



DATE: December 17, 2024

TO: Mayor and City Council

FROM: Assistant City Manager

SUBJECT: Adopt Resolutions Authorizing the City Manager to (1) Amend the FY 2025 Agreement with Eden I&R, Inc. for Transportation Network Company (TNC) Paratransit Services by \$180,000 for a Not-to-Exceed Amount of \$452,619; (2) Execute an Agreement with Onward Health, Inc. to Develop and Pilot New Paratransit Services for the Remainder of FY 2025 for a Not-to-Exceed Amount of \$235,438; and (3) Execute an Agreement with Onward Health, Inc. for Paratransit Services for FY 2026 for a Not-to-Exceed Amount of \$880,613

RECOMMENDATION

That Council adopts resolutions (Attachments II, III, and IV) authorizing the City Manager to:

1. Amend the Agreement with Eden I&R, Inc. by \$180,000 for a not-to-exceed amount of \$452,619 in order to support expanded curb-to-curb transportation network company (TNC) paratransit service hours through the end of FY 2025;
2. Execute an Agreement with Onward Health, Inc. for a not-to-exceed amount of \$235,438 in order to pilot new and necessary paratransit services through the end of FY 2025; and
3. Execute an Agreement with Onward Health, Inc. for a not-to-exceed amount of \$880,613 to operate all paratransit direct transportation services for FY 2026.

SUMMARY

The Hayward Operated Paratransit (HOP) program, administered by the City's Community Services Division and funded through the Alameda County Measure BB sales tax, provides transportation to senior and disabled Hayward and unincorporated mid-County residents who are unable to use public transit. Historically, the HOP program included seven (7) services: subsidized taxi or TNC rides; door-through-door assisted rides; wheelchair accessible vehicle (WAV) rides; transportation to and from adult day programs; group trips; travel training; and meal delivery to homebound individuals. Due to staffing and operational challenges at provider agencies, the door-through-door, WAV, and group trip programs are not currently offered. As of FY 2025, the only available direct transportation service is subsidized rides through TNC companies, which can only serve able-bodied riders who can independently meet vehicles at the curb. Since 2020, Eden I&R has served as the ride scheduling provider for HOP's TNC ride service.

An external evaluation of the HOP program performed between 2022 and 2024 recommended expanding HOP's services and restoring these programs to meet the needs of Hayward's seniors and adults with disabilities. As part of addressing findings from the evaluation, the City increased its outreach efforts to potential riders, resulting in the enrollment of 444 new riders and a 37% increase in rides provided to the community between FY 2023 and FY 2024. This significant increase in ridership resulted in an increase in ride subsidies beyond what was originally budgeted for based on prior year rider data. Additionally, in February 2024, Eden I&R secured additional funding from Caltrans, enabling extended service hours. HOP program hours were extended from Monday through Friday from 8:15am to 5:30pm to include evenings until 9:00pm and weekends from 8:00am to 4:00pm. However, in October 2024 Eden I&R informed HOP staff that the funding supporting expanded operations was no longer available. Given the demonstrated demand for expanded hours, as well as the increased fare costs from increased ridership, staff recommends executing an amendment to increase the amount of the existing FY 2025 agreement with Eden I&R by \$180,000, for a total not-to-exceed amount of \$452,619. This increase 1) accounts for increases in fare costs resulting from increased ridership and 2) maintains expanded hours previously funded through Caltrans funding.

On September 5, 2024, the Community Services Division published a Request for Proposals (RFP) for Paratransit Services. The RFP called for proposals both to continue operation of existing services and to implement new and returning paratransit services. Firms were invited to bid on multiple services. Based on an evaluation of the responsive proposals submitted, staff recommend executing agreements with Onward Health, Inc. to restore discontinued services and implement a self-service app in FY 2025 and to operate both existing and returning direct transportation services in FY 2026. The FY 2025 agreement would pilot door-through-door, WAV, group trip, and app-based ride services targeting a spring timeframe, for an amount not-to-exceed \$235,438. The FY 2026 agreement would include the above services as well as curb-to-curb TNC and travel training services for an amount not-to-exceed \$880,613.

BACKGROUND

The HOP program, administered by the City's Community Services Division, provides transportation and related services to seniors ages 70 and over and residents with certified disabilities who live in Hayward and the surrounding unincorporated areas. The HOP program serves as a complement to the East Bay Paratransit (EBP) system mandated by the Americans with Disabilities Act (ADA). EBP is required to provide pre-scheduled, fixed-route services to individuals with a disability residing within three-quarters of a mile from a designated Alameda County Transit (AC Transit) or Bay Area Rapid Transit (BART) stop. Local paratransit programs such as HOP provide service to qualifying residents who live outside of a three-quarter mile radius of a transit stop.

HOP is funded through Alameda County Measure BB, a one cent transportation sales tax. Measure BB provides funding for local transportation projects, including bicycle and pedestrian projects; street and roads construction and improvement; and paratransit programs operated by both countywide transit services and individual cities. Sales taxes collected from Measure BB

are administered and distributed to local programs by the Alameda County Transportation Commission (ACTC) through Direct Local Distributions (DLDs).

Historically, the HOP program has included seven (7) services: subsidized curb-to-curb rides through taxi services or Transportation Network Companies (TNCs) such as Uber and Lyft; door-through-door rides with trained assistance; wheelchair-accessible vehicle (WAV) rides; transportation to and from day programs for individuals with Alzheimer’s disease or dementia; group trips; travel training; and meal delivery for homebound individuals. Of these services, all but meal delivery are considered “direct transportation services,” offering residents alternatives to public transit. The HOP program has also allocated funding to support the Safe Routes for Seniors road and sidewalk improvement program. Due to the pressures created by the COVID-19 pandemic, including staffing shortages and operational challenges, the agencies providing door-through-door assisted rides, WAV rides, group trips, and day program transportation have either permanently closed their business or discontinued these services since 2020.

In response to these changes, in 2022, the City engaged Nelson\Nygaard Consulting Associates to evaluate HOP services and the mobility needs of Hayward’s senior and disabled populations. The evaluation was completed in March 2024 and made the following recommendations:

- **Recommit to providing direct transportation services**, including expanding existing services and reestablishing discontinued services;
- **Revitalize outreach and engagement**, to ensure that eligible residents are aware of the HOP program, particularly among low-income residents;
- **Increase program knowledge and use in the community**, in order to increase enrollment to levels comparable to those of other programs in the County;
- **Deploy appropriate personnel resources for success**, including addition of a dedicated Community Programs Specialist allocated primarily to the HOP program;
- **Expand service parameters of the TNC program**, increasing the daily use of the City’s subsidized Uber and Lyft services and filling unmet need for reliable WAV service;
- **Reestablish a Door-through-Door Program**, to address the transportation needs of eligible riders who cannot travel independently; and
- **Maintain rigorous standards for funding non-traditional programs**, to ensure that at least half of the program expenses are dedicated to direct transportation services.

On April 23, 2024¹, Staff detailed the plan to implement the recommendations from Nelson\Nygaard as part of the annual request for authorization to submit the City’s Paratransit Program Plan to ACTC for Paratransit DLD funding.

DISCUSSION

¹ April 23, 2024, Meeting of the City Council
<https://hayward.legistar.com/LegislationDetail.aspx?ID=6642373&GUID=CEEEAA69-15DF-42EF-BD97-A8F19A561EDE&Options=&Search=>

Eden I&R, Inc. Amendment to FY 2025 Agreement

Eden I&R has served as the provider for HOP's TNC program since FY 2020. Eden I&R is responsible for receiving calls from enrolled riders, requesting pre-scheduled and on demand rides from participating rideshare companies, communicating with drivers, and collecting payment for the rider's portion of TNC ride. In February 2024, Eden I&R received new funding from the California Department of Transportation (Caltrans). This allowed Eden I&R to increase staffing and extend HOP service hours. HOP TNC program hours were expanded from weekdays from 8:15am to 5:30pm to include weekdays from 8:15am to 9:00pm and weekends from 8:00am to 4:00pm. This service expansion has proven successful in driving increases in both enrollment and ridership and has received positive feedback from community members.

In addition to the expanded hours offered by Eden I&R, the HOP program experienced significant growth over the course of FY 2024, thanks to revamped outreach and community engagement efforts. The number of TNC rides grew by 37% from 6,021 in FY 2023 to 8,233 for FY 2024. FY 2025 shows the trend continuing, with 3,257 rides provided to seniors and adults with disabilities provided in the first quarter of the fiscal year. Rider enrollment has also grown substantially, from 653 all-time enrollments at the end of FY 2023 to 868 by the end of FY 2024. To date, an additional 228 new community members have been enrolled in FY 2025. Taken in tandem with expanded operating hours, both Eden I&R's workload and the rider subsidized paid by the City through the FY 2025 agreement have grown beyond the original agreement budget.

In FY 2025, Eden I&R's contract with HOP was revised to reflect these expanded hours. As the expansion was funded through an outside contribution, the contract did not increase the existing FY 2024 not-to-exceed amount of \$272,619. Due to rapid ridership growth from both the expanded hours and the increased outreach efforts, Eden I&R and HOP staff closely monitored rider data to determine if additional funds for ride subsidies would be required. Following the first quarter of FY 2024, it was clear that ridership demand would exceed the budgeted amount for ride subsidies. Additionally, on October 29, 2024, Eden I&R informed staff that the Caltrans funding that had supported the hours expansion was no longer available. Staff met with Eden I&R to determine the amount necessary to maintain expanded services and meet rider demand, negotiating an amount and adjusted hours (weekdays from 8:15am to 7:00pm and weekends 8:00am to 4:00pm) that will account for the loss in Caltrans funding and the increase in ridership.

Staff recommends executing an amendment to increase the amount of the existing FY 2025 agreement with Eden I&R by \$180,000, for a total not-to-exceed amount of \$452,619. Due to the pandemic-related drop in ridership and reduction in services, there is fund balance available for this amendment. With this funding, Eden I&R will be able to offer services weekdays from 8:15am to 7:00pm and weekends 8:00am to 4:00pm while supporting a growing number of riders.

Paratransit Services Request for Proposals

On September 5, 2024, the Community Services Division published a Request for Proposals (RFP) for Paratransit Services. This RFP requested bids to operate the City's existing TNC, travel

training, and meal delivery programs; restore WAV, door-through-door, and group trip programs; and implement a self-service, app-based ride request option. Bidders were asked to provide proposals for at least one service and encouraged to provide proposals for multiple services, based on their expertise and capacity.

A total of eight responsive proposals were submitted to the City's procurement portal by the deadline of 5:00pm on October 18, 2024. Proposals were reviewed and scored by staff from the City Manager's Office Community Services and Administration Divisions and the Development Services Department according to criteria included in the RFP packet. Three firms were selected for interviews based on the responsiveness of their proposals, experience in the field, proposed services, and cost.

Service Opportunities for Seniors (SOS), the provider for the City's existing Meals on Wheels program, submitted the only responsive proposal for meal delivery service to homebound seniors and disabled individuals, and will continue to provide this service in FY 2026. The expected FY 2025-2026 contract will fall under the \$100,000 purchasing threshold. Additionally, staff are in communication with two local agencies that submitted proposals but were not selected to develop and pilot a new HOP Mobility Management Program. These programs are allowed under ACTC guidelines but are not considered direct transportation services. These services would include providing referrals and program information, assistance with enrollment, and training in use of HOP services. Both contracts are expected to fall under the \$100,000 purchasing threshold.

Onward Health, Inc. Recommended FY 2025 and FY 2026 Agreement

Staff recommends that Onward Health, Inc. (Onward) be awarded agreements for the remainder of FY 2025 and FY 2026. This agreement structure would allow the City to address unmet needs sooner and provide an implementation/pilot period prior to full launch in FY 2026. The FY 2025 agreement would pilot door-through-door, WAV, group trip, and app-based ride services from March 2025 to June 2025 for an amount not-to-exceed \$235,438. The FY 2026 agreement would include all direct transportation services for an amount not-to-exceed \$880,613.

Onward is a San Leandro-based transportation management company with a background in healthcare-related transportation. Onward's business model combines three functional areas:

- A transportation customer relations management (CRM) platform with an integrated rider-facing app;
- Direct provision of door-through-door and non-emergency medical transport (NEMT) with call center support; and
- Integration with major curb-to-curb TNC providers including ride payment and ride subsidy management.

Staff's recommendation aligns with the FY 2025 Paratransit Program Plan presented to Council and submitted to ACTC. The Plan calls for paratransit ridership of 10,000 curb-to-curb TNC rides; 2,000 door-through-door rides; and 1,000 WAV rides. Staff believes that Onward has the capacity to meet these objectives and will work closely with Onward staff to accomplish them.

ECONOMIC IMPACT

HOP is supported exclusively by Alameda County Measure BB funds. The HOP program offers cost-effective transportation alternatives for eligible residents on fixed incomes, allowing participation in the local economy. Reliable mobility options for seniors and residents with disabilities may also allow for greater economic participation by caregivers.

STRATEGIC ROADMAP

This agenda item is a routine operational item and does not directly relate to any specific project outlined in the Strategic Roadmap. However, the HOP program supports quality of life for residents more generally.

FISCAL IMPACT

The proposed agreements with Eden I&R and Onward have no impact to the City's General Fund. The program costs, including City staff and administrative costs, are entirely offset by the City's Measure BB Paratransit reserves and special revenue funds derived from Measure BB sales tax revenues. No additional appropriation of Measure BB Paratransit funds is required to amend the agreement with Eden I&R or execute the FY 2025 agreement with Onward. Funding to support the FY 2026 agreement will be appropriated as part of the annual budget process.

SUSTAINABILITY FEATURES

HOP paratransit programs utilize shared vehicles, thereby reducing the number of vehicles on the road and associated emissions.

NEXT STEPS

Staff recommends that Council adopts the attached resolutions authorizing the City Manager or their designee to negotiate and execute 1) an amendment to the agreement with Eden I&R, Inc. for FY 2025 curb-to-curb paratransit services; 2) an agreement with Onward Health, Inc. for self-service rides, WAV, door-through-door, and group trip paratransit services for the remainder of FY 2025; and 3) an agreement with Onward Health, Inc. for the above services as well as curb-to-curb rides with telephone customer service and travel training for FY 2026 . Should Council adopt the resolution, staff will meet with representatives from each contracting agency to facilitate contract execution and will report on progress as part of the annual reporting process in calendar year 2026.

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Approved by:



Dustin Claussen, Interim City Manager