



**Item #16-4-2  
Consent**

**SACOG Board of Directors**

April 14, 2016

**Approve Programming of Transit Asset Management Lump Sum**

**Issue:** How should the Board program the 2016 flexible funding round Tier 1 Transit Asset Management Lump Sum Award?

**Recommendation:** The Transportation Committee unanimously recommends that the Board: 1) approve the allocation of \$11 million in Tier 1 Flexible Federal Programming to four transit operators; 2) authorize staff to submit the Regional Transportation Improvement Program (RTIP) to the California Transportation Commission (CTC) for these funds; 3) authorize the Chief Executive Officer to negotiate and execute any necessary Memoranda of Understanding (MOU) with project sponsors; and 4) direct staff to prepare the required Metropolitan Transportation Improvement Program (MTIP) amendments.

**Committee Action/Discussion:**

In 2015, SACOG conducted a biennial flexible funding round to allocate federal apportionments of Congestion Mitigation and Air Quality (CMAQ), Regional Surface Transportation Program (RSTP), State Transportation Improvement Program (STIP) funds, and SACOG Managed Funds. Due to reductions in State Transportation Improvement Program (STIP) funds, the Board at its September 2015 meeting approved a Tier 1 and Tier 2 approach for all funding programs. Tier 1 funds are available for programming upon Board action. Tier 2 funds become available in the event of legislative action and/or identified delivery strategies that yield new funding in advance of the next competitive SACOG call for projects.

In December 2015, the SACOG Board approved a transit asset management lump-sum award divided into two tiers, as follows:

- Tier 1 - \$11 million
- Tier 2 Priority #1 - \$5,000,000
- Tier 2 Priority #7 - \$13,000,000

The allocation was to be split between the four transit operators that applied for bus or light rail vehicle replacements – Sacramento Regional Transit District (RT), Yolo County Transportation District (YCTD), Unitrans and the City of Elk Grove – following the completion of a Transit Asset Management Plan (TAM) process. TAM is a business model that uses the condition of transit assets to guide the prioritization of scarce federal funds for vehicle and other transit asset replacement to maintain bus and rail systems in a State of Good Repair.

Working with the Transit Coordinating Committee (TCC), SACOG staff has begun a regional TAM process in anticipation of rules being completed by the Federal Transit Administration (FTA) to

establish a national TAM system. Through this process, SACOG and the transit operators will collaboratively be able to evaluate regional vehicle needs in a uniform and consistent manner.

To begin the TAM effort, SACOG staff worked with an ad-hoc TCC group and initiated an inventory of transit assets to measure the transit system's State of Good Repair and guide the allocation of the transit lump-sum funds. After several months of data collection and analysis, the ad-hoc group reached a unanimous recommendation on how to allocate the \$11 million in Tier 1 funds while the TCC operators continue to work towards developing a comprehensive regional TAM process. Attachment A provides the details of the \$11 million allocation recommendation and the breakdown for each operator.

Upon Board approval, staff will complete the RTIP and work with the transit operators to complete the MTIP amendment that will allow them to apply for the funds.

Approved by:

Mike McKeever  
Chief Executive Officer

MM:AZ:ds  
Attachment

Key Staff:       Matt Carpenter, Director of Transportation Services, (916) 340-6276  
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### Recommendation for Tier I Transit Asset Management Lump Sum Award Allocation

Through the initial TAM inventory and analysis process conducted by SACOG, it was determined that operator vehicle requests were warranted to maintain an efficient system in a state of good repair. However, only \$11 million was awarded in Tier 1, compared with a total of \$93.89 million in requests.

As noted in the staff report, SACOG worked with the four transit operators to reach unanimous agreement on a methodology for allocating the \$11 million in Tier 1 funds. This methodology:

- Provides Sacramento Regional Transit with \$4 million towards light rail vehicle replacement (approximately the cost of one rail car), recognizing that is not viable for RT to order one car but providing an initial seed fund towards the \$78 million request for 13 vehicles.
- Divides the remaining \$7 million Tier I funds by the 30 vehicles requested by the other three operators to provide an equitable distribution of the funds. This results in a price cap for all buses at \$233,000.

The specific funding recommendations are as follows:

Agency	Bus/Vehicle Type	# of vehicles requested	Unit Price with fixed price cap	Funding from Tier 1 Lump Sum Award	% of total	Required Local match (11.47%)	Total with match
YCTD	CNG	15	\$233,333	\$3,500,000	32%	\$453,462	\$3,953,462
Elk Grove	CNG	9	\$233,333	\$2,100,000	19%	\$272,077	\$2,372,077
Unitrans	Double-deck	6 (= 3 full double-decks)	\$233,333	\$1,400,000	13%	\$181,385	\$1,581,385
RT	LRV Seed Fund	13	\$4,000,000	\$4,000,000	36%		
<b>Total</b>		43		<b>\$11,000,000</b>		\$906,924	\$7,906,924