

Agenda Report

TO: CITY COUNCIL

DATE: May 19, 2003

FROM: CITY MANAGER

SUBJECT: **AGREEMENT WITH THE CITY OF SOUTH PASADENA FOR
TRANSIT SERVICES**

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the City Manager to enter into a joint Agreement with the City of South Pasadena to provide fixed public transit service within the City of South Pasadena.
2. Recognize revenue received from the City of South Pasadena into Fund 209 to offset expenses.

RECOMMENDATIONS FROM COMMISSIONS:

The Transportation Advisory Commission reviewed the matter of an agreement with the City of South Pasadena for transit services at the May 9, 2003, meeting and recommends that the City Council authorize the City Manager to enter into an agreement with the City of South Pasadena.

BACKGROUND:

The cities of Pasadena and South Pasadena meet regularly as members of the Arroyo Verdugo Subregion. One of the work programs for the Subregion was the recently completed Transit Audit, which addressed, in part, the issue of inter-city cooperation in providing transit services. In reviewing opportunities, the potential for the City of South Pasadena to provide transit services under the City of Pasadena's transit contract was discussed. There are benefits to both cities to enter into an agreement. The City of South Pasadena will benefit from the City of Pasadena's low contract costs. The City of Pasadena will benefit from the increased miles of service operated.

On February 27, 2003, the City's Department of Transportation (DOT) staff met with representatives of the City of South Pasadena to discuss details of a joint agreement between the City of Pasadena and City of South Pasadena to operate a fixed route transit service within South Pasadena. Based on the City's experience operating the ARTS circular since 1991, the City of

South Pasadena is requesting to contract with the City to administer and operate a fixed route transit service within South Pasadena.

The proposed agreement is for an 18-month period, commencing July 1, 2003 through December 30, 2004. The start date may be amended based on the opening of the Metro Gold Line service. Under the agreement, Pasadena will provide transit service to South Pasadena commuters. Pasadena will be responsible for administering the transit service with the City's contractor, Coach USA, Incorporated. Coach USA will provide a separate bill to the City for service performed in the City of South Pasadena. The City of South Pasadena is responsible for the development of the transit routes and schedules, and marketing the service. Additionally, the City of South Pasadena will purchase buses to be used for this service. Until the buses are delivered, this cost will be included in the monthly expenses invoiced by Coach USA. The City of South Pasadena also requests the flexibility to adjust service hours once the service commences.

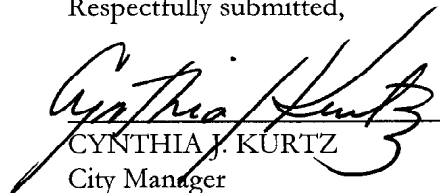
The proposed agreement will not include an administrative cost to the City of South Pasadena. The inclusion of South Pasadena's transit services into the Pasadena ARTS's bus program will qualify the City for additional funds from the Metropolitan Transportation Authority (MTA) under a special incentive program that the City is currently involved with. The City will retain funds from the incentive program and use these funds to off-set administrative costs. The City will begin receiving the monies from this program two years after service commences. Due to the increase in revenue miles, it is anticipated the City will receive approximately \$13,000 annually starting in FY 2006.

The Agreement with the City of South Pasadena is exempt from formal bidding pursuant to Subsection 1002 (h) of the Charter, contracts with other governmental entities.

FISCAL IMPACT:

The City of South Pasadena will pay for all direct operating costs, i.e., transit contract costs with Coach USA and fuel expenses. The projected cost to administer the agreement with the City of South Pasadena is \$2,500 annually. It is estimated that starting in FY 2006 the City will receive an additional \$13,000 from the increased miles operated for South Pasadena. While there is a two-year wait, the additional revenue that will be generated will compensate the City.

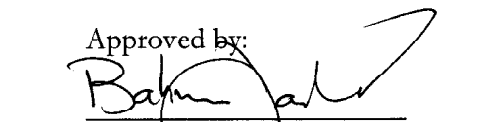
Respectfully submitted,


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City Manager

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