

**COUNCIL ACTION FORM**

**SUBJECT: CYRIDE OPERATING CONTRACT WITH CIT TRANSPORTATION FOR SERVICE**

**BACKGROUND:**

In light of CyRide's challenge to keep pace with its recent ridership growth, the Transit Board of Trustees directed CyRide staff to identify creative ways to reduce the transit agencies peak hour bus requirement during the school year. As a result, CyRide developed a Request for Proposal for a private operator to provide a portion of its service on the Cardinal Route - campus circulator.

CyRide received only one bid from CIT Transportation, Inc. for a cost of \$711.13 per day for two, five hour pieces of work. CyRide's estimated cost to provide this same service would be \$439.90 per day for direct operating costs, not including capital expenses for the two buses and facility bus storage expenses. CyRide's fully allocated cost has been calculated at \$86 per hour, compared to the CIT bid at \$85.68 per hour. Therefore, CyRide staff has determined this cost to be a reasonable expense for the operation of this service.

It is anticipated that the total value of this contract for the 2015-2016 school year will be approximately \$114,000.

Contracting of this service will have a significant positive impact on CyRide as it will reduce its peak bus requirement by two vehicles and an equivalency of two drivers to provide daily service. These are two areas where CyRide is currently struggling to meet customer demands; thereby, allowing CyRide to meet the community's expectations.

The Transit Board of Trustees approved the CIT contract on July 30, 2015.

**ALTERNATIVES:**

1. Approve a contract with CIT Charters, Inc. at \$711.13 per day for service as directed by CyRide for the 2015-2016 school year.
2. Do not approve a contract with CIT Charters, Inc. for CyRide services.

**MANAGER'S RECOMMENDED ACTION:**

This contract will allow CyRide to better manage its infrastructure needs and costs as well as address its employee staffing challenges for this school year in a cost-effective manner. **Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving a contract with CIT Transportation for up to \$114,000.**