



Date: June 24, 2025

Honorable Mayor and Council Members

Alfred Knotts, Transportation Program Manager

Title: Approval of Contract with Truckee Downtowner, LLC for Fiscal Year 25/26 TART Connect Microtransit Services

Jen Callaway, Town Manager

Recommended Action:

That Council approve a contract with Truckee Downtowner, LLC for the continuation of the TART Connect Microtransit Service for Fiscal Year (FY) 25/26 in the amount of Two Million and Six Hundred Thousand Dollars (\$2,600,000)

Discussion:

Since the launch of the initial TART Connect Microtransit Pilot Program in June 2022, TART Connect has proven to be an efficient and cost-effective transit service delivery model for the Town of Truckee carrying over 420,000 passengers and increasing annual transit ridership by approximately 500%. In addition to increasing transit ridership, TART Connect has also proven to be a far more efficient service delivery model by reducing cost per passenger by approximately 62% and 83% when compared to fixed-route and Dial-a-Ride (DAR), respectively.

In January 2025, Town Council accepted the “Town of Truckee Short Range Transit Development Plan” which identified “**Scenario A - New recurring funding sources are available for public transit services**” as the preferred scenario which focused on the continuation of TART Connect. Scenario A also more holistically advanced both local and regional transportation goals, including those in the Mobility Element of the 2024 General Plan

Finally, in November 2024 voters voted to approve “Measure E – Town Essential Services” tax measure which identified TART Connect as a high priority program to fund should the measure pass. Measure E passed by approximately 61% of the voters and went into effect on April 1, 2025 providing the Town’s General Fund with an additional revenue source to continue this program, contingent on allocation of these funds to TART Connect as part of the annual budget adoption. The Town has chosen to account for Measure E funds separate from the General Fund for better tracking capabilities.

Scope of Services

On April 8, 2025, Staff provided an update to Council on TART Connect that included performance to date as well as FY 25/26 funding scenarios and associated levels of service. Scenario 1 focused on tailoring the service as to fit within the current FY 24/25 approved budget of \$2,600,000. Under Scenario 1 approximately \$2,300,000 would be available from Measure E to support TART Connect operations resulting in reduced levels of service due to increased operating costs in other areas of the Transit Program (i.e. insuring the new Electric Vans, new maintenance expenditures related to maintaining the new Mobility Hub, and overall increases in operating costs).

In regard to Scenario 2, this scenario would require \$2,900,000 from Measure E of which \$2,600,000 would go to the TART Connect operations contract to maintain current FY 24/25 levels of service with the remaining \$300,000 going towards the other increases in program costs mentioned above. Based on Council feedback provided at the April 8, 2025 meeting, Staff proceeded with preparing a budget request consistent with Scenario 2 which maintained the current FY 24/25 levels of service.

On June 10, 2025, the Town Council approved Annual Operating and Capital Budgets for FY 25/26, including an expenditure of \$2,600,000 for the continuation of TART Connect from July 1, 2025 through June 30, 2026, as well as \$2,900,000 in revenue from Measure E dedicated to the Transit Operating Budget.

Contract Procurement

Last fiscal year, the Town jointly participated in the competitive solicitation process with Placer County in the form of a Request for Proposal/Bid for “TART Connect Microtransit Turnkey Software and Operations Solution.” This was necessary as the Town had been working from the initial solicitation process conducted in 2022 and resulting contract focused on the pilot programs and associated long-term feasibility. Through this competitive process, Downtowner LLC was again deemed the most qualified and cost competitive vendor to provide TART Connect microtransit service for both Placer County as well as the Town. For this reason, staff is recommending a new one (1) year contract as opposed to an additional amendment to the current contract given the original procurement and resulting contract was focused on pilot programs.

Further, staff is only recommending a one (1) year contract as to develop a comprehensive RFP for all transit services provided by the Town for issuance in FY 25/26 for services beginning July 1, 2026. Soliciting for one comprehensive contract will allow the Town to consolidate contracts and services that are currently provided by two (2) separate transit contractors, comply with federal procurement regulations allowing federal funds to be used on all services, and potentially reduce contractor costs associated with overhead and administration as well as Town staff time administering two (2) contracts and associated day-to-day oversight and management.

Priority:

<input type="checkbox"/> Enhanced Communication	<input checked="" type="checkbox"/> Climate and Greenhouse Gas Reduction	<input type="checkbox"/> Housing
<input checked="" type="checkbox"/> Infrastructure Investment	<input type="checkbox"/> Emergency and Wildfire Preparedness	<input checked="" type="checkbox"/> Core Service

Fiscal Impact: The contractor cost to continue the TART Connect Program through FY25/26 would result in a maximum Measure E expenditure of \$2,600,000.

Public Communication: In addition to the posting of the Council Agenda and this staff report, the following public communications have occurred:

Town Council Truckee TART Connect Program presentation on November 9th, 2021, March 8th, 2022, August 9, 2022, January 24, 2023, February 14, 2023, March 14, 2023, and April 9, 2024. Additionally, continuation of the TART Connect Program was a part of the April 8, 2024 FY 25/26 Budget Workshop.

Acceptance of the Truckee SRTDP occurred in January 10, 2025, including Scenario A as the “preferred scenario”

Issuance of joint Request for Proposal by Placer County in February 2024.

Various forms of public communication related to placement of Measure E on the 2024 general election ballot, including public opinion surveys and associated findings.

Attachments: None