

**REGIONAL TRANSIT ISSUE PAPER**

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	11/08/10	Open	Action	10/26/10

Subject: Delegating Authority to the General Manager/CEO to Sign a Lease Agreement with the City of Elk Grove for Lease of Regional Transit Buses

ISSUE

Whether or not to authorize the General Manager/CEO to lease ~~ten~~ *up to fifteen* buses to the City of Elk Grove.

RECOMMENDED ACTION

Adopt Resolution No. 10-11-\_\_\_\_, Delegating Authority to the General Manager/CEO to Sign a Lease Agreement with the City of Elk Grove for Lease of Regional Transit Buses.

FISCAL IMPACT

This action would result in a minor savings to RT's operating budget resulting from a decrease in maintenance costs pertaining to buses in RT's contingency fleet.

DISCUSSION

This action would authorize the General Manager/CEO to enter into a lease agreement with the City of Elk Grove for the use of ~~ten~~ *up to fifteen* RT buses. These buses are being used as a temporary augmentation to the City of Elk Grove's bus fleet. They are replacing buses that were removed from service as a result of compressed natural gas fuel tanks that have exceeded their rated life and are no longer useable. They would be used by the City of Elk Grove for approximately eight months until refurbished and new buses are received.

As a consequence of reducing service in June of last year, RT has approximately 40 buses in a contingency fleet. RT's plan for restoring services would not require the use of these buses for at least eighteen months, which allows RT to enter into this lease agreement without any negative impact to RT's current service commitment. The lease will require the City of Elk Grove to maintain the ~~ten~~ buses, which are the subject of this lease. This results in a minor cost savings from the reduced cost of maintaining a smaller contingency fleet.

Because of the urgency of their need, the City of Elk Grove took possession of ~~the~~ ten buses on Saturday, October 16, 2010. This action would authorize the General Manager/CEO to sign the lease agreement once it is completed.

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 Approved:

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 Presented:

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 REVISED FINAL 11/8/10

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 General Manager/CEO

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 Chief Operating Officer

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RESOLUTION NO. 10-11-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

November 8, 2010

**DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO SIGN A LEASE AGREEMENT WITH THE CITY OF ELK GROVE FOR LEASE OF REGIONAL TRANSIT BUSES**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, RT has buses in a contingency fleet that are available for use by another transit system without impact to RT's service or budget.

THAT, the City of Elk Grove has an urgent need for ~~ten~~ buses in order to maintain their current level of public transit service.

THAT, RT ~~has~~ made available ten buses from RT's contingency fleet to the City of Elk Grove *on Saturday, October 16, 2010*.

THAT, the General Manager/CEO is delegated the authority to sign a lease agreement between RT and the City of Elk Grove for the lease of ~~ten~~ up to fifteen buses for a period ending October 31, 2011.

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STEVE MILLER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary