



MARIN COUNTY TRANSIT DISTRICT BOARD OF DIRECTORS

Join on Zoom: <https://www.zoom.us/j/87972683373>

Webinar ID: 879 7268 3373

Monday, August 23, 2021

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How to watch the meeting:

Zoom: To join Webinar visit <https://www.zoom.us/j/87972683373>

Webinar ID: 879 7268 3373

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August 23, 2021: **+1 669 900 6833**; Access Code: **879 7268 3373**.

How to provide comment on agenda items:

- To provide written public comment prior to or during the meeting, please email info@marintransit.org (if intended to be read aloud as public comment, please state "Public Comment" in subject line). Please email your comments no later than **9:30 A.M. Monday, August 23, 2021** to facilitate timely distribution to the Board of Directors. Please include the agenda item number you are addressing and include your name and address. Your comments will be forwarded to the Board of Directors and will be placed into the public record.
- During the meeting (only): Use the comment form available at <https://www.marintransit.org/meetings> to submit your meeting-related comments on this agenda. Your comments will become part of the public record.
- During the meeting (only): Ensure that you are in a quiet environment with no background noise (traffic, children, pets, etc.) To raise your hand on Zoom press ***9** and wait to be called upon by the President or the Clerk to speak. You will be notified that your device has been unmuted when it is your turn to speak. You will be warned prior to your allotted time being over. Your comments will also become part of the public record.



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AGENDA

Monday, August 23, 2021

10:00 a.m. Convene as the Marin County Transit District Board of Directors

1. Open Time for Public Expression (limited to three minutes per speaker on items not on the Transit District's agenda)
2. Workshop on Service Contracts and Financial Outlook

Recommended Action: Discussion only.

Adjourn



All Marin Transit public meetings are conducted in accessible locations. Copies of documents are available in accessible formats upon request. If you require Translation Assistance, American Sign Language Interpreters, Assistive Listening Devices or other accommodations to participate in this meeting, you may request them by calling (415) 226-0855 (voice) or contact the California Relay Service by dialing 711 to connect to the telephone listed above. **Requests must be received no less than five working days prior to the meeting to help ensure availability.** For additional information, visit our website at <http://www.marintransit.org>

Late agenda material can be inspected in the office of Marin Transit, between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday. The office is located at 711 Grand Avenue, Suite 110, San Rafael, CA 94901.

In case of Zoom outage dial 515-604-9094. Meeting ID: 142-334-233

Todas las reuniones públicas de Marin Transit se llevan a cabo en lugares accesibles. Están disponibles copias de los documentos en formatos accesibles, a solicitud. Si usted requiere ayuda con la traducción, intérpretes de Lenguaje Americano de Señas,

dispositivos de ayuda auditiva, u otras adaptaciones para participar en esta reunión, puede solicitarlas llamando al (415) 226-0855 (voz) o comunicarse con el Servicio California Relay marcando al 711 para conectarse al número de teléfono mencionado.

Las solicitudes deben recibirse a más tardar cinco días laborables antes de la reunión para ayudar a asegurar la disponibilidad. Para obtener información adicional, visite nuestro sitio web en <http://www.marintransit.org>

Material de agenda de última hora puede ser inspeccionado en la oficina de Marin Transit, entre las horas de 8:00 am y 5:00 pm. La oficina está ubicada en 711 Grand Avenue, Suite 110, San Rafael, CA 94901.

En caso de interrupción de Zoom, marque al 515-604-9094. ID de Reunión 142-334-233



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san rafael, ca 94901

ph: 415.226.0855
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marintransit.org

August 23, 2021

Honorable Board of Directors
Marin County Transit District
3501 Civic Center Drive
San Rafael, CA 94903

SUBJECT: Service Contracts and Financial Outlook

Dear Board Members:

board of directors

kate colin
president
city of san rafael

judy arnold
vice president
supervisor district 5

stephanie moulton-peters
2nd vice president
supervisor district 3

damon connolly
director
supervisor district 1

eric lucan
director
city of novato

katie rice
director
supervisor district 2

dennis rodoni
director
supervisor district 4

brian colbert
alternate
town of san anselmo

RECOMMENDATION: This is a discussion item.

BACKGROUND: Marin Transit contracts with outside service providers to provide operations and maintenance support for local public transit and yellow school bus services in Marin County. In total, the District holds five contracts to provide these services, including:

- Marin Airporter (Fixed Route Public Transit),
- Golden Gate Bridge, Highway, and Transportation District (Fixed Route Public Transit),
- MV Transportation (Fixed Route Public Transit),
- Vivalon (Demand Response), and
- Michael's Transportation (Yellow School Bus Service).

All of these contracts, except the one with Golden Gate Transit, were established through a competitive procurement process. The contract with Golden Gate Transit was negotiated as an intergovernmental agreement. The table provided in Attachment A summarizes these agreements and includes further information on start, end, pre-COVID service levels, and cost.

In March 2021 staff presented revenue, ridership, and service assumptions for your Board's discussion in preparation for the FY 2021/22 budget development. Staff identified several uncertainties resulting from the pandemic and noted that service contract costs would be a key factor in Marin Transit's future financial outlook and service levels.

DISCUSSION: Within the next 22 months, all of the District's service contracts will end their current term. Two will end this fiscal year, including the Demand Response contract with Vivalon (scheduled to end January 31st, 2022) and the contract with Golden Gate Transit (set to expire on June 30, 2022). The other three agreements have one more remaining option year that set them to expire next fiscal year on June 30, 2023.

Due largely the COVID-19 pandemic, transit service delivery and contracting conditions have shifted. The industry is currently facing a labor shortage, primarily in drivers and front-line workers, who have either left and are not returning to the workforce following the pandemic or have taken extended periods of leave. Due to uncertainties of ridership demand and a return to "normal" conditions, transit agencies and private transportation companies have been timid to hire new drivers and staff to fill positions that were vacated during the pandemic. Recent efforts to recruit and train new candidates by our contractors and others in the Bay Area have proved challenging. While it is unclear how long these conditions will prevail, the uncertainty will play a factor in current and future contract bids and negotiations.

In March of 2021, the District released a Request for Proposals (RFP) for Operation of Marin Access Services and Programs. This RFP included operations and maintenance of the Demand Response services as well as all other programs and services the District offers under Marin Access. This procurement was done in partnership with Golden Gate Transit and bids were due on May 21, 2021. Due to the uncertainty of if, and when, demand will return to these services, the RFP requested proposals based on a tiered annual hour service structure. This tiered approach will allow the selected bidder to grow their operation, and corresponding costs, as demand returns. The evaluation for this procurement is expected to conclude by September 1, 2021 and an award is set for your September 13, 2021 Board meeting. Staffs' presentation (Attachment B) will further discuss the potential financial impacts of a new contract for these services and programs.

Discussions with Golden Gate Transit on the terms of a new agreement and contract began in January of 2021. Since that time, staff from both agencies have met multiple times to better understand each partner's goals and the financial impacts of a new agreement. A series of offers and counteroffers have been exchanged to give each other a sense of the cost and the expected service levels (revenue hours) to continue this partnership into the future. Marin Transit Staff identified July 1, 2021 as an internal deadline to reach an agreement on the rates and hours associated with a future agreement. As that deadline was not met, Marin Transit and GGT staff are considering options for operation of these services beyond June 30, 2022. An extension of the current agreement would allow for negotiations to continue while resolving uncertainties about future service levels, other fixed route contracts, and operations and maintenance facility availability. Staff's presentation (Attachment B) will further discuss the range of financial impacts of a new agreement with Golden Gate Transit and options your Board may consider to assist staff in advancing these discussions.

All other fixed route services not operated by Golden Gate Transit have contracts with one remaining option year and are set to expire on June 30, 2023. These services were bid out as one procurement with two separate packages in 2018 and awarded to two bidders, Marin Airporter and MV Transportation. Depending upon the result of the discussions with Golden Gate Transit, staff will consider how to package these services into a future RFP that is tentatively scheduled to be released in approximately one year.

FISCAL/STAFFING IMPACT: There are no fiscal impacts associated with this item.

Respectfully submitted,



Robert Betts
Director of Operations & Planning

Attachment A: Contracts Summary
Attachment B: Presentation

Attachment A: Contracts Summary

Contractor	Contract Start Date	Contract End Date	Contract End Date (with options or amendments)	FY 2019 (pre-COVID) Contract Cost	FY 2019 (pre-COVID) Revenue Hours	FY 2022 Budgeted Revenue Hours	Services Provided
Vivalon	January 1, 2016	June 30, 2020	January 31, 2022	\$6.6M	77,317	50,000	Demand Response & Travel Navigator
Golden Gate Transit	July 1, 2015	June 30, 2020	June 30, 2022	\$9.5M	75,935	74,700	Local Fixed Route <ul style="list-style-type: none"> Trunkline Basic
Marin Airporter	July 1, 2018	June 30, 2021	June 30, 2023	\$5.7M	74,728	88,300	Local Fixed Route <ul style="list-style-type: none"> Basic Connector
MV Transportation	July 1, 2018	June 30, 2021	June 30, 2023	\$3.2M	29,374	33,400	Local Fixed Route <ul style="list-style-type: none"> Supplemental Rural & Recreational <ul style="list-style-type: none"> West Marin Stagecoach Muir Woods Shuttle
Michael's Transportation	July 1, 2018	June 30, 2021	June 30, 2023	\$0.6M	6 buses	5 buses	Yellow School Bus Services

Attachment B: Presentation



Marin Transit Board Workshop

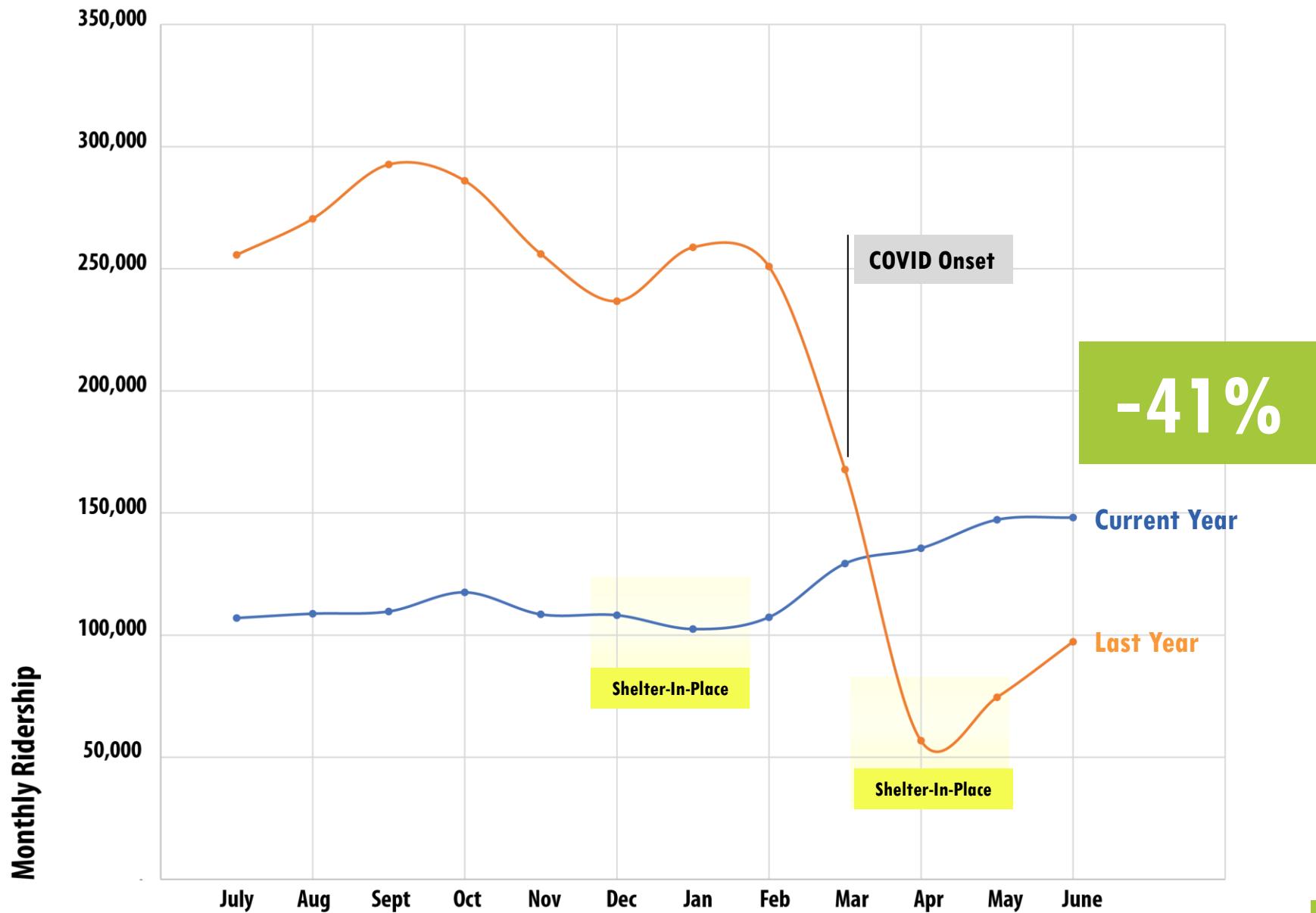
Service Contracts and Financial Outlook

Marin Transit Board of Directors

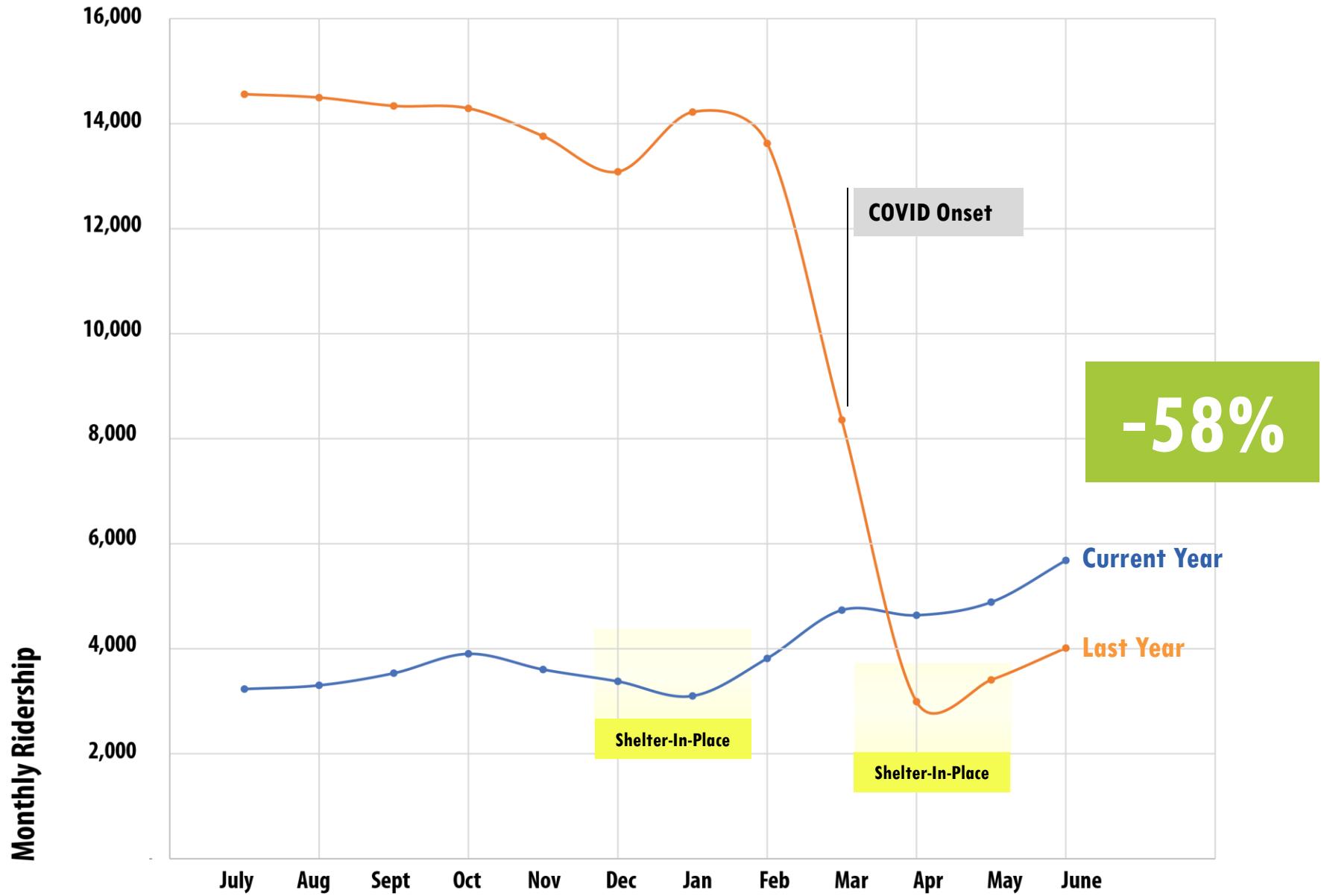
August 23, 2021

Ridership and Financial Outlook

Monthly Comparisons (Pre vs. Post COVID) — Fixed Route



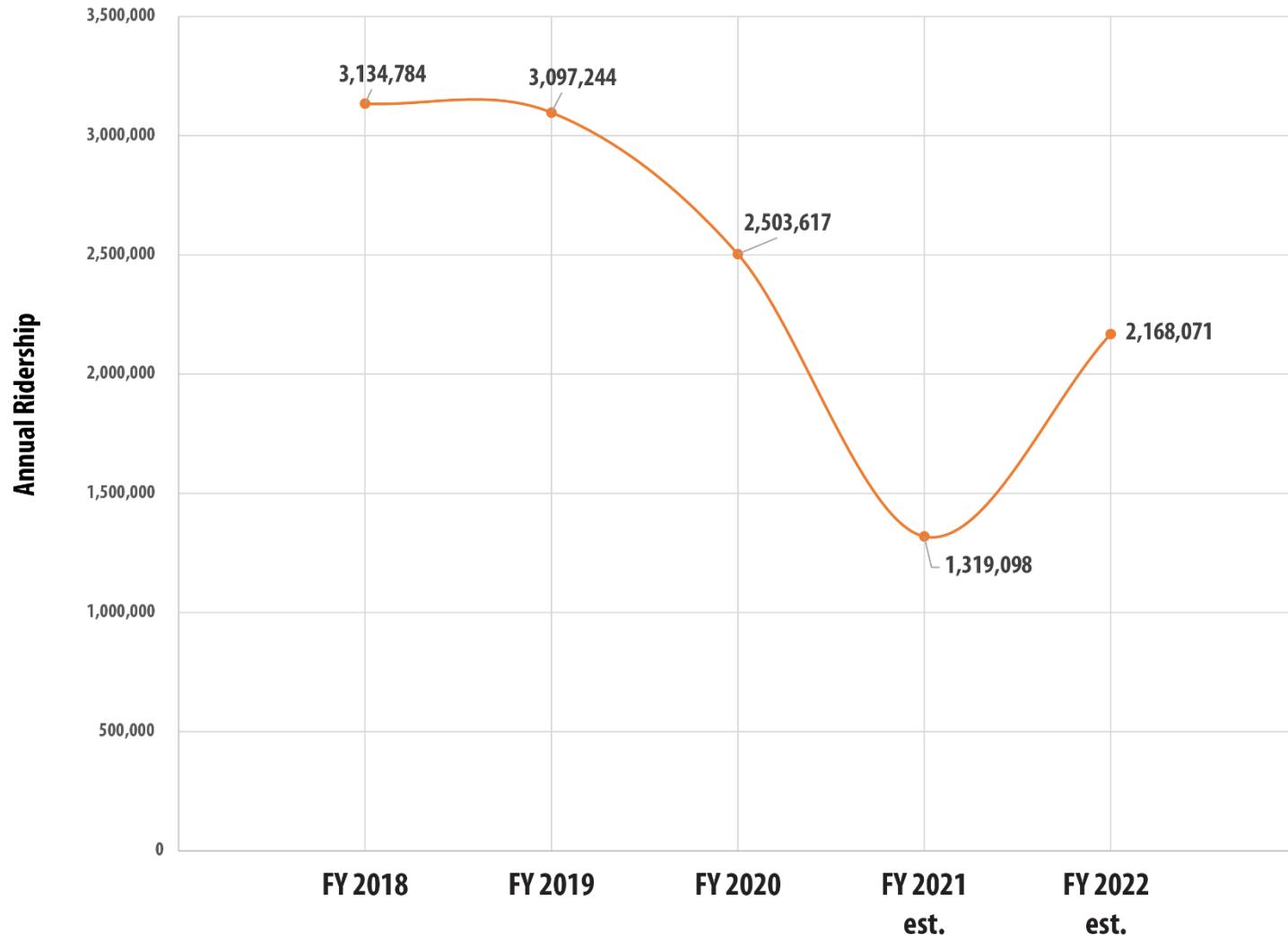
Monthly Comparisons (Pre vs Post COVID) - Demand Response



Fixed Route Ridership/Service Assumptions for FY 22



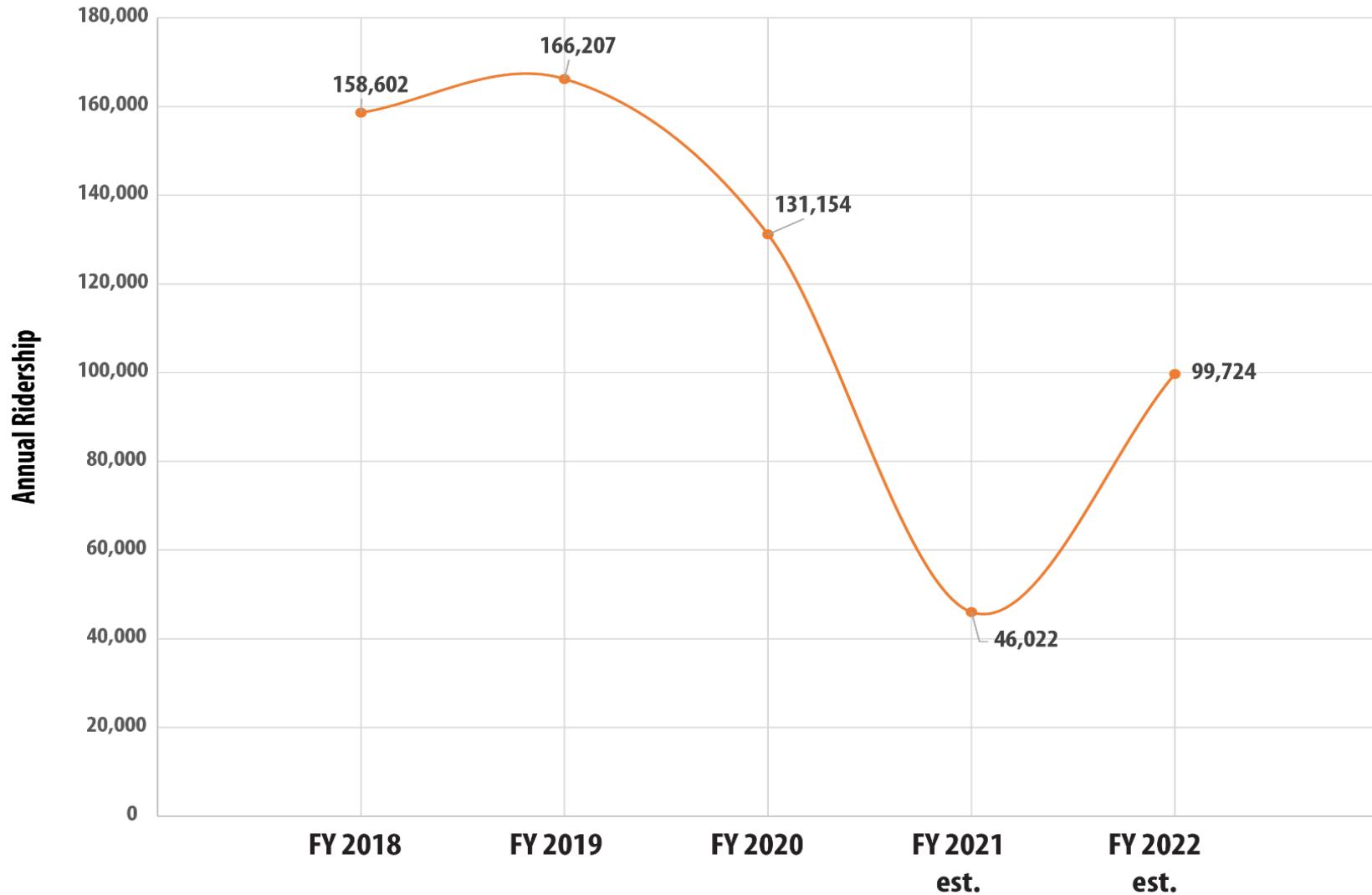
- Fixed Route ridership will return to 60% pre-COVID in the first half of FY 2022 and a maximum of 80% of pre-COVID at the end of FY 2022 (average of 70% pre-COVID)



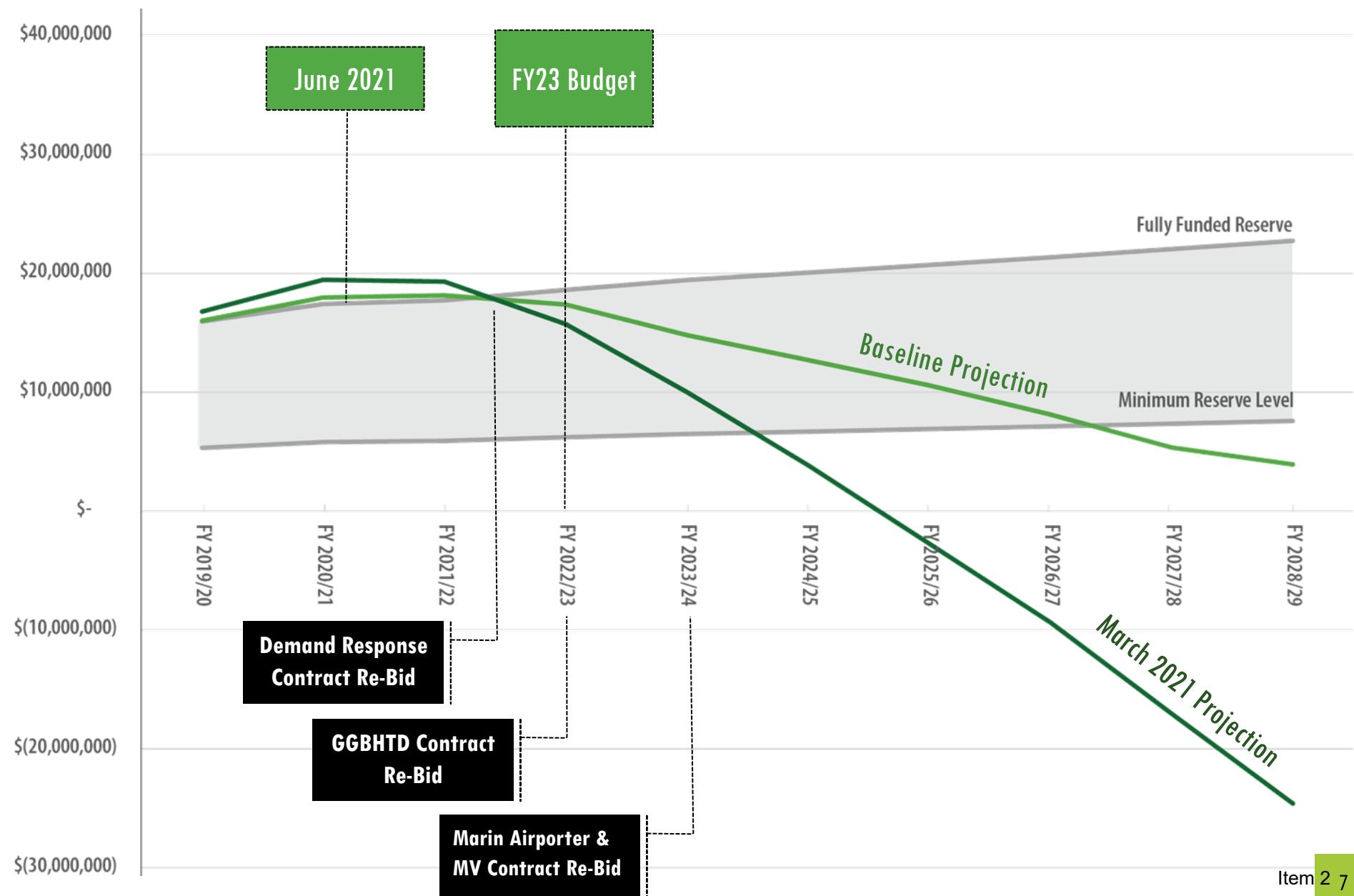
Demand Response Ridership/Service Assumptions for FY 22



- Demand Response ridership will return to 50% pre-COVID in the first half of the FY 2022 and a maximum of 70% of pre-COVID at the end of FY 2022 (Average of 60% pre-COVID)



March 2021 Outlook - Reserve Level Projections





Federal relief funding continues to bridge short-term losses

- American Rescue Plan funds \$2.6 million



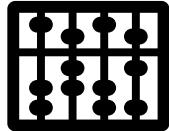
District has sufficient financial resources to continue current service levels in FY2021/22



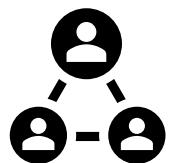
Significant financial and service demand uncertainties remain from the COVID-19 pandemic

If revenues do not match projected expenses, District will need to scale services to realign expenses with revenues

Financial outlook primary drivers:



- Fixed route contract negotiation
- Paratransit demand
- Marin Access RFP contract rates



Longer term COVID related uncertainties:

- Labor supply
- Operating costs
- Changes in travel patterns

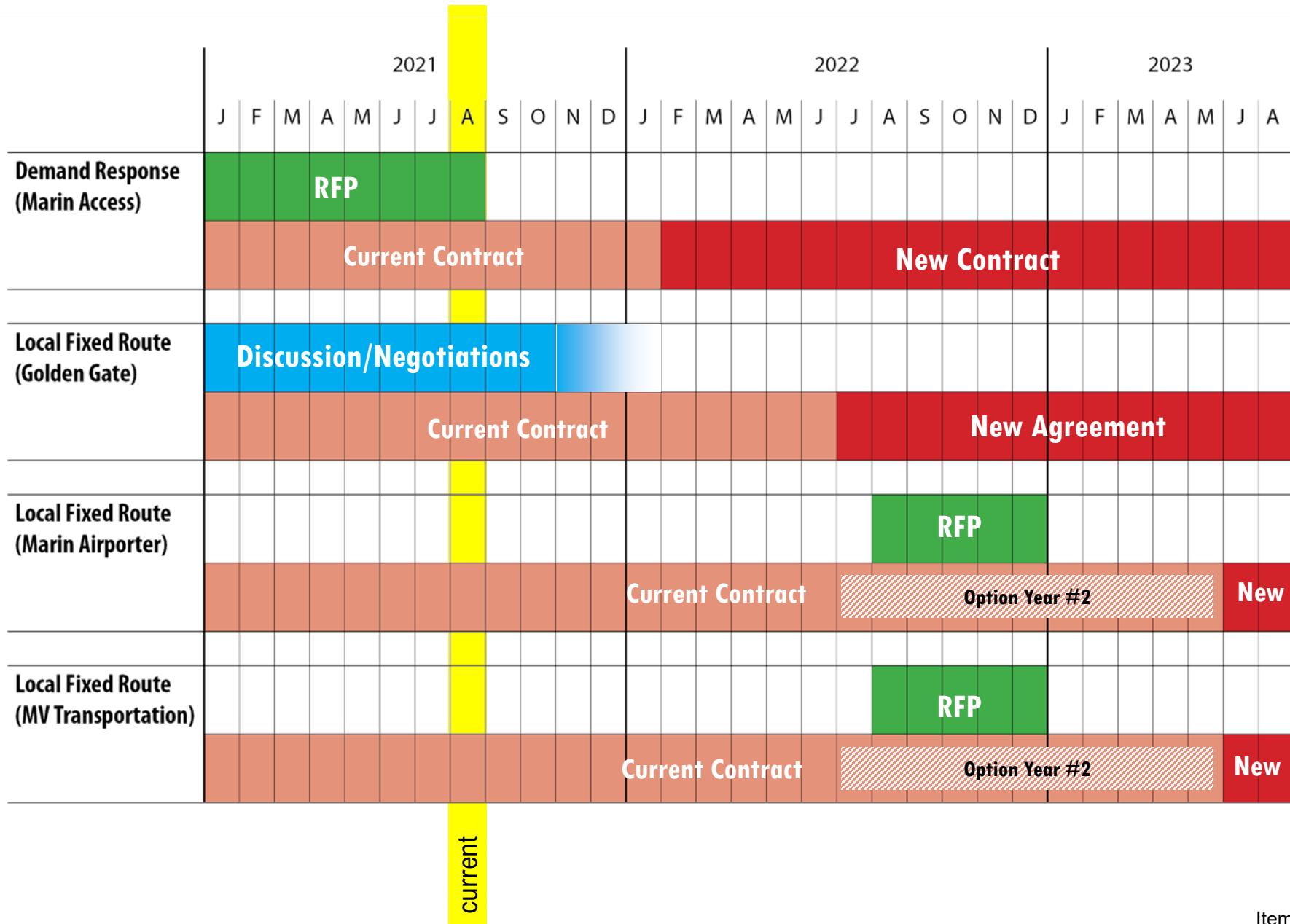
Contract Status and Costs

Current Contract Status



Current Contractor	Contract End Date (with options)	FY 2022 Budgeted Revenue Hours	Services Provided
Vivalon	January 31, 2022	50,000	Demand Response & Travel Navigator
Golden Gate Transit	June 30, 2022	74,700	Local Fixed Route <ul style="list-style-type: none"> Trunkline Basic
Marin Airporter	June 30, 2023	88,300	Local Fixed Route <ul style="list-style-type: none"> Basic Connector
MV Transportation	June 30, 2023	33,400	Local Fixed Route <ul style="list-style-type: none"> Supplemental Rural & Recreational <ul style="list-style-type: none"> West Marin Stagecoach Muir Woods Shuttle

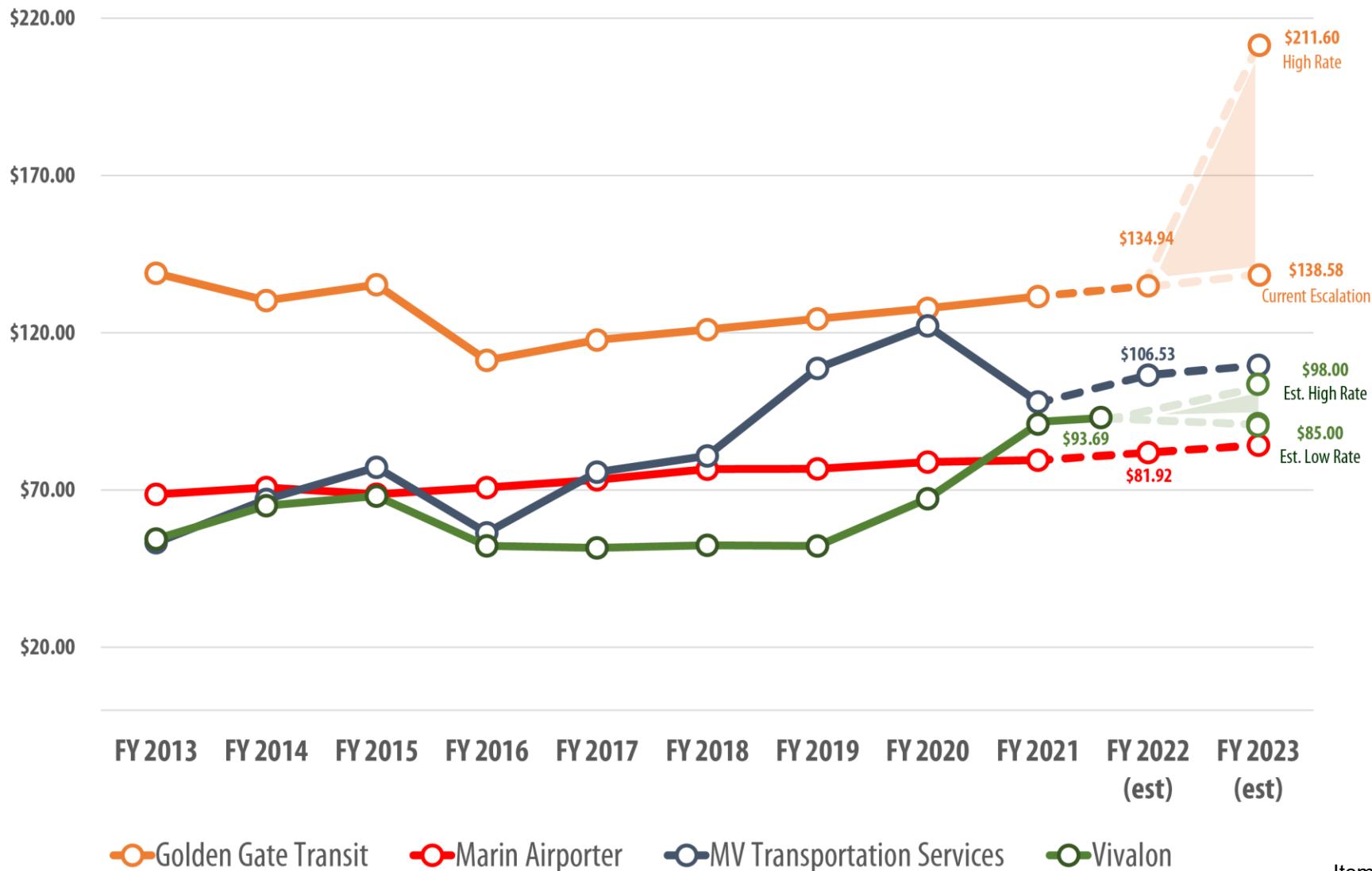
Planning for Contract Renewals



Contract Rate History



Cost Per Revenue Hour by Contractor



- RFP Released March 3, 2021
- Proposals received May 21, 2021
- Proposal evaluation expected to conclude by September 1, 2021
- Board to consider contract award September 13, 2021
- 3000 Kerner Facility modifications October 2021 – January 2022
- Cost impacts of new contract
 - Tiered pricing structure based on demand
 - Potential cost increase up to 6%
 - Potential cost increases similar to peer agency experiences

Fixed Route Agreement Renewal with GGBHTD



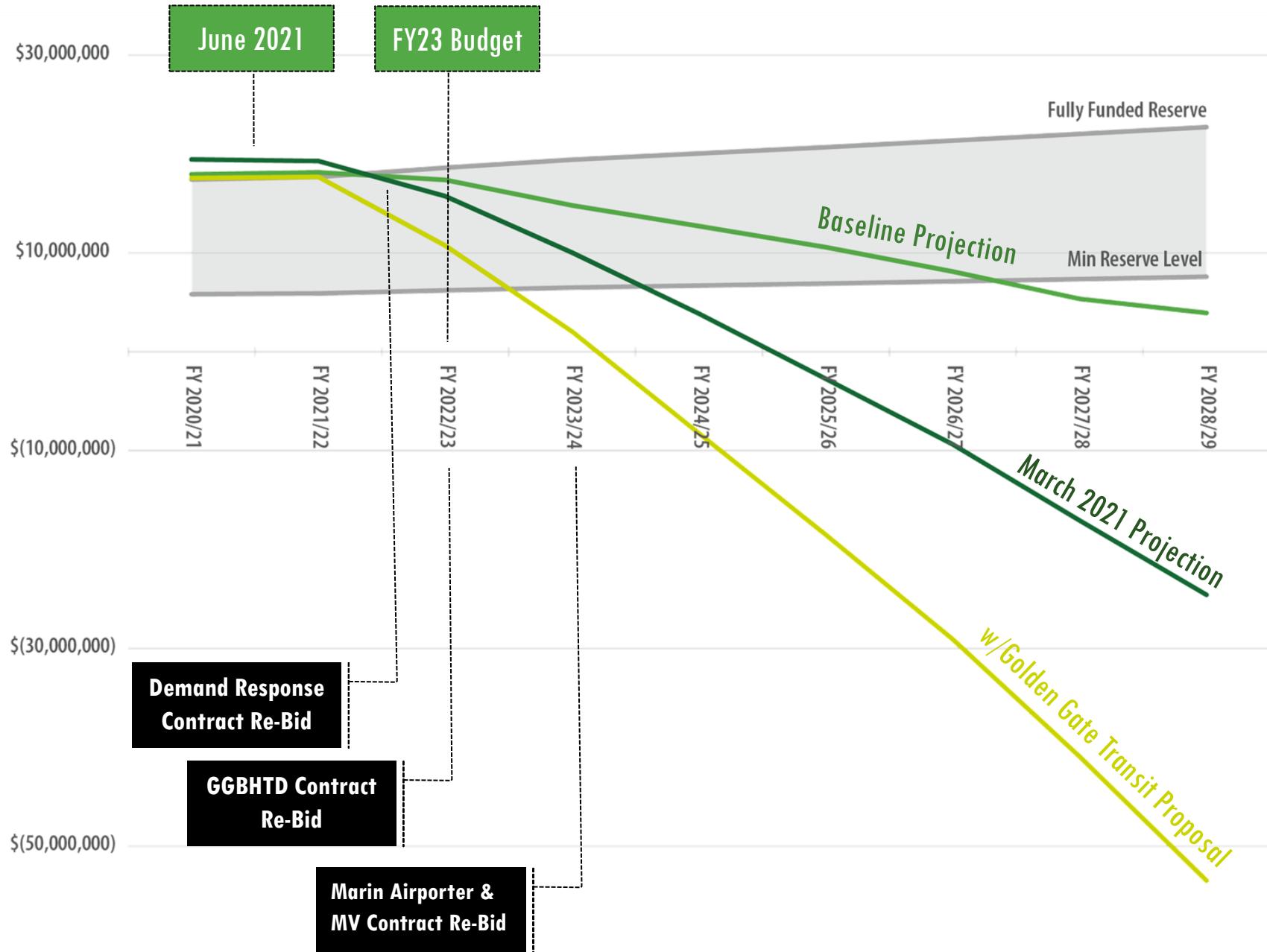
- Current contract expiring June 30, 2022
 - ~\$135.00 per revenue hour in FY 22
 - Increases 2.7% per year
- Negotiations are ongoing
- Parties are currently far apart on agreement
 - Hourly rate
 - Use of property for bus parking and maintenance

Other Fixed Route Contracts



- Marin Airporter and MV Transportation are both in Option Year #1
 - Second Option Year goes through June 30, 2023 (end of contract)
 - RFP for new contract (s) expected to release Fall of 2022
- Contracts currently account for 62% of all fixed route service
- FY22 Estimated Rates
 - Marin Airporter: ~\$82.00 per revenue hour
 - MV Transportation: ~\$107.00 per revenue hour
- Facilities
 - Marin Airporter: Provides maintenance facility and parking. Maintenance is owned, parking is owned and leased
 - MV Transportation: Uses District's parking (Rush Landing-Novato), provides maintenance facility (leased)

Impact of Potential Contract Cost Increases



Options for GGBHTD Agreement Renewal

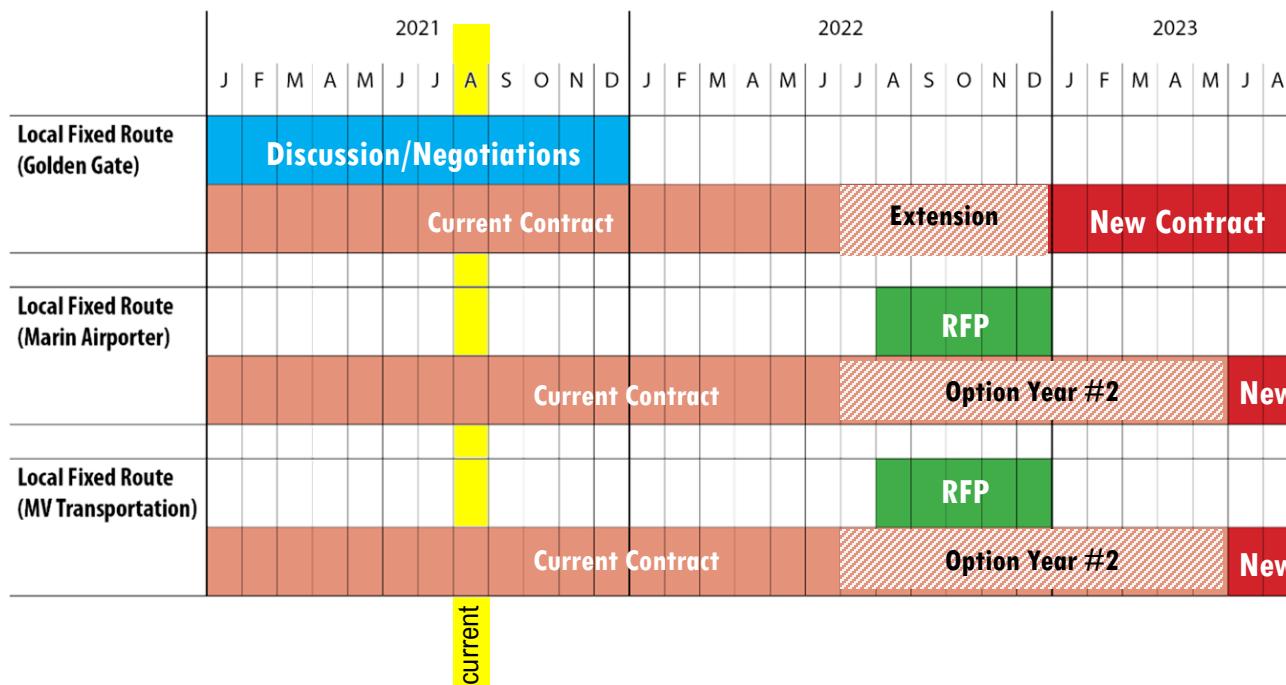


Baseline Assumption: Extend existing GGBHTD agreement

6-month extension (to December 31, 2022) at current rate escalation to allow negotiations to continue until January 1, 2022

Scenario 1: Long-Term Extension of Current Terms

- MCTD & GGT agree to similar rates/terms of current agreement
- Service: Ability to keep current hours with GGT



Options for GGBHTD Agreement Renewal

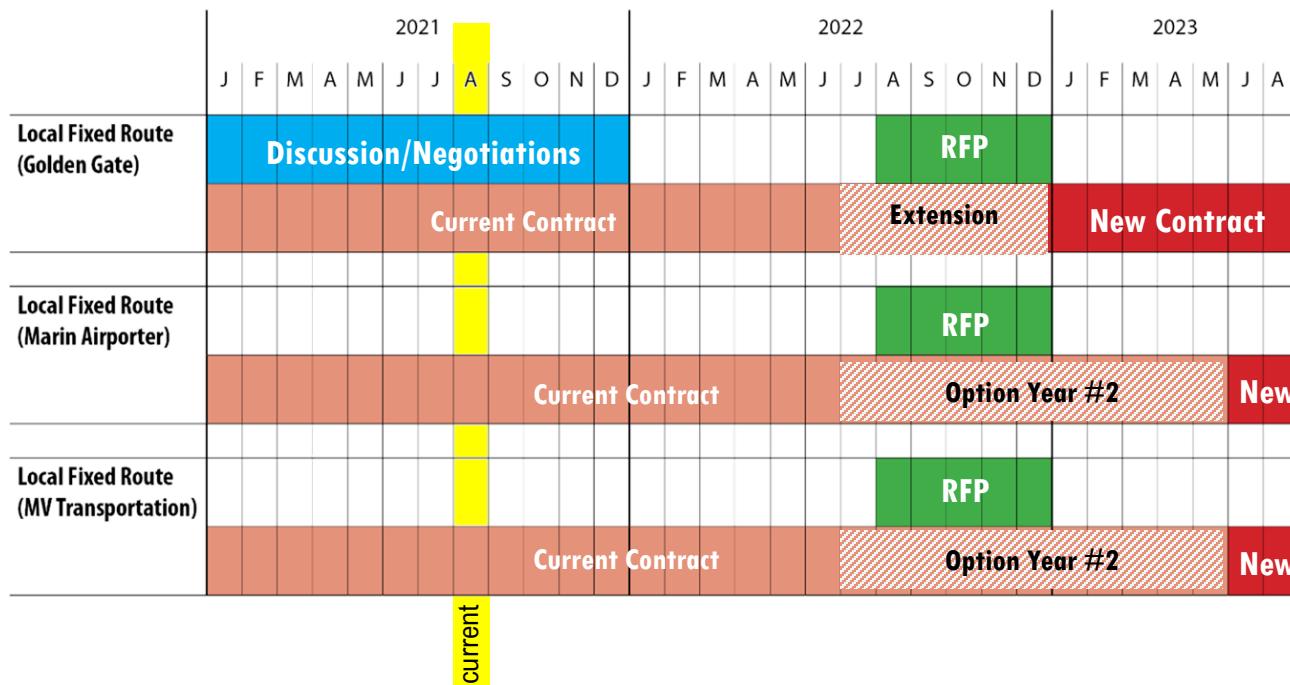


Baseline Assumption: Extend existing GGBHTD agreement

6-month extension (to December 31, 2022) at current rate escalation to allow negotiations to continue until January 1, 2022

Scenario 2: Moderate Price Increase

- MCTD & GGT agree to moderate increase in rate of current agreement
- Service: Ability to keep some hours with GGT in initial years, shift in future years



Options for GGBHTD Agreement Renewal

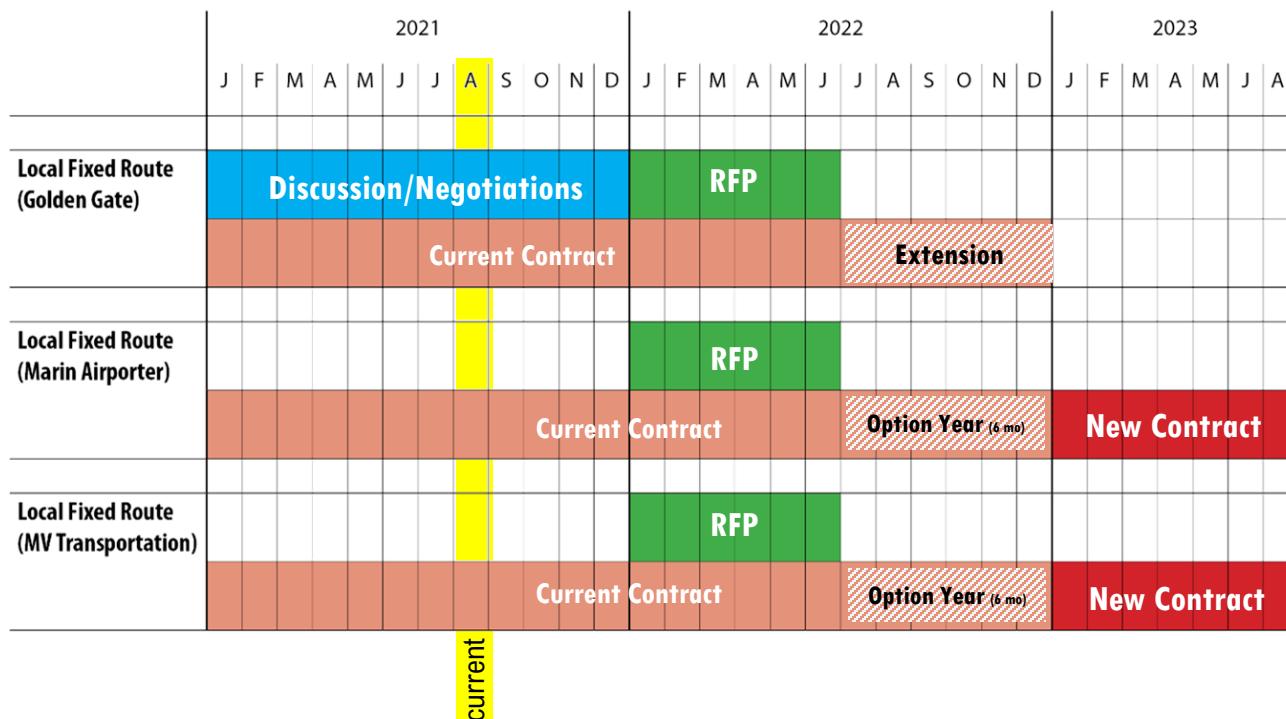


Baseline Assumption: Extend existing GGBHTD agreement

6-month extension (to December 31, 2022) at current rate escalation to allow negotiations to continue until January 1, 2022

Scenario 3: Significant Price Increase

- MCTD & GGT cannot agree on a rate for a new agreement
- Service: Shift all hours



Discussion