26-0831

TITLE: Consider/Discuss Direction on Transit Operations Procurement

COUNCIL GOAL: Goal 5: Enhance the quality of life in McKinney
Strategy 5.3: Develop sustainable quality of life improvements within the City of McKinney

MEETING DATE: September 1, 2026

DEPARTMENT: Housing and Community Development

CONTACT: Jasmine Tucker, Transit Administrator
Margaret Li, Director of Housing and Community Development

RECOMMENDED BOARD ACTION:

- Staff recommends consideration of a one-year extension to the existing Interlocal Agreement (ILA) with DART for continued transit services through 2027.

ITEM SUMMARY:

- This item is to consider/discuss a one-year extension to the current DART Interlocal Agreement (ILA).

- During the last MUTD meeting, the Board considered and discussed different options for a new ILA with DART for the provision of microtransit services in Collin County; with particular focus on things like service levels, costs, and the term of a potential agreement (one year versus three years).

- To allow sufficient time to explore all options available to the MUTD for microtransit services, transit staff proposes a one-year extension to the existing ILA.

- Pending concurrence from the Board, staff will work to draft the necessary ILA extension documents for future consideration by the Board.

BACKGROUND INFORMATION:

- On November 15, 2021, the City Council, on behalf of the MUTD, entered into an Interlocal Agreement (ILA) with DART to provide microtransit services in the McKinney Urbanized Area (known as Collin County Transit).

- On March 4, 2025, the City Council adopted a Resolution approving the first amendment to exercise the first option year for the ILA.

- On October 6, 2025, the City Council adopted a Resolution approving the second and final option year of the ILA which is set to end on December 31, 2026.
- DART LGC currently provides dedicated wheelchair accessible and non-dedicated transit services for the Collin County Transit Program.
    - The turnkey service provides microtransit shared rides to seniors, disabled, and low-income riders.
    - Services are available on weekdays from 6:00 AM to 8:00 PM and weekends from 8:00 AM to 8:00 PM.
    - As the project manager DART LGC currently contracts with the following subcontractors:
        - Spare Labs - software platform for and call center
        - Tripp Consulting - reporting and operations management for Lyft and Uber
    - The current contract with DART LGC will terminate on December 31, 2026.

- To provide public transparency, staff issued a request for presentations from public transit agencies to continue to provide service through the Collin County Transit Program in 2027.

- Since then, DART has offered a one-year extension to the existing ILA. If approved, this will provide the MUTD with a greater amount of time to solicit responses to the request for presentations.

FINANCIAL SUMMARY:

- The cost for a one-year extension to the existing DART ILA is not expected to exceed 5% of the cost(s) included in the current agreement.

- In 2020, the city received $8.8 million from the Coronavirus Aid, Relief, and Economic Security (CARES) Act to support public transportation; including planning, capital, and operating expenses. There is no local match requirement for CARES funding.

- Approximately $5.2 million remained at the beginning of September 2025; with a projected $908,600 to be drawn down for Fiscal Year 2026.

- In addition, MUTD receives funding from the Federal Transit Authority and Texas Department of Transportation.
    - Federal funds include a 50/50 local match requirement
    - State funds and member cities contributions are used as operating local match

- The programs fares are calculated based on distance traveled:
    - Trips up to 7 miles are $5 per person per trip
    - Trips greater than 7 miles will cost an additional $0.75 per mile
    - Trip greater than 23 miles are capped at $17 per person per trip

SUPPORTING MATERIALS: