

ORDINANCE NO. 21-179

AN ORDINANCE AUTHORIZING AND DIRECTING THE CITY MANAGER TO ENTER INTO A FOURTH AMENDMENT TO THE TRANSPORTATION SERVICES AGREEMENT BETWEEN THE CITY OF SANDUSKY AND FIRST TRANSIT, INC., OF CINCINNATI, OHIO, IN RELATION TO THE SANDUSKY TRANSIT SYSTEM.

WHEREAS, the City of Sandusky is the designated recipient of Federal Transportation Administration (FTA) funding under Chapter 49, Section 5307 of the Code of Federal Regulations and the Sandusky Transit System serves the residents within the City of Sandusky, and Erie County; and

WHEREAS, the City Commission approved a Transportation Services Agreement with First Transit, Inc., in relation to the Sandusky Transit System by Ordinance No. 17-045, passed on February 27, 2017, which was effective April 1, 2017; and

WHEREAS, the City Commission approved a First Amendment to the Transportation Services Agreement with First Transit, Inc. by Ordinance No. 19-021, passed on February 11, 2019, to expand service hours, routes and schedules, and rates by offering Sunday service on the Blue Line, along with the creation of a Yellow Line to operate from April 1 through November 1 of each year; and

WHEREAS, this City Commission approved a Second Amendment to the Transportation Services Agreement with First Transit, Inc. by Ordinance No. 19-218, passed on December 20, 2019, to expand service hours, routes and schedules, and rates to provide a greater service to transit riders and included the creation of an Orange route connecting Sandusky with BGSU Firelands campus; and

WHEREAS, this City Commission approved a Third Amendment to the Transportation Services Agreement with First Transit, Inc. by Ordinance No. 21-108, passed on July 12, 2021, to allow for a \$1.50 per hour wage increase for all drivers and hourly staff positions due to an extreme shortage of bus drivers and lack of qualified applicants; and

WHEREAS, as a result of the COVID pandemic the City and First Transit desire to enter into an emergency one-year extension of the Transportation Services Agreement for the period April 1, 2022 through March 31, 2023; and

WHEREAS, in addition to extending the contract, this proposed fourth amendment will increase the Cost Per Vehicle Hour of Services from \$35.04 to \$38.41 and increase the Fixed Fee Per Month from \$30,866.83 to \$31,583.93 for a total adjusted cost increase of approximately \$108,415.52 and the additional costs will be paid with Transit Funds and reimbursed through grant funding through the ODOT 5311, 5339, and OTP2 programs, contract revenue, passenger fares, and possibly General Funds; and

WHEREAS, in that it is deemed necessary in order to provide for the immediate preservation of the public peace, property, health, and safety of the City of Sandusky, Ohio, and its citizens, and to provide for the efficient daily operation of Municipal Departments, including the Sandusky Transit System, of the City of Sandusky, Ohio and, NOW, THEREFORE,

PAGE 2 - ORDINANCE NO. 21-179

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, THAT:

Section 1. This Commission hereby approves the Fourth Amendment to Transportation Services Agreement between the City of Sandusky and First Transit, Inc. for an emergency one-year extension of the contract, and authorizes and directs the City Manager to execute the Fourth Amendment to Transportation Services Agreement on behalf of the City in substantially in the same form as reflected in Exhibit "1" which is attached and specifically incorporated as if fully rewritten herein together with such revisions or additions as are approved by the Law Director as not being substantially adverse to the City and being consistent with the objectives and requirements of this Ordinance and with carrying out the City's public purposes.

Section 2. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3. This City Commission finds and determines that all formal actions of this City Commission concerning and relating to the passage of this Ordinance were taken in an open meeting of this City Commission and that all deliberations of this City Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 4. That for the reasons set forth in the preamble hereto, this Ordinance shall take effect at the earliest time allowed by Law.



RICHARD R. BRADY
PRESIDENT OF THE CITY COMMISSION



ATTEST:
CATHLEEN A. MYERS
CLERK OF THE CITY COMMISSION

Passed: November 8, 2021

FOURTH AMENDMENT TO TRANSPORTATION SERVICES AGREEMENT BETWEEN CITY OF SANDUSKY AND FIRST TRANSIT

THIS AMENDMENT is made and entered into as of the ___ day of _____, 2021 by and between THE CITY OF SANDUSKY, with principle offices at 240 Columbus Avenue, Sandusky OH 44870 (the “City”) and First Transit, Inc. with its national headquarters at 600 Vine Street, Suite 1400, Cincinnati, OH 45202 and local business offices for purposes of this Agreement located at 2581 Washington Road, Suite 223, Pittsburgh PA 15241 (“FT” and, collectively, the “Parties”).

WITNESSETH

WHEREAS, effective March 31, 2017, the City and FT had previously made and entered into a Transportation Services Agreement for the operation of the Sandusky Transit System in Sandusky, Ohio (the “Transportation Services Agreement”); and

WHEREAS, effective February 1, 2019, the City and FT amended the Transportation Services Agreement (the “First Amendment ”); and

WHEREAS, effective December 20, 2019, the City and FT further amended the Transportation Services Agreement (the “Second Amendment”) and

WHEREAS, effective June 28, 2021, the City and FT further amended the Transportation Services Agreement (the “Third Amendment”); and

WHEREAS, the Parties desire to, as a result of the COVID19 pandemic, enter into an emergency one-year extension of the Transportation Services Agreement for the period April 1, 2022 through March 31, 2023;

NOW, THEREFORE, the Parties mutually agree as follows:

1. **RATES: Exhibit C Rates** shall be amended as follows to reflect the following rate changes:

Effective Date April 1, 2022

Cost Per Vehicle Hour of Service \$38.41

Fixed Fee Per Month \$31,583.93

The revised cost summary pages of the Transportation Services Agreement detailing the above rates are hereby incorporated into and attached hereto as **Attachment A**.

2. **NOTICE TO PARTIES** All notices to be given by the parties to the Transportation Services Agreement shall be in writing and serviced by depositing same in the United States Mail, certified mail.

Notices to THE CITY shall be addressed to:

City of Sandusky
Attention: Thomas Horsman, Transit Administrator
240 Columbus Avenue
Sandusky, OH 44870

With a copy to:

City of Sandusky
Attention: Brendan Heil, Law Director
240 Columbus Avenue
Sandusky, OH 44870

Notices to FT shall be addressed to:

General Counsel
FirstGroup America, Inc.
600 Vine Street
Suite 1400
Cincinnati, OH 45202

Except as amended herein, all other terms and conditions of the Transportation Services Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment has been signed and executed in duplicate on behalf of the parties hereto by persons duly authorized on the day and year first written above.

THE CITY OF SANDUSKY

FIRST TRANSIT, INC.

By: _____

By: _____

Title: _____

Title: _____

ATTEST:

ATTEST:

By: _____

By: _____

EXHIBIT "1"

Attachment A						
<i>Revised Pricing Submitted June 18, 2021</i>						Emergency
<i>Same Service Levels as Second Amendment</i>						Extension
Increase Driver and Hourly Staff Wages \$1.50 Per Hour						Year
COST SUMMARY FOR YEAR		<u>2019</u>	<u>2020</u>	<u>2021</u>		<u>2022</u>
Revised Prices Effective		1/1/2020	4/1/2020	4/1/2021		4/1/2022
ASSUMPTIONS:						
VEHICLE HOURS OF SERVICE		69,625	69,625	69,625		69,625
VEHICLE MILES OF SERVICE		1,038,141	1,038,141	1,038,141		1,038,141
PASSENGER TRIPS		200,000	200,000	200,000		200,000
FAREBOX REVENUE		\$200,000	\$200,000	\$200,000		\$200,000
Fixed Fee Per Month		\$30,123.17	\$28,420.67	\$30,866.83		\$31,583.93
Annual Fixed Fee		\$361,478.04	\$341,048.04	\$370,401.96		\$378,467.12
Cost Per Vehicle Hour of Service		\$29.14	\$31.09	\$35.04		\$38.41
Annual Cost Per Vehicle Service Hours		\$2,028,873	\$2,164,641	\$2,439,660		\$2,674,345
Total Cost		\$2,390,351	\$2,505,689	\$2,810,062		\$3,052,813
Cost Increase		\$0	\$0	\$218,667		\$242,751 Y

EXHIBIT "1"

<i>Revised Pricing Submitted June 18, 2021</i>						
Cost Detail						
COST SUMMARY FOR YEAR		2019	2020	2021		2022
ASSUMPTIONS:						
VEHICLE HOURS OF SERVICE		69,625	69,625	69,625		69,625
VEHICLE MILES OF SERVICE		1,038,141	1,038,141	1,038,141		1,038,141
PASSENGER TRIPS		200,000	200,000	200,000		200,000
FAREBOX REVENUE		\$200,000	\$200,000	\$200,000		\$200,000
VARIABLE EXPENSES						
DISPATCHING		2.60	2.64	2.86		\$2.92
ROAD SUPERVISOR		0.58	0.60	0.62		0.63
DRIVERS		17.19	18.33	20.91		21.79
FRINGE BENEFITS		5.23	5.78	6.51		6.85
INSURANCE		1.12	1.14	1.16		3.00 Z
CORPORATE SUPPORT		1.16	1.24	1.41		1.54
FEE (PROFIT)		1.16	1.24	1.41		1.54
SAFETY/TRAINING EXPENSES		0.10	0.12	0.16		0.15
VARIABLE EXPENSES PER HOUR		\$29.14	\$31.09	\$35.04		\$38.41
TOTAL VARIABLE EXPENSES		\$2,028,873	\$2,164,641	\$2,439,660		\$2,674,345
FIXED EXPENSES						
MANAGEMENT (GM and Ops Mgr)		146,182	149,105	152,087		\$155,129
MAINTENANCE (Bus Shelter Cleaner)		5,253	5,253	21,321		21,610
FRINGE BENEFITS		38,903	41,362	46,286		47,784
OFFICE SUPPLIES		8,250	8,456	8,667		8,884
OPERATIONS EXPENSES		36,761	37,765	39,095		40,162
CUSTODIAL		2,522	2,585	2,649		2,715
MISCELLANEOUS		36,818	37,729	38,664		39,622
TAXES		4,455	4,656	4,865		5,084
CORPORATE SUPPORT		14,710	13,871	15,140		15,447
FEE (PROFIT)		14,710	13,871	15,140		15,447
DEPRECIATION		21,569	21,778	21,778		21,778
START UP EXPENSE		26,821	-	-		-
VEHICLE LICENSE FEES		4,526	4,616	4,709		4,803
TOTAL FIXED EXPENSES		\$361,478	\$341,048	\$370,402		\$378,467
TOTAL ANNUAL COST		\$2,390,351	\$2,505,689	\$2,810,062		\$3,052,813
Y	\$127,942	of the \$242,751 cost increase for 2022 is the result of liability insurance cost increase.				
Z	See attached explanation regarding extraordinary liability cost increases due to COVID pandemic.					