

REGIONAL TRANSIT ISSUE PAPER

| Agenda Item No. | Board Meeting Date | Open/Closed Session | Information/Action Item | Issue Date |
|-----------------|--------------------|---------------------|-------------------------|------------|
| 2 | 09/24/18 | Open | Action | 09/19/18 |

Subject: Delegating Authority to the General Manager/CEO to Approve a Cooperative Agreement for Acquisition of Zero Emission Buses

ISSUE

Whether or not to delegate authority to the General Manager/CEO to approve the Cooperative Agreement for the Acquisition of ZEV Buses and Provision of ZEV Bus Service Between U.C. Davis Medical Center and U.C. Davis with Yolo County Transportation District and Electrify America.

RECOMMENDED ACTION

Adopt Resolution 18-09-___, Delegating Authority to the General Manager/CEO to Approve the Cooperative Agreement for the Acquisition of ZEV Buses and Provision of ZEV Bus Service Between U.C. Davis Medical Center and U.C. Davis with Yolo County Transportation District and Electrify America

FISCAL IMPACT

| | | | |
|--|--|---------------|----------------------------------|
| Budgeted: | Yes | This FY: | \$ Est. \$600K Ops. |
| Budget Source: | Capital/Operating | Next FY: | \$ Est. \$14M Cap. / \$1.2 Ops. |
| Funding Source: | Electrify America | Annualized: | \$ Est. \$14M Cap. / \$1.2 Ops. |
| Cost Cntr/GL Acct(s) or Capital Project #: | B105 – Full-size Buses B149 – Smartride Buses | Total Amount: | \$ Est. \$14M Cap. / \$9.6M Ops. |
| Total Budget: | \$ 14 Million Capital | | |

Note:

SacRT will seek full reimbursement for the capital acquisition and installation costs from Electrify America. The operating costs are anticipated to be covered by grant opportunities and regional partners. More details are covered in the discussion section below.

DISCUSSION

Staff is working with Electrify America on two projects as a part of Electrify America's designation of Sacramento as a Green City.

The first project is to provide shuttle service between the U.C. Davis campus and the U.C. Davis Medical Center using electric buses funded by Electrify America. This service would be operated jointly by SacRT and the Yolo County Transportation District ("YCTD"), subject to a separate

Approved:

Presented:

Final 09/19/18

General Manager/CEO

Deputy General Manager/COO

| Agenda Item No. | Board Meeting Date | Open/Closed Session | Information/Action Item | Issue Date |
|-----------------|--------------------|---------------------|-------------------------|------------|
| 2 | 09/24/18 | Open | Action | 09/19/18 |

Subject: Delegating Authority to the General Manager/CEO to Approve a Cooperative Agreement for Acquisition of Zero Emission Buses

agreement between SacRT and YCTD, the details of which have yet to be finalized. The annual cost to operate this service at 15 minute frequencies is estimated at \$2.4 million per year. Grant applications have been submitted to SACOG to cover half of these costs for the first five years. Other sources are being explored to cover the other half, including U.C. Davis Medical Center and U.C. Davis. If these are not successful, SacRT would be responsible for covering half of the annualized \$2.4 million cost through the term of the agreement (with YCTD responsible for the other half), or service levels would be reduced to match the available funding.

The second project is the purchase of 3 zero emission shuttle buses, approximately 25 feet in length, for use in the Franklin Blvd. microtransit, SmarT Ride, service. The operating costs for this project will be funded by Measure A funds provided by the Sacramento Transportation Authority.

Staff has been working productively with Electrify America to complete an agreement for the U.C. Davis/U.C. Medical Center project. Under the terms of the agreement, Electrify America would (1) fund the full acquisition cost of 12 all-electric buses (procurement to be conducted by SacRT with SacRT taking title to 6 buses and YCTD taking title to 6 buses); and (2) install charging infrastructure on SacRT’s (and YCTD’s) facilities.

Under the agreement, SacRT would be contractually obligated to provide service between U.C. Davis and the U.C. Davis Medical Center beginning 45 days after delivery and final acceptance of the buses (assuming the charging infrastructure is operational) and continuing through December 31, 2026. The service would run from Monday to Friday, between the hours of 5:30 a.m. and 8:30 p.m., with stops agreed upon by the three parties. The service frequency would not be specified in the agreement; therefore, SacRT could remain in compliance with the agreement so long as at least one trip per day is operated, though the intent is to operate more frequently.

Under the terms of the Board’s adopted service change policy, the institution of a new route with more than 150 daily revenue miles is considered a major service change. The Board would have to conduct a public hearing and conduct a Title VI service change analysis as a prerequisite to the commencement of the proposed new service. Service would not commence until delivery and acceptance of the electric buses, so SacRT will have time to complete this necessary step and structure the service in a way that meets Electrify America’s intent while avoiding a disparate impact/disproportionate burden on minority and low-income communities. To comply with the terms of the agreement, the service would need to be exempted from the Board-adopted route sunset process.

Once the service is commenced, stops could be changed only in consultation with Electrify America. If the service proves to be unsustainable, SacRT can request that the buses be redeployed in an “equally impactful” way. Discontinuing the service entirely would constitute a breach of the agreement; however, even in the event of a termination for breach, SacRT would retain ownership of the buses so long as they continue to be used in some capacity.

| Agenda Item No. | Board Meeting Date | Open/Closed Session | Information/Action Item | Issue Date |
|-----------------|--------------------|---------------------|-------------------------|------------|
| 2 | 09/24/18 | Open | Action | 09/19/18 |

Subject: Delegating Authority to the General Manager/CEO to Approve a Cooperative Agreement for Acquisition of Zero Emission Buses

If the agreement is terminated for any reason prior to December 31, 2026, SacRT would be obligated to transfer ownership of the charging infrastructure to Electrify America, which would then have the right to allow others to use the equipment until December 31, 2026. SacRT will need to ensure that the charging equipment is installed in a location that will permit such a use.

During the term of the agreement, SacRT would be fully responsible for all costs associated with operating the service, maintaining the buses, and maintaining the charging equipment.

This agreement represents a unique opportunity for SacRT to obtain electric buses and charging infrastructure at no upfront cost to SacRT and provide regional service in partnership with YCTD. It is also consistent with our larger goal of converting SacRT's entire bus fleet to zero emission vehicles as soon as practicable.

Because the final details of the agreement have not yet been resolved, Staff is requesting a delegation of authority to the General Manager/CEO to approve and execute the agreement upon the conclusion of negotiations.

RESOLUTION NO. 18-09-_____

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

September 24, 2018

DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO APPROVE THE COOPERATIVE AGREEMENT FOR THE ACQUISITION OF ZEV BUSES AND PROVISION OF ZEV BUS SERVICE BETWEEN U.C. DAVIS MEDICAL CENTER AND U.C. DAVIS WITH YOLO COUNTY TRANSPORTATION DISTRICT AND ELECTRIFY AMERICA

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

THAT, the Board hereby delegates authority to the General Manager/CEO to approve and execute an agreement by and between the Sacramento Regional Transit District (therein "SacRT"), the Yolo County Transportation District (therein "YCTD") and Electrify America, LLC, whereby Electrify America agrees to fund the acquisition of 12 electric buses (6 for SacRT and 6 for YCTD) and to install charging infrastructure for SacRT and YCTD and, in consideration for such funding and installation, SacRT and YCTD commit to providing service between the U.C. Davis campus and U.C. Davis Medical Center beginning with the delivery of these vehicles until December 31, 2026, unless an alternative service is approved by Electrify America.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary