



CITY OF TEMPE
REQUEST FOR COUNCIL ACTION

Council Meeting Date: 5/30/2013
Agenda Item: 5E3

ACTION: Adopt a resolution authorizing the Mayor to execute contract change orders to intergovernmental agreements with the City of Phoenix as the designated recipient of federal transit grants, which will increase funds to the City of Tempe for bus fleet preventive maintenance. (Resolution No. 2013.54)

FISCAL IMPACT: Contract change orders will increase federal grant revenue in the amounts of \$187,020 and \$60,481 for Grants AZ-95-X009 (IGA C2012-13) and AZ-90-X109 (IGA C2012-12) respectively.

RECOMMENDATION: Adopt Resolution No. 2013.54.

BACKGROUND INFORMATION: Cities and agencies that provide transit service in the Phoenix-Mesa Urbanized Area are eligible to receive federal section 5307 grant funds for bus fleet and facilities preventative maintenance (PM). Regional allocations for PM grant funds are determined through the Maricopa County Association of Governments' (MAG) process to build the annual regional Transportation Improvement Program. Although MAG programs federal funding, actual federal grants are administered to sub-recipients by the City of Phoenix.

Originally approved on January 12, 2012, grant agreement AZ-95-X009 provided \$512,031 in federal funds to Tempe to offset the preventative maintenance costs for maintaining buses operated out the East Valley Bus Operations and Maintenance Facility. The related contract change order for this grant will increase federal funding by \$187,020 to offset the bus preventative maintenance costs.

Originally approved on January 12, 2012, grant agreement AZ-90-X109 provided \$1,831,900 in federal funds to Tempe to offset the preventative maintenance costs for maintaining buses operated out of the East Valley Bus Operations and Maintenance Facility. Contract change order for this grant will increase federal funding by \$60,481 to offset bus preventative maintenance costs.

Tempe has been receiving higher grant awards for preventative maintenance due to a 2011 change in process approved by the MAG Regional Council, which allocated a higher overall proportion of federal 5307 funds to PM and made changes to the method of distribution to transit operators (e.g. Phoenix, Tempe, RPTA, Glendale). The new method is based on a two-tiered approach that 1) divides available funds between bus and rail based on proportion of expenditures, and 2) allocates remaining funds to bus operators based on a combination of revenue miles and passenger miles. This approach phases-in in equal 25% increments between FY2012 and FY2015.

Neither the base agreements nor the amendments impact the unification of bus operations with the Regional Public Transportation Authority (RPTA) which is scheduled to take effect on July 1, 2013.

ATTACHMENTS: Resolution and Contract Change Orders AZ-95-X009 and AZ-90-X109.

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