

Metro Transit: Operations & Maintenance and State of Good Repair

Metro Transit: Operations & Maintenance

Bus Operations and Maintenance Expenses

Bus service will be restored to pre-COVID-19 levels. The FY22 Preliminary Budget for bus is \$1.4 billion and includes \$39.6 million in Microtransit. This will allow operating service on nine zones of planned deployment. The table below details the breakdown by expense type:

Bus Operations and Maintenance Expenses					
Operations & Maintenance (\$ in Millions)	FY21 Budget	FY22 Prelim	\$ Change	% Change	% of Total
Labor	\$ 851.3	\$ 940.2	\$ 88.9	10.4%	66.5%
Parts & Supplies	69.5	73.8	4.2	6.1%	5.2%
Fuel	25.6	31.5	5.9	23.1%	2.2%
Contract / Professional Services	128.8	98.4	(30.4)	-23.6%	7.0%
Other Operating Expenses	208.8	231.1	22.3	10.7%	16.3%
Bus Total	\$ 1,284.0	\$ 1,375.0	\$ 91.0	7.1%	97.2%
Microtransit	27.0	39.6	12.6	46.6%	2.8%
Grand Total	\$ 1,311.0	\$ 1,414.5	\$ 103.5	7.9%	100.0%

*Totals may not add due to rounding

*Other Operating Costs include Customer Experience, and other cost allocations

Labor makes up 66.5% of the total Bus budget. The 10.4% increase is due to additional staffing requirements and overtime to support the increased bus service. Parts & supplies budget is increasing by \$4.2 million to support bus maintenance needs based on current usage rate. CNG fuel budget is increasing by \$5.9 million primarily due to unit cost increases of about 28%. Other Operating Costs include funds to support security contract costs until December 2021, as well as allocating budget to rail according to current expense rates. The Other Operating Expenses category includes budget to support and maintain Metro Bus and Rail facilities. Budget has been added to accommodate increased frequency of cleaning to ensure a sanitary, healthful, and safe environment for our customers & employees. Facilities budget this year also provides additional funds for restrooms at layover zones since business restrooms are not available to the public due to the pandemic. Other Operating Costs include funds to support Customer Experience initiatives and other cost allocations.

Rail Operations and Maintenance Expenses

Rail service will be slightly less than pre-COVID-19 levels. The Rail Operations and Maintenance budget totals \$572.9 million, a \$39.8 million, (7.5%) increase from FY21.

Rail Operations and Maintenance Expenses					
Operations & Maintenance (\$ in Millions)	FY21 Budget	FY22 Prelim	\$ Change	% Change	% of Total
Labor	\$ 307.4	\$ 318.9	\$ 11.5	3.7%	55.7%
Parts & Supplies	20.8	19.5	(1.3)	-6.2%	3.4%
Propulsion Power	29.1	30.4	1.3	4.6%	5.3%
Contract / Professional Services	131.4	152.0	20.7	15.7%	26.5%
Other Operating Expenses	44.4	52.1	7.6	17.1%	9.1%
Grand Total	\$ 533.1	\$ 572.9	\$ 39.8	7.5%	100.0%

*Totals may not add due to rounding

*Other Operating Costs include Customer Experience, and other cost allocations

Labor makes up 55.7% of the total Rail budget with an increase of 3.7%. The increase is partially offset by a reduction in ATU Overtime due to department's cost saving efforts. Parts & Supplies budget is decreasing by \$1.3 million (6.2%) for existing Rail lines as a result of FY21 current usage rates. Propulsion power is increasing by \$1.3 million (4.6%) for existing rail lines; this is slightly lower than the service increase due to a decrease in forecasted energy rate from FY21 to FY22. Security contract funds have been reallocated in FY22 between Bus and Rail, resulting in a net increase in Rail program to better reflect actual security deployment needs. Facilities contracts reflect COVID-19 related increase in cleaning needs based on current expense rate, as well as providing ongoing elevator and escalator maintenance. Other Operating Costs include funds to support Customer Experience initiatives and other cost allocations.

Customer Experience

Board Motion 26.2 from March 2021 introduces alternatives to security enforcement by policing, directing the CEO to invest at least \$40 million in resources for Public Safety and Homelessness initiatives. Public Safety initiatives include transit ambassadors for an increased presence at facilities and on Metro vehicles, elevator attendants at stations, dispatch of homeless outreach, mental health specialists, and security in appropriate situations, blue light boxes, studies to prevent intrusion onto Metro Rights of Way. Homelessness initiatives include short-term shelters, homeless outreach, and methods to gauge the success of homelessness efforts. These initiatives and programs will address demonstrations for racial justice and attempt to define the role of police in society. The FY22 O&M and SGR budget is augmented to support these efforts. The amount of customer experience projects total \$48.5 million. The table below lists the projects identified in the Motion:

Items included in FY22 Prelim Budget according to Motion 26.2		FY22 Prelim Budget
1. Public Safety:		
a	Transit ambassador program that provides staffed presence at Metro facilities and on Metro vehicles and offers riders assistance and connections to resources, modeled after the S.F. BART program.	\$ 20,000,000
b	Elevator attendants at stations	1,000,000
c	Flexible dispatch system that enables response by homeless outreach workers, mental health specialists, and/or unarmed security ambassadors in appropriate situations.	1,000,000
d	Call Point Security Project Blue light boxes recommended by Women and Girls Governing Council to improve security on the BRT and rail system.	5,000,000
e	Funds to initiate a study to develop recommendations to prevent intrusion onto Metro rail rights-of-way, including but not limited to subway platform-edge doors.	8,255,196
f	Pilot safety strategies on board buses to be recommended by PSAC.	3,000,000
2. Homelessness:		
a	Short term shelter for homeless riders.	2,000,000
b	Enhanced homeless outreach teams and related mental health, addiction, nursing, and shelter services.	5,000,000
c	Regular counts to monitor trends and gauge the success of Metro efforts to address homelessness.	250,000
d	Pilot homelessness strategies to be recommended by PSAC	3,000,000
TOTAL		\$ 48,505,196

*Totals may not add due to rounding

System Security and Law Enforcement

In March 2021, the Metro Board approved the law enforcement contract increase through December 2021. The FY22 Proposed Budget reflects the board authorization in Metro Transit program for the first 6 months of the fiscal year. Additional safety and security operations will be reviewed and proposed during Midyear while the board considers PSAC recommendations.

State of Good Repair (SGR)

The SGR program proposes asset replacement and improvement projects based the CEO prioritization criteria:

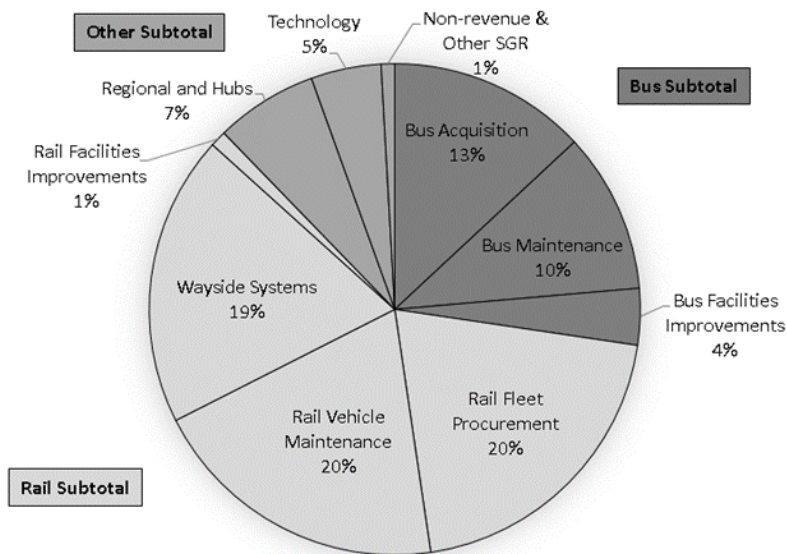
1. Project interdependency/safety and reliability.
2. Grant funding.
3. Equity.
4. Project readiness (shovel ready) & financial risk.

The objective aims to maintain existing transit infrastructure at a high level of safety, transit quality, and reliable operability. In addition to the prioritization criteria listed before for all Metro projects, the individual SGR project proposal was also reviewed based on industry standards, age-based condition assessment, and asset modernization needs due to obsolescence or technology advancement. CEO has directed staff to standardize the evaluation consideration under the context of operational needs to produce a financial policy during FY22.

In FY22, \$452 million is allocated to maintain Metro’s Bus, Rail, regional, and critical information systems. The FY22 budget request reflects planned project activities and the cash flow required to complete FY22 milestones and deliverables. A profile of the SGR program is shown in the table below:

Metro Transit - State of Good Repair (SGR)					(Millions)
Subprogram	FY2021 Budget	FY2022 Preliminary	Δ	Δ%	% of Total SGR Budget
Bus Acquisition	\$ 208.7	\$ 59.1	\$ (149.6)	-71.7%	13.1%
Bus Maintenance	33.7	47.7	14.0	41.5%	10.6%
Bus Facilities Improvements	16.8	16.8	(0.0)	-0.1%	3.7%
Bus Subtotal	\$ 259.3	\$ 123.7	\$ (135.6)	-52.3%	27.3%
Rail Fleet Procurement	73.8	91.9	18.0	24.4%	20.3%
Rail Vehicle Maintenance	45.7	89.9	44.2	96.8%	19.9%
Wayside Systems	91.7	86.6	(5.1)	-5.5%	19.2%
Rail Facilities Improvements	7.6	4.8	(2.8)	-36.6%	1.1%
Rail Subtotal	\$ 218.8	\$ 273.2	\$ 54.4	24.9%	60.4%
Regional and Hubs	22.8	30.5	7.7	33.7%	6.7%
Technology	17.2	20.9	3.7	21.4%	4.6%
Non-Revenue & Other SGR	3.2	4.0	0.8	23.6%	0.9%
Other Subtotal	\$ 43.3	\$ 55.4	\$ 12.1	28.0%	12.3%
Grand Total	\$ 521.4	\$ 452.3	\$ (69.1)	-13.2%	100.0%

*Totals may not add due to rounding



Bus State of Good Repair

Bus Acquisition, Bus Maintenance, and Bus Facilities Improvements make up \$123.7 million, 27.3% of the total SGR budget.

Bus Acquisition

Approximately \$59 million, 13.1% of the total budget is allocated for the bus procurement effort. In FY22 Metro anticipates delivery of approximately 80 forty-foot near zero emission CNG buses and 5 sixty-foot ZEB's. Since 2019 Metro has modernized the fleet with the receipt of 415 forty-foot CNG buses, 106 sixty-foot CNG buses, and 40 sixty-foot ZEB buses.

To pursue an environmentally sustainable bus fleet, Metro is working towards converting the entire fleet of approximately 2,300 buses from Compressed Natural Gas (CNG) to Zero Emission Electric Vehicles (ZEB). FY22 Bus acquisitions represent continued steps towards realizing this goal. CNG buses are being delivered to bridge the gap between available electric bus technology and existing bus retirement schedules, to ensure continuation of services. The first Electric/ZEB Buses have already been deployed on the G Line (Orange).

Bus Maintenance

Bus maintenance projects represent \$48 million, 10.6% of the SGR budget. These projects include refurbishment of buses when they reach mileage, age, overhaul standards, or exceed reliability standards. Refurbishment activities for 109 buses include: structural inspections, engine replacements, system overhauls, safety, ADA, security, and farebox upgrades. The budget request reflects the specific resource needs and cash flows to perform maintenance and adhere to maintenance schedules.

Bus Facilities Improvements

To ensure that Bus facilities at the divisions and transit centers remain safe for occupancy, comply with regulatory standards, and keep pace with changing service needs, Metro has a comprehensive facilities maintenance program. Bus Facilities Improvements make up \$17 million, 3.7% of the SGR budget. These projects include replacement of underground fuel storage tanks, roof ventilation retrofits, upgrade of fire alarm systems, and pavement replacement. Improvements also include development of plans for facility upgrades, site refurbishment, and site reconfigurations to upgrade facilities.

Rail State of Good Repair

Rail Fleet Procurement, Vehicle Maintenance, Facilities Improvements, and Wayside Systems repair and replacement total \$273.2 million, 60.4% of the total SGR budget.

Rail Fleet Procurement

Light and Heavy Rail Vehicle procurement and delivery is \$92 million, 20.3% of the SGR budget. Vehicle deliveries are slated for both rail expansion and existing vehicle replacement.

Light rail vehicle deliveries are in the final stage of the production and final deliveries are scheduled in the current contract. When final inspection and close-out activities are complete and vehicles are accepted, final progress payments will be paid. These vehicles are ready to be deployed for existing service and for expansion service, as service parameters are defined. Approximately 235 rail cars have been delivered since this procurement began in 2016.

Heavy Rail vehicles are being produced for both expansion and replacement. Before production of the 287 cars begins, two vehicles were delivered for rigorous testing and evaluation procedures. This is the first step towards replacing of the original B Line (Red) cars that began service in 1992, and allows for new cars for the D Line (Purple) extension.

Rail Vehicle Maintenance

Rail Vehicle Maintenance projects are allocated \$90 million, 19.9% of the budget. As with Bus Midlife Refurbishments, Heavy Rail vehicles go through a midlife overhaul. This overhaul consists of replacement of critical system components to 43 cars, to extend their useful life. Some vehicles scheduled for midlife refurbishment will be sent offsite and brought back for testing, inspection, and final acceptance.

On-site refurbishment projects are also proposed in this category. Systems scheduled for on-site overhaul include refurbishment of gearboxes, Heating, Ventilation, and Air Conditioning (HVAC) systems, and other major components that require specialized technical skills to rebuild.

Rail Facilities Improvements

Rail Facilities Improvement projects make up \$5 million, 1.1% of the SGR budget. Improvement efforts will maintain or upgrade existing Rail facilities, Rail stations and Operating Divisions. Some safety upgrades include installation of station/facility fire detection systems and installation/rehabilitation of station elevator and escalators. Other projects include ETEL/PTEL fire/life safety system replacement, station platform gate replacement, rail station/facility lighting retrofits, roof replacements, ventilation retrofits, pavement replacement, and driveway widening.

Wayside Systems

Wayside system improvements make up \$87 million, 19.2% of the SGR budget. It will ensure components such as track, signals, and tunnels are safe and reliable. Projects include B Line (Red) tunnel lighting improvements, C Line (Green) track circuit/control overhaul, upgrade/conversion of systems that have fiber optic technology, and overhaul/replacement of warning and trip systems on the A Line (Blue). Other projects include replacement of Metro's B Line (Red) Supervisory Control and Data Acquisition

(SCADA) system, which allows staff to make real-time decisions to improve safety and reliability. Overhead Catenary System (OCS) inspection /refurbishment and B Line (Red) tunnel corrosion repair will also be performed.

Other Asset Improvements

Other Asset Improvements total \$55 million, 12.3% of the budget, consisting of regional infrastructure improvements, replacement/maintenance of critical information management systems, and technology upgrades. Specific projects include completion of the Willowbrook/Rosa Parks station refurbishment, as well as on-going Patsaouras Plaza station improvements. Implementation of a new asset, inventory, and time tracking system is also a priority. This system will augment asset replacement prioritization and planning processes.

Various projects are in development and will be brought to the board for approval when design and construction details are fully defined. This includes initiation of design and engineering effort for a co-located Rail Operations Center (ROC) and Bus Operations Center (BOC). Co-locating ROC and BOC will allow for centralized oversight and better management in the event of a major emergency.

Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)

CRRSAA funding will be used to support the Metro Transit Program, the Municipal and Tier 2 Operators, regional paratransit, Metrolink and Access Services through the provision of supplemental revenue to augment bus and rail eligible funds.

The SCAG Regional Council approved the distribution of a total of \$911.5 million, in two separate rounds (Round 1 and Round 2) to Los Angeles County. Figures below reflect a summary of both the Metro board approved, and proposed allocation of these funds.

Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)

	Metro Board Adopted CARES Act Allocation	Distribution %	Adopted	Proposed	CRRSA Act Allocation Proposed Total
			CRRSA Act Allocation Round 1	CRRSA Act Allocation Round 2	
Metro	\$ 747,358,876	74.8794%	\$ 587,592,479	\$ 94,952,366	\$ 682,544,845
Municipal Operators *	124,128,084	12.4366%	97,592,644	15,770,543	113,363,187
Eligible Operators*	23,846,507	2.3892%	18,748,728	3,029,712	21,778,440
Tier 2 Operators	4,534,038	0.4543%	3,564,775	576,052	4,140,828
Metrolink	56,432,000	5.6540%	44,368,268	7,169,717	51,537,985
Access Services	33,500,000	3.3564%	26,338,549	4,256,194	30,594,742
Regional Paratransit/Vol. Reporters	8,284,094	0.8300%	6,513,164	1,052,499	7,565,663
	\$ 998,083,598	100.0000%	\$ 784,718,607	\$ 126,807,083	\$ 911,525,690

Note: For comparison, the CARES Act Allocation excludes funds appropriated directly to agencies - \$69,924,688.

* Foothill BSCP Included in Municipal Operators

*Totals may not add due to rounding