TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: PLANNING AND COMMUNITY ENVIRONMENT
DATE: SEPTEMBER 27, 2004 CMR:401:04
SUBJECT: PALO ALTO SHUTTLE—APPROVAL OF CONTRACT EXTENSION NO. 9 AND INCREASE IN THE EXPENDITURE LIMIT OF THE RAIL SHUTTLE BUS SERVICE ADMINISTRATION AGREEMENT WITH THE PENINSULA CORRIDOR JOINT POWERS BOARD

RECOMMENDATION
Staff recommends that Council:

1) Authorize the Mayor to execute the attached amendment to the Rail Shuttle Bus Administration Agreement with the Peninsula Corridor Joint Powers Board (JPB), extending the term of the agreement through June 30, 2005.

2) Approve an increase of $376,000 in the expenditure limit of the existing Rail Shuttle Bus Agreement (S0114750) with the JPB to cover the City’s shuttle program operating costs during the period July 1, 2004 through June 30, 2005.

BACKGROUND
In 1999, the City and JPB entered into the Rail Shuttle Bus Service Administration agreement for the provision of shuttle bus services in Palo Alto, as part of the JPB shuttle bus program. The agreement provides that the agencies may extend the term of the agreement upon mutual consent. There have been eight contract extensions since the original agreement was executed.

DISCUSSION
The ninth amendment to the agreement, in letter format (Attachment A), provides for continued shuttle services for the Palo Alto shuttle program from July 1, 2004 through June 30, 2005. The contract with the JPB stipulates that the City reimburse the JPB for 25 percent of the cost of the peak period Embarcadero shuttles and 100 percent for the remainder of the shuttle program contract costs. The City’s total contract expense to continue the current shuttle program service level for the twelve-month period ending June 30, 2004 is estimated
to be $376,000. In order to cover the full additional contract expense through June 30, 2005, staff is requesting that the Council approve an increase of $376,000 in the contract expenditure limit.

This General Fund expense will be reduced by approximately $40,000, the Palo Alto Unified School District’s share of the cost of shuttle extension to Gunn High School, for the fiscal year.

RESOURCE IMPACT
Funding provided in the 2004-2005 operating budget for the Palo Alto Shuttle is sufficient to cover these costs. No additional resources will be required at this time. The extension of this agreement with the JPB will not prevent staff from implementing additional shuttle operational efficiency improvements during the course of the year as needed.

POLICY IMPLICATIONS
This request is consistent with existing Council direction to continue and expand the Palo Alto shuttle project.

ENVIRONMENTAL REVIEW
On August 2, 1999, the City Council approved a Negative Declaration finding the shuttle project would not result in any significant environmental impact.

ATTACHMENTS
A. Letter 9 Contract Extension Agreement

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