



Metro

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

DECEMBER 6, 2011

TO: BOARD OF DIRECTORS

THROUGH: ARTHUR T. LEAHY *ALW*
CHIEF EXECUTIVE OFFICER

FROM: MARTHA WELBORNE, FAIA *MWJ*
EXECUTIVE DIRECTOR, COUNTYWIDE PLANNING

SUBJECT: TORRANCE TRANSIT SYSTEM FLEET MODERNIZATION PROJECT

ISSUE

As part of the 2007 Call for Projects (CFP), the Board of Directors authorized the programming of \$4,023,000 to the City of Torrance for the purchase of eight 40-foot Gas/Electric Hybrid replacement buses (CFP No. F1405 -Torrance Transit System Fleet Modernization). The City of Torrance has since requested a change in scope for the project from eight Gas/Electric Hybrid buses to eight Compressed Natural Gas (CNG) buses. Our intent is to administratively approve the change in scope, if there are no Board comments by December 16, 2011.

BACKGROUND

The purchase of these new alternative fuel type buses would allow Torrance Transit to replace eight existing diesel buses as part of their fleet modernization. The City's local share of the project was to be \$1,245,000 for a total project cost of \$5,268,000. However, subsequent to the Board approving the funding for this project in September 2007, the manufacturer of the hybrid engine technology declared bankruptcy. As a result of this action, the City's ability to purchase Gas/Electric buses was eliminated and the City was forced to change to CNG - an alternative clean fuel technology.

The City's request to change from Gas/Electric to CNG meets the Transit Capital mode criteria requiring buses purchased with CFP funds be powered by clean fuel technology. Additionally, the change in fuel technology reduces the total project cost from \$5,268,000 to \$4,350,800, a difference of \$917,200. Accordingly, the grant will be reduced by \$716,392 and the local match by \$200,808. The \$716,392 will be recommended for deobligation through the 2012 CFP Recertification/Deobligation. The Board will consider this in July 2012. The City of Torrance is in agreement.

NEXT STEPS

Staff will administratively approve the grant reduction from \$4,023,000 to \$3,306,608 on December 16, 2011, if there are no Board comments. The \$3,306,608 in grant funds will be reprogrammed with \$74,000 in FY 2011-12 and \$3,232,608 in FY 2012-13, with the City providing \$23,368 in FY 2011-12 and \$1,020,824 in FY 2012-13 in local match (24 %). Further, we will execute a Letter of Agreement with the City so that the grant funds can be obligated for the project.