



Office of the City Manager

CONSENT CALENDAR  
December 8, 2008

To: PK Honorable Mayor and Members of the City Council

From: PK Phil Kamlarz, City Manager

Submitted by: Claudette Ford, Director, Public Works

Subject: Contract: AC Transit for Annual Bus Transit Pass (EasyPass) Program for City Employees

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute an agreement and any amendments with the Alameda-Contra Costa Transit District (AC Transit) for the continuation of an annual bus transit pass (EasyPass) program for City of Berkeley employees in an amount not to exceed \$200,000 for the period January 1, 2009 to December 31, 2010.

FISCAL IMPACTS OF RECOMMENDATION

Funds for the EasyPass (formerly EcoPass) Program for the 2009 calendar year are available in FY 2009 budget code 930-9701-410-2090 – which is funded as a percentage of the employee benefit rate. The CMS number is MALMZ. The funding for the 2010 calendar year will be included in the FY 2010 budget.

AC Transit has developed a standard pricing structure for its pass programs based on the proximity of an employer to bus transit services and the number of employees. To calculate the cost of the bus transit passes, the number of benefited employees who are eligible for passes was determined for each of the City's employment locations. The total cost of providing passes to the City's 1,374<sup>1</sup> eligible employees will be \$91,837 annually or \$183,674 for the two-year contract period. The annual average cost per pass is \$67. The pass price includes both the value of the pass and the pass production costs. In previous years, AC Transit had assessed the City a flat rate of \$60 per pass for a minimum order of 1,400 passes plus additional pass production costs of \$9,800 for a total of \$93,800 annually, or \$177,800 for a two-year pass. (Note that production costs were only paid during the first year.)

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<sup>1</sup> As of October, 2008, there were a total 1,560 benefited City employees; however, 186 of those are sworn police officers who can already board AC Transit buses for free by showing their police badge.

The City may purchase additional passes from AC Transit on an as-needed basis and will be charged the average pass cost (\$67) for each additional pass over the initial order of 1,374. It is unlikely that a significant number of additional passes will be purchased over the two-year contract period. Consequently, staff recommends that the contract amount not exceed \$100,000 annually, or \$200,000 total.

#### CURRENT SITUATION AND ITS EFFECTS

The current transit pass contract with AC Transit expires on December 31, 2008. Staff is recommending that Council authorize a new contract to continue the program through December 31, 2010 for a two-year period.

The new EasyPass Program will provide eligible employees with a TransLink fare card on which their AC Transit bus pass will be loaded. If they choose, employees can load additional value on the TransLink cards and use them on other participating Bay Area transit systems. Use of TransLink cards will also simplify and reduce the cost of ongoing program administration, since TransLink (rather than Transportation Division staff) will directly handle replacement of any lost, damaged or stolen cards.

#### BACKGROUND

The City of Berkeley and AC Transit formed a partnership to establish an employee transit pass program (Eco Pass Program) in January 2002. This program provides all eligible City employees with unlimited rides on all AC Transit buses. Council approved extension of the pass program for 2003, 2004, 2005, and 2006 (for a two-year period through Resolution No. 63,526-N.S.).

#### RATIONALE FOR RECOMMENDATION

The Eco Pass has proved to be an effective and popular tool for encouraging City employees' use of AC Transit for commuting and other trip purposes. The City has distributed approximately 1,300 passes to all eligible employees.

The City has carefully evaluated the effectiveness of the Eco Pass program through employee surveys and analysis of the usage data provided by AC Transit. The most recent analysis is derived from the May 2005 City employee survey results and 2007 monthly fare box data. These data show that:

- Employee use of the Eco Pass and AC Transit services has increased since the program's inception. In 2002, an average of 192 employees used their Eco Pass per month, and employees took an annual total of 36,068 trips. In 2007, an average of 256 employees used their Eco Pass per month, and employees took an annual total of 50,245 trips.
- If the Eco Pass were not available, 59% of respondents to the 2005 Employee Transportation Survey reported that they would reduce their use of AC Transit services, including 25% who would stop using AC Transit services completely.

ALTERNATIVE ACTIONS CONSIDERED

The City could decline to extend the contract, thus ending the Eco Pass (EasyPass) Program. Staff advises against this option based on the program's cost-effectiveness, popularity and success in reducing single occupant vehicle commuting among City employees.

The City could also extend the contract for one year, rather than a two-year period. Staff believes that a two-year contract reduces the administrative costs associated with contract negotiation and management, especially since no major changes in program operations or costs are expected during this period.

CONTACT PERSON

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Attachments:  
1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT: AC TRANSIT FOR ANNUAL BUS TRANSIT PASS (EASYPASS)  
PROGRAM FOR CITY EMPLOYEES

WHEREAS, the continuation of a bus transit pass program for employees will assist the City in its Transportation Demand Management Program; and

WHEREAS, the concentration of bus service in Berkeley and the size of the City's employee base support an employee pass program with the Alameda-Contra Costa Transit District (AC Transit); and

WHEREAS, the City of Berkeley and AC Transit formed a partnership to establish an employee transit pass program (Eco Pass Program) in January 2002, and the program continues to provide all eligible City employees with unlimited rides on all AC Transit buses; and

WHEREAS, Council approved extension of the program for prior years 2003, 2004, 2005, and 2006 (for a two-year period through Resolution No. 63,526-N.S.); and

WHEREAS, the City agrees to an initial purchase of 1,374 passes at a total annual cost of \$91,837 for each calendar year ending on December 31, 2009 and December 31, 2010; and

WHEREAS, after the initial purchase, the City may purchase additional passes on an as-needed basis at the average pass cost of \$67 per pass; and

WHEREAS, \$100,000 for the 2009 calendar year is available in the FY 2009 account code 930-9701-410-2090 (CMS No. MALMZ); and funding for the 2010 calendar year will be included in the FY 2010 budget.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the Council of the City of Berkeley authorizes the City Manager to execute a contract and any amendments with the Alameda-Contra Costa County Transit District for the continuation of an annual transit pass program (EasyPass Program) for City of Berkeley employees in an amount not to exceed \$200,000, for the period January 1, 2009 to December 31, 2010.