TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

DEPARTMENT: PLANNING AND COMMUNITY ENVIRONMENT

DATE: APRIL 15, 2002

SUBJECT: APPROVAL OF INCREASE IN THE EXPENDITURE LIMIT OF THE RAIL SHUTTLE BUS SERVICE ADMINISTRATION AGREEMENT WITH THE PENINSULA CORRIDOR JOINT POWERS BOARD FOR THE PALO ALTO SHUTTLE PROJECT

RECOMMENDATION
Staff recommends that Council approve an increase of $173,000 in the expenditure limit of the existing shuttle service contract (S114750) with the Peninsula Corridor Joint Powers Board (JPB) to cover the City’s expanded shuttle program operating costs during the period of January 1, 2002 through June 30, 2002.

BACKGROUND
The Rail Shuttle Bus Service Administration Agreement between the City and JPB provides that the agencies may extend the term of the agreement upon mutual agreement. Since the original agreement was executed in 1999, there have been four previous contract extensions.

In January 2002, the Mayor executed a fifth Amendment to the agreement, in letter format, (copy attached) to provide shuttle services from January through June 2002. However, since the total value of the contract exceeds $65,000, the Council must approve an increase in the expenditure limit for the agreement associated with this contract extension.

DISCUSSION
The total cost of the shuttle program for the 6-month period is estimated to be $230,000. Of this amount, approximately $57,000 is subsidized directly by the JPB, leaving a remaining cost of approximately $173,000 for the period January 1, 2002 through June 30, 2002. Staff is requesting Council approve an increase in the existing contract encumbrance by this amount. However, since the Palo Alto Unified School District has agreed to fund half of the cost of the Gunn shuttle extension, the City’s actual program cost will be reduced by approximately $21,000, the District’s share of the Gunn shuttle extension from January through June 2002. The City will deduct the District’s costs from the regular remittances for the Lease and Covenant Not to Develop.
RESOURCE IMPACT
Shuttle program funding provided in the 2001-02 operating budget is sufficient to cover these costs. No additional resources will be required at this time.

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 Agreement 5

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DEPARTMENT HEAD: __________________________
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cc: Richard Cook, Joint Powers Board