



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-1920-30 AMD #1

File ID: K-1920-30 AMD #1

Type: Contract

Status: Consent Item

Version: 1

Reference: Item 33

In Control: City Council

Department: Legal Department

Cost:

File Created: 10/10/2019

File Name: Amendment No. 1 to Embark Agreement Extending
Free Fare Period

Final Action:

Title: AMENDMENT NO. ONE TO CONTRACT K-1920-30: BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND THE CENTRAL OKLAHOMA TRANSPORTATION AND PARKING AUTHORITY (COTPA) D/B/A EMBARK PROVIDING AN EXTENSION OF THE TRANSITIONAL FREE FARE PERIOD FOR PUBLIC TRANSPORTATION THROUGH DECEMBER 31, 2019.

Notes: ACTION NEEDED: Motion to approve or reject Amendment No. One to Contract K-1920-30 with COTPA d/b/a Embark extending the free fare period for public transportation through December 31, 2019; and, if approved, authorize the execution thereof.

ACTION TAKEN: _____

Agenda Date: 10/22/2019

Agenda Number: 33

Attachments: Amendment No 1 to K-1920-30, K-1920-30 Interlocal Agreement, 09-26-19 CPTC Agenda and Materials

Project Manager: Kristina Bell, Assistant City Attorney

Entered by: kristina.bell@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File K-1920-30 AMD #1

Body

BACKGROUND: On July 30, 2019, City Council approved Contract No. K-1920-30, an Interlocal Agreement with the Central Oklahoma Transportation and Parking Authority ("COTPA") d/b/a EMBARK, public trust, for the provision of public transportation services. That agreement provided that Embark would not charge Norman citizens fare from August 5, 2019,

through October 31, 2019. This amendment would extend that free fare period until December 31, 2019.

DISCUSSION: Embark began operation of the City's fixed route bus transportation system on August 5, 2019, and then took over the City's paratransit operations on October 1, 2019. Contract No. K-1920-30 provided that Embark would not charge fare from August 5, 2019, through October 31, 2019. This agreement also provided that the City and Embark would begin the planning process of undertaking to change the fares in the City of Norman service area to those charged by Embark for other service areas.

The most recent transit fare increase (when the University of Oklahoma's Cleveland Area Rapid Transit or "CART" was operating the public transportation system) was in 2014 when fixed-route single trip fares were raised from \$.50 to \$.75, Sooner Express single trip fares from \$2.25 to \$3.00, monthly passes from \$20 to \$25, Paratransit Zone 1 fares from \$1 to \$1.50, Paratransit Zone 2 fares from \$2.50 to \$3.50, and Paratransit Same-Day Urgent fares from \$2.50 to \$3.50.

The City Council Community Planning and Transportation Committee (CPTC) discussed the City's public transportation fares at its September 26, 2019, meeting. The CPTC discussed the comparison of the Norman area fares CART had been charging versus the higher fares Embark charges for the Oklahoma City service area. The CPTC also discussed the annual estimated fare revenue of \$114,000 (\$54,000 cash fare, \$6,000 fixed-route pass sales, \$19,000 from paratransit \$15 punch cards, and \$35,000 from allocated funds for CDBG bus passes) and the estimated cost of upgrading fare technology of \$360,000 in one-time upgrade costs for the purchase and installation of modern fareboxes and adding new fare collection infrastructure to the transportation facility in addition to estimated ongoing annual costs of \$62,000 for the estimated sublet repairs of electronic fareboxes and the estimated cost to hire a security company to transport fares.

In the past, CART chose a more fundamental farebox and decided not to upgrade to a more modern farebox due to the cost of the changes and the relatively small amount of revenue. City Staff noted at the CPTC meeting that the cost of upgrading to more modern fareboxes is expensive. It was pointed out that free fare can save capital costs of farebox improvements and potentially increase ridership, but the operational costs of paratransit could also increase with higher ridership. Staff also noted that fare increases could generate more revenue to help offset these higher costs, but fare increases could also lead to a decrease in ridership. While researching, staff found that a rough estimate could be that for every 3% increase in fare, there is a 1% decrease in ridership. Staff recommended that City Council extend the free fare period until December 31, 2019, to provide time to further evaluate the operations of the City's public transportation system and perform a more in depth analysis of the potential impacts of various fare options. Due to the impending expiration of the current transitional free fare period on October 31, 2019, CPTC Chair Stephen Tyler Holman directed Staff to proceed with preparing this proposed contract amendment for a City Council agenda.

RECOMMENDATION: Staff recommends approval of Amendment No. 1 to Contract K-1920-30, extending the transitional free fare period until December 31, 2019.

