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**PLANNING AND PROGRAMMING COMMITTEE
JUNE 18, 2014**

SUBJECT: FUNDING AWARD RECOMMENDATIONS FOR FEDERAL 2014 JOB ACCESS AND REVERSE COMMUTE AND NEW FREEDOM PROGRAMS

ACTION: APPROVE FUNDING AWARD RECOMMENDATIONS AND RELATED ACTIONS

RECOMMENDATION

- A. Approve the recommended federal funding award totaling \$4,816,629 in Job Access and Reverse Commute (JARC) and \$1,938,000 in New Freedom (NF) funds, as shown in Attachments A and B, respectively;
- B. Approve the award of up to \$942,972 in NF funds for the bottom three projects listed in Attachments B should any of the projects recommended for funding not be implemented or result in a funding balance after its implementation;
- C. Amend the fiscal year (FY) 2015 Budget to add the necessary revenues and expenses for the projects recommended for funding, once the Federal Transit Administration (FTA) awards JARC and NF grant funds;
- D. Authorize the Chief Executive Officer or his designee to negotiate and execute pass-through agreements with agencies as sub-recipients approved for funding once the FTA awards JARC and NF grant funds; and
- E. Certify that the JARC and NF funds were fairly and equitably distributed through a competitive selection process and that the projects recommended for funding were derived from the Board approved 2008 Coordinated Public Transit-Human Services Transportation Plan (Coordinated Plan) for the region.

ISSUE

The Los Angeles County Metropolitan Transportation Authority (LACMTA) is the Designated Recipient of FTA JARC and NF funds and is responsible for planning, programming, distribution, fund management and sub-recipient oversight. In January 2014, the Board approved the competitive FY 2014 Solicitation for Proposals for JARC and NF Program funds. This report presents the resulting JARC

and NF funding recommendations for Board review and approval and summarizes the evaluation process conducted in response to this solicitation.

DISCUSSION

The federal Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) legislation that was enacted in August 2005 established the NF formula Program and changed the JARC Program from a discretionary/earmark program to a formula program.

The JARC Program looks to improve access to employment and employment-related activities for welfare recipients and eligible low-income individuals. It also aims to transport residents of urbanized and non-urbanized areas to suburban employment opportunities regardless of their income. The NF Program looks to provide additional tools to overcome existing barriers facing persons with disabilities seeking integration into the workforce and full participation in society. This program also seeks to reduce barriers to transportation services and expand the transportation mobility options available to people with disabilities beyond the requirements of the Americans with Disabilities Act of 1990 (ADA).

In May 2006, the Board authorized LACMTA to be the Designated Recipient of JARC and NF formula funds and to fulfill all related responsibilities. Following is a brief summary of the solicitation and the evaluation process. A more detailed description is included in Attachment C.

Funding Availability

The competitive FY 2014 Solicitation for Proposals made available up to \$6,415,000 in JARC funds and up to \$1,938,000 in NF funds. Of these totals, about \$49,000 in JARC funds and \$218,000 in NF funds must be awarded for projects that serve the Urbanized Area of Lancaster-Palmdale. All other funding must be awarded for projects within the Los Angeles-Long Beach-Anaheim Urbanized Area. The funding marks include funds allocated to our region for the last three months of federal FY 2012, previously approved funds for projects sponsoring agencies later returned, and contingency funds.

Application Process

On January 24, 2014, the Notice of Funding Availability (NOFA) was sent to an extensive list of potential applicants, posted the California Association for Coordinated Transportation (CalACT) website, as well as on the Metro website. The NOFA discussed program goals, available funding amounts by program and urbanized area, applicant eligibility, local match requirements, and schedule. The NOFA also provided access to the Application Package and Evaluation Criteria, as well as to the Los Angeles County's Coordinated Plan and to the boilerplates of the funding agreements.

Two applicant workshops were held to review program requirements, the Application Package, project evaluation and the selection process. We received fourteen final applications, which were submitted by the April 25, 2014 deadline. The fourteen applications that were submitted by twelve agencies requested a total of \$9,271,047. Of this total, six applications were submitted for the JARC Program requesting \$5,936,522, and eight applications were submitted for the NF Program requesting \$3,334,525.

Evaluation and Ranking

An Evaluation Panel composed of three representatives from the Southern California Association of Governments, the Orange County Transportation Authority, and City of Covina (a LTSS member) was assembled to review, score, and rank the applications. The average score of the three-member Evaluation Panel and corresponding ranking for each project that was evaluated are shown in Attachments A and B.

The proposals were ranked based on the scores received and funds were distributed up to the maximum JARC and NF funding amounts made available for the FY 2014 Solicitation for Proposals. All six JARC proposals and four of the eight NF proposals that were submitted are recommended for funding awards. Also recommended for a funding award is a proposal that requested NF funds, but was determined by the Evaluation Panel to be suitable for JARC funds without having a negative impact on the funding award recommendations for any proposal that requested JARC funds.

DETERMINATION OF SAFETY IMPACT

Approval of the recommendation will have no impact on safety.

FINANCIAL IMPACT

All recommended actions will be funded entirely from the JARC and NF federal funds that LACMTA manages and administers. No other funds will be required from LACMTA to manage and administer the programs. No expenses for any of the projects recommended for funding awards are included in the FY 2015 Budget. However, these are multi-year projects and the project manager(s) will be responsible for budgeting project expenses in future years.

Impact to Bus and Rail Operating and Capital Budget

Per federal guidelines, JARC and NF funds may be used only for operating or capital projects that were selected competitively and meet the specific requirements, goals and objectives of the JARC and NF programs. Therefore, approving the recommended funding awards will not impact the bus and rail operating and capital budgets.

ALTERNATIVES CONSIDERED

The Board of Directors may choose not to approve all or some of the recommended actions. We do not recommend this option because without Board approval we cannot fulfill our responsibilities as the Designated Recipient of JARC and NF funds, and the projects recommended for funding awards in Attachments A and B would not be implemented. Also, without the Board's approval at this time, we would risk losing about \$3.75 million in funds that will lapse if not obligated by September 30, 2014. Approving the recommendation will allow the award of JARC and NF funds to the projects recommended for funding as a result of the FY 2014 Solicitation for Proposals process.

The Board of Directors also may choose to not fund the only JARC proposal that received a score lower than the minimum funding threshold of 60 points, consistent with the Evaluation Panel's recommendation. We do not recommend this alternative because of JARC funding availability and the eligibility of the proposed scope of work, contingent on the applicant providing the required local funding match.

NEXT STEPS

With Board approval of the recommendation, staff will prepare and submit grant applications to FTA on behalf of those agencies approved to receive JARC and NF funding. Once the FTA awards the grant funds, staff will develop and execute grant pass-through agreements with those agencies as sub-recipients and amend the FY 2015 Budget as required. As sub-recipients of JARC and NF grant funds, the successful agencies must comply with all federal rules, regulations and requirements. As LACMTA is the Designated Recipient for JARC and NF funds, FTA requires LACMTA to oversee these sub-recipients and ensure that they comply with all federal rules, regulations, and requirements. Staff will also seek Board approval for a new Solicitation for Proposals to award the balance of about \$1.6 million in JARC funds.

ATTACHMENTS

- A. JARC Program Funding Award Recommendations
- B. New Freedom Program Funding Award Recommendations
- C. Summary of the Solicitation and Evaluation Process

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JARC PROGRAM FUNDING AWARD RECOMMENDATIONS

AGENCY ¹	PROJECT ²	SCORE	PROJECT COST	FUNDING REQUEST	REQUIRED LOCAL MATCH	AWARD RECOMMENDATION
1. Long Beach Transit	Route 1 Service Expansion: operating and capital assistance, including the procurement of one bus, to extend the bus route beyond its current terminus and increase trip frequency and hours of service.	91	\$ 2,543,901	\$ 2,543,901	\$319,192	\$ 2,224,709
2. City of Pasadena	Route 20 Service Extension: operating assistance to continue providing increased trip frequency and hours of bus service.	87	\$ 1,099,362	\$ 1,099,362	\$208,879	\$ 890,483
3. City of Pasadena	Route 31/32 Service Expansion: operating assistance to increase trip frequency and hours of bus service.	87	\$ 376,606	\$ 376,606	\$71,555	\$ 305,051
4. City of Pico Rivera	New Fixed-Route Local Bus Service: operating and capital assistance, including the procurement of two buses.	68	\$ 680,000	\$ 680,000	\$274,000	\$ 406,000
5. New Horizons: Serving Individuals with Special Needs ³	"Ride On" Transportation Initiative: capital assistance for the procurement of six accessible vehicles to provide service for persons with special needs.	66	\$ 348,000	\$ 348,000	\$69,600	\$ 278,400
6. Antelope Valley Transit Authority	North County TRANSPorter: operating assistance to continue providing regional connector bus service.	61	\$ 283,098	\$ 49,000	\$234,098	\$ 49,000
7. The Information & Referral Federation of Los Angeles County	Subregional Mobility Management Services: operating and capital assistance to support rideshare service and a volunteer driver program.	57	\$ 1,187,653	\$ 1,187,653	\$524,667	\$ 662,986
TOTAL		na	\$6,518,620	\$6,284,522	\$1,701,991	\$4,816,629

1. Six proposals were received requesting JARC funds, but the proposal submitted by New Horizons requesting NF funds was also evaluated to receive JARC funds.

2. Final scope of work and use of funds as approved in FTA's grant award and as detailed in the Memorandum of Understanding with LACMTA and its award letter.

3. New Horizon's proposal was determined by the Evaluation Panel to be more suitable for JARC Program funds than for New Freedom Program funds as requested by the agency. The proposal was scored by the Evaluation Panel under both the JARC and New Freedom programs, but recommended for a funding award from the JARC Program because of the eligibility of the proposed scope of work and availability of JARC funds.

NEW FREEDOM PROGRAM FUNDING AWARD RECOMMENDATIONS

AGENCY ¹	PROJECT ²	SCORE	PROJECT COST	FUNDING REQUEST	REQUIRED LOCAL MATCH	AWARD RECOMMENDATION
1. Access Services	Service Area Expansion: operating assistance to provide paratransit service to/from origins/destinations outside the agency's service area .	86	\$1,917,000	\$ 958,500	\$ 958,500	\$ 958,500
2. Valley Village	"Go Beyond" Transportation Program Expansion: operating assistance, including providing additional travel aides and drivers and recruiting and training additional volunteers.	84	\$935,106	\$ 497,553	\$ 437,553	\$ 497,553
3. Pomona Valley Transportation Authority	"One Step Over the Line" Program Extension: operating assistance to continue providing accessible transportation service beyond the agency's service area to/from areas outside Los Angeles County .	75	\$390,000	\$ 195,000	\$ 195,000	\$ 195,000
4. Pomona Valley Transportation Authority	"Get About Ready Now" Program Extension: operating assistance to continue providing same day shared ride accessible taxi service.	72	\$785,000	\$ 392,500	\$ 392,500	\$ 286,947
5. Arts & Services for Disabled, Inc.	Transportation Expansion Program: capital and operating assistance, including the procurement of one vehicle, to continue providing shared ride transportation services.	64	\$205,102	\$ 205,102	\$ 88,451	\$ -
6. Disabled Resources Center, Inc.	Transportation Mobility Training Program: capital and operating assistance, including the procurement of computers, to continue providing travel training services.	63	\$587,148	\$587,148	\$ 293,574	\$ -
7. Porters Place Inc.	Paratransit Service Enhancement: operating assistance to hire travel assistants to support shared ride transportation services.	63	\$150,722	\$ 150,722	\$ 75,361	\$ -
TOTAL²		na	\$ 4,970,078	\$ 2,986,525	\$ 2,440,939	\$ 1,938,000

1. Eight proposals were received requesting NF funds. New Horizon's proposal requesting NF funds was evaluated by the Evaluation Panel and received a score of 66 points. However, the Evaluation Panel determined this proposal to be more suitable for JARC Program funds. Accordingly, it was also scored under the JARC Program and was recommended for a JARC funding award because of the eligibility of the proposed scope of work and availability of JARC funds.

2. Final scope of work and use of funds as approved in FTA's grant award and as detailed in the Memorandum of Understanding with LACMTA and its award letter.

SUMMARY OF THE SOLICITATION AND EVALUATION PROCESS

Introduction

The federal Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) legislation that was enacted in August 2005 established the New Freedom (NF) formula Program and changed the Job Access and Reverse Commute (JARC) Program from a discretionary/earmark program to a formula program. SAFETEA-LU authorized funding for these two formula programs from FY 2006 to FY 2009 and required that these funds be apportioned among Designated Recipients for large urbanized areas. Funding for these two programs continued to be provided through ten congressional extensions of SAFETEA-LU.

The JARC Program looks to improve access to employment and employment-related activities for welfare recipients and eligible low-income individuals. It also aims to transport residents of urbanized and non-urbanized areas to suburban employment opportunities regardless of their income. The NF Program looks to provide additional tools to overcome existing barriers facing persons with disabilities seeking integration into the workforce and full participation in society. This program also seeks to reduce barriers to transportation services and expand the transportation mobility options available to people with disabilities beyond the requirements of the Americans with Disabilities Act of 1990 (ADA).

In May 2006, the Board authorized LACMTA to be the Designated Recipient of JARC and NF formula funds and to fulfill all related responsibilities. Following is a brief summary of the FY 2014 Solicitation for Proposals and the evaluation process.

Funding Availability

To fulfill our obligation as the Designated Recipient, in January 2014, the Board of Directors approved the Application Package and Evaluation Criteria for a competitive FY 2014 Solicitation for Proposals, as well as the funding marks estimated to be made available (up to \$6,415,000 in JARC funds and up to \$1,938,000 in NF funds). Of these totals, about \$49,000 in JARC funds and \$218,000 in NF funds must be awarded for projects that serve the Lancaster-Palmdale Urbanized Area (UZA). All other funding must be awarded for projects within the Los Angeles-Long Beach-Anaheim UZA. The Board-approved estimated funding marks include federal funds allocated to our region for the last three months of federal FY 2012, as Congress authorized in the Surface Transportation Extension Act of 2012-Part II of the Moving Ahead for Progress in the 21st Century Act (MAP-21) that became law on July 6, 2012. The proposed funding marks also included previously approved funds for agencies that later indicated that they will not implement their projects, surplus funds from agencies that implemented or are currently implementing their projects, and contingency funds.

Application Process

On January 24, 2014, we sent the Notice of Funding Availability (NOFA) by regular mail and electronic mail to an extensive list of potential applicants. We also posted the NOFA on the website of the California Association for Coordinated Transportation (CalACT), which represents operators of small and large transit systems and providers of specialized transportation statewide that are eligible to apply for JARC and NF funds. We also posted all relevant documents on the Metro website. The NOFA discussed the goals of the competitive JARC and NF programs, funding amounts made available by program and urbanized area, applicant eligibility, local match requirements, and schedule. The NOFA also provided access to the Application Package and Evaluation Criteria for the FY 2014 Solicitation for Proposals, including maximum possible scores for each one of the four sections. It also provided access to the Los Angeles County's Coordinated Plan and to the boilerplates of the funding agreements that successful applicants, approved for funding by the Board, would have to execute with LACMTA after FTA's grant award.

In support of outreach efforts, the NOFA also advised of two scheduled workshops for potential applicants to assist them with understanding the requirements of the programs and Application Package, as well as the project evaluation and selection process. Staff conducted the workshops on February 4 and February 5, with presentations made by FTA and LACMTA staffs. The workshops were attended by 37 participants representing 30 agencies from Los Angeles County. Although the NOFA also indicated the possibility of conducting additional workshops, as needed and upon request (including workshops at locations facilitated by potential applicants), no such requests were received. However, staff received and answered several questions that were transmitted by email or phone. We also made presentations to the Local Transit Systems Subcommittee (LTSS), Bus Operations Subcommittee (BOS), and the Technical Advisory Committee (TAC) and encouraged the member agencies to share the information and submit funding applications.

We received fourteen final applications, which were submitted by the April 25, 2014 deadline. The fourteen applications that were submitted by twelve agencies requested a total of \$9,271,047. Of this total, six applications were submitted for the JARC Program requesting \$5,936,522, and eight applications were submitted for the NF Program requesting \$3,334,525.

Evaluation and Ranking

An Evaluation Panel composed of three representatives from the Southern California Association of Governments, the Orange County Transportation Authority, and City of Covina (a LTSS member) was assembled to review, score, and rank the applications. The scores and corresponding rankings for projects shown in Attachments A and B

include average scores of the three-member Evaluation Panel. Ultimately, per the Evaluation Criteria, the Board approves the funding award recommendations for proposals for which staff will submit grant applications to FTA requesting grant award. All applications were scored and ranked for the program from which funds were requested. One application for NF funds was also scored and ranked for JARC funds because of work scope eligibility and fund availability after scoring all applications for JARC funds. The panel considered the requirements that would impact the scoring of each project, as detailed in the approved Application Package and Evaluation Criteria. The following summarizes those requirements and their corresponding maximum scores possible:

1. Scope of Work, Need, Objectives, Coordination and Outreach: A maximum of 40 points (with 5 points of the total for applications addressing the “Building Capacity Category” of the Coordinated Plan) based on the level of effort, defined need, clarity of goals and objectives, and the resources, completeness, and relevance of coordination and outreach activities to the JARC and/or New Freedom programs.
2. Operating, Implementation, and Management Plans: a maximum of 20 points based on the level of effort, experience, prior performance with JARC and/or NF grants awarded by LACMTA, milestones, resources, and completeness of the proposal.
3. Performance Indicators and Project Effectiveness: a maximum of 20 points based on the expected output, benefit, and the feasibility of the proposed project by measuring and tracking performance indicators to assess the agency’s likely effectiveness in delivering proposed services.
4. Budget Justification: a maximum of 20 points based on completeness, rationale, eligibility, and commitment of funds to meet statutory local match requirements (including any funds provided by federal agencies other than the U.S. Department of Transportation), as well as based on the contents of the proposed capital and/or operating budgets.

The proposals were ranked based on the scores received and funds were distributed up to the maximum JARC and NF funding amounts made available for the FY 2014 Solicitation for Proposals. In making its funding recommendations for proposals that met the minimum score funding threshold of 60 points, the Evaluation Panel considered the funding availability for each program, including the availability of about \$2.51 million in JARC funds and \$1.24 million in NF funds for which “toll development credits” (TDC) could be used in lieu of the minimum required local match of 20% for capital expenses and 50% for operating expenses (as detailed in the Evaluation Criteria and NOFA). The panel also considered the option it had, per the Evaluation Criteria approved by the Board, to lower the score funding threshold below 60 points and award funds to proposals that did not receive a score of at least 60 points. The panel decided

to not exercise this option. Accordingly, only one proposal requesting JARC funds that scored lower than 60 points was not recommended for a funding award by the panel (although some elements of its proposed scope of work, such as a volunteer driver program, are eligible JARC expenses). The evaluation of this project is further discussed below.

JARC Proposal Evaluation and Ranking

All of the JARC proposals were determined to be eligible for JARC funds and were scored and ranked by the Evaluation Panel. The panel recommended six proposals for a JARC funding award (including the NF proposal that was also scored and ranked as a JARC proposal) contingent on the sponsoring agencies providing the local match specified in Attachment A. While the panel did not choose to lower the score threshold for a funding award, staff is recommending that the one JARC proposal that scored 57 below the 60-point threshold be funded due to funding availability and the projects eligibility. Thus, staff is recommending the award of JARC funds to seven proposals.

Except for only one agency committing \$49,000 in local funds for its proposed JARC project, all other proposals evaluated for JARC funds did not commit any local match, whether cash or in-kind (e.g., donations, volunteers' time, and property, equipment, and other assets necessary to implement the project). While about 40% of the available JARC funding is eligible to be matched with TDC because it consists of federal FY 2012 funds that were never awarded in a federal grant, FTA does not allow the balance of about \$3.9 million to be matched with TDC because it consists of previously awarded funds. Given that almost all of the JARC proposals only included requests for TDC to meet their local match requirements, the Evaluation Panel discussed an equitable method for allocating the limited TDC that were available (equivalent to the \$2.51 million in federal FY 2012 JARC funds) across the projects. The panel suggested that all projects recommended for JARC funding will be required to include a local funding match in their budgets in order to receive grant awards. The panel also recommended that the available TDC be allocated to the three highest ranked projects in proportion to their budgets (about 62% of their funding requests). The average score of these three top-ranked projects is 25 points higher than the average score of the other four JARC proposals that were evaluated. On average, the three top-ranked projects will be required to provide a cash and/or kind match of 17% compared to 35% from the lower-ranked proposal that requested TDC.

New Freedom Proposal Evaluation and Ranking

All proposals requesting NF funds were determined to be eligible, including the proposal that was also scored and ranked as a JARC proposal. However, after being scored and ranked by the panel, only four NF proposals were recommended for a NF funding award by the panel contingent on the sponsoring agencies providing the local match committed in their proposals and specified in Attachment B. The other three NF proposals, although they received scores above 60 points, were not recommended for a NF funding award by the panel because all NF funds made available for the FY 2014

Solicitation for Proposals were allocated to the four proposals that received higher scores (consistent with the Evaluation Criteria). If additional NF funds become available because any of the projects recommended for funding is not implemented or result in a funding balance after its implementation, the NF proposals that were not recommended for a funding award by the panel could be funded contingent on providing the required local match (whether cash or in-kind) specified in Attachment B.