THE CITY OF ASHEVILLE

STAFF REPORT

City Council Meeting Date: July 26, 2022

Subject: Amend the existing Transit Operations and Maintenance Contract between the City of Asheville and RATPDev USA.

Staff Resource(s): Ken Putnam, Transportation Department Director
Jessica Morriss, Assistant Transportation Department Director

Action Requested: Adopt a resolution authorizing the City Manager to ratify and amend the existing Transit Operations and Maintenance Contract between the City of Asheville and RATPDev USA for a total of $10,107,322 for Fiscal Year (FY) 2023.

Background:

- The City of Asheville contracts out the operations and maintenance of the Asheville Rides Transit (ART) fixed-route transit system.
- In 2017, the City of Asheville issued a request for proposals (RFP) for the operations and maintenance of ART and RATPDev USA was selected to be the contractor.
  - The initial contract was for 4-years and ended June 30, 2021.
  - The contract allowed for **two** 2-year optional contract extensions (for a total of another 4 years).
  - The City opted to exercise the first of the 2-year optional contract extensions, which began July 1, 2021.
  - Therefore, this contract amendment covers ART operations and maintenance for FY 2023 (July 1, 2022 to June 30, 2023), which is the second year of the first 2-year optional contract extension.
- The proposed amendment will be the 3rd amendment to the contract.
  - Amendment 1 was approved in August of 2019 and was done to reflect the increased services (and budget) that were implemented in January 2020.
  - Amendment 2 was approved in October 2021 (FY22) and included the annual increase to the base contract to reflect increases to the revenue-hour rate and monthly fixed fees. *While the approved Transit Operation Budget for FY22 did include additional funds for the purpose of service expansion that was planned to begin in October 2021, the service expansion did not occur due to staffing shortages, and therefore the additional funds that were budgeted for that purpose were not included in Amendment 2 of the contract.*
  - Amendment 3 (proposed with this action) will include an increase over the FY 2022 contract amount of $953,835, for a total of $10,107,322.
  - This funding was included in the approved FY 2023 Transit Operations budget and represents the following:
    - $402,835 - annual increase to the base contract to reflect increases to the revenue-hour rate and monthly fixed fees.
    - $551,000 - reflects wage increase of $2.00 per hour for RATPDev ART staff in order to reduce turnover and improve recruitment.
    - The wage increase was implemented on July 1, 2022 for all ART staff (except directors and the General Manager).
- There are no proposed changes to the language of the Contract with this amendment.
- *Note: There is one remaining optional 2-year contract extension available, which if exercised, would begin July 1, 2023 and end June 30, 2025.*

- *If the City does not wish to exercise the second 2-year option under the existing contract with RATPDev, staff would need to develop an RFP for transit operations and maintenance services within the next couple of months in order to have a contractor selected and in place prior to July 1, 2023.*

Vendor Outreach Efforts:
- N/A - This is a current contract. An extensive outreach process was conducted in 2017 when the transit operations and maintenance contract was put out for bid.

Council Goal(s):
- Transportation and Accessibility

Committee(s):
- The Transit Committee received a presentation from staff regarding the proposed transit operations budget for FY 2023 at their meeting on May 17, 2022.
- The Committee did not take action as it was an informational item only.

Pro(s):
- Support the continuation of current/existing transit service levels and provides a wage increase for ART staff of $2.00 per hour.

Con(s):
- Will result in increased transit operational costs for the current/existing service levels.

Fiscal Impact:
- Amendment 3 includes an increase of $$953,835, for a total of $10,107,322, to the annual contract for transit operations and maintenance over FY 2022.
- The increase in budget reflects the increase in cost of continuing the current/existing transit service as well as the wage increase for ART staff.
- The FY 2023 Transit Services Fund budget already includes the increase needed to continue the existing transit service.

Suggested Motion:
- Motion to adopt a resolution authorizing the City Manager to ratify and amend the existing Transit Operations and Maintenance Contract between the City of Asheville and RATPDev USA for a total of $10,107,322 for FY 2023.

Attachment(s)
- Resolution

RESOLUTION NO. 22-____

RESOLUTION AUTHORIZING THE CITY MANAGER TO RATIFY AND AMEND THE EXISTING TRANSIT OPERATIONS AND MAINTENANCE CONTRACT BETWEEN THE CITY OF ASHEVILLE AND RATPDEV USA FOR FISCAL YEAR 2023

WHEREAS, the City of Asheville has authority pursuant to N.C.G.S. §143-129 for letting of public contracts; and

WHEREAS, the City of Asheville budgeted $10,107,322 toward the transit operations and maintenance contract for the Asheville Rides Transit System as part of the Fiscal Year 2023 budget process; and

WHEREAS, the City of Asheville and RATPDev USA are in second year of the first two-year Option Period of the existing contract for the operations and maintenance of the Asheville Rides Transit System; and

WHEREAS, the City and RATPDev USA negotiated in good faith to make revisions to the contract, as described in Amendment 3, in order to reflect the increase cost in providing the existing level of transit service and to provide a wage increase of $2.00 per hour for Asheville Rides Transit staff ; and

WHEREAS, the changes provided in Amendment are intended to increase ART employee retention and recruitment in order to ensure continuous operations;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

City Council hereby authorizes the City Manager City Manager to ratify and amend the existing Transit Operations and Maintenance Contract between the City of Asheville and RATPDev USA for a total of $10,107,322 for FY 2023.

Read, approved and adopted this the 26th day of July, 2022.

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City Clerk Mayor

Approved as to form:

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City Attorney