

CONTRACTING FOR AFTER-HOURS JARC SERVICE

Bay Metro Transit, Bay City, Michigan

SUMMARY OF THE STRATEGY:

Under the Job Access and Reverse Commute (JARC) program, Bay Metro Transit contracts with a private operator to transport individuals to and from work after regular Bay Metro Transit hours.

DETAILED DESCRIPTION:

Bay Metropolitan Transportation Authority (Bay Metro Transit) contracts with a private operator to provide demand-response JARC transportation during hours not operated directly by Bay Metro Transit. Because these services are needed at very specific times for a limited number of individuals (e.g., upon completion of a person's evening work shift at a fast-food restaurant), the service is provided on a demand-response basis. The cost of the contract is on a per-trip basis, so Bay Metro Transit only pays for individual rides without the need to keep a driver and vehicle in service at other times.

Bay Metro Transit screens JARC customers for eligibility: they must be employed and intend to only be using the JARC service to get to and from work. (Bay Metro Transit requests permission to contact the customer's employer and calls to verify employment.) Once determined eligible, customers schedule their own service directly with the private operator. The private operator then bills Bay Metro Transit for each ride provided.

Note that Bay Metro Transit also administers a coordinated contract for Specialized Services human service

AGENCY PROFILE

Organization Type: Transportation Authority

Service Area: Bay County, Michigan, along the Saginaw Bay on Lake Huron - 447 sq. mi., est. population: 110,000. Includes Bay City urbanized area

Resources:

- **Fleet size:** 65 vehicles
- **Staff size:** 95 full-time/10 part-time
- **FY 2012 Operating Budget:** approx. \$8 million

Service Summary:

- **Modes Operated:** fixed-route and demand-response (dial-a-ride)
- **Days and Hours of Service:** Monday-Friday approx. 6:30 a.m. - 6:30 p.m., Saturday 9:00 a.m. - 6:00 p.m.
- **General Public Cash Fare:** \$1.00 fixed-route/\$3.00 demand-response
- **Passenger Trips/Year:** 586,000

Contact:

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transportation. This best practice is described separately.

CONDITIONS THAT PROMPTED THE STRATEGY:

Bay Metro Transit has been contracting services to private providers for more than 23 years. Bay Metro Transit's regular

service operates approximately 6:30 a.m. to 6:30 p.m. weekdays and 9:00 a.m. to 6:00 p.m. on Saturdays. There was a need for evening and additional weekend service to enable job-seekers to get to and from jobs (such as restaurant shifts) when Bay Metro Transit was not operating, with a limited amount of JARC funding available for the service.

RESULTS OF THE STRATEGY:

Contracting for after-hours JARC services saves Bay Metro Transit nearly \$440,000 per year providing 11,000 passenger trips.

The private operator is available to provide service after regular Bay Metro Transit service hours with only incremental costs at a much lower rate than if Bay Metro were to operate the service in-house with additional drivers, vehicles on the road, and expanded hours of operation.

METHODS USED TO DOCUMENT RESULTS:

- In 2010, the contracted per-passenger cost was about \$14.00, for an annual total of approximately \$145,000. Bay Metro Transit's cost to extend its operating hours to provide in-house service would cost about \$40.00 per passenger trip, for an annual total of approximately \$440,000.

- Under previous contracts with other private providers, compliance with FTA Drug and Alcohol Program requirements was problematic. The current contractor has been found by FTA to be in compliance as part of FTA Triennial and Drug and Alcohol Reviews.

KEY FACTORS FOR SUCCESS:

- The availability of a private operator to provide the service and comply with FTA drug and alcohol program requirements.
- The demand for service has not exceeded the available funding. This is due in part to eligibility limitations (i.e., only employed persons traveling to and from work are eligible to use the service) as well as limited marketing of the service (primarily word-of-mouth to date).

CHALLENGES:

- Finding a responsive private contractor may be a challenge in other communities, particularly with regards to transporting people with disabilities and complying with FTA drug and alcohol program requirements, driver background checks, etc.

IMPLEMENTATION GUIDE

RECOMMENDED FOR:

- Travel needs with limited demand (such as JARC employment transportation, with specific eligibility restrictions)

- After-hours service
- Overflow demand-response service during peak hours

RECOMMENDED ELEMENTS FOR SUCCESS:

- At least one reliable private operator willing to comply with FTA and State contract requirements (including drug and alcohol program)
- A sound procurement process
- Oversight of the contractor
- Screening of eligible riders
- Close monitoring of contract budget
 - check to see that only eligible individuals are transported for eligible trip purposes

METHODS FOR MEASURING SUCCESS:

- Determine per-trip costs of in-house operations and compare to contract unit costs.
- Multiply difference between in-house and contracted unit costs by total annual trips to determine annual savings
- Monitor (and resolve) any complaints against contractor

IMPLEMENTATION TOOLS:

- Sample contract

JOB ACCESS AND REVERSE COMMUTE PROJECT
THIRD-PARTY AGREEMENT

THIS AGREEMENT ("Agreement") effective as of October 1, 2011, by and between BAY METROPOLITAN TRANSPORTATION AUTHORITY ("BMTA"), a Michigan statutory authority, with offices at 1510 North Johnson Street, Bay City, Michigan, and [REDACTED], a Michigan limited liability company, with offices at [REDACTED] Bay City, Michigan.

WHEREAS, BMTA expects to receive funds from the Michigan Department of Transportation ("MDOT") under the Job Access and Reverse Commute Project ("Project") designed for eligible individuals needing public transportation services to and from a workplace, all as contemplated by the provisions of 49 USC 5316;

WHEREAS, [REDACTED] desires to provide public transportation services to BMTA with funds made available to BMTA under the Project;

WHEREAS, BMTA has applied for funding under the Project for the period from October 1, 2011, to September 30, 2012, and expects to do so for later periods; and

WHEREAS, the purpose of this Agreement is to provide operating assistance funding received by BMTA from the Project to [REDACTED] and [REDACTED] is willing to provide the public transportation services described in BMTA's funding application approved by MDOT.

NOW, THEREFORE, in consideration of the promises, mutual covenants and undertakings hereinafter in this Agreement set forth, BMTA and [REDACTED] agree as follows:

1. The term of this Agreement shall commence on October 1, 2011, and end on September 30, 2012, unless the Agreement is terminated earlier pursuant to the conditions set forth herein.
2. BMTA agrees as follows:
 - (a) To assure that the public transportation services provided by [REDACTED] are consistent with the services described in BMTA's funding application approved by MDOT.
 - (b) To pay [REDACTED] government funds designated for relevant transportation service within ten (10) working days after receipt of [REDACTED]'s invoice.
 - (c) To notify [REDACTED] within five (5) days of receipt of any written request for information by MDOT, or restrictions required by MDOT, concerning the public transportation services provided pursuant to this Agreement.

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- (d) To inform █████ of any public transportation services changes or changes in state or federal law or programs known to BMTA which could impact the public transportation services being provided by █████.
- (e) To strive to coordinate public transportation services within its service area.
- (f) To provide to █████ copies of U. S. Department of Transportation / Federal Transit Administration Drug & Alcohol Testing regulations and guidance and also inform █████ of any drug and alcohol testing policy changes.

3. █████ agrees as follows:

- (a) To provide public transportation services as described in BMTA's funding application approved by MDOT.
- (b) To complete and submit to BMTA a monthly invoice for █████'s relevant transportation services no later than ten (10) days after the end of the previous month for which such services were rendered by █████. All invoices so submitted for payment by █████ shall be only on a form preapproved by BMTA and █████'s charges shall be limited to those rates shown on Exhibit "A" attached hereto and made a part hereof by reference.
- (c) To establish and maintain books, records, documents and other accounting records in accordance with generally accepted accounting principles.
- (d) To permit BMTA and/or MDOT to audit all data and records relating to the public transportation services financed in part or in whole by the Program. █████ shall retain and allow access to all data and records pertaining to this Agreement until three (3) years after the final payment by MDOT.
- (e) To carry and maintain comprehensive general liability insurance coverage for bodily injury, including death, personal injury and property damage in the amount of \$1,000,000 for any one occurrence and the same amount in the aggregate. The parties agree that liability policies required under this Agreement may be arranged under individual policies for the full limits required, or by a combination of underlying policies with the balance provided by an excess liability policy. All liability insurance shall be written on an

occurrence basis. All general liability policies required or provided under this Agreement shall include as an additional insured both BMTA and MDOT. [REDACTED] also agrees to carry and maintain such automobile no-fault insurance coverage in such amounts and with insurers as BMTA may require and approve for all vehicles operated by [REDACTED] for the purpose of providing any public transportation services funded under this Agreement. [REDACTED] shall punctually pay all insurance premiums when due in respect of all coverages obtained by [REDACTED] so that such coverages remain in effect during the full term of this Agreement. [REDACTED] shall cause its insurers to issue a certificate of insurance to BMTA within ten (10) days of the effective date of this Agreement. The certificate of insurance shall provide at least thirty (30) days' advance notice to BMTA of any suspension or cancellation of insurance or any material change in policy limits, benefits or coverages.

- (f) [REDACTED] shall protect, defend, indemnify and hold BMTA and MDOT, their respective officers, agents and employees harmless of, from and against (a) any and all claims, actions, demands, expenses, damages and losses based upon, arising out of, or in any way related to the duties, obligations and liabilities of [REDACTED] incurred pursuant to any provisions of this Agreement; (b) any and all claims, actions, demands, expenses, damages and losses for personal injury, including death, and property damage resulting from or arising out of, or in any way related to the possession, use or operation of all vehicles operated by [REDACTED] for the purpose of providing any public transportation services funded under this Agreement; and (c) any and all fees (including reasonable attorneys' fees), costs and other expenses incurred by or on behalf of BMTA in the investigation of or defense of any and all such claims, actions and demands. All provisions for indemnification by [REDACTED] shall survive the termination of this Agreement.
- (g) To inform BMTA of any event which may have significant impact on the public transportation services, including its control or cost.
- (h) To cooperate with BMTA and other service providers in coordinating transportation services.
- (i) To comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts", as set forth in Appendix A, dated August 1985. [REDACTED] further covenants that it will comply with the Federal Civil Rights Act of 1964, being PL 88-352, 78 Stat. 241, as amended, and will require similar covenants on the part of any contractor or subcontractor employed in the performance of the project for which this Agreement is made.

(j) To maintain a Viable Drug & Alcohol testing program as long as this Agreement is in effect. ██████ shall allow BMTA's Drug & Alcohol Administrator access to all drug and alcohol documentation during assessments that will take place quarterly. ██████ understands that compliance with the Federal Transit Administration Drug & Alcohol Policy is an express condition of this Agreement. ██████ shall be held to the same standards as BMTA, including policy, random selection process, testing services, training, record keeping, and the like.

4. The parties also agree as follow:

(a) BMTA or ██████ may, by thirty (30) days' prior written notice, suspend any or all of the rights and obligations under this Agreement until such time as the event or condition resulting in such suspension has ceased or been corrected.

(b) ██████ agrees to promptly repay any funds overpaid by BMTA to ██████.

5. This Agreement is contingent upon receipt by BMTA of sufficient federal, state and local funds, upon the terms and conditions of such funding as appropriated, authorized and amended, and upon continuation of such funding, as applicable. In the event that circumstances occur that are not reasonably foreseeable, or are beyond the control of the parties, that reduces or otherwise interferes with BMTA's ability to provide or maintain specified services or operational procedures for BMTA's service area, BMTA shall provide immediate notice to ██████ if it would result in any reduction of the funding upon which this Agreement is contingent. In the event any of the foregoing listed contingencies arise, either party to this Agreement may terminate the agreement by giving the other party ten (10) days' prior written notice or as may otherwise be mutually agreed to by the parties.

6. This Agreement has been executed and delivered and it shall be interpreted, construed, and enforced pursuant to and in accordance with the laws of the State of Michigan. Both BMTA and ██████ hereby consent and submit to the jurisdiction of the appropriate courts of the County of Bay for adjudication of any suit, right or cause of action arising under or in connection with this Agreement.

7. No assignment of this Agreement or any of the rights and obligations thereunder shall be valid without the specific written consent of all parties hereto.

8. In the event any portion of this Agreement is held to be unenforceable for any reason, the unenforceability or invalidity thereof shall not affect the

remainder of this Agreement, which shall remain in full force and effect and be enforceable in accordance with its terms.

9. This Agreement constitutes the entire agreement between BMTA and [REDACTED] with respect to the subject matter of this Agreement and there are no agreements, understandings, warranties, or representations between BMTA and [REDACTED] except as set forth in this Agreement. This Agreement can not be amended except in a writing executed by BMTA and [REDACTED]. This Agreement was drafted by counsel for the signatories hereto and there shall not be a presumption or construction against any signatory thereto.
10. This Agreement may be executed in any number of counterparts and each such counterpart shall be considered a valid original.
11. This Agreement shall not be binding on either party until approved by each party and then duly executed and delivered to the other party, in which case it shall be effective as of October 1, 2011.

IN WITNESS WHEREOF, BMTA and [REDACTED] have caused this Agreement to be executed and delivered by their respective duly authorized officers on the day and year first above written.

Exhibit "A" - RATE SCHEDULE

[REDACTED]
Job Access and Reverse Commute Project Third Party Agreement

Maximum funding available for payment to [REDACTED] is \$145,000.00. [REDACTED] shall be responsible for all expenses incurred over \$145,000.00, unless there is prior agreement with BMTA and an approved addendum is made to this contract at least 30 days in advance of requesting any additional reimbursement.

JARC transportation service is reimbursed at the following rate:

All JARC trips \$2.15 per mile

Premium Fuel Reimbursement: \$.10 per mile if regular grade gasoline is \$4.50 per gallon or higher, as posted at [REDACTED] located at [REDACTED], Bay City, Michigan.