



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Joseph P. Bort MetroCenter  
101 Eighth Street  
Oakland, CA 94607-4700  
TEL 510.817.5700  
TDD/TTY 510.817.5769  
FAX 510.817.5848  
E-MAIL [info@mtc.ca.gov](mailto:info@mtc.ca.gov)  
WEB [www.mtc.ca.gov](http://www.mtc.ca.gov)

## *Memorandum*

Agenda Item 3

TO: Operations Committee

DATE: November 7, 2014

FR: Executive Director

W.I.: 1222

RE: Contract Amendment – Regional Rideshare Commuter Benefit Program and 511 Real-Time Transit Information Support: Parsons Brinckerhoff, Inc. (\$358,877)

This memorandum requests Committee approval of a contract amendment with Parsons Brinckerhoff, Inc. (PB) in an amount not to exceed \$358,877 to support continued implementation of the Bay Area Commuter Benefits Program pursuant to Senate Bill 1339 and to promote availability of 511's real-time transit information. Additionally, at the November meeting, staff will present an update on the regional commuter benefit program, including outcomes to date.

### Background

Senate Bill 1339 (enacted in 2012) authorized the Bay Area Air Quality Management District (Air District) and MTC to adopt a regional commuter benefit pilot program (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 or vanpool) 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 Assembly Bill 32 and Senate Bill 375. MTC's role is to develop and manage employer registration and outreach activities through the 511 Regional Rideshare Program and coordinate Program evaluation. The Air District's role is development of the rule, Program compliance and enforcement, and to coordinate with MTC to complete the Program evaluation.

In March 2014, the Air District adopted Regulation 14, Rule 1: Bay Area Commuter Benefits Program. That same month, MTC ratified the Air District's adoption of the regulation by approving Resolution 4134, which supported implementation of the Bay Area Commuter Benefits Program. Since then, MTC and Air District staff have worked together to implement the regulation. A summary of Program milestones is provided in Attachment A. As of October 16, a total of 3,200 employers have registered. Of these, 45% (1,450) are employers who had not previously offered a commuter benefit prior to the Program: this represents roughly 400,000 employees who now have access to a commuter benefit that did not prior to the Program. Beginning November 1, 2014, the Air District, as the lead on compliance procedures, will continue to work with employers to register for the Program. We estimate that 9,600 total Bay Area employers are subject to the ordinance.

Proposed Amendment

PB was selected via competitive procurement in 2011 to provide 511 Regional Rideshare Program operations, employer outreach, and 511 general outreach support services from FY 2011-12 through FY 2015-16. Under the five-year contract, PB provides ridesharing services through employer outreach and online ridematching tools, assists with the Bay Area Commuter Benefits Program, and implements customer communications for the entire 511 program. The current annual budget for this contract in FY 2014-15 is \$5.4 million.

The proposed amendment would add \$140,000 of Congestion Mitigation and Air Quality funds and \$218,877 of Regional Measure 2 funds to the contract, to be used in FY 2014-15 toward the following two programs.

1) Bay Area Commuter Benefits Program (\$183,877)

PB has supported the implementation and launch of the Bay Area Commuter Benefits Program in FY 2013-14. Continued support is needed in FY 2014-15 on the following tasks:

- Support and enhance online tools to assist employers with providing commuter benefits to their employees;
- Update and maintain the employer database to include all employers with 50 or more full-time employees in the Bay Area; and
- Assist employers to select a commuter benefit, register, and assist with communications.

2) 511 Real-Time Transit Program (\$175,000)

MTC's 511 program provides real-time transit information on the phone, web, mobile, and texting systems for ten transit agencies (SFMTA, BART, WestCAT, Dumbarton Express, SamTrans, AC Transit, VTA, Caltrain, Marin Transit, and VINE Napa Transit). In FY 2014-15, the 511 program expects to 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 participating transit agencies on complimentary advertising space.

Recommendation

Staff recommends that this Committee authorize the Executive Director or his designee to negotiate and enter into a contract amendment with PB in an amount not to exceed \$358,877, to support continued implementation of the Bay Area Commuter Benefits Program and to promote availability of 511's real-time transit information during FY 2014-15.

  
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Steve Heminger

SH: cmg

Attachment A  
**Bay Area Commuter Benefits Program Summary**

The following table describes program milestones to date and planned through 2016.

<b>Milestone</b>	<b>Description</b>
<i>March 26, 2014</i> MTC Board Action	MTC approved adoption of Air District Regulation 14, Rule 1: Bay Area Commuter Benefits Program.
<i>March 26, 2014</i> Program Launch	Bay Area Commuter Benefits Program went into effect. Conducted employer outreach, deployed online tools, and assisted in registration efforts.
<i>March 26 – September 30, 2014</i> Employer Registration Period	Employers given six months to register. Outreach efforts included: <ul style="list-style-type: none"> <li>• Sent two direct mail pieces to employers including letter of support from eight business organizations,</li> <li>• Conducted program presentations to business organizations and public agencies,</li> <li>• Updated employer outreach materials based on employer feedback,</li> <li>• Conducted advertising and outreach to business community, and</li> <li>• Hosted two webinars with participation from over 500 employers.</li> </ul>
<i>September 30, 2014</i> Employer Registration Deadline	31% of required employers have registered for the program.
<i>October 1 – 31, 2014</i> Employer Registration Grace Period	The Air District established an employer grace period through 10/31/14.
<i>Mid-November 2014</i> Employer Mailing	Joint MTC/Air District to mail a reminder notice to employers who have not yet registered. 511 Rideshare staff to assist employers.
<i>Spring 2015</i> Continue Employer Notices	Continue efforts to encourage employer registration. 511 Rideshare staff to assist employers.
<i>June 2015</i> Program survey	Complete Program survey.
<i>July 2015-December 2015</i>	Evaluate Program effectiveness and prepare report to the Legislature.
<i>July 1, 2016</i> Report to Legislature	Report due to the State Legislature.
<i>January 1, 2017</i>	Pilot ends per SB 1339 (2012).

## 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 continued support for the regional commuter benefits program in FY 2014-15, and promote 511's real-time transit information services.

Project Cost: \$358,877 (this amendment)  
Total Contract before this amendment: \$20,401,919  
Total Authorized Contract after this amendment: \$20,760,796

Funding Sources: Regional Measure 2, Congestion Mitigation and Air Quality

Fiscal Impact: Included in the MTC FY 2014-15 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 continued implementation support for the regional commuter benefits program and to promote 511's real-time transit information services as described above and in the Executive Director's memorandum dated November 7, 2014, and the Chief Financial Officer is authorized to set aside funds for such amendment in the amount of \$358,877.

Operations Committee:

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Jake Mackenzie, Chair

Approved: Date: November 14, 2014



*Bay Area*

# **Commuter Benefits Program**

## **Summary of Program Outcomes**

### **Presentation to the Operations Committee**

November 14, 2014

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**Christine Maley-Grubl**

Project Manager, MTC



## Background & Overview

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- Bay Area Commuter Benefits Program now in effect
  - Regulation 14, Rule 1 serves as foundation for Program
  - Adopted by Air District board; ratified by MTC in March 2014
- Program based on Senate Bill 1339 (enacted in 2012)
- Registration required as of September 30, 2014
- Pilot program: 2014-2016
- Report to Legislature due by July 2016





## Who Needs to Comply?

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- Employers with 50+ full-time employees in the Bay Area:
  - ✓ Private business
  - ✓ Public Agency
  - ✓ Non-profit organizations





## Four Commuter Benefit Options

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- **Option 1:** Pre-tax payroll deduction for transit or vanpool
  - ✓ *Up to maximum amount allowed by IRS (currently \$130 per month)*
  - ✓ *Employers save \$ on payroll taxes*
  - ✓ *Employees save \$ on transit/vanpool fares*
- **Option 2:** Direct subsidy for transit or vanpool
  - ✓ *Employer-provided transit subsidy (or transit pass) or vanpool subsidy up to \$75 per month.*
- **Option 3:** Employer-provided transportation
  - ✓ *Bus, shuttle, vanpool*
- **Option 4:** Alternative commuter benefit
  - ✓ *Must be as effective as Options 1-3*





## Program Requirements

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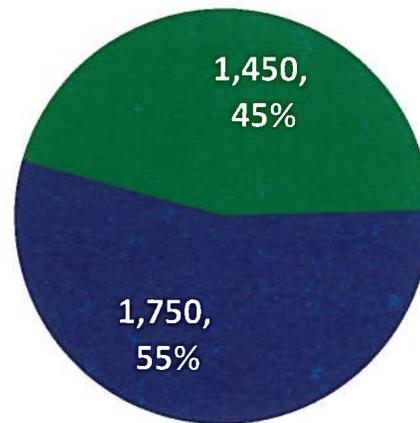
- Select one of the four options
- Designate a commuter benefits coordinator
- Register online: 511.org, click Bay Area Commuter Benefits Program
- Notify employees & make benefit available
- Provide information needed for Program evaluation





## Registration Results to Date (October 16)

- Number of Employers Registered (subject to Rule): 3,200
- 45% are new employers; 55% already offered benefits



■ New employers who previously did not offer commuter benefits

■ Benefits offered prior to March

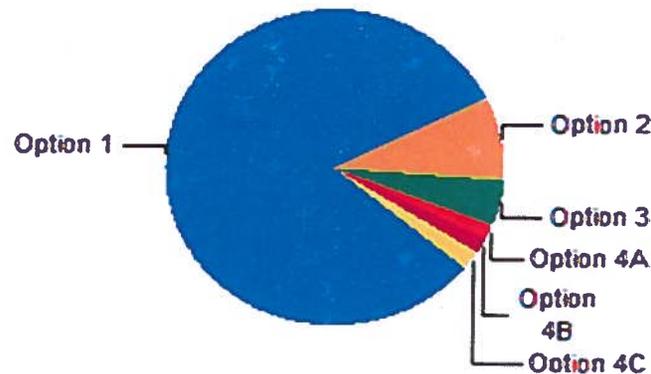




# Snapshot of Commuter Benefits for Employers Subject to Program

- 1.4 million employees have a commuter benefit if they choose to use it
- 82% of employers chose Option #1

## Total # of Employees Per Option Type of Required Employers Registered



Option 1	1,167,924	81.6%
Option 2	122,330	8.5%
Option 3	70,108	4.9%
Option 4A	20,757	1.5%
Option 4B	22,825	1.6%
Option 4C	27,313	1.9%
<b>Total:</b>	<b>1,431,257</b>	<b>100.0%</b>

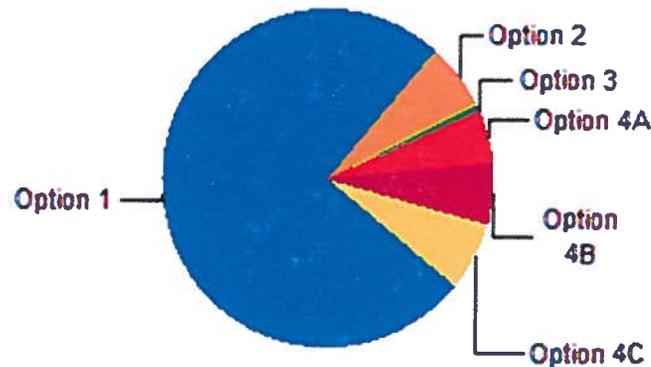




# Initial Program Results

- 1,450 new employers now offer commuter benefits due to the regulation
- 403,000 employees now have access to a new commuter benefit

## Total # of New Employees Per Option Type of Required Employers Registered



Option 1	303,173	75.4%
Option 2	26,422	6.6%
Option 3	1,583	0.4%
Option 4A	20,757	5.2%
Option 4B	22,825	5.7%
Option 4C	27,313	6.8%
<b>Total:</b>	<b>402,093</b>	<b>100.0%</b>





## Implementation Experience to Date

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- Support from business community and other stakeholders
- Favorable media coverage
- 511 employer outreach staff provide positive feedback:
  - ✓ Constructive response from employers
  - ✓ Increase in # of payroll vendors offering commuter benefits
  - ✓ Smaller employers (<50 employees) are also stepping up
  - ✓ Laying groundwork for successful implementation





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# Program Update for Operations Committee

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**Christine Maley-Grubl**

Project Manager, MTC

P: 510/817-5927    E: [cmaley@mtc.ca.gov](mailto:cmaley@mtc.ca.gov)



Bay Area  
Commuter Benefits Program