



**CITY OF ELK GROVE
CITY COUNCIL STAFF REPORT**

**AGENDA TITLE: APPROVE MV TRANSPORTATION
CONTRACT AMENDMENT**

MEETING DATE: NOVEMBER 14, 2007

PREPARED BY: CARLOS TOBAR, TRANSIT MANAGER

DEPARTMENT HEAD: CODY TUBBS, DEPUTY CITY MANAGER

RECOMMENDED ACTION:

Staff recommends the City Council adopt a resolution authorizing the City Manager to execute the attached amendment to the Agreement between the City of Elk Grove and MV Public Transportation for the Operation of Transit Services in Elk Grove.

BACKGROUND INFORMATION:

On October 24, 2007, the City Council approved the rental of ten new buses from MV Public Transportation (MV) through November 15, 2007. The rentals will augment the e-tran fleet following the placement of 21 buses out of service.

The proposed contract amendment formalizes the rental agreement. The rental agreement will expire as soon as the ten new compressed natural gas (CNG) Orion buses on order are built, delivered and placed into service. The rental payments will be \$3,500 per bus per month for a total of \$35,000 per month. As each of the new CNG Orion buses is placed into service, each rental bus will be returned to MV. The original timeline for the delivery of the ten new CNG buses was December 31, 2007; however, engine testing continues and staff can only speculate on the delivery date. Staff is hopeful that all ten buses will be here by March 31, 2008.

FINANCIAL IMPLICATIONS TO CITY:

This is an additional expenditure in the Transit budget. However, there are sufficient reserve funds to cover the \$35,000 per month expenditure even if it the rent continues well into the spring of 2008. There is no impact to the General Fund.

ATTACHMENT:

1. Resolution
2. MV Contract Amendment

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE
AGREEMENT WITH MV TRANSPORTATION**

WHEREAS, MV Transportation has provided fixed route transit services according to an agreement with the City of Elk Grove since January 2005; and

WHEREAS, the City Council authorized the rental of ten buses from MV Transportation on October 24, 2007; and

WHEREAS, the proposed amendment formalizes the rental agreement by providing for monthly rental of each bus until purchased replacements are available for service.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby authorizes the City Manager to execute an amendment to the agreement between the City of Elk Grove and MV Transportation for the monthly rental of ten buses.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 14th day of November 2007.

JAMES COOPER, MAYOR of the
CITY OF ELK GROVE

ATTEST:

APPROVED AS TO FORM:

PEGGY E. JACKSON, CITY CLERK

SUSAN COCHRAN, CITY ATTORNEY

Amendment Number: Two

CITY OF ELK GROVE, CALIFORNIA

This Amendment Number Two to the Agreement between the CITY of Elk Grove, California (CITY) and MV Public Transportation, Inc (CONTRACTOR) is dated this sixteenth day of November, 2007.

RECITALS

WHEREAS, CITY and CONTRACTOR wish to amend the September 14, 2004 Agreement;

WHEREAS, the CITY has decided to remove from service the 21 hybrid buses that were in the vehicle schedule in the original agreement;

WHEREAS, the 10 vehicles added to the service fleet are new and owned by CONTRACTOR;

WHEREAS, the cost to rent the 10 vehicles will be \$3,500 per bus per month for a total of \$35,000;

WHEREAS, the rent of each vehicle will terminate once a new CNG Orion bus can replace it;

WHEREAS, CONTRACTOR will pay for the repair and maintenance of the vehicles;

NOW THEREFORE, CITY and CONTRACTOR hereby agree that the Agreement is amended, effective November 16, 2007, in the following particulars only:

1. Exhibit A, Section C, Paragraph 11: Additional Vehicles is hereby amended as follows:

- A. As described above, the CITY has added nine (9) vehicles to the initial fleet because of the increased level of service. These vehicles are a much older fleet with greater mileage and maintenance costs. CITY shall compensate CONTRACTOR for the additional operating cost in the amount of: \$32.00 for each labor hour for repair and preventative maintenance for the additional vehicles; and .138 cents per mile for each mile the additional vehicles are operated, \$117.00 a month per vehicle for the cost of insurance, and 6.5% of the cost of this section to compensate for overhead assistance and administrative costs. The CITY and CONTRACTOR further agree that the CITY can add as many additional vehicles as necessary without an amendment to this agreement. CONTRACTOR shall not be responsible for the expense of repair or replacement of major components of the vehicles. The rate paid to CONTRACTOR will be changed to accommodate the addition of

vehicles. Any new vehicles added to the fleet, whether rented, leased or owned, will be repaired and maintained by CONTRACTOR at no additional cost to the City.

- B. The CITY agrees to rent from CONTRACTOR ten new gasoline-powered buses at the rate of \$3,500 per bus per month. The rate will be prorated at \$116.67 per day. The rental of each of the buses will terminate as soon as one of the new CNG Orion buses is placed into service. A total of 10 new CNG Orion buses were ordered.

Except as expressly amended herein, all terms and conditions of the Agreement shall remain in full force and effect as originally executed, unless modified by a writing signed by both parties.

CITY OF ELK GROVE, CALIFORNIA

CONTRACTOR
MY TRANSPORTATION, INC.

By: _____

By: _____

Print Name: _____

Print Name: JOHN MONSON


Title: _____

Title: CEO

Date _____

Date 11/7/07

Approved as to form:



Susan Burns Cochran, City Attorney