



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 06/25/2024

REQUESTER: Taylor Johnson, Transit and Parking Program Manager

PRESENTER: Scott Sturtz, P. E., Interim Public Works Director

TITLE: CONSIDERATION OF ACCEPTANCE, APPROVAL, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF CONTRACT K-2425-6: AN INTERLOCAL AGREEMENT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND THE CENTRAL OKLAHOMA TRANSPORTATION AND PARKING AUTHORITY (COTPA) D/B/A EMBARK TO PROVIDE TRANSIT SERVICES FOR THE CITY OF NORMAN FROM JULY 1, 2024, THROUGH JUNE 30, 2025, IN AN AMOUNT NOT TO EXCEED \$4,539,850.17.

BACKGROUND:

On August 28, 2018, University of Oklahoma officials advised City staff of their desire to transfer non-campus bus and paratransit services in Norman to another operator by June 30, 2019 (the end of the FYE 2019 fiscal year).

On May 22, 2019, Governor Stitt designated the City to be the direct recipient of federal transit funds effective upon the date the Federal Transit Administration (FTA) formally approves the City eligible to receive federal transit funds. That formal designation from the FTA occurred on June 27, 2019.

Unfortunately, the complete transition of operations and maintenance of the transit services was not able to be accomplished by July 1, 2019. Thus, on June 25, 2019, the city approved contract K-1819-150 with the University to continue operating and maintaining the transit services from July 1, through August 2, 2019 as the City's contractor.

Throughout the transition, the City and the Central Oklahoma Transportation and Parking Authority (COTPA) D/B/A EMBARK collaborated on an agreement to provide the City's transit services as an independent contractor. This came to fruition with contract K-1920-30, which was approved by City Council on July 20, 2019. Contract K-1920-30 is an Interlocal Agreement between the City and EMBARK for EMBARK to provide transit services for the City. The Interlocal Agreement included the operation of the fixed routes, operation of the paratransit services, collaborative assistance with federal and state grant administration, compliance with federal and state laws and regulations, collaborative assistance with marketing and advertising, and additional start-up costs anticipated with the transition of services. The term of this first agreement with EMBARK was from August 3, 2019, through June 30, 2020.

EMBARC began operating the fixed route services on August 3, 2019; however, the City and EMBARK were not able to hire the staff and assemble the necessary resources to maintain the public transit fleet and to operate the paratransit service at that time. On July 30, 2019, City Council approved Amendment 1 to contract K-1819-150 which extended the University's agreement to operate the paratransit services and to maintain the public transit fleet for an additional 60 days. On October 1, 2019, the City took over the maintenance of the public transit fleet and EMBARK began operating the paratransit service

Through five years of partnering with EMBARK for paratransit and fixed-route transit services in Norman, some alterations have been made both to the service and the annual contract. Some of the notable changes are highlighted below.

- Operation of Saturday service began August 15, 2020. This included University of Oklahoma Football game days, with operations out of a temporary hub due to street closures and traffic conditions around the current transfer station on Brooks Street.
- Combination of Norman Route 124 and EMBARK OKC Route 024 effective August 10, 2020
 - This "Norman Express" commuter route was previously split between two transit service providers. Consolidating to a single entity operating the entire route resulted in less customer confusion and an increase of operation efficiencies.
- Integration of night services (vehicle cleaning, washing, and fueling) to be performed by EMBARK.
- Clarifying language regarding the transitions from utilizing OU facilities to the newly built Maintenance Facility and office spaces located on Northbase at 1310 Da Vinci and the renovated Norman Transit Center located at 320 E Comanche.
- Transition of fixed-route service to the new bi-directional route network as of October 16, 2023, operating out of the new downtown Norman Transit Center as recommended in the Go Norman Transit Plan, and resulting changes to the paratransit zones.
- Transition from the City providing funding to EMBARK to purchase an insurance policy, to the City providing funding for a Risk Assumption Fee to cover claims of up to \$200,000 in the fiscal year.

DISCUSSION:

Over the past few months, City staff have been working with EMBARK staff to create an updated Interlocal Agreement for the FYE 2025 fiscal year. Contract K-2425-6 will maintain the core elements of the interlocal agreement including the operation of the fixed routes, operation of paratransit services, collaborative assistance with federal and state grant administration, compliance with federal and state laws and regulations, and collaborative assistance with marketing and advertising.

The following are some key changes and updates for the 2025 fiscal year:

- Streamlining of language to ensure there are no contradictions within the document after years of minor edits.
- Alterations to the \$200,000 Risk Assumption Fee, providing that 50% of the remaining fee will be either credited or reimbursed to the City of Norman one year after the expiration

of the annual interlocal agreement contract, once the statutory limitation has passed for claims to be filed. This new agreement also creates a Catastrophic Risk Fund that will be managed by EMBARK and used in the event that EMBARK's liability is more than \$200,000 in any given year. The other 50% of the remaining Risk Assumption Fee in any given year will be deposited into the Fund, with a cap of \$1,000,000 (not including any interest). If for any reason the City of Norman and EMBARK do not continue their relationship, then the Catastrophic Risk Fund (including interest) will be split evenly between the two agencies.

- Inclusion of a service expansion increasing frequency on the 112 West Lindsey route, which will now offer service once every 30 minutes instead of once every hour. This was recommended as Priority 2 in the Go Norman Transit Plan.

The term of this agreement will be from July 1, 2024, through June 30, 2025, subject to annual appropriation of sufficient funding by Council. This agreement is integral to the consistent provision of public transit services in the City of Norman. The total annual cost of the agreement is estimated to be \$4,539,850.17, or approximately \$378,321 per month. In comparison, the total estimated operating costs for FYE 2024 with EMBARK (Contract K-2223-162) was \$4,321,304, or \$360,109 per month. The increase this year is due partially to inflation, but in large part due to the inclusion of expanded frequency of service.

Fiscal year 2025 funds are budgeted and will be available July 1, 2024, in Miscellaneous Services – Transit Operating Contract Account (Number 27550277-44766).

RECOMMENDATION:

Staff recommends that City Council approve Contract K-2425-6, providing for an Interlocal Agreement between the City of Norman and the Central Oklahoma Transportation and Parking Authority (COTPA) d/b/a EMBARK for the provision of public transportation services from July 1, 2024, through June 30, 2025.