

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	09/26/16	Open	Action	09/15/16

Subject: Approving an Agreement for the Discount Purchase and Sale of Prepaid Media with The County of Sacramento, Department of Human Assistance

## ISSUE

Approving a new 9-month agreement for a discount group pass program with the County of Sacramento Department of Human Assistance (DHA) for single fare tickets, daily passes, and monthly passes for its General Assistance program participants.

## RECOMMENDED ACTION

Adopt Resolution No. 16-09\_\_\_\_, Approving an Agreement for the Discount Purchase and Sale of Prepaid Fare Media with the County of Sacramento Department of Human Assistance.

## FISCAL IMPACT

Budgeted:	Yes	This FY:	\$	1,706,270
Budget Source:	Operating	Next FY:	\$	
Funding Source:	Revenue	Annualized:	\$	1,706,270
Cost Cntr/GL Acct(s) or Capital Project #:	420918	Total Amount:	\$	1,706,270
Total Budget:	\$ 1,706,270			

## DISCUSSION

Since 1991, RT and Sacramento County DHA have been working together to provide transit passes at a discounted rate for General Assistance recipients. Recipients are required to obtain an RT picture ID from the RT Customer Service Center and a monthly sticker, which is provided by DHA.

On June 24, 2013, the Board adopted Resolution No. 13-06-0088 approving an agreement with the County of Sacramento for a discount group pass program for DHA, which expired on June 30<sup>th</sup>, 2016. Under the terms of the 2013 agreement, DHA was required to purchase a monthly minimum of 6,454 Monthly Pass stickers at \$25 each, with the option to purchase Single Fare tickets and Daily Passes at a 50% discount off the full fare, as needed.

On June 27, 2016 the Board approved Resolution No, 16-06-0069, extending Resolution No. 13-06-0088 for 3 months to give RT and DHA additional time to negotiate contract terms under RT's new fare structure. During the 3 month extension, RT and DHA have negotiated terms for a 9 month contract that will extend the agreement with DHA through the end of the fiscal year.

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Approved:

Presented:

Final 09/21/16

General Manager/CEO

Acting VP Business Support Services/Chief Financial Officer

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The terms of the new contract will allow DHA to purchase passes at \$25 each with a minimum bulk purchase of 6,784 passes per month, and purchase full fare Single Ride, and Basic Daily Passes at the 50% discount rate as needed. DHA's estimated average monthly distribution of monthly stickers is 3,854 which would make the effective discount approximately 60%; this discount rate falls within the range allowed by the Board-approved discount fare policy.

The contract total for this fiscal year is \$2,190,320, which includes \$484,050 that was received from the 3 month contract extension and various RT costs; the new agreement includes a 10% increase over the previous contract between RT and DHA. This is consistent with RT's monthly pass fare increase that took effect on July 1, 2016.

Staff is requesting that the Board approve an Agreement for the Discount Purchase and Sale of Prepaid Media with The County of Sacramento, Department of Human Assistance.

RESOLUTION NO. 16-09-\_\_\_\_\_

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

September 26, 2016

**APPROVING AN AGREEMENT FOR THE DISCOUNT PURCHASE AND SALE OF PREPAID FARE MEDIA WITH THE COUNTY OF SACRAMENTO DEPARTMENT OF HUMAN ASSISTANCE**

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

THAT, the Board hereby approves a new 9 month contract with the County of Sacramento Department of Human Assistance (DHA) for the discount purchase and sale of prepaid media, including the sale of monthly pass media at a discount exceeding the percentage established in the Policy for Discount Sale of Prepaid Fare Media.

THAT, the Chair and General Manager/CEO are hereby authorized to execute the Agreement with the County of Sacramento Department of Human Assistance.

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JAY SCHENIRER, Chair

A T T E S T:

HENRY LI, Secretary

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