



Pasadena Transit Service Operation Agreement and Bus Capital Funding For Pasadena Transit

Operations, Safety, and
Customer Experience Committee
July 20, 2023



Metro[®]

Background: NextGen Bus Plan

The Metro Board adopted the NextGen Bus Plan in October 2020 and had a goal to implement a new competitive bus system in Los Angeles County:

- > Metro Lines 177 (Pasadena – Jet Propulsion Lab) & 256 (Pasadena – Highland Park) are lower frequency local lines as planned under NextGen that may be more appropriately planned and operated by the local communities they serve.
- > As part of the NextGen Bus Plan, Metro Bus Lines 177 and 256 were considered for operation by the City of Pasadena (Pasadena Transit).

Issue

The City of Pasadena is not an “Included Operator,” so there is no mechanism through the Formula Allocation Procedure (FAP) for the City to receive funding to support the operation of these services:

- Metro proposes to enter into a Transit Service Operation Agreement with the City of Pasadena (Pasadena Transit) to fund their operation of the two bus lines
- These lines would be branded as Pasadena Transit service and operate as part of their local bus service network

The existing Metro fleet utilized on these two lines have reached the end of their useful life.

- Metro will fund 70% of the one-off purchase cost of 9 new CNG buses by the City of Pasadena, which will fund the remaining 30% costs of new CNG buses
- The City of Pasadena has also gained grant funding to instead purchase 9 new zero emission buses and associated infrastructure (at no additional cost to Metro)



Cost Savings

	Proposed Agreements with the City of Pasadena			Comparison of Costs and Savings	
	Metro Contractors			Pasadena Contractor	Savings to Metro
	Transdev	Southland Transit	Contractors Total	First Transit	
RSH Rate	\$137.79	\$147.10		\$113.96	
FY24 RSH	4,009	23,616	27,625	27,625	
FY24 Cost	\$552,386.33	\$3,473,957.73	\$4,026,344.06	\$3,148,167.79	\$878,176.27
Service Operated	Line 177	Line 256	Lines 177 & 256	Lines 177 & 256	
No. of Buses	3	6	9	9	
Price per Bus	\$1,000,000	\$1,000,000	\$1,000,000	\$458,202.56	
Total Cost	\$3,000,000	\$6,000,000	\$9,000,000	\$4,123,823	\$4,876,177.00

- The City of Pasadena can operate Metro Lines 177 and 256 at a lower cost than what Metro's current expenditures are for these services, even through Metro's own contracted services. Annual savings are estimated at just under \$900,000 (FY24).
- This potential one-off cost saving of almost \$4.9M is based on Metro funding 70% of the replacement cost for CNG buses by the City of Pasadena compared to Metro purchasing new zero emission buses.



Recommendation

FOR METRO BOARD TO CONSIDER:

- A. AUTHORIZING the Chief Executive Officer, or their designee, to negotiate and execute the Transit Service Operation Agreement between Metro and the City of Pasadena for Contracted Service Lines 177 & 256, for a period of five years from July 1, 2024 through June 30, 2029 (FY25 through FY29), with a two-year extension option for FY30 and FY31, for an amount up to \$25,590,137.82.
- B. AUTHORIZING the Chief Executive Officer, or their designee, to negotiate and execute the allocation of a 70 percent funding contribution towards the purchase of the nine (9) new buses by the City of Pasadena to operate Lines 177 & 256, for an amount up to \$4,123,823.



**Questions?
Thank You**