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January 20, 2026

**The Honorable Members of the Board of Supervisors
City and County of San Francisco
1 Dr. Carlton Goodlett Place, Room 244
San Francisco, CA 94102**

Subject: Request for Approval – Extension of the SF Paratransit Broker and Operating Agreement

Honorable Members of the Board of Supervisors:

The San Francisco Municipal Transportation Agency (SFMTA) requests that the San Francisco Board of Supervisors approve the Tenth Amendment to Contract No. SFMTA-2016-17, Paratransit Broker and Operating Agreement, with Transdev Services, Inc., to extend the Contract for a two-year period, and increase the not to exceed amount by \$30,831,549 for a total Contract amount not to exceed \$339,102,572.

BACKGROUND

SF Paratransit is the SFMTA's program that provides federally mandated transportation services to seniors and people with disabilities who cannot use Muni's fixed-route system some or all of the time. These services are required under the Americans with Disabilities Act (ADA) and are an essential part of ensuring that the SFMTA's transit services are accessible for all riders. In FY24-25, SF Paratransit delivered approximately 575,000 trips to about 18,000 customers across San Francisco.

Since 1978, the SFMTA has delivered paratransit service through a third-party contractor. The contractor performs critical functions on the agency's behalf, including managing service provider subcontracts, overseeing service quality, administering customer eligibility, managing the sale of fare instruments, and serving as the primary customer service representative for paratransit riders. Since 2014, the contractor has also directly operated transportation services. Federal regulations (49 CFR Part 37, Subpart F) require the SFMTA to ensure that paratransit service is provided.

The current paratransit agreement with Transdev Services, Inc. began on July 1, 2016, for a five-year term with an option for a five-year extension. The SFMTA exercised this extension on June 23, 2021, carrying the agreement through June 30, 2026. The total not to exceed value of the contract is \$308,271,023. Transdev has also maintained compliance with all Small Business Enterprise (SBE) requirements in their Agreement with the SFMTA.

The SFMTA, Transdev, and the Paratransit Coordinating Council (PCC) — the program's community advisory body — work closely to monitor service quality, evaluate performance, and identify opportunities for improvements. Over time, the program relied on flexibility and innovation to improve service for seniors and people with disabilities.

Program Description: What Services Are Provided

SF Paratransit offers a range of transportation options designed to meet the diverse needs of ADA-eligible customers in the most cost-effective way possible. Core services include:

- **SF Access** – A prescheduled, door-to-door shared van service.
- **Group Van** – Van service for groups of riders traveling to or from the same location on designated days.
- **Taxi Service** – Same-day, on-demand trips using SF taxicabs.

In addition, three non-ADA programs help meet the transportation needs of seniors and people with disabilities and help relieve demand on the ADA system by serving the hardest to take trips for non-ADA eligible riders on these services, while encouraging continued usage of Muni for other trip needs:

- **Essential Trip Card** – Subsidized taxi trips for essential travel
- **Shop-a-Round** – Taxi and van trips to grocery stores
- **Van Gogh** – Group van trips to social and cultural destinations

Prior Amendments to Agreement

The Agreement has been amended nine times, by the Director of Transportation under his delegation authority.

- On April 30, 2017, the parties executed the First Amendment to the Agreement (1) to delete Section 10.8 (Health Care Accountability Ordinance); (2) to add clauses that were inadvertently omitted from Appendix D to the Agreement and (3) to correct Exhibit E by retitling it Appendix E and correcting the Small Business Enterprise (SBE) goal.
- On May 25, 2017, the parties executed the Second Amendment to the Agreement (1) to provide for the City to lease to Contractor 22 additional accessible minivans and 27 additional paratransit vans for use in the SF Access Program; (2) to eliminate references to mandatory subleasing of the Vehicles and (3) to eliminate references to lease payments.
- On June 1, 2017, the parties executed the Third Amendment to the Agreement to amend Appendix B of the Agreement to reflect the adjustments to the Contractor's budget due to an increased level of service provided in the Group Van Program, with no changes to the contract's not-to-exceed (NTE) amount.
- On May 16, 2019, the parties executed the Fourth Amendment to the Agreement to provide for the City to lease to Contractor eight additional paratransit vans and 10 additional hybrid sedans for use in the SF Access and Group Van Program.
- On February 6, 2020, the parties executed the Fifth Amendment to the Agreement to provide for the City to lease to Contractor 35 additional paratransit vans for use in the SF Access and

Group Van Program.

- On June 23, 2021, the parties executed the Sixth Amendment to amend the Agreement to exercise the option to extend the contract for an additional five- year period, increasing the Agreement amount by \$169,395,342, to a total not to exceed \$312,297,446, and for a term beginning July 1, 2021, and ending June 30, 2026.
- On April 1, 2022, the parties executed the Seventh Amendment to the Agreement to provide for the City to lease to Contractor 22 additional paratransit vans for use in the SF Access and Group Van Programs.
- On January 1, 2024, the parties executed the Eighth Amendment to the Agreement to provide for the City to lease to Contractor 7 additional paratransit vans for use in the SF Access and Group Van Programs.
- On December 5, 2025, the parties executed the Ninth Amendment to the Agreement to provide for the City to lease to Contractor 65 additional paratransit vans for use in the SF Access and Group Van Programs.

Tenth Amendment

The agency faces a challenging financial outlook and is working to reduce costs while maintaining service quality. This extension would ensure uninterrupted paratransit service for older adults and people with disabilities, stabilize program costs during a period of fiscal uncertainty, and extend negotiated savings with the vendor through the end of FY27-28 (over \$1M per fiscal year).

Additionally, the proposed contract extension will allow the SFMTA to complete necessary technology upgrades to ensure the continuity of the Paratransit taxi program and conclude and evaluate pilot programs with the SF Access van service. Several critical local and regional technology upgrades and pilot initiatives currently underway — including digital communication tools and improvements to online reservation and payment systems — would be delayed or disrupted without continuity of the existing contractor.

The extension also provides additional time to complete analysis of potential operational efficiencies that could further reduce costs in the next competitive bid process. Proceeding with an immediate RFP would not allow sufficient time to incorporate these emerging cost-saving opportunities into new contract requirements.

Itemized Cost Savings

A contract extension will stabilize program costs during a period of fiscal uncertainty through negotiated cost reductions including:

- Reducing General & Administrative and Management Fees
- Reducing rent at contractor-owned facilities
- Right sizing the labor force to align with current demand trends

- Pausing requirement for an annual customer satisfaction survey
- Implementing other administrative and operational efficiencies, including fueling at City-owned facilities and expanding use of digital communication tools.

Work to Be Completed During the Extension

During the extension period, staff will:

- Realize cost-saving measures negotiated with the contractor.
- Evaluate potential city-owned sites for administrative or operational use.
- Continue exploring opportunities to improve efficiency and minimize costs.
- Advance new revenue opportunities, including exploring Medi-Cal reimbursement.
- Complete several in-progress technology modernization projects
- Issue the next Request for Proposals (RFP) for paratransit services, including revised scope and operational requirements that minimize expenditures.

The in-progress local and regional technology modernization efforts and pilot programs rely on contractor-specific platforms, knowledge, and processes that cannot be transferred or replaced without substantial cost, delay, and service disruption. These programs include:

- **Paratransit Taxi Debit Card Update:** The current swipe debit card technology needs to be updated as it will be obsolete within two years. This extension time will allow experienced Transdev staff, who helped develop and implement the current debit card system, to evaluate the options, make a recommendation, and develop and implement a feasible rollout plan for all Paratransit taxi users.
- **Clipper Card Pilot:** SF Paratransit will be the pilot agency for the implementation of Clipper Card for ADA Paratransit van service. Spearheaded and funded by the Metropolitan Transportation Commission (MTC), Transdev has been involved from the beginning and has extensive experience working with Trapeze in the current software configuration. This pilot will require the continuity of knowledge from the Paratransit contractor to ensure successful launch to SF Access van riders. This pilot is expected to commence in Spring 2026.
- **One Seat/One Ride Pilot:** As part of several regional pilot projects being funded by MTC, SF Paratransit will be coordinating with RediWheels, the Paratransit system for San Mateo County, to provide direct trips to and from our service areas. This should improve the rider experience by allowing Paratransit riders to take one vehicle for trips to/from San Mateo County while allowing MTC to determine the long-term feasibility of this service model. Continuity of the service provider will ensure a seamless pilot experience and evaluation. This pilot is expected to start in spring 2026 and is expected to run for 12 months.

STAKEHOLDER ENGAGEMENT

The officers of the Paratransit Coordinating Council (PCC) Executive Committee, which is an advisory committee comprised of paratransit consumers, community representatives, and service providers who provide feedback regarding the SF Paratransit program, have been briefed and are supportive of the recommendation to extend the current agreement with Transdev for another two-

year period. Staff presented this recommendation at the PCC Executive Committee meeting on December 10, 2025 with support from the committee.

Staff have also consulted with key city agencies serving seniors and people with disabilities. Staff from the Office on Disability and Accessibility and the Department of Disability and Aging Services were consulted, and they expressed support for the proposed extension.

ALTERNATIVES CONSIDERED

SFMTA considered several alternatives to the proposed contract extension. Among the alternatives considered include:

Alternative 1: Issue RFP for new Paratransit Agreement

The negotiated cost reductions and administrative efficiencies are specific to the current contractor and cannot be replicated by another vendor. Issuing an RFP at this time would therefore increase costs, delay planned service improvements and prevent the agency from realizing these savings in the current fiscal year and the next two fiscal years. Securing these savings is particularly critical as the agency approaches a potential fiscal cliff, as they provide needed budget certainty while longer-term fiscal solutions are developed. Additionally, issuing a new RFP and transitioning to a potential new vendor would delay or disrupt critical in-progress technology upgrades and pilot programs. The SFMTA must act quickly to update the taxi debit card software, as the current technology is nearing obsolescence. Delays risk a temporary loss of the cost-effective, on-demand paratransit taxi service, which accounts for approximately 60% of all Paratransit trips, and could increase costs if riders shift to SF Access van service.

Further, if an RFP were issued now, staff would not have sufficient time to incorporate emerging operational cost-saving measures into the solicitation. Additional analysis is needed to identify and refine efficiencies that could further reduce costs in a future competitive procurement. Proceeding with an immediate RFP would limit the agency's ability to include these opportunities in new contract requirements.

Alternative 2: Bring services in-house

As part of the SFMTA's annual Prop J analysis, Accessible Services staff compared the cost of contracting versus providing services in-house. Staff estimates that it would be 30 to 40 percent more expensive to provide paratransit services in-house than to continue contracting them out.

Given these factors, staff strongly recommend the contract extension as the most feasible option to realize near-term cost savings, explore additional cost savings opportunities that will take time to analyze, and complete critical work before issuing the next paratransit RFP.

FUNDING IMPACT

The following operating funds are required for the paratransit contract and will be allocated in the SFMTA budget:

FY26/27	\$31,162,769
FY27/28	\$32,980,681

The SFMTA receives funding for paratransit services through various federal, state, and local sources. Approximately 40% of all program expenditures are supported by dedicated local revenues from Proposition L sales tax funds, with an additional 30% supplemented by annual Federal Transit Administration Section 5307 formula funds and State Transit Assistance (STA) allocations. The SFMTA also maintains cost-sharing agreements with BART and the Department of Disability and Aging Services (DAS), which cover 10% of program costs. Remaining expenses are funded through fare revenue and the SFMTA operating budget.

SFMTA Board Action

On January 6, 2026, the SFMTA Board of Directors approved Amendment #10 to Contract No. SFMTA-2016-17, Paratransit Broker and Operating Agreement, with Transdev Services, Inc., to extend the Contract for a two-year period, and increase the not to exceed amount by \$30,831,549 for a total Contract amount not to exceed \$339,102,57.

RECOMMENDATION

SFMTA respectfully requests that the San Francisco Board of Supervisors approve Amendment #10 to Contract No. SFMTA-2016-17, Paratransit Broker and Operating Agreement, with Transdev Services, Inc., to extend the Contract for a two-year period, and increase the not to exceed amount by \$30,831,549 for a total Contract amount not to exceed \$339,102,57.

Sincerely,



Julie Kirschbaum
Director of Transportation