



City of Grand Island

Tuesday, November 22, 2016

Council Session

Item G-9

#2016-291 - Approving Amendment No. 1 for Public Transit Service Agreement with Senior Citizens Industries, Inc.

Staff Contact: John Collins, P.E. - Public Works Director

Council Agenda Memo

From: Terry Brown PE, Assistant Public Works Director

Meeting: November 22, 2016

Subject: Approving Amendment No. 1 for Public Transit Service Agreement with Senior Citizens Industries, Inc.

Presenter(s): John Collins PE, Public Works Director

Background

As a result of the City's status as a metropolitan statistical area, the City became eligible for receipt of funds for public transit services from the United States Department of Transportation, Federal Transit Administration. Commencing July 1, 2016, public transportation trips originating or terminating within the urbanized area of the City of Grand Island must be funded utilizing urban transportation funds from the Federal Transit Administration. Prior to July 1, 2016, public transit services within the City and within Hall County were provided through Rural Public Transit funds awarded to the State of Nebraska and the County of Hall, as subgrantee of the state. Pursuant to an Interlocal Agreement entered into by and between the City and Hall County, on June 14, 2016 via Resolution No. 2016-138 the Grand Island City Council approved an agreement with Senior Citizens Industries, Inc. to provide such public transit services.

Discussion

The City of Grand Island and Senior Citizens Industries, Inc. desire to amend the public transit services agreement, as follows.

The original agreement provided for a monthly rate of \$53,202.50 for the period of July 1, 2016 through June 30, 2017, with the option of renewing the agreement for a maximum of two (2) years beyond June 30, 2017, in increments of two (2) months. Compensation for this extended service would be at the following monthly rate: July 1, 2017 through June 30, 2018 - \$54,798.64 per month; and July 1, 2018 through June 30, 2019 - \$56,442.60. The amendment will revise the agreement to state the City shall pay to Senior Citizens Industries, Inc. an amount equal to the sum of the actual expense of operation of the transit service program, with actual expenses not exceeding the originally approved monthly rates.

Insurance in the original agreement to be provided by Senior Citizens Industries, Inc. was set at \$5,000,000. The required amount has been decreased to \$1,000,000, as is standard

and consistent with the City's requirements. As a result, Senior Citizens Industries, Inc. anticipates a reduction in insurance premium for part of the period of July 1, 2016 through June 30, 2017.

The final portion of the amendment removes the requirement for Senior Citizens Industries, Inc. to fund, operate, engage in, or assist in the operation or administration of a cab fare rider program. The removal of this requirement is due to the cab fare rider program not being eligible for federal reimbursement through the urban transportation funds from the Federal Transit Administration. As a result, Senior Citizens Industries anticipates a total cost reduction of \$60,000 for this removal.

The terms of the amendment shall be retroactive to and including July 1, 2016.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve Amendment No. 1 to the original agreement for Public Transit Service with Senior Citizens Industries, Inc.

Sample Motion

Move to approve Amendment No. 1.

**FIRST AMENDMENT TO THE
AGREEMENT FOR PUBLIC TRANSIT SERVICES**

This First Amendment to the Agreement for Public Transit Services is entered into by and between the City of Grand Island, a municipal corporation of the state of Nebraska, (hereafter called “City”), and Senior Citizens Industries, Inc. (hereafter called “Contractor”) of Grand Island, Nebraska, dated this ___ day of November, 2016.

WHEREAS, City and Contractor are parties to an Agreement for Public Transit Services (the “Agreement”) whereby City contracted with Contractor for the provision of public transit services provided within Hall County including within City’s municipal boundaries; and

WHEREAS, City and Contractor desire to amend the Agreement.

NOW, therefore, in consideration of the promises and agreements set forth in the Agreement and herein, the City and Contractor agree to the following:

1. AMENDED SECTIONS.

A. Section 2. is amended in its entirety as follows:

The City shall pay to Contractor, as full payment for all services to be performed by Contractor pursuant to this agreement an amount equal to the sum of the actual expenses of operation of the transit service program less the total of all grants, rider fares, and 5311 federal state, and county transit program funds received by Contractor. Invoicing will be made monthly upon statement reflecting the itemized operating expenses and transit program receipts. Terms are net 30 days. Actual expenses of operation shall mean expenses eligible for Federal or State cost sharing under Federal Transit Administration 5307 and 5311 Grant Programs. Total annual actual expenses shall not exceed the following:

	Annual	Monthly
July 1, 2016 - June 30, 2017	\$638,430.00	\$53,202.50
July 1, 2017 – June 30, 2018	\$657,583.68	\$54,798.64
July 1, 2018 – June 30, 2019	\$677,311.20	\$56,442.60

B. Section 9. is amended is amended in its entirety as follows:

Contractor shall purchase and maintain continuously throughout the term of the Agreement insurance coverage meeting all of the following requirements:

(i) obtain and maintain for the applicable contract term insurance on each vehicle against all risks of loss or damage in an amount not less than the replacement cost of the Buses, without deductible and without co-insurance,

(ii) obtain and maintain for the applicable contract term, comprehensive liability insurance covering personal injury of at least \$1,000,000 per person and property damage of at least \$1,000,000 per occurrence, and such insurance shall otherwise be in a form and with companies reasonably satisfactory to County and City. Contractor shall designate County and City, as their interests may appear, as loss payee on property insurance, and shall designate County and City additional insureds on liability insurance. Contractor shall pay all premiums for such insurance and cause delivery to County and City of certificates evidencing such insurance in effect through the contract term identifying the vehicle identification number of each Bus, as applicable, along with, if requested by County or City, evidence satisfactory to County and City, of the payment of the premiums for such insurance. All insurance shall provide for at least thirty (30) days advance written notice to County and City before any cancellation, expiration or material modification thereof. No act or default of Contractor, its officers, agents and employees, will affect County's or City's right to recover under such policy or policies in case of loss. Contractor shall deliver prompt written notice to County and City of (1) loss, theft, or destruction of any Bus, (2) any damage to any Bus exceeding one thousand dollars (\$1,000), and (3) any claim arising out of the ownership, operation, maintenance, or use of any Bus. In the event of damage to or loss or destruction of a Bus (or any component thereof), Contractor shall, at the option of County and City, (a) promptly place such Bus in good repair, condition and working order, or (b) replace the Bus with a bus in good repair, condition and working order, acceptable to County and City, and shall transfer clear title to such Bus to the entity, County or City, holding title to the bus damaged, lost, or destroyed, whereupon such bus shall be subject to the applicable contract term.

Liability coverage shall include coverage for loading and unloading passengers.


2. CAB FARE PROGRAM. Notwithstanding anything in the Agreement and City's Request for Proposals for Public Transit Services to the contrary, Contractor shall not be required to fund, operate, engage in, or assist in the operation or administration of a cab fare rider program except through a separate subsequent agreement approved and executed by the parties.

3. EFFECTIVE DATE. The terms of this Amendment shall be retroactive to and including July 1, 2016.

In witness, the parties have executed this First Addendum to the Agreement for Public Transit Services on the dates recited below:

Dated: _____, 2016.

Senior Citizens Industries, Inc.

By: 
Karl Hughes, President

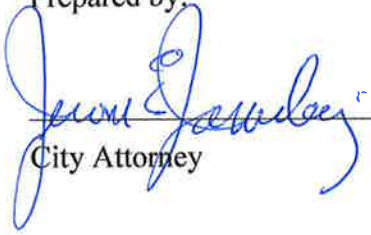
City of Grand Island, Nebraska

By: _____
Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Prepared by:


City Attorney

RESOLUTION 2016-291

WHEREAS, the City of Grand Island (City), Nebraska and the County of Hall (County), Nebraska entered into an Interlocal Agreement for Public Transit Services to be provided within the boundaries of City and County; and

WHEREAS, an agreement for such services provided by Senior Citizens Industries, Inc. of Grand Island, Nebraska was approved via Resolution No. 2016-138 on June 14, 2016; and

WHEREAS, both the City and Senior Citizens Industries, Inc. desire to amend the public transit services agreement; and

WHEREAS, the amendment will revise the agreement to state the City shall pay to Senior Citizens Industries, Inc. an amount equal to the sum of the actual expense of operation of the transit service program, with actual expenses not exceeding the originally approved monthly rates; the required amount of insurance coverage to be \$1,000,000; and remove the requirement for Senior Citizens Industries, Inc. to fund, operate, engage in, or assist in the operation or administration of a cab fare rider program.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that Amendment No. 1 to the original agreement for Public Transit Service with Senior Citizens Industries, Inc. of Grand Island, Nebraska is hereby approved.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute such Amendment No. 1 on behalf of the City of Grand Island.

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Adopted by the City Council of the City of Grand Island, Nebraska, November 22, 2016.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
November 18, 2016	☐ City Attorney