



Legislation Text

File #: 04620, Version: 1

Fiscal Note

The 2006 Adopted Metro Transit Capital Budget includes \$2,375,000 for the purchase of five Hybrid buses. This funding has been reauthorized in the 2007 capital budget. The estimated cost for each hybrid bus is \$475,000 ($2,375,000 \div 5$), as compared to the average diesel bus cost of \$290,000. This agreement will reduce Metro's borrowing expense (principal and interest) associated with purchase of one of the five hybrid buses previously approved by Common Council. Therefore, the estimated contribution by the UW is \$185,000, payable in 2007. Provision is also made for potential acquisition by Metro of additional hybrid bus(es) in the future for dedication to campus service, through such cash contribution(s).

Title

Authorizing the Mayor and City Clerk to execute a Memorandum of Understanding with the Board of Regents of the University of Wisconsin on behalf of the University of Wisconsin-Madison that would provide for dedication of two of Metro's five anticipated hybrid buses for use in UW campus service, in return for an upfront cash contribution by UW to reduce Metro's borrowing expense for the hybrid buses.

Body

PREAMBLE

Metro Transit (Metro) and the University of Wisconsin-Madison (UW) have long had a very positive relationship which has been expressed in numerous contractual agreements over the years, including provision by Metro of all campus circulator routes. This year in July, an additional campus circulator route (85) was added to the system to meet the needs of an expanding campus in the Regent/Park St. area. The new campus Route 85 requires two buses to maintain scheduled headways.

UW is interested in creating a special "look" to vehicles used in campus service, starting in particular with the new campus Route 85. UW also wishes to facilitate use of hybrid technology for buses used in campus service. Metro will be acquiring five new hybrid buses by the time the summer or fall University semester begins next year. UW is interested in having two of those buses dedicated to campus Route 85 service and is willing to help Metro reduce its borrowing needs by providing the difference between the cost of a standard diesel bus and a hybrid diesel electric, not to exceed \$200,000. In the spirit of long-time partnership between the City and UW, the City proposes to match that effort by dedicating an additional hybrid bus for that service such that Route 85 will have a special identity or "branding" to promote its use by students, staff, and the general public. These two buses would also have special features at UW request, including peripheral seating, wider rear doors to accommodate speedy exiting of large numbers of riders, a special paint scheme approved by both parties, and additional stanchions/grab rails to accommodate large loads of students anticipated to ride the service. Additionally, UW will have an opportunity, if it wishes, to purchase advertising space on the hybrid buses at Metro Transit standard rates.

UW would continue to be billed for campus route service provided under the terms of its master agreement with Metro Transit/the City of Madison, including cost of annual depreciation of buses, for which UW would receive credit for its cash contribution through "capital aids" in the billing formula, such that depreciation charged UW would be no different than that for standard buses. Such would also be the case for future contributions of this nature.

Should campus route service be terminated before the end of the useful life of the buses (12 years or 500,000 miles - the FTA requirement for buses), UW has agreed to provide the funding to Metro necessary to acquire seating in the amount and of the type normally used by Metro for standard buses in mainline route service.

Should Metro consider acquiring other hybrid buses in the future, the parties may extend this agreement to provide for additional cash contribution(s) by the University to cover the difference between the capital cost of standard diesel-electric buses for use by Metro in campus route service, with provision by Metro of a matching bus on the same one-for-one basis for use in campus service, reflecting the continued spirit of partnership between UW and the City of Madison/Metro Transit.

In order to memorialize the understandings associated with dedicating these buses to this route, the general outline of a Memorandum of Understanding (MOU) has been developed for the purpose.

WHEREAS, Metro and UW have long had a very positive relationship which has been expressed in numerous contractual agreements over the years, including provision by Metro of all campus circulator routes;

WHEREAS, Metro has an interest in acquisition of hybrid buses, and UW has an interest in Metro's use of some of those buses in campus service;

WHEREAS, UW is willing to provide a cash contribution in the amount of the difference between a standard diesel and hybrid diesel-electric bus to Metro so as to reduce Metro's borrowing expense for one bus, and the City is willing to match hybrid bus for hybrid bus for dedicated use in campus service such that two of five of hybrid buses purchased by the City would be used for provision of Route 85, and further that UW may, as it wishes, directly or indirectly (through its Departments or Affiliates) provide funding for purchase of advertising space on the two vehicles to further create a special "campus look" to the vehicles;

WHEREAS, a Memorandum of Understanding will memorialize the understandings between Metro and UW in regard to this arrangement and make general provision for potential future cash contributions and acquisition of vehicles;

WHEREAS, this proposal is consistent with the mission of Metro Transit to provide safe, reliable, convenient and efficient public transportation to the citizens and visitors of the Metro Transit service area;

NOW THEREFORE be it resolved that the Mayor and City Clerk are authorized to enter into an agreement (Memorandum of Understanding) with the Board of Regents of the University of Wisconsin on behalf of the University of Wisconsin-Madison (UW) to memorialize these understandings.