



June 8, 2017

To: Transit Committee

From: Darrell Johnson, Chief Executive Officer

Subject: Cooperative Agreement with Anaheim Transportation Network
Establishing Roles and Responsibilities as a Subrecipient of
Federal Funds

Overview

As an eligible entity to receive Federal Transit Administration grants, the Anaheim Transportation Network entered into an agreement with the Orange County Transportation Authority in 2005 to establish roles and responsibilities regarding the collection of transit data and transfer of grant funds. The existing agreement expires June 30, 2017. Approval is requested to enter into a new cooperative agreement for distribution of federal funds.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-7-1760 between the Orange County Transportation Authority and Anaheim Transportation Network, in the amount of \$4,205,060, for a term of five years, to establish roles and responsibilities for the distribution of federal grant funds.

Background

The Anaheim Transportation Network (ATN) was established in 1995 as a not-for-profit corporation to develop and provide clean-fuel shuttle service for the Anaheim Resort and Convention area. The clean-fuel shuttle service is required to meet air quality and rideshare requirements associated with the planned development. In 2002, ATN began operating a 28-vehicle clean-fuel shuttle service known as the Anaheim Resort Transportation. The shuttle service is fixed-route, open to the public, and fully accessible for persons with disabilities. Currently, ATN operates a fleet of 78 buses and boarded nearly 9.5 million passengers in fiscal year 2015-16.

The Orange County Transportation Authority (OCTA) has entered into two cooperative agreements with ATN in 2005 and 2011, which set forth the roles and responsibilities of OCTA and ATN for the pass through of federal funds. The most current agreement expires on June 30, 2017.

Discussion

ATN is an eligible subrecipient of Federal Transit Administration (FTA) Section 5307 Urbanized Area Formula Grant (Section 5307) funds and Section 5339 Bus and Bus Facilities Formula Grant (Section 5339) funds. Section 5307 and Section 5339 funds are distributed through formula primarily based on population, the type of service being provided, revenue vehicle miles, passenger miles, and operating costs, as reported to the National Transit Database (NTD). Cooperative Agreement No. C-7-1760 includes the following main provisions:

- ATN to comply with all federal requirements
- ATN to report NTD data
- ATN to reimburse OCTA for complementary paratransit service (ACCESS) for a proportionate share of trips that originate and terminate within three-quarter miles of ATN's operating area
- ATN to reimburse OCTA for administrative costs associated with grant administration, processing payments, and ensuring compliance with federal requirements
- OCTA to assist ATN in compliance with federal requirements
- OCTA to include ATN's projects in the Federal Transportation Improvement Program
- OCTA to apply for Section 5307 grants
- OCTA to pass through Section 5307 funds to ATN
- OCTA to exchange local dollars for Section 5339 funds equal to 90 percent of the federal allocation, approved by the OCTA Board of Directors (Board) on January 13, 2014

The provisions in Cooperative Agreement No. C-7-1760 are similar to the last agreement with the following major changes:

- ATN no longer has the option to directly provide ACCESS service. This change is recommended to ensure service is provided within federal requirements and to ensure a centralized, coordinated, and cost effective paratransit service is provided in Orange County.
- Administrative costs are capped at ten percent of the Section 5307 funds (in the existing agreement), plus ATN shall reimburse OCTA the cost of

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the consultant for onsite federal compliance to be conducted no more than once every 18 months.

- ATN may request reimbursement of federal funds no more than once per year, following notice from OCTA that the federal grant has been executed by FTA.
- ATN has requested the FTA to allow them to be a direct recipient. If the request is granted, the agreement will terminate after ATN provides 90 days written notice.

In accordance with the terms of the agreement, OCTA will reimburse ATN the following federal funds, estimated based on the latest federal apportionments:

Revenue Source	Estimated Grant Fund Amount
Section 5307	
FY 2016-17	\$749,818
FY 2017-18	\$749,818
FY 2018-19	\$749,818
FY 2019-20	\$749,818
FY 2020-21	\$749,818
Section 5339 (at 90 percent)	
FY 2016-17	\$91,194
FY 2017-18	\$91,194
FY 2018-19	\$91,194
FY 2019-20	\$91,194
FY 2020-21	\$91,194
TOTAL	\$4,205,060

During the last few years, OCTA has reimbursed ATN with all local dollars to limit OCTA's exposure during an FTA review. Although, ATN has been receiving local funds, compliance reviews are still required because ATN owns federally funded assets. As required by FTA, OCTA will continue to monitor ATN for federal compliance and will conduct onsite reviews at least once every 18 months.

Summary

Based on the information provided, staff recommends the Board authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-7-1760 with ATN, in the amount of \$4,205,060, to establish roles and responsibilities to receive federal funds as a subrecipient for a five-year term.

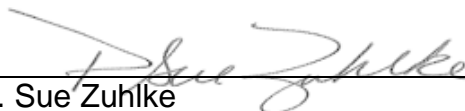
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Attachment

None.

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