Q1, on November 1 for Q2, on February 1 for Q3, and on August 15 for Q4. For the first fiscal year that this Agreement is in effect, the Q4 payment will not be due on August 15 but will instead be due within 30 calendar days of BART's receipt of the SFMTA's acceptable invoice.
2. Pay to the SFMTA an Administration Fee equal to 4.7% of the Annual BART Share Net Operating Expenses, in quarterly payments. BART's payments for the Administration Fee will be due at same time as the payments described in Section II.A.1 above.

B. **CITY shall:**

1. By February 1 of each year, submit an estimate to BART for 7.9% of the Net Operating Expenses for the following fiscal year.
2. Prior to the beginning of Q1, Q2, and Q3, respectively, of each fiscal year, submit an invoice to BART in the amount of one quarter of 7.9% of the estimated Net Operating Expenses for that fiscal year.
3. Following the end of the fiscal year and calculation of the Actual Net Operating Expenses, submit a final invoice to BART for the fiscal year for the difference between 7.9% of the Actual Net Operating Expenses and the amounts billed in Q1, Q2, and Q3.
4. Include with each invoice, an amount owed for the Administration Fee for that quarter. For Q1, Q2, Q3, this amount will be 4.7% of the Annual BART Share Net Operating Expenses billed for that quarter. The amount owed for the Administration Fee shall be adjusted with the final invoice so that the total Administration Fee equals 4.7% of the Actual Annual BART Share Net Operating Expense for the fiscal year.
5. Provide paratransit services in the CITY and fulfill BART's obligation to ADA Paratransit in the limits of Muni's service area and in Daly City, in compliance with ADA requirements.
6. Apply for, and administer, all forms of grants or revenues, including, but not limited to, TDA and STA funds, to fund paratransit services in the CITY.
7. Credit the amount of STA and TDA funds for which BART is eligible for paratransit in the San Francisco to BART's 7.9% share of the cost of the provision of services to ADA paratransit-eligible individuals.
8. Provide an annual report of service level statistics.

9. Provide an annual report of all funds received and disbursed under this Agreement in accordance with generally accepted accounting principles, upon request by BART.

TERM OF AGREEMENT; AMENDMENT

- A. The term of this Agreement shall be for one year from its Effective Date, with automatic renewals for up to nine additional years, for a total term of up to ten years, unless terminated by either party with a 180-day notice of termination.
- B. This Agreement may not be amended except by mutual written agreement of the parties, executed as required under law.

STUDY OF PARATRANSIT DEMAND; AUDIT OF PARATRANSIT COSTS

- A. BART or SFMTA may commission a study of paratransit services and costs at any time for the purpose of determining the continuing validity of the cost-sharing percentage contained in Section I.A, above and, if requested by either BART or SFMTA, for the purpose of examining the Administration Fee described in Section II.A.2 above to determine if the Administration Fee is reasonable. The review of the Administration Fee shall be based on, but not limited to, examining actual SFMTA staff and overhead costs associated with the provision of paratransit. The study shall employ the same or better methodology, as mutually determined by staff, as that used in determining the cost-sharing percentage in the 2012 Nelson Nygaard Study, "Updating the San Francisco Paratransit Cost Sharing Formula," (a copy of which is attached as Exhibit A). Prior to beginning such study, the parties agree to approve the study methodology in writing and parties agree that such approval will not be unreasonably withheld. If the results of the study determine that the cost-sharing percentage or the Administration Fee should change, either upward or downward, the parties shall amend this Agreement to reflect the new percentages. Such Amendment shall be approved by BART and by the SFMTA on behalf of the CITY. The new cost-sharing percentage or Administration Fee shall not apply retroactively but will apply only in fiscal years for which payment has not been completed. The new cost-sharing percentage and Administration Fee shall remain in effect until such time that a new study pursuant to this Section IV is completed or this Agreement is terminated, whichever is earlier.
- B. The cost of the study shall be borne equally by the CITY and BART. Charges to the CITY for the cost of the study will accrue only after prior written authorization certified by the CITY's Controller, and the amount of the CITY's obligation for such study shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.

- C. BART shall have the right to inspect and audit all accounts, records and data relating to the CITY's paratransit program, including the records of the CITY's Paratransit Broker. The records shall be made available for any such inspection or audit during normal business hours. BART's rights hereunder are expressly made subject to confidentiality and disclosure provisions of applicable Federal and State statutes and regulations. The CITY shall preserve and maintain such records for a period of three years after the fiscal year for which such payments are made. The Auditor General of the State of California under California Government Code Section 8546.7 shall have the same rights conferred upon BART by this Section.

LIABILITY

- A. Neither BART nor any officer, director, agents, or employees thereof, shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by the CITY, its Paratransit Broker, or any subcontractor in connection with providing the paratransit services pursuant to this Agreement. It is also agreed that pursuant to Government Code Section 895.4, the CITY shall indemnify, defend and hold BART harmless from any liability imposed for injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by the CITY, its paratransit broker, or any subcontractor in connection with providing the paratransit services pursuant to this Agreement.
- B. Neither the CITY, nor any officer, employee or agent thereof, shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by BART in connection with this Agreement. It is also agreed that pursuant to Government Code Section 895.4, BART shall indemnify, defend and hold the CITY harmless from any liability imposed for injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by BART in connection with this Agreement.

GENERAL PROVISIONS

- A. This Agreement shall be deemed to be made in, and shall be construed in accordance with, the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.
- B. The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall

it in any way affect the right of the party to enforce such provisions thereafter.

- C. All captions are for reference only and shall not be considered in construing this Agreement.
- D. This Agreement sets further the entire agreement between the parties, and supersedes all other oral or written provisions. This Agreement may be modified only as provided in Sections III.B and IV.A.
- E. Should any part of this Agreement be declared invalid by a court of law, such decision shall not affect the validity of any remaining portion which shall remain in full force and effect. Should the severance of any part of this Agreement materially affect any other rights and obligations of the parties hereunder, the parties will negotiate in good faith to amend this Agreement in a manner satisfactory to the parties.
- F. Other than the Administration Fee described in Section II.A.2, above, the CITY and BART shall each bear its own internal costs associated with administration of this Agreement, including, without limitation, reporting, billing, accounting and auditing costs.
- G. This Agreement shall bind and benefit the parties hereto and their assignees, successors, and permitted assigns.
- H. This Agreement and any documents supplied hereunder are subject to public inspection under the California Public Records Act and the City's Sunshine Ordinance (see San Francisco Administrative Code §67.24(e)), unless exempted by law.

NOTICES

All notices to be given by the parties hereto shall be in writing and delivered or mailed, postage prepaid, as follows:

To CITY: San Francisco Municipal Transportation Agency
1 South Van Ness Ave, 7th floor
San Francisco, CA 94103

Attn: Annette Williams
Director of Accessible Services Program

To BART: San Francisco Bay Area Rapid Transit District
2150 Webster Street
8th floor
Oakland, CA 94612

Attn: Laura Timothy, Manager of Access and Accessible Services

EFFECTIVE DATE OF AGREEMENT

This Agreement is effective as of July 1, 2022.

[Signatures on next page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers, on the day and year first hereinabove written.

CITY AND COUNTY OF SAN FRANCISCO

Municipal Transportation Agency

By: _____
Jeffrey P. Tumlin
Director of Transportation

Municipal Transportation Agency
Board of Directors
Resolution No.
Dated: _____

Board of Supervisors
Resolution No.
Dated: _____

ATTEST:

Secretary, SFMTA Board of Directors

ATTEST:

Clerk of the Board

APPROVED AS TO FORM:

David Chiu
City Attorney

By: _____
Robin M. Reitzes
Deputy City Attorney

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

By: _____
Robert Powers, General Manager

APPROVED AS TO FORM:

Office of the General Counsel

By: _____
BART Attorney

Exhibit A: Updating the San Francisco Paratransit Cost-Sharing Formula

EXHIBIT A

Updating the San Francisco Paratransit Cost Sharing Formula FINAL REPORT

BAY AREA RAPID TRANSIT DISTRICT
SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY

June 2012

Updating the San Francisco Paratransit Cost Sharing Formula
Bay Area Rapid Transit District

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OBJECTIVE

Under a long-standing agreement, BART pays a portion of the cost of operating ADA paratransit in San Francisco, representing BART's share of responsibility for complementary paratransit in the city stemming from its services within San Francisco. The appropriate cost share was determined in 1994, as documented in the report, "Allocation of Local ADA Paratransit Costs in San Francisco," prepared by Crain & Associates in September 1994. BART and SFMTA have requested that the cost share be re-estimated using current data and that a formula for determining the appropriate share of SFMTA administrative cost be developed as well.

BACKGROUND

Under ADA regulations, each transit agency is responsible for providing complementary paratransit within $\frac{3}{4}$ mile of fixed-route bus routes and rail stations at all times that those routes and stations are operating. In San Francisco, SFMTA operates local bus and light rail service, known as "Muni," while BART operates regional rail service, with eight stations in San Francisco. In addition, the Daly City BART station, while not within the City and County of San Francisco, is within the SFMTA ADA paratransit service area because it is within $\frac{3}{4}$ mile of Muni fixed-route service.

The general principle used to determine responsibility for paratransit trips is whether comparable trips on fixed-route transit (trips with the same origin and destination at the same time of day) by a non-disabled person would be made using BART or Muni or some combination of the two.

The area of BART's paratransit responsibility, extending $\frac{3}{4}$ mile around BART stations in San Francisco and Daly City, is entirely within the larger area where SFMTA is also obligated to provide ADA paratransit. Given any one paratransit trip with both ends within $\frac{3}{4}$ mile of a BART station, both transit agencies could, in principle, bear the responsibility for the trip, since both transit agencies operate service that a non-disabled customer could use for a comparable trip. Further many trips that begin or end more than $\frac{3}{4}$ mile from a BART station could be said to be at least partly BART's responsibility because a comparable trip on fixed-route transit might be made by transferring to BART for part of the trip. In this case too, both agencies have shared responsibility because the same trip could also be made entirely on Muni. There are also numerous trips that are clearly entirely SFMTA's responsibility since they begin and end far from any BART station.

Since there is shared responsibility for so many trips, a statistical method has been used to estimate BART's share, based on the concepts of travel demand modeling in which "mode choice" depends on relative travel time on two modes. In other words, all other things being equal, given a choice between two modes for a particular trip (in this case BART and Muni) most people will tend to use the faster one.

Based on this framework, a sample of San Francisco Paratransit trips has been analyzed to determine how non-disabled travelers would, in theory, make comparable trips using fixed-route transit. The percentage of trips that would be made using BART has been used as BART's fair share of responsibility for ADA complementary paratransit within San Francisco.

METHOD

The analysis used the following steps:

- Obtain a sample of San Francisco Paratransit trips
- Identify optimal fixed-route itineraries
- For each trip with a feasible BART option, estimate the BART mode split.
- For each trip with a feasible BART option, determine the percentage of route mileage on BART for the BART option.
- Calculate the BART cost share for each trip.
- Calculate the BART cost share for each component of San Francisco Paratransit and for the paratransit program overall
- Apply the overall percentage BART cost share to Broker and SFMTA administration

The discussion below follows this outline to further explain the methods used and to present the results of the analysis.

DESCRIPTION OF ANALYSIS AND RESULTS

Obtain a sample of San Francisco Paratransit trips

The San Francisco Paratransit Broker provided electronic records of all paratransit trips on one weekday, one Saturday, and one Sunday of each of the twelve months of calendar year 2011. The days were chosen by Nelson\Nygaard Consulting to provide even coverage of the five weekdays and to be spread among dates early, midway, and late in the month, avoiding holidays. Records were obtained for the three principal programs that comprise San Francisco Paratransit: SF Access, paratransit taxi (debit card), and Group Van. Within the electronic records, every twentieth trip was selected for analysis. The result was a sample of 2,300 trips as follows:

SF Access	615
Paratransit Taxi	1,079
Group Van	606

Identify optimal fixed-route itineraries

A computerized trip planner was used to identify the fastest possible itinerary using Muni only and the fastest possible itinerary using BART or a combination of BART and Muni with the same origin, destination, and time of departure or arrival as the paratransit trip.

The itineraries were obtained using the Open Plans Transportation trip planner and using transit route and schedule data provided by SFMTA and BART for Google Transit. (See

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<http://transportation.openplans.org/trip-planner/>.) For each trip, the trip planner produced a series of transit itineraries, consisting of:

- Walk distance and time to the first boarding location
- Transit operator and route number for the first vehicle boarded
- Wait time for the first vehicle
- Boarding and alighting time and locations on the first vehicle
- Walk distance and time to the second boarding location, if any
- Transit operator and route number for the second vehicle boarded
- Wait time for the second vehicle
- Boarding and alighting time and locations on the second vehicle
- Similar information for a third or fourth vehicle if needed
- Walk distance and time to the destination

Initially, the three “fastest” feasible Muni-only and BART itineraries were identified using the rule of thumb that each minute of time spent walking to/from a transit stop or waiting for a transit vehicle counts twice as much as a minute spent riding a transit vehicle. This factor of two is the same one used in the Metropolitan Transportation Commission’s current regional travel models. At this stage, the factor of two was applied only when transferring to a second or third transit vehicle, not for the initial wait, since otherwise the procedure produced unreasonable results such as boarding a vehicle going the wrong direction and then going back in order to avoid waiting time.

Walk time was estimated using a walking speed of 3.5 feet per second, which is based on guidelines published by the Federal Highway Administration for use in timing traffic signals. This walking speed is slower than the speed of 4.0 feet per second formerly in common use and represents research into actual pedestrian behavior, including older people and those with limited mobility.

Itineraries were considered not feasible if they were more than twice as long and more than 30 minutes longer than the best option or they required walking more than $\frac{3}{4}$ mile to or from a transit stop. Based on these criteria, there were numerous cases in which no feasible BART option was found. This corresponds to the fact that BART only operates in one corridor within San Francisco, so that many trips are in fact not feasible to make using BART, even in combination with Muni.

Once the three fastest, feasible itineraries of each type were identified, one best Muni-only and best one BART (or BART + Muni) itinerary were chosen for analysis. The best itineraries were the Muni-only and BART itineraries with the shortest “weighted travel time,” meaning that all walking and wait time was multiplied by a factor of two. The weighting factor of two for walk and wait time is the same as used in the 1994 analysis.

Estimate the BART mode split for each trip

For each paratransit trip with a feasible BART option, a BART mode split, or market share, was determined. For a given trip, the BART mode split is a probability between zero and one that the given trip would be made using BART (or BART + Muni) instead of by Muni alone. This assumes

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that all other possible travel modes, such as driving, taxi, etc. have been ruled out. The mode split can also be understood as a market share assuming that the same trip were made many times by a variety of people on numerous occasions.

The mode split is generally not zero or one, as long as there are feasible BART and Muni-only options. This is because travel time is only one factor among many that people use in deciding how to travel. Some people may simply have a general preference for Muni or BART, for example on the basis of which mode they use for some other frequent trip that they make. Some may perceive rail service as more reliable, less crowded, or easier to read on. Others may prefer being able to see out on a Muni bus. Some may always chose the option that gives them the shortest walk, while others may prefer the option that travels by the most direct route. The mode splits were determined using the decision rule in Figure 1, which was developed for the 1994 analysis after considering several alternatives.

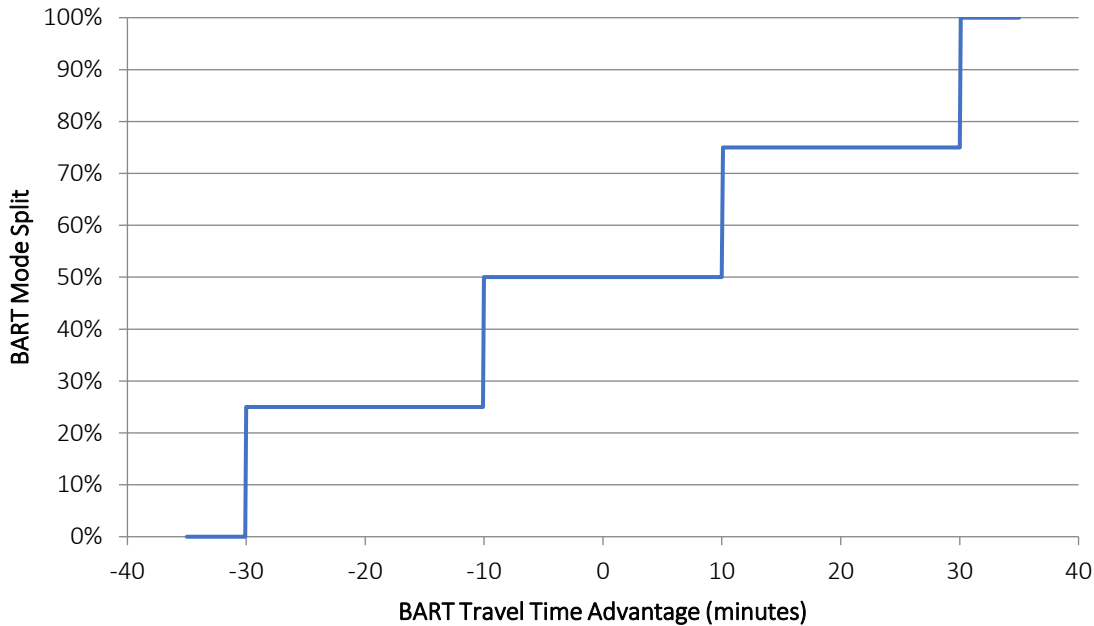
Figure 1. Mode Split Decision Rule

Travel Time Difference	Mode Split
BART option faster by more than 30 minutes	100% BART
BART option faster by more than 10 minutes and up to 30 minutes	75% BART, 25% Muni-only
Travel time difference of up to 10 minutes either way	50% BART, 50% Muni-only
Muni-only faster by more than 10 minutes and up to 30 minutes	25% BART, 75% Muni-only
Muni-only faster by more than 30 minutes	100% Muni-only

“BART” means BART only or a combination of BART and Muni.

Figure 2 shows the mode split decision rule in graphical form. The horizontal axis is “BART Travel Time Advantage,” where a positive number means BART is faster and a negative number means Muni-only is faster. For calculation of the BART travel time advantage, each minute on-board BART was counted as equivalent to 0.8 minutes of time on-board Muni. This factor is taken from MTC’s regional travel model. It can be understood as representing a small preference for travel by rail instead of bus, all other factors being equal. It says that a minute of time on a rail car is perceived as 20% less onerous than a minute of time on a city bus.

Figure 2. Mode Split vs. BART Travel Time Advantage

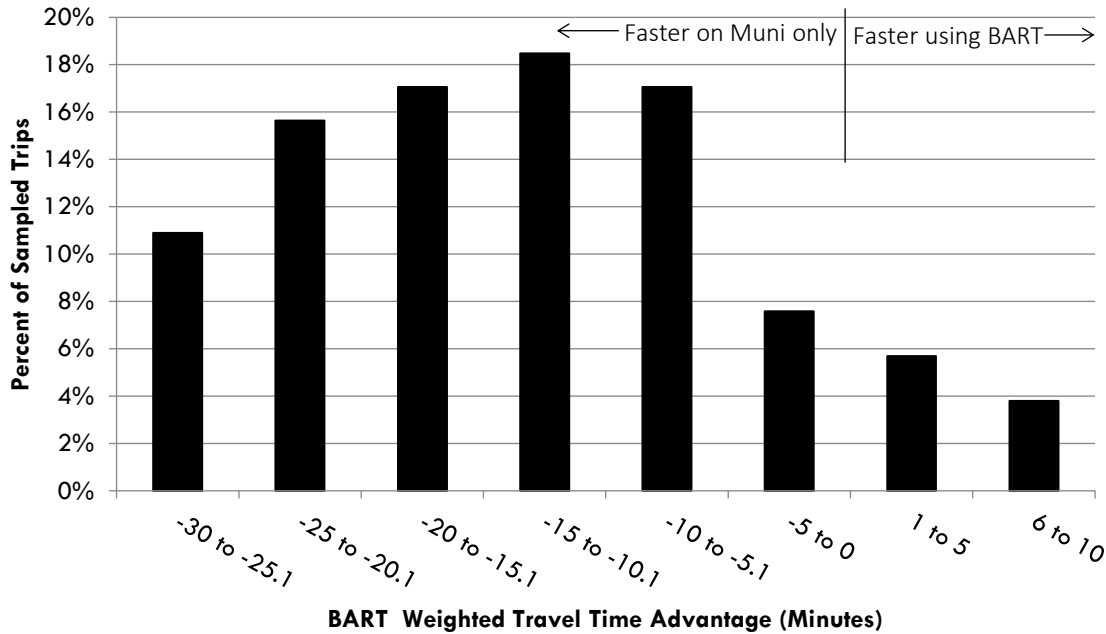


The calculation of travel time uses the requested departure or arrival time for the paratransit trip. For example, if the paratransit trip had a scheduled 10:00 AM departure, the transit trip begins at 10:00 AM. This departure time and the walk time to the transit stop, combined with transit schedules at that stop, determine the waiting time for the transit vehicle. The resulting transit travel time is generally longer than would be shown on a Google Transit itinerary, since Google Transit assumes that the customer leaves home precisely in time to walk to the transit stop and catch the vehicle.

For the trips in the sample that were feasible to make using BART, Muni tends to be somewhat faster than making the same trip all or in part on BART. This is because the analysis included all trip that are at all feasible to make on BART, not just those trips for which BART is the obvious choice. To illustrate, Figure 3 shows the distribution of BART travel time advantage for weekday trips on SF Access. Also, because of the density and frequency of Muni service, using Muni usually requires less walking and waiting than using BART.

Figure 3. Distribution of BART Travel Time Advantage

(SF Access trips that are feasible to make all or in part on BART)



Determine the percentage of route mileage on BART

For trips with a feasible BART option, the BART option rarely consists exclusively of a ride on BART combined with some walking. More commonly the BART option involves some mileage on Muni and some mileage on BART. The itineraries produced by the trip planner include the mileage on each leg. The percentage of total transit mileage on BART is taken to represent the BART share of cost if the trip were to be made using the BART option.

Calculate the BART percentage cost share for each trip

For each paratransit trip in the sample, BART’s estimated percentage cost share is: (BART Mode split) x (Percentage of route mileage on BART for the BART option). For example, consider a hypothetical trip, for which using BART requires a transfer to or from a Muni Metro line:

	BART	Muni-only
Travel time	55 minutes	50 minutes
Distance on BART	2.0 miles	None
Distance on Muni	0.5 miles	2.0 miles

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Since BART is just 5 minutes slower than Muni-only, the BART mode split would be 50%. Using BART, 80% of the mileage is on BART and 20% is on Muni. BART’s percentage cost share for this trip would be 50% x 80% = 40%.

Calculate the overall BART percentage cost share

For SF Access and for Group Van, the average of the BART percentage cost shares for each weekday trip in the sample is the BART percentage cost share for weekday trips, and the same applies for Saturday and Sunday trips. A simple average works in this case because SFMTA pays the same flat rate for each SF Access trip and each Group Van trip. In the case of Paratransit Taxi, it is necessary to take account of the cost of each trip, which is the taxi meter fare for the trip. BART’s dollar share of the cost of each trip is:

$$\text{BART dollar share} = (\text{Meter trip fare}) \times (\text{BART percentage cost share for the trip}).$$

These dollar shares are added for all the weekday trips in the sample and divided by the total meter fares for all the weekday trips in the sample. The result is the overall weekday percentage cost share for taxi trips. The same calculation is done for the Saturday and Sunday samples.

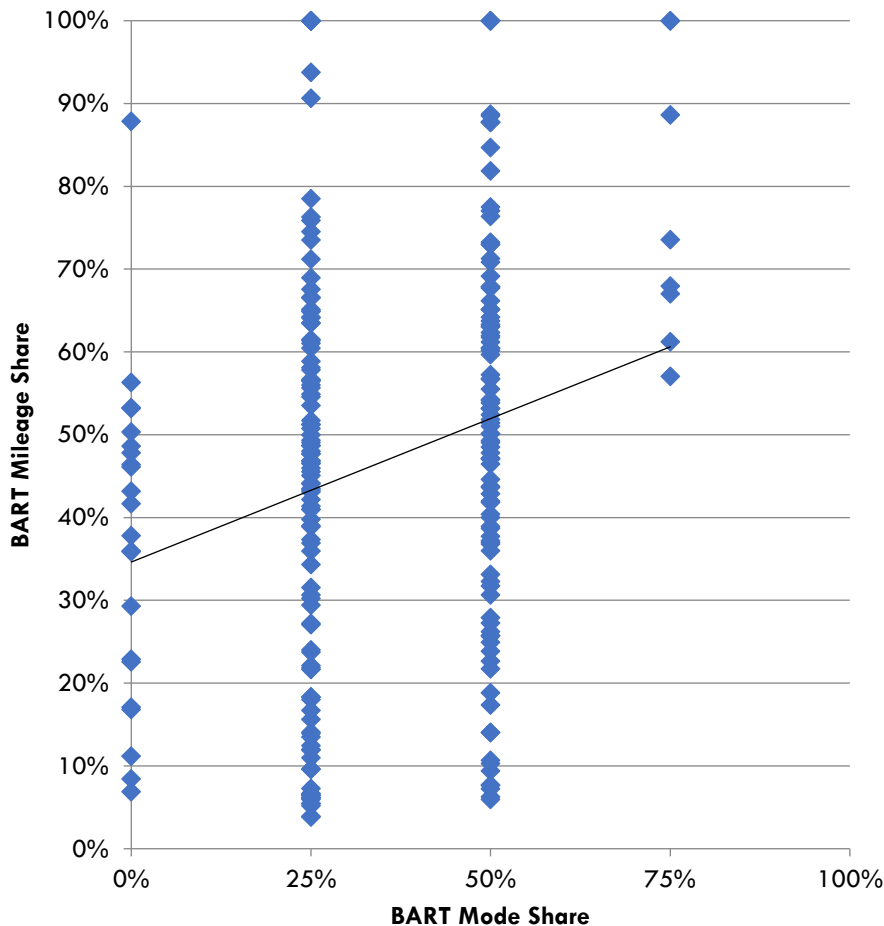
The resulting weekday, Saturday, and Sunday BART percentage cost shares for all the components of San Francisco Paratransit are shown in the Figure 4. Figure 4, also shows the percentage of trips for which feasible BART itineraries were found, the average BART mode split for those trips, and the BART mileage share for those trips. Note that multiplying the percentage of feasible trips by the average BART mode split and the average BART mileage share for these feasible trips produces a value a little less than the actual BART percentage cost share. The reason is that trips with a higher BART mode split also tend to have a higher mileage share, as illustrated in Figure 5 for weekday SF Access trips.

Figure 4. Percentage Cost Shares for Sampled Trips

	San Francisco Access			Taxi Program			Group Van
	Weekday	Saturday	Sunday	Weekday	Saturday	Sunday	Weekday
Sample Size	438	116	61	719	191	169	606
Percent of trips feasible by BART	56%	52%	57%	54%	51%	46%	42%
BART mode split for feasible trips	30%	24%	31%	28%	27%	23%	29%
BART mileage share for feasible trips	47%	44%	57%	49%	50%	52%	43%
Overall BART percentage cost share	8.9%	6.5%	11.1%	8.4%	8.3%	6.4%	6.1%
Total days in 2011	256	53	56	256	53	56	256

Figure 5. BART Mileage Share vs. Mode Share

(Weekday SF Access Trips with feasible BART itineraries)



The Saturday and Sunday percentage cost shares in Figure 4 are based on small samples, so they are not meaningful in their own right. But in combination with the weekday values they yield good estimates for each component of paratransit service.

If the overall BART percentage cost shares in Figure 4 are combined based on the number of weekdays, Saturdays, and Sundays in 2011 (at the bottom of Figure 4), the results are as shown in Figure 6. Figure 6 also shows that applying the percentage cost shares for each service component to the actual operating costs for calendar year 2011 produce an estimated 7.9% BART cost share for all San Francisco Paratransit service. This estimate is statistically accurate to within plus or minus 1.1% with 95% confidence and to within plus or minus 0.9% with 90% confidence.

Figure 6. BART Operating Cost Shares

	S.F. Access	Taxi	Group Van	All Service
Sample Size	615	1,079	606	2,300
Percent of trips feasible by BART	56%	52%	42%	
BART mode split for feasible trips	30%	27%	29%	
BART mileage share for feasible trips	48%	49%	43%	
Overall BART cost share	8.9%	8.1%	6.1%	7.9%
<hr/>				
Operating cost (CY 2011)	\$6,432,736	\$4,293,462	\$4,012,670	\$14,738,867
<hr/>				
BART Cost Share	\$572,836	\$347,973	\$242,806	\$1,163,615

Source: Operating Cost from San Francisco Paratransit Broker

Apply the BART share to total adjusted costs

BART shares not just the cost of direct service provision, but also the cost of the services provided by the San Francisco Paratransit Broker, which are an essential part of the ADA paratransit program, as well as SFMTA administrative costs directly related to ADA paratransit. Also, before applying the BART share, it is necessary to make certain adjustments as specified in the cost sharing agreement between SFMTA and BART, including fare revenue, an adjustment for the difference between actual San Francisco Paratransit fares and those allowed by ADA, State Transit Assistance, and Transportation Development Act funding. These adjustments reflect actual or theoretical revenue that would likely be available to BART if it were operating the service.

The San Francisco Paratransit Broker supplied estimated brokerage costs for calendar year 2011, amounting to \$3,132,004. SFMTA provided its budgeted FY 2012 administrative costs based on allocations of the portion of Accessible Services staff time that applies to the paratransit program, plus an allowance for agency overhead. SFMTA also provided FY 2011-12 revenue figures.

Total budgeted administration costs for FY 2012 were \$585,907 as shown in Figure 7. The calculation of administrative costs uses an overhead rate of 49.3%, which is a rate that SFMTA and its consultants have calculated as applicable to operating costs. (The agency has a separate overhead rate for capital projects. SFMTA uses a cost allocation model to allocate all overhead costs and base costs between operations and capital projects, so that separate overhead rates can be calculated.)

Details of SFMTA staffing are given in Attachment A, which shows job descriptions for each position. These standardized descriptions of duties mention transit as well as paratransit, but in fact the staff time used for calculating paratransit administration costs is dedicated entirely to paratransit. The Transit Planner II and the Transit Planner IV work full-time on paratransit, while the Secretary and the Manager IV divide their time equally between paratransit and other matters, which is why only 0.5 FTE is shown for them in Figure 7 and Attachment A.

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Figure 7. San Francisco Paratransit Administrative Cost

Paratransit Salaries, Benefits Overhead						
7-Jun-12						
	FTE	Salary FY12	Salary FY13	Salary FY14	Fringe Rate FY12	Total Cost FY12
1446 Secretary	0.5	\$ 56,639	\$ 63,610	\$ 64,433	46%	\$ 41,406
5288 Transit Palnner II	1	\$ 79,912	\$ 83,876	\$ 85,369	41%	\$ 113,066
5290 Transit Planner IV	1	\$ 112,447	\$ 118,014	\$ 120,114	37%	\$ 153,742
9174 Manager IV	0.5	\$ 121,485	\$ 128,569	\$ 130,857	39%	\$ 84,222
Total Salaries & Fringe						\$ 392,436
Overhead Rate at 49.3%						\$ 193,471
TOTAL						\$ 585,907
* FY13 & FY14 Fringe rate not available as of date.						

Source: SFMTA Finance and Information Technology

Adjustments for FY 2011-12 totaled \$5,410,647, as shown in Figure 8. The cost of administration is figured as a percentage of adjusted cost. As shown in Figure 9, the administrative percentage works out to 4.7% using data available at this time.

Figure 8. FY 2011-12 Cost Adjustments

Item	Amount
Paratransit fares	\$1,764,747
ADA fare adjustment	\$893,320
STA	\$1,145,569
TDA	\$1,607,011
Total adjustments	\$5,410,647

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Figure 9. Calculation of Administrative Percent

Item	Amount	Time Period
Operating Cost	\$14,738,867	CY 2011
Broker	\$3,132,004	CY 2011
Total Service Cost	\$17,870,871	
Adjustments	(\$5,410,647)	FY 2011-12
Adjusted cost	\$12,460,224	
SFMTA Administration	\$585,907	FY 2011-12 budget
SFMTA Admin Pct.	4.7%	

For the sake of illustration, Figure 10 shows the calculation of BART’s share using the combination of calendar year 2011 operating and broker costs and FY 2012 SFMTA administration costs and revenue. In the future, SFMTA and BART may wish to redo this calculation using data from a consistent time period, e.g. FY 2011-12, for all items.

Figure 10. Calculation of Total BART Share

	Combined Cost	BART %	BART Amount
Adjusted cost	\$12,460,224	7.90%	\$984,358
SFMTA Admin (4.7% of Net Cost)			\$46,265
BART share of adjusted cost plus administration			\$1,030,623

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Attachment A: SFMTA Administrative Staffing for Paratransit

Classification	Title	FTE	Description of Duties
1446	Secretary	0.5	Handle administrative duties, including invoice review, make copies, send mailings to the Paratransit Coordinating Council, answer the phone and handle requests for information, update mailing list database, provide communication in alternative formats.
5288	Transit Planner II	1.0	Provide administrative and planning support to the paratransit program, including taking minutes, drafting agendas, acting as liaison with the disabled and senior riders and public agencies such as the Department of Aging and Adult services and the Mayor’s Office on Disability. Under direction, the individual chosen will provide planning functions such as research on and development of best practices, study and analysis of demographic trends, grant preparation and review of proposed regulatory changes.
5290	Transit Planner IV	1.0	Manage Paratransit contract, analyze and evaluate transportation related data; prepare and/or supervise the preparation of reports on more complex and difficult planning issues; develop, interpret, coordinate, carry out and monitor paratransit policy and planning work, including completion of complex written documents and reports; supervising the design and preparation of models, maps, charts and other graphic materials to illustrate plans and or reports; developing and evaluating proposals for planning and coordinating the implementation of transit or paratransit route and service changes; preparing plans and projections of future transit, paratransit, transportation, economic or demographic conditions and trends; investigating and reviewing federal and state legislation and regulations for potential impact on transit, paratransit or transportation plans and programs; preparing budgets, schedules and contracts for major projects; contract management, project management, representing the department in public meetings, governmental/regulatory agency hearings, peer working groups, Board of Supervisors and Commission meetings to explain transit, paratransit or transportation planning policies, procedures, regulations, programs and projects and preparing and reviewing correspondence in response to public, Commission and/or other agency inquires.
9174	Manager IV	0.5	Responsibility for SFMTA’s Paratransit program. Monitor and evaluate the effectiveness and efficiency of the Paratransit Program’s service delivery system, organizational structure, staffing levels, financial systems, and other internal operations; identify alternative approaches or improvements; develop and administer the Paratransit program budget; and perform related duties as assigned.