

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
7	03/25/18	Open	Action	03/18/19

Subject: Approving the Cooperative Agreement for the Acquisition of ZEV Buses and Provision of ZEV Shuttle Bus Service Serving the Franklin Neighborhood with Electrify America

## ISSUE

Whether or not to approve the Cooperative Agreement for the Acquisition of ZEV Shuttle Buses and Provision of ZEV Shuttle Bus Service Serving the Franklin Neighborhood with Electrify America and delegate authority to the General Manager/CEO to execute ancillary agreements with Electrify America related to the Cooperative Agreements.

## RECOMMENDED ACTION

Adopt Resolution 19-03-\_\_\_, Approving the Cooperative Agreement for the Acquisition of ZEV Buses and Provision of ZEV Shuttle Bus Service Serving the Franklin Neighborhood with Electrify America and Delegating Authority to the General Manager/CEO to Execute Ancillary Agreements with Electrify America Related to the Cooperative Agreements.

## FISCAL IMPACT

Budgeted:	Yes	This FY:	\$730,393 Capital/ Est. \$150K Ops.
Budget Source:	Capital/Operating	Next FY:	Est. \$400K Ops.
Funding Source:	Electrify America (Capital) CC 34, CC 77, Various GLs (Ops)	Annualized:	Est. \$400K Ops.
Cost Cntr/GL Acct(s) or Capital Project #:	B157 – Franklin Microtransit 3 ZEB Procurement	Total Amount:	\$730,393 Capital/ \$400K/year Ops.
Total Budget:	\$730,393 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. Operating costs are covered through June 30, 2021, therefore through December 31, 2026, SacRT will need to identify another funding source to pay for these services..

## 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 Board has already approved or delegated authority to the General Manager/CEO to approve agreements related to the U.C. Davis to U.C. Medical Center service. However, since execution of the Cooperative Agreement for U.C. Davis to U.C. Medical Center service, Electrify America has notified SacRT that an additional agreement or agreements may be necessary to facilitate installation of the charging equipment.

Approved:

Presented:

Final 03/20/19

General Manager/CEO

VP, Maintenance

J:\Board Meeting Documents\2019\05 March 25, 2019\Electrify America - Purchase of SmarT Ride Vehicles Autosaved).doc

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
7	03/25/19	Open	Action	03/18/19

Subject: Approving the Cooperative Agreement for the Acquisition of ZEV Buses and Provision of ZEV Shuttle Bus Service Serving the Franklin Neighborhood with Electrify America

The second project, and the primary focus of this Issue Paper, is the purchase of 3 zero emission shuttle buses for use in the Franklin Blvd. microtransit, SmaRT Ride, service. The operating costs for this project will be funded through at least June 30, 2021 by Measure A funds provided by the Sacramento Transportation Authority.

Staff has been working productively with Electrify America to complete an agreement for the Franklin Blvd. microtransit SmaRT Ride project. Under the terms of the agreement, Electrify America would (1) fund the full acquisition cost of 3 all-electric buses (procurement to be conducted by SacRT); and (2) install charging infrastructure on SacRT’s facilities.

Under the agreement, SacRT would be contractually obligated to provide microtransit service in the Franklin Blvd. area beginning 45 days after delivery and final acceptance of the buses (assuming the charging infrastructure is operational) and continuing through December 31, 2026. Since the Measure A funds (operating funds) are only committed through June 30, 2021, SacRT will need to find an alternative funding source to pay for these services, at a minimum through December 31, 2026. The service would run from Monday to Friday, between the hours of 7:00 a.m. and 7:00 p.m.

Once the service is commenced, service 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.

Electrify America will own the charging equipment for the first three years of the Agreement, in order to facilitate maintenance of the charging equipment by Electrify America. After three years, ownership of the equipment will be transferred to SacRT, along with all maintenance responsibility for the equipment. If the Agreement is terminated, SacRT would retain ownership of the equipment and the right to use it.

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 after the first three years.

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

Staff is requesting that the Board approve the Cooperative Agreement on the stated terms and delegate authority to the General Manager/CEO to execute any ancillary agreements with Electrify

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
7	03/25/19	Open	Action	03/18/19

Subject: Approving the Cooperative Agreement for the Acquisition of ZEV Buses and Provision of ZEV Shuttle Bus Service Serving the Franklin Neighborhood with Electrify America

America that may be needed to move forward with the previously-approved Cooperative Agreement and the new Cooperative Agreement.

RESOLUTION NO. 19-03\_\_\_\_\_

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

March 25, 2019

**APPROVING THE COOPERATIVE AGREEMENT FOR THE ACQUISITION OF ZEV BUSES AND PROVISION OF ZEV SHUTTLE BUS SERVICE SERVING THE FRANKLIN NEIGHBORHOOD WITH ELECTRIFY AMERICA AND DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO EXECUTE ANCILLARY AGREEMENTS WITH ELECTRIFY AMERICA RELATED TO THE COOPERATIVE AGREEMENTS**

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

THAT, Cooperative Agreement for the Acquisition of ZEV Shuttle Buses and Provision of ZEV Shuttle Bus Service Serving the Franklin Neighborhood by and between the Sacramento Regional Transit District (therein "RT") and Electrify America, LLC (therein "Electrify"), whereby Electrify America agrees to fund the acquisition of 3 electric shuttle buses and to install charging infrastructure for RT and, in consideration for such funding and installation, RT commits to providing microtransit service in the Franklin Blvd. area beginning 45 days after delivery and acceptance of these vehicles until December 31, 2026, unless an alternative service is approved by Electrify America.

THAT, the General Manager/CEO is hereby directed to execute the foregoing Agreement.

THAT, the General Manager/CEO is hereby authorized to approve and execute any and all additional agreements with Electrify America, LLC to effectuate the Cooperative Agreement for the Acquisition of ZEV Buses and Provision of ZEV Shuttle Bus Service Serving the Franklin Neighborhood and the Cooperative Agreement for the Acquisition of ZEV Buses and Provision of ZEV Bus Service Between UC Davis Medical Center and UC Davis.

---

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

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