

State of California  
Business, Transportation and Housing Agency  
Department of Transportation

PROGRAM AMENDMENTS  
Traffic Congestion Relief Applications  
Action Item

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CTC Meeting: August 22-23, 2001

Agenda Item: 2.1c.(3)  
PTC Item: 2

*Original Signed By* \_\_\_\_\_  
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Acting Chief Financial Officer  
August 15, 2001

**TRAFFIC CONGESTION RELIEF (TCR) PROGRAM**  
**APPLICATION APPROVALS**

At the August 22-23, 2001, California Transportation Commission (Commission) meeting, the Commission will be asked to consider the following Traffic Congestion Relief Program project application totaling \$40,000,000.

- Project #10 - \$40,000,000, Phase 4 for Regional Express Bus; acquire low-emission buses for new express service on HOV lanes regionwide.  
Applicant Agency: Metropolitan Transportation Commission (MTC)  
Implementing Agency: MTC  
Advance Requested: \$40,000,000

Department and Commission staff recommend that the Commission direct the MTC to resubmit the application package with clarifying information to demonstrate that buses purchased with TCRP funding be used predominately for express bus service and to provide further information on plans to implement the Regional Express Bus Program. A fact sheet summarizing the project and describing the issues is attached.

**TCR Program – Application Approval Request for Project # 10**

**Regional Regional Express Bus; acquire low-emission buses for new express service on HOV lanes regionwide. In nine counties.**

(\$ X 1,000)

<i>Estimated Project Cost:</i>	\$188,000	<i>TCRP Funds covered by the application:</i>	<b>\$40,000</b>
<i>Total TCRP Funds Available:</i>	\$40,000	<i>Phases(s) covered in application:</i>	4
<i>Lead Agency:</i>	Metropolitan Transportation Commission (MTC)	<i>Implementing Agency:</i>	MTC

*TCRP funds Allocation requested concurrently with applications:*      **\$40,000**      for Phases(s):      4  
*Advance requested:*      **\$40,000**

**Project Summary**

The overall project is to reduce traffic congestion by purchasing approximately 102 new buses and providing new express bus service in major travel corridors throughout the Bay Area utilizing the regional HOV lane network when feasible. The new express bus service will be a combination of new routes, as well as increased frequency on existing routes, provided by 10 transit operators throughout the San Francisco Bay Area. Approximately 57 of the buses will be over-the-road coaches which typically have high back seats and tend to be for longer routes. The remaining 45 buses are expected to be suburban buses which are designed for more urban routes. The number of buses defined in the application is based on the MTC standard bus price list; \$435,054 for over-the-road coaches and \$356,332 for suburban buses. Included as part of the cost of the vehicles is funding for spare parts and radio/farebox equipment.

MTC has indicated that the over-the-road coaches can be procured through an option on an existing bus order by New Jersey Transit. The use of this option would reduce the cost by approximately \$15,000 per bus and accelerate delivery of these buses by approximately 8 months. The MTC states that approval for this project must be granted at the August CTC meeting to take advantage of the option. No specific deadline to order the buses is documented in the application. The MTC is requesting an advance payment of \$22,318,000 to pay 90% of the procurement cost upon delivery of these buses.

The MTC is also requesting a 30% advance payment (\$4,810,000) for the suburban buses to pay an up-front cost upon execution of an order for those buses.

**Recommendation**

Department and CTC staff recommend that the Commission direct the MTC to resubmit the application package with the following clarifying information to demonstrate that buses purchased with TCRP funding be used predominately for express bus service and to provide further information on plans to implement the Regional Express Bus Program. The resubmittal shall include information to:

- 1) Define how express service will be delivered for the routes and portions of routes off the HOV system, including timelines and funding strategies where signal prioritization is the primary method to provide express service,
- 2) Verify that the procurement of diesel buses meet the air quality compliance path each operator has filed with the California Air Resources Board,
- 3) Define methods to ensure that Express Buses and Express Bus pick-up locations are clearly identified to transit riders,
- 4) Provide timelines for procurement of additional buses and construction of support facilities (Park and Ride lots, HOV direct connectors, transit hub improvements) to complete the Bay Area Rapid Bus Proposal (total estimated cost \$188 million) described in the MTC Bay Area Transportation Blueprint for the 21<sup>st</sup> Century,
- 5) Establish the standard vehicle requirements, annual performance evaluation criteria and process to transfer buses among operators to ensure express bus service is delivered as originally proposed,
- 6) Demonstrate MTC's commitment to provide bi-annual TCRP Progress Reports through full implementation of the Bay Area Rapid Bus Proposal.

**Discussion/Issues**

The project proposal adds new buses to the existing express bus fleets for 10 operators on some of the most congested corridors in the Bay Area, and does provide new services for transit riders. As currently defined, the MTC will reimburse individual operators for costs to acquire a defined number of buses without clear requirements to use this procurement to establish a Regional Express Bus service. Not all services operate on the HOV system and some buses will operate on non-express routes. The Regional Express Bus project does not require unique Regional or sub-regional appearance for existing or new buses to distinguish Express from local service. Operators are encouraged, but not

required, to participate in an Express Bus Marketing program, interagency transfer policies, and cooperative operating agreement related to a Regional Express Bus service. MTC program guidelines state that, under certain conditions, MTC can direct that buses purchased under this project be moved from one operator to another. This requirement demonstrates MTC's intent to implement the most effective Region-wide service, however, the lack of unique Regional identity and similar common features makes this provision difficult to enforce and potentially unenforceable. In summary, the project lacks the institutional arrangements between MTC and the numerous operators in the Bay Area to ensure that the new buses form the basis of a Regional, not local, express bus program.

Once these issues are addressed to the satisfaction of the Commission, the Department and CTC staff recommends the following resolution language:

For cash flow purposes, an advance up to \$4,810,000 is approved for the procurement of suburban buses and an advance up to \$22,318,000 is approved for over the road buses. Each respective advance payment shall be based on actual cash flow projections using the actual bus delivery and payment schedule and shall not exceed the maximum expected month cash payment.

Prior to allocation of funds, each operator shall demonstrate that vehicles procured under this project meet their air quality compliance path as filed with the California Air Resources Board without requesting deviation from the compliance path.

Allocation of funds to MTC will be limited to the amount approved for those operators that have fully complied with the MTC Call for Projects for the Regional Express Bus Program requirements. These requirements include the operator's adherence to standard vehicle types, willingness to participate in a regional bus procurement, agreement to transfer buses to another operator should express bus service not be delivered as proposed, and participation in regional coordination efforts for coordinated marketing, implementation of Translink® fare collection equipment, and interagency transfer policies to ensure ease of fare payment for passengers. Prior to allocation of funds, the MTC and each operator must enter into an agreement that documents this compliance.

Allocation of funds for the El Camino Real route is contingent upon CTC review and approval for future funding of the final Negative Declaration for the SamTrans Evaluation Study, addendum to address addition of Regional Express Bus Service along the El Camino Real corridor.

**Cost and Schedule – TRCP Funds only (\$ X 1,000)**

Phase	Scope	Start	End	Cost
1	Studies, Environmental Review and Permits - Categorically Exempt - SamTrans (El Camino) Neg Dec			\$0
2	Plans, Specifications & Estimates – IN HOUSE	8/1/2000	7/1/2001	\$0
3	Right of Way Acquisition – N/A			\$0
4	Procurement of <b>approximately 102 buses</b>	11/1/2001	1/1/2003	\$40,000
<b>Total:</b>				\$40,000

**Funding Plan (\$ X 1,000)**

Source	Type		Phase 1	Phase 2	Phase 3	Phase 4	Total
TCRP	State	Committed				\$40,000	\$40,000
		Proposed					
TBD	State	Committed					
		Proposed				\$20,000	\$20,000
FTA Bus Discretionary	Federal	Committed					
		Proposed				\$128,000	\$128,000
<b>Totals:</b>		Committed				\$40,000	\$40,000
		Proposed				\$148,000	\$148,000
<b>Totals:</b>						\$188,000	\$188,000