



Agenda Item No. (4)

To: Transportation Committee/Committee of the Whole
Meeting of March 26, 2026

From: Hitham Hamdon, Director of Business Operations
Jennifer H. Mennucci, Auditor-Controller
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE EXECUTION OF THE FIRST AMENDMENT TO THE
INTER-AGENCY AGREEMENT WITH MARIN TRANSIT FOR LOCAL
FIXED-ROUTE BUS SERVICE**

Recommendation

The Transportation Committee recommends that the Board of Directors authorize execution of the First Amendment to the inter-agency agreement between the Marin County Transit District (Marin Transit) and the Golden Gate Bridge, Highway and Transportation District (District) for the District's provision of local fixed-route bus service in Marin County.

The proposed Amendment extends the agreement through June 30, 2027, authorizes up to six additional one-month extensions by mutual agreement, updates the FY 26/27 revenue hour rate, and adds provisions addressing major maintenance components and associated labor.

This matter will be presented to the Board of Directors at its March 27, 2026, 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 October 2022, the District and Marin Transit executed an inter-agency agreement for the District's provision of local fixed-route bus service in Marin County. The agreement established the contract term, defined the annual revenue hour rate schedule, and set forth billing provisions and operating cost responsibilities.

The current agreement expires on June 30, 2026. The proposed First Amendment modifies the existing agreement for local fixed-route bus service by extending the contract term through June 30, 2027, authorizing up to six additional one-month extensions by mutual agreement, updating

the revenue hour rate for FY 26/27, and adding provisions under compensation requiring Marin Transit to pay for specified major maintenance components and associated labor. All other terms and conditions of the agreement remains the same.

Key Amendment Provisions

Term:	<ul style="list-style-type: none"> • Extends the Contract Term by one year through June 30, 2027. • Authorizes up to six (6) additional one-month extensions by mutual agreement. • Month-to-month extensions, if exercised, will be compensated at a rate that is 3.0% above the most recently applicable Revenue Hour Rate.
Local Fixed- Route Service Hourly Rate:	<ul style="list-style-type: none"> • Updates the FY 26/27 revenue hour rate to \$177.82 per revenue hour. • Maintains the annual revenue hour range of 25,000 – 75,000 revenue hours. • The rate structure continues to cover operating expenses for the San Rafael Transit Center, customer service support, light maintenance on Marin Transit bus stops, repair and maintenance supplies and tires for Marin Transit buses, and general liability insurance. • Fuel reimbursement and certain capital costs will continue to be invoiced separately.
Major Maintenance Components and Associated Labor:	<ul style="list-style-type: none"> • Adds a provision under Section 401 requiring Marin Transit to pay the District for the following major components and associated labor: <ul style="list-style-type: none"> - Diesel aftertreatment components (DOC, DPF, SCR) - Turbocharger and VGT actuator - Electronic control modules - Any single vehicle component with a cost greater than \$2,000 - Engine, transmission (drive unit), and differential replacements - Labor for removal and installation of the components listed above

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 26/27	\$177.82	25,000-75,000	\$4,445,500 - \$13,336,500

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

In addition, the amendment requires Marin Transit to pay the District for specified major maintenance components and associated labor, as described above.