



Agenda Item No. (4)

To: Transportation Committee / Committee of the Whole
Meeting of August 25, 2022

From: Hitham Hamdon, Operations Control Center Manager, Bus Division
Mona Babauta, Deputy General Manager, Bus Division
Denis J. Mulligan, General Manager

Subject: **APPROVE EXECUTION OF AN INTER-AGENCY AGREEMENT WITH
MARIN TRANSIT FOR LOCAL FIXED-ROUTE BUS SERVICES**

Recommendation

The Transportation Committee recommends that the Board of Directors approve execution of an inter-agency agreement between the Marin County Transit District ("Marin Transit" or "MCTD") and the Golden Gate Bridge, Highway and Transportation District (District) for the District's provision of local fixed-route bus service in Marin County for a three-year and nine-month term, commencing October 1, 2022 (FY 2022-23), with two additional one-year options.

This matter will be presented to the Board of Directors at its August 26, 2022 meeting for appropriate action.

Summary

Since 1971, the District has provided fixed-route bus service within the County of Marin pursuant to a series of agreements between the District, Marin Transit and the County of Marin. The parties have maintained a mutually beneficial relationship that offers seamless transit interconnectivity for their collective customers, and the parties wish to continue this cooperative relationship.

In May 2015, the District and the Marin Transit entered into an intergovernmental agreement for intra-county local fixed-route bus service in Marin County ("Operations and Maintenance agreement"). The five-year contract term, with two one-year options, began on July 1, 2015. Marin Transit exercised both options years, which extended the agreement through June 30, 2022. In August 2021, the District and Marin Transit agreed to a third extension of the Operations and Maintenance agreement for up to six months through December 31, 2022, to provide adequate time to complete then-pending contract discussions and negotiations for a new agreement.

The District and Marin Transit separately entered into an agreement to govern the provision and cost-sharing for complementary paratransit services in 2015. In January 2022, the Board of Directors authorized a multi-year agreement for regional paratransit service effective February 1, 2022, through June 30, 2025, with options for three additional years. The parties agreed that the District's contribution for local complementary paratransit services would continue to be covered

under the current Operations and Maintenance agreement until a new agreement for local fixed route service is finalized.

The parties have successfully concluded negotiations for a new agreement for local fixed route bus service. Under the proposed agreement, the District will continue to operate a portion of Marin Transit's local bus service within Marin County (County), and Marin Transit will continue to procure and manage the contract for complementary paratransit services. The proposed agreement: (1) defines the relationship between the two agencies; (2) terminates and replaces the Operations and Maintenance agreement for local fixed-route bus service in Marin County; (3) terminates and replaces the parties' current agreement regarding the District's contribution for local complementary paratransit service within Marin County; (4) outlines a cost recovery process for fixed-route services; (5) clarifies the fixed-route "revenue hour" definition and simplifies the billing process; and (6) requires the parties to engage in a joint electrification study to identify partnership opportunities for meeting the requirements set forth in the California Air Resources Board (CARB) Innovative Clean Transit (ICT) Rule.

Key Contract Features

Term:	<ul style="list-style-type: none"> • Three years and nine months with two one-year options, commencing October 1, 2022.
Local Fixed-Route Service Hourly Rate:	<ul style="list-style-type: none"> • Currently, Marin Transit pays the District \$132.55 per revenue hour and pays an additional amount that is calculated on a quarterly basis for San Rafael Transit Center (SRTC) operations and customer service support. • Hourly rates under the proposed contract will increase to \$153.70 for the remainder of FY2022-23 and then increase annually as shown in the table below. • The new hourly rate structure includes the operating expenses for SRTC, customer service support (consistent with current levels), light maintenance on MCTD bus stops, repair and maintenance supplies and tires for MCTD buses, and general liability insurance. The quarterly payment for these services will be discontinued, since these costs are included in the new hourly rate. • Fuel costs will be invoiced separately. Certain capital costs will also be invoiced separately.
Annual Service Levels:	<ul style="list-style-type: none"> • 25,000 – 75,000 annual revenue hours (this is the same as the existing contract) • The District and Marin Transit may agree to changes in annual service levels in the same manner as provided in the parties' current agreement.
"Revenue Hour" Definition:	<ul style="list-style-type: none"> • The National Transit Database (NTD) definitions of "revenue service hour" and "revenue time" will be applied. • If revenue hours change by more than 5% between signups without a change to the published schedules, the agencies will meet and review the changes before agreeing to a change in revenue hours.

<p>Intra-county Paratransit:</p>	<ul style="list-style-type: none"> • The District will pay a percentage of local paratransit costs consistent with a formula developed to approximate the share of the paratransit cost burden attributable to each agency's proportional share of local fixed-route non-commute service, with 50% of the costs assigned based on ridership and 50% of the costs assigned based on the number of routes operated. • The percentages will be calculated annually to coincide with the annual NTD reporting period. • If the parties disagree on whether complementary paratransit service is required for a particular bus route, the parties will jointly seek an interpretation from the Federal Transit Administration of the legal requirements.
<p>Electrification of Bus Fleets:</p>	<ul style="list-style-type: none"> • The parties agree to engage in a joint electrification study to identify ways that both agencies can effectively partner to comply with the requirements and deadlines set forth in CARB's ICT Rule for the roll-out of zero-emission buses.

Fiscal Impact

The District will be compensated for providing local fixed route bus service as follows:

FISCAL YEAR	HOURLY RATE	REVENUE SERVICE HOURS	TOTAL REVENUE TO DISTRICT
FY 2022-23 (effective October 1, 2022 – June 30, 2023)	\$153.70	18,750-56,250	\$2,881,875 - \$8,645,625
FY 2023-24	\$158.17	25,000-75,000	\$3,954,250 - \$11,862,750
FY 2024-25	\$162.78	25,000-75,000	\$4,069,500 - \$12,208,500
FY 2025-26	\$162.94	25,000-75,000	\$4,073,500 - \$12,220,500
FY 2026-27 (Option Year)	\$167.82	25,000-75,000	\$4,195,500 - \$12,586,500
FY 2027-28 (Option Year)	\$172.86	25,000-75,000	\$4,321,500 - \$12,964,500

The District currently operates approximately 75,000 annual revenue hours for MCTD. The parties may modify the number of revenue hours operated per year by agreement, taking into account any resulting changes to the required level of staffing and operating resources.

THIS PAGE INTENTIONALLY LEFT BLANK