



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** SUSTAINABILITY

**File #:** 24-258

Board Meeting Date: 4/9/2024

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Carolyn Bloede, Director, Department of Sustainability

**Subject:** Amendment to the Agreement with Edenred Commuter Benefit Solutions, LLC, Inc. to Provide Employee Commute Alternative Benefit Services

**RECOMMENDATION:**

Adopt a resolution authorizing an amendment to the agreement with Edenred Commuter Benefit Solutions, LLC, Inc. to provide commute alternative benefit services, increasing the amount by \$1,500,000 to an amount not to exceed \$6,400,000 and extending the contract end date from May 13, 2024 to May 13, 2025.

**BACKGROUND:**

On July 27, 1993 this Board established a \$20 per month transit subsidy for County employees to help cover the cost of transit fares to “encourage employees to commute to work in a manner other than driving alone” (Resolution No. 057387). This subsidy also ensured compliance with the Bay Area Air Quality Management District's (BAAQMD) Regulation 14, Rule 1: Bay Area Commuter Benefits Program, which requires large employers to implement programs to reduce drive alone commutes and promote alternatives such as ridesharing and public transit. Drive alone travel has disproportionately large impacts on public health and climate change compared to most other types of travel. Reducing drive alone commutes reduces those negative impacts.

Over the past thirty years, this Board has recommitted to the goal of reducing drive alone commutes and has raised the transit subsidy several times. On July 23, 2019 the Office of Sustainability (OOS) brought forward a report to this Board for acceptance and to request guidance on proposed changes to the benefit levels in the Commute Alternatives Program (Shift) that the OOS administers. This Board accepted the report and directed OOS to raise the transit subsidy from its then value of \$75 per month to its current value of \$150 per month and to increase previously launched incentives for walking, biking, and carpooling from \$20 per month to \$2 per day (up to \$44 per month).

Then on January 26, 2021 this Board adopted the County of San Mateo 2020 Government Operations Climate Action Plan (Resolution No. 077960). The Plan once again committed the County

to reduce employee commute-related greenhouse gas emissions, which are primarily generated by drive alone travel, by 95 percent by 2035. These ongoing commitments to Shift program goals and input regarding program improvements directed by this Board are important for program success.

Currently 1,100 County employees are enrolled in Shift, with approximately 900 of those employees receiving the transit subsidy. The impact of those employees' participation, as well as the impact of other County programs that affect workforce commute patterns such as flex scheduling and teleworking, result in tangible commute mile reductions compared to the scenario of these employees driving alone five days per week. In FY 2023-24, drive alone commute reduction efforts are estimated to result in employees driving 21,560,000 fewer miles, burning 656,000 fewer gallons of gas, and emitting 8,400 fewer metric tons of carbon.

To support the implementation of Shift program, on May 14, 2019 this Board approved an agreement with Edenred Commuter Benefit Solutions, LLC, Inc. (Edenred) for \$2,900,000 with a contract term of May 14, 2019 through May 13, 2022 to provide commute alternative benefit services (Resolution No. 076588). Those services include distributing the monthly transit subsidy with the total contract amount including the funds distributed to employees.

On March 22, 2022 this Board authorized Amendment 1 (Resolution No. 078792), increasing program funding by \$2,000,000 to an amount not to exceed \$4,900,000 and extending the contract term from May 14, 2022 through May 13, 2024.

**DISCUSSION:**

During this current fiscal year budget cycle (FY2023-25) the OOS plans to reassess employee commute behavior and make needed changes to program design. Extending the existing contract with Edenred will allow for the current program structure to remain in effect while this assessment is performed. This amendment extends the contract term one year from May 14, 2024 through May 13, 2025 and increases the contract amount by \$1,500,000 for a new not to exceed amount of \$6,400,000. Of the \$1,500,000 amendment, program administrative costs are projected to be \$60,000 with the remaining balance being directed to employees for transit expenses.

The resolution and agreement have been reviewed and approved by the County Attorney as to form.

**PERFORMANCE MEASURE:**

Measure	FY 2024-25 Target
Provide timely and effective contracted commuter benefits services to enable increasing employee participants in the Shift Program.	7%
Percentage of comprehensive payroll deduction files of pre-tax and post-tax amounts by employees delivered on-time (by the 12th of the month), to be imported into the County's payroll system to facilitate the on-time processing of payroll deductions.	100%

**FISCAL IMPACT:**

The term of the amended agreement is for one additional year, through May 14, 2025. The amendment increases the amount payable under the agreement by \$1,500,000 to continue services for one additional year, to an amount not to exceed \$6,400,000. The contract is funded by Measure A and Net County Cost and is appropriated in the Department of Sustainability's FY 2023-24 Adopted

Budget and the FY 2024-25 Recommended Level Budget.