



Date: July 7, 2020

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Sean Egan, Director of Transportation
Subject: Extension of Merger Agreement with the County of Durham Demand Response Services

Executive Summary

The previously approved 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 aforementioned agreement resulted 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 nine months beginning October 14, 2019 and ending at Midnight June 30, 2020 ("Initial Term").

The original agreement permits the Parties to amended and/or extended the agreement beyond the Initial Term; however, given the uncertainties of the program, the City also was afforded the right to decide it is not feasible to continue with the merger beyond the Initial Term. Nonetheless, the Parties agreed 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. The City of Durham proposes a six-month (6-month) extension of the original agreement through December 31, 2020 pursuant to the proposed budget estimate indicated in the "Financial Impact" section of this memo.

This agreement was entered into pursuant to North Carolina General Statutes, Article 23, of Chapter 153A and Article 20, Part 1 of Chapter 160A and set the responsibilities of the Parties with respect to the consolidation and conveyance of authority from the County to the City, and also described, 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 six-month (6-month) extension of the interlocal merger agreement with the County of Durham Demand Response 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 10th, 2019, and upon completion of the public hearing unanimously passed a motion to approve the merger.

In October 2019, City Council approved the merger between the City and County Demand Response Services. It was 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 agreed 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. The City finds it feasible to continue with the terms of the original merger agreement for an addition six (6) months pursuant to agreement upon the proposed 6-month budget proposed to Durham County through December 31, 2020.

Issues and Analysis

The merger of the City of Durham and Durham County's Demand Response Transportation services in October 2019 established a coordinated model that provides a structure for the City to fully manage and operate the Demand Response Transportation Service for both the City of Durham and Durham County. This centralized administration and delivery of On Demand services creates continuity of service for rural Durham County residents while maximizing efficiency and cost-effectiveness in providing transportation services city and countywide. Continuation of this service through the six-month (6-month) extension of this merger agreement will maintain operational stability and continued service continuity of residents of the Durham County and the City of Durham.

Alternatives

The Durham City Council could decide to:

1. Approve the six-month (6-month) extension of the original merger agreement; or,
2. Send the item back to staff for further review; or,
3. Not approve the six-month (6-month) extension of the original merger agreement.

Financial Impact

Based on the current proposed budget (copy attached), the six-month (6-month) extension 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.

Attachments

1. FIRST AMENDMENT TO INTER-GOVERNMENTAL AGREEMENT BETWEEN DURHAM COUNTY AND THE CITY OF DURHAM FOR CONSOLIDATION/MERGER OF TRANSPORTATION SERVICES.
2. Appendix A version 2: Proposed Budget, July 1–December 31, 2020.