

**KANSAS CITY AREA TRANSPORTATION AUTHORITY**

Contract for Transit Service and Management of OATS Contract and Vehicles

**LEE'S SUMMIT, MISSOURI**

**THIS CONTRACT** entered into this 1<sup>st</sup> day of April, 2019, by and between the **KANSAS CITY AREA TRANSPORTATION AUTHORITY** (hereinafter referred to as the "KCATA"), a body corporate and politic and a political subdivision of both the States of Missouri and Kansas, and **LEE'S SUMMIT, MISSOURI** (hereinafter referred to as the "Community").

**WITNESSETH:**

**WHEREAS**, a sound, efficient and viable public transportation system is essential to the socioeconomic wellbeing of the Kansas City Area Transportation District (hereinafter referred to as the "District"), including the Counties of Cass, Clay, Jackson, and Platte in Missouri, and the Counties of Johnson, Leavenworth, and Wyandotte in Kansas; and

**WHEREAS**, the KCATA is a public agency authorized by law to plan, own, operate, have and generally deal with public transportation systems and facilities in the District; and

**WHEREAS**, the Community desires to promote the convenience, comfort, prosperity, general interests and welfare of its citizens; and

**WHEREAS**, the public transportation facilities and services of most immediate concern are those estimated to be provided by the KCATA at a deficit, described generally in amounts and, more specifically, by formula set forth in Attachment "A"; and

**WHEREAS**, the Community has an agreement with OATS to provide public demand responsive service within the City of Lee's Summit and the Community desires for KCATA to continue to manage this contract on behalf of the Community.

**NOW, THEREFORE**, for and in consideration of the premises and the mutual covenants herein contained, the parties hereto agree as follows:

- A. Public Mass Transit Service

1. The Community requests public transportation services (hereinafter referred to as "Contract Service"), set forth in Attachment "B", be operated by the KCATA for the period April 1, 2019, through December 31, 2019, unless sooner terminated under Paragraph "8", "9" and "10" of this Contract.
2. The level of service as generally set forth in Attachment "B" shall not be changed or be modified without the consent of the Community.
3. The computations and, more specifically, the formula contained in Attachment "A" attached hereto and made a part hereof, are the accepted methods for the determination of the estimated deficit of the Community.
4. The KCATA and the Community estimate the Community's total payment for the nine-month service period (hereinafter referred to as "Local Share") to be **\$52,824**. This estimate is based on the following components of cost and revenue to applied to this Agreement:

Service Cost	\$ 225,839
Passenger Revenue	(\$42,447)
Estimated Total Deficit	\$ 183,392
Missouri State Funding	(\$ 1,927)
Lee's Summit 5307 Federal Funds	(\$140,056)
Local Operating Contribution	\$ 41,409
Local Capital Contribution	\$ 11,415
<b>Total Local Share</b>	<b>\$ 52,824</b>

5. It is the understanding of the parties that, notwithstanding any provision of this Agreement, the maximum obligation of the Community under this Contract shall be the sum of **\$52,824**. If the actual total deficit and other factors are such that the KCATA deems the full Local Share is not required, the KCATA may require payment of less than the total Local Share, or reimburse the Community for a portion of the Local Share previously paid.
6. It is the understanding of the parties that the community will obligate to the KCATA \$45,660 of Lee's Summit, Mo. Urbanized Area Federal Transit Administration section 5307 formula funds for the purpose of covering eligible capital expenses associated with the provision of public transportation services operated by KCATA. It is further agreed to by both parties that the KCATA will submit a grant application for the required Federal funding to the Federal Transit Administration and that, upon approval, the Federal Transit Administration will award the Federal 5307 funding required directly to the KCATA.

7. The method of payment of the Local Share provided for in Paragraph "4" is as follows:
  - a. The Community's monthly Local Share obligation will be one-ninth of the Community's portion of the estimated total deficit amount.
  - b. The KCATA will invoice the Community for ninety percent (90%) of Community monthly Local Share. The Community is required to remit ninety percent (90%) of the monthly Local Share by the first of the month service will be provided.
  - c. By the 20th of the month following the month in which service was provided, the KCATA will provide the Community with reports showing service capital and operating costs and revenue for Contract Services. The report will also provide a reconciliation of subsidy amounts with the advance payment provided to in Sub-paragraph "b". The report will detail Local Share amounts used to cover the month's service deficit. Any balance of Local Share subsidy and/or federal formula funding obligation required by the reconciliation will be invoiced at this time, to be paid within ten days.
  - d. For the month of December, the monthly report and reconciliation provided for in Sub-paragraph "c", will not be prepared until the completion of the KCATA's annual audit. The invoice of November 15, provided for in Sub-paragraph "b" will require payment of the unexpended balance of the Community's Local Share.
8. When the estimated operating loss of \$183,392. is reached, KCATA's obligation to furnish services shall terminate. The Community and KCATA may mutually agree to amend this Contract to provide additional operating subsidy or to adjust the level of service so that the cost of such service will not exceed the contractual subsidy.
9. If for any reason the KCATA is unable to obtain Federal 5307 operating assistance, as provided for in Paragraph "4" of this Contract, the Community will be immediately notified and this contract will be amended to provide additional Local Share subsidy or to adjust the level of service. If a satisfactory amendment is not agreed to after a reasonable period, KCATA's obligation to furnish services will terminate.
10. This contract may be terminated prior to its expiration with a formal notice from the Community that is received by KCATA at least 75 days prior to the proposed termination date. The Community will be responsible for its share of all contract costs incurred by KCATA up to the termination date and for provision of Lee's Summit UZA Section 5307 Funds. The Community will be responsible for public

notice and customer notification and comment requirements of any service changes that result from the termination.

11. The KCATA shall indemnify, save and hold the Community harmless from any and all damage, loss or liability of any kind whatsoever arising out of this Contract, including, but not limited to, any loss occasioned by reason of any injury to property or third persons occasioned, in whole or in part, by any act, omission, neglect or wrongdoing of the KCATA, or any of its officers, agents, representatives or employees. At its own cost and expense, the KCATA will defend all losses arising there from.
  
12. The Community recognizes that the KCATA, as the principal public transportation operator in the region, is obligated to conform to various regulations and requirements of the Federal Transit Administration in order to maintain its eligibility for financial assistance pursuant to the Federal Transit Act. In this regard, the Community agrees to cooperate with the KCATA in meeting said regulations and requirements, and will not require the KCATA to violate said regulations and requirements. The Community will also cooperate with reasonable requests of the KCATA, and the KCATA agrees to make all such records available to the Community for the auditors upon reasonable request of the Community.
  
13. The Community, at its expense, shall have the right to cause an audit to be made of the books and records of the KCATA, and the KCATA agrees to make all such records available to the Community for the auditors upon reasonable request of the Community.

B. Americans with Disabilities Act of 1990 Special Service Provision

**Whereas** a contractual relationship with Lee's Summit requires that the Community not require the KCATA to provide public transit services that are in conflict with the American with Disabilities Act of 1990 and subsequent federal regulations regarding compliance with this law, it is agreed:

1. The nature of the transit service operated and or managed within Lee's Summit by the KCATA precludes the requirement under the Americans with Disabilities Act to provide complementary paratransit service.

**C. OATS Contract Management Services**

1. KCATA will manage the City’s transportation services agreement with OATS (a separate agreement from this agreement) for provision of demand responsive service in the City of Lee’s Summit.
2. The City purchased and owns six vehicles which are currently being leased for this service to OATS. KCATA will procure additional vehicles upon written request, using Lee’s Summit UZA Section 5307 funds (up to 85% of eligible costs) and local match provided by the City for this service. A separate agreement between the City and KCATA will contain details of the vehicle acquisition and the City / OATS lease will also be covered by a separate agreement.
3. OATS will submit an original and one copy of the invoice including any supporting documentation to ATA at the address listed below. Invoice will be reviewed and accepted by ATA in conjunction with the CITY. ATA will invoice the CITY for local match. Upon receipt of local match, ATA will make payment within thirty days to OATS for 100% of eligible operating expenditures. OATS will submit a final billing within forty-five days of completion of the termination of the Agreement.

Kansas City Area Transportation Authority  
1350 East 17<sup>th</sup> Street  
Kansas City, Missouri 64108  
Attention: Don Bowlin

KCATA will charge a management fee of \$7,960 annually for this service.

**D. Summary of Community Share of Costs**

1. Fixed Route Commuter Services	\$52,824
2. Management of OATS Contract	<u>\$7,960</u>
<b>Total Community Share of Cost</b>	<b>\$60,784</b>

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the day and year first above written.

**KANSAS CITY AREA TRANSPORTATION AUTHORITY**

By: \_\_\_\_\_  
Daniel Serda, Chairman of the Board of Commissioners

ATTEST:

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

**CITY OF LEE'S SUMMIT, MISSOURI**

By: \_\_\_\_\_  
Name & Title:

ATTEST:

By: \_\_\_\_\_  
City Clerk

## ATTACHMENT "A"

### REVENUE AND COST ALLOCATION PROCEDURES

The procedure to be used in determining passengers, direct operating expenses, indirect operating expenses, farebox revenue, and estimated loss for transit service shall be as follows:

- A. Passengers and Revenue** - The number of passengers and the amount of revenue reported will be derived from electronic farebox reports.
1. Revenue figures are computed as follows:
    - a. Total Fare Revenue is the total farebox revenue plus pass sales proration.
    - b. Pass Sales proration for a line is the Pass Sales Revenue multiplied by a pass utilization factor as determined by data from electronic fareboxes.
  2. Passenger types - definitions
    - a. Intra-city passenger - a passenger boarding and alighting in the same jurisdiction.
    - b. Inter-city passenger - a passenger who boards in one jurisdiction and alights in another.
  3. Computation of inter-city and intra-city passengers
    - a. Intra-city passengers for each subsidizing jurisdiction will be determined by multiplying total passengers by the appropriate intra-city passengers ratios as determined by periodic activity checks. An intra-city passenger ratio is the ratio of passengers who both board and alight a bus within that community to total route passengers on the line.
    - b. Inter-city passengers for the route will be determined by subtracting the intra-city passengers from the total route passengers.
- B. Direct Operating Expenses** - Each route shall be charged direct labor and benefits on the basis of scheduled pay hours (including allowances, spread, guarantee, and overtime) times the fully burdened operator cost per hour of service for each type of bus used (Large, Small,

or Flex). Each route shall be charged fuel and tire expense for the same type of bus used (Large, Small or Flex) in the proportion of route miles per type of bus to total system miles for the same type of bus.

**C. Indirect Operating Expenses** - Indirect operating expenses shall be allocated to each route on the ratio of route miles to total system miles for the same type of bus used (Large, Small, or Flex). Indirect operating expenses include all expenses except direct labor and fuel and tire expense, such as maintenance cost, vanpool operations, administrative and overhead expense, and a contribution to self-insured reserves for revenue vehicle and workers compensation.

**D. Estimated Net Income or Loss - Intra-City Routes** - Estimated net income or loss for each route shall be calculated by subtracting total fare revenue for each route from the total operating expenses for each route.

**E. Allocation of Net Income or Loss on Inter-City Routes.**

1. Suburban Express Routes

- a. A suburban express route is a route or portion of a route that is designed to serve inter-city passengers and suburban community intra-city passengers, and does not serve Kansas City, Missouri, intra-city passengers.
- b. Net income or net losses of inter-city routes shall be prorated among the subsidizing jurisdictions by calculating the net loss per passenger (total operating expense less total fare revenue) and then multiplying the net loss per passenger by the number of passengers boarding in each jurisdiction.

2. Local Service Inter-City Routes

- a. A local service inter-city route is a route designed to serve Kansas City, Missouri, intra-city passengers, as well as inter-city passengers and suburban community intra-city passengers.
- b. Revenue shall be credited among subsidizing jurisdictions by assigning intra-city passenger revenue to the jurisdiction in which the trips are made. Inter-city passenger revenue shall be assigned by calculating the revenue per inter-city passenger and then by multiplying the revenue per inter-city passenger by the number of inter-city passengers boarding in each jurisdiction.
- c. Operating costs shall be allocated among subsidizing jurisdictions as follows:

- (1) Direct labor costs shall be allocated on the basis of operator cost per hour of service multiplied by the actual time operated in each jurisdiction.
  - (2) Fuel and tire expense in the proportion of miles in each jurisdiction to total system miles.
  - (3) Indirect operating expense in the proportion of miles in each jurisdiction to total system miles.
- d. The Net Income or Loss for each jurisdiction is calculated as the sum of direct labor cost, fuel and tire expense, and indirect operating expense, less passenger revenue credit.

**F. Capital Expense** - Each jurisdiction will be charged capital expense, prorated on community miles to system miles, to be used for the acquisition of buses, facilities and other equipment. The capital charge may be used for the purchase of vans for a vanpool operation that will facilitate in providing a regional transit system. Such vanpool operation must provide service to or from the Community that is reasonable when compared to the amount of the Community's capital contribution for the vans.

**G. Enclave Communities** - Local service inter-city routes operating from a part of Kansas City, Missouri, through another jurisdiction and into another portion of Kansas City, Missouri, will be treated differently for the allocation of Net Income or Loss. The Net Income or Loss for the intermediate (enclave) jurisdiction will be based on 50% of the calculated cost for that jurisdiction per Item "E". The remaining 50% of the calculated cost within the intermediate jurisdiction will be allocated to Kansas City, Missouri.

**H. For Service Implemented After December 31, 1997** – Service implemented after December 31, 1997, that is above the service level that exists as of December 31, 1997, will be allocated costs as stated in other sections of this Attachment, except for Indirect Operating Expenses. Indirect Operating Expenses shall be allocated to such service based on 45 percent of the ratio of route miles to total system miles for each type of bus. Indirect Operating Expenses include all expenses except direct labor and fuel and tire expense; such as maintenance cost, vanpool operations, administrative and overhead expense, etc.

**ATTACHMENT "B"**

**CITY OF LEE'S SUMMIT**

**CONTRACT SERVICE**

One route will provide commuter express service between Lee's Summit City and downtown Kansas City, Missouri. Service is as follows:

**Route #152—Lee's Summit Express**, This route will provide commuter express transit service during the A.M. and P.M. peak commute periods, using forty foot passenger buses. The service will consist of three A.M. inbound trips, all operated with forty foot passenger buses, originating at the commuter park & ride lot at Chipman Road and 50 Highway and terminating in downtown/Crown Center, Kansas City, Missouri and three P.M. outbound trips, operated with forty foot passenger buses, originating in downtown/Crown Center, Kansas City, Missouri and terminating at the commuter park & ride lot at Chipman Road and 350 Highway.

Full Fare: \$3.00

Reduced Fare: \$1.50