



Board Report

File #: 2016-0630, **File Type:** Motion / Motion Response

Agenda Number: 5.

FINANCE, BUDGET & AUDIT COMMITTEE OCTOBER 19, 2016

SUBJECT: TAP VENDING MACHINE (TVM) EXPANSION AT HIGH-VOLUME BUS STOPS AND TRANSIT CENTERS

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE this report on the **installation of TAP Vending Machines (TVM)** at key regional Metro and Municipal Operator transit centers and bus stops.

ISSUE

On April 28, 2016 the Board of Directors adopted a motion (Attachment A) amending Item #6 “TVM Expansion Program” on the agenda of the Regular Board Meeting. The motion directed staff to develop an implementation plan to select and prioritize the expansion of TVM’s at key regional Metro and Muni transit centers and bus stops.

It further directed staff to include in the plan options for funding, a phased implementation, respective roles and responsibilities of Municipal Operators and Metro, and funding for the purchase, installation, operation and maintenance, and security for the TVM’s at the selected locations.

DISCUSSION

In response to Municipal Operator requests for TVM’s, staff undertook a study to identify, evaluate and prioritize locations and develop cost estimates and financing strategies.

Staff screened, evaluated, and ranked thirty-five (35) candidate locations based on the following criteria:

- › Ridership information
- › Agency must own property
- › Availability of funding
- › Equitable regional distribution
- › Facility readiness

- › Access to power and communications
- › Secured areas with CCTV coverage

Priority was given to high-volume transit centers/hubs and Park & Ride lots where TVM’s would be located at least ¼ mile away from TAP sales vendors and street corners

Findings

Ultimately, nine (9) locations representing eight (8) Municipal Operators met the criteria. Metro staff and Municipal Operators have worked together to develop the installation plan illustrated in Table 1. The installation plan is tentative pending assessment of site conditions. Installations are scheduled to begin July 2017.

Table 1 - Phased TVM Installation Plan

Agency	Location	No. of TVM's	Implementation Date ¹
Long Beach Transit	Transit & Visitor Info Center	2	July 2017
Santa Monica Big Blue Bus	Rimpau Terminal	1	Aug 2017
	LAX City Bus Terminal	1	Aug 2017
Santa Clarita Transit	McBean Regional Transit Center	1	Sept 2017
Culver Citybus	Westfield Culver City Mall	1	Sept 2017
Antelope Valley Transit Authority	Lancaster City Park	1	Sept 2017
BurbankBus	Downtown Metrolink Station	1	Oct 2017
Redondo Beach (BCT)	Redondo Beach Transit Center	1	Dec 2017
Torrance Transit	Torrance Transit Park & Ride Regional Terminal	2	Dec 2017

¹ Implementation dates are subject to change pending site conditions

FINANCIAL IMPACT

As directed by April’s Board Motion, staff investigated the following as potential funding sources for Municipal Operators: Congestion Mitigation and Air Quality (CMAQ) Program, Low Carbon Transit Operations Program (LCTOP), and Urbanized Area Formula Program (5307). Although Municipal Operators qualify for grant funds, the eligible funds have been earmarked to other agency projects and cannot be used for capital costs of the TVM’s.

Since Municipal Operator cannot put grant funds towards TVM capital costs, Metro staff will draw eleven (11) TVM’s including spare parts and maintenance from the Board approved 54 TVM purchase, Contract Modification No. 140, under Contract No. OP02461010 of April 2016.

There are no additional financial impacts to the agency in FY17 as procurement of the TVM’s has been budgeted in FY17 through the Ticket Vending Machine Acquisition and Installation Project. Cost for the EZ transit pass screen flow modifications will be covered through project 207143, TVM

Software Upgrade. FY17 is allocated in Cost Center 3020 in Account 50316 Professional Services. The infrastructure and installation costs are needed in FY18 and the cost center manager is responsible for budgeting this through the annual budget cycle.

Cost Sharing Plan

Metro will fund the capital costs of the TVM’s, spare parts, installation, infrastructure work, and adding EZ transit passes to screen flows.

The Municipal Operators will fund the TVM annual operational costs including maintenance and revenue servicing. Detailed maintenance and revenue servicing costs are in Attachment B.

Table 2 identifies the party responsible for payment of specific cost elements.

Table 2 - Cost Elements for TVM Expansion

	No.	Item/Description	Party Responsible
One-time costs	1	TVM, TVM installation, spare parts, network equipment	Metro
	2	Infrastructure (canopy, CCTV camera, lighting, etc.)	Metro
	3	EZ transit pass software modifications	Metro
Annual operating costs	4	CCTV Monitoring	Metro
	5	Maintenance ¹	Municipal Operator
	6	Revenue servicing ²	Municipal Operator

¹ Cost increase of about 3.2% annually

² Cost increase of 2% annually

Impact to Budget

Funding for Metro’s costs is included in the FY17 adopted budget, so there will be no budget impact. The funding source for the equipment acquisition and software upgrade is Proposition C 40%. These funds are eligible for Metro bus and rail capital and operations.


NEXT STEPS

- › Perform site visits to assess site conditions of each of the locations to refine the costs and streamline the implementation schedule
- › Draft a Memorandum of Understanding (MOU) with each of the agencies requesting TVM’s
- › Staff is investigating several new technological advances that will provide a less expensive solution as customer access to TAP expands. These include mobility hubs, bike kiosks, parking meters and smart-pad point of sale devices

ATTACHMENTS

Attachment A - Board Motion Item #6, (2016-0387), TVM Expansion Program
Attachment B - Annual TVM Maintenance and Revenue Servicing Cost Estimate

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Board Report

File #:2016-0387, File Type:Informational Report

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REGULAR BOARD MEETING
APRIL 28, 2016

Motion by:

DIRECTORS BUTTS, KNABE, NAJARIAN AND DUPONT-WALKER

TO AMEND ITEM 6

TVM EXPANSION PROGRAM

As we adjust to the opening of two new LRT extensions and the bus and rail coordination issues, there is a need that goes beyond this specific purchase and placement of these 54 TVM's at key Metro stations: that of placing TVMs at key Municipal Operator locations to facilitate further expansion and utilization of the TAP Card system.

The opening of these two new extensions puts ever increasing pressure on the availability, distribution and usage of the TAP card payment system. Expanding the TAP TVM system to enable the Municipal Operators' ridership greater and convenient access will further ensure the success of the expanding Metro rail system. We cannot overlook nor put off into the distant future the needs of the Municipal Operators or the contribution they are making to bring riders to the Metro rail lines.

We believe that this Board should instruct Staff to come back in six months with an implementation plan to install TVMS on key regional transit centers and bus stops at Metro and Municipal Operator locations where Metro provides a significant percentage of the bus service, e.g. the Pico-Rimpau and LAX Transit Center, and that it be prioritized in phases based on readiness for installation, and funding availability for the purchase, installation, operation and maintenance and security.

Previously CMAQ was used as the funding source for the UFS and this should be examined as an appropriate use of funding as this relates to the opening of the Foothill and Expo extensions, respectively. CMAQ funds have historically been used for Municipal Operator needs and should be continued to be available to fund Metro/Municipal Operator-related projects.

WE THEREFORE MOVE that this Board instruct the CEO and Metro staff to return to this Board in six (6) months with a plan designed to select and prioritize the expansion of TVM machines to the sites described above based on a ridership and TAP card usage threshold to warrant selection and

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placement of TVM machines.

The Plan should then recommend options for funding, especially CMAQ; including a phased implementation, respective roles and responsibilities of Municipal Operators and Metro, and funding for purchase, installation, operation and maintenance, and security for the selected TVM sites.

O&M - FY 18

Group A Locations:		TVM Qty	Per TVM - Cubic	Cubic Subtotal	Per TVM - Revenue Collections	Revenue Collections Subtotal	Combined
Burbank Downtown	Burbank	1	\$ 7,095.10	\$ 7,095.10	\$ 3,829.84	\$ 3,829.84	\$ 10,924.94
McBean Regional Transit Center	Santa Clarita	1	\$ 7,095.10	\$ 7,095.10	\$ 3,829.84	\$ 3,829.84	\$ 10,924.94
Lancaster City Park	AVTA	1	\$ 7,095.10	\$ 7,095.10	\$ 3,829.84	\$ 3,829.84	\$ 10,924.94

Group B Locations:

Rimpau Terminal	Santa Monica - BBB	1	\$ 7,095.10	\$ 7,095.10	\$ 2,297.90	\$ 2,297.90	\$ 9,393.00	
LAX City Bus Terminal	Santa Monica - BBB	1	\$ 7,095.10	\$ 7,095.10	\$ 2,297.90	\$ 2,297.90	\$ 9,393.00	
Redondo Beach Transit Center	Redondo Beach	1	\$ 7,095.10	\$ 7,095.10	\$ 2,297.90	\$ 2,297.90	\$ 9,393.00	
Torrance Transit Park	Torrance	2	\$ 7,095.10	\$ 14,190.20	\$ 2,297.90	\$ 4,595.80	\$ 18,786.00	
Long Beach Transit HQ	Long Beach Transit	2	\$ 7,095.10	\$ 14,190.20	\$ 2,297.90	\$ 4,595.80	\$ 18,786.00	
Westfield Culver City Mall	Culver City	1	\$ 7,095.10	\$ 7,095.10	\$ 2,297.90	\$ 2,297.90	\$ 9,393.00	
Total FY18							\$	107,918.81

O&M - FY 19

Group A Locations:		TVM Qty	Per TVM - Cubic	Cubic Subtotal	Per TVM - Revenue Collections	Revenue Collections Subtotal	Combined
Burbank Downtown	Burbank	1	\$ 7,325.72	\$ 7,325.72	\$ 3,906.43	\$ 3,906.43	\$ 11,232.15
McBean Regional Transit Center	Santa Clarita	1	\$ 7,325.72	\$ 7,325.72	\$ 3,906.43	\$ 3,906.43	\$ 11,232.15
Lancaster City Park	AVTA	1	\$ 7,325.72	\$ 7,325.72	\$ 3,906.43	\$ 3,906.43	\$ 11,232.15

Group B Locations:

Rimpau Terminal	Santa Monica - BBB	1	\$ 7,325.72	\$ 7,325.72	\$ 2,343.86	\$ 2,343.86	\$ 9,669.58	
LAX City Bus Terminal	Santa Monica - BBB	1	\$ 7,325.72	\$ 7,325.72	\$ 2,343.86	\$ 2,343.86	\$ 9,669.58	
Redondo Beach Transit Center	Redondo Beach	1	\$ 7,325.72	\$ 7,325.72	\$ 2,343.86	\$ 2,343.86	\$ 9,669.58	
Torrance Transit Park	Torrance	2	\$ 7,325.72	\$ 14,651.44	\$ 2,343.86	\$ 4,687.72	\$ 19,339.16	
Long Beach Transit HQ	Long Beach Transit	2	\$ 7,325.72	\$ 14,651.44	\$ 2,343.86	\$ 4,687.72	\$ 19,339.16	
Westfield Culver City Mall	Culver City	1	\$ 7,325.72	\$ 7,325.72	\$ 2,343.86	\$ 2,343.86	\$ 9,669.58	
Total FY19							\$	111,053.09

O&M - FY 20

Group A Locations:		TVM Qty	Per TVM - Cubic	Cubic Subtotal	Per TVM - Revenue Collections	Revenue Collections Subtotal	Combined
Burbank Downtown	Burbank	1	\$ 7,563.85	\$ 7,563.85	\$ 3,984.56	\$ 3,984.56	\$ 11,548.41
McBean Regional Transit Center	Santa Clarita	1	\$ 7,563.85	\$ 7,563.85	\$ 3,984.56	\$ 3,984.56	\$ 11,548.41
Lancaster City Park	AVTA	1	\$ 7,563.85	\$ 7,563.85	\$ 3,984.56	\$ 3,984.56	\$ 11,548.41

Group B Locations:

Rimpau Terminal	Santa Monica - BBB	1	\$ 7,563.85	\$ 7,563.85	\$ 2,390.74	\$ 2,390.74	\$ 9,954.59	
LAX City Bus Terminal	Santa Monica - BBB	1	\$ 7,563.85	\$ 7,563.85	\$ 2,390.74	\$ 2,390.74	\$ 9,954.59	
Redondo Beach Transit Center	Redondo Beach	1	\$ 7,563.85	\$ 7,563.85	\$ 2,390.74	\$ 2,390.74	\$ 9,954.59	
Torrance Transit Park	Torrance	2	\$ 7,563.85	\$ 15,127.70	\$ 2,390.74	\$ 4,781.47	\$ 19,909.17	
Long Beach Transit HQ	Long Beach Transit	2	\$ 7,563.85	\$ 15,127.70	\$ 2,390.74	\$ 4,781.47	\$ 19,909.17	
Westfield Culver City Mall	Culver City	1	\$ 7,563.85	\$ 7,563.85	\$ 2,390.74	\$ 2,390.74	\$ 9,954.59	
Total FY20							\$	114,281.92