

STAFF REPORT

SUBJECT: Clean Air Express Memorandum of Understanding

MEETING DATE: April 15, 2010

AGENDA ITEM: 6H

STAFF CONTACT: Scott Spaulding

RECOMMENDATION:

Authorize the Chair to sign a Memorandum of Understanding with the City of Santa Maria to operate the Clean Air Express from July 3, 2010 through June 30, 2012.

SUMMARY:

Following the adoption of Measure A by Santa Barbara County voters in 2008, SBCAG staff began developing alternatives for providing inter-regional transit service beginning in July 2010. The Clean Air Express interagency working group, consisting of staff from Santa Maria, Lompoc, MTD, and SBCAG, has met regularly to discuss options for how to manage and operate commuter bus service currently serving North County commuters traveling to their jobs on the South Coast. The working group reached consensus that Santa Maria Area Transit (operated by the City of Santa Maria) is best positioned to most efficiently and effectively provide Clean Air Express at this time. An MOU has been developed specifying that the city of Santa Maria will provide this service for the next two fiscal years. The Santa Maria city council approved the Memorandum of Understanding on April 6, 2010.

DISCUSSION:

SBCAG currently funds three separate and individually managed inter-regional transit services through the Measure D program: the Clean Air Express, serving Lompoc and Santa Maria, the Valley Express, serving the Santa Ynez Valley, and the Coastal Express, serving Goleta, Santa Barbara, Carpinteria, Ventura, Oxnard, and western Ventura County. All three of these services are eligible for funding under the Measure A Inter-Regional Transit Program, which contains \$22.5 million in the North County Program and \$25.35 million in the South County Program. Measure A took effect on April 1, 2010 and sales tax revenues now being collected by the state Board of Equalization will be available for expenditure beginning in July 2010.

The Clean Air Express was created by the Air Pollution Control District in 1990 as an emissions reduction program, essentially consisting of large “buspools” for commuters. As the service developed and grew in popularity additional trips were added and in 2001 SBCAG assumed management of the program under the Traffic Solutions division, transforming the service into a conventional public commuter bus service. Using federal CMAQ and Measure D regional funds, new vehicles were purchased and the weekday service was expanded to serve Lompoc with six round trips and Santa Maria with five round trips. In response to the dramatic escalation of fuel prices in 2008 and increases in ridership, one additional “emergency” round trip was added through an agreement with MTD to operate a surplus Valley Express vehicle in Clean Air

Member Agencies

Buellton ■ Carpinteria ■ Goleta ■ Guadalupe ■ Lompoc ■ Santa Barbara ■ Santa Maria ■ Solvang ■ Santa Barbara County

Express service from Lompoc. In FY2009, the Clean Air Express carried 205,000 passengers, required \$250,000 in Measure D funds, and had a farebox ratio of 80% (passenger fares pay for 80% of system operating costs).

Measure A Inter-Regional Transit Service Program

Prior to the adoption of Measure A, the future of all three inter-regional commuter bus services were in doubt. Measure D is currently the sole funding source for these programs and without any alternative funding, all interregional services were planned for termination with the sunset of Measure D. Fortunately, Measure A was adopted and sufficient funding for regional transit is now secure through 2040. With funding assured, the primary task is now how to most effectively and efficiently provide commuter bus service to North County residents, and how the services should be governed.

Operations. Under both APCD and SBCAG management, the Clean Air Express has been operated by contracting with a private service provider. Various private companies have been selected as the Clean Air Express contractor after an RFP process, similar to the way SMAT and COLT manage and operate their local services. Clean Air Express vehicle maintenance has traditionally been performed at South County-based facilities during the day while the vehicles are not in service. Under the City of Santa Maria's operating plan, their current service provider will be maintaining Clean Air Express vehicles at a South County based facility as well as the Santa Maria Area Transit maintenance facility in Santa Maria.

Governance. An accountable and responsive structure for appropriate political oversight is crucial to the effective functioning of any transit program. All transit services are governed by boards, commissions, or other bodies comprised of public officials (or their designees) elected by the public—providing a direct link between the service and the accountable elected officials. The COLT and SMAT services, for example, are overseen by their respective city councils, while the MTD board, because it operates over multiple jurisdictions and is designated in state law as a special district, is appointed by the cities of Goleta, Santa Barbara, and Carpinteria, and the County of Santa Barbara.

As a regional agency, SBCAG has funded, operated, and been the policy board for the Clean Air Express since 2001. After SBCAG assumed management of the Clean Air Express, the North County Subregional Planning Committee acted as the steering committee for the service, making recommendations to the full SBCAG board for final approval. Elected officials from Lompoc, Santa Maria, Guadalupe, and the adjacent unincorporated areas (constituting the Clean Air Express commute shed) sit on both the North County Subregional Committee and the full SBCAG board. To ensure residents of Lompoc, Santa Maria, and nearby unincorporated areas continue to be effectively represented, this political oversight structure will continue for the first two years of the Clean Air Express service under the Measure A program.

Although the Traffic Solutions division has operated the Clean Air Express successfully since it assumed management from APCD in 2001, SBCAG has a higher cost structure than transit agencies such as Lompoc (COLT), Santa Maria (SMAT), and MTD. Following the adoption of Measure A, the Clean Air Express Working Group met regularly to develop a consensus regarding the most effective and efficient Clean Air Express operator. The three largest existing transit agencies in the county (COLT, SMAT, and MTD), were natural candidates to consider as potential operators.

Although several different operating alternatives were discussed by the Working Group, consensus was reached that based on a combination of cost, scale of operation, and geographic location, Santa Maria Area Transit (SMAT) is best positioned to assume responsibility for operating the Clean Air Express. Transferring management responsibility to

SMAT from SBCAG is also consistent with the recommendation in the North County Transit Plan adopted by the board in October 2006.

An MOU between SBCAG and the city of Santa Maria has been developed (attached) which specifies that the city will operate the Clean Air Express from July 3, 2010 through June 30, 2012. SBCAG will reimburse the city at a rate of \$104 per revenue vehicle hour less fare revenues. The SBCAG North County Subregional Planning Committee will continue to serve as the policy board for the Clean Air Express. Funding for the service will be provided from the Measure A North County Interregional Transit program. No city funds are required to operate the service. Before the end of the two-year MOU term, the service will be evaluated to determine if changes in the operation of the Clean Air Express should be implemented. The MOU provides options to renew for two one-year periods.

A Measure A Program of Projects that will include funding for the Clean Air Express will be brought to the board in June.

COMMITTEE REVIEW:

The Clean Air Express interagency working group has reviewed this issue at meetings throughout 2009 and reached consensus at their January 21 meeting. The North County Subregional Committee reviewed the working group's consensus finding at their February 3 meeting and unanimously approved in concept that SMAT assume management of the Clean Air Express beginning in July 2010. The City of Santa Maria adopted the Clean Air Express operating MOU at their April 6 meeting.

RECOMMENDATION:

Staff recommends that the board authorize the Chair to sign the MOU to have the city of Santa Maria operate the Clean Air Express for the two year period July 2, 2010 to June 30, 2012.

Attachments:

1. Clean Air Express Memorandum of Understanding with the City of Santa Maria

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
SANTA BARBARA COUNTY ASSOCIATION OF GOVERNMENTS
AND THE
CITY OF SANTA MARIA**

This Memorandum of Understanding (MOU) is entered into between the Santa Barbara County Association of Governments, hereinafter referred to as “SBCAG”, and the City of Santa Maria, hereinafter referred to as “AGENCY”, for the purpose of defining agency roles and responsibilities in conjunction with the operation of interregional commuter transit service in Santa Barbara County.

WHEREAS, the service to be provided is the “Clean Air Express” a weekday commuter transit service between the city of Lompoc and the South Coast; and between the city of Santa Maria and the South Coast and,

WHEREAS, SBCAG recognizes that AGENCY is empowered to provide public transportation service in Santa Barbara County, and SBCAG recognizes that AGENCY has the experience and expertise necessary to provide or cause to be provided interregional commuter transit service, which meet the objectives of SBCAG; and,

WHEREAS, the Measure A Transportation Investment Plan, adopted by Santa Barbara County voters in November 2008, includes specific funding for interregional commuter transit services;

NOW THEREFORE, this document reflects the intent of both parties to coordinate the continuation of the Clean Air Express commuter bus service, funded by Measure A, as described below.

1. Clean Air Express Service

A. Project Description

The Clean Air Express is an interregional commuter bus service currently providing seven weekday round trips from Lompoc to the South Coast and five weekday round trips from Santa Maria to the South Coast. Cash fares, 10-Ride, and monthly passes are accepted, and the service is open to the public, fully ADA accessible, and subject to all applicable local, state, and federal regulations.

B. AGENCY Responsibility

AGENCY shall be responsible for providing the Clean Air Express commuter bus service, either directly or through a contracted service provider. AGENCY responsibilities shall include, but not be limited to, reporting per-trip ridership information and other reports as requested by SBCAG, collecting and reporting farebox revenue, servicing pass sale outlets in Lompoc, Santa Maria, and Santa Barbara, maintaining an invoicing service for customers, hiring and training bus

operators and maintenance personnel, administrative support, and providing phone and email based customer service.

C. Policy Board

Acting on recommendations from the North County Subregional Committee, the SBCAG board shall be the policy board for the Clean Air Express. The policy board shall be responsible for approving fare increases in accordance with all applicable state and federal regulations, and service adjustments that result in a change of 15% or more in total daily revenue service hours.

D. Service Plan

The Clean Air Express service provided by AGENCY shall be based on the schedule in effect on July 6, 2010. To maintain compliance with the Public Fleet Rule, all service expansions or reductions must be approved in writing by SBCAG. In consultation with the City of Lompoc, AGENCY and SBCAG staff shall coordinate any service adjustments or revisions to meet demand and increase the efficiency and effectiveness of the service.

E. Hourly Rate

AGENCY shall invoice SBCAG on a calendar monthly basis for revenue hours provided as identified on the published Clean Air Express schedule at the rate of \$104.00 per revenue vehicle hour for FY 2010/11 and \$104.00 indexed to the national consumer price index (CPI) for FY 2011/12. A Revenue Vehicle Hour is defined as any sixty-minute period in which a CAE vehicle is used to transport paying passengers as defined on the published Clean Air Express schedule. Revenue Vehicle Hours exclude boarding time at the initial stop of all runs, deboarding time at the terminal stop of all runs, hours consumed while traveling to and from storage facilities, and all other deadhead travel. This hourly rate includes the following costs associated with operating the Clean Air Express: routine maintenance, vehicle insurance, operator/driver compensation, benefits and insurance (including workers' compensation insurance). This rate does not include the cost of fuel, pass printing, bus storage, and park and ride lot lease(s). SBCAG shall continue to manage the Clean Air Express website and will reimburse AGENCY for up to \$20,000 per fiscal year in direct advertising costs.

Clean Air Express buses may be fueled from any source, but if fuel is purchased through facilities owned and operated by the County of Santa Barbara, SBCAG shall pay the fuel cost directly. Fuel consumption shall be monitored closely and AGENCY shall have as a goal to consume less fuel in FY2010/11 than was consumed in FY 2009/10.

All fare revenue collected by AGENCY during a calendar month shall be deducted from the monthly invoice. AGENCY shall include with the monthly invoice a report that includes the number and type of passes sold each month, the number of cash fares, and the total amount of fares collected.

F. Vehicles

AGENCY will use SBCAG-owned and member agency-owned vehicles in Clean Air Express service as of June 30, 2010 and is responsible for providing or causing to provide all maintenance and repairs of all Clean Air Express vehicles. AGENCY is not financially responsible for full engine or transmission rebuild or replacement or for extraordinary or unplanned repair of major engine components on non-warranted vehicles.

G. Performance Goals

System performance and efficiency are crucial for a successful service and all routes and stops should be regularly evaluated for their effectiveness. AGENCY shall collect all data required to evaluate Clean Air Express performance and shall provide a written report to SBCAG two weeks prior to the April 2011 and April 2012 SBCAG board meetings. The information in the report shall include the performance of the service to date. The Clean Air Express performance goals identified below are recognized as high standards that shall be used to measure the effectiveness of the entire system rather than individual routes.

Performance Criteria	Goal
Average monthly passengers per trip	55% of seats
Measure A monthly subsidy per passenger trip	\$0.50
Farebox ratio	85%

2. Funding

Measure A North County Interregional Transit Program will fund the revenue vehicle hour rate, engine or transmission rebuild or replacement, repairs resulting from extraordinary or unplanned major engine component failure, and vehicle replacement and/or expansion. AGENCY is not responsible for using other public transit funds including, but not limited to, the following: State of California Transportation Development Act (both LTF and STA), State of California Proposition 1b, Federal Transit Administration (FTA) 5307, FTA 5340, and FTA 5336j.

3. Amendment

This MOU may be amended with the written consent of both parties.

4. Term

The term of this Memorandum of Understanding is from July 3, 2010 to June 30, 2012. Two one year extensions to this MOU are included if agreed to in writing by both parties. Exercising Option #1 will extend the termination date to June 29, 2013; exercising Option #2 will extend the termination date to July 4, 2014.

5. Termination

This Agreement may be terminated by either party upon written notification to the other 90 days prior to the proposed the date of termination.

6. Service Adjustments

Any changes, adjustments, increases, reductions or losses of service by reason of new or lost funding sources shall be on the basis of the hourly rate described in the appropriate section of this Agreement. In the event of increase in services that result in additional direct costs, Measure A shall fund differential costs.

7. Control

AGENCY contractor (including its employees) is an independent contractor. No employer/employee relationship exists between SBCAG, the AGENCY, and AGENCY contractor. AGENCY contractor’s assigned personnel shall not be entitled to any benefits payable to the employees of the AGENCY. The AGENCY is not required to make any deductions or withholdings from the compensation payable to the Contractor under this MOU. The AGENCY and SBCAG shall not interfere with AGENCY contractor’s ability to control their ability to perform the service described herein.

8. Notices

All notices, approvals, acceptances, demands and other communications required or permitted hereunder, to be effective shall be in writing and shall be delivered either in person or by mailing the same by United States mail (postage prepaid, registered or certified, return receipt requested) or by overnight delivery service to the party to whom the notice is directed at the address of such party as follows:

City of Santa Maria
Transit Manager
110 South Pine Street
Suite 101
Santa Maria, CA 93458-5082

The Santa Barbara County
Association of Governments
Attn: Executive Director
260 N. San Antonio Rd.
Santa Barbara, CA 93110

Any written communication given by mail shall be deemed delivered two (2) business days after such mailing date and any written communication given by overnight delivery service shall be deemed delivered one (1) business day after the dispatch date. Either party may change its address by giving the other party written notice of its new address as herein provided.

SBCAG and AGENCY, represented by the undersigned, do commit to this understanding.

SANTA BARBARA COUNTY ASSOCIATION OF GOVERNMENTS

Salud Carbajal
Chair

Date

CITY OF SANTA MARIA

Larry Lavagnino
Mayor

Date