



**Contra  
Costa  
County**

To: Board of Supervisors  
From: Julia R. Bueren, Public Works Director/Chief Engineer  
Date: August 1, 2017

Subject: Approve Amendment to the Transportation Service Agreement for school bus services for County Service Area T-1 residents, Danville.

**RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Public Works Director, or designee, to execute an Amendment to the Transportation Service Agreement for Operation of a School Bus Route within County Service Area (CSA) T-1 with the Measure J Traffic Congestion Relief Agency (TRAFFIX), to authorize payment of TRAFFIX operational and overhead costs to run two school bus routes within CSA T-1, as recommended by the Public Works Director, Danville area.

**FISCAL IMPACT:**

100% County Service Area T-1 Funds

**BACKGROUND:**

In early 2014, the County and the Measure J Traffic Congestion Relief Agency (TRAFFIX), a traffic congestion relief program operated cooperatively by Contra Costa County, the City of San Ramon, the Town of Danville, and the San Ramon Valley Unified School District, executed the Transportation Service Agreement (Agreement) for Operation of a School Bus

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **08/01/2017** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
Candace Andersen, District II Supervisor  
Diane Burgis, District III Supervisor  
Karen Mitchoff, District IV Supervisor  
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: August 1, 2017

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Stacey M. Boyd, Deputy

Contact: Jessi Duffy, 925.  
313-2286

cc:

Route within County Service Area T-1 (CSA T-1) (Exhibit A) to use CSA T-1 funds to pay for one TRAFFIX school bus to serve students who live in the CSA T-1 and attend Monte Vista High School. In early 2017, TRAFFIX and the County executed the 1<sup>st</sup> Amendment to the Agreement, which added a second TRAFFIX school bus to serve students who live in the CSA T-1 and attend Monte Vista High School.

**Annual CSA T-1 Payment to TRAFFIX**

According to the Agreement, the County pays TRAFFIX the Projected Annual Operational Cost, minus revenue from the sale of annual bus passes, for annual service operation of each CSA T-1-supported bus. The Projected Annual Operational Cost is calculated by multiplying the base (daily) rate that the school bus contractor charges TRAFFIX to operate a bus—\$451.81 for FY 16-17—by the number of instructional days in an academic year. The base rate is calculated by dividing the total annual school bus contractor (operational) cost for the TRAFFIX program by the number of buses in the traffic fleet and the number of instructional days an academic year.

The County's current obligation to reimburse TRAFFIX to operate CSA T-1 buses does not cover TRAFFIX overhead costs—Program Administration, Audit Services, Consulting Services, Insurance, Legal Counsel Services, and Banking Service/Credit Card Services—associated with operation of each CSA T-1 bus. After several discussions

between County staff and TRAFFIX staff regarding overhead costs incurred by TRAFFIX for running the CSA T-1 buses, TRAFFIX is requesting that the County also pay annual overhead costs associated with operating each CSA T-1 bus (in addition to the operation costs), starting from July 1, 2016.

The overhead costs associated with each CSA T-1 bus would be developed as follows:

- sum of the total annual overhead costs for the TRAFFIX Program,
- divided by the number of buses in the TRAFFIX bus fleet.

For FY 16-17, the overhead amount for each CSA T-1 would be \$6,695.45, as calculated in the table below-

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## BACKGROUND: (CONT'D)

<b>Total Annual Overhead Costs for TRAFFIX Program for FY 16-17</b>	<b>Number of Buses</b>	<b>Annual Overhead Cost Per CSA T-1 Bus for FY 16-17</b>
\$147,300.00	22	\$6,695.45

The new calculation for the amount the County would pay TRAFFIX for each CSA T-1 bus would be as follows:

- Projected Annual Operating Cost,
- plus the Annual Overhead Cost per CSA T-1 bus,
- minus revenue from the sale of annual bus passes for the CSA T-1 bus.

The table below shows the estimated amount, \$75,421.25, the County would pay TRAFFIX for each CSA T-1 bus, assuming full seating capacity, in FY 16-17.

<b>Projected Annual Operating Cost</b>		<b>Annual Overhead Costs Per Bus for FY 16-17</b>	<b>Revenue from Annual Bus Passes</b>		<b>Total County Payment to TRAFFIX for each CSA T-1 Bus for FY 16-17</b>
<b>Base Rate</b>	<b>Number of Instructional Days</b>		<b>Number of Bus Passes Sold</b>	<b>Price per Bus Pass</b>	
\$451.81	180	\$6,695.45	56	\$225.00	\$75,421.25

A 2<sup>nd</sup> Amendment to the Agreement (2<sup>nd</sup> Amendment) (Exhibit B) was developed that will amend the Agreement to include overhead costs into the calculation of the amount that the County will pay TRAFFIX annually for each CSA T-1 bus.

### **Invoicing from TRAFFIX to the County**

The 2<sup>nd</sup> Amendment will change the submittal date of one of the two regular annual invoices to the County from July 1<sup>st</sup> to September 1<sup>st</sup> so that TRAFFIX can submit reconciled budget data from the previous fiscal year, which TRAFFIX uses in its calculation of its annual invoice amount. In addition, the 2<sup>nd</sup> Amendment will include language for TRAFFIX to submit one additional invoice on July 1, 2017 for the following:

- overhead costs for the 1<sup>st</sup> CSA T-1 bus from July 1, 2016 through June 30, 2017,
- overhead costs for the 2<sup>nd</sup> CSA T-1 bus from its inception on February 21, 2017 through June 30, 2017, and
- operational costs for the 2<sup>nd</sup> CSA T-1 bus from its inception on February 21, 2017 through June 30, 2017.

The TRAFFIX Board of Directors approved the 2<sup>nd</sup> Amendment to the Agreement at its May 31, 2017 Board of Directors meeting.

CONSEQUENCE OF NEGATIVE ACTION: Without Board of Supervisors' approval, this second amendment to the Agreement will not be executed.

ATTACHMENTS CSA T-1 2<sup>nd</sup> Amendment to the Agreement