



Metro

*Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
3rd Floor Board Room*

Agenda - Final

Thursday, April 20, 2023

12:30 PM

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**Operations, Safety, and Customer Experience
Committee**

Holly J. Mitchell, Chair

Tim Sandoval, Vice Chair

Lindsey Horvath

Paul Krekorian

Katy Yaroslavsky

Gloria Roberts (Interim), non-voting member

Stephanie Wiggins, Chief Executive Officer

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(ALSO APPLIES TO BOARD COMMITTEES)

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A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board must be submitted electronically using the tablets available in the Board Room lobby. Individuals requesting to speak will be allowed to speak for a total of three (3) minutes per meeting on agenda items in one minute increments per item. For individuals requiring translation service, time allowed will be doubled. The Board shall reserve the right to limit redundant or repetitive comment.

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Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

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- a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
- b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
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- d. Any other unlawful interference with the due and orderly course of said meeting.

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The Committee Meeting begins at 12:30 PM Pacific Time on April 20, 2023; you may join the call 5 minutes prior to the start of the meeting.

Dial-in: 888-251-2949 and enter
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Public comment will be taken as the Board takes up each item. To give public comment on an item, enter #2 (pound-two) when prompted. Please note that the live video feed lags about 30 seconds behind the actual meeting. There is no lag on the public comment dial-in line.

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Los comentarios publicos en vivo se pueden dar por telefono o en persona.

La Reunion de la Junta comienza a las 12:30 PM, hora del Pacifico, el 20 de Abril de 2023. Puedes unirse a la llamada 5 minutos antes del comienzo de la junta.

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Written Public Comment Instruction:

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Please include the Item # in your comment and your position of "FOR," "AGAINST," "GENERAL COMMENT," or "ITEM NEEDS MORE CONSIDERATION."

Email: BoardClerk@metro.net

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Board Administration

One Gateway Plaza

MS: 99-3-1

Los Angeles, CA 90012

CALL TO ORDER

ROLL CALL

APPROVE Consent Calendar Items: 31, 32, 33, and 34.

Consent Calendar items are approved by one vote unless held by a Director for discussion and/or separate action.

CONSENT CALENDAR

31. SUBJECT: SPARK PLUG KITS

[2022-0864](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a two-year, Indefinite Delivery / Indefinite Quantity (IDIQ) Contract No. MA95488000 to Cummins, Inc., the lowest responsive and responsible bidder for Spark Plug Kits. The Contract one-year base amount is \$1,256,414 inclusive of sales tax, and the one-year option amount is \$1,294,487, inclusive of sales tax, for a total contract amount of \$2,550,901, subject to resolution of protest(s), if any.

Attachments: [Attachment A - Procurement Summary](#)
 [Attachment B - DEOD Summary](#)

32. SUBJECT: METRO EXPRESSLANES ON CALL TRAFFIC AND REVENUE SUPPORT

[2023-0051](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award Contract No. PS86284000 with CDM Smith, Inc., to provide Metro ExpressLanes On-Call Traffic and Revenue Support services in an amount not to exceed \$2,999,870 subject to the resolution of timely submitted protest(s), if any.

Attachments: [Attachment A - Procurement Summary](#)
 [Attachment B - EFC Map](#)
 [Attachment C - DEOD Summary](#)

33. SUBJECT: UNLEADED FUEL

[2023-0124](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute Modification No. 3 to Contract No. FY75015000 with Mansfield Oil of Gainesville, Inc. to increase the 2-year base contract amount by \$1,067,343 from \$6,628,473 to \$7,695,816, exercise the 1-year option term extending the period of

performance from July 1, 2023, to June 30, 2024 and increase the total not-to-exceed amount by \$5,679,967 from \$6,628,473 to \$12,308,440.

Attachments: [Attachment A - Procurement Summary](#)
 [Attachment B - Contract Modification Change Order Log](#)
 [Attachment C - DEOD Summary](#)

**34. SUBJECT: GLASS ANTI-GRAFFITI FILM MAINTENANCE AND
 REPLACEMENT SERVICES**

[2023-0136](#)

RECOMMENDATIONS

AUTHORIZE the Chief Executive Officer to execute:

- A. Modification No. 5 to Contract No. OP1246400003367, for Region 1 with Graffiti Shield, Inc., to provide glass anti-graffiti film maintenance and replacement services throughout Metro B Line (Red), G Line (Orange) and various bus and rail locations within the geographical area specified in Region 1, to exercise the one, two-year option in the amount of \$1,204,126, increasing the total contract not-to-exceed amount from \$1,806,189 to \$3,010,315 and extending the period of performance from June 01, 2023 to May 31, 2025;
- B. Modification No. 6 to Contract No. OP1246420003367, for Region 2 with Graffiti Shield, Inc., to provide glass anti-graffiti film maintenance and replacement services throughout Metro L Line (Gold), D Line (Purple), J Line (El Monte Bus Way), future Regional Connector, future D Line (Purple) Westside Extension and various bus and rail locations within the geographical area specified in Region 2, to exercise the one, two-year option in the amount of \$1,741,600, increasing the total contract not-to-exceed amount from \$1,732,912 to \$3,474,512, and extending the period of performance from June 01, 2023, to May 31, 2025;
- C. Modification No. 5 to Contract No. OP1246430003367, for Region 3 with Property Protection International, Inc., to provide glass anti-graffiti film maintenance and replacement services throughout Metro E Line (Expo), K Line (Crenshaw), future Airport Metro Connector (AMC) and various bus and rail locations within the geographical area specified in Region 3, to exercise the one, two-year option in the amount of \$1,847,152, increasing the total contract not-to-exceed amount from \$1,643,856 to \$3,491,008 and extending the period of performance from June 01, 2023, to May 31, 2025; and
- D. Modification No. 5 to Contract No. OP1246440003367, for Region 4 with Property Protection International, Inc., to provide glass anti-graffiti film maintenance and replacement services throughout Metro A Line (Blue), C Line (Green), J Line (Harbor Transit Way) and various bus and rail

locations within the geographical area specified in Region 4, to exercise the one, two-year option in the amount of \$2,822,002, increasing the total contract not-to-exceed amount from \$4,233,003 to \$7,055,005 and extending the period of performance from June 01, 2023, to May 31, 2025.

Attachments: [Attachment A - Procurement Summary](#)
[Attachment B - Contract Modification Change Order Log](#)
[Attachment C - DEOD Summary](#)

NON-CONSENT

35. **SUBJECT: OPERATIONS EMPLOYEES OF THE MONTH** [2023-0217](#)

RECOMMENDATION

RECOGNIZE Operations Employees of the Month.

Attachments: [Presentation](#)

36. **SUBJECT: ORAL REPORT ON OPERATIONS AND SERVICE RESTORATION UPDATE** [2023-0218](#)

RECOMMENDATION

RECEIVE oral report on Operations ridership, hiring, and service restoration.

Attachments: [Presentation](#)

37. **SUBJECT: FISCAL YEAR 2024 METRO BUS AND RAIL SERVICE PLAN** [2023-0190](#)

RECOMMENDATION

RECEIVE AND FILE a report on Metro Bus and Rail Service Plan for Fiscal Year 2024.

Attachments: [Presentation](#)

38. **SUBJECT: PUBLIC SAFETY ADVISORY COMMITTEE QUARTERLY REPORT** [2023-0173](#)

RECOMMENDATION

RECEIVE AND FILE quarterly status report on Public Safety Advisory Committee (PSAC).

Attachments: [Presentation](#)

39. **SUBJECT: NEXTGEN SPEED & RELIABILITY PROGRAM UPDATE** [2023-0220](#)

RECOMMENDATION

RECEIVE AND FILE the NextGen Speed & Reliability Program Update.

Attachments: [Attachment A - Motion 38.1](#)
 [Attachment B - Motion 22.1](#)
 [Presentation](#)

40. SUBJECT: ZERO-EMISSION BUS PROGRAM UPDATE [2023-0207](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

A. RECEIVE AND FILE the Progress Report on the Zero Emission Bus Program, including the shift in the program goal of fully transitioning to a zero-emission bus fleet from 2030 to 2035, and a commitment to no longer procure Clean Natural Gas buses to accommodate the new program goal.
; and

~~B. APPROVE changing the program goal of fully transitioning to a zero-emission bus fleet from 2030 to 2035.~~

Attachments: [Attachment A - Motion 2017-0524](#)
 [Attachment B - Equity Platform Figures 1-3](#)

41. SUBJECT: CENTER FOR TRANSPORTATION EXCELLENCE [2023-0206](#)

RECOMMENDATION

RECEIVE AND FILE status report on the Center for Transportation Excellence.

Attachments: [Attachment A - Center for Transportation Excellence Preliminary Site Plan](#)
 [Presentation](#)

42. SUBJECT: AUDIT OF CONTROLS OVER METRO'S NON-REVENUE VEHICLES (PHASE I) [2023-0105](#)

RECOMMENDATION

RECEIVE AND FILE Office of the Inspector General (OIG) Final Report on Controls over Metro's Non-Revenue Vehicles - Phase I.

Attachments: [Attachment A - Final Report - Controls over Non-Rev Vehicles Phase I](#)
 [Presentation](#)

43. SUBJECT: METRO EXPRESSLANES NET TOLL REVENUE [2023-0175](#)

RECOMMENDATION

CONSIDER:

- A. APPROVING the guidelines and project eligibility for Round 3 of the ExpressLanes Net Toll Revenue Allocations (Attachments A and D);
- B. APPROVING the Metro ExpressLanes Round 3 Net Toll Revenue Grant Applications (Attachments B and C); and
- C. AUTHORIZING the Chief Executive Officer (CEO) to extend all in-progress Round 1 and Round 2 Net Toll Revenue projects' lapsing dates by two years (Attachment E).

Attachments: [Attachment A - Round 3 Reinvestment Guidelines](#)
[Attachment B - TU_RI application](#)
[Attachment C - SC_AT application](#)
[Attachment D - Project Eligibility Guidelines](#)
[Attachment E - Net Toll Revenue Grant Project List](#)
[Attachment F - ExpressLanes EFC Map](#)
[Presentation](#)

20. SUBJECT: EXPRESSLANES PAY-AS-YOU-GO PILOT EVALUATION

[2022-0799](#)

RECOMMENDATION

CONSIDER:

- A. RECEIVING AND FILING the ExpressLanes Pay-As-You-Go Pilot evaluation methodology and findings;
- B. AUTHORIZING the Pay-As-You-Go Program permanent, eliminate the \$25 penalty for notice of toll evasion, and adjust the Program's "processing fee" (which replaces the former penalty amount) from \$4 to \$8 to align processing costs and fees;
- C. AUTHORIZING staff to increase the fee by Consumer Price Index on an annual basis as described in the Fee Adjustment Policy to continue to keep the processing costs and fees aligned; and
- D. AUTHORIZING staff to make the necessary changes to the ExpressLanes Toll Ordinance, as required.

Attachments: [Attachment A - Violation Fees & Time Frames Among FasTrack Operators](#)
[Attachment B - Motion 42](#)
[Attachment C - Analysis Findings](#)
[Attachment D - Fee Adjustment Policy](#)
[Attachment E - Pay-As-You-Go Equity Analysis](#)
[Presentation](#)

(ALSO ON EXECUTIVE MANAGEMENT COMMITTEE)

SUBJECT: GENERAL PUBLIC COMMENT

[2023-0235](#)

RECEIVE General Public Comment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.

COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN COMMITTEE'S
SUBJECT MATTER JURISDICTION

Adjournment

**Board Report**

File #: 2022-0864, **File Type:** Contract**Agenda Number:** 31.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
APRIL 20, 2023****SUBJECT: SPARK PLUG KITS****ACTION: AWARD CONTRACT FOR SPARK PLUG KITS****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a two-year, Indefinite Delivery / Indefinite Quantity (IDIQ) Contract No. MA95488000 to Cummins, Inc., the lowest responsive and responsible bidder for Spark Plug Kits. The Contract one-year base amount is \$1,256,414 inclusive of sales tax, and the one-year option amount is \$1,294,487, inclusive of sales tax, for a total contract amount of \$2,550,901, subject to resolution of protest(s), if any.

ISSUE

This procurement is for Spark Plug Kits used by the bus maintenance department for repair of the Cummins Compressed Natural Gas (CNG) engines in Metro buses. The spark plugs are an essential component for the combustion cycle within the engine, which produces the energy required to propel the bus down the street. The spark plugs are required for the engine to operate and perform effectively. The bus operating divisions and Central Maintenance Shops use the spark plugs kits to perform repairs and preventative maintenance to the engines. It is imperative to always have an inventory of spark plug kits on hand to service the bus fleet.

Award of this contract will ensure the operating divisions have adequate inventory to repair and maintain the buses according to Metro maintenance standards and is necessary to ensure service continuity and avoid any interruption to Metro operations.

BACKGROUND

Spark plug kits are a main component for the operation of the CNG engines used in Metro buses. The spark plugs ignite an air/fuel mixture in the engine to complete the combustion process used to create energy. The energy is then transferred to the drive system and provides the propulsion for the bus to travel down the road. Spark plugs can fail due to the advanced mileage and heavy-duty service provided by the Metro bus fleet. A failed spark plug will result in the bus being taken out of service due to poor performance or visible exhaust emissions. The proper functioning of the spark plugs ensures that the CNG engine remains operational, which is essential to ensuring the performance, reliability, and safety of the Metro bus fleet.

DISCUSSION

The spark plug is a main component of CNG engines, and replacement spark plug kits are required to ensure a properly functioning engine. The availability of the spark plug kit in inventory is crucial to ensure the reliability of the bus fleet to provide a high level of service to Metro's customers. The availability of the spark plug kits in inventory reduces bus down time and keeps buses in revenue service.

The contract to be awarded is a "requirements type" agreement in which Metro commits to order only from the awardee, up to the specified quantity for a specific duration of time, but there is no obligation or commitment to order any specific quantity of the spark plug kits that may currently be anticipated. The bid quantities are estimates only, with deliveries to be ordered and released as required.

The Independent Cost Estimate (ICE) created for this procurement was based on the historical unit price of spark plug kits. The bid amount of \$2,550,901 was significantly higher than the ICE due to increased material costs, raw material shortages, high gas prices, and increased freight charges.

The spark plug kits will be purchased and maintained in inventory and managed by Material Management. As spark plug kits are issued, the appropriate budget project numbers and accounts will be charged.

DETERMINATION OF SAFETY IMPACT

Award of this contract will ensure that all operating divisions have adequate inventory to maintain the bus fleet according to Metro Maintenance standards. This action will prevent deferred maintenance and ensure bus availability for revenue service.

FINANCIAL IMPACT

The funding of \$1,256,414 for this product is included in the FY23 budget in various bus operating cost centers, under project 306002 - Operations Maintenance, under line item 50441 - M/S Parts - Revenue Vehicle.

Since this is a one-year contract with a one-year option, the cost center managers and Chief Operations Officer will be accountable for budgeting the cost in future fiscal years.

Impact to Budget

The current source of funds for this action include Federal 5307, Proposition C, Measure R/M, and Transportation Development Act. These sources are eligible for Bus Operating or Capital projects.

EQUITY PLATFORM

The benefits of this action are to ensure the bus fleet that serves most regions in Los Angeles

County. Bus transportation provides an important lifeline for the LA County residents, especially those in equity focused and underserved communities. Spark plugs are required for all buses in the fleet that operate on Compressed Natural Gas (CNG). The Metro bus maintenance programs ensure the proper State of Good Repair of the bus fleet to provide transportation for them.

The Diversity and Economic Opportunity Department (DEOD) established a two percent (2%) Disadvantaged Business Enterprise (DBE) goal and verified the commitment by the successful bidder for this procurement.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The spark plug kit supports Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. The procurement of spark plug kits for inventory will help to ensure the reliability of the bus fleet and enable our customers to arrive at their destinations on schedule and without interruption.

ALTERNATIVES CONSIDERED

The alternative is to not award the contract and procure the spark plugs kits on an as-needed basis, using the traditional “min/max” replenishment method. This strategy is not recommended since it does not provide for a commitment from the supplier to ensure the availability, timely delivery, continued supply and a guaranteed fixed price for the parts.

NEXT STEPS

Upon approval by the Board, staff will execute Contract No. MA95488000 for the procurement of spark plug kits with Cummins Inc. at the one-year base amount of \$1,256,414 inclusive of sales tax, and the one-year option amount of \$1,294,487, inclusive of sales tax, for a total contract amount of \$2,550,901.

ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by: Harold Torres, Sr. Director Central Maintenance (213) 922-5714
Tanya Allen, Procurement Planning Administrator (213) 922-1018
James Pachan, Sr. Executive Officer (213) 922-5804
Debra Avila, Deputy Chief Vendor/Contract Management (213) 418-3051

Reviewed by: Conan Cheung, Chief Operations Officer (213) 418-3034



Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

SPARK PLUG KITS/MA95488000

1.	Contract Number: MA95488000	
2.	Recommended Vendor: Cummins Inc., 1939 Deere Avenue, Irvine, CA 92606	
3.	Type of Procurement (check one): <input checked="" type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates :	
	A. Issued: 10/28/22	
	B. Advertised/Publicized: 11/07/22	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 11/30/22	
	E. Pre-Qualification Completed: 12/7/22	
	F. Conflict of Interest Form Submitted to Ethics: 12/20/22	
	G. Protest Period End Date: 4/24/23	
5.	Solicitations Picked up/Downloaded: 9	Bids/Proposals Received: 2
6.	Contract Administrator: Tanya Allen	Telephone Number: (213) 922-1018
7.	Project Manager: Harold Torres	Telephone Number: (213) 922-5714

A. Procurement Background

This Board Action is to approve Contract No. MA95488000 for the procurement of Spark Plug Kits. Board approval of this contract award is subject to resolution of any properly submitted protest.

An Invitation for Bid (IFB) No. MA95488 was issued in accordance with Metro's Acquisition Policy and the contract type is Indefinite Delivery, Indefinite Quantity (IDIQ).

No amendments were issued during the solicitation phase of this IFB.

A total of two (2) bids were received on November 30, 2022.

B. Evaluation of Bids

This procurement was conducted in accordance and complies with Metro's Acquisition Policy for a competitive sealed bid. The two bids received are listed below in alphabetical order:

1. Cummins Inc.
2. The Aftermarket Parts Company LLC

Two firms were determined to be responsive and responsible to the IFB requirements. The recommended firm, Cummins Inc., the lowest responsive and responsible bidder, was found to be in full compliance in meeting the bid and technical requirements of the IFB.

C. Price Analysis

The recommended bid price from Cummins Inc. has been determined to be fair and reasonable based upon adequate price competition and selection of the lowest responsive and responsible bidder. Metro's ICE was based on a historical unit price that turned out to be significantly lower than the bid unit price. Cummins' higher offer was a result of rising material costs, raw material shortages, higher gas prices, and increased freight charges.

Low Bidder Name	Bid Amount	Metro ICE
Cummins Inc.	\$2,550,901.50	\$1,644,125.00
The Aftermarket Parts Company, LLC	\$3,984,573.60	

D. Background on Recommended Contractor

The recommended firm, Cummins Inc. (Cummins) located in Irvine, CA has been in business for 102 years. Cummins has provided similar products for Metro and other agencies including Long Beach Transit, and Santa Monica Big Blue Bus and numerous other transit properties. Cummins has provided satisfactory service and product to Metro on previous purchases.

DEOD SUMMARY

SPARK PLUG KITS / MA9548800

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 2% Disadvantaged Business Enterprise (DBE) goal for this Indefinite Delivery/Indefinite Quantity (IDIQ) solicitation. Cummins, Inc. made a 2% DBE commitment.

Small Business Goal	2% DBE	Small Business Commitment	2% DBE
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	DBE Subcontractors	Ethnicity	% Committed
1.	Say Cargo Express	Hispanic American	2%
Total Commitment			2%

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.

**Board Report**

File #: 2023-0051, **File Type:** Contract**Agenda Number:** 32.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
APRIL 20, 2023****SUBJECT: METRO EXPRESSLANES ON CALL TRAFFIC AND REVENUE SUPPORT****ACTION: APPROVE RECOMMENDATIONS****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award Contract No. PS86284000 with CDM Smith, Inc., to provide Metro ExpressLanes On-Call Traffic and Revenue Support services in an amount not to exceed \$2,999,870 subject to the resolution of timely submitted protest(s), if any.

ISSUE

Staff has been conducting planning studies to advance the implementation of ExpressLanes in support of Metro's ExpressLanes Strategic Plan. One of the studies prepared for potential ExpressLanes projects is the Traffic and Revenue (T&R) study, which estimates toll rates and potential toll revenue that could be used to operate, maintain, fund construction of the projects as well as provide net toll revenues to jurisdictions and agencies for transit, active transportation and roadway improvements within the corridor. Furthermore, T&Rs provide an indication of the financial feasibility of a potential ExpressLanes project.

This contract will provide on-call T&R study and financing support for future ExpressLanes projects. Metro expects to pursue grant opportunities as well as seek Federal TIFIA (Transportation Infrastructure Finance and Innovation Act) loans to fully fund these projects. As projects proceed through the Project Approval/Environmental Document (PA/ED) and Plans, Specifications, and Estimates (PS&E) phases, staff anticipates the need to refresh the T&R studies. This contract will support updates to the I-105, I-405, and I-10 T&Rs and the TIFIA application process.

BACKGROUND

In November 2014, the Board directed staff to prepare a Countywide ExpressLanes Strategic Plan (Strategic Plan) based on the success of the I-110 and I-10 ExpressLanes. In January 2017, the Board directed staff to initiate planning studies for Tier 1 ExpressLanes corridors in Los Angeles County as identified in the Strategic Plan. Tier 1 corridors include I-10 between I-605 and the Los Angeles/San Bernardino County line; I-105 between I-405 and Studebaker Road; I-405 between US-101 and the Los Angeles/Orange County line; and I-605 between I-10 and the Los Angeles/Orange

County line.

Currently, the I-105 between I-405 and Studebaker Road is in the PS&E phase and the I-10 between I-605 and the Los Angeles/San Bernardino County line and I-405 between US-101 and I-10 are in the PA/ED phase. Furthermore, Measure M provides \$175 million for the I-105 ExpressLanes and \$260 million for the I-405 Sepulveda Pass ExpressLanes.

DISCUSSION

The operations and maintenance costs of ExpressLanes such as operating the toll collection system, service center support, back office operations, dedicated California Highway Patrol enforcement, Freeway Service Patrol tow services, and general maintenance, are funded through revenue generated by the ExpressLanes. In addition, future ExpressLanes projects may require toll-backed debt financing to pay for construction costs such as the Federal TIFIA program that is commonly used to fund ExpressLanes projects and toll revenue bonds across the country. Furthermore, on the I-10 and I-110 ExpressLanes, net toll revenue has been used to provide transit subsidies and grants to active transportation, transit, and roadway projects in the corridor.

Due to the anticipated need to fund future ExpressLanes projects through debt financing and the intent to reinvest net toll revenue, Investment Grade T&R studies must be prepared to estimate the potential revenue that an ExpressLanes project can generate. This contract will be task order based allowing on-call services as needed in three categories:-- planning, TIFIA loan support, and toll revenue bond support. Potential planning tasks include traffic and revenue studies, preparation of grant applications, and financial feasibility analysis. Potential TIFIA loan support tasks include assisting Metro with the TIFIA loan application process and support to obtain rating agency rating opinion(s). Potential toll revenue bond support tasks could include preparing analyses, presentations, reports, and applications needed to obtain toll revenue bonds.

DETERMINATION OF SAFETY IMPACT

This contract is to study the revenue potential of future ExpressLanes. This will have no impact on safety.

FINANCIAL IMPACT

The FY 2022-23 budget includes \$1,000,000 in Cost Center 2220 (Shared Mobility), project 475004 for I-105 ExpressLanes PS&E/T&R studies. Since this is a multi-year contract, the Cost Center Manager and Deputy Chief Operations Officer, Shared Mobility will be responsible for budgeting in future years.

Impact to Budget

Funds for this action will come from dedicated Measure M funding for the I-405 Sepulveda Pass (Phase 1) ExpressLanes Project and I-105 ExpressLanes project. Work prepared for the I-10 ExpressLanes Extension Project will be funded with toll revenues from the I-10 ExpressLanes.

These funds are not eligible for bus and rail operating and capital expenses.

EQUITY PLATFORM

Equity Focus Communities (EFCs) are present on the Tier 1 ExpressLanes corridors that are currently in PS&E or PAED. For example, on the I-10 corridor between I-605 and the Los Angeles/San Bernardino County line 58% of census tracts include EFCs; on I-105 between I-405 and Studebaker Road 92% of census tracts include EFCs; and on I-405 between US-101 and 18% of census tracts include EFCs. A map of EFCs on the I-10, I-105, and I-405 corridors is included in Attachment B.

As noted earlier, the T&R on-call contract will support planning for Tier 1 ExpressLanes corridors by estimating potential toll revenue that could be generated. It is anticipated that net revenue generated could be reinvested into the corridor similar to the previous net toll grant cycles in 2014 and 2016. This has been done on the I-10 and I-110 ExpressLanes, which have reinvested over \$47 million through two rounds of net toll revenue reinvestment grants in 2014 and 2016. The grants have funded transit improvement projects, system connectivity and active transportation improvement projects, and roadway improvements projects. These projects are located within three miles of the ExpressLanes corridor centerline, such that the benefits accrue largely to marginalized groups and EFCs, which collectively comprise 61% of the I-110 corridor and 32% of the I-10 corridor.

Additionally, transit users that travel the two ExpressLanes corridors receive safe, clean, reliable, high-frequency service along the ExpressLanes corridors as a result of an annual investment of approximately \$8 million by the ExpressLanes program in incremental transit service on the Metro J line, Foothill Transit, Gardena Transit, and Torrance Transit. Metro intends to continue the transit subsidy program on future ExpressLanes projects, and this contract will estimate funding that can be made available for net toll reinvestment grants and transit subsidies.

Metro also has discount and rewards programs to improve accessibility to the ExpressLanes including the Low-Income Assistance Plan (LIAP). In addition, Metro provides the option of opening a cash account for those who do not have a credit card. Furthermore, frequent transit riders can also take advantage of the Transit Rewards Program to earn monetary credits toward ExpressLane tolls and the Carpool Loyalty Program allows carpoolers the opportunity to earn toll credits for future SOV travel on the ExpressLanes.

The Diversity and Economic Opportunity Department (DEOD) established a 22% Small Business Enterprise (SBE) and 3% Disabled Veteran Business Enterprise (DVBE) goal for this solicitation. CDM Smith committed to meet both the SBE and DVBE goals. Additionally, of the certified subcontractors proposed, two are based in Los Angeles County, as follows: 1) Wiltec, Local SBE; and 2) Global Urban, Local DVBE.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The On-Call T&R support contract supports Strategic Goal 1: Provide high-quality mobility options

that enable people to spend less time traveling. The proposed Express Lanes would increase regional highway capacity and improve the Level of Service for both the Express Lanes as well as the general-purpose lanes. The contract also supports Strategic Goal 2: Deliver outstanding trip experiences for all users of the transportation system. The proposed project would result in shorter trip time for both the Express Lane and the general-purpose lanes. Lastly, the contract supports Strategic Goal 4: Transform LA County through regional collaboration and national leadership. This project will require extensive collaboration with Caltrans, corridor cities, Los Angeles County, and regulatory agencies.

ALTERNATIVES CONSIDERED

The Board could choose not to award this contract. This is not recommended as it could delay the overall project completion schedule for the Tier 1 ExpressLanes projects.

NEXT STEPS

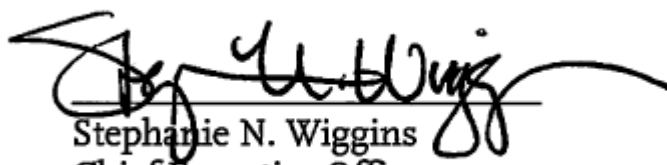
Upon Board approval, staff will execute this contract with CDM Smith, Inc. and issue a Notice to Proceed (NTP).

ATTACHMENTS

- Attachment A - Procurement Summary
- Attachment B - EFC maps
- Attachment C - DEOD Summary

Prepared by: Philbert Wong, Senior Director, Countywide Planning & Development,
ExpressLanes, (213) 418-3137
Shahrzad Amiri, Deputy Chief Operations Officer, Shared Mobility (213) 922-3061
Debra Avila, Deputy Chief, Vendor/Contract Management (213) 418-3051

Reviewed by:



Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

METRO EXPRESSLANES ON-CALL TRAFFIC AND REVENUE
SUPPORT/PS86284000

1.	Contract Number: PS86284000	
2.	Recommended Vendor: CDM Smith, Inc.	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: 10/10/2022	
	B. Advertised/Publicized: 10/10/2022	
	C. Pre-Proposal Conference: 10/19/2022	
	D. Proposals Due: 12/2/2022	
	E. Pre-Qualification Completed: 3/17/2023	
	F. Conflict of Interest Form Submitted to Ethics: 12/5/2022	
	G. Protest Period End Date: 4/25/2023	
5.	Solicitations Picked up/Downloaded: 49	Proposals Received: 2
6.	Contract Administrator: Andrew Conriquez	Telephone Number: (213) 922-3528
7.	Project Manager: Philbert Wong	Telephone Number: (213) 418-3137

A. Procurement Background

This Board Action is to approve Contract No. PS86284000 issued in support of the Metro ExpressLanes On-Call Traffic and Revenue Support. Board approval of contract awards are subject to resolution of any properly submitted protest(s), if any.

On October 10, 2022, staff released Request for Proposals No. PS86284 in accordance with Metro Acquisition Policy and the contract type is task order based.

Three amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on October 17, 2022, provided the virtual link for the Pre-Proposal Conference;
- Amendment No. 2, issued on November 7, 2022, extended the proposal due date from November 16, 2022 to December 2, 2022;
- Amendment No. 3, issued on November 12, 2022, updated Exhibit 2 - Schedule of Quantities.

A virtual pre-proposal conference was held on October 19, 2022. There were 15 attendees from eight companies who attended the pre-proposal meeting. There were 4 questions asked and responses were released prior to the proposal due date.

A total of 49 firms downloaded the RFP and were included in the plan holders list. A total of two proposals were received on December 2, 2022, from the following firms listed below in alphabetical order:

1. CDM Smith, Inc.
2. C&M Associates, Inc.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro's Treasury and ExpressLanes Departments was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

- | | |
|---|------------|
| • Proposed Team's Qualifications and Experience | 25 percent |
| • Firm's Technical Approach | 30 percent |
| • Team's Management Approach | 25 percent |
| • Cost | 20 percent |

The evaluation criteria are appropriate and consistent with criteria developed for other, similar on-call traffic and revenue (T&R) support services procurements. Several factors were considered when developing these weights, giving the greatest importance to the Firm's Technical Approach.

On January 17, 2023, the PET completed its independent evaluation of the technical proposals and both firms were determined to be within the competitive range. In addition, the PET determined that oral presentations were not needed and CDM Smith, Inc. was determined to be the highest ranked firm.

Qualifications Summary of Firms within the Competitive Range:

CDM Smith, Inc.

CDM Smith, Inc., headquartered in Massachusetts, with a local office in Los Angeles, is a nationwide privately owned engineering and construction firm providing services in environment, transportation, energy and facilities. They provide traffic and revenue studies, supporting feasibility assessment of pricing, revenue estimating transportation operations and congestion pricing. The CDM Smith, Inc. proposal demonstrated experience working on several traffic and revenue studies for public agencies.

CDM Smith, Inc. has over five decades of experience with toll facility support projects and traffic and revenue studies. Their successful delivery of traffic and revenue analyses is demonstrated by the complexity of projects they have worked

on. CDM Smith, Inc. has supported studies similar in nature and complexity for Metro and other transportation agencies.

C&M Associates, Inc.

C&M Associates, Inc., a Texas-based corporation with a local office in Los Angeles, is a private company founded in 2004, that advises public agencies in the development of toll projects and managed/express lanes. They have experience throughout the United States along with staff who have experience in major metropolitan areas. They have worked on toll projects providing toll policy advice, stakeholder engagement, traffic and revenue forecasting and project financing support.

C&M Associates, Inc.'s. experience as T&R engineer includes work on toll roads, tunnels, and bridges including several express lane projects. For these projects, C&M Associates, Inc. has developed T&R forecasts based upon fixed, dynamic, and variable pricing strategies. C&M Associates, Inc.'s proposal did not fully demonstrate experience with data and lacked innovation under the Firm's Technical Approach.

Table below provides the scores in order of rank.

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	CDM Smith, Inc.				
3	Proposed Team's Qualifications and Experience	88.36	25.00%	22.09	
4	Firm's Technical Approach	86.66	30.00%	26.00	
5	Team's Management Approach	85.00	25.00%	21.25	
6	Cost	68.70	20.00%	13.74	
7	Total		100.00%	83.08	1
8	C&M Associates, Inc.				
9	Proposed Team's Qualifications and Experience	71.68	25.00%	17.92	
10	Firm's Technical Approach	71.66	30.00%	21.50	
11	Team's Management Approach	73.36	25.00%	18.34	
12	Cost	100.00	20.00%	20.00	
13	Total		100.00%	77.76	2

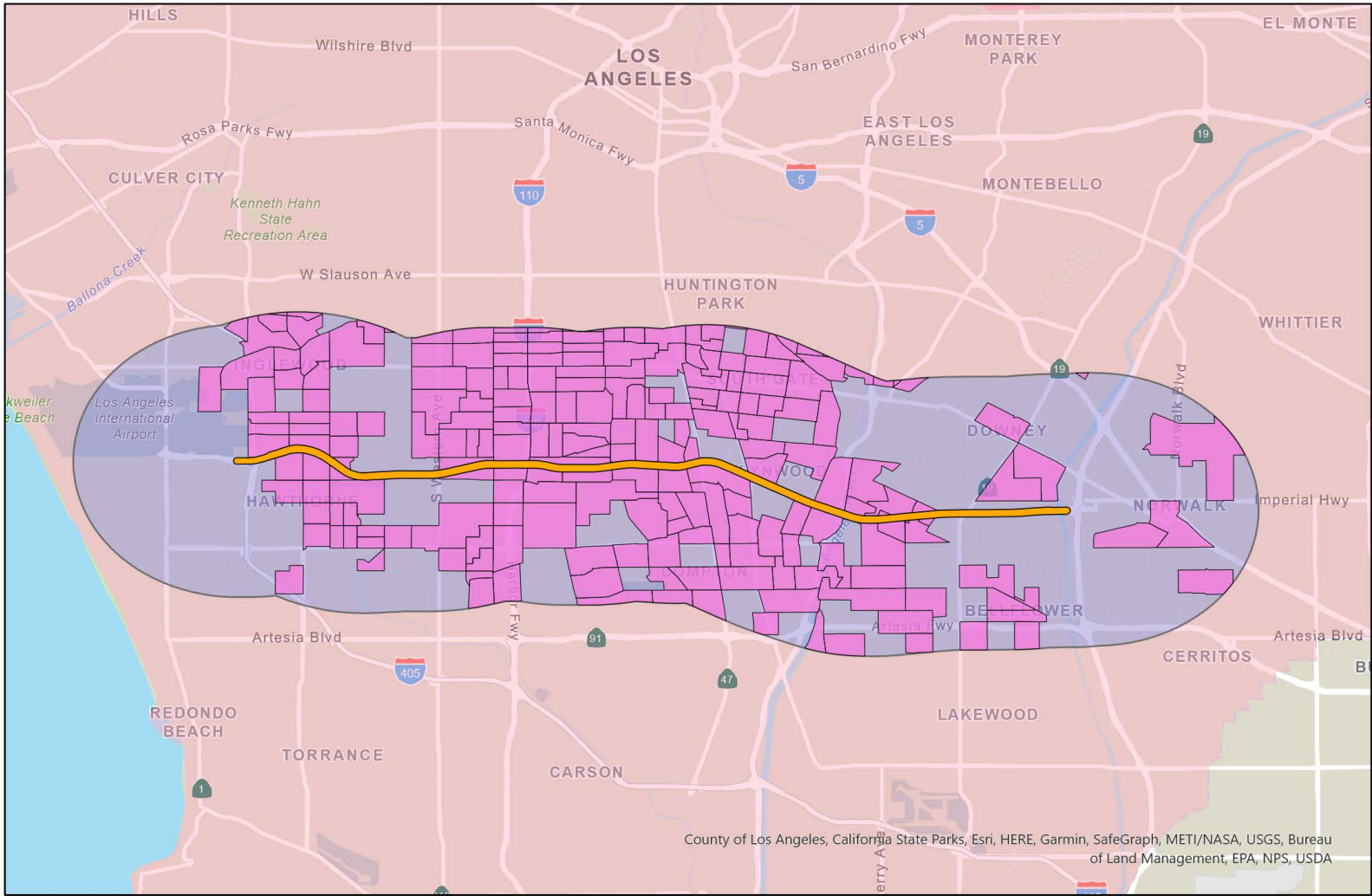
C. Cost Analysis

Firm fixed hourly rates from the recommended firm have been determined to be fair and reasonable based upon an independent cost estimate (ICE), cost analysis, technical analysis, and fact finding. Work will be performed through the issuance of task orders on an as-needed basis. Each task order will be subject to an ICE, cost analysis, technical analysis, fact finding and negotiation to determine the level of effort.

D. Background on Recommended Contractor

The recommended firm, CDM Smith, Inc. is a professional consultancy firm that performs traffic and revenue studies. CDM Smith, Inc. has conducted T&R studies that have supported over \$120 billion in toll financing for transportation infrastructure. In addition, they have supported recent investment grade studies for toll financed projects in the U.S. since 2010 and the assessment of express/managed lane projects around the country, including 27 express lane projects currently operating in the United States.

The proposed project team has over 20 years of experience in managing toll feasibility analyses and travel demand modeling projects for both private and public agencies. Their areas of specialization include toll diversion modeling and financial analysis; urban, intercity, and statewide regional travel demand forecasting; All Electronic Tolling (AET) feasibility analysis; new mode modeling and analysis; traveler's behavioral theory; discrete choice models; stated preference and revealed preference survey design and implementation; and software interface development.



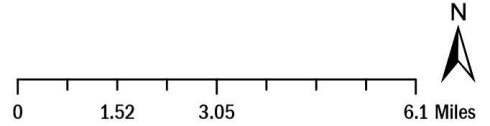
County of Los Angeles, California State Parks, Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, USDA

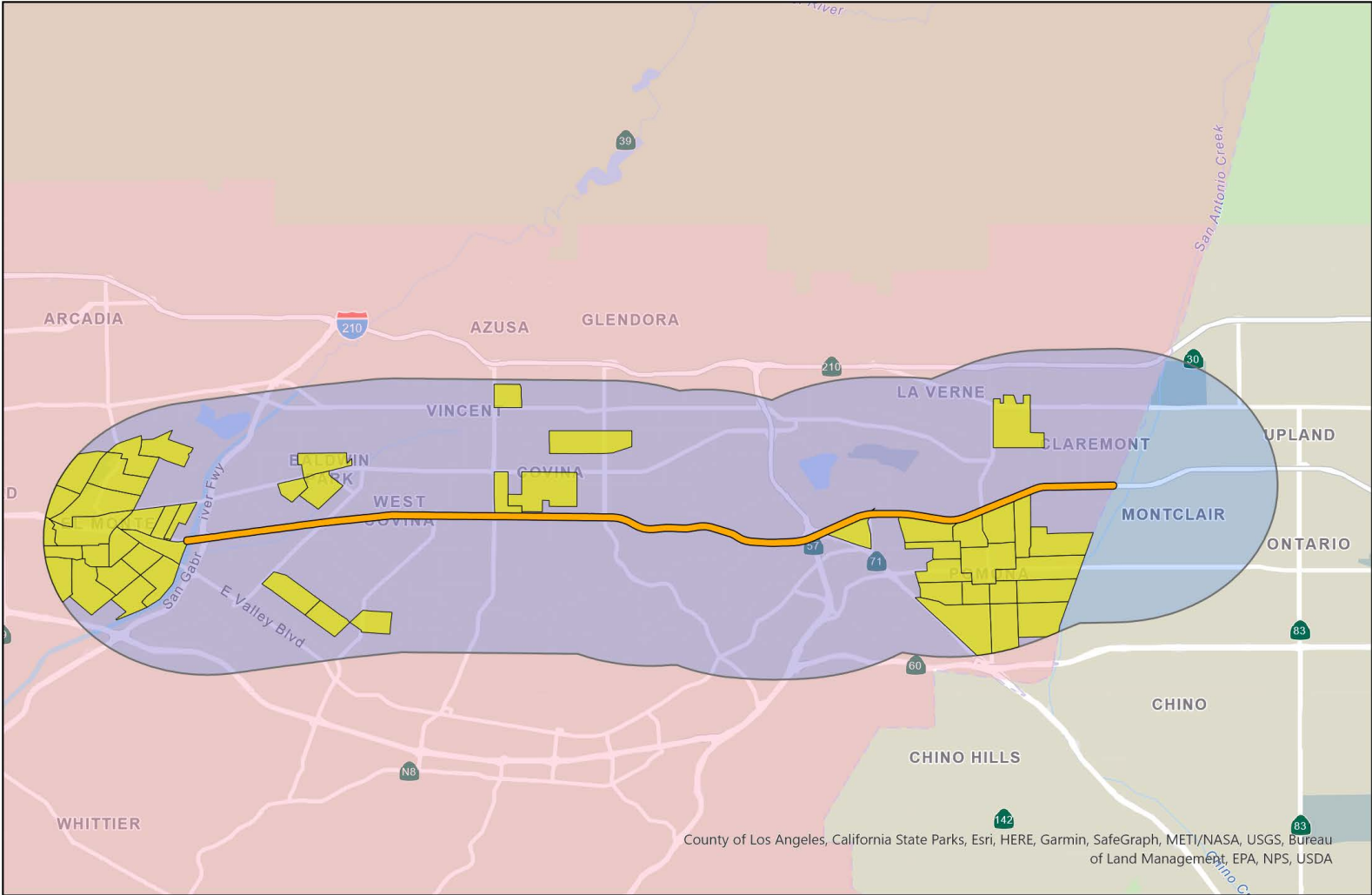
Equity Focus Communities (EFCs) Along the I-105

 Metro LA Metro ExpressLanes | October 2022

Legend

-  I-105
-  I-105 3mi Buffer
-  I-105 EFCs in Corridor
-  EFC Map (June 2022)





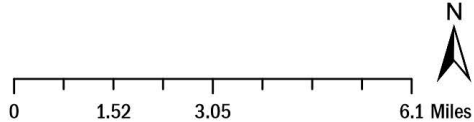
County of Los Angeles, California State Parks, Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, USDA

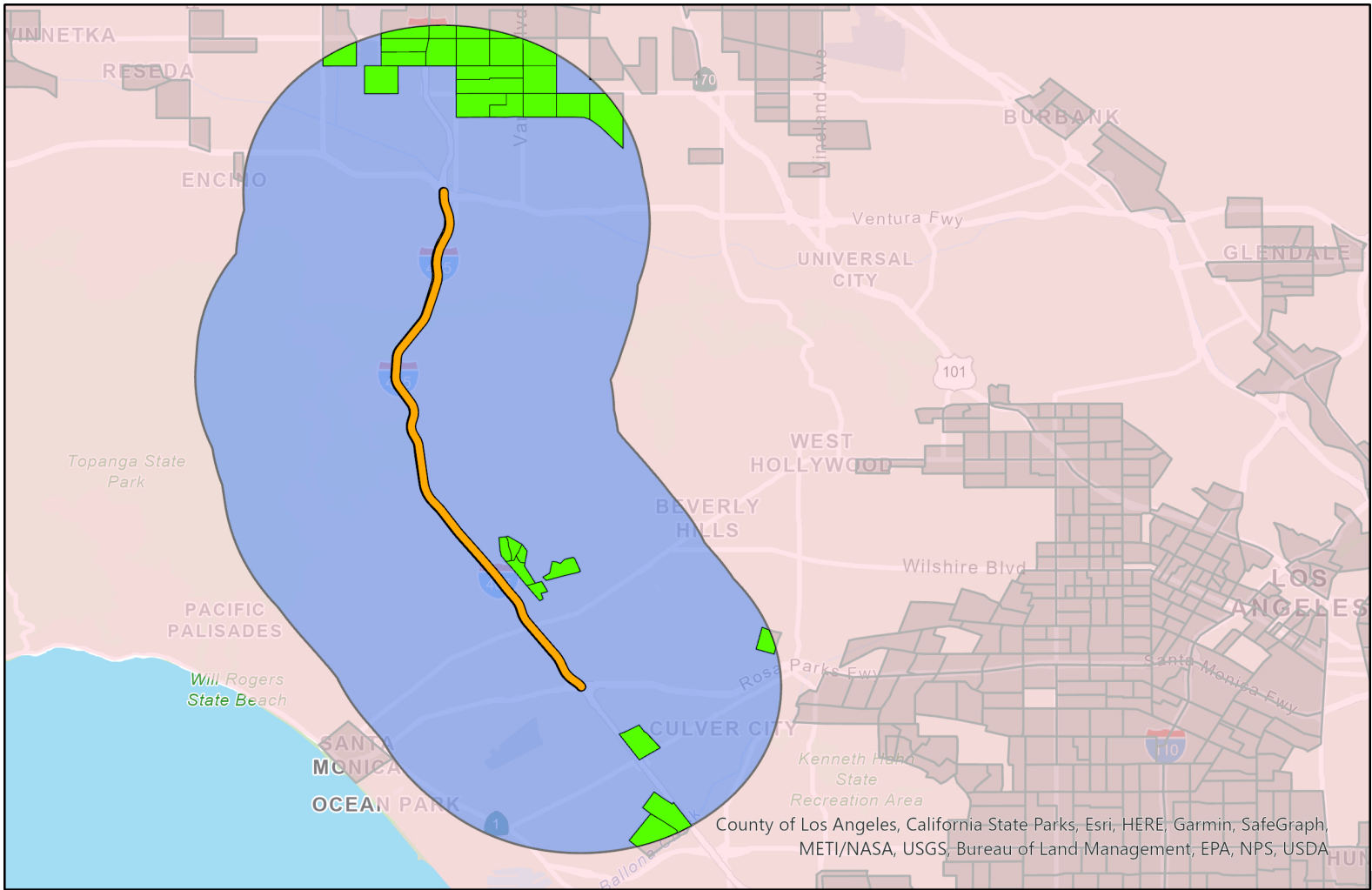
Equity Focus Communities (EFCs) Along the I-10

M Metro LA Metro ExpressLanes | October 2022

Legend

- I-10
- I-10 EFCs in Corridor
- I-10 3mi Buffer
- EFC Map (June 2022)



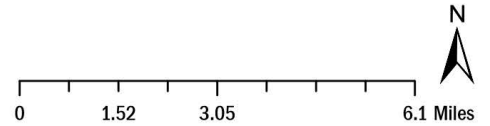


Equity Focus Communities (EFCs) Along the I-405

 Metro LA Metro ExpressLanes | October 2022

Legend

-  I-405
-  I-405 EFCs in Corridor
-  I-405 3mi Buffer
-  EFC Map (June 2022)



DEOD SUMMARY

**METRO EXPRESSLANES ON-CALL TRAFFIC AND REVENUE
SUPPORT/PS86284000**

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established an overall 22% Small Business Enterprise (SBE) and 3% Disabled Veteran Business Enterprise (DVBE) goal for this Task Order Contract. Proposers were encouraged to form teams that include SBE/DVBE firms to perform the scopes of work identified without schedules or specific dollar commitments prior to establishment of this contract. CDM Smith made a 22% SBE and 3% DVBE commitment.

In response to a specific Task Order request with a defined scope of work, the prime consultants will be required to identify SBE and DVBE subcontractor activity and actual dollar value commitments for that Task Order based upon the funding for that Task Order. Overall SBE and DVBE achievement in meeting the commitments will be determined based on cumulative SBE/DVBE participation of all Task Orders awarded.

Small Business Goal	22% SBE 3% DVBE	Small Business Commitment	22% SBE 3% DVBE
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SBE Subcontractor		% Committed
1.	Economic & Planning System	TBD
2.	Redhill Group	TBD
3.	TJKM	TBD
4.	Wiltec	TBD
Total SBE Commitment		22%

DVBE Subcontractor		% Committed
1.	Global Urban Strategies	TBD
Total DVBE Commitment		3%

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.

**Board Report**

File #: 2023-0124, **File Type:** Contract**Agenda Number:** 33.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
APRIL 20, 2023****SUBJECT: UNLEADED FUEL****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Modification No. 3 to Contract No. FY75015000 with Mansfield Oil of Gainesville, Inc. to increase the 2-year base contract amount by \$1,067,343 from \$6,628,473 to \$7,695,816, exercise the 1-year option term extending the period of performance from July 1, 2023, to June 30, 2024 and increase the total not-to-exceed amount by \$5,679,967 from \$6,628,473 to \$12,308,440.

ISSUE

The original contract value was established to provide up to 2,850,000 gallons of unleaded gasoline for non-revenue vehicles for 36 months at prevailing Oil Price Information Service (OPIS) pricing with the application of state and federal taxes and fees associated with unleaded gasoline. The OPIS pricing at the beginning of the contract averaged \$3.46 per gallon, which was in line with industry expectations. The cost of gasoline dramatically increased over the past year to unprecedented levels of up to \$5.71 per gallon, and the Inflation Reduction Act of 2022 (IRA) increased the per gallon cost of gasoline with the resurrection of the Hazardous Substance Superfund Trust Fund (aka "Superfund") tax on oil and petroleum products effective January 1, 2023. Staff is projecting that the increased cost per gallon for gasoline will result in the fuel costs reaching the maximum contract value in advance of the base and option periods.

BACKGROUND

In June 2021, the Board awarded a 36-month Contract for unleaded gasoline to Mansfield Oil of Gainesville for \$9,211,566.91. Mansfield Oil of Gainesville is required to provide unleaded gasoline for Metro's non-revenue vehicles (automobiles, trucks, vans, and equipment) at the prevailing OPIS pricing. The original contract was established as an Indefinite Delivery Indefinite Quantity (IDIQ) for a two-year base, inclusive of sales taxes for a not-to-exceed amount of \$6,128,473, and a one-year option for a not-to-exceed amount of \$3,083,093.91 for a total not-to-exceed amount of \$9,211,566.91. The contract base value was increased by \$500,000 on March 8, 2023 to bring the not-to-exceed value of the base contract to \$6,628,473 and increasing the total not-to-exceed amount to \$9,711,566.91. At the beginning of the contract, the OPIS price per gallon averaged

\$3.46, which was in line with industry expectations. The cost of gasoline dramatically increased over the past year to unprecedented levels of up to \$5.71 per gallon. Additionally, the "Superfund" tax that went into effect on January 1, 2023 increased the cost of gasoline by \$0.00351 per gallon. The volume of unleaded gasoline consumed has remained consistent with the original estimated usage rates outlined in the contract.

DISCUSSION

The increased cost per gallon will result in the current contract value being exhausted in advance of June 2023 for the base order and June 2024 for the base and exercised option. The modification to the contract value and exercising of the option will ensure sufficient funds for fuel purchases through June 2024. The requested additional \$5,679,967 in contract authority is based on the updated independent cost estimate. The new per gallon cost is based on the 2022 price average, with a 20 percent contingency to account for high fluctuations in the cost of fuel, along with costs associated with the "Superfund" tax.

Approval of the base contract value modification and exercising of the option with the modified value is vital to enable Metro to continue purchasing unleaded gasoline for its non-revenue vehicles, including but not limited to automobiles, trucks, vans, and equipment. Having sufficient funding for unleaded fuel is vital to ensuring the uninterrupted operation of non-revenue vehicles that contribute to the high-quality transportation services to customers.

Metro is hedging from the volatility of fuel prices by converting to electric vehicles. The agency is committed to the conversion of all vehicles to zero-emission as the technology and infrastructure matures as evidenced by the procurement of over fifty non-revenue vehicles this fiscal year, along with the on-going procurements of electric buses. Hybrid and zero-emission non-revenue vehicles currently account for 40% of the total non-revenue vehicle fleet.

DETERMINATION OF SAFETY IMPACT

The award of this contract will ensure that all operating divisions have an adequate supply of unleaded gasoline for the non-revenue vehicles used to support the bus, rail, administration, and support departments focused on providing safe, clean, and reliable transportation services for Metro customers.

FINANCIAL IMPACT

Modification of the two-year base contract value will result in an increase in the unleaded gasoline budget of \$1,067,343 for the remainder of FY23. Funding for gasoline is included in the FY23 operating budget in various bus maintenance cost centers, under project 306002 - Operations Maintenance, under line item 50405 FUEL NON-REVENUE EQUIPMENT. Cost center managers and the Chief Operations Officer will be responsible for budgeting the cost for unleaded gasoline in future fiscal years.

Impact to Budget

The current source of funds for this action are Federal 5307, Proposition A/C, Measure R, and Transportation Development Act. Use of these funding sources currently maximizes funding allocations given approved funding provisions and guidelines.

EQUITY PLATFORM

The benefits of this action are to ensure non-revenue vehicle support for the bus and rail fleet that serves Los Angeles County, and disproportionately serves marginalized and vulnerable transit riders. The unleaded gasoline used in non-revenue support vehicles helps to ensure clean, reliable, and safe bus and rail fleets.

The Diversity and Economic Opportunity Department (DEOD) did not establish a DBE goal for this contract.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The contract for unleaded gasoline supports Strategic Goal 2.3: Metro will support a customer-centric culture where exceptional experiences are created at every opportunity for both internal and external customers. The unleaded gasoline is required for support vehicles used by bus, rail, administration, and support departments focused on providing clean, safe, and reliable transportation services for Metro customers.

ALTERNATIVES CONSIDERED

The alternative is not to approve the base contract modification and one-year option extension for the non-revenue gasoline contract. This approach is not recommended since increased fuel costs have depleted the remaining value of the existing contract. Procurement of gasoline from regular service stations was considered, but this is not recommended since the OPIS pricing that Metro receives is below the pricing available at regular service stations.

NEXT STEPS

Upon approval, staff will execute Modification No. 34 to Contract No. FY75015000 with Mansfield Oil of Gainesville to continue supplying unleaded gasoline for Metro's fleet to June 30, 2024.

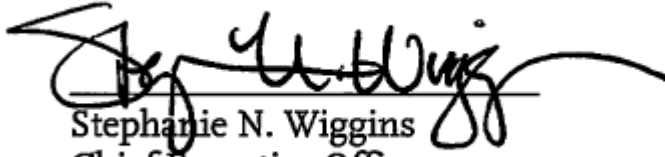
ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Contract Modification Change Order Log
Attachment C - DEOD Summary

Prepared by: Irina Conway, Chief Administrative Analyst, (213) 922-5934
James Pachan, Sr. Exec Officer, Bus Maintenance (213) 922-5804
Debra Avila, Deputy Chief Vendor/Contract Management Officer (213) 418-3051

Reviewed by:

Conan Cheung, Chief Operations Officer (213) 418-3034



Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

UNLEADED FUEL
CONTRACT NO. FY75015000

1.	Contract Number: FY75015000		
2.	Contractor: Mansfield Oil Company of Gainesville, Inc.		
3.	Mod. Work Description: Extend the Period of Performance by 12 months and add funds to the contract		
4.	Contract Work Description: Unleaded Fuel		
5.	The following data is current as of: 02.24.23		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	07-01-2021	Contract Award Amount: \$6,128,473
	Notice to Proceed (NTP):	07-01-2021	Total of Modifications Approved: \$500,000
	Original Complete Date:	06-30-23	Pending Modifications (Including this action): \$5,679,967
	Current Est. Complete Date:	06-30-24	Current Contract Value (with this action): \$12,308,440
7.	Contract Administrator: Lorretta Norris		Telephone Number: 213-922-2632
8.	Project Manager: Dan Ramirez		Telephone Number: 213-922-5797

A. Procurement Background

This Board Action is to approve Contract Modification No. 3 issued in support of:

Increasing the two-year base amount, exercising the one-year option term and increase the total not-to-exceed amount by \$5,679,967 to \$12,308,440.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy and the contract type is firm fixed price.

The original contract was approved by the Board on June 24, 2021, to Mansfield Oil Company of Gainesville, Inc. for a two-year base period in the amount of \$6,128,473 with a one-year option term for a total not-to-exceed amount of \$9,211,567.

2 (two) contract modifications have been issued to date.

(Refer to Attachment B – Contract Modification/Change Order Log)

B. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based on the analysis completed as part of the total contract amount. The price of the one-year option was established in July 2021 as part of the competitive contract award and shall remain unchanged. Exercising the one-year option will provide continuity of the service and is in the best interest of Metro. Mansfield Oil Company of Gainesville, Inc. is not escalating their competitively obtained unit rates for the 12-month extension, which was the basis of Metro's ICE. Therefore, the proposed amount, Metro ICE, and the negotiated amount are all consistent.

Proposal Amount	Metro ICE	Negotiated Amount
\$12,308,440	\$12,308,440	\$12,308,440

ATTACHMENT B

CONTRACT MODIFICATION/CHANGE ORDER LOG

**UNLEADED FUEL
CONTRACT NO. FY75015000**

Mod. no.	Description	Status (approved or pending)	Date	\$ Amount
1	Revised Statement of Work for new requirement	Approved	3.3.23	\$0.00
2	Increase base 2-year contract value (Contract Modification Authority)	Approved	3.8.23	\$500,000.00
3	Exercise One-Year Option, increase contract value and extension of period of performance through 6/30/24	Pending	TBD	\$5,679,967
	Modification Total:			\$6,179,967
	Original Contract:	Approved	7.01.21	\$6,128,473
	Total:			\$12,308,440

DEOD SUMMARY

UNLEADED FUEL/FY75015000

A. Small Business Participation

The Diversity & Economic Opportunity Department did not establish a Disadvantaged Business Enterprise (DBE) goal for this project due to the lack of subcontracting opportunities. It is expected that Mansfield Oil company of Gainesville, Inc. will perform the services of this contract with its own workforce.

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.

**Board Report**

File #: 2023-0136, **File Type:** Contract

Agenda Number: 34.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
APRIL 20, 2023**

SUBJECT: GLASS ANTI-GRAFFITI FILM MAINTENANCE AND REPLACEMENT SERVICES

ACTION: APPROVE CONTRACT MODIFICATIONS

RECOMMENDATIONS

AUTHORIZE the Chief Executive Officer to execute:

- A. Modification No. 5 to Contract No. OP1246400003367, for Region 1 with Graffiti Shield, Inc., to provide glass anti-graffiti film maintenance and replacement services throughout Metro B Line (Red), G Line (Orange) and various bus and rail locations within the geographical area specified in Region 1, to exercise the one, two-year option in the amount of \$1,204,126, increasing the total contract not-to-exceed amount from \$1,806,189 to \$3,010,315 and extending the period of performance from June 01, 2023 to May 31, 2025;
- B. Modification No. 6 to Contract No. OP1246420003367, for Region 2 with Graffiti Shield, Inc., to provide glass anti-graffiti film maintenance and replacement services throughout Metro L Line (Gold), D Line (Purple), J Line (El Monte Bus Way), future Regional Connector, future D Line (Purple) Westside Extension and various bus and rail locations within the geographical area specified in Region 2, to exercise the one, two-year option in the amount of \$1,741,600, increasing the total contract not-to-exceed amount from \$1,732,912 to \$3,474,512, and extending the period of performance from June 01, 2023, to May 31, 2025;
- C. Modification No. 5 to Contract No. OP1246430003367, for Region 3 with Property Protection International, Inc., to provide glass anti-graffiti film maintenance and replacement services throughout Metro E Line (Expo), K Line (Crenshaw), future Airport Metro Connector (AMC) and various bus and rail locations within the geographical area specified in Region 3, to exercise the one, two-year option in the amount of \$1,847,152, increasing the total contract not-to-exceed amount from \$1,643,856 to \$3,491,008 and extending the period of performance from June 01, 2023, to May 31, 2025; and
- D. Modification No. 5 to Contract No. OP1246440003367, for Region 4 with Property Protection International, Inc., to provide glass anti-graffiti film maintenance and replacement services throughout Metro A Line (Blue), C Line (Green), J Line (Harbor Transit Way) and various bus and rail locations within the geographical area specified in Region 4, to exercise the one, two-year

option in the amount of \$2,822,002, increasing the total contract not-to-exceed amount from \$4,233,003 to \$7,055,005 and extending the period of performance from June 01, 2023, to May 31, 2025.

ISSUE

The existing four (4) regional contracts' base term expires on May 31, 2023. To continue providing the required glass anti-graffiti film maintenance and replacement services, contract modifications are required for the four (4) regional contracts to exercise the one, two-year option, extending the period of performance from June 01, 2023, through May 31, 2025.

BACKGROUND

On March 28, 2019, the Metro Board of Directors authorized the Chief Executive Officer to award firm fixed unit rate Contract Nos. OP1246400003367 and No. OP1246420003367 for Regions 1 and 2, respectively with Graffiti Shield, Inc., and Contract Nos. OP1246430003367 and No. OP1246440003367 for Regions 3 and 4, respectively with Property Protection International, Inc., to provide glass anti-graffiti film maintenance and replacement services for all Metro facilities effective June 1, 2019.

Under the existing four (4) regional contracts, the contractors are required to conduct monthly and as-needed inspections of the glass anti-graffiti film installed systemwide, with 100% replacement of all vandalized glass anti-graffiti film. Regular and as-needed glass anti-graffiti film maintenance and replacement services are critical to protect Metro's assets, mitigate extended downtime of elevators due to vandalized elevator glass surfaces compromising its integrity with repeated severe etching and engraving requiring costly repair and replacement, and to ensure compliance with ADA requirements and accessibility to Metro's transit system.

Graffiti Shield, Inc. and Property Protection International, Inc. have been performing satisfactorily providing the necessary glass anti-graffiti film maintenance and replacement services throughout Metro's transit system.

DISCUSSION

There are approximately 165,226 sq. ft. of glass surfaces systemwide, subject to vandalism in the form of etching, graffiti and spray paint. These glass surfaces are mainly within the map cases and elevator doors, cabs and hoistways. The installation of glass anti-graffiti film mitigates damage to glass surfaces by providing protection against permanent engraving of the glass panels. Regular inspection and replacement of the glass anti-graffiti film ensures glass surfaces at Metro bus and rail facilities remain free of graffiti, etching and other forms of vandalism.

Under the existing four (4) regional contracts, the anti-graffiti film is inspected at a frequency of once a month and as-needed, with 100% replacement of all vandalized glass anti-graffiti film. Based on historical data, approximately 30,000 sq. ft. (18%) of glass anti-graffiti film systemwide is being vandalized and replaced on monthly basis.

With the opening of the K Line (Crenshaw/LAX Corridor), approximately 39,868 sq. ft. of additional glass panel surfaces subject to vandalism have been added to the Region 3 contract. Also, once Metro's system expansion project for the Regional Connector becomes operational, an additional 10,158 sq. ft. of glass panel surfaces subject to vandalism will be added to the Region 2 contract.

DETERMINATION OF SAFETY IMPACT

The approval of this item will ensure the delivery of timely and reliable glass anti-graffiti film maintenance and replacement services while improving Metro bus and rail facilities' overall appearance and cleanliness and enhancing customers' experience.

FINANCIAL IMPACT

For these four (4) regional contracts, funding of \$578,841 for the remainder of FY23 is allocated under cost center 8370 - Facilities Contracted Maintenance Services, account 50308, Service Contract Maintenance, under various projects.

Since this is a multi-year contract, the cost center manager, Deputy Chief Operations Officer, Shared Mobility will be accountable for budgeting the cost in future years.

Impact to Budget

The current source of funds for this action include Fares, Proposition A/C, Measure R/M, and Transportation Development Act. Use of these funding sources currently maximizes funding allocations given approved funding provisions and guidelines.

EQUITY PLATFORM

Providing monthly and as-needed glass anti-graffiti film maintenance and replacement services systemwide contribute to improving bus and rail stations' cleanliness and providing safe environment for Metro's patrons. Bus and Rail stations' cleanliness was identified as one of the top areas of concern in the 2020 Customer Experience survey and the FY23 Metro Budget survey conducted to develop the Metro Customer Experience Plan 2022 and assist with funds allocation for the FY23 budget.

Metro customers, including those with Limited English Proficiency (LEP), Metro staff, and Transit Ambassadors can report vandalism, cleanliness, and maintenance issues through the Customer Relations numbers posted throughout the rail and bus system. Customers have the option of communicating with Metro through nine (9) different languages using our translation service. Metro also ensures translated signage is posted for those reporting vandalized glass anti-graffiti film on the Metro system.

Graffiti Shield, Inc. and Property Protection International, Inc. are Metro certified small business primes and both made a commitment of 97% SBE and 3% for DVBE.

Graffiti Shield is meeting the SBE/DVBE commitments on both Regions 1 and 2, with 97% SBE and

3% DVBE participation.

Property Protection International is meeting the SBE/DVBE commitments on both Regions 3 and 4, with 97% SBE and 3% DVBE participation.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This board action supports Strategic Goal 5: Provide responsive, accountable, and trustworthy governance within the Metro organization. Performing on-going anti-graffiti film maintenance and replacement services contributes to facilities' overall cleanliness and will ensure providing a safe, clean environment for our patrons, service reliability, and enhancing customers' overall experience.

ALTERNATIVES CONSIDERED

The Board may elect not to approve the recommendations. This option is not recommended as it would result in a gap in service impacting Metro's system safety, cleanliness, and customer experience.

NEXT STEPS

Upon approval by the Board, staff will execute the following modifications to continue providing glass anti-graffiti film maintenance and replacement services throughout Metro's transit system.

- Modification No. 5 to Contract No. OP1246400003367, for Region 1 with Graffiti Shield, Inc.
- Modification No. 6 to Contract No. OP1246420003367, for Region 2 with Graffiti Shield, Inc.
- Modification No. 5 to Contract No. OP1246430003367, for Region 3 with Property Protection International, Inc.
- Modification No. 5 to Contract No. OP1246440003367, for Region 4 with Property Protection International, Inc.

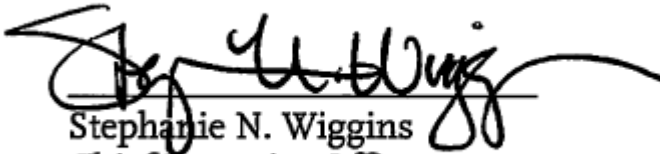
ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Contract Modification/Change Order Log
Attachment C - DEOD Summary

Prepared by:

Lena Babayan, Executive Officer, Operations Administration (Interim), (213) 922-6765
Carlos Martinez, Director, Facilities Contracted Maintenance Services, (213) 922-6761
Shahrzad Amiri, Deputy Chief Operations Officer, Shared Mobility, (213) 922-3061
Debra Avila, Deputy Chief Vendor/Contract Management Officer (213) 418-3051

Reviewed by: Conan Cheung, Chief Operations Officer, Transit Operations,
(213) 418-3034



Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

**GLASS ANTI-GRAFFITI FILM MAINTENANCE AND REPLACEMENT
SERVICES/OP1246400003367, OP1246420003367, OP1246430003367 AND
OP1246440003367**

1.	Contract Number: OP1246400003367, OP1246420003367, OP1246430003367 and OP1246440003367		
2.	Contractor: (1) Graffiti Shield, Inc. (Region 1) (2) Graffiti Shield, Inc. (Region 2) (3) Property Protection International, Inc. (Region 3) (4) Property Protection International, Inc. (Region 4)		
3.	Mod. Work Description: Exercise one, two-year option		
4.	Contract Work Description: To provide glass anti-graffiti film maintenance and replacement services systemwide to protect glass surfaces.		
5.	The following data is current as of: 3/9/23		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	3/28/19	Contract Award Amount: Region 1: \$1,806,189 Region 2: \$1,732,912 Region 3: \$1,643,856 Region 4: \$4,233,003
	Notice to Proceed (NTP):	N/A	Total of Modification Approved: Region 1:\$ 0 Region 2:\$ 0 Region 3:\$ 0 Region 4:\$ 0
	Original Complete Date:	5/31/23	Pending Modification (including this action): Region 1: \$1,204,126 Region 2: \$1,741,600 Region 3: \$1,847,152 Region 4: \$2,822,002
	Current Est. Complete Date:	5/31/25	Current Contract Value (with this action): Region 1: \$3,010,315 Region 2: \$3,474,512 Region 3: \$3,491,008 Region 4: \$7,055,005
7.	Contract Administrator: Aielyn Dumaua		Telephone Number: (213) 922-7320
8.	Project Manager: Maral Minasian		Telephone Number: (213) 922-6762

A. Procurement Background

This Board Action is to approve modifications to Contract Nos. OP1246400003367, (for Region 1) and OP1246420003367 (for Region 2) with Graffiti Shield, Inc. and Contract Nos. OP1246430003367 (for Region 3) and OP1246440003367 (for Region 4) with Property Protection International, Inc. to exercise the one, two-year

option to continue to provide glass anti-graffiti film maintenance and replacement services throughout the Metro system.

These contract modifications will be processed in accordance with Metro's Acquisition Policy and the contract type is a firm-fixed unit rate.

In March 2019, the Metro Board awarded five-year contracts, inclusive of one, two-year option, to Graffiti Shield, Inc. for Regions 1 and 2 and Property Protection International, Inc. for Regions 3 and 4 to provide glass anti-graffiti film maintenance and replacement services.

Refer to Attachment B – Contract Modification/Change Order Log.

B. Cost/Price Analysis

The recommended prices for the one, two-year option for all four regions have been determined to be fair and reasonable based on rates that were established and evaluated as part of the competitive IFB contract awards in 2019. Recommended contract amounts were the lowest bids received per region. Therefore, exercising the one, two-year option is in the best interest of Metro.

Contractor	Original Bid Amount	Metro ICE	Recommended Amount
Graffiti Shield, Inc. – Region 1	\$1,204,126	\$1,204,126	\$1,204,126
Graffiti Shield, Inc. – Region 2	\$1,741,600	\$1,741,600	\$1,741,600
Property Protection International, Inc. - Region 3	\$1,847,152	\$1,847,152	\$1,847,152
Property Protection International, Inc. - Region 4	\$2,822,002	\$2,822,002	\$2,822,002

CONTRACT MODIFICATION/CHANGE ORDER LOG

GLASS ANTI-GRAFFITI FILM MAINTENANCE AND REPLACEMENT
SERVICES/OP1246400003367 (REGION 1)

Mod. No.	Description	Status (approved or pending)	Date	\$ Amount
1	Update contract price, contract term and statement of work	Approved	10/14/19	\$ 0
2	Revise schedule of quantities and prices	Approved	5/20/20	\$ 0
3	No-cost one-year extension	Approved	5/31/22	\$ 0
4	Revise statement of work and schedule of quantities and prices	Approved	12/9/22	\$ 0
5	Exercise one, two-year option	Pending	Pending	\$1,204,126
	Modification Total:			\$ 1,204,126
	Original Contract:			\$ 1,806,189
	Total:			\$ 3,010,315

GLASS ANTI-GRAFFITI FILM MAINTENANCE AND REPLACEMENT
SERVICES/OP1246420003367 (REGION 2)

Mod. No.	Description	Status (approved or pending)	Date	\$ Amount
1	Update contract price, contract term and statement of work	Approved	10/14/19	\$ 0
2	Revise schedule of quantities and prices	Approved	5/20/20	\$ 0
3	Update contract price	Approved	9/15/20	\$ 0
4	No-cost one-year extension	Approved	5/31/22	\$ 0
5	Revise statement of work and schedule of quantities and prices	Approved	12/30/22	\$ 0
6	Exercise one, two-year option	Pending	Pending	\$1,741,600
	Modification Total:			\$ 1,741,600
	Original Contract:			\$ 1,732,912
	Total:			\$ 3,474,512

**GLASS ANTI-GRAFFITI FILM MAINTENANCE AND REPLACEMENT
SERVICES/OP1246430003367 (REGION 3)**

Mod. No.	Description	Status (approved or pending)	Date	\$ Amount
1	Update contract price, contract term and statement of work	Approved	10/14/19	\$ 0
2	Revise schedule of quantities and prices	Approved	5/20/20	\$ 0
3	No-cost one-year extension	Approved	5/31/22	\$ 0
4	Update Attachment 3 – List of Future Bus and Rail Locations	Approved	10/7/22	\$ 0
5	Exercise one, two-year option	Pending	Pending	\$1,847,152
	Modification Total:			\$ 1,847,152
	Original Contract:			\$ 1,643,856
	Total:			\$ 3,491,008

**GLASS ANTI-GRAFFITI FILM MAINTENANCE AND REPLACEMENT
SERVICES/OP1246440003367 (REGION 4)**

Mod. No.	Description	Status (approved or pending)	Date	\$ Amount
1	Update contract price, contract term and statement of work	Approved	10/14/19	\$ 0
2	Revise schedule of quantities and prices	Approved	5/20/20	\$ 0
3	No-cost one-year extension	Approved	5/31/22	\$ 0
4	Revise statement of work and schedule of quantities and prices	Approved	12/9/22	\$ 0
5	Exercise one, two-year option	Pending	Pending	\$2,822,002
	Modification Total:			\$ 2,822,002
	Original Contract:			\$ 4,233,003
	Total:			\$ 7,055,005

DEOD SUMMARY

GLASS ANTI-GRAFFITI FILM MAINTENANCE AND REPLACEMENT SERVICES/OP1246400003367, OP1246420003367, OP1246430003367, AND OP1246440003367

A. Small Business Participation

Graffiti Shield Inc. made a 97% Small Business Enterprise (SBE) and a 3% Disabled Veterans Business Enterprises (DVBE) commitment on Regions 1 and 2. Based on payment, the projects are 48% and 26% complete. Graffiti Shield Inc. is meeting the SBE/DVBE commitments on both Regions, with 97% SBE and 3% DVBE participation.

Property Protection International, Inc. (formerly known as XInt Tint of Anaheim, Inc.) made a 97% Small Business Enterprise (SBE) and a 3% Disabled Veterans Business Enterprises (DVBE) commitment on Regions 3 and 4. Based on payment, the projects are 19% and 48% complete. Property Protection International is meeting the SBE/DVBE commitments on both Regions, with 97% SBE and 3% DVBE participation.

Region 1– OP1246400003367 – Graffiti Shield

Small Business Commitment	97% SBE 3% DVBE	Small Business Participation	97% SBE 3% DVBE
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	SBE Subcontractors	% Committed	Current Participation¹
1.	Graffiti Shield, Inc. (SB Prime)	97%	97%
	Total	97%	97%

	DVBE Subcontractors	% Committed	Current Participation¹
1.	Los Angeles Company, Inc. dba Los Angeles Glass Co.	3%	3%
	Total	3%	3%

Region 2 – OP1246420003367 – Graffiti Shield

Small Business Commitment	97% SBE 3% DVBE	Small Business Participation	97% SBE 3% DVBE
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	SBE Subcontractors	% Committed	Current Participation¹
1.	Graffiti Shield, Inc. (SB Prime)	97%	97%
	Total	97%	97%

	DVBE Subcontractors	% Committed	Current Participation¹
1.	Los Angeles Company, Inc. dba Los Angeles Glass Co.	3%	3%
	Total	3%	3%

Region 3 – OP1246430003367 (OP161998000) – Property Protection International, Inc. (formerly known as XInt Tint of Anaheim, Inc.)

Small Business Commitment	97% SBE 3% DVBE	Small Business Participation	97% SBE 3% DVBE
----------------------------------	----------------------------	-------------------------------------	----------------------------

	SBE Subcontractors	% Committed	Current Participation¹
1.	Property Protection International, Inc. (SB Prime)	97%	97%
	Total	97%	97%

	DVBE Subcontractors	% Committed	Current Participation¹
1.	Los Angeles Company, Inc. dba Los Angeles Glass Co.	3%	3%
	Total	3%	3%

Region 4 – OP1246440003367 (OP161999000) – Property Protection International, Inc. (formerly known as XInt Tint of Anaheim, Inc.)

Small Business Commitment	97% SBE 3% DVBE	Small Business Participation	97% SBE 3% DVBE
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	SBE Subcontractors	% Committed	Current Participation¹
1.	Property Protection International, Inc. (SB Prime)	97%	97%
	Total	97%	97%

	DVBE Subcontractors	% Committed	Current Participation¹
1.	Los Angeles Company, Inc. dba Los Angeles Glass Co.	3%	3%
	Total	3%	3%

¹Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime.

B. Living Wage and Service Contract Worker Retention Policy Applicability

A review of the current service contract indicates that the Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) was not applicable at the time of award. Therefore, the LW/SCWRP is not applicable to this modification.

C. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this project. DEOD will continue to monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA).

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.



Board Report

File #: 2023-0217, **File Type:** Oral Report / Presentation

Agenda Number: 35.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
APRIL 20, 2023**

SUBJECT: OPERATIONS EMPLOYEES OF THE MONTH

RECOMMENDATION

RECOGNIZE Operations Employees of the Month.

EQUITY PLATFORM

Employee of the Month (EOM) nominations to the Chief Operations Officer must be for frontline employees or field supervisors serving in a customer-facing role. Operations management is encouraged to nominate employees that have achieved excellence and/or gone above and beyond their assigned job role/functions and are diverse in both gender and ethnicity. In addition, a review of the location, job responsibilities, and seniority is considered when making final selections to ensure there is diverse representation among the various groups within the department. Operations also work with Logistics, Maintenance, and System Security & Law Enforcement who nominates employees once a quarter who work at our various Metro locations.

Prepared by: Diane Corral-Lopez, Executive Officer, Operations Admin (213) 922-7676

Reviewed by: Conan Cheung, Chief Operations Officer (213) 418-3034

Stephanie N. Wiggins
Chief Executive Officer

The signature is a stylized, cursive script in black ink, written over a horizontal line. Below the signature, the name 'Stephanie N. Wiggins' and title 'Chief Executive Officer' are printed in a clean, sans-serif font.

April 2023
Rail Employee of the Month
&
Microtransit Employee of the Quarter



Metro

Operations, Safety, and Customer Experience Committee

April 20, 2023

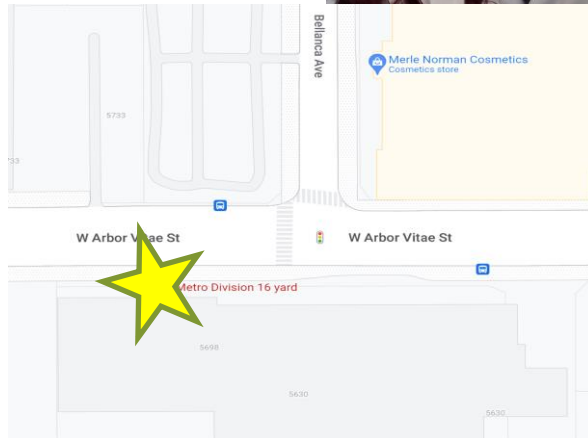
Employee of the Month & Employee of the Quarter



Rail Operations

Train Operator

Nicole Burris



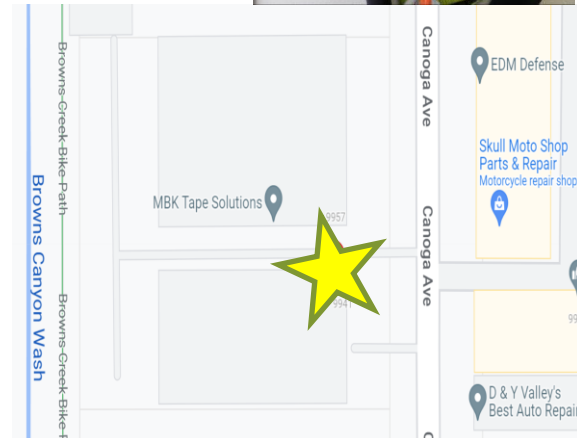
Division 16 – Los Angeles

Microtransit

Microtransit

Operator

Jose Rios



Chatsworth Reporting Location



Metro



File #: 2023-0218, File Type: Oral Report / Presentation

Agenda Number: 36.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
APRIL 20, 2023**

**SUBJECT: ORAL REPORT ON OPERATIONS AND SERVICE RESTORATION UPDATE
ACTION: ORAL REPORT**

RECOMMENDATION

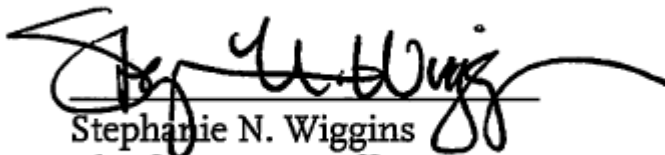
RECEIVE oral report on Operations ridership, hiring, and service restoration.

EQUITY PLATFORM

Operations collaborates with the Office of Equity and Race to identify and mitigate any concerns to ensure equitable outcomes relative to service.

Prepared by: Diane Corral-Lopez, Executive Officer, Operations Admin, (213) 922-7676

Reviewed by: Conan Cheung, Chief Operations Officer, (213) 418-3034

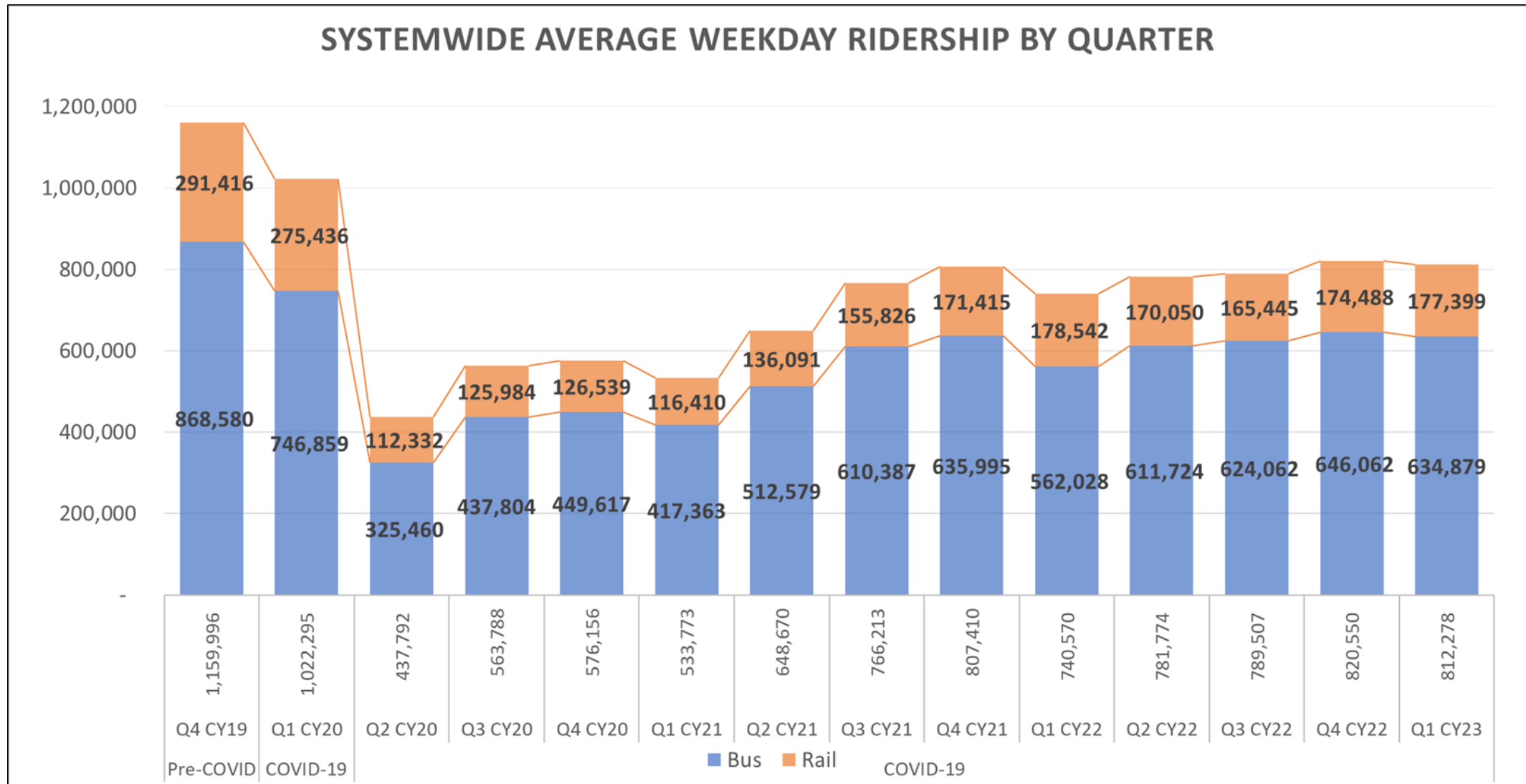


Stephanie N. Wiggins
Chief Executive Officer

COO Monthly Report

Operations, Safety & Customer Experience Committee Meeting
April 20, 2023

Ridership Update



Ridership Analysis Relative to Equity Focused Communities (Metro 2022 EFC Map):

- Bus – Percent of all weekday bus activity occurring within Equity Focus Communities increased from 73% in Oct 2019 to 79.5% in March 2023 (bus stop data available month to month)
- Rail – Percent of all weekday rail activity occurring within Equity Focus Communities increased from 51.7% to 71.2% from FY19 to FY22 (rail station data available Fiscal Year level)

Improved Reliability

- Metro fully restored scheduled bus service to 7 million revenue service hours (annualized), effective December 11, 2022. This will help our riders receive more frequent and reliable service.
- The changes improved frequencies on 55 weekday, 24 Saturday and 23 Sunday bus lines.
- Cancellation rates are now generally below pre-service change and from one year ago.

% Cancelled Service	Weekday	Saturday	Sunday
Pre- Dec 2022 Service Change 4 week Average	3.2%	3.9%	7.4%
One Year Ago WE 4/9/22	4.3%	5.4%	8.2%
Week Ending 4/8/23	3.0%	1.9%	5.4%
Week Ending 4/1/23	1.0%	0.9%	2.9%
Week Ending 3/25/23	2.2%	0.9%	5.9%
Week Ending 3/18/23	2.1%	1.0%	3.8%
Week Ending 3/11/23	2.5%	1.3%	5.2%
Week Ending 3/4/23	2.0%	2.0%	4.2%
Week Ending 2/25/23	3.4%	5.6%	5.4%
Week Ending 2/18/23	3.9%	2.7%	5.4%
Week Ending 2/11/23	2.8%	2.3%	5.2%
Week Ending 2/4/23	3.0%	1.8%	6.3%
Week Ending 1/28/23	3.8%	4.0%	8.1%
Week Ending 1/21/23	2.8%	2.7%	4.5%
Week Ending 1/14/23	5.8%	3.5%	7.7%
Week Ending 1/7/23	4.0%	2.4%	7.1%
Week Ending 12/31/22	4.0%	3.5%	9.7%
Week Ending 12/24/22	3.6%	2.6%	4.0%
Week Ending 12/17/22	5.7%	4.0%	13.7%

March Top 10 Highest Service Cancellations by Line

Directly Operated

Division	Line	Name	NextGen Tier	March 2023 Highest Ten Lines % Cancelled Trips since 3/1/23 to 3/31/23	Same Ten Lines	% Trips on Average Exceeding Target Load Factor March 2023	Average Reported Pass Ups Per Day March 2023	% within EFC*	Area
					% Cancelled Trips 3/1/22 to 3/31/22				
7	14-37	Beverly Bl/W. Adams St.	2	7.5%	6.0%	0.7%	5	38%	Commerce – Wilshire/ Western
5	754	Vermont Av Rapid	1	6.6%	5.8%	0.2%	2	98%	Hollywood - South LA
2, 7	2	Sunset Alvarado	1	6.3%	4.2%	0.2%	12	48%	UCLA - USC
1, 7	16	W. 3rd St	1	5.7%	4.9%	2.8%	22	38%	Downtown – Westside
1, 7	20	Wilshire Bl.	1	5.7%	9.1%	0.0%	8	29%	Downtown – Westside
5, 18	207	Western Av	1	5.6%	7.1%	0.1%	16	89%	Hollywood - South LA
5, 18	204	Vermont Av Local	1	4.4%	5.6%	0.0%	4	89%	Hollywood - South LA
7, 13	28	Olympic Bl	1	3.6%	5.4%	1.2%	6	34%	Century City - Downtown LA
9	70	Garvey/Cesar Chavez	1	3.6%	1.5%	0.6%	7	75%	El Monte - Downtown LA
2	55	Compton Av	2	3.4%	1.8%	1.2%	4	83%	Willowbrook - Downtown LA

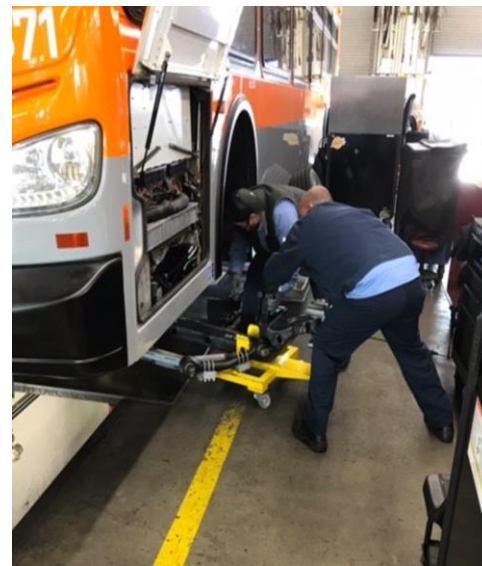
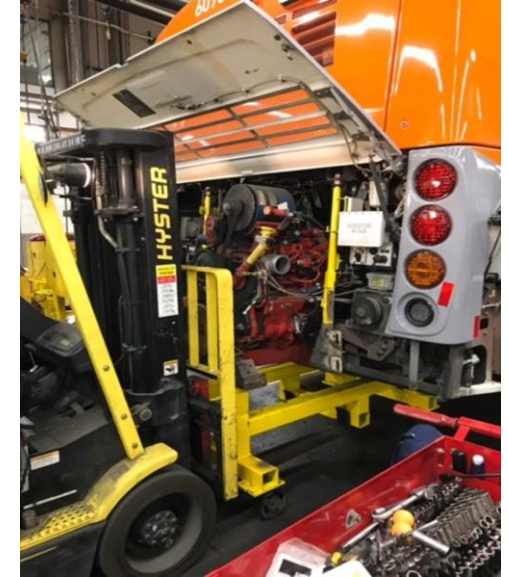
Contracted Services

Division	Line	Name	Next Gen Tier	% Cancelled Trips Above 3% 3/01/23 to 3/31/23	Previous Year % Cancelled Trips 3/01/22 to 3/31/22	% Trips on Average Exceeding Target Load Factor Mar 2023	Average Reported Pass Ups Per Day Mar 2023	% within EFC	Area
98	603	San Fernando Rd - Rampart St - Hoover St	2	7.03%	10.77%	0.2%	0.2	73%	Glendale - Downtown LA
97	205	Wilmington Av - Vermont Av	3	5.35%	6.11%	0.0%	0.2	29%	Willowbrook - San Pedro
97	232	Sepulveda Bl - Pacific Coast Hwy	3	4.79%	8.43%	0.0%	0.1	29%	LAX - Long Beach
97	125	Rosecrans Av	3	3.93%	6.03%	0.0%	0.0	42%	El Segundo - Norwalk

Bus Maintenance: Midlife Refurbishment Program

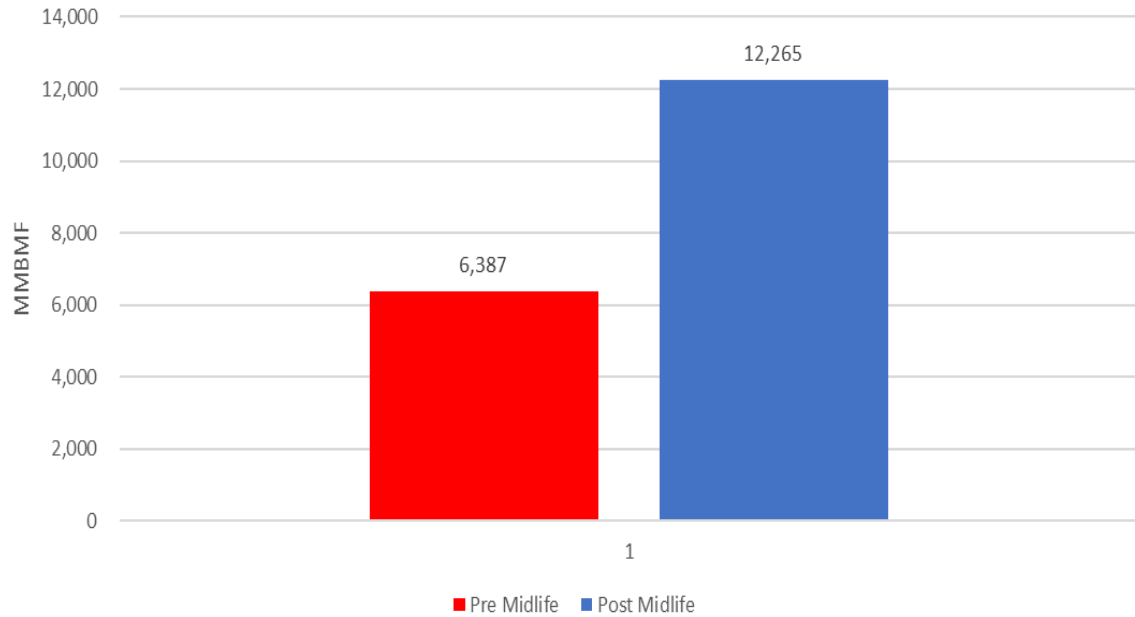
Benefits

- Improves bus performance reliability
- Reduces operating costs
- Management of heavy repair demand
- Best use of dedicated/trained resources
- Improves customer service

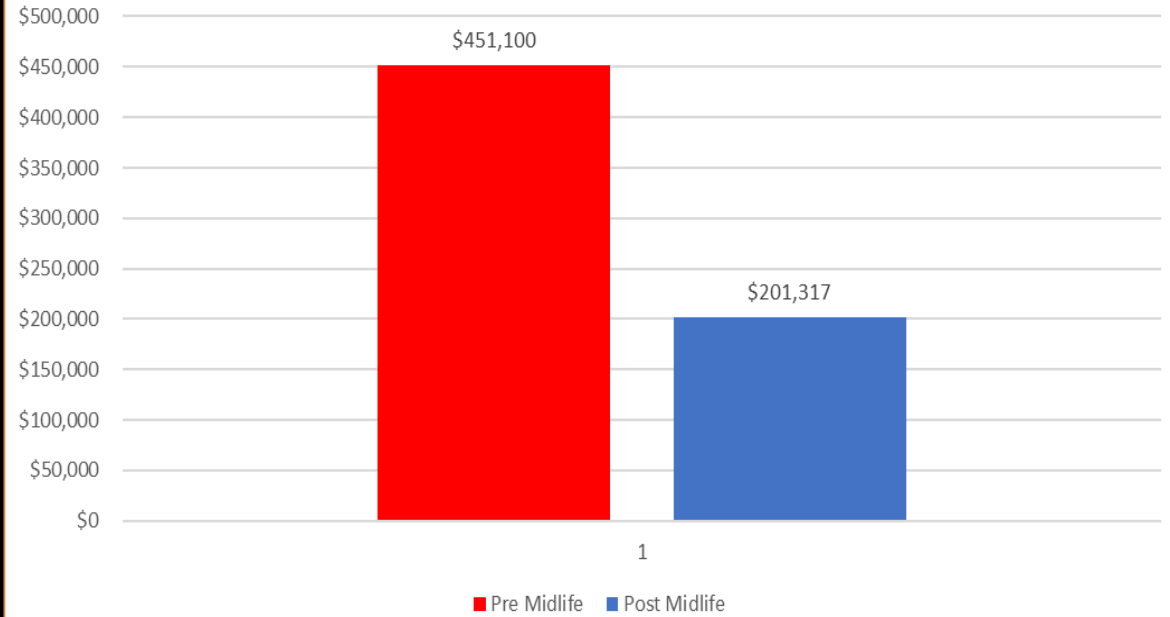


Analysis – 90 bus sample / 6 months

Miles Between Roadcall Failure Comparison



Reduced Parts Requirements = Reduced Operating Cost



1. Running Repair Shop

- New Near-Zero Emission Engine & Electrical Harnesses
- Improve Catalytic Converter & Radiator

2. Midlife Shop

- Rebuild Suspension, Brake System, & Door System
- Inspect/Replace Differential & Fuel System
- Air Dryer / Air Lines
- Wheelchair Ramp
- Vinyl Seats



3. Paint Shop – Repair Body Damage

- Remove & replace external parts
- Sand off old paint
- Mask windows / panels
- Buff water spots on windows
- Complete Trim Work

4. Systems Shop – Final Inspection

- Engine, Transmission, Radiator/Coolant, Electrical, A/C & Heating, & Lights
- Deep Clean Interior/Exterior

**Board Report**

File #: 2023-0190, **File Type:** Informational Report**Agenda Number:** 37.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
APRIL 20, 2023****SUBJECT: FISCAL YEAR 2024 METRO BUS AND RAIL SERVICE PLAN****ACTION: RECEIVE AND FILE****RECOMMENDATION**

RECEIVE AND FILE a report on Metro Bus and Rail Service Plan for Fiscal Year 2024.

ISSUE

Each fiscal year, Metro's Operations budget reflects assumptions on bus and rail service levels planned for the year. This report will outline those assumptions for Fiscal Year 2024.

BACKGROUND

Metro's biannual service change program allows Metro to improve the customer experience through revised transit routes and schedules. The implementation of new transit services resulting from major capital projects is also captured in each fiscal year's operating budget.

The COVID pandemic resulted in multiple service changes being implemented to respond to the impacts on bus and rail ridership and operator availability since April 2020. Bus service was fully restored in September 2021, and rail service was improved to 8-minute weekday peak light rail and 10-minute peak heavy rail (subway) service.

Unfortunately, the COVID Omicron variant active at the end of 2021/early 2022, coupled with a national shortage of bus operators, resulted in a significant shortage of available operators and increases in canceled service (as high as 15%-20%). To stabilize the system, a strategic 10% bus service reduction and an adjustment to 10-minutes for light rail peak service, and all day, all week 15-minute heavy rail service was made in February 2022.

Bus service levels were gradually restored in 2022, with service added back in June, September, and December 2022 as new bus operator hiring permitted. As of December 2022, bus service is back at the full pre-COVID 7 million annualized revenue service hours on which the NextGen Bus Plan is based. Rail service levels remain reduced but meet current demand, which is continually monitored. The initial operating segment of the Crenshaw Line also opened in October 2022 between Westchester/Veteran and Crenshaw/Expo Stations. The new Regional Connector light rail corridor

through downtown LA, with associated changes creating the new A (Long Beach - Azusa) and E (Santa Monica - East LA) light rail lines, is expected to open in the second quarter of CY2023.

DISCUSSION

The Fiscal Year 2024 budget assumes the following bus and rail service levels:

Bus: Continued operation of 7 million bus revenue service hours (annualized) based on the NextGen Bus Plan. Ridership for bus overall for the month of February 2023 compared to February 2022 was:

- up 15.4% for weekdays
- up 8.3% for Saturdays
- up 23.0% for Sundays

Comparing February 2023 with pre-COVID February 2019 ridership was:

- 75.5% recovered weekdays
- 86.3% recovered Saturdays
- 98.4% recovered Sundays

With the continued efforts to recruit and retain operators, full bus service has been delivered with increased reliability. The most recent week shows service cancellation rates below those for the last four weeks before the service change in December 2022. It is also lower than the same week a year ago when service had been reduced by ten percent in response to the impact of the COVID Omicron variant spike and shortage of transit operators.

% Cancelled Service	Weekday	Saturday	Sunday
Pre- Dec 2022 Service Change 4 week Average	3.2%	3.9%	7.4%
One Year Ago WE 3/26/22	3.4%	4.5%	9.7%
Week Ending 3/25/23	2.2%	0.9%	5.9%

Operator mandatory overtime (ordered call backs), a major pain point for operators, has also been reduced by over 30 percent from an average of 770 for the first three weeks after the December 2022 service increase to 529 for the first three weeks of March 2023. This should continue to reduce as more new operators are hired.

Refinements will be implemented in conjunction with new bus lanes and other NextGen speed and reliability initiatives that can support improved peak frequency planned under NextGen. Service will also be adjusted to meet load standards (avoid regular crowding with less than one percent of weekly trips exceeding the load standard) and on-time performance targets. Metro expects to be fully staffed with bus operators throughout FY24 to allow for reliable delivery of all bus services.

Light Rail: Light rail ridership in February 2023 for average weekday was 57.3 percent of the February 2019 (pre-COVID) average weekday ridership, with 65 percent for Saturday and 70.3 percent for Sunday. Ridership has increased 0.4 percent on weekdays, 14.1 percent on Saturdays, and 6.8 percent on Sundays, comparing February 2023 versus February 2022.

The light rail network in FY24 will include a full year of operation of the new Regional Connector with

the new A Line (Long Beach - Azusa) and E Line (Santa Monica - East LA). Regional Connector is expected to open before the end of FY23. This extension will result in four segments of the light rail network from Long Beach, Azusa, Santa Monica, and East LA, merging through one trunk segment through downtown LA. As such, the Regional Connector represents a major change to Metro rail operations, and significant new complexities, including:

- Coordinating the pullouts for the two lines from four separate rail divisions;
- Three car types shared between the four divisions;
- Remote train overnight storage, including on the mainline along the Eastside Extension;
- Coordination of trains from four different segments of the network through two junctions with limitations on the number of cars within the Regional Connector at any one time;
- Isolating the impacts of planned and unplanned service adjustments along one segment of the network from the remaining three segments.

Metro will launch the Regional Connector with the existing 10-minute peak and 12-minute midday and weekend service frequencies using 3 car trains for both the A and E lines to allow time to become familiar and gain experience in the new operating procedures brought on by the complexities of the new network before restoring service to an 8 minute peak and 10 minute base service level.

C and K line services will also remain at current levels (10 minute peak and 12 minute or 15 minute off peak and weekend) to be consistent with the other light rail lines. These light rail service levels using 2 car trains are meeting current ridership levels with no regular crowding of trips.

Within the FY24 service plan, it is intended to increase all light rail services to an 8-minute peak and 10-minute midday weekday based on a successful period of operating the Regional Connector services, continued ridership recovery, and availability of additional light rail operators. Staff will keep the Board apprised of these factors as planning continues for this increase in light rail service.

Heavy Rail Subway (HRT): For the beginning of FY24, the B & D subway lines will continue operating a 15-minute daytime all week service frequency. This current service level is meeting demand without any consistent crowding issues. Ridership in February 2023 compared to February 2019 (pre-COVID) is 60.4 percent recovered weekdays, 84.8 percent recovered Saturdays, and 89.7 percent recovered Sundays. Ridership has increased in February 2023 versus February 2022, with a 6.4 percent increase on weekdays, a 15 percent increase Saturdays, and a 57.1 percent increase Sundays. Staff will continue to monitor ridership, loads per trip, operator, and fleet availability with the intent of increasing to a 10-minute daytime all week service frequency during FY24.

Rail Frequency Adjustments: Before COVID, LRT operated at a 6 minute peak and 12 to 15 minute off peak frequency. Given the increase in remote work by weekday commuters, along with the desire to create an all day, every day frequent network as demonstrated by NextGen, the FY24 LRT and HRT service plans both reflect a new peak and off-peak service level. LRT peak hour frequencies will be standardized at 8 minutes and off-peak service will be enhanced to 10-minutes (previously 12-15 minutes) . HRT will operate at 10 minutes throughout the day versus pre-COVID service levels of 10 min peak and 12 minute off peak. As discussed above, the phase in of these frequencies will be contingent on demonstrated successful operation of Regional Connector service, availability of fleet

and operators, and ridership recovery.

EQUITY PLATFORM

The FY24 Metro Bus and Rail service plans follows the NextGen service principles with fast, all day every day frequent, and reliable bus and rail service. NextGen maintains a focus on providing high service levels in Equity Focus Communities where reliance on transit service for mobility is greatest. Planned peak and off-peak rail service improvements in FY24 will also support the improved mobility of all rail riders, including those from Equity Focus Communities, helping them efficiently access jobs, services, and education opportunities.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

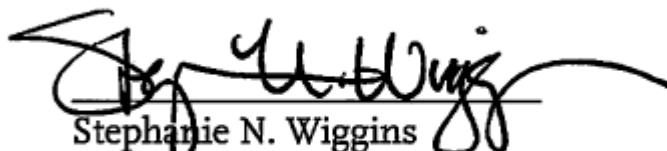
The service changes support strategic plan goal #1: Provide high quality mobility options that enable people to spend less time traveling. The service changes also respond to the sub-goal of investing in a world class bus system that is reliable, convenient, safe, and attractive to more users for more trips.

NEXT STEPS

Staff will implement the FY24 service plan as budgeted in the FY24 Metro Operating Budget. This will be accomplished through service changes in June and December 2023, consistent with Metro past practice of making service changes twice yearly in June and December.

Prepared by: Joseph Forgiarini, Senior Executive Officer, Service Development (213) 418-3400

Reviewed by: Conan Cheung, Chief Operations Officer, (213) 418-3034


Stephanie N. Wiggins
Chief Executive Officer

FY24 Bus and Rail Service Plan

Operations, Safety & Customer Experience Committee Meeting
April 20, 2023

FY24 Bus Service Plan

The Fiscal Year 2024 budget assumes the following bus service levels:

- Continue operation of 7 million bus revenue service hours (annualized) based on NextGen Bus Plan.
- Ridership for bus overall for the month of February 2023 compared to February 2022 continues to grow:
 - up 15.4% for weekdays
 - up 8.3% for Saturdays
 - up 23.0% for Sundays
- Comparing February 2023 with pre-COVID ridership was:
 - 75.5% recovered weekdays
 - 86.3% recovered Saturdays
 - 98.4% recovered Sundays



Bus Service Reliability

Full bus service has been delivered with increased reliability.

- Metro expects to be fully staffed with bus operators throughout FY24.
- Cancellation rates have decreased
- Service will also be adjusted to meet load standards (avoid regular crowding) ad standard) and improve on-time performance.

% Cancelled Service	Weekday	Saturday	Sunday
Pre- Dec 2022 Service Change 4 week Average	3.2%	3.9%	7.4%
One Year Ago WE 3/26/22	3.4%	4.5%	9.7%
Week Ending 3/25/23	2.2%	0.9%	5.9%

Bus Speed and Reliability

Refinements will be implemented in conjunction with new bus lanes and other NextGen speed and reliability initiatives that can support improved peak frequency.

- As of March 31, 2023, 31 miles of bus priority lanes are operational, increasing speed and reliability by up to 15%.
- Another 64 miles of bus priority lanes are in the planning stage with some implementation in FY24.
- The FY24 program includes progress towards camera based lane enforcement, new cloud-based transit signal priority implementation, and all-door board.



Rail Frequency Adjustments

- The FY24 Light Rail and Heavy Rail service plans both reflect a new peak and off-peak service level.
 - Light Rail peak hour frequencies will be standardized at 8 minutes and off-peak service will be enhanced to 10-minutes (currently 12- 15 minutes).
 - Heavy rail will operate at 10 minutes throughout the day versus pre-COVID service levels of 10 min peak and 12 minute off peak.
- The phasing in of these frequencies will be contingent on demonstrated successful operation of Regional Connector service, availability of fleet and operators, and ridership recovery.

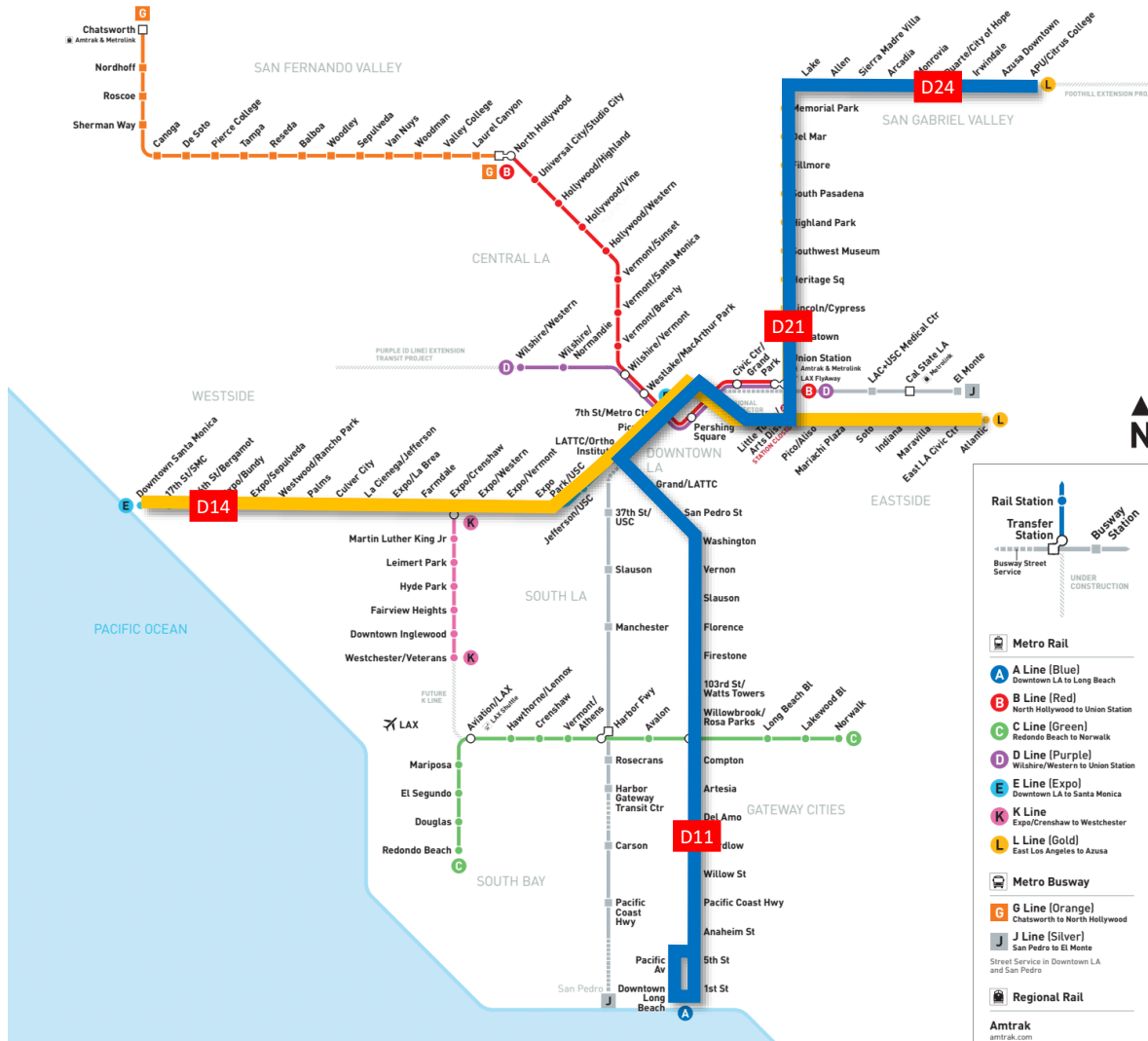


FY24 Light Rail Service Plan

- The light rail network in FY24 will include a full year of operation of Crenshaw K Line and new Regional Connector with new A Line (Long Beach – Azusa) and E Line (Santa Monica – East LA).
- Ridership in February 2023 compared to February 2019 (pre-COVID)
 - 57.3 percent recovered weekdays
 - 65 percent recovered Saturdays
 - 70.3 percent recovered Sundays
- Ridership has increased in February 2023 versus February 2022
 - up 0.4 percent on weekdays
 - up 14.1 percent on Saturdays
 - up 6.8 percent on Sundays



Regional Connector Operating Plan



Trains

- Loading system from 4 rail divisions
- Three rail car types will be used on RC (P3010, P2550, refurbished P2000)
- Remote train overnight storage
- L (Gold) Line Eastside train storage

Schedules

- Metro will launch the Regional Connector with the existing 10-minute peak and 12-minute midday and weekend service frequencies for the A and E lines.
- 10 min peak transition to 8 min peak
- Impacts of delays through R/C
- Planned and unplanned service adjustments

FY24 Heavy Rail Service Plan

For the beginning of FY24, the B & D (red/purple) subway lines will continue operating a 15-minute daytime all week service frequency.

Ridership in February 2023 compared to February 2019 (pre-COVID)

- 60.4 percent recovered weekdays
- 84.8 percent recovered Saturdays
- 89.7 percent recovered Sundays

Ridership has increased in February 2023 versus February 2022

- up 6.4 percent weekdays
- up 15 percent Saturdays
- up 57.1 percent Sundays

Staff will continue to monitor ridership, loads per trip, operator and fleet availability with the intent of increasing to a 10-minute daytime all week service frequency during FY24.





Board Report

File #: 2023-0173, File Type: Informational Report

Agenda Number: 38.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE APRIL 20, 2023

SUBJECT: PUBLIC SAFETY ADVISORY COMMITTEE QUARTERLY REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE quarterly status report on Public Safety Advisory Committee (PSAC).

ISSUE

This Board report provides an update on the recruitment and establishment of the second cohort of the Public Safety Advisory Council (PSAC).

BACKGROUND

In June 2020, The Metro Board of Directors approved motions 37 and 37.1, directing Metro staff to form an advisory committee that would contribute to developing a community-based approach to public safety on the transit system.

In response to the 2020 motions, Metro formed the Public Safety Advisory Committee and sat its first cohort on April 7, 2021; their work concluded on August 17, 2022. The first cohort brought several recommendations to Metro staff and the Board for consideration, including feedback on the Metro Ambassador Pilot Program, Metro's Code of Conduct, and the development of Metro's Public Safety Mission and Vision Statements.

At the September 2022 Board meeting, the CEO provided a report with recommendations to continue the PSAC's work with some refinements. These included establishing a clear scope of authority and work plan, a better-defined structure to support impactful meetings, and a refined selection process to ensure that the committee reflects the diversity of Metro riders and stakeholders.

Recognizing the importance of public safety to delivering a great customer experience, the CEO moved the PSAC Administration out of the System Security and Law Enforcement Department and into the Customer Experience Department. The second cohort membership term has been extended from one year to two years, with staggered terms, and models a committee structure similar to many of its counterparts nationwide. These changes allow for more effective customer experience tracking and an extended public engagement process, setting the committee up for successful long-term

outcomes.

DISCUSSION

On November 8, 2022, Metro launched its external application process seeking to establish its second PSAC cohort.

The committee is comprised of 15 voting community members and three non-voting community alternates; up to five members could be selected from the first PSAC cohort (should they apply) to carry forward the experience and perspective of the original committee. During the three-week application period, staff received 200 applications, including two from the first PSAC cohort.

Parallel to the external recruitment, staff initiated an internal application process to seek three ex-officio employee members and two employee alternates. The three ex-officio seats are designated for front-line Metro employees. During the application period, 13 employee applications were received.

Metro developed a robust process and prioritized an equitable recruitment and evaluation process for all PSAC applicants. Metro staff widely advertised the PSAC membership application, sent virtually through Metro's Customer Experience Department emailing system to over 28,000 recipients, and published on Metro's Source and El Pasajero. Staff presented the PSAC application at all Metro Service Councils and coordinated in-person outreach with Metro's Street Teams, who distributed paper notices on Metro's rail lines and at major transit hubs. The final membership established as the second PSAC cohort is a diverse group that represents the diversity of LA County's demographics and Metro's core ridership.

Cohort Selection

To ensure a fair process, Staff developed an evaluation process that removed all bias and ensured that a diverse evaluation panel reviewed all 200 candidates. Staff convened an evaluation committee of 26 Metro staff who were diverse in gender, ethnicity, and role at Metro to review and select the candidates. The selection process included a blind evaluation in which all applicants' identifying demographics were removed, and staff evaluated candidates based solely on their written responses to four open-ended questions. Two different staff members reviewed and scored each application, and the combined average was the applicant's final score. The top 30 candidates were selected for virtual interviews. Only then did Metro staff reintegrate demographic data to assess representation and determine that the top candidate's demographic make-up represented Metro's ridership.

The top 30 candidates were interviewed by staff from the Customer Experience and Operations departments and the Office of Equity and Race. The top 15 candidates were interviewed by our Chief Customer Experience Officer, Jennifer Vides, Chief Safety Officer, Gina Osborn, Chief Operations Officer, Conan Cheung, and Chief Executive Officer, Stephanie Wiggins.

Staff was committed to ensuring that the final PSAC membership reflected the diversity of people's lived experiences and perspectives and mirrored the diversity of Metro's ridership. The following tables reflect the demographic makeup of Metro's second PSAC cohort for 2023-2025.

2023 PSAC Membership Demographics		
Race and Ethnicity		
Demographic	Count N = 15	Percent
Black/African American	4	27%
Asian/Pacific Islander	2	13%
Hispanic/Latinx	5	33%
Caucasian	4	27%
Gender		
	Count N=15	Percent
Female	9	60%
Male	6	40%
Age Range		
	Count N=15	Percent
Under 18	1	7%
25-34	4	27%
35-44	4	27%
45-54	5	33%
55-64	1	7%
Housing Status		
	Count N=15	Percent
Homeowner	3	20%
Renter	11	73%
Other	1	7%
Transit use		
	Count N=15	Percent
Every day or most days	8	53%
At least once a week	4	27%
At least once a month	1	7%
A few times per year	1	7%
Once a year or less	1	7%
Disability		
	Count N=15	Percent
No	12	80%
Yes	3	20%
Sexual Orientation		
	Count N=15	Percent

Heterosexual or straight	8	53%
Bisexual	3	20%
Gay	2	13%
Decline to state	2	13%
Annual Income		
	Count N=15	Percent
Under \$5,000	1	7%
\$5,000 - \$9,999	1	7%
\$20,000 - \$24,999	2	13%
\$50,000 - \$74,999	5	33%
\$75,000 - \$99,999	1	7%
\$100,000 - \$149,999	4	27%
\$150,000 or more	1	7%

Additionally, in keeping with the recommendations following the evaluation of the first cohort, the new PSAC cohort includes a minimum of one individual representing each of the following categories:

- Youth
- Seniors
- Individuals with Disabilities
- Racial Justice
- Equitable Transit
- Mental Health
- Social Services/Victims’ Rights
- Homeless Advocacy
- Law Enforcement

New Cohort Kick-Off

To ensure that the work of the second PSAC cohort is successful, staff secured the professional facilitation services of Communication and Public Affairs firm the Del Sol Group, a certified woman and minority owned firm. The firm provides community-focused communications services, including community outreach and engagement, facilitation, program development, and coalition building. Del Sol Group facilitated the PSAC membership onboarding and will facilitate PSAC general monthly meetings moving forward.

The new PSAC cohort officially began its work on February 25, 2023. Responding to the insight that the first PSAC cohort did not have time to get to know each other before they began their work, PSAC members were first on-boarded at a special retreat, where they spent time getting to know one another and engaging in trust and team building exercises to set them up for a professional and successful working relationship. Committee members wrote and presented the personal goals and experiences that have shaped who they are today and guided their purpose for seeking membership in Metro’s PSAC. While committee members come from various walks of life throughout LA County

and brought different perspectives about public safety to the table, the exercise helped them find unity in their shared commitment to improve public safety on our system.

The retreat was followed by the first official PSAC meeting, where members received a Brown Act presentation from County Counsel to ensure understanding and compliance. Next, Metro Operations Senior Director Stephen Tu presented the details of the Reimagining Westlake/MacArthur Park Station Pilot Interventions. Committee members reviewed and provided feedback on Metro's efforts during the meeting, as well as submitted written comments to the operations team leading these efforts. Comments centered mostly on ensuring an equitable approach to mitigations for all riders and included the desire for station activations as a safety measure, partnerships with local businesses, keeping mindful of riders with bikes and strollers, improved plaza lighting, and the need for the presence of both homeless services teams as well as drug interventionists to address these two issues.

On March 1, 2023, members of both PSAC cohorts participated in a virtual focus group and interactive discussion with the Deputy Executive Officer of System Security and Law Enforcement (SSLE), Robert Gummer, to provide feedback on two draft policies: the Bias Free Policing Policy and the Public Safety Analytics Policy. PSAC member feedback helped SSLE finalize both policies in preparation for Board review and approval.

During the two-hour session, committee members read through every component of each policy and made recommendations on what they would like to see as part of these policies, such as de-escalation and anti-bias training for officers, publicly accessible safety data, and regular compliance reviews of security partners. The focus group utilized a Google Jamboard, a digital interactive whiteboard in which members could comment and agree or disagree with other member's comments and proposals on how SSLE could better implement and measure the success of the two policies.

At the March 16, 2023, general PSAC meeting, members were briefed by Chief Safety Officer Gina Osborn, and Chief Customer Experience Officer, Jennifer Vides about Metro's reimagined public safety framework and plan, as well as the safety policies brought to the March Board meeting. PSAC members had the opportunity to ask questions and provide input to those policies and programs.

At this meeting, the PSAC confirmed its Executive Committee, electing Jeremy Oliver-Ronceros as the committee's Chair and Misty Wilks as its Vice-Chair.

The Executive Committee will meet with administrative staff and the facilitation team once a month to codevelop the agenda for each PSAC general meeting and once a month with Metro CEO Stephanie Wiggins to share committee updates and learn about the CEO's public safety priorities and strategies.

On April 3, 2023, the PSAC Executive Committee met with CEO Wiggins to co-develop the committee's work plan for the year. The work plan outlines five objectives that will frame the scope of work of the PSAC. Under each objective, CEO, Metro staff, and PSAC executive committee will identify key strategies and milestones that the committee can review, evaluate, and/or help initiate. The five objectives are:

1. Enhance the Customer Experience by addressing perceptions of safety for riders and

- employees through infrastructure.
2. Enhance the Customer Experience by addressing perceptions of safety for riders and employees through transparency and the use of data and technology.
 3. Enhance the Customer Experience tied to safety for people with disabilities and aging.
 4. Monitor strategies to address unhoused people sheltering on the system.
 5. Monitor strategies that provide alternatives to law enforcement on the system.

At its April 6, 2023 general meeting, the PSAC was presented with information that will be foundational to their work. First, they received an overview of the 2022 CX survey with a focus on who they are (demographics), and what they most want Metro to improve - with a focus on key safety strategies riders prefer. This information was shared to help the PSAC remain focused on the needs of riders. The group asked questions and requested deeper dives into a few areas, including the safety needs of persons living with disabilities, as well as whether safety concerns are more prevalent on specific lines or during specific times of day. Then, the PSAC was presented with an overview of the Metro Ambassador program and expressed their desire for an expansion of that program in terms of staffing as well as hours of operation.

At this meeting, the PSAC also approved the draft work plan and its charter and bylaws, and elected Catherine Baltazar as its secretary.

EQUITY PLATFORM

A core goal of the second PSAC cohort will be to represent county-wide community voices and concerns in agency safety policy introductions, implementation, and evaluations. As riders from throughout LA County, members of this committee have a unique and expert perspective on how the everyday rider experiences Metro safety policies and programs. This second PSAC cohort will continue the work initiated by the first cohort and help inform Metro's work to advance equitable safety policies that serve all system riders.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

PSAC efforts support Goal 2:

Deliver outstanding trip experiences for all users of the transportation system.

Metro's Vision 2028 second goal outlines that the agency will specifically take action to improve security and ease of use by preventing crime and enforcing Metro's code of conduct. To achieve a safe system, Metro will rely on a multi-layered, integrated security program that includes technology, people, and partnerships. The PSAC is a key component of this goal as the committee will work to safeguard the transit community by taking a holistic, equitable, and welcoming approach to public safety.

NEXT STEPS

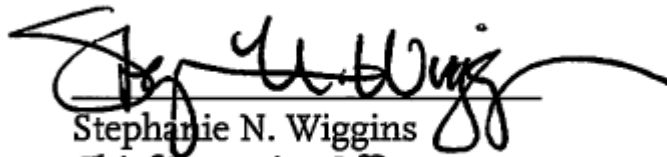
To ensure that the priorities of the Board are met, the CEO will meet with the PSAC Executive Committee monthly.

ATTACHMENTS

Attachment A - List of PSAC Members & Alternates

Prepared by: Jefferson Isai Rosa, Manager, Community Relations, (213) 922-7249
Yvette Rapose, Deputy Chief, Customer Experience, (213) 213-418-3154

Reviewed by:
Jennifer Vides, Chief Customer Experience Officer, (213) 213-922-4060



Stephanie N. Wiggins
Chief Executive Officer



Metro

Public Safety Advisory Committee (PSAC)

PSAC Background

Second PSAC cohort refinements include:

1. Moved PSAC from Metro's System Security and Law Enforcement Department to the Customer Experience Department.
2. Established a selection process ensuring diverse representation of Metro riders.
3. Extended PSAC's second cohort membership term from one year to two years, with staggered terms.
4. Established a better-defined structure to support impactful meetings.
5. Established a clear scope of authority and workplan.

PSAC Membership Structure

- 15 Voting community members
- 3 Non-voting community alternates
- 3 Ex-officio frontline employee members
- 2 Ex-officio frontline employee alternates

PSAC Member Selection Process

Staff reviewed over 200 applications and interviewed the top 30 candidates. The top 15 candidates were interviewed by CEO and Chiefs of departments. The new PSAC members are representative of Metro's diverse riders.

Following is the committee's breakdown by race/ethnicity, gender, orientation and income.

Race / Ethnicity	Count	%
Black/African American	4	27%
Asian/Pacific Islander	2	13%
Hispanic/Latinx	5	33%
Caucasian	4	27%
Grand Total	15	100%

Sexual Orientation	Count	%
Heterosexual or straight	8	53%
Bisexual	3	20%
Gay	2	13%
Decline to state	2	13%
Grand Total	15	100%

Annual Income	Count	%
Under \$5,000	1	7%
\$5,000 - \$9,999	1	7%
\$20,000 - \$24,999	2	13%
\$50,000 - \$74,999	5	33%
\$75,000 - \$99,999	1	7%
\$100,000 - \$149,999	4	27%
\$150,000 or more	1	7%
Grand Total	15	100%

Gender	Count	%
Female	9	60%
Male	6	40%
Grand Total	15	100%

PSAC Members

15 Voting Members

1. Brandon Cheng
2. Candis Welch
3. Catherine Baltazar
4. Darryl Goodus*
5. David Sanchez
6. Delia Arriaga
7. Estar (Hyeonjin) Park
8. Florence Annang*
9. Jeremy Oliver-Ronceros
10. John Curley
11. Mariana Estrada
12. Mary Rose Fissinger
13. Misty Wilks
14. Olga Lexell
15. Troy Pierce

* Returning Member

3 Community Alternates

1. Edward Duong
2. Hector Soliman-Valdez
3. Jose Briceno Perez

Ex-Officio Frontline Employee Members

1. Rafaele Mastrangelo
2. Daniel De La Cruz
3. Stephanie Bunker

Ex-Officio Frontline Employee Alternate

Melissa Williams

PSAC Executive Leadership

Chair, Jeremy Oliver-Ronceros

Vice-Chair, Misty Wilks

Secretary, Catherine Baltazar



Metro

PSAC Work Plan

The work plan outlines five objectives that will frame the PSACs scope of work. PSAC members, working with the CEO and Metro staff, will identify key strategies and milestones that the committee can review, evaluate, and/or help initiate.

The five objectives are:

1. Enhance the Customer Experience by addressing perceptions of safety for riders and employees through infrastructure.
2. Enhance the Customer Experience by addressing perceptions of safety for riders and employees through transparency and the use of data and technology.
3. Enhance the Customer Experience tied to safety for people with disabilities and aging.
4. Monitor strategies to address unhoused people sheltering on the system.
5. Monitor strategies that provide alternatives to law enforcement on the system.

PSAC Launch and Progress

PSAC second cohort was onboarded at a special retreat and has held three public meetings.

February 25, 2023

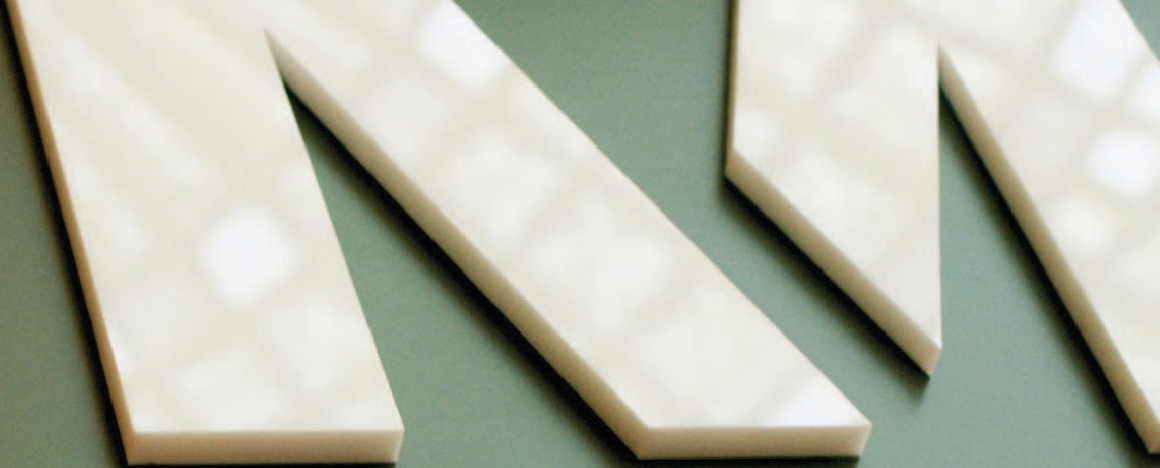
- Received a Brown Act training
- Briefed and provided comments on Westlake MacArthur Park Station Pilot Interventions

March 16, 2023

- Briefed on Metro's multi-layered approach to public safety
- Briefed on Metro's System Security and Law Enforcement Board reports:
 - Bias Free Policing Policy and Public Safety Data Analytics Policy
- Elected a Chair and Vice Chair

April 6, 2023

- Briefed on key results from Metro's 2022 Customer Experience Survey and 2021 Public Safety Survey
- Briefed on the Metro Ambassador Program
- Approved framework for the 2023-2024 Work Plan
- Approved the Charter & Bylaws



Thank You



Metro



Board Report

File #: 2023-0220, **File Type:** Informational Report

Agenda Number: 39.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE APRIL 20, 2023

SUBJECT: NEXTGEN SPEED & RELIABILITY PROGRAM UPDATE

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the NextGen Speed & Reliability Program Update.

ISSUE

The NextGen Bus Plan is a reimagining of the Metro bus system. It includes a redesign of the bus route network and a capital program to improve the speed and reliability of the network. As of March 31, 2023, 31 miles of bus priority lanes are operational, increasing speed and reliability by up to 15%. Another 64 miles of bus priority lanes are in the planning stage. A Line (Blue) travel corridor time has been reduced by 15%. This report provides an update on the NextGen Speed and Reliability Program initiatives, including bus priority lanes, camera enforcement, and transit signal priority improvements.

BACKGROUND

The NextGen Bus Plan was initiated in 2018 and approved by the Metro Service Councils in September 2020 followed by Metro Board adoption in October 2020. A key part of the plan was to establish a fast, frequent, and reliable network of bus services capable of competing effectively in the overall market for travel to grow Metro bus ridership. This network was largely implemented between December 2020 and December 2021.

As part of NextGen, a Bus Speed and Reliability Program, focused on quick-build, tactical transit engineering, was established to accelerate design and implementation of initiatives to improve the speed and reliability of the bus system. These approaches can also be applied to street-running rail operations, resulting in operational improvements for Metro's light rail system as well.

In July 2018, the Board adopted Motion 38.1 (Attachment A) by Garcetti, Kuehl, Bonin and Garcia as amended by Barger, endorsing travel speed, service frequency, and system reliability as the highest priority service design objectives for the NextGen Bus Study. These objectives were incorporated into the NextGen Regional Service Concept approved by the Board in July 2019. This provided the

framework for restructuring Metro's bus routes and schedules under the NextGen Bus Plan, the first comprehensive review of the Metro bus network in a generation, and focused on establishing a fast, frequent, and reliable network that is easy to understand and competitive in the overall market for travel in LA County. This new network would be capable of supporting growth in overall ridership for the bus system by addressing opportunities to be more competitive at off peak times and for shorter distance trips.

In July 2019, the Board approved Motion 22.1 (Attachment B) by Bonin, Garcetti, Krekorian, Solis, and Garcia entitled NextGen Bus Speed Engineering Working Group as part of the NextGen Service Concept, which provided direction to staff to establish a partnership between Metro and LADOT to identify, design, fund and implement transit supportive infrastructure to speed up transit service as part of the NextGen Bus Plan. Specifically, this motion requested the following:

- A. Develop a list of priority bus supportive infrastructure projects needed to support the NextGen bus service plan, with an emphasis on near-term improvements that can be implemented concurrently with each phase of NextGen;
- B. Form a NextGen Bus Speed Engineering Working Group co-chaired by the Metro CEO and the General Manager (GM) of the Los Angeles Department of Transportation (LADOT), or their designees, and establish a regular meeting schedule, at least monthly;
- C. Assess the need for coordination with additional local jurisdictions and municipal operators where bus delay hotspots exist; and
- D. Report back to the Operations, Safety and Customer Experience Committee on the above in April 2020, and quarterly thereafter.

In response to Motion 22.1, Metro appointed a Technical Working Group focused on identifying, planning, designing and implementing bus speed and reliability improvements. Metro Service Planning, in close partnership with LADOT's equivalent technical team, consisting of Traffic Operations, Active Transportation, Vision Zero, and Transportation Planning Groups, have been meeting regularly (every 2-4 weeks) to ensure ongoing coordination and advancement of the program. Additional Metro departments (e.g. Customer Experience, Planning, OMB, OSI, Program Management, Security) and other municipal traffic departments and transit operators are engaged as needed when specific projects have been defined and advanced towards design and implementation.

An External Affairs Working Group was also established as a subcommittee of the Technical Working Group. It is comprised of staff from Metro Community Relations, LADOT External Affairs, StreetsLA, the Los Angeles Mayor's Office, Metro Board Staff and Metro Service Planning. Their work focuses on coordinating communication and engagement efforts as well as preparing communities for coming improvements and identifying and addressing potential impacts for these projects.

DISCUSSION

Since the last NextGen Speed & Reliability Program update provided to the Board in January 2023, the Working Group has met regularly in support of the following initiatives:

Alvarado St Bus Priority Lanes (Metro Line 2)

Following the full completion of the Alvarado St Bus Priority Lanes project, Metro re-engaged with its

customers through a bilingual, on-board survey of over 200 bus riders. Riders onboard buses and waiting at bus stops along Alvarado St were asked a series of questions regarding their experiences riding buses along the corridor following the Phase 2 implementation of bus priority lanes. Staff conducted surveys one-on-one and handed out survey cards with a link and a QR code for riders to scan if they were not interested in speaking with survey staff, or if they were exiting the bus at the time of contact. Below are some of the key findings from this survey:

- 1 in 3 riders completed the survey in Spanish
- Nearly 9 in 10 riders were Black, Indigenous, and/or other People of Color (BIPOC)
- 8 in 10 trips were school or work related
- 97% of respondents are frequent riders (daily or weekly)
- 8 in 10 riders agree that these bus lanes have made their trips noticeably or somewhat faster than before
- 8 in 10 riders indicated their service is on-time more often than before
- 93% of respondents have observed private vehicles blocking or driving in the bus lanes at least half of the time

Based on this feedback, Metro reached out to LADOT to increase targeted enforcement to improve bus lane compliance along the corridor. Operations staff will also conduct periodic check-ins with operators assigned to the corridor to monitor the impact of these enforcement efforts.

La Brea Avenue Bus Priority Lanes (Metro Line 212)

Metro continues to work with the City of Los Angeles and City of West Hollywood on securing construction permits for peak period bus priority lanes on La Brea Ave between Sunset Bl and Olympic Bl. Metro will provide an update to the community on the construction schedule and impacts. Metro and LADOT continue to work with stakeholders on completing the second phase on La Brea Av between Olympic Bl and Coliseum St.

Venice Boulevard Bus Priority Lanes (Metro Line 33)

Metro is a partner with LADOT on the Venice Bl Safety and Mobility Project in the Mar Vista and Palms neighborhoods. Conversion of the rightmost traffic lane to full-time, bus priority lanes in both directions between Inglewood Bl and Culver Bl near Culver City E Line (Expo) Station began in December 2022. Parking-protected bike lanes will also be installed along this segment. Due to weather conditions, construction has been delayed and is anticipated to be completed in May 2023.

Sepulveda Boulevard Bus Priority Lanes (Metro Line 234)

The Technical Working Group identified a 5.5-mile segment of Sepulveda Bl, from Ventura Bl to Rayen St, as the next corridor to study for bus priority lanes. The proposed bus lanes would be in service full-time along Sepulveda Bl and 7-9 am weekdays only along the short 0.5-mile segment of westbound Ventura Bl between Vesper Av and Sepulveda Bl. Metro Community Relations staff conducted briefings and presentations to interested stakeholders, community groups, and neighborhood councils, as well as conducted outreach to businesses along Sepulveda Bl and Ventura Bl in Fall 2022. Staff also conducted a survey of Line 234 bus riders from October 31 to November 4 to gather feedback on their experiences with bus service along Sepulveda Bl. Below are some of the key findings from this survey:

- 96% of respondents are frequent riders (daily or weekly)
- 63% of respondents often or always experience delays along Sepulveda BI due to traffic congestion
- Nearly 9 in 10 riders would use the bus more if there were more reliable trip times

A virtual community meeting was held on November 10, 2022 to present project information to the community, gather feedback, and answer questions. Community engagement was completed in January 2023. Project design is being finalized and the project team is scheduling construction for June 2023.

Florence Avenue Bus Priority Lanes (Metro Line 111)

In partnership with LADOT and Council Districts 8 and 9, Metro is implementing peak-hour bus priority lanes for a nearly five-mile segment along Florence Av from the Florence A Line (Blue) Station to West BI. Community engagement was completed through Summer 2022 with design in-process. Overall pavement quality along Florence Av was identified as a community concern in certain segments that have not recently resurfaced. As a result, the Working Group has coordinated with StreetsLA to repave key segments of the corridor prior to bus lane implementation. Paving work is underway and bus lane implementation is expected later this year.

Camera Bus Lane Enforcement (CBLE)

Metro has issued a Request for Proposals (RFP) to enforce parking violations in bus-only lanes primarily through the use of automated, on-vehicle, forward-facing cameras, pursuant to the legislative authorization passed under California Assembly Bill AB917 and signed by Governor Newsom. This legislation authorizes transit agencies to collect evidence of bus lane and bus stop zone violations to share with jurisdictional parking enforcement agencies through December 31, 2026. Customer surveys and ongoing discussions with bus operators have yielded significant feedback about private vehicles blocking bus lanes and bus stops, which delays bus services and can make it difficult for customers to safely board and alight the bus. Metro intends to select several corridors to pilot this technology to improve bus lane and bus stop zone compliance. This solicitation was released March 8, 2023 with proposals due April 10, 2023 and is currently in a blackout period and staff will return to the Board with a recommendation for contract award in Summer 2023.

All Door Boarding (ADB)

In February 2022, Metro board approved the purchase and installation of bus mobile validators (BMV) and ethernet switches to support the implementation of ADB on Metro's NextGen Tier 1 and Tier 2 networks. Operations has completed the installation of ethernet communication switches on nearly 50% of the Metro bus fleet, with new BMV hardware scheduled to be delivered in Summer 2023 for testing. This ADB project will be first piloted on two different bus lines in Fall 2023, with further details to follow. Systemwide BMV installation is scheduled between Winter 2023 and Summer 2024.

Metro A Line (Blue) Speed & Reliability Improvements on Washington BI

Metro A Line (Blue) operations along Washington Bl were disrupted at the end of 2022 by copper theft from LADOT's traffic signal system. Train speed and reliability were negatively impacted by slower operation resulting from the loss of signal priority and other supportive systems. Metro's Speed & Reliability Team worked closely with LADOT's traffic signal engineers and field crews to put quick fixes in the programming of signals in place that have largely restored faster and more reliable train operations. These fixes have reduced red light delays by 22% and reduced corridor travel time by 15%. Metro continues to work closely with LADOT to assess the full scope of damaged traffic signal infrastructure along Washington Bl, and will support LADOT in their efforts to rebuild damaged systems.

LADOT Cloud-Based Transit Signal Priority (TSP)

In February 2023, Metro and contractor Kimley-Horn kicked off the cloud-based transit signal priority (TSP) project for bus service in the City of Los Angeles. This new system will replace the aging loop and transponder-based TSP system at over 1,600 intersections with a modern, real-time, cloud-based system that will reduce red light delay for Tier 1 bus lines throughout the City of Los Angeles. This new TSP system will also allow for easier expansion to new traffic signal locations in the future. The new cloud-based TSP system is expected to be online at the end of 2024.

EQUITY PLATFORM

The NextGen Bus Plan was developed with an equity lens, placing service in Equity Focus Communities where transit was more likely to provide a key mobility option for residents. The above report shows progress in rolling out speed and reliability improvements for improved transit travel times on corridors benefitting EFC residents.

These gains for EFCs should continue to improve as bus speed and reliability improvements increase the competitiveness of the NextGen Bus Plan. As described above, staff include rider outreach feedback in developing these projects and also conduct post-implementation surveys with bus riders along project corridors to measure the benefits and impacts to marginalized groups as a result of these projects. One example includes the LADOT Cloud-Based Transit Signal Priority (TSP) project, which is a key technology component of the NextGen plan. The TSP project will deliver improved service along the Tier 1 network, which was developed through the NextGen Bus Plan's equity analysis. By reducing delays and improving transit travel times along the Tier 1 network, the project supports Metro's Equity Platform of removing barriers and supporting increased access to opportunity for all riders.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendations support strategic plans:

Goal #1: Provide high quality mobility options that enable people to spend less time traveling. Improving the speed and reliability of the bus network will reduce transit travel times, as well as improve competitiveness with other transportation options.

Goal #2: Deliver outstanding trip experiences for all users of the transportation system. These initiatives help to move more people within the same street capacity, where currently transit users

suffer service delays and reliability issues because of single occupant drivers.

Goal #3: Enhance communities and lives through mobility and access to opportunity. With faster transit service and improved reliability, residents have increased access to education and employment, with greater confidence that they will reach their destination on time.

Goal #4: Transform Los Angeles County through regional collaboration and national leadership. Because Metro does not have jurisdiction over local streets and arterials, collaboration with other partner agencies such as LADOT, Caltrans, City and County of Los Angeles are necessary to ensure these speed and reliability improvements are successfully implemented.

NEXT STEPS

The NextGen Bus Speed Engineering Working Group will continue to discuss and analyze future corridors along key arterials for equitable opportunities and are actively collaborating with partner agencies and stakeholders. Staff plans to provide further details about these corridors in the next quarterly update in mid 2023.

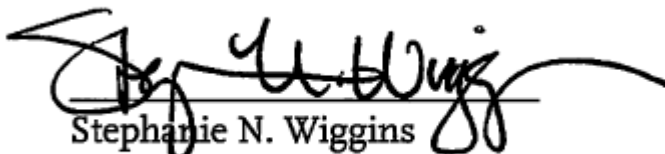
ATTACHMENTS

Attachment A - Motion 38.1

Attachment B - Motion 22.1

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Stephanie N. Wiggins
Chief Executive Officer



Board Report

File #: 2018-0414, **File Type:** Motion / Motion Response

Agenda Number: 38.1

**REGULAR BOARD MEETING
JUNE 28, 2018**

Motion by:

**GARCETTI, KUEHL, BONIN AND GARCIA
AS AMENDED BY BARGER**

Related to Item 38: **NEXTGEN BUS STUDY SERVICE PARAMETERS**

MTA should strive to deliver the best customer experience of any public transit provider in America.

MTA's customers should be able to easily and conveniently access MTA services and data and feel assured that their transit trip will be fast, convenient, and reliable.

Additionally, MTA's customers should feel that MTA actively cares about their experience. MTA's customers should see a proven, constant, and continuous effort by MTA to improve the experience of using MTA's services.

Furthermore, MTA must demonstrate that its services are superior to alternatives.

The Ad Hoc Customer Experience Committee was formed to ensure that MTA was focused on these issues.

Since July, the ad hoc committee has met six times. The committee has examining a wide range of issues, including quality bus service, station cleanliness, TAP, pass programs, real-time data, service interruptions, marketing, Customer Care, system accessibility, and the causes of MTA's recent ridership trends.

In the coming fiscal year, the duties of the Ad Hoc Customer Experience Committee will transition to the Operations Committee.

However, as MTA continues important customer experience initiatives, especially the NextGen Bus Study, it is important that the Board remain engaged on customer experience issues.

Additionally, as MTA advances the NextGen Bus Study, it is appropriate for the Board to provide policy direction on the highest priorities for the future restructuring of the MTA bus network.

SUBJECT: MOTION BY GARCETTI, KUEHL, BONIN AND GARCIA

NEXTGEN BUS STUDY SERVICE PARAMETERS

WE THEREFORE MOVE THAT the Board:

- A. Rename the System Safety, Security and Operations Committee to the Operations, Safety, and Customer Experience Committee;
- B. Endorse Travel Speed, Service Frequency, and System Reliability as the highest priority service parameters to guide the work of the NextGen Bus Study;

WE FURTHER MOVE that the Board direct the CEO to:

- C. Develop customer experience key performance indicators (KPIs) within Operations, Communications, Information & Technology Services, TAP, System Security and Law Enforcement, and other functional areas of MTA to regularly report on the status of the system, transit service, and the transit service environment;
- D. Develop an Annual Customer Service and Experience Plan, including but not limited to improvements planned and desired for:
 - 1. KPIs developed under section C. above
 - 2. The status of Customer Service & Experience projects
 - 3. Key accomplishments, objectives, and challenges in Customer Service and Customer Experience for the following budget year
 - 4. Key accomplishments, objectives, and challenges in transit service marketing for the following budget year
 - 5. The CEO's Ridership Initiatives, including the Customer Experience Strategist (Board File 2018-0365);
- E. Report back to the Operations Committee on all the above in 120 days.

BARGER AMENDMENT: continue to seek input and feedback on priorities from NextGen working groups and relevant community stakeholders.



Board Report

File #: 2019-0572, **File Type:** Motion / Motion Response

Agenda Number: 22.1

REGULAR BOARD MEETING JULY 25, 2019

Motion by:

DIRECTORS BONIN, GARCETTI, KREKORIAN, SOLIS AND GARCIA

Related to Item 22: NextGen Bus Speed Engineering Working Group

In June 2018, the Metro Board endorsed speed, frequency, and reliability as the highest priorities for Metro's bus service in the NextGen Bus Study. In recent years, the primary contributor to slow speeds and poor schedule reliability has been growing traffic congestion on city streets. This congestion directly increases Metro's operating costs and reduces the quality of the service that Metro can afford to provide. Providing high-quality transit options with competitive travel times is the single most important step Metro can take to retain and grow ridership, increase the carrying capacity of local roadways, and shift regional travel patterns toward more efficient modes. These goals are essential components of both Metro's Vision 2028 Strategic Plan and the City of Los Angeles' Mobility Plan 2035 and Sustainable City pLAN.

The phenomenon of traffic congestion impeding mass transit operations is particularly acute in Downtown Los Angeles and nearby neighborhoods -- and the experience of the recent Flower Street pilot bus lane has demonstrated the effectiveness of strategic bus-supportive infrastructure in allowing transit riders to bypass congestion. Other types of bus-supportive infrastructure may include queue jumpers, signal priority, or boarding islands. Combined with operational improvements like All Door Boarding, these types of infrastructure improvements can cut stop times and improve bus speeds by 20% or more.

Metro buses operate on streets controlled by local jurisdictions. Therefore, close coordination between Metro and local agency partners is essential to successfully implement infrastructure changes. A working group is needed to ensure close coordination between Metro's Operations Department and city transportation agencies.

SUBJECT: NEXTGEN BUS SPEED ENGINEERING WORKING GROUP

APPROVE Motion by Directors Bonin, Garcetti, Krekorian, Solis and Garcia that the Board direct the CEO to:

- A. Develop a list of priority bus-supportive infrastructure projects needed to support the NextGen bus service plan, with an emphasis on near-term improvements that can be implemented concurrently with each phase of NextGen;
- B. Form a NextGen Bus Speed Engineering Working Group co-chaired by the Metro CEO and the General Manager of the Los Angeles Department of Transportation, or their designees, and establish a regular meeting schedule, at least monthly;
- C. Assess the need for coordination with additional local jurisdictions and municipal operators where bus delay hotspots exist; and
- D. Report back to the Operations, Safety, and Customer Experience Committee on the above in October 2019, and quarterly thereafter.



NEXTGEN Bus Plan

Speed & Reliability
Program Update

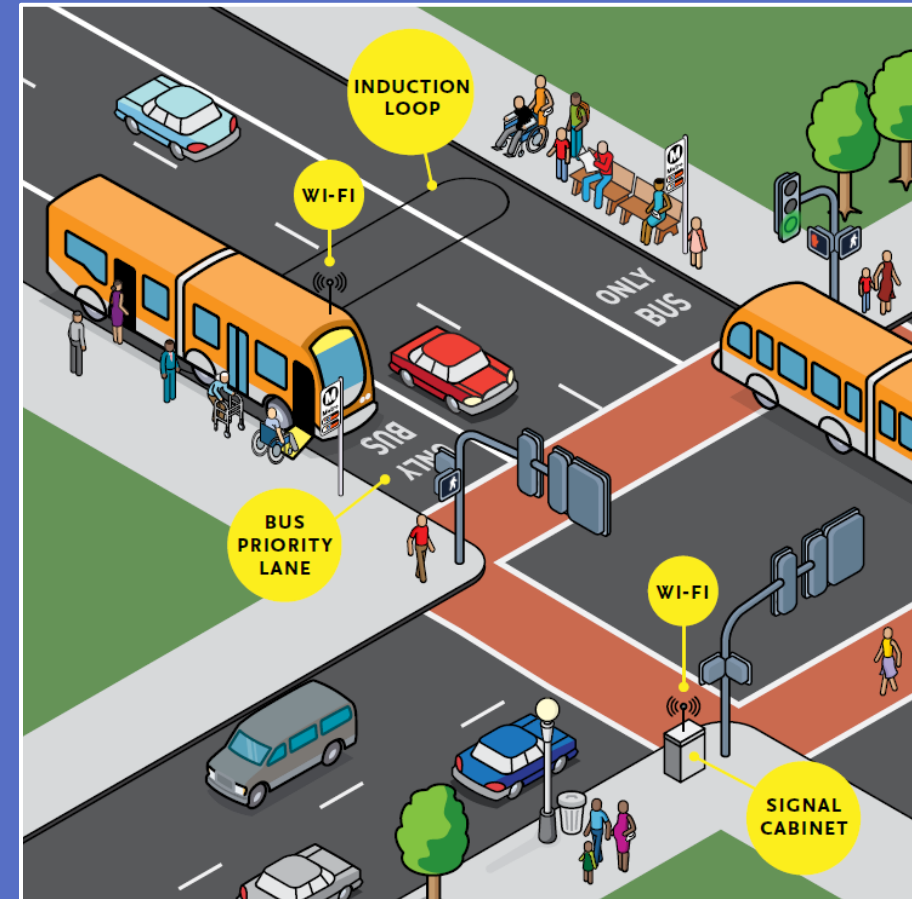


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APRIL 2023

Speed & Reliability (S&R) Background

- NextGen Bus Plan improves transit competitiveness through faster, more frequent and more reliable bus service
- Pursuant to Motions 38.1 (July 2018) and 22.1 (July 2019), a Bus Speed & Reliability tactical transit infrastructure program was established to accelerate collaborative solutions for bus delays
 - 100+ Miles of Bus Priority Lanes
 - 1,600+ Intersections with Transit Signal Priority
 - All Door Boarding to Reduce Dwell Times
 - Tactical Treatments & Studies (Bus & Rail)
 - Bus Stop & Layover Improvements
- Force multiplier that improves customer experience (CX) and operator conditions, with operational savings reinvested into better service



Bus Lane Map

Bus Priority Lane Corridors





- ✓ Flower St
- ✓ Aliso St
- ✓ 5th St
- ✓ 6th St
- ✓ Alvarado St
- ✓ Grand Av
- ✓ Olive St
-  La Brea Av
-  Florence Av
-  Venice Bl
-  Sepulveda Bl

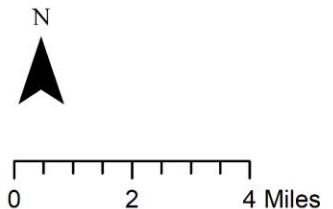
Over
30 Miles Of
Bus Priority Lanes
Completed

60+ New Miles
In-Progress



Bus Lane Projects
DRAFT, 11/14/2022

- Bus Lanes**
-  Completed Corridors
 -  In-Progress Corridors
- City Boundaries**
-  Los Angeles
 -  Other cities/LA County



Bus Priority Lanes Update

Alvarado St (Line 2)

Surveyed over 200 bus riders after project completion

- 8 in 10 riders agreed bus lanes have made their trip faster and more reliable
- 9 in 10 riders reported cars routinely blocking bus lanes
- Based on this feedback, Metro is partnering with LADOT to conduct targeted parking enforcement along this corridor

La Brea Av (Line 212)

- **Phase 1** (La Brea/Sunset to La Brea/Olympic) working with City of LA and WeHo to secure construction permits to begin implementation; will provide a community update pending approval from both cities

Venice Bl (Line 33): Construction is underway but has experienced significant weather delays, anticipated completion in Spring 2023

Sepulveda Bl (Line 234) in SFV

Conducted bus rider survey in Fall 2022

- 6 in 10 riders experience bus delays attributed to traffic congestion
- Nearly 9 in 10 riders would use the bus more if bus reliability improved

Partnering with LADOT and StreetsLA

- Street paving this spring // Bus Lanes this summer

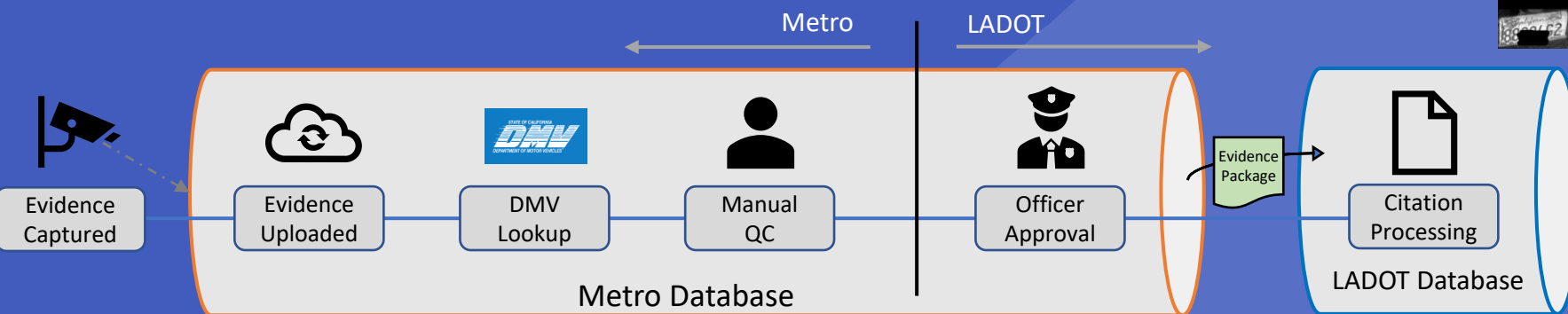
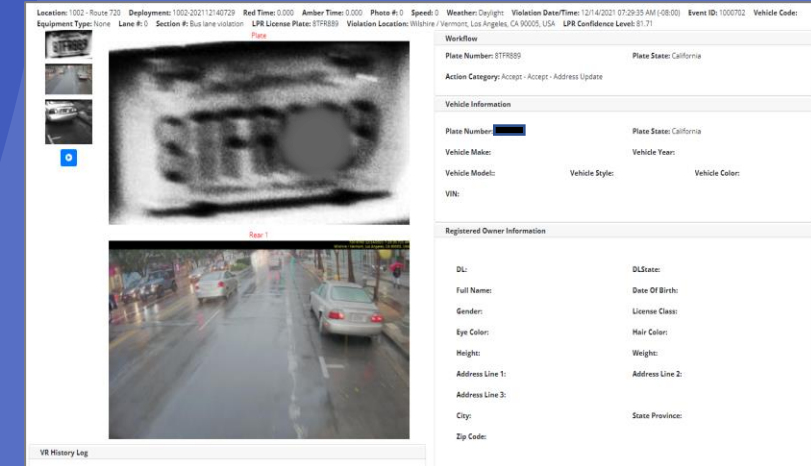
Florence Av (Line 111)

- Metro heard widespread concerns about pavement quality; partnering with StreetsLA to first coordinate street repaving in key segments, then complete bus lane design and implementation



Camera Bus Lane Enforcement (CBLE)

- With AB 917 adoption, plan to implement forward-facing cameras angled to obtain evidence of parking violations through 2026
- Equitable program to improve bus rider experience and reduce in-person confrontations between enforcement officers and violators
- Issued Request for Proposals (RFP); staff would return to Board with recommendation for contract award in Summer 2023
- Metro to submit evidence packages to local jurisdiction (LADOT), which would process citations



Transit Signal Priority & All Door Boarding

- Metro A Line (Blue): Copper theft of LADOT's traffic signal system had disrupted rail service; team worked closely with LADOT on quick fixes to reduce red light delay by over 20% and improve travel time by 15%
- LADOT Cloud-Based Transit Signal Priority (TSP): Project Kickoff
 - New system will upgrade over 1,600 intersections with a modern, real-time system that will reduce red light delay for NextGen Tier 1 bus lines throughout City of LA
- All Door Boarding (ADB): In-Progress
 - Communications support equipment 50% completed
 - ADB expansion will be piloted on two different bus lines in Fall 2023, with further details to follow





Board Report

File #: 2023-0207, File Type: Program

Agenda Number: 40.

REVISED
OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
APRIL 20, 2023

SUBJECT: ZERO-EMISSION BUS PROGRAM UPDATE

ACTION: APPROVE RECOMMENDATIONS RECEIVE AND FILE

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. ~~RECEIVE AND FILE~~ the Progress Report on the Zero Emission Bus Program, including the shift in the program goal of fully transitioning to a zero-emission bus fleet from 2030 to 2035, and a commitment to no longer procure Clean Natural Gas buses to accommodate the new program goal. ; and
- B. ~~APPROVE~~ changing the program goal of fully transitioning to a zero-emission bus fleet from 2030 to 2035.

ISSUE

In 2018, The California Air Resources Board's (CARB) Innovative Clean Transit (ICT) regulation mandated that all transit agencies in the state operate all-zero emission (ZE) fleets by 2040.

In June 2017, Metro's Board of Directors endorsed a ZEB Strategic Plan (SP) to transition the entire bus fleet to ZEBs by 2030, contingent on envisioned cost and performance equivalence with CNG buses as a result of continued advancements in BEB technology. However, the availability and capacity of sufficient power at each of Metro's bus divisions have been identified as a constraint. Meanwhile, BEBs' cost and technical parity with CNG buses have not materialized.

Given the current status of the ZEB industry, staff finds that these program challenges (i.e., costs, performance, electrical grid capacity, supply chain and utilities' lead times, and market availability) are exacerbated by trying to achieve a full transition by the 2030 target date.

BACKGROUND

In July 2017, the Metro Board approved Motion #50 (File 2017-0524) by Directors Bonin, Garcetti, Najarian, Hahn, and Solis that endorsed a plan to transition to a ZEB fleet by 2030 (Attachment A). The endorsement is contingent on two primary factors: continuous advancements in electric bus

technology and a drop in prices as the technology develops. This provision stipulates that the ZEB conversion timeline considers the equivalence of ZEBs with Metro's existing compressed natural gas (CNG) buses to ensure that the program is technologically, financially, and operationally reasonable.

Since the Board's endorsement, Metro has embarked on the most extensive ZEB transition program outside of Asia. To date, Metro has made significant progress in transitioning to ZEB service.

- A total of 145 BEBs have been ordered, one of the most significant BEB procurements to date in CA and among the largest in the country. Currently, 50 BEBs have been delivered, with the remaining 95 scheduled to be delivered between September 2023 and April 2024; by the end of 2023, Metro will have the most BEBs in active service in the U.S.
- Metro's G (Orange) Line BRT initiated 100% ZE service at the start of 2021. To date, the vehicles have accumulated over 3 million miles of ZE service; the most miles by any public transit agency in the country.
- Conversion of Metro's J (Silver) Line BRT is underway and is anticipated to be completed by mid-2025.
- In December 2022, the Metro Board authorized the procurement of an additional 1,000 BEBs and associated charging infrastructure.
- Metro has aggressively pursued all available funding, successfully securing to date \$413.1 million in ZEB-related federal and state grant funding, including one of the largest Low-Emission/No-Emission grants in this federal program's history (\$104.1 million awarded in 2022).
- Further, Metro has made significant investments in workforce development, developing a manufacturing careers policy and implementing advanced training for operators and maintainers specific to BEB technology.

DISCUSSION

Despite the significant progress made to date, staff has found that the ZEB industry is still evolving and not sufficiently mature to allow for full implementation by 2030 without risk to service. Key issues include cost, grid capacity, performance (reliability, maintainability, and operability), early obsolescence, utility lead times, and supply chain issues.

Changing the program goal from 2030 to 2035 will help mitigate these challenges and will not impact compliance with CARB's ICT regulations or with supporting the planned major regional events, such as the World Cup in 2026 and the Olympic & Paralympic Games in 2028. By the first half of 2026, more than half of Metro's bus service will be converted to BEB operation, as three of Metro's bus divisions (8, 9 and 18) and 707 BEBs are scheduled to be fully deployed. This includes the most critical parts of Metro's Westside and Central bus and rail service for supporting these globally important 2026 and 2028 events. By the end of Q2 2028, another division (15) is scheduled to be ready for BEB service, and another 250 BEBs are scheduled for delivery, bringing the total to 957 BEBs, or 53% of the current active Metro bus fleet, by mid-2028; sufficient for fully electrifying the Olympic and Paralympic routes.

ZEBs have not achieved CNG Parity

To date, ZEBs, whether BEBs or fuel cell electric buses (FCEBs), have not achieved parity with CNG buses, either in terms of performance or cost. More importantly, there are concerns that the electric grid is currently unable to support full BEB operation when regional demand is high and that electric utilities' lead times to provide upgrades can be lengthy. For FCEBs, the market is even more nascent - there are a limited number of bus original equipment manufacturers (OEMs) and hydrogen generators/suppliers, and the cost of both buses and hydrogen fuel are even higher than for BEBs.

Each issue is discussed below.

Utility Infrastructure Challenges

- Grid capacity. Studies have shown that the entirety of the California electrical grid is undersized and not ready to support a large-scale adoption of ZE vehicles. Additionally, more refined surveys of the divisions have revealed that the available grid capacity to serve some of its divisions may be less than the assumed minimum of five megawatts. These challenges will require added efforts in the planning and design processes to mitigate and may result in schedule impacts.
- Long lead times for grid upgrades. According to interviews with relevant staff of the electric utilities serving Metro's bus divisions, the project time that the utilities need to perform service studies, develop engineering and design documents, and add the necessary construction contractor time is a minimum of four years for each division. Five years is more realistic, according to these discussions. Furthermore, should substation or transmission infrastructure upgrades be needed, the project time could be seven years.
- Market availability. Supply chain issues and constraints are currently impacting the timelines to deliver ZEBs and their supporting infrastructure. These issues are worse for FCEBs than for BEBs, as the market is still not mature enough to support Metro's goals. Only two OEMs produce FCEBs, and only four percent (4%) of all ZEBs (procured or in operation) are FCEBs.

ZEB Performance

ZEBs also have not reached parity with CNG buses regarding performance. The following are the areas of note:

- Range. Current BEBs have an operable range of 150-160 miles (dependent on a myriad of factors, such as HVAC energy usage, operator efficiency, elevations, speeds, etc.). Currently, 64% of Metro's approximate 1,800 service blocks are within 150 miles, with some exceeding 300 miles. However, with a BEB's range anticipated to grow at approximately 2% to 5% per year, a bus with a reliable 300-mile range will not be available until 2035 at the earliest.
- Reliability. The industry is still learning how to integrate new technologies into existing systems. Metro continues to experience integration issues between new and existing battery systems, leading to premature failures of components, such as belt drives and bearings. Extending the transition period will allow technology to mature, improving fleet availability and reducing the time and resources required to maintain the fleet in a State of Good Repair.
- Maintainability. While the industry has focused primarily on ensuring ZEBs can perform as CNG counterparts, less effort has been made to develop diagnostic information and tools for

on-site technicians to expeditiously investigate and repair failures. Currently, agencies mostly rely on remote subject matter experts to investigate and mitigate failures, leading to longer out of service times.

- Operability. BEBs are not as user-friendly to operate as Metro's legacy fleet. As such, operators of BEBs need to be more intentional with driving. For example, operators will need to consider regenerative braking, HVAC usage, and buses' state of charge. Additional training and experience are needed to ensure the operators follow the correct procedures to avoid creating fault conditions.
- Obsolescence. As technology advances, parts, models, and other seemingly new equipment are rapidly becoming replaced - and in some cases, obsolete - as vendors continue to evolve their models and respond to market needs. Vendors thus have less incentive to support earlier technology than their newest offerings.

ZEB Costs

ZEBs are more expensive than CNG buses, and the new infrastructure required to support ZEBs requires a large initial capital investment. The following are the areas of note:

- Capital Costs
 - ZEBs continue to have a 40-60% premium over CNG buses depending on vehicle size and recent pricing trends. This differential has not dropped as was expected.
 - The capital costs for installing BEB charging infrastructure at the depots and on-route charging are approximately \$600 million to \$800 million higher than the periodic cost of replacing CNG infrastructure.
- Operating Costs
 - Costs to maintain and operate ZEBs are still being evaluated. From initial deployments, savings in maintenance costs have only now begun to be realized in some agencies, but there have been notable increases in energy costs, specifically with recent high volatility in conventional diesel and CNG prices.
 - Costs to maintain and operate charging infrastructure can be higher than conventional CNG storage and fueling infrastructure, although many agencies are mitigating cost risks through external vendor contracts and extended warranties on the charging equipment, covered under capital expenditures.
 - Costs associated with charge management are still being developed; however, these costs will also be new costs over that of the CNG legacy fleet.

Adding an additional five years to Metro's ZEB program transition will help mitigate the challenges summarized above. It will also provide Metro with additional time to seek and gather funding for the ZEB transition program. The following summarizes some of the specific ways in which a 2035 program horizon can help mitigate the adverse impacts of these challenges.

2035-Related Utility/Grid Upgrade Benefits

- Grid capacity. To meet the requirements of the CARB ICT (Innovative Clean Transit) regulation regionally and statewide, as well as other municipal and state policies that are committed to ZE transitions, electric utilities will continue fortifying and enhancing the grid's capacity. It is thus expected that the grid will be more built out in 2035 than in 2030 - thus, improving reliability of the grid and reducing the probability of Metro service interruptions.
- Long lead times for grid upgrades. As utilities become more experienced with supporting large scale ZE fleets, it is expected that their efficiency and project delivery methods will improve. This should help reduce timelines for Metro over time.
- Market availability. Both the BEB and FCEB markets continue to expand over time. With more state and federal legislation to encourage ZE adoption (and more funding), and as the COVID-19 pandemic recedes into the past with more time, it is expected that some of the chokepoints with delivery will be eased. An additional five years of transition should help reduce costs and optimize the transition timeline further.

2035-Related Performance-Related Benefits

Considering that battery capacity and efficiency have steadily improved, it is safe to say that BEBs will be much closer to the BEB-for-CNG bus parity in 2035 than in 2030. The additional five years will also provide Metro with more time to train operators and maintenance staff, allow for the technology to further mature, and allow Metro to continue to monitor the market to take advantage of the latest offerings, newest vendors, and other benefits that come with fully transitioning at a later stage.

Additionally, based on current state of technology and anticipated availability of Zero Emission buses and charging infrastructure, Metro does not anticipate the need to procure additional CNG buses, with the 2035 target date. If there are issues impacting availability of either Battery Electric Buses or Charging Infrastructure, there are options that can be exercised. Those options include procurement of Hydrogen Electric Buses, installation of temporary charging infrastructure, and, if needed, extending the life of our CNG buses. Again, Metro does not anticipate the need to procure additional CNG buses.

2035-Related Cost Benefits

- Capital Costs
 - Annual program costs will be reduced with a 2035 program completion horizon. Although overall program costs may increase with an annual escalation of an additional five years, on an annual basis, program costs will be reduced by almost 40% with the 2035 program extension. Please refer to the Financial Impact section for additional details.
 - With advancements in technologies, there will be less need to introduce mitigations to address the performance challenges noted above. As one example, as bus range increases, there will be less need to introduce opportunity charging, resulting in considerable capital cost savings. As noted in the financial table below, the precise number of the difference in chargers needed is being modeled at the time of this report, but it is expected to show substantial savings compared with the 2030 transition schedule's cost estimates.

- As vendors and OEMs become more efficient over time with their production, the capital costs of infrastructure are expected to decrease. This is already being realized with the downward trend of the cost of batteries per kilowatt hour.
- Operating Costs
 - As the region transitions to more renewable sources of electricity, long-term power costs are expected to attain parity or even become less expensive than natural gas, thereby lowering fuel/charging costs. A five-year extension of Metro's ZEB transition horizon makes these projections more attainable.

Advanced Transit Vehicle Consortium (ATVC)

The information above was presented at the Advanced Transit Vehicle Consortium (ATVC) at its March 2023 meeting to solicit feedback from ATVC board members on the recommendation to move the full transition to 2035. The board members engaged staff in discussions around battery technology, specifically increased range and reduced degradation, limitation of the utility companies in providing sufficient electricity in line with the conversion schedule, temporary charging, charge management, hydrogen fuels and redundancy, as well as the reduction in annual cost. At the conclusion of the discussion amongst all board members, there was an appreciation for the need to extend the timeline for full conversion from 2030 to 2035.

DETERMINATION OF SAFETY IMPACT

An additional five years would allow Metro to incorporate additional safety systems and features that will help improve both passenger and pedestrian safety. Some of the safety enhancements that may be included on new buses: improved ADA securement provisions and self-leveling ADA boarding ramps, improved vehicle monitoring, pedestrian warning systems, curbside cornering lights, operator safety barriers and video monitors, real-time video security system accessibility, collision avoidance sensors, and improved passenger door sensors. Anticipated additional technologies include early warning and improved detection and mitigation associated with battery thermal events, as well as new battery designs that are expected to virtually eliminate such events altogether. These innovative designs are expected to be propagated in the vehicle industries in the late 2020s through early 2030s. Accordingly, a 2035 transition program goal would allow Metro to take advantage of these developments.

FINANCIAL IMPACT

The table below notes that extending the transition horizon another five years may result in an estimated additional capital cost of \$203 million in year of expenditure dollars, the increase is primarily the result of additional cost escalation. The additional operations and maintenance cost impact associated with extending the program another five years is \$65 million. However, as noted above, the estimated capital and operating cost increases may be offset by the reduced need to purchase, maintain, and operate charging infrastructure. As one example, it was originally estimated that approximately 190 opportunity chargers would be needed at a cost of approximately \$155M. With added range, it may be possible to reduce the number of chargers by 70% or more, reducing the capital costs by \$119M or more bringing the total capital cost more in line with the 2030 goal at

the same time reducing the annual cost of the program by almost 40%..

Program Capital Expenditures (YOE millions)	2030 Goal	2035 Goal
Vehicle Purchase Price	\$2,996	\$3,145
Modifications & Contingency	\$363	\$381
Charging/Fueling Infrastructure	\$830	\$867
Total Capital Costs	\$4,189	\$4,392
Average Annual Capital Costs	\$598	\$366

Impact to Budget

As noted above, the estimated total capital program is \$4.2 billion in the 2030 scenario. For a 2035 scenario, the estimated capital cost of the BEB program is \$4.4 billion. However, the 2035 case’s capital cost is more than \$200 million less per year when that cost is spread over five additional years.

Further, an additional five years of transition would allow Metro to minimize staff impacts. For example, maintaining the 2030 transition goal would likely necessitate as many as five additional project managers to manage simultaneously occurring projects in a shorter program; an additional five years of program transition would allow Metro to hire two fewer project managers because as two of these key managers complete projects they could assume another project later in the program schedule.

EQUITY PLATFORM

No changes in equity-associated impacts are expected to the previously submitted board reports associated with the ZEB transition program. BEBs will operate on routes restructured through the NextGen transit service plan. The service area of the corridors is vast-147 square miles-encompassing 2.2 million people in 650,000 households and 750,000 employees. Therefore, the corridors contain approximately 21 percent of the County’s population and approximately 20 percent of the County’s employment.

The Project Service Corridors include significant populations identified as disadvantaged or low-income communities as defined by Senate Bill 535 (SB 535) and Assembly Bill 1550 (AB 1550). There is great overlap between these areas and areas that Metro defines as Equity Focus Communities. The improvements are targeted to benefit communities with some of the greatest mobility needs in Los Angeles County. The Project’s service corridors are composed of 88 percent in Low-Income Communities as identified by AB 1550 (Figure 1), 73 percent disadvantaged Communities as identified by SB 535 (Figure 2), and 61% Equity Focus Communities as defined by Metro’s EFC (Equity Focus Communities) definition (Figure 3). The investment brings benefits to the community beyond the transit riders themselves: quieter exterior and interior noise not only attracts riders but provides a benefit to the community as well. Program implementation considers equity

needs, along with sufficient space, utility placement, readiness and other factors when prioritizing ZEB fleet conversion.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

These recommendations support Goal #3, Enhance communities and lives through mobility and access to opportunity, and Goal #4 Transform LA County through regional collaboration and national leadership.

ALTERNATIVES CONSIDERED

Continuing to implement the transition program associated with a 2030 program schedule was considered, but not recommended due to the factors associated above, as well as the likely opportunities to take advantage of the expected advances in technology.

Extending the program transition even further, to beyond 2035 and possibly to the 2040 state-mandated regulatory deadline was also considered. However, this alternative is not recommended as costs associated with the program are also expected to escalate, and the need for operating the legacy CNG fleet past its design life would substantially increase operating costs, risk service, and supply chain issues as suppliers begin to exit the transit bus market for CNG issues and exacerbate environmental and equity impacts associated with continuing to operate the aging CNG fleet.

NEXT STEPS

- A. Staff will update the ZEB Master Plan and program schedules in accordance with the new transition goal.
- B. Staff will continue to proceed with a competitively negotiated solicitation for acquiring new BEBs and supporting Charging Infrastructure.
- C. Once bids have been received, Staff will return to the Board to award the contract and establish a LOP for the procurement.

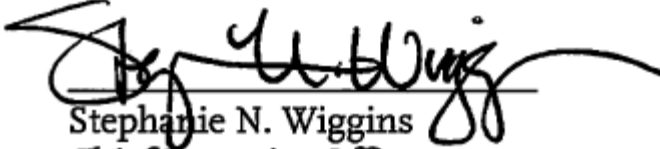
ATTACHMENTS

Attachment A - Motion #2017-0524 by Directors Bonin, Garcetti, Najarian, Hahn, and Solis
Attachment B - Equity Platform - Figures 1 - 3

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Metro

Board Report

File #: 2017-0524, File Type: Motion / Motion Response

Agenda Number: 50

**REVISED
REGULAR BOARD MEETING
JULY 27, 2017**

Motion by:

**DIRECTORS BONIN, GARCETTI, NAJARIAN, HAHN and SOLIS
AS AMENDED BY SOLIS, KUEHL and BARGER**

FRIENDLY AMENDMENT BY FASANA

July 27, 2017

Strategic Plan for Metro's Transition to Zero Emission Buses

LA Metro has developed a comprehensive plan to deliver a complete transition to zero emission electric buses by 2030. The transition plan is contingent on two primary factors: continuous advancements in electric bus technology (which must increase range, reduce bus weights, reduce charging times, extend battery life cycles), as well as a drop in prices as the technology develops.

As electric bus technology continues to advance, our electric grid is becoming cleaner by gradually eliminating coal from our energy portfolio and replacing it with renewable sources. A full transition to electric buses coupled with renewable energy sources promises mobility with significantly lower environmental impacts from this form of transportation.

In order to maintain our bus fleet in a state of good repair, Metro plans to continue replacing its aging bus fleet at approximately 200 buses per year. With firm local hiring requirements in Metro bus procurement, routine bus procurement presents a recurring opportunity that bolsters our local labor force in perpetuity.

In 2012, Metro's U.S. Employment Plan resulted in the award of an \$890 million contract to Kinkisharyo, a factory in Los Angeles County, and 404 quality railcar manufacturing jobs. Similarly, Metro can leverage recurring bus replacements to bolster labor throughout Los Angeles County

Metro plans to spend nearly one billion dollars on bus procurements in the next ten years. That level of investment, coupled with a transition to all electric buses, presents an opportunity for LA County to demonstrate leadership on combating climate change, and can make Los Angeles the central marketplace for new electric bus technology: a County rich with quality manufacturing jobs rooted in technologies that provide mobility, sustain a healthy environment and create career paths in clean

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energy technologies.

**SUBJECT: MOTION BY BONIN, GARCETTI, NAJARIAN, HAHN
AND SOLIS AS AMENDED BY SOLIS, KUEHL AND
BARGER**

RECOMMENDATION

WE THEREFORE MOVE that the Board:

- A. ENDORSE the Strategic Plan for Metro's Transition to Zero Emission Buses;
- B. DIRECT the CEO to create a zero emission bus infrastructure working group comprised of Metro staff, federal and state regulators and local utility companies to track market availability and to cultivate ongoing collaboration among stakeholders. The working group will monitor market rates for emerging zero emission bus technology to support Metro's 2030 transition plan:
 - 1. Working group to report to the Board annually with the latest technology innovations to support the cost/benefit analysis of fleet conversion
 - 2. MTA to host an industry forum to solicit innovative solutions to delivering the 2030 plan;
- C. AMEND the Metro federal legislative plan to advocate for local jobs as a critical factor in the evaluation criteria of MTA procurements; and
- D. DEVELOP an equity threshold consistent with Title VI regulations for priority deployment of electric buses in underserved communities.

FURTHER MOVE that the Board direct staff to:

- A. As part of establishing a working group:
 - 1. EXPAND the invitation to regional air quality regulators (e.g. South Coast Air Quality Management District), the American Public Transportation Association and California Transit;
 - 2. EXAMINE and TRACK vehicle technology and performance, energy production and pricing, infrastructure needs and life-cycle analysis and creative funding opportunities.
- B. COORDINATE with the County of Los Angeles to explore opportunities to develop a countywide incentive structure to promote and attract more companies to manufacture, assemble and produce zero-emission transit vehicles and related technologies and infrastructure in Los Angeles County;
- C. Widely PROMOTE and ENCOURAGE municipal transit agencies/operators to participate in the established process by which to co-procure ("piggyback procurement" provisions) zero-

emission transit vehicles;

- D. ENSURE that MTA maintains the flexibility to explore the best available technologies that contributes to zero-emissions and/or net-negative emissions in the Los Angeles County public transit sector.

FRIENDLY AMENDMENT BY FASANA that staff report back to the board with a timeline and any commitments by parties before we undertake our next bus purchase and answers to the following questions:

- A. Will electric buses and their batteries deliver the guaranteed range and service?
- B. Can municipal and electric utilities timely invest in the grid in order to power electric buses?
- C. Which strategies will maximize Metro's ability to receive cap and trade credits?
- D. How and when can charging infrastructure be deployed at our bus divisions? More importantly, how will such infrastructure be paid for?
- E. Why is Metro's role critical for the adoption of low NOX engines in the trucking industry? What assurances do we have that this will take place when Metro has operated cleaner engines since the 1990s without adoption of these technologies by the trucking industry?
- F. What are the resiliency impacts to our service if electricity or natural gas service is disrupted? What is our back-up plan?
- G. Metro can intervene in regulatory proceedings at the California Public Utilities Commission for investor owned utilities regarding transportation electrification and equivalent natural gas proceedings as appropriate. Metro needs to assess the current regulatory schedule for such proceedings, develop advocacy position, and indicate that our adoption of electrification may be affected if electric transportation infrastructure is funded by shareholders, recovered through rates, and implemented on a timely basis.
- H. Conversely, how will Metro undertake the capital investments directly? Foothill Transit has intervened in the active proceeding. Antelope Valley and other providers are engaged. Metro needs to be more actively engaged and needs to report back to our Board on what is at stake. In SCE's service area, demand charges make the operating costs of electric buses more costly than natural gas vehicles. Are we working to influence changes to the rate schedules?
- I. Can RNG be adopted without direct Metro involvement by substituting RNG for natural gas purchased out of state? We should participate in any state framework that could create linkages between Metro's adoption of RNG and RNG implementation by the trucking industry.

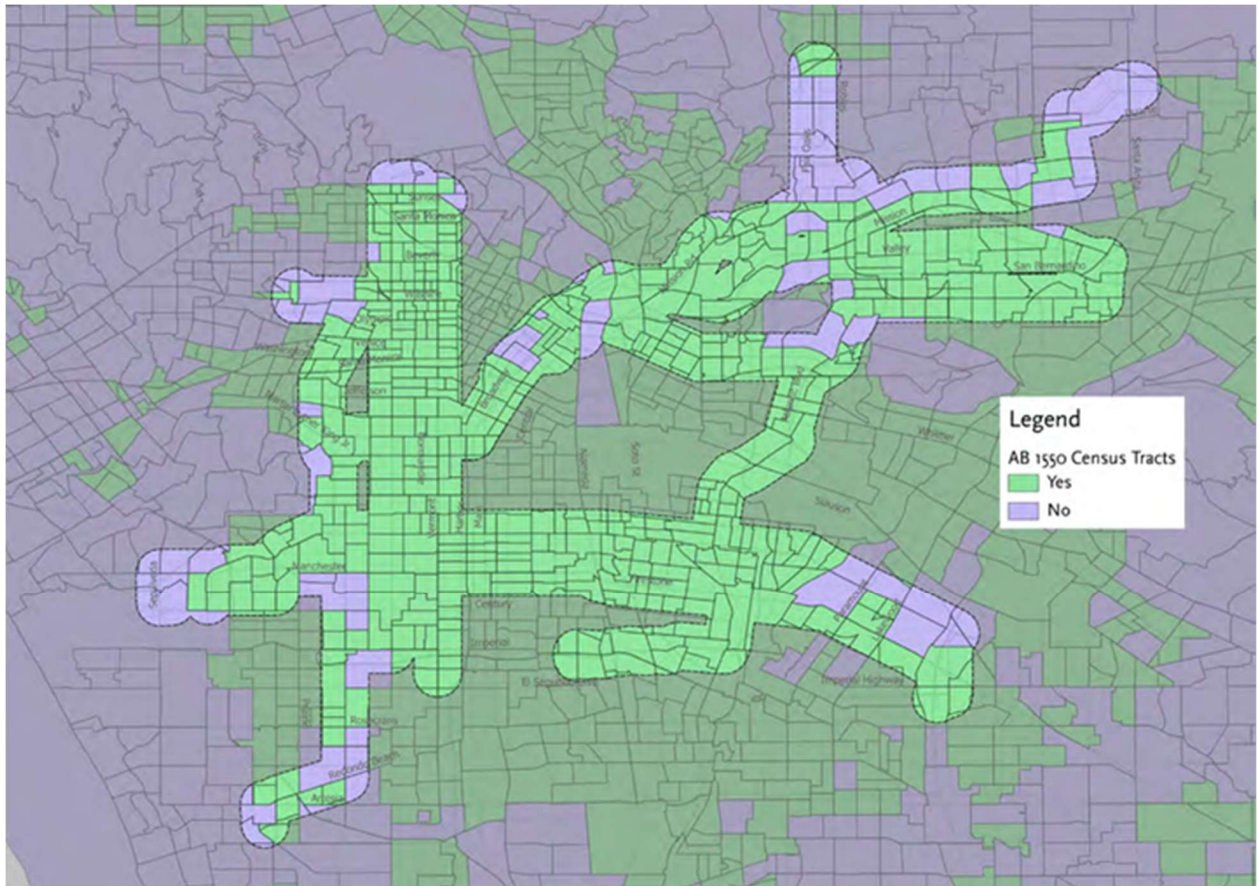


Figure 1: AB 1550 Census Tracts (Green) in the Project Corridors



Division 9 and 18 Transit Corridors Overlaid with Equity Focused Communities

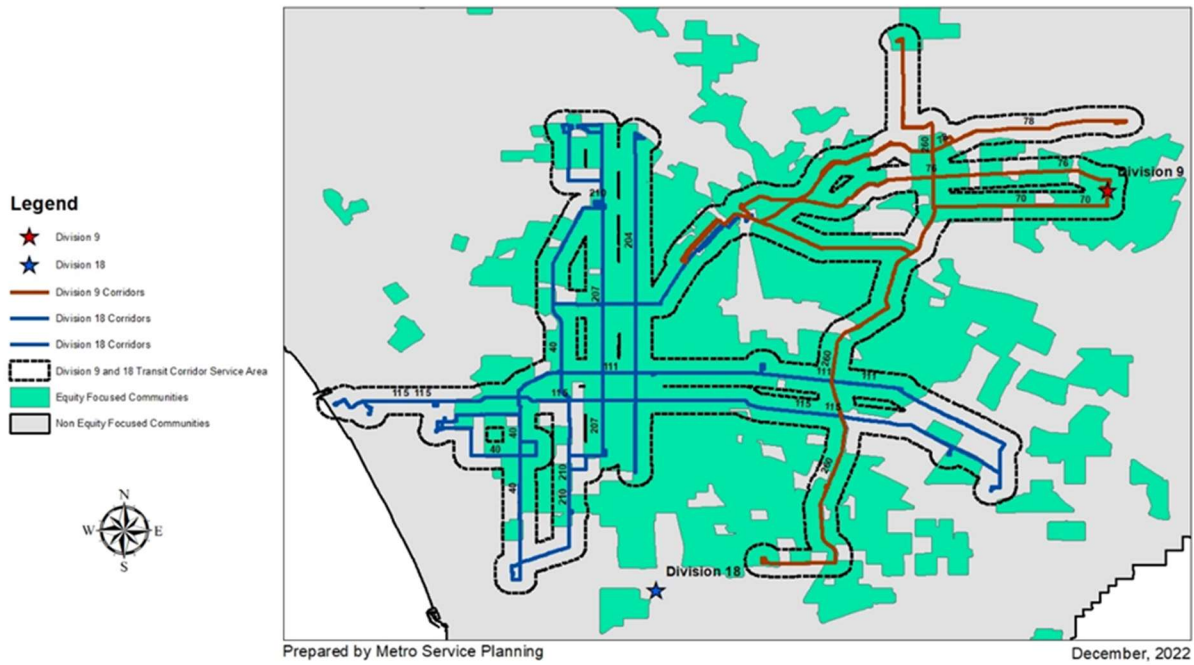


Figure 3: EFC Overlay Map



Board Report

File #: 2023-0206, **File Type:** Informational Report

Agenda Number:

**OPERATIONS, SAFETY AND CUSTOMER EXPERIENCE COMMITTEE
APRIL 20, 2023**

SUBJECT: CENTER FOR TRANSPORTATION EXCELLENCE

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE status report on the Center for Transportation Excellence.

ISSUE

Since 2018, Metro has sought to identify a suitable location within Los Angeles County for a vehicle testing and manufacturing facility, referred to as the Center for Transportation Excellence (Center). Following extensive stakeholder input regarding the priority components of such a facility, a review of best practices, and a vetting of potential sites, Metro has identified property owned by the Los Angeles World Airports (LAWA) in Palmdale, as a viable site for the proposed center. This Report provides a status on the work that has been conducted and the next steps in developing the Center.

BACKGROUND

Following the passage of Measures R and M, Metro's capital and fleet program has expanded extensively. Despite efforts to double the mileage of rail infrastructure and significantly reformulate buses to support the agency's zero emission goals, Metro's delivery of rail transit vehicles and corresponding infrastructure expansion are impacted by limitations. The negative impacts include limited access to vehicle and system level testing opportunities, a skilled and trained workforce, qualified vendors, and suitable research and development facilities. This has impacted schedules for Metro's projects and put future projects and new vehicle deployments at risk for delays. As Metro incorporates new technologies such as zero emission busses and new rail vehicles, a local off-site location for testing would facilitate efficiencies and reduce risk in program delivery.

While this type of Center is of specific interest to Metro, there is also a broader demand from other transit agencies, particularly in the Western United States, where nearly 13,000 rail cars and 16,000 buses are expected to be procured over the next 20 years.

Metro anticipates that vehicle manufacturers would be motivated to co-locate manufacturing facilities in close proximity to the Center. This would support both Metro and the federal government's goal to reestablish domestic transportation vehicle manufacturing, in alignment with the Buy America Policy.

DISCUSSION

Facility Components

Consistent with the objectives identified above, the highest priority components for the Center include a test track (which could sustain speeds of 85 mph) and vehicle commissioning facilities, including an advanced dynamometer for electric vehicles, testing for microgrids and vehicle-grid integration, climate rooms for rail and bus HVAC testing, and space for vehicle manufacturers to make refinements to the fleet based on the testing that was conducted. In addition, the Center would include space for research, development, and training.

In order to site all of the above requirements, Metro has sought to identify a property that could be developed in two phases. Phase 1 would include an approximately 7-mile rail loop and approximately 500,000 square feet of testing facilities (comprised of separate facilities for light rail, heavy rail, and bus testing, the commissioning facilities identified above, warehouse space, and office space). Phase 2 would accommodate approximately 1,500,000 square feet of manufacturing facilities (comprised of separate facilities for light rail, heavy rail and buses inclusive of assembly bays, warehouse space, office space, and assembly tracks).

Project Benefits

Initial estimates suggest that the completion of both phases of development could generate an estimated \$11.5 billion in economic return/impact, including \$6.67 billion in retail and wholesale sales over the first ten years, and create 114,310 direct and indirectly-generated jobs.

By incubating the industry and developing a workforce trained to build, maintain, and operate the advanced transportation equipment of the future, the Center will also contribute to advancements in the areas of interest in the energy and infrastructure sectors. Anticipated improvements include energy management, energy storage, and grid technology. It also could promote the growth of industries in areas such as battery technology, data communications, and automation.

Site Identification Process

Based on the above-mentioned criteria, Metro did a countywide search of available property. In partnership with the County of Los Angeles and the Cities of Palmdale and Lancaster, numerous properties were identified in the northern portion of the County. Parcels were evaluated based on size, access to rail corridors, zoning, existing infrastructure, proximity to vocational institutions/labor supply, proximity to public transportation, and whether it was located in a Metro Equity Focus Community (EFC).

Of eight sites evaluated, only two met the criteria for being large enough to accommodate light, and heavy rail vehicle testing, which requires an approximately 7-mile track to sustain speeds of at least 85 miles per hour. Both of those sites were owned by LAWA, as part of their Palmdale Airport land holdings.

During further discussions, LAWA personnel clarified that only one site, located in the eastern section of their property (LAWA3E), was available (see Attachment A). The site is approximately 8.6 square

miles and spans both the City of Palmdale and unincorporated County of Los Angeles. The fact that there are no built improvements on the site, it is owned by one public property owner, it is located in close proximity to the proposed High Desert Corridor and the Palmdale Metrolink station, and within an EFC, all contribute to its potential suitability. Additionally, Los Angeles County is home to one of the largest relevantly skilled labor forces in the nation. The Antelope Valley specifically has a high concentration of skilled labor for manufacturing, with its concentration of several aerospace and other high-technology manufacturing and logistics operations.

Due Diligence on LAWA 3E Site

Staff completed further due diligence on the LAWA3E site. This included a preliminary land use analysis, environmental assessment, and the feasibility of providing utility services to the site. Additionally,, staff created a preliminary layout for the Center that would include improvements required for the envisioned two-phase development, as described above.

Given that the site is located between two Sensitive Ecological Areas, it is anticipated that a comprehensive biological review would be required to further assess any mitigations or requirements that could impact the feasibility of development.

In early March 2023, Metro engaged a biologist to conduct a preliminary survey of the site and confirm that the entire project site is undeveloped with varying degrees of disturbance. The site contains areas of saltbush scrub with some salt cedar shrubs, areas of Mohave creosote bush scrub, and some areas that have been cleared or are otherwise disturbed/impacted. While Joshua trees are present on this site, they were not identified at a proliferation that would make development infeasible. The biologist's due-diligence assessment also identified low to moderate-quality suitable habitat for special-status plant and wildlife species, including desert tortoise, Mohave ground squirrel, Swainson's hawk, Crotch's bumblebee, burrowing owl, sensitive plants, and nesting native birds. Given these initial findings, additional surveys are required, and if any sensitive plant or wildlife species are observed during these surveys, additional consultation with regulatory agencies will likely be required. As many of these surveys must be done during the Spring season, Metro is investigating the feasibility of completing these surveys over the next few months.

In addition to the land use considerations, it should be noted that the City of Los Angeles' Charter only authorizes LAWA to enter into leases that will not exceed a 50-year term. LAWA would also need to confirm the process for leasing the site, and if Federal Aviation Administration (FAA) approval will be needed to lease the site for this purpose. Staff is still evaluating whether the 50-year lease limitation will significantly impact Metro's ability to secure funding to construct and operate the Project.

FUNDING

An initial rough order of magnitude cost to construct Phase 1 is estimated at \$1.4-1.65 billion (FY23 dollars).

Staff has initiated advocacy strategies to engage state and federal officials and agencies regarding funding opportunities to support the construction of the Center, including potential appropriations for planning purposes.

On August 9, 2022, President Biden signed into law the CHIPS and Science Act (P.L. 117-167). Consistent with Metro's Board-approved Federal Legislative - Metro's Government Relations Department worked with the Los Angeles County Congressional Delegation to ensure that provisions of this bill could potentially benefit the Center. Specifically, the CHIPS and Science Act authorizes the United States Department of Commerce to designate geographically distributed regional technology and innovation hubs and award strategy development and implementation grants to eligible consortia. Tech Hubs will focus on technology development, job creation, entrepreneurial development, and expanding U.S. innovation capacity. Of the \$10 billion authorized for the Tech Hubs program from the Federal fiscal year 2023 through the Federal fiscal year 2027, \$500 million has been encumbered by the Economic Development Administration (EDA) for this purpose. On March 16, 2023, the CEO submitted a response to the EDA's Request for Information to advocate for alignment of future funding solicitations with the Center's goals, objectives, and scope. Metro has also raised our interest in establishing this Center with key federal stakeholders on Capitol Hill and within the Executive Branch - including but not limited to - senior officials at the U.S. Department of Commerce.

EQUITY PLATFORM

The proposed Center's development and operation would not only further efforts to expedite the delivery of transit technology and solutions that would benefit low-income and disadvantaged riders but, specifically, create workforce and economic opportunities in an area of the County that could benefit from additional investment. This is relevant given that as of February 2023, Palmdale and Lancaster have unemployment rates of 7.3%, respectively, compared to Los Angeles County's rate of 5.3%, reflecting the need for additional workforce development and job opportunities. The site is currently undeveloped, and therefore no residences or businesses would be displaced from this development. Any potential impacts on the surrounding community from construction are anticipated to be investigated during the environmental review process.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This recommendation supports Strategic Plan Goal #4: Transform LA County through regional collaboration and national leadership.

NEXT STEPS

Staff will engage the County of Los Angeles and LAWA and the surrounding local jurisdictions to discuss necessary partnerships, site control strategies, and governing models to advance the project. In coordination with these partners, staff will utilize the services of an economic advisor to develop a financial feasibility analysis and a subsequent financing plan that layers multiple public and private sources.

Based on the due diligence completed to date, staff believes it is appropriate to continue planning activities associated with siting the Center at LAWA3E, including further developing a conceptual budget, entitlement, and environmental clearance strategy. Specifically, staff plans to continue vetting the site from an environmental perspective by conducting various surveys of sensitive biological species, which must be conducted during the spring season. Staff will also continue to engage

industry stakeholders to build support for the project, including consulting with Los Angeles Economic Development Corporation (LAEDC) to prepare an economic impact study for the Center.

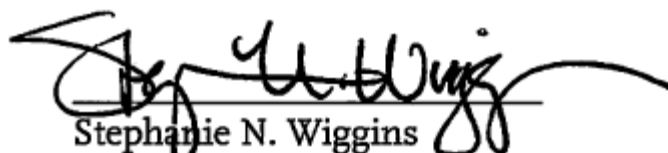
Lastly, staff will pursue funding opportunities, including appropriations as part of the State and Federal FY 23 budgets to support planning activities.

ATTACHMENTS

Attachment A - Center for Transportation Excellence Preliminary Site Plan

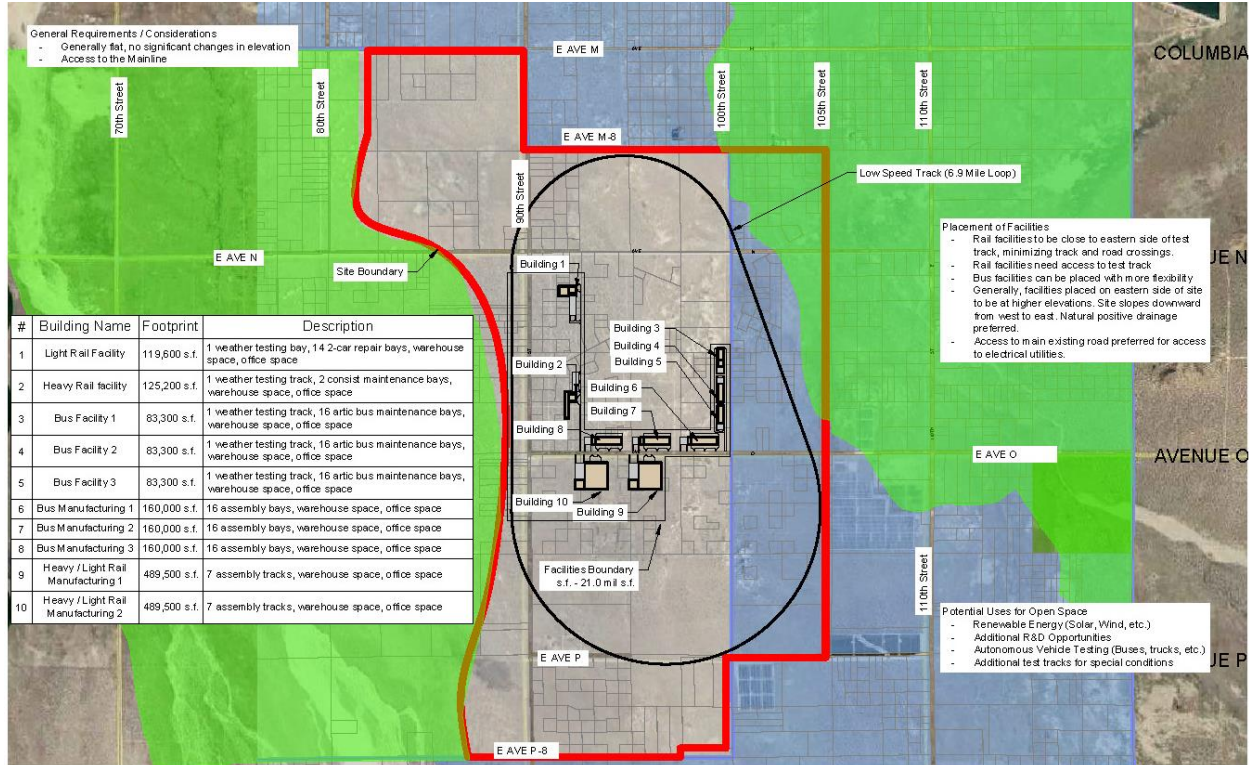
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Stephanie N. Wiggins
Chief Executive Officer

Center for Transportation Excellence Preliminary Site Plan



Center for Transportation Excellence



Metro[™]

April 2023

The Impetus for the Project



- **Metro has many bus, rail, and infrastructure projects with similar challenges:**
 - Limited access to vehicle and system level testing
 - Limited access to trained, skilled workforce
 - Limited access to vendors
 - Limited access to R&D facilities
 - Project and new vehicle deployment delays are often the result
- **New technologies are being incorporated in regional projects and programs**
 - Zero emission, microgrids, autonomous vehicles, high speed rail, etc. coming in next several decades
 - Project risk is reduced when expertise and testing is local
- Metro, and the region at large, needs **qualified transit workforce, including engineers and operators**

Key Site Requirements



Phase 1:

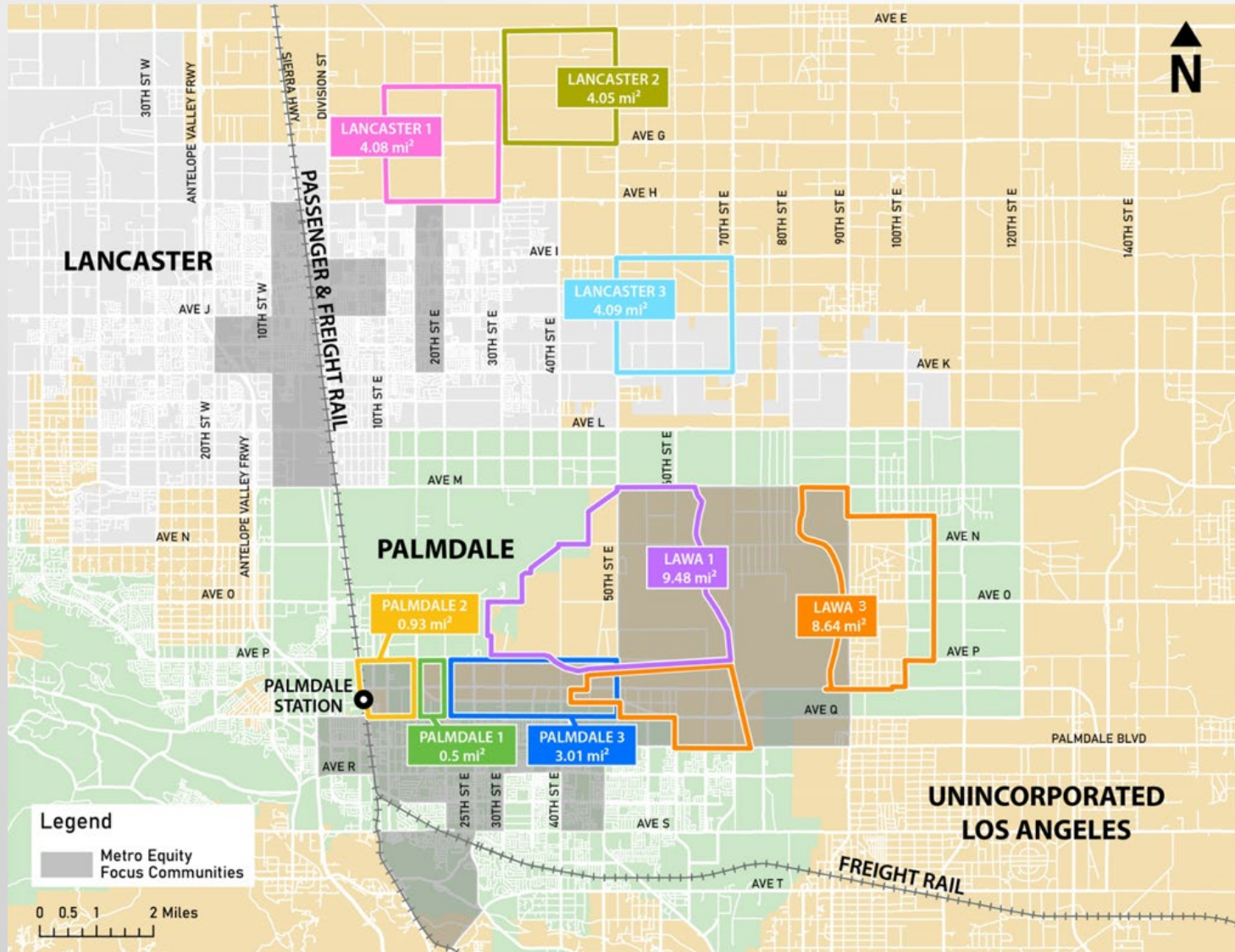
Approx. 7 square miles needed for Rail Test Tracks and Vehicle Testing Laboratories to Serve Metro and 3rd Parties, and approximately 500,000 square feet of system testing laboratories and auxiliary uses:

- Track must sustain rail vehicle speeds of 85 mph
- Advanced dynamometer for electric vehicles
- Testing for microgrids, vehicle-grid integration
- Climate room for railcar and bus HVAC testing
- Space for 3rd parties to make refinements based on tests
- Facilities for Training Engineers and Operators

Phase 2:

Two manufacturing facilities for bus and rail vehicle assembly, collectively sized at 1,500,000 square feet.

Identification of a Suitable Site



Site Evaluation Summary



Property Size

- *Only two of the eight sites meet the minimum criteria for light and heavy rail testing – the most critical criteria.*

The sites performed the same under all other criteria:

Proximity to rail corridor

- All sites were within six miles of a rail corridor. One site contained a rail spur within its boundary.

Zoning

- Six of the eight sites fall within two jurisdictions to varying degrees: Unincorporated Los Angeles County and the City of Palmdale. Two sites are entirely within Unincorporated LA. Each of the sites show an array of zoning designations, including Residential, Commercial, Industrial, Manufacturing, and Agricultural.

Flood plains

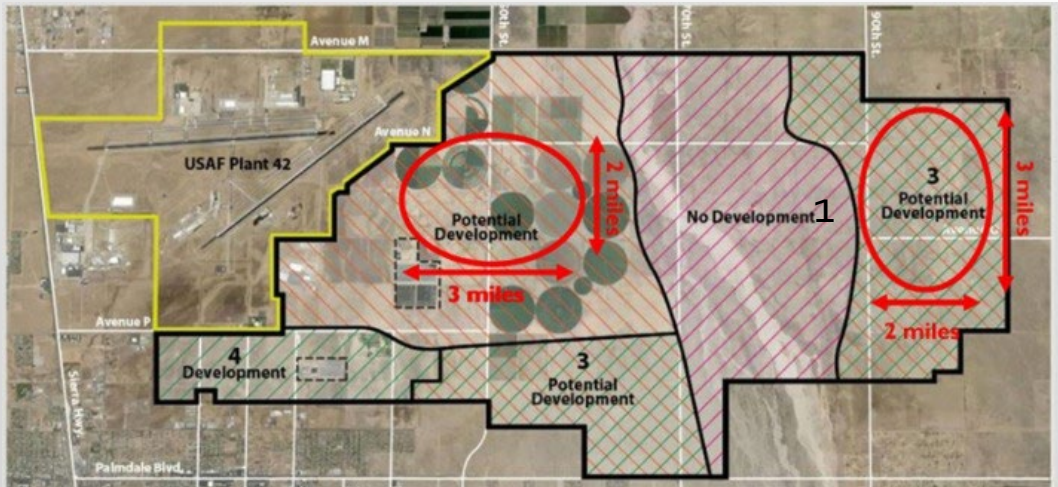
- All but one site fall at least partially within an existing flood hazard zone.

Local Public Transportation

- All but two sites are adjacent to or include local transit routes.



LAWA Properties



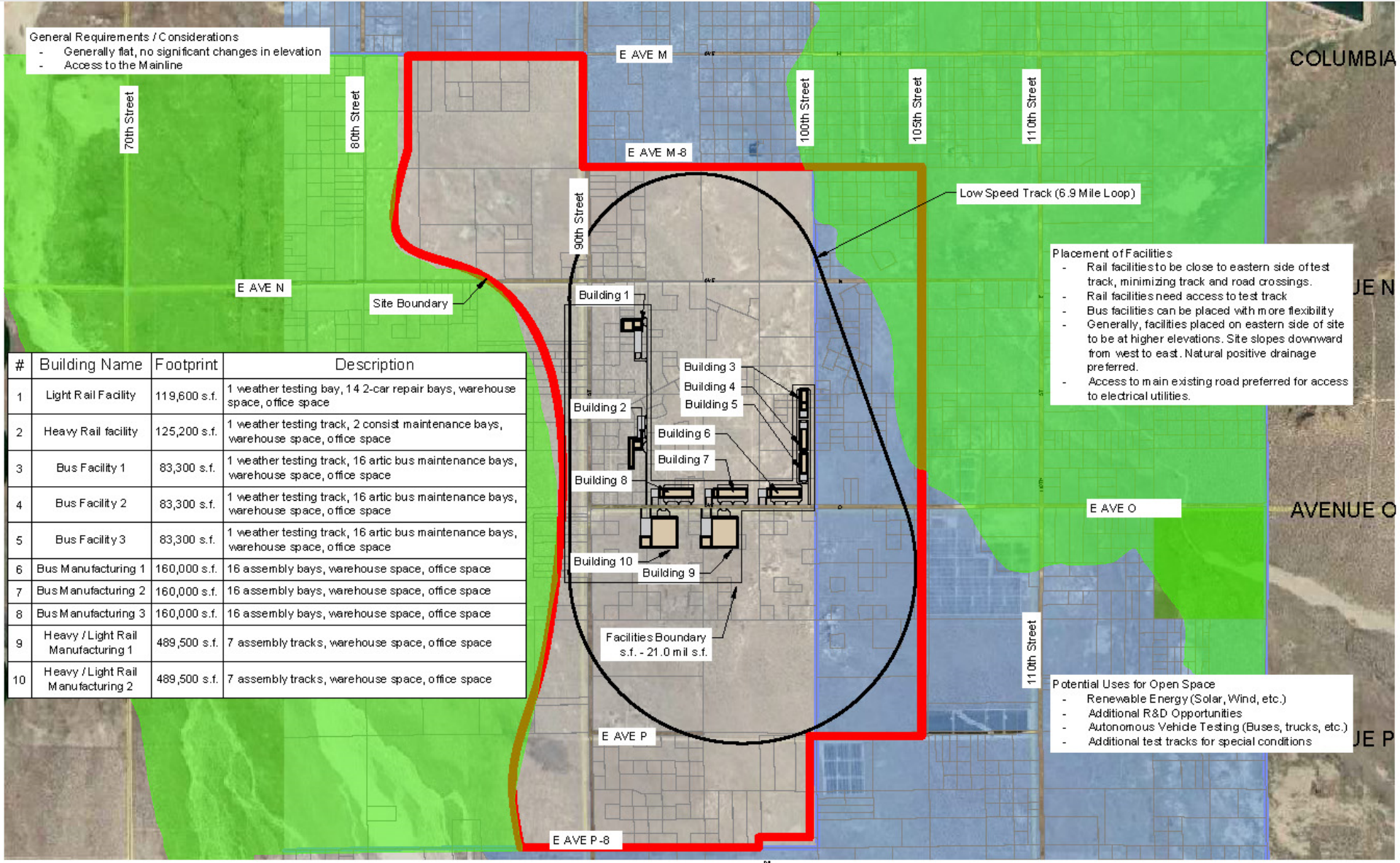
- Adequate Size
- Public and Willing Property Owner
- No existing built improvements on the Property
- Proximity to future High Desert Corridor
- Equity Focused Community

Conceptual Site Plan



General Requirements / Considerations

- Generally flat, no significant changes in elevation
- Access to the Mainline



Placement of Facilities

- Rail facilities to be close to eastern side of test track, minimizing track and road crossings.
- Rail facilities need access to test track
- Bus facilities can be placed with more flexibility
- Generally, facilities placed on eastern side of site to be at higher elevations. Site slopes downward from west to east. Natural positive drainage preferred.
- Access to main existing road preferred for access to electrical utilities.

#	Building Name	Footprint	Description
1	Light Rail Facility	119,600 s.f.	1 weather testing bay, 14 2-car repair bays, warehouse space, office space
2	Heavy Rail facility	125,200 s.f.	1 weather testing track, 2 consist maintenance bays, warehouse space, office space
3	Bus Facility 1	83,300 s.f.	1 weather testing track, 16 artic bus maintenance bays, warehouse space, office space
4	Bus Facility 2	83,300 s.f.	1 weather testing track, 16 artic bus maintenance bays, warehouse space, office space
5	Bus Facility 3	83,300 s.f.	1 weather testing track, 16 artic bus maintenance bays, warehouse space, office space
6	Bus Manufacturing 1	160,000 s.f.	16 assembly bays, warehouse space, office space
7	Bus Manufacturing 2	160,000 s.f.	16 assembly bays, warehouse space, office space
8	Bus Manufacturing 3	160,000 s.f.	16 assembly bays, warehouse space, office space
9	Heavy / Light Rail Manufacturing 1	489,500 s.f.	7 assembly tracks, warehouse space, office space
10	Heavy / Light Rail Manufacturing 2	489,500 s.f.	7 assembly tracks, warehouse space, office space

Facilities Boundary
s.f. - 21.0 mil s.f.

Potential Uses for Open Space

- Renewable Energy (Solar, Wind, etc.)
- Additional R&D Opportunities
- Autonomous Vehicle Testing (Buses, trucks, etc.)
- Additional test tracks for special conditions

Summary of Due Diligence and Planning



- **Activities Completed**
 - Prepare Site Lay Out
 - Complete Initial feasibility assessment of Utility Service
 - Complete Land Use and Environmental Assessment
- **Complicating Dynamics**
 - Site is located between two Sensitive Ecological Areas, biological review critical to assessing feasibility of development
 - LA City Charter only authorizes LAWA to enter into 50- year lease
 - Site is located in both unincorporated LA County and City of Palmdale, will need to determined most appropriate entitlement pathway

Next Steps



- Continue planning activities at LAWA_{3E}, including developing a conceptual budget, entitlement, and environmental clearance strategy,
- Complete biological surveys to confirm no fatal site conditions
- Engage the County of Los Angeles, LAWA, the surrounding local jurisdictions, industry stakeholders, to discuss potential partnerships, site control strategies and governing models to advance the project.
- Conducts a financial feasibility analysis and a subsequent financing plan that layers multiple public and private sources.
- Prepare an economic impact study through the Los Angeles Economic Development Corporation (LAEDC).
- Pursue funding opportunities, including appropriations as part of the State and Federal budgets to support planning activities.

Feedback and Questions



Metro[™]

Thank you!

**Board Report**

File #: 2023-0105, **File Type:** Informational Report**Agenda Number:**

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
APRIL 20, 2023****SUBJECT: AUDIT OF CONTROLS OVER METRO'S NON-REVENUE VEHICLES (PHASE I)****ACTION: RECEIVE AND FILE****RECOMMENDATION**

RECEIVE AND FILE Office of the Inspector General (OIG) Final Report on Controls over Metro's Non-Revenue Vehicles - Phase I.

ISSUE

The Office of the Inspector General (OIG) performed an audit of controls over Metro's non-revenue vehicles (NRVs). This audit was conducted to assist Metro to improve its internal control over non-revenue vehicles to deter fraud, waste, and abuse and in support of Metro's core business goal to provide responsive, accountable, and trustworthy governance within the Metro organization. The overall objective of this project is to determine whether internal controls over Metro's non-revenue vehicles (NRVs) are adequate and effective. Because there are many control areas related to Metro's NRVs, we separated this audit into two phases. Phase I focused on controls on NRVs acquisition, retirement or disposal, 24-hour assigned vehicles, department pool vehicles, General Services pool vehicles, and IRS reporting of non-cash taxable benefits. Phase II will focus on NRV drivers' compliance with ExpressLanes usage policy, controls in place to handle and report NRV accidents, and verify if NRV drivers observe vehicle, traffic, and parking codes.

BACKGROUND

Los Angeles County Metropolitan Transportation Agency (Metro) provides non-revenue passenger vehicles for employees' use to carry out Metro business. Non-revenue vehicles (NRVs) are assigned in pools at various locations or assigned to an individual employee.

As of June 30, 2022, Metro's non-revenue fleet consisted of 1,416 vehicles, which includes sedans, mini vans, SUVs, trucks, and full-size vans allocated to Departmental Pools, Company Equipment, General Services' Pool and 24-Hour assignments.

Metro's policy for Non-Revenue Passenger Vehicles (GEN16) provides guidelines to employees who use an NRV to carry out Metro business. The policy includes guidelines on eligibility for vehicle assignments, 24-hour assigned vehicles, pool vehicles, overnight use, reporting requirements for personal use, vehicle operation and fleet maintenance.

The Non-Revenue Department (also known as “NR”) is responsible for managing the procurement, distribution, maintenance and retirement of all NRVs. NR also monitors the assignment and usage of NRVs.

General Services, on the other hand, is responsible for managing the pool at Metro Headquarters (Gateway) for use by all departments located at Gateway for business purposes.

The Projects, Grants & Capital Assets Unit of the Accounting Department is responsible for accurate and timely recording of transactions related to NRVs based on the information provided by the Non-Revenue Department. The Payroll Department calculates the withholding tax of the taxable benefit for employees’ use of NRVs.

This audit covered a review of non-revenue vehicles as of June 30, 2022.

DISCUSSION

Findings

Metro’s Capital Assets Unit of Accounting and Operations’ Non-Revenue Department developed and issued detailed procedures and policies to record, monitor, and safeguard non-revenue vehicles (NRVs). Our audit found that Metro has adequate controls in place for acquisition, retirements, and safeguarding of NRVs. However, controls can be improved in the areas of recordkeeping, assignment, and utilization of the vehicles, as well as in complying with the IRS regulations on taxable benefits for the use of NRVs. Coordination between Non-Revenue Department and other departments utilizing NRVs, coupled with close supervision of all Department Heads, would ensure adherence to and effective implementation of Metro policies and procedures.

The Office of the Inspector General provided 29 recommendations to address the issues.

Recommendations

We recommend the following:

Operations (Non-Revenue Department)

1. Record the LAPD vehicles in Maintenance and Materials Management System (M3).
2. Provide the Rideshare Program Administrator (RPA) with a copy of the Vehicle Request Form for any new 24-hour non-revenue vehicle assignment. Include the RPA in the distribution list of the Vehicle Request Form.
3. Metro staff involved in NRV procurement should ensure that the vendor complies with all the requirements of the purchase contract by Metro, and delivery of NRVs are free of any defects that would prevent full utilization of the vehicles and placing the units into service upon delivery. Payment for NRV purchases should only be made to the vendor after the units were inspected and verified to meet the specifications required by Metro. An adequate supply of Fleetwatch

devices should be ordered in advance of receiving new vehicles so they may be promptly installed.

4. Add the following information in Maintenance and Material Management System (M3) or Vehicle Request Form:
 - Indicate the date that the vehicle assignment type is changed from 24-hour to non-24 hour and vice versa in M3.
 - Add a statement in the Vehicle Request Form that recipients of 24-hour assigned vehicles are not entitled to transit subsidy.
5. Inform Accounting of any disposal or retirement of non-revenue vehicles in a timely manner.
6. Ensure that the Vehicle Request Form is approved by the authorized signatories according to Metro policy.
7. Upload the Vehicle Request Form for 24-hour assigned vehicles to Maintenance and Material Management System (M3).
8. Evaluate the utilization of the 24-hour assigned vehicles and department pool passenger vehicles for possible vehicle pool reduction, re-assignment to other employees or departments who may better utilize the capital asset/NRV. Metro should consider reviewing the prior year utilization when issuing 24-hour assigned vehicles.
9. Coordinate with Human Capital and Development to include Non-Revenue Department as one of the required signatories in the clearance form of the retiring/separating employees to ensure that the Taxable Benefit Form is submitted, if applicable.
10. Add a provision in GEN 16 policy to monitor vehicle usage by using a vehicle usage log with all pertinent information and require monthly review by the vehicle assignee's immediate supervisor.

Operations (General Services)

11. Coordinate with Metro's Information Technology Services department to generate a report on overnight use of General Services' pool vehicles and comply with the IRS reporting requirement.
12. Remind staff to always check for proper vehicle request approval; do not process the request without the approval.
13. Clarify the policy on the use of vehicles for more than one overnight use; e.g. two to five continuous days.
14. Request Information Technology Services (ITS) to modify the vehicle check-in date to reflect

the actual date the vehicle was returned, and not the date the information was posted to M3.

15. Instruct the drivers to report the mileage on the Vehicle Check-Out and Check-In forms accurately.

Operations (Rail Fleet Services) and Program Management (Systems Engineering)

16. Instruct the recipients of 24-hour assigned vehicles to comply with Metro's GEN 16 policy; do not redeem transit subsidies for the bus/rail pass once a 24-hour assigned NRV is received.
17. Management should discuss with employees their receipt of a transit subsidy while assigned a 24-hour vehicle and determine the amount of money Metro should be reimbursed.

Program Management

18. Maintain vehicle use log records for each department pool vehicle with complete information such as employee's name, contact number, destination and purpose of the trip, date and time the vehicle was checked out and returned, the beginning and ending odometer readings, and the fuel level.
19. Assign the immediate supervisor to thoroughly review vehicle usage records for completeness and accuracy and approve on a monthly basis.
20. Consider allowing other employees to use the department's pool vehicles when they are not being used by the primary vehicle assignee.

Human Capital and Development (Workforce Services)

21. On a monthly basis, obtain a list of 24-hour assigned vehicles from the Non-Revenue Department and reconcile this list with transit subsidy recipients.
22. Consider adding a reminder in the monthly notification that no transportation subsidy is allowed if the employees have 24-hour assigned vehicles.

Human Capital and Development (Talent Acquisition)

23. Add a statement in the Supervisor's Termination Processing Checklist and Clearance Order requiring the separating employee to submit a completed "24-Hour Assigned Vehicle & Overnight Use Report Commuter Mileage Form," if applicable.

System Security & Law Enforcement and Vendor/Contract Management (Procurement)

24. Inform the Non-Revenue Department whenever a contractor purchases vehicles on behalf of Metro based on a contract for the purposes of recording the vehicles to the proper financial

account(s).

System Security and Law Enforcement

25. Ensure that the purchase of non-revenue vehicle or any asset that meets the threshold of capital expenditure is recorded correctly as capital asset, and not as an operating expense.
26. Ensure that the correct account is used for each component of the contract; i.e. services are recorded as operating expenses and non-revenue vehicles or equipment are recorded as capital or fixed assets.
27. Monitor the usage of LAPD vehicles by obtaining mileage periodically.
28. Prepare for the return of the NRVs, as provided for in the contract, upon contract termination.

All Cost Centers

29. Request a 24-hour vehicle assignment if the department requires frequent or extended overnight use of NRVs for business purposes.

EQUITY PLATFORM

It is OIG's opinion that there is no equity consideration or impact in this audit.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendations support strategic plan goal no. 5.2: Metro will exercise good public policy judgment and sound fiscal stewardship.

NEXT STEPS

Metro management will implement corrective action plans.

ATTACHMENTS

Attachment A - Final Report on Controls over Metro's Non-Revenue Vehicles - Phase I (Report No. 23-AUD-04)

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Los Angeles County
Metropolitan Transportation Authority
Office of the Inspector General

Audit of Controls
Over Metro Non-Revenue Vehicles
(Phase I)

Report No. 23-AUD-04

March 9, 2023



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DATE: March 9, 2023

TO: Metro Board of Directors
Metro Chief Executive Officer

FROM: Yvonne Zheng, Senior Manager, Audit
Office of the Inspector General

E-SIGNED by Yvonne Zheng
on 2023-03-09 12:35:39 PST

SUBJECT: Final Report: Audit of Controls over Metro Non-Revenue Vehicles (Phase I)
(Report No. 23-AUD-04)

INTRODUCTION

The Office of Inspector General (OIG) performed an audit of Metro’s internal controls over non-revenue vehicles. This audit was conducted to assist Metro to improve its internal control over non-revenue vehicles to deter fraud, waste, and abuse and in support of Metro’s core business goal to provide responsive, accountable, and trustworthy governance within the Metro organization.

As released in its FY22 (July 1, 2021 – June 30, 2022) Comprehensive Annual Financial Report, Metro had \$19.7 billion, net of accumulated depreciation, invested in capital assets. Vehicles, net of accumulated depreciation, amounted to approximately \$1.5 billion, of which \$9.6 million, net of \$72.6 million accumulated depreciation, was non-revenue vehicles.

**Table 1: Metro Capital Assets
(Amounts in Thousands)
As of 6/30/2022 and 6/30/2021**

	Los Angeles County Metropolitan Transportation Authority Capital Assets (Net of accumulated depreciation)					
	Business-type Activities		Governmental Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$1,715,160	\$ 1,700,668	\$746,589	\$ 749,417	\$2,461,749	\$ 2,450,085
Buildings and Improvements	5,212,338	5,315,307	-	-	5,212,338	5,315,307
Equipment	57,001	73,836	-	-	57,001	73,836
Vehicles	1,462,482	1,542,509	-	-	1,462,482	1,542,509
Right to use leased asset	36,246		4,043		40,289	
Construction in progress	10,469,814	9,170,339	-	-	10,469,814	9,170,339
Total Capital Assets	\$18,953,041	\$17,802,659	\$ 750,632	\$ 749,417	\$19,703,673	\$ 18,552,076

Source: Metro’s Annual Comprehensive Financial Report for the Fiscal Year Ended 6/30/2022

Based on Metro’s Accounting Procedures and Guidelines for Capital Expenditures (ACC 14), “capital assets are assets that 1) are used in operations and 2) have initial useful life in excess of one year. Capital assets embrace both tangible assets (land, building, building improvements, vehicles, machinery, equipment, infrastructures) and intangible assets (easements, goodwill, software).” Metro’s capitalization threshold is \$5,000. Non-revenue vehicles are capital assets.

Non-revenue vehicles are carried at cost and depreciated using the straight-line method based on the estimated useful life of five years.

OBJECTIVES, METHODOLOGY AND SCOPE OF AUDIT

The overall objective of this audit is to determine whether internal controls over Metro’s non-revenue vehicles (NRVs) are adequate and effective.

The specific objectives of the audit are divided into two phases, as follows:

Phase I: To determine whether:

1. Metro has adequate controls in place to effectively manage non-revenue vehicles (NRVs) in such a manner that NRVs are properly identified, recorded, valued, and assigned;
2. Additions and disposition/retirements of NRVs and are accurately recorded;
3. NRVs on record are in existence and are appropriately safeguarded and insured; and
4. Metro employees comply with IRS regulations on taxable benefits for the use of NRVs

Phase II: To determine whether:

1. Metro employees assigned and utilizing Metro NRVs are in compliance with the ExpressLanes usage policy;
2. Drivers of NRVs observe vehicle, traffic and parking codes; and
3. Controls in handling and reporting accidents are adequate.

This draft report focused on the objectives specified in Phase I of this audit. We will report the results of Phase II when it is completed.

To achieve the above audit objectives, we gained an understanding of Metro’s management control processes in adding, disposing, depreciation recording and tracking of NRVs. We reviewed applicable policies and procedures and interviewed Metro personnel in Operations, General Services, Accounting, and other departments. We also reviewed and analyzed reports received from various departments, examined invoices, memos, and other supporting documents. In addition, we performed an inspection of sampled vehicles.

This audit covers Metro’s Non-Revenue Vehicles (NRVs) usage and records from July 1, 2021 to June 30, 2022. Based on accounting records, NRVs totaled \$9.6 million as of June 30, 2022, net of accumulated depreciation of \$72.6 million. Additions to NRVs during the fiscal year ended June 30, 2022 amounted to \$3.7 million while retirement or disposal of NRVs were \$2.2 million.

For NRVs additions in FY22, we selected 9 transactions totaling \$1.6 million, or about 43%, to perform detail testing. We verified 24 NRVs that were retired in FY22 for a total amount of \$779,000 or 35% of \$2.2 million.

This audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusion based on our audit objectives. We believe that the evidence we obtained provides a reasonable basis for our findings and conclusion based on our audit objectives.

BACKGROUND

Los Angeles County Metropolitan Transportation Agency (Metro) provides non-revenue passenger vehicles for employees' use to carry out Metro business. Non-revenue vehicles (NRVs) are assigned in pools at various locations or assigned to an individual employee.

As of June 30, 2022, Metro's non-revenue fleet consisted of 1,416 vehicles, which includes sedans, mini vans, SUVs, trucks, and full-size vans allocated to Departmental Pools, Company Equipment, General Services' Pool and 24-Hour assignments. See Attachment A for details.

Metro's policy for Non-Revenue Passenger Vehicles (GEN 16) provides guidelines to employees who use an NRV to carry out Metro business. The policy includes guidelines on eligibility for vehicle assignments, 24-hour assigned vehicles, pool vehicles, overnight use, reporting requirements for personal use, vehicle operation and fleet maintenance. (See Attachment B)

The Non-Revenue Department (also known as "NR") is responsible for managing the procurement, distribution, maintenance and retirement of all NRVs. NR also monitors the assignment and usage of NRVs.

General Services, on the other hand, is responsible for managing the vehicle pool at Metro Headquarters (Gateway) for use by all departments located at Gateway for business purposes.

The Projects, Grants & Capital Assets Unit of the Accounting Department is responsible for accurate and timely recording of transactions related to NRVs based on the information provided by the Non-Revenue Department. The Payroll Department calculates the withholding tax of the taxable benefit for employees' use of NRVs.

RESULTS OF AUDIT

The audit found that the transactions reviewed generally complied with policies, were reasonable, and adequately supported by required documents. However, we noted the following findings that warrant Metro management attention for improvement:

1. Metro Vehicles Provided to LAPD Not Recorded in Metro's Non-Revenue Fleet

In 2018, the LAPD purchased 80 vehicles for \$4.3 million as part of their contract for law enforcement services with Metro (LAPD Contract No. PS5862100LAPD24750). We noted that these vehicles were not recorded in Metro's non-revenue fleet. According to Metro's Operations department for non-revenue vehicles, these vehicles are not on their inventory list because "*Non-Revenue is not aware of these vehicles as they were not purchased nor received by the Non-Revenue Department.*"

These vehicles are Metro's assets because they were purchased by LAPD on behalf of Metro as provided for in Metro's contract with LAPD for law enforcement services. Additionally, the contract states, "*Unless otherwise agreed upon by the Parties, all LACMTA-funded and LACMTA-provided equipment shall be returned by Contractor to LACMTA upon termination of this Contract in the same condition in which it was provided to Contractor, less regular wear and tear. Contractor will provide necessary documentation to evidence the transfer of title to LACMTA, as it relates to vehicles purchased by the Contractor on behalf of LACMTA.*"

The vehicles were initially recorded in Metro's financial system incorrectly as Contract Services - an operating expense, instead of a capital expenditure, as this was the account indicated by the cost center when the purchase was made in 2018. In our previous audit (21-AUD-07: Audit of Controls over Metro's Equipment Management System dated June 10, 2021), this issue came to our attention and while it was not within the scope of the said audit, we brought it to Metro management attention and recommended that correcting entries be made. Accounting, in coordination with System Security and Law Enforcement, reclassified the non-revenue vehicles to capital assets in June 2021.

While the LAPD vehicles were included in the inventory of Accounting, they were not included in Metro's non-revenue fleet of the Non-Revenue Department. The department's Supervisor stated that they were not aware of the purchase since they were not advised of this purchase by Metro's System Security and Law Enforcement Department or the Procurement Department, and the vehicles are being serviced and maintained by LAPD. It should be noted that as part of the contract, Metro paid LAPD for the vehicle maintenance costs.

These vehicles were not included in the non-revenue fleet and were not properly accounted for and monitored by the Non-Revenue Department or the cost center. Further, if they were misclassified to incorrect accounts, Metro's asset inventory does not properly reflect its financial position in regards to capital assets.

Recommendations

Non-Revenue Department

- Record the LAPD vehicles in Maintenance and Materials Management System (M3).

Security System & Law Enforcement and Vendor/Contract Management

- Inform the Non-Revenue Department whenever a contractor purchases vehicles on behalf of Metro based on a contract for the purposes of recording the vehicles to the proper financial account(s).

Security System & Law Enforcement

- Ensure that the purchase of non-revenue vehicles, or any asset that meets the threshold of capital expenditure, are recorded correctly as capital assets, and not as an operating expense.
- Ensure that the correct account is used for each component of the contract; i.e. services are recorded as operating expenses and non-revenue vehicles or equipment are recorded as capital or fixed assets.
- Monitor the usage of LAPD vehicles by obtaining mileage periodically.
- Prepare for the return of the NRVs, as provided for in the contract, upon contract termination.

2. Three Employees with 24-Hour Assigned Vehicles Received Transit Subsidy

Metro's GEN 16 policy states that "*employees assigned a 24-hour assigned vehicle will not be eligible to receive transit subsidies.*" However, we found three Metro employees who were assigned 24-hour vehicles and also received a transit subsidy for public transportation for a combined total amount of \$1,683.

A Senior Manager from Program Management explained that although he was assigned the vehicle on May 28, 2022, he did not take possession of the vehicle until after June 3rd because it was not in running condition. He added that he renewed his Metrolink pass (Transit Subsidy) for June as he did not know when the vehicle would be ready for use. On November 4, 2022, he refunded Metro \$147 for his monthly transit subsidy.

Two Directors from Rail Fleet Services received transit subsidies for three months amounting to \$756 and \$780, respectively. One Director ~~employee~~ stated that he officially started using the vehicle in March 2022. However, as confirmed by the Non-Revenue Department and based on the signed Vehicle Pick Up Log, he picked up the vehicle on 1/12/2022.

The other Director explained that receiving the transit subsidy during the period in question was an "*innocent mistake.*" He added that he did not use the 24-hour assigned vehicle for commuting

to work in an effort to “*be more green*,” removing an additional vehicle from the roadways, and absorbing the additional monthly expense of a commuter train for his work commute.

Metro’s Rideshare Program Administrator (RPA) stated that she periodically performs and audits 24-hour vehicle assignees and checks if they also receive a transit subsidy. In December 2021 and March 2022, she notified two of the above employees that they were removed from the Employee Rideshare Program and informed them that they may be responsible to reimburse Metro for the passes they actually redeemed in the amounts of \$756 and \$780, respectively.

It would also be helpful if the Non-Revenue Department can indicate the date that the vehicle assignment type was changed from 24-hour to non-24 hour and vice versa to determine if an employee is eligible to receive a transit subsidy or not.

Recommendations

Rail Fleet Services and Systems Engineering

- Instruct the recipients of 24-hour assigned vehicles to comply with Metro’s GEN 16 policy; do not redeem transit subsidies for the bus/rail pass once a 24-hour assigned NRV is received.
- Management should discuss with the employees who received a transit subsidy while assigned a 24-hour vehicle to determine the amount of money Metro should be reimbursed.

Non-Revenue Department

- Provide the Rideshare Program Administrator (RPA) with a copy of the Vehicle Request Form for any new 24-hour NRV assignment. Include the RPA in the distribution list of the Vehicle Request Form. This was also recommended in the prior audit conducted by Management Audit Services in 2015 (Report No. 13-OPS-P02: Performance Audit of Efficiency and Effectiveness of Non-Revenue Vehicle Usage); however, to this date, this has not been implemented.
- Indicate the date that the vehicle assignment type is changed from 24-hour to non-24 hour and vice versa in M3.
- Add a statement in the Vehicle Request Form that recipients of 24-hour assigned vehicles are not entitled to a transit subsidy.

Workforce Services

- On a monthly basis, obtain a list of 24-hour assigned vehicles from the Non-Revenue Department and reconcile this list with transit subsidy recipients.
- Consider adding a reminder in the monthly notification that no transportation subsidy is allowed if the employees have 24-hour assigned vehicles.

3. Delay in Placing New NRVs into Service

For the fiscal year ended June 30, 2022 (FY22), Metro purchased 62 non-revenue vehicles (NRVs), as shown in the table below:

Table 2: Non-Revenue Vehicles Acquisition in FY22

Vehicle Type	No.	Amount
Large Utility Truck, Gas	34	\$ 1,832,628
Large Utility Truck, Diesel	3	1,080,869
Full Size Van	25	778,014
Total	62	\$ 3,691,511

Source: Metro Accounting Department

We reviewed a sample of nine NRVs with purchase cost of \$1,597,373 or 43% of the total acquisitions during FY22. The new NRVs were authorized, adequately supported by documents, and recorded correctly. However, we noted that some NRVs were not placed into service until several months after they were delivered to Metro.

According to the Equipment Engineering Supervisor of the Non-Revenue Department, there are various reasons causing delay in placing the unit into service, such as the following:

- The result of shop inspections. If there are any issues that do not comply with Metro’s specifications and requirements, such issues are reported to the vendor for their immediate action. However, the time frame to resolve such issues depends on how quickly the vendor responds, the nature of the issue, and their availability of labor and parts;
- Training, if required, has to be coordinated with the end user(s), the vendor and the Non-Revenue department; and
- The time frame to obtain the license plates.

Our review found that eight out of nine sampled new NRVs were placed into service between five to nine months after they were received by Metro. Further, three NRVs were not placed into service until five to seven months after the vendor was paid. One unit, a utility truck, which was originally received in July 2021, had to be returned to the vendor to fix the back camera on the truck which would not turn off. The vendor relocated the camera and the truck was returned to the Non-Revenue Department in April 2022, after which it was placed into service in May 2022, almost a year after it was first received. Other reasons given for the delay in placing the NRVs into service were missing battery box cover, floor mats, and a delay in receiving Fleetwatch devices.

The delay in placing the NRVs into service means that Metro paid for the vehicles without the benefit of using them during the time the issues were pending resolution by the vendor.

Recommendation

- Metro staff involved in NRV procurement should ensure that the vendor complies with all the requirements of the purchase contract by Metro, and delivery of NRVs are free of any defects that would prevent full utilization of the vehicles and placing the units into service upon delivery. Payment for NRV purchases should only be made to the vendor after the units were inspected and verified to meet the specifications required by Metro. An adequate supply of Fleetwatch devices should be ordered in advance of receiving new vehicles so they may be promptly installed.

4. Stolen Vehicle Not Retired in the System in a Timely Manner

During FY22, Metro retired 70 non-revenue vehicles with a total cost of \$2,233,476. We reviewed a sample of 24 retirements costing \$779,261, or about 35% of the total retirements. These vehicles were all sold through auction.

However, we noted that only those sold were reported by Non-Revenue Department to Accounting on a timely basis. The non-revenue fleet included a vehicle which was reported stolen in August 2021 but has not yet been retired in Accounting records because the Non-Revenue Department did not inform them. Accounting said they will reach out to the Non-Revenue Department on the next steps so they can properly record the value of the stolen vehicle.

Disposal of non-revenue vehicles should be recorded in a timely manner to ensure an accurate inventory and properly reflect Metro’s financial position in regards to capital assets.

Recommendation

- Metro’s Non-Revenue Department should inform Accounting of any disposal or retirement of non-revenue vehicles in a timely manner.

5. Insufficient Documentation for 24-Hour Assigned Vehicles

Metro’s GEN 16 policy for Non-Revenue Passenger Vehicles states, “*Non-Revenue Department will maintain appropriate documentation and update the 24-hour assigned vehicle list annually.*”

Section 1.2 states, “*Twenty- four (24) hour NRV assignments to any LACMTA employee will be made upon Executive Officer/DEO recommendation and Chief Executive Officer (CEO)/Chief Operations Officer (COO) approval*”.

As of June 30, 2022, there were 100 24-hour assigned vehicles.

In December 2021, the list of employees who were assigned 24-hour vehicles was submitted to the former Chief Operating Officer (COO) for annual approval. Our review of the Annual Approval Forms and Vehicle Request Forms disclosed the following:

- The Non-Revenue department did not have a Vehicle Request Form for two employees who were assigned 24-hour vehicles in 2020 and 2021, respectively; and
- Eleven employees who were assigned 24-hour vehicles in 2022 did not have the Vehicle Request Forms approved by the COO.

It is important that the 24-hour vehicle assignment is approved by the authorized signatories to ensure that the assignment is valid, authorized, and justified.

Recommendations

- Ensure that Vehicle Request Form is approved by the authorized signatory according to Metro Policy.
- Upload the Vehicle Request Form for 24-hour assigned vehicles to the Maintenance and Materials Management System (M3) to properly record the vehicle assignment.

6. Low Utilization of 24-Hour Assigned Vehicles and Department Pool Vehicles

a. 24-Hour Assigned Vehicles

Based on Metro's GEN 16 policy, 24-hour non-revenue vehicles may be assigned to employees:

- If they are regularly required to respond to LACMTA emergencies outside of normal job hours;
- If the nature of their job requires regular visitation to one or more sites at irregular hours when use of public transportation is impractical; or
- At the discretion of the CEO/COO.

We reviewed the usage of the 24-hour assigned vehicles and calculated the average annual mileage using the vehicle's in-service date and the mileage recorded to date. The number of 24-hour assigned vehicles with their corresponding average annual mileage is summarized below:

Table 3
Mileage of 24-Hour Assigned Vehicles

Mileage	No. of Vehicles
1 - 5,000 Miles	12
5,001 - 10,000	33
10,001 - 15,000	30
15,001 - 20,000	15
20,001 - 25,000	7
Over 25,000	3
Total	100

Source: Metro’s Non-Revenue Fleet Data

We found examples of 24-hour non-revenue vehicles where the average annual mileage appears to be much lower than the industry average of 15,000 (e.g., 515 and 1,376). Metro should continue to evaluate the assignment of these vehicles annually and determine if the 24-hour vehicle assignment is still appropriate given the purpose and business need of such vehicle when the average annual mileage is below industry standards.

One of the 24-hour vehicle assignees (Executive Officer, Customer Care), stated that she is considering turning in the vehicle because of low usage due to teleworking or occasional use of personal vehicle or public transportation.

As seen on Table 3, almost half of the 24-hour assigned NRVs have an annual average mileage of less than 10,000. Vehicles with annual usage below 15,000 miles may not be fully utilized and may be repurposed and or assigned to other staff or departments who may have a greater need, or low mileage users might share a vehicle.

GEN 6 section 1.7 states the Non-Revenue coordinator is to review pool vehicle and 24 hour assigned vehicles for usage. *"On a quarterly basis, all NRVs will be checked for usage by utilizing the Fleetwatch Fuel and Mileage Management System. If any NRV exhibits low usage, the manager of the unit to which it is assigned will be asked to justify its low usage. If the justification is determined to be invalid, the vehicle may be reassigned."*

b. Department Pool Vehicles

Departments are given vehicles which are used in a department pool, or for assignment to individual employees for field work during normal business hours. As of June 30, 2022, the department pool vehicles numbered 1,138 and consisted of 484 trucks and 654 passenger vehicles such as sedans, sport utility vehicles, and vans. Our review of mileage for the non-revenue passenger vehicles are as follows:

Table 4
Mileage of Passenger Vehicles in Department Pools

Mileage	No. of Vehicles
Less than 5,000 Miles	174
5,001 - 10,000	194
10,001 - 15,000	123
15,001 - 20,000	71
20,001 - 25,000	34
25,001 - 30,000	10
30,001 - 35,000	7
35,001 - 40,000	0
Over 40,000	1
No mileage reading	40
Total	654

Source: Metro’s Non-Revenue Fleet Data

Based on Table 4, 56% or more than half of passenger vehicles in a department pool has an average mileage of less than 10,000 per year.

The passenger vehicle with the lowest average annual mileage is a 2009 GMC van assigned to the vehicle pool for Cost Center 5430 (Revenue Collection) with mileage of 4,513 as of the reading date of 9/04/2022 – an average annual mileage of 347.

On the other hand, the vehicle pool for Cost Center 3234 (Vehicles Operation) includes a 2016 Ford Explorer with 291,077 mileage as of 9/25/2022, or an average annual mileage of 43,662.

Recommendations

- Metro’s Non-Revenue Department should evaluate the utilization of the 24-hour assigned vehicles and department pool passenger vehicles for possible vehicle pool reduction, re-assignment to other employees or departments who may better utilize the capital asset/NRV.
- Metro should review NRV utilization for all 24-hour assigned vehicles annually to maximize the effective use of its non-revenue fleet.

7. Non-Compliance with IRS Regulations on Taxable Benefits

Metro’s GEN 16 policy states, “Employees using a 24-hour, CEA, Pool or contractor-provided NRV to commute between home and work will be subject to taxable benefits for each daily commute. Employees must document all overnight use and use the annual taxable income reporting form, “24-Hour Assigned Vehicle & Overnight Use Report Commuter Mileage Form”

at the close of each calendar year to report usage.” (CEA is Company Equipment Assigned). This is to comply with the Internal Revenue Code (IRC) that requires a non-cash taxable benefit be assessed for the use of 24-hour NRVs, CEA/Pool or contractor-provided NRVs when used for non-business and commuting purposes.

The form requires information on the employees’ commuting trips from home to work and vice versa for the period covering November 1 through October 31 of each year and should be submitted to the Non-Revenue Department by November 15 of each year. The Non-Revenue Department, in turn, sends the completed forms to Payroll to calculate and withhold the appropriate tax for the employee’s fringe benefit.

General Services is also required to report the overnight use of General Services pool vehicles.

Our review of Taxable Benefit Commuter Mileage forms disclosed the following:

- Non-Revenue Department did not receive the required form for 2021 from 27 employees, because they either retired or separated from the Company. Thus, they were not taxed for the non-business use of vehicles.
- General Services did not submit the list of overnight use and Taxable Benefit Forms to Payroll for 2021 as required by Metro’s GEN 16 - Sections 1.3.2 and 1.5.4. General Services explained that due to Agency and department reorganization in October 2021 and staff turnover, they were not able to comply with this requirement.

Recommendations

Non-Revenue Department

- Coordinate with Human Capital and Development to include the Non-Revenue Department as one of the required signatories in the clearance form of the retiring/separating employees to ensure that the Taxable Benefit Form is submitted, if applicable.

Human Capital and Development (Talent Acquisition)

- Add a statement in the Supervisor’s Termination Processing Checklist and Clearance Order requiring the separating employee to submit a completed “24-Hour Assigned Vehicle & Overnight Use Report Commuter Mileage Form,” if applicable.

General Services

- Coordinate with Metro’s Information Technology Services department to generate a report on overnight use of General Services’ pool vehicles and comply with the IRS reporting requirement.

8. Non-Compliance in the Use of General Services Pool Vehicles

Metro's GEN 16 policy states that Vehicle Request Forms for NRVs require proper authorization including signatures from the Department's respective DEO and the Chief Operating Officer (COO). We found a Vehicle Request Form submitted to General Services without the required signatures. The staff who was in charge of the pool vehicles stated that there must have been an oversight.

Section 1.3 of GEN 16 policy also provides that "*an employee driving a Gateway Motor Pool NRV must return the keys to General Services daily, unless that employee has been granted overnight use.*" According to the Manager of Workforce Services who used to supervise the General Services pool vehicles, this policy resulted from a recommendation in the previous audit to increase vehicle availability per day. She added that "*the intent is to return units each day and each reservation gets a new vehicle.*" Thus, if a non-revenue pool vehicle is used for several days, an individual reservation request is required for each consecutive occurrence. However, the audit found that a pool vehicle was used continuously for several days with only one reservation request.

In addition, we also noted the following:

- Motor Pool Usage Report: The "Actual Dp Of" (actual drop off) date shows the date the "vehicle check in" was posted to M3 – not the actual date the vehicle was returned. For example: According to a Vehicle Check Out Form, the vehicle was returned on 6/08/2022; however, the Vehicle Check-In Form shows 6/09/2022 06:26 AM (the date the TCU Maintainer posted it to M3).
- Incorrect information on Vehicle Check-In Form: Employees reported an incorrect odometer reading when the vehicle was returned. For example, the odometer reading at check-in was lower than the odometer reading at check-out resulting in negative mileage, or mileage for a single day was more than 500,000 miles.

Recommendations

- Remind staff to always check for proper vehicle request approval; do not process the request without actual and proper approval.
- Clarify the policy on the use of vehicles for more than one overnight use; e.g. two to five continuous days.
- Request Information Technology Services (ITS) to modify the vehicle check-in date to reflect the actual date the vehicle was returned, and not the date the information was posted to M3.
- Instruct the drivers to report the mileage on the Vehicle Check-Out and Check-In forms accurately.

9. Incomplete Documentation and Lack of Monitoring Pool Vehicles

According to the Non-Revenue Department, it is the individual department's responsibility to keep a log of their vehicles' usage for monitoring purposes.

The Quality Assurance/Compliance of Program Management Department has two pool vehicles – each vehicle is assigned exclusively to two Senior Managers employees. We found the following:

The vehicle assignees did not properly document the use of their non-revenue vehicles. There were no current logs to record vehicle use and to properly document information such as the destination and purpose of the trip, date and time the vehicle was checked out and returned, the beginning and ending odometer readings, and the fuel level.

One employee provided us with the log records up to 2016 and the other employee completed the log through May 2022. It appears that vehicle usage is not monitored or checked, and the assignees discontinued using and completing the non-revenue vehicle logs.

An audit by the Office of the Inspector General for the MTA in New York in September of 2020 recommended the agency maintain vehicle use logs for all vehicles and should regularly collect, review, and approve them for completeness and accuracy. They further stated that maintaining and regularly monitoring vehicle logs is an internal control that allows management to track employee vehicle usage and to verify that employees are using vehicles for business purposes only. The agency agreed with the OIG's recommendation. [MTA/OIG Report #2020-15](#)

These vehicles were not 24-hour assigned vehicles; but one employee used it to commute to and from work. Metro's policy requires the Executive Officer/Deputy Executive Officer's recommendation and Chief Executive Officer/Chief Operations Officer's approval for overnight use, but no approval was provided to us by the employee.

The Senior Quality Engineer from the same department used a General Services pool vehicle more than 70 times from July 2021 to June 2022. He said that he cannot use their department's two pool vehicles since they were already assigned. However, based on the pool vehicle log records, the department pool vehicles were not used every working day by the assignees and could have been made available for use by other department employees.

In a prior audit conducted by Management Audit Services (Report No. 22-CON-P02: Performance Audit of Program Management Support Services dated November 10, 2021), one of the findings was non-compliance with GEN 16 policy and the recommendations included the importance of tracking and monitoring vehicle use and maintenance.

Management should periodically monitor the vehicle usage logs for their respective department pool vehicles to ensure that they are only used for business purposes.

Recommendations

Program Management

- Maintain vehicle use log records for each department pool vehicle with complete information such as employee's name, contact number, destination and purpose of the trip, date and time the vehicle was checked out and returned, the beginning and ending odometer readings, and the fuel level.
- Assign the immediate supervisor to thoroughly review vehicle usage records for completeness and accuracy and approve on a monthly basis.
- Consider allowing other employees to use the department's pool vehicles when they are not being used by the primary vehicle assignee.

Non-Revenue Department

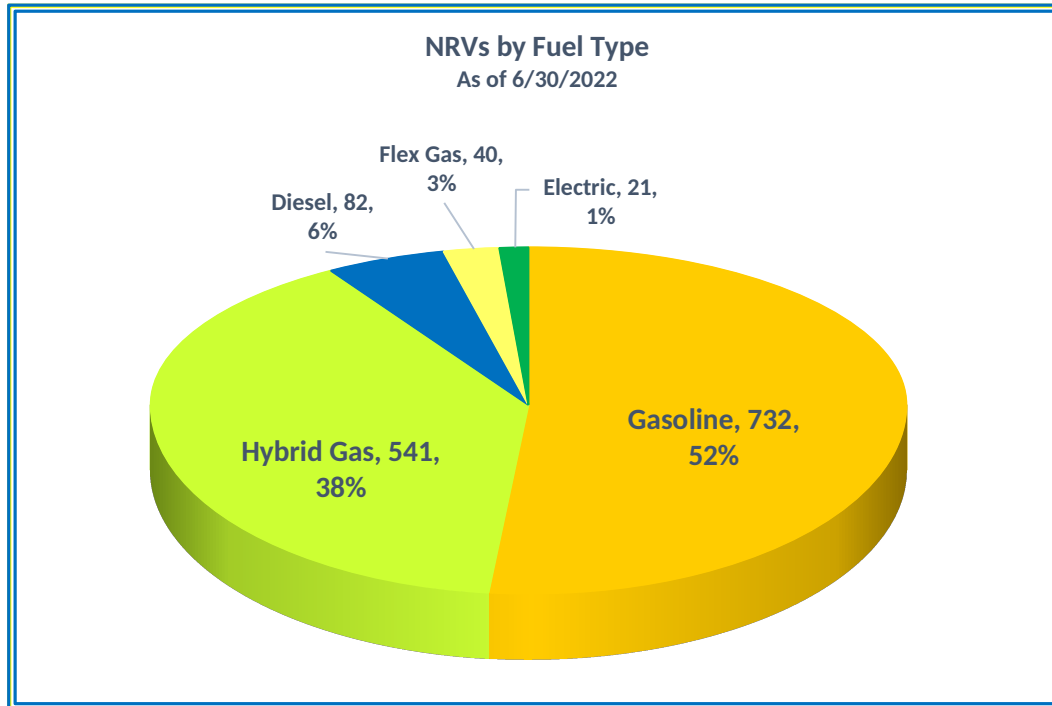
- Add a provision in GEN 16 policy to monitor vehicle usage by using a vehicle usage log with all pertinent information and require monthly review by the vehicle assignee's immediate supervisor.

OBSERVATIONS

1. Goal for a Green Fleet

As of June 30, 2022, Metro’s non-revenue vehicles by fuel type are as follows:

Figure 1: Non-Revenue Vehicles by Fuel Type



Source: Non-Revenue Fleet Data

Figure 1 shows that Metro has 21 non-revenue electric vehicles which were purchased in 2017 and 2018. We asked the Senior Director of Non-Revenue Department if they are planning to increase the percentage of electric vehicles. He responded that the department established a moving 10-year plan for vehicle replacement; however, funding (or lack thereof) often dictates the quantity of vehicles to be purchased. He added that in FY 23, the department has submitted requisitions for 58 electric vehicles to replace hybrid sedans and SUVs currently in use, although infrastructure challenges were, and continue to be the main hurdle. He also stated that they are “working towards a total green fleet as mandated by Metro’s Climate Action Plan, Metro’s Moving Beyond Sustainability Plan and current [California Air Resources Board] CARB rules. Gasoline will be used in some platforms until sufficient infrastructure is in place. Additionally, some specialty vehicles (hi-rail, rail bound and heavy duty mandating high torque and horsepower) are currently unavailable in zero emission vehicles or are available at 3 to 5 times what gasoline or diesel costs.”

Metro's electric vehicle charging infrastructure includes charging stations located at USG (10), CMF (3), Division 13, (6), Location 64 (3) and Division 18 (2). Four are currently being installed at Division 2. Division 24 has three for privately owned vehicle (POV) usage. Charger installations at Divisions 4, 7, 13, 15 and 18, as well as CMF and USG, are currently underway for the aforementioned 58 electric vehicles.

2. Safety

a. Seatbelts

All non-revenue vehicles have seat belt buzzers or chimes informing the operator of an unfastened seat belt.

b. Hand-Free Electronic Devices

Our review found that there is no cell phone holder for hands-free navigation use of a phone in any non-revenue vehicle.

In our prior review conducted in September 2022 (Report No. 2021-0054: Review of Controls Over Metro-Issued Cellphones), a Metro employee identified a limitation in using their cell phone with Metro's non-revenue vehicles (NRVs). The employee advised that a number of Metro's NRVs do not have cell phone mounts in the car which makes it difficult to have both hands on the steering wheel while driving. Although Metro-provided cell phones are issued with hands-free capability, speaker phone and Bluetooth features for cordless communication, the employee reported that the inability to mount the cell phone on the Metro's NRV's dashboard makes it difficult to pick-up a call easily or hear the caller when they are on the speaker phone. According to Information Technology Services, basic accessories such as a cell phone charger and a protective case are provided with the cell phones when deployed to an employee. Other accessories that may help the employee use their cell phone in a hands-free manner, such as a cell phone mount, need to be requested and procured through their respective department. Metro's IT8 policy should be updated to address the purchase and use of such accessories.

c. Vehicle Navigation

According to the Non-Revenue Department, less than ten vehicles came with or are equipped with navigation service. Vehicle navigation was provided by the vendor who was awarded the contract. The contract does not specify navigation in their purchases (only AM/FM and Bluetooth) and the need for navigation has not been discussed with nor brought up by the operators of NRVs.

3. Spare Tires and Jacks

The Non-Revenue Department stated that not all non-revenue vehicles carry a spare tire. Those that do are newer model vehicles that have a tire pressure monitoring system (TPMS) sensor on the spare. If the vehicle does not pick up the TPMS sensor, a constant light will appear in the dash

cluster. NRVs that experience a flat tire are remedied by a Non-Revenue on-call mechanic according to the Collective Bargaining Agreement with Metro and Amalgamated Transit Union (ATU).

4. Inconsistency Between the Policy and the Vehicle Request Form

GEN 16 states, “*Departments requiring NRVs for use in a department pool, or for assignment to individual employees for field work during normal business hours, must submit a Vehicle/Equipment Request Form to Non-Revenue Operations. This form will contain NRV user information, a justification for the use of the NRV, and approval signatures from the Department’s respective DEO and approval from the COO.*”.

However, we found that the Vehicle Request Form (VRF) shows that the request should be approved by “*DEO or Above,*” without requiring the COO’s approval. The form is not consistent with the policy. According to Non-Revenue Department, it is the immediate supervisor who knows the needs of his staff; thus, the DEO’s approval should be sufficient.

Non-Revenue Department should either revise the Vehicle Request Form or update the policy, whichever is applicable, to ensure compliance with the policy.

5. Insufficient Information in Maintenance and Material Management System

Metro’s Non-Revenue Department enters all information related to non-revenue vehicles into the Maintenance and Material Management System (M3) such as status of the vehicle, department, and assignment type, among others.

We found that in M3, the “assignment type” (24-hour or Non-Revenue General) is associated to the vehicle, and not to the employee. Thus, when an employee changes from 24-hour to Non-Revenue General or non-24 hour, there is no information as to when the change was made. This is important because employees who have been assigned 24-hour vehicles are not entitled to receive a transit subsidy. The Rideshare Program Administrator and Non-Revenue Department would not know if the employees end or resume their transit subsidy.

Follow up on the submitted service request (SR 54192) and coordinate with Information Technology Services to add this functionality in M3.

6. Category Description

The list of categories we obtained from Metro’s Non-Revenue Department includes Category 14 described as “Non-Revenue Truck: Hi-Rail Truck, Large, Diesel.” However, it is also being used for non-revenue hi-rail equipment, i.e. not necessarily an NRV.

Non-Revenue Department should create a new category for hi-rail equipment. This will ensure that non-revenue vehicles and equipment will be recorded to the correct financial accounts.

CONCLUSION

Metro's Capital Assets Unit of Accounting and Operations' Non-Revenue Department developed and issued detailed procedures and policies to record, monitor, and safeguard non-revenue vehicles (NRVs). Our audit found that Metro has adequate controls in place for acquisition, retirements, and safeguarding of NRVs. However, controls can be improved in the areas of recordkeeping, assignment and utilization of the vehicles, as well as in complying with the IRS regulations on taxable benefits for the use of NRVs. Coordination between Non-Revenue Department and other departments utilizing NRVs, coupled with close supervision of all Department Heads, would ensure adherence to and effective implementation of Metro policies and procedures.

RECOMMENDATIONS

To improve the controls over Metro's non-revenue vehicles, we provide the following 29 recommendations for departments involved in the management and use of NRVs:

Operations (Non-Revenue Department)

1. Record the LAPD vehicles in Maintenance and Materials Management System (M3).
2. Provide the Rideshare Program Administrator (RPA) with a copy of the Vehicle Request Form for any new 24-hour non-revenue vehicle assignment. Include the RPA in the distribution list of the Vehicle Request Form.
3. Metro staff involved in NRV procurement should ensure that the vendor complies with all the requirements of the purchase contract by Metro, and delivery of NRVs are free of any defects that would prevent full utilization of the vehicles and placing the units into service upon delivery. Payment for NRV purchases should only be made to the vendor after the units were inspected and verified to meet the specifications required by Metro. An adequate supply of Fleetwatch devices should be ordered in advance of receiving new vehicles so they may be promptly installed.
4. Add the following information in Maintenance and Material Management System (M3) or Vehicle Request Form:
 - Indicate the date that the vehicle assignment type is changed from 24-hour to non-24 hour and vice versa in M3.
 - Add a statement in the Vehicle Request Form that recipients of 24-hour assigned vehicles are not entitled to transit subsidy.
5. Inform Accounting of any disposal or retirement of non-revenue vehicles in a timely manner.
6. Ensure that the Vehicle Request Form is approved by the authorized signatories according to Metro policy.

7. Upload the Vehicle Request Form for 24-hour assigned vehicles to Maintenance and Material Management System (M3).
8. Evaluate the utilization of the 24-hour assigned vehicles and department pool passenger vehicles for possible vehicle pool reduction, re-assignment to other employees or departments who may better utilize the capital asset/NRV. Metro should consider reviewing the prior year utilization when issuing 24-hour assigned vehicles.
9. Coordinate with Human Capital and Development to include Non-Revenue Department as one of the required signatories in the clearance form of the retiring/separating employees to ensure that the Taxable Benefit Form is submitted, if applicable.
10. Add a provision in GEN 16 policy to monitor vehicle usage by using a vehicle usage log with all pertinent information and require monthly review by the vehicle assignee's immediate supervisor.

Operations (General Services)

11. Coordinate with Metro's Information Technology Services department to generate a report on overnight use of General Services' pool vehicles and comply with the IRS reporting requirement.
12. Remind staff to always check for proper vehicle request approval; do not process the request without the approval.
13. Clarify the policy on the use of vehicles for more than one overnight use; e.g. two to five continuous days.
14. Request Information Technology Services (ITS) to modify the vehicle check-in date to reflect the actual date the vehicle was returned, and not the date the information was posted to M3.
15. Instruct the drivers to report the mileage on the Vehicle Check-Out and Check-In forms accurately.

Operations (Rail Fleet Services) and Program Management (Systems Engineering)

16. Instruct the recipients of 24-hour assigned vehicles to comply with Metro's GEN 16 policy; do not redeem transit subsidies for the bus/rail pass once a 24-hour assigned NRV is received.
17. Management should discuss with employees their receipt of a transit subsidy while assigned a 24-hour vehicle and determine the amount of money Metro should be reimbursed.

Program Management

18. Maintain vehicle use log records for each department pool vehicle with complete information such as employee's name, contact number, destination and purpose of the trip, date and time

the vehicle was checked out and returned, the beginning and ending odometer readings, and the fuel level.

19. Assign the immediate supervisor to thoroughly review vehicle usage records for completeness and accuracy and approve on a monthly basis.
20. Consider allowing other employees to use the department's pool vehicles when they are not being used by the primary vehicle assignee.

Human Capital and Development (Workforce Services)

21. On a monthly basis, obtain a list of 24-hour assigned vehicles from the Non-Revenue Department and reconcile this list with transit subsidy recipients.
22. Consider adding a reminder in the monthly notification that no transportation subsidy is allowed if the employees have 24-hour assigned vehicles.

Human Capital and Development (Talent Acquisition)

23. Add a statement in the Supervisor's Termination Processing Checklist and Clearance Order requiring the separating employee to submit a completed "24-Hour Assigned Vehicle & Overnight Use Report Commuter Mileage Form," if applicable.

System Security & Law Enforcement and Vendor/Contract Management (Procurement)

24. Inform the Non-Revenue Department whenever a contractor purchases vehicles on behalf of Metro based on a contract for the purposes of recording the vehicles to the proper financial account(s).

System Security and Law Enforcement

25. Ensure that the purchase of non-revenue vehicle or any asset that meets the threshold of capital expenditure is recorded correctly as capital asset, and not as an operating expense.
26. Ensure that the correct account is used for each component of the contract; i.e. services are recorded as operating expenses and non-revenue vehicles or equipment are recorded as capital or fixed assets.
27. Monitor the usage of LAPD vehicles by obtaining mileage periodically.
28. Prepare for the return of the NRVs, as provided for in the contract, upon contract termination.

All Cost Centers

29. Request a 24-hour vehicle assignment if the department requires frequent or extended overnight use of NRVs for business purposes.

MANAGEMENT COMMENTS TO RECOMMENDATIONS

On February 10, 2023, we provided Metro Management a draft report. By March 9, 2023, Metro Management had submitted their responses summarizing their corrective actions as shown in Attachment C.

OIG EVALUATION OF MANAGEMENT RESPONSE

Metro Management's responses and corrective actions taken are responsive to the findings and recommendations in the report. Therefore, we consider all issues related to the recommendations resolved and closed based on the corrective actions taken.

Non-Revenue Vehicles Allocation

Non-Revenue Vehicles Allocation by Assignment Type As of June 30, 2022

Assignment Type	No. of Vehicles
24-Hour Assignment	100
Department Pools	1,138
CEA Vehicle Relief	158
General Services Pool Vehicles	17
CMF Vehicle Pool	3
Total	1,416

Source: Non-Revenue Fleet Data

Non-Revenue Vehicles – By Vehicle Type As of June 30, 2022

Vehicle Type	No. of Vehicles
Sedan	459
Full Size Van	260
Sport Utility Vehicle	194
Large Truck, Utility	277
Large Truck, Diesel	69
Pickup Truck, Gas	128
Pickup Truck, Diesel	10
Mini Van	17
Non Rev Bus	2
Total	1,416

Source: Non-Revenue Fleet Data

Non-Revenue Passenger Vehicles Policy (GEN 16)



Los Angeles County
Metropolitan Transportation Authority

Metro

GENERAL MANAGEMENT Non-Revenue Passenger Vehicles

(GEN 16)

POLICY STATEMENT

The Los Angeles County Metropolitan Transportation Authority (LACMTA) strongly encourages employees to use public transportation. Where the use of public transportation service is impractical, LACMTA may provide non-revenue passenger vehicles (NRVs) for employees' use to carry out LACMTA business. NRVs will be assigned in pools at various locations or assigned to an individual employee for LACMTA business.

Unauthorized, improper or illegal use of an LACMTA NRV is a serious offense and may result in disciplinary action, up to and including loss of access to NRV use and termination.

PURPOSE

This policy provides guidelines when LACMTA employees use a NRV to conduct LACMTA business.

APPLICATION

This policy applies to all LACMTA employees who use NRVs.





APPROVED: County Counsel or N/A Department Head ADOPTED: CEO

Effective Date: 10/16/20

Date of Last Review: _____

Non-Revenue Passenger Vehicles (GEN 16)


Double-Click to open GEN 16 Policy

Management Comments to Draft Report



Metro

Interoffice Memo

Date	March 2, 2023
To	Karen Gorman Inspector General
From	Conan Cheung Chief Operations Officer 
Subject	Management Response to Draft Report on Controls Over Metro's Non-Revenue Vehicles – Phase I; Audit Report No. 23-AUD-04

Operations Management reviewed the Draft Report on Controls Over Metro's Non-Revenue Vehicles – Phase I; Audit Report No. 23-AUD-04. Operations will update and monitor policies and procedures to comply with the recommendations outlined in the draft report for departments within Operations and partner with other Metro Departments in support of their efforts to address the recommendations to improve internal controls relative to procurement, assignment, and documentation related to non-revenue vehicles. The following identifies actions to be taken by Operations Non-Revenue Department to comply with the recommendations from the audit:

Operations (Non-Revenue Department)

Recommendation # 1

Record the LAPD vehicles in Maintenance and Materials Management System (M3).

Management Response: Agree; Operations Non-Revenue Department will record the LAPD vehicles in Maintenance and Materials Management System (M3) and request that Vendor Contract Management (VCM) or any other department purchasing non-revenue vehicles notify the Non-Revenue Department for inclusion of those vehicles in M3.

Completion Date: March 31, 2023

Recommendation # 2

Provide the Rideshare Program Administrator (RPA) with a copy of the Vehicle Request Form for any new 24-hour non-revenue vehicle assignment. Include the RPA in the distribution list of the Vehicle Request Form.

Management Response: Agree; the Rideshare Program Administrator (RPA) will be provided with a copy of the Vehicle Request Form for any new 24-hour non-revenue vehicle assignment, and the RPA will be included in the distribution list of the Vehicle Request Forms.

Completion Date: March 2, 2023

Management Comments to Draft Report

Recommendation # 3

Metro staff involved in NRV procurement should ensure that the vendor complies with all the requirements of the purchase contract by Metro, and delivery of NRVs are free of any defects that would prevent full utilization of the vehicles and placing the units into service upon delivery. Payment for NRV purchases should only be made to the vendor after the units were inspected and verified to meet the specifications required by Metro. An adequate supply of Fleetwatch devices should be ordered in advance of receiving new vehicles so they may be promptly installed.

Management Response: Agree; the Non-Revenue Department will ensure that the vendor complies with all contract requirements to ensure that NRVs delivered are free of any defects that would prevent placing the units into service upon delivery. Payment for NRV purchases will only be made to the vendor after the units are inspected and verified by the Non-Revenue Department to meet specifications. Fleetwatch devices are maintained in stock and will be ordered in advance of receiving new vehicles.

Completion Date: **March 2, 2023**

Recommendation # 4

Add the following information in Maintenance and Material Management System (M3) or Vehicle Request Form:

- Indicate the date that the vehicle assignment type is changed from 24-hour to non-24 hour and vice versa in M3.
- Add a statement in the Vehicle Request Form that recipients of 24-hour assigned vehicles are not entitled to transit subsidy.

Management Response: Agree; the Non-Revenue Department will include a note in M3 that identifies the date that the vehicle assignment type is changed from 24-hour to non-24 hour and vice versa and add a statement in the Vehicle Request Form that recipients of 24-hour assigned vehicles are not entitled to transit subsidy.

Completion Date: **March 31, 2023**

Recommendation # 5

Inform Accounting of any disposal or retirement of non-revenue vehicles in a timely manner.

Management Response: Agree; the Non-Revenue Department will inform Accounting of any stolen vehicle that has not been recovered within 30 days, and Non-Revenue will continue to inform Accounting of any disposal or retirement of non-revenue vehicles in a timely manner.

Completion Date: **March 2, 2023**

Recommendation # 6

Ensure that the Vehicle Request Form is approved by the authorized signatories according to Metro policy.

Management Response: Agree; the Non-Revenue Department will ensure that the Vehicle Request Form is submitted by the department Executive Officer (or above) and approved by the CEO or COO according to Metro policy.

Management Comments to Draft Report

Completion Date: March 2, 2023

Recommendation # 7

Upload the Vehicle Request Form for 24-hour assigned vehicles to Maintenance and Material Management System (M3).

Management Response: Agree; the Non-Revenue Department will ensure that all Vehicle Request Forms for 24-hour assigned vehicles are uploaded into the Maintenance and Material Management System (M3).

Completion Date: March 31, 2023

Recommendation # 8

Evaluate the utilization of the 24-hour assigned vehicles and department pool passenger vehicles for possible vehicle pool reduction, re-assignment to other employees or departments who may better utilize the capital asset/NRV. Metro should consider reviewing the prior year utilization when issuing 24-hour assigned vehicles.

Management Response: Agree; the Non-Revenue Department will continue to evaluate the utilization of 24-hour assigned vehicles and department pool passenger vehicles for possible vehicle pool reduction or re-assignment to other employees or departments. The prior year utilization of department assigned vehicles will be evaluated prior to issuing 24-hour assigned vehicles.

Completion Date: March 2, 2023

Recommendation # 9

Coordinate with Human Capital and Development to include Non-Revenue Department as one of the required signatories in the clearance form of the retiring/separating employees to ensure that the Taxable Benefit Form is submitted, if applicable.

Management Response: Agree, the Non-Revenue Department will request Human Capital and Development to include the Non-Revenue Department as one of the required signatories in the clearance form of the retiring/separating employees to ensure that the Taxable Benefit Form is submitted, if applicable.

Completion Date: March 31, 2023

Recommendation # 10

Add a provision in GEN 16 policy to monitor vehicle usage by using a vehicle usage log with all pertinent information and require monthly review by the vehicle assignee's immediate supervisor.

Management Response: Agree, the Non-Revenue Department will add a provision in GEN 16 policy to monitor vehicle usage by using a vehicle usage log with all pertinent information and require monthly review by the vehicle assignee's immediate supervisor, and request the review and approval of the modified GEN 16 policy by Senior Executive Management.

Completion Date: March 31, 2023 policy update, with approvals by June 30, 2023

Management Comments to Draft Report

Recommendation # 11

Coordinate with Metro's Information Technology Services department to generate a report on overnight use of General Services' pool vehicles and comply with the IRS reporting requirement.

Management Response: Agree; Director General Services has met with ITS and received training on how to generate a report on overnight use of General Services pool vehicles. Director, General Services has a tickler entered into her Outlook calendar to generate and submit this report to Accounting on November 1st of each year.

Completion Date: January 13, 2023 – completed training with ITS
November 1, 2023- will send overnight use of General Services pool vehicles report Accounting

Recommendation # 12

Remind staff to always check for proper vehicle request approval; do not process the request without the approval.

Management Response: Agree; Standard Operating Procedure (SOP) will be developed outlining the requirements requesting a USG Headquarters Non-Revenue Pool Vehicle. SOP will include process for requesting, inspecting and returning vehicles. TCU Maintainers will be directed to verify appropriate approval is on form.

Completion Date: June 30, 2023

Recommendation # 13

Clarify the policy on the use of vehicles for more than one overnight use; e.g. two to five continuous days.

Management Response: Agree; Department will also clarify the policy on the use of vehicles for more than one overnight use with Non-Revenue and Inspector General's office. This will be incorporated into the Standard Operating Procedure (to be developed). General Services will work with ITS to modify the Vehicle Request Pool Form to enforce one form per business week.

Completion Date: June 30, 2023

Recommendation # 14

Request Information Technology Services (ITS) to modify the vehicle check-in date to reflect the actual date the vehicle was returned, and not the date the information was posted to M3.

Management Response: General Services will provide training to its TCU Maintainers and Supervisors to generate a report on the dates the keys were returned to the Electronic Key Box. The department needs to check with ITS to determine if modifying the date the vehicle was returned in M3 to reflect the actual date the vehicle was returned rather than when the keys were retrieved from the Key Box is feasible.

Completion Date: June 30, 2023

Management Comments to Draft Report

Recommendation # 15

Instruct the drivers to report the mileage on the Vehicle Check-Out and Check-In forms accurately.

Management Response: Agree; General Services will instruct the drivers to report the mileage on the Vehicle Check-Out and Check-In forms accurately. TCU Maintainers will also verify accuracy of mileage which instruction will be incorporated into the Standard Operating Procedure. Department will create instruction reminders in the form of stickers that will be posted on the dashboards of the Gateway Non-Revenue pool vehicles.

Completion Date: June 30, 2023.

Recommendation # 16

Instruct the recipients of 24-hour assigned vehicles to comply with Metro's GEN 16 policy; do not redeem transit subsidies for the bus/rail pass once a 24-hour assigned NRV is received.

Management Response: Agree; RFS Senior Management along with NRV support will instruct all recipients of 24Hr vehicles to comply with Metro's GEN 16 Policy.

Completion Date: June 2023

Recommendation # 17

Management should discuss with employees their receipt of a transit subsidy while assigned a 24- hour vehicle and determine the amount of money Metro should be reimbursed.

Management Response: Agree; RFS Senior Management will discuss with employees their receipt of a transit subsidy while assigned to a 24Hr vehicle and determine if Metro is owed any reimbursement.

Completion Date: June 2023

CC: Diane Corral-Lopez
James Pachan
Gary Jolly
Daniel Ramirez
Donell Harris
Adam Robertson

Management Comments to Draft Report


Metro

Interoffice Memo

Date	February 24, 2023
To	Yvonne Zheng Senior Manager, Audit Office of the Inspector General
From	Robert Bonner Chief People Officer <i>Robert Bonner</i>
Subject	(Report No. 23-AUD-04) Audit of Controls over Non-Revenue Vehicles

Please see below the Human Capital and Development responses to the Recommendations in the Draft Audit Report for Audit of Controls over Non-Revenue Vehicles:

Recommendations

21. On a monthly basis, obtain a list of 24-hour assigned vehicles from the Non-Revenue Department and reconcile this list with transit subsidy recipients.

Response: Currently staff performs periodic audits to check on this and when an occurrence is identified the appropriate actions are taken. Staff concurs and will coordinate with the Non-Revenue Department to ensure that the Employee Rideshare Program staff is included in the monthly distribution of the report to allow the Employee Rideshare Program to reconcile the list with transit subsidy recipients on a monthly basis.

22. Consider adding a reminder in the monthly notification that no transportation subsidy is allowed if the employees have 24-hour assigned vehicles.

Response: Currently, Everbridge Notifications are sent out monthly to remind employees about their transit subsidy and continued agreement to comply with program requirements. Staff revised the message to include that those employees with 24-hour assigned vehicles are ineligible for transit subsidy, beginning in January 2023.

23. Add a statement in the Supervisor's Termination Processing Checklist and Clearance Order requiring the separating employee to submit a completed "24-Hour Assigned Vehicle & Overnight Use Report Commuter Mileage Form," if applicable.

Management Comments to Draft Report



Metro


Interoffice Memo

Response: The Supervisor's Termination Processing Checklist and the Clearance Order form have been updated to reflect the suggested language. The revised forms will be available for use no later than March 1, 2023.

Management Comments to Draft Report


Metro

Interoffice Memo

Date	March 3, 2023	
To	Yvonne Zheng Senior Manager, Audit	
From	Sameh Ghaly Chief Program Mgmt Officer (Interim)	 <small>Digitally signed by Sameh Ghaly; Date: 2023.03.03 17:38:43 -0800</small>
Subject	Response to OIG Audit No. 23-AUD-04	

This memo is in response to the Office of the Inspector General audit, 23-AUD-04, which found the following:

1. Insufficient Documentation for 24-hour Assigned Vehicles
2. Low utilization of 24-hour assigned vehicles and department pool vehicles
3. Incomplete documentation and lack of monitoring for department pool vehicles

Program Management agrees with the Office of the Inspector General (OIG) recommendations to:

1. Maintain vehicle use log records for each department pool vehicle with complete information such as employee's name, contact number, destination and purpose of the trip, date, and time the vehicle was checked out and returned, the beginning and ending odometer readings, and the fuel level.
2. Assign the immediate supervisor to review vehicle usage records for completeness and accuracy and approve on a monthly basis.
3. Consider allowing other employees to use the department's pool vehicles when they are not being used by the primary vehicle assignee.

Program Management's corrective actions are:

1. The department is drafting internal Non-Revenue guidance in accordance with GEN 16 which will incorporate the following:
 - a. Vehicle Usage Log reporting requirement.
 - b. Supervisor monitoring of vehicle usage log.
 - c. Sharing departmental vehicles when not in use by primary vehicle assignee.
 - d. Completion of required documentation for 24-hour Assigned Vehicles.
2. Staff will receive training on the internal Non-Revenue Vehicle guidance in the near future.

An interoffice memo has been sent to Program Management, reminding staff of the importance of complying with Metro Non-Revenue Vehicle Policy GEN 16.

Regarding the audit report note under Item 8 – "Non-Compliance in the Use of General Services Pool Vehicles" which notes a Sr Quality Engineer utilized a pool vehicle for more than 70 non-continuous days. It should also be noted that the employee complied with the policy by utilizing the established process for requesting a general pool car and returning the vehicle at the end of each day as required.

Management Comments to Draft Report

Please contact me at x83369 if you would like to discuss or require additional information.

Attachment:

Interoffice Memo to Program Management Staff

C: Asuncion (Susie) Dimaculangan, Sr Auditor


Kathy Knox, Sr EO, Project Management Oversight

Management Comments to Draft Report



Metro

Interoffice Memo

Date	March 3, 2023
To	Program Management Staff
From	Sameh Ghaly  Sameh Ghaly Chief Program Management Officer (Interim) <small>Digitally signed by Sameh Ghaly Date: 2023.03.03 17:43:33 +0500</small>
Subject	Non-Revenue Vehicle Policy Compliance

Metro's Office of the Inspector General recently conducted an audit of Metro Non-Revenue Vehicles. For Program Management, the audit found insufficient documentation for 24-hour assigned vehicles, low utilization of assigned vehicles and department pool vehicles, and incomplete documentation and lack of monitoring for department pool vehicles. It is important all staff comply with the Non-Revenue Vehicle Policy GEN 16.

I am reminding staff to take the following actions:

1. Review Metro's Non-Revenue Vehicle Policy GEN 16 prior to utilizing a non-revenue vehicle. (See attached)
2. A vehicle usage log must be maintained for each non-revenue vehicle, noting driver, destination and purpose of visit, date and time, odometer readings, and fuel level. Supervisors should review the vehicle usage logs for accuracy and completeness at least monthly.
3. Only employees with approved 24-hour access are permitted to utilize vehicles overnight. If you are not sure if you have 24-hour access, please contact programmanagementadministration@metro.net.
4. All vehicles should be shared within the department, when not in use by the assignee. Underutilized vehicles will be recalled by the Non-Revenue Department and assigned to other departments within Metro.

Program Management is in the process of developing non-revenue vehicle usage detail guidance and providing staff training.

Attachment:
Non-Revenue Passenger Vehicles GEN 16

Management Comments to Draft Report


Metro

Interoffice Memo

Date	February 28, 2023
To	Yvonne Guan Zheng Senior Manager, Audit Office of the Inspector General
From	Ruben Lechuga Executive Officer System Security & Law Enforcement
Subject	Draft Report: Audit of Controls over Metro's Non-Revenue Vehicles (Phase 1) (Report No. 23-AUD-04)

System Security & Law Enforcement Management responses to the findings identified in the draft report for the Audit of Controls over Metro's Non-Revenue Vehicles (Phase 1) for the period of July 1, 2021, to June 30, 2022.

Finding 1:

Metro Vehicles Provided to LAPD Not Recorded in Metro's Non-Revenue Fleet

Recommendations:

1. Inform the Non-Revenue Department whenever a contractor purchases vehicles on behalf of Metro based on a contract for the purposes of recording the vehicles to the proper financial account(s)
2. Ensure that the purchase of non-revenue vehicles, or any asset that meets the threshold of capital expenditure, are recorded correctly as capital assets, and not as an operating expense.
3. Ensure that the correct account is used for each component of the contract; i.e. services are recorded as operating expenses and non-revenue vehicles or equipment are recorded as capital or fixed assets.
4. Monitor the usage of LAPD vehicles by obtaining mileage periodically.
5. Prepare for the return of the non-revenue vehicles as provided for in the contract, upon contract termination.

Management Comments to Draft Report

Response:

System Security & Law Enforcement (SSLE) Management agrees with the recommendations above.

1. SSLE will work with Vendor Contract Management and Non-Revenue to communicate any contractor procurement of vehicles.
2. SSLE's finance team will work with the Office of Management and Budget to ensure appropriate recording of any non-revenue vehicles as capital assets.
3. SSLE's finance team will work with the Office of Management and Budget to ensure appropriate account recording of any non-revenue vehicles.
4. SSLE will work with LAPD to provide a monthly mileage report of all Metro-purchased vehicles and share the information with the Non-Revenue department as determined necessary, whether monthly or quarterly.
5. SSLE's Project Manager of the contract will ensure timely return of all non-revenue vehicles during the close out process of the contract.

Date of Completion:

The estimated completion date for all corrective action is June 30, 2023.

Management Comments to Draft Report



Metro

Interoffice Memo

Date	February 23, 2023
To	Yvonne Guan Zheng, Senior Manager, Office of the Inspector General
From	Debra Avila Debra Avila Deputy Chief, Vendor/Contract Management
Subject	Response to Draft OIG Report: Audit of Controls over Metro's Non-Revenue Vehicles (Phase 1)

Vendor/Contract Management's (V/CM) responses to the recommendation follow:

Recommendation No. 24

System Security & Law Enforcement and Vendor/Contract Management (Procurement)

24. Inform the Non-Revenue Department whenever a contractor purchases vehicles on behalf of Metro based on a contract for the purposes of recording the vehicles to the proper financial account(s).

Corrective Action: If unknown to the Non-Revenue Department, the Contract Administrators (CA) will inform the department requestor to advise the contractor to notify Metro of the purchased vehicle(s) to allow for recording of proper financial account(s). Instructions will be provided to the CA on the process to inform the requesting department. All communication from the CA to the requestors will be captured in the Procurement file under table of contents Award section "Other." Instructions to the CAs will be issued within 30 days of the Final Audit Report.

Recommendation No. 29

All Cost Centers

29. Request a 24-hour vehicle assignment if the department requires frequent or extended overnight use of NRVs for business purposes.

Corrective Action: V/CM will continue to comply with the agency procedures as implemented for frequent or extended overnight use of NRVs for business purposes.

CC: Nalini Ahuja, Chief Financial Officer
Robert Bonner, Chief People Officer
Conan Cheung, Chief Operations Officer
Sameh Ghaly, Deputy Chief Program Management Officer
Gina Osborn, Chief Safety Officer
Dr. Irma Licea, Executive Officer, Support Services V/CM

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Deputy Executive Officer, Administration (Interim), Management Audit Services

Audit of Controls Over Metro's Non-Revenue Vehicles (Phase I)

OIG Report No. 23-AUD-04
Karen Gorman, Inspector General

April 20, 2023



Objectives

The objectives of the audit were to determine whether:

- Metro has adequate controls in place to effectively manage non-revenue vehicles (NRVs) in such a manner that NRVs are properly identified, recorded, valued, and assigned;
- Additions and disposition/retirements of NRVs are accurately recorded;
- NRVs on record are in existence and are appropriately safeguarded; and
- Metro employees comply with IRS regulations on taxable benefits for the use of NRVs.



Results

- Adequate controls in place for acquisition, retirements, and safeguarding of NRVs.
 - Controls can be improved in the areas of recordkeeping, assignment and utilization of the vehicles, as well as in complying with the IRS regulations on taxable benefits for the use of NRVs.
- ❖ **OIG provided 29 recommendations.**





Board Report

File #: 2023-0175, File Type: Program

Agenda Number: 43.

OPERATIONS, SAFETY AND CUSTOMER EXPERIENCE COMMITTEE APRIL 20, 2023

SUBJECT: METRO EXPRESSLANES NET TOLL REVENUE

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. APPROVING the guidelines and project eligibility for Round 3 of the ExpressLanes Net Toll Revenue Allocations (Attachments A and D);
- B. APPROVING the Metro ExpressLanes Round 3 Net Toll Revenue Grant Applications (Attachments B and C); and
- C. AUTHORIZING the Chief Executive Officer (CEO) to extend all in-progress Round 1 and Round 2 Net Toll Revenue projects' lapsing dates by two years (Attachment E).

ISSUE

State law requires net toll revenues generated from the ExpressLanes program to be reinvested for transportation improvements in the corridor where generated, pursuant to an expenditure plan adopted by the Metro Board. Gross toll revenues generated from the ExpressLanes are first used to cover the direct expenses related to the maintenance, administration, and operation of the lanes per Metro Board policy. Following Board Policy, the remaining revenue is then used to maintain project reserves, to support incremental additional transit service on the ExpressLanes, and for freeway/roadway improvements and system connectivity/ active transportation projects identified through a competitive grant program (Net Toll Revenue Grants).

All projects awarded grants are required to ensure timely use of funds, including beginning to use the funds within one year of executing their funding agreement. This provision is the same process used during the first two grant rounds. Projects from the first two rounds that have begun work and continue to make progress can have their lapsing date extended.

BACKGROUND

The net toll revenue program's primary objective is to increase mobility and person throughput

through the implementation of integrated strategies that enhance transit operations, transportation demand management, transportation systems management, active transportation, and capital investments in the 1-10 and 1-110 corridors. The revenues are collected from users of the ExpressLanes that do not meet the eligibility and occupancy requirements for toll-free travel on the lanes. Revenue generated from these trips is collected and then used to cover costs of operations, including toll collections, toll facility capital costs, service center support, Caltrans maintenance, CHP enforcement, and other routine operating and maintenance requirements. After all, costs are paid, excess or “net” revenue can be re-invested into the corridor where the revenue was generated.

In October 2015 the Board approved the re-investment framework for the 110 and 10 ExpressLanes expenditure plan with the following conditions:

- 1.Reinvestments in the transportation corridors provide a direct benefit to reducing congestion on the Metro ExpressLanes (I-10 and I-110);
- 2.A set aside of funds to be placed into a reserve account ;
- 3.Funding for the continuation of the incremental Transit Service improvements to address social equity considerations;
- 4.A set aside of 20% of the available grant funds to Caltrans for corridor improvements;
- 5.Any remaining funds available for allocation to the Grant Program comprised of three categories: Transit Use (TU), System Connectivity/Active Transportation (SC/AT), and Roadway Improvements (RI);and,
- 6.Grant funds to be reinvested in projects/programs that provide direct mobility benefit to the I-10 and I-110 ExpressLanes within a three mile radius. Projects beyond a three mile radius must demonstrate regional significance.

In August 2016, the Metro Board approved Round 2 of the net toll revenue grant program in the amount of approximately \$54.2 million in net toll revenue funds to projects with a direct mobility benefit to the ExpressLanes Corridors. The 2016 Board adopted guidelines were modified from the initial \$26.7 million round of funding in 2014 to better reflect changing program requirements, including Caltrans set-aside funding, sustainability goals, and improvements related to technology advancement.

The overall program is comprised of two elements: a set-aside component and a competitive grant. The set-aside is comprised of funds provided to continue the operation of transit services and encourage increased transit ridership, as well as a reserve fund and revenue necessary to support Caltrans’ projects in the corridor. The competitive grant provides funding to implement multi-modal mobility options, including freeway/roadway improvements, transit enhancements, and active transportation and system connectivity. Funding allocations for competitive grants are approved by the Board.

As outlined in Attachment A, Round 1 and Round 2 contain a similar mix of transit, system connectivity, and roadway improvements. Some of the prior funding for transit projects include Torrance Transit expansion, electric bus procurement, , LA Galaxy Shuttle Bus, and City of Gardena Transit Service on the I-110. Active transportation awards included projects focused on first mile/last mile, complete streets, healthy communities, station improvements, bicycle facilities, and various pedestrian safety enhancements. Roadway improvements included Great Street projects, vision zero traffic signal improvements, Intelligent Transportation System (ITS) enhancements, and other

freeway and traffic signal improvements along the I-10 and I-110 corridors.

Current staff estimates are that \$124.8 million will be available for allocation across all categories for Round 3, net of the set-asides for transit and Caltrans. Since the Round 2 projects have spent more than 50% (56%) of their grant amounts, staff is seeking approval of the guidelines and applications to begin Round 3 of the net toll revenue allocation.

DISCUSSION

Proposed Reinvestment Guidelines for Round 3:

The Round 3 guidelines will delineate the method by which Metro will disburse the net toll revenues based on six reinvestment principles. Three of the re-investment principles are direct set-asides (Reserve Fund, Transit Operations, and Caltrans set-aside), which are not part of the Grant Program. The set-asides are used to ensure responsible operations for unforeseen events, to support and encourage transit on the corridor, and for Caltrans to provide additional roadway improvements and access to the corridor. The transit funding can be used to directly support transit operating on the corridors. Caltrans can use its allocation for any project or enhancement that benefits mobility within the corridor. Net of the set-asides, the Grant Program allocates surplus revenues among three funding categories: 1) Transit Uses, 2) System Connectivity/Active Transportation, and 3) Roadway Improvements, which are the subject of the Grant Application Package. These three funding categories are recommended as they enhance the Metro ExpressLanes program and promote multi-modal and sustainable transportation strategies in support of Metro's Long Range Transportation Plan.

Consistent with Rounds 1 and 2, a category for Transit Use is recommended because the operation of high frequency transit and feeder service, as well as transit capital improvements, have proven to be effective in creating mode shift and reducing congestion on Metro ExpressLanes. A category for System Connectivity/Active Transportation is recommended to improve system connectivity between transit and the state highway. The category also demonstrates Metro's commitment to advancing sustainable community strategies for Active Transportation. A category for Roadway improvements is recommended to build upon prior investments in signal synchronization and intelligent transportation systems that support travel and increase safety along the corridors.

The proposed guidelines will maintain Core Principles consistent with Rounds 1 and 2:

- Reinvestments in the transportation corridor that provide a direct benefit to reducing congestion on the Metro ExpressLanes corridors (1-10 and 1-110);
- A reserve fund set-aside, consistent with the Board approved Toll Policy to ensure the financial sustainability of the Metro ExpressLanes and enable potential system expansion;
- Direct annual allocation to fund the incremental transit service implemented to support the deployment of the Metro ExpressLanes. The incremental services include Metro J (Silver) Line, Foothill Silver Streak and Route 699, Gardena Lines 1X and 2, and Torrance Transit Line 4. These lines pass through Equity Focused Communities (EFCs);
- Allocate net of set-asides on a competitive basis utilizing targets of 40% for other Transit Uses, 40% for System Connectivity/Active Transportation, and 20% for Roadway Improvements to benefit the ExpressLanes and support sustainable transportation strategies; and,

- Leverage net toll revenues with other funding sources. Locally sponsored capital projects and operating programs are encouraged. The funding will be mutually determined by Metro and the lead agency, proportionate to the local and regional benefits of the project/program.

Eligible Projects/Programs

To be eligible for funds, the project, program, or enhanced transit service must operate along or within three miles of either the I-10 Corridor (between Alameda Street to the west and the El Monte Transit Center to the east) or I-110 corridor (defined as Adams Boulevard to the north and the Harbor Gateway Transit Center to the south). A project/program beyond the 3-mile radius will also be eligible if it can be determined that it is regionally significant and demonstrates a direct benefit to the I-10 or I-110 corridors. Regional significance is defined as those projects/programs that are multi-jurisdictional and/or are included in, or consistent with, the Metro LRTP, Metro Countywide Sustainability Policy and Implementation Plan, or another relevant sub-regional plan.

Application Evaluation Process

The application evaluation process is as follows:

Step 1 - Staff will distribute the application package to eligible applicants and convene workshops to review the application package and guidelines with workshop attendees.

Step 2 - Once all applications have been received, projects will undergo a preliminary eligibility review.

Step 3 - All eligible projects will be scored by a technical review team comprised of Metro and members of the I-10 and I-110 Corridor Advisory Group (CAG).

Step 4 - Once the projects have been ranked, staff will then review to ensure consistency with funding availability and criteria within the corridor and category.

Step 5 - Recommended projects/programs will be submitted to the Board for consideration and funding approval.

Outreach

Consistent with the Rounds 1 and 2 process, on January 18, 2023, staff convened a CAG meeting which included representatives from both corridors to present guideline changes and seek stakeholder input. The summit was attended by 24 agencies representing public and non-profit interests in transit, highways, active transportation, health, and housing. Participants reviewed the proposed guidelines and applications and were given two weeks to provide comments. The proposed guidelines reflect some of the recommendations received from the CAG.

Upon release of the application, Metro staff will conduct two workshops for potential project sponsors. The workshops will provide a forum for potential project sponsors to ask questions and receive

guidance on filling out the application packet. Metro staff will also attend the appropriate Councils of Governments (COG) meetings in May/June 2023 to further inform eligible applicants regarding the program. Upon receipt of applications, applicants will have the opportunity to present their projects to the CAG for review and scoring. The CAG scores will be averaged with the Metro staff score to get the final score for the projects.

Changes in the Application

Equity

In alignment with Metro’s focus on equity and equitable benefits to marginalized communities, updates were made to the Net Toll Grant applications. In the updated application, points are given to projects that provide a targeted benefit to Equity Focused Communities (EFC) while providing improvements to mobility. Project points are specifically called out in the Mobility and Equity benefits section, but the entire application will be looked at with an equity focused lens. An equitable project plan will consider the circumstances impacting a community’s mobility and connectivity needs. The project eligibility area is 61% EFC on the I-110 corridor and 32% on the I-10 corridor.

Updated Application Format

To keep up with the modernization of workforce practices, the application will now be available and accepted in an electronic-only format. This update was requested by CAG members to help streamline the application process for project sponsors.

Funding Target Goals for Round 3

If the recommended guidelines are approved by the Metro Board as outlined above, the ROUND 3 expenditure plan will provide the following:

Draft Reinvestment Categories	Estimated Net Toll Revenues	Allocation Target Estima Corridor)	
<i>Net Set-Aside</i>	\$52,250,000		
Set-Aside (Caltrans)*	\$14,510,000		
Set-Aside (Reserve Fund)	\$6,000,000		
Set-Aside (Direct Allocation - Transit Ops)	\$31,740,000		
Grants Targets	\$72,550,000	I-110	I-10**
<i>Allocation Target (40%- Transit Uses)***</i>	\$29,020,000	\$17,855,416	\$11,976,190
<i>Allocation Target (40%- System Connectivity)***</i>	\$29,020,000	\$17,855,416	\$11,976,190
<i>Allocation Target (20%- Roadway Improvements)***</i>	\$14,510,000	\$8,927,708**	\$5,988,095**
TOTAL NET TOLL REVENUE	\$124,800,000		
GRANT FUNDS ALLOCATED			

*The Caltrans allocation is based on 20% of Net Set-Asides for all other Target amounts and is contingent on a master operations and maintenance agreement signed by August 1, 2023. Re-allocation will be established by the Board if no agreement is reached.

**An additional \$1,082,560 was applied to the I-110 net set-aside from a de-obligated project in Round 1. An additional \$920,475 was applied to the I-10 net set-aside from an unused allocation approved in Round 2.

***Baseline targets of 40% for Transit Uses, 40% for System Connectivity/Active Transportation, and 20% for Roadway Improvements are identified as goals; however, the actual allocation of the funding will be based on the merits of the proposed projects and programs.

This expenditure plan addresses transit obligations, Caltrans set-aside (20% of the identified competitive total amount), and reserve funds, and looks ahead to funding agreements and work commencing in FY24, FY25, and FY26.

Net Toll Grant Extensions

In July 2014, the Metro Board approved 20 projects totaling \$19,854,458 as part of the Round 1 Net Toll Revenue Grant Program. Of the 20 projects from Round 1, fourteen (14) have been completed, one (1) is being de-obligated per the project sponsors request, and five (5) are in progress and have expended partial funds.

In August 2016, the Metro Board approved 21 projects totaling \$27.9 million for funding as part of Round 2. Of those projects, nine (9) have been completed, nine are, and twelve (12) are in progress and have expended partial funds.

The Board policy calls for consideration of de-obligation of funding from project sponsors who have not met lapsing deadlines or have not used the entire grant amount to complete the project. This is not recommended, as the COVID-19 pandemic has impacted working environments and has brought financial hardship for many project sponsors resulting in additional delays in project implementation. Prior to the COVID-19 pandemic, many project sponsors expressed concern about staff turnover, labor shortages, and material availability. These issues were exacerbated as a result of the pandemic and have contributed to the majority of the delays. Consequently, staff is recommending a two-year extension from the current month and year of lapsing for the seventeen (17) projects in Attachment D. Staff continues to work directly with the sponsors and have established additional procedures to ensure that progress is made and the projects will be completed.

Transit Service

Continued funding of the direct allocation is recommended to subsidize the incremental operating costs of the transit service deployed to support the Metro ExpressLanes. The transit agencies that receive this direct allocation are Foothill Transit, Torrance Transit, Gardena Municipal Bus Lines, and Metro's J (Silver) Line service. These transit enhancements are a benefit for commuters and other riders by providing more travel choices and reducing congestion on the ExpressLanes.

During the height of the COVID-19 pandemic, transit service levels for the lines serviced by direct allocation were reduced in FY21 by as much as 29% from FY20. The reductions were made as a result of the decline in bus ridership. As transit providers continue to deal with COVID-19 pandemic uncertainties, the ridership projections remain speculative for the coming fiscal year. The proposed revenue miles for FY23 are up to 7% higher than FY20 levels for the transit service providers. Staff proposes allocating up to \$7,935,000 annually to address transit services provided by agencies in FY22 and FY23 to subsidize transit service dependent on the level of services provided. Prior year funding for transit has been encumbered and is available to support the agreed upon level of service.

FINANCIAL IMPACT

All recommended actions will be funded with toll revenues generated from the I-10 and I-110 ExpressLanes. No other funds will be required from LACMTA. Funding of \$7,935,000 for incremental transit service is included in the FY22 and FY23 budget requests in project 405549 cost center 2220 (ExpressLanes). The cost center manager and Deputy Chief Operations Officer, Shared Mobility will be responsible for budgeting project and transit service expenditures in future years.

Impact to Budget

There is no impact to the bus and rail operating and capital expenditures. Net Toll Revenues generated from the Metro ExpressLanes' operation comprise the entirety of the funds recommended in this action.

EQUITY PLATFORM

The Net Toll Grant applications will award up to 10 points to projects that demonstrate a significant benefit to EFCs. The projects will be scored on their ability to show how the project will impact EFCs by use of demographic data where available. Project sponsors will collect the necessary data to evaluate the EFC impact and are required to provide before and after data upon completion of the project. Engagement and readiness points are also part of the original criteria and not included in the application updates.

Metro ExpressLanes believes the non-profit community plays a vital role in helping Los Angeles County become more sustainable. The experience, programs, networks, and commitment of the region's non-profit agencies provide a foundation for increased public engagement, positive behavior change, and community commitment; therefore, we are recommending wherever possible for eligible applicants to partner with a non-profit organization to deliver projects. The system connectivity/active transportation application provides up to 10 points for partnering with a non-profit agency. The transit use/roadway improvements application provides up to 5 points for the partnership.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Metro ExpressLanes Net Toll Revenue aligns with Strategic Goals 1: Provide high-quality mobility options that enable people to spend less time traveling and 4: Transform LA County through regional collaboration and national leadership. ExpressLanes provide drivers and transit riders with the option of a more reliable trip while enhancing the overall operational efficiency of the freeway network and enabling collaboration among partners to implement mobility improvements.

ALTERNATIVES CONSIDERED

The Board may choose not to approve or defer approval of any of the requested actions. Staff does not recommend this option as the recommendations further the Board's objective of assuring that funds are optimally utilized and reinvested in mobility options within the region.

NEXT STEPS

Upon adoption of the guidelines, staff will proceed as follows:

- Request Board approval and release grant application package: April 2023
- Meeting with COGs: May/June 2023
- Applicant workshops and meeting with CAGs: May/June 2023
- Application due date: August 2023 reflecting previous Board direction to provide 3 months for application preparation
- Evaluate applications/outreach: August 2023
- Seek Board Approval for recommended grants: October 2023

With Board approval, staff will formally notify and execute agreements with project sponsors and transit operators impacted by the time extension and transit allocation.

ATTACHMENTS

Attachment A - Metro ExpressLanes Round 3 Net Toll Revenue Allocation Guidelines

Attachment B - Project Application - Transit Uses and Roadway Improvements

Attachment C - Project Application - System Connectivity/Active Transportation

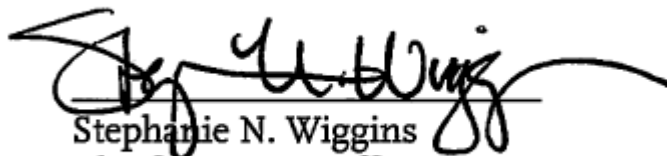
Attachment D - Project Eligibility Guidelines

Attachment E - Net Toll Revenue Grant Program Time Extension Project List

Attachment F - ExpressLanes Equity Focus Communities Map

Prepared by: Michel'le Davis, Sr. Manager, ExpressLanes (213) 418-3136
Stephen Lee, Sr. Manager, ExpressLanes (213) 418-3132
Mark Linsenmayer, DEO, Congestion Reduction (213) 922-5569
Shahrazad Amiri, Deputy Chief Operations Officer, Shared Mobility (213) 922-3061

Reviewed by: Conan Cheung, Chief Operations Officer, (213) 418-3034



Stephanie N. Wiggins
Chief Executive Officer

Metro ExpressLanes Round 3 Net Toll Revenue Reinvestment Guidelines

The generation of net toll revenues from the **Metro ExpressLanes program** offers a unique opportunity to advance the Long Range Transit Plan (LRTP) and Los Angeles County Metropolitan Transportation Authority's (LACMTA) goals for a more sustainable countywide transportation system.

The objective of the Program is to increase mobility and person throughput through a series of integrated strategies (transit operations, transportation demand management, transportation systems management, active transportation, and capital investments) in the I-10 and I-110 corridors. These combined strategies have consistently shown to result in more reliable and stable outcomes and greater magnitude of positive change than a single strategy scenario. An expenditure plan that retains this focus on integrated strategies and multi-modalism would advance Metro's LRTP and sustainability goals as outlined in Metro's Countywide Sustainability Planning Policy (CSPP).

The guideline principles are summarized as follows:

1. Reinvestments in the transportation corridor provide a direct benefit to reducing congestion on the Metro ExpressLanes (I-10 and I-110);
2. Establish a reserve fund consistent with the Board Approved Toll Policy to ensure financial sustainability of the Metro ExpressLanes;
3. Direct allocation of revenue to support the incremental transit service implemented to support the deployment of the Metro ExpressLanes. The incremental services include Metro Silver Line, Foothill Silver Streak, Foothill Route 699, Gardena Line 1X, Gardena Line 2, and Torrance Transit Line 4;
4. Direct allocation of revenue to Caltrans for Intelligent Transportation Systems (ITS), deck rehabilitation, on/off ramp and mainline improvements that benefit the ExpressLanes Corridors. Caltrans will be precluded from seeking additional funding from the competitive grant. 50% of Caltrans's funding will be tied to the agency's ability to meet agreed-upon timelines.
5. Net of set-asides identified in #2, #3, and 4 above, establish allocation targets of 40% for Transit Uses, 40% for Active Transportation, and 20% for Roadway Improvements to support sustainable transportation strategies; and
6. Leverage net toll revenues with other funding sources. Locally sponsored capital projects and operating programs are encouraged. The funding will be mutually determined by Metro and the lead agency, proportionate to the local and regional benefits of the project or program.

Note: Guidelines would be amended by the Board to address changed circumstances such as the ability to bond against the toll revenues or any subsequent policy changes adopted by the Board.

Sustainability

The LRTP and the CSPP identify principles and priorities to be advanced through a broad range of activities across all modes. The principles/priorities include:

- **Connect People and Places**
 - Access – Better integrating land-use and transportation planning to reduce trip lengths and increase travel choices
 - Prosperity – Reduce transportation costs for residents and provide the mobility necessary to increase economic competitiveness
 - Green Modes – Promote clean mobility options to reduce criteria pollutants, greenhouse gas emissions, and dependence on foreign oil
- **Create Community Value**
 - Community Development – Design and build transportation facilities that promote infill development, build community identity, and support social and economic activity
 - Urban Greening – Enhance and restore natural systems to mitigate the impacts of transportation projects on communities and wildlife, and ecosystems
- **Conserve Resources**
 - Context Sensitivity – Build upon the unique strengths of Los Angeles County’s communities through strategies that match local and regional context and support investment in existing communities
 - System Productivity – Increase the efficiency and ensure the long-term viability of the multimodal transportation system
 - Environmental Stewardship – Plan and support transportation improvements that minimize material and resource use through conservation, re-use, re-cycling, and re-purposing

Eligible Uses

The LRTP and CSPP identify a number of key concepts which will help outline eligible uses to reduce congestion on the I-10 and I-110 corridors:

- **Green Modes**

Green modes include active transportation, rideshare, and transit. Given that all three of these modes operate along the I-10 and I-110 corridors, this key concept would make expanded use of the above modes consistent with the Plan. Such projects include the addition of bicycle and pedestrian facilities, expanded park-n-ride facilities, expanded service span and/or increased levels of service.
- **Bundling Strategies for Greatest Impact**

The Metro ExpressLanes, as designed, seeks to increase mobility and person throughput through a series of integrated strategies (transportation demand management, transportation systems management, and multimodal capital investments) in specific corridors. This “bundling of strategies” as referred to in the CSPP has been consistently shown to result in more reliable outcomes and greater magnitude of positive change than a single strategy scenario. An expenditure plan that retains this focus on integrated strategies and multi-modalism would exemplify guidance from the CSPP. Projects that demonstrate the ability to further link or expand the use of existing facilities such as complete streets improvements and first mile/last mile improvements are recommended.

- Network Optimization

One of the primary objectives of the ExpressLanes project is to better utilize existing capacity within a corridor by using dynamic pricing. This approach of network optimization through the use of data represents the future of transportation policy and planning. To that end, the Policy also identified the concept of network optimization as a key component of sustainability. Projects falling under this concept include complete streets, signal prioritization, real-time ride share matching, and other smart technology improvements.

- Act Regionally and Locally

The I-10 and I-110 are two of the busiest corridors in Los Angeles County. Given the regional significance of these corridors, improvements to these facilities as well as additional services utilizing these corridors should emphasize the varying needs of the corridors as well as needs of adjacent communities. Projects which can improve the connection of the local communities to the regional network will be essential to improving the quality of life in those neighborhoods as well as maximizing the potential of the corridors. Projects falling under this concept include first mile/last mile improvements, expanded park-n-ride facilities, expanded service span and/or increased levels of service, and urban greening initiatives which reduce pollution and improve the quality of life for residents.

Based on the key concepts, three project categories are recommended for the allocation of net toll revenues (excluding set-asides):

1. Transit Uses (40% of funds)

- Increased levels of service and/or increased service span
- Fare subsidy programs
- Purchase of new bus and commuter rail vehicles
- Station enhancements and capacity improvements, including intelligent transportation system improvements
- Metro transit corridor projects serving ExpressLanes corridors

2. System Connectivity/Active Transportation (40% of Funds)

- First mile/last mile connections to transit facilities, focusing on multimodal elements recommended as part of the First/Last Mile Strategic Plan

including investments that might support 3rd party mobility solutions (car-share, bike-share)

- Complete streets projects which emphasize multi-modalism
- Bicycle infrastructure including bicycle lanes and secured bicycle parking facilities
- Pedestrian enhancements including on/off-ramp safety improvements, street crossings, and ADA-compliance improvements
- Infrastructure and programs to support the use of electric vehicles.
- Bus station improvements including enhanced bus shelters, real-time arrival information, and other related improvements
- El Monte Bus Maintenance facility
- Rideshare/Vanpool programs
- Park-n-Ride facility improvements including restrooms, lighting, and security.
- Landscaping suited to the Southern California ecology. For example, vegetation that does not contribute to smog and requires little or no irrigation. Additionally, landscaping with a high carbon sequestration factor and/ or provides habitat to environmentally sensitive species is favorable.

3. Highway Improvements (20% of funds)

- Intelligent transportation system improvements to manage demand
- Signal Synchronization programs
- On/off ramp improvements which reduce the incidents of bicycle and pedestrian collisions with vehicles
- Graffiti removal and landscaping suited to the Southern California ecology. For example, vegetation that does not contribute to smog and requires little or no irrigation. Additionally, landscaping with a high carbon sequestration factor and/ or provides habitat to environmentally sensitive species is favorable
- Subject to Metro Board approval, extension of the ExpressLanes corridors

NOTE: Baseline targets of 40% for Transit Uses, 40% for System Connectivity/Active Transportation, and 20% for Highway Improvements are identified as goals, however the actual allocation of the funding will be based on the merits of the proposed projects and programs.

Project Evaluation Criteria

Implementation of Regional and Local Sustainability Plans and Policies

- The extent to which the project, program, or enhanced transit service supports the recommendations and goals for each transportation mode as stated in the LACMTA's adopted Long Range Transportation Plan and SCAG's Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS)
- Extent to which the project, program, or enhanced transit service conforms to local plans to support the implementation of sustainable projects, including transit-oriented development and bicycle and pedestrian master plans

Matching Funds/Leveraging Funds

- Extent to which project, program, or enhanced transit service uses ExpressLanes funds to leverage additional local, state, and/or federal funds

Innovative Transportation Technology

- Extent to which the project, program, or enhanced transit service facilitates the adoption of zero and near-zero emission vehicles
- The degree to which the project, program, or enhanced transit service supports improved transportation systems management strategies

Sustainable Transportation

- Extent to which the project, program, or enhanced transit service increases mobility options to support car-free and/or one-car living
- Extent to which project, program, or enhanced transit service enhances transit coverage, frequency, and reliability within the corridor
- The project, program, or enhanced transit service's connectivity with and ability to complement nearby transit projects
- The degree to which the project, program, or enhanced transit service provides access to regional trip generators, regional activity centers, fixed guideway, and Metrolink, and improves access between jurisdictional or community plan area boundaries
- Extent to which project, program, or enhanced transit service gives priority to transit and active transportation modes
- Extent to which the project, program, or enhanced transit service increases the mode share of transit services operating within the corridor
- The degree to which the project, program, or enhanced transit service provides additional resources for transportation demand management strategies to reduce solo driving
- The degree to which the project, program, or enhanced transit service promote the Metro ExpressLanes.

Cost Effectiveness

- The project, program, or enhanced transit service's cost effectiveness in relationship to the total project cost
- The applicant's demonstrated commitment to covering life-cycle operational and maintenance expenses

Recommended Standard Project Requirements

- Project, program, or enhanced transit service must operate along or within three miles of either the I-110 Corridor (defined as Adams Boulevard to the north and the Harbor Gateway Transit Center to the south) or the I-10 Corridor (between the Alameda Street on the West and the El Monte Transit Center to the east) or provide regionally significant improvements for the 110 or 10 Corridor.

- Project, program, or enhanced transit service must provide direct operational benefits to the operation of the ExpressLanes and/or transit service within the corridors.
- Project, program, or enhanced transit must incorporate, to the extent possible, utilize green design techniques that minimize the environmental impact of transportation projects and/or support local urban greening initiatives.
- Eligible applicants include public agencies that provide transportation facilities or services within Los Angeles County. These include cities, transit operators, the County of Los Angeles, and Metro. Transportation-related public joint powers authorities must be sponsored by one of the above public agencies. All applicants must be in compliance with Maintenance of Effort requirements.
- Timely Use of Funds provision: project sponsors must execute their funding agreement within six months of receipt of the agreement from Metro and begin expenditure of funds within one year of executing the agreement to avoid potential lapsing of the funds.
- If applicant is seeking funding for transit operations or highway maintenance, the service/maintenance must either be new service/maintenance meeting a previously unmet need in the corridor or must increase service for existing lines in the corridor.
- Applicants must maintain their existing commitment of local, discretionary funds for street and highway maintenance, rehabilitation, reconstruction, and storm damage repair in order to remain eligible for Net Toll Revenue funds to be expended for streets and roads.
- Monies cannot be used to supplant, replace, or reduce the project sponsor's previously required match in Metro's Call for Projects.
- Applicants shall ensure that all Communication Materials contain the recognition of Metro's contribution to the project, program, or service. Sponsor shall ensure that at a minimum, all Communication Materials include the phrase "This project/program/service was partially funded by Metro ExpressLanes."

ATTACHMENT B

MTA Use Only: Project #: _____ Category: _____
--

**Metro ExpressLanes Round 3 Net Toll Revenue Reinvestment Grant Program:
Transit Uses & Roadway Improvements**

Required Documentation:

- **Application Parts A and B**
- **Application Signature Page**
- **Project Location and Map with project limits – 8.5” by 11”**
- **Detailed Cost Estimate**
- **Documentation of Community Support**
- **If partnering with a Non-Profit Agency 501(c)(3) please provide the IRS Determination letter**
- **Include color photos of project site (if applicable)**
- **Data Collection and Methodology**

Submit one (1) USB drive or emailed PDF packet to MTA to the following address:

**LACMTA
Attn: Michel’le Davis
One Gateway Plaza
Mail Stop 99-11-1
Los Angeles, CA 90012**

DAVISMI@metro.net

I certify that I have reviewed the Project Eligibility Guidelines and that the information submitted in this application is true and correct and in accordance with the Guidelines. If awarded a grant from Metro, I agree that I will adhere to the information and documentation as contained in this grant application.

Name (Print Name):	Title:
Signature: (signature of authorized signatory of applicant)	Date:

Project Category –Select one
(For more information, please see Project Eligibility Guidelines)

Transit Uses: <input type="checkbox"/>	Roadway Improvements: <input type="checkbox"/>
---	---

Project Name:

Lead Agency:	
Address:	
Contact Person/Title:	
Phone:	
Email Address:	

If joint project – include partner agency information below:

Agency:	
Contact Person/Title:	
Phone:	
Email Address:	

If partnering with Non-Profit Agency – include information below:

Non-profit Agency:	
Contact Person/Title:	
Phone:	
Email Address:	

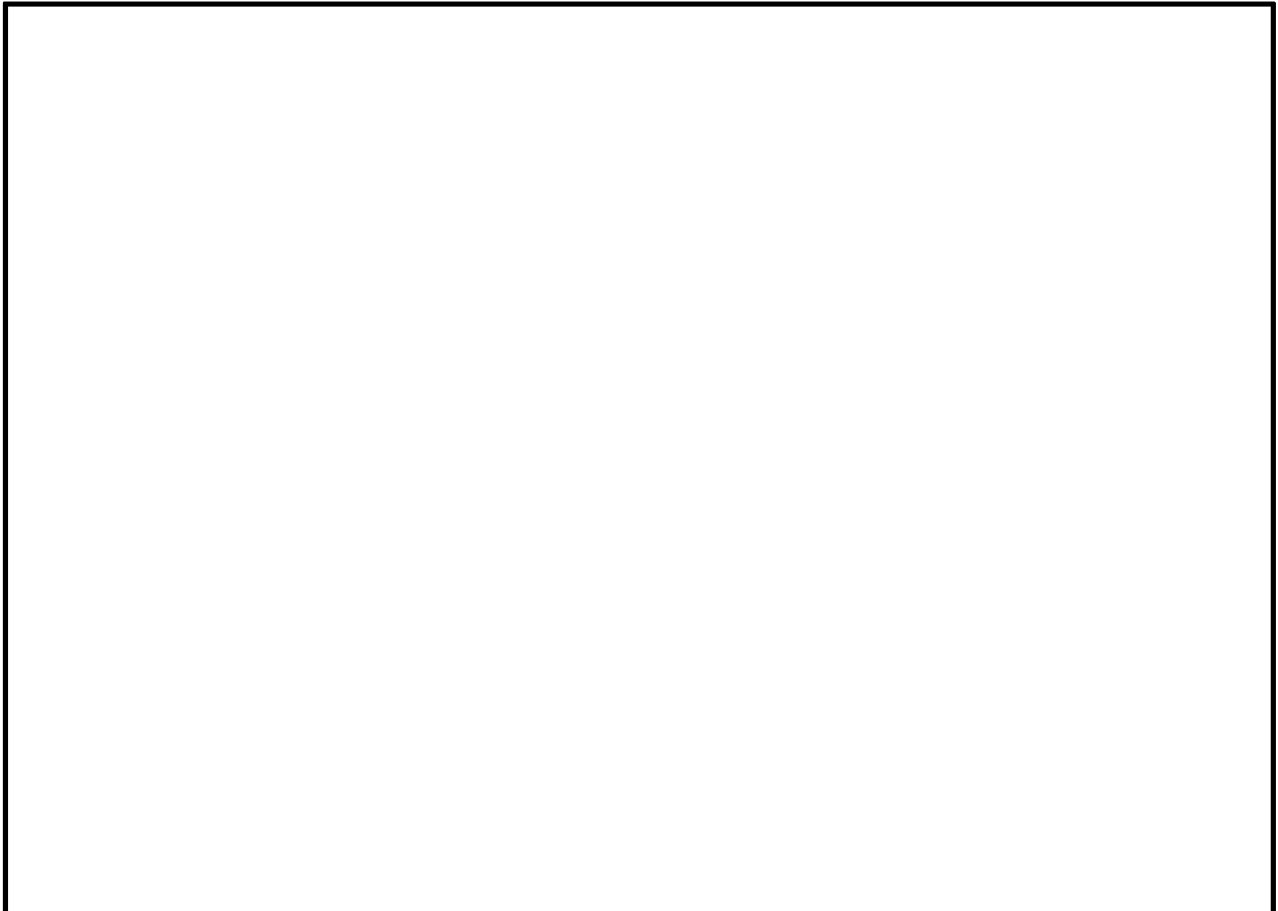
Agency Priority Ranking:	
<ul style="list-style-type: none"> If submitting more than 1 project 	

PART A

1- PROJECT LOCATION / PROJECT LIMITS:

A large, empty rectangular box with a black border, intended for the user to provide details about the project location and its limits.

2- PROJECT DESCRIPTION: (Summarize the project in a clear & concise manner)

A large, empty rectangular box with a black border, intended for the user to provide a clear and concise summary of the project.

Does the project/program operate along or within the 3-mile boundary of the corridor?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If No, is the project/program regionally significant and does it benefit the ExpressLanes corridors? (Regional Significance is defined as those projects that are multi-jurisdictional, and/or included in, or consistent with, the Metro LRTP, Metro Countywide Sustainability Policy and Implementation Plan or other relevant sub-regional plans)	Yes <input type="checkbox"/> No <input type="checkbox"/>
Explain how your project/program is regionally significant and how it benefits the corridor:	

3- PROJECT FUNDING:

Phase/Deliverable	Funds Requested	Local Match – Cash*	Local Match - In-Kind	Sub Total Cost

Total Project Cost	
---------------------------	--

* Specify Source of Local Cash Match _____

4- LOCAL SUPPORT:

The council or governing board of the applicant must authorize this grant application. Please attach a copy of the resolution or meeting minutes documenting that action. Or if the project is part of an approved Plan, please list all local, system, regional, and state plans in which this project is included and attach a copy of the section in each plan that includes this project.

5- BEFORE AND AFTER DATA:

Applicants must collect before and after data for all projects. (i.e., pedestrian and bicycle counts, transit ridership, vehicle throughput, speed, and volumes). Please provide the types of data you will collect and a detailed methodology for your collection and analysis. The cost of this task should be included in the project budget.

PART B

1 MOBILITY AND EQUITY BENEFITS (Up to 25 points)

All projects will be scored based upon the extent the project or program supports the following goals within the 1-10 or 1-110 ExpressLanes corridors:

- Increases mobility options to support car-free and /or one car living
- Enhances transit coverage, frequency, & reliability within the corridor
- Significant benefits identified in Equity Focused Communities (EFC)
- Connects with & complements nearby transit projects
- Provides access to regional trip generators, regional activity centers, fixed guideway & Metrolink services
- Improves access between jurisdictional or community plan area boundaries
- Gives priority to transit & active transportation modes
- Increases the mode share of transit services operating within the corridor
- Provides additional resources for transportation demand management strategies to reduce solo driving
- Maximizes Person Throughput
- Reduces Vehicle Miles Traveled (VMT)

*Up to 10 points given for projects that demonstrate a significant benefit to EFCs

A. Describe the current situation/problem, the need for the project, and how its implementation would resolve the described situation/problem.

B. Describe how your project or program, meets one or more of the above goals. Clearly define the anticipated outcome and how will you measure the impact?

2 INNOVATIVE TRANSPORTATION TECHNOLOGY, PRACTICES AND STRATEGIES (Up to 15 points) *

One of the primary objectives of the ExpressLanes is to better utilize existing capacity within the I-10 and I-110 corridors by employing an innovative operational approach utilizing electronic toll collection and new transponder technology. This approach of transportation network optimization through the use of technology and operational efficiency strategies represents the future of transportation policy and planning.

To that end, the concept of network optimization is identified as a key component of sustainability. Projects will be scored based upon their ability to employ innovative technologies or system management tools to reduce emissions and/or optimize the capacity of the existing transportation system.

Describe the extent to which the project/program facilitates the adoption of innovative technology, practices, or strategies. For example, green technology, zero and near-zero emission vehicles, connected cars, traffic signal and new bus technology, innovative transportation system management.

*** 5 points will be given to those applicants that partner with a non-profit agency**

3 IMPLEMENTATION OF REGIONAL AND LOCAL SUSTAINABILITY PLANS AND POLICIES (Up to 15 points)

Metro’s Countywide Sustainability Planning Policy and Implementation Plan (CSPPIP) along with SCAG’S Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS) identify principles and priorities to be advanced through a broad range of activities across all modes. Applicants will be scored based upon the extent the project/program supports the sustainability policies and programs identified in the CSPPIP, RTP, or SCS.

A. Describe how the project/program is consistent with the policies included in Metro’s CSPPIP. Reference the page number(s) of the Plan.

B. Describe how the project/program is consistent with the goals and policies included in the 2020 RTP/SCS. Reference the page number(s) of the Plan.

4 LOCAL MATCH (Up to 10 points)

Total Project Cost	\$
Funding Request	\$
Local Match – Cash	\$
Local Match – In-Kind	\$
Local Match – Percentage	

* Please attach an itemized cost estimate for all expenses based on an engineer's estimate or best information available if not a capital project. Be as accurate as possible to avoid future cost overruns.

Projects will be scored based on the amount of Local Match provided:

46% or more	10 points
41 – 45%	9 points
36 – 40%	8 points
31 – 35%	7 points
26 – 30%	6 points
21 – 25%	5 points
16 – 20%	4 points
11 – 15%	3 points
6 – 10%	2 points
1 – 5%	1 point

5 COST EFFECTIVENESS (Up to 10 points)

Cost effectiveness will be based on the grant amount requested, the total project cost and the estimated useful life of the project (calculated in years). The Estimated Useful Life of the Project is defined as the number of years the capital improvements, bus purchase, transit service, program, or study will last before it has to be replaced or changed.

The cost effectiveness total will be calculated as follows:

Example:

Total Cost of Project - \$1,000,000
Grant Amount Requested - \$800,000 = 1.25

1.25 x 10 (est. useful life of project in years) = 12.5 (cost effectiveness score)

A. Provide your calculations below:

B. What is the expected functional life span of the proposed project (in years)? Please explain.

Points will be awarded based on the following cost effectiveness scores:

17+	10 points
13 - 16	8 points
9 - 12	6 points
5 - 8	4 points
1 - 4	2 points

6 SAFETY (Up to 10 points)

Describe the project's ability to remedy potential safety hazards. For example, the number, rate, and consequence of transportation related accidents, serious injuries, and fatalities among operators, drivers, pedestrians and cyclists? Please provide collision data and other safety related data.

7 PROJECT IMPLEMENTATION READINESS (Up to 15 points)

Please provide milestone and actual or estimated completion dates for the various project phases. Include proof of completion of any of the phases below or their equivalents, where applicable.

Capital Projects			
Phase	Start (Month-Year)	End (Month-Year)	Actual (A) or Estimated (E) Schedule
Feasibility Study			
Environmental			
Design - Plans, Specifications & Estimates (PS&E)			
Right of Way (ROW)			
Construction			
Other			
Other			
Other			

Non-Capital Projects			
Task/Deliverables	Start (Month-Year)	End (Month-Year)	Actual (A) or Estimated (E) Schedule

ATTACHMENT C

MTA Use Only: Project #: _____ Category: _____
--

**Metro ExpressLanes Round 3 Net Toll Revenue Reinvestment Grant Program:
System Connectivity/Active Transportation**

Required Documentation:

- **Application Parts A and B**
- **Application Signature Page**
- **Project Location and Map with project limits – 8.5” by 11”**
- **Detailed Cost Estimate**
- **Documentation of Community Support**
- **If partnering with a Non-Profit Agency 501(c)(3) please provide the IRS Determination letter**
- **Include color photos of project site (if applicable)**
- **Data Collection and Methodology**

Submit one (1) USB drive or emailed PDF packet to MTA to the following address:

**LACMTA
Attn: Michel’le Davis
One Gateway Plaza
Mail Stop 99-11-1
Los Angeles, CA 90012
Davismi@metro.net**

I certify that I have reviewed the Project Eligibility Guidelines and that the information submitted in this application is true and correct and in accordance with the Guidelines. If awarded a grant from Metro, I agree that I will adhere to the information and documentation as contained in this grant application.

Name (Print Name):	Title:
Signature: (signature of authorized signatory of applicant)	Date:

Project Name:

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Lead Agency:	
Address:	
Contact Person/Title:	
Phone:	
Email Address:	

If joint project – include partner agency information below:

Agency:	
Contact Person/Title:	
Phone:	
Email Address:	

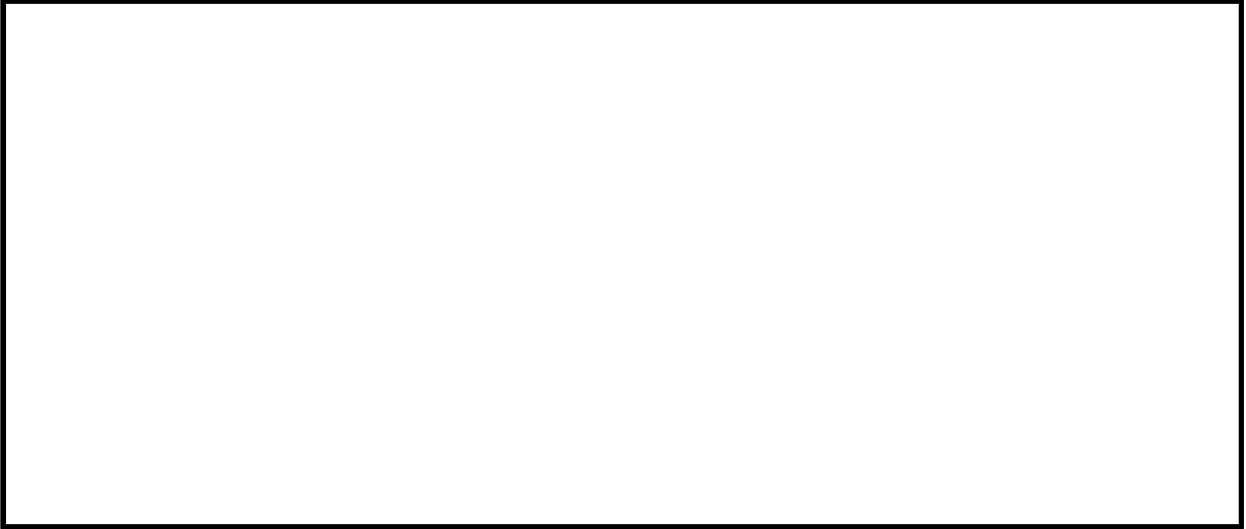
If partnering with Non-Profit Agency – include information below:

Non-profit Agency:	
Contact Person/Title:	
Phone:	
Email Address:	

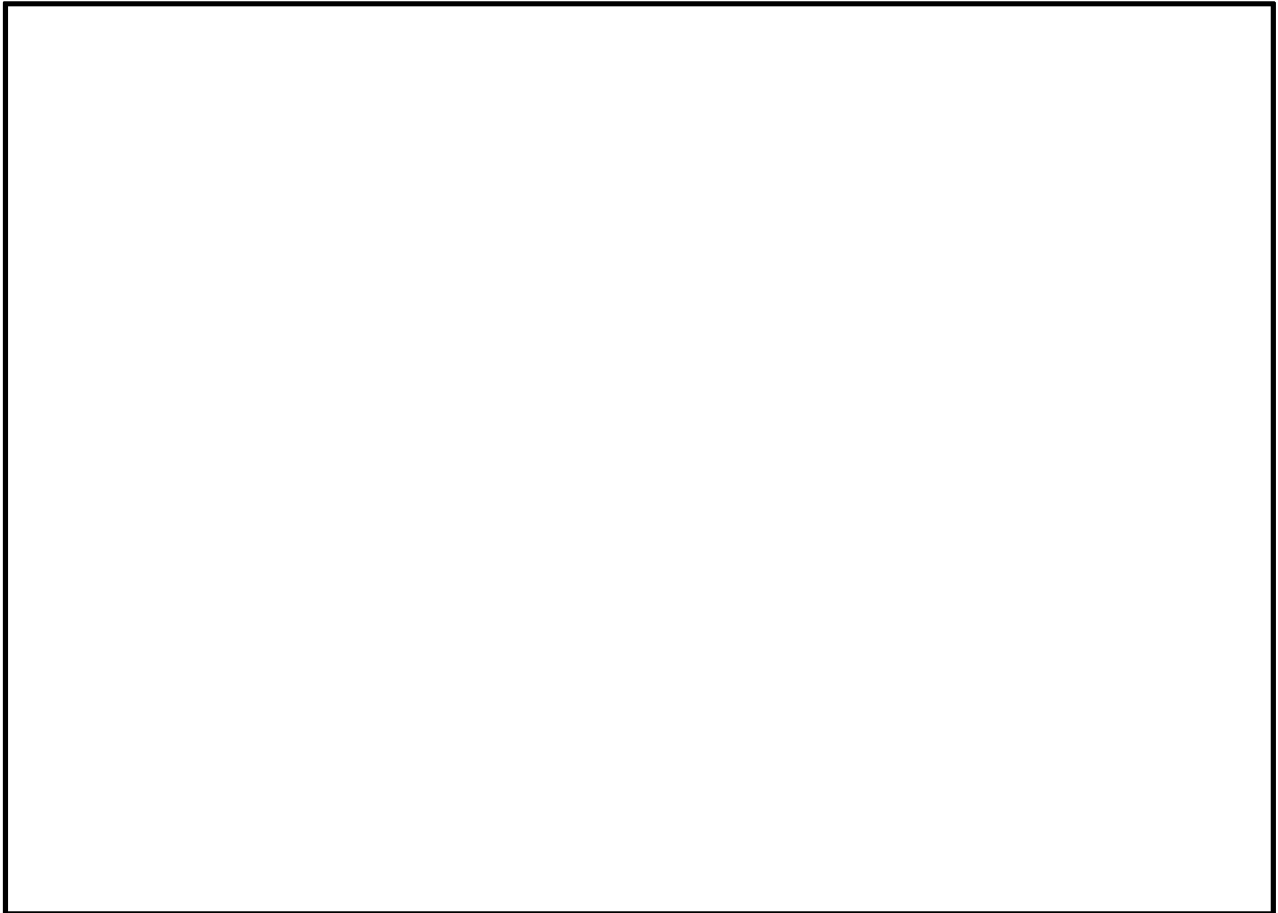
Agency Priority Ranking: <ul style="list-style-type: none">• If submitting more than 1 project	
--	--

PART A

1- PROJECT LOCATION / PROJECT LIMITS:



2- PROJECT DESCRIPTION: (Summarize the project in a clear & concise manner)



Does the project/program operate along or within the 3-mile boundary of the corridor?	Yes <input type="checkbox"/> No <input type="checkbox"/>
If No, is the project/program regionally significant and does it the benefit ExpressLanes corridors? (Regional Significance is defined as those projects that are multi-jurisdictional, and/or included in, or consistent with, the Metro LRTP, Metro Countywide Sustainability Policy and Implementation Plan or other relevant sub-regional plans)	Yes <input type="checkbox"/> No <input type="checkbox"/>
Explain how your project/program is regionally significant and how it benefits the corridor:	

3- PROJECT FUNDING:

Phase/Deliverable	Funds Requested	Local Match – Cash*	Local Match - In-Kind	Sub Total Cost

Total Project Cost	
---------------------------	--

* Specify Source of Local Cash Match _____

4- COMMUNITY SUPPORT:

The council or governing board of the applicant must authorize this grant application. Please attach a copy of the resolution or meeting minutes documenting that action. Or if the project is part of an approved Plan, please list all local, system, regional, and state plans in which this project is included and attach a copy of the section in each plan that includes this project.

5- BEFORE AND AFTER DATA:

Applicants must collect before and after data for all projects. (i.e., pedestrian and bicycle counts, transit ridership, vehicle throughput, speed, and volumes). Please provide the types of data you will collect and a detailed methodology for your collection and analysis. The cost of this task should be included in the project budget.

PART B

1 MOBILITY AND EQUITY BENEFITS (Up to 20points)

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- **Increases mobility options to support car-free and /or one car living**
- **Enhances transit coverage, frequency, & reliability within the corridor**
- **Connects with & complements nearby transit projects**
- **Significant benefits identified in Equity Focused Communities (EFC)**
- **Provides access to regional trip generators, regional activity centers, fixed guideway & Metrolink services**
- **Improves access between jurisdictional or community plan area boundaries**
- **Gives priority to transit & active transportation modes**
- **Increases the mode share of transit services operating within the corridor**
- **Provides additional resources for transportation demand management strategies to reduce solo driving**
- **Maximizes Person Throughput**
- **Reduces Vehicle Miles Traveled (VMT)**

***Up to 10 points given for projects that demonstrate a significant benefit to EFCs**

A. Describe the current situation/problem, the need for the project, and how its implementation would resolve the described situation/problem.

B. Describe how your project or program, meets one or more of the above goals. Clearly define the anticipated outcome and how will you measure the impact?

2 INNOVATIVE TRANSPORTATION TECHNOLOGY, PRACTICES AND STRATEGIES (Up to 15 points)

One of the primary objectives of the ExpressLanes is to better utilize existing capacity within the I-10 and I-110 corridors by employing an innovative operational approach utilizing electronic toll collection and new transponder technology. This approach of transportation network optimization through the use of technology and operational efficiency strategies represents the future of transportation policy and planning.

To that end, the concept of network optimization is identified as a key component of sustainability. Projects will be scored based upon their ability to employ innovative technologies or system management tools to reduce emissions and/or optimize the capacity of the existing transportation system.

Describe the extent to which the project/program facilitates the adoption of innovative technology, practices, or strategies. For example, green technology, zero and near-zero emission vehicles, connected cars, traffic signal and new bus technology, innovative transportation system management

3 IMPLEMENTATION OF REGIONAL AND LOCAL SUSTAINABILITY PLANS AND POLICIES (Up to 10 points)

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4 LOCAL MATCH (Up to 10 points)

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Funding Request	\$
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Local Match – In-Kind	\$
Local Match – Percentage	

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16 – 20%	4 points
11 – 15%	3 points
6 – 10%	2 points
1 – 5%	1 point

5 COST EFFECTIVENESS (Up to 10 points)

Cost effectiveness will be based on the grant amount requested, the total project cost and the estimated useful life of the project (calculated in years). The Estimated Useful Life of the Project is defined as the number of years the capital improvements, bus purchase, transit service, program, or study will last before it has to be replaced or changed.

The cost effectiveness total will be calculated as follows:

Example:

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Grant Amount Requested - \$800,000 = 1.25

1.25 x 10 (est. useful life of project in years) = 12.5 (cost effectiveness score)

A. Provide your calculations below:

B. What is the expected functional life span of the proposed project (in years)? Please explain.

Points will be awarded based on the following cost effectiveness scores:

17+	10 points
13 - 16	8 points
9 - 12	6 points
5 - 8	4 points
1 - 4	2 points

6 SAFETY (Up to 10 points)

Describe the project's ability to remedy potential safety hazards. For example, the number, rate, and consequence of transportation related accidents, serious injuries, and fatalities among operators, drivers, pedestrians and cyclists? Please provide collision data and other safety related data.

7 PROJECT IMPLEMENTATION READINESS (Up to 15 points)

Please provide milestone and actual or estimated completion dates for the various project phases. Include proof of completion of any of the phases below or their equivalents, where applicable.

Capital Projects			
Phase	Start (Month-Year)	End (Month-Year)	Actual (A) or Estimated (E) Schedule
Feasibility Study			
Environmental			
Design - Plans, Specifications & Estimates (PS&E)			
Right of Way (ROW)			
Construction			
Other			
Other			
Other			

Non-Capital Projects			
Task/Deliverables	Start (Month-Year)	End (Month-Year)	Actual (A) or Estimated (E) Schedule

8 NON-PROFIT AGENCY PARTNERSHIP (Up to 10 points)
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Metro ExpressLanes believes the non-profit community plays a vital role in helping Los Angeles County become more sustainable. The experience, programs, networks, and commitment Non-profits provide is a basis to maximizing public engagement, positive behavior change, and community commitment.

Partnering with a 501 (c)(3) non-profit entity	Yes	No	10 points
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- Please provide the Non-Profit's Name and IRS determination letter.**

**Round 3 - Congestion Reduction
ExpressLanes Net Toll Revenue Re-Investment Grant
Project Eligibility Guidelines**

I. Overview

The generation of net toll revenues from the ExpressLanes offers a unique opportunity to advance the Long Range Transportation Plan (LRTP) and Los Angeles County Metropolitan Transportation Authority's (LACMTA) goals for a more sustainable countywide transportation system.

The objective of the Program is to increase mobility through a series of integrated strategies (transit operations, transportation demand management, transportation systems management, active transportation, and capital investments) in the I-10 and I-110 corridors. These combined strategies have resulted in more reliable and stable outcomes and greater magnitude of positive change than a single strategy scenario. An expenditure plan that retains this focus on integrated strategies and multi-modalism would advance Metro's LRTP and sustainability goals as outlined in Metro's Countywide Sustainability Planning Policy (CSPP).

II. Eligible Applicants

Eligible applicants include public agencies that provide transportation facilities or services within Los Angeles County. These include cities, transit operators, the County of Los Angeles, and the Los Angeles County Metropolitan Transportation Authority. Transportation-related public joint powers authorities and non-profit agencies must partner with a public agency serving as lead to be eligible.

III. Eligible Projects

To be eligible for funds, the project/program must operate along or within three miles of either the I-10 Corridor (between Alameda Street to the west and the El Monte Transit Center to the east) or I-110 Corridor (defined as Adams Boulevard to the north and the Harbor Gateway Transit Center to the south) (see attached map). A project/program beyond the 3 mile radius will also be eligible if it can be determined that it is regionally significant and provides a direct benefit to the

I-10 or I-110 corridors. Regional significance is defined as those projects that are multi-jurisdictional, and/or are included in, or consistent with, the Metro LRTP, the Metro Countywide Sustainability Planning Policy and Implementation Plan, or other relevant sub-regional plan.

Projects and programs are recommended for three categories to promote the LRTP and sustainable transportation strategies as an integral enhancement to the Metro ExpressLanes. A category for Transit Use is recommended because operation of high frequency transit and feeder service as well as transit capital improvements have proven to be effective in creating mode shift and reducing congestion on the Metro ExpressLanes. A category for System Connectivity/Active Transportation primarily serves to improve bicycle and/or pedestrian infrastructure and to improve system connectivity between transit and the state highway. This category also demonstrates Metro's commitment to advance sustainable community strategies since Metro currently does not have a discretionary fund source eligible to fund operational activities associated with Active Transportation projects. A category for roadway improvements is recommended to encourage operational and system improvements to the adjacent roadways rather than focusing on improvements through expansion.

a) Transit Uses - eligible projects include:

- Purchase of new bus or commuter rail vehicles for service enhancement or new service
- Fare subsidy/operating subsidy
- Station enhancements and capacity improvements, including enhanced bus shelters, real-time arrival information, ticket vending machines (TVM) and other related improvements
- Regional Bus Maintenance facility improvements
- Transit corridor projects serving ExpressLanes corridors
- Rideshare/Vanpool programs (* May qualify for System Connectivity/Active Transportation funding if project creates shorter length trips of 3 miles or less.)

b) System Connectivity/Active Transportation – eligible projects include:

- First mile/last mile connections to transit facilities, focusing on multimodal elements recommended as part of the First/Last Mile Strategic Plan including investments that might support 3rd party mobility solutions (car-share, bike-share)
- Complete Streets projects which emphasize multi-modalism and consider the needs of motorists, pedestrians, transit users, bicyclists, commercial and emergency vehicles

- Bicycle infrastructure including bicycle lanes and secured bicycle parking facilities
- Pedestrian enhancements such as street crossings and ADA-compliance improvements
- Operating subsidy for bike parking, bike-share, and car-share
- Infrastructure and programs to support the use of electric vehicles
- Park-n-Ride facility improvements including restrooms, lighting, and security

c) Roadway Improvements

- Intelligent transportation system improvements to manage demand
- On/off ramp improvements connecting to city streets which reduce the incidents of bicycle and pedestrian collisions with vehicles
- Graffiti removal and landscaping suited to the Southern California ecology. For example, vegetation that does not contribute to smog and requires little or no irrigation. Additionally, landscaping with a high carbon sequestration factor and/ or which provides habitat to environmentally sensitive species is favorable
- Subject to Metro Board approval, extension of the ExpressLane corridors

To the extent possible, applicants must utilize green design techniques that minimize the environmental impact of transportation projects and/or support local urban greening initiatives.

If applicant is seeking funding for transit operations or roadway maintenance, the service/maintenance must either be new service/maintenance meeting a previously unmet need in the corridor or must increase service for existing lines in the corridor. Funding cannot be used to supplant existing service.

Applications submitted for planning/feasibility studies or outreach will not be accepted unless these components are part of a larger capital/infrastructure project/program within the corridor.

IV. Project Selection Process

Projects will be evaluated based on the following criteria:

Transit Uses and Roadway Improvements:
A. Mobility Benefits (up to 25 points) *Up to 10 points given for projects that demonstrate a significant benefit to EFCs
B. Innovative Transportation Technology, Practices and Strategies (up to 15 points) *5 points will be given to those applicants that partner with a non-profit agency.
C. Implementation of Regional and Local Sustainability Plans and Policies (up to 15 points)
D. Local Match (up to 10 points)
E. Cost Effectiveness (up to 10 points)
F. Safety (up to 10 points)
G. Project Implementation Readiness (up to 15 points)

System Connectivity/Active Transportation:
A. Mobility Benefits (up to 20 points) *Up to 10 points given for projects that demonstrate a significant benefit to EFCs
B. Innovative Transportation Technology, Practices and Strategies (up to 15 points)
C. Implementation of Regional and Local Sustainability Plans and Policies (up to 10 points)
D. Local Match (up to 10 points)
E. Cost Effectiveness (up to 10 points)
F. Safety (up to 10 points)
G. Project Implementation Readiness (up to 15 points)
H. Non-profit Partnership (up to 10 points)

V. Funding Priorities

Baseline targets of 40% of available funds for Transit Uses, 40% for System Connectivity/Active Transportation, and 20% for Roadway Improvements are identified as goals; however, the actual allocation of the funding will be based on the merits of the proposed projects and programs received.

VI. Eligible Costs

Eligible costs are development phase activities (including planning, feasibility analysis, revenue forecasting, environmental review, preliminary engineering and design work, and other preconstruction activities) and the costs of construction, reconstruction, rehabilitation, and acquisition of right-of-way, environmental mitigation, construction contingencies, acquisition of equipment, and operational improvements.

VII. Non-Eligible Costs

Costs such as office equipment, furniture, office leases or space cost allocations or similar costs, applicant staff overtime costs, mileage reimbursements, and travel costs.

VIII. Other Conditions

- Applicants must maintain their existing commitment of local, discretionary funds for street and roadway maintenance, rehabilitation, reconstruction, and storm damage repair in order to remain eligible for Net Toll Revenue funds to be expended for streets and roads.
- All applicants must collect before and after data. (i.e., pedestrian and bicycle counts, transit ridership, vehicle throughput, speed, and volumes). The cost of this task may be included in the project budget.
- Grant funds received cannot be used to supplant, replace, or reduce the project sponsor's previously required match for any other grant program including Metro's Call for Projects.
- Applicants shall ensure that all Communication Materials contain the recognition of Metro's contribution to the project, program, or service. Sponsor shall ensure that at a minimum, all Communication Materials include the phrase "This project/program/service was partially funded by Metro ExpressLanes."
- PSR/PDS and PSRE – For projects that include a construction element, an approved Project Study Report/Project development Support (PSR/PDS) or Project Study Report Equivalent (PSRE) **is not required**.
- Project Funding Request Caps – there are no project funding request caps for any of the 3 categories.

- All project funding provided will be local funds. There are no federal or state dollars available through this program.
- All approved projects will adhere to Metro’s Living Wage policy and be required to ensure that any new jobs created will be located within the region. Any projects that result in job creation outside of the Los Angeles County region will not be eligible.
- Quarterly Progress /Expenditure Reports – All applicants that receive funding will be required to submit to Metro a Quarterly Progress/Expenditure Report based on this schedule:

Quarter Ending	Quarterly progress/Expenditure Report Due to Metro
March 31 st	May 31 st
June 30 th	August 31 st
September 30 th	November 30 th
December 31 st	February 28 th

- Audits – All grant program funding is subject to Metro audit. The findings of the audit are final.

IX. Schedule (dates are estimated and may change)

Board Approval of Application Package	April 2023
Distribution of Application Package	April 2023
Applicant Workshop	May 2023
Deadline for Grant Submissions	August 2023
Presentation of Projects to CAGs	August 2023
Recommendation of Projects to Metro Board for Approval	October 2023

X. General Administrative Conditions

a) Duration of Project

Project schedules must demonstrate that the project can be completed within 36 months of award.

Memorandum of Understanding (MOU) – Each awarded applicant must execute a memorandum of Understanding (MOU) with LACMTA which includes the statement of work, financial plan reflecting any local match provided (if applicable), schedule of milestones and deliverables. The schedule and milestones must reflect the **project will be completed within 36 months** from the date of award.

b) Grant Agreement Lapsing Policy

Grantee must demonstrate timely use of the Funds by:

- (i) Executing a grant Agreement within **six (6) months** of receiving formal transmittal of the grant agreement boilerplate;
- (ii) Begin expenditure of funds within one **(1) year** of executing the agreement to avoid potential lapsing of funds;
- (iii) Meeting the Project milestones due dates as stated in the Statement of Work;
- (iv) Timely submittal of the Quarterly Progress/Expenditure Reports; and
- (v) Invoicing of all expenditures incurred within forty two **(42) months** from the date funds are available

If the Grantee fails to meet any of the above conditions, the Project may be considered lapsed and may be submitted to the Board for deobligation.

In the event that the timely use of the Funds is not demonstrated, the Project will be reevaluated as part of the annual Net Toll Re-investment Grant Deobligation process and the Funds may be deobligated and reprogrammed to another project by the Board.

Administrative extensions may be granted under the following conditions:

- (i) Project delay due to an unforeseen and extraordinary circumstance beyond the control of the project sponsor (legal challenge, act of God, etc.). Inadequate staffing shall not be considered a basis for administrative extensions.

(ii) Project delay due to an action that results in a change in scope or schedule that is mutually agreed upon by Metro and the project sponsor prior to the extension request.

(iii) Project fails to meet completion milestone; however, public action on the proposed regulatory change(s) has been scheduled and noticed to occur within 60 days of the scheduled completion milestone.

Appeals to any recommended deobligation will be heard by a Metro appeals panel.

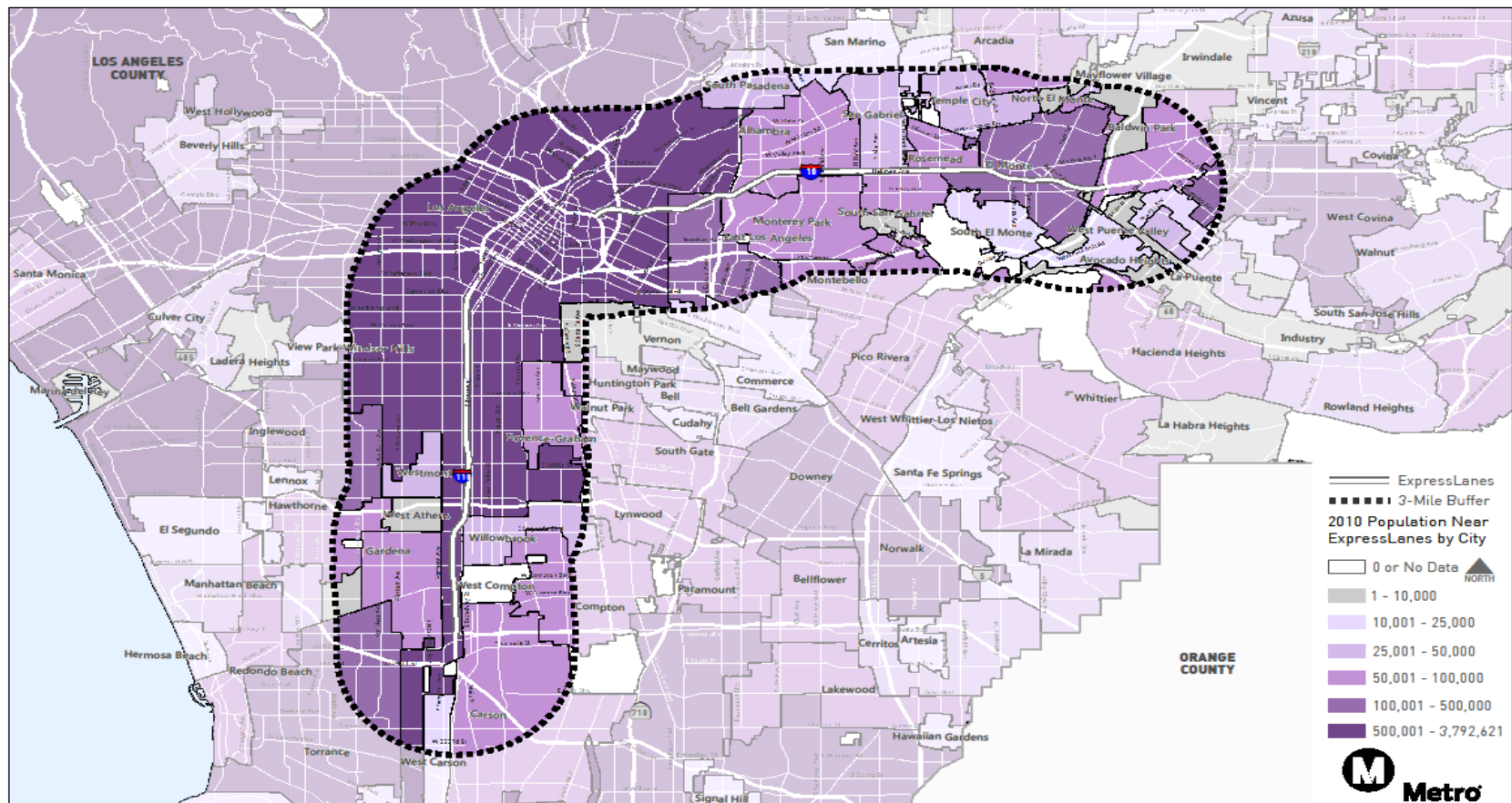
If Grantee does not complete an element of the Project, as described in the Statement of Work, due to all or a portion of the Funds lapsing, the entire Project may be subject to deobligation at Metro's sole discretion.

In the event that all the Funds are reprogrammed, the Project shall automatically terminate.

XI. New Program Requirements:

- Project sponsors must execute their funding agreement within six (6) months of receipt of the agreement from Metro and begin expenditure of funds within one (1) year of executing the agreement to avoid potential lapsing of funds.
- Metro ExpressLanes believes the non-profit community plays a vital role in helping Los Angeles County become more sustainable. The experience, programs, networks, and commitment of the region's non-profit agencies provide a foundation for increased public engagement, positive behavior change, and community commitment; therefore, we are recommending wherever possible for eligible applicants to partner with a non-profit organization to deliver projects/programs. Collaborating with community based organizations (CBOs) in the planning and operations of public agencies increases equitable outcomes, public participation and can foster trust between the community and public agencies. Metro's CBO Strategy Recommendations establishes consistent and equitable processes for Metro to utilize across the agency when directly or indirectly engaging CBOs for professional services. The Strategy can be found at [CBO-Partnering-Strategy.pdf \(dropbox.com\)](#).
- All project applicants must collect before and after data. (i.e., pedestrian and bicycle counts, transit ridership, vehicle throughput, speed, and volumes). The cost of this task may be included in the project budget.

- Applications submitted for planning/feasibility studies or outreach will not be accepted unless these components are part of a larger capital/infrastructure project/program within the corridor.
- All approved projects will adhere to Metro’s Living Wage policy and be required to ensure that any new jobs created will be located within the region. Any projects that result in job creation outside of the Los Angeles County region will not be eligible.



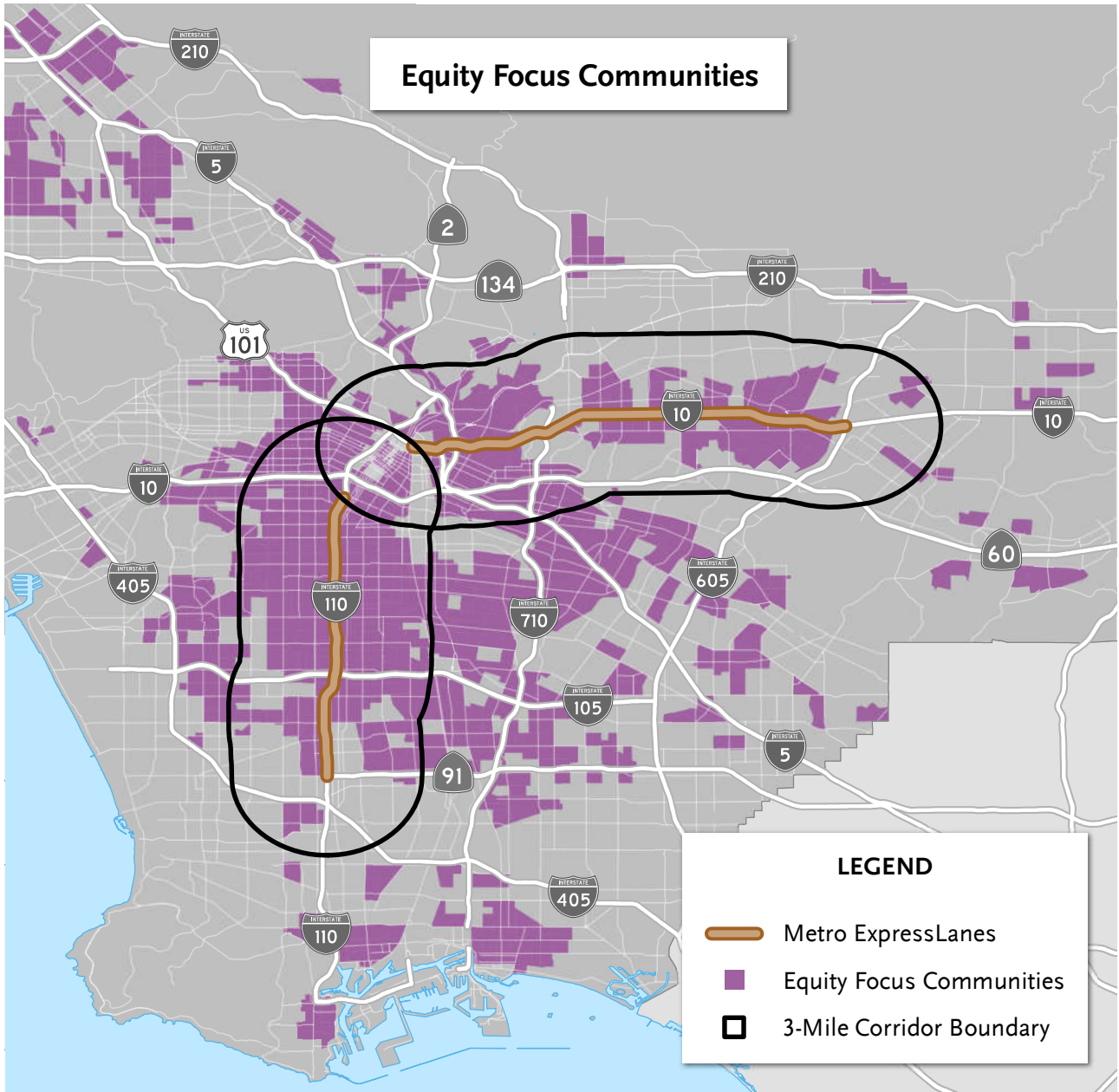
Round 1 – Net Toll Revenue Grant Project List

Attachment E

Project ID	Corridor	Sponsor	Project Name	Funding	Amount Spent	Prior Lapsing Dates	New Proposed Lapsing Date
MX201406	I-110	City of Carson	Dominguez Channel Bike & Pedestrian Path	\$ 1,259,000	\$319,536	June 2019 June 2020 June 2021	6/8/2023
MX201418	I-110	Torrance Transit	Torrance Transit Expansion of Line #1 and Line #4 HOTLane Service	\$ 2,235,991	\$16,690	Oct. 2019 Oct. 2020 Oct. 2021	10/27/2023
MX201402	I-10	Caltrans	Express Lanes Corridors Incident Management Improvements Project	\$ 480,000	\$348,167	Nov 2019 Nov 2020 Nov 2021	11/4/2023
MX201407	I-10	City of El Monte	Santa Anita Avenue Active Transportation for El Monte Station and Downtown El Monte	\$ 633,782	\$408,304	Oct. 2019 Oct. 2020 Oct. 2021	10/5/2023
MX201420	I-10	City of Los Angeles	Cesar Chavez Great Street	\$ 435,000	\$435,000 (pending complete)	July 2019 July 2020 July 2021	7/27/2023

Round 2 – Net Toll Revenue Grant Project List

Project ID	Corridor	Sponsor	Project Name	Funding	Amount Spent	Prior Lapsing Dates	New Proposed Lapsing Date
MX201425	I-110	Long Beach Transit	Los Angeles Galaxy Shuttle Bus Service (Galaxy Express)	\$ 600,000	\$428,812	8/2/2021	8/2/2023
MX201426	I-110	City of Carson	Carson Rapid Bus Priority System	\$ 584,150	\$166,185	9/15/2021	9/15/2023
MX201427	I-110	Torrance Transit	Torrance Transit Line #4 Express Buses and Relief Vehicles	\$ 960,000	NA	9/21/2021	9/21/2023
MX201430	I-110	City of Carson	I-110 Freeway Arterial Improvements	\$ 1,760,000	\$53,449	11/16/2021	11/16/2023
MX201431	I-110	City of Gardena Transit	Garden Transit Innovative ITS Rollout	\$ 1,375,000	\$836,517	10/20/2021	10/20/2023
MX201433	I-110	County of Los Angeles	Vermont Green Line Intersection Improvement Project	\$ 1,626,000	\$654,319	11/9/2021	11/9/2023
MX201434	I-110	City of Los Angeles	I-110 Corridor Revitalization - Grand Avenue/Flower Avenue	\$ 1,231,000	\$387,528	11/25/2021	11/25/2023
MX201436	I-110	City of Carson	Dominguez Channel Bike Path Improvements	\$ 1,299,478	\$229,992	1/6/2022	1/6/2024
MX201440	I-10	County of Los Angeles	Whittier Blvd Transit Priority Project	\$ 516,600	\$305,908	12/19/2021	12/19/2023
MX201442	I-10	City of Los Angeles	Vision Zero I-10 Corridor Area Traffic Signal Improvements	\$ 776,000	\$548,805	9/21/2021	9/21/2023
MX201443	I-10	County of Los Angeles	Eaton Wash Bike Path - Phase 1	\$ 3,100,000	\$1,827,545	9/21/2021	9/21/2023
MX201444	I-10	City of Los Angeles	Sixth Street Viaduct Mission/Myers Roundabout Project	\$ 1,796,000	\$1,769,673	9/22/2021	9/22/2023



METRO EXPRESSLANES

Net Toll Revenue Grants – Round 3

APRIL 20, 2023



Metro

Net Toll Revenue Grant Background



State law requires net toll revenues generated from the ExpressLanes program be reinvested for transportation improvements in the corridor where generated.



Increase mobility and person throughput through the implementation of integrated strategies that enhance:

- Transit Operations
- Transportation Demand Management
- Transportation Systems Management
- Active Transportation
- Capital Investments

Net Toll Revenue Grant Background

(Round 1)

- 20 projects (14 completed, 1 de-obligated, 5 in progress)
- \$19.8 million in grants

July 2014

Aug. 2016

(Round 2)

- 21 projects (9 completed, 12 in progress)
- \$27.9 million in grants

Reinvestment Guidelines

Set-aside

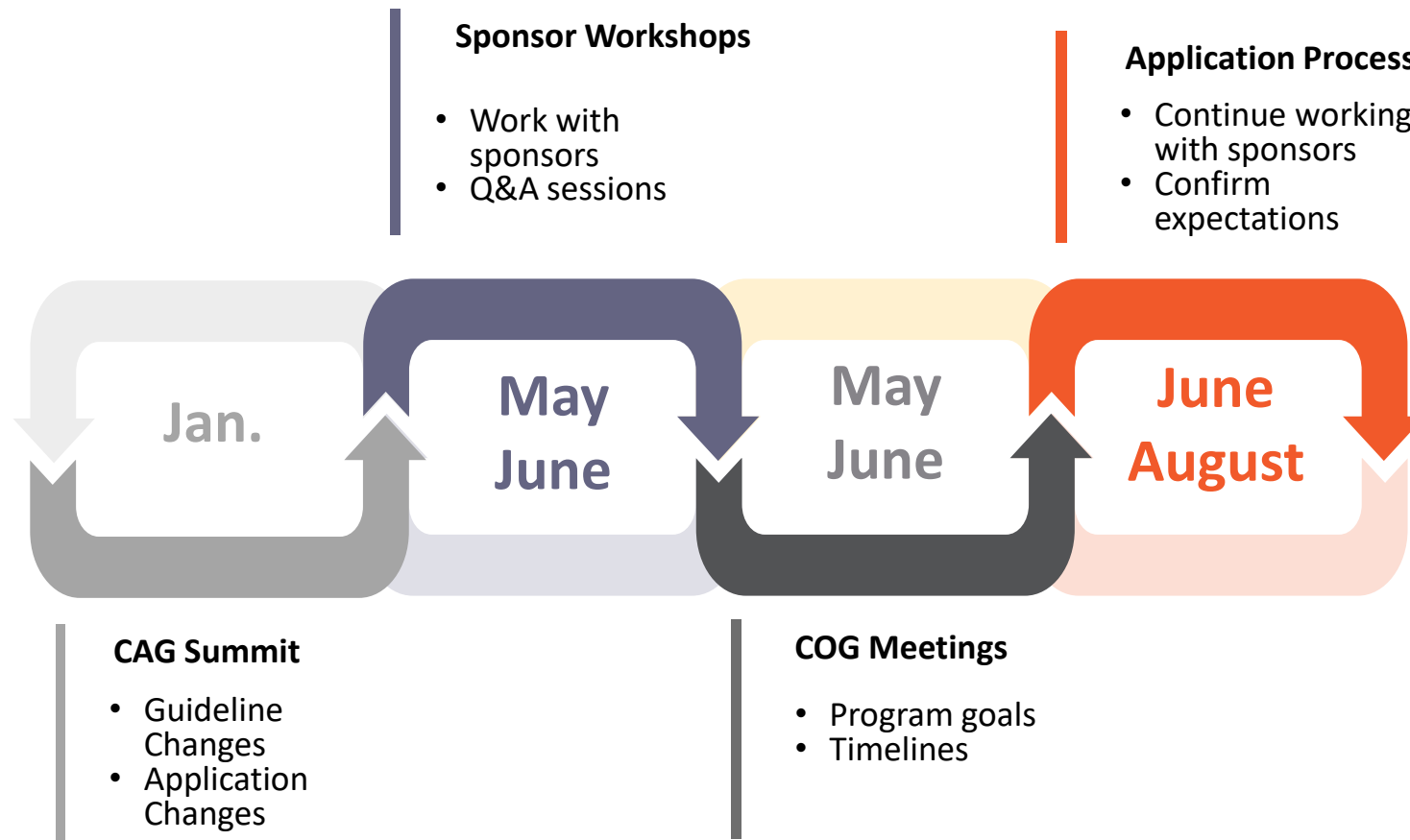
- Caltrans' projects in the corridor
- Transit Operations
 - Foothill Transit
 - Torrance Transit
 - Gardena Municipal Bus Lines
 - Metro's J (Silver) Line
- Reserve Fund

Competitive Grant

- Transit Uses (40%)
- System Connectivity (40%)
- Roadway Allocation (20%)

Equity focus across all targets

Outreach



Net Toll Revenue Grant

Draft Reinvestment Categories	Estimated Net Toll Revenues	Allocation Target Estimate (per Corridor, includes prior round adjustments**)	
		I-110	I-10**
Net Set-Aside	\$52,250,000		
Set-Aside (Caltrans)*	\$14,510,000		
Set-Aside (Reserve Fund)	\$6,000,000		
Set-Aside (Direct Allocation - Transit Ops)	\$31,740,000		
Grant Targets	\$72,550,000		
Allocation Target (40%- Transit Uses)***	\$29,020,000	\$17,855,416**	\$11,976,190**
Allocation Target (40%- System Connectivity)***	\$29,020,000	\$17,855,416**	\$11,976,190**
Allocation Target (20%- Roadway Improvements)***	\$14,510,000	\$8,927,708**	\$5,988,095**
TOTAL NET TOLL REVENUE GRANT FUNDS ALLOCATED	\$124,800,000		

* Caltrans allocation contingent on a master operations and maintenance agreement signed by August 1, 2023.

**An additional \$1,082,560 was applied to the I-110 net set-aside from a de-obligated project in Round 1. An additional \$920,475 was applied to the I-10 net set-aside approved in Round 2.

***Baseline targets of 40% for Transit Uses, 40% for System Connectivity/Active Transportation, and 20% for Roadway Improvements.

Next Steps

- Request Board approval and release grant application package: April 2023
- Meeting with COGs: May/June 2023
- Applicant Workshop and meeting with CAGs: May/June 2023
- Application Due Date: August 2023
- Evaluate application/outreach: August 2023
- Seek Board Approval for recommended grants: October 2023

Recommendation

- A. APPROVING the guidelines and project eligibility for Round 3 of the ExpressLanes Net Toll Revenue Allocations (Attachments A and D); and
- B. APPROVING the Metro ExpressLanes Round 3 Net Toll Revenue Grant Applications (Attachments B and C).
- C. AUTHORIZING the Chief Executive Officer (CEO) to extend all in-progress Round 1 and Round 2 Net Toll Revenue projects' lapsing dates by two years. (Attachment E).



Board Report

File #: 2022-0799, File Type: Program

Agenda Number: 20.

EXECUTIVE MANAGEMENT COMMITTEE
APRIL 20, 2023
OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
APRIL 20, 2023

SUBJECT: EXPRESSLANES PAY-AS-YOU-GO PILOT EVALUATION

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. RECEIVING AND FILING the ExpressLanes Pay-As-You-Go Pilot evaluation methodology and findings;
- B. AUTHORIZING the Pay-As-You-Go Program permanent, eliminate the \$25 penalty for notice of toll evasion, and adjust the Program’s “processing fee” (which replaces the former penalty amount) from \$4 to \$8 to align processing costs and fees;
- C. AUTHORIZING staff to increase the fee by Consumer Price Index on an annual basis as described in the Fee Adjustment Policy to continue to keep the processing costs and fees aligned; and
- D. AUTHORIZING staff to make the necessary changes to the ExpressLanes Toll Ordinance, as required.

ISSUE

The Pay-As-You-Go (PAYG) Pilot was approved by the Board in January 2019 as a time-limited pilot to evaluate the effects of reducing the penalties associated with using the ExpressLanes for drivers without FasTrak transponders. At the time of approval, Metro staff committed to conducting an evaluation of the Pilot’s impacts and to report back to the Board at the conclusion of the Pilot period with findings. This Board Report addresses the impacts of the Pilot, and its associated recommendation regarding the future of the PAYG Program.

BACKGROUND

The PAYG pilot reduces the cost of using the ExpressLanes without a FasTrak transponder by

temporarily removing the \$25 violation penalty and replacing it with a significantly lower \$4 processing fee for non-FasTrak trips. This \$4 fee was designed and intended to match the costs of processing each PAYG notice, thereby keeping the PAYG pilot cost-neutral. For PAYG trips, the Roadside Toll Collection System captures photos of the vehicles as they traverse toll points, and the registered vehicle owners receive notices by mail to pay the tolls and fees due. These PAYG notices can be paid through the ExpressLanes website, over the phone, at neighborhood Pay-Near-Me locations (participating 7-Eleven locations), or in person at an ExpressLanes service center (Torrance and El Monte).

California Streets and Highways Code 149.9 and the Ordinance for Enforcement of Toll Violations (“Toll Ordinance”) jointly establish the requirement that all vehicles in the Metro ExpressLanes carry FasTrak transponders. As part of the PAYG Pilot, CHP stopped issuing citations for those driving the ExpressLanes without a transponder as of January 2020; if the Board elects to make this Pilot permanent, CHP would continue to follow this course of action with respect to transponders moving forward. Consistent with ExpressLanes regulatory requirements, under the new PAYG Pilot anyone using the ExpressLanes without FasTrak still receives a PAYG Notice of Toll Evasion Violation that includes the toll amount for the trip and a \$4 processing fee as opposed to the original \$25 penalty. If the balance due on a PAYG notice is not paid by the date indicated on the notice, it incurs penalties for delinquency as shown in Attachment A.

The Metro Board approved the PAYG Pilot in January 2019 and subsequently approved the necessary changes to the Toll Ordinance to enact the Pilot in January 2020. Public outreach and education about the PAYG Pilot was conducted primarily through the website and roadside signage along the I-10 and I-110 ExpressLanes corridors, due to the targeted nature of those communications and the constraints imposed by the COVID-19 pandemic at the time. The Pilot was initially intended to have a duration of one year, effective as of January 5, 2020. However, in 2021 the Pilot period was extended to allow sufficient time for the disruptive and unprecedented effects of the COVID-19 pandemic on ExpressLanes traveler behaviors, traffic patterns, and revenue trends to subside before conducting the Pilot evaluation.

The evaluation specifically seeks to address the following questions regarding the PAYG Pilot’s impact. These are consistent with the stated objective of seeking “ways that the ExpressLanes can be made available to more drivers” as provided in the original Board Motion #42 by Director Hahn as amended by Director Dupont-Walker (Attachment B) along with the considerations raised in the January 2019 Board Report that produced the authorization to proceed with the Pilot.

1. How effective was the Pilot at making the ExpressLanes available to more drivers?
2. How effective was the Pilot at reducing the fees/penalties paid by non-FasTrak users to offer more opportunities for access to the ExpressLanes?
3. How effective was the Pilot at reducing revenue losses associated with non-payment of notices for non-FasTrak trips?
4. How effective was the Pilot at opening up the ExpressLanes to occasional users?
5. What effect did the pilot have on congestion/mobility in the ExpressLanes?

DISCUSSION

Pilot Evaluation

To assess the pilot's effectiveness at making the ExpressLanes available to more drivers, the evaluation considered the changes that occurred to ExpressLanes trip volumes by non-FasTrak users (i.e., PAYG users) after the Pilot was implemented. In the "Before PAYG" period, 3.70% of all ExpressLanes trips were made by drivers without FasTrak. In the "With PAYG" period, this percentage increased to 5.98%. This difference was statistically significant at a 95% confidence level. Over the same period, FasTrak trip volumes declined by 16.1% while non-FasTrak trip volumes increased by 38.9%. This translates into an estimated 899,954 additional ExpressLanes trips as a result of the PAYG Pilot in the one-year "With PAYG" period. The data support the conclusion that the PAYG Pilot resulted in more ExpressLanes trips by drivers that did not have FasTrak, and suggest that the PAYG Pilot resulted in a 2.4% increase in ExpressLanes trip volumes.

To assess the Pilot's effectiveness at reducing the penalties paid by non-FasTrak users, the evaluation considered the changes that occurred to ExpressLanes trip revenue collected from non-FasTrak users after the Pilot was implemented. In the "Before PAYG" period, an estimated \$11.7 million in revenue was collected from non-FasTrak users of the Metro ExpressLanes across all Notice escalation stages prior to DMV hold, representing 18.6% of all revenues collected over that time period. In the "With PAYG" period, this percentage fell to 17.1%. Over the same period, FasTrak account revenue grew by 18.9%. Based on these data, the expected revenue in the "With PAYG" period would have been an estimated \$2.6 million higher in the absence of the PAYG Pilot, representing an approximate reduction in revenue of 3.8% as a result of the Pilot. Therefore, the data provides no evidence that the PAYG Pilot had any significant effect on the total revenue obtained from non-FasTrak trips in the ExpressLanes.

To assess how effective the Pilot was at reducing revenue losses associated with non-payment of notices for non-FasTrak trips, the evaluation considered the changes in on-time payment rates for non-FasTrak trips that occurred after the Pilot was implemented. In the "Before PAYG" period, non-FasTrak Notice payments that were submitted on time constituted 78.4% of all payments made at any Notice escalation stage prior to DMV hold. In the "With PAYG" period, this percentage decreased to 77.6%. Based on these data, the expected number of on-time payments in the "With PAYG" period would have been an estimated 6,620 higher in the absence of the PAYG Pilot. This difference was not statistically significant at a 95% confidence level (paired Student's t-Test, p-value 0.104). Therefore, the data provides no evidence that the PAYG Pilot had any meaningful effect on the relative frequency of on-time payments for non-FasTrak trips in the ExpressLanes.

To assess the pilot's effectiveness at opening up the ExpressLanes to occasional users, the evaluation considered changes in the number of non-FasTrak trips made by infrequent or occasional users of the ExpressLanes after the PAYG Pilot was implemented. In the "Before PAYG" period, 73% of non-FasTrak drivers made just one trip in the ExpressLanes, while in the "With PAYG" period this percentage declined to 63%. However, the number of non-FasTrak drivers in every other trip count bin increased in the "With PAYG" period. The average number of trips made per non-FasTrak driver increased from 2.5/year in the "Before PAYG" period to 3.7/year in the "With PAYG" period, with over 90% of non-FasTrak drivers using the ExpressLanes six times a year or fewer. The difference in the two distributions was statistically significant at a 95% confidence level. These findings indicate that the vast majority of non-FasTrak drivers typically use the lanes on an infrequent/occasional basis

only, and that such users felt more comfortable continuing to use the ExpressLanes without FasTrak following implementation of the PAYG Pilot.

To assess the effect of the Pilot on congestion and mobility in the ExpressLanes, the evaluation considered the changes in end-to-end travel times. The analysis revealed that the travel times decreased by an average of 2.6 minutes in the AM Peak and increased by an average of 4.2 minutes in the PM Peak, after controlling for pandemic-related effects. Note, however, that these results reflect the cumulative effect of all changes to the ExpressLanes between the “Before PAYG” and “With PAYG” periods, including transit service changes or roadway configuration changes that occurred over the same period. The data available for this analysis could not support isolating the specific impact of the PAYG Pilot alone.

The evaluation also considered the distribution of PAYG trips throughout the day and found that the greatest proportions of PAYG travelers use the ExpressLanes during off-peak periods, with 25.6% of all trips during the off-peak periods being PAYG trips, compared to 22.5% during the peak periods. These findings suggest that non-FasTrak drivers are having a proportionally greater influence on overall trip volumes during non-peak periods.

The full evaluation results and detailed findings, including charts and data tables, are provided in Attachment C. Unless otherwise noted in the analysis details, the “Before” period is September 2018 - August 2019, and the “After” period is September 2021 - August 2022.

Fee Adjustment Policy

The PAYG processing fee is designed to make the PAYG Program cost-neutral, such that it does not constitute a potential financial liability on the rest of the ExpressLanes program. Among other things, this helps protect the availability of funds for such things as net toll revenue grant reinvestments, which are used to fund transportation programs that promote more equitable outcomes on the corridors, such as investments in transit station improvements, bicycle infrastructure, Complete Streets programs, and first/last mile connections. When first calculated in 2018, the estimated processing cost per PAYG trip was \$4. This was calculated to cover the costs associated with processing PAYG notices, including: license plate image processing, notice printing, notice mailing, payment processing, customer service/support engagements, and back-end system management.

After collecting additional data over the course of the PAYG Pilot on revenue associated with non-pursuable PAYG notices (e.g., vehicles with no license plates), PAYG non-payment rates, and processing costs (including the effects of inflation since 2018), an updated PAYG processing fee of \$8 is recommended to sufficiently cover PAYG Program costs. This accounts for the joint effects of inflation, PAYG trip non-payment rates, and non-pursuable PAYG trip rates, which collectively reflect a fee increase of 92% (calculation details are provided in Attachment D). Put another way, the original fee will be increased by \$1 to account for the cumulative effect of inflation since 2018, and by another \$3 to account for the prevailing non-payment rates that occurred over the course of the Pilot. Furthermore, to allow for ongoing coverage of PAYG Program costs moving forward, this fee would be subject to Consumer Price Index (CPI) adjustments on an annual basis as described in Attachment D.

For added interpretive support with respect to this fee increase through an equity lens, the equity analysis found that ZIP codes with lower EFC concentrations had relatively higher PAYG utilization rates whereas ZIP codes with higher EFC concentrations had relatively lower PAYG utilization rates. Additional detail is provided in the Equity Platform section.

Prior to PAYG, a \$25 penalty of notice of toll evasion was assessed. During the pilot, this penalty was suspended. If PAYG is made permanent, the \$25 penalty for toll evasion is eliminated. Per the Toll Ordinance, if a PAYG Notice is not paid within 30 days, it escalates to a “Past Due Notice” and incurs an additional “Past Due Penalty” on top of the previous balance due. The current Past Due Penalty is \$21, meaning that the total amount due at the Past Due Notice escalation stage is the toll plus \$25 in fees and penalties (i.e., the sum of the \$4 processing fee and the \$21 Past-Due Penalty). As part of the Fee Adjustment Policy as described in Attachment D, any changes to the processing fee will be accompanied by corresponding adjustments to the Past-Due Penalty to keep their sum fixed at \$25. For example, if the PAYG processing fee were increased from \$4 to \$8, the Past Due Penalty would be adjusted from \$21 to \$17 such that the total amount due at the Past Due Notice stage remains the toll plus \$25 in fees and penalties.

For added context, an \$8 fee is still the lowest out of all such fees among other Express Lanes operators in the state, which range from \$10 to \$40 and are \$25 on average (see Attachment A for a complete comparison table). Metro continues to be a national leader in this regard as more facilities across the country start to evaluate their own programs to make it easier for occasional, infrequent, or inadvertent users to access their lanes.

Any such changes to the PAYG fee would require corresponding updates to the Toll Ordinance, which was last updated on January 5, 2020, to include the current \$4 PAYG fee. When updates to the Toll Ordinance are limited to routine PAYG fee amount adjustments only, as defined in Attachment D, they will be communicated to the Metro Board by official Board Correspondence at least 30 days in advance, and will subsequently be publicly announced through the website and/or other communications channels consistent with the existing customer notification practice.

Interpretive Support for Revenue Findings

Although the PAYG processing fee is specifically designed such that the added costs of supporting the PAYG Program are recovered by the fee, there are nevertheless additional revenue impacts to the ExpressLanes program associated with PAYG given that it reduced the former \$25 violation fee for non-FasTrak trips to a lower \$4 processing fee instead. This translated into reduced revenue for the ExpressLanes program as compared to the pre-PAYG period by an estimated 3.8%, which lowers the amount of funding available.

No portion of a PAYG notice is designed to function as a revenue generator for ExpressLanes. The toll portion of the PAYG notice that is posted on the lanes is set according to the price needed to keep the lanes moving, and is a function of road capacity and demand at any given time. The fee portion of the PAYG notice is a function of processing/handling costs, and is designed specifically to cover those program expenses ; it is not designed to be punitive. While any non-zero fee amount would also act as a financial disincentive to some extent, this is not the intent of the fee portion of the PAYG

notice; rather, the purpose of PAYG is to minimize this disincentivizing effect by lowering the PAYG fee to the minimum level necessary to cover processing costs. Finally, the penalty portion of the PAYG notice is triggered only if the user does not pay the balance owed by the due date, and is designed to be a deterrent to encourage timely payment of the amount due.

It should be noted that while non-FasTrak user revenues declined between the pre-implementation and post-implementation data used for this analysis, these reductions in violation revenue were more than offset by broader revenue increases program-wide that resulted from growing demand for the ExpressLanes - particularly in the PM Peak period-and a corresponding rise in toll rates necessary to effectively manage that increasing demand during those peak times. More precisely, program-wide revenue increased overall by 4.8% between the "Before PAYG" and "With PAYG" periods, though the analysis suggests that revenue growth would have been 3.8% higher over the same period in the absence of the PAYG Pilot.

DETERMINATION OF SAFETY IMPACT

This recommended action is not anticipated to have an impact on the safety of Metro's patrons or employees.

FINANCIAL IMPACT

The toll revenue and fees collected are recognized as ExpressLanes revenues. The toll revenue will fund the existing and future ExpressLanes operations. The PAYG fees will cover the program expenses such as processing/handling costs.

Impact to Budget

No impact to FY23 Budget. If approved, the change in fees/fares will be factored into future year budgets. The Toll revenues are eligible only for activities (operation/capital) within the toll regions.

EQUITY PLATFORM

The ongoing PAYG Pilot would continue to reduce the costs of using the ExpressLanes without FasTrak by as much as 68% by lowering the fee portion of such trips from \$25 (i.e., the original pre-Pilot fee amount that would be reinstated if the PAYG Program were discontinued) to \$8. This benefit therefore necessarily extends to drivers that may have inadvertently entered the lanes without intention of doing so as well. Other ExpressLanes programs already exist to target other equity-related issues, such as emissions reductions (i.e., the Carpool Loyalty Program and Transit Rewards Program), and improved transit access (i.e., the incremental transit service funding program).

When considering the utilization rates of the PAYG Pilot, ZIP codes with the lowest EFC concentrations had the highest relative PAYG utilization rates (4.87% of all trips made), whereas ZIP codes with the highest EFC concentrations had the lowest relative PAYG utilization rates (2.62% of all trips made). PAYG utilization is defined as a ZIP code's total count of PAYG trips paid before escalation, normalized by the total trip count for that ZIP code. The focus on trips paid before

escalation is necessary to account for the fact that the PAYG Pilot only modified that fee level of the escalation process (i.e., reducing it from \$25 to \$4). Additional detail is available in Attachment E: Pay-As-You-Go Equity Analysis.

It is also notable that for frequent ExpressLanes travelers with low incomes that want to avoid the PAYG processing fees entirely, there is the option of opening Low Income Assistance Plan (LIAP) accounts with Metro ExpressLanes instead. Eligible households that meet the income requirements for LIAP accounts receive initial credits of \$25 each upon account activation and have the monthly \$1 account maintenance fees waived on an ongoing basis. As of August 2022, there were 17,060 active LIAP accounts with an estimated 8,018 (47%) living in EFCs (see Attachment E). Recent data analysis by staff has offered strong evidence that having access to LIAP accounts effectively addresses the cost-related barriers to use of the ExpressLanes among low-income households.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The ongoing PAYG Pilot supports Strategic Goal 1, providing high-quality mobility options that enable people to spend less time traveling, by reducing the costs of accessing the ExpressLanes for non-FasTrak users. Over the past 12 months, the ExpressLanes have offered travelers an average time savings of 32% and an average travel time reliability improvement of 54% when compared to the adjacent general purpose lanes on I-10 and I-110 in the weekday peak periods and directions. Since the ExpressLanes first opened in 2012, they have cumulatively saved users an estimated 26.6 million hours of time.

The ongoing PAYG Pilot supports Strategic Goal 2, delivering outstanding trip experiences for all users of the transportation system, by reducing the costs of accessing the ExpressLanes for non-FasTrak users. When traffic shifts from the general-purpose lanes to the ExpressLanes, that can help free up additional capacity in the general-purpose lanes and achieve performance improvements for those travelers as well.

ALTERNATIVES CONSIDERED

As an alternative to this recommended action, the Board may instead elect not to continue the PAYG Program. This is not recommended, as the PAYG Pilot has generated significant tangible benefits for the traveling public by making the lanes more accessible to infrequent and occasional users, and by increasing on-time payment rates among non-FasTrak users of the ExpressLanes.

NEXT STEPS

Upon Board approval of this recommended action, staff will update customer materials and messaging to indicate that the PAYG Program and its associated benefits are now a permanent feature of the Metro ExpressLanes, will make updates to the Toll Ordinance and PAYG Notice fee as described in the Fee Adjustment Policy, and will take additional action as needed on the backend systems to make the PAYG Program permanent. To further promote awareness about the PAYG Program among non-FasTrak users of the I-10 and I-110 corridors, staff will also implement a billboard strategy to educate freeway users about the new policy.

ATTACHMENTS

Attachment A - Violation Fees and Timeframes Among FasTrak Operators

Attachment B - Board Motion 42

Attachment C - Analysis Findings

Attachment D - Fee Adjustment Policy

Attachment E - Pay-As-You-Go Equity Analysis

Prepared_by

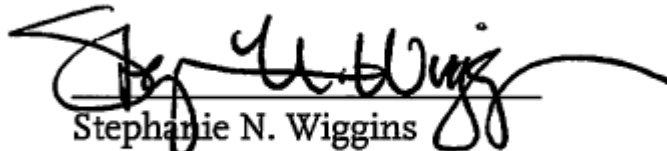
Prepared by: Robert Campbell, Sr. Manager, Transportation Planning, (213) 418-3170

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Reviewed_By

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Stephanie N. Wiggins
Chief Executive Officer

among FasTrak Operators

	Metro ExpressLanes	SANDAG Express Lanes	91 Express Lanes	RCTC Express Lanes	TCA Toll Roads ¹	Golden Gate Bridge ¹	BATA Express Lanes	BATA State-Owned Bridges ¹
First Violation Notice Fee/Penalty ²	\$4	\$40	\$25	\$25	\$57.50	\$25	\$10	\$5
First Violation Notice Due After ³	30 days	24 days	30 days	30 days	30 days	30 days	30 days	30 days
Second Violation Notice Fee/Penalty ²	\$21	\$60	\$30	\$30	\$42.50	\$45 ⁴	\$20 ⁴	\$10 ⁴
Second Violation Notice Due After ³	30 days	24 days	60 days	60 days	30 days	30 days	30 days	30 days
Third Violation Notice Fee/Penalty ²	\$30	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Third Violation Notice Due After ³	60 days	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Eligible for DMV Registration Hold ⁵	After deadline for 3 rd notice	After deadline for 2 nd notice	After deadline for 2 nd notice	After deadline for 2 nd notice	After deadline for 2 nd notice	After deadline for 2 nd notice	After deadline for 2 nd notice	After deadline for 2 nd notice

TABLE NOTES:

- For single-plaza toll facilities (i.e., bridges and toll roads), a Notice of Toll Evasion Violation is sent out after a short pre-violation stage (2–5 days) wherein customers can alternatively pay the toll amount online by license plate. This functionality is not supported for trip-based toll facilities (i.e., all Express Lanes facilities).
- Amounts are in addition to the toll amount and any fees/penalties associated with prior notices.
- Timeframes are an approximate guideline only. Refer to violation notice for precise due date associated with a given violation.
- If the second violation notice is paid within the first 15 days, the second violation notice penalty is waived (i.e., only the toll and penalty from the first violation notice are due).
- Some agencies may also send violations to collections at this stage depending on the circumstances.

SOURCES:

- Metro ExpressLanes:
 - Web Site Frequently Asked Questions: <https://www.metroexpresslanes.net/frequently-asked-questions/#elementor-tab-content-da4151b> (accessed 2022-11-28)
- SANDAG:
 - Web Site Frequently Asked Questions: <https://www.myfastrak.511sd.com/en/learn/faq> (accessed 2022-11-28)
 - Conversation with SANDAG Customer Service Representative at (888) 889-1515 on 2022-11-28.
 - Email conversation with SANDAG Express Lanes staff at [email addresses withheld] on 2022-12-01.
- OCTA (91 Express Lanes):
 - Web Site Frequently Asked Questions: <https://www.91expresslanes.com/faqs/> (accessed 2022-11-28)
 - Ordinance No. 2020-01 Amending Ordinance No. 201-01 Relating to the Administration of Tolls and the Enforcement of Toll Violations for OCTA
 - Conversation with 91 Express Lanes Customer Service Representative at (800) 600-9191 on 2022-11-28.
- RCTC:
 - Ordinance No. 19-001 Amending and Restating the RCTC Ordinance Relating to the Administration of Tolls and the Enforcement of Toll Violations for the RCTC Express Lanes
 - Conversation with RCTC Express Lanes Customer Service Representative at (855) 951-1500 on 2022-11-28.
- TCA:
 - Web Site Frequently Asked Questions: <https://www.thetollroads.com/help/faqs/what-is-the-penalty-for-a-toll-road-violation/> (accessed 2022-11-28)
 - Conversation with TCA Customer Service Representative at (949) 727-4800 on 2022-11-28.
- Golden Gate Bridge and BATA:
 - Web Site Frequently Asked Questions: <https://www.bayareafastrak.org/en/support/tv-general-information-faq1.shtml> (accessed 2022-11-28)
 - Conversation with BATA Customer Service Representative at (877) 229-8655 on 2022-11-28.



Board Report

File #: 2018-0194, **File Type:** Motion / Motion Response

Agenda Number: 42.

**REGULAR BOARD MEETING
APRIL 26, 2018**

Motion by:

HAHN as amended by DUPONT-WALKER

Metro ExpressLanes officially began with a US Department of Transportation Grant in April 2008, which would convert existing High Occupancy Vehicle (HOV) lanes into dynamically-priced high-occupancy toll (HOT) lanes. This initial congestion pricing pilot project was specifically designed to reduce congestion along two of the Los Angeles region's most impacted freeways: the I-110 and I-10. Metro ensures the ExpressLanes maintain traffic flow, prevent them from being overloaded, and maintain a federally mandated minimum speed of 45 miles per hour.

Many of Metro's goals - expanding the rail and bus network, investing in active transportation, and connecting us throughout the Los Angeles region, aim to achieve some level of reduced congestion and fewer vehicle miles traveled. Metro is now looking at expanding the ExpressLanes to the I-105 Freeway.

I believe that Metro should continue to review the Express Lanes program and ensure it continues to meet its commitment to ease freeway congestion and improve the quality of life for Los Angeles County residents. Metro should also study toll systems in other large jurisdictions, giving priority to those with similar demographics; and explore ways that the Express Lanes can be made available to more drivers.

**SUBJECT: MOTION BY HAHN AS AMENDED BY DUPONT-WALKER
FEASIBILITY STUDY ON EXPRESSLANES**

APPROVE Motion by Hahn as amended by Dupont-Walker that the CEO report back in 180 days to the Board on:

- A. The current performance of the ExpressLanes;
- B. A comparison of the Metro ExpressLanes system to other major congestion-pricing toll systems in the country; and
- C. The viability of Metro ExpressLanes implementing a "Pay-as-You-Use" model for all drivers.

ATTACHMENT C:

Quantitative Evaluation of Pay-As-You-Go Pilot

This data analysis considers the quantitative impact of the Pay-As-You-Go (PAYG) Pilot in six areas:

1. End-to-End Travel Times in the ExpressLanes
2. Flow fractions for Non-transponder Trips by time of day
3. Volume of ExpressLanes Trips by Non-FasTrak Users
4. ExpressLanes Revenue
5. On-Time Payments for Trips by Non-FasTrak Users
6. ExpressLanes Access by Infrequent or Occasional Users

END-TO-END TRAVEL TIMES IN THE EXPRESSLANES

In this section, we consider changes in end-to-end travel times on the ExpressLanes.

Data Source: Caltrans Performance Measurement System (PeMS) 5-minute traffic data for all detectors that were at least 70 percent observed (i.e., less than 30 percent imputed in a given aggregation interval). Data were collected for all weekdays in calendar year 2019 and calendar year 2022, with 2019 constituting the “Before PAYG” period and 2022 constituting the “With PAYG” period. These periods were selected to compare the most recent year of data available against the comparable period before the PAYG pilot was implemented in January 2020. Data were collected for the I-10 ExpressLanes between I-605 and Alameda Street. There were insufficient data available in PeMS for the I-110 ExpressLanes to support this analysis, so only I-10 travel times were evaluated.

Additional data were collected from the HOV lanes on the following corridors to function as experimental controls for the I-10 ExpressLanes:

- SR 91 between I-110 (Abs PM 0.5) and I-605 (Abs PM 11)
- I-210 between I-605 (Abs PM 36.71) and SR 57 (Abs PM 44.77)
- I-210 between SR 134 (Abs PM 25) and I-605 (Abs PM 36.71)
- SR 60 between I-605 (Abs PM 11.84) and SR 57 (Abs PM 25.67)

I-105 between I-110 (Abs PM 7.34) and I-605 (Abs PM 18) was also considered as a candidate control corridor, but was found to have insufficient data available in PeMS and subsequently excluded.

Method: In this analysis, travel times are estimated from point measurements along a given corridor (e.g., from inductive loop data) by simulating the progress of virtual vehicles from one end of the corridor to the other. In the case of this analysis, these vehicles are dispatched from the upstream end of the corridor every 5 minutes and their progress is re-evaluated every 45 seconds or every 30 feet along the corridor—whichever occurs first. The time between successive re-evaluations is called the simulation time-step. Generally, the distance threshold will govern, and vehicle progress will be re-evaluated every 30 feet. However, if traffic speeds drop very low, the time threshold of 45 seconds will be reached first, and progress will be re-evaluated after that amount of time. This is included as a protection to ensure that time steps do not grow excessively long when speeds are particularly low. At the start of each simulation time-step, the speed of the vehicle is calculated using the exact location and timestamp of the vehicle at that moment, using linear interpolation between the nearest 5-minute detector data in time and space. The vehicle is then assumed to proceed at that speed for the duration of the simulation time-step.

Due to the expected interaction and correlation between congestion patterns on the I-10 ExpressLanes and one or more of the other managed lanes on nearby parallel routes, a predictive model for I-10 ExpressLanes travel times is built using a linear regression model where the response variable is the end-to-end travel time on the I-10 ExpressLanes in either the eastbound or westbound direction at any given time, and candidate input variables are the travel times on a combination of the control corridors in the same direction as the response variable at that same time. Only data from the “Before PAYG” period were used for model training. Additionally, only data from the peak periods (5-9 AM for westbound travel, 4-7 PM for eastbound travel) were used for model training, to allow for more targeted performance in the area of peak period travel time predictions on the I-10 ExpressLanes—which is specifically what this model will be used for. Model specification was performed by first including all applicable control variables, then incrementally removing those with counterintuitive signs (i.e., those exhibiting an apparent inverse correlation), then incrementally removing those that were not significant at a 95% level starting with the least significant variable, and finally testing all combinations of the remaining significant variables to identify the set that minimizes the Adjusted R-Squared value of the model.

The resultant travel time prediction models for the I-10 ExpressLanes in each direction are specified below.

$$y_{10e} = 5.669 + 0.270x_{210e1} + 0.396x_{60e}$$

$$y_{10w} = 4.165 + 0.305x_{91w} + 0.230x_{210w2} + 0.298x_{60w}$$

where:

y_{10e} = Predicted end-to-end travel time on eastbound I-10 ExpressLanes (weekdays 4–7 PM)

y_{10w} = Predicted end-to-end travel time on westbound I-10 ExpressLanes (weekdays 5–9 AM)

x_{91w} = Calculated travel time on westbound SR 91 HOV lane between I-110 and I-605.

x_{210e1} = Calculated travel time on eastbound I-210 HOV lane between I-605 and SR 57.

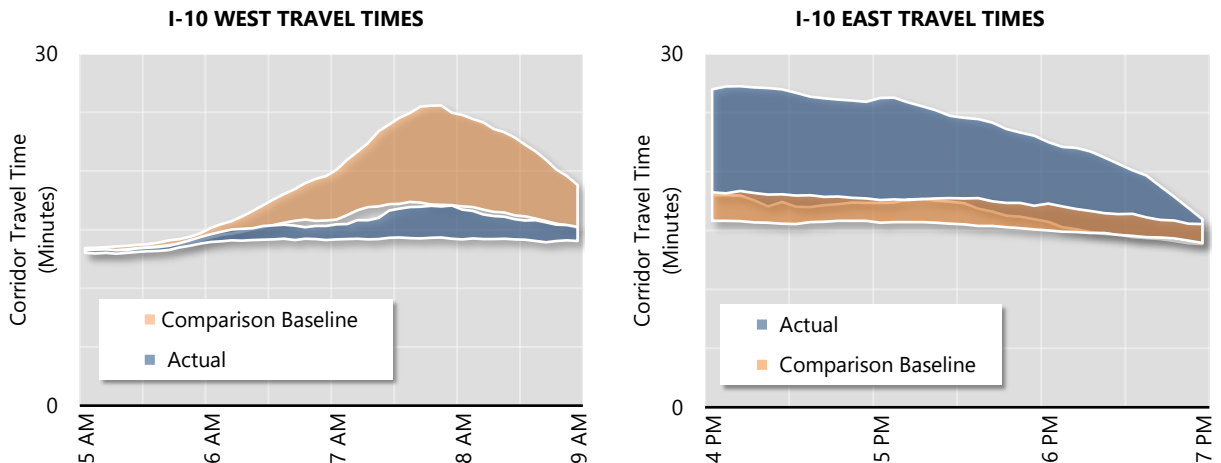
x_{210w2} = Calculated travel time on westbound I-210 HOV lane between SR 134 and I-605.

x_{60e} = Calculated travel time on eastbound SR 60 HOV lane between SR 57 and I-605.

x_{60w} = Calculated travel time on westbound SR 60 HOV lane between SR 57 and I-605.

With these models, it was possible to predict the counter-factual (comparison baseline) travel times in the “With PAYG” period based on the observed performance on the applicable control corridors over the same period. The Adjusted R-Squared value for the westbound AM Peak model is 0.580 (n=10,140), and the Adjusted R-Squared value for the eastbound PM Peak model is 0.230 (n=7,296).

Findings: Observed travel times in the “With PAYG” period were an average of 4.18 minutes higher than the comparison baseline for the eastbound I-10 ExpressLanes between 4 PM and 7 PM, whereas observed travel times were 2.63 minutes lower than the comparison baseline for the westbound I-10 ExpressLanes between 5 AM and 9 AM. Time-of-day distributions are shown in the charts below, represented as inter-quartile ranges for every 5-minute aggregation interval across the applicable peak period for the direction indicated.



Trends in the deviations between the predicted and observed travel times on the I-10 ExpressLanes are attributed to localized changes to the I-10 corridor, including but not limited to the institution of PAYG. These differences may also be influenced by other corridor-specific factors that occurred during the analysis period such as:

- The recent extension of the I-10 HOV lanes east of I-605.

- Changes to transit service along I-10 (i.e., Silver Line, Metrolink) since 2020.
- Pandemic-related changes to commuter patterns that affected the employment centers and industries along I-10 (e.g., downtown LA) differently than employment centers and industries along the control corridors (e.g., Pasadena, West LA, South Bay).

Also note that the eastbound regression model had relatively low prediction accuracy (Adjusted R² value of 0.23), indicating that the eastbound results are not as reliable as the westbound results.

Assumptions: Travel times calculated using spot speed measurements from PeMS detector data are a valid approximation of actual travel times on the corridor.¹

¹ Margulici, J.D; Ban, X. Benchmarking travel time estimates. *Intelligent Transport Systems*, IET, Vol 2, #3, Sept. 2008, p228–237.

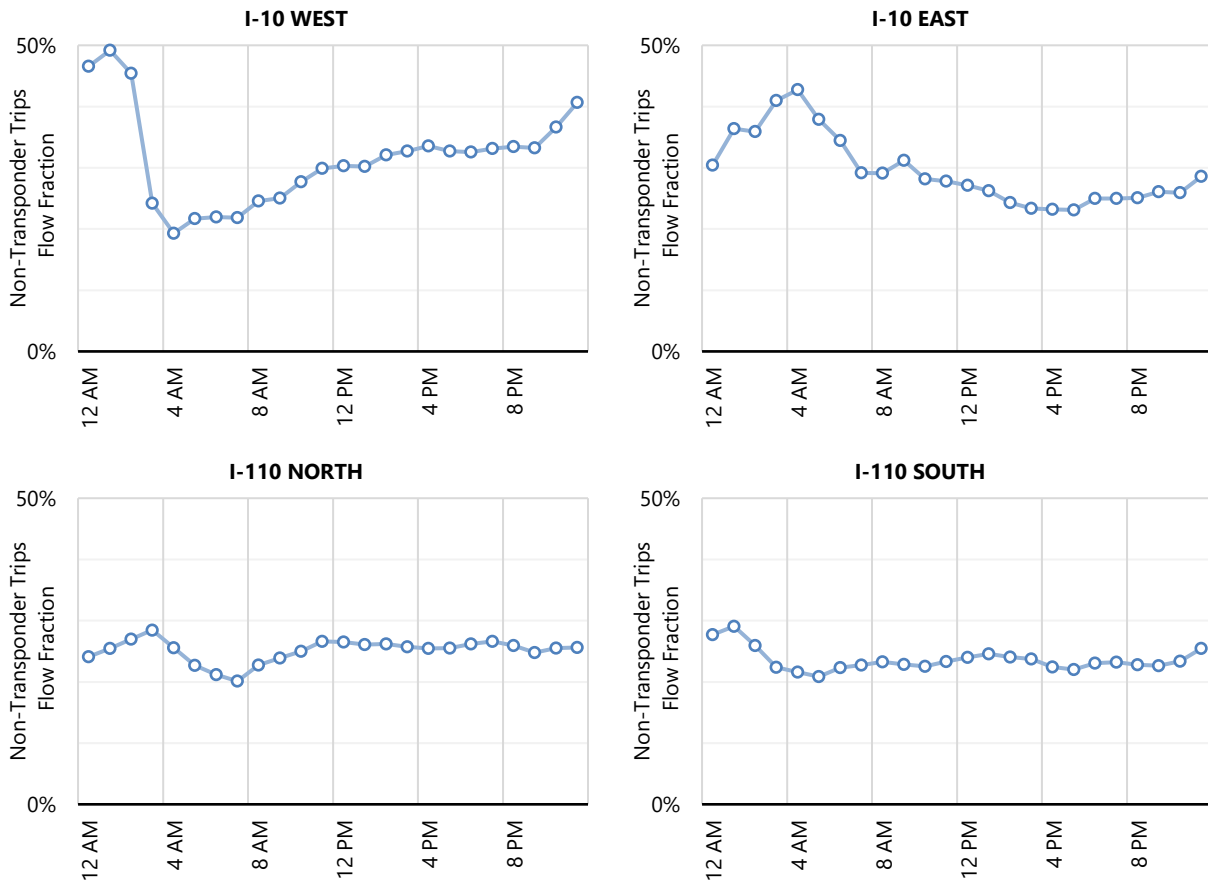
FLOW FRACTIONS FOR NON-TRANSPONDER TRIPS BY TIME OF DAY

In this section, we consider time-of-day patterns in the flow fractions for non-transponder trips in the ExpressLanes to gain insight into the times of day where PAYG travelers are having the greatest proportional impact on trip volumes in the ExpressLanes.

Data Source: Trip records for weekdays in the period between 1/1/2022 and 12/24/2022. This period was selected to characterize non-transponder trip trends because it aligns closely with the “With PAYG” period used for the travel time analysis, which facilitates comparison between the two sets of results.

Method: Trip records are aggregated by hourly bin according to the trip start time. Each is categorized as either a transponder-based trip or a non-transponder trip. Results are examined separately by corridor and direction.

Findings: The overall flow fraction for non-transponder trips during off-peak periods was 25.6%, while the overall flow fraction was 22.5% during peak periods. These findings suggest that non-FasTrak drivers are having a proportionally greater influence on overall trip volumes during non-peak periods.



DATA TABLE

Hour	Transponder Trip Counts				Non-Transponder Trip Counts			
	I-10 East	I-10 West	I-110 North	I-110 South	I-10 East	I-10 West	I-110 North	I-110 South
12 AM	14,504	5,138	39,058	31,690	6,344	4,479	12,402	12,133
1 AM	6,062	3,042	21,129	15,581	3,468	2,944	7,211	6,389
2 AM	4,432	3,137	11,709	13,976	2,480	2,609	4,327	4,895
3 AM	3,255	14,547	13,254	23,092	2,260	4,648	5,275	6,662
4 AM	6,814	132,422	51,663	64,763	5,085	31,670	17,752	17,829
5 AM	19,123	397,899	270,629	160,136	11,676	110,277	79,405	42,196
6 AM	40,158	520,096	534,378	318,511	21,075	146,308	143,488	91,571
7 AM	88,239	560,692	619,670	540,771	36,324	156,746	155,986	159,346
8 AM	108,881	474,946	511,819	458,345	44,687	154,578	150,697	138,988
9 AM	76,325	368,865	444,732	289,321	34,593	123,312	139,677	85,818
10 AM	91,355	241,345	382,753	269,331	35,780	92,513	127,592	78,439
11 AM	126,452	172,394	338,015	292,454	48,718	73,463	122,448	88,935
12 PM	204,290	153,354	336,713	344,746	75,952	66,649	121,371	108,730
1 PM	337,306	144,401	358,039	414,816	120,007	62,563	126,375	135,348
2 PM	490,113	133,524	408,888	550,563	157,106	63,060	145,113	174,432
3 PM	566,454	131,018	432,930	637,376	172,857	63,718	150,147	198,175
4 PM	571,108	135,358	456,705	690,035	172,515	68,383	155,945	199,522
5 PM	566,483	171,070	464,024	673,369	170,322	83,173	158,833	189,897
6 PM	444,222	138,163	374,915	534,404	147,762	66,650	132,910	160,390
7 PM	266,428	69,542	249,743	343,471	88,612	34,486	90,500	103,913
8 PM	159,674	53,417	171,286	216,686	53,488	26,823	59,968	63,929
9 PM	106,699	45,238	140,329	171,888	37,680	22,508	46,198	50,332
10 PM	82,834	25,881	103,757	150,681	28,975	14,956	35,544	46,003
11 PM	43,991	12,270	69,343	81,321	17,602	8,399	23,902	27,756

Assumptions: Non-transponder trip patterns are a reasonable proxy for non-FasTrak trip patterns.

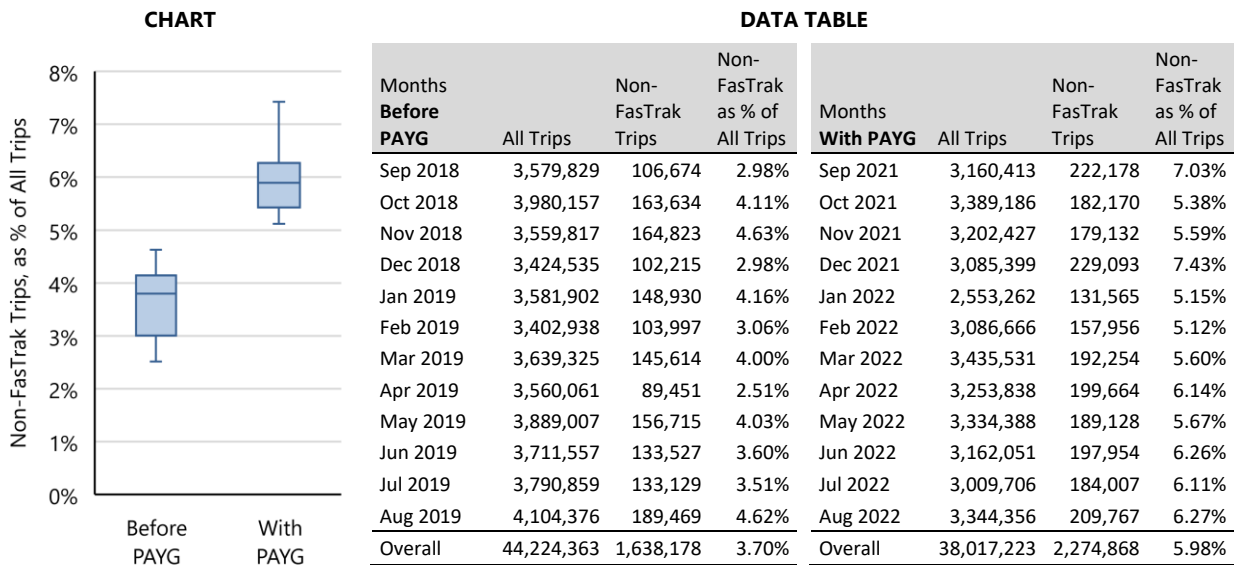
VOLUME OF NON-FASTRAK TRIPS

In this section, we consider changes in trip volume for drivers that do not have FasTrak.

Data Source: Monthly ExpressLanes trip records. The 12 months between September 2018 and August 2019 constitute the “Before PAYG” period. The 12 months between September 2021 and August 2022 constitute the “With PAYG” period. These periods were selected to compare the most recent year of data available against the comparable period before the PAYG pilot was implemented in January 2020.

Method: Data are binned by month, allowing for an evaluation of variance in the overall percentages of non-FasTrak trips before and after the PAYG Pilot began. To control for pandemic-related effects on overall trip volumes, the non-FasTrak trips are reported as a percent of all trips.

Findings: In the “Before PAYG” period, 3.70% of all ExpressLanes trips were made by drivers without FasTrak. In the “With PAYG” period, this percentage increased to 5.98%. This difference was statistically significant at a 95% confidence level (Student’s t-Test, p-value 0.000). Over the same period, FasTrak trip volumes declined 16.1% while non-FasTrak trip volumes increased 38.9%. This translates into an estimated 899,954 additional ExpressLanes trips as a result of the PAYG Pilot in the one-year “With PAYG” period. The data support the conclusion that the PAYG Pilot resulted in more ExpressLanes trips by drivers that did not have FasTrak, and suggest that the PAYG Pilot resulted in a 2.4% increase in ExpressLanes trips.



Assumptions: In the absence of the PAYG Pilot, non-FasTrak trip volumes would have exhibited the same percent change as observed FasTrak trip volumes between the “Before PAYG” and “With PAYG” periods.

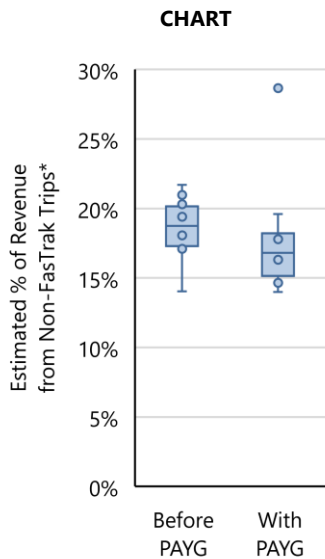
REVENUE IMPACTS

In this section, we consider changes in ExpressLanes revenue that occurred after the PAYG Pilot was implemented, and fees for using the ExpressLanes without FasTrak were reduced from \$25/trip to \$4/trip.

Data Source: Monthly ExpressLanes accounting records. The 12 months between September 2018 and August 2019 constitute the “Before PAYG” period. The 12 months between September 2021 and August 2022 constitute the “With PAYG” period. These periods were selected to compare the most recent year of data available against the comparable period before the PAYG pilot was implemented in January 2020. Supplemental data from FY2018 were used to estimate the revenues associated specifically with all stages of notice escalation prior to DMV hold.

Method: Data are binned by month, allowing for an evaluation of variance in the overall percentages of non-FasTrak trip revenue before and after the PAYG Pilot began. To control for pandemic-related effects on overall program revenues and trip volumes, the revenues originating from non-FasTrak trips paid at any Notice of Toll Evasion Violation escalation stage prior to DMV hold are reported as a percent of all revenues for the program.

Findings: In the “Before PAYG” period, an estimated \$11.7 million in revenue was collected from non-FasTrak users of the Metro ExpressLanes across all Notice escalation stages prior to DMV hold, representing 18.6% of all revenues (\$63.0 million) collected over that time period. In the “With PAYG” period, this percentage fell to 17.1%. Based on these data, the expected revenue in the “With PAYG” period would have been an estimated \$2.6 million higher in the absence of the PAYG Pilot, representing an approximate reduction in revenue of 3.8% as a result of the Pilot. This difference was **not** statistically significant at a 95% confidence level (Student’s t-Test, p-value 0.399). Therefore, we conclude that the data provide no evidence that the PAYG Pilot had any meaningful effect on the total revenue obtained from non-FasTrak trips in the ExpressLanes.



DATA TABLE

Months	Total ExpressLanes Program Revenue	Estimated % of Revenue from Non-FasTrak Trips*	Months	Total ExpressLanes Program Revenue	Estimated % of Revenue from Non-FasTrak Trips*
Before PAYG			With PAYG		
Sep 2018	\$4,483,562	14.0%	Sep 2021	\$5,422,808	19.6%
Oct 2018	\$6,250,025	17.3%	Oct 2021	\$6,061,228	16.8%
Nov 2018	\$5,119,624	19.7%	Nov 2021	\$6,678,266	15.1%
Dec 2018	\$4,758,430	19.4%	Dec 2021	\$6,108,344	16.3%
Jan 2019	\$4,771,775	21.7%	Jan 2022	\$3,751,527	28.7%
Feb 2019	\$5,176,398	17.3%	Feb 2022	\$4,643,542	18.3%
Mar 2019	\$5,075,955	18.1%	Mar 2022	\$6,546,837	15.2%
Apr 2019	\$5,677,222	17.1%	Apr 2022	\$5,409,238	16.8%
May 2019	\$5,561,893	17.4%	May 2022	\$6,380,040	14.7%
Jun 2019	\$5,399,991	20.3%	Jun 2022	\$4,754,852	17.8%
Jul 2019	\$5,024,651	21.0%	Jul 2022	\$4,395,368	18.0%
Aug 2019	\$5,746,192	19.6%	Aug 2022	\$5,913,661	14.0%
Overall	\$63,045,718	18.6%	Overall	\$66,065,711	17.1%

*Includes revenues from all Notice escalation stages prior to DMV hold.

Assumptions: In the absence of the PAYG Pilot, the revenue for non-FasTrak trips would have experienced the same percent change as the observed revenue for FasTrak trips/accounts between the “Before PAYG” and “With PAYG” periods. Also, PAYG revenue impacts would not have affected other program revenue aspects outside of the payments made during notice escalation across all stages prior to DMV hold.

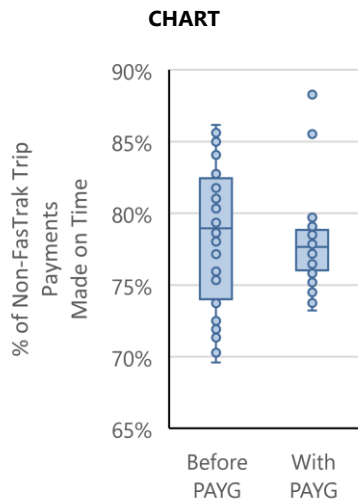
TIMELY PAYMENTS FOR NON-FASTRAK TRIPS

In this section, we consider changes in on-time payments for non-FasTrak trips that occurred after the PAYG Pilot was implemented, and fees for such trips were reduced from \$25 per trip to \$4 per trip.

Data Source: Weekly ExpressLanes payment records. The 53 weeks between 8/26/2018 and 8/31/2019 constitute the “Before PAYG” period. The 53 weeks between 8/29/2021 and 9/3/2022 constitute the “With PAYG” period. These periods were selected to compare the most recent year of data available against the comparable period before the PAYG pilot was implemented in January 2020. Supplemental data from FY2018 were used to estimate the payment volumes associated specifically with all stages of notice escalation prior to DMV hold in 2018 and 2019, as those disaggregate data were not immediately available.

Method: Data are binned by week, allowing for an evaluation of variance in the overall percentages of non-FasTrak trip payments received on time, before and after the PAYG Pilot began. For the purposes of this analysis, an “on time” payment is defined as one that occurred before the notice/fees escalated. To control for pandemic-related effects on non-FasTrak trip volumes and payments, the volume of on-time payments for non-FasTrak trips are reported as a percent of all non-FasTrak trip payments made at any Notice of Toll Evasion Violation escalation stage prior to DMV hold.

Findings: In the “Before PAYG” period, non-FasTrak Notice payments that were submitted on time constituted 78.4% of all payments made at any Notice escalation stage prior to DMV hold. In the “With PAYG” period, this percentage decreased to 77.6%. Based on these data, the expected number of on-time payments in the “With PAYG” period would have been an estimated 6,620 higher in the absence of the PAYG Pilot. This difference was **not** statistically significant at a 95% confidence level (paired Student’s t-Test, p-value 0.104). Therefore, we conclude that the data provide no evidence that the PAYG Pilot had any meaningful effect on the relative frequency of on-time payments for non-FasTrak trips in the ExpressLanes.



DATA TABLE
See full data table at end of this section

Assumptions: In the absence of the PAYG Pilot, the volume of on-time payments made for non-FasTrak trips as a proportion of all non-FasTrak trip payments received would have remained unchanged between the “Before PAYG” and “With PAYG” periods. Additionally, any potential influence of the PAYG Pilot on the total number of non-FasTrak trip payments received in the “With PAYG” period (i.e., 823,401) was assumed to be negligible. Finally, the proportion of payments that occurred after escalation to DMV hold in the “Before PAYG” period is assumed to be consistent from week to week.

DATA TABLE

Weeks Before PAYG, by Start Date	Non-FasTrak Trips Paid*	On-Time Non-FasTrak Trip Payments	Weeks Before PAYG, by Start Date	Non-FasTrak Trips Paid*	On-Time Non-FasTrak Trip Payments	Weeks With PAYG, by Start Date	Non-FasTrak Trips Paid*	On-Time Non-FasTrak Trip Payments	Weeks With PAYG, by Start Date	Non-FasTrak Trips Paid*	On-Time Non-FasTrak Trip Payments
8/26/18	1,625	1,285	3/3/19	7,795	6,082	8/29/21	12,022	9,190	3/6/22	16,228	12,603
9/2/18	6,696	4,661	3/10/19	7,786	5,928	9/5/21	16,802	12,914	3/13/22	15,934	12,402
9/9/18	10,056	7,078	3/17/19	6,388	5,244	9/12/21	18,053	13,858	3/20/22	16,935	13,068
9/16/18	10,576	7,634	3/24/19	3,702	3,189	9/19/21	17,378	13,239	3/27/22	14,259	12,586
9/23/18	11,200	8,119	3/31/19	6,093	4,768	9/26/21	18,056	13,624	4/3/22	16,463	12,749
9/30/18	10,031	7,558	4/7/19	6,520	5,158	10/3/21	17,803	13,619	4/10/22	17,123	13,305
10/7/18	10,030	7,395	4/14/19	8,297	6,443	10/10/21	17,588	13,368	4/17/22	17,267	13,750
10/14/18	12,074	8,951	4/21/19	10,803	8,362	10/17/21	17,760	13,372	4/24/22	16,195	12,920
10/21/18	12,138	8,965	4/28/19	9,793	7,886	10/24/21	18,099	13,552	5/1/22	18,872	14,979
10/28/18	11,711	8,399	5/5/19	10,175	8,585	10/31/21	17,055	12,586	5/8/22	14,983	11,940
11/4/18	9,295	6,533	5/12/19	10,363	8,597	11/7/21	17,503	12,907	5/15/22	13,129	10,378
11/11/18	8,861	6,440	5/19/19	10,354	8,708	11/14/21	18,160	13,527	5/22/22	15,632	12,301
11/18/18	8,549	6,098	5/26/19	7,975	6,812	11/21/21	16,005	11,860	5/29/22	15,036	11,807
11/25/18	10,239	7,401	6/2/19	9,136	7,503	11/28/21	16,659	12,198	6/5/22	15,279	12,083
12/2/18	10,244	7,367	6/9/19	11,933	9,716	12/5/21	17,734	13,483	6/12/22	15,432	12,298
12/9/18	11,466	8,467	6/16/19	10,484	8,572	12/12/21	20,108	15,621	6/19/22	14,452	11,366
12/16/18	11,543	8,765	6/23/19	8,750	6,952	12/19/21	15,171	12,975	6/26/22	15,505	12,212
12/23/18	8,387	6,775	6/30/19	7,734	6,399	12/26/21	9,804	7,422	7/3/22	13,380	10,629
12/30/18	7,457	6,338	7/7/19	8,423	6,996	1/2/22	10,061	7,666	7/10/22	14,121	11,145
1/6/19	8,115	6,176	7/14/19	10,694	9,035	1/9/22	9,424	7,085	7/17/22	15,040	11,739
1/13/19	7,113	5,514	7/21/19	10,933	9,359	1/16/22	10,870	8,240	7/24/22	15,177	11,752
1/20/19	5,714	4,629	7/28/19	10,684	9,009	1/23/22	12,508	9,447	7/31/22	15,202	11,733
1/27/19	5,271	4,074	8/4/19	11,123	9,533	1/30/22	14,181	10,855	8/7/22	16,242	12,649
2/3/19	6,934	5,474	8/11/19	10,618	8,927	2/6/22	17,357	13,542	8/14/22	17,263	13,521
2/10/19	8,982	7,126	8/18/19	11,280	9,183	2/13/22	17,741	13,927	8/21/22	16,831	13,306
2/17/19	10,272	8,077	8/25/19	10,748	8,635	2/20/22	16,493	12,785	8/28/22	7,612	6,009
2/24/19	9,068	6,996				2/27/22	13,414	10,505			

**Includes Notices paid at all escalation stages prior to DMV hold. Numbers are approximate for 2018-2019.*

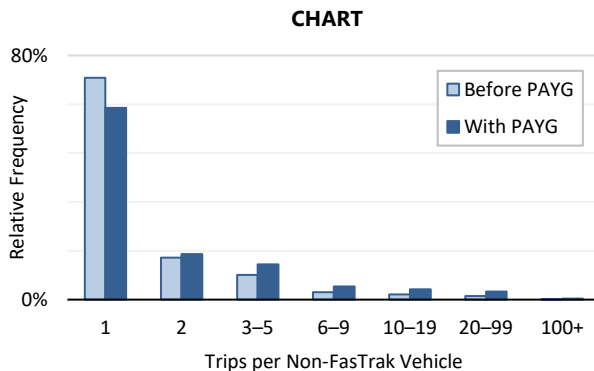
EXPRESSLANES ACCESS BY INFREQUENT OR OCCASIONAL USERS

In this section, we consider changes in the amount of non-FasTrak trips made by infrequent or occasional users of the ExpressLanes after the PAYG Pilot was implemented, and fees for such trips were reduced from \$25 per trip to \$4 per trip.

Data Source: Trip records for the period between 9/1/2018 and 8/31/2019 (constituting the “Before PAYG” period), and trip records for the period between 9/1/2021 and 8/31/2022 (constituting the “With PAYG” period). These periods were selected to compare the most recent year of data available against the comparable period before the PAYG pilot was implemented in January 2020.

Method: Data consider the number of trips made for each non-FasTrak vehicle that appeared at least once in the ExpressLanes during the “Before PAYG” and “With PAYG” analysis periods. These data are aggregated into bins as shown in the “Findings” section. To control for pandemic-related effects on overall ExpressLanes trip volumes, the number of trips made by each vehicle are reported as relative frequencies.

Findings: In the “Before PAYG” period, 73% of non-FasTrak drivers made just one trip in the ExpressLanes, while in the “With PAYG” period this percentage declined to 63%. However, the number of non-FasTrak drivers in every other trip count bin increased in the “With PAYG” period. The average (arithmetic mean) number of trips made per non-FasTrak driver increased from 2.5 in the “Before PAYG” period to 3.7 in the “With PAYG” period. The difference in the two distributions was statistically significant at a 95% confidence level (Chi-Squared Test, p-value 0.000). These findings indicate that non-FasTrak drivers were more likely to continue using the ExpressLanes without setting up FasTrak accounts in the “With PAYG” period compared to the “Before PAYG” period. Conversely, drivers in the “Before PAYG” period were more likely to set up FasTrak accounts or stop using the ExpressLanes altogether after their first trips as compared to the “With PAYG” period.



DATA TABLE

Trips Per Non-FasTrak Vehicle	Vehicle Count Before PAYG	Vehicle Count With PAYG	Relative Frequency Before PAYG	Relative Frequency With PAYG
1	443,473	420,018	72.7%	62.9%
2	83,975	99,449	13.8%	14.9%
3-5	49,309	77,084	8.1%	11.5%
6-9	14,757	29,165	2.4%	4.4%
10-19	10,323	22,828	1.7%	3.4%
20-99	7,367	17,465	1.2%	2.6%
100+	831	2,057	0.1%	0.3%

Assumptions: In the absence of the PAYG Pilot, the distribution of trip counts per non-FasTrak driver in the ExpressLanes would have remained unchanged between the “Before PAYG” and “With PAYG” periods.

ATTACHMENT D:

Fee Adjustment Policy for Pay-As-You-Go Program

Background

Board Report 2018-0703, Attachment E, established a baseline unit cost estimate for processing Pay-As-You-Go (PAYG) notices of \$4 per notice. This was based on the known or forecasted costs associated with supporting the PAYG program that were available at that time, including but not limited to: postage, manual image review, customer service labor, payment processing, and other accounting/logistics. That Board Report attachment also indicated that the fee amount would need to be reassessed after one year, with the intention of ensuring that it remains appropriately set to sufficiently cover the PAYG program's costs on an ongoing basis.

Purpose

This fee adjustment policy more precisely establishes the framework that will be used to make such adjustments to the PAYG fee periodically over time in an effort to ensure it remains properly aligned with the program's costs. This policy is designed to include appropriate adjustments to account for the effects of inflation, economic climate conditions, an evolving labor/wage landscape, and other factors that contribute to the program's costs. It also takes into consideration the proportion of violations that have gone unpaid (i.e., the non-recovery rate).

Method

The formula below will be used to calculate the updated fee amount (x_{n+1}) based on the existing fee (x_n) as established on a given reference date, and the degree of inflation (i_n) that occurred between that reference date and the date of the most recent inflation data available.

$$x_{n+1} = (1 + \max(0, i_n))x_n \quad \text{for } n = 1, 2, 3 \dots$$

The *max* operator in the formula above protects against the influence of transient deflationary effects that can arise in more volatile or unpredictable economic periods.

Furthermore, a one-time revaluation will be made upon initial adoption of this fee adjustment policy to account for the non-recovery rate, which is a fundamental factor affecting cost recovery for PAYG notices that was not considered when calculating the original \$4 fee in 2018 (x_0). This one-time revaluation amount (x_1) will jointly account for inflation to date (i_0) and the current prevailing non-recovery rate (r_0) according to the following formula.

$$x_1 = \left(\frac{1 + i_0}{1 - r_0} \right) x_0$$

Inflation is evaluated according to the monthly data published by the US Bureau of Labor Statistics on Consumer Price Index for all Urban Consumers reported for the Los Angeles area. Non-recovery rate is calculated based on PAYG data between January 2020 (i.e., the start of the program) and July 2022 (i.e., the latest available data at the time of policy adoption).

When an update to the fee becomes warranted as described in this policy, the new fee amount will be rounded up to the nearest dollar to simplify messaging to users while also ensuring that it remains sufficient to cover the ongoing costs of the program.

Escalation Considerations

Per the ExpressLanes Ordinance for Enforcement of Toll Violations, if a Pay-As-You-Go (PAYG) Notice is not paid within 30 days, it escalates to a "Past Due Notice" and incurs an additional "Past Due Penalty" on top of the previous balance due. If a Past Due Notice is not paid within 30 days, it escalates further to a "Delinquent Notice" and incurs an additional "Delinquent Penalty" on top of the previous balance due. As of January 5, 2020, the escalation penalty structure is as follows.

NOTICE ESCALATION STAGE	TOTAL AMOUNT DUE
Initial PAYG Notice	Toll + \$4 Processing Fee
Past Due Notice	Toll + \$4 Processing Fee + \$21 past-due penalty
Delinquent Notice	Toll + \$4 Processing Fee + \$21 past-due penalty + \$30 delinquent penalty

Altogether, the total amount due at the Past Due Notice escalation stage is the toll plus \$25 in fees and penalties, while the total amount due at the Delinquent Notice escalation stage is the toll plus \$55 in fees and penalties.

As the PAYG processing fee is adjusted in accordance with the procedures described above, the past-due penalty will be adjusted down by an equivalent amount such that the total amount due at the Past Due Notice stage remains the toll plus \$25 in fees and penalties, and the total amount due at the Delinquent Notice stage remains the toll plus \$55 in fees and penalties.

Escalation Example

When the PAYG processing fee is increased from \$4 to \$8 in accordance with the procedures above, the Past Due Penalty would be adjusted from \$21 to \$17 so that the total amount due at the Past Due Notice stage remains the toll plus \$25 in fees and penalties, and the total amount due at the Delinquent Notice stage would remain the toll plus \$55 in fees and penalties. The table below summarizes the new escalation penalty structure in this example.

NOTICE ESCALATION STAGE	TOTAL AMOUNT DUE IN THIS EXAMPLE
Initial PAYG Notice	Toll + \$8 Processing Fee
Past Due Notice	Toll + \$8 Processing Fee + \$17 past-due penalty
Delinquent Notice	Toll + \$8 Processing Fee + \$17 past-due penalty + \$30 delinquent penalty

ATTACHMENT E:

Pay-As-You-Go Equity Analysis

This analysis uses ZIP code data to examine the association between PAYG utilization and equity-focus communities in Los Angeles County.

Data:

The data sources used are:

1. Metro Equity Focus Communities (EFCs) shapefile data.
2. ExpressLanes PAYG trip counts by ZIP code, between September 1, 2021 and August 31, 2022.
3. ExpressLanes total trip counts by ZIP code, between September 1, 2021 and August 31, 2022.

Note that the total trip counts used here is the sum of all PAYG trips and all trips made by Metro ExpressLanes account holders.

Calculation of Pay-As-You-Go Utilization

Only Non-FasTrak trips that were paid at the \$4 notice escalation level were considered to be utilizing the new PAYG policy. Non-FasTrak trips that were paid at later escalation levels were not considered to be taking advantage of the new PAYG policy, since the fees at those stages are equivalent to the escalation levels already in place before the PAYG policy was implemented.

To account for the fact that ZIP codes closer to the corridors are expected to produce more ExpressLanes trips in general, the number of trips utilizing the new PAYG policy in any given ZIP code was normalized by the total number of ExpressLanes trips made by that ZIP code. The resultant percentage is referred to as the "PAYG Utilization Rate" for that ZIP code.

Assigning EFC Values by ZIP Code

Because trip data are available only at the ZIP code spatial aggregation level, whereas EFC data are available on a finer spatial resolution, the overall analysis is done at the ZIP code level. To accommodate this, the EFC tract data had to be translated into ZIP code areas. The process used to perform this conversion was as follows:

1. Assign a numeric EFC value between 0 and 1 for each EFC tract:
 - a. "Very Low Need" areas = 0.00
 - b. "Low Need" areas = 0.25
 - c. "Moderate Need" areas = 0.50
 - d. "High Need" areas = 0.75
 - e. "Very High Need" areas = 1.00
2. Calculate the area of each EFC tract (by area) that falls within a given ZIP code, and multiply that area by the EFC's numeric value from (1) above. This constitutes that tract's proportional EFC contribution to the ZIP code.
3. Sum the contributions from (2) for all of the tracts within a given ZIP code to obtain a composite EFC value, which we will refer to as the "EFC Concentration" for the ZIP code.

As illustrative conceptual examples of the above procedure:

- a ZIP code composed entirely of "very high" EFC tracts would receive an overall EFC concentration value of 1.00 or 100%.
- a ZIP code composed of an even split of "high" and "low" EFC tracts by area would receive an overall EFC concentration value of 0.50 or 50%.

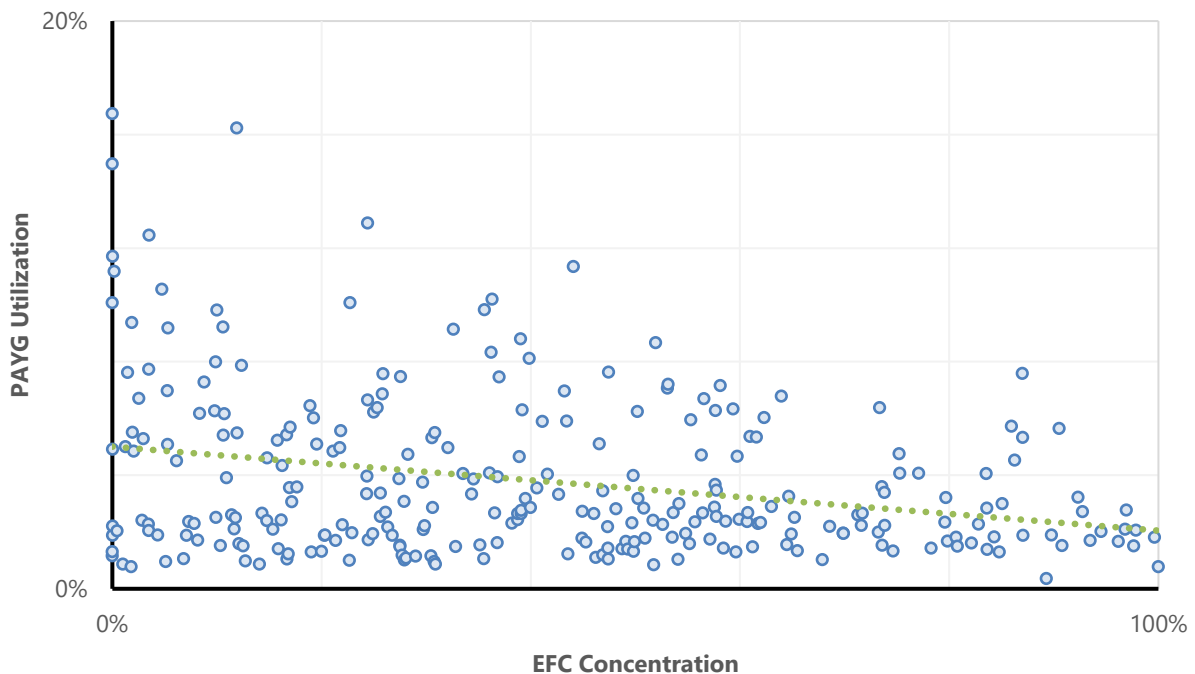
- a ZIP code comprised of entirely “very low” EFC tracts would receive an overall EFC concentration value of 0.00 or 0%.

Because EFCs are only defined for Los Angeles County, any portions of ZIP codes that extended beyond the LA County border were truncated at the county line. Trip counts for those ZIP codes were reduced according to the proportion of the total ZIP code’s area that was within LA County.

Findings

Once each ZIP code was assigned an “EFC Concentration” value, it was possible to explore the quantitative correlation between that value and PAYG trip utilization on a ZIP-code basis. A chart showing the relationship between these two variables is shown below. ZIP codes with less than 1,000 trips were excluded from the analysis due to low sample sizes. Out of 321 ZIP codes, only 44 had to be excluded as a result of this filtering criterion.

Figure 1: PAYG Utilization and EFC Status by ZIP code



A linear regression revealed a slightly negative correlation between the two variables:

$$y = -0.0396x + 0.0501$$

where:

- x = the ZIP code’s EFC concentration value
- y = the ZIP code’s PAYG utilization rate

The correlation was very weak, however, with an R² value of 0.080. These results also assume that all the prerequisite conditions for linear regression are satisfied by the underlying data.

The table below provides PAYG Utilization averages by ZIP code, according to the ZIP code’s EFC Concentration value.

EFC Concentration Range for ZIP Code	EFC Equivalent Label	Total ZIP Codes*	Average PAYG Utilization Rate (averaged across all ZIP codes)
0-20%	Very Low Need	77	4.87%
20-40%	Low Need	72	3.94%
40-60%	Moderate Need	62	3.45%
60-80%	High Need	36	2.91%
80-100%	Very High Need	30	2.62%

**After filtering out ZIP codes with fewer than 1,000 trips, as explained earlier.*

METRO EXPRESSLANES

Pay-As-You-Go Pilot Evaluation

APRIL 20, 2023



Metro

ExpressLanes Background

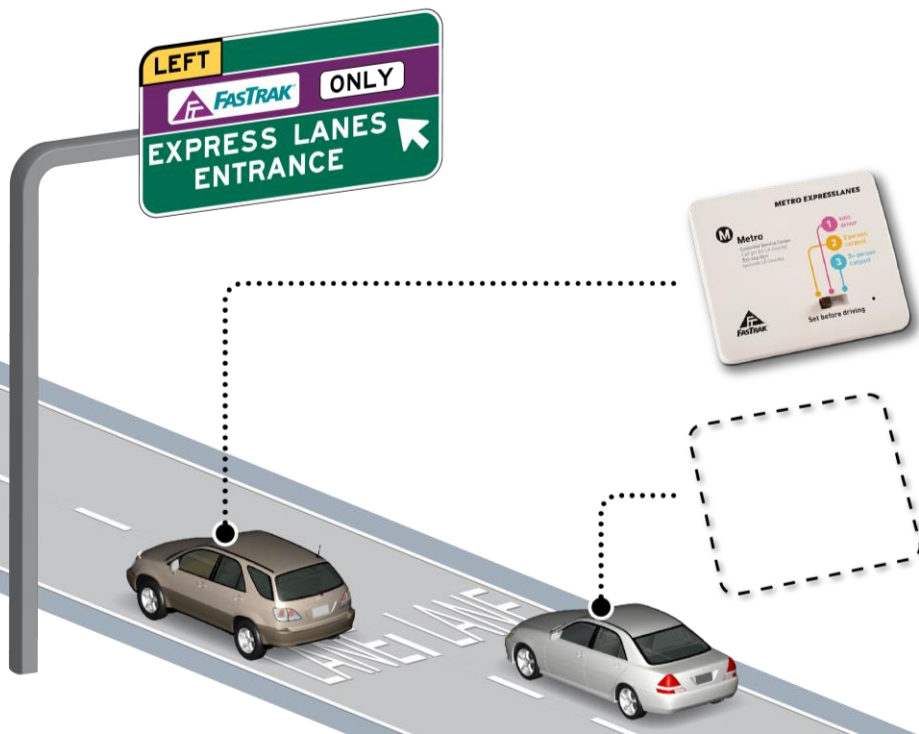
- ExpressLanes are about improving mobility, relieving congestion.
- Converted the underutilized HOV lanes in 2012 (I-110) and 2013 (I-10) into ExpressLanes.
 - HOVs continue traveling toll-free.
 - Others can use spare capacity for a toll.
 - Offers a fast, reliable option for all.
- All drivers are required by law to have FasTrak.
 - HOVs must have switchable transponders (FasTrak Flex) to travel toll-free.
 - Before the Pay-As-You-Go program, violations for using ExpressLanes without FasTrak included the toll and a \$25 penalty.



Pay-As-You-Go Background

Objectives based on Board Motion by Hahn as amended by Dupont-Walker:

- Make ExpressLanes available to more drivers—including occasional users—without adversely impacting congestion/mobility.
- Reduce fees paid by non-FasTrak users.



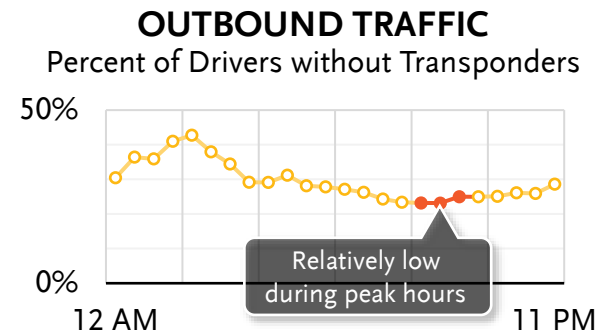
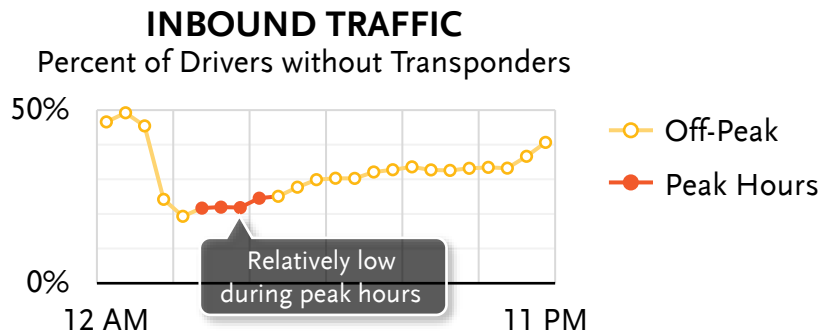
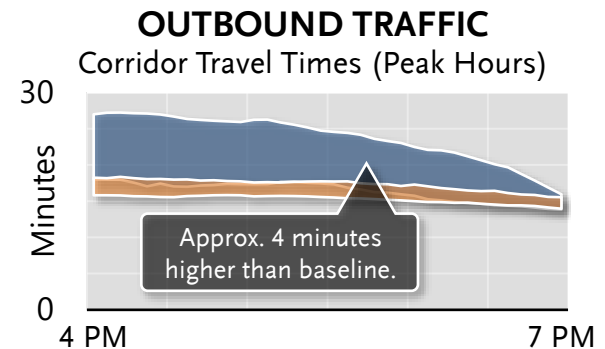
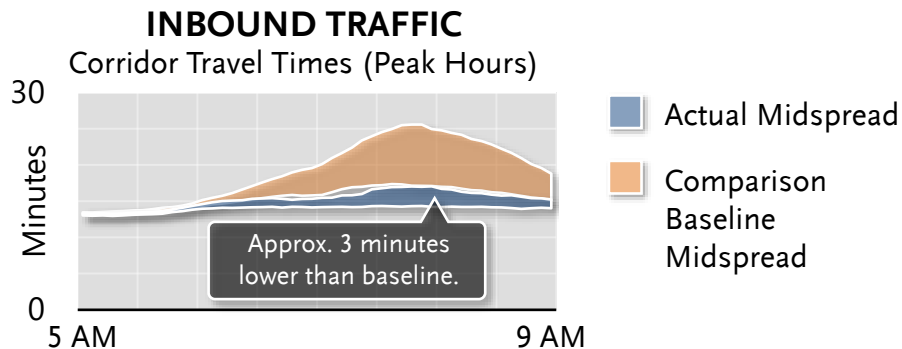
FasTrak Account Holder?

- Toll debited automatically from account.
- Eligible HOVs travel for free with FasTrak Flex.
- No processing fee.

No FasTrak? Pay As You Go

- Registered vehicle owner gets notice by mail.
- Includes toll and processing fee.
- No HOV discount possible. HOV declaration requires switchable transponder.

Pay-As-You-Go: Congestion and Mobility Impacts



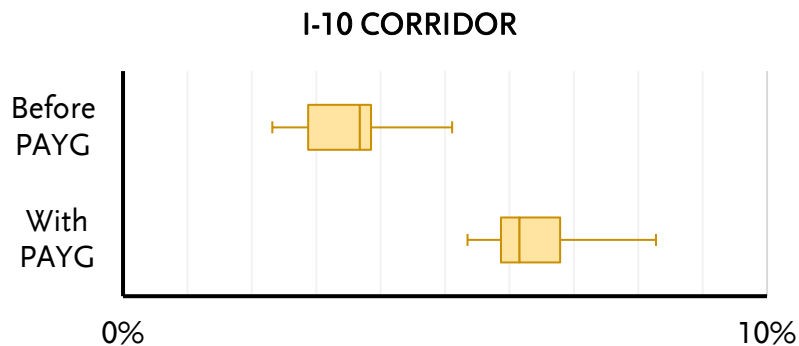
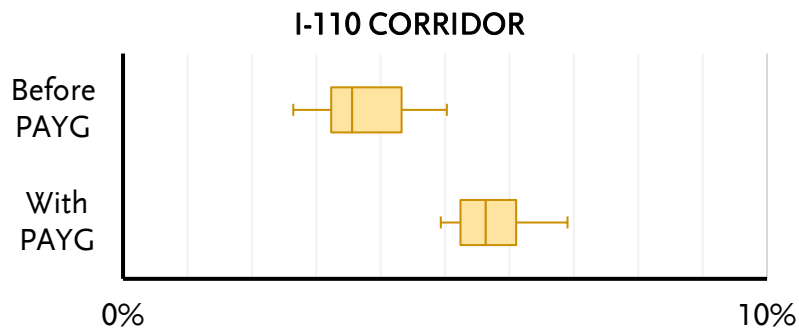
Key Takeaway: Congestion improved in the AM Peak and got worse in the PM Peak. However, Pay-As-You-Go trips are more prevalent during off-peak periods, and are contributing relatively little to peak period traffic and congestion.

Analysis Notes: Controlling for pandemic-related impacts required data from nearby control corridors, which were not available in the case of I-110. Therefore, the above results reflect outcomes for I-10 only. Travel times are also affected by localized corridor changes that occurred during the analysis period (e.g., transit service changes, roadway configuration changes, commuter pattern changes).

Pay-As-You-Go: Outcomes

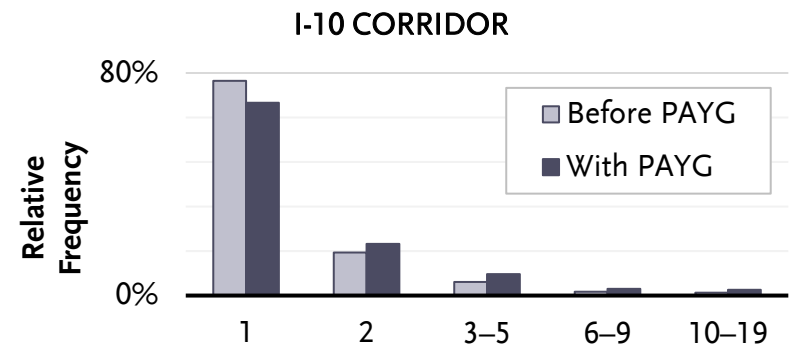
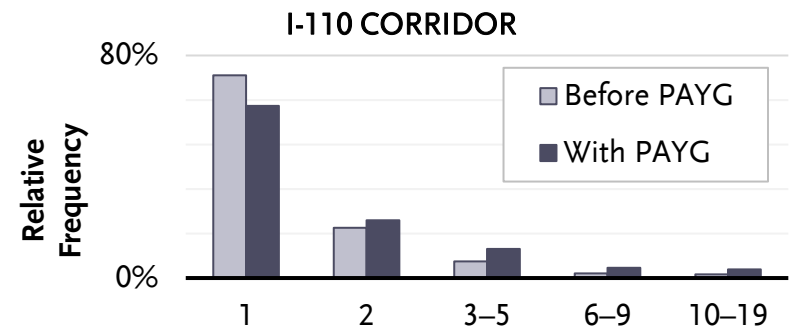
Non-FasTrak Trip Volumes

As Percent of All Trips



Trips per Non-FasTrak Vehicle

On an Annual Basis



Non-FasTrak trip volumes grew by 900,000 over one year.

Non-FasTrak drivers use the ExpressLanes more with PAYG.

Other analysis outcomes:

- Revenue from non-FasTrak drivers exhibited no statistically significant change.
- On-time payments for non-FasTrak trips exhibited no statistically significant change.

Pay-As-You-Go: Processing Fee

- Purpose: cover costs of processing PAYG notices and ensures efficient operations.
- Removes the \$25 violation penalty and replaces it with a significantly lower \$8 processing fee for non-FasTrak trips.
- Allows ExpressLanes to provide additional services, including the Low-Income Assistance Calculated amount and considerations:

ORIGINAL PROCESSING FEE: \$4

- License plate image review costs
- DMV lookup costs
- Mailing/printing costs
- Customer service costs
- Backend system costs

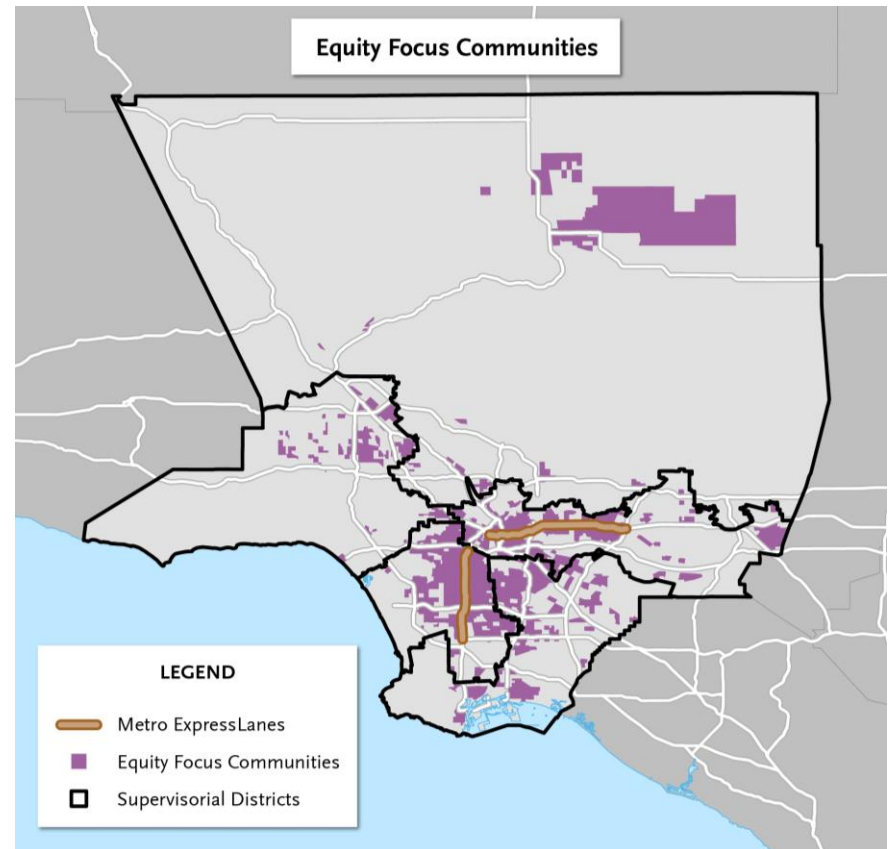
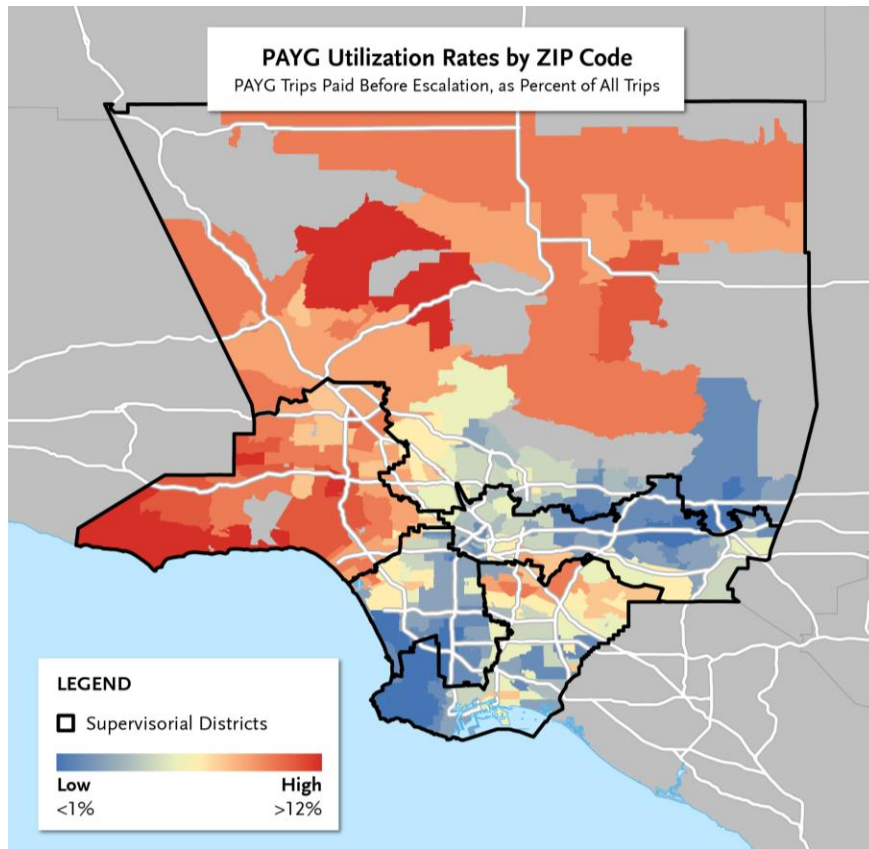
UPDATED PROCESSING FEE: \$8

- All considerations of original fee
- Adjustment for non-recovery rate
- Incremental adjustments over time based on Consumer Price Index

- Lowest fee of all Express Lanes in the state. Minimizes cost to non-FasTrak users.
- Past-Due (Second Notice) Penalty for late payments will be lowered as the processing fee is increased, so that the total remains a constant \$25.

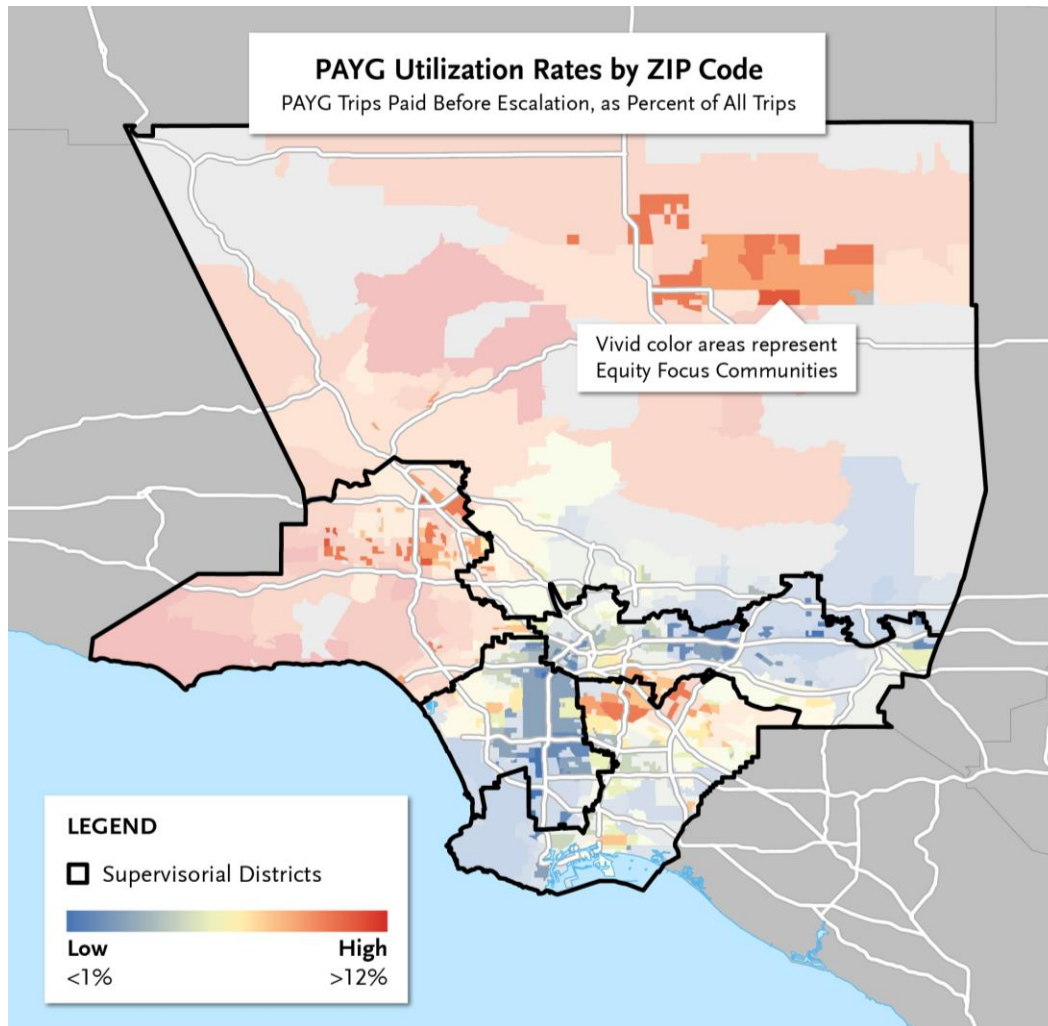
	Metro ExpressLanes	SD Express Lanes	91 Express Lanes	RCTC Express Lanes	Bay Area Express Lanes
First Notice Fee/Penalty	\$8	\$40	\$25	\$25	\$10
Second Notice Penalty	\$17	\$60	\$30	\$30	\$20
Final Notice Penalty	\$30	(second notice is the last chance to pay at all other agencies)			

Pay-As-You-Go Trip Rates in Equity Focus Communities



On average, ZIP codes with the lowest EFC concentrations had the highest relative PAYG utilization rates (**4.87% of all trips made**), whereas ZIP codes with the highest EFC concentrations had the lowest relative PAYG utilization rates (**2.62% of all trips made**).

Pay-As-You-Go Trip Rates in Equity Focus Communities



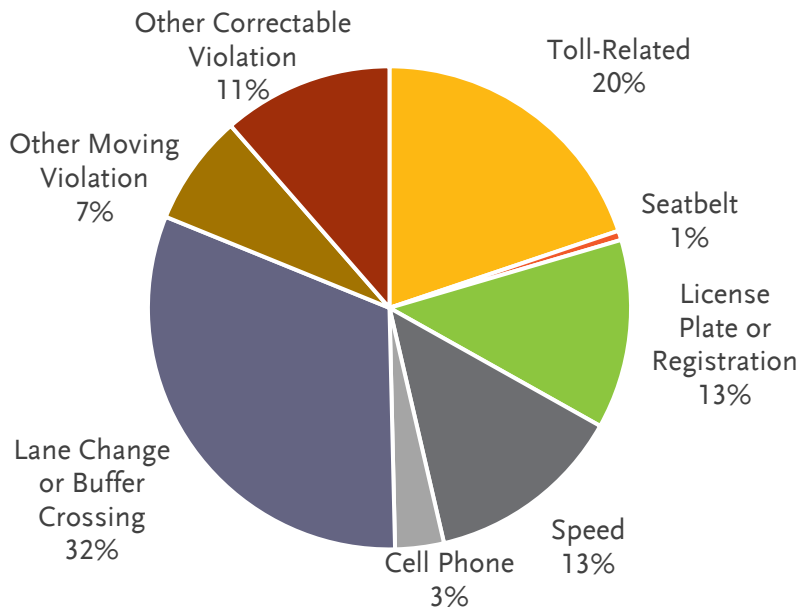
PAYG Utilization by Supervisorial District

District	PAYG Utilization Rate	Annual PAYG Trip Count
1	1.8% of all trips	537,557
2	1.7%	740,977
3	5.7%	136,856
4	2.1%	301,568
5	2.4%	216,109

Enforcement Trends During Pay-As-You-Go Pilot

- Note that CHP enforcement was reduced during 2021-2022 due to the COVID-19 pandemic.

CHP Citations by Type
September 2021 to August 2022



CITATION TYPE	COUNT	SPECIFIC CITATION EXAMPLES
Lane Change or Buffer Crossing	2,564	Crossing the double-white lines to enter/exit ExpressLanes.
Toll-Related	1,613	Transponder switch setting incorrectly set.
Speed	1,077	Unsafe speed, exhibition of speed.
License Plate or Registration	1,031	Obstructed license plate, or no license plate.
Other Correctable	928	Brake lamp not functional.
Other Moving Violation	605	Following too closely, reckless driving.
Cell Phone	265	Texting, using phone without hands-free setup.
Seatbelt	51	Not wearing seat belt.

Pay-As-You-Go Outreach

- Targeted messaging via billboards near the ExpressLanes corridors.
- Overhead electronic message signs on the ExpressLanes.
 - Other roadside signage options are limited due to public road signage regulations.
- Engagement with COGs, other partners.
- Details on web site front page, which gets 200,000 visitors per month.

Want to use the ExpressLanes?

Don't have FasTrak?

Pay As You Go instead!

WE MAIL YOU A NOTICE. YOU PAY TOLL + PROCESSING FEE.

METRO EXPRESSLANES

Recommendation

- A. RECEIVE AND FILE the ExpressLanes Pay-As-You-Go Pilot evaluation methodology and findings.
- B. AUTHORIZE the Pay-As-You-Go Program to be permanent, eliminate the \$25 penalty for notice of toll evasion, and adjust the Program's "processing fee" (which replaces the former penalty amount) from \$4 to \$8 to align processing costs and fees;
- C. AUTHORIZE staff to increase the fee by Consumer Price Index on an annual basis as described in the Fee Adjustment Policy to continue to keep the processing costs and fees aligned;
- D. AUTHORIZE staff to make the necessary changes to the ExpressLanes Toll Ordinance, as required.