

**MOORPARK CITY COUNCIL  
AGENDA REPORT**

**TO:** Honorable City Council

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

**DATE:** March 8, 2013 (CC Meeting of 03/20/13)

**SUBJECT:** Consider Amendment No. 2 to the Agreement with the City of Thousand Oaks for Fixed Route Transit Preventive Maintenance

**BACKGROUND/DISCUSSION**

On July 26, 2012, the City of Moorpark (Moorpark) entered into a two year Agreement with the City of Thousand Oaks (Thousand Oaks) for preventive maintenance, general maintenance, and fueling of Moorpark City Transit's Fixed Route transit buses (collectively referred to as preventive maintenance). At the time of the Agreement, the Year 1 rate for preventive maintenance had been established at \$25.18 per revenue hour (each hour a bus is in service on a Moorpark route). The Agreement, however, included a clause stating that if at any time after the first three months of the Agreement, but no later than the 10<sup>th</sup> month of the Agreement, Thousand Oaks staff projected that the cumulative cost of maintenance, parts, and fuel for the term of the Agreement would exceed the established revenue hour rate by more than five percent, Moorpark would agree to enter into negotiations for a one-time recalculation of the rate for the remainder of the Agreement term.

Thousand Oaks has requested that Moorpark consider raising the revenue hour rate for preventive maintenance from \$25.18 to \$29.18 (a \$4.00 or 15.89% increase). The rate increase, if approved, is proposed to become effective April 1, 2013. Thousand Oaks has the ability to give 30 days-notice to terminate the Agreement if Moorpark does not approve the rate increase.

**FISCAL IMPACT**

The preventive maintenance rate increase of \$4.00 per revenue hour, which would become effective April 1, 2013, is expected to increase the FY 2012/13 preventive maintenance cost by \$7,000.00, for a total expected cost of \$138,000.00 instead of \$131,000.00 (a 5.3%

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increase for FY 2012/13). At the time of award of the Agreement, staff anticipated that costs for preventive maintenance would be approximately \$292,000.00 for the length of the two year Agreement. Staff budgeted \$144,500.00 for FY 2012/13 for preventive maintenance. Total expenditures in FY 2012/13 with the proposed rate increase effective April 1, 2013 are expected to remain within the original FY 2012/13 budget of \$144,500.00.

**STAFF RECOMMENDATION**

Authorize the City Manager to sign Amendment No. 2 amending the Agreement with the City of Thousand Oaks for Fixed Route Transit Preventive Maintenance, subject to final language approval of the City Manager and City Attorney.

Attachment

Draft Amendment No. 2

AMENDMENT NO. 2

AGREEMENT FOR SERVICES BETWEEN THE CITY OF THOUSAND OAKS AND  
THE CITY OF MOORPARK FOR FIXED ROUTE TRANSIT PREVENTIVE  
MAINTENANCE

(Agreement No. 9913-2012)

THIS SECOND AMENDMENT TO AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between the CITY OF MOORPARK, a municipal corporation (herein referred to as "MOORPARK"), and the CITY OF THOUSAND OAKS, a municipal corporation (hereinafter referred to as "THOUSAND OAKS").

WITNESSETH

Whereas, on July 26, 2012, MOORPARK and THOUSAND OAKS entered into an Agreement for preventive maintenance, general maintenance, and fueling of MOORPARK's Fixed Route transit buses in conjunction with MOORPARK's public transportation program; and

Whereas, on \_\_\_\_\_, Amendment No. 1 to the Agreement was executed, extending the Fixed Route transit service hours from 6:00 am to 6:00 pm Monday through Friday to 5:00 am to 8:00 pm Monday through Friday and adding Saturday service from 8:00 am to 5:00 pm; and

Whereas, Exhibit "B" to the Agreement states that if at any time after the first three months of the Agreement, but not later than the 10<sup>th</sup> month of the Agreement, THOUSAND OAKS projects the cumulative cost of maintenance, parts, and fuel for the term of the Agreement will exceed the projected revenue hour rate by more than five percent (5%), MOORPARK shall agree to enter into negotiations for a one-time recalculation of the rate for the remainder of the Agreement term; and

Whereas, staff from THOUSAND OAKS has requested a revenue hour rate increase of \$4.00 (from \$25.18 per revenue hour to \$29.18 per revenue hour); and

Whereas, both MOORPARK and THOUSAND OAKS agree to the adjustment to the Agreement and now wish to document said Agreement by jointly approving this Amendment No. 2 to 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. SCHEDULE OF FEES

Exhibit "B" (Schedule of Fees) is hereby amended to adjust the "YEAR 1" rate from \$25.18 per revenue hour to \$29.18 per revenue hour as shown in the attached revised Exhibit B. The new revenue hour rate shall become effective April 1, 2013.

II. REMAINING PROVISIONS

Except as provided in Section I above all other provisions of the Agreement shall remain in full force and effect.

**CITY OF MOORPARK:**

**CITY OF THOUSAND OAKS:**

\_\_\_\_\_  
Steven Kueny  
City Manager

\_\_\_\_\_  
Scott Mitnick  
City Manager

ATTEST:

ATTEST:

\_\_\_\_\_  
Maureen Benson, City Clerk

\_\_\_\_\_  
Linda D. Lawrence, City Clerk

**APPROVED AS TO FORM:**  
Office of the City Attorney

\_\_\_\_\_  
Christopher G. Norman, Assistant City  
Attorney

Attachment: Revised Exhibit B

## EXHIBIT B

### SCHEDULE OF FEES

#### AS AMENDED IN AMENDMENT NO. 2

Billing shall be on a revenue hour basis. Revenue hour is defined as the hour traveled when the vehicle is in revenue service (i.e., the time when a vehicle is available to the general public and there is an expectation of carrying passengers).

YEAR 1 (August 1, 2012 – June 30, 2013):

\$25.18 per revenue hour; plus, a one-time mobilization expense not to exceed \$2,000.00.

#### EXCLUSIONS:

All five (5) MOORPARK buses are to be made available to THOUSAND OAKS Fleet Staff for one full day, one bus at a time, prior to July 27, 2012 for inspection. All safety and mechanical deficiencies to be corrected by MOORPARK's current service provider prior to start of the Agreement. A deficiency is any item that would result in a finding on a CHP inspection, any wear part with less than 20% useable life remaining, and any fluid leaks. All CHP inspections due on or before August 3, 2012 to be completed prior to Agreement start date. Any repairs or CHP inspections not completed as of July 30, 2012 will be completed by THOUSAND OAKS and billed as an additional expense.

If at any time after the first three months of the Agreement, but no later than the 10<sup>th</sup> month of the Agreement, THOUSAND OAKS projects the cumulative cost of maintenance, parts, and fuel for the term of the Agreement will exceed the projected revenue hour rate by more than five percent (5%), MOORPARK shall agree to enter into negotiations for a one-time recalculation of the rate for the remainder of the Agreement term. If the cities are unable to determine a mutually agreeable rate for service, THOUSAND OAKS may elect to give thirty (30) day notice to terminate the maintenance portion of the Agreement.

Effective April 1, 2013, in accordance with the above paragraph, the YEAR 1 rate shall be increased from \$25.18 per revenue hour to \$29.18 per revenue hour.

YEAR 2 (July 1, 2013 – June 30, 2014):

Year 1 price plus CPI increase not to exceed 4.0% (Rate will be calculated based on the July 2012 – June 2013 CPI, Los Angeles Area, all items, not seasonally adjusted, non alternative method). In the event CPI is 0 or negative, Year 1 price will be in effect.

EXCLUSIONS:

If the per hour rate for maintenance was adjusted in the first year of the Agreement, the rate per revenue hour in effect on the last day of Year 1 of the Agreement will be the basis rate for any CPI adjustment.