



## Board Report

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**File #:** 2016-0630, **File Type:** Motion / Motion Response

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**FINANCE, BUDGET & AUDIT COMMITTEE  
OCTOBER 19, 2016**

**SUBJECT: TAP VENDING MACHINE (TVM) EXPANSION AT HIGH-VOLUME BUS STOPS AND TRANSIT CENTERS**

**ACTION: RECEIVE AND FILE**

**RECOMMENDATION**

RECEIVE AND FILE this report on the **installation of TAP Vending Machines (TVM)** at key regional Metro and Municipal Operator transit centers and bus stops.

**ISSUE**

On April 28, 2016 the Board of Directors adopted a motion (Attachment A) amending Item #6 “TVM Expansion Program” on the agenda of the Regular Board Meeting. The motion directed staff to develop an implementation plan to select and prioritize the expansion of TVM’s at key regional Metro and Muni transit centers and bus stops.

It further directed staff to include in the plan options for funding, a phased implementation, respective roles and responsibilities of Municipal Operators and Metro, and funding for the purchase, installation, operation and maintenance, and security for the TVM’s at the selected locations.

**DISCUSSION**

In response to Municipal Operator requests for TVM’s, staff undertook a study to identify, evaluate and prioritize locations and develop cost estimates and financing strategies.

Staff screened, evaluated, and ranked thirty-five (35) candidate locations based on the following criteria:

- › Ridership information
- › Agency must own property
- › Availability of funding
- › Equitable regional distribution
- › Facility readiness

- › Access to power and communications
- › Secured areas with CCTV coverage

Priority was given to high-volume transit centers/hubs and Park & Ride lots where TVM’s would be located at least ¼ mile away from TAP sales vendors and street corners

Findings

Ultimately, nine (9) locations representing eight (8) Municipal Operators met the criteria. Metro staff and Municipal Operators have worked together to develop the installation plan illustrated in Table 1. The installation plan is tentative pending assessment of site conditions. Installations are scheduled to begin July 2017.

**Table 1 - Phased TVM Installation Plan**

| Agency                            | Location                                       | No. of TVM's | Implementation Date <sup>1</sup> |
|-----------------------------------|--|--------------|----------------------------------|
| Long Beach Transit                | Transit & Visitor Info Center                  | 2            | July 2017                        |
| Santa Monica Big Blue Bus         | Rimpau Terminal                                | 1            | Aug 2017                         |
|                                   | LAX City Bus Terminal                          | 1            | Aug 2017                         |
| Santa Clarita Transit             | McBean Regional Transit Center                 | 1            | Sept 2017                        |
| Culver Citybus                    | Westfield Culver City Mall                     | 1            | Sept 2017                        |
| Antelope Valley Transit Authority | Lancaster City Park                            | 1            | Sept 2017                        |
| BurbankBus                        | Downtown Metrolink Station                     | 1            | Oct 2017                         |
| Redondo Beach (BCT)               | Redondo Beach Transit Center                   | 1            | Dec 2017                         |
| Torrance Transit                  | Torrance Transit Park & Ride Regional Terminal | 2            | Dec 2017                         |

<sup>1</sup> Implementation dates are subject to change pending site conditions

**FINANCIAL IMPACT**

As directed by April’s Board Motion, staff investigated the following as potential funding sources for Municipal Operators: Congestion Mitigation and Air Quality (CMAQ) Program, Low Carbon Transit Operations Program (LCTOP), and Urbanized Area Formula Program (5307). Although Municipal Operators qualify for grant funds, the eligible funds have been earmarked to other agency projects and cannot be used for capital costs of the TVM’s.

Since Municipal Operator cannot put grant funds towards TVM capital costs, Metro staff will draw eleven (11) TVM’s including spare parts and maintenance from the Board approved 54 TVM purchase, Contract Modification No. 140, under Contract No. OP02461010 of April 2016.

There are no additional financial impacts to the agency in FY17 as procurement of the TVM’s has been budgeted in FY17 through the Ticket Vending Machine Acquisition and Installation Project. Cost for the EZ transit pass screen flow modifications will be covered through project 207143, TVM

Software Upgrade. FY17 is allocated in Cost Center 3020 in Account 50316 Professional Services. The infrastructure and installation costs are needed in FY18 and the cost center manager is responsible for budgeting this through the annual budget cycle.

Cost Sharing Plan

Metro will fund the capital costs of the TVM’s, spare parts, installation, infrastructure work, and adding EZ transit passes to screen flows.

The Municipal Operators will fund the TVM annual operational costs including maintenance and revenue servicing. Detailed maintenance and revenue servicing costs are in Attachment B.

Table 2 identifies the party responsible for payment of specific cost elements.

**Table 2 - Cost Elements for TVM Expansion**

|                        | No. | Item/Description                                      | Party Responsible  |
|------------------------|-----|---|--------------------|
| One-time costs         | 1   | TVM, TVM installation, spare parts, network equipment | Metro              |
|                        | 2   | Infrastructure (canopy, CCTV camera, lighting, etc.)  | Metro              |
|                        | 3   | EZ transit pass software modifications                | Metro              |
| Annual operating costs | 4   | CCTV Monitoring                                       | Metro              |
|                        | 5   | Maintenance <sup>1</sup>                              | Municipal Operator |
|                        | 6   | Revenue servicing <sup>2</sup>                        | Municipal Operator |

<sup>1</sup> Cost increase of about 3.2% annually

<sup>2</sup> Cost increase of 2% annually

Impact to Budget

Funding for Metro’s costs is included in the FY17 adopted budget, so there will be no budget impact. The funding source for the equipment acquisition and software upgrade is Proposition C 40%. These funds are eligible for Metro bus and rail capital and operations.


**NEXT STEPS**

- › Perform site visits to assess site conditions of each of the locations to refine the costs and streamline the implementation schedule
- › Draft a Memorandum of Understanding (MOU) with each of the agencies requesting TVM’s
- › Staff is investigating several new technological advances that will provide a less expensive solution as customer access to TAP expands. These include mobility hubs, bike kiosks, parking meters and smart-pad point of sale devices

**ATTACHMENTS**

Attachment A - Board Motion Item #6, (2016-0387), TVM Expansion Program  
Attachment B - Annual TVM Maintenance and Revenue Servicing Cost Estimate

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