



Date: September 3, 2019

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Bill Judge, Acting Transportation Director

Subject: Merger of City of Durham and Durham County
Demand Response Services

Executive Summary

The proposed merger agreement provides full authority to the City (GoDurham) to conduct the day-to-day operations of Durham County's Demand Response Transportation services. The agreement would result in the complete merger of the already consolidated Demand Response (ACCESS) services offered by both the City and County of Durham (herein referred to as "Parties") and currently operated by the City's GoDurham ACCESS service, into a fully merged Demand Response system with a single point operation provided by the City's GoDurham ACCESS for a period of approximately 9 months beginning October 14, 2019 and ending at Midnight June 30, 2020 ("initial Term"). It is the intent of the Parties that this agreement may be amended and/or extended beyond the Initial Term; however, given the uncertainties of the program, the City may decide it is not feasible to continue with the merger beyond the Initial Term. Nonetheless, the Parties agree to negotiate in good faith prior to the end of the Initial Term an amendment, renewal or extension of this Agreement to allow for additional, successive, renewable terms.

This agreement entered into pursuant to North Carolina General Statutes, Article 23, of Chapter 153A and Article 20, Part 1 of Chapter 160A sets the responsibilities of the Parties with respect to the consolidation and conveyance of authority from the County to the City, and also describes, among other things, the Parties' obligation to fully merge with respect to financial, operational and administrative commitments during the term of the Agreement.

Recommendation

The Administration recommends that City Council resolve that the City Manager be authorized to execute the Interlocal Agreement between Durham County and the City of Durham for Consolidation/Merger of Transportation Services.

Background

Since 1998, Durham County ACCESS and the City of Durham's GoDurham (ACCESS) Demand Response Program have operated pursuant to an inter-local agreement that provides transportation service through a coordinated service model. Terms of the inter-local agreement enabled the County to utilize the City's designated Contractor to provide for the day-to-day operations of the County's Demand Response Transportation System, inclusive of the operation and maintenance of vehicles, insurance, reporting, and customer service. The coordinated service has maximized efficiencies and cost-savings in operations and services.

In 2018, the County began formal discussions with the North Carolina Department of Transportation-Public Transportation Division (NCDOT-PTD) and the City of Durham to determine the feasibility of the City completely taking over the County's Demand Response Transportation Service. The Parties concurred that the established coordinated model provided a structure that would allow the City to continue to fully manage and operate the Demand Response Transportation Service as well as take on the additional responsibilities of administering the entire Demand Response Transportation Program of the County. Additionally, a merged system would allow continuity of service to rural Durham County residents while maximizing efficiency and cost-effectiveness in providing transportation services city and countywide. Based on these meetings, staff from both governments agreed to prepare an inter-local agreement for a full consolidation of the County and City Demand Response Transportation Services. The Durham County Board of Commissioners conducted a public hearing on the proposed merger on June 10, 2019 and upon completion of the public hearing unanimously passed a motion to approve the merger. It is the intent of the Parties that this agreement may be amended and/or extended beyond the Initial Term; however, given the uncertainties of the program, the City may decide it is not feasible to continue with the merger beyond the Initial Term. Nonetheless, the Parties agree to negotiate in good faith prior to the end of the Initial Term an amendment, renewal or extension of this Agreement to allow for additional, successive, renewable terms

Issues and Analysis

It is the intent of the Parties to enter into this Agreement to transfer the County's Demand Response Transportation Service to the City's Demand Response (ACCESS) Transportation network, and in the process to accomplish objectives including, but not limited, to the following:

- a) Conveyance of authority from the County to the City to operate and perform the full complement of administrative responsibilities and operations of the Durham County ACCESS Demand Response Transportation System.
- b) Confirm the County's budgeted and designated funding and sources available to the City for delivery of Demand Response Transportation Services.
- c) Establish the financial and administrative procedures for the City to request payment for Demand Response Transportation Services delivered.
- d) Establish the procedures for the City to report to the County the trips and expenditures for all Demand Response Transportation Service provided in compliance with local, federal and state policies.
- e) Transfer from the County the vehicle inventory, title, registration and lift-equipped vehicles to the City's Demand Response (ACCESS) service.
- f) Co-brand the Demand Response System, incorporating both Parties' logo for inclusion on vehicles and in communication and marketing tools.

Alternatives

The Durham City Council could decide to:

- Approve the recommended merger; or,
- Send the item back to staff for further review; or,
- Not approve the merger.

Financial Impact

Based on the current agreed budget, the merger is expected to be cost neutral to the City. Also, the agreement ensures that staff meets on an annual basis to review and request for additional funding from the County in case of any anticipated budget shortfalls.

Equal Business Opportunity Summary

The Equity & Inclusion Department did not review this item for compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

Attachment: Inter-local Agreement