

POTOMAC AND RAPPAHANNOCK
TRANSPORTATION COMMISSION

RESOLUTION

MOTION: _____

RESOLUTION NO. 10-06-____
OFFICIAL COMMISSION MEETING
JUNE 3, 2010

SECOND: _____

RE: PURSUIT OF FTA "STATE OF GOOD REPAIR BUS & BUS FACILITIES"
DISCRETIONARY GRANT

WHEREAS, the Potomac and Rappahannock Transportation Commission (PRTC) recently awarded a contract for the mid-life overhaul of 61 OmniRide buses to ABC Bus Industries, Inc. following the completion of a federally-compliant competitive procurement, with the overhaul to be done incrementally as funds become available; and

WHEREAS, funding already-in-hand is sufficient to overhaul 31 of the 61 buses; and

WHEREAS, PRTC's current plan for funding the remaining 30 buses envisions the use of multiple years' of federal fixed guideway (FFGM) modernization funds matched by state and local (Prince William County motor fuels tax) funds; and

WHEREAS, the use of FFGM funds for the "mid-life overhaul" campaign forecloses the use of FFGM funds for the purchase of replacement buses; and

WHEREAS, foreclosure of the use of FFGM funds as a funding source for replacement buses means some PRTC OmniRide buses could end up remaining in revenue service for significantly longer than their normal replacement cycle, a sensible tradeoff if funding limitations prevent the concurrent pursuit of the overhaul and timelier replacement bus purchases, because of the importance management assigns to the mid-life overhaul of its OmniRide buses; and

WHEREAS, the Federal Transit Administration (FTA) has more recently announced its intention to solicit grant applications for unallocated FY 2010 discretionary "bus and bus facility program" funds, focused on "state-of-good-repair" types of projects in keeping with the importance FTA attaches to these types of investments; and

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WHEREAS, PRTC's OmniRide mid-life bus overhaul" campaign appears to be well-aligned with what FTA is soliciting; and

WHEREAS, a successful pursuit of this discretionary funding would free up anticipated FFGM funds envisioned as the principal funding source for this "overhaul" campaign so these funds could be used instead for timelier replacement bus purchases.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby authorize the Executive Director to apply for FY 2010 discretionary "bus and bus facility program" funds and execute all required documents for the 30 buses that are slated for mid-life overhaul contingent on future year matched FFGM funds so the FFGM funds can be used instead for timelier replacement bus purchases.



Potomac and Rappahannock
Transportation Commission

14700 Potomac Mills Road
Woodbridge, VA 22192

June 3, 2010

TO: Chairman May and Commissioners

FROM: Alfred H. Harf 
Executive Director

RE: Pursuit of FTA "State of Good Repair Bus & Bus Facilities" Discretionary Grant

Recommendation:

Authorize the Executive Director to apply for a Federal Transit Administration (FTA) discretionary grant to partially fund PRTC's OmniRide bus mid-life overhaul program. The proposed grant application amounts to \$6.7 million, 80% of which would be the federal share. The matching funds would be a combination of state and Prince William County motor fuels tax funds, which are partially in-hand and partially envisioned in PRTC's FY 2011 budget and related five-year plan.

Background:

At its April 2010 meeting, the Commission authorized the award of a contract to ABC Bus Industries, Inc. for the staged mid-life overhaul of 61 OmniRide buses manufactured between the years 2002-2006. The contract was awarded to ABC Bus Industries, Inc. following the completion of federally-compliant competitive procurement. The overhaul is being staged because funding will be forthcoming incrementally and because PRTC's service demands limit the numbers of buses that can be undergoing overhaul to two at a time. The "overhaul" schedule envisions about 18 buses being overhauled each year, meaning that the overhaul campaign for these 61 buses will continue for over three years.

When the competitive procurement for this overhaul campaign began, management envisioned the campaign being funded by a combination of prior year federal and state funds awarded for this purpose by the Virginia Department of Rail and Public Transportation (VDRPT), supplemented by multiple years of Federal Fixed Guideway Modernization (FFGM) formula funds PRTC routinely receives (matched by state and Prince William County motor fuels tax funds). This is how funding for the "overhaul" campaign is depicted in the FY 2011 budget and accompanying five-year plan. This approach requires the use of 100% of the matched FFGM funding PRTC anticipates over the next several years, meaning that no FFGM funds would be available for "replacement bus" purchases during the several year duration of the

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overhaul campaign. Since FFGM funds have generally been used for “replacement bus” purchases (along with federal discretionary and CMAQ funds), the planned course of action for funding the “mid-life overhaul” campaign means that some PRTC OmniRide buses could end up remaining in revenue service for significantly longer than their normal replacement cycle. This is a sensible tradeoff in management’s judgment if funding limitations prevent the concurrent pursuit of the overhaul and timelier replacement bus purchases, reflecting the importance management assigns to the mid-life overhaul of its OmniRide buses.

In early May, the FTA announced its intention to solicit “state of good repair” project applications for discretionary funding. The source is \$775 million of unallocated FY 2010 discretionary “bus and bus facility program” funds, and unusually high amount that is a byproduct of Congressional skittishness about earmarking. This “unallocated funding” opportunity presented to the FTA coincides with recent FTA policy pronouncements about the importance of asset management and investments for “state of good repair” reasons, so it is no surprise that FTA has decided that “state of good repair” investments are the target for this discretionary funding solicitation. The FTA announcement is serendipitous for PRTC, coming as it does right after a contract for the overhaul of 61 buses has been awarded, because it represents an opportunity to seek discretionary funds for the “overhaul” campaign. If the Commission authorizes management to seek a discretionary grant as proposed and assuming PRTC’s funding pursuit is successful, FFGM funds currently envisioned as the funding source for the remainder of the overhauls can be used instead for the purchase of replacement buses on a timelier basis.

Funding already in-hand for the “overhaul” campaign is sufficient to overhaul 31 buses, leaving 30 of the 61 buses still-to-be-funded. Since the FTA notice does not stipulate an outside date for obligation or expenditure of the subject, discretionary funding, it is in PRTC’s interest to seek discretionary funding for all 30 buses. That amounts to \$6.7 million, which includes a 10% contingency allowance.

Fiscal Impact:

Not applicable.