

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	03/25/13	Open	Action	03/11/13

Subject: Approval of Discount Fare Media Agreement with Francis House of Sacramento

## ISSUE

Whether or not to approve the Agreement for Discount Sale of Fare Media with Francis House of Sacramento.

## RECOMMENDED ACTION

Adopt Resolution 13-03-\_\_\_\_, Approving an Agreement for Discount Sale of Fare Media with Francis House of Sacramento

## FISCAL IMPACT

Estimated annual revenues in FY 2013: \$167,810.00

## DISCUSSION

### **Background:**

Francis House (FH) is a non-profit tax-exempt organization which provides housing and employment services to individuals and families suffering from homelessness and poverty in the Sacramento area. FH currently provides prepaid RT single ride tickets and daily passes to the individuals and groups they serve.

RT and Francis House first entered into an agreement for the sale of discount fare media in 2005. The Agreement expired in 2006, but the parties have continued to honor the terms of the Agreement and have been working together for over 7 years to provide tickets and passes to the economically disadvantaged in the Sacramento area. This item requests approval of a newly updated Agreement with FH to continue the relationship.

In addition to providing RT tickets and passes to their clients, FH distributes RT media for other organizations that qualify as an "eligible social service organization" providing "human services" under Board Resolution 06-01-0008, RT's *Policy for Discount Sale of Prepaid Fare Media (Policy)*.

As provided in the Policy, "human services" are defined as services provided to individuals in the following categories:

- a. Substance abuse dependency, prevention & treatment
- b. Mental health treatment and counseling
- c. Employment preparation & procurement
- d. Vocational rehabilitation
- e. Food programs

Approved:

Presented:

Final 03/13/13

General Manager/CEO

Chief Financial Officer

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- f. Housing search assistance
- g. Temporary housing, including homeless shelters
- h. Family services
- i. Children and youth services
- j. Centers to support the independence of specific populations

Without an Agreement in place, FH and the other “eligible organizations” could not meet the minimum purchase quantities to qualify for discounted media under the Policy. By allowing other qualifying organizations to purchase through Francis House, the minimum quantities can be met. The minimum annual sales required by the Agreement are \$15,000.

Actual annual revenues received through transactions with Francis House over the past three years are as follows:

FY 2010	\$204,132
FY 2011	\$187,550
FY 2012	\$183,155

## New Agreement Terms

This Agreement will allow FH to continue purchasing prepaid fare tickets and daily passes at a 50% discount, as allowed under the current Policy. The terms of the Agreement can be summarized as;

1. FH must purchase a minimum of 1000 Basic Single Ride tickets, Basic Daily Passes or any combination of the two each month at a 50% discount.
2. FH can then give or sell the tickets or passes at no more than the purchase price to “eligible organizations” or individuals who qualify under the Policy.
3. If FH fails to meet the minimum monthly purchase amount they will be given 2 months to make up the difference.
4. If FH fails to make up the difference or falls below the minimum purchase amount for any 3-month period, then RT and FH will meet to develop a remedy before the Agreement is terminated.
5. This Agreement will continue until either party terminates the Agreement for convenience (with 120 days’ advance notice) or until there is an unremedied breach.

This Agreement is important to both organizations, as it provides discounted passes to individuals that are struggling with homelessness, poverty, and/or are working towards improving their financial situation and allows RT to use FH as a clearinghouse to provide a means to distribute media to other non-profit organizations that may not otherwise qualify for discounted media. This method of distribution reduces costs associated with invoicing, tracking, and shipping media, discounted or otherwise, to the many other organizations that purchase through FH.

Staff recommends the Board’s approval of the Agreement for Discount Sale of Fare Media with

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FH.

RESOLUTION NO. 13-03-\_\_\_\_\_

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

March 25, 2013

**APPROVING AN AGREEMENT FOR DISCOUNT SALE OF FARE MEDIA WITH  
FRANCIS HOUSE OF SACRAMENTO**

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

THAT, the Agreement between the Sacramento Regional Transit District, therein referred to as "RT," and Francis House Center of Sacramento, a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code that provides housing and employment services to individuals and families suffering from homelessness and poverty therein referred to as "FH," wherein Francis House of Sacramento agrees to purchase a minimum of 1,000 Basic Single Fare or Basic Daily Pass tickets per month for a minimum of 12 months, and RT agrees to provide a 50 percent discount on said ticket purchases, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute said Agreement.

\_\_\_\_\_  
PATRICK HUME, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

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