

Date: July 26, 2006Committee Meeting Date: August 10, 2006Board Meeting Date: August 31, 2006**BOARD MEMORANDUM**ACTION  DISCUSSION  INFO 

**TO:** Technical Advisory Committee  
 Santa Clara Valley Transportation Authority  
 Board of Directors

**THROUGH:** Michael T. Burns  
 General Manager

A handwritten signature in black ink that reads "Michael T. Burns" with a small "TM" trademark symbol to the right.

**FROM:** Donald A. Smith, Jr.  
 Chief Operating Officer

A handwritten signature in black ink that reads "Donald A. Smith, Jr." in a cursive style.

**SUBJECT:** Community Bus Implementation Plan

**FOR INFORMATION ONLY****BACKGROUND:**

At its April 6, 2006 meeting, the VTA Board of Directors approved an addendum to the Collective Bargaining Agreement between VTA and the Amalgamated Transit Union (ATU), Local 265, to support the implementation of Community Bus service. This memorandum provides the conceptual framework for the initial implementation of Community Bus and meets the requirements of the approved addendum. Additionally, staff requests feedback from the Board of Directors to ensure that the program meets the expectations of the community.

This memorandum provides information regarding four issues: vehicle procurement, routes identified for transition to Community Bus service, marketing/branding of Community Bus service, and fares.

**DISCUSSION:****Vehicle Procurement**

At its March 30, 2005 meeting, the VTA Board of Directors authorized the purchase of up to 25 gasoline-powered, small-capacity vehicles and support equipment in the amount of \$4,000,000 using a contract awarded by the State of California. This procurement was done pursuant to Public Contract Code Section 20301, which requires all expenditures over \$25,000 to be let to the lowest responsible bidder, and Section 10298(b), which authorizes local agencies to contract with suppliers awarded contracts by the State without further competitive bidding.

The initial purchase was for five buses manufactured by El Dorado – Aero Elite at a cost of \$130,000 each, totaling \$650,000. These buses are 28 feet in length with a seating capacity of 2 wheelchair riders and 25 seated passengers. The purchase of these buses requires installation of support equipment (e.g., fareboxes, radio systems, schedule holders) totaling about \$200,000. These initial vehicle and equipment expenses supported the pilot program implementation of the Los Gatos Community Bus service, Lines 48 and 49. This service started in July 2005 and, for the first year, was operated by Parking Company of America, Inc. under contract to VTA. Effective July 3, 2006, VTA started in-house operation of this service. These five vehicles are being refurbished to ensure they meet VTA standards. In the interim, some of VTA's 35' buses have instead been used in revenue service. The service has been successful. Combined, the two routes averaged 813 weekday passengers during the first year of operation.

VTA staff projects a need for up to 75 small-capacity vehicles to operate Community Bus services throughout Santa Clara County. For more than a year, staff has evaluated the commercial market availability of small-capacity vehicles that meet the demands of public transit operations, are ADA compliant (preferably low-floor vehicles), meet California Air Resources Board (CARB) requirements, and use gasoline/electric hybrid technology. The market for a vehicle meeting these specifications is relatively new and continues to emerge. There are two known manufacturers that have built hybrid bus prototypes. Neither of these vehicles has been subjected to FTA vehicle testing, which is the benchmark to determine the commercial availability, safety and reliability of transit vehicles. Given the limited availability of commercial vehicles, staff is recommending that, in the near term, VTA continue to utilize the State's contract to purchase gasoline-powered vehicles from El Dorado.

Based on the authorization that the VTA Board of Directors provided to purchase small capacity vehicles in March 2005, the remaining 20 of the original 25 vehicle procurement were recently ordered. These vehicles are similar in design to the five initial buses. The expected delivery date is April 2007 and the in-service date is July 2007. These 25 vehicles will constitute our Phase I Community Bus implementation.

Phase II, consisting of another 25 vehicles, will be ordered in January 2007 for delivery in September 2007 and will be placed in-service in January 2008. Staff is presently identifying funding for these buses. A recommendation to the VTA Board of Directors to authorize the purchase of these vehicles, with the known source of funds, will be forwarded this fall.

The complete scope of Phase III, which could consist of the final 25 additional vehicles, will be determined in early 2007. By that time, results from the Comprehensive Operations Analysis (COA) will be available. The COA will provide information on new and existing markets that might be appropriate for implementation of Community Bus services. This could include new service areas or additional reallocation of existing services to the Community Bus program. Also, the next biennial budget will be developed during this time. This budget would need to include funding to purchase these vehicles and for any service expansion, if identified in the COA process. If these service and budget decisions are made, then the Phase III Community Bus implementation could occur as early as FY2009.

The implementation schedule for Phase III also depends on the commercial availability of hybrid technologies. The expected life of the gasoline-powered, small capacity vehicles supplied is five years or 200,000 miles, which is significantly less than the 15-year and/or 600,000-mile life expectancy of a standard diesel bus. Given the relatively short life expectancy of these vehicles and our expectation that hybrid technology will become commercially available in the next 2 to 3 years, we are confident that VTA will be able to purchase this type of vehicle in the future.

**Routes**

Since reaching all-time highs in ridership in FY 2001, VTA experienced a significant extended downturn in the local economy that took a heavy toll on bus ridership. Consequently, VTA put most of its expansion plans on hold until sufficient operating revenues and ridership demand are available to support system expansion. While bus ridership is beginning to rebound and trend up positively, VTA continues to operate low productivity routes that fall below the service standards established in the Board approved Service Management Plan. The resources saved by converting low productivity routes to lower cost Community Bus service could be reallocated to better-performing routes by increasing frequencies, or operating the route(s) earlier or later in the day.

A number of routes (see Attachment A) with potential for transition to the smaller vehicle Community Bus operations have been identified. These routes would form the basis for the proposed Phases I and II Community Bus implementation, utilizing 50 small capacity vehicles. A public participation process will be conducted in early 2007 leading up to requesting the Board to take action to approve the phased Community Bus implementation.

As described earlier, the outcomes of the Comprehensive Operations Analysis will be used to develop potential routes and new markets for the Phase III implementation.

**Community Bus Implementation Summary**

<b><u>Phase</u></b>	<b><u>#Vehicles</u></b>	<b><u>Routes</u></b>	<b><u>Service Start Date</u></b>
I	25	See Attachment A	July 2007
II	25	See Attachment A	January 2008
III	25	As determined by COA	To be determined

**Marketing/Branding**

VTA’s Marketing and Public Affairs Department is developing a comprehensive marketing and public outreach plan that includes branding and a promotional program to support the launch of the Community Bus Program. The branding will address the overall Community Bus design and identity that will be displayed on vehicles, signage, timeguides, system map and promotional materials. One overall branding scheme will be used for all routes and vehicles in this program. The five vehicles being used for the Los Gatos Community Bus Lines 48 and 49 will retain their current look until these vehicles are replaced, rewrapped or repainted to the overall branding scheme. Certain routes, such as DASH (Downtown San Jose Shuttle), could retain their unique look based on funding support and community involvement in the service. The related marketing program promotional efforts may include newspaper and radio advertising, VTA website information, direct mailings, community and employer outreach, press releases, and other activities.

### **Fares**

Fares for the Community Bus Program will be applied consistent with VTA's fare policy. Therefore, regular fares will be charged and all vehicles will be equipped with fareboxes. This approach will assist VTA in meeting its overall 20-25% farebox recovery goal, as established in the Board approved fare policy.

However, if a particular city or community group desires to have a certain route(s) operate on a free-fare basis, then a subsidy equaling at least a 25% farebox recovery for that route(s) would need to be provided. An agreement between VTA and the community group or city would be established to formalize this arrangement. This is based on a similar approach used for other jointly funded services, such as DASH, Airport Flyer, Sharks Shuttle, Great America Shuttle, River Oaks Shuttle, and others, where the employer or participating agency subsidizes at least 25% of the route operating expenses. In some cases, the subsidy level is higher, depending on the desired service levels and particular funding arrangements negotiated for each route.

The Los Gatos Community Bus routes were originally established as a free, one-year pilot program, which expired this July. VTA staff is working with Town of Los Gatos staff to develop a plan for charging fares on this service or obtaining community funding as described above.

## Community Bus Route Implementation Schedule

Phase	Route	Implementation Date	Description	Total Peak Vehicles	Division		Cerone
					Chaboya	North	
1	13	July 2007	Ohlone/Chynoweth Light Rail to Almaden Valley	2	2		
1	15	July 2007	Morgan Hill - Jackson Oaks to Main & Peak	1	1		
1	16	July 2007	Morgan Hill - Burnett to Main & Peak	2	2		
1	17	July 2007	Gilroy Caltrain Transit Center to St. Louise Hospital	1	1		
1	19	July 2007	Gilroy Caltrain Transit Center to 1st & Santa Teresa	2	2		
1	37	July 2007	Capitol Light Rail to Camden & Union	2	2		
1	38	July 2007	Monterey Highway to Winchester & Knowles	3	3		
1	48	July 2006	Winchester Light Rail to Downtown Los Gatos via Winchester	2	2		
1	49	July 2006	Winchester Light Rail to Downtown Los Gatos via Los Gatos Blvd	2	2		
1	DASH	July 2007	Downtown San Jose	3	3		
Phase 1 - Total Vehicles Required for Service				20	20		
2	32	January 2008	Santa Clara Transit Center to San Antonio Shopping Center	5		5	
2	34	January 2008	Mountain View - El Camino Hospital to San Antonio Shopping Center	2		2	
2	35	January 2008	Stanford Shopping Center to Mountain View Light Rail	5		5	
2	39	January 2008	Eastridge to Flint, Norwood & Quimby	2	2		
2	40	January 2008	L'Avenida to San Antonio Shopping Center	2		2	
2	67	January 2008	Santa Teresa Light Rail to Ohlone/Chynoweth Light Rail	1	1		
2	88	January 2008	California Avenue Caltrain to Palo Alto Caltrain	3		3	
Phase 2 - Total Vehicles Required for Service				20	3	17	
Phase 1 - Total Small Bus Fleet with 20% Spares				24	24	0	
Phase 2 - Total Small Bus Fleet with 20% Spares				24	4	20	
Total Small Fleet Required for Phases 1 & 2				48	28	20	