



Legislation Text

File #: 15-3828, **Version:** 1

PARATRANSIT SERVICES, INC. CONTRACT RENEWAL

SUMMARY STATEMENT:

The City's contract with Paratransit Services, Inc. expires on May 31, 2015. In accordance with the terms of the contract, the City notified Paratransit Services of its intent to renew the contract for an additional three year term. Staff has negotiated the impacts of cost increases and operational challenges experienced by Paratransit Services during the current contract, and recommends increasing the budget to provide paratransit transportation services.

The current contract with Paratransit Services provides for annual rate increases in the years 2015 and 2016 with annual price adjustments on April 1 of each year based on 80% of the Portland Consumer Price Index for Urban Wage Earners and Clerical Workers, except that no price adjustments are implemented for the final two months of the contract. During the term of the current contract, CPI price adjustments totaled 3.42%. These price adjustments have not allowed Paratransit Services to address significant operational issues affecting their ability to comply with the contract and the ability of RiverCities Transit to comply with federal law regarding disabled transportation.

Major issues affecting operations include, but are not limited to:

- Driver recruitment and retention - Low wages make it very difficult to recruit and retain drivers. Each driver must obtain a commercial driver license with passenger endorsement, maintain a commercial driver medical certification, and be subject to random drug and alcohol testing. However, starting wages are currently \$9.96 per hour; this wage is only slightly higher than the current state minimum wage of \$9.47 per hour, and notably less than starting wages at our local school districts (about \$16.50 per hour) and RiverCities Transit fixed route drivers (\$19.53 per hour).
- Affordable Care Act mandate - The Affordable Care Act mandate that health insurance be provided to employees working 30 or more hours per week has severely restricted the ability to use part-time drivers. Due to the driver hours required to meet passenger demand, some part-time drivers were converted to full-time benefited positions, the cost of which was absorbed by Paratransit Services. Additionally, the remaining part-time drivers are restricted to less than 30 hours of work, limiting their availability to cover open shifts, vacation, and sick leave.
- Management driving routes - Driver recruitment and retention challenges, along with the limitations on using part-time drivers due to the Affordable Care Act, has resulted in the need for the local Paratransit Services manager and supervisor to drive routes on a regular basis in order to meet our disabled transportation service requirements.
- Regular overtime and limits on leave - Due to driver shortages, full-time drivers are routinely required to work overtime to cover unfilled routes and cover for vacation and sick leave use by other drivers. Drivers are also limited in their ability to use their accrued vacation leave balance, due to the need to cover for them during their absence and the lack of drivers to provide that coverage.

To address these issues and ensure RiverCities Transit complies with federal law mandating that all paratransit eligible riders are transported when requested, staff recommends providing an increased budget for the Paratransit Services, Inc. contract. Doing so will allow Paratransit Services to begin addressing driver recruitment, retention, wages, and benefits issues. A copy of the proposed contract is attached for your information.

FINANCIAL SUMMARY:

The Cowlitz Transit Authority and Longview City Council approved budgets for providing paratransit services in the amounts of \$875,000 in 2015, and \$885,000 in 2016. Staff recommends a revised budget of \$927,500 in 2015 (an increase of 6.03%), and \$1,019,200 in 2016 (an increase of 9.85% over the recommended 2015 budget, and 15.16% over the current 2016 budget). These budget amounts are based on an estimate of 22,800 hours of service (2014 total hours = 22,767). The actual amount paid to Paratransit Services will depend on the actual service hours and ridership.

RECOMMENDED ACTION:

Motion authorizing execution of the new contract with Paratransit Services at the recommended budget amounts.