



Legislation Details (With Text)

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On agenda: 4/17/2023 **Final action:**

Title: Authorization for the City Manager to enter into an agreement with California Vanpool Authority (CalVans) to provide vanpool service on behalf of Visalia Transit for a subsidy of \$300 per vanpool per month not to exceed \$300,000 annually for one (1) single year term and authorize a not to exceed amount payment of \$45,000 for the past four months.

Sponsors:

Indexes:

Code sections:

Attachments: 1. CalVans Agreement - Fully Executed 5.3.16.pdf, 2. CalVans Amendment to Agreement between COV and Cal Vans.pdf

Date	Ver.	Action By	Action	Result
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Agenda Item Wording:

Authorization for the City Manager to enter into an agreement with California Vanpool Authority (CalVans) to provide vanpool service on behalf of Visalia Transit for a subsidy of \$300 per vanpool per month not to exceed \$300,000 annually for one (1) single year term and authorize a not to exceed amount payment of \$45,000 for the past four months.

Deadline for Action: 4/17/2023 - Outstanding invoices that need to be paid.

Submitting Department: Administration - Transit

Contact Name and Phone Number:

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Department Recommendation:

Staff is recommending that City Council authorize the City Manager to enter into an agreement for vanpool service between the City of Visalia and California Vanpool Authority (CalVans) for a subsidy in the amount \$300 per vanpool per month not to exceed \$300,000 annually for one (1) single year term. Also, staff recommends City Council authorize a not to exceed payment of \$45,000 for the past four month's invoices the City has received.

Summary:

Visalia Transit entered into a five (5) year contract with California Vanpool Authority (CalVans) in 2016 which expired in May 2021. Since 2021, Visalia Transit has been in a month-to-month contract as there were conversations with Tulare County Regional Transit Agency (TCRTA) of a joint procurement. Those conversations have not evolved into any actions on Visalia Transit's or TCRTA's

side. Meanwhile, Visalia Transit has been operating on the month-to-month contract that needs to cease. While Visalia Transit staff develops a Request for Proposals (RFP) to award a five-year contract, Staff is seeking authorization to enter into a contract with CalVans for a one-year term and authorization to pay services rendered over the past four months.

Background Discussion:

History

CalVans is a Joint Power Authority (JPA) with membership from ten (10) Council of Governments, including Tulare County Association of Governments (TCAG). CalVans offers employers and their employees a reliable, cost-effective, alternative mode of transportation to the single occupant vehicle (SOV) in areas or on routes that are not efficiently served by public transit. Typically, this is for groups of employees that work for the same employer or employer location, and usually travels across city and county lines. CalVans provides the vehicle, maintenance, fuel, and insurance as a turnkey operation. Riders pay a flat fee for an 8, 10 or 12-passenger van; and one, or more, employees is certified as the driver.

Fare Structure

Currently, CalVans operates about 22 vanpools originating within Visalia city limits. Under this agreement, the City will reimburse CalVans up to \$300 per month per vanpool, up to a maximum incentive of \$300,000 per year. This \$300 will cover an average of 20% of the cost to the vanpool rider. A typical scenario is a 12-passenger van is provided for \$1,500 per month. Split 11 ways (driver goes free) comes to \$136 per month per rider. If they work an average of 20 days per month, that equates to \$6.82 per day or \$3.41 each way. With the proposed subsidy, it would cost the rider about \$2.73 per one-way trip, which equates very closely with the \$1.75 bus fare on a fixed route bus, given that these vanpool trips are typically at least twice the distance.

Funding and Justification

Funding for this agreement will come from the Transit Local Transportation Funds (LTF); however, it will increase the City's annual Federal Transit Administration (FTA) funding allocation under the current formula program by more than twice the proposed budgeted amount. Under the current federal allocation formula, derived from the National Transit Database (NTD), the miles driven by each vanpool is reported and used as one of several factors in the distribution of Urbanized Area Formula Funding program (5307) federal transit funds. The 5307 program under 49 U.S.C. Section 5307 makes Federal resources available to urbanized areas and to Governors for transit capital and operating assistance and for transportation related planning in urbanized areas. Visalia's urbanized area (UZA) includes Tulare, Exeter, Farmersville, and Goshen categorizing it as a large UZA with a population of 200,000 or more. For large UZA's, the formula is based on a combination of revenue vehicle miles and passenger miles as well as population and population density. Visalia Transit's 5307 apportionment is utilized to pay its Operations & Maintenance contract by covering up to 50% of its operations and 80% of maintenance costs.

Transit agencies located in an UZA receive a 5307 apportionment based on their annual reporting into the NTD system. This reporting includes how far buses travel, how long they spend traveling, how many riders are carried and the cost to provide the service. Generally, the larger the system, the more 5307 funds are received. Transit agencies outside of a UZA, but serving the UZA area, may also report passenger data related to trips that began or ended in the UZA. Vanpool trips are an example of a type of transit trip that may contribute substantial ridership data to a UZA. The reporting of the trips is done by vanpool provided on behalf of the UZA. These 5307 funds generated by the additional reporting stays with the transit agency serving the UZA, it does not return to the

agency that reported the passenger data. The reported miles do not impact the 5307 apportionment for two (2) years, i.e. the FY 16/17 miles will count towards the FY 19/20.

CalVans has been reporting these miles on behalf of Visalia Transit for several years, which has resulted in an increase in 5307 federal transit funding. Based on the example provide by CalVans with the 2016 agreement, the Visalia UZA with a total subsidy of \$450,000, would receive an additional \$1,476,444 in 5307 federal funds annually. Over the last six years, based on the 2016 numbers, Visalia Transit has received an estimated \$635,110 annually in additional 5307 federal funds with an average annual subsidy paid of \$193,573. Much less than the not to exceed amount of \$300,000 being requested by staff. Increasing the number of vanpools results in a corresponding increase in 5307 funds. Visalia Transit staff have requested updated numbers and are still waiting to receive them. If they are received prior to the April 17th meeting they will be provided to Council.

Vanpools in the Visalia area has many other benefits aside from additional federal funding, such as:

- Reducing Air Pollution
- Reducing Traffic Congestion
- Improving Access to Employment
- Increasing Safety

These are many of the same goals of public transit and this allows Visalia Transit to offer this as an additional option to operating an SOV. In addition to the vanpools operated out of Visalia, there are others operated out of the rural areas of Tulare County. These will also be included in the Visalia reported data, as they have nowhere else to be included currently. Staff recommends the City support this effort to increase the number of vanpools operating out of Visalia by entering into this agreement to incentivize that activity.

Fiscal Impact:

The funding for this contracted service is an ongoing operations cost for Transit budgeted under 4551-55375. This line item is budgeted at \$224,400 for Fiscal Year 22/23. Year-to-date, \$147,750 remains for this fiscal year so there are sufficient funds available to pay the costs through this fiscal year. Based on the calculation provided by CalVans in 2016, this will have a \$984,296 maximum positive fiscal impact resulting from a total subsidy of \$300,000. The funding source that is benefited from Visalia Transit participating in this program is the 5307 grant which is used to pay our Operations and Maintenance contract. The more money the City receives for operations dollars means less money spent out at Local Transit Funds (LTF) that can be set aside for other City projects.

Prior Council Action:

April 16, 2016 - City Council approved the 5-year contract with CalVans.

Other:

None.

Alternatives:

Do not enter into an agreement with California Vanpool Authority (CalVans) but allow the payment of outstanding invoices year-to-date and those incurred during the next 60-day, cancelation period

required under the contract, not to exceed \$80,000. This would cancel the agreement with CalVans creating a lapse in service and mileage reported on Visalia Transit's behalf, cause a negative impact on funds Visalia Transit receives through Urbanized Area Formula Funding program 5307 apportionment until a new contract is awarded.

Recommended Motion (and Alternative Motions if expected):

.recommendation

I move to authorize the City Manager to enter into an agreement with CalVans in a not to exceed amount of \$300,000 for a signal year term and authorize back payments as discussed in this report not to exceed \$45,000.

Environmental Assessment Status:

None.

CEQA Review:

None required.

Attachments:

- 1) CalVans Agreement - Fully Executed 5.3.16
- 2) CalVans Amendment to Agreement between COV and CalVans