

(918) 783-5793
Fax: (918) 783-5786

Purchase of Service Agreement

This letter establishes an Agreement made and entered into on the 17th day of September, 2013, between The City of Owasso and Grand Gateway Economic Development Association/PELIVAN TRANSIT regarding financial assistance to the Association for the operation of a demand-response Public Transportation System operated by Pelivan Transit for FY-2014.

Whereas, the City of Owasso and area business leaders have identified certain community needs and set certain goals for the economic development of the community.

Whereas, there is a need to implement programs for the City of Owasso to meet a need to provide services to attract and serve the elderly and retirees in order to become a more desirable retirement community, as well as providing a much needed service to all citizens of the community.

Whereas, the Grand Gateway Economic Development Association is operating a Transportation Program established under the Oklahoma Department of Transportation Section 5311 Transportation Program which will provide public transportation for the citizens of Owasso and has requested the City to assist in financing this program.

Whereas, the City of Owasso will provide \$51,000 to the Association for Grand Gateway's service in providing public transportation to the citizens of Owasso, Oklahoma. Payments may be rendered in ten (10) monthly payments of \$5,100 or a lump sum payment payable to Grand Gateway E.D.A./Pelivan Transit, P. O. Drawer B, Big Cabin, OK 74332. Grand Gateway/Pelivan Transit will provide ridership totals for the previous month based on actual ridership with each monthly billing.

Whereas, Grand Gateway's Pelivan Transit will assign two (2) vehicles with drivers, and one (1) dispatcher for the City of Owasso and two (2) vehicles will be added during the FY-2013 Grant year to accommodate an intercity route and Soonerrides for Owasso and the surrounding area commencing October 1, 2013 through September 30, 2014 (FY-2014) to operate the demand-response

city/rural/variable distance routes from 8:00 a.m. to 4:00 p.m. Monday through Friday with the exception of Holiday's as listed below:

New Year's Day
Martin Luther King, Jr. Day
Memorial Day
Independence Day

Labor Day
Veteran's Day
Thanksgiving Day (Two days)
Christmas Day (Two days)

FEDERAL/STATE ASSISTANCE: The Pelivan Transit, CONTRACTOR and the City of Owasso are particularly advised that the execution and continuance of the AGREEMENT is contingent upon receipt of financial assistance from the Federal and State levels. This AGREEMENT will terminate if the Federal funding is discontinued. The State assumes no responsibility to fund this program if there is a failure of Federal Funding.

CONTINUING LOCAL ASSISTANCE: This AGREEMENT is for the period indicated above and is subject to early renewal by the governing body of the City of Owasso.

INSURANCE: Grand Gateway Economic Development Association, d/b/a Pelivan Transit, shall maintain liability insurance on all vehicles covered by this AGREEMENT with limits of liability in the amount of Five Million and no/100 dollars (\$5,000,000.) for any number of claims arising out of a single occurrence or accident, and shall provide proof of coverage to the City of Owasso when requested.

Whereas, the terms of this Letter of Agreement may be changed only through mutual agreement by both parties.

Edward J. Crone, Exec. Director

Grand Gateway E.D.A.
P.O. Drawer B
Big Cabin, OK. 74332

Notary:

Signed before me this _____
day of _____, 2013

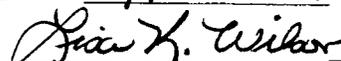


Warren Lehr, Interim City Manager

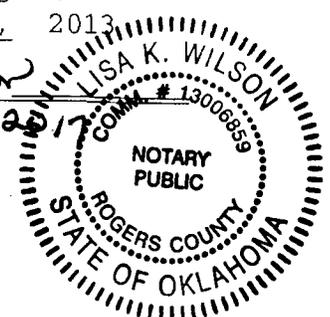
City of Owasso
P. O. Box 180
Owasso, OK 74055

Notary:

Signed before me this 17th
day of September, 2013



Exp: 7/26/2017



Economic
Development
Association

September 4, 2013

Warren Lehr, Interim City Manager
City of Owasso
P.O. Box 180
Owasso, OK. 74055

Dear Mr. Lehr:

This is to notify you in writing that Grand Gateway E.D.A./Pelivan Transit is requesting budget funding for FY-2014 for demand response public transportation for the City of Owasso. Attached is a detailed FY-2014 budget report for your review.

Listed below is the ridership data for the City of Owasso for the Monday through Friday demand-response transportation services:

Demand Response	FY-08	FY-09	FY-10	FY-11	FY-12
Passenger Trips	4897	8317	7834	8991	10,010
Elderly Trips	1362	3568	4190	4797	4,827
Disabled Trips	1963	1508	3397	3562	4,221

We are requesting **\$51,000** for required local match funding for the continued support of Administration and Operational costs for a four (4) vehicle operation to the City of Owasso for FY-14. The total budget for FY-2014 will be \$347,469 and the requested local match from the City of Owasso is 14.6% of this amount. We have secured \$296,469 through federal, state and other local grants for this valuable service. The addition of revenue by providing Soonerrides to Owasso and surrounding area to residents has proven to be an advantageous income source applied toward the Owasso budget. Pelivan Transit is committed to the City of Owasso's proactive involvement in the CNG fueling infrastructure and we have transferred our MV-1 CNG dedicated paratransit van to your location for medical transportation needs as well as support to the City of Owasso's demand response services. We will replace all transit vehicles into a CNG dedicated fleet as replacement vehicles are procured with our Federal Transit Administration grant opportunities in the future. We will see a cost savings in fuel and a reduction of dependency on foreign oil as well as environmental benefits in this "Going Green" initiative.

Additionally, we have secured a JARC grant from INCOG to be applied to a commuter vanpool from Owasso to the Tulsa Port of Catoosa for employment needs as well as a New Freedom grant to subsidize dialysis and medical transportation needs for low-income disabled citizens in the Owasso area.

I am available to clarify any budget information and can certainly attend any meetings if needed. If the requested amount is granted, then please execute the enclosed copies of the Purchase of Service Agreement and return to us for Ed's signature. We will return a completed contract for your files. If there are any changes, then please contact me for the adjustments accordingly. It is a pleasure to serve the Owasso area residents in their transportation needs.

Sincerely,

Debra McGlasson, Pelivan Transit Director
333 S. Oak Street • P.O. Drawer B • Big Cabin, OK 74332

5311 Projects FY 2014		
PELIVAN SUMMARY OF CITIES		OWASSO
	Rides	10,010
FY-14	Pass %	6.91%
CAPITAL	Esti miles	80,286
ADMINISTRATION		
	Director Salary	\$4,864
	Administrative Salaries	\$3,602
	Bookkeeper Salaries	\$1,801
	Fringe, total 64%	\$6,571
	Audit (Transit)	\$207
	Legal Service	\$0
	Travel, Administrative	\$691
	Advertising	\$967
	Subscriptions/Membership Fee	\$587
	Training Program	\$345
	Office furnishings	\$250
	Indirect Cost 28%	\$4,715
	Drug Testing	\$17
	TOTAL	\$24,618
	Federal 80%	\$19,694
	Local 20%	\$4,924
OPERATIONAL		
	Route Supr. Salaries	\$7,002
	Dispatcher Salary	\$33,192
	Operations Clerk	\$15,980
	Drivers Salary	\$65,592
	Mechanic Salary	\$1,581
	Mechanic Helper Salary	\$1,293
	Fringe, total 64%	\$77,930
	Travel, operational	\$691
	Vehicle Insurance	\$10,000
	Insurance, other	\$0
	Office/Garage Space	\$0
	Supplies	\$0
	Telephone	\$1,562
	Utilities	\$0
	Printing	\$0
	Postage	\$0
	Interest Expense	\$0
	Fuel \$2.00 CNG & \$3.75 Unleaded	\$40,143
	Vehicle Maintenance, repairs	\$8,000
	Building Maintenance, repairs	\$500
	Equipment Maintenance, repairs	\$200
	Indirect Cost 28%	\$56,719
	Fees & Licensing	\$967
	Transportation Service Agreements	\$0
	Vehicle Service Agreement	\$0
	Equipment Service Agreement	\$500
	Miscellaneous	\$1,000
	SUB-TOTAL OPERATIONAL	\$322,852
	Less Fare Box Revenue	\$22,523
	NET TOTAL OPERATIONAL	\$300,329
	Federal 50.00%	\$150,165
	Local 50.00%	\$150,165
	100%	
	GRAND TOTAL	\$347,469
	Fed. Share 0.25	\$86,867
	Fares	\$22,523
	Local Share	\$238,080

5311 Projects FY 2014		
PELIVAN SUMMARY OF CITIES		OWASSO
	City Subsidy FY-13	\$49,393
	City Subsidy FY-14	\$51,000
	St. Revolv	\$30,000
	Logisticare	\$37,684
	Misc Contracts	
	New Freedom	\$66,140
	DHS-Tanf Craig	
	DHS-Tanf Delaware	
	DHS-Tanf Mayes	
	DHS-Tanf Rogers	
	DHS-Ottawa Co.	
	JARC Grant	\$23,771
	Tribal Grants/Subsidy	\$6,962
	Donations/Other Grants	
	Advertising	
	Fares	\$22,523
	TOTAL Local Match	\$238,080
	% Total L.M. Met	100%
	Difference	\$0
Contract	FY-13	\$49,393
Additional	FY-14	\$1,607
City Request	FY-14	\$51,000
Cost per passenger	FY-14	\$38.61
Cost per mile	FY-14	\$4.79



APPROVED BY COUNCIL

SEP 17 2013

TO: The Honorable Mayor and City Council
City of Owasso

FROM: Bronce L. Stephenson
Director of Community Development

SUBJECT: Pelivan Transit Agreement Renewal

DATE: September 13, 2013

BACKGROUND:

Pelivan Transit is a demand-response transportation service operated by the Grand Gateway Economic Development Association. Pelivan Transit is a non-profit organization, operating primarily on funding from government and corporate entities, including federal and state grants. Pelivan Transit focuses on providing transportation to individuals who do not consistently have a private means of transportation. Now in its sixth year of operation in Owasso, the program appears to have developed a stable and growing customer base.

Pelivan Transit began its Owasso operations in December 2007, following City Council action to approve a one-year agreement for transportation services between the City of Owasso and Grand Gateway in the amount of \$41,975. Following a surge in the price of fuel, the city's contribution increased in the second year of operation to \$49,393. The city's contribution remained the same for the third and fourth year of operation as Grand Gateway continued to receive additional state and federal grant funding. The FY-13 request was \$49,393. For the FY-2014 Grant year, Pelivan is requesting \$51,000 from the City of Owasso to cover the local match, 14.6% of the total operating budget for Pelivan. The requested increase of \$1,607 will allow Pelivan to continue the same level of service provided to the Owasso area.

TRANSPORTATION DATA:

Demand and ridership has increased each year since the program inception and the following chart shows the increase in use and demand:

Demand Response	FY-08	FY-09	FY-10	FY-11	FY-12
Passenger Trips	4897	8317	7834	8991	10,010
Elderly Trips	1362	3568	4190	4797	4,827
Disabled Trips	1963	1508	3397	3562	4,221

NEW PROGRAMS:

Pelivan has secured two new grants for Owasso's transportation operations from INCOG for the FY-2013 Grant cycle. The New Freedom Grant funds the operation of one new vehicle to provide Medicaid transportation needs in the area and the JOB Access Reverse Commute (JARC) Grant, funds vanpools for employees commuting from Owasso and Claremore to the

Tulsa Port of Catoosa. These two grants do not require a local match from the City of Owasso; however, the ridership and revenue miles will benefit Owasso for future grant opportunities. These new programs will come online later in 2013.

Pelivan has made a commitment to partner with Owasso's initiative to utilizing alternative fuel sources, specifically CNG. This year, Pelivan has transferred a CNG paratransit van to Owasso for medical transportation and to meet other demands. They remain focused on replacing all vehicles with CNG vehicles as funding becomes available.

RECOMMENDATION:

Staff recommends City Council authorization for the City Manager to execute the Purchase of Service Agreement between the City of Owasso and Grand Gateway Economic Development Association (Pelivan Transit) in the amount of \$51,000 for transportation services.

ATTACHMENTS:

- A. Purchase of Service Agreement
- B. Grand Gateway E.D.A./Pelivan Transit letter dated September 4, 2013