

**REGIONAL TRANSIT ISSUE PAPER**

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
14	12/12/11	Open	Action	12/09/11

Subject: Whether to Authorize the General Manager/CEO to Negotiate and Execute an Amended and Restated Lease of Paratransit Buses with Paratransit, Inc.

ISSUE

Whether to ~~Approve the~~ *Authorize the General Manager/CEO to Negotiate and Execute an Amended and Restated Lease of Paratransit Buses with Paratransit, Inc.*

RECOMMENDED ACTION

Adopt Resolution No. 11-12-\_\_\_\_, ~~Approving the~~ *Authorizing the General Manager/CEO to Negotiate and Execute an Amended and Restated Lease Agreement with Paratransit, Inc.*

FISCAL IMPACT

None as a result of this action.

DISCUSSION

In 1997, RT established a Lease Agreement with Paratransit, Inc. whereby RT would purchase paratransit vehicles (small buses) and lease them to Paratransit, Inc. for use in demand-response service and for the term of the useful life of the vehicle. Through this agreement, RT maintains ownership of the equipment, which is then leased to Paratransit, Inc. for use in the provision of RT's ADA complementary paratransit services and in accordance with the Collaborative Agreement with Paratransit, Inc., for provision of such services.

This amendment updates Exhibit A of the Lease Agreement to include 52 paratransit vehicles purchased last year through the CalACT/MBTA cooperative purchasing schedule with Creative Bus Sales, Inc. using State Public Transit Assistance Funds. The 52 vehicles have recently been outfitted with all necessary additional equipment, such as mobile data computers and radios, and are now fully ready to be placed into demand-response service. There is a critical need to place the new vehicles into the aging paratransit fleet. Per the most recent fleet mileage data provided by Paratransit, Inc., there are 15 buses in the demand-response fleet with 300,000 or more miles, 27 buses with 200,000 or more miles, 4 buses with 150,000 or more miles, 16 buses with 100,000 or more miles, 34 buses with 50,000 or more miles, and 8 buses with under 50,000 miles. This vehicle type has a useful life of 4 to 5 years or 100,000 to 150,000 miles (depending under which FTA guidelines they were purchased). The majority of the fleet has over 100,000 miles and this vehicle type becomes increasingly more expensive to operate as it ages. This procurement will allow aging buses in the demand-response fleet to be replaced, reducing emissions and operating expenses. The new buses are currently being stored at the RT Community Bus facility, and upon full execution of the Amended and Restated Lease Agreement, RT will begin the process of turning the vehicles over to Paratransit, Inc. for use in demand-response service.

Approved:

Presented:

Final Revised 12/9/11

General Manager/CEO

Director, Accessible Services & Customer Advocacy

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Providing new vehicles for the demand-response fleet will also benefit Paratransit, Inc.'s Consolidated Transportation Service Agency (CTSA) programs, as older buses are often retired to the CTSA fleet. At this time, 19 of the 127 buses purchased by RT under this lease arrangement are currently used to provide human service agency transportation by Paratransit, Inc.'s CTSA partner agencies. RT intends to collaborate with Paratransit, Inc. on the retirement of older vehicles to CTSA service once the new buses are placed in service.

Through a collaborative process with Paratransit, Inc. an updated co-branding has been developed and applied to the new buses with paint and decals that identify each agency and highlight the unique community transit partnership. The co-branding is documented in Exhibit C of the *draft* Lease Agreement.

Other changes to the Lease Agreement *will* include an update to the useful life of the vehicle (five-year/150,000 mile) to be consistent with revised FTA requirements; an update to advertising provisions; modification of the terms and conditions under which RT agrees to allow Paratransit, Inc. to use RT's vehicles to provide demand response service and other services operated by Paratransit, Inc. at the end of the vehicles' useful life; and removal of provisions related to office furniture and equipment, and network and telecommunications equipment purchased by RT that are no longer leased by Paratransit.

RESOLUTION NO. 11-12-\_\_\_\_\_

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

December 12, 2011

**~~APPROVING THE~~ AUTHORIZING THE GENERAL MANAGER/CEO TO  
NEGOTIATE AND EXECUTE AN AMENDED AND RESTATED LEASE AGREEMENT  
WITH PARATRANSIT, INC.**

WHEREAS, RT operates fixed route transit service and is required under the Americans with Disabilities Act (ADA) to ensure that there is complementary paratransit service provided within RT's service area; and

WHEREAS, RT and Paratransit entered into a Collaborative Agreement for Provision of Complementary Paratransit Services, as amended, to fund the provision of complementary paratransit service in Sacramento County in accordance with the requirements of the Americans with Disabilities Act of 1990 and RT's ADA Paratransit Plan using RT's federal and state operating grants; and

WHEREAS, on May 27, 1997, RT and Paratransit entered into a Lease of Paratransit Buses ("the Lease Agreement"), setting forth the terms and conditions under which Paratransit may use buses and maintenance equipment, office furniture and equipment, and network and telecommunications equipment purchased by RT to provide ADA complementary paratransit service and other demand-response transit services offered directly by Paratransit to the elderly and disabled; and

WHEREAS, the parties have entered into six amendments to the Lease Agreement since 1997; and

WHEREAS, RT and Paratransit desire to amend the Lease Agreement to modify the terms and conditions under which RT agrees to allow Paratransit use of RT's vehicles to provide ADA complementary Paratransit service, remove provisions related to equipment no longer leased by Paratransit, and add additional buses subject to the Lease Agreement.

WHEREAS, for readability purposes, the parties desire to restate the Lease Agreement, as amended.

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

~~THAT, the Amended and Restated General Manager/CEO is authorized to negotiate and execute an Amended and Restated Lease of Paratransit Buses by and between the Sacramento Regional Transit District (therein "RT") and Paratransit, Inc. (therein "Paratransit") is hereby approved.~~

~~THAT, the General Manager/CEO is hereby authorized to execute said Lease.~~

\_\_\_\_\_  
DON NOTTOLI, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

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

RESOLUTION NO. 11-12-\_\_\_\_\_

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

December 12, 2011

**AUTHORIZING THE GENERAL MANAGER/CEO TO NEGOTIATE AND EXECUTE AN AMENDED AND RESTATED LEASE AGREEMENT WITH PARATRANSIT, INC.**

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

THAT, the General Manager/CEO is authorized to negotiate and execute an Amended and Restated Lease of Paratransit Buses by and between the Sacramento Regional Transit District (therein "RT") and Paratransit, Inc. (therein "Paratransit").

\_\_\_\_\_  
DON NOTTOLI, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

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