

T&E COMMITTEE #3  
February 4, 2013

**MEMORANDUM**

January 31, 2013

TO: Transportation, Infrastructure, Energy & Environment Committee

FROM: Glenn Orlin, <sup>GO</sup> Deputy Council Staff Director

SUBJECT: Supplemental appropriation to the FY13 Capital Budget and amendment to the FY13-18 Capital Improvements Program, Ride On Bus Fleet, \$13,895,000 (Short-Term Financing)

Last July the County Executive pulled all 60 Champion buses from the Ride On fleet after the seventh fire since 2009 had been reported. Over the past couple of years the County had begun to replace the Champions due to reliability problems. It had acquired 15 2004-vintage mid-sized buses from the Port of Authority of Allegheny County (Pittsburgh) in 2011, 13 buses using ARRA funds, and last summer, 30 1997-vintage Orion buses from WMATA. With these buses and extending the life of existing Ride On buses in the fleet, the system was able to return to normal service levels two weeks after the Champions were pulled.

The Executive is now recommending this supplemental appropriation and CIP amendment largely to accelerate the replacement of these replacement buses with new buses. The Council previously had approved funds to acquire 28 of the replacements; they will be delivered this July and placed into service shortly afterwards. The existing PDF would not have budgeted the remaining 32 new buses until FY14, which means they would not be delivered until at least the summer of 2014. (The buses cannot be ordered until the funding is approved; usually the time between ordering a bus and its delivery, testing, and being put into service is 12 months.) The Executive is requesting funding authority now, so that the remaining 32 buses could be put into service by April 2014. The cost of each of these smaller buses is now about \$426,180, plus the delivery charge of about \$4,300 per bus. The cost per bus is increasing by more than 2% per year, so ordering the remaining 32 buses sooner would save nearly \$10,000 per bus.

The Executive's request includes two other elements. It includes a request for 3 buses in the FY14 budget that would add to the complement of buses used in revenue service, from 339 to 342. In the FY13 Operating Budget the Council approved the Executive's funding requests for three service expansions, all of which began in January:

- *Germantown Transit Center to Dawson Farm, Richter Farm, and the Soccerplex.* This is a new route connecting the Town Center to South Germantown via Father Hurley Boulevard Extended, terminating at the Soccerplex. It runs weekdays and weekends.
- *Extend Routes 38 and 47 to Parc Potomac.* Both routes now pass near Parc Potomac along Montrose and Seven Locks Roads; both are now diverted into Parc Potomac. The service is provided all day and on weekends.
- *Extend service to the new Kaiser-Permanente clinic on Watkins Mill Road.* A nearby route has been diverted to serve it.

Currently these service expansions can be provided because Ride On has dipped into its fleet of spares: older and less reliable vehicles which are only used sporadically to fill a temporary need. The Executive now requests 3 new buses so as not to dip into the spare fleet.

The Executive's requested CIP amendment also assumes a much higher price per bus over the six-year period than was assumed in the PDF approved last May. For example, in the existing PDF the cost per bus for each of the 29 buses to be bought in FY18 was about \$456,000; in the Executive's proposed PDF the cost per bus would be about \$536,000. The new estimates are based on current bus acquisition prices (Ride On usually searches for the best contracts around the country for Orion or Gillig models and "rides" that procurement) and an assumption that the price will increase by 2.2% annually.

The Executive's transmittal is on ©1, and the draft resolution and project description form are on ©2-4. DOT's bus replacement plan is on ©5. The Council has scheduled a public hearing and action on this request for February 12, 2013.

**Council staff recommendation: Approve the Executive's supplemental appropriation request, and adopt a revised CIP amendment that more accurately reflects the Executive's request. The Expenditure and Funding Schedules on ©4 would be unchanged. However the text should be revised to read as follows:**

**Description**

This project provides for the purchase of replacement buses and additional buses in the Ride On fleet in accordance with the Division of Transit Services' bus replacement plan and the Federal Transportation Administration's service guidelines.

**Estimated Schedule**

The revised FY13-18 plan accelerates from FY14 to FY13 the funding to replace older buses that were procured to replace 60 Champion buses that had fire safety problems. As a result, all these replacement buses will in turn be replaced in FYs13-14. The revised replacement plan is as follows: FY13: 11 CNG and 60 small diesel; FY14: 1 full-size CNG and 24 full-size diesel; FY15: 10 full-size CNG and 23 full-size diesel; FY16: 23 full-size CNG; FY17: 15 full-size CNG; FY18: 23 full-size CNG and 5 full-size hybrid.

**Cost Change**

Includes bus prices, acceleration of funding of small bus fleet replacement from FY14 to FY13, and funding for an additional 3 full-size diesels in FY14.

**Justification**

The full-size transit buses have an expected useful life of twelve years. Smaller buses have an expected life of ten years.

**Fiscal Note**

In FY13, a \$13.895 million supplemental appropriation was requested to expedite the replacement of 32 older buses—in addition to 28 already scheduled for replacement—that were procured to replace temporarily 60 Champion buses taken out of service in 2012. The buses will be financed over seven years with short-term financing. In FY14, 20 buses will be financed over seven years with short-term financing.

**Disclosures**

Expenditures will continue indefinitely.

The Executive asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

**Coordination**

Department of General Services



OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Isiah Leggett  
County Executive

MEMORANDUM

January 15, 2013

TO: Nancy Navarro, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: Amendment to the FY13-18 Capital Improvements Program and Supplemental Appropriation #18-S13-CMCG-10 to the FY13 Capital Budget  
Montgomery County Government  
Department of Transportation  
Ride On Bus Fleet (No. 500821), \$13,895,000

I am recommending a supplemental appropriation to the FY13 Capital Budget and an amendment to the FY13-18 Capital Improvements Program in the amount of \$13,895,000 for Ride On Bus Fleet (No. 500821). Appropriation for this project will fund the replacement of 32 Champion buses which have had fire safety problems.

This increase is needed to support an effective and efficient transportation network. The recommended amendment is consistent with the criteria for amending the CIP because the project is needed to address an urgent health or safety concern.

I recommend that the County Council approve this supplemental appropriation and amendment to the FY13-18 Capital Improvements Program in the amount of \$13,895,000 and specify the source of funds as Short-Term Financing.

I appreciate your prompt consideration of this action.

IL:brg

Attachment: Amendment to the FY13-18 Capital Improvements Program and Supplemental Appropriation #18-S13-CMCG-10

cc: Arthur Holmes, Director, Department of Transportation  
Jennifer Hughes, Director, Office of Management and Budget



Resolution: \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Adopted: \_\_\_\_\_

COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND

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By: Council President at the Request of the County Executive

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SUBJECT: Amendment to the FY13-18 Capital Improvements Program and  
Supplemental Appropriation #18-S13-CMCG-10 to the FY13 Capital Budget  
Montgomery County Government  
Department of Transportation  
Ride On Bus Fleet (No. 500821), \$13,895,000

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.
3. The County Executive recommends the following capital project appropriation increases:

Project Name	Project Number	Cost Element	Amount	Source of Funds
Ride On Bus Fleet	500821	Other	\$13,895,000	Short-Term Financing

Amendment to the FY13-18 Capital Improvements Program and Supplemental Appropriation #18-S13-CMCG-10

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4. This increase is needed to support an effective and efficient transportation network. The recommended amendment is consistent with the criteria for amending the CIP because the project is needed to address an urgent health or safety concern.
5. The County Executive recommends an amendment to the FY13-18 Capital Improvements Program and a supplemental appropriation in the amount of \$13,895,000 for Ride On Bus Fleet (No. 500821), and specifies that the source of funds will be Short-Term Financing.
6. Notice of public hearing was given and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves the following action:

The FY13-18 Capital Improvements Program of the Montgomery County Government is amended as reflected on the attached project description form and a supplemental appropriation is approved as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Ride On Bus Fleet	500821	Other	\$13,895,000	Short-Term Financing

This is a correct copy of Council action.

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Linda M. Lauer, Clerk of the Council

## Ride On Bus Fleet (P500821)

Category                    Transportation  
 Sub Category            Mass Transit  
 Administering Agency   Transportation (AAGE30)  
 Planning Area            Countywide

Date Last Modified            1/9/13  
 Required Adequate Public Facility    No  
 Relocation Impact            None  
 Status                            Ongoing

	Total	Thru FY12	Rem FY12	Total 6 Years	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	Beyond 6 Yrs
<b>EXPENDITURE SCHEDULE (\$000s)</b>											
Planning, Design and Supervision	0	0	0	0	0	0	0	0	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	143,913	39,893	10,420	93,600	31,114	11,433	15,732	11,792	7,858	15,671	0
<b>Total</b>	<b>143,913</b>	<b>39,893</b>	<b>10,420</b>	<b>93,600</b>	<b>31,114</b>	<b>11,433</b>	<b>15,732</b>	<b>11,792</b>	<b>7,858</b>	<b>15,671</b>	<b>0</b>

	Total	Thru FY12	Rem FY12	Total 6 Years	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	Beyond 6 Yrs
<b>FUNDING SCHEDULE (\$000s)</b>											
Bond Premium	956	956	0	0	0	0	0	0	0	0	0
Contributions	475	0	475	0	0	0	0	0	0	0	0
Fed Stimulus (State Allocation)	6,550	0	6,550	0	0	0	0	0	0	0	0
Federal Aid	24,965	9,304	2,995	12,666	4,666	1,600	1,600	1,600	1,600	1,600	0
Mass Transit Fund	45,764	2,211	0	43,553	220	280	13,732	9,792	5,858	13,671	0
Short-Term Financing	57,663	22,682	0	34,981	25,828	9,153	0	0	0	0	0
State Aid	7,540	4,740	400	2,400	400	400	400	400	400	400	0
<b>Total</b>	<b>143,913</b>	<b>39,893</b>	<b>10,420</b>	<b>93,600</b>	<b>31,114</b>	<b>11,433</b>	<b>15,732</b>	<b>11,792</b>	<b>7,858</b>	<b>15,671</b>	<b>0</b>

### APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 14	10,928
Supplemental Appropriation Request	<u>13,895</u>	<u>0</u>
Transfer		0
Cumulative Appropriation		68,037
Expenditure / Encumbrances		57,129
Unencumbered Balance		10,908

Date First Appropriation	FY 09
First Cost Estimate	
Current Scope	FY 14      143,913
Last FY's Cost Estimate	132,146
Partial Closeout Thru	0
New Partial Closeout	0
Total Partial Closeout	0

#### Description

This project provides for the purchase of replacement buses in the Ride On fleet in accordance with the Division of Transit Services' bus replacement plan and the Federal Transportation Administration's service guidelines.

#### Estimated Schedule

The revised FY13-18 plan accelerates from FY14 to FY13 the replacement of 32 Champion buses which have had fire safety problems. As a result, all 60 Champion buses will be replaced in FY13. The revised replacement plan is as follows: FY13: 11 CNG and 60 small diesel; FY14: 24 full-size diesel and 1 CNG; FY15: 33 full-size; FY16: 23 full-size; FY17: 15 full-size; and FY18: 29 full-size

#### Cost Change

Includes updated bus prices, acceleration of small bus fleet replacement from FY14 to FY13, and acceleration of Compressed Natural Gas (CNG) bus replacement from FY14 to FY13 and FY17 to FY16.

#### Justification

The full-size transit buses have an expected useful life of twelve years. Smaller buses have an expected useful life of ten years.

#### Fiscal Note

In FY13, a \$13.895 million supplemental was requested to expedite the replacement of 32 Champion buses in addition to the 28 buses already scheduled for replacement. The buses will be financed over seven years with short-term financing. In FY14, 20 buses will be financed over seven years with short-term financing.

#### Disclosures

Expenditures will continue indefinitely.

The Executive asserts that this project conforms to the requirements of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.

#### Coordination

Department of General Services

**FY13 and FY14 Changes to the FY13-18 Approved Bus Replacement Plan CIP**

Year	Manufacturer	Fuel	Length	Cameras	Lift	Estimated End of Useful Life	Fleet 01/01/13	FY10-12 budget	FY10-12 budget	Amended FY13	FY13	FY14	FY15	FY16	FY17	FY18
								Est Delivery by Jul-13	Est Delivery by Apr-14	Est Delivery by Jul-13	Est Delivery by Apr-14	Est Delivery by Jun-15	Est Delivery by Jan-16	Est Delivery by Jan-17	Est Delivery by Jan-18	Est Delivery by Jan-19
1999	Orion	Diesel	40	16	Yes	2011	12	-12								
2000	Orion	CNG	40	8	Yes	2012	19		-8		-11					
2001	Orion	Diesel	35	35	Yes	2014	44									
2003	Orion	CNG	35	Yes	Low-Entry	2016	33					-21	-23			
2005	New Flyer	CNG	40	Yes	Low-Entry	2017	15						-10	-23		
2006	Orion	CNG	35	Yes	Low-Entry	2018	24					-1				-23
2007	Champion	Gas	CA	Yes	Yes	2013	11				-11					
2006	Gillig	Hybrid	40	Yes	Low-Entry	2018	5									-5
2007	Champion	Diesel	CA	Yes	Low-Entry	2014	49			-28	-21					
2007	Gillig	Hybrid	40	Yes	Low-Entry	2019	9									
2008	Gillig	*Diesel	30	Yes	Low-Entry	2018	6									
2009	Gillig	*Diesel	30	Yes	Low-Entry	2019	25									
2008	Gillig	*Diesel	40	Yes	Low-Entry	2020	5									
2008	Gillig	*Diesel	40	Yes	Low-Entry	2020	16									
2009	Gillig	*Diesel	40	Yes	Low-Entry	2021	11									
2009	Gillig	Hybrid	40	Yes	Low-Entry	2021	35									
2011	Gillig	Hybrid	40	Yes	Low-Entry	2023	12									
2011	Gillig	*Diesel	40	Yes	Low-Entry	2023	1									
2012	Gillig	Hybrid	40	Yes	Low-Entry	2024	7									
2013	Gillig	*Diesel	40	Yes	Low-Entry	2025		12								
2013	Gillig	CNG	40	Yes	Low-Entry	2025										
2013	Gillig	*Diesel	30	Yes	Low-Entry	2023			28							
2014	Gillig	CNG	40	Yes	Low-Entry	2026			8		11					
2014	Gillig	*Diesel	30	Yes	Low-Entry	2024				32						
2015	Gillig	*Diesel	40	Yes	Low-Entry	2027					24					
2015	Gillig	CNG	40	Yes	Low-Entry	2027					1					
2016	UNKNOWN	CNG	40	Yes	Low-Entry	2028						10				
2016	UNKNOWN	*Diesel	40	Yes	Low-Entry	2028						23				
2017	UNKNOWN	CNG	40	Yes	Low-Entry	2029							23			
2018	UNKNOWN	CNG	40	Yes	Low-Entry	2030								15		
2019	UNKNOWN	CNG	40	Yes	Low-Entry	2031										23
2019	UNKNOWN	Hybrid	40	Yes	Low-Entry	2031										5
<b>Total Fleet</b>							<b>339</b>	<b>339</b>	<b>339</b>	<b>339</b>	<b>339</b>	<b>342</b>	<b>342</b>	<b>342</b>	<b>342</b>	<b>342</b>
<b>Note: 34 and 40 ft bus replacement 10-12 yrs 30 ft Transit bus is 10 years, 30 ft CA is 6 to 7 yrs</b>																

Amended 01/30/2013

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