

FY 2019 Grants for Buses and Bus Facilities

Applicant and Proposal Profile

Is this a resubmission due to an invalid/error message from FTA? Yes No

Section I. Applicant Information

Organization Legal Name:

FTA Recipient ID:

Organization Chief Executive Officer:
(Name and Direct Phone Number)

- Applicant Eligibility:
- Designated recipient
 - State
 - Local governmental entity that operates fixed route bus service
 - Tribe (Federally recognized Native American Tribe)

- Project Location:
- Small Urbanized Area
 - Large Urbanized Area
 - Rural

Description of services provided and areas served.

Texas has the largest rural area and rural area population of any state in the nation (2010 Census pop: 6,197,604 - half again as many as the next largest state, North Carolina). A network of 36 independently governed and operated rural public transportation systems cover over 95% of Texas' entire geographic land area providing 5 - 6 million passenger trips each year. The total fleet size for these rural systems is 1,745 vehicles, with light and medium duty cutaways accounting for almost 70% of the fleet. The average age of the state-wide rural fleet is approximately 6 years old. These vehicles provided over 30 million revenue miles of service in FY 2018. All 36 Rural Transit systems are included in this proposal.

The area served by the state-wide system is diverse geographically (including climate), demographically, economically, and, most significantly, in population density and population growth rates. This diversity creates significant challenges for asset maintenance and system performance. The State's eastern area is experiencing a rapid urbanization of rural areas due to robust economic and population growth. Rural areas in Texas adjacent to expanding urbanized areas continue to see increased demand for service. In contrast, the State's western area is lower in density with vast distances between towns and transit destinations. In expansive, low density areas of West Texas, the population is increasingly older, with lower income, and more physical challenges, making the network of basic mobility services offered all the more critical to sustaining quality of life. The state-wide average rural density is 24 persons per square mile, but western transit systems like Concho Valley Transit District and West Texas Opportunities, Inc. have low population densities of 3.7 and 4.5 persons per square mile, respectively. In contrast, eastern transit systems such as STAR Transit and The Transit System, both in proximity to the Dallas-Fort Worth region, exhibit higher population densities of 137 and 98 people per square mile, respectively.

Working collaboratively with stakeholders and other providers, including private intercity bus carriers such as Greyhound and All Aboard America, rural transit systems in Texas provide a coordinated, basic mobility network which allows rural area residents to use transit for a

variety of trip purposes including: health care (36%), shopping and personal business (24%), travel to work (23%), education and training (12%) and other purposes (5%). Increasingly, Rural Transit Districts are part of metropolitan area air quality and regional mobility solutions, providing longer distance commuter service connections to major destinations or connection points into the regional service provider. In West Texas several Rural Transit Districts partner with rural area employers to provide lower cost, reliable access to employment locations. Particularly in coastal regions of the state, rural transit systems are an integral part of local and regional emergency response plans in the event of natural disasters such as Hurricane Harvey in 2017. Additionally, many rural Transit Districts are under contract to provide Non-emergency Medicaid Medical Transportation services, particularly in areas of the state where private sector providers and/or transportation network companies are not available.

Finally, all 36 rural transit districts and 27 of Texas' 36 (75%) Congressional Districts are part of this proposal.

For a map of existing Texas public transportation systems, including Rural Transit Districts, please see Attachment 1 - MTAs, State Funded Urban and Rural Transit Districts

Section II. Project Information

About the Project

Project Title:

Project Executive Summary: (Short sentence explaining request)

The project replaces 256 rural program fleet projected to exceed useful life benchmarks by 2021, rehabilitates one existing maintenance facility, and advances 6 facilities to construction readiness.

Project Statement of Work: (Description of Project)

\$13,815,200 Section 5339 (b) funds combined with \$10,000,000 in FHWA funds flexed to Section 5311, \$768,800 of state funds and 4,148,000 Transportation Development Credits (TDCs) as match, to replace 256 transit vehicles; rehabilitate one maintenance facility; and move 6 facility projects to construction readiness status. Remaining sub-recipient balances following fleet delivery will be used for related equipment (spare parts, tires etc.) needs. Complete overall project within 24 months of grant execution in TrAMS.

Please see Attachment 2 - Rural Transit Asset Replacement Project
Please see Attachment 3 - Receiving Agencies and Vehicle Type Summary
Please see Attachment 4 - Transit Facility Development Project Status

- Project Type:
- Bus replacement
 - Bus rehabilitation
 - Bus expansion
 - Bus facility replacement
 - Bus facility rehabilitation
 - Bus facility expansion
 - Bus equipment
 - Other

If Other, specify:

For vehicle replacement/facility rehabilitation projects only:

VIN/Unique Identifier	Make/Model	Length	Year Put in Service	Current Vehicle Mileage
256 vehicles in the list, see Attachment 5 - Replacement Vehicle List				

Facility Description	Years Facility Used by Applicant	Facility Construction Date	Last Renovation Date
Maintenance Facility - Livingston	19	01/01/1978	01/01/2005

Project Budget						
Description	QTY	5339(b) Amount	5339(b) Match Amount	Other Federal	Other	Total Cost
Van	7	32,934.62		30,665.38		445,200
Light Duty Cutaway (Small)	33	39,247.08		36,542.91		2,501,069.67
Light Duty Cutaway (Regular)	99	47,206.29		43,953.71		9,024,840
Light Duty Cutaway (Regular)	22	47,206.29		43,953.72		2,005,520.22
SUV	8	18,114.04		16,865.96		279,840

Pickup	8	19,211.86		17,888.14		296,800
Shop Truck	2	41,717.18		38,842.82		161,120
Minivan (accessible)	24	34,032.44		31,687.56		1,577,280
Sedan	18	20,858.59		19,421.41		725,040
Full Size Van	5	18,662.95		17,377.06		180,200.05
Minivan	12	25,249.87		23,510.13		585,120
Medium Duty Bus	18	85,097.5		79,234.17		2,957,970.06
Seven Individual Facility Projects - See Attachment 6 - Texas Rural Facility Development Description	1	3,075,200	768,800			3,844,000
Total:		13,815,200	768,800	10,000,000	0	24,584,000

Project Scalability

Is Project scope scalable? Yes No

If Yes, specify minimum 5339(b) Funds necessary:

Provide explanation of scalability with specific references to the budget line items above.

The scaled project replaces 179 vehicles in the rural program fleet, to ensure a state of good repair (SGR) through 2020. The scaled project also constructs 1 maintenance facility and advances 3 facility projects to construction readiness.

TxDOT will continue to use the entire \$10,000,000 of 5311 flexed from FHWA STP and, provide state match and development credits as needed.

Matching Funds Information

Matching Funds Amount : (Must match Project Budget Amount) 768,800

Source of Matching Funds.

State Funds in an amount of \$768,800 and TDCs are provided as local match for this project. Transportation Development Credits (TDC - formerly known as toll credits) are a financial tool approved for use in this funding application by the Federal Transit Administration that allows states to match federal funds without the requirement of non-federal matching dollars. Credits are earned when the state finances a tolled capital investment project, which is eligible for federal funds, using non-federal funds instead. In conjunction with State Funds of \$768,800, TDCs in the amount of 4,148,000 will be used to match the 5339 (b) and FTA 5311 (flexed from FHWA STP) at a ratio of 20%. TDCs are not included in the previously requested project budget information because they do not contribute to the total project budget.

Please see Attachment 7 - Method of Finance

Supporting Documentation of Local Match.

The Texas Transportation Commission (Governor-appointed oversight board for the Texas Department of Transportation) has committed TDCs in the amount of 15,000,000 each fiscal year to match FTA funds for capital projects. The required amount of 4,148,000 will be dedicated to match the awarded funds. The 15,000,000 TDC is documented in the Unified Transportation Program (UTP - State 10 year planning document).

Please see Attachment 8 - Transportation Development Credits
 Please see Attachment 9 - Statewide Transportation Improvement Program with Flex Project

Project Timeline (Please be as specific as possible)

Timeline Item Description	Timeline Item Date
Enter into project grant agreements with sub-recipients following grant execution in TrAMS	3 months
Issue bid documents	7 months
Enter binding agreements with vendors	10 months
Acquire vehicles & construct facility/move to construction readiness	22 months
Project close-out	24 months

Congressional Districts (Place of Performance)

Congressional District

TX-001

TX-004

TX-005

TX-006

TX-008

TX-009

TX-010

TX-011

TX-012

TX-013

TX-014

TX-015

TX-016

TX-017

TX-019

TX-021

TX-022

TX-023

TX-024

TX-025

TX-026

TX-027

TX-028

TX-031

TX-034

TX-035

TX-036

Section III . Evaluation Criteria

*****Address each of the evaluation criteria as described in the Notice of Funding Opportunity.*****

Demonstration of Need

Asset Condition: This proposal identifies a one-time funding need to replace 256 transit vehicles documented as beyond their useful service life, that cannot reasonably be funded from FTA formula program allocations and State or local resources. Rural transit vehicle fleets in Texas are primarily comprised of buses and vans with an FTA-recommended minimum useful life of 4 to 10 years. The average age of the 256 vehicles to be replaced is approximately 9 years and all are at least 130 percent beyond recommended useful life miles. Facility condition is rated using TERM criteria and scoring for overall facility replacement/rehabilitation needs. See attachment 6 for individual facility descriptions of need.

Funding Shortfall: Texas has the largest rural area population in the country. It receives the smallest amount of Bus and Bus Facility Program funding per rural area population of any state in the nation. Current federal formula allocations for the Bus and Bus Facility (5339) Program distribute \$0.56 per capita to Texas and \$34.84 per capita to Rhode Island, with a national average of \$1.97 per rural area population. Texas relies on discretionary program applications to address this disparity and provide funding necessary to sustain rural program fleet and facilities in a state of good repair. Last year's award amount to Texas was only 40% of the requested need at the time further increasing program shortfall. Annual fleet replacement need: \$12 - \$20 million. Estimated facility need, including construction: \$21 million.

Population Growth and Demographics: Rural areas in Texas adjacent to growing urbanized areas continue to see increased demand for service. In expansive, low density areas of West Texas the population is increasingly older, lower income, and more likely to have physical challenges, making the network of basic mobility services offered all the more critical to sustaining quality of life. Texas is home to 1.6 million veterans and in 5 years is projected to have the largest veteran population of any state in the nation, many of whom choose to live in rural areas of the state.

Increased Maintenance Costs: Older fleet are 3 times more expensive to maintain than new fleet, reducing agency budget available for service hours. Older vehicles beyond useful service life are less reliable, operating fewer miles per year due to more time required for repairs. For those miles operated, the cost of maintenance per mile is higher, reflecting the reduced efficiency of the older fleet. Sustaining current service levels and service quality with a growing number of vehicles well beyond their useful life standard becomes problematic and ultimately cost prohibitive. Older facilities are inefficient and expensive to maintain for operations. Older facilities also consume more energy for heating and cooling purposes compared to newer replacements.

Environmental Quality: In addition to increasing maintenance costs, an older vehicle's initial fuel efficiency rating degrades, and the vehicle does not have design characteristics relating to fuel efficiency compared to a modern replacement vehicle. For the same reasons, emissions levels degrade over time. Generally, older vehicles provide a poorer quality of service due to ride quality, climate control, and interior condition. Vehicle fleets with vehicles beyond useful service life are higher polluting. Newer facilities incorporate state of the art technology and context sensitive design, reducing costs and mitigating impacts.

Demonstration of Benefits

System Condition - Maintain Overall Age: Sustain the current overall condition of the rural area transit system fleet through 2021 by replacing assets that have surpassed their minimum or intended useful life benchmarks. Rural transit vehicle fleets in Texas are primarily comprised of buses and vans with an FTA-recommended minimum useful life of 4 to 10 years. The average age of the 256 vehicles to be replaced is approximately 9 years and all are at least 130 percent beyond recommended minimum service miles (by Altoona category). Calculating across all vehicle types, if available today, the replacement fleet requested in this application reduces the current average age from 6 years to 4 years. The maintenance facility rehabilitation project in Livingston rehabilitates a 41 year old facility currently rated as poor on the TERM scale and brings the facility into a SGR through at least 2050. Rural transit districts included in this proposal have outgrown their existing operational capacity; thus advancing their projects to construction readiness is a step toward improving their overall SGR and future responsiveness to future demand. See attachment 6 for individual facility descriptions of need.

System Condition - Reduce Maintenance Costs: Fleets with vehicles beyond useful service life have higher operating and maintenance costs (Useful Life of Transit Buses and Vans, FTA). For those miles operated, the cost of maintenance per mile is higher, reflecting the reduced efficiency of the older fleet. The higher maintenance cost-per-mile is in line with Transit Cooperative Research Program Report 61 findings published in 2000 (TCRP Report 61 Analyzing the Costs of Operating Small Transit Vehicles). As a vehicle's age advances the number of miles of service operated each year declines and maintenance cost per mile increases. For example, transit vehicles 1-4 years in age will typically cost \$0.14 per mile in maintenance expenses, whereas transit vehicles 5-7 years or 8-10 years old cost \$0.38 or \$0.43 per mile, respectively, to maintain. Overall, this calculates to an estimated savings of \$1,998,300 per year in maintenance expenses for the 256 vehicles to be replaced or approximately \$8 million over four years.

New or rehabilitated facilities cost less to operate with savings available for more trips for the public and disadvantaged populations. New facilities reduce operating costs by allowing providers to bring previously outsourced functions such as preventative maintenance, in-house. Centralized facilities will also allow providers to coordinate internal operations more effectively. Finally, new facilities cost less to operate due to more efficient use of utilities.

System Condition - Improved Fuel Efficiency and Environmental Quality: Over time, bus engine emissions levels increase and are therefore higher polluting. 2019 vehicle emission levels are approximately 15% lower than the eight- to ten-year-old vehicles being replaced.

Service Reliability: Reduce the frequency of breakdowns or other service interruptions as caused by the age and condition of the Texas rural transit bus fleet. In 2018, rural systems experienced 2,582 revenue vehicle system failures, down 35 % from 3,982 in 2017, suggesting previous discretionary grant funding is contributing to higher service reliability. This funding request aims to continue this positive momentum.

Enhanced Access and Mobility: Improve access and mobility for the transit riding public through increased reliability. Older vehicles also are less able to provide the expected level of service (vehicle revenue miles) per year, typically declining from just over 50 thousand per year to about 35 thousand miles per year (TCRP Report 61). Modern and reliable fleet are identified as a core component needed to facilitate Health and Human Service coordination efforts, funded by TxDOT and occurring each of Texas' 24 Regional Planning Areas.

Planning and Local/Regional Prioritization

In 2016, 24 state-designated regional planning areas across the State of Texas updated their Regional Coordinated Public Transportation Plans for the 2017 - 2021 time frame. TxDOT has facilitated and funded this activity since 2005. Working closely and collaboratively with key stakeholders and public transportation providers, these regional agencies have coordinated public transportation-human services transportation planning, as promulgated by Executive Order 13330, required by Section 5310 - Enhanced Mobility for Seniors and Individuals with Disabilities, and Texas Transportation Code, Chapter 461. One key item highlighted in all of these plans is the need for reliable public transportation service, which is dependent upon transit vehicles and supporting facilities maintained in a state of good repair.

The 2019-2022 Texas Statewide Transportation Improvement Program (STIP) anticipates rural asset management replacement projects in 2020, and will be updated upon notification of award, at the next quarterly revision.

The facility projects included in this proposal are part of a larger, multi-year strategy to rehabilitate and replace aging Rural Program

facilities. Starting in 2015 with the receipt of USDOT TIGER program funding, TxDOT has proceeded to plan, design, and construct 9 facilities. This proposal brings that total to 10, and sets in motion key project development tasks leading up to the construction phase for 6 more. The Department anticipates future discretionary program applications for construction of these 6 projects following completion of remaining tasks funded with this project application. Ultimately, TxDOT anticipates completing construction of these projects with a combination of discretionary and receipt of annual program apportionments.

TxDOT has completed a group-sponsored Transit Asset Management (TAM) plan that is posted on our Internet site at <http://www.txdot.gov>. Fleet and facility replacement efforts detailed in this funding request are consistent with TAM performance targets established in the group-sponsored plan.

Please see Attachment 10 - Rural Transit Asset Replacement Program - Facility Development 2015-Present for a map of this multi-year effort.

Local Financial Commitment

The Texas Department of Transportation is committed to including Surface Transportation Block Grant Program (FHWA) funds flexed to FTA Section 5311, State funds and Transit Development Credits (TDCs) to be combined with the awarded 5339 (b) program funds for this funding request.

The department will use \$10 million in flexed FTA Section 5311 funds matched with 4,148,00 TDCs to procure the replacement transit vehicles.

The department will use State funds in amount of \$768,800 as match for 5339 (b) program funds awarded for facility projects.

Project Implementation Strategy

Can this project be obligated within 12 months? Yes No

TxDOT is the Designated Recipient for Rural Program funding in Texas and routinely administers sub-recipient grant agreements to procure fleet and rehabilitate or construct facilities. The Texas Transportation Commission approves all sub-recipient awards. TxDOT provides oversight of sub-recipient grant project activities to ensure compliance with project-specific expectations and all federal and state regulations.

Overall strategy on receipt of funding: Depending on award amount, confirm sub-recipient needs, secure Commission approval, and execute a grant in TrAMS. Following execution, enter into individual project grant agreements with sub-recipients to procure fleet and advance facility projects. Include specific milestones within individual grant agreements to ensure timely completion.

The vehicle replacement and facility development processes are ready for implementation as soon as funds are executed in TrAMS:

- TxDOT and rural transit districts have existing processes and practices to facilitate distribution of funds and procurement of vehicles (including the Buy America requirement and other FTA bus procurement requirements) and procure consultant services to support facility development tasks.
- A simplified National Environmental Policy Act (NEPA) process is required; the transit vehicle procurement and facility development effort are both anticipated to be programmatic Categorical Exclusions (CE) under 23 CFR 771.118 (c)(7).
- No legislative approvals are necessary. State funds are available in approved Department/Division Appropriations for FY 20 and FY21.
- Project partnership and implementation agreements are active.
- The Statewide Transportation Improvement Program (STIP) will be amended at the next quarterly update, pending notification of award.
- The Texas Transportation Commission has approved a sufficient quantity of Transportation Development Credits (TDCs) as match in the Unified Transportation Program (UTP).

All vehicle procurements and facility work will be monitored by TxDOT as part of the normal compliance program for FTA grants, as described in the Certifications and Assurances executed annually by TxDOT, and as described in the Texas State Management Plan for Sections 5311 and 5339. All rural transit districts have recent and continuing experience in procuring vehicles, there is a range of

experience among sub-recipients on facility development. The Department will provide technical assistance as necessary. TxDOT will be able to complete this project within 24 months of execution of a grant in TrAMS for these funds.

Technical, Legal, and Financial Capacity

The Texas Department of Transportation (TxDOT) has been the designated recipient for FTA funds for rural and small urbanized areas of Texas for over 30 years. TxDOT has much experience in administering federal grants for fleet procurement and facility development/construction. As an example of this, the Department anticipates closing out its 2015 USDOT TIGER project grant as planned, later this calendar year. This grant of \$20.8 million supported construction of 4 Rural program facilities and replacement of 325 fleet identified as beyond their useful life age and mileage benchmarks.

TxDOT has statutory authority to administer these funds and provide the required compliance oversight for all areas of federal and state statute and regulations, including Buy America, DBE, Title VI, and all other areas of procurement and capital asset management. In 2016, TxDOT had no procurement findings as a result of the State Management Review.

TxDOT has engaged professional consultant services to provide department subrecipients with focused project development support. The department is in the process of procuring this service, but anticipates having it in place to assist with the facility component of this application.

Section IV . Review And Selection Process - Additional Information

Departmental Objectives

If applicable, describe how this application addresses one or more departmental objectives addressed in the NOFO

(A) Economic Vitality

The proposal supports statewide rural area economic vitality. Texas' rural area population is the largest in the nation. Rural area services are provided by 36 Rural Transit Districts, covering 95% to the geographic land area of the state. All 36 districts are included in this application. Specifically:

1. 55% of transit trips in rural areas directly support economic vitality by providing access to jobs, education and healthcare.
2. Up to 73% of Texas' 628 Opportunity Zones are located in areas served by these transit districts
3. Operating and Capital expenditures generate a \$1.00 /\$1.76 of economic impact (2017 TTI Report).

(B) Innovative Financing

Extensive investment of non-federal funding in toll road facilities throughout Texas generates a large number of Transportation Development Credits. The Department allocates up to 15 million TDC's each year to support transit capital investments such as this project. 4,148,000 Development Credits are provided as match to the rural fleet replacement element of this project.

The project also includes sufficient state funding to match federal funds associated with the facility development and construction element of this project. \$768,800 of State funds is included.

(C) State of Good Repair

The department considers total life-cycle costs of its grant recipient's fleet and facility resources through strategic funding decisions promoting a state of good repair as described in TxDOT's Transit Asset Management (TAM) Plan.

- 1. TxDOT Standards: Fleet – Useful Life Benchmarks based on age (Industry ULB plus 2) and mileage (130% Industry ULB). Facilities – ULB based on TERM scale.
- 2. Rural Program Fleet Total: 1,745 vehicles, with an annual replacement need of 150-250 vehicles.
- 3. Rural Program Major Facilities Total: 100

Opportunity Zone: Yes No

If Yes, name of Opportunity Zone:

Describe how the proposed project will impact the Opportunity Zone: (Two sentences max)

