

Metro Board Approved Policy

Accelerated Bus Procurement

Adopted: October 22, 1998

Historical Perspective

In 1998, staff recognized that under its existing bus procurement plan nearly 1,100 of its 2,600 buses exceeded the Federal Transit Administration's recommended 12-year/500,000 mile replacement guideline. It realized that its aging buses would likely breakdown more frequently, which would cause its service to deteriorate. It also feared unnecessary increases in operational and maintenance costs. The Board decided that it could prevent these problems by replacing its fleet as rapidly as possible with newer buses.

Since 1993, the agency had a policy of acquiring only alternative fuel vehicles. But because of developments in diesel engine technology, staff thought that it would be possible for the Board to adopt a 50% clean diesel and 50% alternative fuel policy, and still meet current California Air Resources Board and Environmental Protection Agency standards.

Staff's preference for a mixed fleet was also a result of its experience with CNG: CNG buses could not travel as far as their diesel counterparts; they needed to be refueled more frequently. The alternatively fueled buses were also more expensive to maintain and had proven unreliable, even dangerous—one bus had actually exploded.

Reliability was important for management, because it needed to meet target load factors set by the Special Master, empowered to enforce the Consent Decree. CNG buses did not evince reliability, but clean diesel did.

CNG buses were also more expensive. Staff estimated that alternatively fueled buses would cost \$40,000 - \$50,000 per vehicle more than diesel ones. Additionally, CNG buses required expensive fueling facilities, which had not yet been built. The Board reaffirmed its commitment to a fleet of buses powered by alternative fuel. It also opted to purchase no more than 400 buses per year because experience had shown that large bus

deliveries caused problems when the buses reached retirement age.



Metro

Accelerated Bus Procurement Funding Plan

Los Angeles County

Metropolitan Transportation Authority

October 14, 1998

Accelerated Plan Introduction

- There are sufficient funds available for the Accelerated Bus Procurement Plan (“the Plan”) adopted by the MTA Board in September 1998.
- Staff reviewed costs and determined that an additional \$310.6 million would be required for the accelerated plan versus the Restructuring Plan.
- There are \$85.4 million in MTA revenues available to off-set the cost of the Plan.
- The remaining \$225.1 million needed for the Plan will be added to the baseline of the Regional Transit Alternatives Analysis, along with an additional \$40 million to address the needs of the included Municipal Operators.

Accelerated Plan Costs

- Additional costs of \$310.6 million are as compared to the Restructuring Plan, except that the FY 1999 Budget changed the base from 1,313 buses to 1,321 buses.
- The Plan assumes an all CNG fleet. The “CNG Buy-Up” of \$43.1million is the additional capital cost of changing the 921 buses on the “New Bus Orders” line from half CNG/half Clean Diesel to all CNG. Additional operating costs of an all CNG fleet, if any, are not assumed.
- The Plan includes \$30.9 million for optional advanced technology, such as voice enunciators, a global positioning system, and security cameras.

Table 1
Bus Procurement Schedules and Costs
Accelerated Bus Procurement Funding Plan (\$ millions)

Bus Costs	Totals	
	Buses	Cost
FY 1998 Deliveries	237	\$84.2
Neoplan Base	100	\$39.3
Neoplan Option	100	\$38.0
New Flyer¹	20	\$6.3
New Flyer Base	223	\$82.4
N.F. Base Low Floor		\$0.9
New Flyer Option	279	\$96.8
Bus Procurement Pending	215	\$77.2
New Bus Orders²	921	\$349.0
CNG Buy-up:		
Buses	n/a	\$16.1
Facilities	n/a	\$27.0
Subtotal CNG Buy-up	n/a	\$43.1
Total Buses and Cost	2,095	\$817.3

(1) Low floor diesel buses from Las Vegas purchased using local funds.

(2) These costs are based upon a 50% CNG and 50% clean diesel bus fleet. The added (marginal) cost to purchase an all CNG fleet, including facilities, is shown as the "CNG Buy-up." The bus and facilities cost of the "CNG Buy-up" are reflected separately.

Accelerated Plan Revenues

- The revenue baseline was the Restructuring Plan, except for adjustments required by the FY 1999 budget and the passage of TEA-21.
- Revenues were freed-up from the revenue baseline by removing Metro Card fareboxes and assigning the savings to the Plan.
- Metro Card fareboxes will be evaluated in the Regional Transit Alternatives Analysis for funding as a countywide bus service improvement.
- The plan re-assigned Section 5307 (formerly Section 9) funds from TEA-21 to bus procurements.
- Clean fuel revenues from TEA-21 and SCAQMD AB 2766 discretionary funds are assumed to be available for the Plan.

Table 1
Bus Procurement Schedules and Costs
Accelerated Bus Procurement Funding Plan (\$ millions)

Bus Revenues	Buses	\$
Restructuring Plan¹		
Section 5307 (Section 9)		\$394.0
RSTP		\$10.0
Prop. C 40% Bonds		\$43.8
TDA Article 4		\$53.8
SCAQMD AB2766		\$5.1
Subtotal Restr Plan	1,321	\$506.7
New Funding:		
Clean Fuel		\$16.5
SCAQMD		\$13.7
Sect. 5307 (Section 9)		\$55.2
Subtotal New Funding	n/a	\$85.4
Additional From RTAA		
CMAQ		\$19.1
RTAA		\$206.0
Subtotal RTAA	n/a	\$225.1
Subtotal New + RTAA	774	\$310.6
Total Revenues	2,095	\$817.3

(1) The first two years of this schedule have been modified to reflect changes to the Restructuring Plan made by the FY 1998-99 MTA Budget adoption.

Table 1
 Bus Procurement Schedules and Costs
 Accelerated Bus Procurement Funding Plan (\$ millions)

Bus Costs	FY 1998		FY 1999		FY 2000		FY 2001		FY 2002		FY 2003		FY 2004		Totals	
	Buses	Cost	Buses	Cost	Buses	Cost	Buses	Cost	Buses	Cost	Buses	Cost	Buses	Cost	Buses	Cost
FY 1998 Deliveries	237	\$84.2													237	\$84.2
Neoplan Base			100	\$39.3											100	\$39.3
Neoplan Option			100	\$38.0											100	\$38.0
New Flyer ¹			20	\$6.3											20	\$6.3
New Flyer Base			1	\$7.6	222	\$74.8									223	\$82.4
N.F. Base Low Floor						\$0.9										\$0.9
New Flyer Option							279	\$96.8							279	\$96.8
Bus Procurement Pending					215	\$77.2									215	\$77.2
New Bus Orders ²							121	\$47.9	400	\$148.3	200	\$76.4	200	\$76.4	921	\$349.0
CNG Buy-up:																
Buses								\$2.1		\$7.0		\$3.5		\$3.5	n/a	\$16.1
Facilities						\$0.5		\$10.0		\$6.0		\$5.5		\$5.0	n/a	\$27.0
Subtotal CNG Buy-up	n/a	\$0.0	n/a	\$0.0	n/a	\$0.5	n/a	\$12.1	n/a	\$13.0	n/a	\$9.0	n/a	\$8.5	n/a	\$43.1
Total Costs	237	\$84.2	221	\$91.2	437	\$153.4	400	\$156.8	400	\$161.3	200	\$85.4	200	\$84.9	2,095	\$817.3

Bus Revenues	Buses	\$	Buses	\$	Buses	\$	Buses	\$	Buses	\$	Buses	\$	Buses	\$	Buses	\$
Restructuring Plan ³																
Section 5307 (Section 9)		\$70.0		\$46.1		\$51.4		\$52.7		\$54.1		\$58.1		\$61.6		\$394.0
RSTP				\$10.0												\$10.0
Prop. C 40% Bonds		\$1.1				\$27.5		\$3.9		\$4.7		\$0.6		\$6.0		\$43.8
TDA Article 4		\$9.3		\$9.0				\$9.1		\$9.8		\$10.0		\$6.6		\$53.8
SCAQMD AB2766		\$3.8										\$1.3				\$5.1
Subtotal Restr Plan	227	\$84.2	161	\$65.1	223	\$78.9	214	\$65.7	164	\$68.6	165	\$70.0	167	\$74.2	1,321	\$506.7
New Funding:																
Clean Fuel				\$2.7		\$2.7		\$2.7		\$2.7		\$2.7		\$3.0		\$16.5
SCAQMD				\$3.7		\$2.0		\$2.0		\$2.0		\$2.0		\$2.0		\$13.7
Sect. 5307 (Section 9)				\$0.6		\$0.8		\$17.7		\$8.7		\$21.7		\$5.7		\$55.2
Subtotal New Funding	n/a	\$0.0	n/a	\$7.0	n/a	\$5.5	n/a	\$22.4	n/a	\$13.4	n/a	\$26.4	n/a	\$10.7	n/a	\$85.4
Additional From RTAA																
CMAQ				\$19.1												\$19.1
RTAA						\$69.0		\$68.7		\$79.3		(\$11.0)				\$206.0
Subtotal RTAA	n/a	\$0.0	n/a	\$19.1	n/a	\$69.0	n/a	\$68.7	n/a	\$79.3	n/a	(\$11.0)	n/a	\$0.0	n/a	\$225.1
Subtotal New + RTAA	10	\$0.0	60	\$26.1	214	\$74.5	186	\$91.1	236	\$92.7	35	\$15.4	33	\$10.7	774	\$310.6
Total Revenues	237	\$84.2	221	\$91.2	437	\$153.4	400	\$156.8	400	\$161.3	200	\$85.4	200	\$84.9	2,095	\$817.3

Notes:

- (1) Low floor diesel buses from Las Vegas purchased using local funds.
- (2) These costs are based upon a 50% CNG and 50% clean diesel bus fleet. The added (marginal) cost to purchase an all CNG fleet, including facilities, is shown as the "CNG Buy-up." The bus and facilities cost of the "CNG Buy-up" are reflected separately.
- (3) The first two years of this schedule have been modified to reflect changes to the Restructuring Plan made by the FY 1998-99 MTA Budget adoption.

MTA BOARD MEETING
OCTOBER 22, 1998
ITEM #10

MOTION BY DIRECTORS

FASANA, OROPEZA, KNABE AND YAROSLAVSKY

WE MOVE THAT THE FUNDING PLAN FOR THE ACCELERATED BUS
PROCUREMENT INCLUDE CAPITAL FORMULA FUNDS FOR THE
MUNICIPAL TRANSIT OPERATORS FOR FYs 1998-04, AND THAT THESE
FUNDS BE FLEXIBLE IN USE IN SO FAR AS THEY SUPPORT CAPITAL
IMPROVEMENTS THAT PROMOTE A YOUNG AND WELL-MAINTAINED
FLEET IN SERVICE.