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TITLE:

AMENDMENT NUMBER ONE TO PROFESSIONAL SERVICES AGREEMENT (PSA) WITH CABCO YELLOW, INC. FOR SENIOR TRANSPORTATION PROGRAMS

DEPARTMENT: PARKS AND COMMUNITY SERVICES DEPARTMENT

PRESENTED BY: ALMA REYES, DEPUTY CITY MANAGER

CONTACT INFORMATION: ALMA REYES, DEPUTY CITY MANAGER, (714) 754-5090

RECOMMENDATION:

Staff recommends the City Council:

1. Approve and authorize the City Manager and the City Clerk to execute Amendment No. 1 to the Professional Services Agreement (PSA) with CabCo Yellow, Inc, DBA California Yellow Cab, for the Senior Transportation Programs and NHS Transportation Program to increase the not-to-exceed amount by \$130,000 for a total of \$300,000 annually with a 10% contingency.
2. Authorize the City Manager and City Clerk to execute future amendments to the agreement within Council authorized limits.

BACKGROUND:

The Costa Mesa Senior Center offers a Senior Transportation Program (STP) for Costa Mesa residents age 60 and older. The STP includes two components - the Senior Mobility Program (SMP) and the Medical Transportation Program (MTP).

The Senior Mobility Program (SMP) provides transportation to and from the Senior Center as well as

for personal shopping trips and social trips within the boundaries of Costa Mesa's city limits. The program is paid for primarily by the Orange County Transportation Authority (OCTA) Measure M2 Fund dollars, with a 20% matching requirement of all M2 funds spent per year. M2 funding transportation improvements across the county is based on sales tax and is allocated to participating cities based on their share of the age 60 and older population and the amount of funding available. The 20% match from the city may be comprised of any combination of direct costs associated with the program or in-kind costs such as administrative costs, staff salaries and benefits, equipment maintenance, advertising, etc. M2 funding must be spent within three years of when payment is received, or the city must return it with interest. Any M2 funding that goes unspent within a fiscal year must be spent in the following year with a 20% match from the city.

The Medical Transportation Program (MTP) is provided through a grant funding partnership from Newport Hoag Hospital as well as M2 funding. Hoag grant funding is provided on a calendar year basis. In 2023, Hoag provided \$50,000 for the MTP in 2023 and it provided \$75,000 in 2024. This program provides senior citizens with transportation to and from their home/residence to various medical facilities in Costa Mesa, as well as medical appointments in Newport Beach, Fountain Valley, Santa Ana, Huntington Beach, Tustin, Irvine, Westminster, Garden Grove, Orange, La Habra, Anaheim, and the Long Beach VA Hospital.

In 2020, the City entered into an emergency one-year PSA with California Yellow Cab. On May 18, 2021, City Council approved a five-year PSA for California Yellow Cab to provide services for the SMP and MTP. California Yellow Cab provides taxis for individuals in need of transportation and can be scheduled 48 hours in advance. California Yellow Cab charges \$12.50 per ride anywhere in Costa Mesa and charges an additional \$2.50 per mile beyond Costa Mesa for appointments. Currently, the city subsidizes 100% of the cost of every ride to allow free transportation to program users, allows both one-way and round-trip rides, and has no limit on the number of rides a program user may book per month.

The PSA with California Yellow Cab also provides services to Network for Homeless Solutions (NHS) clientele, but this service is in addition to the SMP or MTP. The current PSA allows for \$2,500 worth of taxi rides booked at the discretion of the NHS staff.

ANALYSIS:

The not-to-exceed amount of the PSA with California Yellow Cab was originally set at \$170,000 with a 10% contingency, which makes the maximum of the contract at \$187,000. This amount was based on the M2 projection from OCTA for the current year with the 20% City match. This not to exceed amount needs to be increased by \$130,000 in order to maintain the current level of service. In FY 22/23, the city received \$126,844 of M2 funding for the program. With the city's required 20% match, program funding amounts to \$158,555.

Since March 2023, ridership for the program has increased significantly due to staff outreach efforts and education about the program. Prior to March 2023, total ridership was approximately 650 per month between both programs with a monthly cost of nearly \$12,000. The program currently has approximately 1,100 riders per month with a monthly cost of \$23,000. At this current ridership, the STP will cost approximately \$276,000 for the entirety of the current fiscal year.

ALTERNATIVES:

The City may choose not to increase the NTE amount of the PSA with California Yellow Cab and reduce service levels to keep expenditures limited to original amounts. However, this is not preferred as there are seniors that would no longer be able to receive the service.

FISCAL REVIEW:

The Parks and Community Services FY 23/24 budget along with the remaining balance of unspent M2 funding will cover the increased cost for this fiscal year. However, additional appropriations will be needed in the future fiscal years to account for increased ridership trends. A budget increase request will be submitted through the FY 24/25 budget process. Staff will evaluate all eligible funding sources, including the use of additional Measure M Fairshare funds, if allowable.

LEGAL REVIEW:

The agenda report and attached agreement has been reviewed and approved as to form by the City Attorney's Office.

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council Goals:

- Strengthen the Public's Safety and Improve the Quality of Life Goals

CONCLUSION:

Staff recommends that the City Council:

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