



December 5, 2013

To: Fox Cities Transit Commission

From: Amy Erickson
Paratransit Coordinator

Subject: Approval to Exercise Second Option Year with Running, Inc. to provide Valley Transit II Services

Valley Transit has had an agreement with Running, Inc. since April 2009 to provide Valley Transit II ADA paratransit services. The original contract was for three years, April 2009 through April 2012 with two option years. In March 2012, the Transit Commission approved a four month extension and in July 2012 approved a second four month extension to allow Valley Transit time to work through the process of a new program where Valley Transit began purchasing fuel for Running, Inc. vehicles, eliminating the fuel clause escalator written into the current contract.

Based on data compiled after purchasing fuel for Running Inc. vehicles, Valley Transit reached an agreement with Running Inc. to reduce the price per ride by \$1.00 resulting in a cost savings for Valley Transit of approximately \$12,000 per year under the new fuel program. January 1, 2013, Valley Transit and Running exercised the first option year of their contract, including the new fuel purchase program.

Valley Transit and Running Inc. have negotiated the second option year of their contract which will run from January 1, 2014 through December 31, 2014. This option year includes a price adjustment based on the Consumer Price Index change as of July 1 applied to the cost per ride. Based on this data, Running Inc. has agreed to continue to provide the Valley Transit II Services with a 1.5% increase over the 2013 rate. This rate change increases the current basic per ride charge from \$14.90 to \$15.12 and the current premium per ride charge from \$16.16 to \$16.40. All other terms and conditions of the Running, Inc. agreement and prior amendments will remain in effect for the term of the 2014 option year.

Valley Transit's 2014 budget includes \$1,707,634 plus fuel for the Valley Transit II service with an estimated State and Federal government funding of 56.4% of the operating costs. The local share is paid for by Outagamie County, Winnebago County, Calumet County, Family Care and IRIS. There are no City of Appleton funds used to support the Valley Transit II service.

Recommendation: Approve exercising the second option year with Running Inc. to provide Valley Transit II services at a cost per trip of \$15.12 for basic service and \$16.40 for premium service with Valley Transit purchasing the fuel for the Valley Transit II vehicles.