

- **Board of Directors**
Legal and Human Resources Committee

May 8, 2007 Board Meeting

7-5

Subject

Approve 3-year contract with Wired Commute, LLC in the maximum amount of \$535,000 per year for Rideshare Transit Program

Description

The current Memoranda of Understanding between Metropolitan and its employee bargaining units provide Rideshare benefits that include vanpool, transit and parking benefits. Specifically, up to \$125 per month in transit costs are provided to eligible employees. IRS regulations under Section 132(f) prohibit cash reimbursement to employees who commute to and from work via public transit. Metropolitan has been providing transit vouchers to employees to purchase transit passes to comply with the IRS regulations. These vouchers are purchased through an organization called Wired Commute, LLC. Each month Human Resources staff purchase vouchers based on the previous month's participation. Employees must show proof of transit pass purchase and participation to receive a transit voucher for the next month. The vouchers received from Wired Commute are valid for a 15-month period.

A Request for Bid (RFB) was advertised to determine if there were any other companies that could provide transit voucher services. No responses were received so a sole source contract is being requested with the current vendor, Wired Commute, LLC. Currently, Metropolitan pays 72 cents per voucher for up to 499 vouchers.

There are currently 399 transit participants with a total monthly subsidy cost of \$43,099 and \$332 in fees plus a shipping and handling charge of \$12 per month. See [Attachment 1](#) for the fee schedule. As evidenced by the average use and cost for the past 12 months ([Attachment 2](#)), it is estimated that the annual cost of Metropolitan's Rideshare Transit Program will be \$535,000. This amount includes a four percent increase anticipated for Metrolink fares. The funds of \$531,000 will be distributed in vouchers to employees, and \$4,000 will be vendor's fees.

Policy

Current Memoranda of Understanding among Metropolitan and the Management and Professional Employees Association, Supervisors' Association, Association of Confidential Employees and the Employees Association/AFSCME Local 1902

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination and approve 3-year contract with Wired Commute, LLC in the maximum amount of \$535,000 per year for Rideshare Transit Program.

Fiscal Impact: \$535,000 in budgeted funds

Business Analysis: Rideshare services are required because of the Memoranda of Understanding.

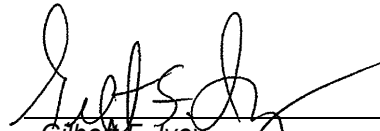
Option #2

Do not approve contract with Wired Commute, LLC in the maximum amount of \$535,000 per year for Rideshare Transit Program.

Fiscal Impact: Unknown

Staff Recommendation

Option #1



Gilbert F. Ivey
Chief Administrative Officer

4/4/2007
Date



Jeffrey Kightlinger
General Manager

4/18/2007
Date

Attachment 1 – Transit Voucher Fee Schedule

Attachment 2 – Transit Cost

BLA #5274

Transit Voucher Fee Schedule

<u>Number of Transit Vouchers</u>	<u>Fee per Voucher</u>
1 – 200	\$0.82
201 – 500	\$0.72
501+	\$0.62

Transit Cost

	<u>Number of Participants</u>	<u>Total Monthly Cost</u>
February 2006	399	\$43,336.55
May 2006	403	\$41,787.75
August 2006	419	\$45,071.50
November 2006	407	\$43,554.90
February 2007	399	\$43,099.40