

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: The Honorable City Council

FROM: Dave Klotzle, City Engineer/Public Works Director 
Prepared By: Shaun Kroes, Senior Management Analyst 

DATE: May 18, 2012 (CC Meeting of 06/06/12)

SUBJECT: Consider Amendment to Agreement for Transit Operating Services and Consider Amendment to Agreement for Bus Capital Maintenance Services

SUMMARY

On July 12, 2007, the City awarded an Agreement for Transit Operating Services and an Agreement for Bus Capital Maintenance Services, to CUSA CC, LLC (CUSA). Both Agreements were for three years, with two one-year extensions. The three-year Agreements expired June 30, 2010. The City approved the first one-year extension on June 16, 2010, which expired June 30, 2011. The City approved the second one-year extension on June 24, 2011, which expires on June 30, 2012. Although the original Agreements do not include a third extension, staff is recommending that City Council approve extending the Agreements for six-months, to December 31, 2012. Staff is also requesting that the City Manager be authorized to extend CUSA's Agreements an additional six months from January 1, 2013 to June 30, 2013 if determined to be necessary by the City Manager.

BACKGROUND/DISCUSSION

There are several reasons for extending CUSA's Agreements rather than soliciting bids from service providers at this time. For one, staff is working with other transit agencies to determine future transit services in reaction to Senate Bill 716 which requires that all Transportation Development Act (TDA) revenue be spent on transit and no longer on streets and roads. Secondly, the City has received Congestion Mitigation and Air Quality (CMAQ) funding for a demonstration project to determine if the City can sustain later weekday and Saturday bus service, beginning in October 2012. The proposed bus schedule has not been completed yet and staff believes that potential bidders would be unprepared to provide realistic bids for services that have not yet been established.

Due to the current uncertainty of how transit services will be provided in the next year, staff recommends continuing to utilize CUSA for fixed-route bus services for at least the first six months of FY 2012/13. The City Manager may also extend the Agreements an additional six months after December 31, 2013. Extending the Agreements until June 30, 2013 would also match the the expiration date of the City's Dial-A-Ride Agreement, also with CUSA. In FY 2012/13, the City may determine to merge the fixed-route and Dial-A-Ride Agreements together and solicit bids for all services at the same time.

CUSA has proposed a 3.00% hourly rate increase for its services. Since the City's three CNG buses began service in October 2010, CUSA has charged different hourly rates for operating the diesel and CNG buses. In FY 2011/12 the City agreed that instead of increasing the diesel operating hourly rate of \$33.77, the City would pay the difference in fuel costs when diesel was above \$3.65 per gallon. For example, if a diesel bus used 10 gallons of fuel and CUSA paid \$3.90 for the fuel, the City would pay the regular hourly rate plus an additional \$2.50 (\$0.25 per gallon difference multiplied by 10 gallons). At the time of this staff report, the per gallon diesel rate was \$4.24. The City's expenses for diesel bus service increase if the per gallon diesel rate is above \$4.13 (this is the "break-even" point between \$3.65 per gallon and a 3.00% per hour rate increase). Consequently, staff is proposing to increase the per hour rate for operation of the diesel buses 3.00% (from \$33.77 to \$34.78) instead of paying for the difference in fuel. CUSA is also proposing to increase its hourly capital maintenance rate by 3.00%. It should be noted that in FY 2011/12, CUSA did not raise its capital maintenance rate compared to FY 2010/11. Table 1 describes the proposed rates for the City's diesel fleet.

Table 1: Proposed FY 2012/13 Diesel Rates

Service	FY 2011/12 Current	FY 2012/13 Proposed	Percent Change
Operation (Inc. Fuel)	\$33.77 per hour*	\$34.78 per hour	3.00%
Capital Maintenance	\$20.64 per hour	\$21.26 per hour	3.00%

* City shall pay the difference in fuel when fuel is in excess of \$3.65 per gallon.

The CNG buses will remain primary vehicles for service except for days when one or more CNG bus is out of service for maintenance. The CNG buses fuel at the Simi Valley Transit Maintenance Facility and the City pays Simi Valley for the fuel directly. In FY 2011/12, CUSA decreased its hourly rate for CNG operating services by 10% (from \$31.52 to \$28.37). For FY 2012/13, CUSA is proposing to increase the per hour rate 3.00% (from \$28.37 to \$29.22). CUSA is also proposing to raise the per fuel event rate for CNG fueling at Simi Valley by 3.00% (from \$12.90 to \$13.29). Similar to the diesel rates described above, CUSA is proposing an increase of 3.00% for the capital maintenance of the City's CNG buses (from \$20.64 per hour to \$21.26 per hour). Also similar to the diesel rates

described above, CUSA did not increase the capital maintenance rate in FY 2011/12. Table 2 describes the proposed rates for the City's CNG fleet.

Table 2: Proposed FY 2012/13 CNG Rates

Service	FY 2011/12 CNG	FY 2012/13 CNG Proposed	Percent Change
Operation	\$28.37 per hour	\$29.22 per hour	3.00%
Capital Maintenance	\$20.64 per hour	\$21.26 per hour	3.00%
CNG Fuel Time Rate	\$12.90 per fuel event	\$13.29 per fuel event	3.00%

Beginning in FY 2010/11, the City agreed to pay CUSA when it had to provide its own vehicle due to unexpected mechanical failures of the City's fleet. If a backup vehicle is provided, a minimum 2.5 hour charge would apply. In FY 2011/12, the City used CUSA's 22-passenger CNG bus temporarily while a number of the City's buses were out for multiple mechanical problems. CUSA did not charge the City the CUSA vehicle rate since CUSA recognized that some of the mechanical problems could have been a result of CUSA not following proper maintenance requirements for the City's CNG buses. CUSA has proposed a 3.00% increase in its vehicle hourly rates for FY 2012/13 as shown in Table 3.

Table 3: Proposed FY 2012/13 CUSA Vehicle Rates

Service	FY 2011/12 CUSA	FY 2012/13 CUSA Proposed	Percent Change
Operation	\$33.20 per hour	\$34.20 per hour	3.00%
Capital Maintenance	\$22.13 per hour	\$22.79 per hour	3.00%

Similar to FY 2011/12, CUSA has requested that if its backup vehicle is provided, a minimum 2.5 hour charge would apply.

Service Cost Comparisons:

The City receives FTA funding for some of its transit services, specifically, capital maintenance and vehicle purchasing. One of the requirements of Federal funding is a cost comparison to determine if the City's rates are comparable to other similar services. City staff compared costs with Thousand Oaks Transit (TOT), Camarillo Area Transit (CAT), and Ventura Intercity Service Transit Authority (VISTA). Cost comparisons for FY 2012/13 are detailed in Tables 4 and 5 below:

Table 4: Cost Comparison of Operating and Capital Services (per-hour)

Service	TOT	Moorpark CNG	Moorpark Diesel	VISTA
Operating	\$39.34	\$29.22	\$34.78	\$39.69*
Capital Maintenance	\$21.65	\$21.26	\$21.26	\$59.56*

* VISTA numbers are for FY 2011/12

Table 5: Cost Comparison of Combined Operating and Capital Maintenance Services (per-hour)

Service	CAT	Moorpark CNG	Moorpark Diesel	TOT	VISTA
Operating/Maintenance	\$43.13	\$50.48	\$56.04	60.99	\$99.25*

* VISTA number is for FY 2011/12

Each transit service has its own features which mean that the cost comparisons are not specifically “apples-to-apples”. For example, TOT operates 35-foot CNG buses, compared to Moorpark’s 32-foot CNG buses and 28-foot diesel buses. VISTA operates 45-foot charter buses and because CUSA owns the vehicles VISTA pays an additional “vehicle-lease” that is incorporated in the capital maintenance costs. CAT does not split its costs between operating and capital maintenance and it operates smaller, “cut-a-way” diesel buses compared to Moorpark’s 28-foot diesel buses. In addition, CAT pays for its diesel fuel separately while Moorpark’s diesel fuel cost is included in the hourly operating rate. CAT’s FY 2011/12 projected fuel expenditure is \$135,000. Despite the differences in transit services, it appears that the City’s hourly rates for services are reasonable as compared with other transit agencies in Ventura County.

FISCAL IMPACT

The proposed Amendments would establish the following hourly rates:

Service	FY 2012/13 Proposed Rates
Operation - Diesel	\$34.78 per hour
Operation - CNG	\$29.22 per hour
Capital Maintenance (Diesel and CNG)	\$21.26 per hour
CNG Fuel Time Rate	\$13.29 per fuel event
Operation – CUSA Vehicle	\$34.20 per hour
Capital Maintenance – CUSA Vehicle	\$22.79 per hour

The Draft FY 2012/13 Budget includes \$174,000 in Traffic Systems Management (TSM) Fund (2001) for CUSA operating the CNG buses; \$34,000 in TSM Fund (2001) for CNG fueling; \$15,000 in Local Transit Programs 8C Fund (5000) for CUSA operating the diesel buses; and \$130,000 in Local Transit Programs 8C Fund (5000) for CUSA maintaining the City's fleet of buses. The Draft FY 2012/13 includes sufficient funding for the proposed increases.

STAFF RECOMMENDATIONS

1. Authorize the City Manager to sign Amendment No. 3 to the Agreement for Transit Operating Services, subject to final language approval of the City Manager and City Attorney, extending the Agreement until December 31, 2012, with an additional six-month extension option.
2. Authorize the City Manager to sign Amendment No. 3 to the Agreement for Bus Capital Maintenance Services, subject to final language approval of the City Manager and City Attorney, extending the Agreement until December 31, 2012, with an additional six-month extension option.

Attachments:

- A. Draft Amendment No. 3 for Transit Operating Services
- B. Draft Amendment No. 3 for Bus Capital Maintenance Services

AMENDMENT NO. 3

AGREEMENT BETWEEN THE CITY OF MOORPARK AND CUSA CC, LLC, FOR
TRANSIT OPERATING SERVICES

THIS AMENDMENT TO AGREEMENT, made and entered into this ____ day of _____, 2012, by and between the City of Moorpark, a municipal corporation located in the County of Ventura, State of California, hereinafter referred to as "City" and CUSA CC, LLC, a limited liability company, hereinafter referred to as "Contractor".

WITNESSETH

Whereas, on July 12, 2007, the City and Contractor entered into an Agreement for providing transit operating services, hereto referred to as Agreement, pertaining to all things necessary to operate and manage fixed-route transit services for the City; and

Whereas, Amendment No. 1, dated June 23, 2010, extended the Agreement from June 30, 2010 to June 30, 2011; and

Whereas, Amendment No. 2, dated June 24, 2011, extended the Agreement from June 30, 2011 to June 30, 2012; and

Whereas, the City desires to extend the Agreement from June 30, 2012 to December 31, 2012; and

Whereas, the City desires the option to extend the Agreement for an additional six (6) months from December 31, 2012 to June 30, 2013; and

Whereas, Contractor has provided updated costs associated with operating City-owned diesel vehicles; City-owned compressed natural gas (CNG) vehicles; and Contractor-owned vehicles; and

Whereas, both City and Contractor agree to the adjustments to the Agreement and now wish to document said Amendment by jointly approving this Amendment No. 3 to the July 12, 2007 Agreement by amending the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, benefits and premises herein stated, the parties hereto agree to amend the aforesaid Agreement as follows:

I. TERM

The term of the Agreement is extended to December 31, 2012.

II. COMPENSATION

Section 2 of the Agreement is hereby amended to include the following hourly rates:

- A. City-owned CNG vehicles driving time: \$29.22 per hour
- B. City-owned CNG vehicles fuel time: \$13.29 per fuel event
- C. City-owned diesel vehicles driving time: \$34.78 per hour
- D. Contractor-owned vehicles driving time: \$34.20 per hour (minimum 2.5 hour charge)

The hourly rates for the City-owned and Contractor-owned vehicles shall not exceed a combined 22 hours per day.

Total compensation during the term of this Agreement shall not exceed \$189,000.00.

III. Remaining Provisions

All other provisions of the aforesaid Agreement shall remain in full force and effect.

CITY OF MOORPARK:

CUSA CC, LLC:

Steven Kueny
City Manager

Darlene Cochran
Vice President/General Manager

ATTEST:

Maureen Benson, City Clerk

AMENDMENT NO. 3

AGREEMENT BETWEEN THE CITY OF MOORPARK AND CUSA CC, LLC, FOR
BUS CAPITAL MAINTENANCE SERVICES

THIS AMENDMENT TO AGREEMENT, made and entered into this ____ day of _____, 2012, by and between the City of Moorpark, a municipal corporation located in the County of Ventura, State of California, hereinafter referred to as "City" and CUSA CC, LLC, a limited liability company, hereinafter referred to as "Contractor".

WITNESSETH

Whereas, on July 12, 2007, the City and Contractor entered into an Agreement for providing bus capital maintenance services, hereto referred to as Agreement, pertaining to all things necessary to maintain the City's fixed-route transit vehicles for the City; and

Whereas, Amendment No. 1, dated June 23, 2010, extended the Agreement from June 30, 2010 to June 30, 2011; and

Whereas, Amendment No. 2, dated June 24, 2011, extended the Agreement from June 30, 2011 to June 30, 2012; and

Whereas, the City desires to extend the Agreement from June 30, 2012 to December 31, 2012; and

Whereas, the City desires the option to extend the Agreement for an additional six (6) months from December 31, 2012 to June 30, 2013; and

Whereas, Contractor has provided updated costs associated with maintaining City-owned diesel vehicles; City-owned compressed natural gas (CNG) vehicles; and Contractor-owned vehicles; and

Whereas, both City and Contractor agree to the adjustments to the Agreement and now wish to document said Amendment by jointly approving this Amendment No. 3 to the July 12, 2007 Agreement by amending the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, benefits and premises herein stated, the parties hereto agree to amend the aforesaid Agreement as follows:

I. TERM

The term of the Agreement is extended to December 31, 2012.

II. COMPENSATION

Section 2 of the Agreement is hereby amended to include the following hourly rates:

- A. City-owned CNG vehicles: \$21.26 per hour
- B. City-owned diesel vehicles: \$21.26 per hour
- C. Contractor-owned vehicles: \$22.79 per hour (minimum 2.5 hour charge)

The hourly rates for the City-owned and Contractor-owned vehicles shall not exceed a combined 22 hours per day.

Total compensation during the term of this Amendment shall not exceed \$65,000.00.

III. Remaining Provisions

All other provisions of the aforesaid Agreement shall remain in full force and effect.

CITY OF MOORPARK:

CUSA CC, LLC:

Steven Kueny
City Manager

Darlene Cochran
Vice President/General Manager

ATTEST:

Maureen Benson, City Clerk