

AGENDA

FOR A REGULAR MEETING OF THE AMARILLO CITY COUNCIL TO BE HELD ON TUESDAY, OCTOBER 16, 2018 AT 1:00 P.M., CITY HALL, 509 SOUTHEAST 7th AVENUE, COUNCIL CHAMBER ON THE THIRD FLOOR OF CITY HALL, AMARILLO, TEXAS.

Please note: The City Council may take up items out of the order shown on any Agenda. The City Council reserves the right to discuss all or part of any item in an executive session at any time during a meeting or work session, as necessary and allowed by state law. Votes or final decisions are made only in open Regular or Special meetings, not in either a work session or executive session.

INVOCATION: Hank Shadbolt

PROCLAMATIONS: "Chamber of Commerce Week"
"World Polio Day"

PRESENTATION: Amarillo 101 X Graduation and Recognition

1. City Council will discuss or receive reports on the following current matters or projects.
 - A. Review agenda items for regular meeting and attachments;
 - B. Presentation of Transit Fare Study Findings;
 - C. Discussion of 2018 Community Health Assessment; and
 - D. Consider future Agenda items and request reports from City Manager.

2. **CONSENT ITEMS:**

It is recommended that the following items be approved and that the City Manager be authorized to execute all documents necessary for each transaction:

THE FOLLOWING ITEMS MAY BE ACTED UPON BY ONE MOTION. NO SEPARATE DISCUSSION OR ACTION ON ANY OF THE ITEMS IS NECESSARY UNLESS DESIRED BY A COUNCILMEMBER, IN WHICH EVENT THE ITEM SHALL BE CONSIDERED IN ITS NORMAL SEQUENCE AFTER THE ITEMS NOT REQUIRING SEPARATE DISCUSSION HAVE BEEN ACTED UPON BY A SINGLE MOTION.

A. **MINUTES:**
Approval of the City Council minutes for the meetings held on October 9, 2018.

B. **ORDINANCE NO. 7764:**
(Contact: Cris Valverde, Planning & Development Services Assistant Director)
This is the second reading of an ordinance vacating a five-foot Public Utility Easement in Lot 4, Block 1, Belmont Park Addition Unit No. 1, in Section 157, Block 2, AB&M Survey, Potter County, Texas. (Vicinity: Amarillo Boulevard and Houston Street.)

C. **CONSIDER -- TASK ORDER #35 BETWEEN RS&H, INC. AND THE RICK HUSBAND AMARILLO INTERNATIONAL AIRPORT FOR CONTINUATION OF THE "TAKING FLIGHT" COMMUNITY ENGAGEMENT PROGRAM IN THE AMOUNT OF \$84,000.00:**
(Contact: Michael W. Conner, Director of Aviation)
This Task Order includes implementation of the strategic community model marketing action plans established as part of Task Order #22 and the development of a strategic aviation and non-aviation business development and marketing action plan with a focus on developing over 313 acres of available land at the Airport.

- D. **CONSIDER -- TASK ORDER #27 BETWEEN RS&H, INC. AND THE RICK HUSBAND AMARILLO INTERNATIONAL AIRPORT FOR DEVELOPMENT AND IMPLEMENTATION OF AN ISO 9001 QUALITY MANAGEMENT SYSTEM IN THE AMOUNT OF \$100,900.00:**
(Contact: Michael W. Conner, Director of Aviation)
This Task Order includes Phase I, the program analysis and development phase, of the establishment of a Quality Management System meeting International Organization for Standardization (ISO) 9001 standards.
- E. **AWARD -- CONTRACT FOR PROFESSIONAL ENGINEERING SERVICES:**
(Contact: Jonathan Gresham, Interim Director of Utilities)
Garver, LLC in an amount not to exceed \$638,705.00
This agreement is for electrical engineering services for two (2) work orders by Garver, LLC. The first work order is in an amount not to exceed \$265,149.00 for assessment of the existing SCADA at 24th St. Pump Station and design of modifications and proposed improvements and implementation of SCADA improvements. The second work order is in an amount not to exceed \$373,556.00 for the assessment of the SCADA system, prioritization of recommended improvements and design of recommended improvements.
- F. **AWARD – WELL FIELD PUMPS AND MOTORS ANNUAL CONTRACT RENEWAL AGREEMENT:**
(Contact: Jonathan Gresham, Interim Director of Utilities)
The annual contract renewal is for purchasing new pumps and motors for the City of Amarillo well fields. The well fields combined account for nearly half of the City water supply. In order to keep water supply adequate this contract allows the City to stay ahead of maintenance by allowing staff to order pumps and motors more efficiently which reduces well down time.
- G. **AWARD – AVAYA CHANNEL SERVICE AGREEMENT:**
(Contact: Rich Gagnon, Information Technology Director)
ConvergeOne, Inc. -- \$224,628.84
This item is a Channel Service Agreement (CSA) from ConvergeOne and Avaya to provide telephone system support and maintenance. This allows IT to contact the vendor with telephone issues related to the PBX and provide replacement hardware in the event of a failure. This CSA consolidates all voice equipment into one simplified agreement for all Avaya telephone hardware.

3. **NON-CONSENT ITEMS:**

- A. **MPEV CONSTRUCTION UPDATE, UPDATE ON FIRE STATION #3 AND THE AMARILLO POLICE DEPARTMENT'S BUILDING AND PARKING LOT CONSTRUCTION, PHASE 1:**
(Contact: Jerry Danforth, Facilities and Special Project Administrator)
- B. **CONSIDER THE REAPPOINTMENT OF DR. SCOTT MILTON TO SERVE AS HEALTH AUTHORITY FOR POTTER AND RANDALL COUNTIES AND THE MEDICAL DIRECTOR FOR PUBLIC HEALTH:**
(Contact: Casie Stoughton, Director of Public Health)
This recommendation comes from the Amarillo Bi-City-County Public Health Board. The City has an existing contract through Texas Tech for Health Authority/Medical Director services at an annual rate of \$65,000.

C. **EXECUTIVE SESSION:**

City Council may convene in Executive Session to receive reports on or discuss any of the following pending projects or matters:

- (1) Section 551.072 – Discuss the purchase, exchange, lease, sell, or value of real property and public discussion of such would not be in the best interests of the City's bargaining position:
 - (a) City Economic Development Project #18-08 in the vicinity of S. Coulter Street and SW 45th Avenue.
- (2) Section 551.087 – Deliberation regarding economic development negotiations; discussion of commercial or financial information received from an existing business or business prospect with which the City is negotiating for the location or retention of a facility, or for incentives the City is willing to extend, or financial information submitted by same:
 - (a) City Economic Development Project #18-08 in the vicinity of S. Coulter Street and SW 45th Avenue.

Amarillo City Hall is accessible to individuals with disabilities through its main entry on the south side (Southeast 7th Avenue) of the building. An access ramp leading to the main entry is located at the southwest corner of the building. Parking spaces for individuals with disabilities are available in the south parking lot. City Hall is equipped with restroom facilities, communications equipment and elevators that are accessible. Individuals with disabilities who require special accommodations or a sign language interpreter must contact the City Secretary's Office 48 hours prior to meeting time by telephoning 378-3013 or the City TDD number at 378-4229.

Posted this 12th day of October 2018.

Regular meetings of the Amarillo City Council stream live on Cable Channel 10 and are available online at:
<http://amarillo.gov/city-hall/city-government/view-city-council-meetings>
Archived meetings are also available.



Amarillo City Council

Agenda Transmittal Memo



Meeting Date	October 16, 2018	Council Priority	Transportation Systems
Department	Amarillo City Transit (ACT)		
Contact	Marita Wellage-Reiley		

Agenda Caption

PRESENTATION OF TRANSIT FARE STUDY FINDINGS, RECOMMENDATIONS AND PUBLIC COMMENTS. CONSIDER WHETHER STAFF SHOULD PREPARE AN ORDINANCE TO IMPLEMENT THE RECOMMENDATIONS.

Agenda Item Summary

In May, 2018, ACT contracted with Nancy R. Edmonson, Transportation Consulting to study alternatives for new pricing levels and payment options, and to recommend rational short- and long-term fare structures. ACT's primary goals are to:

- Improve its fare recovery ratio
- Streamline and improve cash handling and ridership data collection
- Identify innovative solutions for fare collection and payment options
- Consider fare structure options that can increase ridership

Requested Action

The staff requests that Council accept the study and direct staff to proceed with implementation of the recommendations.

Funding Summary

The recommended alternative will increase revenue and reduce staff time involved in counting revenue. The cost to implement new fare media will be partially offset by the elimination of tickets and transfers.

Community Engagement Summary

Amarillo City Transit conducted a series of four public meeting in September, 2018. ACT staff presented the Study Findings and Recommendations to the Advisory Committee for People with Disabilities (ACPD) on October 8, 2018. ACT received public comments during the ACPD meeting. ACT accepted phone calls and letters regarding the proposed fare increase from citizen who could not attend meetings in person.

Staff Recommendation

Staff recommends the Council accept the recommendations and direct staff to proceed with implementation.

AMARILLO CITY TRANSIT

AMARILLO CITY TRANSIT FARE STUDY

DRAFT FINAL REPORT

*Nancy R. Edmonson, Transportation Consulting
October 4, 2018*

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I: HISTORY AND EXISTING CONDITIONS

Amarillo City Transit (ACT) is a department of the City of Amarillo that operates fixed-route and demand-response transit service within Amarillo's city limits. In 2018, ACT contracted with Nancy R. Edmonson, Transportation Consulting to study alternatives for new fare products, pricing levels, and payment options, and to recommend rational short- and long-term fare structures. ACT's primary goals are to:

- Streamline and improve cash handling and ridership data collection
- Identify innovative solutions for fare collection and payment options
- Consider fare structure options that can increase ridership
- Improve its fare recovery ratio

This document is the result of the study. Chapter 1 summarizes ACT's fare policy and fare revenue history. Chapter 2 reviews fare policy at eight transit agencies similar in size and geography to ACT. Chapters 3, 4, and 5 develop and evaluate three different scenarios of fare changes that ACT could pursue. And chapters 6 and 7 recommend a set of fare changes and supporting actions that will improve ACT's revenue and service.

DEPARTMENT OVERVIEW

In order to determine where ACT can improve its fare structure and fare revenue generation, a thorough understanding of its current condition is required. The following section summarizes ACT's current service, fare structure, and fare collection procedures.

Fixed-Route and Spec-Trans Services

After recently redesigning its route structure, ACT now operates thirteen fixed bus routes on weekdays (and twelve on Saturdays) from 6:20 a.m. to 7:00 p.m. One of these routes, Route 13, is an on-call service serving the medical center and Westgate Mall. This route has several designated pick-up points, but riders can request where they would like to be dropped off. Riders not boarding at one of the pick-up points can call to request a ride. ACT also operates the demand-response paratransit service Spec-Trans, which provides door-to-door service for qualified disabled passengers to destinations within the City of Amarillo and west of Lakeside Drive. It also operates Monday through Saturday from 6:20 a.m. to 7:00 p.m.

Fare Structure

ACT currently has three fare levels on its fixed-route service: a full fare of \$0.75; a youth fare of \$0.60 for children ages 6–12 and students holding ACT student ID cards; and a reduced fare of \$0.35 for seniors (age 65 and over) and people with disabilities holding ACT ID cards as well as riders holding Medicare or Spec-Trans cards.¹ Children ages 0–5 ride free. ACT has no

¹ The FTA requires that transit agencies charge seniors 65 and over, people with disabilities, and Medicare cardholders no more than half their base fare during off-peak hours. ACT is in compliance with these regulations.

form of time-based transit pass (such as a daily or monthly pass) and offers no discounts to frequent riders.

A one-way fare on ACT’s Spec-Trans service is \$1.50. One personal care attendant may accompany the rider for free.² The fare for additional adult guests is \$1.50; for guests ages 6–18, \$0.75; and for guests ages 5 and under, free. Spec-Trans riders may also purchase tickets in books of twenty for \$30.00, an option not available to riders of fixed-route service. Table 1.1 summarizes the current fare structure.

**Table 1.1
Summary of Fare Structure**

Fare Type	Fixed-Route/On-Call Price	Spec-Trans Price
Full	\$0.75	\$1.50
K-12 Student	\$0.60 (all children ages 6–12; others require student ID)	\$0.75
Senior/Disabled/Medicare	\$0.35	\$1.50
Children under 5	Free	Free
Paper Transfers	Yes	No
Tickets	Face value	Face value

Fare Collection Procedures

ACT collects its fares in simple drop box-style fare boxes on both its fixed-route and Spec-Trans services. Passengers drop the fare in the top, and the money, ticket, or transfer falls onto a plate, so that the operator can see what was paid. Once the operator verifies the fare, he or she presses a lever to release the money into a vault. Operators are supposed to ask passengers paying reduced fares, whether by cash or ticket, for ACT-issued ID cards to prove their eligibility for the reduced fares.

Passengers needing to transfer between routes request paper transfer slips from operators. Operators punch transfer slips to denote the day of the month, the route, and the expiration time of the transfer (two hours after issuance). So that operators can readily recognize invalid transfers, ACT uses different colored transfer slips every day—eight colors are available, and they are randomly assigned to each day of the month by ACT’s management analyst. Transfers may be used at the downtown transfer center and at other locations where routes meet. Passengers may not use transfers to reboard the same route.

² The FTA requires that an agency’s paratransit fare not exceed double that agency’s base fare and states that a personal care attendant accompanying a paratransit rider must be allowed to ride for free. ACT is in compliance with these regulations.

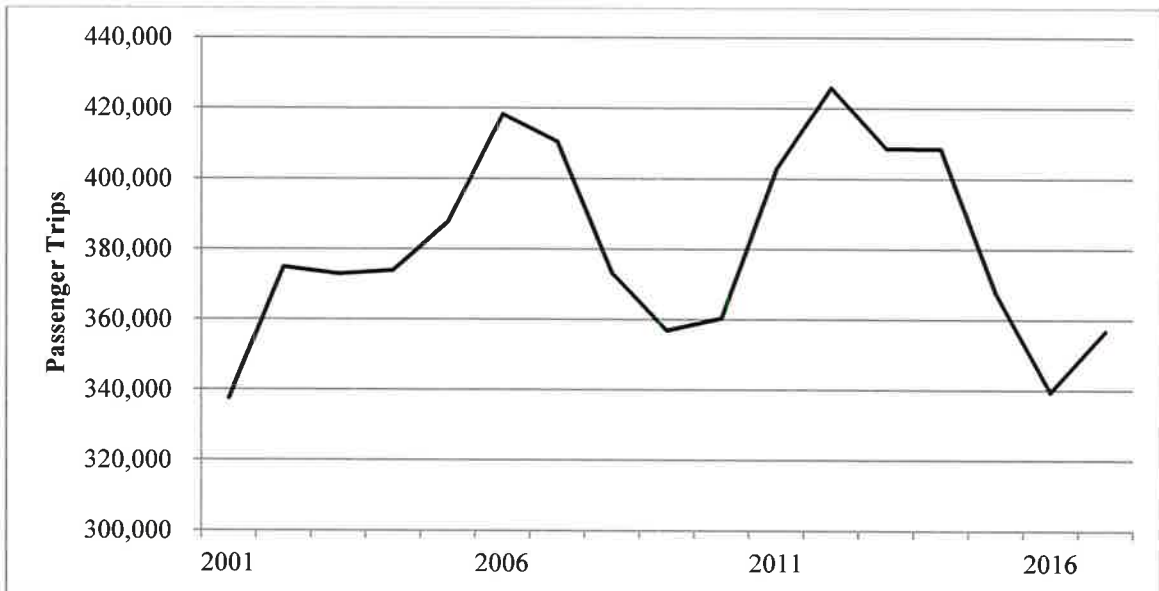
Fare Media Sales

About 80 percent of ACT riders pay their fares in cash on the bus. The remainder use tickets, which may be purchased at face value at City Hall or the ACT transit office. Tickets bought at City Hall may be purchased with cash, check, credit card, or debit card; tickets bought at the transit office may be purchased with cash or check only. Revenues received at City Hall are processed at City Hall and credited to the transit department through the city's accounting system; revenues received at the transit office are processed daily at the transit office along with cash fares from buses. Finally, some social service agencies buy tickets in bulk for distribution to their clients. These agencies can buy full or reduced fares, but any rider using a reduced fare ticket obtained from an agency must be eligible for that fare.

RIDERSHIP

Fare levels and fare structure influence ridership. Therefore, understanding recent ridership trends at ACT is necessary to developing and evaluating the impact of new fare structures. ACT riders took approximately 359,000 trips on fixed-route and Spec-Trans services combined in 2017. This figure is approximately the same as in 2001, when riders took 338,000 trips, but it is down 16 percent from 2012, when riders took 426,000 trips (see figure 1.1).

Figure 1.1
ACT Ridership, 2001–2017



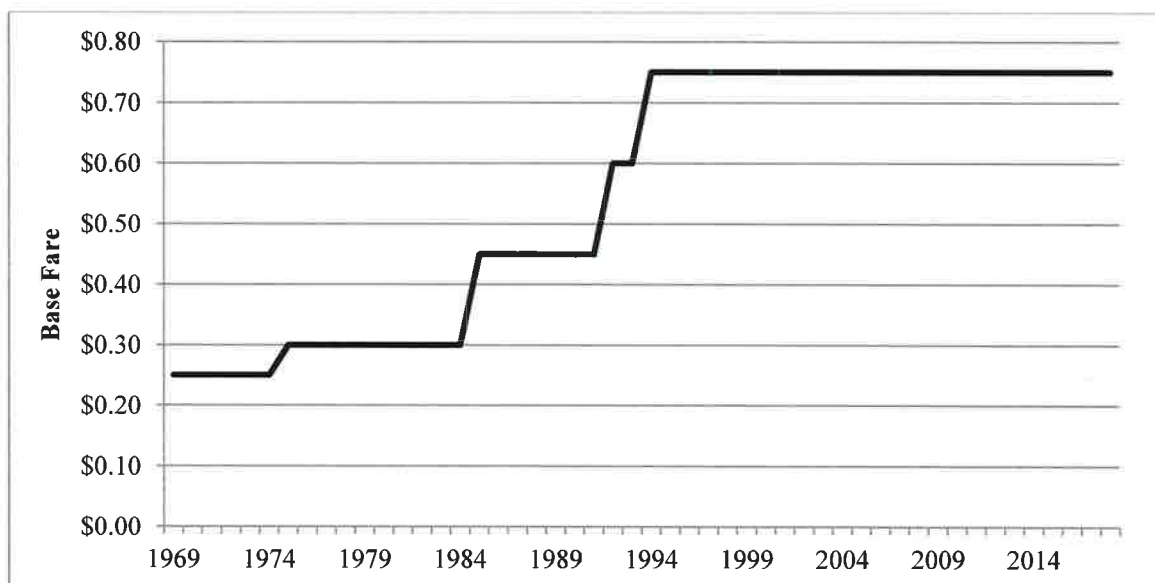
FARE REVENUE TRENDS

Fare revenue is a comparatively small but important source of operating funds at most small transit properties. Understanding how fare revenue has changed for ACT in recent years will help guide future fare policy decisions.

Historical Base Fare Levels and Fare Revenue

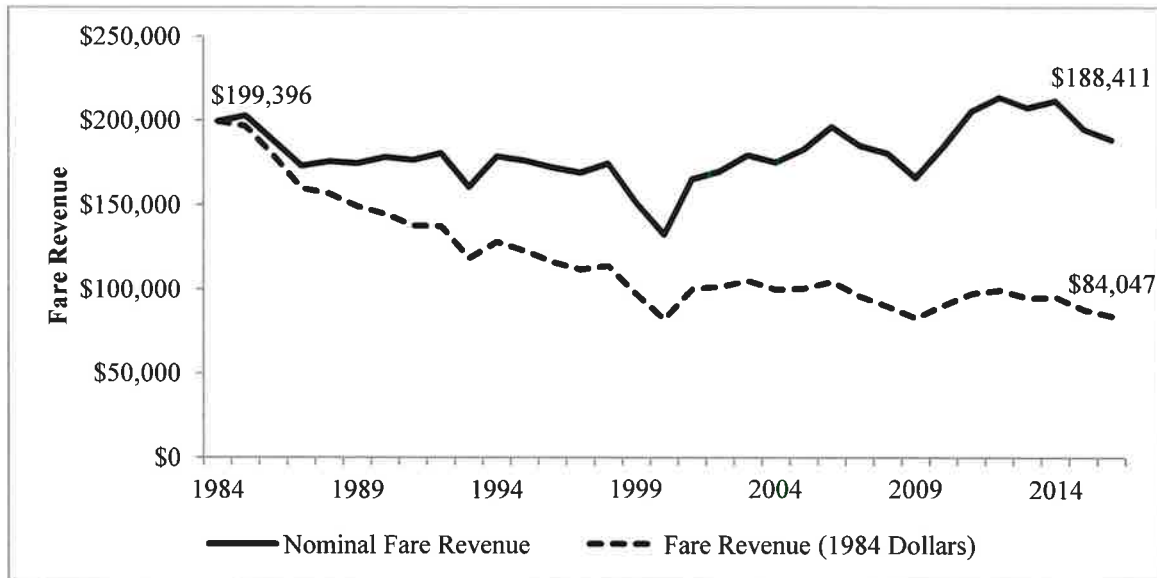
Figure 1.2 shows base fares on ACT's fixed-route service from 1969 (the most recent year for which data are available) to the present. The graph shows that after years of regular increases in the last third of the twentieth century, ACT's base fare has remained flat in the twenty-first. In the twenty-five years between 1969 and 1994, ACT increased its base fare four times; since 1994, it has not increased its base fare at all.

Figure 1.2
ACT Base Fare On Fixed-Route Service



ACT's total fare revenue has, with the exception of a decline in the late 1990s, remained between \$150,000 and \$200,000 since 1984 (the first year for which revenue figures are available). Steady inflation, however, means that ACT's fare revenue has declined by more than half in real terms, as figure 1.3 shows.

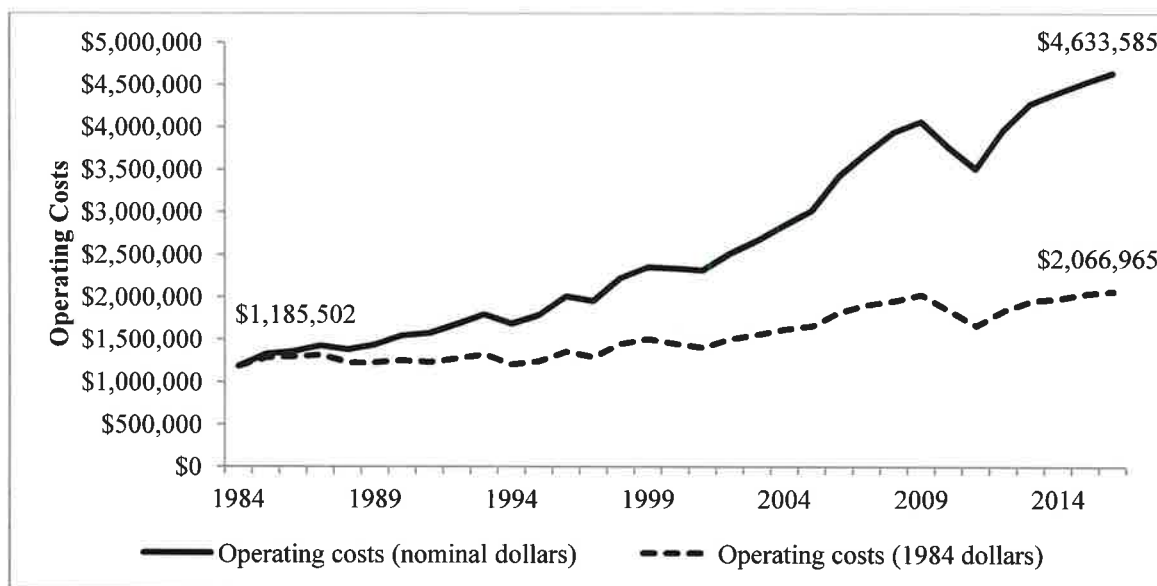
Figure 1.3
Nominal and Inflation-Adjusted Fare Revenue, 1984–2016



Operating Costs and Fare Recovery

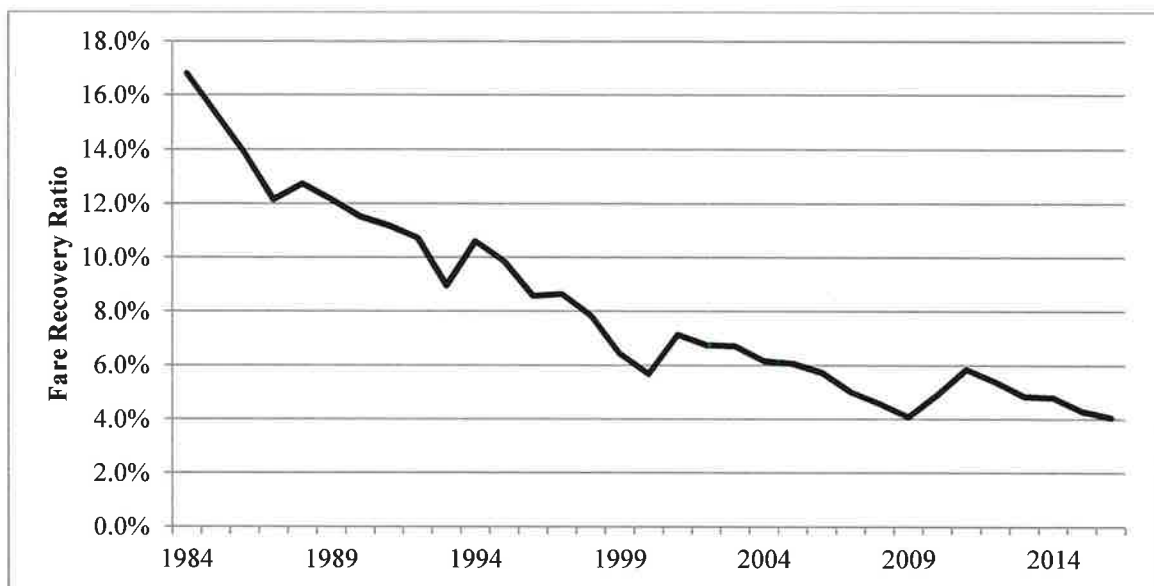
Over the same period, meanwhile, ACT’s operating costs have increased fourfold, from \$1.2 million in 1984 to \$4.6 million in FY 2015/2016, and its inflation-adjusted operating costs have doubled (see figure 1.4). One cause of the large increase in operating costs was the addition of paratransit service (Spec-Trans), as required by the Americans with Disabilities Act of 1990.

Figure 1.4
Nominal and Inflation-Adjusted Operating Costs, 1984–2016



Stagnant or declining fare revenue coupled with rising operating costs means that ACT's fare recovery ratio, the percentage of its operating costs covered by fare revenue, has declined from 17 percent in 1984 to 4 percent today (see figure 1.5). As with the increase in operating costs, this decrease in fare recovery owes partly to the introduction of paratransit service, which in nearly all systems has a lower fare recovery ratio than fixed-route service. Furthermore, demand for this service has grown more rapidly than for traditional bus service.

Figure 1.5
Percent of Operating Costs Covered by Fare Revenue, 1984–2016



SUMMARY

The following summarizes some of the key points of this background review of ACT and its fare structure:

- ACT operates fixed-route and paratransit service and is in compliance with federal regulations regarding fares.
- ACT has a three-tiered fare structure consisting of full, youth, and reduced fares on its fixed-route service and a two-tiered structure of full and reduced fares on its paratransit service.
- ACT has not raised its base fare since 1994.
- ACT data from 2017 show a modest uptick in passenger trips, but ridership has been essentially flat over the last twenty years.
- ACT's fare recovery ratio, the amount of operating costs covered by fare revenue, has been steadily declining for the last thirty years.

II: PEER REVIEW

INTRODUCTION

In order to provide a better understanding of the strengths and weaknesses of ACT's fare policy, this chapter reviews the practices of peer agencies in the region. The peer agencies selected for this study are similar to ACT in terms of their size and service offerings. They are:

- | | |
|----------------------------|--|
| • Abilene, Texas | CityLink Transit |
| • Grand Junction, Colorado | Grand Valley Transit |
| • Las Cruces, New Mexico | Las Cruces Area Transit (RoadRUNNER) |
| • Lincoln, Nebraska | StarTran |
| • Lubbock, Texas | City Transit Management Co., Inc. (Citibus) |
| • Midland-Odessa, Texas | Midland-Odessa Urban Transit District (EZ-Rider) |
| • Topeka, Kansas | Topeka Metropolitan Transit Authority |
| • Waco, Texas | Waco Transit System, Inc. |

Agencies in Abilene, Las Cruces, Lincoln, Lubbock, Topeka, and Waco are city-operated; Grand Valley Transit is operated by Mesa County, Colorado; and the Midland-Odessa Urban Transit District is governed by a board comprised of representatives from both cities. For the sake of expediency, the names of cities and their agencies are used interchangeably throughout this report, except where an explicit distinction is drawn.

Data for 2016 on service population, service area, operating costs, and ridership were collected from the National Transit Database (NTD) and agency profiles produced by the Federal Transit Administration (FTA). Information on fare pricing, fare structure, student discounts, and retail partners was drawn from agency websites and Internet research. And information on fare collection technology and partnerships with local colleges comes from email correspondence with staff at peer agencies.

AGENCY CHARACTERISTICS

The following discussion and associated figures place Amarillo in relation to its peers in terms of size, ridership, and service efficiency and effectiveness. Table 2.1, at the end of this section, contains detailed data for the measures addressed in the figures.

Size and Budget

The agencies reviewed here serve areas with populations of between 100,000 and 300,000 people and areas of 55 to 110 square miles, and have annual operating costs of \$3.5 million to \$12 million. ACT ranks fourth among its peers in terms of service area population, sixth in service area size, and fifth in annual operating costs (see figures 2.1, 2.2, and 2.3).

Figure 2.1
Service Area Population of Peer Agencies

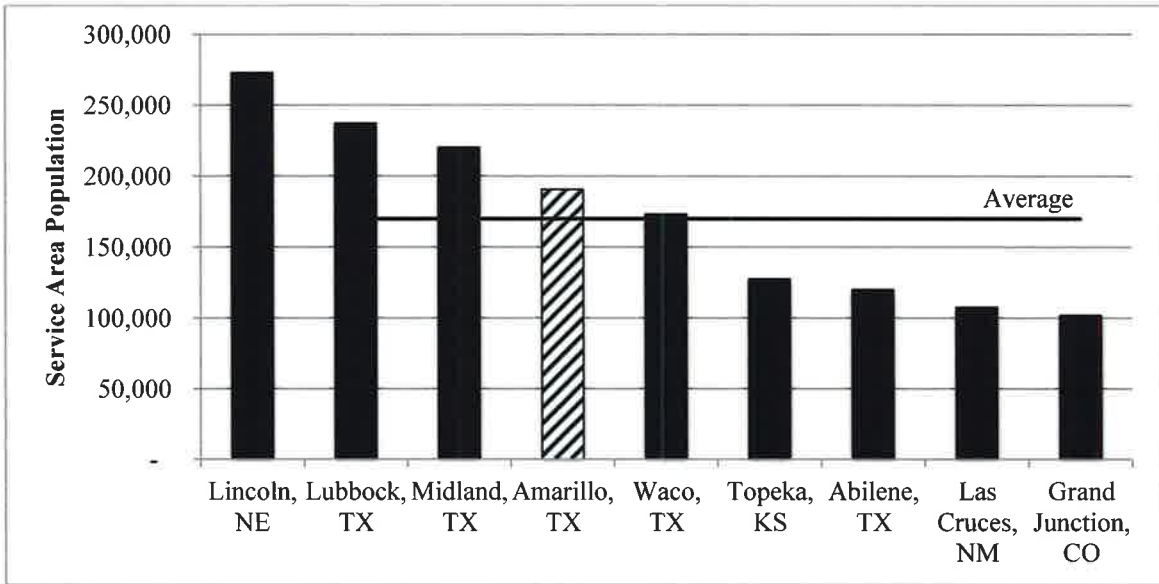


Figure 2.2
Service Area Size of Peer Agencies

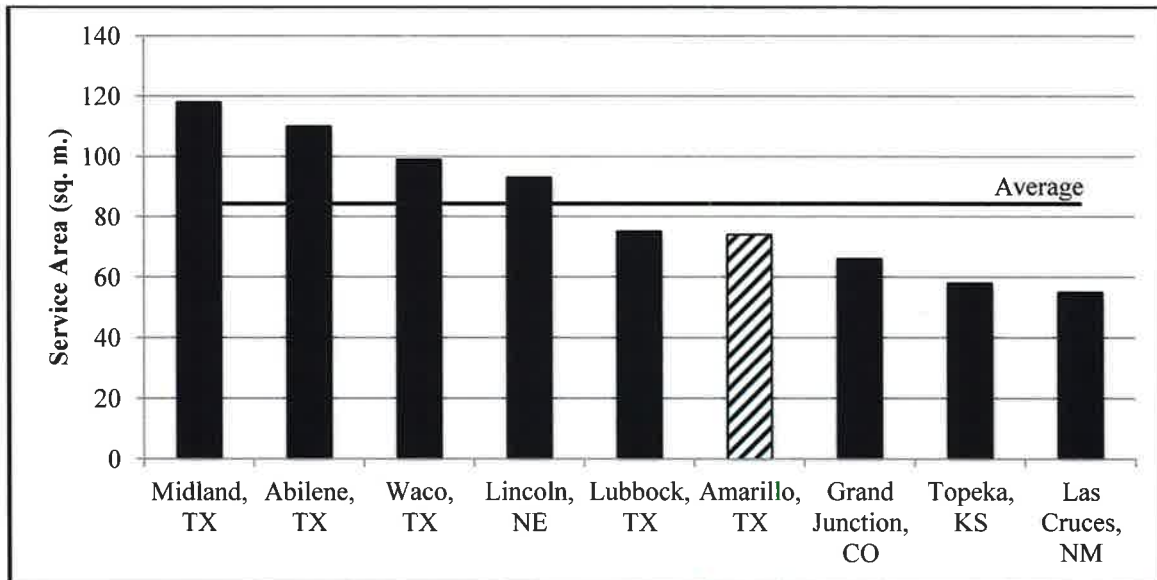
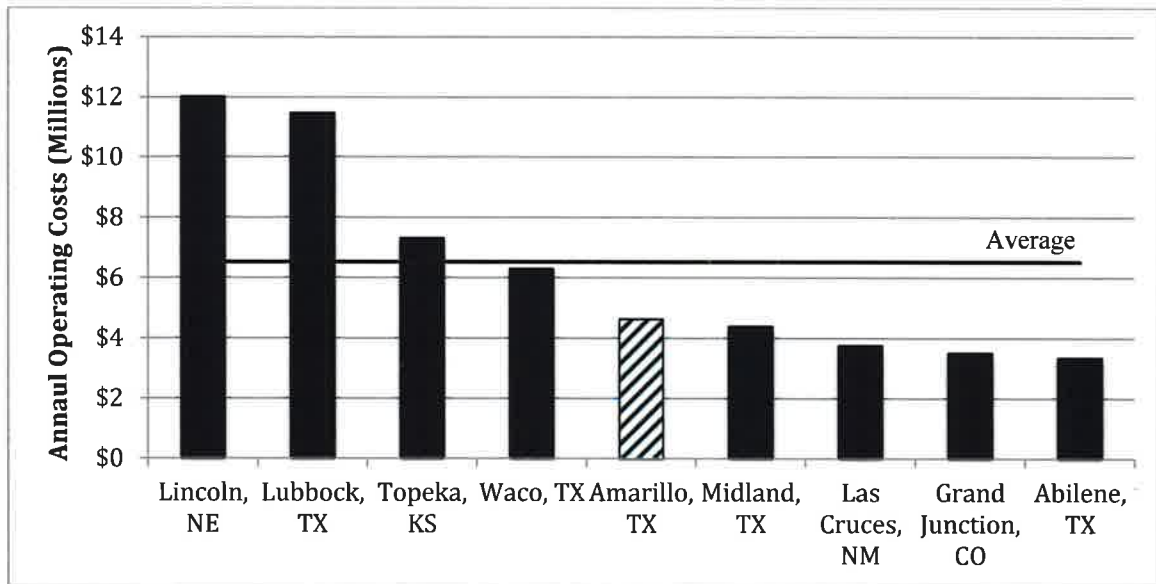


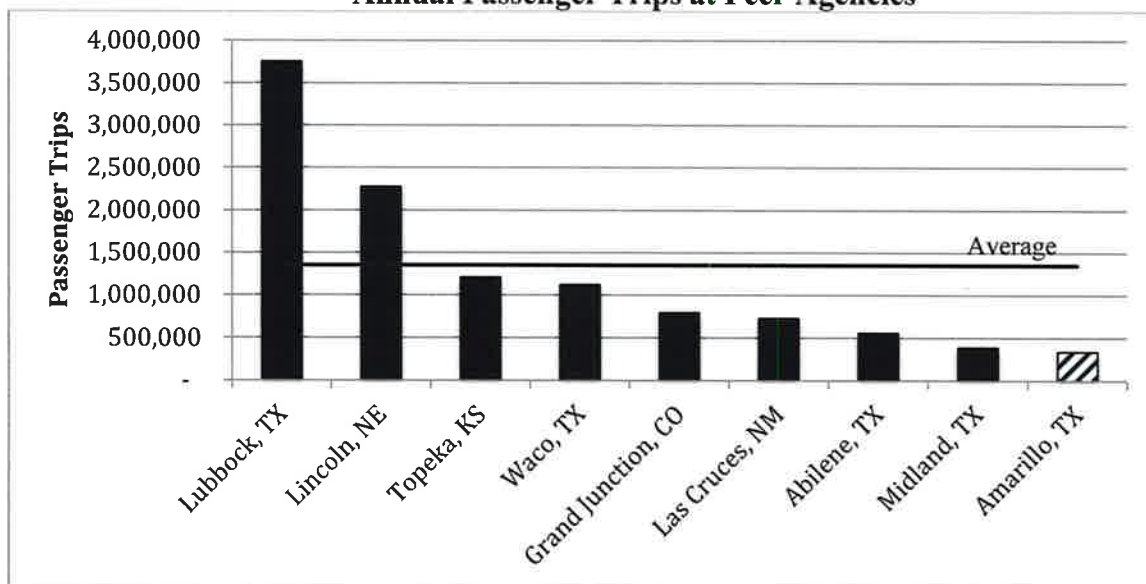
Figure 2.3
Annual Operating Costs of Peer Agencies



Ridership

Amarillo has the lowest ridership among its peers, coming in closely behind Midland-Odessa. High ridership in Lincoln and Lubbock can partly be explained by the cities' large university populations—University of Nebraska-Lincoln has about 26,000 students and Texas Tech University about 37,000 (see figure 2.4).

Figure 2.4
Annual Passenger Trips at Peer Agencies



Service Efficiency and Effectiveness

ACT ranks near or at the bottom of its peer group in terms of several measures of service efficiency and effectiveness. ACT has the lowest fare recovery ratio of its peers, meaning that it has the lowest fare revenue relative to operating costs. (See figure 2.5. Note that Lincoln and Lubbock's high fare recovery ratios are due in part to the significant revenues they receive through their agreements with local colleges, which they treat as fare revenue.) ACT's operating cost per revenue hour, meanwhile, is the second highest among its peer group, trailing only Topeka, and its cost per passenger trip is the highest, edging Midland-Odessa (see figures 2.6 and 2.7.)

Figure 2.5
Fare Recovery Ratio at Peer Agencies

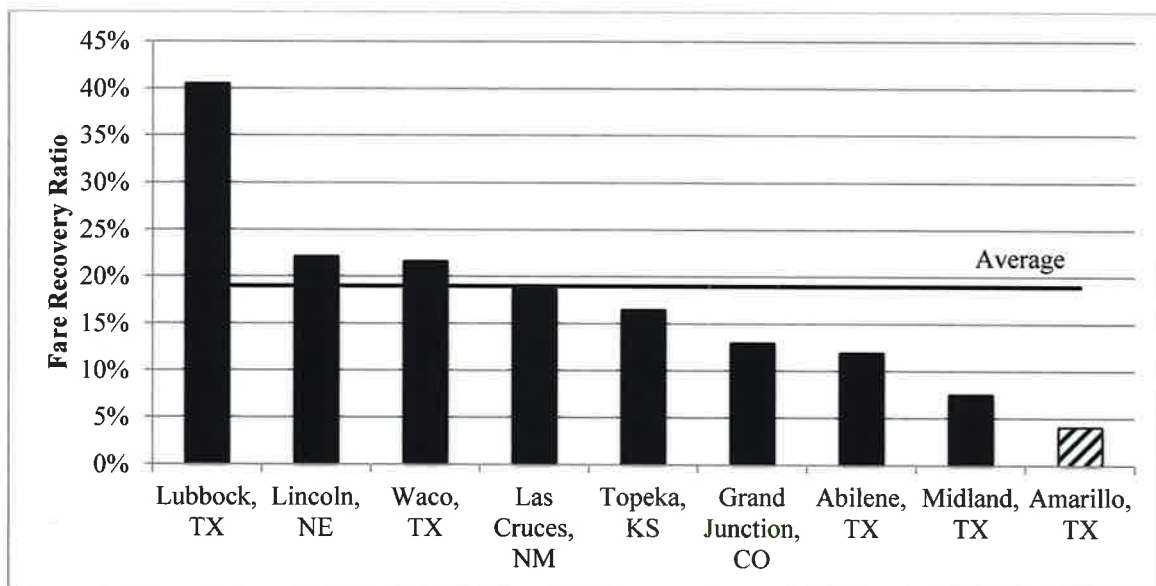


Figure 2.6
Operating Cost Per Revenue Hour at Peer Agencies

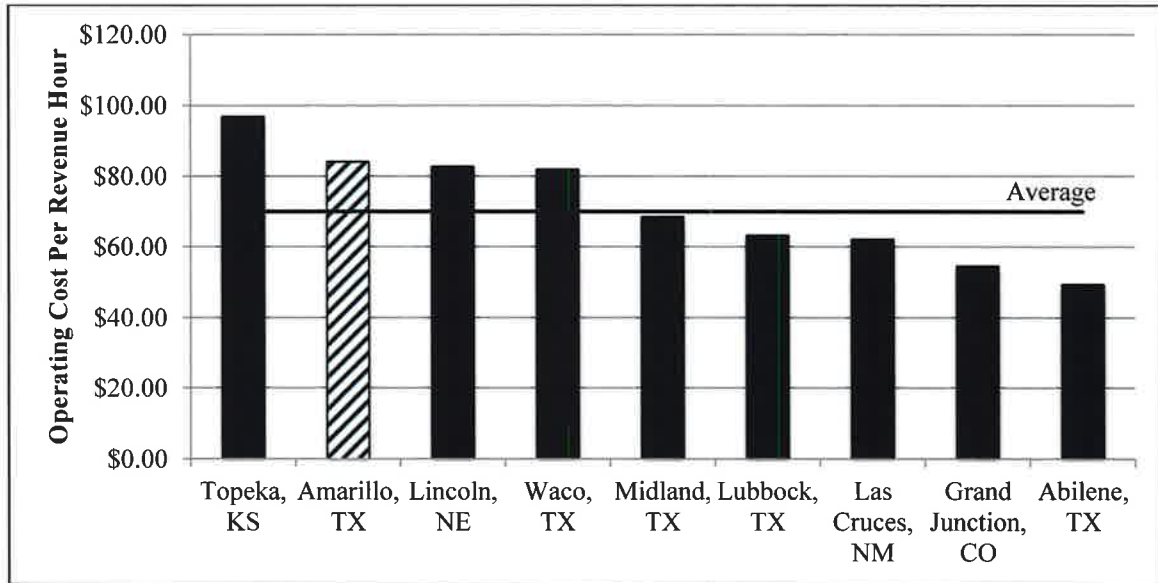
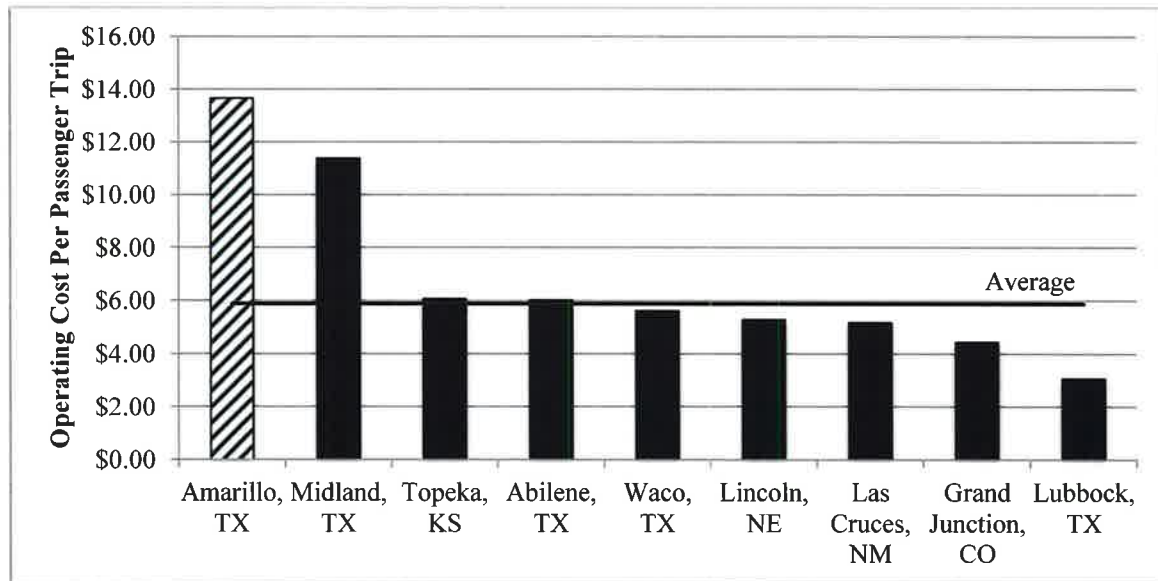


Figure 2.7
Operating Cost Per Passenger Trip at Peer Agencies



**Table 2.1
Comparison of Peers by Key Measures**

Service Area Population		Service Area Size (sq. miles)		Annual Operating Costs		Annual Ridership	
Lincoln, NE	272,996	Midland, TX	118	Lincoln, NE	\$12,031,635	Lubbock, TX	3,753,921
Lubbock, TX	237,356	Abilene, TX	110	Lubbock, TX	\$11,480,313	Lincoln, NE	2,275,495
Midland, TX	220,126	Waco, TX	99	Topeka, KS	\$7,319,248	Topeka, KS	1,208,851
Amarillo, TX	190,695	Lincoln, NE	93	Waco, TX	\$6,307,311	Waco, TX	1,123,084
Waco, TX	173,192	Lubbock, TX	75	Amarillo, TX	\$4,633,585	Grand Junction, CO	792,946
Topeka, KS	127,473	Amarillo, TX	74	Midland, TX	\$4,395,810	Las Cruces, NM	727,137
Abilene, TX	120,099	Grand Junction, CO	66	Las Cruces, NM	\$3,764,978	Abilene, TX	558,645
Las Cruces, NM	107,419	Topeka, KS	58	Grand Junction, CO	\$3,526,055	Midland, TX	386,854
Grand Junction, CO	101,846	Las Cruces, NM	55	Abilene, TX	\$3,357,875	Amarillo, TX	339,459

Base Fare		Fare Recovery		Cost/Revenue Hour (low to high)		Cost/Trip (low to high)	
Topeka, KS	\$2.00	Lubbock, TX	40.5%	Abilene, TX	\$49.39	Lubbock, TX	\$3.06
Lincoln, NE	\$1.75	Lincoln, NE	22.1%	Grand Junction, CO	\$54.57	Grand Junction, CO	\$4.45
Lubbock, TX	\$1.75	Waco, TX	21.6%	Las Cruces, NM	\$62.15	Las Cruces, NM	\$5.18
Abilene, TX	\$1.50	Las Cruces, NM	18.8%	Lubbock, TX	\$63.20	Lincoln, NE	\$5.29
Grand Junction, CO	\$1.50	Topeka, KS	16.5%	Midland, TX	\$68.49	Waco, TX	\$5.62
Waco, TX	\$1.50	Grand Junction, CO	12.9%	Waco, TX	\$81.93	Abilene, TX	\$6.01
Midland, TX	\$1.25	Abilene, TX	11.9%	Lincoln, NE	\$82.75	Topeka, KS	\$6.05
Las Cruces, NM	\$1.00	Midland, TX	7.5%	Amarillo, TX	\$84.06	Midland, TX	\$11.36
Amarillo, TX	\$0.75	Amarillo, TX	4.1%	Topeka, KS	\$96.92	Amarillo, TX	\$13.65

FARE STRUCTURE

Base Fares

ACT's base fare of \$0.75 is lower than that of any of its peers. In the peer group, Las Cruces has the lowest base fare, \$1.00, and Topeka has the highest, \$2.00. The most common fare is \$1.50, and the average fare is \$1.53. Table 2.2 summarizes the price of full, reduced, senior, and paratransit fares at ACT and its peers and notes whether transfers are included in the price of single-ride tickets.

Note that the Americans with Disabilities Act (ADA) allows transit systems to charge no more than double the fixed-route full fare for their paratransit services. Two peer agencies charge for service outside the required three-quarters of a mile service area required by the ADA, and one system offers premium same-day service at a higher fare.

**Table 2.2
Comparison of Single-Ride Fares at Peer Agencies**

City	Full Fare	Youth Fare (with eligible age)	Senior/Disabled/Medicare Fare (with eligible age for seniors)	Paratransit Fare	Transfer included?
Abilene, TX	\$1.50	\$1.00 (5-18)	\$0.65 (65+)	\$2.00 in regular service area; \$3.00 in extended service area	Yes
Amarillo, TX	\$0.75	\$0.60 (6-12)	\$0.35 (65+)	\$1.50	Yes
Grand Junction, CO	\$1.50	—	\$0.75 (65+, only during off-peak)	\$3.00	No
Las Cruces, NM	\$1.00	\$0.50 (6-18)	\$0.50 (60+)	\$2.00	Yes
Lincoln, NE	\$1.75	—	\$0.85 (62+)	\$3.50	Yes
Lubbock, TX	\$1.75	\$1.25 (6-12)	\$0.85 (65+)	\$3.50 in regular service area; \$11.50 in extended service area	No
Midland, TX	\$1.25	\$1.00 (6-18)	\$0.60 (60+)	\$2.50 in regular service area; \$5.00 in extended service area	No
Topeka, KS	\$2.00	\$1.50 (5-18)	\$1.00 (65+)	\$4.00	No
Waco, TX	\$1.50	—	\$0.50 (65+)	\$3.00 for regular service, \$4.00 for premium same-day	No

Evening Services

Abilene, Lubbock, and Waco also offer demand-response evening service to all residents of their service areas (see table 2.3). All three agencies require patrons to register for the service and to schedule rides in advance.

Table 2.3
Demand-Response Evening Services at Peer Agencies

City	Hours of Operation	Single-Ride Price
Abilene, TX	6:15 p.m. – 12:00 a.m.	\$6.00
Lubbock, TX	6:45 p.m. – 10:30 p.m.	\$4.50 for regular service; \$7.50 for same-day notice
Waco, TX	8:30 p.m. – 11:45 p.m.	\$3.00

Fixed-Route Passes and Ticket Books

Most of Amarillo’s peers have some form of time-period pass. Amarillo is one of two agencies in this study, along with Lincoln, that does not have a day pass allowing riders unlimited use of the system at one price for the entire day. It is the only such agency not to have such a monthly pass. But while most peer agencies offer passes, they differ significantly in the types of passes they offer, ranging from Waco, which sells only day passes and monthly passes, to Grand Junction, which sells four time-based passes and one ticket book to the public, as well as a further time-based pass to students.

Given this variety, the present study will focus on day passes and monthly passes, and then summarize ticket book offerings. Tables 2.4 and 2.5 compare how day passes and monthly passes are priced at peer agencies by calculating each pass’s break-even number, the number of rides after which it becomes economical for a customer to buy a pass. Most agencies price their day passes at double their base fare, meaning customers taking more than two rides in a day have incentive to buy day passes. There is greater variation in the pricing of monthly passes—Lincoln’s in particular is unusually low-priced³—but the most common price is thirty times the base fare, meaning that customers who take more than thirty one-way rides per month have incentive to buy monthly passes.

³ Lincoln’s StarTran reduced its monthly pass from \$45 to \$17 in 2012. StarTran offers an \$8 monthly pass to low-income riders, but it does not require income verification to purchase it. Prior to 2012, more than 75 percent of monthly passes sold were low-income passes. StarTran therefore decreased the price of its regular monthly pass in an attempt to increase sales and capture more revenue from non-low-income riders.

**Table 2.4
Day Pass Pricing at Peer Agencies**

City	Day Pass Price	Single-Ride Price	Break-Even Number
Abilene, TX	\$3.00	\$1.50	2
Amarillo, TX	—	\$0.75	—
Grand Junction, CO	\$3.75	\$1.50	2.5
Las Cruces, NM	\$2.25	\$1.00	2.25
Lincoln, NE	—	\$1.75	—
Lubbock, TX	\$3.50	\$1.75	2
Midland, TX	\$3.00	\$1.25	2.4
Topeka, KS	\$4.00	\$2.00	2
Waco, TX	\$3.00	\$1.50	2

**Table 2.5
Monthly Pass Pricing at Peer Agencies**

City	Monthly Pass Price	Single-Ride Price	Break-Even Number
Abilene, TX	\$45.00	\$1.50	30
Amarillo, TX	—	\$0.75	—
Grand Junction, CO	\$45.00	\$1.50	30
Las Cruces, NM	\$30.00	\$1.00	30
Lincoln, NE	\$17.00	\$1.75	9.7
Lubbock, TX	\$50.00	\$1.75	28.6
Midland, TX	\$37.00	\$1.25	29.6
Topeka, KS	\$50.00	\$2.00	25
Waco, TX	\$40.00	\$1.50	26.7

In addition to selling daily and monthly passes, five out of eight of ACT's peers sell books of tickets. Nearly all of these fare products are discounted from the base fare (see table 2.6), but the ways in which they are marketed differ. Grand Junction and Midland-Odessa both market their 11-ride books as 10-ride books plus bonus rides. Lincoln and Topeka, on the other hand, call their ticket books by the number of tickets included. Las Cruces does both: its 12-token package is marketed as a 10-token package with two bonus rides, while its 30-ride book is in fact thirty rides, with no discount.

Table 2.6
Ticket Book Products at Peer Agencies

City	Ticket Book	Ticket Book Price	Discount Off Full Fare
Grand Junction, CO	11-ride book	\$15.00	9%
Las Cruces, NM	12-pack of tokens	\$10.00	17%
	30-ride book	\$30.00	None
Lincoln, NE	20-ride book	\$33.00	6%
Midland, TX	11-ride book	\$12.50	9%
Topeka, KS	10-ride book	\$18.00	10%

Paratransit Passes and Ticket Books

Few transit agencies offer monthly passes for paratransit services. Among Amarillo’s peers, Lincoln is the one exception: it offers a \$34, 31-day pass to paratransit riders—paratransit riders using the pass break even after 9.7 rides. Lincoln also sells a 20-ride book for \$66, which amounts to a 6 percent discount off the base fare. Grand Junction is the only other peer agency to discount paratransit tickets: it offers an 11-ride book for \$30, a 9 percent discount off the base fare. Table 2.7 summarizes the ticket books and passes offered to paratransit riders by ACT and its peers.

Table 2.7
Paratransit Ticket Books and Passes at Peer Agencies

City	Bulk Paratransit Fare Media	Price	Notes
Abilene, TX	10-ride book	\$25.00	No discount
Amarillo, TX	20-ride book	\$30.00	No discount
Grand Junction, CO	11-ride book	\$30.00	9% discount
Las Cruces, NM	—	—	—
Lincoln, NE	31-day pass	\$34.00	Break even after 9.7 rides
	20-ride book	\$66.00	6% discount
Lubbock, TX	10-ride book	\$35.00	No discount
	20-ride book	\$70.00	No discount
Midland, TX	—	—	—
Topeka, KS	10-ride book	\$40.00	No discount
Waco, TX	10-ride book	\$30.00	No discount

Fare Media Sales Options

In addition transit offices, many large transit agencies sell tickets through local grocery stores and other retail partners. Such programs are less common in midsize cities, but several of Amarillo’s peers have them (see table 2.8). Riders in Grand Junction, Las Cruces, Lincoln,

Midland-Odessa, and Topeka can purchase some or all fare products at local grocery stores. Additionally, riders in Lincoln can purchase passes via mail, at a local bank, or at one of several social services organizations; riders in Midland-Odessa can purchase passes at Midland College and Odessa College; and riders in Topeka can purchase passes online. Agencies in Waco, Lubbock, and Abilene are more similar to ACT—they have no local retail partners, and riders can only purchase fare products at transit offices.

Table 2.8
Fare Media Sales Options in Addition to Transit Offices

City	Outlets for Fare Sales
Abilene, TX	None
Amarillo, TX	None
Grand Junction, CO	Grocery stores
Las Cruces, NM	Grocery stores
Lincoln, NE	Grocery stores, local bank, social services, mail
Lubbock, TX	None
Midland-Odessa, TX	Grocery stores, local colleges
Topeka, KS	Grocery stores, online
Waco, TX	None

Discounts for K–12 Student

All of the agencies studied here, including Amarillo, provide reduced or free fares for primary- and secondary-school students. Amarillo, along with Waco, currently offers reduced fares to middle- and high-school students. Abilene and Las Cruces offer reduced fares, and Lubbock and Grand Junction offer semester passes, to all children eighteen and under, regardless of their school enrollment status. Lincoln offers free passes to students of select Lincoln middle schools and high schools. And Topeka offers free passes to all high-school students enrolled in Topeka public schools. Lincoln, Lubbock, Midland, and Waco also offer summer passes for students.

FARE COLLECTION METHODS

All of ACT’s peers collect fares through electronic registering fareboxes equipped with magnetic stripe technology. In addition, Lincoln introduced mobile ticketing last year and reports that it is becoming increasingly popular among riders. Grand Junction is considering implementing mobile ticketing to meet demand from riders, but it has not done so because its fareboxes are not compatible with mobile technology. Topeka also reports that it is considering procuring mobile ticketing but does not describe it as a high priority.

ACT’s peers collect ridership data with their fareboxes. Lincoln supplements this method with automatic passenger counters.

Recent Changes to Fare Structure

At least three of ACT's peers have raised their fare levels within the last ten years. In 2008, Midland-Odessa raised its base fare from \$1.00 to \$1.25, and in 2011 it raised its daily and monthly passes by \$1.00. Also in 2008, Lincoln raised its base fare from \$1.25 to \$1.75 and its 31-day pass from \$35 to \$45 dollars. Then, in 2012, it reduced the price of its 31-day pass by over half, to \$17. More recently, Abilene raised its base fare from \$1.25 to \$1.50 in 2016.

One notable trend among ACT's peers is the elimination of transfers. Both Midland-Odessa and Topeka have eliminated transfers within the last five years. Riders in those cities must now either pay two full fares or purchase a day-pass. Las Cruces is also planning to eliminate transfers later this year. When it does so, it will lower the cost of a day pass to two times the base fare. The agency says it is implementing this change to reduce disputes about transfers and to eliminate the cost of printing transfer cards.

PROGRAMS WITH LOCAL COLLEGES

Many of ACT's peers have arrangements with local colleges to provide free or discounted rides to students, run special routes or services, or both. Detailed below are programs in Grand Junction and Topeka, which primarily provide university students use of the regular transit system at special prices; programs in Las Cruces and Waco, which primarily exist to operate special campus routes; and programs in Lincoln and Lubbock, which provide both use of the regular transit system at special prices and special service. In general, agencies discussed here consider revenue from their college programs to be fare revenue.

Special Prices: Grand Junction and Topeka

In Grand Junction, students of Colorado Mesa University (CMU) are eligible to obtain semester-long passes for unlimited use of Grand Valley Transit's (GVT's) regular service. CMU then pays GVT \$5.00 per pass obtained plus \$4.00 per semester. (Thus, if a pass is obtained in the fall, CMU will pay the agency \$17.00 total—an initial \$5.00 plus \$4.00 each for the fall, spring, and summer terms. If a pass is obtained in the summer, CMU will pay only \$9.00—the initial \$5.00 plus an additional \$4.00 for that term.) CMU pays for these passes out of student fees. GVT's revenue from this program for the 2016–17 school year was approximately \$9,000. A senior transportation planner with GVT describes the program with CMU as only “somewhat” successful, reporting that about 10 percent of students obtain transit passes. She explains that parking is plentiful, and congestion minimal, around the university, giving students little incentive to use transit.

Topeka Metro provides free rides to students, faculty, and staff of Washburn University, who can simply swipe their campus IDs in the farebox to board the bus. Unlike at CMU, they do not have to obtain a special pass. Washburn pays Topeka Metro out of its general fund \$1.00 per person per semester, which amounts to around \$18,000 per school year. Topeka Metro considers the program successful.

Special Service: Las Cruces and Waco

RoadRUNNER Transit, in Las Cruces, has agreements with New Mexico State University (NMSU) and Doña Ana Community College (DACC). Until last year, the agency had a U-Pass with NMSU that was similar to Grand Junction's arrangement with CMU, but the university discontinued it owing to weak student demand. As in Grand Junction, abundant, cheap parking on campus means that students have little incentive to use transit. NMSU continues to pay RoadRUNNER about \$245,000 per year to operate three free routes entirely within its campus. These routes are paid for by the Associated Students of NMSU, which assesses a general fee on enrolled students.

RoadRUNNER does retain a U-Pass program with DACC, in which DACC issues U-Passes to students it determines eligible. DACC then pays RoadRUNNER for those passes at a discounted monthly rate, with greater discounts for greater numbers of passes. DACC does not pay for any campus routes, but it does pay RoadRUNNER about \$143,000 per year to support a regular bus route that serves its campus. The college obtains this funding from student transportation fees, which also support parking development.

Unlike many other agencies, which offer student discounts only to primary- and secondary-school students, RoadRUNNER offers half-fare prices to riders holding college IDs as well. The agency's transit administrator describes RoadRUNNER's application of this policy as "liberal," noting that that the agency will accept IDs from colleges, universities, technical colleges, and even online universities.

Waco Transit, meanwhile, operates five free routes and one late-night route for Baylor University. These routes are branded Baylor University Shuttle, and they exist primarily to connect student apartment complexes to campus. Waco Transit also offers free park-and-ride services to the public for Baylor football and basketball games. Waco Transit does not offer Baylor students any discounts on its regular service.

Special Prices and Service: Lincoln and Lubbock

StarTran, in Lincoln, has an agreement with the University of Nebraska-Lincoln (UNL) to provide free transit to all students, faculty, and staff. To board the bus, riders present a UNL transit pass, which the university mails to everyone at the beginning of the academic year. StarTran also operates four routes serving UNL's campus. For these services, UNL pays StarTran approximately \$2.9 million per year, which it collects from a transit fee built into tuition. StarTran considers the program with UNL to be very successful. A transit planner with the agency reports that UNL ridership accounts for about 25 percent of overall ridership and that it is growing at a faster rate than overall ridership.

Citibus, in Lubbock, provides free rides across its system to students of Texas Tech University (TTU), who board by flashing their campus IDs. Citibus operates a number of services for TTU, including seven routes linking student apartment complexes to campus; three campus circulator routes; several late-night routes connecting downtown Lubbock, entertainment areas, and apartment complexes; and a late-night demand-response service. In addition, it runs charters for events such as football games. For these services, TTU pays Citibus approximately \$3.6–\$3.7 million per year. The agreement is technically administered by the TTU Student Government Association, which assesses a transit fee on students. Campus service is contracted by service hour, so the exact amount of money can vary from year to year. Citibus reports that the program is successful and essential to the agency. The revenue from the program subsidizes

its operations. Note that for students of universities other than TTU, Lubbock also offers a \$52.50 semester pass with unlimited rides.

SUMMARY

The following summarizes some of the key points from this peer review:

- ACT falls in the middle of its peer group in terms of service area population, service area size, and annual operating costs.
- ACT falls below its peers in terms of ridership, fare recovery, operating cost per revenue hour, and operating cost per passenger trip.
- ACT's \$0.75 base fare is half that of the average base fare of its peer group.
- ACT is alone in having neither a daily nor a monthly pass.
- Daily passes at peer agencies are commonly priced at two times base fare, monthly passes at thirty times.
- Many peer agencies offer riders the option to buy monthly passes at retail partners such as grocery stores.
- All peer agencies collect fares and ridership data using electronic registering fareboxes.
- Some agencies have recently, or will soon, eliminate transfers in favor of day passes.
- Many peer agencies offer some services to local colleges, including operating shuttles and offering free or discounted rides to students.
- There are three basic models of college program: free rides, extra service, and both.
- The success of college programs depends in part on the availability of parking on campus.

III: FARE SCENARIOS

INTRODUCTION

Based on fare policies at ACT and its peer agencies, as well as the goals of this fare study, three fare scenarios with different fare structures, pricing levels, and payment options were developed for evaluation.

Scenario 1 retains ACT's current fare structure, slightly increases the base fare, and introduces discounted tickets. Scenario 2 slightly increases the base fare, eliminates paper transfers in favor of passes, and introduces a lightly discounted monthly pass. Finally, scenario 3 steeply increases the base fare, eliminates paper transfers in favor of passes, and introduces a more heavily discounted monthly pass.

Some elements of these three scenarios cannot be mixed and matched. For example, ACT should either retain paper transfers or introduce a day pass. Other elements, however, such as the college program proposed in scenario 2 or the evening service proposed in scenario 3, could equally well be combined with other scenarios. And while some additions could be made to ACT's fare payment options, the agency has stated that its current fare collection equipment will remain in place under any scenario. Therefore, fare structure options must work within the constraints of the current equipment.

SCENARIO 1: IMPROVEMENTS TO CURRENT STRUCTURE

Scenario 1 retains ACT's current fare structure, slightly increases the base fare, offers discounts for bulk ticket sales, and expands student-fare eligibility. The following elements define this scenario:

Fixed-Route Fare Structure

- Increase base fare to \$1.00
- Increase student fare to \$0.80
- Increase senior/disabled/Medicare fare to \$0.50.
- Retain current paper transfer system
- Retain tickets, but sell them at a 10 percent discount in books of 10, 20, and 30 tickets. For example, a 10-ticket full-fare fixed-route book would cost \$9.00, and a 10-ticket student-fare fixed-route book would cost \$7.20.

On-Call Service Fare Structure

- Charge the fixed-route fare for on-call service
- Apply all fixed-route discount fares and ticket discounts to the on-call service

Spec-Trans Fare Structure

- Increase fare to \$2.00
- Eliminate student fare
- Retain current tickets but sell them at a 10 percent discount in books of 10, 20, and 30 tickets. For example, a 10-ticket Spec-Trans book would cost \$18.00.

- Maintain current geographic boundaries of the program (all of the City of Amarillo west of Lakeside Drive plus any additional areas within ¼ mile of fixed routes)

College Student Program

- Expand eligibility of student fare to college students
- Partner with local colleges by delegating sales of student ticket books and confirmation of enrollment status to participating colleges

**Table 3.1
Scenario 1: Fare Structure**

Fare Type	Fixed-Route Price	On-Call Price	Spec-Trans Price
Full	\$1.00	\$1.00	\$2.00
K-12 Student	\$0.80	\$0.80	\$2.00
College Student	\$0.80	\$0.80	\$2.00
Senior/Disabled/Medicare	\$0.50	\$0.50	\$2.00
Children under 5	Free	Free	Free
Paper Transfers	Yes	Yes	No
Tickets	10% Discount	10% Discount	10% Discount

SCENARIO 2: TIME PERIOD PASSES

Scenario 2 eliminates tickets and paper transfers, rewards regular riders by offering them discounted monthly passes, and introduces a new fare level for on-call service.

Fixed-Route Fare Structure

- Increase base fare to \$1.00
- Increase senior/disabled/Medicare fare to \$0.50
- Eliminate student fare category
- Eliminate paper transfers. If a cash passenger transfers to another bus, he or she must pay a second full fare.
- Eliminate tickets
- Introduce day pass priced at \$2.00
- Introduce monthly pass priced at \$30.00 (for a break-even number of thirty rides)

On-Call Service Fare Structure

- Charge \$2.00 per trip
- Charge \$1.00 per trip for senior/disabled/Medicare riders
- Introduce day pass priced at \$4.00, which could be used on on-call or fixed routes
- Introduce monthly pass priced at \$60.00 (for a break-even number of thirty rides), which could be used on on-call or fixed routes

Spec-Trans Fare Structure

- Increase fare to \$2.00
- Eliminate student fare
- Continue using tickets, and sell them at a 10 percent discount in books of 10, 20, and 30 tickets. For example, a 10-ticket Spec-Trans book would cost \$18.00
- Maintain service within the program’s current geographic boundaries (all of City of Amarillo west of Lakeside Drive plus any additional areas within ¾ mile of fixed routes)
- Charge \$4.00 for trips not required by the Americans with Disabilities Act (those outside of ¾ mile along the fixed routes)
- Offer ticket books at a 10 percent discount for non-ADA trips

College Student Program

- Offer a program to local college students offering them semester passes, similar to Topeka Metro’s arrangement with Washburn University
- In such a program, ACT would negotiate for participating colleges to pay \$1.00 per semester for passes for all of their students. Funding could come from either general funds or designated student fees.
- ACT would then allow college students to board buses for no fare with their student ID cards or with semester passes, depending on ACT’s preference

**Table 3.2
Scenario 2: Fare Structure**

Fare Type	Fixed-Route Price	On-Call Price	Spec-Trans Price
Full	\$1.00	\$2.00	\$2.00 in regular service area \$4.00 in extended service area
Senior/Disabled/Medicare	\$0.50	\$1.00	\$2.00/\$4.00
College student	Free	Free	\$2.00/\$4.00
Under 5	Free	Free	Free
Paper Transfers	No	No	No
Tickets	10% Discount	10% Discount	10% Discount
Day Pass	\$2.00	\$4.00	No
Monthly Pass	\$30.00	\$60.00	No

SCENARIO 3: PASSES AND DEEPER DISCOUNTS

Scenario 3 eliminates tickets and paper transfers in order to remove paper fare media from fareboxes, discourages the use of cash by applying deeper discounts to monthly passes, introduces a new fare level for on-call service, and proposes a pilot evening service aimed at local college students.

Fixed-Route Fare Structure

- Increase base fare to \$1.50
- Increase senior/disabled/Medicare fare to \$0.75
- Eliminate student fare category
- Eliminate paper transfers. If a cash passenger transfers to another bus, he or she must pay a second full fare.
- Eliminate tickets
- Introduce day pass priced at \$3.00
- Introduce monthly pass priced at \$30.00 (for a break-even number of twenty rides)

On-Call Service Fare Structure

- Charge \$3.00 per trip
- Charge \$1.50 per trip for senior/disabled/Medicare riders
- Introduce day pass priced at \$6.00, which could be used on on-call or fixed routes
- Introduce monthly pass at \$60.00 (for a break-even number of twenty rides), which could be used on on-call or fixed routes

Spec-Trans Fare Structure

- Increase fare to \$3.00
- Eliminate student fare
- Eliminate cash
- Continue using tickets, and sell them at a 20 percent discount in books of 10, 20, and 30 tickets. For example, a 10-ticket Spec-Trans book would sell for \$24.00
- Maintain service within the program's current geographic boundaries of the program (all of City of Amarillo west of Lakeside Drive plus any additional areas within $\frac{3}{4}$ mile of fixed routes once the new route structure is launched)
- Charge \$6.00 for trips not required by ADA (those outside of $\frac{3}{4}$ mile along the fixed routes)
- Offer ticket books at a 20 percent discount for non-ADA trips

Pilot On-Call Evening Service

- Introduce a pilot on-call evening service, aimed at local college students but open to anyone, which would accept advance reservations as well as on-demand trips, as space allows. ACT is considering offering such a service but does not currently have the funding for it.
- Offer the service between the hours of 5:00 p.m. and 10:30 p.m. Monday through Thursday

- Allow local college students to use the service for free with their student IDs or semester passes, depending on ACT’s preference
- Charge the general public for the service according to the same fare structure as ACT’s new on-call route in the medical center—\$3.00 for a base fare, \$1.50 for a senior fare, \$6.00 for a day pass, and \$60.00 for a monthly pass
- Negotiate for participating colleges to pay for the portion of this service attributable to their students. ACT estimates that an on-call evening service would cost up to about \$190,000 annually, depending on demand. So, if 50 percent of riders in a given year were, for example, Amarillo College students, the college would pay ACT \$95,000.

Additional College Benefits

- Allow local college students to use fixed-route service for no fare with their student ID cards or with a semester pass, depending on ACTs preference.
- Do not charge participating colleges for these passes—the colleges will already be contributing financially through the evening service payments discussed above.

**Table 3.3
Scenario 3: Fare Structure**

Fare Type	Fixed-Route Price	On-Call Price	Spec-Trans Price
Full	\$1.50	\$3.00	\$3.00 in regular service area \$6.00 in extended service area
Senior/Disabled/Medicare	\$0.75	\$1.50	\$3.00
College Student	Free	Free for evening service	\$3.00
Under 5	Free	Free	Free
Paper Transfers	No	No	No
Tickets	No	No	20% discount
Day Pass	\$3.00	\$6.00	No
Monthly Pass	\$30.00	\$60.00	No

SUMMARY

The following summarizes the characteristics of each scenario and ACT’s options for expanding college service and updating its fare media policies.

- All scenarios aim to address the goals of this study: to improve fare recovery, to increase ridership, to improve cash handling, and to identify innovative solutions for fare collection and payment options
- Scenario 1 is mostly closely aligned with ACT’s current policies, retaining the current fare structure while slightly raising fares and offering discounts on tickets
- Scenario 2 makes a stronger break with current practice, eliminating paper transfers in favor of passes and offering discounts on both ticket books and passes

- Scenario 3 differs the most from current practice, doubling the base fare, discouraging cash use on fixed-route service through heavy discounting of passes, and eliminating cash use on paratransit
- ACT has several options to serve local college students depending on what it can negotiate with the colleges, ranging from offering discounted passes to college students to operating an on-call evening service aimed at college students. These options are potentially interchangeable among the three scenarios

IV: FARE ELASTICITY MODEL

INTRODUCTION

In order to estimate how changes in fare level and fare structure would affect ridership and revenue at ACT, a spreadsheet-based elasticity model was developed. This spreadsheet was developed specifically for ACT and reflects its service types and rider profile. The model uses the concept of fare elasticity—the ratio of percentage change in ridership to the percentage change in fares—to estimate how transit riders respond to fare changes. This chapter describes the structure of this model as well as the sources of the data and elasticities used, and chapter 5 presents the results of the evaluation.

MODEL STRUCTURE

The ACT Fare Elasticity Model was developed to estimate the effect on ridership and revenue of the various proposed changes outlined in scenarios 1, 2, and 3 in chapter 3. And in addition to addressing overall ridership, the model estimates the effect of fare policy changes on different service types (e.g., fixed route, on-call, Spec-Trans ADA service, Spec-Trans non-ADA service), customer types (e.g., adult, senior/disabled, K–12 student, college student), and payment types (e.g., cash, passes, tickets). The elasticities applied to each market are drawn from industry research. Ridership changes are estimated by multiplying percentage changes in specific fares by the appropriate fare elasticity. Revenue changes are then calculated from the ridership changes.

ELASTICITIES

The elasticities used in the ACT Fare Elasticity Model were based on a literature review and on experience at other transit agencies.

Literature Review

When no other data are available for estimating the effect of fare changes on ridership, the transit industry has relied on the Simpson-Curtin Rule, which recommends fare elasticity of -0.33 . This means that for every 10 percent increase in fares, ridership falls by 3.3 percent.

In August 1991, The American Public Transit Association (APTA) published a study that applied an advanced econometric model to data from fifty-two transit agencies.⁴ The study results were quite robust and generally found higher fare elasticities than implied by the Simpson-Curtin Rule. Key findings include:

- Average elasticity across all systems was -0.40
- Off-peak riders are more price-sensitive than peak riders

⁴ American Public Transit Association, “Fare Elasticity and its Application to Forecasting Demand” (Washington, D.C.: 1991).

- Riders in large cities (urbanized areas greater than one million people) are less price-sensitive than those in small cities (urbanized areas under one million people). Large cities have an average fare elasticity of -0.36 , while small cities have an average fare elasticity of -0.43
- Nevertheless, the study found wide variation among small cities. Sample elasticities for cities then similar in size to Amarillo include:
 - Binghamton, NY (population 161,000): -0.70
 - South Daytona, FL (population 171,000): -0.42
 - Lincoln, NE (population 174,000): -0.5
 - Eugene, OR (population 182,000): -0.18
 - Madison, WI (population 214,000): -0.40
 - South Bend, IN (population 226,000): -0.26

Thirteen years later, in 2004, Todd Litman, of the Victoria Transport Policy Institute summarized several other studies of fare elasticity.⁵ Key findings from this source include:

- Non-commuters tend to be more price-sensitive than commuters, resulting in off-peak elasticities of 1.5 to 2 times higher than peak-period elasticities (because peak-period riders are mainly commuters)
- Large cities tend to have lower price elasticities than suburbs and smaller cities, because they have higher populations of transit-dependent users
- Transit fares, service quality (e.g., speed, frequency, coverage, and comfort), and parking pricing tend to have the greatest impact on transit ridership. Elasticities appear to increase somewhat as fare levels increase (i.e., when the starting point of a fare increase is relatively high).
- Fare elasticity is usually ranges from -0.2 to -0.5 range in the short run (first year), and increases to -0.6 to -0.9 over the long run (five to ten years). Elasticity increases over time because consumers gradually find more options.
- Demand is more price-sensitive at higher fare levels

A 2007 study by the Transportation Research Board on elasticities in paratransit looked at various factors affecting demand for ADA service, including population, poverty levels, and fares.⁶ The study found that ADA paratransit demand is highly sensitive to fares, possibly even more so than general public transit demand. After applying an econometric model to data from 28 cities, the study concluded that ADA service has a base fare elasticity of -0.77 .

One other study of interest, by Georges Bresson et al. (2003), used data from British and French cities and a dynamic model to calculate transit price elasticities.⁷ Like other researchers,

⁵ Todd Litman, "Transit Price Elasticities and Cross-Elasticities," *Journal of Public Transportation* 7, no. 2 (2004): 37–58.

⁶ Transportation Research Board, "Improving ADA Complementary Paratransit Demand Estimation," TCRP Report 119 (Washington, D.C.: 2007).

⁷ Georges Bresson et al., "The Main Determinants of the Demand for Public Transport: A Comparative Analysis of England and France Using Shrinkage Estimators," *Transportation Research A* 37, no. 7 (2003): 605–627.

the authors found that transit ridership is relatively price sensitive, with fare elasticities of -0.3 to -0.5 in the short-run, and -0.6 to -0.7 in the long run. But they also found that transit ridership is sensitive to service quality, so fare increases may be offset by improved service. This fact may be particularly relevant to ACT given that the any fare increase will follow its planned route restructuring, which should improve travel times and access for many ACT riders.

In sum, these studies allow for the following conclusions regarding user type, trip type, mode, geography, and fare level:

- *User type*: Transit-dependent riders (often low-income, disabled, students, and seniors) are generally less price-sensitive than those who have the option of using an automobile for the trip.
- *Trip type*: Noncommuters tend to be one to two times as price-sensitive as commuters.
- *Mode*: Bus service generally has substantially higher fare elasticity than rapid rail and slightly higher fare elasticity than commuter rail. Demand for ADA paratransit service, meanwhile, is highly sensitive to fare changes.
- *Geography*: Large cities tend to see lower price elasticities than smaller cities, mostly because the ridership tends to be more transit-dependent.
- *Fare Level*: When the starting point of a fare increase is relatively low, the elasticity is relatively low.

Fare Elasticities for ACT Model

Based on the literature, the types of service provided by ACT and the department's current low fare levels, the following preliminary elasticities were chosen for the model:

- Fixed-Route: -0.40
- On-Call: -0.40
- Spec-Trans, ADA Service: -0.60
- Spec-Trans, Non-ADA Service: -0.60

Note that in cases where riders do not pay for transit service directly, such as the college programs in scenarios 2 and 3, fare elasticity is zero, because riders do not see a change in fares either as they ride or in the way that they pay for transit. Note also that elasticity models handle smaller changes in fares better than large ones. Therefore, change in ridership for scenarios with larger fare changes is calculated in multiple steps rather than all at once. Despite being apparently unrepresentative of a sudden fare change, this method of calculation in fact better mimics the arced shape of a true elasticity and yields more accurate results.

BASE DATA

Actual ridership and revenue data from FY 2017—ACT’s last complete fiscal year—were used for the base data for the model.

Rider Survey

Some of the data needed to segment ridership by market were not available from current sources. Therefore, a five-question verbal survey of fixed-route riders was conducted over three days in June 2018. The survey covered one inbound and one outbound trip on all eight fixed routes operating at the time. Additional riders were surveyed at ACT’s downtown transfer center. In total, seventy-eight surveys were completed, for a statistical accuracy of +/-10 percent at the 90 percent confidence level. The survey yielded the following results:

- *Payment Method:* 70.5 percent of riders pay with cash versus 29.5 percent with tickets.
- *Fare Type:* 42.3 percent of riders pay the full fare, 3.8 percent the student fare, and 53.6 percent the half fare.
- *Frequency of Transit Use:* 1.3 percent of passengers ride the bus less than once per week, 19.2 percent ride one to two days per week, 29.5 percent ride three to four days per week, and 50 percent ride five or more days per week.
- *Transfer Activity:* 79.5 percent of trips require a transfer versus 20.5 percent that do not.
- *Amarillo College Student Use:* 11.5 percent of riders are currently Amarillo College students.

On-Call Service

ACT recently restructured its routes, converting much of the former Route 8 into Route 13, an on-call route. When the model was developed, ridership data for Route 13 was not available, so data from a portion of Route 8 was used as the base data for on-call service. The elasticity model assumes that two-thirds of the ridership on the former Route 8 will be served by the new Route 13, or about 13 percent of current fixed-route ridership.

Scenario 3 includes an additional on-call service: an evening service oriented toward Amarillo College students. Since this service does not yet exist, ridership of eight passengers per hour is used as the base on which to estimate the impacts of any fare changes that affect the service.

Spec-Trans Service

For this model, Spec-Trans service was split into two services: ADA service and non-ADA service. Non-ADA service comprises those trips that begin or end outside of the service area required by ADA, i.e., $\frac{3}{4}$ miles on all sides of fixed routes. Based on data provided by ACT, 76.5 percent of ACT’s Spec-Trans ridership and revenue were allocated to the ADA service and 23.5 percent to the non-ADA service.

V: EVALUATION OF FARE SCENARIOS

INTRODUCTION

As outlined in chapter 1, ACT's primary goals for this Transit Fare Study are to:

- Streamline and improve cash handling and ridership data collection
- Identify innovative solutions for fare collection and payment options
- Consider fare structure options that can increase ridership
- Improve its fare recovery ratio

In order to determine whether and how the three scenarios described in chapter 3 address these goals, clearly demarcated criteria for assessment are needed. Across the industry, fare policies are often evaluated for their effects on:

- Ridership
- Revenue
- Recovery
- Equity
- Simplicity
- Efficiency

This chapter assesses the three scenarios for efficiency in order to address ACT's first goal; for simplicity and efficiency to address its second; for ridership to address its third; and for revenue and recovery to address its fourth. The final criterion, equity, does not directly address any one of the study goals, but it should always be considered by a public agency, which must balance the needs of various constituencies.

Fare policy strategies aim to strike a balance among sometimes competing considerations. For example, some policies that enhance ridership may decrease revenue and fare recovery. Likewise, some policies that enhance equity may conflict with the need for simplicity. Operating costs can also be affected. Some of the scenarios evaluated, for example, reduce ridership on demand-response service, resulting in fewer hours of service and, therefore, reduced operating costs. Others, such as the on-call evening service outlined in scenario 3, require additional hours of service and, therefore, increased operating costs. Ultimately, creating a balance among these considerations—for example, the trade-off between ridership and revenue—will require policy decisions by ACT and the Amarillo City Council. To support understanding of the scenario evaluations in this chapter, the following section describes each criterion and how it is relevant to ACT.

CRITERIA FOR EVALUATION

Ridership

ACT would like to increase its ridership by changing its fare structure, which requires understanding how pricing affects ridership. Recall from chapter 4 that the degree of ridership change from a given fare change is called the fare elasticity. Overall, the transit market is inelastic (where average fare elasticity is less than -1.0), which means that raising prices will increase total revenue despite lost ridership. In other words, when fares go up, the revenue lost from declining ridership is smaller than the revenue gained on remaining riders. Conversely, when fares go down, the revenue gained from increasing ridership is smaller than the revenue lost on remaining riders.

All three scenarios include some form of fare increase, which means that all scenarios show some ridership loss. Yet, because the transit market is inelastic, decreasing fares is generally not a cost-effective way to increase ridership. The lost revenue is simply too large to offset the added revenue from new riders. The best scenarios and fare change components will result in the least ridership loss for the most improvement in the other five criteria.

Revenue

As demonstrated in chapter 1, ACT has not focused on generating revenue for many years. ACT's revenues are low primarily because of its low fares, which are the lowest among its peer group. Indeed, as table 5.1 shows, ACT's adult base fare of \$0.75 is less than half the average of base fares at peer agencies.

Table 5.1
Base Bus Fare at Peer Agencies, 2018

City	Base Fare
Abilene, TX	\$1.50
Grand Junction, CO	\$1.50
Las Cruces, NM	\$1.00
Lincoln, NE	\$1.75
Lubbock, TX	\$1.75
Midland, TX	\$1.25
Topeka, KS	\$2.00
Waco, TX	\$1.50
Peer Average	\$1.53
Amarillo, TX	\$0.75

Fare evasion could be reducing revenues as well. Likely points of fare evasion on the current system include:

- *Transfers*: operators may be accepting invalid transfers.
- *Half-price fare abuse*: Over half of ACT's riders pay half-price fares. This proportion is very high compared with most other transit agencies, which may indicate abuse of the half-price fares. One documented issue is that, until recently, operators were not asking for required ACT-issued reduced-fare identification cards when riders used half-price tickets.

Recovery

Some transit agencies set goals for fare recovery to ensure the financial stability of the system. ACT has no such goal, but it recovers only 4.1 percent of its operating expenses from fares, compared with an average of 19 percent and a median of 17.7 percent at peer agencies.

Fare recovery has two components: fare revenue and operating costs. Fare revenue must rise in tandem with operating costs in order to keep fare recovery constant, which requires regular fare increases. Increasing fare recovery may require even more aggressive changes in fare policy. ACT has not raised its fares in over twenty years, and its operating costs have increased steadily over the same period. The result has been declining fare recovery.

Equity

Equity can be defined from different perspectives. For example, one narrow definition of an equitable fare structure is one in which riders pay in proportion to the benefits they receive. Achieving equity could be accomplished, for example, by adopting a fare structure that equalizes fare recovery across service types. But such a fare structure necessarily ignores the different abilities of different populations to afford transit services. Defining equity according to ability to pay would result in a very different fare structure. This study will evaluate equity across service types, across customer types, and between transit users and non-users.

Service Types

One way of evaluating the equity of a system is by comparing the fares paid for different service types. An equitable system with regard to service type would be one in which fares are priced according to the value of the service received. Attributes used to establish service equity include distance, speed, comfort, and convenience. For example, charging higher fares for demand-response service could be considered equitable because riders receive door-to-door service and the cost to the agency of providing the service is higher.

Assessing the fare recovery of different services types, such as fixed-route and demand-response, is one means of evaluating the equity of a system. If higher-cost services have lower fare recovery, the system could be inequitable. Unfortunately, ACT does not calculate fare recovery separately for its fixed-route and Spec-Trans services. Although revenues for the two services are compiled separately, costs are not allocated between the two in such a way as to allow for an accurate assessment of fare recovery by service type.

Achieving parity in fare recovery across all service types may be difficult and is perhaps not desirable. But comparing the cost of providing each service could provide some guidance on where inequities in fare levels may exist.

Customer Types

Another way of evaluating equity is by customer type. For example, customers can be distinguished by the price they pay for service. Federal law requires that half-price fares for fixed-route transportation be given to seniors, the disabled, and Medicare cardholders during off-peak travel periods. ACT goes beyond this legal requirement by offering the half-price fares for all hours of service. The Americans with Disabilities Act (ADA), meanwhile, requires that complementary paratransit service cost no more than twice the base fare paid by non-disabled passengers on a fixed route, a standard to which ACT adheres.

Customers can also be distinguished by fare payment method, which may include cash, tickets, and passes. Many transit agencies try to encourage passengers to buy prepaid fare media such as passes and tickets because:

- Use of prepaid fare media reduces the time it takes for passengers to board the bus (no searching for change; less frequent operator-customer disputes)
- Purchase of prepaid fare media encourages more frequent use of the system
- Agencies receive revenue in advance of trips
- Cost of collecting, counting, and processing cash is reduced
- Opportunity for theft of cash is reduced

The three scenarios under consideration all offer some type of discount for the purchase of tickets and passes, which is not a feature of ACT's current system. There are many advantages to introducing and encouraging the use of prepaid fare media, but the practice can raise equity issues. Because they require upfront payment, discounted tickets and passes may favor those who are most able to pay. Social equity implies that fares should be priced according to need and ability to pay. As a public service agency, ACT does have some obligation to provide lower fares to transit-dependent patrons: the question is, how much of a discount should be provided and to whom? There is no simple answer, but keep in mind that any discount provided to one group—however needy—must be ultimately compensated for by charging higher fares to another group.

Riders versus Non-Riders

A final way to examine the equity of a system is to look at the balance in financial contributions between transit riders and non-riders. In a partially tax-supported system, riders pay for a portion of service and taxpayers cover the remainder. The question here is, how much should riders pay? And how can this type of equity be assessed?

Fare recovery can help measure this type of equity, in this case by measuring the relative contribution of riders. If fare recovery is low, then riders are contributing comparatively little to the system and taxpayers are picking up the rest. As seen above, ACT's fare recovery is very low, indicating a possible source of inequity between riders and non-riders in Amarillo.

Simplicity

ACT's current fare structure is simple in most ways—there are very few ways to pay fares and very few discounts. This makes for a system that, while not always convenient for customers, is simple to administer. Transfers are the one complication in ACT's system. Issuing, handling, and controlling paper transfers is a burdensome process for both the department and its operators and provides opportunities for fare evasion. In addition, riders may not fully understand when transfers can and cannot be used.

Efficiency

Costs associated with the collection and processing of revenue include the capital cost of fareboxes, the cost of printing tickets and transfers, and the cost of counting cash fares. The simplicity of the current fare structure means that the costs of administering the system are quite low.

Adding new fare media such as passes would increase the cost of printing and sales. And as the number of fare levels increases, whether by customer type or by service type, the number of fare media needed can grow very quickly. In this study, the negative impact on administrative efficiency that additional fare media can bring will be weighed against potential positive impacts on the other five evaluation criteria.

EVALUATION

Evaluations of the three scenarios based on the above six criteria follow. Each evaluation contains four parts:

- A review of the component fare changes
- An evaluation matrix in which each component is evaluated against each criterion to determine whether it has a positive, neutral, or negative impact. The impacts for the fare change components are then summed according to the following system: positive impacts equal 1 point, neutral impacts equal zero points, and negative impacts equal -1 point. Keep in mind that the summation assumes that all criteria are weighted equally. If some criteria were deemed more important than others, the score for each fare change component would change.
- An explanation of the evaluations presented in the matrix, as needed.
- Estimated changes in ridership and revenue produced by the ACT elasticity model.

Note that the impact scores found at the end of each row in the evaluation matrices are not summed, for two reasons. First, all fare change components are not equal in importance or impact. Summing the impact of the components would imply that each is weighted equally, which is not valid. Second, the ultimate goal of these evaluations is not to pick one scenario of the three but to determine which fare change components make the most sense.

SCENARIO 1: IMPROVEMENTS TO CURRENT STRUCTURE

Component Fare Changes

For scenario 1, the following component fare changes are evaluated separately:

Fare Increases

- Increase fixed-route and on-call base fares to \$1.00 (with concurrent increases in the student fare to \$0.80 and the senior/disabled/Medicare fare to \$0.50)
- Increase Spec-Trans base fare to \$2.00

Prepaid Fare Instruments

- Sell tickets on all services at a 10 percent discount in books of 10, 20, and 30

Students

- Eliminate Spec-Trans student fare
- Expand eligibility of fixed-route/on-call student fare to college students

Table 5.2
Scenario 1: Evaluation

Fare Change/ Criterion	Ridership	Revenue	Recovery	Equity	Simplicity	Efficiency	Total
Increase fixed-route/ on-call base fare to \$1.00	Negative	Positive	Positive	Positive	Neutral	Neutral	+2
Increase Spec-Trans base fare to \$2.00	Negative	Positive	Positive	Positive	Neutral	Neutral	+2
Implement 10% discounts on all tickets	Positive	Negative	Negative	Neutral	Neutral	Neutral	-1
Eliminate Spec-Trans student fare	Neutral	Neutral	Neutral	Negative	Positive	Positive	+1
Offer student fare on fixed-route/ on-call services to college students	Positive	Negative	Negative	Positive	Neutral	Neutral	0

Scenario 1: Explanation of Criteria Evaluation

The values assigned in table 5.2 are explained as needed below:

Ridership

- In general, raising fares will reduce ridership and lowering fares will promote ridership. Because fares rise in scenario 1, ridership falls.
- The change in ridership from eliminating the Spec-Trans student fare is so small that it is considered a neutral impact here.

Revenue and Recovery

- In general, raising fares will increase revenue and recovery and lowering fares will decrease revenue and recovery. Because fares rise in scenario 1, so do revenue and recovery.
- The change in revenue from eliminating the Spec-Trans student fare is so small that it is considered a neutral impact here.

Equity

- Increasing base fares is considered to have a positive impact on equity because it helps achieve greater equity between riders, who pay to ride, and non-riders, who support ACT through taxes. In other words, riders pay closer to their fair share.
- Offering ticket discounts is considered to have a neutral on equity—with the positive impact of rewarding passengers for paying for the service ahead of time offset by the potential negative impact of the poorest passengers missing out on the discount because they cannot afford the upfront cost of the ticket booklets.
- Eliminating the student fare on Spec-Trans may be considered inequitable for the very few students who use the service.
- Expanding the student fare to college students may promote equity because it offers a discount to a group with little disposable income.

Simplicity and Efficiency

- Overall, the component fare changes evaluated do not greatly simplify or complicate the system for riders or operators, nor do they increase the cost of administering the system.
- The exception is the elimination of the Spec-Trans student fare. This change simplifies the system—because all Spec-Trans patrons pay the same fare—and reduces the number of types of tickets that must be printed and sold.

Table 5.3
Scenario 1: Ridership and Revenue Changes

Service Type		Change in Annual Boardings	% Change in Annual Boardings	Change in Annual Revenue	% Change in Annual Revenue
Fixed Route/ On-Call	Fixed-Route	-32,428	-11.4%	+\$9,968	+10.1%
	On-Call	-4,846	-11.4%	+\$1,489	+10.1%
	Subtotal: Fixed-Route and On-Call	-37,273	-11.4%	+\$11,457	+10.1%
<hr/>					
Spec-Trans	ADA Spec-Trans	-6,608	-17.0%	+\$3,338	+5.8%
	Non-ADA Spec-Trans	-2,030	-17.0%	+\$1,026	+5.8%
	Subtotal: All Spec-Trans	-8,638	-17.0%	+\$4,364	+5.8%
<hr/>					
Total System		-45,911	-12.1%	+\$15,821	+8.3%

SCENARIO 2: TIME PERIOD PASSES

Scenario 2 includes the following fare changes or components:

Fare Increases

- Increase fixed-route base fare to \$1.00 (with concurrent increase in the senior/disabled/Medicare fare to \$0.50)
- Increase on-call base fare to \$2.00 (with concurrent increase in the senior/disabled/Medicare fare to \$1.00)
- Increase ADA Spec-Trans base fare to \$2.00
- Increase non-ADA Spec-Trans fare to \$4.00 for trips not required by ADA (those outside of $\frac{3}{4}$ mile along the fixed routes)

Prepaid Fare Instruments

- Introduce day pass on fixed-route and on-call services (priced at \$2.00 and \$4.00) and eliminate paper transfers
- Introduce monthly pass on fixed-route and on-call services (priced at \$30.00 and \$60.00) and eliminate tickets
- Sell tickets for Spec-Trans services at a 10-percent discount in books of 10, 20, and 30

Students

- Eliminate student fare on all services
- Allow college students to board buses for no fare with their student ID cards or with semester passes. In such a program, participating colleges would pay ACT \$1.00 per semester for passes for all of their students.

Table 5.4
Scenario 2: Evaluation

Fare Change/Criterion	Ridership	Revenue	Recovery	Equity	Simplicity	Efficiency	Total
Increase fixed-route base fare to \$1.00	Negative	Positive	Positive	Positive	Neutral	Neutral	+2
Increase on-call base fare to \$2.00	Negative	Positive	Positive	Neutral	Negative	Negative	-1
Increase ADA Spec-Trans base fare to \$2.00	Negative	Positive	Positive	Positive	Neutral	Neutral	+2
Increase non-ADA Spec-Trans base fare to \$4.00	Negative	Negative	Positive	Positive	Neutral	Negative	-1
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Introduce fixed-route/ on-call day pass and eliminate paper transfers	Positive	Neutral	Neutral	Neutral	Positive	Positive	+3
Introduce fixed-route/on-call monthly pass and eliminate tickets	Positive	Neutral	Neutral	Neutral	Positive	Positive	+3
Implement 10% discounts on all Spec-Trans tickets	Positive	Negative	Negative	Neutral	Neutral	Neutral	-1
<hr/>							
Eliminate student fare on all services	Neutral	Neutral	Neutral	Negative	Positive	Positive	+1
Introduce college student program in partnership with colleges	Positive	Neutral	Neutral	Positive	Positive	Neutral	+3

Scenario 2: Explanation of Criteria Evaluation

The values assigned in table 5.4 are explained as needed below:

Ridership

- As in scenario 1, raising fares has a negative impact on ridership, but ridership of on-call and non-ADA Spec-Trans services will decline more sharply than that of fixed-route and ADA Spec-Trans services in scenario 2 because the fare increases on those services are larger.
- The change in ridership from eliminating the student fare is so small that it is considered a neutral impact here.
- Introducing day passes and monthly passes has a positive impact on ridership because it makes all rides over the breakeven point free to riders, encouraging them to ride more.
- Similarly, partnering with local colleges to make passes available to college students will increase college student ridership. All students will have passes, encouraging greater use of the system, and students who were already riders will continue to ride.

Revenue

- Because transit prices are generally inelastic, raising the base fares of fixed-route, on-call, and ADA Spec-Trans services has a positive effect on revenue, because the increase in fare receipts outweighs the decrease in ridership. The fare increase on non-ADA Spec-Trans trips is so large, however, that the increased revenue it brings does not compensate for decreased ridership, yielding a negative impact.
- The revenue gained from the sale of day and monthly passes is about the same as the cash and ticket sales they would replace, yielding a neutral impact.
- The change in revenue from eliminating the student fare is so small that it is considered a neutral impact here.
- The estimated revenue from the college program is about the same as existing college student fares and is assessed as a neutral impact. Note, however, that this estimate of revenue is contingent on agreement from participating colleges.

Recovery

- In general, fare recovery increases as fare revenue increases, and fare recovery declines as fare revenue declines. Thus, raising the base fare on fixed-route, on-call, and ADA Spec-Trans services produces a positive impact on recovery because it produces a positive impact on revenue.
- Raising the base fare for non-ADA Spec-Trans service, however, proves an exception to the rule. Because this fare change reduces ridership so much, ACT would be able to reduce operating costs as it operates fewer long trips. So, despite having a negative impact on revenue, raising non-ADA Spec-Trans fares would in fact have a positive impact on recovery.

Equity

- Increasing base fares on fixed-route and ADA Spec-Trans services is considered to have a positive impact on equity because it achieves greater equity between riders, who pay to ride, and non-riders, who support ACT through taxes. In other words, riders pay closer to their fair share.
- Charging double the fixed-route fare for on-call service is considered to have a neutral impact on equity. The positive impact of riders paying more of their share is offset by the negative impact of charging riders double for what would be very short trips.
- Charging double the ADA Spec-Trans fare for non-ADA service is considered positive, because the higher base fare more equitably reflects the higher cost of providing those longer trips.
- The elimination of transfers and introduction of day passes is considered neutral with respect to equity, because almost all ACT passengers ride at least twice per day on days in which they ride the bus. Therefore, the ability to cost-effectively purchase a day pass would prevent passengers from having to pay to board a second bus to complete the trip.
- Offering Spec-Trans ticket discounts is considered to have a neutral on equity—with the positive impact of rewarding passengers for paying for the service ahead of time offset by the potential negative impact of the poorest passengers missing out on the discount because they cannot afford the upfront cost of the ticket booklets.
- Eliminating the student fare on all services may be inequitable for the very few students who use this fare category.
- Offering a special program to college students at participating colleges may increase equity by offering a discount to a group with little disposable income.

Simplicity

- Raising base fares on fixed-route and Spec-Trans services does not complicate or simplify the system for riders or operators.
- Charging higher fares for on-call service greatly increases the complexity of the fare structure to the riders. Most ACT riders transfer at some point during their trip; in scenario 2, those riders transferring to on-call service from a fixed-route service would need to pay one fare on the first part of the trip and then pay an upgrade for the second. Alternatively, they could purchase a higher-priced daily or monthly on-call pass to use on all trips.
- Creating a two-tiered Spec-Trans fare, in contrast does not complicate the system, because Spec-Trans riders do not transfer between vehicles.
- Introducing day and monthly passes for all riders, and semester passes for college students, simplifies the system for riders, especially when transfers are also eliminated. Riders generally find passes easy to use, while the current transfer system can be difficult to understand and enforce.
- Eliminating student fares simplifies the system for operators and riders because it reduces the number of possible fares to two: full and half.

Efficiency

- Raising base fares on fixed-route and ADA Spec-Trans services has no impact on efficiency.
- Adding a new fare level for on-call service would add four new passes—full- and half-fare day passes and full- and half-fare monthly passes—which would have to be printed, distributed, and sold. Only a small number of riders would buy these products, so this fare change would be a highly inefficient way to increase revenue.
- Similarly, adding a non-ADA Spec-Trans fare category would require additional tickets to be printed, distributed and sold, and it would require ACT to keep track of which customers should be paying which fare.
- Eliminating transfers reduces printing costs and reduces opportunities for fare evasion. Likewise, eliminating student fares reduces the number of different types of passes that must be printed and sold. Both changes would make the fare collection system more efficient.
- The introduction of monthly passes decreases the amount of cash collected on the system, which can reduce cash counting costs and provide ACT with fare revenues up front.

Table 5.5
Scenario 2: Ridership and Revenue Changes

Service Type		Change in Annual Boardings	% Change in Annual Boardings	Change in Annual Revenue	% Change in Annual Revenue
Fixed-Route/On-Call	Fixed-Route (excl. college students)	-11,681	-4.6%	+\$7,695	+8.8%
	On-Call (excl. college students)	-11,063	-29.4%	+\$3,233	+25.7%
	College Students	+9,414	+25.0%	+\$11,821	+89.7%
	Subtotal Fixed-Route and On-Call	-13,330	-4.1%	+\$22,748	+20.0%
<hr/>					
Spec-Trans	ADA Spec-Trans	-6,586	-16.9%	+\$3,378	+5.8%
	Non-ADA Spec-Trans	-7,965	-66.7%	-\$2,328	-13.1%
	Subtotal All Spec-Trans	-14,551	-28.6%	+\$1,050	-1.4%
<hr/>					
Total System		-27,881	-7.4%	+\$23,798	+12.6%

SCENARIO 3: PASSES AND DEEPER DISCOUNTS

Scenario 3 includes the following fare changes or components:

Fare Increases

- Increase fixed-route base fare to \$1.50 (with concurrent increase in the senior/disabled/Medicare fare to \$0.75)
- Increase on-call base fare to \$3.00 (with concurrent increase in the senior/disabled/Medicare fare to \$1.50)
- Increase ADA Spec-Trans base fare to \$3.00
- Increase non-ADA Spec-Trans fare to \$6.00 for trips not required by ADA (those outside of $\frac{3}{4}$ mile along the fixed routes)

Fare Payment

- Introduce day pass on fixed-route and on-call services (priced at \$3.00 and \$6.00) and eliminate paper transfers
- Introduce monthly pass on fixed-route and on-call services (priced at \$30.00 and \$60.00) and eliminate tickets
- Sell tickets for Spec-Trans services at a 20-percent discount in books of 10, 20, and 30
- Eliminate cash payments on Spec-Trans services

Students

- Eliminate student fare on all services
- Introduce a pilot on-call evening service, aimed at local college students but open to anyone, which would accept advance reservations as well as on-demand trips, as space allows. Local college students could use this service, along with all fixed-route services, for free with their student IDs or semester passes, depending on ACT's preference. The general public would pay for this service according to the same fare structure as ACT's new on-call route in the medical center. This fare change would require negotiating for participating colleges to pay for the portion of this service attributable to their students.

Table 5.6
Scenario 3: Evaluation

Fare Change/Criterion	Ridership	Revenue	Recovery	Equity	Simplicity	Efficiency	Total
Increase fixed-route base fare to \$1.50	Negative	Positive	Positive	Positive	Neutral	Neutral	+2
Increase on-call (including new evening service) base fare to \$3.00	Negative	Positive	Positive	Neutral	Negative	Negative	-1
Increase ADA Spec-Trans base fare to \$3.00	Negative	Neutral	Positive	Positive	Neutral	Neutral	+1
Increase non-ADA Spec-Trans base fare to \$6.00	Negative	Negative	Positive	Positive	Neutral	Negative	-1
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Introduce fixed-route/ on-call day pass and eliminate transfers	Positive	Neutral	Neutral	Neutral	Positive	Positive	+3
Introduce deeply discounted fixed-route/on-call monthly pass and eliminate tickets	Positive	Neutral	Neutral	Negative	Positive	Positive	+2
Implement 20% discounts on all Spec-Trans tickets	Positive	Negative	Negative	Positive	Neutral	Neutral	0
Eliminate cash on all Spec-Trans services	Negative	Neutral	Neutral	Negative	Neutral	Positive	-1
<hr/>							
Eliminate student fare on all services	Neutral	Neutral	Neutral	Negative	Positive	Positive	+1
Add evening service and allow college students to ride fixed-route and on-call services for free	Positive	Positive	Neutral	Positive	Positive	Negative	+3

Scenario 3: Explanation of Criteria Evaluation

The values assigned in table 5.6 are explained as needed below:

Ridership

- As in scenarios 1 and 2, raising fares has a negative impact on ridership, but ridership of on-call and non-ADA Spec-Trans services will decline more sharply than that of fixed-route and ADA Spec-Trans services because the fare increases on those services are larger.
- The change in ridership from eliminating the student fare is so small that it is considered a neutral impact here.
- Introducing day passes and monthly passes has a positive impact on ridership because it makes all rides over the breakeven point free to riders, encouraging them to ride more.
- Eliminating cash on Spec-Trans could have a negative impact on ridership if ACT does not add more locations at which passengers can buy tickets. This negative impact is not quantified in the fare elasticity model but is included in the evaluation matrix.
- The change in ridership from eliminating the student fare is so small that it is considered a neutral impact here.
- Partnering with local colleges to help fund evening service and passes for college students increase college student ridership. All students will have passes, encouraging greater use of the system, and students who were already riders will continue to ride.

Revenue

- Because transit prices are generally inelastic, raising the base fares of fixed-route and on-call services has a positive effect on revenue, because the increase in fare receipts outweighs the decrease in ridership. The fare increase on ADA Spec-Trans service is large enough, however, that the increased revenue it brings is offset by decreased ridership, yielding a neutral impact. The fare increase on non-ADA Spec-Trans trips is so large that the increased revenue it brings does not compensate for decreased ridership, also yielding a negative impact.
- The revenue gained from the sale of day and monthly passes is about the same as the cash and ticket sales they would replace, yielding a neutral impact.
- The change in revenue from eliminating cash on Spec-Trans is so small that it is considered a neutral impact here.
- The change in revenue from eliminating the student fare is so small that it is considered a neutral impact here.
- The estimated revenue from the college program is much higher than existing college student fares and is assessed as positive. Note, however, that this estimate of revenue is contingent on agreement from participating colleges to pay for a portion of the new evening service.

Recovery

- As noted in scenario 2, fare recovery generally increases as fare revenue increases, and fare recovery falls as fare revenue falls. Thus, raising the base fare on fixed-route and on-call services produces a positive impact on recovery because it produces a positive impact on revenue. And though in scenario 3 raising the base fare for ADA and non-ADA Spec-Trans services has neutral and negative impacts, respectively, it has a positive effect on recovery because ACT could reduce operating costs as it operates fewer trips, especially long trips outside the ADA service area.
- The anticipated revenues from scenario 3's college program are significant, but because the program requires additional operating costs, its impact on recovery is neutral.

Equity

- Increasing base fares on fixed-route and ADA Spec-Trans services is considered to have a positive impact on equity because it achieves greater equity between riders, who pay to ride, and non-riders, who support ACT through taxes. In other words, riders pay closer to their fair share.
- Charging double the fixed-route fare for on-call service is considered to have a neutral impact on equity. The positive impact of riders paying more of their share is offset by the negative impact of charging riders double for what could be very short trips.
- Charging double the ADA Spec-Trans fare for non-ADA service is considered positive, because the higher base fare more equitably reflects the higher cost of providing those longer trips.
- Offering deeply discounted monthly passes could create equity issues, because such passes are only available to those riders who can afford to buy a whole month of rides up front. Thus, scenario 3's monthly passes are considered to have a negative impact on equity.
- Offering larger Spec-Trans ticket discounts is considered positive regarding equity—with the positive impact of rewarding passengers for paying for the service ahead of time offsetting at least some of the negative impact of eliminating cash. Unlike scenario 2, even the poorest passengers will get the discount because they cannot pay cash.
- Eliminating cash fares from Spec-Trans could have a negative equity impact because even the poorest passengers will have to have enough money to buy at least 10 tickets (smallest ticket booklet at a time) and must visit a ticket outlet to purchase their fares.
- Eliminating the student fare on all services may be inequitable for the very few students who use this fare category.
- Partnering with local colleges to pay for a portion of the proposed evening service is equitable, because the colleges' students would account for a large portion of ridership.

Simplicity

- Raising base fares on fixed-route and Spec-Trans services does not complicate or simplify the system for riders or operators.
- Charging higher fares for on-call service greatly increases the complexity of the fare structure to the riders. Most ACT riders transfer at some point during their trip; in scenario 3, as in scenario 2, those riders transferring to on-call service from a fixed-route

service would need to pay one fare on the first part of the trip and then pay an upgrade for the second. Alternatively, they could purchase a higher-priced daily or monthly on-call pass to use on all trips.

- Creating a two-tiered Spec-Trans fare does not complicate the system, because Spec-Trans riders do not transfer between vehicles.
- Introducing day and monthly passes for all riders, and semester passes for college students, simplifies the system for riders, especially when transfers are also eliminated. Riders generally find passes easy to use, while the current transfer system can be difficult to understand and enforce.
- Eliminating cash on Spec-Trans is neutral—limiting fare media simplifies fare collection for ACT but complicates fare purchasing for passengers.
- Eliminating student fares simplifies the system for operators and riders because it reduces the number of possible fares to two: full and half.

Efficiency

- Raising base fares on fixed-route and ADA Spec-Trans services has no impact on efficiency.
- Adding a new fare level for on-call service would add four new passes—full- and half-fare day passes and full- and half-fare monthly passes—which would have to be printed, distributed, and sold. Only a small number of riders would buy these products, so this fare change would be a highly inefficient way to increase revenue.
- Similarly, adding a non-ADA Spec-Trans fare category would require additional tickets to be printed, distributed and sold, and it would require ACT to keep track of which customers should be paying which fare.
- Eliminating transfers reduces printing costs and reduces opportunities for fare evasion, eliminating cash on Spec-Trans services reduces the number of vaults that must be emptied and counted each day, and eliminating student fares reduces the number of different types of passes that must be printed and sold. All make the fare collection system more efficient.
- The introduction of monthly passes decreases the amount of cash collected on the system, which reduces cash counting costs and provides ACT with fare revenues up front.
- Introducing evening service in partnership with colleges would require ACT to count the number of college students on the evening service in order to charge colleges their proportion of operating costs. Having funding partners for the new evening service may be desirable, but it would create new challenges.

Table 5.7
Scenario 3: Ridership and Revenue Changes

Service Type		Change in Annual Boardings	% Change in Annual Boardings	Change in Annual Revenue	% Change in Annual Revenue
Fixed-Route/On-Call/Evening	Fixed-Route (excl. college students)	-22,363	-8.9%	+\$15,767	+18.0%
	On-Call (excl. college students)	-15,297	-40.6%	+\$34,540	+34.7%
	Evening (excl. college students)	+3,696	—	+\$3,128	—
	College Students	+13,110	+34.8%	+\$95,000	+620.8%
	Subtotal: Fixed-Route, On-Call, Evening	-20,854	-6.4%	+\$105,256	+92.4%
Spec-Trans	ADA Spec-Trans	-14,052	-36.1%	+\$7,483	+12.9%
	Non-ADA Spec-Trans	-8,384	-70.2%	+\$1,108	+6.2%
	Subtotal: All Spec-Trans	-22,436	-44.1%	+\$8,590	+11.4%
Total System		-43,290	-11.4%	+\$113,896	+60.0%

VI: RECOMMENDATIONS

Chapter 3 outlined three scenarios according to which ACT could modify its fare structure. Chapter 4 explained how a model was developed to assess the impacts of these scenarios on ridership and revenue. And chapter 5 evaluated these scenarios more subjectively for their broader impact on six service criteria. In this chapter, the best elements of each scenario are combined into a set of recommendations for ACT. The component fare changes are numerous, but they can be briefly summarized as follows: raise fares, introduce more prepaid fare instruments, and introduce new student discounts and programs. The recommended fare changes are:

Raise Fares

- Increase fixed-route and on-call base fares to \$1.00 (with concurrent increase in the senior/disabled/Medicare fare to \$0.50)
- Increase ADA Spec-Trans base fare to \$2.00
- Increase non-ADA Spec-Trans fare to \$4.00 for trips not required by ADA (those outside of $\frac{3}{4}$ mile along the fixed routes)

Introduce Prepaid Fare Instruments

- Introduce day passes on fixed-route and on-call services (priced at \$2.00) and eliminate paper transfers
- Introduce monthly passes on fixed-route and on-call services (priced at \$30.00) and eliminate tickets
- Sell tickets for Spec-Trans services at a 10-percent discount in books of 10, 20, and 30

Introduce New Student Programs and Discounts

- Charge students ages 6–18 the same half fare as elderly and disabled passengers—rather than a separate fare—on fixed-route and on-call services
- Eliminate student fare on Spec-Trans services
- Allow Amarillo College students to board buses for no fare with their student ID cards, subject to approval and funding from Amarillo College and ACT

RAISE FARES

Given ACT's goal of improving its fare recovery ratio, all three scenarios evaluated included some fare increase; the difference was in degree. This study recommends raising the base fare on fixed-route and on-call services to \$1.00, with a concurrent increase in the reduced fare to \$0.50. Scenarios 1 and 2 show that raising the base fare by twenty-five cents will have positive impacts on and fare revenue and recovery without harming ridership too greatly. The \$1.50 fare proposed in scenario 3 is not in itself a poor choice. But, given the number of fare changes likely to go into effect at once, combined with the recent route restructuring, this study prefers an incremental approach to raising fares. Scenarios 2 and 3 also included a separate,

higher fare for on-call service such as ACT's current Route 13. Such a fare would indeed raise revenue, but at the expense of simplicity and efficiency. The resulting system would be difficult for passengers to understand and for ACT to administer. Even one of its apparent virtues—charging riders more for door-to-door service—is offset by the inequity of charging riders for what could be very short trips.

If ACT charges \$1.00 for fixed-route and on-call services, it should charge \$2.00 for Spec-Trans service, which is consistent with FTA's requirement for pricing ADA complementary paratransit services. But, in addition to raising the Spec-Trans fare in tandem with the base fare, this study recommends introducing a new fare, priced at \$4.00, for Non-ADA trips. ADA requires that transit agencies provide complementary demand-response service to locations within three quarters of a mile of fixed-routes—not to any location within a city or region. Spec-Trans trips that begin or end outside the ADA service area are likely to be long and costly for ACT to operate. Charging higher fares for such trips will help improve fare recovery and reflect their nature as a premium service. Note that in order for this recommendation to be implemented, Amarillo City Council will need to adopt a new Spec-Trans service area that adheres to strictly defined areas within three quarters of a mile of fixed routes.

INTRODUCE PREPAID FARE INSTRUMENTS

In addition to raising revenue, ACT would also like to improve its cash handling and consider new payment options. Of the various combinations of tickets, day passes, and monthly passes evaluated in scenarios 1, 2 and 3, day passes and monthly passes were found to be desirable as was eliminating paper transfers and paper tickets on fixed-route and on-call services. Tickets should be retained on Spec-Trans, since time-based passes are not commonly used on ADA paratransit service.

Day passes and monthly passes have many advantages. They encourage ridership, because all rides over the breakeven point become free to riders. They are simple to use, making for satisfied customers. And they reduce cash collected on the system, moderating cash counting costs and minimizing opportunities for theft. Implementing day passes also allows for the elimination of paper transfers, which clog fare boxes, confuse riders, and are easy to counterfeit. Monthly passes, meanwhile, reward regular users of the system and provide ACT with more fare revenue up front.

If paper transfers are eliminated, so should be paper tickets. There will then be no paper in fare boxes, simplifying cash counting and potentially allowing it to be outsourced to a local bank. Furthermore, as ACT introduces day passes and monthly passes, it will have to print more fare media. There is no upside to continuing to offer a fare medium like paper tickets that does not improve ridership or simplify fare collection. This being said, ACT should retain paper tickets on Spec-Trans, but sell them at a 10-percent discount to reward regular riders. Pass systems are rare on paratransit—of Amarillo's peers, only Lincoln offers one—and the small amount of labor that would be saved from eliminating paper from Spec-Trans fare boxes does not offset the complication of introducing yet more fare media for a very limited customer base.

ACT currently sells tickets to various social service agencies for distribution to their clients. Once tickets are eliminated from the fixed-route system and day and monthly passes introduced, ACT will need some method by which social service agencies can distribute transit fare media to their customers. One option is that ACT sell to the social service agencies paper

vouchers that are redeemable for day passes. A customer using a voucher would hand it to the bus operator in exchange for a day pass good for that day's travel.

INTRODUCE NEW STUDENT DISCOUNTS AND PROGRAMS

With its new fare category for non-ADA Spec-Trans trips and multiple new passes, the fare structure recommended by this study is more complex than ACT's current one. Therefore, changes that mitigate this complexity are desirable. Two elements of the current fare structure concerning students can be eliminated without significant harm to ridership or revenue. ACT currently charges students 6–18 riding its fixed and on-call routes a fare equal to approximately three quarters of the base fare. This fare category should be eliminated in favor of charging students the same half fare as other discount groups, such as seniors and disabled passengers, pay. Doing so will simplify ACT's fare structure and obviate the need for day passes or monthly passes priced specially for students. It could potentially improve ridership at only a modest cost to revenue as well.

On Spec-Trans service, meanwhile, ACT should eliminate its student fare entirely. This fare is lightly used at best, and reduced fares are not required for any group on ADA-required service. Removing the Spec-Trans student fare is unlikely to significantly affect ridership or revenue, and ACT will benefit because it will not have to print special tickets or administer different fare categories on Spec-Trans service.

This report's final recommendation concerning students is more ambitious. ACT has expressed interest in better serving students at local colleges and has discussed students' needs with the colleges. To that end, scenarios 1, 2, and 3 tested different ways of increasing college-student ridership. The evaluations in chapter 5 show that any fare change aimed at college students, whether it be offering discounts directly or arranging for colleges to pay for rides, encourages ridership and promotes equity. Options that include payments by colleges to ACT have the added benefit of increasing revenue. Broadly speaking, ACT should pursue partnerships with local colleges in which the colleges pay ACT to provide free rides, and potentially special service, to their students.

As of this writing, ACT is in the process of negotiating such a program with Amarillo College (AC) and hopes to begin a demonstration in 2019. Under the proposed agreement, AC will pay ACT \$100,000 per year. In exchange, ACT will allow AC students to ride fixed routes for free with their student IDs and will provide a new, demand-response evening service reserved for AC students four nights per week. This program is forecast to increase ridership and passenger miles, which are important to receiving federal grants. The \$100,000 per year will cover the cost of operating the new evening service and the fare revenues lost from AC students who currently pay to ride, and it will have a positive impact on fare recovery as well.

SUMMARY

Table 6.1 summarizes the recommended fare structure. Table 6.2 presents the above recommendations as an evaluation matrix, as in chapter 5. And table 6.3 shows the projected changes in ridership and revenue that will result from implementing the recommended fare structure.

**Table 6.1
Summary of Recommended Fare Structure**

Fare Type	Fixed-Route/On-Call Price	Spec-Trans Price
Full	\$1.00	\$2.00 in ADA service area \$4.00 in non-ADA service area
Senior/Disabled/Medicare/ K-12 Student	\$0.50	\$2.00/\$4.00
College student	Free for AC students	\$2.00/\$4.00
Under 5	Free	Free
Paper Transfers	No	No
Tickets	No	10% Discount
Day Pass	\$2.00	No
Monthly Pass	\$30.00	No

Table 6.2
Evaluation of Recommended Fare Changes

Fare Change/Criterion	Ridership	Revenue	Recovery	Equity	Simplicity	Efficiency	Total
Increase fixed-route/on-call base fare to \$1.00	Negative	Positive	Positive	Positive	Neutral	Neutral	+2
Increase ADA Spec-Trans base fare to \$2.00	Negative	Positive	Positive	Positive	Neutral	Neutral	+2
Increase non-ADA Spec-Trans base fare to \$4.00	Negative	Negative	Positive	Positive	Neutral	Negative	-1
<hr/>							
Introduce fixed-route/ on-call day pass and eliminate paper transfers	Positive	Neutral	Neutral	Neutral	Positive	Positive	+3
Introduce fixed-route/on-call monthly pass and eliminate tickets	Positive	Neutral	Neutral	Neutral	Positive	Positive	+3
Implement 10% discounts on all Spec-Trans tickets	Positive	Negative	Negative	Neutral	Neutral	Neutral	-1
<hr/>							
Eliminate Spec-Trans student fare	Neutral	Neutral	Neutral	Negative	Positive	Positive	+1
Charge students half-price fare and eliminate separate student fare on fixed-route/on-call services	Positive	Negative	Negative	Neutral	Positive	Positive	+1
Introduce college student program in partnership with AC	Positive	Positive	Positive	Positive	Positive	Neutral	+5

Table 6.3
Recommended Scenario: Ridership and Revenue Changes

Service Type		Change in Annual Boardings	% Change in Annual Boardings	Change in Annual Revenue	% Change in Annual Revenue
Fixed-Route/On-Call	Fixed-Route (excl. college students)	-10,347	-4.1%	+\$7,284	+8.3%
	On-Call (excl. college students)	-1,546	-4.1%	+\$1,088	+8.3%
	College Students	+9,414	+658.8%	+86,821	+89.7%
	Subtotal Fixed-Route and On-Call	-2,497	-.8%	+\$95,194	+83.6%
<hr/>					
Spec-Trans	ADA Spec-Trans	-6,586	-16.9%	+\$3,378	+5.8%
	Non-ADA Spec-Trans	-7,965	-66.7%	-\$2,328	-13.1%
	Subtotal All Spec-Trans	-14,551	-28.6%	+\$1,050	-1.4%
<hr/>					
Total System		-17,030	-4.5%	+\$96,243	+50.8%

VII: SUPPORTING RECOMMENDATIONS AND PUBLIC FEEDBACK

Changing ACT's fare structure alone will not guarantee the financial health of the department. To ensure the success of the new fare structure, as well as to further address ACT's second study goal—identifying innovative solutions for fare collection and payment options—this study recommends that the department take the following additional steps:

- Expand network of sales outlets for prepaid fare media
- Improve fare media design
- Investigate mobile ticketing
- Establish a regular schedule for fare increases

EXPAND NETWORK OF SALES OUTLETS FOR PREPAID FARE MEDIA

As it encourages riders to move away from cash toward preprinted fare media, ACT must make it easier to buy such fare media. Currently, paper tickets can only be purchased at City Hall and ACT's office. The City currently accepts payments for water bills online and at several retail locations, including through Western Union for a \$1.00 fee at Fiesta Foods, Taylor Furniture, Mr. Payroll (located inside select Toot'n Totum stores), and United Supermarkets; and through Fidelity Express for a \$1.50 fee at Grand Discount and K&T Discount stores. Since these payment systems are already in place, ACT should investigate whether transit fare media could be added to the City's online payment system and retail locations.

When additional sales outlets become available, ACT should discontinue fare media sales at its office. The Transit Office is not convenient for most customers, and fare sales there are low. Moreover, delegating cash handling to venues better designed for secure handling of cash and fare media will reduce the risk of mishandled monies.

IMPROVE FARE MEDIA DESIGN

ACT currently prints tickets through the City's print shop. The costs are quite low—less than \$2,000 in FY 2017. Under the recommended fare structure, however, more and more riders will use preprinted fare media such as day and monthly passes, which will increase ACT's printing costs. It will also increase incentive for riders to counterfeit fare media. ACT's operators have to visually validate passes, meaning that riders seeking to evade fares can produce and use counterfeit tickets with relative ease. All transit systems using paper fare media must contend with the threat of counterfeiting, and several printing companies now offer technologies designed to reduce counterfeiting transit tickets. Anti-counterfeit measures currently on the market include serial numbers, photocopier-resistant inks, ultraviolet-sensitive inks, holographic foil, embossed images or text, and glitter.

Weighing the benefits of using anti-counterfeiting measures against the costs is difficult. As a report prepared for King County Metro in Washington State notes, "counterfeit passes and transfers are hard to detect" and, "as hard as it is to measure the *number* of fare evaders, it is

even more difficult to measure of the *cost* of fare evasion.”⁸ Anecdotal evidence from Boston and northern Virginia suggests that fare evasion through counterfeiting is rare but real.⁹ A 2009 study at the San Francisco Municipal Transportation Agency, meanwhile, found that counterfeit passes accounted for only 1 percent of that agency’s fare evasion.¹⁰

Even given the uncertainty surrounding the incidence of counterfeiting, ACT should know its options. It should ask the City’s print shop to price its new products with a couple of different anti-counterfeiting measures to determine if any one of them makes financial sense. It could also look into outsourcing printing to a third party. This route could prove more costly than keeping printing in house, but it could also allow expand the range of possible anti-counterfeiting technologies.

INVESTIGATE MOBILE TICKETING

In addition to adding preprinted fare media, ACT should investigate mobile ticketing, which would allow ACT to a further payment option without having to invest in new fare collection equipment. Mobile ticketing has the potential to reduce operating costs, because it reduces demand for preprinted fare media, and it would also support ACT’s new pass system, because riders would be able to purchase passes on their phones rather than at retail outlets. A number of mobile ticketing vendors are now active in the market, and ACT should issue a Request for Proposals to assess what product might best fit its needs and budget.

Definition and Assessment

Mobile ticketing refers to any technology in which riders use their smartphones to buy, store, and use tickets and passes for transit. Such technologies are rapidly being adopted by transit agencies across the country. To date, most of these agencies serve cities larger than Amarillo. Only one of Amarillo’s peer agencies—StarTran, in Lincoln—currently has mobile ticketing technology, and a transit planner there reports that the technology is growing in popularity. Agencies in Grand Junction and Topeka are considering introducing mobile ticketing as well.

Mobile ticketing is attractive to transit agencies because it requires few capital expenditures and reduces demand for printed fare media while offering customers a convenient way to pay. In a report prepared for Florida Department of Transportation (FDOT) in 2016,

⁸ “Report on Fare Evasion on Metro Transit,” King County Department of Transportation (April 2010), accessed August 9, 2018, <https://kingcounty.gov/~media/depts/transportation/metro/accountability/reports/2010/FareEvasion04-10.pdf>

⁹ “MBTA on watch for train fare evaders,” *Boston Globe*, October 8, 2010, http://archive.boston.com/news/local/massachusetts/articles/2010/10/08/mbta_on_watch_for_train_fare_evaders; “VRE seeks increased fines for fare evaders,” *fredericksburg.com*, February 1, 2012, accessed August 9, 2018, https://www.fredericksburg.com/news/transportation/vre-seeks-increased-fines-for-fare-evaders/article_981f23fa-ba69-5394-a7cd-5e73038f9cfa.html.

¹⁰ “Off-Board Fare Payment Using Proof-of-Payment Verification,” TCRP Synthesis 96 (Washington, D.C.: Transportation Research Board, 2012).

many transit agencies cited improving the customer experience and reducing cash handling expenses as reasons for procuring mobile ticketing.¹¹ Furthermore, the Transportation Research Board notes that mobile ticketing has the potential to be integrated with special transit offers, trip-planning applications, and payment for non-transit services or events.¹² Compared with other changes in fare collection, moreover, mobile ticketing can be implemented quickly—one vendor advertises being able to deploy mobile ticketing six weeks after signing a contract—and adapted more readily to future changes in technology.

Early adopters of mobile ticketing faced a steep learning curve. Now, agencies looking to procure mobile ticketing can learn from the experiences of others. The FDOT report recommends that interested agencies determine how much ridership data they want to collect in order to determine the best technology for their needs and to take all steps possible to avoid interruption or failure of service. It also cautions that mobile ticketing requires extensive marketing in order to be successful and encourages agencies to account for such costs in their budgets. Still, broadly speaking, most agencies with mobile ticketing deem the technology useful and believe it is beneficial to both agencies and customers.

Forms of Mobile Ticketing

The flash pass is the simplest form of mobile ticketing to implement and is the most common form of so-called “lightweight” mobile ticketing, in which mobile ticketing technology is not integrated into existing fare collection technology. To use flash passes, riders activate the tickets on their phones and show them to the operator, who validates them visually. Many agencies add animation or countdown clocks to their tickets to indicate that a ticket is activated and to hinder counterfeiting. Flash passes are attractive to many agencies because they require no additional onboard technology and are quick and easy to verify.

Mobile tickets with QR codes are common as well. With this technology, riders either scan their tickets at fareboxes or have their tickets scanned by operators or conductors. Tickets with QR codes require investing in the technology to read the codes, but they also offer more data on when and where riders are using transit than flash passes do. Several other technologies, including text messaging, near field communication, and Bluetooth, have also been applied to mobile ticketing, but they have limited relevance to ACT’s needs because of their complexity and cost.

Vendors

There are a number of mobile ticketing vendors on the market, and the following discussion represents only a small sample of what is available. Token Transit, which operates StarTran’s program, specializes in bus passes. Its primarily serves small to midsize agencies, and its clients include Big Blue Bus (Santa Monica, CA), Beaumont Pass Transit (Beaumont, TX), Embark (Oklahoma City, OK), and The Bus (Springfield, MO).

¹¹ “Assessment of Mobile Fare Payment Technology for Future Deployment in Florida (Center for Urban Transportation Research, March 2016).

¹² “Preliminary Strategic Analysis of Next Generation Fare Payment Systems for Public Transportation,” TCRP Report 177 (Washington, D.C.: Transportation Research Board, 2015.)

Other vendors include Passport, which offers mobile solutions for parking and tolling in addition to transit; moovel, which allows riders to plan trips end-to-end in addition to purchasing tickets; and Masabi, which offers more products geared toward rail and serves larger cities such as Las Vegas, New York, Athens, and London. All vendors tout their ability to collect and analyze data to help agencies better understand how riders are using transit, though as mentioned above, collecting ridership data requires using QR code scanners or similar technology.

Costs

Two examples drawn from the FDOT report—one from Long Island and one from South Carolina—provide an idea of the cost of mobile ticketing. Nassau Inter-County Express (NICE), which serves Nassau County, New York, procured a lightweight mobile ticketing from Masabi several years ago. The agency reports that operating costs are about \$7,000 per month. After conducting a pilot program with mobile ticket scanners, NICE decided not to buy them, because they cost about \$10,000 apiece.

COMET, which serves the Columbia, South Carolina, metro area contracts with Passport for mobile ticketing. Passport initially offered the agency a six-month pilot program free of charge. It then charged a start-up fee of \$15,000 and it collects 10 percent of gross mobile app sales. Dallas Area Rapid Transit (DART) and Chicago Transit Authority (CTA) also both pay their vendors by transaction. Start-up costs and transaction fees for these agencies were not available for this report.

ESTABLISH SCHEDULE FOR FARE INCREASES

To guarantee a lasting impact, ACT should also now plan for the future. As noted above, the \$0.25 fare increase recommended in this report is conservative. It sends an important message—that fares must rise to maintain current levels of service—but it does not drastically increase fare revenue. It is not this study's intention, however, that fare levels remain constant for another twenty-five years. ACT should therefore set a regular schedule by which it considers fare increases.

In setting policies for fare increases, transit agencies must weigh the cost and difficulty of raising fares incrementally and frequently against public backlash that infrequent large fare changes may engender. This study recommends that ACT raise its base fare by \$0.25 (with proportional increases in all other fare categories and instruments) every other year until its base fare is at least equal to the median base fare of its peer group. A biannual schedule is preferable to an annual one because fare increases are burdensome: each requires hearings, reprinted fare media, updated printed materials, and other tasks. But every-other-year fare increases are frequent enough that they have positive financial impacts and create public expectation for gradually rising fares. Assuming that the median base fare of ACT's peer group continues to rise, ACT will likely have to raise fares three more times over the next six years to equal that figure.

In the future, ACT may want to set a fare recovery goal as well. Fare recovery can be improved not only by raising fares but also by increasing ridership and reducing operating costs. Once the financial impact of the fare structure, the permanence of the college program, and the ridership gains from the new route structure are known, ACT may then be able to determine what a reasonable, achievable fare recovery goal could be.

PUBLIC FEEDBACK ON RECOMMENDATIONS

To introduce and gauge reaction to the proposed fare changes, ACT held four public meetings at Amarillo libraries between September 15th and September 19th, 2018. A total of nine people attended the four meetings. All attendees were all positive toward the proposed fare changes, recognizing that fares have not increased in a long time and welcoming the idea of using a day pass in lieu of paper transfers. ACT received one comment by phone opposing the proposed fare changes: a disabled rider of fixed-route service stated that she has difficulty affording the current discounted fare of \$0.35 and disapproves of any fare increase.

CONCLUSION

From the outset, ACT had four goals for this study: to streamline and improve cash handling and ridership data collection, to identify innovative solutions for fare collection and payment options, to consider fare structure options that can increase ridership, and to improve its fare recovery ratio. The recommendations presented here directly address these goals. Day passes and monthly passes will reduce the amount of cash ACT handles and processes, and along with mobile ticketing, they will offer customers new ways to pay and ride the bus. Passes will also promote greater ridership, as will lower student fares and ACT's agreement with AC. Finally, raising fares and instituting the program with AC will bring in more revenue, thus improving ACT's low fare recovery ratio.

ACT has also expressed interest in developing a long-term fare strategy. This should be the focus of its efforts once the new fare changes are in place. As explained above, scheduling fare increases and setting goals for fare recovery help make for a healthy financial future. Lastly, ACT has requested recommendations regarding data collection for NTD reporting, which is essential to receiving federal grants. These recommendations are currently being developed and will be submitted in a separate memorandum.

As a City department, fare changes by ACT require approval by Amarillo's City Council. This study hopes that the Council will review and act on the recommendations contained in this report soon. The fare changes and supporting recommendations proposed here will help bring ACT more in line with its peers in terms of fare levels, ridership, and fare recovery, and they will make ACT's operations more efficient. Most importantly, they will help ACT provide maintain and improve transit service for the citizens of Amarillo.

10



Amarillo City Council Agenda Transmittal Memo



Meeting Date	October 16, 2018	Council Priority	Highly Educated Population
Department	Public Health		
Contact	Casie Stoughton		

Agenda Caption

Discussion –2018 Community Health Assessment

This item is to discuss the 2018 Public Health Community Health Assessment which is intended to fully understand the health needs of the citizens of the Bi-City County Health District. The 2018 Community Health Assessment includes telephone survey, focus groups, and key informant survey.

Agenda Item Summary

The 2018 Community Health Assessment includes a telephone survey, focus groups and key informant survey to assess the health of the citizens of the Bi-City County Health District. Focus is specifically placed in the overall health trends and community health indicators, community access to primary care and preventative health services, and measures gauging access for uninsured/underserved populations.

Requested Action

Discuss 2018 Community Health Assessment.

Funding Summary

Funding provided by the public health department through proceeds earned from DSRIP projects.

Community Engagement Summary

Telephone surveys, key informant survey, focus groups.

Staff Recommendation

Present for adoption on October 23, 2018.



STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

On the 9th day of October 2018, the Amarillo City Council met at 12:00 p.m. for a work session which was held in the Council Chamber located on the third floor of City Hall at 509 Southeast 7th Avenue, with the following members present:

GINGER NELSON
ELAINE HAYS
FREDA POWELL
EDDY SAUER

MAYOR
COUNCILMEMBER NO. 1
COUNCILMEMBER NO. 2
COUNCILMEMBER NO. 3

Absent was Councilmember Smith. Also in attendance were the following administrative officials:

JARED MILLER
MICHELLE BONNER
BRYAN MCWILLIAMS
STEPHANIE COGGINS
FRANCES HIBBS

CITY MANAGER
DEPUTY CITY MANAGER
CITY ATTORNEY
ASSISTANT TO THE CITY MANAGER
CITY SECRETARY

Mayor Nelson established a quorum, called the meeting to order, welcomed those in attendance and the following items of business were conducted:

PUBLIC COMMENT

Jerri Glover, 5707 Berget Drive, spoke on meeting times and Council's attendance during public comment. She proposed public comment be moved back before the regular meeting. She also spoke on the Confederate statute in Memorial Park. Mike Fisher, 4410 Van Kriston Drive, questioned the Texas Tech projects AEDC has assisted with funding. Councilmember Hays inquired if the economic study has been posted and where it could be accessed. Claudette Smith, 4410 Van Kriston Drive, stated she believed Council ignored the frequent attendees and selectively chose who they serve and what ordinances are enforced. Dan Quandt, CVC, 4719 Oregon Trail, introduced Hollie Hawkins (3308 Marion Street) and Ashley Gutierrez (8211 Wrangler Trail), they spoke on staff and citizens helping to bring conventions to Amarillo. Ms. Gutierrez stated the financial impact was over \$4.6 million and everyone can be a leader. Mr. Quandt thanked Council for a recent Resolution endorsing the Traps bid and citizens being able to bring more businesses and conventions to Amarillo. Rusty Tomlinson, 5700 Canyon Drive, spoke on the Confederate statute in Ellwood Park. James Schenck, 6216 Gainsborough Road, stated he disagreed with the previous speaker. He also spoke on the time for public comment. There were no further comments.

ATTEST:

Frances Hibbs, City Secretary

Ginger Nelson, Mayor

STATE OF TEXAS
COUNTIES OF POTTER
AND RANDALL
CITY OF AMARILLO

On the 9th day of October 2018, the Amarillo City Council met at 1:00 p.m. for a regular meeting held in the Council Chamber located on the third floor of City Hall at 509 Southeast 7th Avenue, with the following members present:

GINGER NELSON	MAYOR
ELAINE HAYS	COUNCILMEMBER NO. 1
FREDA POWELL	COUNCILMEMBER NO. 2
EDDY SAUER	COUNCILMEMBER NO. 3
HOWARD SMITH	COUNCILMEMBER NO. 4

Absent were none. Also in attendance were the following administrative officials:

JARED MILLER	CITY MANAGER
MICHELLE BONNER	DEPUTY CITY MANAGER
BRYAN MCWILLIAMS	CITY ATTORNEY
STEPHANIE COGGINS	ASSISTANT TO THE CITY MANAGER
FRANCES HIBBS	CITY SECRETARY

The invocation was given Nell Newton, Minister of Amarillo Universalist Fellowship.

A presentation was held signing the Community Wildfire Protection Plan. Sam Baucom, District Fire Chief introduced Tom Boggus, Texas State Forrester and Director of the Texas A&M Forest Service.

Mayor Nelson established a quorum, called the meeting to order, welcomed those in attendance and the following items of business were conducted:

ITEM 1:

- A. Review agenda times for regular meeting and attachments.
Councilmember Powell asked for an explanation on Item 2D.
- B. Discuss Legislative Agenda.
- C. Downtown Parking Management and Valet Ordinance Discussion.
- D. State of the City October 10.
- E. North Heights Community Cleanup Update.
- F. Consider future Agenda items and request reports from City Manager:
Councilmember Hays inquired how the alleys and debris is being monitored.

CONSENT ACTION ITEMS:

ITEM 2: Mayor Nelson presented the consent agenda and asked if any item should be removed for discussion or separate consideration. Motion was made by Councilmember Powell to approve the consent action items, seconded by Councilmember Smith.

- A. MINUTES:
Approval of the City Council minutes for the meetings held on October 2, 2018.
- B. CONSIDERATION OF THE TEXAS DEPARTMENT OF TRANSPORTATION (TXDOT) ROUTINE AIRPORT MAINTENANCE PROGRAM (RAMP) GRANT AGREEMENT FOR THE RICK HUSBAND AMARILLO INTERNATIONAL AIRPORT:
(Contact: Michael W. Conner Director of Aviation)
The Department of Aviation is seeking approval of the 2019 RAMP Grant agreement. This grant will match funds up to \$42,000 for special projects and services at the Airport approved under the General Maintenance guidelines in this grant agreement.

C. **APPROVAL OF AMARILLO CP1704 AMENDMENT 4 FOR THE AGREEMENT-IN-PRINCIPLE (AIP) GRANT (PANTEX):**

(Contact: Chip Orton, Emergency Management)

This agenda item is to approve a budget amendment which is the money for Fiscal Year 2018/2019 with the Agreement-in-Principle (AIP) Grant (Pantex). This is a yearly contract that will result in the amount of up to \$659,116.00 to be spent by the City of Amarillo as part of this grant.

D. **AWARD – OFFICE FURNITURE ANNUAL CONTRACT:**

(Contact: Trent Davis, Purchasing Agent)

Recommend award to Navajo Office Products in an not-to-exceed list price amount of \$500,000. This annual contract is awarded on the Cooperative Purchasing Network TCPN Blanket Purchase Agreement #R142208. Navajo Office Products is a HUB vendor.

E. **AWARD – CLAMPS SUPPLY AGREEMENT:**

(Contact: Trent Davis, Purchasing Agent)

Award to Triple T Pipe	\$41,608.98
Award to Western Industrial Supply Co.	\$24,523.08
Award to Morrison Supply Co.	\$16,712.90
Award to Core and Main	\$140.08
Total Awarded:	\$82,985.04

Award of Clamps Supply Agreement for use by the Water Distribution and Parks Departments.

F. **AWARD – MEDICAL SUPPLIES ANNUAL CONTRACT:**

(Contact: Trent Davis, Purchasing Agent)

Minnesota Multistate Contracting Alliance (MMCAP) -- \$155,579.32

This award is to approve an annual contract for the purchase of medical supplies.

G. **CONSIDER AWARD – PROFESSIONAL SERVICES AGREEMENT FOR DIGESTER MIXING REHABILITATION AT HOLLYWOOD ROAD WASTE WATER TREATMENT PLANT:**

(Contact: Kyle Schniederjan, Director of CP&DE)

KSA Engineers, Inc. -- \$186,500.00

This item is to consider the award of a Professional Services Agreement for Engineering Services for the design, bidding and construction services phases of the project by KSA Engineers, Inc. at a cost not-to-exceed \$186,500.00.

Voting AYE were Mayor Nelson, Councilmembers Hays, Powell, Sauer and Smith; voting NO were none; the motion carried by a 5:0 vote of the Council.

NON-CONSENT ITEMS

ITEM 3A: Mayor Nelson presented the first reading of an ordinance vacating a five-foot Public Utility Easement in Lot 4, Block 1, Belmont Park Addition Unit No. 1, in Section 157, Block 2, AB&M Survey, Potter County, Texas. (Vicinity: Amarillo Boulevard and Houston Street.) This item was presented by Cris Valverde, Planning & Development Services Assistant Director. Mayor Nelson opened a public hearing.

Motion was made by Councilmember Powell, seconded by Councilmember Sauer, that the following captioned ordinance be passed:

ORDINANCE NO. 7764

AN ORDINANCE OF THE CITY OF AMARILLO, TEXAS DETERMINING LACK OF PUBLIC NECESSITY FOR A PUBLIC UTILITY EASEMENT IN THE VICINITY OF AMARILLO BLVD. & HOUSTON ST., POTTER COUNTY, TEXAS; VACATING AND ABANDONING THE HEREIN DESCRIBED PUBLIC UTILITY EASEMENT; AUTHORIZING THE CITY MANAGER TO CONVEY SUCH REAL PROPERTY TO THE PROPERTY OWNER; PROVIDING A REPEALER CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING AN EFFECTIVE DATE.

Voting AYE were Mayor Nelson, Councilmembers Hays, Powell, Sauer and Smith; voting NO were none; the motion carried by a 5:0 vote of the Council.

ITEM 3B: Mr. McWilliams advised at 2:01 p.m. that the City Council would convene in Executive Session per Texas Government Code (1) 1) Section 551.072 - Discuss the purchase, exchange, lease, sell, or value of real property and public discussion of such would not be in the best interests of the City's bargaining position: (a) Multiple properties located in the vicinity of North Fillmore Street and Amarillo Boulevard; (b) Discuss purchase of multiple properties in the vicinity of Southeast 3rd Avenue and South Johnson Street, north of the Civic Center; and (c) Discuss properties located in the N.E. quadrant of the Downtown Business District.

Mr. McWilliams announced that the Executive Session was adjourned at 2:38 p.m. and recessed the Regular Meeting.

ATTEST:

Frances Hibbs, City Secretary

Ginger Nelson, Mayor

DRAFT

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Amarillo City Council Agenda Transmittal Memo



Meeting Date	October 16, 2018	Council Priority	Infrastructure Customer Service
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Department	Cris Valverde Assistant Director of Planning and Development Services
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Agenda Caption

ORDINANCE NO. _____

This is the second and final reading of an ordinance for the vacation of a five-foot Public Utility Easement in Lot 4, Block 1, Belmont Park Addition Unit No. 1, in Section 157, Block 2, AB&M Survey, Potter County, Texas. (Vicinity: Amarillo Blvd. & Houston St.)

Agenda Item Summary

Analysis

The applicant is requesting abandonment of an existing Public Utility Easement in order to provide additional buildable lot area for upcoming construction on the lot. The easement was dedicated in 1926 and it was intended to be used for the installation of public utilities such as water, sewer, and/or other public franchised utilities.

Considering the lack of utility infrastructure in the easement, no side-yard setback is required for commercial land uses per current zoning (Light Commercial), and that a five-foot Public Utility Easement is too narrow for typical infrastructure installation, staff is of the opinion that it no longer serves its intended use and is not needed for any public purpose.

It is worth noting that should abandonment occur, no change in existing or future services would result whereas such services can be obtained via existing utilities either in Houston St. or within the easement to the of the lots on the block.

Requested Action/Recommendation

Considering all the above, staff is of the belief that with the easement no longer serving a public purpose, the applicant's request is appropriate. Planning Department staff presented its recommendation to the Planning and Zoning Commission at its September 24th regularly scheduled meeting and Planning Commissioners recommended approval of the request as presented.

Planning and Zoning Commission Draft Minutes

Amarillo City Council

Agenda Transmittal Memo



Sherry Bailey, Senior Planner, presented this item, and advised that the applicant is requesting a vacation of a 5ft. Public Utility Easement.

Ms. Bailey ended the presentation with a staff recommendation of approval of the request.

Chairman Parker asked if anyone wanted to speak in favor of or against this item. No comments were made.

A motion to approve V-18-05 was made by Commissioner Ford, seconded by Commissioner Bowden, and carried unanimously.

Community Engagement Summary

With this easement only encumbering a single lot and not right-of-way (alley or street) used by the general public, no property owners were required to be notified. That said, all local utility companies and City Departments that have the ability to utilize the easement were notified of the request and no objections were offered.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF AMARILLO, TEXAS DETERMINING LACK OF PUBLIC NECESSITY FOR A PUBLIC UTILITY EASEMENT IN THE VICINITY OF AMARILLO BLVD. & HOUSTON ST., POTTER COUNTY, TEXAS; VACATING AND ABANDONING THE HEREIN DESCRIBED PUBLIC UTILITY EASEMENT; AUTHORIZING THE CITY MANAGER TO CONVEY SUCH REAL PROPERTY TO THE PROPERTY OWNER; PROVIDING A REPEALER CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Amarillo has been petitioned to abandon an existing five foot Public Utility Easement in the vicinity of AMARILLO BLVD. and HOUSTON ST. in Potter County, Texas; and

WHEREAS, after reviewing information presented in the petition, the Planning and Zoning Commission of the City of Amarillo has recommended to the City Council that there is no public necessity for the following described Public Utility Easement; and

WHEREAS, the City Council, having reviewed said recommendation and having considered all relevant information pertaining to the proposed vacation described below, is of the opinion that said Public Utility Easement described is no longer needed for a public purpose; and

WHEREAS, the City Council further determined that this Public Utility Easement abandonment is not detrimental or injurious to the public health, safety or general welfare, or otherwise offensive to the neighborhood.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AMARILLO, TEXAS:

SECTION 1. That the herein-described Public Utility Easement to be vacated and abandoned for public purposes:

V-18-05 Vacation of a 5 ft. Public Utility Easement in Lot 4, Block 1, Belmont Park Addition Unit No. 1, in Section 157, Block 2, AB&M Survey, Potter County, Texas, (Vicinity: Amarillo Blvd. & Houston St.) and being further described in attached Exhibits 1 and 2.

SECTION 2. The City Manager is authorized to execute an instrument of conveyance to the land owner(s) as allowed by law.

SECTION 3. Repealer. All ordinances and parts of ordinances in conflict with this ordinance are hereby repealed to the extent of conflict with this ordinance.

SECTION 4. Severability. If any provision, section, subsection, clause or the application of sale to any person or set of circumstances for any reason is held to be unconstitutional, void or invalid or for any reason unenforceable, the validity of the remaining portions of this ordinance or the application thereby shall remain in effect, it being the intent of the City Council of the City of Amarillo, Texas in adopting this ordinance, that no portion thereof or provision contained herein shall become inoperative or fail by any reasons of unconstitutionality of any other portion or provision.

SECTION 5. Effective Date. This ordinance shall be effective from and after its date of final passage.

INTRODUCED AND PASSED by the City Council of the City of Amarillo, Texas, on First Reading on this the ____ day of October, 2018 and PASSED on Second and Final Reading on this the ____ day of October, 2018.

Ginger Nelson, Mayor

ATTEST:

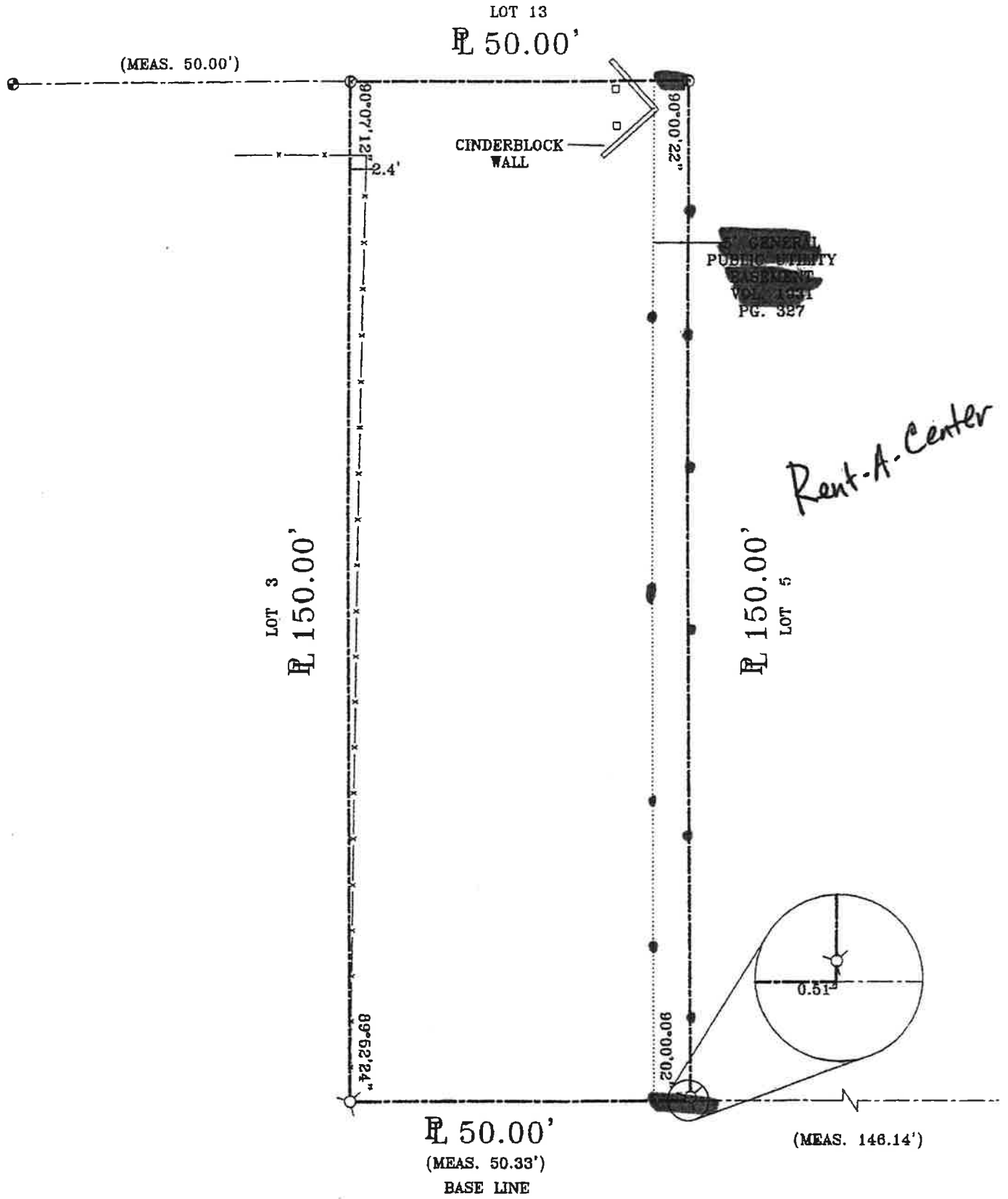
Frances Hibbs, City Secretary

APPROVED AS TO FORM:

Bryan McWilliams, City Attorney

EXHIBIT A

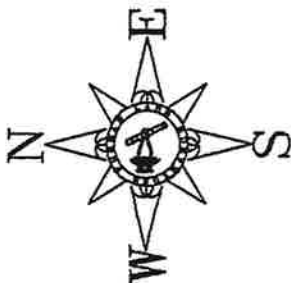
2000 CENSUS TRACT # 128



804 N HOUSTON STREET
AMARILLO, TEXAS

SCALE: 1" = 20'

LEGEND:



—○—	OVERHEAD UTILITY LINES	⊙	1/2" IRON ROD SET W/CAP STAMPED "FURMAN RPLS 5374"
⊙	UTILITY POLE	●	1/2" IRON ROD W/CAP FND
-x-x-	FENCE	⊕	1/2" IRON ROD FND
⊠	GAS METER	⊙	3/4" IRON PIPE FND
⊙	WATER METER	□	CONCRETE
		□	UTILITY PEDESTAL

NOTES

1. Original seal and signature of the surveyor must be present on each page for survey to be valid.
2. This plat was prepared for the exclusive use of the individuals, and or institutions named in the certificate hereon. It is not transferable to additional institutions or subsequent owners without expressed recertification by Furman Land Surveyors Inc.
3. This plat is the property of Furman Land Surveyors Inc. Furman Land Surveyors Inc. accepts no responsibility for the use of this plat for any purpose after six months from the date stated in the certificate hereon. Reproduction of this plat for any purpose is expressly forbidden without the written consent of an authorized agent of Furman Land Surveyors Inc. Copyright 2007.
4. No investigation or independent search for easements of record, encumbrances, restrictive covenants, ownership title evidence, or any other facts that an accurate and current title search may disclose have been made by this Surveyor.

DESCRIPTION

Lot No. 4, Block No. 1, Belmont Park Addition, an addition to the City of Amarillo in Potter County, Texas, according to the map or plat thereof, recorded in Volume 151, Page 211 of the Deed Records of Potter County, Texas.

CERTIFICATE

I, do hereby certify to American Land Title Inc. and Vincente Salgado that this plat is true and correct to the best of my knowledge and belief; that it was prepared from a survey made on the ground by me or by others under my direct supervision on this 5th day of JANUARY, 2007; and that no above ground encroachment exist other than those shown.

G.F.# 952886-AM02



Daryl R. Furman
Daryl R. Furman
RPLS 5374

FURMAN LAND SURVEYORS, INC.



DARYL R. FURMAN, RPLS	(806)374-4248
DANIEL R. FURMAN, RPLS	FAX: (806)374-4248
DONALD R. FURMAN, RPLS	1-800-801-3482
P.O. BOX 1416	AMARILLO, TX. 79105-1416

PROJECT NO. 078059	FILE NO. 0-10
DRAWING NO. C:\DWG07\POTTER\0-10\078059	

Amarillo City Council Agenda Transmittal Memo



Sherry Bailey, Senior Planner, presented this item, and advised that the applicant is requesting a vacation of a 5ft. Public Utility Easement.

Ms. Bailey ended the presentation with a staff recommendation of approval of the request.

Chairman Parker asked if anyone wanted to speak in favor of or against this item. No comments were made.

A motion to approve V-18-05 was made by Commissioner Ford, seconded by Commissioner Bowden, and carried unanimously.

Community Engagement Summary

With this easement only encumbering a single lot and not right-of-way (alley or street) used by the general public, no property owners were required to be notified. That said, all local utility companies and City Departments that have the ability to utilize the easement were notified of the request and no objections were offered.






Houston St

Amarillo Blvd

Mirror St

Legend

-  Lot 4
-  Fence
-  5' Easement

V-18-05 Public Utility Easement Vacation

9TH

HOUSTON



**City of Amarillo
Planning Department**

**Scale: 1:350
Date: 8/29/2018**



V-18-05 Vacation of PUE easement in Lot No. 4 ,
Block 1, Belmont Park Addition Unit No. 1,
in Section 157, Block 2, AB&M Survey, Potter County
Texas,

DISCLAIMER: The City of Amarillo is providing this information as a public service. The information shown is for information purposes only and except where noted, all of the data or features shown or depicted on this map is not to be construed or interpreted as accurate and/or reliable; the City of Amarillo assumes no liability or responsibility for any discrepancies or errors for the use of the information provided.

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Amarillo City Council Agenda Transmittal Memo



Meeting Date	10/16/2018	Council Priority	Transportation Systems
Department	Aviation		
Contact	Michael W. Conner: Director of Aviation		

Agenda Caption

CONSIDER: TASK ORDER #35 BETWEEN RS&H, INC. AND THE RICK HUSBAND AMARILLO INTERNATIONAL AIRPORT FOR CONTINUATION OF THE "TAKING FLIGHT" COMMUNITY ENGAGEMENT PROGRAM IN THE AMOUNT OF \$84,000.00.

Agenda Item Summary

This Task Order includes implementation of the strategic community model marketing action plans established as part of Task Order #22 and the development of a strategic aviation & non-aviation business development and marketing action plan with a focus on developing over 313 acres of available land at the Airport.

Requested Action

Approval of the Task Order #35.

Funding Summary

This Task Order #35 is to be funded by the Airport's operating budget and was included in the approved 2018/2019 Airport budget for Professional Services (Account 62000).

Community Engagement Summary

Level 1 – Modest impact on selected area and/or community group.

Staff Recommendation

Airport staff recommends approval of Task Order #35.

CITY OF AMARILLO
RICK HUSBAND AMARILLO INTERNATIONAL AIRPORT

CITY COUNCIL AGENDA ITEM SUMMARY

Meeting Date: October 16, 2018

CONSIDERATION of Task Order #35 between RS&H, Inc. and the Rick Husband Amarillo International Airport for continuation of the "Taking Flight" community engagement program in the amount of \$84,000.00.

- This Task Order #35 includes the implementation of the strategic community model marketing actions plans that were developed under the previous Task Order #22. This implementation will involve further meetings and discussions with the established community working groups and assistance in establishing the action plan items into the core business of the Airport.
- This Task Order #35 also includes the development of a strategic aviation & non-aviation business development and marketing action plan that focuses on development of over 313 acres of available land at the Airport located on the southeast side of the Airport. This land has easily established airfield (runway and taxiway) access that is excellent for development by certain types of aviation and non-aviation related businesses. This portion of the Task Order will utilize an experienced industry expert that has been highly successful in the development of similar land at other airports of similar size and scope.
- This is a 12 month Task Order.

RS&H Project No. 227.0247.035
Short Title: Amarillo Community Outreach – Phase 3
Effective Date: October 4, 2018

TASK ORDER NO. 35

RS&H, INC., a Florida corporation (hereinafter "Consultant") agrees to perform and complete the following work (hereinafter "Work") for the City of Amarillo, Texas which owns and operates Rick Husband Amarillo International Airport (hereinafter "Client"), in accordance with the terms and conditions of the Master Consulting Service Agreement, dated December 8, 2014, all of which terms and conditions are incorporated herein by reference:

Project Location and Description:

Project Location: Rick Husband Amarillo International Airport (AMA)

Project Description: As part of Task Order No. 22, RS&H utilized its sub-consultant, *Team Insight & Associates, LLC*, to implement the plan created under Task Order 12 which provided a community engagement model, develop sub-working groups, and provide a plan for engaging the public and community leaders in political engagement, community involvement, and public relations for the airport. As part of this follow-on Task Order, the RS&H team will implement the Strategic Community Model Marketing Action Plan developed as Part of Task Order 22 and continue managing the implementation of the Strategic Business Development.

Scope of Services and Deliverables

The full scope of services and deliverables are described in "Exhibit A", which is made a part hereof.

Compensation Terms

The method of payment shall be Lump Sum, billed on a pre-determined billing schedule. The total compensation shall be \$84,000, billed \$7,000 monthly, for services described in "Exhibit A". Breakdown for tasks is as follows:

TASK	CONTRACT VALUE
Phase 3: Community Outreach – Implementation Phase	\$84,000
TOTAL:	\$84,000

Schedule

Schedule shall be as described in "Exhibit A".

**CLIENT
CITY OF AMARILLO, TEXAS**

By: _____

Typed Name: Jared Miller

Title: City Manager

Attest: _____

Typed Name: Frances Hibbs

Title: City Secretary

[CORPORATE SEAL]

**CONSULTANT
RS&H, INC.**

By: *Rodney L. Bishop Jr.*

Typed Name: Rodney L. Bishop Jr.

Title: Vice President

Attest: *Melanie Nichols*

Typed Name: Melanie L. Nichols

Title: Asst. Corporate Secretary

[CORPORATE SEAL]



“EXHIBIT A”



Rick Husband-Amarillo International Airport

Amarillo Strategic Community Outreach Phase 3

PROJECT PROPOSAL / SCOPE OF WORK

RS&H Project No: 227-0247-035

RS&H

RS&H, Inc.
11011 Richmond Avenue, Suite 900
Houston, Texas 77042
713.914.4455 (P) 713.914.0155 (F)

October 2018

**ATTACHMENT A
COMMUNITY OUTREACH PHASE 3
PROJECT PROPOSAL AND SCOPE OF WORK**

1. Project Description

The Rick Husband Amarillo International Airport (Airport) has requested RS&H (Consultant) provide assistance in the implantation of a strategic community outreach program to increase community involvement and public relations at the Airport. As part of Task Order 12, a strategic plan was developed and under Task Order 22, that plan was implanted for a full calendar year. This assignment will an additional year of Strategic Business Development, the implementation of the Strategic Community Model Marketing Action Plan developed during Task Order 22, and development of a Strategic Aviation & Non-Aviation Business Development and Marketing Action Plan.

2. Scope of Services

Task 3: Strategic Community Outreach Model Marketing Action Plan Implementation

Task 3.1 *Strategic Community Outreach Model Marketing Action Plan Implementation and On-Going Management*

Through the use of a qualified sub-consultant, RS&H will provide AMA will assistance and management of its Strategic Community Outreach Planning Model. The actions plans developed under the previous years of this model will be implemented and expanded as part of this task focusing on four major components: air service development, aviation and non-aviation business development, regional tourism, and convention/meeting growth. The full extent of these services can be seen in Attachment B.

Task 3.2 *Development of a Strategic Marketing Action Plan*

Through the use of a qualified sub-consultant, RS&H will develop a Strategic Aviation & Non-Aviation Business Development and Marketing Action Plan. The intent of this plan is to determine goals and outline actionable steps to increase business and further utilize the Airport as an asset for the region. The full extent of these services can be seen in Attachment B.

Task 3.3 *Project Management*

RS&H shall manage the project, assign qualified individuals to review project documentation and submittals, and shall work closely with the Airport to help accommodate the completion of the project within the specified time frame and budget estimates. The Consultant will submit a monthly invoice providing an overview of the work accomplished during the billing period and budget remaining on the project.

Task 3 Deliverables

- Task 3.1 – Monthly Updates.....Electronic Submittal (.pdf)
- Task 3.2 – Strategic Aviation & Non-Aviation Business Development
and Marketing Action Plan2 Hard Copies/Electronic Submittal (.pdf)

3. Schedule

The services shall begin immediately from Notice to Proceed (NTP) and extend for a full calendar year (365 days).

4. Fee Structure

Lump Sum Fee shall be in accordance with the attached Work Breakdown Structure (attached).



ATTACHMENT B
Amarillo International Airport
PROJECT PROPOSAL
STRATEGIC COMMUNITY OUTREACH MODEL PHASE 3 –
PROGRAM IMPLEMENTATION, MANAGEMENT & DEVELOPMENT OF A STRATEGIC MARKETING ACTION PLAN

<u>Scope / Task</u>	<u>Project Officer</u>	<u>Project Manager</u>	<u>Project Manager</u>	<u>SR. Planner</u>	<u>Project Q.C</u>	<u>Adm Assst</u>	<u>TOTAL</u>
A. BASIC SERVICES							
Total Proposed (LUMP SUM) Fee for:							
CONTRACT COORDINATION AND EXECUTION	1	2				1	
Task 2.1 STRATEGIC COMMUNITY OUTREACH MODEL IMPLEMENTATION AND ON-GOING MANAGEMENT TASK		1					1
Task 2.2 DEVELOPMENT OF A STRATEGIC-MARKETING ACTION PLAN		1					1
PROJECT MANAGEMENT	1	8				1	
TOTAL HOURS	2	12	0	0	0	2	14
TOTAL BURDEN RATE	\$339.00	\$275.00	\$180.00	\$139.50	\$122.00	\$62.00	
TOTAL BUDGETED COST	\$678.00	\$3,300.00	\$0.00	\$0.00	\$0.00	\$124.00	\$4,200.00
OTHER DIRECT NON-SALARY COSTS							
REPRODUCTION							
Drawings							
Reports/Specifications							
						TOTAL REPRODUCTION:	\$0.00
SUBCONSULTANTS							
Team Insight and Associates, LLC.							\$79,800.00
						TOTAL SUBCONSULTANTS:	\$79,800.00
TRAVEL		<u># of People</u>	<u># of Days</u>	<u>Airfare</u> at \$600	<u>Car</u> at \$65	<u>Lodging</u> at \$135 Per Night	<u>Meals</u> at \$85 Per Day
							\$0
MILEAGE			at .50 per mllc				0
						TOTAL TRAVEL:	\$0
						TOTAL ODC's:	\$79,800.00
Total Proposed (LUMP SUM) Fee:							\$84,000.00



ATTACHMENT C – SCOPE(S) OF WORK RICK HUSBAND AMARILLO INTERNATIONAL AIRPORT

PROJECT DESCRIPTION

During Phase 2 of the Strategic Community Outreach Program, RS&H Implemented a plan for involving members of the community into roles that help promote the Airport, and its economic impact to the City and Region. As a follow-up, Team Insight and Associates, in a subcontractor role to RS&H, has been asked to provide the Amarillo International Airport (AMA) administration with a proposal to provide continued services related to the on-going management and execution of the Taking Flight-Amarillo Community Outreach Program and its related Marketing Action Plans, including an increased focus on aviation and non-aviation business development for specific areas of the airport property. The two (2) defined Tasks will include the implementation of the Strategic Community Model Marketing Action Plan(s), the continued management of the Strategic Community Outreach Model the development of a Strategic Business Development and related Marketing Action Plan to identify aviation and non-aviation business development opportunities at the Rick Husband Amarillo International Airport.

PROJECT TASK(S)

TASK 3.1: STRATEGIC COMMUNITY OUTREACH MODEL MARKETING ACTION PLAN(S) IMPLEMENTATION AND ON-GOING MANAGEMENT

Team Insight and Associates shall provide AMA with assistance and on-going program management of its Strategic Community Outreach Planning Model (Taking Flight – Amarillo) that was implemented in partnership with the Amarillo business community in October, 2017. This task will ensure that the Airport continues to build on the interest and synergies that Taking Flight - Amarillo has generated to date with community stakeholders. The Task focus will be to provide on-going assistance in managing the relationships between the Airport and the established community stakeholders. The Marketing Action Plan(s) that were created by the sub-working groups that are comprised of regional business leaders providing their insight in the areas of air service development, aviation and non-aviation business development, tourism and convention expansion, and general and corporate aviation development, will be implemented and managed by Team Insight (under the direction of the Client) during the term of this agreement. Team Insight and Associates, LLC. will also continue to act as the liaison between the Airport and the Community Outreach Model Program Sponsors (the Amarillo Chamber of Commerce, the Amarillo Economic Development Corporation, the Amarillo Convention and Visitors Council, the Canyon Economic Development Corporation, and the Canyon Area Chamber of Commerce) to the extent allowable with the hours included herein.

The Marketing Action Plans focus on the four key areas of 1) air service development, 2) aviation and non-aviation business development, 3) regional tourism, and 4) convention/meeting growth through the Airport and general / corporate aviation development at the Airport. The action items in each of the defined Marketing Action Plans are designed to be integrated into and complimentary to the Airport's other key planning, business development and financial (revenue generation) goals, objectives, and planning efforts.

TASK 3.1 PRESENTATIONS AND/OR MEETINGS

Up to four (4) on site meetings with Airport staff and/or Community Outreach Working Groups are included. The four on site meetings will be allocated as follows: Four (4) meetings as part of the actual engagement process associated with the implementation of the Marketing Action Plans, the ongoing management of the Taking Flight – Amarillo Strategic Community Outreach Model and Task 3.2 (Strategic Aviation & Non-Aviation Business Development and Marketing Action Plan work).

TASK 3.1 DELIVERABLES

The Consultant will provide the following:

1. On-going management of the Taking Flight – Amarillo Strategic Community Outreach Program.
2. Implementation of each of the 4 Marketing Action Plans (Air Service, Aviation & Non-Aviation Business Development, Tourism & Airport Marketing, General & Corporate Aviation) in conjunction with the Taking Flight – Amarillo Sub Working Groups and Airport Staff.
3. A 365-day working timeline for the implementation of each Marketing Action Plan(s) tasks. The timeline will be broken down in 90-day increments and will be reviewed and updated quarterly if needed.

Rick Husband Amarillo International Airport Strategic Community Outreach Model – Phase 3 Management, Marketing Action Plan(s) Implementation, Strategic Aviation & Non-Aviation Business Development and Marketing Action Plan Establishment
9/6/18

ATTACHMENT C



EXHIBIT A



4. On-going quarterly meetings of the Taking Flight - Amarillo Community Working Groups to keep members informed and engaged in the initiative. These meetings will be pre-determined and will be in conjunction with the previously mentioned four (4) proposed on site meetings.

5. Monthly updates on the progress of the implementation of the Marketing Action Plan(s).

6. Bi-monthly updates on the Consultant's progress with the on-going activities of the Taking Flight – Amarillo Community Outreach Program.

7. During the 12-month term of this Initiative, Team Insight and Associates, LLC will also assist in any related tasks requested by the Rick Husband Amarillo International Airport related to the Taking Flight - Amarillo. (If required, Task budget adjustments may be required to cover any increased labor for additional work)

TASK 3.2: STRATEGIC AVIATION & NON-AVIATION BUSINESS DEVELOPMENT & MARKETING ACTION PLAN

Team Insight and Associates, LLC. – Rick Husband Amarillo International Airport (AMA) Strategic Aviation & Non-Aviation Business Development Plan - Objectives, Tasks and Deliverables. The Strategic Aviation and Non-Aviation Business Development Plan & Marketing Action Plan Deliverable will be completed in 120 days from receiving approval to proceed by Client.

Business Focus – In an effort to better utilize the “airport asset,” the City of Amarillo and the Rick Husband Amarillo International Airport have asked Team Insight & Associates, LLC, as a sub-contractor to RS&H, to develop a Strategic Aviation & Non-Aviation Business Development and Marketing Action Plan. The community leaders in Amarillo, Potter and Randall counties believe that the Airport is an underutilized opportunity and as a location for aviation related businesses. Through product development and more aggressive marketing, the Airport can play an even more important role in the growth and development of Amarillo and the surrounding region. This Strategic Aviation & Non-Aviation Business Development and Marketing Action Plan will be developed for business development and related strategic marketing and planning efforts.

TASK 3.2 DELIVERABLES

OVERALL APPROACH & RATIONALE

- In most communities, the Airport is an underutilized asset. The Rick Husband Amarillo International Airport is not just a place that enables people to conduct business elsewhere or take a vacation from business for a while, it's a business itself and furthermore, a place to do business. The Airport must be viewed as a multi-faceted enterprise that includes fixed based operations and fueling, base for corporate aircraft, general aviation programs, airport shops and vendors, restaurants, airport property for commercial and industrial uses, and passenger and cargo service. It is a business that has just as much to do with creating opportunities on the ground as it does orchestrate movements through the air.
- Developing successful marketing plans to grow aviation related revenues and business at secondary airports such as the Rick Husband Amarillo International Airport is a multi-layered endeavor. The analysis and research required of the market base is unique, the strategic marketing support is specialized and requires an in-depth understanding and partnership with community stakeholders. As strategic marketing efforts relate to air service and passenger demand development, the skepticism that must be overcome within airline planning departments is often challenging.
- Equally important to mastering the many unique and diverse functions of a successful airport operation, is understanding and capitalizing on the interconnected relationship between the airport and the community. Neither exists in isolation, and the future success of each is heavily tied to the other. The “airport asset” therefore needs to be positioned as a business enterprise serving as an engine for economic growth in the greater community.

The Strategic Aviation & Non-Aviation Business Development Plan deliverables (document) will include the following:

- **Introduction:** Scope of the Project, Structure of the Plan, Overall Approach and Rationale
- **Key Findings:** SWOT Analysis, Strengths, Weaknesses, Opportunities, Threats, Needs Identification
- **Key Recommendations**
- **Situational Analysis:** Introduction, General Background, Current Business Environment, Global Strategies, Current Situation, Future Situation, Community Strategies, Rick Husband Amarillo International Airport Strategy, Business Concept, Business Tactics, Business Development, Changing Environment, Political Situation, Economic Issues, Strategic

Rick Husband Amarillo International Airport Strategic Community Outreach Model – Phase 3 Management, Marketing Action Plan(s) Implementation, Strategic Aviation & Non-Aviation Business Development and Marketing Action Plan Establishment
9/6/18

ATTACHMENT C



EXHIBIT A

Position for the Airport, Competitive Situation, Strengths, Weakness, Opportunities, and Threats, Management Approach, Leverage Opportunities

- **New Business Analysis:** Overview, Current Situation at Rick Husband Amarillo International Airport, Business Products and Services in the Amarillo, Airport Tenants, Businesses Located Near the Airport, Resources, Incentives for Business, Community Benefits, Customer Requirements, Market Trends, Market Characteristics for Airport Related Business, Market Segmentation, Business Selection Criteria and Profile Target Markets for the Community, Business Opportunities for Rick Husband Amarillo International Airport, Aviation Related Businesses That Need Airport Access, Aviation Related Business That Does Not Need Airport Access, Non-Aviation Business That Can Be Recruited, Summary Business Opportunities for Rick Husband Amarillo International Airport, Next Steps
- **Action Items:** Introduction, Marketing Mix, Promotional Strategy, Target Clients, What the AMA Airport Marketing Budget Should Look Like, Next Steps, Key Recommendations
- **Marketing Action Plan:** Executive Marketing Summary, Rebranding Efforts (requirements), Internet and Website Recommendations, Traditional Marketing, Partnership Programs, Public Relations Campaign, Ambassador Program, Little to No Cost Recommendations
- Team Insight and Associates, LLC will provide the Rick Husband Amarillo International Airport (AMA) one (1) PowerPoint Presentation and two (2) hard bound copies of the completed Strategic Aviation & Non-Aviation Business Development and Marketing Action Plan
- The services associated with this task will be completed in 12 months from the execution of this agreement.

Overall Schedule

The Consultant will complete these services in accordance with the following timeline:

Task 3.1: On-going management of Taking Flight – Amarillo and the implementation of the 4 Marketing Action Plans (Air Service, Aviation & Non-Aviation Business Development, Tourism & Airport Marketing, General & Corporate Aviation) and On-Going Management of Task and Task 3.2: Strategic Aviation & Non-Aviation Business Development and Marketing Action Plan – completed within 365 days from Notice to Proceed.

Design Fees

TEAM INSIGHT AND ASSOCIATES, LLC SERVICE FEES FOR TASK 3.1

To assist the Rick Husband Amarillo International Airport, control its budget while maximizing its return on the Task 3.1 Deliverable, Team Insight and Associates, LLC will invoice on a pre-determined billing schedule during the 12-month timeline. The billing schedule shall be as follows, with total lump sum fee of \$42,802. (Insert Fee Section from Task 3.1)

TEAM INSIGHT AND ASSOCIATED, LLC SERVICE FEES FOR TASK 3.2

Team Insight and Associates, LLC and Client agree that Team Insight and Associates will perform the Strategic Aviation & Non-Aviation Business Development and Marketing Action Plan for the Rick Husband Amarillo International Airport Work Scope at a rate of \$180 per hour. The total hours for this agreement will not exceed 205.5 hours for a total fee of \$36,998 as outlined in this agreement. Team Insight and Associates, LLC will invoice the Client for work completed as part of the total monthly fee scheduled listed in this task order below. Each invoice will include a detailed report of the labor hours as they were allocated by task orders (deliverables).

Any Team Insight and Associates, LLC travel-related expenses required as part of this agreement will be pre-approved by the client and will be reimbursed by the Client at cost. The travel expenses will include; air and ground transportation, lodging, gas, tolls and meals while in route to meeting and return from meeting. All travel related expense incurred will be supported with receipt documentation

Project pricing and the hourly rates included in this Agreement are guaranteed not to increase during the term of the Agreement. If the Client should request additional hours be added to this agreement for additional work not included in this scope, the client will submit a request in writing to Team Insight and Associates, LLC. Team Insight and Associates, LLC will then submit a proposal in response to the Client and will proceed once Client has approved said proposal.





The Combined Task(s) Billing Schedule is as follows:

<u>Month</u>	<u>Billing Amount</u>
1	\$6,650.00
2	\$6,650.00
3	\$6,650.00
4	\$6,650.00
5	\$6,650.00
6	\$6,650.00
7	\$6,650.00
8	\$6,650.00
9	\$6,650.00
10	\$6,650.00
11	\$6,650.00
12	\$6,650.00
TOTAL	\$79,800.00

EXCLUSIONS

The proposed work scopes exclude the following elements:

1. Travel Expenses other than those noted in the Project Proposal.
2. Any additional data that would be deemed necessary upon commencing with the Task Order. Should additional data be deemed necessary, Team Insight and Associates LLC will provide Client with a proposal for amendment to this Task Order.
3. The acquisition cost of data required for the Strategic Aviation & Non-Aviation Business Development and Marketing Action Plan and/or any other unrelated data requests made by the Client. The Invoicing of the cost of any such data requests will be directly between the data vendor and the Client. Team Insight and Associates, LLC will manage this process on behalf of the client.



2D



Amarillo City Council Agenda Transmittal Memo



Meeting Date	10/16/2018	Council Priority	Transportation Systems
Department	Aviation		
Contact	Michael W. Conner: Director of Aviation		

Agenda Caption

CONSIDER: TASK ORDER #27 BETWEEN RS&H, INC. AND THE RICK HUSBAND AMARILLO INTERNATIONAL AIRPORT FOR DEVELOPMENT AND IMPLEMENTATION OF AN ISO 9001 QUALITY MANAGEMENT SYSTEM IN THE AMOUNT OF \$100,900.00.

Agenda Item Summary

This Task Order includes Phase I, the program analysis and development phase, of the establishment of a Quality Management System meeting International Organization for Standardization (ISO) 9001 standards.

Requested Action

Approval of Task Order #27.

Funding Summary

This Task Order #27 is to be funded by the Airport's operating budget and was included in the approved 2018/2019 Airport budget for Professional Services (Account 62000).

Community Engagement Summary

Level 1 – Modest impact on selected area and/or community group.

Staff Recommendation

Airport staff recommends approval of Task Order #27.

CITY OF AMARILLO
RICK HUSBAND AMARILLO INTERNATIONAL AIRPORT

CITY COUNCIL AGENDA ITEM SUMMARY

Meeting Date: October 16, 2018

CONSIDERATION of Task Order #27 between RS&H, Inc. and the Rick Husband Amarillo International Airport for development and implementation of an ISO 9001 Quality Management System in the amount of \$100,900.00.

- This is the program analysis and development phase, Phase I, of a program to establish a Quality Management System (QMS) at the Airport meeting the International Organization for Standardization (ISO) 9001 standards.
- Phase I includes a gap analysis of the Airport's procedures and processes in comparison to the ISO 9001 quality standards, creation of an organizational context document, procedure development, staff training, program definition manual and procedural guidelines development, and an ISO implementation plan.
- Phase II, to be approved at a later date, will include program guidance, pre-testing assistance, final procedure development assistance, and consultative guidance during the testing period.
- The ISO 9001 Quality Management System is designed to help streamline internal organizational processes and procedures that meet strict international operational and managerial standards. The ISO 9001 standard is internationally recognized as the premier standard QMS System and will serve as an indicator that the Rick Husband Amarillo International Airport meets the most rigorous operational and quality standards.

RS&H Project No. 227.0247.027
Short Title: Amarillo ISO9000 Program Development
Effective Date: October 3, 2018

TASK ORDER NO. 27

RS&H, INC., a Florida corporation (hereinafter "Consultant") agrees to perform and complete the following work (hereinafter "Work") for the City of Amarillo, Texas which owns and operates Rick Husband Amarillo International Airport (hereinafter "Client"), in accordance with the terms and conditions of the Master Consulting Service Agreement, dated December 8, 2014, all of which terms and conditions are incorporated herein by reference:

Project Location and Description:

Project Location: Rick Husband Amarillo International Airport (AMA)

Project Description: This project includes the development and implementation of an ISO 9000 Quality Management System (QMS) program at Amarillo International Airport.

Scope of Services and Deliverables

The full scope of services and deliverables are described in "Exhibit A", which is made a part hereof.

Compensation Terms

The method of payment for Phases 1 shall be Lump Sum. The total lump sum compensation shall be as described in the table below for the services described in "Exhibit A". Breakdown for tasks is as follows:

TASK	CONTRACT VALUE
PHASE 1: QMS Planning	\$100,900
TOTAL:	\$100,900

Schedule

Schedule shall be as described in "Exhibit A".

CLIENT
CITY OF AMARILLO, TEXAS

CONSULTANT
RS&H, INC.

By: _____

Typed Name: Jared Miller

Title: City Manager

Attest: _____

Typed Name: Frances Hibbs

Title: City Secretary

[CORPORATE SEAL]

By: *Rodney L. Bishop Jr.*

Typed Name: Rodney L. Bishop Jr.

Title: Vice President

Attest: _____

Typed Name: Melanie L. Nichols

Title: Asst. Corporate Secretary

[CORPORATE SEAL]

DocuSigned by:

Melanie Nichols

EFF851F7B43347D



“EXHIBIT A”



Rick Husband-Amarillo International Airport

ISO 9000 Quality Management Systems (QMS) Program Development and Implementation

PROJECT PROPOSAL / SCOPE OF WORK

RS&H Project No: 227-0247-027



RS&H, Inc.
11011 Richmond Avenue, Suite 900
Houston, Texas 77042
713.914.4455 (P) 713.914.0155 (F)

October 2018

ATTACHMENT A ISO 9000 QUALITY MANAGEMENT SYSTEMS (QMS) PROGRAM DEVELOPMENT PROJECT PROPOSAL AND SCOPE OF WORK

1. Project Description

The Rick Husband Amarillo International Airport (Client or Airport) has requested RS&H provide assistance in the development of a Quality Management System (QMS) Program consistent with ISO 9001 standards. RS&H, Inc. (RS&H or Consultant) will provide services for the phased development of a QMS program. This scope of work is for Phase 1 of the development of a QMS. The goal of Phase 1 is to:

- Educate AMA on the ISO 9001 process
- Develop an understanding of the ISO 9001 "fence line" (activities that ISO 9001 will apply to) at AMA
- Develop an understanding of the level of effort needed to develop a QMS consistent with ISO 9001 and;
- Begin developing the framework for ISO 9001 at AMA

Phase 1 will include a gap analysis, training, development of a program definition manual, and development of an implementation plan, and, as described below. The results of Phase 1 will then be used by AMA to evaluate moving into becoming ISO 9001 compliant in later phases.

2. Scope of Services

PHASE 1: QMS PLANNING

Phase 1 services include the program development and implementation planning of the QMS program. The detailed tasks associated with these services are described below.

Task 1.1 *Collect and Review Relevant Documentation/Identification of Quality Team (QT)*

In conjunction with the Client, RS&H will collect and review relevant documentation related to existing systems in place at the Airport. Additionally, the Client will identify up to 3 people to make up the QT team. The QT will be in charge of development, management and implementation of the QMS at the airport.

Task 1.2 *Kickoff Meeting*

The Consultant will coordinate and attend one (1) kick-off meeting with the Client at Rick Husband Amarillo International Airport to establish the preliminary goals and objectives, meet with the QT and other relevant stakeholders and develop the overall schedule for implementation. Additionally, a classroom session will be held with the QT to help them understand ISO 9001:2015 clause 4 "Context of Organization" and clause 5 "Leadership". The consultant will provide a ISO 9000 Specialist to attend and assist with this effort.

Task 1.3 *Facility Operational Review/Gap Analysis*

Concurrent to task 1.2 the Consultant and the ISO 9000 Specialist will conduct an analysis of existing protocols, processes, and resources available to the Airport to determine the structures and tools that exist within the organization currently. The Consultant will interview key personnel to gain an understanding of critical procedures and the associated challenges and successes. This will be done over a 3 day period with members of the QT.

During this task the following key items will be accomplished:

- The QT will be provided instruction on both of the suppliers, inputs, processes, outputs, and customers (SIPOC) and Stakeholder Analysis tools.
- Stakeholders, their Critical to Quality (CTQ) requirements and the policies and procedures to address the CTQs will be identified.
- Categorization of the policies and procedures into the 11 clauses of the ISO 9000:2015 standard.
- Identification of opportunities to express the ISO 9001 management principles.
- Identification of Gaps in policies and procedures that will need address throughout future ISO 9001 efforts.

Task 1.4 *Development of the Organizational Context Document*

The Consultant will work with the Client to develop the Original Context Document. This document serves as the foundation of the QMS. This document will include management vision for the facility, intentions for sustained business; types and levels of quality desired for each stakeholder, risks and opportunities for the organization, and the scope of the QMS. This document is a living document that will be updated indefinitely as airport operations change.

Task 1.5 *ISO 9000 Implementation onsite training*

The Consultant and ISO 9000 Specialist will conduct a four hour classroom style training session to discuss the implementation of ISO 9001 within the organization. This session will be held at the Airport and will include key personnel who will be involved in implementation of ISO 9001.

Task 1.6 *Initial Procedure Development*

The Consultant and ISO 9000 Specialist will spend one (1) day at the Airport working with the QT to conduct a follow up operational review and any additional GAP analysis needed. The Consultant and ISO 9000 Specialist will spend one (1) day working with the QT and key stakeholders to develop one (1) ISO compliant procedure and will then work with the applicable workforce to implement the procedure. The purpose of this task is to leverage the knowledge gained through assessments to gather additional information needed and demonstrate how to develop and implement an ISO compliant procedure.

Task 1.7 *Program Definition Manual Development*

The Consultant will work with the QT to prepare a program definition manual, which will include the Organizational Context Document that was developed in Task 1.4. The Program Definition manual will further define the individual procedures that fall under the QMS, and serve as a repository for tools and current and future procedures associated with the QMS.

The Consultant shall prepare a draft Program Definition Manual for Client review. Upon receipt of written review comments, the Consultant shall incorporate the comments as appropriate and produce a final Program Definition Manual, which will be submitted during an on-site presentation at the conclusion of Phase 1. The Consultant shall provide 5 copies of the final QMS Program Definition Manual to the Client. Electronic copies of the document in Adobe PDF format will be prepared and used whenever possible to minimize the number of paper copies.

Task 1.8 *Implementation Plan Development*

The Consultant will develop an implementation plan and schedule outlining the milestones for implementing the QMS at the Airport. The Consultant will assess and discuss items found to be missing or deficient during the gap analysis completed above. This will provide insight on how to create or modify policies, objectives, procedures or processes to incorporate the required QMS elements. The plan will further outline how, when, and by whom those new elements will be incorporated.

The Consultant shall prepare a draft Implementation Plan for Client review. Upon receipt of written review comments, the Consultant shall incorporate the comments as appropriate and produce a final Implementation Plan, which will be submitted during an on-site presentation at the conclusion of Phase 1. The Consultant shall provide 5 copies of the final QMS Program Definition Manual to the Client for distribution to agencies and for the Client's internal use. Electronic copies of the document in Portable Document Format (PDF) will also be prepared and used whenever possible to minimize the number of paper copies.

Task 1.9 *Phase 1 Conclusion Presentation*

The Consultant will prepare for, coordinate and attend one (1) Phase 1 conclusion meeting with the Client at the Airport to review the final program definition manual and implementation plan prior to beginning program implementation.

Task 1.10 *Project Management*

The Consultant will help assure analysis and documentation is completed by qualified individuals or sub consultants and will complete the efforts as defined in this scope of work. This task includes the overall project management of the QMS with the Client.

DELIVERABLES

- Phase 1 Deliverables
 - Meeting Materials/Minutes Electronic Submittal (.pdf)
 - Initial Organizational Context Document..... 5 Hard Copies / Electronic Submittal (.pdf)
 - Draft Program Definition Manual..... 5 Hard Copies / Electronic Submittal (.pdf)
 - Final Program Definition Manual..... 5 Hard Copies / Electronic Submittal (.pdf)
 - Draft Implementation Plan 5 Hard Copies / Electronic Submittal (.pdf)
 - Final Implementation Plan 5 Hard Copies / Electronic Submittal (.pdf)

- Phase 1 Software
 - ISO 9000 Collection 1.....1 Electronic pdf zip file

EXCLUSIONS/ASSUMPTIONS

- Acquisition of software, modifications of software and/or the costs associated with such modifications beyond the software included above are not included in this Scope of Work.

3. Schedule

Phase 1 will be completed within six months from Notice to Proceed (NTP), exclusive of any Client review times, which are outside of the Consultant's control.

4. Fee Structure

Cost plus fee shall be in accordance with the attached Work Breakdown Structure (attached).



ATTACHMENT B
Rick Husband Amarillo International Airport
City of Amarillo, Texas

Quality Management System Development

SCOPE / TASK TITLE	PROJ OFCR/ DIRECTORS	PROJECT MANAGER	SENIOR ENVIRONMENTAL SPECIALIST	JUNIOR PLANNER	ADMIN	TOTAL
Phase 1: QMS PLANNING						
Task 1 Collect and Review Relevant Documentation/ID QT		8	30	24		62
Task 2 Kick-Off Meeting		8	16	12		36
Task 3 Gap Analysis	4		24			28
Task 4 Development of the Organizational Context Document	4		24	16	4	48
Task 5 ISO 9000 Implementation Training			12	4		16
Task 6 Follow-up on GAP and Initial Procedures			16			16
Task 7 Program Definition Manual Development	8		48	32	8	96
Task 8 Implementation Plan Development	8		40	24	8	80
Task 9 Phase 1 Conclusion Presentation	2	8	24	12	8	54
Task 10 Project Management	4	24			8	36
TOTAL HOURS	30	48	234	124	36	472
BURDENED LABOR	\$ 297.28	\$ 152.64	\$ 180.58	\$ 85.07	\$ 78.32	
TOTAL BURDENED LABOR	\$8,918	\$7,327	\$37,571	\$10,548	\$2,820	\$87,200.00
OTHER DIRECT NON-SALARY COSTS						
REPRODUCTION	# DWGS	# PAGES	# BDS			
	@	@	@			
	\$1.60	\$0.20	\$100.00	#SETS		
Drawings						\$0
Reports/Specifications		300		5		\$300
TOTAL REPRODUCTION						\$300
POSTAGE/DELIVERY	# PCKGS	# PCKGS				
	@	@				
	\$15.00	\$10.00				
Drawings and Specifications		8				\$80
TOTAL POSTAGE/DELIVERY						\$80
SPECIALTY SUBCONSULTANTS						
Professional ISO 9000 Specialist (includes 1 copy of ISO 9000 and 2 trips to AMA)						\$27,700
PROPOSED DBE PERCENTAGE: 0.00%						
TRAVEL						
	# People	# Days	Airfare @	Car @	Per Diem	
			\$750	\$100	\$51	
Kickoff Meeting / Gap Analysis	2	4	\$1,500	\$400	\$408	\$2,308
ISO 9000 Session/ Follow-up Gap Analysis	1	3	\$750	\$300	\$153	\$1,203
Phase 1 Conclusion Presentation	2	2	\$1,500	\$200	\$204	\$1,904
						\$5,500
MILEAGE	200	Miles @	\$0.57			\$114
TOTAL ODC's						\$33,700
Total Lump Sum Fee for:	Phase 1: QMS PLANNING					\$100,900
Total Proposed Lump Sum Fee for Phase 1 of:	Quality Management System Development					\$100,900
Total Fee:						\$100,900

ATTACHMENT C

Statement of Work Provided

Project: Rick Husband Amarillo International Airport
Quality Management System (QMS)
Program Development and Implementation

Segment: Phase 1
Initial Program Preparation and QMS Gap Analysis

Date: October 1, 2018

Submitted by: Chuck Blohowiak – C. Blohowiak Consulting, LLC



ATTACHMENT C

RS&H, Inc. is providing assistance to Rick Husband Amarillo International Airport (AMA) with development of a Quality Management System (QMS) Program preferably in compliance with ISO 9001 standards.

Phase 1 is QMS planning. The goal of Phase 1 is to:

- Evaluate the existing systems in place at AMA to gain an understanding of critical procedures and identify areas that align with ISO 9001 and areas that may present challenges.
- Educate key personnel at AMA on the fundamentals of the ISO 9001 process and provide an understanding of the "path forward" for incorporating ISO 9001 into their organization.
- Development of an Original Context Document, a living document that will serve as the foundation of a QMS.
- Development of a program definition manual which will define the individual procedures that fall under the QMS and requiring future development.
- Development of an implementation plan and schedule outlining the milestones for implementing the QMS in accordance with ISO 9001.

C. Blohowiak Consulting, LLC (Subconsultant) will provide professional services related to planning the ISO 9001 framework allowing for future implementation of a compliant ISO 9001 QMS. Specifically, the following Phase 1 scope of work (SOW will be provided).

PHASE 1: QMS PLANNING

Phase 1 services include the existing programs review, gap analyses and training to support development and implementation of a QMS program. The detailed tasks associated with phase 1 services are described below.

Task 1.1 *Existing Data Collection and Review Relevant Documentation*

- Assist in the collection and review of relevant documentation related to existing systems directly applicable to a QMS in place at AMA.
- Develop conventions for communicating work methods, analysis standards, notes, documents.

Task 1.2 *Kickoff Meeting*

This task will be performed over an 8hr period onsite at AMA

- Develop content for the kick-off meeting: "Preliminary Goals and Objectives" based on the ISO 9001:2015 Quality Management System -- Requirements.
- Develop content for a 2 hour classroom session on Clause 4 and Clause 5 of the ISO 9001:2015 standard.
- Participate in the kickoff meeting and conduct 2 hour classroom session on Clause 4 and Clause 5 of the ISO 9001:2015 standard.
- Initiate the identification of a Quality Team to help guide program development.
- Onsite services to performed over an 8 hour period at AMA
- Travel to AMA.



ATTACHMENT C

Task 1.3 Facility Operational Review/Gap Analysis

Task 1.3 will be performed over a 24hrs period onsite at AMA, which will be conducted in conjunction with Task 1.2

- Gap Analysis and Project Plan Analysis – Includes instruction on the Suppliers, inputs, processes, outputs, and customers (SIPOC) tool and the Stakeholder Analysis tool.
- Identifying stakeholders, their Critical To Quality (CTQ) requirements, and the policies and procedures that address the stakeholders CTQs.
- Categorize the policies and procedures into the 11 clauses of the ISO 9000:2015 standard.
- Identify opportunities to express the ISO 9000 management principles.
- Identify Gaps in policies and procedures that would need addressed in future ISO 9000 efforts.

Task 1.4 Development of the Organizational Context Document

- Assist in development of an Organizational Context Document. This document serves as the foundation of the QMS. This document will include management vision for the facility, intentions for sustained business; types and levels of quality desired for each stakeholder, risks and opportunities for the organization, and the scope of the QMS. This document is a living document that will be updated indefinitely as airport operations change.

Task 1.5 ISO 9000 Implementation onsite Training

This task will be performed over a 4hr period onsite at AMA

- Prepare content for a four hour ISO 9000 Implementation training session. This training session will include a power point presentation and training materials covering the implementation of ISO 9000 within the organization and the path forward for becoming ISO 9000 compliant.
- Conduct the four hour ISO 9000 Implementation Classroom Session onsite at AMA.

Task 1.6 Initial Procedure Development

This task will be performed over a 16hr period onsite at AMA, which will be conducted in conjunction with task 1.5.

- Begin development of the project plan in accordance with the ISO 9001:2015 standard.
- Develop the first of the ISO Compliant Procedure.
- Pilot the first ISO compliant procedure with the workforce.

Task 1.7 Program Definition Manual Development

The program definition manual will include the Organizational Context Document as the foundation for moving forward with becoming ISO 9000 compliant and will serve to identify the boundaries of the QMS. Once the boundaries are developed, the program definition manual will identify processes that fall within the established boundaries. The program definition manual will serve as a repository for existing procedural guidelines for each process and the future repository for procedural guidelines that will be established throughout development of the QMS.



ATTACHMENT C

- Development Support of the Program Definition Manual. This role will include support in defining individual procedures that fall under the QMS and review/comment of the draft document.

Task 1.8 Implementation Plan Development

The implementation plan will outline milestones for implementing the QMS at the Airport as well as provide an estimated schedule for implementation. Items found to be missing or deficient during the gap analysis completed will be identified along with insight on how to create or modify policies, objectives, procedures or processes to incorporate the required QMS elements. The plan will further outline how, when, and by whom those new elements will be incorporated.

- Development support of the Implementation Plan. This role will include support in identifying the path forward for implementation of the QMS and review/comment of the draft document.

The following travel is included in Phase 1 costs **(\$3,300)**:

- (4) days onsite at AMA for Tasks 1.2 and 1.3 (\$1,650)
- (2) days onsite at AMA for Task 1.6 (\$1,650)

Phase 1 cost includes the following:

- (1) Copy of ISO 9000 **(\$600)**

Total Labor 118hrs @ \$200/hr **(\$23,794)**

Total not to exceed \$27,694 for Phase 1



10/1/18

Chuck Blohowiak
ICF Coach and Trainer

Date





Amarillo City Council Agenda Transmittal Memo



Meeting Date	October 16, 2018	Council Priority	Best Management Practices Infrastructure
Department	Surface Water Treatment - Water Utilities		
Contact	Jonathan Gresham – Interim Director of Utilities		

Agenda Caption

Award of contract for professional engineering services for Garver , LLC in an amount not to exceed \$638,705.00 for the assessment, prioritization of recommended improvements and the design of recommended improvements of the SCADA systems at 24th St. pump station and Osage Water Treatment Plant.

Agenda Item Summary

This agreement is for electrical engineering services for two (2) work orders by Garver, LLC. The first work order is in an amount not to exceed \$265,149.00 for assessment of the existing SCADA at 24th St. pump station and design of modifications and proposed improvements and implementation of SCADA improvements. The second work order is in an amount not to exceed \$373,556.00 for the assessment of the SCADA system, prioritization of recommended improvements and design of recommended improvements.

Requested Action

Requesting contract approval for electrical engineering services.

Funding Summary

The total amount for \$638,705.00 for engineering services will be funded through the Capital Improvements budgeting JDE#530036.17400.1040 from FY 17/18.

Community Engagement Summary

N/A

Staff Recommendation

City Staff is recommending approval and awarded of the engineering contract.

AGREEMENT FOR ENGINEERING SERVICES

This Agreement is made between the City of Amarillo, a municipal corporation located in Potter and Randall Counties, Texas ("OWNER") and Garver, LLC ("ENGINEER").

OWNER hereby engages ENGINEER to perform engineering services in connection with upgrades to the City's water and wastewater collection systems, pump stations, and treatment plants, including modifications to the existing SCADA system (collectively, the "Services").

The Services are more particularly set forth in "WORK ORDER NO. 1" AND "WORK ORDER NO. 2" attached to this Agreement as Exhibits A and B, respectively (collectively the "Scope of Work") and by this reference made a part of the Agreement. ENGINEER accepts this engagement on the terms and conditions hereinafter set forth. In the event of any conflict between the Scope of Work and this Agreement, the terms of this Agreement will govern.

I.

ENGINEER agrees to accept as payment for the completion of the Services a maximum fee, inclusive of expenses, of \$265,149.00 for the Services provided under WORK ORDER NO. 1 and \$373,556.00 for the Services provided under WORK ORDER NO. 2. Additional services outside the Scope of Work will require prior written approval by OWNER.

II.

ENGINEER will submit monthly billings to OWNER for payment. ENGINEER's billings will be in writing and of sufficient detail to fully identify the work performed to date of billing. No invoices detailing services performed outside the Scope of Work will be paid without corresponding proof of prior written authorization by the OWNER. Payments will be made by OWNER within 30 days of receipt of billing. Interest on payments over 30 days past due shall accrue at the rate provided by law.

III.

ENGINEER will confer with representatives of OWNER to take such steps as necessary to keep the Services on schedule. OWNER'S representative for purposes of this Agreement shall be Jonathan Gresham, Interim Director of Utilities, or his designee. ENGINEER will begin work on the Services within five days after receipt of written notification to proceed from OWNER and shall complete the Services in a timely manner.

IV.

ENGINEER agrees that all products, including but not limited to all reports, documents, materials, data, drawings, information, techniques, procedures, and results of the work ("Work Product") arising out of or resulting from the particular and defined Services that will be provided hereunder, will be the sole and exclusive property of OWNER and are deemed "Works Made for Hire". ENGINEER agrees to and does hereby assign the same to OWNER. ENGINEER will enter into any and all necessary documents to effect such assignment to OWNER. ENGINEER is entitled to maintain copies of all Work Product that is produced or used in the execution of this Agreement. It is understood that ENGINEER does not represent that such Work Product is suitable for use by OWNER on any other projects or for any purposes other than those stated in this Agreement. Reuse of the Work Products by OWNER without the ENGINEER'S specific written authorization, verification and adaption will be at OWNER'S risk and without any liability on behalf of ENGINEER.

V.

ENGINEER agrees neither it nor its employees or subcontractors or agents will, during or after the term of this Agreement, disclose proprietary or confidential information of OWNER unless required to do so by court order or similar valid legal means. Such proprietary and confidential information received by ENGINEER or its employees and agents shall be used by ENGINEER or its employees and agents solely and exclusively in connection with the performance of the Services.

VI.

ENGINEER agrees that OWNER or its duly authorized representatives will, until the expiration of four years after final payment under this Agreement, have access to and the right to examine, audit, and copy pertinent books, documents, papers, invoices and records of ENGINEER involving transactions related to this Agreement, which books, documents, papers, invoices and records ENGINEER agrees to maintain for said time period.

VII.

Any and all taxes assessed by any governmental body upon services or materials used in the performance of this Agreement shall be the responsibility of ENGINEER.

VIII.

ENGINEER shall furnish, at ENGINEER'S own expense, all materials, supplies, and equipment necessary to carry out the terms of this Agreement.

IX.

If ENGINEER is requested in writing by OWNER to provide any services outside of the Scope of Work, ENGINEER and OWNER will agree in writing as to the nature of such services and to a price for such services before any work is started.

X.

ENGINEER AGREES TO INDEMNIFY AND HOLD HARMLESS OWNER AND ITS OFFICERS, EMPLOYEES, AGENTS, SUCCESSORS, AND ASSIGNS FROM AND AGAINST LIABILITY FOR DAMAGE TO THE EXTENT THAT THE DAMAGE IS CAUSED BY OR RESULTS FROM AN ACT OF NEGLIGENCE, INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER COMMITTED BY THE ENGINEER OR THE ENGINEER'S AGENT, CONSULTANT UNDER CONTRACT, OR ANOTHER ENTITY OVER WHICH ENGINEER EXERCISED CONTROL. ENGINEER SHALL BE RESPONSIBLE FOR PERFORMING THE WORK UNDER THIS AGREEMENT IN A SAFE AND PROFESSIONAL MANNER AND SHALL BE LIABLE FOR ENGINEER'S NEGLIGENCE AND THAT OF ENGINEER'S EMPLOYEES, CONTRACTORS, AND AGENTS.

XI.

ENGINEER will provide insurance coverage in accordance with OWNER'S insurance requirements as set forth in the "Certificate of Insurance Requirements" attached to this Agreement as Exhibit C and by reference made a part hereof. If the required insurance is terminated, altered, or changed in a manner not acceptable to OWNER, this Agreement may be terminated by OWNER, without penalty, on written notice to ENGINEER. In addition, ENGINEER will provide Professional Liability Insurance in the amount of \$1,000,000.00 per claim.

XII.

ENGINEER shall at all times observe and comply with all applicable laws, ordinances, and regulations of the federal, state, and local governments which are in effect at the time of the performance of this Agreement.

XIII.

Either party shall have the right to terminate this Agreement by giving the non-terminating party seven days prior written notice. Upon receipt of notice of termination, ENGINEER will cease any further work under this Agreement and OWNER will only pay for work performed prior to the termination date set forth in the notice. All finished and unfinished Work Product prepared by ENGINEER pursuant to this Agreement will be the property of OWNER.

XIV.

In the event OWNER finds that any of the Work Product produced by ENGINEER under this Agreement does not conform to the Scope of Work, then ENGINEER will be given thirty days after written notice of the nonconformity to make any and all corrections to remedy the non-conformance. If after these thirty days ENGINEER has failed to make all Work Product conform to the specifications, OWNER may terminate this Agreement and will only owe for work done prior to termination and accepted by OWNER. All finished or unfinished Work Product prepared by ENGINEER pursuant to this Agreement will be the property of OWNER.

XV.

Neither party shall be responsible for failure to fulfill its obligations hereunder or liable for damages resulting from delay in performance as a result of war, fire, strike, riot or insurrection, natural disaster, delay of carriers, governmental order or regulation, complete or partial shutdown of plant, unavailability of equipment or software from suppliers, default of a subcontractor or vendor to the party if such default arises out of causes beyond the reasonable control of such subcontractor or vendor, the acts or omissions of the other party, or its officers, directors, employees, agents, contractors, or elected officials, or other occurrences beyond the party's reasonable control ("Excusable Delay"). In the event of such Excusable Delay, performance shall be extended as agreed to in writing by the parties.

XVI.

ENGINEER'S address for notice under this Agreement is as follows:

Garver, LLC
Attention: Tina E. Hanson, P.E.
500 West 7th Street, Suite 1729
Fort Worth, TX 76102
Telephone: (817) 740-9575
Email:
TEHanson@GarverUSA.com

OWNER'S address for notice under this Agreement is as follows:

City of Amarillo, Texas
Attn: Jonathan Gresham
P.O. Box 1971
Amarillo, Texas 79105-1971
Telephone: (806) 378-4265

Email: jonathan.gresham@amarillo.gov

Any notice given pursuant to this Agreement shall be effective as of the date of receipt by registered or certified mail or the date of sending by fax or e-mail, when sent to the address or number stated in this Agreement.

XVII.

All obligations of OWNER are expressly contingent upon appropriation by the Amarillo City Council of sufficient, reasonably available funds.

XVIII.

ENGINEER shall provide experienced and qualified personnel to carry out the work to be performed by ENGINEER under this Agreement and shall be responsible for and in full control of the work of such personnel. ENGINEER agrees to perform the Scope of Work hereunder as an independent contractor and in no event shall the employees or agents of ENGINEER be deemed employees of OWNER. ENGINEER shall be free to contract for similar services to be performed for others while ENGINEER is under Agreement with OWNER.

XIX.

ENGINEER will perform the services to be provided under this Agreement with the professional skill and care ordinarily provided by competent engineers practicing in the same or similar locality and under the same or similar circumstances and professional license and as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer.

XX.

ENGINEER agrees not to discriminate by reason of age, race, religion, sex, color, national origin or condition of disability in the performance of the Services. ENGINEER further agrees to comply with the Equal Opportunity Clause as set forth in Executive Order 11246 as amended and to comply with the provisions contained in the Americans With Disability Act, as amended.

XXI.

No modifications to this Agreement shall be enforceable unless agreed to in writing by both parties.

XXII.

OWNER and ENGINEER hereby each binds itself, its successors, its legal representatives, and its assigns to the other party to this Agreement, and to the successors, legal representatives, and assigns of such party in respect to all covenants of this Agreement. Neither OWNER nor ENGINEER will be obligated or liable to any third party as a result of this Agreement

XXIII.

ENGINEER will not assign, sublet, or transfer interest in this Agreement without the prior written consent of the OWNER.

XXIV.

This Agreement is entered into and is to be performed in the State of Texas. OWNER and ENGINEER agree that the law of the State of Texas shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and shall govern the interpretation of this Agreement. All litigation arising out of this Agreement shall be brought in courts sitting in Texas with a venue in Potter County.

XXV.

In no event shall the making by the OWNER of any payment to ENGINEER constitute or be construed as a waiver by the OWNER of any breach of the Agreement, or any default which may then exist, nor shall it in any way impair or prejudice any right or remedy available to the OWNER in respect to such breach or default.

XXVI.

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

IN WITNESS WHEREOF, the parties have made and executed this Agreement as of the day, month and year shown below to be effective as of the date that the last of the parties signs.

ATTEST:

CITY OF AMARILLO
(OWNER)

Frances Hibbs, City Secretary

By: _____
Jarred Miller, City Manager

Date: _____

GARVER, LLC
(ENGINEER)

By: _____
[Signature]

Printed Name: JEFFREY L SOBER

Title: VICE PRESIDENT

Date: 9/28/18



Amarillo City Council Agenda Transmittal Memo



Meeting Date	October 16, 2018	Council Priority	Best Management Practices Infrastructure
Department	Surface Water Treatment - Water Utilities		
Contact	Jonathan Gresham – Interim Director of Utilities		

Agenda Caption

Well Field pumps and motors annual contract renewal agreement

Agenda Item Summary

The annual contract renewal is for purchasing new pumps and motors for the City of Amarillo well fields. The well fields combined account for nearly half of the City water supply. In order to keep water supply adequate this contract allows the City to stay ahead of maintenance by allowing staff to order pumps and motors more efficiently which reduces well down time.

Requested Action

Requesting contract approval for supply pumps and motor for City of Amarillo Well Fields

Funding Summary

The amount for \$557,702.00 is needed for contract services for next year. Funding is available in account 52200.68300 (Water Production) and 52210.68300 (Water Transmissions).

Community Engagement Summary

N/A

Staff Recommendation

City Staff is recommending approval and awarded to Rentzel Pump Manufacturing.

Bid No. 6150 MOTORS, PUMPS & ELECTRICAL CABLE FOR WATERWELLS A/C
 Opened 4:00 p.m. August 8, 2018

To be awarded as one lot	RENTZEL PUMP MFG.	RENTZEL GROUP LLC	RENTZEL GROUP LLC ALT. BID	PUMP SYSTEMS MANAGEMENT INC
Line 1 Water treatment equipment, 2300 volt, 3 phase per spe WP-139, per specifications 6 ea				
Unit Price	\$41,820.000	\$101,299.000	\$43,970.000	\$43,311.000
Extended Price	250,920.00	607,794.00	263,820.00	259,866.00
Line 2 Water treatment equipment, 2300 volt, 3 phase per spe WP-139, per specifications 2 ea				
Unit Price	\$39,845.000	\$102,834.000	\$41,995.000	\$39,700.000
Extended Price	79,690.00	205,668.00	83,990.00	79,400.00
Line 3 Pumps, submersible multi-stage pump, per specifications 6 ea				
Unit Price	\$19,900.000	\$71,055.000	\$74,016.000	\$19,900.000
Extended Price	119,400.00	426,330.00	444,096.00	119,400.00
Line 4 Pumps, submersible pump for potable water, per specifications 2 ea				
Unit Price	\$19,900.000	\$83,642.000	\$87,127.000	\$19,900.000
Extended Price	39,800.00	167,284.00	174,254.00	39,800.00

To be awarded as one lot RENTZEL PUMP MFG. RENTZEL GROUP LLC RENTZEL GROUP LLC ALT. BID PUMP SYSTEMS MANAGEMENT INC

Line 5 Pipe and tubing, per specifications 8 ea				
Unit Price	\$1,475.000	\$1,475.000	\$1,475.000	\$1,475.000
Extended Price	11,800.00	11,800.00	11,800.00	11,800.00

Line 6 Cable high voltage, per specifications 6,400 ft				
Unit Price	\$9.780	\$9.780	\$9.780	\$9.780
Extended Price	62,592.00	62,592.00	62,592.00	62,592.00

Line 7 Well service, per specifications 8 ea				
Unit Price	\$1,500.000	\$1,500.000	\$1,500.000	\$1,500.000
Extended Price	12,000.00	12,000.00	12,000.00	12,000.00

Line 8 Instrument maintenance, per specifications 1 ea				
Unit Price	\$1,500.000	\$1,500.000	\$1,500.000	\$1,500.000
Extended Price	1,500.00	1,500.00	1,500.00	1,500.00

Line 9 Trade in allowance for pump, per specifications 8 ea				
Unit Price	(\$2,500.000)	(\$2,500.000)	(\$2,500.000)	(\$2,500.000)
Extended Price	(20,000.00)	(20,000.00)	(20,000.00)	(20,000.00)

To be awarded as one lot

	RENTZEL PUMP MFG.	RENTZEL GROUP LLC	RENTZEL GROUP LLC ALT. BID	PUMP SYSTEMS MANAGEMENT INC
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Bid Total	557,702.00	1,474,968.00	1,034,052.00	566,358.00
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Award by Vendor

557,702.00

Amarillo City Council Agenda Transmittal Memo



20



Meeting Date	October 16, 2018	Council Priority	N/A
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Department	Information Technology – Rich Gagnon
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Agenda Caption

Award – ConvergeOne:
Avaya Channel Service Agreement -- \$224,628.84

Agenda Item Summary

Purchase a Channel Service Agreement (CSA) from ConvergeOne and Avaya to provide telephone system support and maintenance. This allows IT to contact the vendor with telephone issues related to the PBX and provide replacement hardware in the event of a failure. This CSA consolidates all voice equipment into one simplified agreement for all Avaya telephone hardware.

Requested Action

Approval of award to ConvergeOne in the amount of \$224,628.84 for a 3-year term. City will pay \$74,876.28 annually.

Funding Summary

Funding is available in account 62033.68670.

Community Engagement Summary

N/A

Staff Recommendation

Staff recommends approval of award.

Bid No. 6223 AVAYA CHANNEL SERVICE AGREEMENT
Opened 4:00 p.m. September 24, 2018

To be awarded as one lot **CONVERGEONE INC**

Line 1 Maintenance,
telecommunication/telephone, per
specifications
3 ea

Unit Price	\$74,876.280
Extended Price	224,628.84

Bid Total	224,628.84
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Award by Vendor 224,628.84



Amarillo City Council Agenda Transmittal Memo



Meeting Date	October 16, 2018	Council Priority	
Department	Public Health		
Contact	Casie Stoughton		

Agenda Caption

Consider the reappointment of Dr. Scott Milton to serve as Health Authority for Potter and Randall Counties and the Medical Director for Public Health. This recommendation comes from the Amarillo Bi-City-County Public Health Board.

Agenda Item Summary

The City has an existing contract through Texas Tech for Health Authority/Medical Director services at an annual rate of \$65,000.

Requested Action

Appoint Dr. Scott Milton to serve as Health Authority for Potter and Randall Counties and the Medical Director for Public Health.

Funding Summary

Funding provided by the Public Health Department.

Community Engagement Summary

Staff Recommendation

It is the recommendation of Amarillo Bi-City-County Public Health Board and staff to reappoint Dr. Scott Milton to serve as Health Authority for Potter and Randall Counties and to serve as Medical Director for Public Health.