

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
9	06/10/19	Open	Action	06/03/19

Subject: Approving the Third Amendment to the Transit Operations and Maintenance Agreement with the City of Rancho Cordova

ISSUE

Whether or not to approve the Third Amendment to the Transit Operations and Maintenance Agreement Between the City of Rancho Cordova and Sacramento Regional Transit District

RECOMMENDED ACTION

Adopt Resolution No. 19-06-_____, Approving the Third Amendment to the Transit Operations and Maintenance Agreement Between the City of Rancho Cordova and Sacramento Regional Transit District

FISCAL IMPACT

Budgeted: Yes	FY 2020:	\$	480,046.52
Budget Source: Costs Reimbursed by The City of Rancho Cordova	FY 2021:	\$	492,110.30
Funding Source: Local Source	FY 2022:	\$	504,488.94
Cost Center 77 Community Bus Serv. Revenue GL Acct 420923	Total Amount:	\$	1,476,645.76

DISCUSSION

Since 2009, SacRT has contracted with the City of Rancho Cordova (City) to operate commute-hour bus service between the Zinfandel Light Rail Station and the homes and businesses south of Folsom Boulevard and Highway 50. City staff has requested an extension of the current contract for an additional three-year term, with seven one-year options for City to extend the contract at specified fixed rates. The current contract expires on June 30, 2019. The contracted service is known as the Rancho Cordovan. The agreement will be automatically extended each year after the third year unless City provides notice at least 60 days in advance of the end of the current term of its intent to terminate the Agreement.

The funding for the service will be from local tax funds collected by the City. SacRT will be paid a fixed rate per revenue vehicle hour of service, plus a monthly management fee to cover “overhead costs” associated with the contract. While Staff anticipates that these rates will cover SacRT’s cost to operate the service, both for 3-year term extension and during the option years, SacRT has no right to terminate the Agreement if it is operating the service at a loss.

Approved:

Presented:

Final 06/05/19

General Manager/CEO

VP, Operations

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Notwithstanding the above risks, Staff believes this agreement offers an opportunity to continue providing high-quality transit service to an underserved area and strengthen the SacRT presence in Rancho Cordova.

In addition to the extension of time, the proposed Third Amendment would waive SacRT's right to claim past-due monthly management fees. Beginning in December 2010, SacRT Staff began billing City for a reduced monthly management fee amount (roughly half of the contractually-specified amount), without amending the Principal Agreement. The reduced monthly management fees would be permanently and retroactively incorporated into the Third Amendment.

Staff recommends that the Board approve the Third Amendment to the Transit Operations and Maintenance Agreement Between the City of Rancho Cordova and Sacramento Regional Transit District.

RESOLUTION NO. 19-06-_____

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

June 10, 2019

APPROVING THE THIRD AMENDMENT TO THE TRANSIT OPERATIONS AND MAINTENANCE AGREEMENT BETWEEN THE CITY OF RANCHO CORDOVA AND SACRAMENTO REGIONAL TRANSIT DISTRICT

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

THAT, the Third Amendment to the Transit Operations and Maintenance Agreement Between the City of Rancho Cordova and Sacramento Regional Transit District, whereby the term is extended by 3 years, City has options to extend for up to 7 additional one-year terms, the Price Formulas are updated for the extended term, and RT agrees to waive rights related to past under-billing, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute the foregoing Third Amendment.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary