

**MEMORANDUM
CITY OF LANCASTER, CA**

TO: City Council Members

FROM: Vice Mayor Marvin Crist
Council Member Sandra Johnson

DATE: March 25, 2014

SUBJECT: **Report on the Activities of the Board of Directors for the Antelope Valley Transit Authority**

Recommendation:

Receive a report of the proceedings and issues discussed at the February 2014 regular Board of Directors meetings of the Antelope Valley Transit Authority (AVTA).

Background:

The Antelope Valley Transit Authority is a distinct government entity created under a joint powers authority agreement between the City of Lancaster, the City of Palmdale, and Los Angeles County that provides public transit services. Vice Mayor Marvin Crist serves as the Vice Chair and Council Member Sandra Johnson serves as a Director on the AVTA Board for the City of Lancaster.

The following significant events took place at the January Board meeting:

- **Attendance.** Palmdale City Council members Laura Bettencourt and Mike Dispenza served as alternate AVTA Board members in Director Tom Lackey and Director Steve Hofbauer's absence.
- **Special Report.**
 - The Board received an update on the AVTA's Apollo Video Security Project. This system upgrades the current video system to allow auto downloads, system health monitoring, ability to search video being recorded at a specific location, ability to download clips when driver is in danger, and provides wireless access via cell phone increasing customer service.
- **Contracts.**
 - The Board approved the assignment of the Dial-A-Ride contract with American Logistics Company (ALC) to Veolia Intelliride effective May 1, 2014. In January, ALC notified AVTA the intent to cancel their agreement for Operations and Maintenance of Dial-A-Ride Paratransit services no later than July 1, 2014. This assignment will allow for a smooth transition with no interruption of Dial-A-Ride services for customers.

- The Board authorized a sole source contract with WAVE, Inc for two in-ground inductive charging stations for the amount of \$670,000 plus applicable sales tax and construction contracts for the installation of the charging systems for an estimated amount of \$494,500 plus applicable sales tax. Staff will return to the Board with final pricing for all construction contracts. Contract awards are subject to AVTA's ability to identify and secure sufficient funding.
- **Budget**
 - The Board approved the proposed Fiscal Year 2013-2014 mid-year Business Plan adjustments. Revenues will be increased by approximately \$1.9 million and expenditures will decrease by approximately \$359,000. The proposed adjustments include:
 - Increased farebox revenues for local transit operations of \$170,000
 - Unbudgeted receipt of \$1.9 million of Proposition A Local Return Funds provided by Supervisor Antonovich in support of the electric bus project.
 - A slight decrease due to overestimate of rebates from SCE
 - Savings on diesel fuel at \$534,000
 - Personnel cost savings at \$187,000
 - Other operating and general administrative cost increase of \$363,000
 - The Board approved the Fiscal Year 2014-2015 preliminary Business Plan and Short Range Transition Plan assumptions that provide direction to staff in developing the budget and priorities for year. Highlights include:
 - Initiatives:
 - Electric Bus Demonstration Project
 - Replacement Bus Procurement
 - Service Expansion
 - Route to Success Implementation (implementation of comprehensive study for opportunities to improve and expand services)
 - Bus Rapid Transit
 - Assumptions:
 - Expand Commuter Services with two new runs
 - Expand local service on heavily used routes
 - TRANSporter to be fully funded by AVTA (LA County funding ends June 30, 2014)
 - Fixed Route cost increase of 3% per contract with Veolia
 - Dial-A-Ride Service increase of 1.5% per contract
 - Subsidy of \$165,000 for JARC Voucher Program for job seekers utilizing the Dial-A-Ride
 - Fuel costs projected at \$5 per gallon based on current fuel usage

- Fare revenues projected to increase due Commuter Service, TRANSporter and electric bus project expansion opportunities
 - Advertising revenue of \$120,000
 - Solar power sold back to SCE from Phase II projected at \$180,000
 - Personnel to remain at 31 full-time and 8 part-time employees; no COLA or step increases; merit increases to a maximum of 5% based on performance; benefits/insurance costs increase of 10%
 - CalPERS Pension increase of just under 1%
 - 10% increase for insurance
 - No change for jurisdictional contribution to capital reserve
 - No change for jurisdictional operating base funding levels; however, jurisdictional percentage may change based on relative service to jurisdictions
 - Operating reserve funding to be determined. Current balance is \$500,000 with a goal of \$5 million

- **Old Business**
 - The Board received a report on issues pertinent to potential procurement of 12 electric buses and consideration and recertification of the October 2013 AVTA Board authorization to purchase 12 clean diesel buses from Gillig Corporation. Staff presented a summary of the Board's direction to staff at the January 28, 2014 meeting, diesel and electric bus procurement timelines, cost elements and lease considerations, procurement process, sole source issues, and elements to include in a Request for Proposal. In response to Board questions, staff indicated electric buses could be delivered even sooner than the clean diesel buses. The Board discussed a new discretionary funding opportunity recently introduced by the FTA entitled the Low or No Emissions Vehicle Deployment Program (LoNo). This program will make \$24.9 million of FY13 funds available for the deployment of low or no emission transit buses. \$21.6 million of this amount is available for buses and \$3.3 million is available for supporting facilities and related equipment. In recognition of the AVTA's commitment to moving toward a zero emission fleet, the Board approved a 5 part action.
 - Receive and file the report on issues pertinent to the possible procurement of 12 electric buses in lieu of diesel buses
 - Direct staff to apply for FTA 5312 LoNo funding in partnership with BYD and WAVE, Inc. This application shall request funds required for the incremental cost difference between the Gillig clean diesel buses and 12 electric buses plus necessary charging equipment
 - Specific elements of the application shall include at least all of the following plus all items required by FTA as listed in the January 9, 2014 Federal Register:
 - An explanation of infrastructure required based on number of buses, i.e. one inductive charging station is required for every four electric buses funded

- Letters of support from community partners, including Lancaster, Palmdale, County of Los Angeles, AVAQMD, AV Board of Trade, and Greater Antelope Valley Economic Alliance; and
- Commitment letters from AVTA, BYD, WAVE, Inc. and a technical support consultant.
- Upon FTA notification of a LoNo grant award, the executive director shall immediately take steps to procure electric buses and/or supporting infrastructure in accordance with FTA requirements and in a number consistent with the funds allocated; and
- Upon notification by FTA of any funds awarded through the LoNo program, place a motion for the Board at an appropriate board meeting to reconsider and recertify the Board's October 2013 authorization to purchase 12 clean diesel buses from Gillig Corporation

Much discussion ensued. In discussing the LoNo application in which the applicant is encouraged to partner with a manufacturer, the Vice Chair from Lancaster expressed concern of potential protests alleging AVTA is not being open and competitive; thereby, disqualifying BYD as staff moves toward processing an RFP. Staff assured the Board under the LoNo program, the FTA is encouraging and expecting that agencies partner with one manufacturer; the program includes a waiver of FTA procurement requirements, including an RFP. Staff is waiting on a response from the FTA regarding whether that also affects the base amount, which would be funded with Section 5307 discretionary funds. In response to other questions from the Board, staff indicated seven replacement busses are needed immediately, if the two BYD electric busses from the demonstration project are put into service after the demonstration project, there will only be five more replacement busses needing to be purchased immediately. AVTA will not be notified whether they were successful in obtaining the LoNo funds until the middle of June or possibly July. If AVTA is not successful in securing these funds, then the Board would come back to discuss other funding and purchasing options. The Board noted the record should reflect AVTA is doing this procurement openly and competitively and moving toward a zero emission fleet.

- **Executive Director's Report**

- AVTA's 2nd Annual Bus Rodeo will be held on Saturday, March 29, 2014 at 8:30a.m. There are currently 15 qualified contestants who meet the National Rodeo criteria. The winner will compete at the National Bus Rodeo in Kansas City in May.
- The Executive Director stated AVTA staff and representatives from the Board are attending the APTA Legislative Conference in Washington DC March 8 through March 12 to discuss AVTA's electric bus initiatives and Bus Rapid Transit. They are scheduled to also meet with FTA General Counsel and Congressman McCarthy's Office. Other AVTA staff will observe a demonstration of the WAVE inductive charger in revenue service at the University of Utah on March 18th.