

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
7	06/27/16	Open	Action	06/21/16

Subject: Approving the First Amendment to the Agreement for Operation of Granite Regional Park Shuttle Service with Granite Park Regional Association

ISSUE

Whether or not to approve the First Amendment to the Agreement for Operation of Granite Regional Park Shuttle Services with Granite Park Regional Association.

RECOMMENDED ACTION

Adopt Resolution No. 16-06-____, Approving the First Amendment to the Agreement for Operation of Granite Regional Park Shuttle Service with the Granite Park Regional Association.

FISCAL IMPACT

This action would continue the current contract for a period of six months under the current terms, which provide for payment at a rate of \$39.20 per hour. The FY 2017 Budget assumed \$112,720 in revenues from the agreement. Entering into the 6-month extension would generate \$56,360. If this agreement or a permanent agreement is not reached, the annual budgeted amount of \$112,720 will need to be reexamined, and an adjustment to the budget will be needed.

DISCUSSION

In June 2011, Separovich/Domich Real Estate Development (the owner of the four office buildings adjacent to Granite Regional Park that house the Sacramento County Family Court, County Assessor, and State Equalization Board) approached RT about obtaining a bid for providing shuttle service operating between the Power Inn Light Rail Station, Granite Regional Park, and the above-mentioned office buildings. RT entered into a five-year agreement with the Granite Regional Park Association, Inc. (Granite Park) to operate a one-bus shuttle Monday through Friday between the hours of 6:45 a.m. to 6:15 p.m. This service is operated from RT's Community Bus Division and was intended to be reimbursed at RT's direct cost rate, which was determined to be \$34.83 at the beginning of the contract in 2011 escalating to \$39.20 in FY 2016, the last year of the agreement. The agreement, while lacking a fixed term, only contains rates through June 30, 2016.

As a part of RT's recent review of service, both the Granite Park and McClellan Shuttles were identified as low productivity routes operating at a loss to RT, with the cost of service not being fully covered by reimbursement through the service agreements. RT is in discussion with the contracting parties for both services. This action would extend the rates for the service contract with Granite Park for a period of six months, expiring on December 31, 2016. This extension will provide the time to either negotiate a new contract with a more favorable rate for RT or to provide Granite Park an opportunity to contract with a new service provider without a break in service to its clientele.

Approved:

Presented:

Final 06/22/16

General Manager/CEO

Chief Operating Officer

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Staff recommends that the Board approve the First Amendment to the Agreement between RT and Granite Regional Park Association, and authorize the Chair and the General Manager/CEO to sign the First Amendment to the Agreement with Granite Regional Park Association.

RESOLUTION NO. 16-06-_____

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

June 27, 2016

**APPROVING THE FIRST AMENDMENT TO THE AGREEMENT FOR OPERATION
OF GRANITE REGIONAL PARK SHUTTLE SERVICE WITH THE GRANITE PARK
REGIONAL ASSOCIATION**

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

THAT, the First Amendment to the Agreement for operation of Granite Regional Park Shuttle Service between the Sacramento Regional Transit District, therein referred to as "RT," and the Granite Regional Park Association, therein referred to as "Granite Park," whereby the parties agree to use the FY 2016 rates for an additional six months and RT agrees to continue providing service for a period of six months, terminating on December 31, 2016, is hereby approved.

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

JAY SCHENIRER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary