



METROPOLITAN
TRANSPORTATION
COMMISSION

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
Tel: 510.464.7700
TDD/TTY: 510.464.7769
Fax: 510.464.7848

Memorandum

Agenda Item No. 3

TO: Operations Committee

DATE: September 6, 2013

FR: Executive Director

W.I.: 1222

RE: Contract Amendment – Regional Rideshare Commuter Benefit Program and 511 Real-time Transit Information Support: Parsons Brinckerhoff, Inc. (\$525,000)

This memorandum requests Committee approval of a contract amendment with Parsons Brinckerhoff, Inc., in an amount not to exceed \$525,000 to support implementation of a regional commuter benefit program pursuant to Senate Bill 1339 and to promote the availability of 511 real-time transit information.

Background

Parsons Brinckerhoff, Inc. (PB) was selected via competitive procurement in 2011 to provide 511 Regional Rideshare Program operations and 511 general outreach support services from FY 2011-12 through FY 2015-16. Under the current five-year contract totaling \$19.9 million, PB provides ridesharing services through employer outreach and online ridematching tools, and implements customer communications for the entire 511 program. The current annual budget for this contract in FY 2013-14 is \$3.9 million.

Proposed Amendment

The proposed amendment would add \$525,000 of Regional Measure 2 funds to the current contract, to be used in FY 2013-14 toward the following two programs. Funds for this amendment are included in the FY 2013-14 budget.

1) Bay Area Commuter Benefits Program (\$325,000)

Senate Bill 1339 (enacted in 2012) authorizes the Bay Area Air Quality Management District (Air District) and MTC to adopt a regional commuter benefit program effective through January 1, 2017, requiring employers with 50 or more full-time employees in the Bay Area to offer one of several commuter benefit options (e.g., pre-tax transit) to their employees. The primary goal of the program is to reduce motor vehicle emissions in order to improve air quality and help the Bay Area to achieve the climate protection targets set by AB32 and SB375. (Attachment A includes a program summary. More program details are available at the Air District's website at: [Bay Area Commuter Benefits Program](#).)

Over the next several months, MTC staff will work with Air District staff to develop and recommend a proposed regulation to serve as the foundation for the program. Upon adoption of the regulation by the Air District Board and concurrence by the Commission, MTC's primary ongoing role in implementing the program will be to develop and manage employer outreach activities through the 511 Regional Rideshare Program by providing user-friendly information to help employers comply with the program. Commuter benefit program information will be easily

accessible on 511.org. MTC staff will also work with Air District staff to evaluate program effectiveness and prepare a report to the Legislature summarizing the results of the program (due on or before July 1, 2016). Upcoming program milestones and a proposed schedule are shown below.

Milestone	Description
Public workshops (October 2013)	Public workshops on Air District’s draft regulation (Reg. 14, Rule 1): <i>The Bay Area Commuter Benefits Program</i> . The Air District and MTC will host workshops scheduled to take place in each of the nine Bay Area counties. (See Attachment B for workshop dates and locations.)
Air District Board Action (February 2014)	Seek Air District Board action to adopt Proposed Final Commuter Benefits Rule.
MTC Board Action (March 2014)	Seek Commission concurrence of Commuter Benefits Rule consistent with Air District action (following Air District action).
Program Launch (March, 2014)	Bay Area Commuter Benefits Program goes into effect. Conduct employer outreach, deploy online tools, and assist in registration efforts.
Report to Legislature (July 1, 2016)	Evaluate Program effectiveness and prepare report to Legislature.

The 511 rideshare contractor is well-positioned to support implementation of the Bay Area Commuter Benefits Program as it is developed and launched in FY 2013-14. Specifically, PB will:

- Update its employer database to include all employers with 50 or more full-time employees in the Bay Area;
- Develop employer registration/self-certification processes and tools;
- Create online tools to assist employers with providing commuter benefits to their employees; and
- Assist with program evaluation, reporting, and communications.

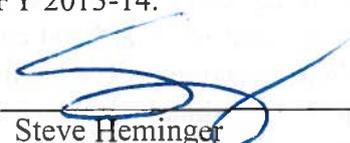
These tasks fall within the scope of work in the original program procurement.

2) 511 Real-Time Transit Program (\$200,000)

MTC’s 511 program provides real-time transit information on the phone, web, mobile, and texting systems for six transit agencies (SFMTA, BART, WestCAT, Dumbarton Express, SamTrans, and AC Transit), and in the near future, two others (Caltrain and VTA). In FY 2013-14, the program will expand to San Francisco Bay Ferry, Golden Gate Bus and Ferry, Santa Rosa City Bus, LAVTA/Wheels, and other smaller agencies. To generate awareness of this expansion, PB will produce materials for and coordinate with these transit agencies on complimentary advertising space. These activities fall within the existing scope of work in the original Regional Rideshare Program procurement

Recommendation

Staff recommends that this Committee authorize the Executive Director or his designee to negotiate and enter into a contract amendment with Parsons Brinkerhoff, Inc. in an amount not to exceed \$525,000, to support implementation of a regional commuter benefit program and to promote 511 real-time transit information during FY 2013-14.



 Steve Heminger

Attachment A

Summary of the Bay Area Commuter Benefits Program

(Excerpted from "BAAQMD Regulation 14, Rule 1: Bay Area Commuter Benefits Program Workshop Report, September 2013. The full workshop report and program details are available at: [Bay Area Commuter Benefits Program](#).)

Introduction

Senate Bill 1339, signed into law in fall 2012, authorizes the Bay Area Air Quality Management District (Air District) and the Metropolitan Transportation Commission (MTC) to adopt and implement a Bay Area Commuter Benefits Program (Program) on a pilot basis through the end of year 2016. A new rule (Regulation 14, Rule 1) will be developed by Air District staff, in cooperation with MTC, through a process which provides opportunity for review and comments by interested parties and members of the public. A proposed rule will be presented for approval by the governing boards of both agencies in early 2014. The rule will provide the basic framework for the Program.

The Program, if approved by the governing boards, would require employers with 50 or more full-time employees in the Bay Area to select one of four commuter benefit options to offer their employees. The primary objective of the Program is to reduce emissions of greenhouse gases and criteria air pollutants. The Program would accomplish this by expanding the number of employers who provide commuter benefits to their employees, in particular by offering their employees the pre-tax benefits for transit and vanpooling in the federal tax code. By encouraging Bay Area commuters to choose alternative transportation modes instead of driving alone to work, the Program would improve air quality and reduce traffic congestion, especially during periods of peak demand. In addition to environmental benefits, the Program would provide significant economic benefits to employers, employees, and the region as a whole. By motivating more employers and employees to take advantage of commuter benefits in the federal tax code, the Program would put more dollars in the pockets of Bay Area businesses and residents and thus stimulate the regional economy.

The Air District and MTC are committed to working with Bay Area employers to make the Program easy to implement. Guidelines and educational materials will be provided to help employers understand the Program and to comply with the rule by developing effective commuter benefit programs for their employees.¹ The agencies will focus on educating employers and employees about the financial and environmental benefits of the Program as the most effective means to ensure employer participation in the Program. The Program will be designed to provide flexibility to employers and to minimize reporting and administrative requirements. The Program will neither establish numerical performance targets for employers, nor will it require any employee to change his/her commute mode.

The Program is expected to provide economic and environmental benefits to employers, employees, and the Bay Area community as a whole. These benefits, as discussed in Section V, include financial savings to employers and employees, improved employee productivity, decreased traffic congestion, and reduced emissions of air pollutants and greenhouse gases. In

¹ The rule, complementary supporting materials, and administrative procedures, are collectively referred to as "the Program" in this Workshop Report.

addition, the Program will help to implement key regional plans to improve air quality and protect the climate, including the Bay Area 2010 Clean Air Plan and the recently-adopted regional “sustainable communities’ strategy” known as Plan Bay Area.

Current Bay Area Context

Many Bay Area employers, especially large companies and organizations, already offer various services and incentives to encourage the use of alternative commute modes. Various employer assistance programs and services exist to help Bay Area employers develop and implement effective programs. In designing the Bay Area Commuter Benefits Program, the Air District and MTC intend to complement and build upon these existing programs. A brief summary of current programs and services to promote commuter alternatives is provided below.

Employer Assistance Programs: At the regional scale, MTC administers the 511.org program. The Rideshare component of 511.org provides information and assistance to both employers and to individual commuters to promote ridesharing and other commute alternatives on a regional basis. In addition, five Bay Area counties offer local programs to serve employers and employees within their areas. These regional and county programs include a program administered by the San Francisco Department of the Environment; the Peninsula Traffic Congestion Relief Alliance, serving San Mateo County; the Solano-Napa Commuter Information Program; as well as the 511 Contra Costa program serving Contra Costa County. These programs provide a variety of services to promote the use of alternative commute modes, including rideshare matching, vanpool formation, incentives to commuters to try alternative commute modes, and guaranteed ride programs. These existing programs would be available to assist employers in complying with this proposed Program, for example by helping employers evaluate the commuter benefit options and select and implement an appropriate commuter benefits option.

Employers with Existing Commuter Benefit Programs

Many Bay Area employers already provide information, services, or benefits to encourage their employees to use alternative commute modes. However, the scope of these efforts varies greatly. For example, some employers offer commuter benefits based on the federal tax code. At one end of the spectrum, a small number of large employers operate their own transportation services providing door-to-door bus service (for example, from San Francisco to corporate sites in Silicon Valley), vanpool programs, and/or shuttle services to provide a link between a nearby transit station and their worksite. Employers who already offer commuter benefits may be motivated to provide these programs by a variety of factors, including a recognition that commuter benefits can be an important factor in employee recruitment and retention; the need to address specific issues at their worksites, such as insufficient parking, or a desire to use land currently dedicated to employee parking for other purposes; and a recognition of their environmental benefits.

Transportation Management Associations (TMAs): In addition to commuter programs offered by individual employers, a number of TMAs have been established in the Bay Area. TMAs typically provide commuter information and services to multiple employers in a specific office park or geographic area. TMAs are particularly well-suited to multi-tenant business parks that have a number of individual employers in a single complex. Pursuant to SB 1339, the draft rule provides that an employer shall be deemed in compliance with Program requirements if the employer participates in a TMA that provides one of the specified commute benefit options to its employees.

Local Commuter Benefit Ordinances

In recent years, several Bay Area cities have adopted local ordinances that require employers to offer commuter benefits, as shown in the Table 1. These ordinances, which served as the model for Senate Bill 1339, allow the employer to select from several commuter benefit options. While their substantive requirements are very similar to the requirements of SB 1339, the local ordinances have a more stringent applicability threshold, as they apply to employers with either 10 or 20 employees nationwide that have a worksite in the relevant city. The Air District and MTC will work with the Bay Area cities that have adopted commuter benefit ordinances to coordinate the implementation of the regional Program with the local ordinances.

Jurisdiction	Applicability Threshold	Effective Date of Ordinance
City & County of San Francisco	20 or more employees nationwide	January 19, 2009
San Francisco International Airport	20 or more employees nationwide	July 7, 2009
City of Berkeley	10 or more employees nationwide	December, 2009
City of Richmond	10 or more employees nationwide	December 8, 2009

Commuter Benefit Options

Consistent with the provisions of SB 1339, the draft Program defines three basic commuter benefit options, as well as the option for an employer to implement an alternative benefit (Section 14-1-300 of the draft rule). These four options are described below.²

Option 1: Pre-Tax Option: The employer allows employees to pay their transit or vanpool fare using pretax dollars, up to the maximum amount allowed by federal law (currently \$245 per month). This option is based upon the provisions of Section 132(f) of the Internal Revenue Code.³ (See Section 14-1-301 of the draft rule.)

Option 2: Employer-Provided Subsidy: The employer provides a transit or vanpool subsidy to cover the employee’s monthly commute cost. For purposes of the Program, if the employee’s monthly cost is greater than \$75 per month, then the maximum required subsidy for Option 2 is \$75 per month. (For future years, this maximum required subsidy amount will be indexed for inflation on an annual basis consistent with the California Consumer Price index.) However, an employer may choose to offer a higher subsidy amount (greater than \$75 per month). (See Section 14-1-301 of the draft rule).

² An employer may choose to offer more than one of the benefits, or to offer more generous benefits than the minimum specified in the rule. For example, it is common practice for employers that provide a subsidy for transit and vanpools (Option 2) to also allow employees to pay their share of the cost using pre-tax dollars (Option 1).

³ Senate Bill 1339 also references bicycling commuting in regard to the pre-tax option. However, although the federal tax code [IRS Code 132(f)] allows employers to provide a tax-free subsidy of up to \$20 per month to offset an employee’s bicycle commuting expenses, it does not allow employees to use pre-tax dollars to pay for bicycle commuting expenses. Therefore, bicycle commuting is not included in Option 1 for purposes of the draft rule. However, an employer may choose to offer a subsidy for bicycle commuters either as an element of an alternative commute benefit pursuant to Option 4, or as a voluntary measure in addition to offering Option 1, 2, or 3.

Option 3: Employer-Provided Transportation: The employer provides free or low-cost commuter transportation service for its employees. This could include any or all of the following: bus or vanpool service from the employee's home community to the worksite, or a shuttle service from one or more transit stations to the worksite. The transportation service can either be for the dedicated use by employees of a single employer, or shared among multiple employers. SB 1339 calls for the District and MTC to define "low cost" for purposes of Option 3. The agencies will define "low cost" for purposes of Option 3 in guidance materials, based on average transit fares in the region. (See Section 14-1-301 of the draft rule.)

Option 4: Alternative Commuter Benefit: SB 1339 states that, in lieu of choosing one of the three options described above, an employer may propose an alternative commuter benefit that would provide at least the same result in reducing single-occupant vehicle trips as any of the three options defined in SB 1339. The Air District and MTC will provide guidance to define the evaluation criteria and the review process for Option 4. To facilitate Option 4, the agencies are working to define "pre-approved" alternative options. This will expand the menu of options available to employers, assist employers who are interested in pursuing an alternative approach, streamline the Option 4 review and approval process, and provide clarity as to the type of alternative benefits that will be deemed equivalent to the three options defined in SB 1339 in reducing single-occupant vehicle trips to worksites. In addition to any "pre-approved" alternatives, employers will have the flexibility to submit their own proposed alternative benefit for review and approval by the agencies. (See Section 14-1-302 of the draft rule.)

The Air District and MTC believe that Option 4 may be appropriate for certain employers and worksites. The three options defined in SB 1339 focus on promoting transit and vanpooling, because the federal commuter tax benefits primarily address these modes. However, many Bay Area commutes are not well served by transit, and vanpool programs, which are most viable at large worksites with tightly-defined work schedules, do not work in all contexts. Therefore, other alternative commute modes may be more effective in reducing single-occupant vehicle trips at certain worksites. For example, carpooling can be viable in a wide range of worksite sizes and geographic settings, and bicycling is an increasingly popular commute mode throughout the region. Telecommuting and compressed work week schedules may also be effective means to reducing commute trips, especially at worksites that are not well served by transit.

Program Implementation

The Bay Area Commuter Benefits Program will impact a large and diverse set of employers, many of whom do not yet offer any of the commuter benefit options defined in the rule. Therefore, the Air District and MTC will provide information and assistance to help employers understand and comply with the requirements of the Program. Air District and MTC staff are working together to lay the groundwork for successful implementation of the Program. Key tasks include developing a database that will be used to notify employers about the Program and its requirements, creating an on-line registration system, and preparing employer assistance materials to help employers select an appropriate commuter benefit that meets the needs of their employees. The agencies are planning to use the 511.org website as the home base for Program information and implementation.

Guidance Documents

The Air District and MTC will develop guidance documents to complement the rule. The guidance documents will provide additional detail to explain key provisions of the rule. Topics that may be addressed in guidance documents include the following:

- Calculating the number of full-time employees at a business (for purposes of determining whether an employer is subject to the rule).
- Defining the term “low cost” for purposes of Option 3 (employer-provided transportation).
- Defining the process for an employer to propose an alternative commute benefit (Option 4), and the criteria that will be used to evaluate such proposals. The guidelines will also describe “preapproved” alternatives that have been evaluated and approved in advance by Program staff.

Employer Assistance

The 511.org Rideshare program will provide information and assistance to help employers understand Program requirements and implement effective commuter benefit programs, including web-based materials to:

- Describe basic Program requirements and the various commuter benefit options.
- Help employers evaluate the commuter benefit options and select an appropriate option for the employer’s worksite(s) and work force.
- Define the key steps required to implement the three basic options, or the alternative commute benefit option (Option 4).

Registration Process

The employer registration process will be on-line. The employer will access the registration web page and input the required information. Employers will be required to register at the outset of the Program and indicate which commute benefit option they will provide, and then to update their registration information on an annual basis. In addition to the on-line registration system, the agencies may make alternative means of registration available for employers that do not have the capacity to register on-line.

Compliance

The Air District and MTC will encourage compliance by means of outreach and education to employers. Assistance will be provided to help those employers that do not already have commuter benefits programs (see above). Enforcement will be pursued only in the event that an employer refuses to implement any of the commuter benefit options, in which case enforcement would be handled by the Air District using the civil enforcement powers granted to it by California Health & Safety Code section 42402.

Attachment B
Work shop Notice



METROPOLITAN
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WORKSHOP NOTICE

September 6, 2013

TO: INTERESTED PARTIES
FROM: EXECUTIVE OFFICER, BAY AREA AIR QUALITY MANAGEMENT DISTRICT
EXECUTIVE DIRECTOR, METROPOLITAN TRANSPORTATION COMMISSION

SUBJECT: **PUBLIC WORKSHOP – DRAFT REGULATION 14, RULE 1: BAY AREA
COMMUTER BENEFITS PROGRAM**

The staff of the Bay Area Air Quality Management District (Air District) and the Metropolitan Transportation Commission (MTC) will conduct public workshops to present, discuss, and receive comments on draft Regulation 14, Rule 1: The Bay Area Commuter Benefits Program. The details of the upcoming workshops are provided below:

ALAMEDA COUNTY

Monday, October 7
2:00 PM - 4:00 PM
Joseph P. Bort MetroCenter
Auditorium
101 Eighth Street
Oakland

**Meeting will be audiocast*

SOLANO COUNTY

Wednesday, October 9
2:00 PM - 4:00 PM
Fairfield Community Center
Lakeside Suite A
1000 Kentucky Street
Fairfield

SANTA CLARA COUNTY

Tuesday, October 22
10:00 AM - 12:00 PM
San Jose State University
MLK Public Library
Room 255/257
1 Washington Square
San Jose

CONTRA COSTA COUNTY

Tuesday, October 8
1:00 PM - 3:00 PM
San Ramon Community
Center, Alcosta Room
12501 Alcosta Boulevard
San Ramon

SONOMA COUNTY

Thursday, October 10
10:00 AM - 12:00 PM
Finley Community Center
Cypress Room
2060 W. College Avenue
Santa Rosa

SAN MATEO COUNTY

Tuesday, October 22
2:00 PM - 4:00 PM
Downtown Redwood City
Public Library, 2nd Floor
1044 Middlefield Road
Redwood City

NAPA COUNTY

Wednesday, October 9
10:00 AM - 12:00 PM
Napa Public Library
Community Room
580 Coombs Street
Napa

MARIN COUNTY

Thursday, October 10
2:00 PM - 4:00 PM
San Rafael Corporate Center
Tamalpais Room
750 Lindero Street
San Rafael

SAN FRANCISCO COUNTY *

Friday, October 25
10:00 AM - 12:00 PM
BAAQMD (Air District),
Boardroom
939 Ellis Street
San Francisco
**Meeting will be webcast*

BAAQMD 939 ELLIS STREET • SAN FRANCISCO CALIFORNIA 94109 • 415.771.6000 • WWW.BAAQMD.GOV

MTC 101 EIGHTH STREET • OAKLAND CALIFORNIA 94607 • 510.817.5700 • WWW.MTC.CA.GOV

BACKGROUND

Motor vehicles are the largest source of greenhouse gases and other air pollutants in the San Francisco Bay Area. Reducing the growth in vehicle miles traveled is necessary to achieve the State's bold climate protection targets set by AB 32 and SB 375, and to reduce other air pollutants that adversely impact public health. The Bay Area Commuter Benefits Program would assist the Bay Area in achieving these targets and goals.

Senate Bill 1339, signed into law in fall 2012, authorizes the Air District and MTC to adopt and implement a regional ordinance, known as the Bay Area Commuter Benefits Program (Program). The Program would require employers with 50 or more full-time employees in the Bay Area to select one of the following four commuter benefits options to offer to their employees:

- The option for employees to pay for their transit or vanpool expenses with pre-tax dollars, as allowed by current federal law;
- A transit or vanpool subsidy to reduce, or cover, employees' monthly transit or vanpool costs;
- A low-cost or free shuttle, vanpool, or bus service operated by or for the employer; or
- An alternative method that would be equally effective as the other options in reducing single-occupant vehicle trips (and/or vehicle emissions).

Building on the success of similar ordinances adopted in the cities of San Francisco, Berkeley and Richmond, the Bay Area Commuter Benefits Program would facilitate a regional approach to encourage the use of sustainable commute modes, such as public transit, ridesharing, bicycling and walking. In developing the regional Commuter Benefits Program, the Air District and MTC will seek to support and complement existing employer programs and local ordinances to the greatest extent feasible.

INFORMATION AND COMMENTS

In addition to the draft Regulation 14, Rule 1, Air District staff has prepared a Workshop Report to provide background and additional information on the draft rule. The workshops are the next step in the Air District's and MTC's public engagement process. Staff is interested in comments and questions about the draft rule. Staff is also available to meet with interested parties regarding the proposal. Following the workshops and the close of the public comment period, staff will assess the need for changes to the draft rule, and may consider further workshops, or may proceed to a public hearing before the District's Board of Directors and MTC's Commissioners in early 2014. For copies of the draft Regulation 14, Rule 1 and the Workshop Report, please visit www.baaqmd.gov/commuterbenefits. Interested parties are invited to submit comments on the draft rule or the Workshop Report. To do so, please email commuterbenefits@baaqmd.gov, call 415-749-8671, or send written comments to: David Burch, BAAQMD, 939 Ellis Street, San Francisco, CA 94109. The deadline to submit comments on this proposal is November 7, 2013.

Multi-Lingual Assistance:

Para asistencia en español, llame al 415-749-4609.

如需华语服务，请致电 415-749-4609.

Para sa tulong sa Tagalog, tumawag sa 415-749-4609.

Neáu muoán bieát theám chi tieát baêøng tieáng Vieät haõy goĩ soá 415-749-4609.

REQUEST FOR COMMITTEE APPROVAL

Summary of Consultant Contract Amendment

Work Item No.: 1222

Contractor: Parsons Brinckerhoff, Inc., Oakland, CA

Work Project Title: Regional Rideshare Program

Purpose of Project: Regional Rideshare Program operations and 511 outreach support.

Brief Scope of Work: Provide implementation support for the regional commuter benefit program in FY 2013-14, pursuant to SB 1339, and promote 511 real-time transit services.

Project Cost: \$525,000 (this amendment)
Total Contract before this amendment: \$19,876,919
Total Authorized Contract after this amendment: \$20,401,919

Funding Source: Regional Measure 2

Fiscal Impact: Included in the MTC FY 2013-14 budget

Motion by Committee: That the Executive Director or his designee is authorized to negotiate and enter into a contract amendment with Parsons Brinckerhoff, Inc., to provide FY 2013-14 implementation support for the regional commuter benefit program pursuant to SB 1339 and to promote 511 real-time transit services as described above and in the Executive Director's memorandum dated September 6, 2013, and the Chief Financial Officer is authorized to set aside funds for such amendment in the amount of \$525,000.

Operations Committee: Approved: _____
Jake Mackenzie, Chairperson

Approved: Date: September 13, 2013

