



April 28, 2021

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Amendment to Cooperative Agreement with the Anaheim Transportation Network for Public Transit Services

Overview

On August 28, 2017, the Orange County Transportation Authority Board of Directors approved a cooperative agreement with the Anaheim Transportation Network for the continued operation of public transit services. Board of Directors' approval is requested to amend the cooperative agreement to provide the Anaheim Transportation Network with additional funds from the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 and American Rescue Plan Act of 2021.

Recommendation

Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Cooperative Agreement No. C-7-1760 between the Orange County Transportation Authority and the Anaheim Transportation Network, in the amount of \$3,504,231, to provide Coronavirus Response and Relief Supplemental Appropriations Act of 2021 and American Rescue Plan Act of 2021 funding. This will increase the maximum obligation of the cooperative agreement to a total contract value of \$10,064,093.

Background

The Anaheim Transportation Network (ATN) provides transportation services that generate federal funding. As a result, ATN is an eligible subrecipient of funding from the Federal Transit Administration (FTA) Section 5307 Urbanized Area and FTA Section 5339 Bus and Bus Facilities Programs. The Orange County Transportation Authority (OCTA), as the direct grant recipient, has the option to utilize the additional funds for OCTA-related transportation services or to provide the additional funds to ATN to support the transportation services they provide.

Amendment to Cooperative Agreement with the Anaheim Page 2 Transportation Network for Public Transit Services

On August 28, 2017, the OCTA Board of Directors (Board) approved a cooperative agreement for the pass through of funds to ATN for fiscal year (FY) 2016-17 through FY 2020-21.

On December 27, 2020, the United States Senate signed the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) in response to the coronavirus (COVID-19) pandemic, and on March 11, 2021, the American Rescue Plan Act of 2021 (ARP) was also signed into law. The Southern California Association of Governments (SCAG) is responsible for calculating the amount of federal funds assigned to each entity in the region, which includes Los Angeles, Orange, San Bernardino, Riverside, and Ventura. The final apportionment for CRRSAA and ARP funds was received by OCTA on March 23, 2021. CRRSAA provided OCTA with \$43,097,849, while ARP provided \$186,267,138. Combined, CRRSAA and ARP provide OCTA with an additional \$229 million of federal funding for economic relief caused by the COVID-19 pandemic. OCTA determined that ATN, as a subrecipient, was eligible to receive a total of \$3,504,231 in additional economic relief funding.

Discussion

OCTA's current agreement with ATN requires an amendment to accommodate the increased funding available to ATN from CRRSAA and ARP. OCTA calculated the amount of CRRSAA funding available to ATN to be \$705,344, and ARP funding to be \$2,798,887, utilizing the existing methodology used to determine ATN's share of the annual apportionment of FTA Section 5307 funds.

The amount ATN is to receive of CRRSAA and ARP funds exceeds the maximum obligation in the existing cooperative agreement. This request will increase the maximum cumulative obligation from \$6,559,862 to \$10,064,093, to accommodate the pass through of additional funds.

Fiscal Impact

There is no financial impact to OCTA. ATN will be a subrecipient of the federal funds and OCTA will work with ATN to facilitate the drawdown of the funds.

**Amendment to Cooperative Agreement with the Anaheim Page 3
Transportation Network for Public Transit Services**

Summary

Staff requests Board approval to authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Cooperative Agreement No. C-7-1760 between OCTA and ATN, in the amount of \$3,504,231, to provide federal funding. This will increase the maximum obligation of the cooperative agreement to a total contract value of \$10,064,093.

Attachment

- A. Anaheim Transportation Network Cooperative Agreement No. C-7-1760
Fact Sheet

Prepared by:



Sam Kaur
Department Manager,
Revenue Administration
(714) 560-5889

Approved by:



Andrew Oftelie
Chief Financial Officer,
Finance and Administration
(714) 560-5649



Pia Veasapen
Director, Contracts Administration and
Materials Management
(714) 560- 5619