

STAFF REPORT

SUBJECT: Medical Transportation Management (MTM) Payment Agreement

FROM: Toan Tran, Director of Operations and Innovation

DATE: April 27, 2020

Action Requested

Information only – No action required at this time.

Background

In 2014, the Board of Directors awarded a contract to Medical Transportation Management (MTM) to provide paratransit service for LAVTA. The agreement includes a three-year base term and four additional one-year terms. The pricing structure for the agreement is as follows:

Tier	Number of Trips per Month	Price per Trip
1	Up to 4,199	\$36.22
2	4,200-4,699	\$35.34
3	4,700+	\$34.17

The price per trip cost includes both fixed and variable expenses.

Discussion

MTM continues to provide daily, pre-scheduled, door-to-door transportation service in the Tri-Valley area for people with disabilities. Because of the COVID-19 pandemic, the demand for the dial-a-ride service has decreased significantly, going from 150 to 30 trips per weekday. MTM is experiencing financial hardship as a result.

In an effort to maintain operational stability, MTM continues to employ key personnel, which includes the General Manager, dispatchers, and reservationists. Although wages and benefits for these positions are accounted for in the price per trip rate, the current trip volume is not adequate to support the ongoing fixed cost. In order to prevent potential layoffs, MTM has requested a supplemental payment to cover the monthly fixed cost during the pandemic. The monthly fixed cost consists of wages and benefits for the positions mentioned above as well as expenses related to software and utilities. LAVTA has agreed to provide MTM a monthly supplemental payment of \$26,500, which is based actual expenditures over a six-month period prior to COVID-19. The agreement is from March 16, 2020 to June 30, 2020. The cumulative financial impact is projected to be under \$100,000, which is within the Executive Director's authority. In the event there is a need to extend the agreement past June 30, staff will bring the item back for approval.

Recommendation

No action required at this time.