



**Metro**

Metropolitan Transportation Authority

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**OPERATIONS COMMITTEE  
JULY 20, 2006**

**SUBJECT: TRANSFER OF LINE 225/226 TO PALOS VERDES PENINSULA  
TRANSIT AUTHORITY**

**ACTION: EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE  
PALOS VERDES PENINSULA TRANSIT AUTHORITY FOR THE  
OPERATION OF LINE 225/226**

**RECOMMENDATION**

Authorize the Chief Executive Officer to execute a Memorandum of Understanding (MOU) with the Palos Verdes Peninsula Transit Authority (PVPTA) for the continued operation of Line 225/226.

**RATIONALE**

PVPTA began providing local fixed-route bus service on the Palos Verdes Peninsula in 1995 and carries approximately 180,000 passengers per year. Metro Line 225/226 lies almost completely within its service area and is the only local bus line operated by Metro in this part of the county. Based on the performance measures contained in the board-adopted Transit Service Policy, Line 225/226 is the least productive bus line currently operated by Metro. Consequently, modifications have been made to the Line over the past five years to improve its performance. There have also been attempts to cancel the line, which has generated strong opposition from both the South Bay Sector Governance Council and the local community. Line 225/226 is operated as a contract service provided by First Transit, Inc. The net cost of Metro providing this Line is approximately \$262,000/year.

In April 2004, PVPTA approached Metro requesting that Metro Line 225/226 be transferred to their agency for operation. After several meetings between the agencies, it was agreed that PVPTA should operate the service for 10 years. Under this arrangement, Metro will provide PVPTA operating funds of \$200,000/year with an annual increase based on the Consumer Price Index. PVPTA will be required to report service statistics to Metro so that Metro Operations can continue to claim the Formula Allocation Program (FAP) funds generated by this service. PVPTA will also be responsible for any capital costs associated with providing the service.

The South Bay Service Sector Council approved the transfer of this service in March 2005 and approved the Line's final service plan in May 2006. As part of the agreement, PVPTA will continue to bring major service changes to the South Bay Governance Council for approval prior to implementation.

Metro's Service Sector Governance Council Policy empowers the South Bay Sector and other Governance Councils to enter into contracts with outside transit agencies for the provision of service. However, the policy does not clearly delineate a financial threshold for contracts that may be executed without Metro Board approval. County Counsel has interpreted that amount to be \$200,000, equivalent to the Chief Executive Officer's signature authority on contracts. For the transfer to occur during the June 2006 service change, the Chief Executive Officer signed a six-month agreement in June with PVPTA to operate the service through December 2006. Board approval will allow the Chief Executive Officer to execute an agreement for the remainder of the 10-year term.

### **FINANCIAL IMPACT**

Funding of \$200,000 for the agreement is included in the FY07 budget in cost center 3590, Contract Services, under project 300011, task 11.1.01.3.01. Since this is a multi-year contract, the cost center manager and Deputy Chief Executive Officer will be accountable for budgeting the cost in future years.

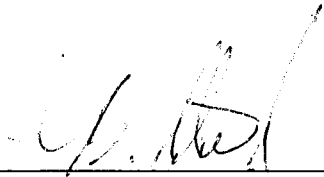
### **ALTERNATIVES CONSIDERED**

Metro may either continue to operate Line 225/226 or cancel the service. These alternatives are not recommended due to the fact that the agreement with PVPTA will allow Metro to reduce its funding commitment, while not completely eliminating funding for local bus service in this part of the county.

### **ATTACHMENT**

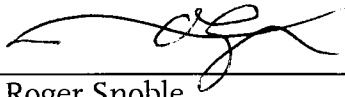
A. Map Line 225/226

Prepared by: Gary Hewitt, Contract Transit & FSP Program Manager



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John B. Catoe, Jr.  
Deputy Chief Executive Officer



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Roger Snoble  
Chief Executive Officer

# Line 225/226 - Transfer Operation to the Palos Verdes Peninsula Transit Authority

