

Legislation Text

File #: BILL NO. 17-08, **Version:** 1

AN ORDINANCE AUTHORIZING THE EXECUTION OF AN AGREEMENT FOR TRANSIT SERVICE BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND OATS, INC. FOR TRANSIT SERVICE EFFECTIVE APRIL 1, 2017 THROUGH DECEMBER 31, 2017 IN AN AMOUNT NOT TO EXCEED \$92,500 AND COMMITMENT OF AN AMOUNT NOT TO EXCEED \$148,000 OF FEDERAL TRANSIT ADMINISTRATION SECTION 5307 FORMULA FUNDS TO OATS FOR TRANSIT SERVICE. (PWC 12/19/16)

Issue/Request:

AN ORDINANCE AUTHORIZING THE EXECUTION OF AN AGREEMENT FOR TRANSIT SERVICE BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND OATS, INC. FOR TRANSIT SERVICE EFFECTIVE APRIL 1, 2017 THROUGH DECEMBER 31, 2017 IN AN AMOUNT NOT TO EXCEED \$92,500 AND COMMITMENT OF AN AMOUNT NOT TO EXCEED \$148,000 OF FEDERAL TRANSIT ADMINISTRATION SECTION 5307 FORMULA FUNDS TO OATS FOR TRANSIT SERVICE.

Key Issues:

- MARC, KCATA, and City of Lee's Summit recently completed a Transit Study for the City of Lee's Summit that recommended several changes to improve service and reduce costs.
- Key recommendations of the Transit Study were consolidate local, on-demand service from KCATA to OATS, and continue the fixed route commuter service.
- Proposed changes will: increase daily hours of service, increase the MetroFlex riders' service area to include all of Lee's Summit, reduce fares for OATS riders, and reduce costs to the City.
- These transactions involve federal transit funds allocated to the City for these services.
- To implement these changes and maximize the use of federal funds, the City must enter into a series of 3 agreements that include: on-demand transit services with OATS, continuation of KCATA transit services, and contract management services by KCATA.
- The costs of transit services were included in the approved Capital Improvement Plan - Transit Program for FY17 and approved by the City Council in the annual budget.

Proposed City Council Motion:

FIRST MOTION: I move for a second reading of AN ORDINANCE AUTHORIZING THE EXECUTION OF AN AGREEMENT FOR TRANSIT SERVICE BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND OATS, INC. FOR TRANSIT SERVICE EFFECTIVE APRIL 1, 2017 THROUGH DECEMBER 31, 2017 IN AN AMOUNT NOT TO

EXCEED \$92,500 AND COMMITMENT OF AN AMOUNT NOT TO EXCEED \$148,000 OF FEDERAL TRANSIT ADMINISTRATION SECTION 5307 FORMULA FUNDS TO OATS FOR TRANSIT SERVICE.

SECOND MOTION: I move for adoption of AN ORDINANCE AUTHORIZING THE EXECUTION OF AN AGREEMENT FOR TRANSIT SERVICE BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND OATS, INC. FOR TRANSIT SERVICE EFFECTIVE APRIL 1, 2017 THROUGH DECEMBER 31, 2017 IN AN AMOUNT NOT TO EXCEED \$92,500 AND COMMITMENT OF AN AMOUNT NOT TO EXCEED \$148,000 OF FEDERAL TRANSIT ADMINISTRATION SECTION 5307 FORMULA FUNDS TO OATS FOR TRANSIT SERVICE.

Background:

OATS, Inc. has provided on-demand door-to-door bus service with 24 hour advance notice within the City Limits of Lee's Summit for more than 10 years. OATS is no longer limited to serving the elderly, and now provides service to all residents regardless of age to any location within the City of Lee's Summit. The Kansas City Area Transit Authority (KCATA) also provides 2 routes: #252 (MetroFlex) provides on-demand services to the Lee's Summit core area and #152 is fixed route providing commuter service to downtown Kansas City.

OATS, Inc. initially started with one bus in operation on a 3 day per week service schedule. OATS was expanded in 2010 to a 5 day per week service on the basis of a 2008 Lee's Summit Transit Study. The service was expanded again in 2012 with two vehicles based on ridership demand. Hours of daily operation were 7:00 a.m. to 3:30 p.m. and the fare per one-way trip had been \$2.00.

A Lee's Summit Transit Study was most recently completed in 2016. This study recommended a consolidation of demand response transit services in Lee's Summit (KCATA MetroFlex and OATS). MetroFlex will be discontinued and OATS expanded to increase transit service at a reduced cost. The OATS schedule of operation will remain Monday through Friday (5 days per week), consistent with prior years and MetroFlex service. The OATS schedule of operation will be extended from 3:30 p.m. to 5:30 p.m. to accommodate the void in service formerly served by the MetroFlex schedule (7:30 a.m. to 5:30 p.m.). MetroFlex had a defined boundary within Lee's Summit that will be served in greater capacity to the City limits provided by OATS. In addition, OATS will provide service to Truman Medical Center. OATS had operated with two vehicles (sometimes three) in 2016 and MetroFlex had been in operation with two vehicles. The OATS service will utilize 5 or 6 vehicles as demand requires and maintain 1 or 2 vehicles in reserve among a total fleet of 7 vehicles to serve Lee's Summit. The OATS bus fare had been \$2.00 per one-way trip and MetroFlex had used a \$1.50 fare structure. The proposed OATS contract will use a \$1.50 fare per one-way trip to match the former MetroFlex fare and reduce financial burden to riders impacted by the service changes.

The OATS, Inc. service agreement is for the period April 1, 2017 thru December 31, 2017 and may be terminated with 30 days advance notice. Typically, a 12-month service agreement is expected and will be proposed annually. The initial year of expanded service will not begin until April 1 to allow for a transition and discontinuation of MetroFlex. Until April 1, the existing yearly contract with OATS executed in July 2016 will be used to avoid any service gap. Consideration of the KCATA contracts for #152 Commuter Express Service and MetroFlex are integral to the administration of OATS contract with the City, application of FTA funding for OATS service and maintaining the availability of services. KCATA will manage the application of FTA funding and payment to OATS for the OATS transit service provided to the City under this contract. The KCATA is the City's designated administrator of Lee's Summit allocated FTA 5307 funding.

The total costs of OATS service to Lee's Summit as proposed is not to exceed \$206,457.00 for the period beginning April 1, 2017 to December 31, 2017 (an annualized amount of \$275,275.00) based on six vehicle in daily operation, every day and every hour of potential service according to the service schedule. Actual costs will be based on hours each vehicle is in operation to serve actual demand. The total cost is reduced by fare collections, special contracts, etc. managed by OATS. The local cost of service is not to exceed \$185,000.00 (\$244,615.00 annualized) after accounting fares and other funding deductions contributed by OATS from the total cost of service. The local cost of service will be paid though the KCATA using the City allocated FTA 5307 funds and required local match. The current Lee's Summit FTA 5307 balance is over \$1,000,000 and the City would commit an amount not to exceed \$148,000 from its FTA 5307 funding for this OATS transit service. The Lee's Summit FTA 5307 funding amount will be determined based on actual costs of service as noted above and consider the allowable contributions by rule for operation and capital that may range from 50% to 80% of total local actual costs of service with the City's local match funding the balance of 100% of total local actual costs of service. Conservatively, the remaining local share, an amount not to exceed \$92,500 has been budgeted from the Transportation Sales Tax Fund.

The cost of this service is included in the approved Capital Improvement Plan - Transit Program for FY17 and approved by the City Council in the annual budget. The proposed changes in service that increase capacity, service area, schedule, efficiency, etc. will also reduce the overall transit budget.

Impact/Analysis:

The transit program budget (\$277,000) in the approved FY2017 Transportation Sales Tax Fund includes transit costs for KCATA Route #152, KCATA Route #252, and OATS. These KCATA transit contracts are based on the calendar year; spanning parts of this fiscal year and next (the OATS contract is based on the City's Fiscal Year, subject to change). The total proposed 2017 (calendar year) transit program costs to the City of Lee's Summit for KCATA Route #152, KCATA Route #252, and OATS, would be approximately \$220,000. This contract for OATS service is \$92,500 of the estimated \$220,000 total transit program costs to the City in 2017. A one-time local match and use of available Lee's Summit FTA funds would be required to purchase new vehicles in support of the recommended OATS service. The local match for the proposed vehicle purchase is estimated around \$55,000. Total projected 2017 transit costs remain within budget and any discrepancy between contract costs and program funding will be proposed for next fiscal year, including appropriate amendments in the Capital Improvement Plan.

Timeline:

Start: ____

Finish: ____

Other Information/Unique Characteristics:

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Presenter: Michael Park, City Traffic Engineer

Recommendation: Staff recommends approval of AN ORDINANCE AUTHORIZING THE EXECUTION OF AN AGREEMENT FOR TRANSIT SERVICE BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND OATS, INC. FOR TRANSIT SERVICE EFFECTIVE APRIL 1, 2017 THROUGH DECEMBER 31, 2017 IN AN AMOUNT NOT TO

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Committee Recommendation: The Public Works Committee voted unanimously 4-0 to recommend to City Council approval of AN ORDINANCE AUTHORIZING THE EXECUTION OF AN AGREEMENT FOR TRANSIT SERVICE BY AND BETWEEN THE CITY OF LEE'S SUMMIT, MISSOURI AND OATS, INC. FOR TRANSIT SERVICE EFFECTIVE APRIL 1, 2017 THROUGH DECEMBER 31, 2017 IN AN AMOUNT NOT TO EXCEED \$92,500 AND COMMITMENT OF AN AMOUNT NOT TO EXCEED \$148,000 OF FEDERAL TRANSIT ADMINISTRATION SECTION 5307 FORMULA FUNDS TO OATS FOR TRANSIT SERVICE.