



Visalia City Council

Staff Report

Visalia City Council
707 W. Acequia
Visalia, CA 93291

File #: 24-0251

Agenda Date: 9/16/2024

Agenda #: 16.

Agenda Item Wording:

Award Contract for Microtransit Software and Vehicles - Authorize the City Manager to award a contract to Via in the amount of \$117,600 for microtransit software, award a contract to Model 1 in the amount of \$802,417.20 for seven (7) ADA accessible vans, and appropriate funds in the amount of \$2,927,160 for the microtransit project.

Deadline for Action: 9/16/2024

Submitting Department: Administration - Transit Division

Contact Name and Phone Number:

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Department Recommendation:

Staff recommends that the City Council authorize the City Manager to award a contract to Via in the amount of \$117,600 for microtransit software, award a contract to Model 1 (formerly Creative Bus Sales) in the amount of \$802,417.20 for seven (7) ADA accessible vans, and appropriate funds in the amount of \$2,927,160 for the microtransit project.

Background Discussion:

Over the past several years, similar to transit agencies nationwide, Visalia Transit ridership numbers have been slow to return to pre-pandemic levels. In 2022, staff began brainstorming different ideas to make adjustments to combat the low ridership levels on large buses assigned to fix routes. At the time, Visalia Transit staff began discussing a three-year microtransit pilot project with the Tulare County Association of Governments (TCAG) and the Tulare County Regional Transit Agency (TCRTA), who at the time was the local Transit Agency for the County of Tulare and the other seven (7) incorporated Cities

The plan behind the pilot project is to offer smaller vehicles in more flexible service areas in an effort to reduce the costs of the large 35' buses. In April 2023, staff approached Council with the plan to participate in a three-year microtransit pilot, at which point Council gave its authorization. The data collected from this pilot program will be used to reimagine the entire Visalia Transit system and strategically replace low performing fixed routes with on-demand microtransit service. This service is more flexible and is used with smaller vehicles rather than larger buses that drive in a designated route whether or not there are any passengers onboard.

In August 2023, in participation with the TCRTA, a Request for Proposals (RFP) for microtransit software was released to the public. At the end of that procurement process, Via was selected as the microtransit vendor for the region. Via offers a cloud-based software that passengers will use to book trips using a mobile application. This same application can also collect electronic fares. The flat fare

for the trips within the Visalia zone is proposed to be \$5 throughout the course of the pilot phase, but could be modified by Council action. The passenger will set up a profile on the Via app that will be specific to Visalia Transit, and then be able to request a ride on demand. The rider should be able to get picked up within fifteen (15) to twenty (20) minutes to be taken to their destination. Other passengers can and will share the same vehicles when trip patterns align.

Initially, Visalia Transit and the TCRTA had planned to operate the pilot as partners under a single contract. Since that time, Visalia Transit staff determined having a separate contract specifically for Visalia to contract directly with Via would be more advantageous. Visalia Transit staff, with Council approval, will use the City of Visalia's Transit Operations and Maintenance Agreement to employ the drivers and perform this program. Visalia Transit will implement microtransit in the Visalia zone initially, and if the microtransit system can be successfully intermingled with the other microtransit systems within the region, the format may vary.

TCAG has agreed to fund this project directly to Visalia with State Senate Bill 125 funds, Measure R, and other funding as outlined in the fiscal impact section below. The TCAG Board of Governors approved this funding request at its August 2024 meeting. The project could be operational for up to three years, depending on the State funding through TCAG available in the third year.

Upon approval by Council, staff will still need to further address some additional items, including fare and fare collection. With this program, passengers will be able to book and pay for their microtransit ride through the mobile application. With that said, staff will need to determine other ways to pay (farebox, tickets etc.) Additionally, this immediate implementation will be to cover only pickups and drop-offs within the Visalia city limits zone. To connect to other zones outside of Visalia, agreements will need to be put in place with other Transit agencies for those jurisdictions to sort out fare, and data collection.

Fiscal Impact:

The three-year pilot program is estimated to cost \$4.18 million, which includes all start-up costs as shown in the table below. The operations cost estimate was not calculated using the new transit provider pricing due to these costs being received after discussions had occurred.

	Year 1	Year 2	Year 3	
	FY 24/25	FY 25/26	FY 26/27	Total
Software Start Up Cost	\$60,000	0	0	\$60,000
Annual Software and Licensing Cost	\$19,200	\$19,200	\$19,200	\$57,600
Annual Wifi/Technology Cost	\$5,810	\$5,810	\$5,810	\$17,430
Vehicles & Equipment Start Up Cost	\$877,670	-	-	\$877,670
Annual Operations Cost	\$1,058,570	\$1,058,570	\$1,058,570	\$3,175,710
Annual Total	\$2,021,250	\$1,083,580	\$1,083,580	\$4,188,410

Transfer CIP Budget (VH0316)	\$177,670	-	-	\$177,670
Budget Appropriation	\$1,843,580	\$1,083,580	\$1,083,580	\$4,010,740
2 Yr Appropriation Request	\$1,843,580	\$1,083,580	=	\$2,927,160

Staff is requesting for the first two years to be appropriated (\$2.9 million) as the City operates on a two-year budget only. At the time these funding estimates were provided to funders, not all costs were accounted for. The hours and miles costs for the microtransit were calculated using estimates. Additionally, staff did not have the IT costs that will be associated with this program. Staff has since received both of those updated cost calculations and are included in the cost shown above. Staff intends to recalculate costs for the third year and provide an additional funding request to TCAG for additional SB 125 monies to fund the entire three-year pilot program, to which TCAG has committed. Following that additional funding request and approval, staff will return to Council and request additional funding to be appropriated for the third year of the pilot program year.

A breakdown of the vehicle purchase and equipment needed is as follows:

Vehicle Type	Cost per unit	Number of units	Total Cost
Class D Van (6 pass)	\$88,628.26	5	\$443,141.30
Class P Van (8 pass)	\$179,637.95	2	\$359,275.90
Model 1 Contract Total			\$802,417.20
Technology (iPad mini tablets for payments)	\$750	7	\$ 5,250.00
Cradlepoint (router) and network technology	\$10,000	7	\$ 70,000.00
Total Vehicle & Equipment Cost			<u>\$877,667.20</u>

These seven (7) ADA accessible vans (5 smaller, and 2 larger) will be purchased from Model 1, a commercial vehicle vendor, by using \$700,000 in advanced Measure R operations funding from TCAG from Visalia Transit's Measure R future entitlement (scheduled to be approved at the TCAG Board meeting on September 16, 2024) and a transfer of funds from the Visalia Transit Dial-A-Ride (DAR) CIP VH0316 that is currently budgeted. The two (2) larger vehicles will support both microtransit and paratransit services, and by leveraging these funds, Visalia Transit is able to purchase the two (2) larger vans for the paratransit fleet. The existing VH0316 for the purchase/replacement of Dial-A-Ride vehicles is funded by grant 5339. This purchase meets the grant requirements as long as there is a twenty percent (20%) match. With this funding plan, the SB 125 funding provided through TCAG covers almost fifty percent (50%) of the purchase. Model 1 was selected as Visalia Transit's vehicle vendor through the California Association for Coordinated Transportation (CalACT). CalACT is a professional transit organization of which Visalia Transit is a

member. Staff is utilizing the purchasing cooperative options that CalACT has in place with Model 1. The price is based on a competitive bidding process conducted by CalACT.

The ongoing cellular costs associated with these vehicles will be \$40 per month per vehicle, and a flat \$350 per vehicle per year fee to include wi-fi service on the vehicles. The total cost is \$5,810 per year, or \$17,430 over the course of the three-year pilot program. Additionally, staff is requesting \$75,253 more in vehicle funding to be used to equip the vehicles with iPads, cradlepoint, and wi-fi technology. The iPads will be used to receive payment for ridership. These costs are shown in the table above. At this time, Model 1 is still working on the quote for those components. Once that quote is received by the City, the IT Division will decide if we want to purchase those components internally or through the Model 1. If the IT department decides to purchase from Model 1 following receipt of the quote, staff will go to the City's Change Order Committee to add the additional funds to the Model 1 purchase order for the technology purchase.

The breakdown of the vehicle cost and funding per vehicle type is as follows:

Vehicle Cost/Funding	\$ Amount
(5) Class D Van (6 passenger)	\$443,141.30
Technology	\$ 3,750.00
Cradlepoint (router)	\$ 50,000.00
Class D Van Total Cost	\$496,891.30
TCAG Funding (New Appropriation)	\$496,891.30
(2) Class P Van (8 passenger)	\$359,275.90
Technology	\$ 1,500.00
Cradlepoint (router)	\$ 20,000.00
Class P Total Cost	\$380,775.90
TCAG Funding (New Appropriation)	\$203,108.70
CIP VH0316 Transfer	\$177,667.20
Class P Total Funding	\$380,775.90

Prior Council Action:

April 17, 2023 Micro transit pilot approval

Other:

N/A

Alternatives:

Council to instruct staff to not implement microtransit.

Recommended Motion (and Alternative Motions if expected):

I move to authorize the City Manager to award a contract to Via in the amount of \$117,600 for microtransit software, award a contract to Model 1 in the amount of \$802,417.20 for seven (7) ADA accessible vans, and appropriate funds in the amount of \$2,927,160 for the microtransit project.

Environmental Assessment Status:

N/A

CEQA Review:

N/A

Attachments:

RFP for microtransit software services

Via Proposal with Pricing

TCAG Funding request approval

23-0117 microtransit council item April 2023

Class D (smaller van) Model 1 quote

Class P (larger van) Model 1 quote

CalACT LoA and Contract for vehicle purchase