TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DEPARTMENT: PLANNING AND COMMUNITY ENVIRONMENT

DATE: AUGUST 1, 2005

CMR:343:05

SUBJECT: PALO ALTO SHUTTLE PROGRAM—APPROVAL OF CONTRACT EXTENSION NO. 10 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 City Manager 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, 2006.

2) Approve an increase of $374,200 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, 2005 through June 30, 2006.

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 nine contract extensions since the original agreement was executed.

DISCUSSION

The tenth amendment to the agreement, in letter format (Attachment A) dated 6/22/05, provides for continued shuttle services for the Palo Alto shuttle program from July 1, 2005 through June 30, 2006. Due to the late receipt of this letter agreement, staff was not able to agendize this item for Council approval prior to the end of the fiscal year. The JPB has continued to provide uninterrupted shuttle service during the interim until the contract extension is approved by the City.

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, 2005 is estimated to be $374,200. In order to cover the full
additional contract expense through June 30, 2005, staff is requesting that the Council approve an increase of $374,200 in the contract expenditure limit for the contract with the Caltrain Joint Powers Board.

This General Fund expense will be reduced by approximately $36,000, the Palo Alto Unified School District’s share of the cost of shuttle extension to Gunn High School, for the fiscal year. In addition, the Council has authorized staff to initiate a shuttle donation campaign targeted at the users and beneficiaries of the shuttle services to raise private contributions to offset a small portion of shuttle operating costs.

**RESOURCE IMPACT**
Funding provided in the 2005-2006 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. Caltrain Joint Powers Board Contract Extension Letter Agreement dated 6/22/05

PREPARED BY: ________________________________
GAYLE LIKENS
Transportation Projects Manager

DEPARTMENT APPROVAL: ________________________________
STEVE EMSLIE
Director of Planning and Community Environment

CITY MANAGER APPROVAL: ________________________________
EMILY HARRISON
Assistant City Manager