

**FIRST AMENDMENT TO TRANSIT AGREEMENT
(Yamhill County and First Transit, Inc.)**

This First Amendment to the Transit Agreement, dated March 19, 2020 (the "Agreement") is by and between **Yamhill County**, a political subdivision of the State of Oregon ("Yamhill County" or "County") and **First Transit, Inc.**, a Delaware corporation ("CONTRACTOR").

RECITALS.

- A. **WHEREAS**, Yamhill County continues to receive funding to operate public transportation services and remains authorized under Oregon law to furnish and operate public transportation services, and to provide transportation services throughout the YCTA service area.
- B. **WHEREAS**, pursuant to the Agreement, CONTRACTOR continues to provide the Scope of Services described in Section 2 of the Agreement.
- C. **WHEREAS**, YCTA and CONTRACTOR, now desire to amend the Agreement and enter into this First Amendment for CONTRACTOR to continue to provide the Services and to memorialize certain changes to the Agreement as set forth below.

NOW, THEREFORE, in consideration of the mutual covenants contained below, and for other good valuable consideration, the receipt and sufficiency of which are hereby acknowledged, YCTA and the CONTRACTOR hereby agree as follows:

- 1. YCTA and CONTRACTOR hereto incorporate the foregoing recitals as a material portion of this First Amendment.
- 2. The first sentence of subsection 7.a, is deleted in its entirety and replaced with the following:

"County shall compensate CONTRACTOR for services provided under this Agreement at hourly rates ranging from \$39.27 to \$45.34 per revenue service hour and monthly fixed rates of \$91,286 to \$107,421 during the applicable term of this Agreement and subject to monthly fixed rate costs and variable hourly rate costs pursuant to the Fixed and Variable Price Calculation, which is attached hereto as Exhibit F, and incorporated herein by this reference."

The balance of Section 7.a is unchanged.

- 3. Current **Exhibit F** is hereby deleted in its entirety and replaced with a new Exhibit F, attached hereto as Exhibit A to this First Amendment, and incorporated herein by this reference.
- 4. **SEVERABILITY.** If any terms or provisions of this Amendment or the application there of to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Amendment or the application of such term or provision to person or circumstances other than those as to which it is held invalid.

5. **REMAINING PROVISIONS** The remaining provisions of the original Agreement not amended by this First Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, YCTA and CONTRACTOR have caused this First Amendment to be executed in their names or their official acts by their respective representatives, each of whom is duly authorized to execute the same.



Yamhill County
Title: Chair, Board of Commissioners



First Transit
Title: Region vice president



Yamhill County Counsel



Yamhill County Administrator

Accepted by Yamhill County
Board of Commissioners on
5/27/21 by Board Order
21-198

EXHIBIT A_(F)

(see attached)

B.O. 21-198
Exhibit "A-(F)"
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Exhibit A - (F)

April 20, 2021

Cynthia Thompson
 Transit Manager
 Yamhill County Transit
 535 NE Fifth Street
 McMinnville, Oregon 97128

RE: Contract Volume Rate Adjustment CY 1 January through June.

Dear Cynthia,

As you are likely aware the hourly rate in our revenue agreement was determined based on meeting certain volume thresholds. Based on these thresholds the hourly rate can flex up or down every six (6) months. This flexibility exists to allow Yamhill county to add or reduce service as they see fit, while still covering First Transit’s fixed costs such as insurance, non-driving staff wages, facility rent, benefits, overhead etc.

During the first half of the current contract year from July 1, 2020 through December 31, 2020 the revenue hours were impacted from the COVID-19 pandemic and some route reductions were implemented as a result. Subsequently the revenue hours were far less then anticipated in the RFP and the contract. In fact, based on the average billable hours over the past 7-month period we are projecting to do approximately 34,000 revenue hours this contract year.

YAMHILL HOURS TRACKER

Month	Total Hours
July - 2020	2,766.17
August - 2020	2,607.00
September - 2020	2,576.47
October - 2020	2,896.23
November - 2020	2,608.25
December - 2020	2,790.15
January - 2021	2,825.09
February - 2021	2,843.00
March - 2021	3,351.65
Total	25,264.01
Average	2,807.11
annualized	33,685.35

First Transit understands the pandemic further reduced the hours from the base level in the RFP and we appreciate the County’s willingness to work with us in partnership over the past year to keep the

service operating and retain as many employees as possible. During this same period, First Transit has also been negotiating a new collective bargaining agreement with the hourly employees. While we have been accruing wages for an eventual settlement, we have not yet paid our employees. As result of the pandemic and the delay of wage increases, First Transit is not seeking a retroactive adjustment to the billing rate from July 1, 2020 through December 31, 2020. We recently reached a tentative agreement with the ATU 757 and our employees. The new increased wages and benefits will begin as soon as the new agreement is ratified by the members which we anticipate will occur no later than May 1, 2021.

Based on the current volume projections, we anticipate that the period January 1, 2021 through July 31, 2021 will fall substantially below the base contract volume rates. Based on the volume being a more than 20% reduction and because we have now needed to give our employees the higher wages and benefits as identified in our RFP/BAFO submittal; First Transit is requesting to bill the \$65.05 volume adjusted rate as identified in the contractual agreement from May 1, 2021 through June 30, 2021 only (excludes the period of January 1, 2021 through April 30, 2021). This will assist with compensating for these higher wages and benefits in May and June. If the County would prefer it, FT can bill retroactively for this period in July of 2021, but it appears unlikely that the hours will adjust high enough prior to the end of this contract adjustment period to alter the annual or six month total.

Per the agreement and based on the current volume trends, the hourly rate would adjust up again on July 1, 2021. However, per our discussions, the current contract pricing structure may not be the best model for the County. First Transit would like to propose an alternative pricing structure that would stabilize (guarantee) the rates for each year of the contract and provide the County with a better model to allow for fluctuating volume without mid-year pricing adjustments. I am attaching a proposed fixed and variable pricing structure. This would cover First Transit's fixed costs regardless of the number of hours operated either up or down allowing for the elimination of the adjusting rate based on volume. We have based our fixed and variable model on 40,000 annual revenue hours, which is considerably higher than what we have averaged since this beginning of the new contract. I believe the proposed fixed and variable model is better suited to the County's business plan and fluctuating funding which is often based on short term grant funds and subject to change.

Please review the attached proposal for both the contract year of FY21 and the proposed fixed and variable rate structure moving forward and beginning on July 1, 2021 (FY22).

First Transit truly appreciates our partnership with Yamhill County, and we look forward to providing many more years of safe and reliable transportation. Please do not hesitate to contact me should you have any questions regarding our proposal.

Respectfully,



Mark Elias
First Transit, Inc.

**Yamhill County
Fixed and Variable Price Calculation**

	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>
Variable Costs:				
Driver Wages	1,013,134.26	1,032,214.77	1,070,445.70	1,113,977.53
Driver Benefits & Taxes	261,600.57	289,417.17	300,402.81	312,143.67
Uniforms	11,400.00	11,992.50	12,292.31	12,599.62
Parts & Services	\$215,424	\$234,654	\$269,715	\$297,222
Recruiting, Hiring, Bkgrnd Checks, Physicals	4,366.00	3,511.65	3,006.89	2,879.61
Employee Welfare	2,150.00	2,152.50	2,206.31	2,261.47
Total Variable Costs W/O Profit	1,508,075.15	1,573,942.91	1,658,069.18	1,741,084.37
Variable Rate Profit	62,840.74	65,584.59	69,083.33	72,540.68
Total Variable with Profit & Overhead	1,570,915.89	1,639,527.50	1,727,152.51	1,813,625.05
Revenue Hours	40,000.00	40,000.00	40,000.00	40,000.00
Cost per Revenue Hour	39.27	40.99	43.18	45.34

Fixed Costs:

Management Wages & Benefits	94,113.62	97,460.84	100,095.53	102,806.42
Admin Wages & Benefits	46,136.68	48,153.96	49,496.94	50,878.31
Supervisor Wages & Benefits	122,880.26	127,616.99	131,843.17	135,975.16
Dispatcher Wages & Benefits	103,203.27	106,757.74	109,722.89	112,921.26
Safety / Training Wages & Benefits	63,889.55	67,275.21	69,869.68	72,116.82
Technician Wages & Benefits	114,877.57	185,697.79	191,136.55	196,744.21
Maintenance Management Wages & Benefits	108,204.70	112,692.05	116,036.22	119,484.65
Support Vehicle Expense	15,631.69	16,648.56	17,952.65	19,474.29
BIPD	178,361.14	184,786.71	191,804.83	199,394.61
Depreciation	4,503.67	3,731.03	3,308.07	3,324.85
Facility Expenses	44,587.50	45,702.19	46,844.74	48,015.86
Phone, Cellphones	6,400.00	6,560.00	6,724.00	6,892.10
Technology	25,038.60	25,664.57	26,306.18	26,963.83
Office Supplies, Equip, Prof. Services, Printing	17,146.42	17,503.33	17,940.91	18,389.44
Overhead	106,654.34	113,921.47	119,006.59	124,107.23
Total Fixed Costs W/O Profit	1,051,629.01	1,160,172.44	1,198,088.95	1,237,489.04
Fixed Cost Profit	43,813.60	48,336.88	49,923.26	51,566.55
Total Fixed with Profit & Overhead	1,095,442.61	1,208,509.32	1,248,012.21	1,289,055.59

Monthly Fixed	91,286.88	100,709.11	104,001.02	107,421.30
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Total Costs	<u>2,666,358.50</u>	<u>2,848,036.82</u>	<u>2,975,164.72</u>	<u>3,102,680.64</u>
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Exhibit A-(F)
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