

**ACCESS SERVICES
BOARD OF DIRECTORS MEETING
MONDAY, JUNE 23, 2008
Closed Session: 12:00 - 1:00 P.M.
General Session: 1:00 - 3:00 P.M.
Los Angeles County MTA
One Gateway Plaza, 3rd Floor
729 Vignes Street, Los Angeles CA 90012**

MISSION STATEMENT

***Access Services promotes access to all modes of transportation
and provides quality ADA paratransit service
on behalf of public transit agencies in Los Angeles County.***

	<u>DISPOSITION</u>
1. CALL TO ORDER	ACTION
2. PUBLIC COMMENT WITH RESPECT TO CLOSED SESSION ITEMS	
3. CLOSED SESSION	DISCUSSION/ POSSIBLE ACTION
A) CONFERENCE WITH LEGAL COUNSEL: CAL. GOV. CODE §54956.9	
I. <u>Existing Litigation:</u> Gov. Code §54956.9 (a)	
(a) United Independent Transit Services v. Access Services	
II. <u>Anticipated Litigation:</u> Gov. Code §54956.9 (b)	
(i) Significant exposure to litigation pursuant to subdivision (b) of Gov. Code §54956.9	
(ii) Initiation of Litigation pursuant to subdivision (c) of Gov. Code §54956.9	
B) CALIFORNIA GOV. CODE §54957 – PERSONNEL ISSUES	
4. SUPERIOR SERVICE AWARDS	PRESENTATION
5. REVIEW & APPROVAL OF MINUTES FROM THE BOARD MEETING OF MAY 19, 2008 (page 4)	ACTION [Vote Required: majority of quorum by voice vote]
[Staff Recommendation: Approve]	
6. REPORT FROM EX-OFFICIO BOARD MEMBERS	INFORMATION

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| 7. | GENERAL PUBLIC COMMENT | INFORMATION |
| 8. | CONSENT CALENDAR <ul style="list-style-type: none"> a. Renewal of Employee Health and Benefit Insurance Contracts (page 12) b. Proposed Procurement Policy Change: Restrictions on Vendor Communications (page 14) c. Authorization of ASI-1939 - Raycom/Mobile Relay Associates Extension (page 16) d. Authorization of Funding For Back-Up Service Providers (page 18)
[Staff Recommendation: Approve Consent Calendar] | ACTION
[Vote Required: majority of quorum by roll call] |
| 9. | APPROVAL OF SERVICE CONTRACT FOR SANTA CLARITA REGION (page 20)
[Staff Recommendation: Authorize staff to execute a contract for transportation service in the Santa Clarita Region beginning August 4, 2008 and ending August 3, 2011, with the City of Santa Clarita in an amount not to exceed \$1,880,589.00. This recommendation is consistent with the Board-adopted contracting principles.] | ACTION
[Vote Required: majority of quorum by roll call] |
| 10. | AMENDMENT OF ASI-2492 – SAN FERNANDO VALLEY REGION SERVICE PROVIDER CONTRACT (page 22)
[Staff Recommendation: Authorize staff to execute the following changes to the ASI-2492 – San Fernando Valley Region Service Provider Contract with MV Transportation as outlined in the recommendation.] | ACTION
[Vote Required: majority of quorum by roll call] |
| 11. | APPROVAL OF PROPOSED BUDGET FOR FISCAL YEAR 2008/2009 (page 24)
[Staff Recommendation: Approval of the FY 2008/09 budget as presented.] | ACTION
[Vote Required: majority of quorum by roll call] |
| 12. | EXECUTIVE DIRECTOR COMPENSATION (page 31)
[Staff Recommendation: Approve recommendation from Board Compensation committee.] | ACTION
[Vote Required: majority of quorum by roll call] |
| 13. | STATUS UPDATE OFFICE OF THE INSPECTOR GENERAL’S AUDIT RECOMMENDATIONS (page 32)
[Staff Recommendation: Receive and file the attached status report on the implementation of the audit recommendations from the “Report on the Evaluation of the Paratransit Eligibility Process; Administration, Performance, and Management of Paratransit Operations; and Compliance with Memorandum of Understanding.”] | RECEIVE/ FILE |

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| 14. | BOARD MEMBER COMMUNICATION | INFORMATION |
| 15. | EXECUTIVE DIRECTOR'S REPORT | INFORMATION |
| 16. | NEW BUSINESS SUBSEQUENT TO THE POSTING OF THE AGENDA | DISCUSSION/
POSSIBLE ACTION |
| 17. | ADJOURNMENT | ACTION |

Access Services does not discriminate on the basis of disability. Accordingly, Access Services seeks to ensure that individuals with disabilities will have an equal opportunity to participate in the range of Access Services events and programs by providing appropriate auxiliary aids and services to facilitate communication. In determining the type of auxiliary aids and services for communication that will be provided, primary consideration is given to the request of the individual with disabilities. However, the final decision belongs to Access Services. To help ensure availability of those auxiliary aids and services you require, please make every effort to notify Access Services of your request at least three (3) business days (72 hours) prior to the meeting in which you wish to utilize those aids or services. You may do so by contacting (213) 270-6000.

Note: ASI board meetings are held pursuant to the Ralph M. Brown Act [Cal. Gov. Code §54950] and are open to the public. The public may view and obtain all written information supporting this agenda provided to the board both initially and supplementally prior to the meeting at the agency's offices located at 707 Wilshire Blvd., 9th Floor, Los Angeles California and on its website at <http://asila.org>. Documents, including Power Point handouts distributed to Board Members by staff or Board members at the meeting will simultaneously be made available to the public. Three opportunities are available for the public to address the board during a board meeting: (1) before closed session regarding matters to be discussed in closed session, (2) before a specific agenda item is debated and voted upon regarding that item and (3) general public comment. The exercise of the right to address the board is subject to restriction as to time and appropriate decorum. All persons wishing to make public comment must fill out a yellow Public Comment Form and submit it to the Secretary to the Board. Public comment is generally limited to three (3) minutes per speaker and the total time available for public comment may be limited at the discretion of the Chairperson. Persons whose speech is impaired such that they are unable to address the board at a normal rate of speed may request the accommodation of a limited amount of additional time from the Chair but only by checking the appropriate box on the Public Comment Form. Granting such an accommodation is in the discretion of the Chair.

The Board of Directors will not and cannot respond during the meeting to matters raised under general public comment. Pursuant to provisions of the Brown Act governing these proceedings, no discussion or action may be taken on these matters unless they are listed on the agenda, or unless certain emergency or special circumstances exist. However, the board may direct staff to investigate and/or schedule certain matters for consideration at a future Board of Directors Meeting and the staff will respond to all public comment in writing prior to the next board meeting.

**MINUTES
ACCESS SERVICES
BOARD MEETING
APRIL 28, 2008**

CALL TO ORDER

The Access Services Board of Directors meeting convened at 12:00 p.m. on Monday, May 19, 2008, in the 3rd Floor Board Room of the Los Angeles Metropolitan Transportation Authority (Metro) Building located at One Gateway Plaza in the City of Los Angeles. The presiding Board Member was Dolores Nason, Chairperson. Board Members present included: Doran Barnes, Vice Chair, Jan Heidt, Treasurer, Joyce Rooney, Secretary, Teddie-Joy Remhild, Michael Greenwood, Hugh Hallenberg, Theresa De Vera, Ex Officios, Shawn Solomon, Jesse Valdez and Jim Jones, Access Services Legal Counsel. Director Jano Baghdanian was not in attendance.

Access Services' staff members present included: Shelly Verrinder, Donna Cisco, Kristine Helin, Andre Colaiace, David Foster, Matthew Avancena, F Scott Jewell, Joe King, Arun Prem, Steve Chang, Steve Montes, Yvette Richardson, Erik Washington, Linda Ross, Nicole Leiva, Meelissa Jarvis, Geetu Banerjee, Kandy Kuo, Brian Selwyn, and Luis Pacheco.

PUBLIC COMMENT WITH RESPECT TO CLOSED SESSION ITEMS

No public comments were heard regarding the closed session items.

CLOSED SESSION REPORT

The Board met in Closed Session and reconvened the general portion of the meeting at 1:05 p.m. at which time Shawn Solomon, Chair of the CAC and Jesse Valdez, Vice Chair of TPAC joined the general session. Chairperson Nason asked Mr. Jones, Access Services Legal Counsel, to brief the audience on the outcome of the closed session.

Mr. Jones reported that the Board discussed the status of United Independent Transit Services vs. Access Services. No reportable action was taken by the Board with respect to this matter.

Mr. Jones explained the right for public comment and how it could be exercised. He mentioned the general 3 minute limitation on public comment and that anyone who by reason of a specific disability which prevented them from speaking with normal rapidity and who wished to request an accommodation should so indicate on the speaker request form so that the Chairperson could consider and potentially grant additional time to make their statement.

SUPERIOR SERVICE AWARDS

Mr. Folsom Grace a Behind-the-Wheel trainer and Driver for Southland Transit and Danny Rengifo a Behind-the-Wheel trainer from MV Transportation were both the recipients of the Superior Service Award for the month of May 2008.

REVIEW & APPROVAL OF THE MINUTES FROM THE BOARD MEETING OF APRIL 28, 2008

- Motion:** Director Greenwood moved approval of the April 28, 2008 meeting minutes as corrected.
- Second:** Director Heidt seconded the motion.
- Discussion:** Chairperson Nason stated that she informed staff that there were corrections to be made to the minutes where she requested that the meeting be closed with moment of silence in memory of Supervisor Don Knabe's father Ray Knabe who recently passed away.
- Vote:** Via Voice Vote.
- In Favor:** Directors Rooney, Greenwood, Remhild, Heidt, Barnes, Hallenberg, and De Vera.
- Opposed:** None.
- Abstention:** None.
- Pass/Fail:** The motion carried.

REPORT FROM EX-OFFICIO BOARD MEMBERS

Shawn Solomon, Chair of the Community Advisory Committee (CAC), submitted his report. Access Services Senior Administrative Assistant, Kristine Helin read his report to the Board. Mr. Solomon stated in his report that Arun Prem gave a brief history on Naida Powers who was a long time member of the CAC who recently passed away. Mr. Prem also requested on behalf of the Board of Directors that anyone that had not completed their ride experience forms, to do so before the June 2008 Board meeting. While providing his report, Mr. Prem suggested, since the Board of Directors sub-committee made their recommendations, the CAC should consider having their elections within the next few months.

He also indicated in his report that the public hearing to review the proposed amendment for the recertification process was well attended and the proposal was supported. He added that Director Barnes and Greenwood attended the last CAC meeting on Tuesday, May13, 2008.

He reported that Mr. Ken Metz provided the Service Animal Sub-committee report. Mr. Metz stated that he was going to use a different strategy with the service animal mats because he was not receiving the information he needed. He added that he was going to take a more active role in retrieving the mat test results by calling the riders directly once a week to get their feedback. Mr. Metz also informed the providers that the sub-committee members would like to help with sensitivity training for drivers.

Mr. Solomon concluded his report by stating that Mr. Prem and Mr. King reiterated the ADA Paratransit Plan revision modifications that would be reviewed by the Board at today's meeting.

Jesse Valdez, Vice Chair of the Transportation Professionals Advisory Committee (TPAC), reported that most the agenda items at the last TPAC meeting consisted of informational issues that were going to be discussed at today's Board meeting. However, there was one area that the TPAC members felt should be continued and not forgotten which was the Board Relationship sub-committee that dealt with improving communication between the Board, TPAC and the CAC. He concluded his report by stating that TPAC wanted to ensure that the recommendations made by the sub-committee were moving forward and that TPAC's commitments to the CAC and the Board were also moving forward.

GENERAL PUBLIC COMMENT

Sandy Varga stated that she was asked to mention several issues. The first issue was Access Services new design. She stated that the riders hoped that with the new design comes a new culture and they hoped that the cost of the new design would not be at the cost of the riders. Ms. Varga added that they would also like to request that the Board consider clearly defining adaptive technology when it comes to the recertification process.

She also mentioned an issue that came up at the public hearing and at one of the Board meeting during public comment regarding a rider that was picked up and was missing for a while. She stated that it was a great concern for other riders and they would like to hear that the situation was resolved.

METRO MARKETING

Access Services Director of Governmental Services, Mr. Andre Colaiace provided a brief overview of the item and introduced Michelle Moore from Metro Design Studio.

Questions &

Clarification: Director Greenwood asked what the timeline for implementing the new design was and how would it be incorporated into the redesign of Access Services website. Mr. Colaiace replied that both timelines would go together within the next week or so.

Ms. Verrinder added that one of the biggest things that staff really learned and Ms. Moore experienced when she used Access Services was the generic nature of an Access Services vehicle. When Ms. Moore took her trip she stated that there were a lot of white vans and she was not sure which vehicle she was to take, so they ended up chasing vehicles for a while until they realized that they needed to stay put until the vehicle came to them.

Ms. Verrinder stated that staff needed to ensure that everything was consistent by putting the logos in the same place on the vehicles and consolidating the names used by Access Services, CTSA and Access Paratransit. The goal was to move towards just using "Access." Ms. Verrinder stated that most of the items were already budgeted for but a new item would be photography costs to develop a library of consistent image. Staff expects to release some of the new brochures with the new look at the beginning of the next fiscal year along with the new website.

Director Heidt stated that Access Services was going to be known by the riders they serve, the Board of Directors and by the transportation industry but to the broader neighborhood of Los Angeles County, they are going to see "Access" and will not know what it means. She added that at least with the name and the minivan people knew what the purpose was. She also asked if staff needed the Board's approval right away to begin at the new fiscal year.

Ms. Verrinder replied that this was an information item only to give the Board an update on where staff was with the design. Staff would present sections when completed in the future to the Board for their approval.

Director De Vera concurred with Director Heidt's statement. She stated that the riders know Access Services by their current logo with the minivan and if staff was to take that away, she felt that they would lose their identity.

Director Hallenberg stated he agreed with both Director Heidt and DeVera. He stated that the name “Access” was kind of vague and nebulous. He also stated that he personally felt it was important to include “Paratransit” in the logo to ensure that Access did not mean Access to the world.

Mr. Colaiace replied that he and Ms. Moore discussed having sub logos off of the Access logo such as Paratransit under it. He added that if the Board felt strongly about this issue he would work on creating an Access Paratransit logo to specifically refer to the paratransit system.

Director Remhild stated that she also felt that the logo was kind of vague and in the world of independent living and people with disabilities, the word Access is commonly used.

Chairperson Nason reminded the Board that this was an information item only, she thanked Ms. Moore and her staff at the Metro Design studio for the work they have done.

SELECTION OF SAN FERNANDO VALLEY REGION SERVICE PROVIDER CONTRACT NO. ASI-2492

Access Services Manager of Procurement and Contracts, Mr. Brian Selwyn provided a brief presentation on item 9 “Selection of the San Fernando Valley Region Service Provider Contract No. ASI- 2492.”

Public Comment on Item 9 (Selection of San Fernando Valley Region Service Provider Contract No. ASI-2492)

Mr. Brian Hunt from Western Transit stated that he was present a few weeks ago when this item was brought to the Board for approval and since then the staff report had changed. He briefly discussed the process and concluded his comment by stating that Western Transit did not receive an opportunity to say that they would provide the service for the amount stated in the item or to provide a price based upon a change to the scope of work or to lower their profit.

Motion: Director Greenwood moved approval of item 9 “Selection of San Fernando Valley Region Service Provider Contract No. ASI-2492.”

Second: Director Rooney seconded the motion.

Discussion: None.

Roll Call: Chairperson, Nason asked for a roll call.

In Favor: Directors Rooney, Heidt, Remhild, Greenwood, Hallenberg, Barnes, and De Vera.

Opposed: None.

Abstention: None.

Pass/Fail: The motion carried.

REVISION OF PARATRANSIT PLAN UPDATE

Access Services Director of Strategic Planning, Mr. Arun Prem and the Director of Contract Services, Mr. Joe King provided a brief presentation on item 10 “Revision of Paratransit Plan Update.”

Questions &

Clarification: Director Hallenberg asked when staff first came up with the term “Auto renewal?” Mr. King replied that staff began using the term “Auto Renewal” in 2004 when the 100% inperson certification process was adopted by the Board. He also added that there was a provision within the process that recognized individuals may have condition where their functional ability would never improve. The policy included an auto renewal clause, which meant that the individual could just complete a new information form to ensure that their address, phone numbers and emergency contacts were all current and correct.

Director Greenwood asked Mr. Prem if staff considered the CAC’s recommendation to include the information forms in alternative formats. Ms. Verrinder replied, when staff discussed the issue that alternate formats were a separate policy of Access Services and did not fit into the recertification policy. She informed the Board that Access Services currently had a policy that requires staff to make all material available in alternative formats.

Director Rooney asked if the form was just an application or was it a self assessment. Mr. King replied that the form was based on the original functional assessment that was currently in use. The form would ask the individual questions regarding their current condition, their functional ability, what assistive technology they were currently using, if there were any changes, and general questions about their ability to use public transportation that would be compared to the baseline created when they first completed an inperson assessment. Ms. Verrinder added that it would be a generic form that the evaluator would compare to the original form to see if there were any changes.

Director De Vera asked if an individual’s disability had improved but their pick-up location was the same with no accessible access to a bus stop, what would be the outcome of that individual’s eligibility. Mr. King replied that the evaluator would review the persons file to see what made them eligible originally, because it may not be one specific reason and it may not be the person’s condition that was changing, it could be their functional ability or mobility that had changed. If a persons mobility changes, then a reassessment would need to be done by doing an inperson evaluation.

Chairperson Nason stated that Mr. Prem had mentioned that the CAC had asked for a definition of assistive technology and that he would put the information on the website. She also asked if there was an outreach component to inform riders about the definition of assistive technology and how it could affect their eligibility.

Mr. Prem replied that it was an issue that came up during public comment at the public hearing. He stated that staff clarified the assistive device definition and it was posted on the website. He added that the issue came up again at a CAC meeting because several CAC members attended the public hearing, so it was discussed in more detail there.

Chairperson Nason stated what she was asking if staff had some kind of outreach component to inform the riders because the definition of assistive technology could affect their eligibility. Mr. King stated that every rider that was due for recertification would be mailed a packet and the packet would have instructions explaining what Access Services meant by assistive technology and what it meant to qualify for Access Services.

Mr. Valdez stated that he admired Access Services for going in this direction because there were a lot of riders that would only need to complete the paper application for recertification. He added that Mr. King had mentioned that by September 2008 all the riders would have completed the full in-house functional assessment. For the individuals that had conditions that had changed to where they could take public transportation, that it be made clear the areas that made them ineligible or that led to restricted eligibility so they had an opportunity to participate in a full in-house functional assessment.

Mr. King replied that through the paper process, no one would be denied and if their eligibility were changed, they would need to have an in-person assessment. The only thing that a paper process would do is extend their existing unrestricted eligibility.

Motion: Director Rooney moved approval of item 10 “Revision of Paratransit Plan Update.”

Second: Director Hallenberg seconded the motion.

Discussion: Director Barnes stated that he had the chance to participate and witness the discussion that occurred at the CAC meeting. He stated that there was some healthy policy discussions.

Roll Call: Chairperson, Nason asked for a roll call.

In Favor: Directors Heidt, Remhild, Greenwood, Hallenberg, Barnes, De Vera, and Rooney.

Opposed: None.

Abstention: None.

Pass/Fail: The motion carried.

APPROVAL OF GASOLINE PRICE ADJUSTMENT FOR INDEPENDENT CONTRACTORS

Access Services Director of Finance Mr. Lance Sweitzer provided a brief presentation on item 11 Approval of Gasoline Price Adjustment for Independent Contractors.”

Motion: Director Rooney moved approval of item 11 “Approval of Gasoline Price Adjustment for Independent Contractors.”

Second: Director Heidt seconded the motion.

Discussion: None.

Roll Call: Chairperson, Nason asked for a roll call.

In Favor: Directors Remhild, Greenwood, Hallenberg, Barnes, De Vera, Rooney, and Heidt.

Opposed: None.

Abstention: None.

Pass/Fail: The motion carried.

APPROVAL OF TPAC MEMBER

Access Services Director of Strategic Planning, Mr. Arun Prem provided a brief presentation on item 12 “Approval of TPAC Member.”

Motion: Director Greenwood moved approval of item 12 “Approval of TPAC Member.”

Second: Director Heidt seconded the motion.

Discussion: None.

Roll Call: Chairperson, Nason asked for a roll call.

In Favor: Directors Greenwood, Hallenberg, Barnes, De Vera, Rooney, Heidt, and Remhild.

Opposed: None.

Abstention: None.

Pass/Fail: The motion carried.

STATUS UPDATE OFFICE OF THE INSPECTOR GENERAL’S AUDIT RECOMMENDATIONS

Chairperson Nason stated that item 13 was a standing agenda item related to the implementation of the recommendations in the OIG Audit.

BOARD MEMBER COMMUNICATION

Director Barnes stated that the governor’s revision to the budget has been released and was not entirely surprising, he attacked transit funding and in spite of record dollars that should have been available for transit programs due to high fuel prices, all of the money was being diverted for other purposes. Director Barnes concluded his comment by stating that it was not a good period in terms of transit funding in spite of traffic congestion, high fuel prices and mobility challenges and everything that needed to be addressed.

Director Greenwood stated that Mayor Villaraigosa requested that METRO staff update the METRO Board on Access Services progress in responding to the Inspector General’s recommendations. He stated that staffs’ report had been drafted and the presentation would take place Thursday, May 22, 2008 at METRO’s Board meeting.

Director Hallenberg stated that he had the privilege of attending the last Quality Services Sub-Committee (QSS) meeting on Thursday, May 15, 2008. He stated that there was an informative presentation made by the providers regarding scheduling and dispatching. Director Hallenberg concluded his comment by stating that it was nice to have the face-to-face interaction with the providers.

Director Heidt informed Chairperson Nason that she held a very good meeting today and she hoped that she continued to serve as the Chairperson of the Board for the next couple years.

Mr. Valdez thanked Access Services for the Behind the Scenes Newsletters that are sent via e-mail. He stated that it was a very good opportunity to share the information with their agency staff because it provided a lot of good information. Chairperson Nason agreed with Mr. Valdez regarding the newsletters, she stated that it was very well done and very informative.

Chairperson Nason informed the Board that she attended the 2008 Bus and Paratransit conference in Austin, Texas along with Director Barnes and some Access Services staff members. She informed everyone that the saying in Austin was “Keep it Weird.” She concluded her comment by stating that she brought back materials from the conference to share with staff and added that the conference was very informative.

EXECUTIVE DIRECTORS' REPORT

Access Service Executive Director Ms. Shelly Verrinder informed the Board that from March to April 2008 ridership increased approximately 4%, on-time performance had a slight increase up to 91.86%, average initial hold time remained low at 37 seconds and the cost per trip continued its downward trend to \$32.05 a trip. Ms. Verrinder reminded the Board that in November 2007, staff started a shuttle service in the City of Downey in order to provide an alternative service model to lower costs. The Rancho Shuttle provides free same day service to riders and has an operating cost less than the ADA service. Ms. Verrinder stated that the success was due to a partnership between Access Services and Rancho Los Amigos. Staff at Rancho worked with Access on marketing the service and talking to the riders. She stated that she felt that another key to the success of this project a coordinator at the Rancho facility to talk to the riders as they exit vehicles and while they wait for vehicles discussing alternatives to getting to and from Rancho.

Ms. Verrinder stated that on June 1, 2008 the service area was going to be expanded to take in more of the surrounding neighborhoods. Staff hoped that this would continue to lower the cost. Staff was also looking into doing something similar at Union Station which was one of Access Services largest trip generators.

Ms. Verrinder added that the draft Access Services Budget would be in the next Board Box that would be available tomorrow or Wednesday. She encouraged everyone to review it on-line. She also informed the Board that Detroit Smart, the agency that was going to install the DDS Strategen scheduling software before Access Services, went live Saturday, May 3, 2008. The Board's motion was that Detroit Smart needed to stay up and running for three weeks with no material defects before the Access Services contract became effective. Mr. Jewell would be meeting with DDS Strategen this week along with Global Paratransit to start the inventory process to identify equipment needed to move forward.

Ms. Verrinder concluded her report by congratulating Director DeVera on receiving her Masters Degree two weeks ago from Loyola Marymount University.

NEW BUSINESS SUBSEQUENT TO THE POSTING OF THE AGENDA

No new business was heard subsequent to the posting of the agenda.

ADJOURNMENT

Motion: Director Hallenberg moved to adjourn the meeting.

Second: Director Heidt seconded the motion.

Vote: Via Voice Vote.

Pass/Fail: All were in favor and the meeting adjourned at 2:35 p.m.

Approval

Joyce Rooney, Secretary

Date

JUNE 13, 2008

TO: BOARD OF DIRECTORS

FROM: LINDA ROSS, MANAGER OF HUMAN RESOURCES

RE: RENEWAL OF EMPLOYEE HEALTH AND BENEFIT INSURANCE CONTRACTS

ISSUE:

The current Access Services' staff insurance policies for Aetna Insurance and Kaiser Permanente, dental insurance policy for Delta Dental, vision insurance policy for PacifiCare, and life/long term disability policy for The Standard will expire on June 30, 2008.

RECOMMENDATION:

- Approve contract renewals for medical insurance with Aetna Insurance and Kaiser Permanente for the period of July 1, 2008 through June 30, 2009.
- Approve a modification to the personnel policy to require a 10% premium employee contribution for PPO coverage and 3% for HMO coverage effective July 1, 2008.
- Approve an opt-out plan offering employees up to \$250 per month in lieu of ASI provided health insurance if the employee is already covered by another employer sponsored health insurance plan.
- Approve a contract renewal for dental insurance with Delta Dental for the period of July 1, 2008 through June 30, 2009.
- Approve a contract renewal for vision insurance with PacifiCare for the period of July 1, 2008 through June 30, 2009.
- Approve a two-year contract renewal for life and long-term disability insurance with The Standard for the period of July 1, 2008 through June 30, 2010.

IMPACT ON BUDGET:

The cost of the employee benefit renewals have been incorporated into the proposed budget for Fiscal Year 2008/2009.

BACKGROUND:

Access Services' health insurance broker, Neilson Financial Advisory Group, actively pursued competitive bids from Aetna, Cigna and Blue Cross for the renewal of the staff medical insurance

policies; Delta Dental, and Blue Cross Dental for the renewal of the dental insurance policies; and PacifiCare for the renewal of the vision insurance policies. Staff recommendations are based upon a comparison of cost and benefits provided.

Staff recommends renewal of the policy with Aetna for HMO and PPO plans, as well as Kaiser Permanente HMO plan. The overall increase in annual premium for Aetna is approximately 18.0% (10% last year) while Kaiser had an increase of 5.0% (7.9% last year). To help offset the cost of medical benefits, beginning July 1, 2008, employees will be required to pay a portion of their medical premium through a payroll deduction. Employees with PPO coverage (who currently pay 5% of their medical premium) will pay 10% of the premium amount. Employees with HMO coverage (who currently have no deduction for medical coverage) will pay 3% of the premium amount. A Medical Expense Reimbursement Plan (FSA) will be put into place to help minimize the impact of the payroll deductions on employees.

Some ASI employees are covered by multiple employer sponsored medical insurance plans. As an incentive to “opt-out” of the ASI benefit plan, employees who show proof of coverage through other family members in an employee sponsored medical plan, may receive up to \$250 per month if they waive benefits under the ASI plan.

There is no premium increase associated with the PacifiCare renewal. Employees do not contribute to the vision premium.

Staff recommends renewal of Delta Dental coverage for both PPO and HMO plans. Delta Dental’s HMO and PPO premiums will increase 3%, there was no increase last year.

There is no premium associated with the Standard renewal. Employees do not contribute to life and long-term disability premiums. Staff recommends renewal of The Standard coverage for life insurance and long-term disability insurance. The contract runs for two years.

JUNE 13, 2008

TO: BOARD OF DIRECTORS

FROM: BRIAN SELWYN, MANAGER OF PROCUREMENT AND CONTRACTS

**RE: PROPOSED PROCUREMENT POLICY CHANGE: RESTRICTIONS ON
VENDOR COMMUNICATIONS**

ISSUE:

Board approval is requested to add a requirement in the ASI Procurement Policies related to restrictions on communication between vendors involved in a procurement and ASI staff, Board members and other officials and stakeholders.

RECOMMENDATION:

For all procurement solicitations, staff proposes the adoption of the following language related to restrictions on vendor communications:

Each procurement solicitation issued by ASI will identify ASI's Point of Contact for that solicitation. Under most circumstances, that Point of Contact will be the ASI Manager of Procurement and Contracts and his or her staff. Once the Point of Contact is established, neither the Vendor nor any person or entity acting on the Vendor's behalf, including, without limitation, those providing compensated or uncompensated lobbying, advocacy, consulting or other service, may make contact with the ASI Board of Directors, ASI Staff - other than the Point of Contact - members of the Community Advisory Committee or the Transportation Professional Advisory Committee without the express permission of the ASI Point of Contract. This prohibition on communication between the vendor and its agents (as described above) begins with the issuance of the solicitation and ends on the date of the Board award of the contract to a vendor. Non-compliance with this regulation could lead to disqualification.

IMPACT ON BUDGET:

The addition of this proposed policy should have no direct impact on the budget.

ALTERNATIVE CONSIDERED:

No alternatives were considered.

BACKGROUND:

One of the goals in maintaining the integrity of the procurement process is to foster full and open competition among all vendors interested in participating in this process. In order to insure this sense of order and fairness, it is vital that vendors and their agents understand their rights and responsibilities vis a vis entities that may potentially be involved in influencing or deciding the outcome of a particular

procurement. Agencies involved in public procurement typically have similar policies to prevent attempts to politicize or otherwise to improperly influence the procurement process. Staff believes that the addition of this policy will help ASI further its goal of providing a fair procurement process.

JUNE 13, 2008

TO: BOARD OF DIRECTORS

FROM: F SCOTT JEWELL, DIRECTOR ADMINISTRATION AND INFORMATION TECHNOLOGY

RE: AUTHORIZATION OF ASI-1939 RAYCOM/MOBILE RELAY ASSOCIATES CONTRACT EXTENSION

ISSUE:

Board approval is being requested to authorize an extension and an increase in funds for the contract with Raycom/Mobile Relay Associates (ASI-1939) that covers the leasing of the radio frequencies for the Valley contract.

RECOMMENDATION:

Authorize the extension of Contract No. ASI-1939 with Raycom/Mobile Relay Associates for radio frequency leases for the first option year – August 3, 2008 through August 2, 2009 and increase the not-to-exceed contract amount from \$134,100.00 to \$178,800.00.

IMPACT ON BUDGET:

The costs associated have been appropriately budgeted for this fiscal year.

ALTERNATIVES CONSIDERED:

None, the use of radio frequencies is critical for day-to-day operations.

EFFECT OF APPROVAL OF STAFF RECOMMENDATION:

If this staff recommendation is approved by the board, the staff would be authorized, but not required, to negotiate and enter into a written one year extension with Raycom/Mobile Relay Associates for the lease of radio frequencies upon terms and conditions set forth in the request for proposal and no less favorable to ASI than those proposed above. ASI would not be legally bound to the lease of radio frequencies contract unless it is incorporated into a formal written agreement executed by all parties thereto and approved as to form by this entity's legal counsel.

BACKGROUND:

Radio frequencies provide a vital link between a contractor and its dispatched vehicles, not only for voice transmission but also data transmission. It is through this data transmission that a vehicle receives the trip detail necessary for providing Access trips.

In July 2005, staff issued a RFP for the provision of dedicated radio frequencies to be used by the Valley contractor. The scope of this RFP was for the provision of 2 data and 2 voice frequencies (including base station equipment, maintenance, and installation). Through this bid process, Raycom/Mobile Relay Associates was awarded a three-year contract.

As this three-year term is ending it is necessary to execute the first option year. The vendor has requested no increase to the current monthly rate of \$3,725.00.

JUNE 13, 2008

TO: BOARD OF DIRECTORS
FROM: BRIAN SELWYN, MANAGER OF PROCUREMENT AND CONTRACTS
RE: AUTHORIZATION OF FUNDING FOR BACK-UP SERVICE PROVIDERS

ISSUE:

The current agreements for Backup Response and Third Party providers expire June 30, 2008. Board authorization is required to extend and fund the multiple agreements for these services. Additionally, funding needs to be added to the current fiscal year agreements due to a projected shortfall.

RECOMMENDATION:

Staff recommends Board authorize the following –

1. Extend and fund the Regional Backup Response Agreement with transportation service providers and the Third Party Agreement with transportation providers at a cost not to exceed \$464,678.00 for FY2009.
2. Authorize an additional \$34,000.00 for the existing FY2008 agreements and increase the not to exceed cost from \$408,664.00 to \$442,664.00.

IMPACT ON BUDGET:

The recommended Board action for Item #1 is consistent with the proposed FY2009 budget. The funds for Item #2 will be allocated from the projected surplus for FY2008.

ALTERNATIVES CONSIDERED:

In the past Access Services has operated back up response service through an account type system and purchase orders not to exceed \$24,999. Access Services experienced numerous problems with this system as it did not offer any contractual protections to Access Services nor performance standards for the rider. In addition, Access Services was not able to gather the required NTD data. The current system for contracting these services was put into effect by the Board three years ago.

EFFECT OF APPROVAL OF STAFF RECOMMENDATION:

If this staff recommendation is approved by the board, the staff would be authorized, but not required, to negotiate and amend the written contracts with the transportation providers for Backup Service upon terms and conditions set forth in the request for proposal and no less favorable to Access Services than those proposed above. Access Services would not be legally bound to the contract unless it is incorporated into a formal written agreement executed by all parties thereto and approved as to form by this entity's legal counsel.

BACKGROUND:

The Backup Response System was designed to assist riders with immediate service needs, such as when a scheduled trip does not go as planned. Back up trips are considered above the ADA requirements and are considered premium service. There are currently 12 transportation providers that participate in the Access Services' Third Party Backup Response System.

The Third Party Backup Response System is coordinated through the Operations Monitoring Center (OMC), which is staffed by ASI personnel. Backup vehicle providers are usually licensed taxicab operators operating under the jurisdiction of a local municipality. Taxicabs and other private provider demand response services generally are insured only to the California minimum (100/300/50). The drivers are not trained as extensively as Access Paratransit certified drivers but the drivers have had a background check and pre-employment drug screening. Third party backup trips are an option that is given to a rider who has contacted the OMC regarding a late trip. If a rider prefers an Access certified driver and vehicle, they may experience a longer wait. The decision on what type of vehicle is dispatched rests with the rider.

Regional back up response are trips that are provided by a transportation service provider under contract to Access Services. In an effort to improve the quality of service provided, a transportation service provider may offer the rider the choice of using a non-certified vehicle and driver versus waiting for a certified vehicle to become available. The proposed agreement clearly delineates when a provider is authorized to offer the rider an option and the steps they must complete when doing so.

For FY2008 the projected costs for these agreements are approximately 8.3% higher than budget and therefore require the addition of funds to the amount approved by the Board in June 2007.

JUNE 13, 2008

TO: BOARD OF DIRECTORS
FROM: BRIAN SELWYN, MANAGER OF PROCUREMENT AND CONTRACTS
RE: APPROVAL OF SERVICE CONTRACT FOR SANTA CLARITA REGION

ISSUE:

Board authorization is being requested to execute a contract for Specialized Transportation Services in the Santa Clarita region with the City of Santa Clarita.

RECOMMENDATION:

Authorize staff to execute a contract for transportation service in the Santa Clarita Region beginning August 4, 2008 and ending August 3, 2011, with the City of Santa Clarita in an amount not to exceed \$1,880,589.00. This recommendation is consistent with the Board-adopted contracting principles.

This contract also contains the option to extend, upon Board approval, up to seven (7) one-year periods.

IMPACT ON BUDGET:

The proposed reimbursement model will change from a flat per trip rate to a combination of a fixed monthly fee and variable rate per trip. The fixed monthly fee also includes a 15% administrative fee charged by the City of Santa Clarita. The proposed rates for the first three years are as follows -

- Year 1 (August 4, 2008 – August 3, 2009) Fixed Monthly Fee \$27,189.51; Rate per Trip \$15.43
- Year 2 (August 4, 2009 – August 3, 2010) Fixed Monthly Fee \$28,812.00; Rate per Trip \$15.54
- Year 3 (August 4, 2010 – August 3, 2011) Fixed Monthly Fee \$29,550.49; Rate per Trip \$15.98

The difference in cost from Year 1 in relation to the previous contract rate is 6.2%

ALTERNATIVES CONSIDERED:

No alternatives were considered as this contract was leveraged off of the City of Santa Clarita's procurement of transportation services.

EFFECT OF APPROVAL OF STAFF RECOMMENDATION:

If this staff recommendation is approved by the Board, the staff would be authorized, but not required, to negotiate and enter into a written contract with the City of Santa Clarita for a transportation services contract upon terms and conditions set forth in the request for proposal and no less favorable to Access Services than those proposed above. Access Services would not be legally bound to the contract unless

it is incorporated into a formal written agreement executed by all parties thereto and approved as to form by Access Services' legal counsel.

BACKGROUND:

At the September 2007 Board of Directors meeting staff was authorized to issue a revised RFP for the Santa Clarita service region in conjunction with the City of Santa Clarita that would be directly tied to the City's transportation services contract. Access Services' staff participated in the RFP development process to ensure all ASI contractual standards and requirements were incorporated into the new RFP. The City of Santa Clarita issued the RFP and conducted an extensive procurement process including evaluation of the proposals, interviews, and a best and final process. ASI staff also reviewed the proposals to ensure contractual compliance. The City of Santa Clarita has awarded the contract to MV Transportation for a three-year base term with seven one year options. The costs associated with the ASI portion of the service were broken out separately on a fixed monthly and variable trip basis. As negotiated with the City of Santa Clarita a 15% administrative will be applied to the fixed monthly rate.

This contract will continue to build upon the improvements to the service that have been enacted over the last six months. Additionally this contract will continue to allow limited service outside of Santa Clarita's service region to be provided to Facey Medical Center and the V.A.-Sepulveda.

JUNE 13, 2008

TO: BOARD OF DIRECTORS

FROM: F SCOTT JEWELL, DIRECTOR ADMINISTRATION AND INFORMATION TECHNOLOGY

RE: AMENDMENT OF ASI-2492 - SAN FERNANDO VALLEY REGION SERVICE PROVIDER CONTRACT

ISSUE:

Negotiated changes to this contract require Board approval.

RECOMMENDATION:

Authorize staff to execute the following changes to the ASI-2492 – San Fernando Valley Region Service Provider Contract with MV Transportation:

1. Increase the not to exceed amount by \$1,909,940 for a total contract value from \$74,334,105 to \$76,244,045.
2. Authorize a termination clause to allow the contract to be optionally terminated by the provider after the first two years of service provided a minimum of 150 days notice is given and one or both of the following condition(s) have been met:
 - a. Federal or State legislation is enacted that significantly alters the assumed costs included in the best and final offer.
 - b. Driver turnover for those drivers who have completed training and have been in service for over 6 months exceeds 30% and Access Services determines that MV has acted in good faith to recruit and retain qualified drivers.
3. Authorize the transfer of Prop. C Capital funds in the amount of \$414,077 for vehicle replacement to ASI-2492 for the purchase of 15 Toyota Prius Hybrids.

IMPACT ON BUDGET:

This action is consistent with the budget estimates for the applicable years. Cost proposals were based on the projected number of trips calculated by HDR/HLB Decision Economics for the upcoming fiscal years.

Rates listed below have been negotiated from MV's Best and Final Offer.

<u>Contract Year</u>	<u>Fixed Monthly Fee</u>	<u>Rate per Trip</u>
Start-Up (3 Months)	\$467,994	
1	\$391,554	\$22.38
2	\$409,096	\$22.75
3	\$432,030	\$23.35
4	\$447,520	\$23.94
5	\$467,278	\$24.70

ALTERNATIVES CONSIDERED:

These recommendations are the outcome of negotiations with MV Transportation in light of the anticipated budget amounts for fiscal year 2008/09.

EFFECT OF APPROVAL OF STAFF RECOMMENDATION:

If this staff recommendation is approved by the board, the staff will be authorized, but not required, to negotiate and enter into a contract with MV Transportation as the San Fernando Valley Region provider under terms that are no less favorable to Access Services than those proposed above. Access Services would not be legally bound to this contract unless it is incorporated into a formal written agreement executed by all parties thereto and approved as to form by this entity's legal counsel.

BACKGROUND:

Based on the evaluation committee's report, staff recommended MV Transportation's bid for the San Fernando Valley region (ASI-2492) at a not-to-exceed amount of \$81,834,105. Subsequently, the current budget process was completed and the procurement at that amount was determined not to fit within that budget. These facts were reported to the Board at its May 19 meeting and authority sought to negotiate a reduction with MV. Staff was authorized to negotiate a not-to-exceed contract amount of \$74,334,105, which was \$7,500,000 below the Best, and Final Offer received from MV Transportation over a five-year period.

The resulting negotiations did not achieve the expected \$7,500,000 reduction but did achieve a \$6,000,000 reduction (measured over a 5 year period) Down to a not-to-exceed amount of \$76,244,045 Subject to certain conditions discussed below.

The cost reduction from MV's proposal was achieved through a thorough refinement of MV's costs. Additionally MV requested that anticipated replacement of 15 ASI vehicles be instead accomplished by the purchase of 15 Toyota Prius'-hybrids through MV's fleet purchasing program. The Prius' significant fuel efficiency will have a direct impact on fuel savings for MV. These vehicles may become ASI assets at the conclusion of the contract. MV also requested an inclusion of the ability to opt out of the contract after two years of service with 150 days (5 months) notice. They felt that this was necessary because of the significant impact the reduction may have on operational costs.

JUNE 13, 2008

TO: BOARD OF DIRECTORS

FROM: LANCE SWEITZER, DIRECTOR OF FINANCE

RE: APPROVAL OF PROPOSED BUDGET FOR FISCAL YEAR 2008/2009

ISSUE:

It is necessary for the Board to adopt an operating budget for Access Services fiscal year beginning July 1, 2008 through June 30, 2009. The attached proposed budget is based upon available funding of \$92.8 million. Funding sources include \$53.1 million from federal (FTA) Section 5310 grant, \$0.6 million from State (CalTrans) administered Section 5310 funds, \$0.7 million from grants, \$3.9 million from passenger fare revenues, \$0.5 million from sale of depreciated vehicles and earned interest on cash in bank, \$1.6 million in unallocated MTA funds from FY 07-08 being carry-forward, with the remaining \$32.4 million coming from Proposition "C" Local Sales Tax discretionary fund account allocated to ASI pursuant to its approved business plan under an annual MOU with METRO acting in its capacity as the Regional Transportation Planning Authority and administrator of the Los Angeles County Proposition C funds. The proposed budget represents an approximate 4% increase in funding over the previous fiscal year.

RECOMMENDATION:

Approval of the FY 2008/09 budget as presented.

BACKGROUND:

The subsidy proposed by the LACMTA for fiscal year 2008/09 adequately funds the level of transportation service projected by HDR's demand analysis as well as the other Access Services' programs and administrative costs. The funding level allows for the delivery of 2.6 million passengers, replacement of one hundred twenty five revenue service vehicles, and further work on a universal fare system.

The budget presentation is prepared in the same format as in previous fiscal years for ease of comparison and consistency. The functional approach organized by major program area serves to better identify ASI's goals and objectives for the coming year and assigns the appropriate costs to each area. An additional advantage to the functional approach is the ability to capture and record expenditures in a more efficient manner and provide an easier comparison of costs and ratios to other similar paratransit organizations across the country. As in the past, the monthly presented financial statements will compare actual performance to the budget in the same format, for ease of comparison.

Attachments to this report serve to identify the specific methods of cost estimation, assumptions used to formulate the purchased transportation costs, and details concerning the major programs and cost centers as anticipated for the coming fiscal year.

The ADA demand projections prepared by the consulting firm were the basis for the purchased transportation budget using an anticipated average gasoline price of \$4.35 for the entire FY 08/09, up from the \$3.50 used in FY 07/08. Based on the updated demand projections, the number of trips to be performed is estimated to be 2.045 million, versus a budgeted number of 1.976 million in FY 07/08. The delivery of these passenger trips, traveling approximately 10 miles per trip, results in an estimated 19.8 million contract revenue service miles in the next fiscal year. These projections are an increase of approximately 0.8% in contract revenue miles (as trip length has been decreasing slightly over time), and 3.5% in trips from budget last fiscal year. The relevant statistics for the upcoming year are as follows:

Total Purchased Transportation Cost per Passenger	\$ 27.53
Total Purchased Transportation Cost per Trip	\$ 34.74
Total Purchased Transportation Cost per Contract Revenue Mile	\$ 3.60

An adhoc sub-committee of the Board reviewed the proposed budget in May with the Director of Finance, Lance Sweitzer. Changes were subsequently made to this budget in early June, when it was obvious that oil prices in the futures markets would have a significant impact on gasoline prices, but more importantly, also on the demand for ASI services from our riders. April 08's rides were 10% above budget, and May's were 6% higher than anticipated. The proposed budget anticipates a 3.5 % increase in trips over the current year's budget (or a 2.5% increase against the FY 07/08 current YTD actual numbers).

The following changes were made to the draft budget that was published in the May 16, 2008 Board Box:

- Employee co-payments toward medical insurance premiums were either introduced or increased, depending upon the type of insurance coverage the employee selects.
- The merit increase pool was decreased from 4% to 3%.
- Deferred the capital cost for IVR/Web reservation software for one year.
- Reduced amounts budgeted for Business Meetings and Meals, Office Supplies, Travel and Conferences, and Other Professional Services.
- Increased the amount budgeted for back up trips performed by the OMC in accordance with the increase in ridership.
- Increased the projected cost per gallon of gasoline from \$4.25 to \$4.35.
- Increase of Prop. C allocation.

This budget is now being presented to ASI's Board for their final approval. The detailed budget can be found on the ASI website at http://www.asila.org/pdf/FILE_pdf_20080616_115822.doc.

ACCESS SERVICES INCORPORATED
Budget Overview
Fiscal Year 2008/2009

BUDGET OVERVIEW:

The budget for fiscal year ending June 30, 2009 (“FY09”) has been developed based on current market trends, including the recent jumps in gas prices, ASI rider demand, revenue projections, and past expense history. HLB Decision Economics ADA Paratransit Five Year Demand Analysis numbers for FY 08-09 were increased by 1% to form the basis for the passenger statistics for the upcoming year and resulting budget for transportation services. Transportation services accounts for over 76% of the operating budget (up approximately 4% as a result of ridership increases and gas prices.) The budget preparation process employs the methodology of identifying, allocating, and distributing costs to the appropriate major program areas. The preparation of the budget by program area (cost center) is intended to better allocate costs and to allow the Board, the public, and member agencies to view the relative costs of each program when considering their effectiveness. The major program areas are: ADA Paratransit Operations, direct and indirect costs, at **\$76.5** million; Eligibility Determination at **\$4.6** million; Consolidated Transportation Services Agency activities, consisting of Education and Training at **\$215,000** and Ride Info at **\$218,000**; Administration and Planning at **\$4.7** million; and Capital Expenditures at **\$6.6** million. The **\$92.9** million dollar aggregate budget continues all of the previously Board approved programs and contracts.

The subsidy provided by the LACMTA for fiscal year 2008/09 adequately funds the level of transportation service projected by the HLB Decision Economics demand analysis as well as the other Access Services’ programs and administrative costs not covered under the federal funding. As in past years there are caveats to the above statement, more so this year as skyrocketing gas prices are changing the demand for public transportation.

The funding level in this budget allows for the delivery of 2.6 million passenger rides. The purchase of 125 revenue service vehicles, down from 149 last year, and no staff vehicle replacement. In addition to the revenue vehicle replacement, the budget funds one new staff position. The Data Integrity Administrator will work to ensure the accuracy of the statistical information collected and reported. The Deputy Director position, which became vacant this year, will not be replaced and has been removed from the budget.

The budget is balanced through **\$53.1** million in a federal (FTA) Section 5310 grant for FY 2008/09, **\$0.6** million in State (Caltrans) Section 5310 grant funds, **\$32.5** million in LACMTA Proposition C revenues, **\$0.7** million in grants, **\$1.6** million in Proposition C rollovers, **\$3.9** million in passenger fare revenues, and **\$0.5** million in miscellaneous income sources. The budget represents an approximate 3.3% increase in funding over the previous year. The details of the following summary are included later in this presentation:

Expenses by Functional Area for Fiscal Year ending June 30, 2009

	<u>Budget</u>	<u>% of Budget</u>
Paratransit Operations	\$76,535,030	82.4%
Eligibility Determination	4,563,480	4.9%
CTSA/Ride Information	432,750	0.5%
Administrative	4,701,095	5.1%
Total Expenses	<u>\$86,232,355</u>	92.9%
Capital Expenditures	\$6,643,750	7.1 %
Total Budget	<u><u>\$92,876,105</u></u>	100.00%

PASSENGER FARES

The two-tiered distance based fare is budgeted to remain in effect through FY09. The budget makes no adjustments for changes that have, and may occur, in the fixed route fare structures of the transit systems operating in Los Angeles County.

PARATRANSIT OPERATIONS - DIRECT:

The total budget allocated to Paratransit Operations – Direct for FY09 is **\$74.9** million, 86.9% of the total operating costs.

The ADA demand projections prepared by the consulting firm were the basis for the Purchased Transportation budget for next-day service. Based on the updated demand projections, the number of passengers to be carried for the fiscal year is 2,580,889 and the number of trips to be performed is 2,045,332. The delivery of 2 million passenger trips traveling just under 10 miles per trip results in an estimated 19.8 million contract revenue service miles in the coming year. These projections represent an approximate 3.5% increase in trips from those estimated to be performed by the end of FY 07-08.

The budget for Purchased Transportation Services, our largest expenditure at \$71.9 million, (83.4% of operating expenses) is projected at a 10% increase over the FY 08 budget. This is the result of a projected growth in budgeted ridership and a budgeted \$4.35/gallon price of gasoline for ASI owned vehicles and providers' owned taxi fleet. Approximately 40% of our passenger's trips are performed in taxi cabs. In order to keep an ASI trip attractive to an independent taxi operator, the ASI Board approved a gasoline price adjustment for independent drivers effective on May 1, 2008.

The current contract rates, projected contracts and gasoline price increases result in the following budgeted statistics for FY09. These projections represent an approximate 6-9% cost increase for passengers, trips, and contract revenue miles over current levels budgeted in FY 08.

Total Purchased Transportation Cost per Passenger	\$ 27.53
Total Purchased Transportation Cost per Trip	\$ 34.74
Total Purchased Transportation Cost per Contract Revenue Mile	\$ 3.60

The overall budget for Paratransit Direct Operations is projected to be 9% higher than FY08. This is due to the 10% increase in provider costs explained above, offset by lower communication costs due to a new toll free phone service upgrade, and lower insurance costs.

PARATRANSIT OPERATIONS - INDIRECT:

The total budget allocated to Paratransit Operations – Indirect for FY09 is **\$1.58** million, 1.83% of the total operating cost and slightly lower than the FY08 budget.

The budget for FY09 provides for the continuation of community events and rider communications. Within the budget this year are funds to improve and redesign ASI's publications to make them more user friendly and easier to understand.

ELIGIBILITY DETERMINATION:

The total budget allocated to Eligibility Determination for FY09 is **\$4.56** million, 5.3% of the total operating cost.

The budget for Eligibility Determination is lower than last fiscal year's by 15.2%. This is due to the proposed changes in the re-certification process which will lower the riders going through an in person evaluation for renewal (in previous years at a 100% level). We also expect lower eligibility review and appeal costs than were budgeted for in FY08. The number of individuals contesting their determination in FY08 was lower than anticipated and this trend is expected to continue. With fewer individuals going through eligibility there will also be lower purchased transportation costs to bring these individuals to the site.

Traveling training, which began in FY05, continues to be successful, and the Board has continued funding this program by awarding the contract to R & D Transportation through March 2011.

CONSOLIDATED TRANSPORTATION SERVICES AGENCY (CTSA):

The total budget allocated to the CTSA function for FY09 is **\$ 432,750; \$214,625** for Education & Training and **\$218,125** for Access RideInfo. The budget for both areas is only 0.5% of the total operating cost.

As part of our support of the CTSA training and scholarship program for Los Angeles County transit, paratransit and social service agency staffs, ASI will again support the Paratransit Management Certificate Program. In addition, workshops on various subjects have been planned for the coming fiscal year.

ADMINISTRATION:

As in past years, the budget process involves isolating costs by program areas to the extent allowable under federal and state regulations, including the allocation of administration budget costs. This method distributes overhead costs to all areas as appropriate. The overhead costs include such expenses as salaries, office rent, telephone, insurance, office supplies, postage, travel/conference, and printed materials. A large amount included in administration is for Other Professional Services-items such as contracted outside legal and accounting services, legislative affairs, IT consulting services, etc. All contracts above a specified cost threshold are presented to, reviewed and approved by the Board. There are no costs included in Administration that are federally funded. The total budget allocated to Administrative (which includes the departments/areas of accounting, auditing, procurement, strategic planning, human resources and misc. personnel such as receptionists) for FY09 is **\$ 4.7** million, 5.45% of the total operating cost. This represents a 2.3% decrease over FY08.

The Professional Services category budgets for recurring costs such as legal counsel, legislative advocacy, substance abuse and DBE consulting as well as outside accounting and auditing services. As in past years the budget reflects the cost of ASI's management and planning functions with an additional emphasis on acquisition of technology to promote efficiency and timely shared information throughout the organization (integrative data systems), and to share information with our riders (web site redesign). In addition, this year will partially fund a vehicle logo design and image program to better serve the needs of our riders and the community.

ADMINISTRATION (cont.):

Funds are provided for Board and Advisory Committee support and a conservative amount for Board travel. It also includes, as in the past, funding for agenda preparation and mailing for the Board, CAC, and TPAC meetings; public hearings and community meetings; contract administration; paratransit plan development; preparation of local transit plans; financial management; various governmental reporting requirements; grant application and accountability.

PERSONNEL ISSUES:

The proposed budget has 82 authorized positions, 1 less than was in the budget last year. Salaries and benefits are lower than FY09 due to the elimination of the Deputy Executive Director position and increases in the co-payment of medical premium from 5% to 10% for the PPO plan, and a new 3% co-payment for the HMO plan.

The budget has incorporated these changes, and the current organization chart is included with this budget information. An organization listing which mirrors the chart and identifies all staff positions and the reporting structure is included, as was done in the preceding year's presentation, for ease of comparison.

The budgeting for salaries reflects the cost for the individual or individuals primarily responsible for a function plus an allocation of the salaries of the Director and/or Managers with reporting responsibility for that function. In some cases, an allocation of a particular position is made across reporting structures.

Personnel policy changes incorporated in this budget include a proposed merit increase pool, which will be based on superior performance. With the concurrence of the Board Ad-hoc Budget Subcommittee, this amount was to be funded at a level equal to 4% of base salaries (budgeted at 3% in FY08). This was subsequently adjusted downward to 3% as ASI sought to balance its budget in light of the increasing gasoline costs in the month since reviewing and disseminating this information to the Board in May.

The budget for employee health and welfare is based on the benefits package remaining the same as in FY08, with the exception of the increased co-pays mentioned above. As with all insurance costs in today's environment, the renewal process for the health benefits resulted in increases in premiums effective July 1, 2008. The various health plans and related increases were discussed at the Board adhoc budget sub-committee meeting as detailed below.

Access Services continues to offer three health insurance plans to employees; Aetna PPO and HMO policies; and an HMO plan with Kaiser. These remain in place with benefits and plan details the same. The increases in cost for the PPO plan in FY09 for ASI will be 18%. This huge jump, in line with others in prior years, caused ASI management to look at this plan, and increase the co-pay. The HMOs' costs increased by a more moderate 5%.

As relates to the other health and welfare benefits (dental, vision, and Life/LTD), we intend to remain with our current insurance providers, since the increases in the Delta Dental premiums for both the HMO and PPO plans and for the PacifiCare Vision have been small. As usual, there was no change in the Life/LTD insurance premium costs.

Transportation reimbursement for bus and rail continues to be tied to the 3-Zone Metrolink pass for Los Angeles County and is automatically adjusted when such increases occur. Currently the parking reimbursement is \$115 a month. As previously agreed to by the Board, this amount increases/decreases by the lesser of the IRS non-taxable transit wage exclusion (\$115 per month) or 5%.

Budget Overview (continued)

CAPITAL PROJECTS:

As has always been the plan, now that ASI is up to date on our vehicle replacement schedule the capital plan is based upon the industry practice of replacing minivans after 4 years. Technology continues to be a focus to improve the productivity and efficiency of operations. The capital program expenditures funded by this budget for the fiscal year are **\$6.6** million, which is predominantly for vehicles. The \$2 million in last year's budget for the "centralization software" project, which was approved by the Board, had been delayed, but will begin in July and has adequate funding for this coming fiscal year.

The budget for FY08 includes an annual investment of \$75,000 for the routine replacement of current hardware to maintain ASI's servers and network backbone structure.

Finally, the capital budget contains several items, which are to be funded by grants. As money is received by the grantors, ASI will expend the funds as indicated in the grants. The primary grant to ASI from earmarked funds is for the universal fare system or TAP.

JUNE 13, 2008

TO: BOARD OF DIRECTORS
FROM: JAMES G. JONES, ACCESS SERVICES LEGAL COUNSEL
RE: EXECUTIVE DIRECTORS COMPENSATION

ISSUE:

Approval of a change in the Executive Director’s Compensation Package, as negotiated by the Compensation Committee of the Board, requires board approval in open session.

RECOMMENDATION:

Approve the recommendation to be presented by the Compensation Committee of the Board.

BACKGROUND:

One of the responsibilities of the Compensation Committee of the Board is to:

“Review and approve or recommend to the full Board the annual salary, bonus and other benefits, direct or indirect, of this Agency’s Executive Director and Director of Finance and Administration and such other members of senior management as the Board may request;”

Under the terms of the Executive Director’s contract, her compensation is to be reviewed every twelve months by the Committee. The Committee has reviewed the compensation of the Executive Director, and the prevailing salary for comparable positions with other public transit agencies. Pursuant to the authority of the Board granted in closed session, the Committee has negotiated with the Executive Director changes, to take place July 1, 2008, subject to the Board’s approval.

JUNE 13, 2008

TO: BOARD OF DIRECTORS

FROM: ARUN PREM, DIRECTOR OF STRATEGIC PLANNING

RE: STATUS UPDATE OFFICE OF THE INSPECTOR GENERAL'S AUDIT RECOMMENDATIONS

ISSUE:

The recent audit of Access Services Incorporated conducted on behalf of the Metro Office of Inspector General (OIG) confirmed Access Services system design and operational compliance with the ADA and funding requirements and the general satisfaction of Access Services riders with that service. The audit contained no negative findings, but the auditors did make sixteen recommendations and the audit report contains Access Services affirmative responses to these recommendations.

This item comprises the monthly update for June 2008. Of the sixteen recommendations, five have been completed as shown in the attached update (10, 12, 14, 15 and 16).

RECOMMENDATION:

Receive and file the attached status report on the implementation of the audit recommendations from the "Report on the Evaluation of the Paratransit Eligibility Process; Administration, Performance, and Management of Paratransit Operations; and Compliance with Memorandum of Understanding."

BACKGROUND:

One of the early recommendations from the OIG was for Access to develop a procedure to periodically update the Board of Directors on the status of recommendations contained within audit reports performed on Access Services. Reporting on the status of audit recommendations through the Board Agenda should provide the Board and the general public assurance that recommendations/findings contained in audit reports were being addressed.

The majority of the recommendations will be implemented by July 1, 2008 and the remaining few will be addressed by the implementation of the new reservations/scheduling software, beginning in the fall of 2008. A written status report on the recommendations will be on the Board, CAC and TPAC monthly agendas until all recommendations have been implemented.

STATUS REPORT ON THE IMPLEMENTATION OF THE AUDIT RECOMMENDATIONS

Recommendation 1

ASI should reassess its recertification policy and consider a) periodically reviewing its criteria for determining individuals that are allowed to renew without in-person reevaluations, b) increasing the recertification period on a case-by-case basis, and c) adopting a tiered approach for recertifying riders. The tiered eligibility determination approach should include an option to recertify a rider without the need for a face-to-face interview or functional test.

Apr - 08	A modification to the recertification policy to allow for a tiered approach to eligibility without the need for an in person interview or functional test requires a change in the adopted Paratransit Plan Update. The proposed revision will be presented to the Transportation Professionals Advisory Committee (TPAC) on April 10, 2008 and the Quality Services Subcommittee (QSS) on April 17, 2008. A public hearing has been scheduled for April 22, 2008. The Community Advisory Committee (CAC) will discuss the revision at their May 13, 2008 meeting and member agencies will provide their input via electronic mail during the month of May. The final approval for the revision will be placed on the May 19, 2008 Board of Directors Agenda. Assuming Board approval, the revision will be implemented on July 1, 2008.
May - 08	Staff prepared a recommendation for the Board to approve an updated to the Coordinated ADA Paratransit Plan specifying changes to the recertification process, which address Recommendation 1. If approved, the changes will be effective July 1, 2008.
June - 08	At the regular ASI Board of Directors meeting on May 19, 2008, the Board of Directors approved Agenda Item 10 - REVISION OF PARATRANSIT PLAN UPDATE which modified the recertification process to include a tiered approach versus a mandatory in person evaluation. The updated Plan will be mailed to FTA in June 2008.

Recommendation 2

ASI should a) review the narrative comments included on the Eligibility Survey and initiate any appropriate actions or changes, b) consider client comments/concerns when making any future changes or improvements to the eligibility evaluation process or the evaluation facility, and c) evaluate whether ASI can offer more evaluation locations through the use of mobile evaluation units.

Apr - 08	All of the narrative comments from the surveys have been organized into categories of service. ASI staff is in the process of reviewing the comments to identify areas of concern. The narrative comments will be presented at the May 2008 QSS meeting. Any potential recommendations will be forwarded to the CAC and TPAC prior to being presented to the Board of Directors for approval.
May - 08	Narrative comments from the eligibility survey were placed on the May QSS meeting agenda.
June - 08	QSS reviewed the narrative comments at the May QSS meeting and the top concerns

	raised in the survey will be used as a blueprint for discussion at future meetings.
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Recommendation 3

ASI should evaluate the process for informing individuals who complete the eligibility evaluations of their right to appeal and the process on how to make an appeal.

Apr - 08	ASI will re-evaluate the eligibility determination packet with the help of TPAC and CAC to ensure that appeal information is presented in a manner most likely to be understood by applicants. Staff is anticipating a new brochure to be available in July of 2008.
May - 08	ASI will work with communications professionals and small focus groups to re-evaluate the eligibility determination packet. This will be implemented in July 2008.
Jun - 08	No update to report.

Recommendation 4

ASI should continue to critically evaluate its eligibility determination policies, general approach, and specific processes to ensure that reasonable eligibility determinations are being made, that the impact on and inconvenience for those seeking eligibility is reasonable, and that the total costs of the eligibility determination process are consistent with the value of the process.

Apr - 08	ASI will continue to evaluate the eligibility processes and policies used in Los Angeles County. ASI will continue to monitor the best practices used in the industry by participating in various forums and seeking out documents and reports published by organizations such as, but not limited to, Easter Seals Project Action, Transportation Research Board Synthesis Studies, National Transit Institute, as well as from advocacy groups like the Disability Rights Education and Defense Fund. In addition, on a local level the eligibility contractor, under the new contract, will form a Community Council as an advisory group to provide feedback. ASI will be a part of that Council. This Council will begin in July 2008.
May - 08	No update to report.
Jun - 08	CARE held its first Customer Care Committee on Thursday June 29, 2008. The group had seven riders attend and discuss their experience with the evaluation process. CARE will use those comments to train staff and modify customer service procedures. The Committee will be meeting once a month.

Recommendation 5

ASI should review the narrative comments on the Rider Survey and initiate any appropriate actions or changes.

Apr - 08	All of the narrative comments from the surveys have been organized into categories of service. For instance, comments regarding the order taking process have all been grouped together. ASI staff is in the process of reviewing the comments to identify areas of concern. The narrative comments will be presented at the May 2008 meetings of the transportation service providers and the QSS. Any potential recommendations will be forwarded to the CAC and TPAC prior to being presented to the Board of Directors for
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	approval.
May - 08	Narrative comments from the rider survey were placed on the May QSS meeting agenda, and the May Provider meeting agenda.
Jun - 08	In May 2008, the QSS and Provider groups reviewed the narrative comments from the Rider Survey. Each group agreed that the top concerns would be discussed at future meetings to determine how to improve the service.

Recommendation 6

ASI should evaluate whether the service providers are using the most efficient methodology for scheduling vehicles and drivers and whether there are opportunities to shift resources from low demand to peak demand periods.

Apr - 08	Prior to the audit in January 2006, ASI retained the services of the IBI Group to perform a Needs Analysis on ASI's Access Paratransit service. The recommendations from the analysis were presented to the Access Services Board of Directors in March 2007. One of the principal recommendations was the design and implementation of a centralized reservation/scheduling software to be used by all of ASI providers. The Board approved the award for that reservation/scheduling software in November 2007. The first phase of the implementation of this recommendation is scheduled to begin in August 2008. The implementation of the first service region, with phase--in to other regions as contracts renew, is scheduled for fall of 2008.
May - 08	The centralized reservation/scheduling software will be implemented within the first service region in September 2008 and will be phased in by region as contracts are renewed. Staff is anticipating system wide implementation will be completed in 2010.
Jun - 08	A notice to proceed was issued to the software contractor on June 9, 2008 and a kick off meeting was held with Global Paratransit.

Recommendation 7

ASI should reinforce to contractor call takers the goal of providing courteous and helpful service to clients. In this regard, ASI should provide call takers with a written document that reinforces the policies and rules of conduct and service to paratransit customers, and ASI's commitment to quality service.

Apr - 08	A draft of an Order Taker Code of Conduct is scheduled to be presented to the Transportation Service Providers at their meeting in May of 2008. Staff anticipates distribution of an Order Taker Code of Conduct in June of 2008.
May - 08	A draft of the Order Taker Code of Conduct was placed on the May Provider Meeting Agenda.
Jun - 08	The Order Taker Code of Conduct was reviewed at the Provider meeting in May. The Contractors will begin distribution and the document will be posted on the ASI website by June 23, 2008.

Recommendation 8

ASI should evaluate the scheduling system to minimize or eliminate circuitous routing of share rides and to ensure that the routing/dispatching methodology minimizes wait times and trip times.

See Recommendation 6 above.

Recommendation 9

ASI should reinforce to contractor staff ASI’s policy on call-outs, and the importance of making all call outs that are requested.

Apr - 08	ASI is in the process of redesigning new employee training tests for drivers, call takers, and dispatchers. Questions regarding call out procedures will be included in these tests. The driver, call taker, or dispatcher will be required to pass this test with a score of 90% or greater before they are allowed to work on the ASI contract. This test will be completed no later than July 2008. ASI Road Supervisors and Dispatch Coordinators monitor compliance with currently required continuous training for each contractor. The call-out procedures are a part of that training. Immediately, ASI will instruct the service providers to include this topic in the next rotation of training beginning in May 2008.
May - 08	Service providers were instructed to include “call out procedures” in the rotation of training beginning in May 2008.
Jun - 08	Providers are in the process of updating the tests and training materials.

Recommendation 10 – CLOSED in May 2008

ASI should reinforce to service provider contractors ASI’s goal of providing courteous and quality service to clients. In this regard, ASI should provide contractor drivers and call takers with a written document, which reinforces the policies and rules of conduct and service to paratransit customers, and ASI’s commitment to quality service.

Apr - 08	The Driver Code of Conduct will be distributed to all certified drivers by May 1, 2008. The Order Taker Code of Conduct is scheduled for distribution in June 2008.
May - 08	Driver Code of Conduct was delivered to contractors on May 1, for distribution to drivers; it can be viewed at www.asila.org . This item is now considered closed.

Recommendation 11

ASI should reinforce to paratransit applicants and riders that the primary purpose of using Access Paratransit Services is that the individual is unable to use the regular bus and rail service.

Apr - 08	ASI will work with TPAC and CAC to ensure that information on eligibility is consistent with the recommendation and presented in a manner most likely to be understood by applicants. Staff is anticipating new brochures to be available in July of 2008.
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May - 08	Staff is anticipating new brochures to be available in July of 2008.
Jun - 08	No update to report.

Recommendation 12 – CLOSED in April 2008

ASI should:

- a) **Develop a written manual or procedures for processing and inputting complaints, and ensure that the list of complaint type codes and definitions are kept up-to-date.**
- b) **Institute a formal training program for the employees who handle complaints, for both new employees and periodic refresher training for current employees.**
- c) **Record all complaints relevant to the eligibility determination process so that any underlying problems can be trended and solved.**
- d) **Conduct a periodic trend analysis of complaints to identify problem areas to improve customer service.**
- e) **Develop a specific process to mark closed complaints, and incorporate this process into the policy and the staff training materials.**
- f) **Re-evaluate the complaint types used in the performance measure of Complaints per 1,000 Trips.**
- g) **Assure that no sequential complaint numbers are deleted from the database.**
 - a) The Complaints and Customer Service departments have developed a procedures manual with input from the Complaints Process Modification Subcommittee of the CAC. The manual was completed in April 2008. This item is considered closed.
 - b) As of January 12, 2008, formal training now includes Customer Service workshops, as well as follow up and refresher trainings, one-on-one review with all Customer Support Supervisors and management, side-by-side training, and review of completed procedures manual. The Complaint Specialists now attend regular monthly meetings to address any observations and/or needed training refreshers to ensure that procedures remain standardized. New staff members are now required to train with both Customer Service and Complaints and are provided a copy of the procedural manual. This item is considered closed.
 - c) As of February 25, 2008, all complaints related to eligibility have been entered into the complaint database as well as the relevant eligibility or appeal record. This item is considered closed.
 - d) More intense trend analysis of complaints has been in place since January 29, 2008. New complaint procedures have freed up additional time so that staff can dedicate more of their resources to the analysis of information. This item is considered closed.
 - e) The procedures manual has been completed. See item (a) above. This item is considered closed.
 - f) Additional complaint categories have been added to the service complaints per 1,000: Animal, Booking, Conduct, Discourtesy, Routing, Service, Travel time, Urgent and

Vehicle. These additional categories will be reflected in the April 2008 operations report to the Board of Directors.

- g) Sequential complaint numbers were deleted by ASI's Information Technology department in order to avoid combining real complaints with system tests. All complaints that are either duplicated or entered incorrectly are voided out but remain recorded in the database. To ensure that there are no duplications of complaint numbers, and as a security measure, as of January 29, 2008, the current system and Rider 360 does not recycle unused complaint numbers or complaints used for system testing. This item is considered closed.

Recommendation 13

To improve its management and oversight of paratransit service providers, we recommend that ASI a) require all paratransit service providers to perform driver performance evaluations annually and maintain the evaluations in the driver personnel file for periodic ASI review, and b) develop a standard driver code of conduct and require each driver to sign and agree to such conduct.

Apr - 08	<ul style="list-style-type: none"> a) ASI required an annual driver performance evaluation to be maintained in the driver training record in the most recent transportation service provider scope of work. Staff is in the process of negotiating with our existing contractors in order to implement the recommended change system wide effective July 1, 2008. b) See recommendation 10 response.
May - 08	<ul style="list-style-type: none"> a) ongoing b) Driver Code of Conduct was delivered to contractors on May 1, for distribution to drivers; it can be viewed at www.asila.org. This item is now considered closed.
Jun - 08	No update to report.

Recommendation 14 – CLOSED in April 2008

ASI management should increase its monitoring of average daily phone hold times to ensure compliance with the contractual performance requirement. Increased monitoring should identify the reasons why there are certain instances when daily phone hold times per hour exceed 4 minutes.

The audit recommendations were based upon operating statistics from fiscal year 2007. Average initial hold times after the audit period had dropped considerably and have been less than 1 minute for the last year. This recommendation is considered closed.

Recommendation 15 – CLOSED in April 2008

ASI should consider requesting that back-up providers submit their invoices semi-monthly to be consistent with other paratransit providers. ASI then will be able to concurrently review invoices and supporting documentation from both paratransit providers and back-up providers to determine if payments due are for actual services.

ASI has requested that back up providers submit invoices semi-monthly. The majority cannot comply with the request. This recommendation is considered closed.

Recommendation 16 – CLOSED in April 2008

We recommend that the Accounting Manual, General Accounting Desk Manuals, and other accounting policies and procedures be approved by ASI Senior Management. In addition, the effective dates of the Accounting Manual, General Accounting Desk Manuals, and other accounting policies and procedures should be properly determined. Furthermore, the pages of these accounting documents should be properly numbered and cross-referenced. For accounting procedures that are still in handwritten editing mode, ASI should finalize the procedures as soon as possible.

Updated Accounting Manual and General Accounting Desk Manuals have been approved by ASI Senior Management. Each Manual includes an effective date and is properly numbered and cross referenced. Copies of these manuals are available upon request. This recommendation is considered closed.