

TO: James L. App, City Manager

FROM: Jim Throop, Director of Administrative Services

SUBJECT: Transit Operations Contract Extension

DATE: June 7, 2011

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Needs: For the City Council to approve an extension of the City of El Paso de Robles Transit Operating Agreement with First Transit, Inc.

Facts:

1. The City contracts with First Transit, Inc. to provide public transit services.
2. The current Operations contract agreement is effective from July 1<sup>st</sup>, 2007 to June 30<sup>th</sup>, 2010.
3. The current agreement includes provisions for five (5) one-year extensions of the contract, contingent on the mutual consent of the City and First Transit, Inc.
4. The first one-year extension, through Fiscal Year 2011, was approved by the City Council on May 18, 2010.
5. Both City staff and First Transit agree to another contract extension.
6. The rates currently charged by First Transit for providing transit services, both monthly fixed fees (\$16,595/mo) and the charge per revenue hour (\$22.26), would remain unchanged during the second one-year contract extension.

Analysis & Conclusion: The City currently contracts for Transit operations with First Transit, Inc. The performance of the contractor has been consistently satisfactory during the three-year period of the agreement, and the one-year extension of that agreement. The City would be required to initiate an RFP process if the current contract is not extended. This bidding process would require substantial staff time, and would likely result in a significant increase in contractual expenses.

Fiscal

Impact: There would be no fiscal impact resulting from the adoption of the contract extension. Undetermined expenses that would be incurred through the contract

bidding process and a probable resultant increase in rates paid by the City to a contractor would be avoided by the approval of the contract extension.

Options:

- A. Adopt Resolution No. 11-XXX approving extension of Transit Agreement for one year through June 30, 2012.
- B. Amend, modify or reject the above option

### **THIRD AMENDMENT TO TRANSIT SERVICES AGREEMENT**

This Third Amendment to the Transit Services Agreement ("Third Amendment") is entered into this 7<sup>th</sup> day of June, 2011, by and between the City of El Paso de Robles, a municipal corporation ("City") and First Transit, Inc., a Delaware corporation ("Contractors").

#### **Recitals**

A. City and Laidlaw Transit Services, Inc., a Delaware corporation ("Laidlaw") entered into a Transit Services Agreement, dated September 1, 2007, for the provision of certain transit services by Laidlaw for City. Contractor is the successor-in-interest to Laidlaw.

B. City and Contractor entered in a Second Amendment to Transit Services Agreement, dated January 5, 2010 and May 17, 2010. The Transit Services Agreement and Amendments to Transit Services Agreement are referred to collectively herein as the "Agreement."

C. The Agreement provides that the term of the Agreement may be extended by mutual agreement of the parties.

#### **Agreement**

Section 1. Pursuant to Section 3 of the Agreement, the parties hereby agree that the term of the Agreement shall be extended by one (1) year, to June 30, 2012.

Section 2. City shall pay a fixed hourly rate per vehicle service hour, as set forth in Section 5.(a) of the Agreement, of \$22.26 from July 1, 2011 to June 30, 2012.

City shall pay a fixed monthly rate, per service month, as set forth in Section 5.(b) of the Agreement, of \$16,595.00 from July 1, 2011 to June 30, 2012.

Section 3. Except as modified by this Third Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

*[Signatures on following page]*

City of Paso Robles, a municipal corporation

By: \_\_\_\_\_  
James L. App, City Manager

Attest:

By: \_\_\_\_\_  
Dennis Fansler, City Clerk

"CITY"

First Transit, Inc., a Delaware corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

"CONTRACTOR"



RESOLUTION NO. 11-xxx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES  
APPROVING A ONE-YEAR TRANSIT OPERATIONS CONTRACT EXTENSION WITH  
FIRST TRANSIT, INC.

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WHEREAS, the City of El Paso de Robles provides public transit services through its operations contractor, First Transit, Inc., and

WHEREAS, the City has an Agreement for the provision of Transit Services between the City and First Transit, Inc., and

WHEREAS, the Agreement provides for five (5) one-year extension of the contract, with the consent of both parties, and

WHEREAS, the first of these contract extensions will expire on June 30, 2011, and

WHEREAS, the City has sought, and First Transit has agreed to, a second one-year extension of the agreement, retaining the contract rates currently in effect for Fiscal Year 2010/11, \$16,595 per month and \$22.26 per revenue hour;

NOW THEREFORE BE IT RESOLVED by the City Council of the City of El Paso de Robles to approve a second one-year extension of the Transit Operations Contract Agreement between the City of El Paso de Robles and First Transit, Inc. for the 2011/12 Fiscal Year, July 1, 2011 to June 30, 2012.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 7<sup>th</sup> day of June, 2011 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

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Duane Picanco, Mayor

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Caryn Jackson, Deputy City Clerk