

# Staff Summary Report



**Council Meeting Date:** January 24, 2008

**Agenda Item Number:** 23

**SUBJECT:** Request authorization for the Mayor to sign Amendment # 4 to Intergovernmental Agreement C2004-242 with the City of Phoenix for transit services and support during FY 2007/2008.

**DOCUMENT NAME:** 20080124pwgj02 TRANSPORTATION PLANNING (1101-01)

**SUPPORTING DOCS:** Yes

**COMMENTS:** (C2004-242) Subject to execution of final written agreement for an amount not to exceed \$1,440,048

**PREPARED BY:** Greg Jordan: Transit Administrator, 858-2094

**REVIEWED BY:** Carlos de Leon: Deputy Public Works Manager, 350-8527

**LEGAL REVIEW BY:** Mary Wade: Assistant City Attorney, 350-8612

**FISCAL NOTE:** Sufficient funds have been provided in cost center 3914, account code 6644.

**RECOMMENDATION:** Recommend approval.

**ADDITIONAL INFO:** Intergovernmental agreement (C2004-242) allows the City of Phoenix to provide fixed route bus service on three routes within the City of Tempe. The term of this agreement is from July 1, 2004 through June 30, 2009. For FY 2007/2008, the amount of transit service supplied by Phoenix is virtually unchanged with approximately 260,700 miles of fixed route bus service on Route 1 (Washington Street) Route 44 (44th Street, Tatum, University), and the Red Line (Apache, Central).

The City of Phoenix is passing on a very small cost per mile increase of .2 percent due to increases in the costs labor, health insurance, and fuel bringing the price from \$6.7033 per mile \$6.717. However, increases in fare revenue are also expected, leading to virtually no change in net transit service costs to Tempe which is estimated to be \$1,426,048 for the year, subject to final reconciliation.

In addition, there is also the cost (\$14,000) charged by Phoenix for technical support for the Vehicle Management System (VMS). The VMS system is a complex radio communications and computer-aided dispatching system shared by the Cities of Phoenix, Tempe and the Regional Public Transit Authority. The amount charged to Tempe represents this city's percentage of buses in the valley-wide fleet.

The combined costs of transit services and VMS technical support provided by the City of Phoenix total \$1,440,048, subject to final reconciliation.

**Approved by Glenn Kephart, Public Works Manager**

AMENDMENT NO. 4  
TO  
AGREEMENT NO. 114318  
(City of Tempe Agreement No. C2004-242)

THIS AMENDMENT NO. 4 TO AGREEMENT NO. 114318 is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2007, by and between the City of Phoenix, a municipal corporation duly organized and existing under the laws of the state of Arizona (hereinafter referred to as "PHOENIX"), and the City of Tempe, a municipal corporation duly organized and existing under the laws of the state of Arizona (hereinafter referred to as "TEMPE").

WHEREAS, on or about January 3, 2005, the parties did enter into Agreement No. 114318 (City of Tempe Agreement No. C2004-242) (hereinafter referred to as the "Principal Agreement") pursuant to which PHOENIX provides transit service to TEMPE; and,

WHEREAS, on or about September 28, 2005, Amendment No. 1 to Agreement No. 114318 amended the Principal Agreement by: (1) set forth additional services to be provided by Phoenix; and, (2) increase the compensation provisions of said Agreement for fiscal year 2004-2005; and,

WHEREAS, on or about September 28, 2005, Amendment No. 2 to Agreement No. 114318, as amended, amended the Principal Agreement by increasing the compensation provisions of said Agreement for fiscal year 2005-2006; and,

WHEREAS, on or about August 3, 2006, Amendment No. 3 to Agreement No. 114318, as amended, amended the Principal Agreement by increasing the compensation provisions of said Agreement for fiscal year 2006-2007; and,

WHEREAS, Section I of the Principal Agreement, as amended, sets forth the services to be provided by Phoenix and Exhibit "A" sets forth the compensation provisions of said Agreement; and,

WHEREAS, the Principal Agreement, as amended, needs to be further amended by amending the provisions of Exhibit "A" to set forth the compensation provisions of said Agreement for fiscal year 2007-2008; NOW, THEREFORE,

IT IS HEREBY AGREED, by and between the parties, as follows:

**SECTION 1.** That Exhibit "A" to the Principal Agreement, as amended, setting forth the compensation payable to PHOENIX for providing fixed route bus service, be, and the same is hereby, amended to set forth the compensation provisions for fiscal year 2007-08. Exhibit "A" is hereby amended to read, in its entirety, in accordance with the new Exhibit "A" attached hereto and by this reference incorporated herein.

**SECTION 2.** That the compensation provisions set forth in the Principle Agreement, and in each of its previous amendments, shall remain in full force and effect for each of the fiscal years to which they apply.

**SECTION 3.** The effective date of the amendment set forth herein shall be July 1, 2007.

**SECTION 4.** All of the rest, residue and remainder of the Principal Agreement, as amended, not hereinbefore specifically amended by Section 1 hereof, shall remain in full force and effect.

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IN WITNESS WHEREOF, the parties have executed this Amendment No. 4 to Agreement No. 114318 (City of Tempe Agreement No. C2004-242) on the day and year first above written.

CITY OF PHOENIX, a municipal corporation  
FRANK FAIRBANKS, City Manager

By: \_\_\_\_\_  
Debbie Cotton  
Public Transit Director

ATTEST:

\_\_\_\_\_  
City Clerk - PHOENIX

APPROVED AS TO FORM:

\_\_\_\_\_  
Acting City Attorney - PHOENIX

APPROVED BY PHOENIX CITY COUNCIL BY FORMAL ACTION ON JUNE 20, 2007.

CITY OF TEMPE, ARIZONA  
A Municipal Corporation

By: \_\_\_\_\_  
Hugh Hallman, Mayor

ATTEST:

\_\_\_\_\_  
City Clerk - TEMPE

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney - TEMPE

APPROVED BY TEMPE CITY COUNCIL BY FORMAL ACTION ON \_\_\_\_\_.

**INTERGOVERNMENTAL AGREEMENT DETERMINATION**

In accordance with the requirements of Section 11-952(D), Arizona Revised Statutes, each of the undersigned attorneys acknowledge: (1) that they have reviewed the above Amendment on behalf of their respective clients; and, (2) that, as to their respective clients only, each attorney has determined that this Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

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Attorney for PHOENIX

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Attorney for TEMPE

**Exhibit "A"**  
**(2007-2008)**  
**(Amended June, 2007)**

For the fiscal year from July 1, 2007 through June 30, 2008 and for all services described in Section 1 of this Agreement, as amended, TEMPE shall pay PHOENIX as follows:

- A. A fee estimated to be ONE MILLION FOUR HUNDRED TWENTY-SIX THOUSAND FORTY-EIGHT (\$1,426,048) DOLLARS. Revenue collected in Tempe shall serve as a credit to offset costs. The fee stated above includes the service cost net of estimated revenue and does not include the cost of regional services.
- B. For the purpose of this Amendment, the following estimates are provided:
  - (1) Mileage: Two Hundred Sixty Thousand Seven Hundred (260,700) miles.
  - (2) Fully allocated cost per revenue mile for Phoenix Transit System –
 

Estimated cost per mile (ATC/Phoenix)	\$6.72
Estimated cost per mile (Laidlaw Transit Service)	\$4.93
  - (3) VMS support agreement: During the period of this Agreement, the City of Tempe will pay the City of Phoenix a fee of \$14,000 annually.
- C. The addition of Regional Public Transportation Authority (RPTA) funded transit service may modify some existing routes. § 28-2521, Arizona Revised Statutes, prohibits supplanting any existing transit service with RPTA funded service.

Cost and payment estimates are:

<u>Item</u>	<u>Amount</u>
Amount due PHOENIX	\$1,752,000.00
Less estimated revenues collected within TEMPE Municipal Boundaries	( <u>\$ 325,952.00</u> )
Net Amount Due PHOENIX for Fixed Route Service	\$1,426,048.00
Annual Amount due - VMS Support Agreement	\$ 14,000.00
TOTAL Amount Due Phoenix	<u>\$ 1,440,048.00</u>

- D. Current projected payments consist of two (2) equal installments of \$720,024.00 follows:

Payment No. 1 is due on or before July 1, 2007  
 Payment No. 2 is due on or before January 1, 2008

Late payments shall be subject to a 12% annual charge computed on a monthly basis.

- E. PHOENIX will do a financial reconciliation of this Agreement after June 30, 2008 This includes cost adjustments due to the actual cost of fuel versus estimated fuel costs as well as other factors. Thereafter, the parties will make a final adjustment of the sum.

**CITY OF TEMPE  
PURCHASE OF TRANSIT SERVICE  
CONTRACT ESTIMATE  
FISCAL YEAR 2007-08**

<b>Route</b>	<b>Miles Per Day</b>	<b>Service Days</b>	<b>Annual Miles</b>	<b>Rate Per Mile</b>	<b>Annual Cost</b>	<b>Estimated Revenue</b>	<b>Net Cost</b>
44	201.4	255	51,400	\$6.7170	\$345,000	\$ (70,060)	\$274,940
Red	510.0	255	130,100	\$6.7170	\$874,000	\$ (208,106)	\$665,894
1	210.5	255	53,700	\$6.7170	\$361,000	\$ (32,536)	\$328,464
Total Weekday	921.9	255	235,200		\$1,580,000	(\$310,702)	\$1,269,298
44	136.8	52	7,100	\$6.7170	\$48,000	\$ (5,921)	\$42,079
1	107.0	52	5,600	\$6.7170	\$38,000	\$ (2,410)	\$35,590
Total Saturday	243.8	52	12,700		\$86,000	(\$8,331)	\$77,669
44	122.0	59	7,200	\$6.7170	\$48,000	\$ (4,910)	\$43,090
1	94.4	59	5,600	\$6.7170	\$38,000	\$ (2,009)	\$35,991
Total Sunday/Hol	216.4	59	12,800		\$86,000	\$ (6,919)	\$79,081
Total	1,382.1	N/A	260,700	N/A	\$1,752,000	(\$325,952)	\$1,426,048

**Exhibit "A", page 2**